ATS Automation Tooling Systems Inc.

Management's Discussion and Analysis

For the Year Ended March 31, 2021

TSX: ATA

This Management's Discussion and Analysis ("MD&A") for the year ended March 31, 2021 (fiscal 2021) is as of May 19, 2021 and provides information on the operating activities, performance and financial position of ATS Automation Tooling Systems Inc. ("ATS" or the "Company") and should be read in conjunction with the audited consolidated financial statements of the Company for fiscal 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. Additional information is contained in the Company's filings with Canadian securities regulators, including its Annual Information Form, found on SEDAR at www.sedar.com and on the Company's website at www.atsautomation.com.

Notice to reader: Non-IFRS measures and additional IFRS measures

Throughout this document, management uses certain non-IFRS measures to evaluate the performance of the Company. The terms "operating margin", "EBITDA", "EBITDA margin", "adjusted net income", "adjusted earnings from operations", "adjusted basic earnings per share", "non-cash working capital", "Order Bookings" and "Order Backlog" do not have any standardized meaning prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. In addition, management uses "earnings from operations", which is an additional IFRS measure, to evaluate the performance of the Company. Earnings from operations is presented on the Company's consolidated statements of income as net income excluding income tax expense and net finance costs. Operating margin is an expression of the Company's earnings from operations as a percentage of revenues. EBITDA is defined as earnings from operations excluding depreciation and amortization (which includes amortization of intangible assets and right-of-use assets). EBITDA margin is an expression of the Company's EBITDA as a percentage of revenues. Adjusted earnings from operations is defined as earnings from operations before items excluded from management's internal analysis of operating results, such as amortization expense of acquisition-related intangible assets, acquisition-related transaction and integration costs, restructuring charges, and certain other adjustments which would be non-recurring in nature ("adjustment items"). Adjusted basic earnings per share is defined as adjusted net income on a basic per share basis, where adjusted net income is defined as adjusted earnings from operations less net finance costs and income tax expense, plus tax effects of adjustment items and adjusted for other significant items of a non-recurring nature. Non-cash working capital is defined as the sum of accounts receivable, contract assets, inventories, deposits, prepaids and other assets, less accounts payable, accrued liabilities, provisions and contract liabilities. Order Bookings represent new orders for the supply of automation systems, services and products that management believes are firm. Order Backlog is the estimated unearned portion of revenues on customer contracts that are in process and have not been completed at the specified date.

Earnings from operations and EBITDA are used by the Company to evaluate the performance of its operations. Management believes that earnings from operations is an important indicator in measuring the performance of the Company's operations on a pre-tax basis and without consideration as to how the Company finances its operations. Management believes that EBITDA is an important indicator of the Company's ability to generate operating cash flows to fund continued investment in its operations. Management believes that adjusted earnings from operations and adjusted basic earnings per share (including adjusted net income) are important measures to increase comparability of performance between periods. The adjustment items used by management to arrive at these metrics are not considered to be indicative of the business' ongoing operating performance. Management uses the measure "non-cash working capital as a percentage of revenues" to evaluate the Company's management of its investment in non-cash working capital. Management calculates non-cash working capital as a percentage of revenues using period-end non-cash working capital divided by trailing two fiscal quarter revenues annualized. Order Bookings provide an indication of the Company's ability to secure new orders for work during a specified period, while Order Backlog provides a measure of the value of Order Bookings that have not been completed at a specified point in time. Both Order Bookings and Order Backlog are indicators of future revenues that the Company expects to generate based on contracts that management believes to be firm. Management believes that ATS shareholders and potential investors in ATS use these additional IFRS measures and non-IFRS financial measures in making investment decisions and measuring operational results.

A reconciliation of (i) earnings from operations and EBITDA to net income, and (ii) adjusted earnings from operations to earnings from operations, adjusted net income to net income and adjusted basic earnings per share to basic earnings per share, in each case for the three- and 12-month periods ended March 31, 2021 and March 31, 2020, is contained in this MD&A (see "Reconciliation of Non-IFRS Measures to IFRS Measures"). A reconciliation of Order Bookings and Order Backlog to total Company revenues for the three- and 12-month periods ended March 31, 2021 and March 31, 2020 is also contained in this MD&A (see "Order Backlog Continuity").

COMPANY PROFILE

ATS is an industry-leading automation solutions provider to many of the world's most successful companies. ATS uses its extensive knowledge base and global capabilities to deliver custom automation, repeat automation, automation products and value-added solutions including pre-automation and after-sales services, to address the sophisticated manufacturing automation systems and service needs of multinational customers in markets such as life sciences, food & beverage, transportation, consumer products, and energy. Founded in 1978, ATS employs over 5,000 people at 28 manufacturing facilities and over 50 offices in North America, Europe, Southeast Asia and China.

STRATEGY

To drive the creation of long-term sustainable shareholder value, the Company employs a three-part value creation strategy: Build, Grow and Expand.

Build: To build on the Company's foundation and drive performance improvements, management is focused on the advancement of the ATS Business Model ("ABM"), the pursuit and measurement of value drivers and key performance indicators, a rigorous strategic planning process, succession planning, talent management, employee engagement, and instilling autonomy with accountability into its businesses.

Grow: To drive organic growth, ATS develops and implements growth tools under the ABM, provides innovation and value to customers and works to grow recurring revenues.

Expand: To expand the Company's reach, management is focused on the development of new markets and business platforms, the expansion of service offerings, investment in innovation and product development, and strategic and disciplined acquisitions that strengthen ATS.

The Company pursues these initiatives using a strategic capital allocation framework in order to drive the creation of long-term sustainable shareholder value.

ATS Business Model

The ABM is a business management system that ATS developed with the goal of enabling the Company to pursue its strategies, outpace the growth of its chosen markets, and drive year-over-year continuous improvement. The ABM emphasizes:

- **People:** developing, engaging and empowering ATS' people to build the best team;
- **Process:** aligning ATS' people to implement and continuously improve robust and disciplined business processes throughout the organization; and
- **Performance:** consistently measuring results in order to yield world-class performance for our customers and shareholders.

The ABM is ATS' playbook, serving as the framework utilized by the Company to achieve its business goals and objectives through disciplined, continuous improvement. The ABM is used by ATS divisions globally, supported with extensive training in the use of key problem-solving tools, and applied through various projects to drive continuous improvement.

Key ABM drivers include:

- **Strengthening the core:** adopting a customer-first mindset; implementing a robust performance management system; adhering to eight value drivers; managing using Key Performance Indicators; and leveraging daily management to measure at the point of impact;
- **Delivering growth:** aligning with customer success; developing organizational talent; constantly confirming that progress is being made toward stated goals; and creating annual operating and capital deployment plans for each ATS division;
- **Pursuing excellence:** deploying specific goals that segment strategies into relevant areas of concentration; and improving continuously using Kaizen events, problem solving and other continuous improvement initiatives, which increase performance annually; and
- **Pioneering innovation:** driving automation market technology leadership; creating innovative platforms and analytics that benefit customers by reducing complexity, shortening development cycles and improving production efficiencies; and expanding the reach and scope of ATS' capabilities for competitive advantage.

BUSINESS OVERVIEW

ATS and its subsidiaries serve customers in the following industrial markets: life sciences, which includes medical devices, pharmaceuticals, radiopharmaceuticals and chemicals; food & beverage, which includes processing, packaging and filling for fresh produce and liquid food & beverage; transportation, which includes electric vehicles, automotive and aerospace; consumer products, which includes warehousing automation, cosmetics, electronics and durable goods; and, energy, which includes nuclear and solar. With broad and in-depth knowledge across multiple industries and technical fields, ATS delivers single-source solutions to customers that lower production costs, accelerate product delivery, and improve quality control. ATS engages with customers on both greenfield programs, such as equipping new factories, and brownfield programs, such as capacity expansions, line moves, equipment upgrades, software upgrades, efficiency improvements and factory optimization. ATS is selective in its choice of markets and favours regulated industries where quality and reliability are mandatory.

ATS engages at varying points in customers' automation cycles. During the pre-automation phase, ATS offers comprehensive services, including discovery and analysis, concept development, simulation and total cost of ownership modelling, all of which help to verify the feasibility of different types of automation, set objectives for factors such as line speed and yield, assess production processes for manufacturability and calculate the total cost of ownership.

For customers that have decided to proceed with an automation project, ATS offers specialized equipment for specific applications or industrial markets, as well as automation and integration services, including engineering design, prototyping, process verification, specification writing, software and manufacturing process controls development, equipment design and build, standard automation products/platforms, third-party equipment qualification, procurement and integration, automation system installation, product line commissioning, validation and documentation. Following the installation of custom automation, ATS may supply duplicate or repeat automation systems that leverage engineering design completed in the original customer program. For customers seeking complex equipment production or build-to-print manufacturing, ATS provides value engineering, supply chain management, integration and manufacturing capabilities, and other automation products and solutions.

Post automation, ATS offers a number of services, including training, process optimization, preventative maintenance, emergency and on-call support, spare parts, retooling, retrofits and equipment relocation. Service agreements are often attached at the time of new equipment sale or are available on an after-market basis on installed equipment. The Company employs service strategies to increase the revenue derived from these activities. Its *Illuminate*™ *Manufacturing Intelligence* serves as a connected factory floor management system that captures, analyzes and uses real time machine performance data to quickly and accurately troubleshoot, deliver process and product solutions, prevent equipment downtime, drive greater operational efficiency and unlock performance for sustainable production improvements.

