



**CAE'S 2024 ANNUAL MEETING OF SHAREHOLDERS
REMARKS**

Mr. Marc Parent, President and Chief Executive Officer

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Montreal

Marc Parent, President and Chief Executive Officer

Good morning, everyone — and welcome to CAE's Annual Meeting of Shareholders.

As you just saw in the video, 2024 was a year of bold moves to position CAE for success. With strong growth trends in our Civil Aviation and Defense & Security markets, we continued to maintain our unmatched position as the world leader in aviation training, and to fulfil our noble purpose of preparing people in critical roles for the moments that matter.

As shareholders, we have every reason to be excited about the future of this great company – let me tell you why.

CIVIL

In Civil Aviation: if you've flown recently, I'm certain you noticed how busy airports are.

Passenger traffic is on the rise and so are global fleet sizes, with the number of commercial jets expected to almost double over the next two decades.

To keep up with this growth, it is estimated that 1.3 million new pilots, aircraft maintenance technicians and cabin crew will be needed over the next 10 years – and CAE will play a critical role in their training.

Across our Civil segment, our competitive position remains unparalleled. In fiscal 2024, we saw record momentum in orders from both new and existing customers, with a book-to-sales ratio of 1.24 times, and an adjusted order intake of 3 billion dollars, including

64 full-flight simulator sales. I think it's safe to say that CAE is continuing to win the lion's share of global orders.

As testament to the continued demand for our solutions, Civil reached a record adjusted backlog of \$6.4 billion in fiscal 2024, and as we announced this morning, it reached \$6.6 billion in the first quarter of fiscal 2025.

This year, we continued to deepen our competitive moat, with many marquee airlines now outsourcing their training for the first time in their history. Air France KLM Group, Air Europa and ITA Airways are just a few of the iconic air carriers turning to CAE to meet their training needs. In the United States, we are proud to say that 4 out of the 5 major US airlines have now outsourced a part of their training to us, versus zero before COVID.

Around the world, we expanded our partnerships with OEMs and airlines. As examples, we established a joint venture with AEGEAN, the largest Greek airline, to build the first advanced flight training centre in Athens. And in a few weeks, we'll inaugurate a state-of-the-art pilot training centre for Qantas in Australia.

On the business aviation side, global activity continues to trend higher than pre-pandemic across all regions. As a pilot, I can tell you that I regularly train in CAE's facilities myself, and I have personally witnessed how busy they are.

In our ongoing quest to meet customer demand, we expanded our network by launching new business aviation training centres in Las Vegas and Orlando as well as our first Gulfstream-dedicated

centre in Savannah. And in 2025, we will open CAE Vienna – our first in Central Europe.

We also reinforced our long-standing relationship with Boeing, officially becoming a Boeing Authorized Training Provider, initially in India. As part of this partnership, CAE will deliver Boeing's competency-based flight-training curriculum while leveraging our unique expertise in technology to advance the forefront of aviation safety.

PAUSE

With over 77 years in the industry, CAE's brand, leadership position and expertise are also creating opportunities for us to expand into adjacent markets.

A great example is our configurable Flight Operations Solutions software, which enables end-to-end flight operations management, operational performance, profitability, and an enhanced passenger experience. A growing number of airlines are turning to CAE's industry-leading digital ecosystem, including Air India and Wizz Air, with whom we recently signed multi-year contracts.

Another example is our recent partnership with NAV Canada. Similar to the need for pilots, we are seeing growing demand for air traffic controllers and flight service specialists. As a natural extension of our core expertise, this partnership is expected to support training for over 500 additional students by 2028 across Canada to meet this demand.

A first of its kind, this foray into a brand new market for CAE paves the way for other similar partnerships around the world.

DEFENSE

In Defense, we took decisive action this year to re-baseline our business, leveraging lessons learned and enhancing our processes to create a clear path forward that will allow this segment to thrive.

We appointed Nick Leontidis, a 35-year CAE veteran, to the newly created role of Chief Operating Officer. Nick is ideally positioned to further strengthen our execution capabilities, drive additional synergies between Defense and Civil, and promote collaboration across the company, bolstering our One CAE culture. This new organizational structure brings sharper focus and vision and will help us unlock additional value.

With these changes behind us, we are poised to meet the rapidly increasing demand for our expertise and training solutions.

Driven by current geopolitical tensions, governments around the world are prioritizing defence modernization and readiness, causing defence budgets to rise across NATO and allied nations.

As in Civil Aviation, demand for trained critical personnel is a trend that is common to all of our markets. In the defence sector, the lack of uniformed personnel is leading governments to turn to industry partners for training solutions and technology – a trend that CAE is ideally positioned to meet.

As one noteworthy example: today, we are proud to train all 43,000 pilots across all branches of the US military at some point in their career.

Testimony to our unique position in the market, this past year, our leadership position was further reinforced by the largest win in CAE's history: the \$11.2 billion, 25-year Future Aircrew Training – or FAcT – contract awarded to our SkyAlyne joint venture to develop a comprehensive training and support system for the Royal Canadian Air Force.

Essentially, the Canadian government is outsourcing their military pilot training to us.

FAcT is what we call a “generational” program, meaning that it represents decades of work for CAE employees. And it's also a testament to the public sector's confidence in CAE as a trusted long-term partner.

Looking at the performance of our Defense segment, last year we reached \$1.9 billion in adjusted order intake, with a book-to-sales ratio of 1.04 times. This contributed to a \$5.7 billion Defense backlog, and, as announced this morning, the addition of the FAcT contract in the first quarter of fiscal 2025 has nearly doubled our backlog, which is now at \$10.4 billion.

In the last few months, we saw several other large strategic wins for CAE in Defense, including a 12-year contract to provide Flight School Training Support Services to the U.S. Army.

