

CAE to invest C\$1 billion in innovation over five years to develop the aviation technologies of the future

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

Montréal, Québec, July 15, 2021 – (NYSE: CAE; TSX: CAE) – CAE today announced that it will be investing C\$1 billion over the next five years in innovation. The investment will fund Project Resilience, a transformation project to develop the technologies of tomorrow, including digitally immersive solutions using data ecosystems and artificial intelligence in civil aviation, defence & security and healthcare. The project will also allow CAE to position itself as a leader in end-to-end technology, operational support and training solutions for Advanced Air Mobility, as well as develop green light aircraft technologies.

In partnership with the Government of Canada and the Government of Québec, the project will allow CAE to play a key role in making air travel safer, defence forces mission ready, and helping medical personnel save lives.

The Government of Canada and the Government of Québec will provide a combined investment of C\$340 million over the next five years (C\$190 million for Canada and C\$150 million for Québec).

Executives and employees of CAE joined the Right Honourable Justin Trudeau, Prime Minister of Canada, the Honourable François-Philippe Champagne, Canada's Minister of Innovation, Science and Industry as well as Mr. François Legault, Premier of Quebec, and Mr. Éric Girard, Québec's Minister of Finance and Minister of Economy and Innovation for the announcement.

"CAE is launching a major five-year Research and Development investment program which will reinforce CAE's position as a global technology leader, create high-value jobs and collaborations, and contribute to a greener, safer, and more inclusive world," said Marc Parent, CAE's President and Chief Executive Officer. "CAE is a Canadian innovation powerhouse, and our Research and Development will allow us to reinforce our leadership in training by creating digitally immersive solutions across many sectors and markets to make the world a safer place. The project will also allow us to expand into exciting new markets such as advanced air mobility, green light aircraft technologies and next generation healthcare equipment and services. We thank the government of Canada and the government of Quebec who will be partnering with us to open up these new markets for CAE and Quebec and Canada."

"With advanced air mobility, we are on the cusp of a new era of aviation," Parent added. "Disruptive aerospace companies are building cutting edge aircraft and creating a new sector within the industry from the ground up. We are investing to position CAE to be one of the leaders in defining this emerging industry, supporting OEMs with the development, testing and certification of aircraft programs, simulation equipment and the delivery of training to the next generation of pilots and maintenance technicians. It is expected that close to 60,000 uniquely trained professional pilots will be needed to safely fly passengers and cargo in these electric Vertical Take-off and Landing vehicles, and CAE has the expertise to help make it happen."

CAE will harness its unique technological capabilities, long-standing expertise in supporting airworthiness test programs as well as its latest innovations in simulation, virtual/mixed reality (VR/MR) and data analytics to be at the forefront of disruptive mobility technologies such as eVTOL vehicles.

Through the project, CAE will invest in the development of electric aircraft technologies and solutions, including retrofitting its large fleet of light trainer aircraft to reduce its carbon footprint. CAE announced on Sept 28, 2020 that it became the first Canadian aerospace company to reach carbon neutrality.

Creating jobs and investing in future talent

CAE will carry out Project Resilience in Canada, utilizing its R&D laboratories, as well as its test and integration, and training facilities. Throughout Project Resilience, CAE will collaborate and co-develop technology solutions with small and medium companies from across Canada and will create 700 new highly skilled jobs at CAE in Canada, including 600 in Quebec. Through this project, CAE will work with post-secondary institutions, research centres and STEM institutions and create 5,000 Work Integrated Learning (WIL) opportunities for students and 100 new scholarship positions.

CAE employs more than 11,000 people globally, with approximately half of them working in 18 locations across Canada.

The government investments are subject to the finalization of definitive agreements.

The investments in Project Resilience are in line with CAE's current pace of R&D investment.

Quotes from today's government announcement regarding investments in the aerospace industry

"The aerospace sector is a pillar of the Canadian economy, providing good jobs for Canadian workers from coast to coast to coast. It's essential that we support the long-term growth of the sector and help make Canada a world leader in greener, more innovative technologies. The investments announced today will help the aerospace sector increase its research and development efforts so that innovative, greener, more sustainable aircraft can be built right here in Canada for decades to come, creating good jobs for hard-working Canadians."

– *The Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry of Canada*

"These are major projects that will drive Quebec towards the future! We will design the helicopters and planes of tomorrow here, in Quebec. These devices will generate wealth, all while reducing greenhouse gas emissions all over the planet. The aerospace industry will start up again stronger. Your government will be there to solidify our status as a leader and to ensure a bright future for the Quebec aerospace industry."

– *Mr. François Legault, Premier of Quebec*

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. As 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 more than 11,000 employees, 160 sites, and training locations in over 35 countries. www.cae.com

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