Contract values for individual automation systems vary and are often in excess of $1 million, with some contracts for enterprise-type programs well in excess of $10 million. Due to the custom nature of customer projects, contract durations vary, with typical durations ranging from six to 12 months, and some larger contracts extending up to 18 to 24 months. Contract values for pre-automation services and post-automation services range in value and can exceed $1 million with varying durations, which can sometimes extend over a number of years.

Competitive strengths
Management believes ATS has the following competitive strengths:

Global presence, size and critical mass: ATS' global presence and scale provide advantages in serving multinational customers, as many of the Company's competitors are smaller and operate with a narrower geographic and/or industrial market focus. ATS and its subsidiaries have locations in Canada, Germany, the United States, Italy, Belgium, Thailand, United Kingdom, Netherlands, Czech Republic, China, Slovakia, Ireland, Sweden, India, Singapore, Mexico, Spain, France, Denmark, and Brazil. ATS can deliver localized service through its network of over 50 locations globally. Management believes that ATS' scale and global footprint provide it with competitive advantages in winning large, multinational customer programs and in delivering a life-cycle-oriented service platform to customers' global operations.

Technical skills, capabilities and experience: ATS has designed, manufactured, assembled and serviced over 25,000 automation systems worldwide and has an extensive knowledge base and accumulated design expertise. Management believes ATS' broad experience in many different industries and with diverse technologies, its talented workforce, which includes over 1,700 engineers and over 300 program management personnel, and its ability to provide custom automation, repeat automation, automation products and value-added services, position the Company well to serve complex customer programs in a variety of markets.

Product and technology portfolio: Through its history of bringing thousands of unique automation projects to market, ATS has developed an extensive product and technology portfolio. ATS has a number of standard automation platforms and products, including: innovative linear motion transport systems; robust cam-driven assembly platforms; advanced vision systems used to ensure product or process quality; progressive material handling technologies; optical sorting and inspection technologies; test systems; factory management and intelligence software; other software solutions; proprietary weighing hardware and process control software technologies; aseptic processing and containment technologies; and high-performance tube filling and cartoning systems. In fiscal 2021, the Company completed construction of the new ATS Innovation Centre, a state of the art center for the innovation team and completed the commercial launch of Symphoni, an innovative, high-performance digital manufacturing technology that multiplies the productivity of automated assembly processes by eliminating non-value-added production time. Management believes the Company's extensive product and technology portfolio provides advantages in developing unique and leading solutions for customers and in maintaining competitiveness.

Recognized brands: Management believes ATS is well known within the global automation industry due to its long history of innovation and broad scope of operations. In addition, ATS' subsidiaries include several strong brands: "IWK", which specializes in the packaging market; "Process Automation Solutions" ("PA"), which provides innovative automation solutions for process and production sectors; "Comecer", which provides high-tech automation systems for the nuclear medicine and pharmaceutical industries; "MARCO", which provides yield control and recipe formulation systems in the food, nutraceuticals and cosmetics sectors; and "CFT", which specializes in the development and production of turn-key machines and systems for the food and beverage industries. Management believes that ATS' brand names and global reputation improve sales prospecting, allowing the Company to be considered for a wide variety of customer programs.

Trusted customer relationships: ATS serves some of the world's largest multinational companies. Most customer relationships are long-standing, often spanning a decade or more, and many customers are repeat buyers who return to ATS and its subsidiaries time after time to meet their automation manufacturing, assembly, processing, and services' needs.

Total solutions capabilities: Management believes the Company gains competitive advantages because ATS provides total turnkey solutions in automation. This allows customers to single-source their most complex projects to ATS rather than rely on multiple engineering firms and equipment builders. In addition, ATS can provide customers with other value-added services including pre-automation consulting, total cost of ownership studies, life-cycle material management, post-automation service, training and support.

OVERVIEW – OPERATING RESULTS

Consolidated Revenues
(In millions of dollars)

Revenues by type	Q4 2021	Q4 2020	Fiscal 2021	Fiscal 2020
Revenues from construction contracts	**$ 258.1**	$ 257.9	**$ 895.1**	$ 884.9
Services rendered	**109.7**	97.5	**413.3**	423.2
Sale of goods	**32.1**	26.7	**121.6**	121.6
Total revenues	**$ 399.9**	$ 382.1	**$ 1,430.0**	$ 1,429.7

Revenues by market	Q4 2021	Q4 2020	Fiscal 2021	Fiscal 2020
Life sciences	**$ 228.7**	$ 199.8	**$ 805.4**	$ 770.2
Transportation	**67.3**	116.2	**272.3**	385.0
Consumer products	**69.9**	41.2	**238.2**	172.7
Energy	**34.0**	24.9	**114.1**	101.8
Total revenues	**$ 399.9**	$ 382.1	**$ 1,430.0**	$ 1,429.7

Revenues by customer location	Q4 2021	Q4 2020	Fiscal 2021	Fiscal 2020
North America	**$ 198.5**	$ 172.3	**$ 687.6**	$ 588.3
Europe	**140.3**	175.0	**567.8**	709.4
Asia/Other	**61.1**	34.8	**174.6**	132.0
Total revenues	**$ 399.9**	$ 382.1	**$ 1,430.0**	$ 1,429.7

Fourth Quarter
Fiscal 2021 fourth quarter revenues were 4.7% higher than in the corresponding period a year ago and included $0.9 million of revenues earned by acquired companies. Excluding acquired companies, fourth quarter revenues increased $16.9 million, or 4.4%, compared to the corresponding period a year ago. Revenues from services increased 12.5% with broad-based strength across ATS' businesses. Revenues from the sale of goods increased 20.2% due primarily to increased after-sales spare parts sales. Revenues generated from construction contracts increased $0.2 million.

By market, revenues generated in life sciences increased 14.5% on higher Order Backlog entering the fourth quarter of fiscal 2021. Revenues in transportation decreased 42.1% on lower Order Backlog entering the fourth quarter of fiscal 2021. This was due to a slowdown in the transportation market and the implementation of a reorganization plan that reduced exposure to certain aspects of the market and created alignment with market demand (see "Reorganization Activity"). Revenues generated in consumer products increased 69.6%, primarily on higher Order Backlog entering the fourth quarter of fiscal 2021 related to warehouse and personal care automation projects. Revenues in energy increased 36.5% due to higher Order Backlog entering the fourth quarter of fiscal 2021.

Full Year
Fiscal 2021 revenues were $1,430.0 million, in line with the prior fiscal year, and included $25.3 million of revenues earned by acquired companies. Excluding acquired companies, revenues were $1,404.7 million, a 1.7% decrease from a year ago. This was due primarily to pandemic-related travel restrictions, as well as temporary closures and entry restrictions at some customer sites which impacted services and some project work. Revenues from services decreased 2.3%, and sale of goods remained constant compared to the prior year. This was partially offset by a 1.2% increase in revenues generated from construction contracts.

By market, fiscal 2021 revenues from life sciences markets increased 4.6%, primarily due to timing of customer projects and opportunities related to the Covid-19 pandemic. Revenues in transportation decreased 29.3% due to a slowdown in the market brought on by the COVID-19 pandemic and the implementation of a reorganization plan that reduced exposure to certain aspects of the market and created alignment with market demand (see "Reorganization Activity"). Consumer products revenues increased 37.9% compared to a year ago, primarily on revenues related to warehouse automation and revenues earned by acquired companies. Energy revenues increased 12.1% compared to a year ago, primarily due to higher Order Backlog entering fiscal 2021.

Consolidated Operating Results

(In millions of dollars)

	Q4 2021	Q4 2020	Fiscal 2021	Fiscal 2020
Earnings from operations	**$ 42.8**	$ 24.9	**$ 119.6**	$ 95.6
Amortization of acquisition-related intangible assets	**8.1**	8.5	**33.5**	33.7
Restructuring charges	**—**	5.8	**14.3**	26.6
Acquisition-related transaction costs	**4.2**	0.1	**6.7**	1.5
Gain on sale of facility	**—**	—	**(5.3)**	—
Contingent consideration adjustment	**(5.6)**	—	**(5.6)**	—
Adjusted earnings from operations[1]	**$ 49.5**	$ 39.3	**$ 163.2**	$ 157.4

[1] See “Notice to Reader: Non-IFRS Measures and Additional IFRS Measures.”

	Q4 2021	Q4 2020	Fiscal 2021	Fiscal 2020
Earnings from operations	**$ 42.8**	$ 24.9	**$ 119.6**	$ 95.6
Depreciation and amortization	**17.4**	18.3	**71.0**	71.4
EBITDA[1]	**$ 60.2**	$ 43.2	**$ 190.6**	$ 167.0

[1] See “Notice to Reader: Non-IFRS Measures and Additional IFRS Measures.”

Fourth Quarter

Fiscal 2021 fourth quarter earnings from operations were $42.8 million (10.7% operating margin) compared to $24.9 million (6.5% operating margin) in the fourth quarter a year ago. Earnings from operations included: $8.1 million related to amortization of acquisition-related intangible assets, down from $8.5 million a year ago; $4.2 million of incremental costs related to the Company’s acquisition activity, up from $0.1 million last year; and $5.6 million in adjustments to contingent consideration related to the acquisition of MARCO. Fiscal 2020 fourth quarter earnings included $5.8 million of restructuring charges incurred as part of the Company’s reorganization activity (see “Reorganization Activity”).

