

Reconciliations and Calculations

Reconciliation of adjusted segment operating income

| <i>(amounts in millions)</i> | Civil Aviation | | Defense and Security | | Total | |
|--|----------------|----------|-------------------------|---------|----------|----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| <i>Three months ended June 30</i> | | | | | | |
| Operating income | \$ 89.8 | \$ 105.6 | \$ 18.8 | \$ 22.7 | \$ 108.6 | \$ 128.3 |
| Restructuring, integration and acquisition costs | 16.6 | 13.4 | 9.0 | 1.6 | 25.6 | 15.0 |
| Adjusted segment operating income | \$ 106.4 | \$ 119.0 | \$ 27.8 | \$ 24.3 | \$ 134.2 | \$ 143.3 |

Reconciliation of adjusted net income and adjusted EPS

| <i>(amounts in millions, except per share amounts)</i> | Three months ended June 30 | |
|---|-------------------------------|---------|
| | 2024 | 2023 |
| Net income attributable to equity holders of the Company | \$ 48.3 | \$ 65.3 |
| Net income from discontinued operations | — | (0.5) |
| Restructuring, integration and acquisition costs, after tax | 19.5 | 11.5 |
| Adjusted net income | \$ 67.8 | \$ 76.3 |
| Average number of shares outstanding (diluted) | 318.8 | 318.8 |
| Adjusted EPS | \$ 0.21 | \$ 0.24 |

Calculation of adjusted effective tax rate

| <i>(amounts in millions, except effective tax rates)</i> | Three months ended June 30 | |
|--|-------------------------------|---------|
| | 2024 | 2023 |
| Earnings before income taxes | \$ 59.1 | \$ 75.2 |
| Restructuring, integration and acquisition costs | 25.6 | 15.0 |
| Adjusted earnings before income taxes | \$ 84.7 | \$ 90.2 |
| Income tax expense | \$ 8.3 | \$ 7.9 |
| Tax impact on restructuring, integration and acquisition costs | 6.1 | 3.5 |
| Adjusted income tax expense | \$ 14.4 | \$ 11.4 |
| Effective tax rate | % 14 | % 11 |
| Adjusted effective tax rate | % 17 | % 13 |

Reconciliation of free cash flow

| <i>(amounts in millions)</i> | Three months ended | |
|---|--------------------|------------|
| | June 30 | |
| | 2024 | 2023 |
| Cash provided by operating activities* | \$ 127.2 | \$ 130.4 |
| Changes in non-cash working capital | (140.1) | (179.7) |
| Net cash used in operating activities | \$ (12.9) | \$ (49.3) |
| Maintenance capital expenditures | (19.9) | (35.7) |
| Change in ERP and other assets | (5.1) | (17.2) |
| Proceeds from the disposal of property, plant and equipment | 1.7 | 3.4 |
| Net proceeds from (payments to) equity accounted investees | 0.1 | (12.7) |
| Dividends received from equity accounted investees | 10.5 | 6.6 |
| Other investing activities | 0.3 | — |
| Impact of discontinued operations | — | (5.4) |
| Free cash flow | \$ (25.3) | \$ (110.3) |

* before changes in non-cash working capital

Reconciliation of EBITDA, adjusted EBITDA, net debt-to-EBITDA and net debt-to-adjusted EBITDA

| <i>(amounts in millions, except net debt-to-EBITDA ratios)</i> | Last twelve months ended | |
|--|--------------------------|------------|
| | June 30 | |
| | 2024 | 2023 |
| Operating (loss) income | \$ (205.1) | \$ 549.2 |
| Depreciation and amortization | 376.7 | 340.6 |
| EBITDA | \$ 171.6 | \$ 889.8 |
| Restructuring, integration and acquisition costs | 142.0 | 57.3 |
| Impairments and other gains and losses arising from significant strategic transactions or specific events: | | |
| Impairment of goodwill | 568.0 | — |
| Impairment of technology and other financial assets | 35.7 | — |
| Impairment reversal of non-financial assets following their repurposing and optimization | — | 9.8 |
| Adjusted EBITDA | \$ 917.3 | \$ 956.9 |
| Net debt | \$ 3,129.7 | \$ 3,166.4 |
| Net debt-to-EBITDA | 18.24 | 3.56 |
| Net debt-to-adjusted EBITDA | 3.41 | 3.31 |

| <i>(amounts in millions, except net debt-to-EBITDA ratios)</i> | Last twelve months ended | |
|--|--------------------------|----------|
| | June 30 | |
| | 2024 | 2023 |
| Adjusted EBITDA | \$ 917.3 | \$ 956.9 |
| Impact from accelerated risk recognition on the Legacy Contracts | 90.3 | — |
| Adjusted EBITDA excluding Legacy Contracts | \$ 1,007.6 | \$ 956.9 |
| Net debt-to-adjusted EBITDA excluding Legacy Contracts | 3.11 | 3.31 |

