Court File No.: CV-25-00753677-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

(Court Seal)

ROBERT YOON and LIU YIZHENG

Plaintiffs

and

MDA SPACE LTD., MICHAEL GREENLEY, GUILLAUME LAVOIE, ALISON ALFERS, YAPRAK BALTACIOGLU, DARREN FARBER, BRENDAN PADDICK, JOHN RISLEY, JILL SMITH, KARL SMITH and YUNG WU

Defendants

STATEMENT OF CLAIM

Notice of Action issued on October 16, 2025

1. The Plaintiffs' claim is for:

(a) an order granting leave to proceed with statutory misrepresentation claims under Part XXIII.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5 ("***Securities Act***") and, if necessary, the Equivalent Provincial and Territorial Legislation;[1]

(b) an order certifying this action as a class proceeding pursuant to the *Class Proceedings Act, 1992,* S.O. 1992, c. 6 ("***Class Proceedings Act***") and appointing the Plaintiffs as the representative plaintiffs of the Misrepresentation Class and Insider Trading Class, as defined below;

(c) damages in the amount of $225,000,000 pursuant to section 138.5 of the *Securities Act* for the statutory misrepresentation claims and/or common law misrepresentation claims;[2]

(d) damages against Michael Greenley ("**Greenley**"), John Risley ("**Risley**"), and Brendan Paddick ("**Paddick**", and, together with Greenley and Risley, the "**Insider Trading Defendants**"), specifically, in the amount of $90,000,000 pursuant to section 138(5)(a) of the Ontario *Business Corporations Act,* R.S.O. 1990, c. B.16 ("***OBCA***"), section 134(1) of the *Securities Act,* and, if necessary, the Equivalent Provincial And Territorial Legislation, for insider trading;

(e) a declaration that the following core documents ("**Impugned Core Documents**") issued by MDA Space Ltd. ("**MDA**") contained misrepresentations under the *Securities Act*, as they contained untrue statements of material fact, and/or omitted to disclose one or more material facts required to be stated or that were necessary to make statements not misleading in the circumstances in which they were made:

(i) the August 7, 2025 Interim Management Discussion & Analysis; and

(ii) the August 7, 2025 Final Short Form Prospectus;

(f) a declaration that the following non-core documents ("**Impugned Non-Core Documents**," and, together with the Impugned Core Documents, the "**Impugned Documents**") contained misrepresentations under the *Securities Act* as they contained untrue statements of material fact, and/or omitted to disclose one or more material facts required to be stated or that were necessary to make statements not misleading in the circumstances in which they were made:

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[1] Collectively, the *Securities Act*, R.S.A. 2000, c. S-4, the *Securities Act*, R.S.B.C. 1996, c. 418, *The Securities Act*, C.C.S.M., c. S 50, the *Securities Act*, S.N.B. 2004, c. S-5.5, the *Securities Act*, R.S.N.L. 1990, c. S-13, the *Securities Act*, S.N.W.T. 2008, c. 10, the *Securities Act*, R.S.N.S. 1989, c. 418, the *Securities Act*, S. Nu 2008, c. 12, the *Securities Act*, R.S.P.E.I. 1988, c. S-3.1, the *Securities Act*, R.S.Q., c. V-1.1, *The Securities Act*, S.S. 1988-89, c. S-42.2, and the *Securities Act*, S.Y. 2007, c. 16, all as amended ("**Equivalent Provincial and Territorial Securities Legislation**").

[2] Unless stated otherwise, references to the *Securities Act* are inclusive of the Provincial and Territorial Securities Legislation.

(i) the August 1, 2025 News Release;

(ii) the August 7, 2025 News Release;

(iii) the August 7, 2025 CEO Certification of Interim Filings; and

(iv) the August 7, 2025 CFO Certification of Interim Filings;

(g) a declaration that the oral statements made by Greenley and Guillaume Lavoie ("**Lavoie**") during MDA's earnings call on August 7, 2025 (the "**Impugned Oral Statements**") contained misrepresentations under the *Securities Act* as they contained untrue statements of material fact, and/or omitted to disclose one or more material facts required to be stated or that were necessary to make statements not misleading in the circumstances in which they were made;

(h) a declaration that EchoStar Corporation's ("**EchoStar**") announcement of its sale of certain spectrum rights to AT&T on August 26, 2025, and corresponding pivot in its business strategy in relation to its spectrum rights, was a change in the business, operations, and/or capital of MDA that would reasonably be expected to have a significant effect on the market price of MDA securities requiring the publication of a news release and a material change report pursuant to section 75 of the *Securities Act*;

(i) a declaration that the Defendants knew, or deliberately avoided acquiring knowledge of, this change, or through action or failure to act are guilty of gross misconduct in connection with their failure to make timely disclosure;

(j) a declaration that the Defendants are liable in damages to the members of the Misrepresentation Class who purchased MDA shares on the secondary market pursuant to section 138.3 of the *Securities Act* between August 1, 2025 and September 8, 2025 (the "**Class Period**") for the omissions and misrepresentations particularized below;

(k) a declaration that MDA is vicariously liable for the acts and omissions of the Individual Defendants,[3] alleged herein;

(l) a declaration that MDA and the Individual Defendants are liable for misrepresentations made in the Impugned Documents and the Impugned Oral Statements pursuant to section 138.3 of the *Securities Act*;

(m) a declaration that Individual Defendants knew at the time that the Impugned Non-Core Documents were released and the Impugned Oral Statements were made that they contained misrepresentations, or they deliberately avoided acquiring knowledge of the misrepresentations, or through an action or failure to act were

[3] The Individual Defendants are all defendants other than MDA.

guilty of gross misconduct in connection with the release of the Impugned Non-Core Documents or making of the Impugned Oral Statements such that:

(i) the Individual Defendants are liable for misrepresentations made in the Impugned Oral Statements and in the Impugned Non-Core Documents pursuant to section 138.4 of the *Securities Act*;

(ii) pursuant to section 138.6 of the *Securities Act*, the Individual Defendants are jointly and severally liable for the whole amount of damages assessed in this action; and

(iii) there is no liability limit pursuant to section 138.7 of the *Securities Act* with respect to the claims against the Individual Defendants;

(n) a declaration that the Impugned Documents and the Impugned Oral Statements contain misrepresentations and omissions at common law;

(o) a declaration that the Defendants are liable for negligent misrepresentation with respect to the common law misrepresentations and omissions;

(p) a declaration that the Insider Trading Defendants engaged in insider trading contrary to section 138 of the *OBCA* and sections 76 and 134 of the *Securities Act*;

(q) a declaration that the Insider Trading Defendants are liable to and owe damages to members of the Insider Trading Class who purchased MDA shares from the Insider Trading Defendants during the Class Period (the "**Insider Trades**") and suffered a loss as a result of the transaction pursuant to section 138(5)(a) of the *OBCA* and/or section 134(1) of the *Securities Act*;

(r) a declaration that the Insider Trading Defendants are accountable to MDA for any direct benefit or advantage received or receivable by them as a result of the Insider Trades pursuant to section 138(5)(b) of the *OBCA* and section 134(4) of the *Securities Act*;

(s) a declaration that Insider Trading Defendants were unjustly enriched at the expense of the Insider Trading Class, and must account for, disgorge, and make full restitution for their enrichment;

(t) aggregate damages in an amount to be determined by the Court pursuant to sections 134 and 138.5 of the *Securities Act*, section 138 of the *OBCA*, and section 24(1) of the *Class Proceedings Act*;

(u) punitive damages against MDA and the Individual Defendants, in an amount not exceeding $25,000,000;

(v) if necessary, following the determination of the common issues, a direction pursuant to section 25(2) of the *Class Proceedings Act* directing a reference or

giving such other directions as may be necessary to determine issues not determined at the trial of the common issues;

(w) prejudgment interest and postjudgment interest pursuant to sections 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43;

(x) costs of this action on a substantial indemnity basis plus, pursuant to section 26(9) of the *Class Proceedings Act*, the costs of notice and of administering the plan of distribution of the recovery in this action, and all applicable taxes; and

(y) such further and other relief as counsel may advise and this Court may permit.

OVERVIEW

2. On August 1, 2025, MDA, a Canadian space technology company, announced a significant contract: it had been selected to design, manufacture, and test over 100 satellites by EchoStar, an American telecommunications behemoth, for $1.8 billion,[4] with potential options to extend to sell over 200 satellites in total for $3.5 billion (the "**Satellite Contract**"). Notably, MDA failed to make any mention of the significant risks that the Satellite Contract could be cancelled for convenience, despite the fact that MDA was aware of these risks. Immediately, MDA's share price rose over 18%, from $38.80 to $45.93. The price of MDA common shares remained artificially inflated to similar levels throughout the Class Period trading at $46.18 on August 6, 2025.

