

CAE to Acquire Sabre's AirCentre Airline Operations Portfolio

Investor Summary

October 28, 2021



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This presentation includes forward-looking statements about the anticipated benefits of the acquisition by CAE of Sabre's AirCentre airline operations portfolio (the Acquisition), CAE's access to capital resources, and CAE's activities, events and developments that CAE expects to or anticipates may occur in the future including, for example, statements about CAE's vision, strategies, market trends and outlook, future revenues, capital spending, expansions and new initiatives, financial obligations and expected sales. Forward-looking statements normally contain words like "believe", "expect", "anticipate", "plan", "intend", "continue", "estimate", "may", "will", "should", "strategy", "future" and similar expressions. 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Important risks that could cause such differences include, but are not limited to, the failure to gain access to expected capital resources within anticipated timeframes or at all, risks relating to the Acquisition, such as all or part of the intended benefits therefrom not being realized or unanticipated integration-related issues, costs or delays, risks relating to the COVID-19 pandemic such as health and safety, reduction and suspension of operations, global economic conditions, diversions of management attention, heightened IT risks, liquidity risks and credit risks, risks relating to the industry such as competition, business development and awarding of new contracts, level and timing of defence spending, government-funded defence and security programs, constraints within the civil aviation industry, regulatory matters, natural or other disasters, environmental laws and regulations, climate change, risks relating to CAE such as evolving standards and technology innovation, CAE's ability to penetrate new markets, R&D activities, fixed-price and long term supply contracts, strategic partnerships and long-term contracts, procurement and original equipment manufacturer (OEM) leverage, product integration and program management, protection of CAE's intellectual property and brand, third-party intellectual property, loss of key personnel, labour relations, liability risks that may not be covered by indemnity or insurance, warranty or other product-related claims, integration of acquired businesses through mergers, acquisitions, joint ventures, strategic alliances or divestitures, reputational risk, U.S. foreign ownership, control or influence mitigation measures, length of sales cycle, seasonality, continued returns to shareholders, information technology and cybersecurity, CAE's reliance on technology and third party providers, data privacy, and risks relating to the market such as foreign exchange, availability of capital, credit risk, pension plan funding, doing business in foreign countries, geopolitical uncertainty, anti-corruption laws and taxation matters. Additionally, differences could arise because of events announced or completed after the date of this presentation. 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, 2021 and the Management's Discussion & Analysis for the quarter ended June 30, 2021. Any one or more of the factors described above and elsewhere in this presentation, and in the documents referenced herein, may be exacerbated by the continuing COVID-19 pandemic and may have a more negative impact on CAE's business, results of operations and financial condition. 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 presentation, 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. Pending the Acquisition closing, Sabre's AirCentre airline operations portfolio is a fully integrated business unit of Sabre, and separate financial statements historically have not been prepared for the Sabre's AirCentre airline operations portfolio. Consequently, the financial information of the Sabre's AirCentre airline operations portfolio included in this document has been derived from the consolidated financial statements and historical accounting records of Sabre and reflects certain significant assumptions, judgments and allocations made by Sabre. The financial position, net income and cash flows of the Sabre's AirCentre airline operations portfolio may not be representative of the financial performance if the Sabre's AirCentre airline operations portfolio had been a stand-alone entity or operated independently of Sabre. As a result, the historical financial information or expected future financial results of the Sabre's AirCentre airline operations portfolio may not be a reliable indicator of future results. 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 presentation are expressly qualified by this cautionary statement.

Disclaimer

Material Assumptions

The forward-looking statements set out in this presentation are based on certain assumptions including, without limitation: access to expected capital resources within anticipated timeframes, the integration and the realization of the anticipated benefits and synergies of the Acquisition in the timeframe anticipated, the anticipated negative impacts of the COVID-19 pandemic on CAE's businesses, operating results, cash flows and/or financial condition, including the intended effect of mitigation measures implemented as a result of the COVID-19 pandemic, CAE's available liquidity from cash and cash equivalents, undrawn amounts on CAE's revolving credit facilities, the balance available under CAE's receivable purchase program, CAE's cash flows from operations and continued access to debt funding will be sufficient to meet financial requirements in the foreseeable future; and no material financial, operational or competitive consequences of changes in regulations affecting CAE's business. For additional information, including with respect to other assumptions underlying the forward-looking statements made in this presentation, refer to the applicable reportable segment in the Management's Discussion & Analysis for the year ended March 31, 2021 and the Management's Discussion & Analysis for the quarter ended June 30, 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 presentation, and in the documents referenced herein, and, consequently, the forward-looking statements based on such assumptions, may turn out to be inaccurate.