Reconciliation of capital employed and net debt

| <i>(amounts in millions)</i> | As at June 30 2024 | As at March 31 2024 |
|--|-----------------------|------------------------|
| Use of capital: | | |
| Current assets | \$ 2,054.9 | \$ 2,006.5 |
| Less: cash and cash equivalents | (143.2) | (160.1) |
| Current liabilities | (2,310.8) | (2,358.4) |
| Less: current portion of long-term debt | 312.1 | 308.9 |
| Non-cash working capital | \$ (87.0) | \$ (203.1) |
| Property, plant and equipment | 2,579.6 | 2,515.6 |
| Intangible assets | 3,294.1 | 3,271.9 |
| Other long-term assets | 2,128.3 | 2,040.1 |
| Other long-term liabilities | (376.6) | (407.7) |
| Capital employed | \$ 7,538.4 | \$ 7,216.8 |
| Source of capital: | | |
| Current portion of long-term debt | \$ 312.1 | \$ 308.9 |
| Long-term debt | 2,960.8 | 2,765.4 |
| Less: cash and cash equivalents | (143.2) | (160.1) |
| Net debt | \$ 3,129.7 | \$ 2,914.2 |
| Equity attributable to equity holders of the Company | 4,328.0 | 4,224.9 |
| Non-controlling interests | 80.7 | 77.7 |
| Capital employed | \$ 7,538.4 | \$ 7,216.8 |

For non-IFRS and other financial measures monitored by CAE, and a reconciliation of such measures to the most directly comparable measure under IFRS, please refer to Section 11 of CAE's MD&A for the quarter ended June 30, 2024 (which is incorporated by reference into this press release) available on our website (www.cae.com), SEDAR+ (www.SEDARplus.ca) and EDGAR (www.sec.gov).

Consolidated Income Statement

| | Three months ended June 30 | |
|--|-------------------------------|-----------------|
| <i>(Unaudited)</i> | | |
| <i>(amounts in millions of Canadian dollars, except per share amounts)</i> | 2024 | 2023 |
| Continuing operations | | |
| Revenue | \$ 1,072.5 | \$ 1,012.0 |
| Cost of sales | 793.8 | 726.3 |
| Gross profit | \$ 278.7 | \$ 285.7 |
| Research and development expenses | 35.9 | 36.7 |
| Selling, general and administrative expenses | 133.5 | 123.7 |
| Other (gains) and losses | (0.9) | (1.4) |
| Share of after-tax profit of equity accounted investees | (24.0) | (16.6) |
| Restructuring, integration and acquisition costs | 25.6 | 15.0 |
| Operating income | \$ 108.6 | \$ 128.3 |
| Finance expense – net | 49.5 | 53.1 |
| Earnings before income taxes | \$ 59.1 | \$ 75.2 |
| Income tax expense | 8.3 | 7.9 |
| Net income from continuing operations | \$ 50.8 | \$ 67.3 |
| Net income from discontinued operations | — | 0.5 |
| Net income | \$ 50.8 | \$ 67.8 |
| Attributable to: | | |
| Equity holders of the Company | \$ 48.3 | \$ 65.3 |
| Non-controlling interests | 2.5 | 2.5 |
| Earnings per share attributable to equity holders of the Company | | |
| Basic and diluted – continuing operations | \$ 0.15 | \$ 0.20 |
| Basic and diluted – discontinued operations | — | — |

Consolidated Statement of Comprehensive Income

| <i>(Unaudited)</i> <i>(amounts in millions of Canadian dollars)</i> | Three months ended June 30 | |
|--|-------------------------------|-----------|
| | 2024 | 2023 |
| Net income from continuing operations | \$ 50.8 | \$ 67.3 |
| Items that may be reclassified to net income | | |
| Foreign currency exchange differences on translation of foreign operations | \$ 51.5 | \$ (96.2) |
| Net (loss) gain on hedges of net investment in foreign operations | (19.1) | 27.5 |
| Reclassification to income of gains on foreign currency exchange differences | (0.1) | (0.1) |
| Net (loss) gain on cash flow hedges | (6.8) | 13.4 |
| Reclassification to income of losses on cash flow hedges | 3.3 | 0.6 |
| Income taxes | (1.0) | (7.3) |
| | \$ 27.8 | \$ (62.1) |
| Items that will never be reclassified to net income | | |
| Remeasurement of defined benefit pension plan obligations | \$ 2.3 | \$ (21.4) |
| Income taxes | (0.6) | 5.7 |
| | \$ 1.7 | \$ (15.7) |
| Other comprehensive income (loss) from continuing operations | \$ 29.5 | \$ (77.8) |
| Net income from discontinued operations | — | 0.5 |
| Other comprehensive loss from discontinued operations | — | (1.6) |
| Total comprehensive income (loss) | \$ 80.3 | \$ (11.6) |
| Attributable to: | | |
| Equity holders of the Company | \$ 77.3 | \$ (12.8) |
| Non-controlling interests | 3.0 | 1.2 |

