



Investor Presentation

First Quarter Fiscal Year 2025

Data as of August 13, 2024

CAE

Disclaimer

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Presentation includes forward-looking statements about our activities, events and developments that we expect to or anticipate may occur in the future including, for example, statements about our vision, strategies, market trends and outlook, future revenues, earnings, cash flow growth, profit trends, growth capital spending, expansions and new initiatives, including initiatives that pertain to environmental, social and governance (ESG) matters, financial obligations, available liquidities, expected sales, general economic and political outlook, inflation trends, prospects and trends of an industry, expected annual recurring cost savings from operational excellence programs, our management of the supply chain, estimated addressable markets, demands for CAE's products and services, our access to capital resources, our financial position, the expected accretion in various financial metrics, the expected capital returns to shareholders, our business outlook, business opportunities, objectives, development, plans, growth strategies and other strategic priorities, and our competitive and leadership position in our markets, the expansion of our market shares, CAE's ability and preparedness to respond to demand for new technologies, the sustainability of our operations, our ability to retire the Legacy Contracts (as defined in Section 6.2 "*Defense and Security*" of our MD&A for the first quarter ended June 30, 2024) as expected and to manage and mitigate the risks associated therewith, the impact of the retirement of the Legacy Contracts and other statements that are not historical facts.

Since forward-looking statements and information relate to future events or future performance and reflect current expectations or beliefs regarding future events, they are typically identified by words such as "anticipate", "believe", "could", "estimate", "expect", "intend", "likely", "may", "plan", "seek", "should", "will", "strategy", "future" or the negative thereof or other variations thereon suggesting future outcomes or statements regarding an outlook. All such statements constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions 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 Presentation describe our expectations as of August 13, 2024 and, accordingly, are subject to change after such date.

Important risks that could cause such differences include, but are not limited to, strategic risks, such as geopolitical uncertainty, global economic conditions, competitive business environment, original equipment manufacturer (OEM) leverage and encroachment, inflation, international scope of our business, level and timing of defence spending, constraints within the civil aviation industry, our ability to penetrate new markets, research and development (R&D) activities, evolving standards and technology innovation and disruption, length of sales cycle, business development and awarding of new contracts, strategic partnerships and long-term contracts, risk that we cannot assure investors that we will effectively manage our growth, estimates of market opportunity and competing priorities; operational risks, such as supply chain disruptions, program management and execution, mergers and acquisitions, business continuity, subcontractors, fixed price and long-term supply contracts, our continued reliance on certain parties and information, and health and safety; cybersecurity risks; talent risks, such as recruitment, development and retention, ability to attract, recruit and retain key personnel and management, corporate culture and labour relations; financial risks, such as availability of capital, customer credit risk, foreign exchange, effectiveness of internal controls over financial reporting, liquidity risk, interest rate volatility, returns to shareholders, shareholder activism, estimates used in accounting, impairment risk, pension plan funding, indebtedness, acquisition and integration costs, sales of additional common shares, market price and volatility of our common shares, seasonality, taxation matters and adjusted backlog; legal and regulatory risks, such as data rights and governance, U.S. foreign ownership, control or influence mitigation measures, compliance with laws and regulations, insurance coverage potential gaps, product-related liabilities, environmental laws and regulations, government audits and investigations, protection of our intellectual property and brand, third-party intellectual property, foreign private issuer status, and enforceability of civil liabilities against our directors and officers; ESG risks, such as extreme climate events and the impact of natural or other disasters (including effects of climate change) and more acute scrutiny and perception gaps regarding ESG matters; reputational risks; and technological risks, such as information technology (IT) and reliance on third-party providers for information technology systems and infrastructure management. The foregoing list is not exhaustive and other unknown or unpredictable factors could also have a material adverse effect on the performance or results of CAE. Additionally, differences could arise because of events announced or completed after the date of this Presentation. You will find more information about the risks and uncertainties affecting our business in our 2024 financial report for the year ended March 31, 2024 as well as in our MD&A for the first quarter ended June 30, 2024, both of which are available on our website (www.cae.com), SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov).

Disclaimer

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 are not necessarily the only ones we face; additional risks and uncertainties that are presently unknown to us or that we may currently deem immaterial may adversely affect our business.

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 Presentation are expressly qualified by this cautionary statement.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Presentation. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. Except as otherwise indicated by CAE, forward-looking statements do not reflect the potential impact of any special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may occur after August 13, 2024. The financial impact of these transactions and special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business. Forward-looking statements are presented in this Presentation for the purpose of assisting investors and others in understanding certain key elements of our expected FY2025 financial results and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

MATERIAL ASSUMPTIONS

The forward-looking statements set out in this Presentation are based on certain assumptions including, without limitation: the prevailing market conditions, geopolitical instability, the customer receptivity to our training and operational support solutions, the accuracy of our estimates of addressable markets and market opportunity, the realization of anticipated annual recurring cost savings and other intended benefits from restructuring initiatives and operational excellence programs, the ability to respond to anticipated inflationary pressures and our ability to pass along rising costs through increased prices, the actual impact to supply, production levels, and costs from global supply chain logistics challenges, the stability of foreign exchange rates, the ability to hedge exposures to fluctuations in interest rates and foreign exchange rates, the availability of borrowings to be drawn down under, and the utilization, of one or more of our senior credit agreements, our available liquidity from cash and cash equivalents, undrawn amounts on our revolving credit facility, the balance available under our receivable purchase facility, the assumption that our cash flows from operations and continued access to debt funding will be sufficient to meet financial requirements in the foreseeable future, access to expected capital resources within anticipated timeframes, no material financial, operational or competitive consequences from changes in regulations affecting our business, our ability to retain and attract new business, our ability to effectively execute and retire the Legacy Contracts while managing the risks associated therewith, and our ability to defend our position in the contractual dispute resolution process with the buyer of the CAE Healthcare business. Air travel is a major driver for CAE's business and management relies on analysis from the International Air Transport Association (IATA) to inform its assumptions about the rate and profile of recovery in its key civil aviation market. Accordingly, the assumptions outlined in this Presentation and, consequently, the forward-looking statements based on such assumptions, may turn out to be inaccurate. For more information, including with respect to other assumptions underlying the forward-looking statements made in this Presentation, refer to Section 10 "Business risk and uncertainty" of our MD&A for the year ended March 31, 2024 and of our MD&A for the first quarter ended June 30, 2024, both of which are available on our website (www.cae.com), SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov).

CURRENCY

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

NON-IFRS AND OTHER FINANCIAL MEASURES

This Presentation includes non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures. These measures are not standardized financial measures prescribed under IFRS and therefore should not be confused with, or used as an alternative for, performance measures calculated according to IFRS. Furthermore, these measures should not be compared with similarly titled measures provided or used by other issuers. Management believes that these measures provide additional insight into our operating performance and trends and facilitate comparisons across reporting periods.

Performance Measures

- Gross profit margin (or gross profit as a % of revenue);
- Operating income margin (or operating income as a % of revenue);
- Adjusted segment operating income or loss;
- Adjusted segment operating income margin (or adjusted segment operating income as a % of revenue);
- Adjusted effective tax rate;
- Adjusted net income or loss;
- Adjusted earnings or loss per share (EPS);
- EBITDA and Adjusted EBITDA;
- Free cash flow.

Liquidity and Capital Structure Measures

- Non-cash working capital;
- Capital employed;
- Adjusted return on capital employed (ROCE);
- Net debt;
- Net debt-to-capital;
- Net debt-to-EBITDA and net debt-to-adjusted EBITDA;
- Maintenance and growth capital expenditures.

Growth Measures

- Adjusted order intake;
- Adjusted backlog;
- Book-to-sales ratio.

