

CAE expands into crew management and optimization software with Merlot acquisition

- *Accelerates expansion into software-enabled civil aviation services*
- *Strengthens CAE's digital flight operations portfolio*
- *Expands addressable market in airline crew operations and optimization software*
- *Represents CAE's third announced acquisition since November*

Montreal, Quebec, Canada, December 22, 2020 (NYSE: CAE; TSX: CAE) – CAE announced today the acquisition of [Merlot Aero Limited](#) (Merlot), a leading civil aviation crew management and optimization software company for US\$25 million, plus additional consideration of up to US\$10 million in the form of an earn-out. The acquisition marks CAE's expansion into digital flight crew management and represents an important milestone in the Company's goal to unify the digital flight operations ecosystem.

The acquisition of Merlot's industry-leading crew optimization software allows CAE to provide an end-to-end offering of digitally-enabled crew performance software and expertise that extends from training through optimized crew operations and is unrivaled in the industry.

"This acquisition further expands our reach beyond pilot training and into the rapidly growing market for digitally-enabled crew optimization services. As we demonstrated with our acquisitions of FSC, TRU Canada, and now Merlot, we are focused on deploying the capital we recently raised to strengthen our position and expand our suite of solutions for our aviation customers," said Marc Parent, CAE President and CEO. "We are thrilled to integrate Merlot's capabilities and expertise in crew optimization technology to serve global operators as they look for flight operations efficiencies."

Pioneering a digital flight operations ecosystem

Over the past two years, CAE has been steadily unifying the digital flight operations ecosystem with the goal of delivering a holistic suite of solutions designed to improve operations and enhance the crew experience. Our vision began in 2018 with the acquisition of Pelesys, an aviation training courseware developer and publisher, with one of the most comprehensive training and compliance systems in the industry, and was expanded with the launch of CAE Rise™, the Company's predictive management and training visibility system.

In 2018, CAE announced a commitment to invest C\$1 billion in digital transformation over 5 years and in 2019 launched a new Flight Services organization to facilitate the Company's

expansion into crew management to support the growth of the Company's core pilot training market, while expanding into an attractive new adjacency.

The unprecedented disruption caused by COVID has only accelerated customer demand for these services and the acquisition of Merlot marks another milestone in CAE's journey to pioneer the development of a digital flight operations ecosystem.

For more information about CAE's digital crew management solutions, visit [these pages](#).

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 approximately 10,000 employees, 160 sites, and training locations in over 35 countries. www.cae.com

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