Consolidated Statement of Financial Position

| <i>(Unaudited)</i> | June 30 | March 31 |
|--|--------------------|-------------------|
| <i>(amounts in millions of Canadian dollars)</i> | 2024 | 2024 |
| Assets | | |
| Cash and cash equivalents | \$ 143.2 | \$ 160.1 |
| Accounts receivable | 582.2 | 624.7 |
| Contract assets | 543.5 | 537.6 |
| Inventories | 634.8 | 573.6 |
| Prepayments | 88.7 | 68.0 |
| Income taxes recoverable | 55.0 | 35.3 |
| Derivative financial assets | 7.5 | 7.2 |
| Total current assets | \$ 2,054.9 | \$ 2,006.5 |
| Property, plant and equipment | 2,579.6 | 2,515.6 |
| Right-of-use assets | 613.3 | 545.8 |
| Intangible assets | 3,294.1 | 3,271.9 |
| Investment in equity accounted investees | 606.9 | 588.8 |
| Employee benefits assets | 63.9 | 65.7 |
| Deferred tax assets | 239.8 | 233.3 |
| Derivative financial assets | 3.9 | 4.2 |
| Other non-current assets | 600.5 | 602.3 |
| Total assets | \$ 10,056.9 | \$ 9,834.1 |
| Liabilities and equity | | |
| Accounts payable and accrued liabilities | \$ 944.6 | \$ 1,035.3 |
| Provisions | 41.3 | 42.6 |
| Income taxes payable | 26.5 | 31.1 |
| Contract liabilities | 946.9 | 911.7 |
| Current portion of long-term debt | 312.1 | 308.9 |
| Derivative financial liabilities | 39.4 | 28.8 |
| Total current liabilities | \$ 2,310.8 | \$ 2,358.4 |
| Provisions | 12.1 | 14.0 |
| Long-term debt | 2,960.8 | 2,765.4 |
| Royalty obligations | 67.6 | 74.4 |
| Employee benefits obligations | 97.8 | 98.7 |
| Deferred tax liabilities | 39.0 | 36.6 |
| Derivative financial liabilities | 3.4 | 2.9 |
| Other non-current liabilities | 156.7 | 181.1 |
| Total liabilities | \$ 5,648.2 | \$ 5,531.5 |
| Equity | | |
| Share capital | \$ 2,274.8 | \$ 2,252.9 |
| Contributed surplus | 67.7 | 55.4 |
| Accumulated other comprehensive income | 181.3 | 154.0 |
| Retained earnings | 1,804.2 | 1,762.6 |
| Equity attributable to equity holders of the Company | \$ 4,328.0 | \$ 4,224.9 |
| Non-controlling interests | 80.7 | 77.7 |
| Total equity | \$ 4,408.7 | \$ 4,302.6 |
| Total liabilities and equity | \$ 10,056.9 | \$ 9,834.1 |

Consolidated Statement of Changes in Equity

(Unaudited)

Three months ended June 30, 2024

(amounts in millions of Canadian dollars,
except number of shares)

| | Attributable to equity holders of the Company | | | | | | | Total equity |
|--|---|-------------------|------------------------|--|----------------------|-------------------|------------------------------|-------------------|
| | Common shares Number of shares | Stated value | Contributed surplus | Accumulated other comprehensive income | Retained earnings | Total | Non-controlling interests | |
| Balances as at March 31, 2024 | 318,312,233 | \$ 2,252.9 | \$ 55.4 | \$ 154.0 | \$ 1,762.6 | \$ 4,224.9 | \$ 77.7 | \$ 4,302.6 |
| Net income | — | \$ — | \$ — | \$ — | \$ 48.3 | \$ 48.3 | \$ 2.5 | \$ 50.8 |
| Other comprehensive income | — | — | — | 27.3 | 1.7 | 29.0 | 0.5 | 29.5 |
| Total comprehensive income | — | \$ — | \$ — | \$ 27.3 | \$ 50.0 | \$ 77.3 | \$ 3.0 | \$ 80.3 |
| Exercise of stock options | 965,075 | 24.2 | (3.0) | — | — | 21.2 | — | 21.2 |
| Settlement of equity-settled awards | 34,917 | 1.0 | (1.0) | — | — | — | — | — |
| Repurchase and cancellation of common shares | (463,500) | (3.3) | — | — | (8.4) | (11.7) | — | (11.7) |
| Equity-settled share-based payments expense | — | — | 16.3 | — | — | 16.3 | — | 16.3 |
| Balances as at June 30, 2024 | 318,848,725 | \$ 2,274.8 | \$ 67.7 | \$ 181.3 | \$ 1,804.2 | \$ 4,328.0 | \$ 80.7 | \$ 4,408.7 |