To give the reader a better understanding of the indicators used by management, definitions of all non-IFRS and other financial measures are provided in Section 11.1 "*Non-IFRS and other financial measure definitions*" of our MD&A for the first quarter ended June 30, 2024, which section is incorporated by reference herein. In addition, when applicable, we provide a quantitative reconciliation of the non-IFRS and other financial measures to the most directly comparable measure under IFRS, which reconciliations are incorporated by reference herein. Refer to Section 11.1 "*Non-IFRS and other financial measure definitions*" of our MD&A for the first quarter ended June 30, 2024 for references to where these reconciliations are provided. Our MD&A for the first quarter ended June 30, 2024 is available on our website (www.cae.com), SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov).

ABOUT MATERIAL INFORMATION

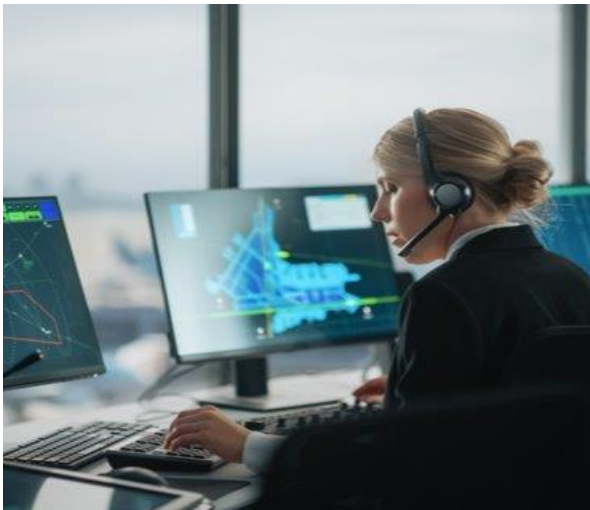
This Presentation includes the information we believe is material to investors after considering all circumstances, including potential market sensitivity. We consider something to be material if: – It results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares; or – It is likely that a reasonable investor would consider the information to be important in making an investment decision.

CAE is a technology company with a mission and vision focused on safety, efficiency and readiness



Our mission

To lead at the frontier of digital immersion with high-tech training and operational support solutions to make the world a safer place.



Our vision

To be the worldwide partner of choice in civil aviation and defence & security by revolutionizing our customers' training and critical operations with digitally immersive solutions to elevate safety, efficiency and readiness.

We are an essential partner in moving our world forward safely through training and technology

Civil Aviation

- Largest global civilian training network (+1.3M hrs/year*)
- Leading provider of simulation equipment
- Crew & maintenance and air traffic control training, aftermarket parts/support and operations & technical solutions
- Software-based critical operations solutions and optimization

Market leader with strong cyclical and secular growth drivers

Defense & Security

- Leading defence training and simulation provider
- Only global pure-play, platform-independent training and simulation solutions provider
- Capabilities stretching across key domains
- Offering joint-domain integration to operational support solutions ensuring mission success

Transformed opportunity set and growth profile

Our cutting-edge training and critical operations solutions empower our customers with the skills and expertise necessary to perform in the moments that matter

A world leader in training, mission, and operational support solutions

\$4.3B

FY24 Revenue

\$918.4M

FY24 Adj EBITDA#

40+

countries

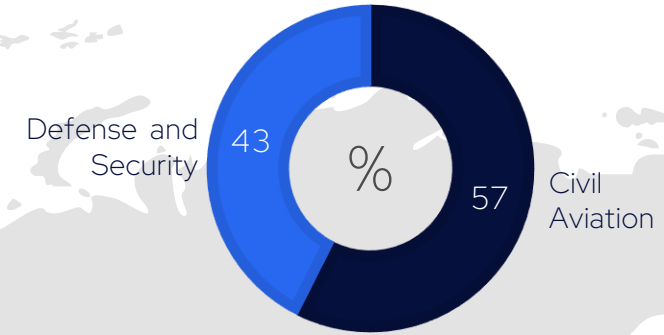
240+

locations

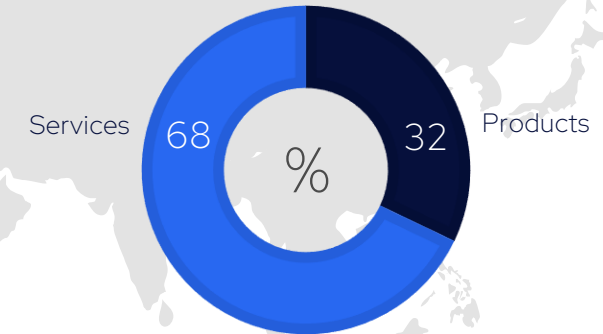
~13,000

employees

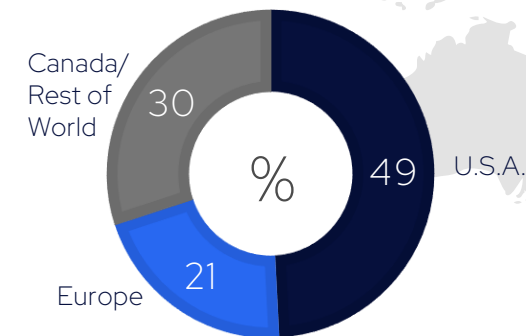
Total Revenue



Products/Services Mix*


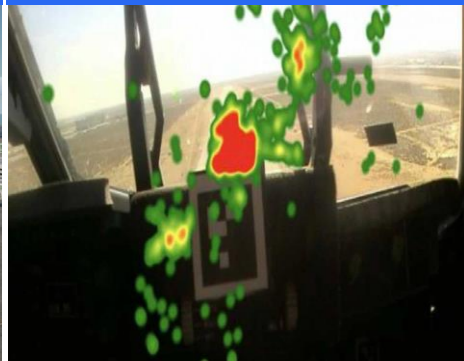
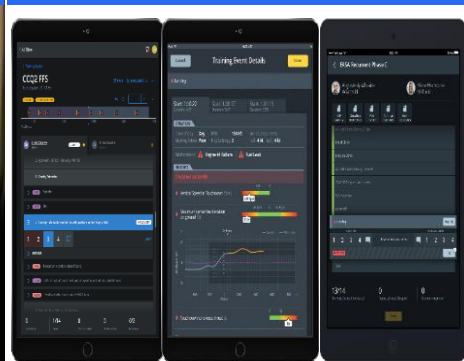




Geographic Breakdown



* Approximate value including joint ventures
#Non-IFRS and other financial measures (See slide 4)
For the year ended, March 31, 2024.

Key CAE technologies to define and elevate future standards of training and critical operations

Enhanced visualization across multiple simulation platforms	Biometrics through ALE™*	Real-time insights with CAE Rise™*	Advanced data analytics and optimization with CAE Flight Operations Solutions	Augmented, mixed, and virtual reality
				

Data-driven solutions assessing real-time performance and providing insightful training intelligence

*ALE™ – Adaptive Learning Environment: CAE’s patented Adaptive Learning Environment (ALE) improves training efficiencies through systematic and objective rule-based measures of performance and effectiveness across any flight-training curriculum; CAE Rise™ is a data-driven training system that leverages analytics to make pilot training more objective, efficient, and effective. The system gives instructors’ the ability to deliver standardized training and objectively assess pilot competencies using live data during training sessions.



