

COVID-19: CAE announces measures to protect its financial position and mitigate the impact on its employees

- **Common share dividend and share repurchases suspended**
- **Temporary layoffs (furloughs) and work-week reductions**
- **To help save lives, CAE is developing an easy-to-manufacture ventilator**

Montreal, Canada, April 6, 2020 (NYSE: CAE; TSX: CAE) – CAE announced today that it has taken a series of flexible measures to protect its financial position in response to the COVID-19 crisis and mitigate the impact on its employees. The measures include temporarily suspending its common share dividend and share repurchase plan, as well temporarily laying off 2,600 of its 10,500 employees and placing another 900 employees on a reduced work week. CAE also announced that, in an effort to help save lives, it is developing an easy-to-manufacture ventilator which will provide life support to patients in intensive care.

“CAE continues to support its customers as the training services we provide are considered essential around the world. Our Civil Aviation operations are most affected by the unprecedented disruption of the global air transportation system. At the same time, our Defence & Security operations are less impacted because CAE provides mission critical services worldwide,” said Marc Parent, CAE’s President and CEO. “We entered this crisis from a position of strength with a leading market position, a balanced business with recurring revenue streams, and a solid financial position. Taking decisive yet flexible action will help to protect our people and operations over the short-term and gives us the necessary agility to resume long-term growth when global air travel returns. Our employees have always been at the core of CAE’s success, we regret the hardship these temporary measures will cause those affected, especially during these difficult times, and we are grateful to all our employees for their contribution and dedication.”

To mitigate the number of temporary layoffs, CAE significantly reduced capital expenditures and R&D investments. The company also announced cost-containment measures, including salary freezes and salary reductions for staff not affected by reduced work weeks (50% for the CEO and executive team, 30% for vice presidents, 20% for directors and managers, and 10% for group leaders and employees).

CAE is working to access government emergency relief measures and wage subsidy programs in its main operating jurisdictions and will assess their impact on its mitigation plans. As details of government assistance programs around the world are finalized, CAE will do everything it can to recall as many employees as possible.

Dividend and share repurchase plan (NCIB) suspended

CAE's Board of Directors has approved the suspension of dividend payments to common shareholders until further notice and will review this position on a quarterly basis. Core to its capital allocation priorities, CAE remains committed to paying dividends over the long-term that are commensurate with the long-term growth of its business and will seek to resume dividend payments as soon as it is appropriate.

CAE's Board of Directors has also approved the temporary suspension of all share repurchases under its normal course issuer bid program.

CAE provides essential services critical to maintaining customers' operations

In Civil aviation, training is highly regulated, and for pilots to remain active and to continue to hold their certifications, they must train regularly - usually every 6 to 9 months. While training activities related to new pilot training have decreased substantially, many airlines and business jet operators have continued to conduct recurrent training to maintain the certification of their existing pilots. Two-thirds of CAE's more than 50 civil training centres worldwide continue to be operational, however training utilization is lower than usual as a result of restrictions from border closures and lockdowns that have forced temporary closures and disruptions to operations.

In Defence & Security, as underscored by governments worldwide, CAE's work is considered essential, and its employees are deployed worldwide to actively support training and readiness requirements. Over 90% of CAE's operational sites are still delivering services to support defence forces who must always be prepared and ready in the interest of national security.

Playing a role in saving lives in the fight against COVID-19

To help in the fight against COVID-19, our CAE Healthcare engineers and scientists have designed in 11 days a simple, maintainable, easy-to-manufacture ventilator prototype to provide life support to patients in intensive care. CAE is currently sourcing components in order to begin production of this ventilator as soon as it is approved by Health Canada. (A video is accessible via this [link](#), and photos are available at www.cae.com/multimedia-centre/photos/).

"CAE has employees around the world, and we are all proud of the impact we can have by putting our expertise to work to create a ventilator that can help save lives in the fight against COVID-19," said Marc Parent. "Once this prototype is approved by public health authorities, we are looking at manufacturing thousands of units in our Montreal plant and in other sites over the next few months."

CAE is also providing complimentary training seminars on how to prepare healthcare workers in the fight against COVID-19. The CAE team is launching simulation-based training solutions, both web and hardware based, to train personnel in the safe practice of ventilation and intubation, which is key to saving lives. This is even more critical right now when ventilation and intubation is being done by healthcare professionals who are not trained for these complex procedures.

About CAE

CAE is a global leader in training for the civil aviation, defence and security, and healthcare markets. Backed by a record of more than 70 years of industry firsts, we continue to help define global training standards with our innovative virtual-to-live training solutions to make flying safer, maintain defense force readiness and enhance patient safety. We have the broadest global presence in the industry, with over 10,500 employees, 160 sites and training locations in over 35 countries. Each year, we train more than 220,000 civil and defence crewmembers, including more than 135,000 pilots, and thousands of healthcare professionals worldwide. www.cae.com

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Caution concerning forward-looking statements

Certain statements made in this press release are forward-looking statements. Forward-looking statements describe future expectations, plans, results or strategies and normally contain words like "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 April 6, 2020 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.

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CAE contacts:

General Media:

Hélène V. Gagnon, Vice President, Public Affairs and Global Communications
+1-514-340-5536, helene.v.gagnon@cae.com

Investor relations:

Andrew Arnovitz, Vice President, Strategy and Investor Relations
+1-514-734-5760, andrew.arnovitz@cae.com