3. EchoStar held exclusive rights permitting it to use particular frequencies of spectrum for telecommunications purposes. The satellites MDA agreed to design, manufacture, and test would run on these spectrum frequencies. Any threat to EchoStar's spectrum licenses was thus a threat to MDA's billion-dollar Satellite Contract.

4. When MDA announced the Satellite Contract, it knew that EchoStar was engaged in a bitter regulatory battle with Federal Communications Committee ("**FCC**"), which directly

[4] Unless stated otherwise, all monetary amounts are in Canadian dollars.

threatened EchoStar's spectrum licenses and had deepened the company's financial crisis. EchoStar itself described the FCC's actions as having created a "dark cloud of uncertainty" over its spectrum rights, and the company was under immense regulatory and political pressure to sell these rights to a competitor. Without its spectrum rights, EchoStar would have no need for MDA's satellites and would terminate the Satellite Contract.

5. Despite this, MDA's disclosures about the Satellite Contract made no reference to the material risk that the Satellite Contract may be terminated. MDA failed to make any disclosure about the FCC's actions, the possibilities that EchoStar would lose its spectrum licenses or go bankrupt, and that in either scenario, EchoStar would terminate the Satellite Contract for convenience.

6. The only mention of the FCC proceedings was by the CEO of MDA, Greenley, who responded to a question from an equity analyst during the August 7, 2025 MDA earnings call. Specifically, when questioned about the FCC proceedings, Mr. Greenley downplayed any risk as "very, very small." Further emphasizing the finality of the Satellite Contract, in the same call, Lavoie, the CFO of MDA, confirmed that MDA "[would] be receiving and are receiving advances related to the initial award" and provided a timeline for contract execution, and cash flow ramp up, commencing in 2026 with anticipated completion by 2029.

7. MDA's, Greenley's, and Lavoie's statements about the Satellite Contract fail to make any meaningful disclosure of the significant risk that the Satellite Contract would be terminated. The Defendants knew, or with any degree of diligence ought to have known, that, by August 2025, EchoStar was in regulatory and financial jeopardy and there was a strong possibility that the FCC's

actions would lead to the loss of EchoStar's spectrum rights and the termination of the Satellite Contract.

8. Meanwhile, throughout August 2025, Greenley and MDA directors Risley and Paddick sold over $85 million worth of MDA shares, while the share price was at record highs following the announcement of the Satellite Contract.

9. On September 8, 2025, in order to resolve the FCC's inquiries, EchoStar publicly announced that it had agreed to sell its spectrum licenses to a competitor, and it subsequently terminated the Satellite Contract for convenience. MDA's share price immediately declined by approximately 25%, from $44.01 to $32.99, and it continued to decline over the following days to $30.80, causing MDA shareholders millions of dollars of losses.

10. MDA insiders like Greenley, Risley, and Paddick, however, made tens of millions.

THE PARTIES

The Plaintiffs

11. Robert Yoon is a retail investor resident in Maple Ridge, British Columbia. On August 5, 2025, after the Satellite Contract was announced but before it was cancelled, Mr. Yoon purchased four shares of MDA common stock on the TSX at an average price of $47.21 per share, for a total of $188.84. On September 12, 2025, after the announcement that the Satellite Contract was cancelled, Mr. Yoon sold his MDA shares at a price of $30.92 per share, incurring a loss of $65.16.

12. Liu Yizheng is a retail investor resident in Hampstead, Quebec. On August 5, 2025, Mr. Yizheng purchased one share of MDA common stock at a price of $46.19, and on August 8, 2025, he purchased one share of MDA common stock at a price of $42.44, for a total cost of $88.63. On

September 12, 2025, Mr. Yizheng sold his MDA shares at a price of $31.21 per share, incurring a loss of $26.21.

13. When they purchased their MDA shares, neither Mr. Yoon nor Mr. Yizheng were aware of the strong possibility that the Satellite Contract would be terminated for convenience.

14. Mr. Yoon and Mr. Yizheng seek the certification of this action as a class proceeding on behalf of the following classes:

> All persons, other than Excluded Persons,[5] who acquired MDA securities during the Class Period and continued to hold some or all of those securities until September 8, 2025 (the "**Misrepresentation Class**").
>
> All persons, other than Excluded Persons, who acquired MDA securities during the Class Period that were owned or deemed to be beneficially owned by the Insider Trading Defendants, or any body corporate directly or indirectly controlled by one or more of the Insider Trading Defendants (the "**Insider Trading Class**").[6]

The Defendants

15. MDA is a Canadian space technology company incorporated under the *OBCA*, with its head office at 7500 Financial Drive, Brampton, Ontario. It is a reporting issuer whose shares are listed on the Toronto Stock Exchange ("**TSX**") trading under the ticker symbol MDA.

16. MDA has three business areas: Satellite Systems, Robotics & Space Operations, and Geointelligence. The MDA Satellite Systems business is focused on supplying satellite systems and sub-systems for communication networks in Low Earth Orbit ("**LEO**"), Medium Earth Orbit, and Geosynchronous Equatorial Orbit. These satellites support a variety of end uses including

[5] Collectively, the Defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of an Individual Defendant ("**Excluded Persons**").
[6] Unless stated otherwise, references to the "Class" or "Class Members" are inclusive of both the Misrepresentation Class and the Insider Trading Class.

space-based broadband internet, Direct-to-Device ("**D2D**") satellite communication, and internet of things connectivity across a range of frequency spectrum.

17. Greenley is a director and the CEO of MDA. He held this position throughout the Class Period.

18. Lavoie (together with Greenley, the "**Defendant Officers**") is the CFO of MDA. He held this position throughout the Class Period.

19. Alison Alfers, Yaprak Baltacioglu, Darren Farber, Greenley, Paddick, Risley, Jill Smith, Karl Smith, and Yung Wu are directors of MDA and were so throughout the Class Period (collectively, the "**Defendant Directors**"). Paddick was the chair of the board of directors throughout the Class Period.

20. Throughout the Class Period, each of the Individual Defendants knew, or ought to have known, that there was a material and significant risk that EchoStar would terminate the Satellite Contract as a result of the FCC's inquiries. Despite this, each of these individuals approved of the disclosure of misrepresentations and omissions in each of the Impugned Documents, and Greenley and Lavoie made misrepresentations and omissions in the Impugned Oral Statements.

MDA's DISCLOSURE OBLIGATIONS

21. Throughout the Class Period, MDA was a reporting issuer in all Canadian provinces and territories. As a reporting issuer, MDA was subject to continuous disclosure obligations prescribed by the *Securities Act*, and regulations promulgated thereunder. These obligations included both the timely disclosure obligation under section 75 of the *Securities Act* to report on material changes as

soon as practicable and in any event within ten days of a change occurring, and periodic disclosure obligations under sections 77 and 78 of the *Securities Act*.

22. To maintain its status as a reporting issuer and listing on the TSX, MDA was required to comply with its continuous disclosure obligations under the *Securities Act*. Included among those obligations are the requirements set out in NI 51-102 – *Continuous Disclosure Obligations*, as adopted by regulation under the *Securities Act* pursuant to OSC Rule 51-801. NI 51-102 is the primary source of a reporting issuer's continuous disclosure obligations. As a reporting issuer listed on the TSX, MDA was also required to comply with the obligations contained in the *TSX Company Manual* ("**TSX Company Manual**").

23. MDA is required to file annual and interim comparative financial statements, including accurate statements of financial position, comprehensive income, changes in equity, and cash flows. Alongside these financial statements, MDA is also required to file annual and interim Management's Discussion & Analysis ("**MD&A**"). The MD&A and financial statements must be approved by the board of directors.

24. As part of the MD&A, MDA is required by NI 51-102 to discuss (as much as possible in plain language) material information that is not fully reflected in financial statements. This discussion must also include important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future. These include industry and economic factors affecting the performance of MDA, and known trends, demands, commitments, events or uncertainties reasonably likely to effect MDA's business. MDA is required to provide disclosure of the operations of its business including commitments, events,

risks or uncertainties that may reasonably be believed to affect its future performance including total revenue and profit or loss from continuing operations.

25. As a result, MDA was required to provide truthful and accurate disclosure related to its business, operations, and financial condition. This included discussion in its interim MD&As related to its commitments, events, risks or uncertainties that MDA reasonably believed would materially affect its future performance, including total revenue and profit or loss from continuing operations.

26. Throughout the Class Period, MDA and its officers and directors were also prohibited from making misrepresentations as set out in section 126.2 of the *Securities Act*.