Excluding these items in both quarters, adjusted earnings from operations were $49.5 million (12.4% margin), compared to $39.3 million (10.3% margin) a year ago. Higher fourth quarter fiscal 2021 adjusted earnings from operations reflected a higher gross margin due to efficiency gains made in the Company’s cost structure, improved program execution and increased revenues from after-sales services. In the fourth quarter, the Company benefited from recoveries under the Canadian Emergency Wage Subsidy (“CEWS”) program of $2.6 million.

Depreciation and amortization expense was $17.4 million in the fourth quarter of fiscal 2021, compared to $18.3 million a year ago. The decrease primarily reflected the disposal of assets executed as part of the Company’s reorganization activity (see “Reorganization Activity”).

EBITDA was $60.2 million (15.1% EBITDA margin) in the fourth quarter of fiscal 2021 compared to $43.2 million (11.3% EBITDA margin) in the fourth quarter of fiscal 2020. Higher EBITDA reflected an improved cost structure as well as the absence of restructuring expenses in the fourth quarter of fiscal 2021 compared to the prior year.

Full Year

Earnings from operations were $119.6 million (8.4% operating margin) in fiscal 2021, compared to $95.6 million (6.7% operating margin) a year ago. Excluding $33.5 million related to amortization of acquisition-related intangible assets, $14.3 million of restructuring costs, $6.7 million of incremental costs related to the Company’s acquisition activity, a $5.3 million of gain on the sale of a facility and a $5.6 million adjustment to contingent consideration related to MARCO, adjusted earnings from operations were $163.2 million (11.4% operating margin) in fiscal 2021, compared to $157.4 million (11.0% operating margin) in the corresponding period a year ago. Higher adjusted earnings from operations in fiscal 2021 primarily reflected a higher gross margin as compared to the prior year, partially offset by higher selling, general and administrative expenses. COVID-related operational inefficiencies arising from health and safety measures, travel restrictions, temporary closures and entry restrictions at some customer sites, were partially offset by recoveries under the CEWS of $16.2 million, of which $12.3 million was recorded in cost of sales and $3.9 million was recorded in selling, general and administrative expenses. These payments were utilized by the Company to partially offset operational inefficiencies, minimize temporary work reductions and maintain employment of the Company’s highly skilled workforce.

Depreciation and amortization expense was $71.0 million in fiscal 2021 compared to $71.4 million a year ago.

Fiscal 2021 EBITDA was $190.6 million (13.3% EBITDA margin) compared to $167.0 million (11.7% EBITDA margin) in fiscal 2020. Higher EBITDA reflected lower restructuring expenses, the gain on sale of a facility, as well as an improved cost structure.

Order Bookings by Quarter

(In millions of dollars)

	Fiscal 2021	Fiscal 2020
Q1	**$ 325**	$ 423
Q2	**403**	321
Q3	**435**	368
Q4	**463**	356
Total Order Bookings	**$ 1,626**	$ 1,468

Fourth Quarter

Fourth quarter fiscal 2021 Order Bookings were $463 million, a 30.1% increase compared to the fourth quarter of fiscal 2020. Organic growth in the quarter was 31.0% and bookings from acquired companies amounted to 0.3% of the increase. Foreign exchange rates negatively impacted the translation of Order Bookings from foreign-based ATS subsidiaries by approximately 1.2% compared to the corresponding period a year ago, primarily reflecting the strengthening of the Canadian dollar relative to the U.S. dollar. By market, higher Order Bookings in life sciences primarily related to medical device programs and critical life sciences products to aid in the fight against COVID-19. Fourth quarter fiscal 2021 Order Bookings included large Order Bookings related to COVID-19 point-of-care rapid testing. Order Bookings in transportation increased due to a large EV program win and timing of customer orders. Higher Order Bookings in consumer products primarily reflected programs related to warehouse automation. Bookings in energy decreased due to timing of customer projects, primarily in the nuclear market.

Full Year

Fiscal 2021 Order Bookings were $1,626 million, a 10.8% increase over $1,468 million in the prior year. Excluding business acquisitions, fiscal 2021 Order Bookings were $1,599 million. By market, higher Order Bookings in the life sciences and consumer products markets more than offset lower Order Bookings in the transportation and energy markets.

Order Backlog Continuity

(In millions of dollars)

	Q4 2021	Q4 2020	**Fiscal 2021**	Fiscal 2020
Opening Order Backlog	**$ 985**	$ 939	**$ 942**	$ 904
Revenues	**(400)**	(382)	**(1,430)**	(1,430)
Order Bookings	**463**	356	**1,626**	1,468
Order Backlog adjustments[1]	**112**	29	**22**	—
Total	**$ 1,160**	$ 942	**$ 1,160**	$ 942

[1] Order Backlog adjustments include incremental Order Backlog of $166 million acquired with CFT, foreign exchange adjustments, scope changes and cancellations.

Order Backlog by Market

(In millions of dollars)

As at	**March 31, 2021**	March 31, 2020
Life sciences	**$ 585**	$ 467
Transportation	**197**	273
Consumer products	**282**	90
Energy	**96**	112
Total	**$ 1,160**	$ 942

At March 31, 2021, Order Backlog was $1,160 million, 23.1% higher than at March 31, 2020. Order Backlog growth was primarily driven by higher Order Bookings in the life sciences and consumer products markets, as well as Order Backlog from acquired businesses. Foreign exchange rate changes negatively impacted the translation of Order Backlog from foreign-based ATS subsidiaries by approximately 6.9% compared to the corresponding period a year ago, primarily reflecting the strengthening of the Canadian dollar relative to the U.S. dollar and the Euro.

Reorganization Activity

As part of its continuous improvement approach, management constantly reviews the Company's operations to ensure alignment with market opportunities and to achieve optimal structural and cost efficiencies. In the past two fiscal years, management has successfully completed two reorganizations.

In fiscal 2021, the Company substantially completed a reorganization plan to help mitigate the expected impact of a slowdown in transportation markets brought on by the COVID-19 pandemic. The reorganization plan was designed to align the capacity and cost structure of ATS' transportation business to current and expected conditions. The reorganization included the sale of certain assets and the transfer of employees from a German-based subsidiary to a third party that was completed in October 2020. The Company recorded restructuring expenses of $14.3 million in fiscal 2021 in relation to the reorganization.

In fiscal 2020, the Company completed a reorganization which included the consolidation of certain operations and the closure of some underperforming facilities and small branch offices which were not strategically important to future growth. The Company recorded charges of $26.6 million in relation to the reorganization. In the third quarter of fiscal 2021, a $5.3 million gain on the sale of a facility made redundant due to the Company's previously completed reorganization was included in selling, general and administrative expenses.

Outlook

The Company's funnel (which includes customer requests for proposal and ATS identified customer opportunities) remains significant; however, the timing to convert opportunities into Order Bookings is more variable during the pandemic as some customers delay their planned project timing.

By market, the life sciences funnel remains robust, as activity in medical devices, pharmaceuticals and radiopharmaceuticals has improved and is being supplemented by opportunities related to the fight against COVID-19. In transportation, some strategic opportunities related to new technologies such as electric vehicles have proceeded. Funnel activity in energy is variable and this market provides niche opportunities for ATS. Funnel activity in consumer products has improved; however, management expects some customers to remain cautious in deploying capital in the current economic environment. The addition of CFT has increased the Company's exposure to opportunities in regulated food and beverage equipment markets. Organic growth in the Company's fourth quarter Order Bookings and the addition of CFT resulted in an Order Backlog of $1,160 million that will help mitigate the impact of quarterly variability in Order Bookings on revenues in the short term.

The Company's Order Backlog includes several large enterprise programs that have longer periods of performance and therefore longer revenue recognition cycles. In the first quarter of fiscal 2022, management expects the conversion of Order Backlog to revenues to be in the higher end of the 35% to 40% range based on project mix and the addition of CFT.

The Company's sales organization continues to work to engage customers on enterprise-type solutions. Enterprise orders are expected to provide ATS with more strategic customer relationships, better program control, workload predictability and less short-term sensitivity to macroeconomic forces. This approach to market and the timing of customer decisions on larger opportunities is expected to cause variability in Order Bookings from quarter to quarter and lengthen the performance period and revenue recognition for certain customer programs. The Company is working to grow after-sales service revenues as a percentage of overall revenues over time, which is expected to provide some balance to the capital expenditure cycle of the Company's customers. Improvements were made in generating revenues from the Company's after-sales service business in the third and fourth fiscal quarters compared to the first half of the fiscal year; however, the Company continues to be impacted by the COVID-19 pandemic as a result of ongoing travel restrictions and some limitations on customer facility access.

Management is pursuing several initiatives with the goal of expanding its adjusted earnings from operations margin over the long term, including: growing the Company's higher margin after-sales service business; improving global supply chain management; increasing the use of standardized platforms and technologies; growing revenues while leveraging the Company's current cost structure; and developing the ABM. The Company benefitted from the CEWS program in fiscal 2021 due to lower revenues in its Canadian operations. The Canadian government has extended the CEWS program until June 2021, albeit at a lower recovery rate and the recent federal budget proposed extending it until September 2021.

Over the long term, the Company generally expects to continue investing in non-cash working capital to support the growth of its business, with fluctuations on a quarter-over-quarter basis. The Company's goal is to maintain its investment in non-cash working capital as a percentage of annualized revenues below 15%.

The Company expects that continued cash flows from operations, together with cash and cash equivalents on hand and credit available under operating and long-term credit facilities, will be sufficient to: provide additional liquidity should the economic impacts of the COVID-19 pandemic persist for an extended period; fund its requirements for investments in non-cash working capital and capital assets; and fund strategic investment plans including some potential acquisitions. Acquisitions could result in additional debt or equity financing requirements.

