



CAE TO INCREASE OWNERSHIP STAKE IN SIMCOM AVIATION TRAINING JV & EXTEND EXCLUSIVE BUSINESS AVIATION TRAINING AGREEMENT WITH FLEXJET

News / Business aviation, Maintenance / Trainings



CAE will increase its ownership stake in its existing SIMCOM Aviation Training joint venture by purchasing a majority of SIMCOM shares from Volo Sicuro for USD \$230 million, subject to customary adjustments, to be financed with CAE's existing credit facility and cash on hand. As part of the transaction, Flexjet, LLC, a related party of Volo Sicuro, will retain a minority stake in SIMCOM following the closing, expected to take place in the coming days. Additionally, CAE and SIMCOM will each extend their respective exclusive business aviation training services agreement with Flexjet and its affiliates by 5 years. This results in a remaining exclusivity period of 15 years for both agreements.

This significant organic investment will further solidify CAE's presence in its core business aviation training market, increase recurring revenue streams, and reinforce its commitment to delivering world-class training solutions in business aviation. Its long-term exclusive training agreement with one of the world's leading luxury private jet companies gives CAE even greater exposure to the rapidly growing fractional jet and charter aviation market. CAE expects this investment to be accretive to earnings and free cash flow in the first full-year post transaction.

Alexandre Prévost, Division President, Business Aviation commented: "We are delighted to

increase our investment in this core area and achieve majority ownership of SIMCOM to strengthen our position in the business aviation market, as well as extend our long-standing partnership with Flexjet, one of the leading and fastest growing private jet companies. This highlights our commitment to continuing to drive innovation and provide industry-leading technology to better serve our business aviation customers.”

Flexjet CEO Mike Silvestro stated: “CAE has been a great partner over the years, consistently providing high-quality training and delivering a superior customer experience to all of our pilots. With this agreement, Flexjet’s 1,400+ pilots will continue to have access to state-of-the-art facilities and experience world-class pilot training, enabling us to further enhance our pilots’ quality of life, both on the road, and during a pilot’s recurrent training. As demand for highly experienced, highly skilled pilots continues to rise, best-in-class training is essential to maintaining Flexjet’s unmatched safety standards. We look forward to our continued relationship and collaboration with CAE and SIMCOM long into the future.”

SIMCOM currently provides pilot training across multiple business aviation aircraft platforms, leveraging CAE innovative suite of training equipment, including CAE 7000XR Series full-flight simulators and CAE 400XR Series flight training devices. SIMCOM operates four training centres in the United States, including its most recent state-of-the-art facility in Lake Nona, Florida.

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