Applying our expertise in Civil aviation simulation and training for increasingly complex defence training and readiness

We are leveraging our market leading Civil aviation platform into defence training applications

- Helicopter training, US Army (FSTSS): Ft. Novosel, AL
- High Accuracy Detection, US Intelligence and Security Command(Hades): Dothan, AL
- Rotary-wing training, US Air Force (IFT-R): Dothan, AL

Pursuit of higher margin training opportunities at CAE owned and operated facilities with exceptional ability to scale



Commercial-like solutions for defence training a key differentiator for CAE

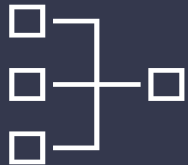
Top-down optimization is driving greater efficiency and synergy



Cost optimization

- In Q1, \$14.8 million restructuring costs to streamline and optimize CAE's operating model and portfolio
- Additional \$20 million in restructuring costs forecasted for Q2

Expect annual run rate cost savings of ~\$20 million by end of FY26

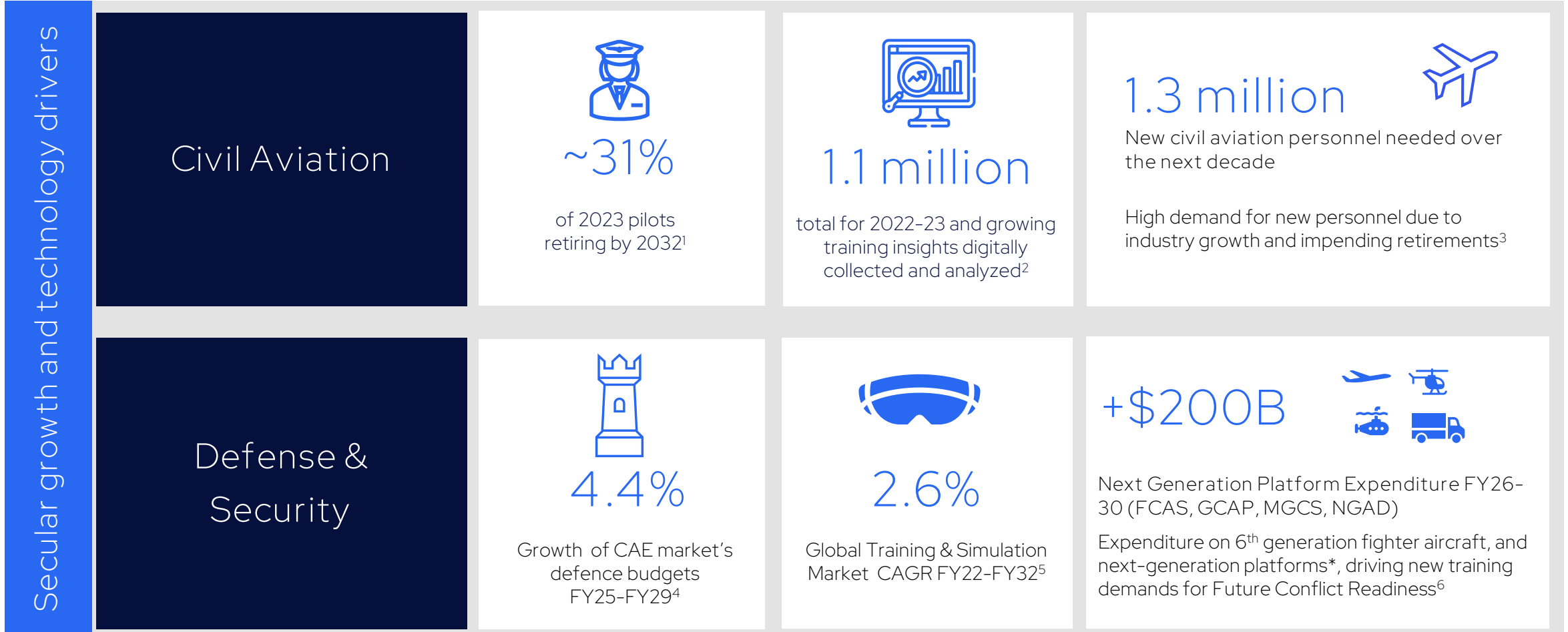


Organizational streamlining

- Appointment of COO to oversee 5 P&L groups
- Removal of duplicative management layers
- Consolidation of shared services groups

Expanding scope of changes to further strengthen CAE's execution capabilities and drive additional synergies