On April 14, 2021, the Company announced it entered into a definitive agreement to acquire BioDot, Inc. ("BioDot"), a leading manufacturer of automated fluid dispensing systems. The transaction is expected to close in the second quarter of calendar 2021, pending the completion of customary regulatory filings. The acquisition of BioDot will give ATS increased exposure to attractive and growing end markets in point-of-care and clinical diagnostics automation end markets and expand its Life Sciences capabilities. The purchase price of U.S. $84.0 million will be funded by drawing on the Company's revolving credit facility.

The outbreak of COVID-19 resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel restrictions, quarantine periods and physical distancing requirements have affected economies and disrupted business operations for ATS and its customers. It is difficult to predict the ultimate duration or severity of the pandemic or its affect on the business, financial results and conditions of the Company.

At the outset of the pandemic, management implemented several countermeasures designed to: protect employees (including work from home protocols, in-plant physical distancing requirements and shift work); ensure work on customer projects progresses; and, enable continued customer service through digital tools and regional support networks. These responses allowed the Company to maintain operations, although with less efficiency.

BUSINESS ACQUISITIONS

CFT

On March 12, 2021, the Company announced results for the voluntary tender offer to acquire 100% of the outstanding shares and voting rights of CFT S.p.A. ("CFT"). As a result of the tender offer and subsequent shareholder approval, the Company acquired 97% of CFT's outstanding shares. CFT is a global supplier of automated processing and packaging equipment to the food and beverage equipment market. It serves a global, blue-chip customer base across Europe, North America and Asia through a portfolio of 10 market-leading brands and eight facilities in Italy, Spain, and Germany. Its revenue is diversified across the sales of complete lines, single machines, and the aftermarket. CFT is a strategic addition which complements the yield control and recipe formulation systems' capabilities of MARCO (acquired in December 2019) and will allow ATS to establish a broader growth platform in the regulated food and beverage equipment market. Management has identified and is now pursuing significant cost and revenue synergies that it intends to capture over the next three years.

Cash consideration paid in the fourth quarter of fiscal 2021 was $127.2 million (85.4 million Euros). This acquisition was accounted for as a business combination with the Company as the acquirer of CFT. The purchase method of accounting was used and the earnings were consolidated from March 31, 2021.

Inimco
On November 24, 2020, the Company acquired 100% of the shares of Inimco CV ("Inimco"). Inimco is a Belgium-based company that offers knowledge, resources and IoT-based solutions for the process and manufacturing industry on MS Azure and equivalent platforms. With its remote monitoring tool, SaaS solutions and domain expertise, Inimco enables its customers to gain insights into their machine and productivity data, improve operational efficiency and to engage with third parties.

The total purchase price was $5.4 million (3.5 million Euros). Cash consideration paid in the third quarter of fiscal 2021 was $3.9 million (2.5 million Euros). Included in the purchase price is contingent consideration of up to $1.5 million (1.0 million Euros) which is payable if certain performance targets are met within three fiscal years of the acquisition date. This acquisition was accounted for as a business combination with the Company as the acquirer of Inimco. The purchase method of accounting was used and the earnings were consolidated from the acquisition date, November 24, 2020.

CONSOLIDATED RESULTS
(In millions of dollars, except per share data)

	Q4 2021	Q4 2020	**Fiscal 2021**	Fiscal 2020	Fiscal 2019
Revenues	**$ 399.9**	$ 382.1	**$ 1,430.0**	$ 1,429.7	$ 1,253.6
Cost of revenues	**288.8**	293.4	**1,045.8**	1,067.6	924.9
Selling, general and administrative	**61.5**	59.0	**236.0**	233.7	204.1
Restructuring costs	**—**	5.8	**14.3**	26.6	—
Stock-based compensation	**6.8**	(1.0)	**14.3**	6.2	9.8
Earnings from operations	**$ 42.8**	$ 24.9	**$ 119.6**	$ 95.6	$ 114.8
Net finance costs	**$ 16.7**	$ 7.8	**$ 40.1**	$ 28.1	$ 20.9
Provision for income taxes	**2.3**	4.0	**15.4**	14.6	23.31
Net income	**$ 23.8**	$ 13.1	**$ 64.1**	$ 52.9	$ 70.8
Basic earnings per share	**$ 0.26**	$ 0.14	**$ 0.70**	$ 0.57	$ 0.76
Diluted earnings per share	**$ 0.26**	$ 0.14	**$ 0.69**	$ 0.57	$ 0.75
Total assets			**$ 2,196.1**	$ 2,098.0	$ 1,688.8
Total cash and short-term investments			**$ 187.5**	$ 358.6	$ 224.5
Total debt			**$ 504.8**	$ 665.6	$ 348.7
Other non-current liabilities			**$ 131.1**	$ 121.1	$ 113.4

Revenues. At $399.9 million, consolidated revenues for the fourth quarter of fiscal 2021 were $17.8 million, or 4.7% higher than in the corresponding period a year ago. At $1,430.0 million, annual consolidated revenues were $0.3 million higher than a year ago (see "Overview – Operating Results").

Cost of revenues. At $288.8 million, fourth quarter fiscal 2021 cost of revenues decreased by $4.6 million, or 1.6% compared to the corresponding period a year ago. Annual cost of revenues of $1,045.8 million decreased $21.8 million, or 2.0%. The decreases in cost of revenues were due to efficiencies made in the Company's cost structure and improved program execution. Fourth quarter fiscal 2021 gross margin was 27.8%, compared to 23.2% in the corresponding period a year ago, due to efficiencies made in the Company's cost structure, improved program execution, increased revenues from services and $2.1 million of recoveries under the CEWS program.

Fiscal 2021 gross margin was 26.9%, compared to 25.3% in fiscal 2020. Higher gross margin for fiscal 2021 was due primarily to efficiency gains from the Company's reorganizations, improved program execution and $12.2 million of recoveries under the CEWS program, which helped to offset lower after-sales services and operational inefficiencies related to COVID-19.

Selling, general and administrative ("SG&A") expenses. SG&A expenses for the fourth quarter of fiscal 2021 were $61.5 million, which included $8.1 million of costs related to the amortization of identifiable intangible assets on business acquisitions, $4.2 million of incremental costs related to the Company's acquisition activity and $5.6 million in adjustments to contingent consideration and post-acquisition remuneration related to the acquisition of MARCO. Excluding these items, SG&A expenses were $54.8 million in the fourth quarter of fiscal 2021. Comparably, SG&A expenses for the fourth quarter of fiscal 2020 were $50.4 million, which excluded $8.5 million of costs related to the amortization of identifiable intangible assets recorded on business acquisitions and $0.1 million of acquisition-related transaction costs. Higher SG&A expenses in the fourth quarter of fiscal 2021 primarily reflected increased employee costs, partially offset by the benefit of the reorganization, $0.5 million of recoveries under the CEWS program and other cost containment measures.

Fiscal 2021 SG&A expenses were $236.0 million, which included $33.5 million of expenses related to the amortization of identifiable intangible assets on business acquisitions, $6.7 million of incremental costs related to the Company's acquisition activity, a $5.3 million gain on the sale of a facility and $5.6 million in adjustments to contingent consideration and post-acquisition remuneration related to the acquisition of MARCO. Excluding these items, SG&A expenses were $206.7 million for fiscal 2021. Comparably, SG&A expenses for fiscal 2020 were $198.5 million, which excluded $33.7 million of expenses related to the amortization of identifiable intangible assets on business acquisitions and $1.5 million of incremental costs related to the Company's acquisition activity. Higher SG&A expenses primarily related to the assumption of SG&A from acquired companies and increased employee costs, partially offset by the benefit of the reorganization, $3.9 million of recoveries under the CEWS program and other cost containment measures.

Restructuring costs. For the three- and 12-months ended March 31, 2021, restructuring costs were $nil and $14.3 million, respectively, compared to restructuring costs of $5.8 million and $26.6 million, respectively, in the corresponding periods a year ago (see "Reorganization Activity").

Stock-based compensation. Stock-based compensation expense was $6.8 million in the fourth quarter of fiscal 2021 compared to a recovery of $1.0 million in the corresponding period a year ago. Fiscal 2021 stock-based compensation expense was $14.3 million compared to $6.2 million a year ago. The increase in stock-based compensation costs is attributable to higher expenses from the revaluation of deferred stock units and restricted share units based on the Company's stock price.

Earnings from operations. For the three- and 12-month periods ended March 31, 2021, earnings from operations were $42.8 million (10.7% operating margin) and $119.6 million (8.4% operating margin), respectively, compared to earnings from operations of $24.9 million (6.5% operating margin) and $95.6 million (6.7% operating margin) in the corresponding periods a year ago (see "Overview – Operating Results").

Net finance costs. Net finance costs were $16.7 million in the fourth quarter of fiscal 2021, compared to $7.8 million a year ago. Fiscal 2021 finance costs were $40.1 million compared to $28.1 million a year ago. Higher interest expense related primarily to $9.1 million of finance costs associated with the redemption of the U.S. $250.0 million 6.5% senior notes that were due in 2023 (see "Liquidity, Cash Flow and Financial Resources").

