BOMBARDIER

FIRST QUARTERLY REPORT

Three-month period ended March 31, 2024

GLOSSARY

The following table shows the abbreviations used in this report.

Term	Description	Term	Description
APU	Auxiliary Power Unit	FVTP&L	Fair value through profit and loss
bps	Basis points	GAAP	Generally accepted accounting principles
DSU	Deferred share unit	IFRS	International Financial Reporting Standard(s)
EBIT	Earnings before financing expense, financing income and income taxes	MD&A	Management's discussion and analysis
		PP&E	Property, plant and equipment
EBITDA	Earnings before financing expense, financing income, income taxes, amortization and impairment charges on PP&E and intangible assets	PSU	Performance share unit
		R&D	Research and development
		RSU	Restricted share unit
EBT	Earnings before income taxes	SG&A	Selling, general and administrative
EPS	Earnings per share attributable to equity holders of Bombardier Inc.	U.S.	United States of America

MANAGEMENT'S DISCUSSION AND ANALYSIS

All amounts in this report are expressed in U.S. dollars, and all amounts in the tables are in millions of U.S. dollars, unless otherwise indicated.

This MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of Bombardier Inc. ("the Corporation" or "Bombardier" or "our" or "we"). This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators. The Board of Directors is responsible for ensuring that we fulfill our responsibilities for financial reporting and is ultimately responsible for reviewing and approving the MD&A. The Board of Directors carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board of Directors and is comprised entirely of independent and financially literate directors. The Audit Committee reports its findings to the Board of Directors for its consideration when it approves the MD&A and financial statements for issuance to shareholders.

The data presented in this MD&A is structured under one reportable segment: Bombardier, which is reflective of our organizational structure.

The results of operations and cash flows for the three-month periods are not necessarily indicative of the results of operations and cash flows for the full fiscal year.

IFRS and non-GAAP and other financial measures
This MD&A contains both IFRS and non-GAAP and other financial measures. Non-GAAP and other financial measures are defined and reconciled to the most comparable IFRS measure (see the Non-GAAP and other financial measures section).

Materiality for disclosures
We determine whether information is material based on whether we believe a reasonable investor's decision to buy, sell or hold securities of the Corporation would likely be influenced or changed if the information were omitted or misstated.

Certain totals, subtotals and percentages may not agree due to rounding.

FORWARD-LOOKING STATEMENTS

This MD&A 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, financial performance, 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; customer value; 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 execution of orders in general; competitive position; 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, expected financial requirements, and ongoing review of strategic and financial alternatives; the introduction of productivity enhancements, operational efficiencies, cost reduction and restructuring initiatives, and anticipated costs, intended benefits and timing thereof; the ability to continue business growth and cash generation; expectations, objectives and strategies regarding debt repayment, refinancing of maturities and interest cost reduction; 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; expectations regarding the availability of government assistance programs; the impact of new, or exacerbation of existing global health, geopolitical or military events on the foregoing and the effectiveness of our plans and measures in response thereto; and expectations regarding the strength of markets, economic downturns or recession, and inflationary and supply chain pressures.

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 MD&A. 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.

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, guidance, 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 MD&A include the following material assumptions: growth of the business aviation market and the Corporation’s share of such market; proper identification and continued management of recurring cost saving; optimization of our real estate portfolio; and access to working capital facilities on market terms. For additional information, including with respect to other assumptions underlying the forward-looking statements made in this MD&A, refer to the Forward-looking statements - Assumptions section in the MD&A of our financial report for the fiscal year ended December 31, 2023. Given the impact of the changing circumstances surrounding new or continuing global health, geopolitical and military events, and the related response from the Corporation, governments (federal, provincial and municipal, both domestic, foreign and multinational inter-governmental organizations), regulatory authorities, businesses, suppliers, customers, counterparties and third-party service providers, there is an inherently higher degree of uncertainty associated with the Corporation’s assumptions.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: operational risks (such as risks related to business development and growth; order backlog; deployment and execution of our strategy, including cost reductions and working capital improvements and manufacturing and productivity enhancement initiatives; developing new products and services, including technological innovation and disruption; the certification of products and services; pressures on cash flows and capital expenditures, including due to seasonality and cyclicality; doing business with partners; product performance warranty and casualty claim losses; environmental, health and safety concerns and regulations; dependence on limited number of contracts, customers and suppliers, including supply chain risks; human resources including the global availability of a skilled workforce; reliance on information systems (including technology vulnerabilities, cybersecurity threats and privacy breaches); reliance on and protection of intellectual property rights; reputation risks; scrutiny and perception gaps regarding environmental, social and governance matters; adequacy of insurance coverage; risk management; and tax matters); financing risks (such as risks related to liquidity and access to capital markets; substantial debt and interest payment requirements, including execution of debt management and interest cost reduction strategies; restrictive and financial debt covenants; retirement benefit plan risk; exposure to credit risk; and availability of government support); risks related to regulatory and legal proceedings; risks associated with general economic conditions and disruptions, both regionally and globally, that may impact our sales and operations; business environment risks (such as risks associated with the financial condition of business aircraft customers; trade policy; increased competition; political instability and geopolitical tensions; financial and economic sanctions and export control limitations; global climate change; and force majeure events); market risks (such as foreign currency fluctuations; changing interest rates; increases in commodity prices; and inflation rate fluctuations); and other unforeseen adverse events. For more details, see the Risks and uncertainties section in Other in this MD&A and in the MD&A of our financial report for the fiscal year ended December 31, 2023. Any one or more of the foregoing factors may be exacerbated by new or continuing global health, geopolitical or military events, which may have a significantly more severe impact on the Corporation's business, results of operations and financial condition than in the absence of such events.