27. In maintaining its status as a reporting issuer with shares trading on the TSX, MDA undertook to remain in compliance with the requirements of the TSX Company Manual. This included the requirement to release documents that contain all material information and were free of misrepresentations pursuant to its various reporting obligations, as set out in s. 407 of the TSX Company Manual:

> The Timely Disclosure Policy of the Exchange is designed to supplement the provisions of the OSA, which requires disclosure of any "material change" as defined therein. A report must be tiled with the OSC concerning any "material change" as soon as practicable and in any event within ten days of the date on which the change occurs. The Exchange considers that "material information" is a broader term than "material change" since it encompasses material facts that may not entail a "material change" as defined in the Act.

28. Section 408 of the TSX Company Manual requires the “forthwith disclosure” of all material information upon becoming known to management, or forthwith upon determining that previously known information is now material:

> A listed issuer is required to disclose material information concerning its business and affairs forthwith upon the information becoming known to management, or in the case of information previously known, forthwith upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk of persons with access to the information acting upon undisclosed information. Unusual trading marked by significant changes in the price or trading volumes of any of an issuer's securities prior to the announcement of material information is embarrassing to issuer management and damaging to the reputation of the securities market, since the investing public may assume that certain persons benefited from access to material information which was not generally disclosed.

29. The TSX Company Manual requires disclosure of external developments that "have a direct effect on [the issuer's] business and affairs that is both material […] and uncharacteristic of the effect generally experienced as a result of such development by other companies" in the same industry:

> Issuers are not required to interpret the impact of external political, economic and social developments on their affairs, but **if the external development will have or has had a direct effect on their business and affairs that is both material in the sense outlined above and uncharacteristic of the effect generally experienced as a result of such development by other companies engaged in the same business or industry**, issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most issuers in a particular industry does not require an announcement, but if it affects only one or a few issuers in a material way, an announcement should be made. [Emphasis added]

30. Section 410 of the TSX Manual confirms that material information about previously disclosed transactions should be disclosed promptly and that updates ought to be provided at least every 30 days, unless otherwise indicated:

> Other actual or proposed developments that are likely to give rise to material information and thus to require prompt disclosure include, but are not limited to, those listed below. Of course, any development must be material according to the definition of material information before disclosure is required.
>
> Many developments must be disclosed at the proposal stage, or before an event actually occurs, if the proposal gives rise to material information at that stage.

> Announcements of an intention to proceed with a transaction or activity should be made when a decision has been made to proceed with it by the board of directors of the issuer, or by senior management with the expectation of concurrence from the board of directors. Subsequently, updates should be announced at least every 30 days, unless the original announcement indicates that an update will be disclosed on another indicated date. In addition, prompt disclosure is required of any material change to the proposed transaction, or to the previously disclosed information.
>
> Examples of developments likely to require prompt disclosure as referred to above include the following:
>
> […]
>
> (j) Entering into or loss of significant contracts.
>
> (k) Firm evidence of significant increases or decreases in near-term earnings prospects.
>
> […]
>
> (q) Any other developments relating to the business and affairs of the issuer that would reasonably be expected to significantly affect the market price or value of any of the issuer 's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

31. Material information, whether positive or negative, must be disclosed in a balanced manner as confirmed by TSX Company Manual s. 418 which provides, in part, that:

> Announcements of material information should be factual and balanced, neither overemphasizing favourable news nor under-emphasizing unfavourable news. Unfavourable news must be disclosed just as promptly and completely as favourable news.

32. MDA, to adhere to the TSX Company Manual and to maintain its listing on the TSX, was required to take steps to prevent insider trading based on material non-public information and to restrict trading by employees who may have access to such information as set out in ss. 423.4 and 423.8 of the TSX Company Manual:

> 423.4 Every listed issuer should have a firm rule prohibiting those who have access to confidential information from making use of such information in trading in the

> issuer's securities before the information has been fully disclosed to the public and a reasonable period of time for dissemination of the information has passed.
>
> 423.8 The Disclosure Rules require that employees with access to material information be prohibited from trading until the information has been fully disclosed and a reasonable period of time has passed for the information to be disseminated. This period may vary, depending on how closely the issuer is followed by analysts and institutional investors.
>
> This prohibition applies not only to trading in issuer securities, but also to trading in other securities whose value might be affected by changes in the price of the issuer's securities. For example, trading in listed options or securities of other companies that can be exchanged for the issuer's securities is also prohibited.
>
> In addition, if employees become aware of undisclosed material information about another public issuer such as a subsidiary, they may not trade in the securities of that other issuer.

INDIVIDUAL DEFENDANTS' DISCLOSURE OBLIGATIONS

33. The Individual Defendants were subject to a number of disclosure obligations throughout the Class Period. First, by operation of section 126.2(1) of the *Securities Act*, they were prohibited from making statements that they knew, or reasonably ought to have known:

(a) were, in a material respect and at the time and in light of the circumstances under which they were made, misleading or untrue or which did not state a fact that is required to be stated or that is necessary to make the statement not misleading; and

(b) would reasonably be expected to have a significant effect on the market price or value of a security.

34. The Defendant Officers were responsible for ensuring the accuracy and completeness of MDA's continuous disclosure documents. They failed to do so and instead authorized, permitted, or acquiesced in the disclosure of the Impugned Documents containing misrepresentations.

35. The Defendant Directors were required to ensure that MDA made complete and accurate disclosure in its annual and quarterly filings. They failed to do so and instead authorized, permitted, or acquiesced in the disclosure of the Impugned Documents containing misrepresentations.

36. The Insider Trading Defendants, as insiders of MDA, are in a special relationship with MDA. Because of this, they are obligated under both the TSX Company Manual and section 76 of the *Securities Act* not to trade MDA securities with "knowledge of a material fact or material change with respect to the issuer that has not been generally disclosed."

BACKGROUND

The FCC Proceedings and Their Potentially Wide-Ranging Impacts on EchoStar

37. The FCC regulates the commercial use of spectrum in the United States, including the use of the spectrum rights owned by EchoStar that motivated them to enter into the Satellite Contract. 'Spectrum' refers to the range of radio frequencies that wireless signals travel over. Specific ranges of spectrum frequencies (or spectrum 'bands') are used for different purposes, including radio broadcasting, mobile communications, and satellite services.

38. The FCC designates what spectrum bands can be used for what purposes, and it has the authority to license the right to use specific bands to specific commercial entities. The FCC has broad statutory powers, which include the ability to revoke spectrum licenses or modify them in the promotion of the 'public interest'. This public interest standard grants the FCC a significant degree of discretion in fulfilling its mandate.

39. EchoStar is an American telecommunications company, which held exclusive spectrum licenses in the AWS-4 / 2GHz band ("**2GHz Band**"), among others. Under the Satellite Contract, had it not been terminated for convenience, MDA was supposed to have provided equipment to EchoStar, which equipment would operate on EchoStar's 2GHz Band spectrum.

40. EchoStar's spectrum rights in the 2GHz Band were highly valuable (in part because they were exclusive), coveted by competitors, and critical to the company's business strategy of becoming the fourth major cellular carrier in the United States. EchoStar had spent over USD $30 billion procuring its spectrum licenses.

41. In early 2025, EchoStar was under pressure from competitors – including Space Exploration Technologies Corp. ("**SpaceX**") – who sought to gain access to the 2GHz Band and alleged that EchoStar was woefully underutilizing its spectrum. SpaceX began lobbying the FCC to challenge certain of EchoStar's exclusive spectrum rights. SpaceX wrote to the FCC on March 20, April 14, and May 6, 2025, and:

(a) called into question certain of EchoStar's spectrum rights;

(b) accused EchoStar of failing to meet its spectrum license and build-out requirements, or "warehous[ing] the AWS-4 / 2 GHz band at the expense of the American people"; and

(c) lobbied the FCC to open the 2GHz Band to EchoStar's competitors and "ensure that the 2GHz MSS [mobile satellite service] band is put to efficient and intensive use for the American people."

42. On May 9, 2025, the Chair of the FCC, Chairman Brendan Carr ("**Chairman Carr**"), notified EchoStar via letter that he had directed FCC staff to take various actions related to EchoStar's spectrum rights, including:

(a) reviewing EchoStar's compliance with its spectrum licenses and build-out requirements; and

(b) initiating various proceedings before the FCC to investigate the scope and scale of EchoStar's utilization of its 2GHz Band spectrum rights and its compliance with buildout milestones (the "**FCC Review**").

43. Chairman Carr accused EchoStar of having a "history" of failing to meet its regulatory milestones and "negotat[ing] behind closed doors during the previous Administration" to evade its obligations. Chairman Carr and the FCC communicated that they were taking action against EchoStar to ensure the "robust and efficient use of the nation's spectrum resources". Specifically, writing that:

> As I am sure you understand, the deployment of broadband service throughout the country, and the robust and efficient use of the nation's spectrum resources, is of paramount importance to the FCC.

