



BOMBARDIER AND ALSTOM SIGN DEFINITIVE AGREEMENT FOR SALE OF TRANSPORTATION BUSINESS

September 16, 2020

BOMBARDIER

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, anticipations and outlook or guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, market position, capabilities, competitive strengths, credit ratings, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected demand for products and services; growth strategy; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; competitive position; expectations regarding challenging Transportation projects and the release of working capital therefrom; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings; strength of capital profile and balance sheet, creditworthiness, available liquidities and capital resources and expected financial requirements; productivity enhancements, operational efficiencies and restructuring initiatives; expectations and objectives regarding debt repayments and refinancing of bank facilities and maturities; expectations regarding availability of government assistance programs, compliance with restrictive debt covenants; expectations regarding the declaration and payment of dividends on our preferred shares; intentions and objectives for our programs, assets and operations; and the impact of the COVID-19 pandemic on the foregoing and the effectiveness of plans and measures we have implemented in response thereto. As it relates to the transaction discussed herein, this presentation also contains forward-looking statements with respect to: the expected terms, conditions, and timing for completion thereof; the anticipated proceeds and use thereof and/or consideration thereof, as well as the anticipated benefits of such transaction and their expected impact on our outlook, guidance and targets, operations, infrastructure, opportunities, financial condition and cash on hand, business plan and overall strategy (including our expectation of a deleveraged profile and reshaped capital structure and the retiring of la Caisse's preferred equity in Transportation); and the fact that closing of this transaction will be conditioned on certain events occurring, including without limitation the receipt of necessary regulatory approvals and receipt of Alstom shareholder approval in respect of the required capital increase.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "shall", "can", "expect", "estimate", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of our current objectives, strategic priorities, expectations, outlook and plans, and in obtaining a better understanding of our business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecast results set forth in forward-looking statements. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. The assumptions underlying the forward-looking statements made in this press release in relation to the transaction discussed herein include the following material assumptions: the satisfaction of all closing conditions (including without limitation receipt of regulatory approvals on acceptable terms within commonly experienced time frames and receipt of Alstom shareholder approval in respect of the required capital increase) and successful completion of such transaction within the anticipated timeframe, the realization of the intended benefits therefrom (including receipt of expected proceeds and intended use thereof) within the anticipated timeframe; our ability to retain key management and employees during the pendency and following completion of the transaction; our ability to satisfy our liabilities and meet our financial covenants and debt service obligations during the pendency and following completion of the transaction; our ability to access the capital markets as needed during the pendency and following completion of the transaction; and fulfillment by the other parties of their respective obligations, commitments and undertakings pursuant to transaction documentation. For additional information, including with respect to the other assumptions underlying the forward-looking statements made in this presentation, refer to the assumptions below the Forward-looking statements in the MD&A of our financial report for the three-and six-month periods ended June 30, 2020 and the Strategic Priorities and Guidance and forward-looking statements sections in the applicable reportable segment in the MD&A of our financial report for the fiscal year ended December 31, 2019. Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from Bombardier, governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with our assumptions as compared to prior periods.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, risks associated with general economic conditions, risks associated with our business environment (such as risks associated with "Brexit", the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy; increased competition; political instability and force majeure events or global climate change), operational risks (such as risks related to developing new products and services; development of new business and awarding of new contracts; book-to-bill ratio and order backlog; the certification and homologation of products and services; fixed-price and fixed-term commitments and production and project execution, including challenges associated with certain Transportation projects; pressures on cash flows and capital expenditures based on project-cycle fluctuations and seasonality; execution of our strategy, transformation plan, productivity enhancements, operational efficiencies and restructuring initiatives; doing business with partners; inadequacy of cash planning and management and project funding; product performance warranty and casualty claim losses; regulatory and legal proceedings; environmental, health and safety risks; dependence on certain customers, contracts and suppliers; supply chain risks; human resources; reliance on information systems; reliance on and protection of intellectual property rights; reputation risks; risk management; tax matters; and adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; retirement benefit plan risk; exposure to credit risk; substantial debt and interest payment requirements; restrictive debt covenants and minimum cash levels; financing support for the benefit of certain customers; and reliance on government support), market risks (such as foreign currency fluctuations; changing interest rates; decreases in residual values; increases in commodity prices; and inflation rate fluctuations). For more details, see the Risks and uncertainties section in Other in the MD&A of our financial report for the fiscal year ended December 31, 2019. Any one or more of the foregoing factors may be exacerbated by the growing COVID-19 outbreak and may have a significantly more severe impact on our business, results of operations and financial condition than in the absence of such outbreak. As a result of the current COVID-19 pandemic, additional factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: risks related to the impact and effects of the COVID-19 pandemic on economic conditions and financial markets and the resulting impact on our business, operations, capital resources, liquidity, financial condition, margins, prospects and results; uncertainty regarding the magnitude and length of economic disruption as a result of the COVID-19 outbreak and the resulting effects on the demand environment for our products and services; emergency measures and restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions; disruptions to global supply chain, customers, workforce, counterparties and third-party service providers; further disruptions to operations, production, project execution and deliveries; technology, privacy, cyber security and reputational risks; and other unforeseen adverse events.