Non-GAAP and other financial measures

Non-GAAP Measures Except as otherwise indicated, all financial information has been reported in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). This presentation includes non-GAAP and other financial measures. Non-GAAP measures are useful supplemental information but do not have a standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other issuers. These measures should not be confused with, or used as an alternative for, performance measures calculated according to GAAP. They should also not be used to compare with similar measures from other companies. Management believes that providing certain non-GAAP measures provides users with a better understanding of our results and trends and provides additional information on our financial and operating performance.

For non-GAAP and other financial measures monitored by CAE, and a reconciliation of such measures to the most directly comparable measure under GAAP, please refer to Section 5 of CAE's MD&A for the quarter ended June 30, 2021 filed with the Canadian Securities Administrators available on our website (www.cae.com) and on SEDAR (www.sedar.com).

EBITDA

EBITDA comprises earnings before income taxes, finance expense – net, depreciation and amortization.

Earnings per share (EPS)

CAE calculates earnings per share by taking the diluted earnings per share from continuing operations attributable to equity holders of the CAE and dividing that by the average number of diluted shares.

Free cash flow

Free cash flow is a non-GAAP measure that shows how much cash CAE has available to invest in growth opportunities, repay debt and meet ongoing financial obligations. CAE uses it as an indicator of its financial strength and liquidity. CAE calculates it by taking the net cash generated by its continuing operating activities, subtracting maintenance capital expenditures, investment in other assets not related to growth and dividends paid and adding proceeds from the disposal of property, plant and equipment, dividends received from equity accounted investees and proceeds, net of payments, from equity accounted investees. For a reconciliation of this non-GAAP measure to the most directly comparable measure under GAAP, refer to section 8.1 "Consolidated cash movements" of the interim MD&A for the period ending June 30, 2021 as filed on SEDAR (www.sedar.com) on August 11, 2021, as well as section 6.1 "Consolidated cash movements" of the financial report for the year ended March 31, 2021 (as filed on SEDAR (www.sedar.com) on May 19, 2021, which sections are specifically incorporated by reference into this presentation.

Currency

All amounts in this presentation are expressed in Canadian dollars unless otherwise indicated.

Establishes CAE as a Technology Leader in Digital Flight and Crew Operations



CAE to acquire Sabre's AirCentre airline operations portfolio to significantly expand its position in flight and crew management and optimization solutions

Transaction Summary

Overview of Sabre's AirCentre Airline Operations Portfolio

- Sabre's AirCentre airline operations portfolio offers a highly valuable suite of flight and crew management and optimization solutions, primarily through a SaaS delivery model, for commercial airline operations
- Primary products and solutions offered include flight management, crew management, movement manager, and airport & in-flight solutions

Transaction Overview

- CAE has agreed to acquire Sabre's AirCentre airline operations portfolio for a value of US\$392.5 million
- The business generated revenues of ~US\$150 million in 2019 calendar year (pre-pandemic) and approximately US\$55 million EBITDA⁽¹⁾
- To be financed with existing available liquidity
- The transaction is expected to be mid-single-digit percentage EPS⁽¹⁾ accretive, and even higher free cash flow⁽¹⁾ accretive, for CAE within the first year post-closing
- Expected closing in first quarter of calendar year 2022, subject to customary conditions and regulatory approvals

Further expands CAE's reach beyond pilot training and establishes the Company as a technology leader in the growing market for industry-leading, digitally-enabled flight and crew operations solutions

(1) See Non-GAAP and other financial measures on slide 3

Enhances CAE's Value Proposition Beyond Training and Into Digitally-Enabled Flight and Crew Operations Solutions

✓ Expands CAE's customer value proposition

- Broadens CAE's presence in the airline operations digital ecosystem and expands CAE's technology capabilities to offer civil aviation customers even more services in support of regulated crew and flight operations
- Integrates CAE's digitally-enabled capabilities into the operations of our civil aviation customers

✓ Attractive acquisition price and financial characteristics

- Generated revenues of ~US\$150 million in 2019 calendar year (pre-pandemic) and approximately US\$55 million EBITDA⁽¹⁾
- Expected to be accretive to EPS⁽¹⁾ (mid-single-digit %), and even higher free cash flow⁽¹⁾ accretive within the first year post closing