44. As a result of the FCC's actions, by May 2025, EchoStar was on notice that its spectrum rights were at risk. EchoStar was subject to multiple active proceedings before the FCC, in which EchoStar's competitors specifically alleged that EchoStar was failing to make adequate use of its 2GHz Band spectrum rights. By May 2025, it was evident that the FCC generally and Chairman Carr specifically were contemplating taking action against EchoStar, including potential actions which directly threatened EchoStar's spectrum licenses. Chairman Carr's correspondence and the actions of the FCC were matters of public record discussed at length in market commentary.

45. As part of these regulatory actions, on May 12, 2025, the Space Bureau commenced a proceeding, SB-Docket No. 25-173, against EchoStar. The Space Bureau described the purpose of the proceeding to be assisting "the Commission with building a record on the nature of the use of the 2 GHz band" and comment on "steps the Commission might take to make more intensive use of the 2 GHz band, including not limited to allowing new MSS entrants in the band." As part of this investigation, the FCC would be determining "whether EchoStar is utilizing the 2 GHz band for MSS consistent with the terms of its authorizations and the Commission's rules and policies governing the expectation of robust MSS". This was widely interpreted in the marketplace as

posing a threat to the continued exclusivity EchoStar enjoyed in the 2GHz Band and a prelude to lengthy litigation.

Mounting Regulatory and Financial Pressure on EchoStar to Sell Its Spectrum Rights Before Entering Into the Satellite Contract

46. The FCC proceedings were a potentially existential threat to EchoStar. At the time of these proceedings, EchoStar reported carrying total debt of over USD $25,000,000,000.

47. As a publicly traded company listed on the NASDAQ, EchoStar must submit information to the Securities Exchange Commission on a regular basis. This includes both mandated periodic reports, such as quarterly filings, and in certain circumstances filings describing unscheduled material events. A Form 8-K "Report of unscheduled material events or corporate event" ("**Form 8-K**") is an example of an unscheduled filing. EchoStar was, at the relevant time, required to file a Form 8-K promptly whenever particular significant, material corporate events occurred such as: bankruptcy or receivership court filings, material impairments, receipt of a notice of delisting or failure to satisfy continued listing rules or standards, or dismissal of their auditor.

48. Given the significance of the FCC Review, four days after receipt of the letter notifying EchoStar of the FCC Review, EchoStar published a Form 8-K. This Form 8-K dated May 13, 2025 includes a statement from the Chairman of the EchoStar board of directors, Charles W. Ergen, disclosing the FCC Review and corresponding proceedings related to its spectrum rights, and concludes by stating that EchoStar could not predict "with any degree of certainty" the outcome of the FCC Review.

49. By casting doubt on EchoStar's spectrum rights, the FCC Review had impaired EchoStar's ability to make business decisions, raise capital, and service the significant amount of debt that it carried. This thrust EchoStar into a state of profound financial and operational uncertainty, necessitating a series of risk disclosures, including several Form 8-K filings.

50. EchoStar was in a vulnerable financial position. In its quarterly report dated May 9, 2025, the company disclosed that it had USD $25,330,000,000 in debt and had incurred $202,670,000 million in losses during the first quarter of 2025 alone. EchoStar would be incapable of servicing upcoming debt maturities without securing additional financing.

51. In Form-8Ks published on May 28 and May 30, 2025, EchoStar disclosed to the market that the FCC's actions:

(a) "[by] interrupting EchoStar's ongoing deployment would threaten [EchoStar's] viability as a wireless provider and endanger the video and satellite services upon which millions of consumers rely";

(b) "introduce[d] the possibility of reversing prior grants of authority to EchoStar and have materially adversely affected EchoStar by creating uncertainty over its spectrum rights and effectively freezing its ability to make decisions regarding its 5G network buildout"; and

(c) by creating "uncertainty" over EchoStar's spectrum rights, had "effectively frozen [EchoStar's] ability to make decisions regarding [its] Boost business, including continued network buildout and adversely impacts [EchoStar's] ability to adjust [its] overall business plan and requires us to re-evaluate the deployment of our resources."

52. EchoStar also disclosed in its Form 8-K on May 30, 2025, that it elected not to make an approximately USD $326,000,000 cash interest payment with respect to its 10.75% senior spectrum secured notes, which was due on May 30, 2025. EchoStar elected to default on its interest payment "to allow time for the FCC to provide the relief requested in [EchoStar's] Response" to

the FCC proceedings, which it had submitted to the FCC on May 27, 2025. This relief included, among other things, that the FCC "reaffirm EchoStar's exclusive rights as the incumbent AWS-4 and MSS licensee in the [2GHz Band]." Failure to make these payments could be considered an event of default leading to chapter 11 bankruptcy filings.

53. EchoStar, as its financial distress continued, withheld a number of other debt payments that came due in June and July of 2025. On June 2, 2025, EchoStar withheld an additional USD $183,000,000 in interest payments with respect to several other debt instruments. On June 26, 2025 EchoStar announced that it would make the May 30 and June 2, 2025 payments on June 27, 2025.

54. However, in the same announcement, EchoStar confirmed that it would withhold other interest payments in an aggregate amount of over USD $114,000,000 coming due on other debt notes. This was necessary because "reaching an acceptable resolution of the FCC inquiries [was] not assured". These inquiries and any changes to EchoStar's spectrum rights "would threaten the viability of EchoStar's current operations and future plans."

55. On June 6, 2025, *The Wall Street Journal* reported that EchoStar was "considering chapter 11 bankruptcy filings […] to shield its cache of wireless spectrum licenses from the threat of revocation by federal regulators."

56. A week later, EchoStar itself stated in a public filing on June 13, 2025, that the FCC's actions had created a "dark cloud of uncertainty over EchoStar's spectrum rights."

57. By no later than July 2025, market and industry insiders understood that the actions of Chairman Carr and the FCC posed a significant risk to EchoStar and could result in EchoStar being forced to sell its spectrum rights and back out of the wireless network market, or being unable to

remain as a going concern. On July 30, 2025, *Bloomberg* reported that the FCC was specifically pressuring EchoStar to sell its spectrum licenses in the 2GHz Band.

58. EchoStar's quarterly report dated August 1, 2025, posted additional losses of USD $306,000,000. The report also addressed the FCC's actions, the uncertainty around the company's spectrum licenses, and the "substantial doubt" that EchoStar would remain as a going concern:

> ***In response to the uncertainty created by the FCC inquiries, we may take one or more significant actions in order to protect our interests in our Wireless Licenses and other assets, which actions could negatively impact your investment.***
>
> **In order to protect our interest in our Wireless Licenses and other assets we may take one or more actions that may negatively impact the value of your investment in our securities, including, under certain circumstances, filing for relief under Chapter 11 of the United States Bankruptcy Code**, if we determine that such an action is in the best interests of the Company and our stakeholders. **Such a decision could be driven by a range of strategic considerations, including, but not limited to, the uncertainty created by the FCC inquiries** and effective deployment of capital.
>
> […]
>
> ***The FCC's review of our compliance with network build-out requirements could lead to the loss or impairment of certain of our existing spectrum licenses.***
>
> As previously disclosed, on May 9, 2025, the FCC informed us that it had begun a review of our compliance with certain of our federal obligations to provide 5G service in the United States and raising certain questions regarding our September 2024 build-out extension and mobile-satellite service utilization in the 2 GHz band. **While we are currently working to address the concerns raised by the FCC in a way that is acceptable to us, there can be no assurance that such a resolution will be reached**.
>
> **The FCC review has introduced the possibility of reversing prior FCC grants of authority to us. This uncertainty over our spectrum rights has effectively frozen our ability to make decisions regarding our 5G network build-out, has materially adversely impacted our ability to implement and adjust our overall business plan and has required us to re-evaluate the deployment of our resources**. In light of the continued uncertainty related to the FCC inquiries, **we elected not to make interest payments on a certain portion of our long-term senior notes on their respective scheduled due dates**. We subsequently made

such payments, including interest on the defaulted interest, within the applicable 30-day grace periods to make such interest payments.

If we fail to reach an acceptable resolution with the FCC, one or more of our wireless spectrum licenses could be cancelled or modified and/or our build-out requirements could be accelerated, any of which would have a material adverse effect on our business, results of operations and financial condition. During the pendency of the FCC review, our ability to make decisions with respect to our 5G network build-out and implement our business plans will continue to be materially adversely impacted, the attention of our management will continue to be diverted to this matter, and we will continue to evaluate the deployment of our resources and consider all strategic options.

[…]

We currently do not have the necessary cash on hand, projected future cash flows or committed financing to fund our obligations over the next twelve months, which raises substantial doubt about our ability to continue as a going concern.