Income tax provision. For the three and 12 months ended March 31, 2021, the Company's effective income tax rates of 8.8% and 19.4%, respectively differed, from the combined Canadian basic federal and provincial income tax rate of 26.5%. This was primarily due to a non-recurring recovery for income taxes of $4.3 million, primarily related to the impact of tax planning opportunities which were implemented in the fourth quarter of fiscal 2021. Excluding the non-recurring recovery, the adjusted effective income tax rates for the three and 12 months ended March 31, 2021 were 25.3% and 24.8%, respectively.

Net income. Fiscal 2021 fourth quarter net income was $23.8 million (26 cents per share basic and diluted) compared to $13.1 million (14 cents per share basic and diluted) for the fourth quarter of fiscal 2020. Adjusted basic earnings per share were 34 cents in the fourth quarter of fiscal 2021 compared to 26 cents in the fourth quarter of fiscal 2020 (see "Reconciliation of Non-IFRS Measures to IFRS Measures").

Fiscal 2021 net income was $64.1 million (70 cents per share basic and 69 cents per share diluted) compared to $52.9 million (72 cents per share basic and diluted) for the corresponding period a year ago. Adjusted basic earnings per share were 1.07 cents in fiscal 2021 compared to $1.06 in the corresponding period a year ago (see "Reconciliation of Non-IFRS Measures to IFRS Measures").

Reconciliation of Non-IFRS Measures to IFRS Measures
(In millions of dollars, except per share data)

The following table reconciles EBITDA to the most directly comparable IFRS measure (net income):

	Fiscal 2021	Fiscal 2020	Fiscal 2019
EBITDA	**$ 190.6**	$ 167.0	$ 157.2
Less: depreciation and amortization expense	**71.0**	71.4	42.4
Earnings from operations	**$ 119.6**	$ 95.6	$ 114.8
Less: net finance costs	**40.1**	28.1	20.9
Provision for income taxes	**15.4**	14.6	23.1
Net income	**$ 64.1**	$ 52.9	$ 70.8

	Q4 2021	Q4 2020
EBITDA	**$ 60.2**	$ 43.2
Less: depreciation and amortization expense	**17.4**	18.3
Earnings from operations	**$ 42.8**	$ 24.9
Less: net finance costs	**16.7**	7.8
Provision for income taxes	**2.3**	4.0
Net income	**$ 23.8**	$ 13.1

The following table reconciles adjusted earnings from operations and adjusted basic earnings per share to the most directly comparable IFRS measure (net income and basic earnings per share):

	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020		
	IFRS	**Adjustments**	**Adjusted (non-IFRS)**	IFRS	Adjustments	Adjusted (non-IFRS)
Earnings from operations	**$ 42.8**	**$ —**	**$ 42.8**	$ 24.9	$ —	$ 24.9
Acquisition-related transaction costs	**—**	**4.2**	**4.2**	—	0.1	0.1
Amortization of acquisition-related intangible assets	**—**	**8.1**	**8.1**	—	8.5	8.5
Restructuring costs	**—**	**—**	**—**	—	5.8	5.8
Contingent consideration adjustment	**—**	**(5.6)**	**(5.6)**	—	—	—
	$ 42.8	**$ 6.7**	**$ 49.5**	$ 24.9	$ 14.4	$ 39.3
Less: net finance costs	**$ 16.7**	**$ —**	**$ 16.7**	$ 7.8	$ —	$ 7.8
Less: adjustment to net finance costs[1]	**—**	**(9.1)**	**(9.1)**	—	—	—
Income before income taxes	**$ 26.1**	**$ 15.8**	**$ 41.9**	$ 17.1	$ 14.4	$ 31.5
Provision for income taxes	**$ 2.3**	**$ —**	**$ 2.3**	$ 4.0	$ —	$ 4.0
Adjustment to provision for income taxes[2]	**—**	**8.7**	**8.7**	—	3.9	3.9
	$ 2.3	**$ 8.7**	**$ 11.0**	$ 4.0	$ 3.9	$ 7.9
Net income	**$ 23.8**	**$ 7.1**	**$ 30.9**	$ 13.1	$ 10.5	$ 23.6
Basic earnings per share	**$ 0.26**	**$ 0.08**	**$ 0.34**	$ 0.14	$ 0.12	$ 0.26

[1] Adjustments to net finance costs relate to non-recurring finance costs associated with the redemption of the U.S. $250.0 million 6.5% senior notes that were due in 2023 (see “Liquidity, Cash Flow and Financial Resources”).
[2] Adjustments to provision for income taxes include $4.4 million of income tax effects on adjustment items that are excluded for the purposes of calculating non-IFRS based adjusted net income, and a non-recurring provision for income taxes amount of $4.3 million primarily related to the impact of tax planning opportunities which were implanted in the fourth quarter of fiscal 2021.

	Twelve Months Ended March 31, 2021			Twelve Months Ended March 31, 2020		
	IFRS	**Adjustments**	**Adjusted (non-IFRS)**	IFRS	Adjustments	Adjusted (non-IFRS)
Earnings from operations	**$ 119.6**	**$ —**	**$ 119.6**	$ 95.6	$ —	$ 95.6
Acquisition-related transaction costs	**—**	**6.7**	**6.7**	—	1.5	1.5
Amortization of acquisition-related intangible assets	**—**	**33.5**	**33.5**	—	33.7	33.7
Restructuring costs	**—**	**14.3**	**14.3**	—	26.6	26.6
Gain on sale of facility	**—**	**(5.3)**	**(5.3)**	—	—	—
Contingent consideration adjustment	**—**	**(5.6)**	**(5.6)**	—	—	—
	$ 119.6	**$ 43.6**	**$ 163.2**	$ 95.6	$ 61.8	$ 157.4
Less: net finance costs	**$ 40.1**	**$ —**	**$ 40.1**	$ 28.1	$ —	$ 28.1
Less: adjustment to net finance costs[1]	**—**	**(9.1)**	**(9.1)**	—	—	—
Income before income taxes	**$ 79.5**	**$ 52.7**	**$ 132.2**	$ 67.5	$ 61.8	$ 129.3
Provision for income taxes	**$ 15.4**	**$ —**	**$ 15.4**	$ 14.6	$ —	$ 14.6
Adjustment to provision for income taxes[2]	**—**	**18.7**	**18.7**	—	16.9	16.9
	$ 15.4	**$ 18.7**	**$ 34.1**	$ 14.6	$ 16.9	$ 31.5
Net income	**$ 64.1**	**$ 34.0**	**$ 98.1**	$ 52.9	$ 44.9	$ 97.8
Basic earnings per share	**$ 0.70**	**$ 0.37**	**$ 1.07**	$ 0.57	$ 0.49	$ 1.06

[1] Adjustments to net finance costs relate to non-recurring finance costs associated with the redemption of the U.S. $250.0 million 6.5% senior notes that were due in 2023 (see "Liquidity, Cash Flow and Financial Resources").
[2] Adjustments to provision for income taxes include $14.4 million of income tax effects on adjustment items that are excluded for the purposes of calculating non-IFRS based adjusted net income, and a non-recurring provision for income taxes amount of $4.3 million primarily related to the impact of tax planning opportunities which were implanted in the fourth quarter of fiscal 2021.

INVESTMENTS, LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

Investments

(In millions of dollars)

	Fiscal 2021	Fiscal 2020
Investments – increase (decrease)		
Non-cash operating working capital	**$ (64.1)**	$ 112.6
Acquisition of property, plant and equipment	**21.5**	45.4
Acquisition of intangible assets	**10.0**	11.1
Proceeds from disposal of assets	**(12.0)**	(0.1)
Total net investments	**$ (44.6)**	$ 169.0

In fiscal 2021, the Company's investment in non-cash working capital decreased $64.1 million, compared to an increase of $112.6 million a year ago. Excluding acquired amounts related to CFT, accounts receivable decreased 28.1%, or $81.9 million, and net contracts in progress decreased 27.2%%, or $30.9 million compared to March 31, 2020, due to the timing of billings on certain customer contracts. The Company actively manages its accounts receivable, contract asset and contract liability balances through billing terms on long-term contracts and collection efforts. Excluding acquired amounts, inventories decreased 6.2%, or $4.2 million, primarily due to a decrease in work-in-process on certain customer projects. Deposits and prepaid assets increased 9.5%, or $3.0 million, net of CFT and compared to March 31, 2020, due to the timing of program execution. Accounts payable and accrued liabilities decreased 13.4%, or $38.6 million, net of CFT and compared to March 31, 2020. Provisions decreased 27.1%, or $8.7 million, net of CFT and compared to March 31, 2020, primarily due to higher provisions in fiscal 2020 related to the Company's Reorganization Plan.

Cash investments in property, plant and equipment totalled $21.5 million in fiscal 2021, compared to $45.4 million for fiscal 2020. Expenditures primarily related to the expansion and improvement of certain manufacturing facilities, and investments in computer hardware and office equipment.

Intangible assets expenditures were $10.0 million for fiscal 2021, compared to $11.1 million for fiscal 2020, and primarily related to computer software and various internal development projects.

Proceeds from disposal of assets were $12.0 million in fiscal 2021, compared to $0.1 million in fiscal 2020. The increase primarily reflected the sale of assets related to the Company's reorganization activity in fiscal 2021.

The Company performs impairment tests on its goodwill and intangible asset balances on an annual basis or as warranted by events or circumstances. The Company conducted its annual impairment assessment in the fourth quarter of fiscal 2021 and determined there was no impairment of goodwill or intangible assets as of March 31, 2021 (fiscal 2020 – $nil).

