

## **CAE receives regulatory approvals for acquisition of L3Harris Technologies' Military Training business**

- **Acquisition expected to close on July 2, 2021**
- **Will position CAE as the leading global, pure play, platform-agnostic training and simulation company in defence and security market**
- **Will approximately double CAE's core military training business in the United States**
- **Will broaden CAE's position in training and operational support across multi-domain operations**

**Montreal, Canada, June 28, 2021** – (NYSE: CAE; TSX: CAE) – CAE today announced that it has received all the required regulatory approvals for the previously announced acquisition of L3Harris Technologies' Military Training business for US\$1.05 billion subject to customary adjustments (the "Acquisition") and expects closing to be complete on July 2, 2021.

The acquisition of L3Harris' Military Training business will expand CAE's position as a platform-agnostic training and simulation company serving the global defence and security market. The L3Harris Military Training business, which includes Link Simulation & Training, Doss Aviation and AMI, will be integrated with CAE USA. This will approximately double CAE's core military training business in the United States. The Acquisition will also serve to broaden CAE's ability to provide training and operational support solutions across multi-domain operations by diversifying CAE's training and simulation leadership in the air domain, complementing land and naval training solutions, and enhancing CAE's capabilities in space and cyber.

"Following the closing, we are pleased to welcome L3Harris Military Training customers and employees to CAE," said Marc Parent, CAE's President and Chief Executive Officer. "This represents the largest acquisition in our history and clearly demonstrates our strategy to strengthen and expand our position in all the markets CAE serves. We will be emerging from the pandemic much stronger and more ready to meet the growing demands of our customers."

With this Acquisition, CAE will add significant experience in the development and delivery of training systems for fighter and bomber aircraft, US Army rotary-wing platforms, submarines and remotely piloted aircraft. CAE USA will become the prime contractor or key subcontractor on a range of programs, including the United States Air Force (USAF) Simulators Common Architecture Requirements and Standards (SCARS) program, USAF F-16 Simulators Training Program (STP), US Navy/Marine Corps F/A-18 aircrew training systems, USAF initial flight training, USAF Ground Based Strategic Deterrent (GBSD) training and USAF B-2 training system.

"This Acquisition will bring scale, experience and capabilities that support our strategy to align closely with the National Defense Strategy in the United States," said Daniel Gelston, Group President, Defence & Security, CAE. "As the United States and its allies train for a near-peer threat, we expect increasing demand for simulation-based training and the use of synthetic environments across all battlespace domains. This Acquisition will significantly strengthen our ability to provide the digitally immersive solutions for training and operational support that are needed for multi-domain operations."

The Acquisition, which was first announced on March 1, 2021, is expected to provide low teens percentage EPS accretion for CAE within its first full year post-close and to be immediately accretive to operating income.

## About CAE

CAE is a high-technology company, at the leading edge of digital immersion, providing solutions to make the world a safer place. Backed by a record of more than 70 years of industry firsts, we continue to reimagine the customer experience and revolutionize training and operational support solutions in civil aviation, defence and security, and healthcare. We are the partner of choice to customers worldwide who operate in complex, high stakes and largely regulated environments, where successful outcomes are critical. Testament to our customers' ongoing needs for our solutions, over 60 percent of CAE's revenue is recurring in nature. We have the broadest global presence in our industry, with approximately 10,000 employees, 160 sites and training locations in over 35 countries. [www.cae.com](http://www.cae.com)

Follow us on Twitter @CAE\_Inc and @CAE\_Defence  
Facebook: [www.facebook.com/cae.inc](http://www.facebook.com/cae.inc)  
LinkedIn: [www.linkedin.com/company/cae](http://www.linkedin.com/company/cae)

-30-

## CAE contacts:

Hélène V. Gagnon, Senior Vice President, Public Affairs, Global Communications and Corporate Social Responsibility  
+1-514-340-5536, [helene.v.gagnon@cae.com](mailto:helene.v.gagnon@cae.com)

## Defence trade media:

Chris Stellwag, Director, Marketing Communications – Defence and Security  
+1-407-709-3070, [chris.stellwag@cae.com](mailto:chris.stellwag@cae.com)

## Investor relations:

Andrew Arnovitz, Senior Vice President, Strategy and Investor Relations  
+1-514-734-5760, [andrew.arnovitz@cae.com](mailto:andrew.arnovitz@cae.com)

## Caution regarding forward-looking statements

This press release includes forward-looking statements, which include, without limitation, statements relating to the expected timing of completion of the Acquisition, the expected impact of the Acquisition on CAE's strategic and operational plans and financial results; and other statements that are not historical facts. Although CAE believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements since no assurance can be given that they will prove to be correct.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as "believe", "expect", "anticipate", "plan", "intend", "continue", "estimate", "may", "will", "should", "strategy", "future" and similar expressions. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws and of the United States Private Securities Litigation Reform Act of 1995.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties associated with our 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 we believe 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. The forward-looking statements contained in this press release describe our expectations as of June 28, 2021 and, accordingly, are subject to change after such date. Except as required by law, we disclaim 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. Forward-looking statements are presented in this press release for the purpose of assisting investors and others in understanding certain key elements of the Acquisition. Readers are cautioned that such information may not be appropriate for other purposes.

### *Material assumptions*

The forward-looking statements set out in this press release are based on certain assumptions including, without limitation: the satisfaction of all outstanding closing conditions of the L3H MT acquisition prior to the expected closing date, our ability to retain and attract new business, achieve synergies and maintain market position arising from successful integration plans relating to the Acquisition, our ability to otherwise complete the integration of the acquired L3Harris Military Training business within anticipated time periods and at expected cost levels, our ability to attract and retain key employees in connection with the Acquisition, management's estimates and expectations in relation to future economic and business conditions and other factors in relation to the Acquisition and resulting impact on growth and accretion in various financial metrics, the realization of the expected strategic, financial and other benefits of the Acquisition in the timeframe anticipated, economic and political environments and industry conditions, the accuracy and completeness of public and other disclosure, including financial disclosure, by L3Harris Technologies, absence of significant undisclosed costs or liabilities associated with the Acquisition, the ability of CAE to opportunistically access the capital markets after the closing of the Acquisition and absence of material change in market conditions. For additional information, including with respect to other assumptions underlying the forward-looking statements made in the press release, refer to the applicable reportable segment in CAE's MD&A for the year ended March 31, 2021. Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from CAE, governments, regulatory authorities, businesses and customers, there is inherently more uncertainty associated with CAE's assumptions. Accordingly, the assumptions outlined in this press release and, consequently, the forward-looking statements based on such assumptions, may turn out to be inaccurate.

### *Other material risks*

Other important risk factors that could cause actual results or events to differ materially from those expressed in or implied by our forward-looking statements are set out in CAE's MD&A for the year ended March 31, 2021 filed by CAE with the Canadian Securities Administrators (available at [www.sedar.com](http://www.sedar.com)) and with the U.S. Securities and Exchange Commission (available at [www.sec.gov](http://www.sec.gov)). The fiscal year 2021 MD&A is also available at [www.cae.com](http://www.cae.com). Any one or more of the factors set out in CAE's MD&A may be exacerbated by the growing COVID-19 outbreak and may have a significantly more severe impact on CAE's business, results of operations and financial condition than in the absence of such outbreak. Accordingly, readers are cautioned that any of the disclosed risks could have a material adverse effect on our forward-looking statements. We caution that the disclosed list of risk factors is not exhaustive and other factors could also adversely affect our results.