As of the date of this report, we currently do not have the necessary cash on hand, projected future cash flows or committed financing to fund our anticipated working capital needs, capital expenditures, interest payments and other contractual obligations over the next twelve months. These conditions raise substantial doubt about our ability to continue as a going concern and, as a result, a 'going concern' disclosure appears in the Notes to our Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Among other things, our business and financial condition is negatively impacted by upcoming debt maturities and interest payments which may further constrain available liquidity. In addition, our cash flow from operations is negative and may continue and/or accelerate. If we are unable to improve our operating performance, raise additional capital, negotiate with debt holders or otherwise secure adequate sources of liquidity, we may be unable to achieve our business objectives and may be forced to delay, curtail or forego strategic initiatives.

The presence of a going concern uncertainty may also adversely impact the price of our securities, harm our current, future and potential relationships with suppliers, vendors, customers, employees and creditors, and may limit our ability to access additional financing on acceptable terms or at all. There can be no assurance that management's plans to mitigate these risks will be successful on a timely basis or at all. If we are unable to secure adequate liquidity on an acceptable timeline or at all, we may not be able to continue as a going concern, which could result in a total loss of your investment. In addition, as our cash and cash equivalents balance declines, the risks described above may continue, increase or accelerate at any time

> and with or without notice. We cannot guarantee the timing or outcome of any resolution and any resolution we may negotiate may materially adversely impact our business, financial condition and/or operations.
>
> (pp. 107-109; bolded emphasis added, but bold with italics is original)

59. Between May and August 2025, as a result of the FCC's actions described above, immense pressure had mounted on EchoStar to sell its spectrum rights in order to (1) resolve the FCC's inquires and (2) generate capital to service billions of dollars of the company's outstanding debts and remain as a going concern.

Announcement of the Satellite Contract

60. MDA was, or ought to have been, aware of EchoStar's significant regulatory risk and financial distress described above. These issues were subject to significant market commentary and were well understood in the industry. And against this backdrop, on August 1, 2025, MDA announced its Satellite Contract with EchoStar:

> The initial contract, valued at approximately US$1.3 billion (approx. C$1.8 billion), includes the design, manufacturing and testing of over 100 software-defined MDA AURORA™ D2D satellites. With contract options, enabling a full initial configuration of a network of over 200 satellites, the value of the contract would increase to an approximate total value of US$2.5 billion (approx. C$3.5 billion). EchoStar envisions future growth to thousands of satellites, as demand requires, to provide global talk, text and broadband services directly to standard 5G handheld devices.
>
> […]
>
> "Our satellite expertise combined with our U.S.-based terrestrial 5G Open RAN network uniquely positions EchoStar to execute on this new large-scale wide-band LEO constellation," said Hamid Akhavan, president & CEO of EchoStar. "The market-leading technical innovation provided by MDA Space along with our global S-band/2GHz spectrum rights with the highest ITU priority, and our strong services delivery capabilities will enable us to serve the consumer, enterprise, public safety and government sectors in the U.S., Europe and beyond."

61. This announcement received widespread attention from analysts and media outlets, including through a *Globe and Mail* article on August 1, 2025.

62. Immediately following MDA's announcement of the Satellite Contract, MDA's share price increased 18%, from $38.80 to $45.93, and continued to rise to $46.18 by August 6, 2025.

63. The satellites MDA agreed to design, manufacture, and test pursuant to the Satellite Contract would, among other things, run on EchoStar's 2GHz Band spectrum frequencies, which EchoStar held exclusive rights to. Any threat to EchoStar's spectrum licenses was thus a threat to MDA's billion-dollar Satellite Contract.

64. The FCC Review and other proceedings against EchoStar posed a direct risk to the Satellite Contract. In the event that EchoStar could no longer remain a going concern, or lost its exclusive rights to the 2GHz Band, there was a material risk that the company would terminate the Satellite Contract. This was true whether the loss or impairment of EchoStar's spectrum rights was directly due to regulatory actions, such as a forced sale of spectrum rights or loss of exclusivity, or indirectly, such as a voluntary sale to avoid further regulatory action or generate capital to service EchoStar's outstanding debts.

MISREPRESENTATIONS

65. By no later than August 1, 2025, the Defendants were aware, or ought to have been aware, of the significant risk that EchoStar would terminate the Satellite Contract. This was a material fact that a reasonable investor would consider important in making an investment decision. This material fact would be reasonably expected to have a significant effect on the market price of MDA securities.

66. Despite this, MDA's public disclosures throughout the Class Period boasted about the billion-dollar Satellite Contract without any disclosure of the risk that EchoStar would terminate the contract. MDA made no disclosure of the significant risk that EchoStar could sell or lose its exclusive spectrum rights in the 2GHz Band, or that EchoStar may enter bankruptcy proceedings that could otherwise impact the spectrum rights and lead EchoStar to cancel the Satellite Contract long before MDA could realize any revenues.

67. The Impugned Documents omit material facts that were required to be disclosed and make untrue statements of material fact, or omit material facts necessary to make certain statements not misleading in the circumstances in which they were made.

The Impugned Documents

68. The Impugned Documents contain two categories of misrepresentations: counterparty risk omissions and management belief & expectation misrepresentations.

Counterparty risk omissions

69. MDA knew, or ought to have known, that there was significant counterparty risk in the Satellite Contract. EchoStar may have terminated or otherwise not fulfilled the Satellite Contract for a number of reasons including: regulatory actions forcing the sale of its spectrum rights, regulatory actions resulting in a loss of spectrum exclusivity, voluntary sale of the spectrum rights to resolve regulatory issues, or an inability to meet its financial obligations resulting in bankruptcy proceedings. These risks, and other related risks, were material facts necessary to be disclosed. In the alternative, they were material facts necessary to be disclosed in order for other facts related to the Satellite Contract that had been disclosed to be not misleading.

70. Despite this, the MDA press release dated August 1, 2025 announcing the Satellite Contract makes no mention of any of the above material risks. Specifically, the press release contains the following statements:

> **MDA SPACE SELECTED BY ECHOSTAR FOR WORLD'S FIRST OPEN RAN D2D LEO CONSTELLATION**
>
> **August 1, 2025 (BRAMPTON, ON)**—EchoStar Corporation (NASDAQ: SATS), a global communications and connectivity provider, has selected MDA Space Ltd. (TSX: MDA), a trusted mission partner to the rapidly expanding global space industry, as the prime contractor for EchoStar's new non-terrestrial network (NTN) low Earth orbit (LEO) direct-to-device (D2D) satellite constellation. With this contract, MDA Space is on track to begin volume manufacturing of the world's first 3GPP 5G compliant non-terrestrial network using LEO satellites.
>
> The initial contract, valued at approximately US$1.3 billion (approx. C$1.8 billion), includes the design, manufacturing and testing of over 100 software-defined MDA AURORA™ D2D satellites. With contract options, enabling a full initial configuration of a network of over 200 satellites, the value of the contract would increase to an approximate total value of US$2.5 billion (approx. C$3.5 billion). EchoStar envisions future growth to thousands of satellites, as demand requires, to provide global talk, text and broadband services directly to standard 5G handheld devices.
>
> The constellation will be fully compliant with the newly created NTN and 3GPP standards, allowing EchoStar to provide messaging, voice, broadband data, and video services upon launch to all phones configured to this standard, without modifications. Additionally, the constellation will connect to an array of sensor and mobile vehicles.
>
> "Our satellite expertise combined with our U.S.-based terrestrial 5G Open RAN network uniquely positions EchoStar to execute on this new large-scale wide-band LEO constellation," said Hamid Akhavan, president & CEO of EchoStar. "The market-leading technical innovation provided by MDA Space along with our global S-band/2GHz spectrum rights with the highest ITU priority, and our strong services delivery capabilities will enable us to serve the consumer, enterprise, public safety and government sectors in the U.S., Europe and beyond."
>
> With this contract, EchoStar becomes the anchor customer for the 3GPP 5G NTN compliant MDA AURORA™ direct-to-device satellite product, further solidifying MDA Space's leadership in the non-terrestrial network (NTN) market. Standards-based compliance ensures interoperability between the satellite network and existing terrestrial cellular network, enabling seamless handover and data routing

between the two. These standards allow all mobile cellular devices and IoT devices to connect directly to satellites operating in LEO, extending connectivity to remote or underserved areas.

"EchoStar's selection of our new MDA AURORA™ D2D software-defined satellite to meet its demanding technical and business requirements is a testament to the confidence satellite operators have in our deep expertise, our differentiated MDA AURORA™ product line, and our expanding production capacity," said Mike Greenley, CEO of MDA Space. "This contract also demonstrates our continued market momentum as we strategically position MDA Space to be the prime contractor of choice for satellite operators offering direct-to-device and broadband connectivity."