✓ Increases Civil addressable market and accelerates strategic Flight Services growth opportunities

- A capstone acquisition to provide CAE with an established high-quality platform that gives greater access to the incremental ~\$2 billion, or nearly 50% step-up in CAE's Civil Aviation addressable market, to an addressable market of ~\$6.2 billion
- Establishes CAE as a technology leader in the growing market for digitally enabled flight and crew operations solutions

✓ Strengthens CAE's digital transformation

- Accelerates CAE's technological & digital transformation through market-leading software products & talent that are expected to fold seamlessly into CAE's high technology and customer-centric culture

(1) See Non-GAAP and other financial measures on slide 3

Sabre's AirCentre Airline Operations – A Premier Provider of Digital Solutions to Many of the World's Leading Airlines



SaaS Solutions

Mission critical applications essential for operating an airline



150+ airline customers

Diverse client base



Geographic Diversification

Established in key global markets



500 Employees

of which the majority are personnel with software development and digital expertise

AirCentre Airline Operations Portfolio



- **Crew:** Planning, tracking, monitoring, self service



- **Movement:** Flight display and operations control



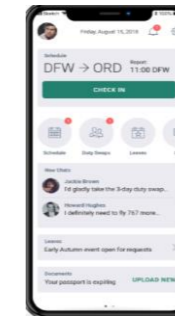
- **Flight:** Flight Planning, dispatch, crew access



- **Airport:** Planning, utilization for gate assignments & staffing



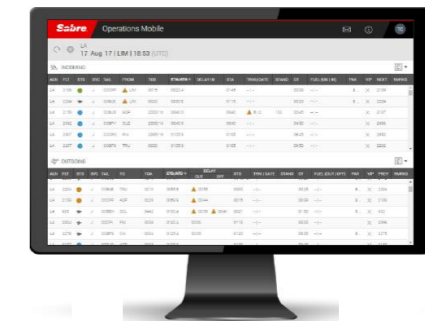
- **In-Flight:** Automation, planning for onboard catering



Crew View



Operations View



Flight Ops Management View

Uniting Airlines & Crew in a Single, Interconnected and Growing Digital Flight Operations Ecosystem



Acquired in December 2020

An innovative civil aviation crew management and optimization software company

Highlights

- ✓ Accelerates expansion into software-enabled civil aviation services
- ✓ Strengthens CAE's digital portfolio to add crew management
- ✓ Expands addressable market in airline crew operations and optimization software



Acquired in April 2021

An innovative provider of fully integrated solutions that modernize the way airlines interact with their crew

Highlights

- ✓ Continued expansion of CAE's reach beyond pilot training and into the rapidly growing market for digitally enabled crew optimization services
- ✓ Expands CAE's technology capabilities to offer our airlines and business aviation's enhanced modern mobile technology to connect with their crew



Project Resilience

Announced in July 2021

Multi-year innovation program to pioneer the development of a digital flight operations ecosystem

Highlights

- ✓ Creating digitally immersive solutions leveraging data and artificial intelligence
- ✓ Positioning CAE as a leader in Advanced Air Mobility (air taxis) and green light aircraft technologies



AirCentre Airline Operations Portfolio

Announced in October 2021

Suite of flight and crew management and optimization solutions designed to enable airlines to operate their businesses with efficiency and precision

Highlights

- ✓ Establishes CAE as a leader in digital flight and crew operations
- ✓ Further expands CAE's reach beyond pilot training and establishes the company as a technology leader in the growing market for industry-leading, digitally-enabled flight and crew operations solutions

CAE is capitalizing on market disruption by successfully executing acquisitions and investments that align with its strategic priorities

Summary



***Significant
Opportunity to
Create Value for
Both Our
Customers and
CAE Shareholders***

CAE has been playing offense to seed growth in a disrupted civil aviation market to emerge as a larger, more resilient and more profitable company ✓

Strategic growth asset with attractive financial characteristics ✓

CAE is uniquely positioned as natural buyer of a highly valuable portfolio of products given its experience in mission-critical airline operations and trusted relationships with the majority of the world's airlines ✓

Accelerates growth strategy in the software civil aviation services market ✓

Capstone acquisition that gives greater access to the incremental \$2 billion in CAE's Civil Aviation addressable market, to an addressable market of ~\$6.2 billion ✓

Leverages CAE's platform to unite commercial & business operators and crew in a single, interconnected and growing digital ecosystem ✓

Thank you!