All the Company's investments involve risks and require that the Company make judgments and estimates regarding the likelihood of recovery of the respective costs. In the event management determines that any of the Company's investments have become permanently impaired or recovery is no longer reasonably assured, the value of the investment would be written down to its estimated net realizable value as a charge against earnings.

Liquidity, Cash Flow and Financial Resources
(In millions of dollars, except ratios)

As at	**March 31, 2021**	March 31, 2020
Cash and cash equivalents	**$ 187.5**	$ 358.6
Debt-to-equity ratio[1]	**0.59:1**	0.86:1
Cash flows provided by operating activities	**$ 185.2**	$ 20.3

[1] Debt is calculated as bank indebtedness, long-term debt and lease liabilities. Equity is calculated as total equity less accumulated other comprehensive income.

At March 31, 2021, the Company had cash and cash equivalents of $187.5 million compared to $358.6 million at March 31, 2020. At March 31, 2021, the Company's debt-to-total equity ratio was 0.59:1.

In fiscal 2021, cash flows provided by operating activities were $185.2 million ($20.3 million provided by operating activities in the corresponding period a year ago). The increase in operating cash flows related primarily to the timing of investments in non-cash working capital in certain customer programs.

At March 31, 2021, the Company had $775.8 million of unutilized multipurpose credit, including letters of credit, available under existing credit facilities and an additional $196.0 million available under letter of credit facilities.

On July 29, 2020, the Company amended its senior secured credit facility (the "Credit Facility") and extended its maturity to August 29, 2022. The Credit Facility provides a committed revolving credit facility of $750.0 million. The Credit Facility is secured by the Company's assets, including a pledge of shares of certain of the Company's subsidiaries. Certain of the Company's subsidiaries also provide guarantees under the Credit Facility. At March 31, 2021, the Company had utilized $2.2 million under the Credit Facility, of which $nil was classified as long-term debt (March 31, 2020 - $250.0 million) and $2.2 million by way of letters of credit (March 31, 2020 - $149.4 million).

The Credit Facility is available in Canadian dollars by way of prime rate advances and/or bankers' acceptances, in U.S. dollars by way of base rate advances and/or LIBOR advances, in Swiss francs, Euros and British pounds sterling by way of LIBOR advances and by way of letters of credit for certain purposes in Canadian dollars, U.S. dollars and Euros. The interest rates applicable to the Credit Facility are determined based on a net debt-to-EBITDA ratio as defined in the Credit Facility. For prime rate advances and base rate advances, the interest rate is equal to the bank's prime rate or the bank's U.S. dollar base rate in Canada, respectively, plus a margin ranging from 0.95% to 2.50%. For bankers' acceptances and LIBOR advances, the interest rate is equal to the bankers' acceptance fee or LIBOR, respectively, plus a margin that varies from 1.95% to 3.50%. The Company pays a fee for usage of financial letters of credit that ranges from 1.95% to 3.50%, and a fee for usage of non-financial letters of credit that ranges from 1.30% to 2.33%. The Company pays a standby fee on the unadvanced portions of the amounts available for advance or draw-down under the Credit Facility at rates ranging from 0.39% to 0.79%.

The Credit Facility is subject to financial covenants including a net debt-to-EBITDA test and an interest coverage test. Under the terms of the Credit Facility, the Company is restricted from encumbering any assets with certain permitted exceptions. The Credit Facility also limits advances to subsidiaries and partially restricts the Company from repurchasing its common shares and paying dividends. At March 31, 2021, all covenants were met.

The Company has additional credit facilities available of $29.6 million (10.1 million Euros, $10.0 million U.S., 50.0 million Thai Baht and 0.4 million Czech Koruna). The total amount outstanding on these facilities at March 31, 2021 was $1.2 million, of which $1.1 million was classified as bank indebtedness (March 31, 2020 - $4.6 million) and $0.1 million was classified as long-term debt (March 31, 2020 - $0.2 million). The interest rates applicable to the credit facilities range from 1.75% to 6.25% per annum. A portion of the long-term debt is secured by certain assets of the Company.

On December 29, 2020, the Company completed a private placement of U.S. $350.0 million aggregate principal amount of senior notes (the “Senior Notes”). Transaction fees of $8.1 million were deferred and will be amortized over the term of the Senior Notes. On January 13, 2021, ATS used the net proceeds from the Senior Notes to fund the redemption of its U.S. $250.0 million 6.5% senior notes due in 2023 (the “Existing Notes”). The Company recorded finance costs of $9.1 million related to the redemption of the Existing Notes.

The Senior Notes were issued at par, bear interest at a rate of 4.125% per annum and mature on December 15, 2028. The Company may redeem the Senior Notes, in whole at any time or in part from time to time, at specified redemption prices and subject to certain conditions required by the Senior Notes. If the Company experiences a change of control, the Company may be required to repurchase the Senior Notes, in whole or in part, at a purchase price equal to 101% of the aggregate principal amount of the Senior Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Senior Notes contain customary covenants that restrict, subject to certain exceptions and thresholds, some of the activities of the Company and its subsidiaries, including the Company’s ability to dispose of assets, incur additional debt, pay dividends, create liens, make investments, and engage in specified transactions with affiliates. Subject to certain exceptions, the Senior Notes are guaranteed by each of the subsidiaries of the Company that is a borrower or has guaranteed obligations under the Credit Facility.

Contractual Obligations
(In millions of dollars)

The Company’s minimum purchase obligations are as follows:

	Purchase obligations
Less than one year	$ 294.0
One – two years	3.1
Two – three years	0.5
Three – four years	0.2
	$ 297.8

The Company’s off-balance sheet arrangements consist of purchase obligations which consist primarily of commitments for material purchases, which have been entered into in the normal course of business.

In accordance with industry practice, the Company is liable to customers for obligations relating to contract completion and timely delivery. In the normal conduct of its operations, the Company may provide letters of credit as security for advances received from customers pending delivery and contract performance. In addition, the Company provides letters of credit for post-retirement obligations and may provide letters of credit as security on equipment under lease and on order. At March 31, 2021, the total value of outstanding letters of credit was approximately $154.0 million (March 31, 2020 - $219.0 million).

In the normal course of operations, the Company is party to a number of lawsuits, claims and contingencies. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the Company does not believe that the ultimate outcome of these matters will have a material impact on its consolidated statements of financial position.

The Company is exposed to credit risk on derivative financial instruments arising from the potential for counterparties to default on their contractual obligations to the Company. The Company minimizes this risk by limiting counterparties to major financial institutions and monitoring their creditworthiness. The Company’s credit exposure to forward foreign exchange contracts is the current replacement value of contracts that are in a gain position. The Company is also exposed to credit risk from its customers. Substantially all of the Company’s trade accounts receivable are due from customers in a variety of industries and, as such, are subject to normal credit risks from their respective industries. The Company regularly monitors customers for changes in credit risk. The Company does not believe that any single market or geographic region represents significant credit risk. Credit risk concentration, with respect to trade receivables, is mitigated as the Company primarily serves large, multinational customers and obtains receivables insurance in certain instances.

SHARE DATA

During fiscal 2021, 457,676 stock options were exercised. At May 19, 2021 the total number of shares outstanding was 92,077,103 and there were 896,958 stock options outstanding to acquire common shares of the Company.

NORMAL COURSE ISSUER BID

On December 21, 2020, the Company announced that the Toronto Stock Exchange ("TSX") had accepted a notice filed by the Company of its intention to make a normal course issuer bid ("NCIB"). Under the NCIB, ATS may purchase for cancellation up to a maximum of 7,351,834 common shares of the Company during the 12-month period ending December 22, 2021.

Some purchases under the NCIB may be made pursuant to an automatic purchase plan between ATS and its broker. This plan enables the purchase of ATS common shares when ATS would not ordinarily be active in the market due to internal trading blackout periods, insider trading rules, or otherwise. ATS security holders may obtain a copy of the notice, without charge, upon request from the Secretary of the Company.

In fiscal 2021, the Company purchased 511,528 common shares for $8.7 million under the previous NCIB program and nil common shares under the new NCIB program. The weighted average price per repurchased share was $16.93. At March 31, 2021, a total of 7,351,834 common shares remained available for repurchase under the NCIB.

RELATED PARTY TRANSACTIONS

The Company has an agreement with a shareholder, Mason Capital Management, LLC ("Mason Capital"), pursuant to which Mason Capital has agreed to provide ATS with ongoing strategic and capital markets advisory services for an annual fee of U.S. $0.5 million. As part of the agreement, a member of the Company's Board of Directors who is associated with Mason Capital has waived any fees to which he may have otherwise been entitled for serving as a member of the Board of Directors or as a member of any committee of the Board of Directors.

There were no other significant related party transactions in fiscal 2021.

FOREIGN EXCHANGE

The Company is exposed to foreign exchange risk as a result of transactions in currencies other than its functional currency of the Canadian dollar, through borrowings made by the Company in currencies other than its functional currency and through its investments in its foreign-based subsidiaries.

The Company's Canadian operations generate significant revenues in major foreign currencies, primarily U.S. dollars, which exceed the natural hedge provided by purchases of goods and services in those currencies. In order to manage a portion of this foreign currency exposure, the Company has entered into forward foreign exchange contracts. The timing and amount of these forward foreign exchange contract requirements are estimated based on existing customer contracts on hand or anticipated, current conditions in the Company's markets and the Company's past experience. Certain of the Company's foreign subsidiaries will also enter forward foreign exchange contracts to hedge identified balance sheet, revenue and purchase exposures. The Company's forward foreign exchange contract hedging program is intended to mitigate movements in currency rates primarily over a four- to six-month period.