A standard D2D product available to global NTN operators worldwide, MDA AURORATM D2D is ideally suited to meet the needs of customers like EchoStar, who require innovative and high-performance solutions to stay ahead in the market. Our solution provides better connectivity and a higher quality of service for users, enabling them to stay connected anywhere, anytime.

[…]

The EchoStar LEO constellation satellites will be designed, assembled, integrated and tested at the state-of-the-art MDA Space high-volume satellite manufacturing facility in Montreal, which is currently undergoing a 185,000-square-foot expansion.

Delivery of satellites is planned for 2028 with commercial service starting in 2029. The initial EchoStar contract of approximately US$1.3 billion (approximately C$1.8 billion) for the first tranche of satellites will be added to MDA's backlog in the third quarter of fiscal 2025 and represents the fourth LEO constellation contract awarded to MDA Space in just over three years.

71. Similarly, MDA's August 7, 2025 MD&A, contains the following statements relating to the Satellite Contract:

Through our participation in multiple major satellite constellations to date […] we have solidified our position as a trusted mission partner for space communications. Notable constellation awards include our selection as the prime contractor for […] EchoStar Corporation's (EchoStar) direct-to-device (D2D) LEO constellation (more than 100 satellites).

[…]

Key Program – EchoStar Direct-to-Device LEO Constellation: In 2025, MDA Space announced that it had been selected by EchoStar to be the prime contractor for EchoStar's new non-terrestrial network (NTN) LEO direct-to-device satellite constellation. The initial contract, valued at approximately US$1.3 billion (approximately $1.8 billion), includes the design, manufacturing and testing of over 100 software-defined MDA AURORA D2D satellites. With contract options, enabling a full final configuration of a network of over 200 satellites, the value of the contract would increase to an approximate total value of US$2.5 billion (approximately $3.5 billion). The constellation will be fully compliant with the newly created NTD and 3GPP standards, allowing EchoStar to provide messaging, voice, broadband data, and video services upon launch to all phones configured to this standard, without modifications. With this contract, MDA Space is on track to begin volume manufacturing of the world's first 3GPP 5G compliant non-terrestrial network using LEO satellites at its state-of-the-art MDA Space high-volume manufacturing facility in Montreal.

[…]

QUARTERLY HIGHLIGHTS

[…]

- Subsequent to quarter-end, notable activities include the following:

    - MDA Space announced in August that is have [sic] been selected by EchoStar as the prime contractor for EchoStar's new non-terrestrial network (NTN) LEO direct-to-device satellite constellation. The initial contract, valued at approximately $US1.3 billion (approximately $1.8 billion), includes the design, manufacturing and testing of over 100 software-defined MDA AURORA D2D satellites. With contract options enabling a full initial configuration of a network of over 200 satellites, the value of the contract would increase to an approximate total value of US$2.5 billion (approximately $3.5 billion). The constellation will be fully complaint with the newly created NTN and 3GPP standards, allowing EchoStar to provide messaging, voice, broadband data, and video services upon launch to all phones configured to this standard, without modifications. With this contract, MDA Space is on track to begin volume manufacturing of the world's first 3GPP 5G complaint non-terrestrial network using LEO satellites at its state-of-the-art MDA Space high-volume satellite manufacturing facility in Montreal. Delivery of satellites is planned for 2028 with commercial service starting in 2029.

      (August 7, 2025 MD&A at pp. 8-9, 12-13; emphasis original)

72. MDA's August 7, 2025 Final Short Form Prospectus stated:

RECENT DEVELOPMENTS

[…]

> On August 1, 2025, we announced that EchoStar, a global communications and connectivity provider, has selected MDA Space as the prime contractor for EchoStar's new non-terrestrial network (NRN) low Earth orbit (LEO) direct-to-device ("**D2D**") satellite constellation. The initial contract, valued at approximately US$1.3 billion (approx. C$1.8 billion), includes the design, manufacturing and testing of over 100 software-defined MDA AURORA™ D2D satellites.
>
> (August 7, 2025 Final Short Form Prospectus at pp. 1-2, 5-6)

Management belief & expectation misrepresentations

73. The Impugned Documents contain misrepresentations about the belief and expectations of the company and management related to the Satellite Contract.

74. Each of the Impugned Documents includes cautionary language on forward-looking information that purport to confirm the belief of the company and management's belief in the reasonableness of certain assumptions and analyses. Statements about the beliefs of management or the company are statements of present fact as at the date of the relevant document.

75. Each of these cautionary statements confirms that MDA made statements about the Satellite Contract that "reflect[ed] the Company's current expectations" and were "based on certain assumptions and analyses" including "management's experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate". Each of these statements was a misrepresentation of present fact, as set out below.

76. Specifically, the August 1, 2025 press release contains the following cautionary statement:

> **FORWARD-LOOKING STATEMENTS** ***This press release contains forward-looking information*** within the meaning of applicable securities legislation, ***which reflects the Company's current expectations regarding future events, including EchoStar's option to purchase additional satellites***. 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 available on SEDAR+ at 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.

(italicized and bolded emphasis added)

77. The August 7, 2025 MD&A stated:

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

[…]

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 subject to risks and uncertainties.

[…]

Although [MDA] 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. Whether actual results, performants 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. For additional information with respect to certain of these risks or factors, reference should be made to those described in this MD&A and to the 2024 Audited Financial Statements, together with those described and listed under the heading "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2024 (AIF) available on SEDAR+ at www.sedarplus.ca which are incorporated by reference into this MD&A.

(August 7, 2025 MD&A at p. 3; emphasis added)

78. Similarly, MDA's August 7, 2025 Final Short Form Prospectus stated:

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

[…]

> ***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.
>
> […]
>
> ***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.

(August 7, 2025 Short Form Prospectus at pp. ii-iii; emphasis added).

79. Both the August 7, 2025 MD& and Final Short Form Prospectus incorporate by reference the "Risk Factors" section of MDA's Annual Information Form dated March 7, 2025 (for the year ended December 31, 2024), which includes similar statements.[7]

Falsity of the Misrepresentations in the Impugned Documents

80. The above statements, and equivalent statements in other Impugned Documents,[8] omit material facts necessary to be stated, omit material facts necessary to be stated to make the statements not misleading in light of the circumstances in which they were made, and contain untrue statements of material facts. Specifically:

(a) omitting that EchoStar was the subject of multiple ongoing proceedings before the FCC, which directly threatened EchoStar's spectrum licenses and need for the satellites MDA was contracted to sell to EchoStar;

[7] The March 7, 2025 AIF at p. 47.
[8] The August 1, 2025 News Release at pp. 1-2; and the August 7, 2025 News Release at p. 1.

(b) omitting that EchoStar was in significant financial distress and repeatedly delayed making payments on debt instruments that, if missed, could result in bankruptcy proceedings;

(c) omitting that EchoStar could terminate the Satellite Contract for convenience;

(d) omitting that as a result of the above, there was a significant risk that EchoStar would lose its spectrum licenses and terminate the Satellite Contract for convenience, erasing potentially billions of dollars of MDA's back log and future revenue; and

(e) despite the statements to the contrary in the cautionary language relating to forward-looking information, the Defendants did not believe that "the assumptions underlying [the] statements [were] reasonable" with respect to the Satellite Contract.

81. As certifying officers of MDA, pursuant to NI 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, Greenley and Lavoie also executed interim certifications certifying that MDA's disclosures "did not contain any untrue statement of fact or omit to state any material fact required to be stated or that is not necessary to make a statement not misleading in light of the circumstances under which it was made."[9]

82. The Defendant Officers authorized, permitted, or acquiesced in the disclosure of each of the Impugned Documents.

The Impugned Oral Statements

83. Not only did MDA not disclose the various risks to the Satellite Contract in its public filings, but the CEO of MDA, Greenley, made oral misrepresentations downplaying that risk. Specifically, in response to an analyst's question about the FCC's inquiries during an August 7, 2025 earnings call, Greenley stated:

[9] The August 7, 2025 CEO Certification of Interim Filings at p. 1; the August 7, 2025 CFO Certification of Interim Filings at p. 1.

> Certainly, EchoStar is working through issues with the FCC, and they've been doing that for a while and continue to do so. We get somewhat regular updates on that activity. […] We're comfortable that **[the FCC's inquiries] are not going to get in the way of contract execution** since we're all now moving out in the contract. There's always some ***very, very small*** **chance that something could go wrong**. That can always happen in any of the areas of our business. **But right now, it's feeling comfortable that they'll get that solved and worked through.** [emphasis added]

84. This statement is a misrepresentation because, at the time, there was a strong possibility that the FCC proceedings would cause EchoStar to terminate the Satellite Contract, whether due to the loss of EchoStar's spectrum licenses or otherwise.