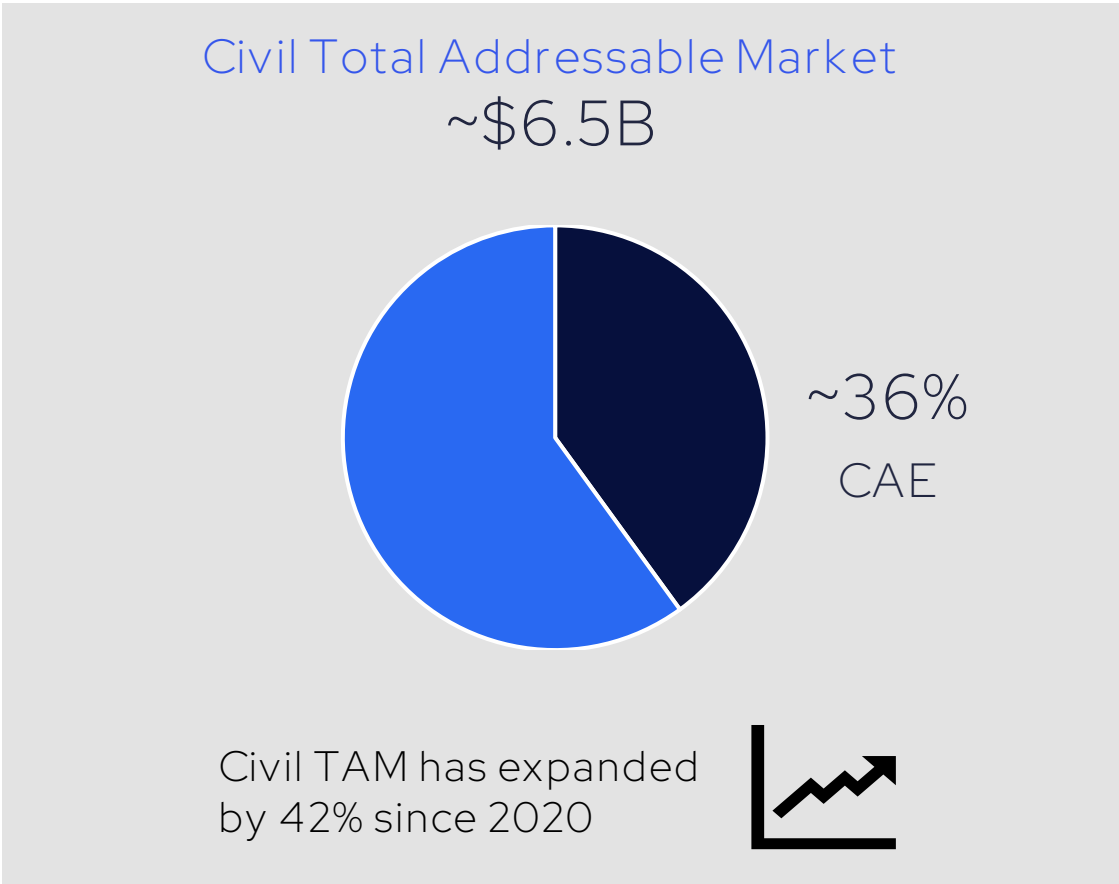
Secular tailwinds across all markets



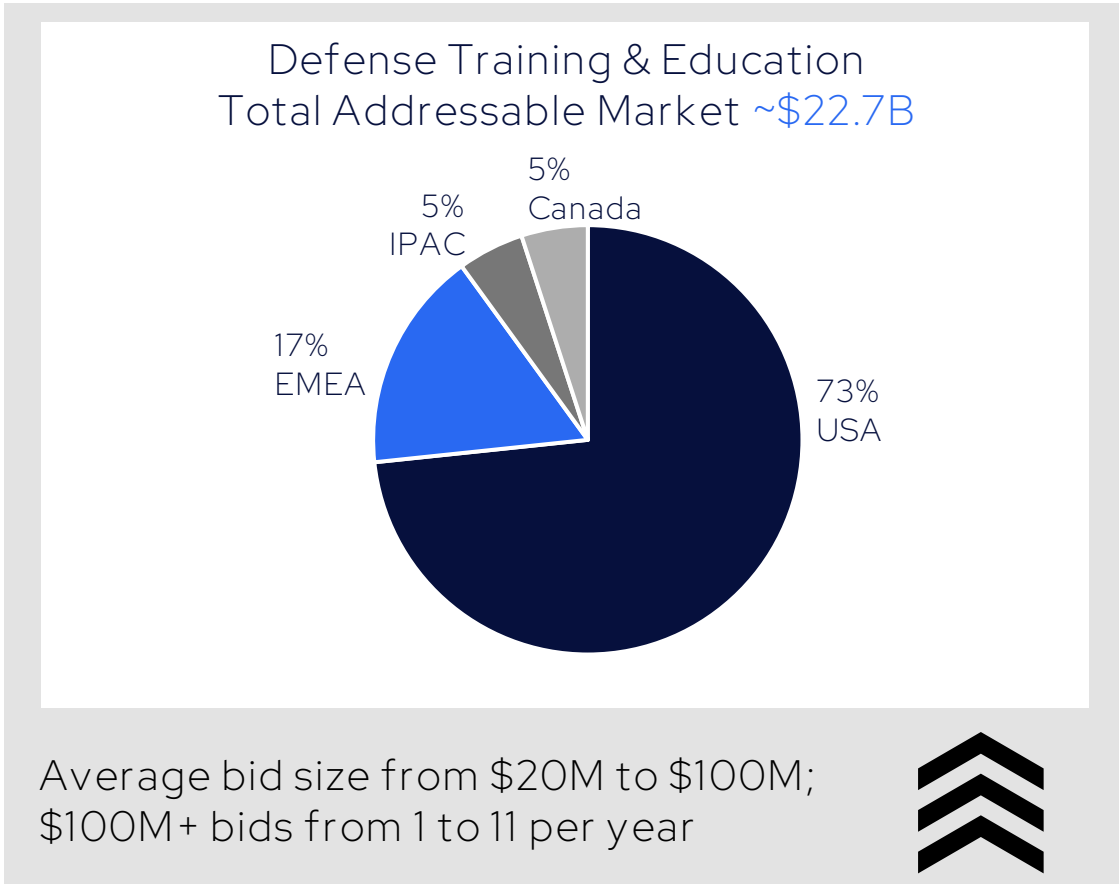
Sources: ¹CAE 2023 Aviation Talent Forecast; ²CAE internal analysis; ³CAE 2023 Aviation Talent Forecast; ⁴GlobalData Defence Budget Forecast; ⁵GlobalData Training and Simulation database; ⁶Naval and land platforms, ⁶GlobalData Platform Acquisitions database.

Substantial headroom in high growth markets

Civil: potential to increase share in a large and growing market



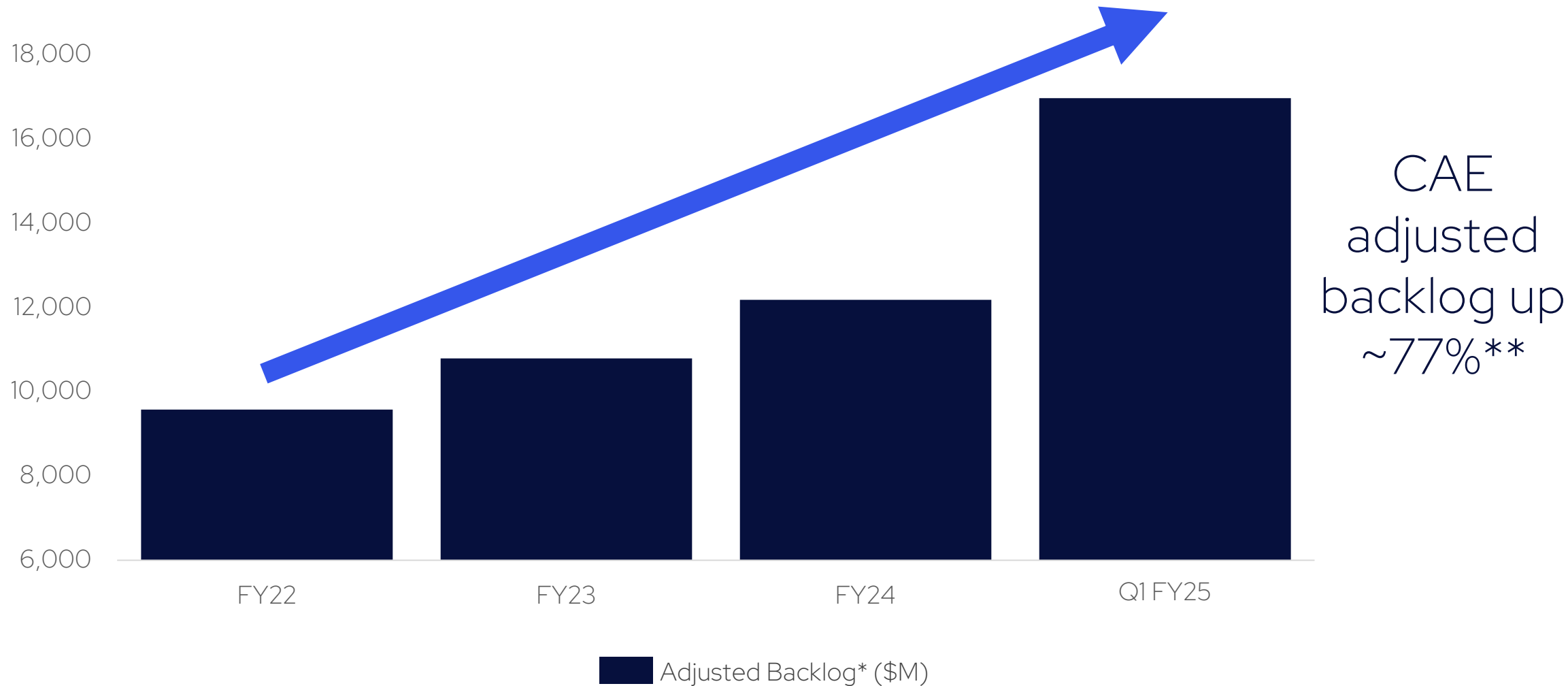
Defense & Security:* positioned for larger bids



Sources: Civil: CAE Internal Analysis; D&S: Budget and Addressable Market figures from FY21 Janes Market Forecast, compiled prior to Ukraine invasion

*All figures for Defense & Security in USD

Increasing adjusted backlog* underpins growth for a bigger, stronger, more profitable CAE



*Non-IFRS and other financial measures (See slide 4)

**Reflects percentage change in adjusted backlog from FY22 to Q1 FY25, post L3H MT acquisition (closed Q2 FY22). Increase in adjusted backlog mainly due to CAE's share of the \$11.2 billion, 25-year contract for Canada's FAcT program that was awarded to the CAE/SkyAlyne joint venture.