As well, our teaming agreement with Boeing to deliver P-8A Poseidon training solutions for Canada, Germany, and Norway reinforces CAE's position as the exclusive provider of simulators for the P-8 worldwide.

We were also awarded a contract by General Atomics to support the MQ-9B SkyGuardian Remotely Piloted Aircraft Systems – or RPAS – acquired by the Government of Canada, solidifying our role as General Atomics' exclusive international partner for this prolific platform.

CAE also won a contract to support the U.S. Army's High Accuracy Detection and Exploitation System program – or HADES – by providing training services at our Dothan Training Centre in Alabama for army pilots flying the Bombardier Global 6500 aircraft.

The impending ramp-up on these programs and several additional large strategic wins anticipated in fiscal year 2025 point to a strong growth outlook and further improvement in our margin rates.

INNOVATION AND TECHNOLOGY

These wins are a result of relentless innovation – a spirit that has always been at the core of CAE's identity and that propels us to the forefront of our industry. From advanced air mobility training solutions to deep cloud integration, we continue to invest in technology to move the world forward safely, faster and more sustainably.

This year, under our Technology organization, we have once again brought groundbreaking innovations to market and accelerated the development of next-generation technology such as CAE Prodigy and CAE Rise.

As the undisputed leader, CAE delivers 1.3 million hours of flight training annually. And with CAE Rise, we have been able to gather and analyze 2.8 petabytes of data, which allows us to provide unique and objective data-based insights to our customers, leading to greater training efficacy. Nobody else can do this, and that's why customers choose CAE.

We continue to define the industry standard in synthetic technologies and our latest success is CAE Prodigy, our new visual system. This technology deployed for the first time in a full-flight simulator is the first of its kind powered by a gaming engine image generator at Level D qualification – the highest level of qualification available in the aviation industry. It delivers an unparalleled level of realism, highlighting CAE's core technological strength and expertise.

We're also leveraging technology to bring our customers' experience to the next level. A prime example of that is our newly launched CAE Connect platform, which allows us to deliver a digitally connected experience to delight our customers.

SAFETY

CAE's noble purpose is to make the world safer. As such, we have long been working hand-in-hand with regulators to advance aviation safety and harmonize standards across the industry.

Today, there is no doubt that CAE's brand is synonymous with safety – and that is something that we are very proud of. Testimony to our leadership in this area, I was honoured to be asked to present the keynote address at the IATA World Safety and Operations Conference taking place in Morocco in October. I will be proud to do so.

SUSTAINABILITY

Making the world safer extends to continually reinforcing a sustainable future in everything we do. At CAE, those aren't just words -- sustainability is deeply embedded in how we operate.

We are committed to decarbonizing our own operations and our value chain, and we are stepping up to the plate to lead meaningful change in our industry by supporting our customers in their decarbonization efforts.

These investments are a key long-term value driver, integral to both our ability to attract talent and capital, and to maintaining our competitive edge.

As a Canadian company, CAE strives to build enduring, meaningful, and mutually beneficial relationships with our Indigenous communities. It is with gratitude that I'm able to share that our efforts have been recognized by the Canadian Council for Indigenous

Business, achieving "Committed" status in Progressive Aboriginal Relations certification for the first time.

These are only a few highlights of the many actions we have taken on our sustainability journey this year. To learn more, please read our FY2024 Annual Activity and Sustainability Report.

PAUSE

As we reflect on a year that has brought both challenges and triumphs, I see a company that is thoughtful, ambitious, and unafraid to take bold action. I am proud of what we've been able to do by working together.

Building on lessons learned, we reshaped CAE in meaningful ways to drive greater focus, efficiency, and optimization across the portfolio. Today, we enjoy a solid financial position that is bolstered by strong and recurring cash flow. We have given CAE a clear path forward that positions us well for future success.

As we look ahead, we will continue to identify opportunities to work smarter and enhance synergies between our Civil Aviation and Defense & Security business segments.

We are continuing to focus on outgrowing our markets, leveraging our unmatched position and our investments in technology to deepen our competitive moat, and executing for our customers every day.

PAUSE

On behalf of CAE's management, I want to thank our 13,000 employees around the world, who work tirelessly every day to develop and deploy the technological solutions of tomorrow. I am incredibly grateful to be a part of this team, and it is a privilege to lead this unique company.

I also want to take a moment to express my sincere thanks to Sonya Branco, who will be stepping down from her role as CFO at the end of the month to pursue interests outside the company.

We have all benefitted greatly from Sonya's stewardship, her insightful mentorship of her colleagues, and her deep commitment to the company. We wish Sonya the very best in her future endeavours.

Following Sonya's departure, Constantino Malatesta will step in as interim CFO, providing continuity and stability within the Finance function as we move forward with our selection process for the permanent CFO role.

I also want to welcome our two new board members, Patrick Decostre and Ian Edwards. We are excited to work with them and value the experience they will bring to our board.

I would also like to take a moment to thank our outgoing directors, Andrew Stevens and Michael Roach. We are grateful for their dedication and invaluable contributions to CAE.

PAUSE

In closing, I would like to thank Alan MacGibbon, our Board Chair. Alan, your leadership and commitment to our shared vision for this company are truly valued.

Finally, I would like to thank all the members of our Board for their advice and support and, of course, you, our shareholders, for your trust. I appreciate all the opportunities I had this year to engage, listen, and understand the evolving needs of all our stakeholders.

As a company we have much to look forward to – our markets are growing, our competitive position remains unmatched, and our technology and people continue to set standards of excellence and safety worldwide.

Building on these foundations, we have the tools to propel CAE to new heights. The skies are clear, and the future is bright.

Thank you.