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. 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 report 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 MD&A are expressly qualified by this cautionary statement.

OVERVIEW

HIGHLIGHTS

Results of the quarter

Three-month periods ended March 31	2024	2023	Variance
Revenues	**$ 1,281**	$ 1,453	(12)%
Adjusted EBITDA[(1)]	**$ 205**	$ 212	(3)%
Adjusted EBITDA margin[(2)]	**16.0 %**	14.6 %	140 bps
Adjusted EBIT[(1)(3)]	**$ 142**	$ 138	3 %
Adjusted EBIT margin[(2)]	**11.1 %**	9.5 %	160 bps
EBIT	**$ 144**	$ 140	3 %
EBIT margin[(4)]	**11.2 %**	9.6 %	160 bps
Net income	**$ 110**	$ 302	$ (192)
Diluted EPS (in dollars)[(5)]	**$ 1.02**	$ 2.98	$ (1.96)
Adjusted net income[(1)(3)]	**$ 44**	$ 113	$ (69)
Adjusted EPS (in dollars)[(2)(3)]	**$ 0.36**	$ 1.06	$ (0.70)
Cash flows from operating activities			
Continuing operations	**$ (343)**	$ (162)	$ (181)
Discontinued operations	**$ —**	$ —	$ —
	$ (343)	$ (162)	$ (181)
Net additions to PP&E and intangible assets	**$ (44)**	$ (85)	$ 41
Free cash flow usage[(1)]	**$ (387)**	$ (247)	$ (140)

As at	March 31, 2024	December 31, 2023	Variance
Cash and cash equivalents	**$ 1,181**	$ 1,594	(26)%
Available liquidity[(1)]	**$ 1,417**	$ 1,845	(23)%
Order backlog (in billions of dollars)[(6)]	**$ 14.9**	$ 14.2	5 %

(1) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.
(2) Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.
(3) Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification, to our Interim consolidated financial statements, for more information.
(4) Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.
(5) Only from continuing operations.
(6) Represents order backlog for both manufacturing and services.

Key highlights and events

Bombardier Reports Significant Backlog Growth on 1.6 Unit Book-to-Bill, Expanded Margins and Service Revenues Increase in First Quarter of 2024

- Revenues of $1.3 billion for the first quarter reflect 13% year-over-year aftermarket growth and 20 aircraft deliveries, in line with production plan and full year delivery guidance of 150 to 155 aircraft.
- Adjusted EBITDA[(1)] of $205 million for the first quarter. Adjusted EBITDA margin[(2)] rose 140 bps year-over-year to 16%. Reported EBIT for the first quarter was $144 million. Adjusted EPS[(2)] positive at $0.36 for the first quarter, with diluted EPS[(3)] at $1.02.
- Free cash flow usage[(1)] of $387 million reflects expected working capital build in inventories supporting production ramp-up. Reported cash flow usage from operating activities and net additions to PP&E and intangible assets were at $343 million and $44 million respectively.
- Focus on deleveraging continued with $100 million debt redemption announced on March 14th and closed in April; available liquidity[(1)] remained strong at $1.4 billion. Cash and cash equivalents were $1.2 billion as at March 31, 2024.
- First quarter unit order intake[(4)] up 60% year-over-year reflecting solid demand; backlog[(5)] increased by $700 million since the beginning of the year to $14.9 billion on unit book-to-bill[(6)] of 1.6.
- Bombardier's new Aircraft Assembly Centre in the Greater-Toronto Area will play host to the company's 2024 Investor Day on May 1st, 2024, preceding the site's inauguration ceremony taking place the same day.

(1) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

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(3) Only from continuing operations.

(4) Unit order intake represents unit orders net of cancellations for the period.

(5) Represents order backlog for both manufacturing and services.

(6) Defined as net new aircraft orders in units over aircraft deliveries in units.

INDUSTRY AND ECONOMIC ENVIRONMENT

In the first quarter of 2024, the business aviation industry continued to show persistence after achieving new highs in the post pandemic period. Most industry indicators we track have improved slightly, a strong start to the year. The industry delivered 111 units in the first quarter of 2024,18 additional units when comparing to the first quarter of 2023[(1)]. Per industry consensus, 2024 deliveries are expected to be higher year-to-year and strong order activity from fleet operators could continue to drive up demand for new aircraft [(2)].

