

CAE closes the sale of its Healthcare business to Madison Industries

Montreal, Canada, February 16, 2024 - (NYSE: CAE; TSX: CAE) - CAE Inc. (CAE or the Company) today announced the closing of the sale of its Healthcare business to Madison Industries for an enterprise value of C\$311 million, subject to customary adjustments. This follows CAE's announcement on October 24, 2023, of the execution of a definitive agreement in respect of the transaction.

As previously disclosed, CAE intends to use the net proceeds of this sale principally to accelerate deleveraging, as well as to support its continued focus on technology advancement, market leadership and cost optimization within the Company's core training, simulation, and aviation software markets.

With the successful divestiture of the Company's Healthcare business, CAE will further streamline its operating model and portfolio, optimize its cost structure and create efficiencies. To that effect, CAE also announces that it expects to incur restructuring expenses totaling approximately \$40 million over the next two fiscal quarters.

About CAE

At CAE, we equip people in critical roles with the expertise and solutions to create a safer world. As a technology company, we digitalize the physical world, deploying software-based simulation training and critical operations support solutions. Above all else, we empower pilots, cabin crew, airlines, and defence and security forces to perform at their best every day and when the stakes are the highest. Around the globe, we're everywhere customers need us to be with more than 13,000 employees in approximately 250 sites and training locations in over 40 countries. CAE represents more than 75 years of industry firsts—the highest-fidelity flight and mission simulators as well as training programs powered by digital technologies. We embed sustainability in everything we do. Today and tomorrow, we'll make sure our customers are ready for the moments that matter.

Caution concerning forward-looking statements

This press release includes forward-looking statements about the sale by CAE of its Healthcare business, the anticipated benefits and expected impacts therefrom on CAE's strategic and operational plans and financial results, including with respect to anticipated restructuring expenses and benefits expected to result therefrom, as well as CAE's activities, events and developments that it expects to or anticipates may occur in the future including, for example, statements about CAE's vision, strategies, market trends and outlook, future revenues, earnings, cash flow growth, profit trends, growth capital spending, expansions and new initiatives, financial obligations, available liquidities, expected sales, our financial position, the expected capital returns to shareholders, our business outlook, business opportunities, objectives, development, plans, growth strategies and other strategic priorities, and other statements that are not historical facts. Since forward-looking statements and information relate to future events or future

performance and reflect current expectations or beliefs regarding future events, they are typically identified by words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “future”, “intend”, “likely”, “may”, “plan”, “seek”, “should”, “strategy”, “will” or the negative thereof or other variations thereon suggesting future outcomes or statements regarding an outlook. By their nature, forward looking statements require CAE to make assumptions and are subject to inherent risks and uncertainties associated with CAE’s business which may cause actual results in future periods to differ materially from results indicated in forward-looking statements. While these statements are based on management’s expectations and assumptions regarding historical trends, current conditions and expected future developments, as well as other factors that CAE believes are reasonable and appropriate in the circumstances, readers are cautioned not to place undue reliance on these forward-looking statements as there is a risk that they may not be accurate. All such statements constitute “forward-looking statements” within the meaning of applicable Canadian securities legislation and “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995.

Important risks that could cause such differences include, but are not limited to, risks relating to cybersecurity, geopolitical uncertainty, global economic conditions, competitive business environment, original equipment manufacturer (OEM) leverage and encroachment, inflation, international scope of CAE’s business, level and timing of defence spending, civil aviation industry, CAE’s ability to penetrate new markets, research and development activities, evolving standards and technology innovation and disruption, length of sales cycle, business development and awarding of new contracts, strategic partnerships and long-term contracts, CAE cannot assure investors that it will effectively manage its growth, estimates of market opportunity, competing priorities, supply chain disruptions, program management and execution, mergers and acquisitions, business continuity, subcontractors, fixed price and long-term supply contracts, continued reliance on certain parties and information, talent management, key personnel and management, corporate culture, labour relations, availability of capital, customer credit risk, foreign exchange, effectiveness of internal controls over financial reporting, liquidity risk, interest rates, returns to shareholders, estimates used in accounting, impairment risk, pension plans, indebtedness, acquisition and integration costs, sales of additional common shares, market price and volatility of CAE’s common shares, seasonality, taxation matters, adjusted backlog, data rights and governance, U.S. foreign ownership, control or influence mitigation measures, compliance with laws and regulations, insurance coverage potential gaps, product-related liabilities, environmental laws and regulations, government audits and investigations, protection of CAE’s intellectual property and brand, third-party intellectual property, foreign private issuer status, enforceability of civil liabilities against CAE’s directors and officers, extreme climate events and the impact of natural or other disasters (including effects of climate change), more acute scrutiny and perception gaps regarding environmental, social and governance matters, reputational risk, information technology and reliance on third-party providers for information technology systems and

infrastructure management. Additionally, differences could arise because of events announced or completed after the date of this press release. More information about the risks and uncertainties affecting CAE's business can be found in the Management's Discussion & Analysis for the year ended March 31, 2023 and the Management's Discussion & Analysis for the quarter ended December 31, 2023. Accordingly, readers are cautioned that any of the disclosed risks could have a material adverse effect on CAE's forward-looking statements. Readers are also cautioned that the risks described above and elsewhere in this press release, and in the documents referenced herein, are not necessarily the only ones CAE faces; additional risks and uncertainties that are presently unknown to CAE or that CAE may currently deem immaterial may adversely affect CAE's business.

Except as required by law, CAE disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. The forward-looking information and statements contained in this press release are expressly qualified by this cautionary statement. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this press release. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

Material Assumptions

For additional information, including with respect to other assumptions underlying the forward-looking statements made in this press release, refer to the applicable reportable segment in the Management's Discussion & Analysis for the year ended March 31, 2023 and the Management's Discussion & Analysis for the quarter ended December 31, 2023. Accordingly, the assumptions outlined in this press release, and in the documents referenced herein, and, consequently, the forward-looking statements based on such assumptions, may turn out to be inaccurate.

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