Balanced approach to capital allocation

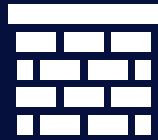
Priorities

Revenue, earnings, and cash flow growth



Focus on organic investments for sustainable and accretive growth

Strong financial position



Maintain a strong balance sheet for resiliency and financial flexibility

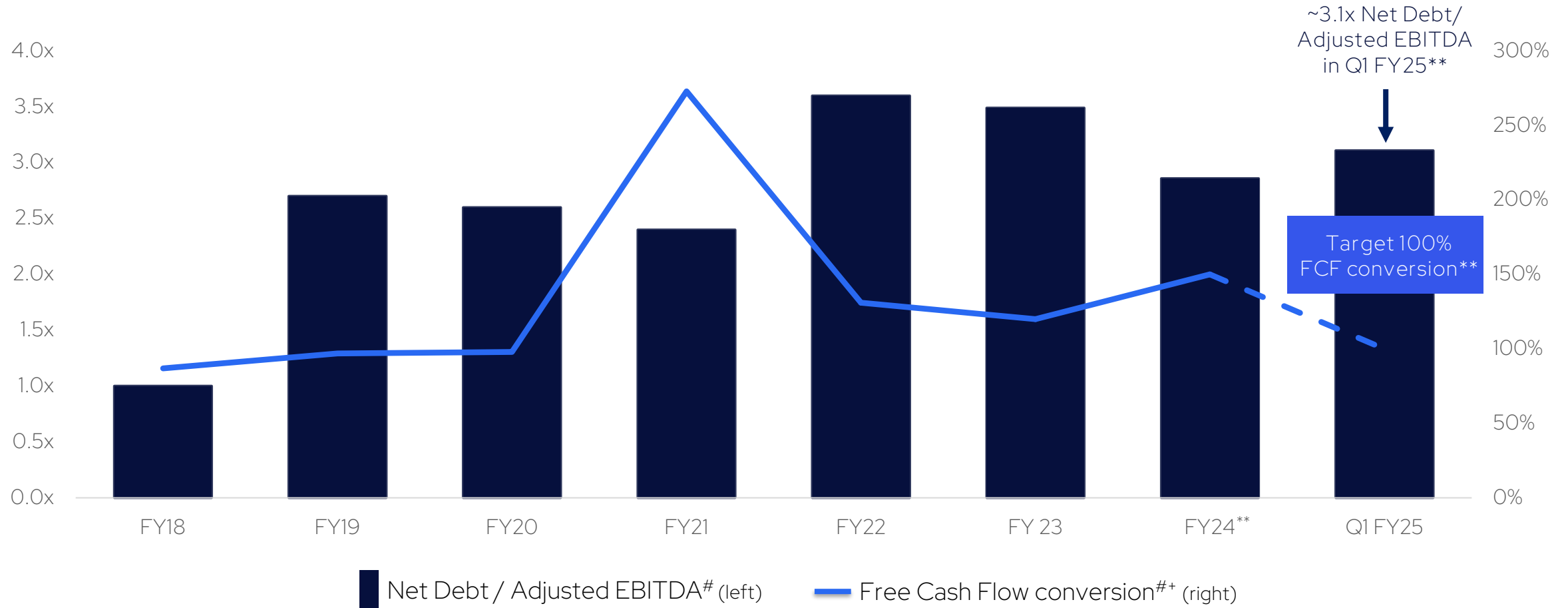
Capital returns to shareholders



Balance returns to shareholders through with leverage targets and growth investment opportunities. Re-activation of NCIB*.

*Normal Course Issuer Bid, approved May 27, 2024, to purchase, for cancellation, up to 15,932,187 (or up to 5%) of common shares, commencing May 30, 2024, and ending May 29, 2025.

Path to further strengthening our financial positioning



High FCF conversion of net income enabling accretive growth and capital deployment balanced with deleveraging

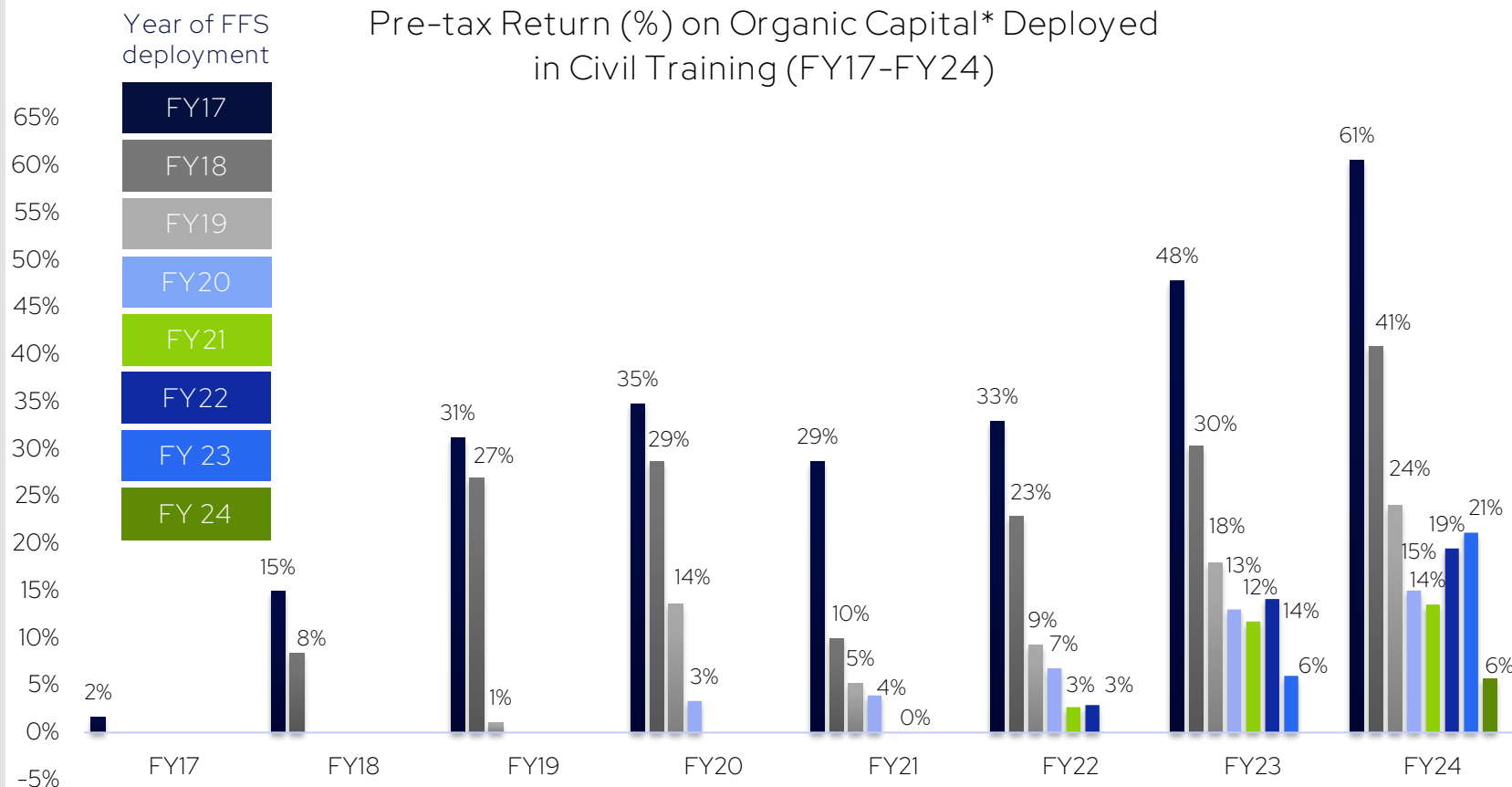
#Non-IFRS and other financial measures (See slide 4). +FCF conversion measured as a % of adjusted net income

** Excluding Legacy Contracts. Reported leverage 3.41x (FY24 3.17x). Refer to Section 11.3 "Non-IFRS measure reconciliations" of our MD&A for the first quarter ended June 30, 2024 for a reconciliation of this measure to the most directly comparable measure under IFRS.