The Company uses cross-currency swaps as derivative financial instruments to hedge a portion of its foreign exchange risk related to its U.S. dollar-denominated Senior Notes. On January 13, 2021, the Company settled the cross-currency interest rate swap instrument to swap U.S. $150.0 million into Canadian dollars that was outstanding at December 27, 2020. During the term of the swap, the Company received interest of 6.50% U.S. per annum and paid interest of 6.501% Canadian. The Company also settled a cross-currency interest rate swap instrument to swap 134.1 million Euros into Canadian dollars. The Company received interest of 6.501% Canadian per annum and paid interest of 5.094% Euros. The Company paid $16.9 million to settle the cross-currency swaps.

On January 13, 2021, the Company entered into a cross-currency interest rate swap instrument to swap U.S. $175.0 million into Canadian dollars to hedge a portion of its foreign exchange risk related to its U.S. dollar-denominated Senior Notes. The Company will receive interest of 4.125% U.S. per annum and pay interest of 4.257% Canadian. The terms of the hedging relationship will end on December 15, 2025.

The Company manages foreign exchange risk on its Euro-denominated net investments. The Company uses a cross-currency interest rate swap as derivative financial instruments to hedge a portion of the foreign exchange risk related to its Euro-denominated net investment. On January 13, 2021, the Company entered a cross-currency interest rate swap instrument to swap 143.9 million Euros into Canadian dollars. The Company will receive interest of 4.257% Canadian per annum and pay interest of 3.145% Euros. The terms of the hedging relationship will end on December 15, 2025.

In addition, from time to time, the Company may hedge the foreign exchange risk arising from foreign currency debt, intercompany loans, net investments in foreign-based subsidiaries and committed acquisitions through the use of forward foreign exchange contracts or other non-derivative financial instruments. The Company uses hedging as a risk management tool, not to speculate.

Period Average Exchange Rates in CDN$

	Year-end actual exchange rates			**Period average exchange rates**		
	March 31, 2021	March 31, 2020	% change	**March 31, 2021**	March 31, 2020	% change
U.S. dollar	**1.257**	1.408	(10.7%)	**1.322**	1.331	(0.7%)
Euro	**1.473**	1.552	(5.1%)	**1.541**	1.479	4.2%

CONSOLIDATED QUARTERLY RESULTS

(In millions of dollars, except per share amounts)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenues	**$ 399.9**	$ 369.7	$ 335.5	$ 324.9	$ 382.1	$ 367.2	$ 341.2	$ 339.2
Earnings from operations	**$ 42.8**	$ 32.3	$ 23.4	$ 21.1	$ 24.9	$ 10.4	$ 31.7	$ 28.6
Adjusted earnings from operations[1]	**$ 49.5**	$ 43.8	$ 40.1	$ 29.7	$ 39.3	$ 37.5	$ 42.5	$ 38.0
Net income	**$ 23.8**	$ 18.9	$ 11.6	$ 9.8	$ 13.1	$ 4.1	$ 19.3	$ 16.4
Basic and diluted earnings per share	**$ 0.26**	$ 0.20	$ 0.13	$ 0.11	$ 0.14	$ 0.04	$ 0.21	$ 0.18
Adjusted basic earnings per share[1]	**$ 0.34**	$ 0.30	$ 0.26	$ 0.17	$ 0.26	$ 0.26	$ 0.29	$ 0.25
Order Bookings[2]	**$ 463.0**	$ 435.0	$ 403.0	$ 325.0	$ 356.0	$ 368.0	$ 321.0	$ 423.0
Order Backlog[3]	**$1,160.0**	$ 985.0	$ 956.0	$ 909.0	$ 942.0	$ 939.0	$ 945.0	$ 982.0

[1] Non-IFRS measure. See “Notice to reader: Non-IFRS measures and additional IFRS measures” and “Reconciliation of Non-IFRS Measures to IFRS Measures.”
[2] Non-IFRS measure. See “Notice to reader: Non-IFRS measures and additional IFRS measures” and “Order Bookings by Quarter.”
[3] Non-IFRS measure. See “Notice to reader: Non-IFRS measures and additional IFRS measures” and “Order Backlog Continuity.”

Interim financial results are not necessarily indicative of annual or longer-term results because many of the individual markets served by the Company tend to be cyclical in nature. Operating performance quarter to quarter may also be affected by the timing of revenue recognition on large programs in Order Backlog, which is impacted by such factors as customer delivery schedules, the timing of third-party content, and by the timing of acquisitions. General economic trends, product life cycles and product changes may impact revenues and operating performance. ATS typically experiences some seasonality with its Order Bookings, revenues and earnings from operations, due to employee vacations and summer plant shutdowns by its customers. The COVID-19 pandemic may also affect quarterly performance patterns in fiscal 2022.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the end of the reporting period. Uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company based its assumptions on information available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the estimates as they occur.

Notes 2 and 3 to the consolidated financial statements describe the basis of accounting and the Company's significant accounting policies.

COVID-19

There is significant uncertainty regarding the extent and duration of the impact of the COVID-19 pandemic on the Company's operations. The impact of the pandemic on the Company's financial condition, cash flows, operations, credit risk, liquidity and availability of credit is highly uncertain and cannot be predicted. Management will continue to monitor and assess the impact of the pandemic on its judgments, estimates, accounting policies and amounts recognized in the consolidated financial statements.

The Company tests for impairment on an annual basis and if there are indicators that impairment may have arisen. In calculating the recoverable amount for impairment testing, management is required to make several assumptions, including, but not limited to, expected future revenues, expected future cash flows and forward multiples. COVID-19 presents significant measurement uncertainties associated with the assumptions about the Company's future operating results used in calculating the recoverable amount for impairment testing at March 31, 2021.

Revenue recognition and contracts in progress

The nature of ATS contracts requires the use of estimates to quote new business, and most automation systems are typically sold on a fixed-price basis. Revenues on construction contracts and other long-term contracts are recognized on a percentage of completion basis as outlined in note 3(c) "Revenue recognition – Construction contracts" to the consolidated financial statements. In applying the accounting policy on construction contracts, judgment is required in determining the estimated costs to complete a contract. These cost estimates are reviewed at each reporting period and by their nature may give rise to income volatility. If the actual costs incurred by the Company to complete a contract are significantly higher than estimated, the Company's earnings may be negatively affected. The use of estimates involves risks, since the work to be performed involves varying degrees of technical uncertainty, including possible development work to meet the customer's specification, the extent of which is sometimes not determinable until after the project has been awarded. In the event the Company is unable to meet the defined performance specification for a contracted automation system, it may need to redesign and rebuild all or a portion of the system at its expense without an increase in the selling price. Certain contracts may have provisions that reduce the selling price or provide for refund of purchase price if the Company fails to deliver or complete the contract by specified dates. These provisions may expose the Company to liabilities or adversely affect the Company's results of operations or financial position.

ATS' contracts may be terminated by customers in the event of a default by the Company or, in some cases, for the convenience of the customer. In the event of a termination for convenience, the Company typically negotiates a payment provision reflective of the progress achieved on the contract and/or the costs incurred to the termination date. If a contract is cancelled, Order Backlog is reduced and production utilization may be negatively impacted.

A complete provision, which can be significant, is made for losses on such contracts when the losses first become known. Revisions in estimates of costs and profits on contracts, which can also be significant, are recorded in the accounting period in which the relevant facts impacting the estimates become known.

A portion of ATS' revenue is recognized when earned, which is generally at the time of shipment and transfer of title to the customer, provided collection is reasonably assured.

Investment tax credits and income taxes
Investment tax credit assets, disclosed in note 18 to the consolidated financial statements, are recognized as a reduction of the related expenses in the year in which the expenses are incurred, provided there is reasonable assurance that the credits will be realized. Management has made estimates and assumptions in determining the expenditures eligible for the investment tax credits claim and the amount could be materially different from the recorded amount upon review by the government. Deferred income tax assets, disclosed in note 18 to the consolidated financial statements, are recognized to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax- planning strategies.

If the assessment of the Company's ability to utilize the deferred income tax asset changes, the Company would be required to recognize more or fewer deferred income tax assets, which would increase or decrease income tax expense in the period in which this is determined. The Company establishes provisions based on reasonable estimates for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous taxation audits and differing interpretations of tax regulations by the taxable entity and the respective tax authority. These provisions for uncertain tax positions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all the relevant factors. The Company reviews the adequacy of these provisions at each quarter. However, it is possible that at some future date an additional liability could result from audits by the taxation authorities. Where the final tax outcome of these matters is different from the amount initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Stock-based payment transactions
The Company measures the cost of transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for stock-based payment transactions requires the determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the future forfeiture rate, the expected life of the share option, weighted average risk-free interest rate, volatility and dividend yield, and formation of assumptions. The assumptions and models used for estimating fair value for stock-based payment transactions are disclosed in note 19 to the consolidated financial statements.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculations involve significant estimates and assumptions. Items estimated include cash flows, discount rates and assumptions on revenue growth rates. These estimates could affect the Company's future results if the current estimates of future performance and fair values change. Goodwill is assessed for impairment on an annual basis as described in note 11 to the consolidated financial statements. The Company performed its annual impairment test of goodwill as at March 31, 2021 and determined there was no impairment (March 31, 2020 – $nil).