Three months ended June 30, 2023

(amounts in millions of Canadian dollars,
except number of shares)

| | Attributable to equity holders of the Company | | | | | | | Total equity |
|---|---|-----------------|------------------------|--|----------------------|------------|------------------------------|-----------------|
| | Common shares Number of shares | Stated value | Contributed surplus | Accumulated other comprehensive income | Retained earnings | Total | Non-controlling interests | |
| Balances as at March 31, 2023 | 317,906,290 | \$ 2,243.6 | \$ 42.1 | \$ 167.2 | \$ 2,054.8 | \$ 4,507.7 | \$ 81.2 | \$ 4,588.9 |
| Net income | — | \$ — | \$ — | \$ — | \$ 65.3 | \$ 65.3 | \$ 2.5 | \$ 67.8 |
| Other comprehensive loss | — | — | — | (62.4) | (15.7) | (78.1) | (1.3) | (79.4) |
| Total comprehensive (loss) income | — | \$ — | \$ — | \$ (62.4) | \$ 49.6 | \$ (12.8) | \$ 1.2 | \$ (11.6) |
| Exercise of stock options | 200,413 | 4.0 | (0.6) | — | — | 3.4 | — | 3.4 |
| Equity-settled share-based payments expense | — | — | 0.9 | — | — | 0.9 | — | 0.9 |
| Balances as at June 30, 2023 | 318,106,703 | \$ 2,247.6 | \$ 42.4 | \$ 104.8 | \$ 2,104.4 | \$ 4,499.2 | \$ 82.4 | \$ 4,581.6 |

Consolidated Statement of Cash Flows

| <i>(Unaudited)</i> <i>(amounts in millions of Canadian dollars)</i> | Three months ended June 30 | |
|---|-------------------------------|------------|
| | 2024 | 2023 |
| Operating activities | | |
| Net income | \$ 50.8 | \$ 67.8 |
| Adjustments for: | | |
| Depreciation and amortization | 97.8 | 92.2 |
| Share of after-tax profit of equity accounted investees | (24.0) | (16.6) |
| Deferred income taxes | (5.6) | (14.7) |
| Investment tax credits | (5.0) | 2.2 |
| Equity-settled share-based payments expense | 16.3 | 0.9 |
| Defined benefit pension plans | 3.1 | (1.4) |
| Other non-current liabilities | (2.6) | (2.4) |
| Derivative financial assets and liabilities – net | 2.2 | (8.4) |
| Other | (5.8) | 10.8 |
| Changes in non-cash working capital | (140.1) | (179.7) |
| Net cash used in operating activities | \$ (12.9) | \$ (49.3) |
| Investing activities | | |
| Property, plant and equipment expenditures | \$ (92.6) | \$ (90.6) |
| Proceeds from disposal of property, plant and equipment | 1.7 | 3.4 |
| Intangible assets expenditures | (28.6) | (39.8) |
| Net proceeds from (payments to) equity accounted investees | 0.1 | (12.7) |
| Dividends received from equity accounted investees | 10.5 | 6.6 |
| Other | 0.3 | — |
| Net cash used in investing activities | \$ (108.6) | \$ (133.1) |
| Financing activities | | |
| Net proceeds from (repayment of) borrowing under revolving credit facilities | \$ 119.6 | \$ (249.2) |
| Proceeds from long-term debt | 10.5 | 408.5 |
| Repayment of long-term debt | (25.1) | (26.5) |
| Repayment of lease liabilities | (13.8) | (14.8) |
| Net proceeds from the issuance of common shares | 21.2 | 3.4 |
| Repurchase and cancellation of common shares | (11.7) | — |
| Net cash provided by financing activities | \$ 100.7 | \$ 121.4 |
| Effect of foreign currency exchange differences on cash and cash equivalents | \$ 3.9 | \$ (3.8) |
| Net decrease in cash and cash equivalents | \$ (16.9) | \$ (64.8) |
| Cash and cash equivalents, beginning of period | 160.1 | 217.6 |
| Cash and cash equivalents, end of period | \$ 143.2 | \$ 152.8 |