85. Throughout the August 7, 2025 earnings call, Greenley and Lavoie made a number of untrue statements of material fact or omitted facts necessary to make certain statements not misleading in the circumstances in which they were made.

86. Specifically, Greenley stated:

(a) "With the addition of the recently announced EchoStar contract award, our backlog rose to over $6 billion";

(b) "The initial $1.8 billion [of the Satellite Contract] will see us design, manufacture and test over 100 MDA AURORA direct-to-device satellites with contract options that, if exercised, will increase the network size to over 200 satellites and approximately $3.5 billion in contract value";

(c) "With [the Satellite Contract], EchoStar becomes the anchor customer for the 3GPP standards, 5Gs standards-based compliant, MDA AURORA direct-to-device satellite product, further solidifying MDA Space's leadership in the nonterrestrial network market";

(d) "[The Satellite Contract] is [MDA's] fourth LEO constellation contract award in just over 3 years, cementing our market leadership position and accelerating our strategy as we shift to high-volume standards-based satellite product manufacturing";

(e) "In this EchoStar announcement, we talked about that we've got this first $1.8 billion to get going with these first 100-plus MDA AURORA satellites and then with options to add more than 100 more to bring the full order up to $3.6 billion and to deliver over 200 satellites to them. So as these optional pieces and expansion orders come in, there'll be all kinds of activities that happen as we go through the next 2 or 3 years. […] I think we'll build up to solid production rates for sure in 2027 and 2028";

(f) "it's feeling comfortable" that the FCC's inquiries would not "get in the way" of the Satellite Contract, and there was only a "very, very small chance" that they would.

87. Similarly, Lavoie stated:

(a) "Note that the Q2 backlog does not include the recently award $1.8 billion EchoStar contract. This contract will be added to our backlog[10] in Q3 of 2025. On a pro forma basis, including the EchoStar award, this expands our backlog to over $6 billion, representing a very robust level of backlog"; and

(b) "And then we expect the [Satellite Contract] to ramp, obviously, in 2026, and with the bulk of execution being done […] in 2027 and 2028, and we expect to complete the contract in 2029. In terms of cash, yes, we will be receiving and are receiving advances related to the initial award. So that's obviously helping us to obviously deliver our free cash flow guidance. […] the ramp up will really start in 2026."

88. The Impugned Oral Statements contain misrepresentations for the same reasons described in paragraph 80.

Material Change: the AT&T Deal

89. On August 26, 2025, EchoStar announced that it had entered into an agreement with AT&T to sell EchoStar's 3.45GHz and 600MHz spectrum licenses for $23 billion USD (the "**AT&T Deal**"), as part of EchoStar's "ongoing efforts to resolve the [FFC's] inquiries."

[10] Notably, the August 7, 2025 MD&A defines backlog as "[MDA's] remaining performance obligations which represents thee transaction price of firm orders less inception to date revenue recognized and excludes unexercised contract options and indefinite delivery or indefinite quantity contracts" (p. 15).

90. EchoStar's announcement of the AT&T Deal confirmed that efforts to resolve the FCC's inquiries were "ongoing," and EchoStar was actively seeking to sell the remainder of its spectrum rights. The announcement quoted the CEO of EchoStar as stating: "We continue to evaluate strategic opportunities for our remaining spectrum portfolio in partnership with the U.S. government and wireless industry participants."

91. The AT&T Deal signalled a dramatic change in EchoStar's business strategy as a result of the FCC's actions. Following the announcement of the AT&T Deal, market and industry insiders understood that, in order to appease the FCC, EchoStar would no longer compete in the wireless network market and would likely sell most if not all of its remaining spectrum licenses, especially in the coveted 2GHz Band.

92. This was well understood in the industry. In an article titled "The end of the fourth carrier experiment" dated August 26, 2025, American telecommunications industry analyst Roger Entner stated the following about the AT&T Deal:

> [The AT&T Deal] formally ends the regulatory experiment to forge a fourth national competitor. EchoStar, facing insurmountable financial and regulatory pressures, has chosen survival and partnership over a continued, untenable solo buildout. […] While this transaction resolves EchoStar's most immediate financial crisis, a critical uncertainty remains: the fate of its valuable and controversial AWS-4 spectrum.
>
> […]
>
> With the sale of its 600MHz and 3.45GHz licenses, EchoStar has secured its financial footing but is left with a smaller, yet still significant, portfolio of spectrum assets. The company has explicitly stated it is evaluating strategic opportunities for these remaining holdings. The crown jewel of this portfolio is the AWS-4 spectrum in the 2GHz band, a holding whose value is matched only by only its regulatory complexity. This spectrum is the subject of an intense FCC inquiry, spurred by SpaceX, which covets the band for its own satellite services.

93. The spectrum rights EchoStar sold to AT&T were also complimentary to EchoStar's rights in the 2GHz Band. Without its 3.45GHz and 600MHz spectrum rights, it was all but inevitable that EchoStar would sell its rights in the 2GHz Band.

94. Upon the announcement of the AT&T Deal, the risk that the FCC proceedings would lead to the termination of the Satellite Contract had effectively crystalized, as it was now only a matter of time before EchoStar would sell its 2GHz Band spectrum rights and terminate the Satellite Contract for convenience.

95. The AT&T Deal was thus a material change in the business, operations, or capital of MDA requiring timely disclosure. Upon the news of the AT&T Deal, MDA knew or ought to have known that the dramatic change in EchoStar's business strategy regarding its spectrum rights would result, or was very likely to result, in the termination of the Satellite Contract and the loss of potentially billions of dollars of MDA's future revenue. MDA was required to immediately disclose this change to the investing public.

96. Following the announcement of the AT&T Deal on August 26, 2025, MDA did not issue a press release and material change report, contrary to section 75 of the *Securities Act*. Instead, as explained in more detail below, on August 26, 2025, MDA insiders Risley and Paddick collectively sold over $20 million worth of MDA shares.

PUBLIC CORRECTION

97. On September 8, 2025, EchoStar announced that it had sold its 2GHz Band spectrum rights to SpaceX for approximately USD $17 billion, resolving the FCC's inquiries. EchoStar terminated the Satellite Contract for convenience.

98. The Defendants' misrepresentations were corrected by MDA's announcement of the termination of the Satellite Contract (and the subsequent media coverage) on September 8, 2025:

> **September 8, 2025 (BRAMPTON, ON)** – MDA Space Ltd. (TSX:MDA), a trusted mission partner to the rapidly expanding global space industry, has received a termination for convenience notification from EchoStar Corporation (NASDAQ: SATS) related to the constellation contract announced on August 1, 2025.
>
> The contract termination is the result of a sudden change to EchoStar's business strategy and plan in the wake of spectrum allocation discussions with the Federal Communications Commission (FCC) in the United States. EchoStar has agreed to sell its AWS-4 and H-block spectrum licenses to SpaceX.

99. This disclosure was followed by news coverage in various publications, including the *Globe and Mail,* on September 8, 2025, and received significant attention from analysts.

100. Following this public correction, MDA's share price dropped by over 25%, from $44.01 to $32.99, causing significant losses to investors. In the days that followed, MDA's share price continued to decline to $30.80.

101. Contrary to MDA's statements in the September 8, 2025, announcement, the termination of the Satellite Contract was not the result of a "sudden" change to EchoStar's business strategy. It was the foreseeable and likely outcome of EchoStar's months-long regulatory battle with the FCC. Any "sudden" change to EchoStar's business strategy had already occurred weeks earlier, when, starting with the AT&T Deal, the company began selling its spectrum portfolio to resolve the FCC's inquiries.

MATERIALITY

102. The Defendants' misrepresentations related to material information. A reasonable investor would consider a significant risk to the Satellite Contract, and thus a significant risk to potentially

billions of dollars of MDA's future revenue, when making investment decisions. This is also confirmed by the fact that:

(a) the announcement of the Satellite Contract, and the announcement of its eventual termination by EchoStar, received significant attention from analysts and media outlets like the *Globe and Mail*;

(b) MDA's share price rose over 18% upon the announcement of the Satellite Contract, from $38.80 to $45.93; and

(c) MDA's share price declined over 25% upon the public correction of the misrepresentations through the announcement of the termination of the Satellite Contract, from $44.01 to as low as $30.89.