Organic capital driving recurring revenues and accretive compounding growth

\$1,077M+

organic capital*
invested in FY17-FY24
to deploy 114 Full Flight
Simulators (FFS)
within CAE's
Civil aviation training
network



Investments in long-term assets that quickly generate recurring revenue and highly accretive returns

*Defined as the operating profit of the FFS divided by the investment in FFS by year of deployment

Positive sustainability impact is built-in CAE's business strategy

Strong sustainability impact across businesses

Civil Aviation

Defense & Security

Moving aviation safety, diversity and industry decarbonization forward

Noble mission to support preparedness; fostering sovereignty, stability and safety through deterrence





Decarbonization and Climate action

<p>Committed to decarbonization</p> <p>Submitted near-term (10 years) science-based emission reduction targets, for approval by the SBTi</p>	 <p>Member of the RE100</p> <p>All CAE sites are 100% sourced with renewable energy or covered by RECs*</p>	<p>Recognized as sustainability leader</p>  <p>Sustainability scores in top 15% of our industry and above North American average respectively</p>	<p>Advancing green aviation through the electrification of our training fleet, enabling the all-electric Advanced Air Mobility industry and advocating for sustainable aviation fuel</p>  <p>Expecting to convert up to part of our training fleet to electric</p>
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Mobilisation of our partners

 <p>Member of the IAEG** with the most successfully engaged suppliers</p>	 <p>~50% of our Direct spend scored</p>	 <p>Introducing our Supplier Performance programs and joining industry ecosystems</p>	<p>Modern Slavery and Human trafficking statement reflecting our commitment to respecting Human rights all along the value chain</p>
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Diversity, Equity and Inclusion

<p>46% of our Board of Directors</p> <p>36% of our executive officers form part of certain diversity groups</p> <p>As of end of FY24</p>	 <p>Named to the Bloomberg Gender-Equality Index for 5 consecutive years</p>	 <p>Gold-level gender parity certification from Women in Governance</p>	<p>Strong impact on the Aerospace industry</p> <p>Expanding the reach of the Women in Flight program with airlines partners and furthering talent development of underrepresented groups in aviation</p>  <p>15 CAE Women in Flight Ambassadors receiving full scholarship for their pilot training</p>  <p>Also, achieved the first level of certification as a Progressive Aboriginal Relations Bronze company</p>
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Civil Aviation

Elevating and advancing human performance



CAE

Market leader with strong cyclical and secular growth dynamics

Aviation Simulation

- Simfinity XR Series
- Flight Training Devices
- Full Flight Simulators
- Equipment Support & Lifecycle Services
- Training Center Operations

Leading provider poised to benefit from cyclical recovery in aircraft deliveries

Aviation Training

- Pilot Training
- Cadet Academies
- CAE Instructor-Led Training
- Cabin Crew Training
- Air Traffic Control Training
- Aircraft Maintenance Training

Largest global network for regulated training

Aviation Operational and Technical Services

- Aviation Resourcing
- Operations Management
- Aircraft Technical Support Services

Leveraging scale and partnerships to enhance growth

Aviation Digital Solutions

- Operations Control
- Crew Management
- Flight Management
- Airport Management
- In-Flight Services Management
- Training Management
- Crew Engagement - Logbook and apps

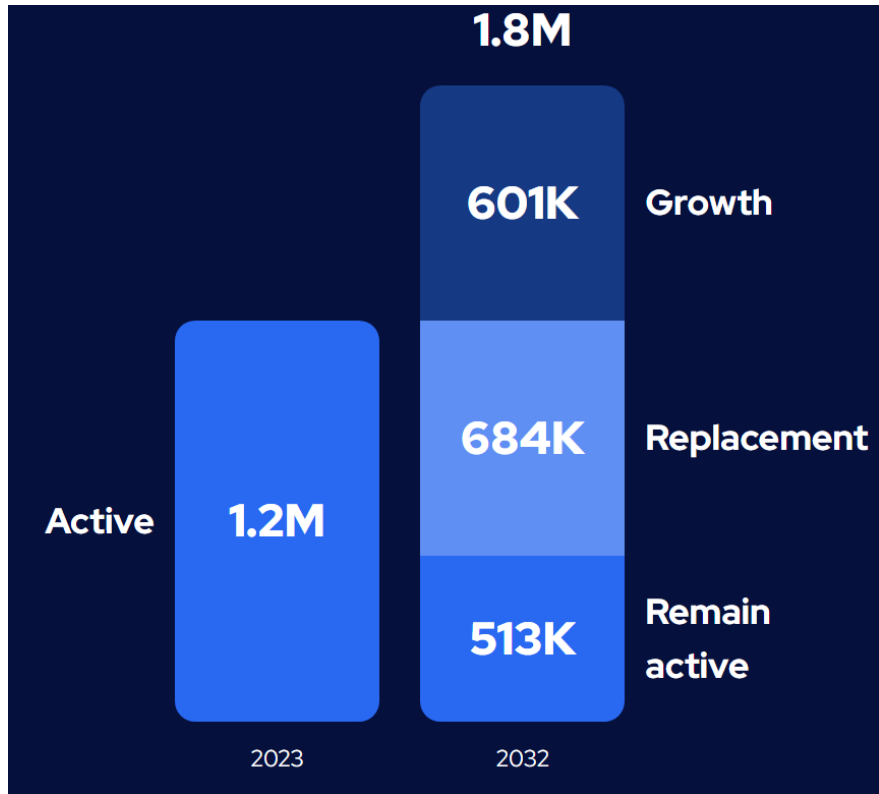
Introducing innovative solutions across the aviation ecosystem

Trusted partner in CIVIL AVIATION

Markets Commercial Aviation | Business Aviation | Helicopter | Advanced Air Mobility | Air Traffic Control

Elevating human performance. Advancing operational excellence.

Strong demand for new civil aviation professionals



1.3 million

284K new pilots

402K new aircraft maintenance technicians

599K new cabin crew


Large demand for new personnel due to industry growth and impending retirements

Source: CAE 2023 Aviation Talent Forecast

With the largest aviation footprint, we are always close to our customers

- 

#1
in Civil Aviation Training
- 

1,300+
Full Flight Simulators Manufactured
- 

340+
Full Flight Simulators in our Training Network
- 

130+
Aircraft
- 

70+
Locations

1.3M+ hours
Simulator Training Delivered Annually*

150,000+ pilots
Trained Annually*



Our global footprint more than doubled in the last decade in a demand-driven expansion