Provisions
As described in note 3(n) to the consolidated financial statements, the Company records a provision when an obligation exists, an outflow of economic resources required to settle the obligation is probable and a reliable estimate can be made of the amount of the obligation. The Company records a provision based on the best estimate of the required economic outflow to settle the present obligation at the consolidated statement of financial position date. While management believes these estimates are reasonable, differences in actual results or changes in estimates could have a material impact on the obligations and expenses reported by the Company.

Employee benefits
The cost of defined benefit pension plans and the present value of the pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the

underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in their respective currency, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details about the assumptions used are provided in note 15 to the consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

ACCOUNTING STANDARD ADOPTED IN FISCAL 2021

The Company has not adopted any standard, interpretation or amendment that had or is expected to have an impact on the Company.

CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company. The control framework used in the design of disclosure controls and procedures and internal control over financial reporting is the "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Disclosure Controls and Procedures

An evaluation of the design and operating effectiveness of the Company's disclosure controls and procedures was conducted as of March 31, 2021 under the supervision of the CEO and CFO as required by CSA National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*. The evaluation included documentation, review, enquiries and other procedures considered appropriate in the circumstances. Based on that evaluation, the CEO and the CFO have concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance that information relating to the Company and its consolidated subsidiaries that is required to be disclosed in reports filed under provincial and territorial securities legislation is recorded, processed, summarized and reported to senior management, including the CEO and the CFO, so that appropriate decisions can be made by them regarding required disclosure within the time periods specified in the provincial and territorial securities legislation.

Internal Control over Financial Reporting

CSA National Instrument 52-109 requires the CEO and CFO to certify that they are responsible for establishing and maintaining internal control over financial reporting for the Company, and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

The CEO and CFO have, using the framework and criteria established in "Internal Control – Integrated Framework (2013)" issued by COSO, evaluated the design and operating effectiveness of the Company's internal controls over financial reporting and concluded that, as of March 31, 2021, internal controls over financial reporting were effective to provide reasonable assurance that information related to consolidated results and decisions to be made based on those results were appropriate.

In response to the COVID-19 pandemic, the Company implemented measures to enable physical distancing across ATS' operations, including remote work. This change required certain processes and controls that were previously done or documented manually to be completed and retained in electronic form. The Company continues to monitor whether remote work arrangements have adversely affected the Company's ability to maintain internal controls over financial reporting and disclosure controls and procedures. Despite the changes required by the current environment, there have been no significant changes in the design of the Company's internal controls over financial reporting during the years ended March 31, 2021 and March 31, 2020, that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Management, including the CEO and CFO, does not expect that the Company's disclosure controls or internal controls over financial reporting will prevent or detect all errors and all fraud or will be effective under all potential future conditions. A control system is subject to inherent limitations and, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met.

Limitation on Scope

The Company announced results for the voluntary tender offer to acquire 100% of CFT on March 12, 2021. The earnings were consolidated from March 31, 2021. Management has not fully completed its review of internal controls over financial reporting for this newly acquired organization. Since the acquisition occurred within the 365 days of the reporting period, management has limited the scope of design and subsequent evaluation of disclosure controls and procedures and internal controls over financial reporting, as permitted under 5.3 of Form 52-109 F1 pursuant to National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings. For the period covered by this MD&A, management has undertaken additional procedures to satisfy itself with respect to the accuracy and completeness of the acquired operations' financial information. The following summary of financial information pertains to the acquisition that was included in ATS' consolidated financial statements for the year ended March 31, 2021.

(millions of dollars)	CFT
Current assets[1]	$238.5 million
Non-current assets[1]	$263.8 million
Current liabilities[1]	$180.1 million
Non-current liabilities[1]	$178.5 million

[1] Balance sheet as at March 31, 2021

OTHER MAJOR CONSIDERATIONS AND RISK FACTORS

Any investment in ATS will be subject to risks inherent to ATS' business. The following risk factors are discussed in the Company's Annual Information Form, which may be found on SEDAR at www.sedar.com.

- Market volatility;
- Strategy execution risks;
- Acquisition risks;
- Expansion risks;
- Pandemic and epidemic risks;
- Natural or other disasters, acts of war, terrorism, international conflicts or other disruptions;
- Industry consolidation;
- Liquidity, access to capital markets and leverage;
- Restrictive covenants;
- Availability of performance and other guarantees from financial institutions;
- Share price volatility;
- Competition;
- First-time program and production risks;
- Automation systems pricing;
- Revenue mix risk;
- Pricing, quality, delivery and volume risks;
- Product failure;
- New product market acceptance, obsolescence, and commercialization;
- Security breaches or disruptions of information technology systems;
- Insurance coverage;
- Availability of raw materials and other manufacturing inputs;
- Customer risks;
- Insolvency or financial distress of third parties;
- Availability of human resources and dependence on key personnel;
- Cumulative loss of several significant contracts;
- Lengthy sales cycles;
- Lack of long-term customer commitment;
- Foreign exchange risk;

- Doing business in foreign countries;
- International trade;
- Legislative compliance;
- Environmental compliance;
- Corruption of Foreign Public Officials Act, United States Foreign Corrupt Practices Act and Anti-bribery laws risk;
- Intellectual property protection risks;
- Infringement of third parties' intellectual property rights risk;
- Internal controls;
- Impairment of intangible assets risk;
- Income and other taxes and uncertain tax liabilities;
- Variations in quarterly results;
- Litigation;
- Risks associated with Product businesses;
- Environmental, social and governance considerations risk;
- Manufacturing facilities disruption;
- Restructuring and work stoppage risk; and
- Dependence on performance of subsidiaries.

Note to Readers: Forward-Looking Statements

This management's discussion and analysis of financial conditions, and results of operations of ATS contains certain statements that may constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of ATS, or developments in ATS' business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. ATS cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things: the strategic framework; the Company's strategy to expand organically and through acquisition; the ATS Business Model ("ABM"); conversion of opportunities into Order Bookings; the Company's Order Backlog partially mitigating the impact of volatile Order Bookings; rate of Order Backlog conversion; the expected benefits where the company engages with customers on enterprise-type solutions and the potential impact on Order Bookings, performance period, and timing of revenue recognition; expected benefits with respect to the Company's efforts to expand its services revenues; initiatives having the goal of expanding adjusted earnings from operations margin over long-term; the CEWS program; non-cash working capital levels as a percentage of revenues; expectation in relation to meeting liquidity and funding requirements for investments; potential to use leverage to support growth strategy; expected closing of the BioDot transaction; the potential impact of COVID-19 and government emergency measures; and the Company's belief with respect to the outcome of certain lawsuits, claims and contingencies. The risks and uncertainties that may affect forward-looking statements include, among others: the progression of COVID-19 and its impacts on the Company's ability to operate its assets, including the possible shut-down of facilities due to COVID-19 outbreaks; the severity and duration of the COVID-19 pandemic in all jurisdictions where the Company conducts its business; the nature and extent of government imposed restrictions on travel and business activities and the nature, extent, and applicability of government assistance programs, in both cases related to the COVID-19 pandemic, as applicable in all jurisdictions where the Company conducts its business; the impact of the COVID-19 pandemic on the Company's employees, customers, and suppliers; impact of COVID-19 on the global economy; general market performance including capital market conditions and availability and cost of credit; performance of the markets that ATS serves; foreign currency and exchange risk; the relative strength of the Canadian dollar; impact of factors such as increased pricing pressure and possible margin compression; the regulatory and tax environment; inability to successfully expand organically or through acquisition, due to an inability to grow expertise, personnel, and/or facilities at required rates or to identify, negotiate and conclude one or more acquisitions, or to raise, through debt or equity, or otherwise have available, required capital; that acquisitions made are not integrated as quickly or effectively as planned or expected and, as a result, anticipated benefits and synergies are not realized; that some or all of the sales funnel is not converted to

Order Bookings due to competitive factors or failure to meet customer needs; timing of customer decisions related to large enterprise programs and potential for negative impact associated with any cancellations or non-performance in relation thereto; variations in the amount of Order Backlog completed in any given quarter; that the Company is not successful in growing its service offering or that expected benefits are not realized; that efforts to expand adjusted earnings from operations margin over long-term is unsuccessful, due to any number of reasons, including less than anticipated increase in after-sales service revenues or reduced margins attached to those revenues, inability to achieve lower costs through supply chain management, failure to develop, adopt internally, or have customers adopt, standardized platforms and technologies, inability to maintain current cost structure if revenues were to grow, and failure of ABM to impact margins; that the CEWS program ceases to be available, that the Company ceases to qualify, or that the benefits under the program are other than expected; non-cash working capital as a percentage of revenues operating at a level other than as expected due to reasons, including, the timing and nature of Order Bookings, the timing of payment milestones and payment terms in customer contracts, and delays in customer programs; that the BioDot transaction does not close, is delayed, or is prohibited as a result of the completion of the regulatory filing process; risk that the ultimate outcome of lawsuits, claims, and contingencies give rise to material liabilities for which no provisions have been recorded; that one or more customers, or other entities with which the Company has contracted, experience insolvency or bankruptcy with resulting delays, costs or losses to the Company; political, labour or supplier disruptions; the development of superior or alternative technologies to those developed by ATS; the success of competitors with greater capital and resources in exploiting their technology; market risk for developing technologies; risks relating to legal proceedings to which ATS is or may become a party; exposure to product and/or professional liability claims; risks associated with greater than anticipated tax liabilities or expenses; and other risks detailed from time to time in ATS' filings with Canadian provincial securities regulators. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and other than as required by applicable securities laws, ATS does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.