INSIDER TRADING

103. While investors lost millions after the termination of the Satellite Contract, the Insider Trading Defendants – Greenley, Risley, and Paddick – collectively made nearly $90 million by selling a large volume of MDA shares before the share price cratered:

(a) On August 18, 2025, Greenley exercised 1,009,300 MDA stock options at a unit price of $9.60 and sold them on the public market for $45 per share, making roughly **$35.7 million**;

(b) Between August 7 and August 26, 2025, Risley, through a holding company he controlled, CFI Ventures Inc., sold 1,084,230 MDA shares that he beneficially owned on the public market at an average price of $44.44 per share, making roughly **$47.5 million**; and

(c) Between August 25 and August 26, 2025, Brendan Paddick sold 100,000 MDA shares on the public market at an average price of $46 per share, making roughly **$4.6 million** (collectively, the "**Insider Trades**").

104. As explained below, the Insider Trading Defendants made the Insider Trades with the benefit of specific material non-public information and knowledge of material facts that had not yet been disclosed, and are thus liable for insider trading pursuant to section 138(5)(a) of the *OBCA* and/or section 134 of the *Securities Act*.

CAUSES OF ACTION

Statutory Secondary Market Liability

105. The Plaintiffs advance the statutory causes of action in section 138.3 of Part XIII.1 of the *Securities Act*, and, if necessary, the equivalent causes of action in the Equivalent and Territorial Securities Legislation, against the Defendants for the misrepresentations detailed above and contained in the Impugned Documents.

106. The Impugned Documents are all either "core documents" or "documents", and at all times during the Class Period MDA was a "responsible issuer" within the meaning of Part XXIII.1 of the *Securities Act*. The Impugned Documents contained "misrepresentations" within the meaning of the *Securities Act*, as described above, and as such individuals that acquired MDA securities during the Class Period have a cause of action against the Defendants pursuant to section 138.3 of the *Securities Act*.

107. The Individual Defendants were each directors or officers of MDA during the Class Period and they authorized, permitted or acquiesced in the release of the Impugned Documents containing the misrepresentations particularized above.

108. The Defendants knew at the time the Impugned Documents were released that they contained misrepresentation, or in the alternative, they reasonably ought to have known or deliberately avoided acquiring knowledge of the misrepresentations. As a result, by operation of section 138.6(2) of the *Securities Act*, the whole amount of the damages assessed in the action may be recovered from any of the Individual Defendants. Additionally, pursuant to section 138.7(2) of the *Securities Act*, the limit on damages created by section 138.7(1) of the *Securities Act* is not

available to the Defendants and there is no statutory limit on the damages that may be awarded against the Defendants.

109. With respect to the Impugned Oral Statements, Greenley and Lavoie had actual, implied, or apparent authority to speak on behalf of MDA and make oral statements about its business and affairs. Greenley and Lavoie made the Impugned Oral Statements, and the other Individual Defendants either authorized, permitted, or acquiesced in the making of the impugned statements. As a result, the members of the Misrepresentation Class have causes of action against the Defendants pursuant to section 138.3(2) of the *Securities Act*.

Insider Trading

110. The Insider Trading Defendants made the Insider Trades with the benefit of specific material non-public information and knowledge of material facts that had not been generally disclosed, including:

(a) that the Satellite Contract had a termination for convenience clause;

(b) details of how the Satellite Contract would be, or likely would be, impacted by EchoStar's ongoing regulatory challenges with the FCC and the company's financial position, which EchoStar provided to MDA through "regular updates" (in Greenley's words), and/or as MDA otherwise learned of in its due diligence related to the Satellite Contract; and

(c) the protections, or lack thereof, contained in the Satellite Contract in favour of MDA in the event that the FCC proceedings resulted in the loss of EchoStar's spectrum licenses and, thus, the likelihood of the termination of the Satellite Contract for convenience in such circumstances.

111. This information, if generally known, would be reasonably expected to affect materially the value of MDA's shares. As such, Greenley, Risley, and Paddick are liable to compensate

members of the Insider Trading Class for any direct loss suffered by the Insider Trading Class as a result of the Insider Trades, pursuant to section 138(5)(a) of the *OBCA*.

112. As directors and officers, the Insider Trading Defendants are in a special relationship with MDA. They made the above transactions with the knowledge of material facts with respect to MDA that had not been generally disclosed. As such, they are liable pursuant to section 134 of the *Securities Act*.

113. The Insider Trading Defendants are also accountable to MDA for any direct benefit or advantage received or receivable as a result of the Insider Trades, pursuant to section 138(5)(b) of the *OBCA* and/or section 134(4) of the *Securities Act*.

Unjust Enrichment

114. The Insider Trading Defendants were enriched by the value of the Insider Trades.

115. The Insider Trading Class suffered a corresponding deprivation.

116. There was no juristic reason for this enrichment. The Insider Trading Class's contracts to purchase MDA shares pursuant to the Insider Trades were void ab initio due to their illegality, and in the alternative, were unconscionable and vitiated by the Defendants' misrepresentations.

Negligent Misrepresentation

117. The Impugned Documents were prepared and disseminated for the purpose of providing material information to the investing public and the Class. They were prepared and disseminated to solicit investment from the public capital markets and to induce participants in those markets, like the Class Members, to purchase MDA shares.

118. The Defendants undertook the preparation of the Impugned Documents without reasonable care, knowing that the Plaintiffs and the Class would reasonably rely, to their detriment, on the information provided in the Impugned Documents when making investment decisions. The Defendants were aware that the information provided in the Impugned Documents would be incorporated into the total mix of information available to the capital markets and would have a direct effect on the trading price of MDA securities.

119. The Defendants, by virtue of their responsibility for the preparation and dissemination of the Impugned Documents for the benefit of the Class, had a common law duty of care to exercise due care and diligence to ensure that the Impugned Documents fairly and accurately disclosed all material information about the likelihood that EchoStar would terminate the Satellite Contract for convenience. The Defendants' duty is informed by the statutory scheme created by the *Securities Act* and the TSX Company Manual, as described above.

120. The Defendants breached their duties by:

(a) failing to exercise due care in the creation and dissemination of the Impugned Documents to ensure they were fair, accurate, and complete; and

(b) failing to disclose the significant counterparty risk inherent to the Satellite Contract, including risks that EchoStar may terminate the Satellite Contract for convenience.

121. The Defendants had information about the Satellite Contract that was not available to or widely understood by the Class or the public. The Defendants were the primary source of information about the Satellite Contract, which was relevant and material to each Class Member's decision to acquire MDA securities and the price at which they acquired them throughout the Class Period. The Class Members relied, directly or indirectly, upon the Defendants' misrepresentations

in deciding to acquire MDA securities and suffered damages when the misrepresentations were publicly corrected.

Punitive Damages

122. The Defendants' conduct warrants the imposition of substantial punitive and exemplary damages. The Defendants knowingly and deliberately failed to disclose to investors material facts required to be disclosed about the significant counterparty risks to the Satellite Contract, thereby depriving investors of the ability to make informed investment decisions and causing investors to incur hundreds of millions of dollars of losses when the Defendants' misrepresentations were publicly corrected.

123. At the same time, Greenley, Risley, and Paddick made approximately $85 million dollars through the Insider Trades while the price of MDA shares were inflated by the Defendants' own misrepresentations.

124. The Defendants' actions were high-handed, deliberate, and in bad faith. They represent a marked departure from the standards of conduct expected of a publicly traded company entrusted to make truthful and fulsome public disclosures of material facts and/or changes that would reasonably be expected to have a significant effect on the market price or value of a security. An award of punitive damages is necessary to achieve denunciation, deterrence, and retribution, and to signal that conduct of this nature will not be tolerated by the Court.

LEGISLATION RELIED UPON

125. The Plaintiffs plead and rely upon the following statutes, and the regulations promulgated thereunder:

(a) *Class Proceedings Act*, 1992, S.O. 1992, c. 6;

(b) *Courts of Justice Act*, R.S.O. 1990, c. C.43;

(c) *Securities Act*, R.S.O. 1990, c. S 5; and

(d) *Business Corporations Act*, R.S.O. 1990, c. B.16.

126. The Plaintiffs plead and rely upon the following regulations:

(a) General Regulation, R.R.O. 1990, Reg 1015 under the *Securities Act*; and

(b) National Instrument 51-102 – *Continuous Disclosure*, O.S.C. NI 51-102 (2004) 27 OSCB 3441 implemented through OSC Rule 51-801 and approved pursuant to s. 143.3 of the *Securities Act*; and

(c) *Ontario Securities Commission Rule 52-801 Implementing National Instrument 51-102*, OSC Rule 51-801.

SERVICE EX JURIS

127. This original process may be served without court order outside Ontario because the claim is:

(a) In respect of a tort committed in Ontario (Rule 17.2(g) of the *Rules of Civil Procedure*); and

(b) Brought against a person ordinarily resident or carrying on business in Ontario (Rule 17.02 (p) of the *Rules of Civil Procedure*).

November 17, 2025

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ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

STATEMENT OF CLAIM

Notice of Action issued on October 16, 2025

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