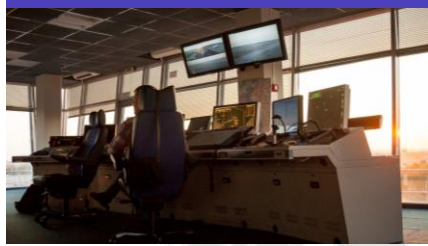
* FY24

Launched new training centres, deployed additional FFS to our network

CAE Las Vegas Now Open



CAE Air Traffic Services 2024



SIMCOM Lake Nona Now Open



CAE Savannah Now Open



CAE Vienna 2025



CAE Singapore Now Open



CAE Sydney Now Open



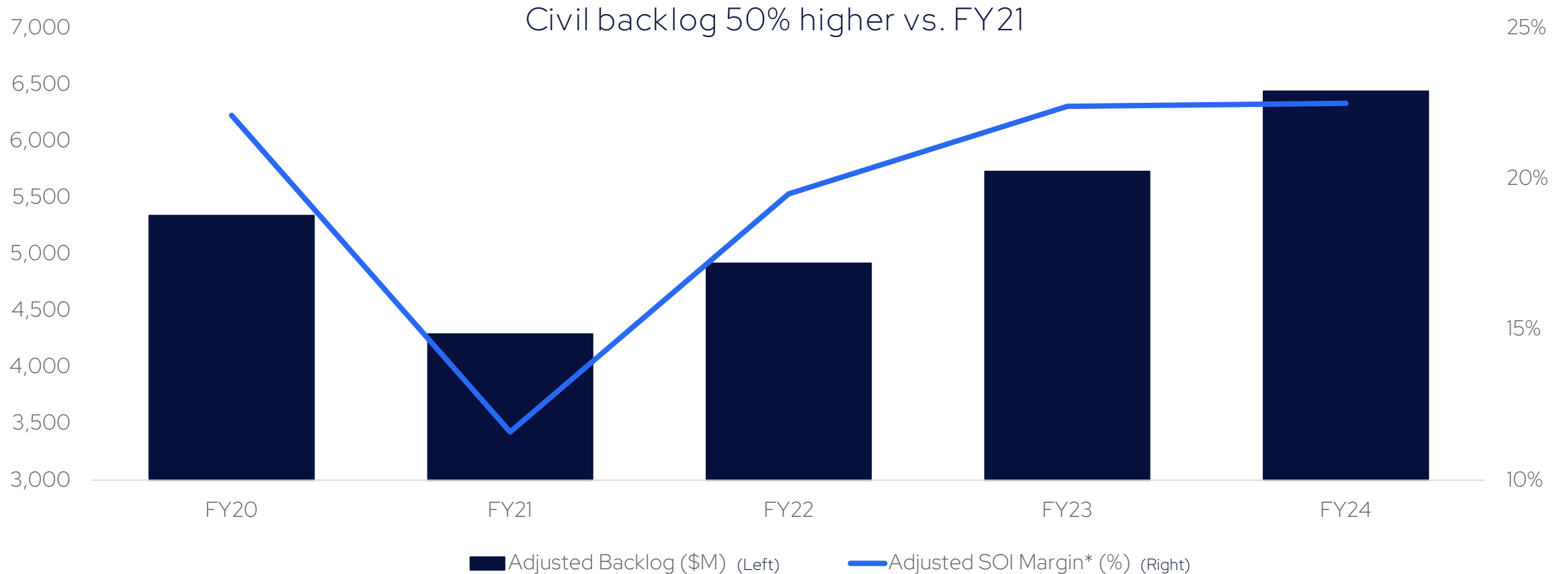
- Cadet Training
- Commercial Aviation Training
- Business Aviation Training
- Helicopter Aviation Training
- Cabin Crew Training
- Maintenance Training
- Aviation Recruitment
- Flight Services



CAE Athens Now Open



Secular tailwinds support adjusted backlog* growth and margin expansion



Acceleration in adjusted SOI margin expected for H2, guiding for ~22-23% for FY25

* Non-IFRS and other financial measures (See slide 4)

Defense & Security

Making the world a safer place through enhanced mission readiness



Well-positioned to address new realities in the defence environment

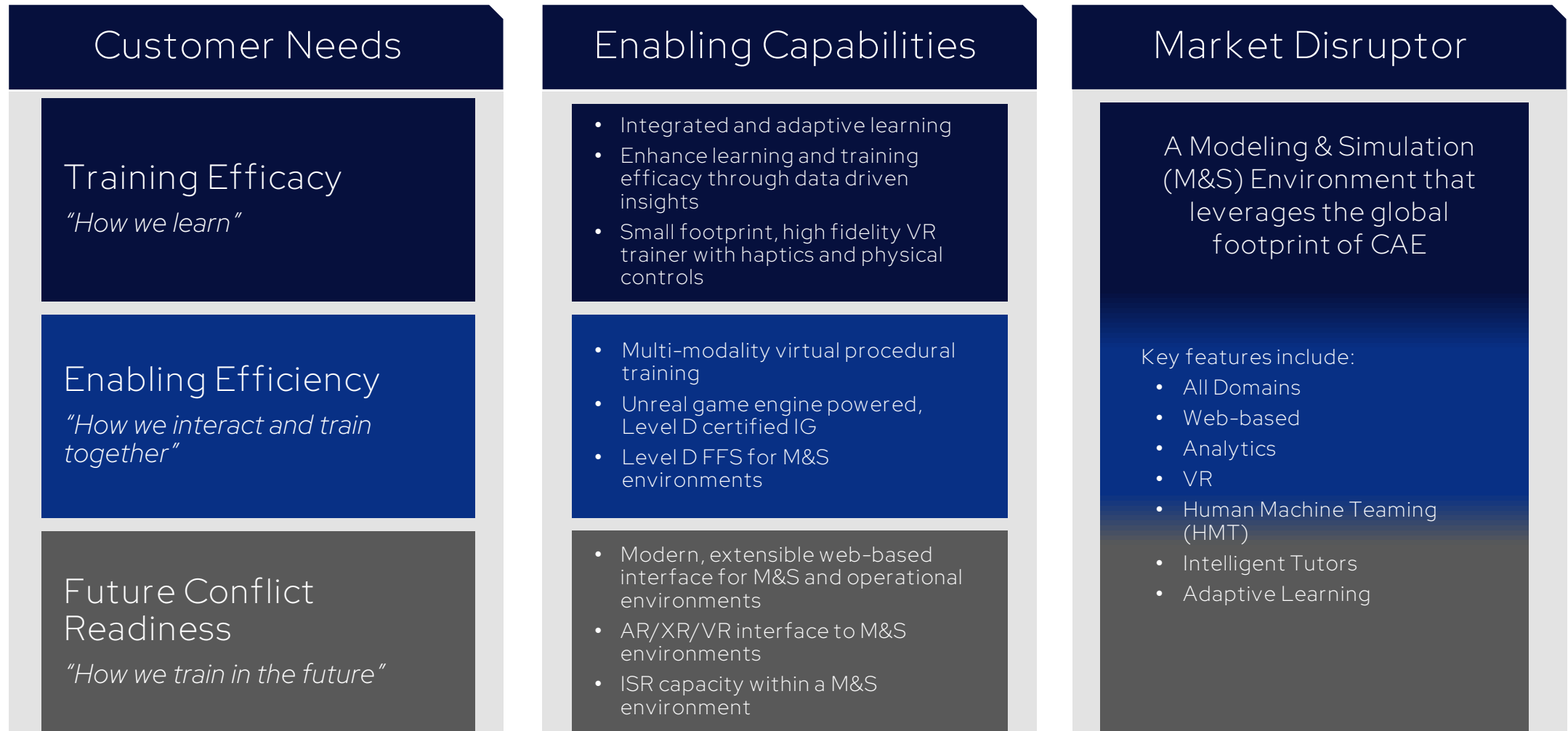
The global threat environment and budget priorities are accelerating demand for digital immersion solutions

- Focus has shifted from asymmetric to near-peer threats
- Budget priorities driving shift from live training into cost-effective, virtual trainers
- Defence forces need to train in multi-domain operations using immersive synthetic environments







Our customers' national defence strategies lay out priorities that address the capabilities necessary to operate in this changing, multi-domain environment, and CAE's unique expertise can address these evolving needs