With respect to the transaction discussed herein specifically, certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: the failure to receive or delay in receiving regulatory approvals on acceptable terms, the failure to receive or delay in receiving Alstom shareholder approval in respect of the required capital increase, the occurrence of a material adverse change, or otherwise satisfy the conditions to the completion of this transaction or delay in completing, and uncertainty regarding the length of time required to complete, such transaction, and all or part of the intended benefits therefrom not being realized and all or part of the anticipated proceeds therefrom not being available to us within the anticipated timeframe, or at all, or it is determined, necessary or required to direct all or part of the anticipated proceeds therefrom towards other uses than those identified in this presentation; and alternate sources of funding to replace the anticipated proceeds from such transaction may not be available when needed, or on desirable terms; the occurrence of an event which would allow the parties to terminate their obligations, commitments and undertakings pursuant to transaction documentation; changes in the terms of the transaction; the failure by the parties to fulfill their obligations, commitments and undertakings pursuant to transaction documentation; Bombardier being unable to satisfy its liabilities and meet its financial covenants and debt service obligations during the pendency and following completion of the transaction; the failure to retain our key management, personnel and clients during the pendency and following completion of the transaction and risks associated with the loss and replacement of key management and personnel; and the impact of the announcement of the transaction on our relationships with third parties, including potentially resulting in the loss of clients, employees, suppliers, business partners or other benefits and goodwill of the business. There is no certainty, nor can we provide any assurance, that the conditions to closing of the proposed transaction will be satisfied or, if satisfied, when they will be satisfied. If the proposed transaction is not completed for any reason, there is a risk that the announcement of such transaction and the dedication of substantial resources of Bombardier to the completion thereof could have a negative impact on our operating results and business generally, and could have a material adverse effect on our current and future operations, financial condition and prospects, including the loss of investor confidence in connection with our ability to execute its strategic plan. In addition, failure to complete the proposed transaction for any reason could materially negatively impact the market price of our securities. If the proposed transaction is not completed for any reason, there can be no assurance that management will be successful in its efforts to identify and implement other strategic alternatives that would be in the best interests of Bombardier and its stakeholders within the context of existing market, regulatory and competitive conditions in the industries in which we operate, on favourable terms and timing or at all, and, if implemented, that such actions would have the planned results. We also have incurred significant transaction and related costs in connection with the proposed transaction, and additional significant or unanticipated costs may be incurred.

Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. For more details, see the Risks and uncertainties sections in Other in the MD&A of our financial report for the fiscal year ended December 31, 2019. Other risks and uncertainties not presently known to us or that we presently believe are not material could also cause actual results or events to differ materially from those expressed or implied in our forward-looking statements. The forward-looking statements set forth herein reflect management's expectations as at the date of this presentation and are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention, and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

SALE AND PURCHASE AGREEMENT HIGHLIGHTS

OVERVIEW

- Definitive Sale and Purchase Agreement (SPA) between Bombardier, Alstom and CDPQ for the sale of Bombardier Transportation to Alstom.
- Enterprise value of \$8.4B (€7.15B), reflecting a post-MOU \$350M (€300M) price reduction, offset by favourable foreign currency impact.
- Subject to Alstom shareholder approval, with largest shareholder¹ irrevocable commitment to vote favorably.
- Closing anticipated in Q1 2021, subject to completion of the remaining regulatory reviews and other customary closing conditions.

ENTERPRISE VALUE AND EXPECTED PROCEEDS

Table presents expected proceeds at the lower end of the range agreed to in the SPA

	<i>Billion €</i>	<i>Billion \$²</i>
Enterprise value	€7.15	\$8.4
Pensions and other net liabilities	(1.65)	(1.9)
Estimated closing adjustments ³	(0.2)	(0.2)
Net Proceeds	€5.3	\$6.2
CDPQ Convertible shares retirement		(2.2)
Net Proceeds to Bombardier		~\$4.0
including €0.5B in Alstom shares ⁴		

Note: Certain totals may not reconcile due to rounding. Refer to our disclosure on forward-looking statements at the beginning of this presentation.

1. Bouygues, with approximately 25% of voting rights, has agreed to enter into an agreement to vote in favor of the transaction at the Alstom general meeting to be held for such purpose.

2. While the SPA is based on EURO currency, the parties have agreed that net cash proceeds to Bombardier will be paid in USD at the current €/USD exchange rate.

3. Includes the impact from obligations related to achieving a minimum cash balance at Bombardier Transportation at the end of 2020.

4. Bombardier will use \$585M (€500M) of its proceeds to subscribe for newly issued shares of Alstom for a fixed subscription price of 47.50 EUR per share monetizable after a 3-month lockup post close.

TRANSACTION TIMELINE



BOMBARDIER