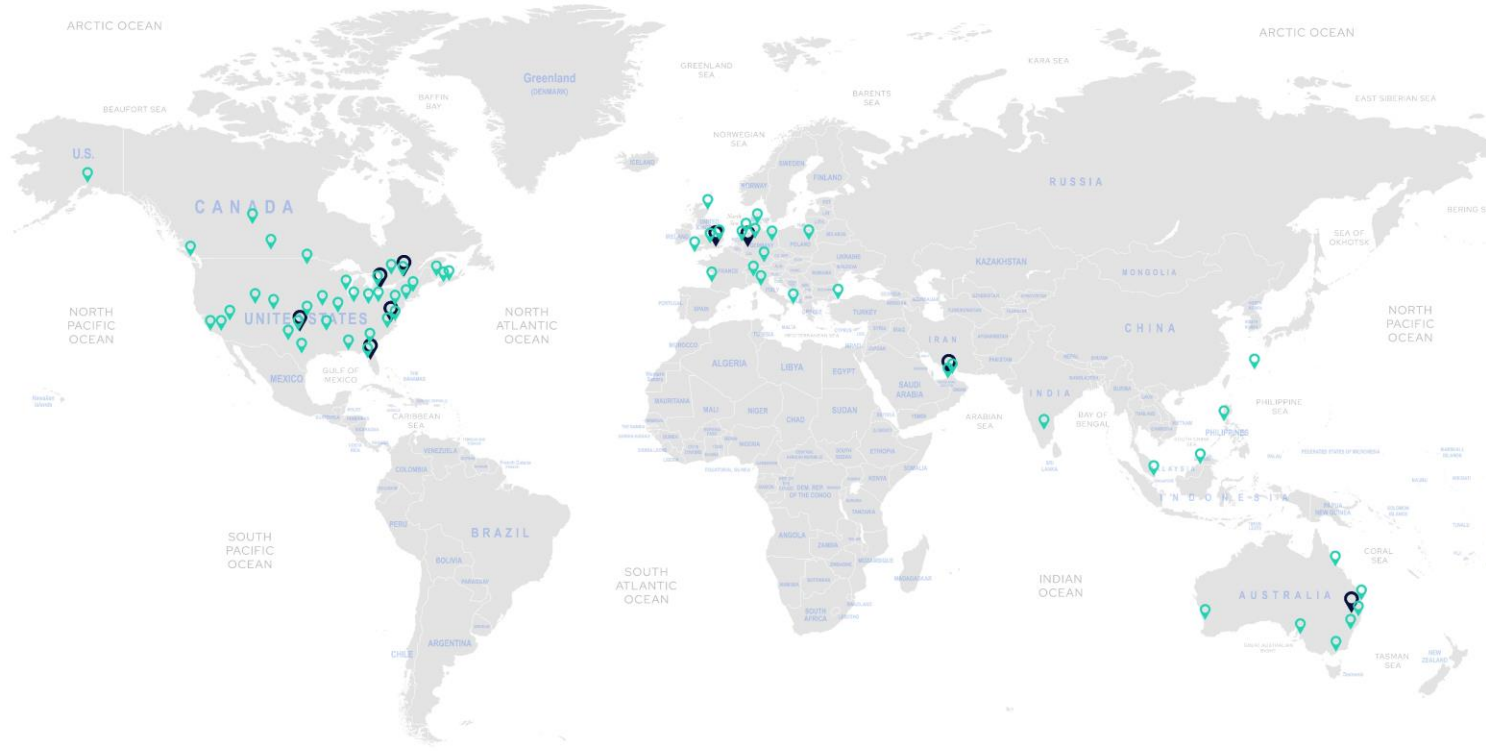
Training, simulation, and solutions provider across key domains



A scalable, tailored, and modular training ecosystem reducing risk to mission and force

Our broad global defence market presence

-  40+ Countries
-  85+ Platforms
-  145+ Sites
-  6,000 Employees

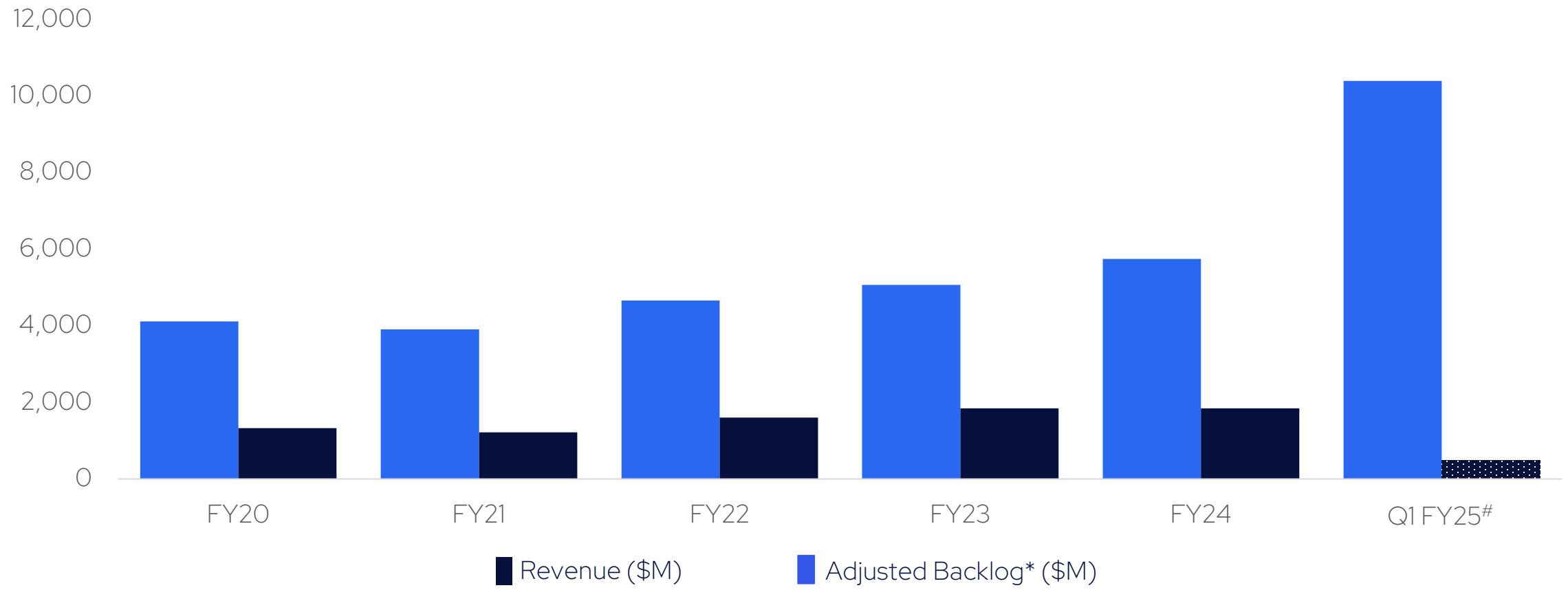


D&S has locations in key growth markets

- Washington, DC
- Tampa, FL
- Arlington, TX
- Montreal, QC
- Ottawa, ON
- Burgess Hill, UK
- Stolberg, Germany
- Abu Dhabi, UAE
- Sydney, Australia

Enhancing training and operational solutions to ensure mission readiness with operations strategically located in key growth markets

Transforming and accelerating Defense for profitable growth through adjusted backlog* renewal and execution



Growth through increasing our bid size and scale

*Non-IFRS and other financial measures (See slide 4)

Increase in adjusted backlog mainly due to CAE's share of the \$11.2 billion, 25-year contract for Canada's FAcT program that was awarded to the CAE/SkyAlyne joint venture.

Transformational wins paving the way forward for Defense

Future Aircrew Training Program (FAcT)

- SkyAlyne JV with KF Aerospace
- Generational training opportunity covering all aspects of the required training and in-service support to train Canadian military pilots, Air Combat Systems Officers (ACSOs) and Airborne Electronic Sensor Operators (AES Ops).

Flight School Training Support Services (FSTSS)

- World's largest helicopter simulation training program for the US Army.

Fixed Wing Flight Training and Support (FWFTS)

- Competitively awarded by the US Army, CAE continues to support fixed wing flight training at Fort Novosel
- Highlights CAE's commitment to excellence in flight training

High Accuracy Detection and Exploitation System (HADES)

- Sole source contract to support US Intelligence and Security Command, leveraging our strengths in Civil aviation training

Initial Flight Training – Rotary (IFT-R)

- Competitively awarded by US Air Force this solidifies CAE's multi-service rotary wing training capabilities in Lower Alabama

Remotely Piloted Aircraft System (RPAS)

- Transformative win involving contract with General Atomics
- Delivering aircrew and maintenance technician training, supporting training devices and courseware for Canada's Defence Forces

Financials*

Q1 FY25 Financial Statements

Q1 FY25 Management Discussion & Analysis

**Comparative figures have been reclassified to reflect discontinued operations*