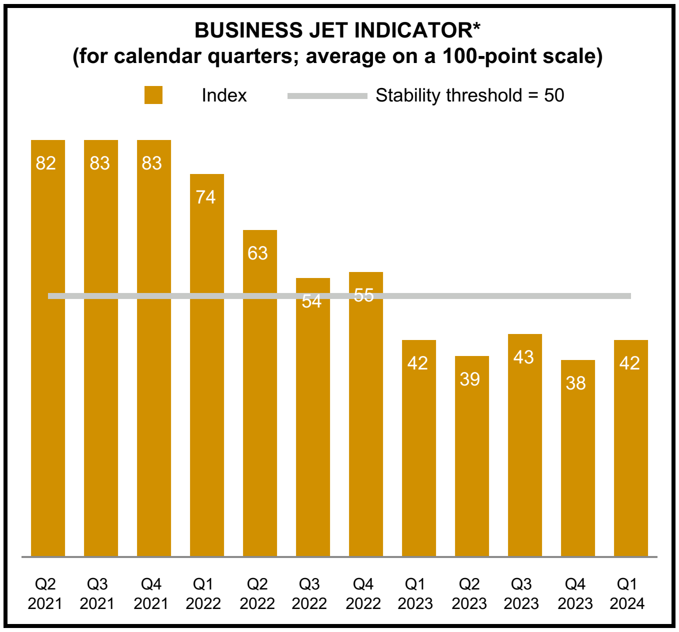
Business jet utilization reached higher levels in 2022 persisting throughout 2023 and now in early 2024. In fact, industry flight hours for aircraft departing North America, South America, and the Caribbeans grew by 1.4% in the first quarter of 2024 compared with the first quarter of 2023[(3)]. For aircraft departing Europe, Middle East and Africa flight hours fell by 1.5% and for aircraft departing the Asian Pacific region they grew by about 10.3% comparing the first quarter of 2024 to its equivalent in 2023[(3)]. Moreover, when comparing first quarter flight hours to the last pre-pandemic year, 2019, total flight hours increased by 38.4%[(3)]. Bombardier aircraft flight hours in the first quarter of 2024 increased by 7.2% above industry average of 1.3% against the first quarter of 2023[(3)]. We expect these levels of flight hours to persist throughout the year[(4)].

Pre-owned business jets available for sale in all categories, expressed as a percentage of the total in-service fleet, rose to 6.8% in March of 2024 after falling slightly at the end of last year and in January 2024[(5)]. Pre-owned inventory remains well below historical levels and should continue to support favorable market conditions. Pre-owned inventory for Bombardier Aircraft fell in March of 2024 to 6.6% from 7.1% in December of 2023[(5)]. Current inventory levels of young aircraft, at most 10 years old, remain low favoring demand of new aircraft [(6)].

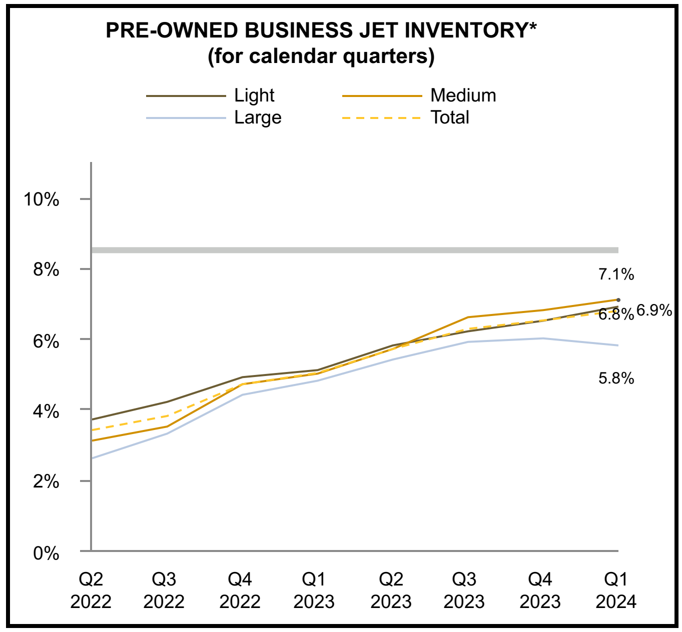
The industry confidence, measured by the Barclays Business Jet Indicator, settled at 42 from 38 in the previous survey[(6)]. Both the 12-month outlook component of the indicator and the overall current business conditions have improved slightly as well. Commentary in the survey has highlighted higher than anticipated activity in early 2024 and a more balanced market[(6)]. Uncertainty over macroeconomic conditions have kept many buyers and sellers on the fence in completing transactions last year.

We continue to monitor and consider the impact of macroeconomic conditions on the performance of business aviation. A “soft-landing” has become increasingly more likely, globally inflation is easing, growth in most developed economies remains resilient and stock markets around the world have broken new records. However, risks to the global economic outlook remain from rising geopolitical conflicts and the fragility of global supply chains from recent events. Nevertheless, the industry is expected to remain stable in the short-term, driven by a strong and healthy backlog for the industry. In the medium to long-term we expect growth to continue from growth in the number of high-net-worth individuals and a structural shift in demand for business aviation towards safety, convenience, and privacy. As a leading market player in the industry, Bombardier is well positioned to benefit from this continued growth.

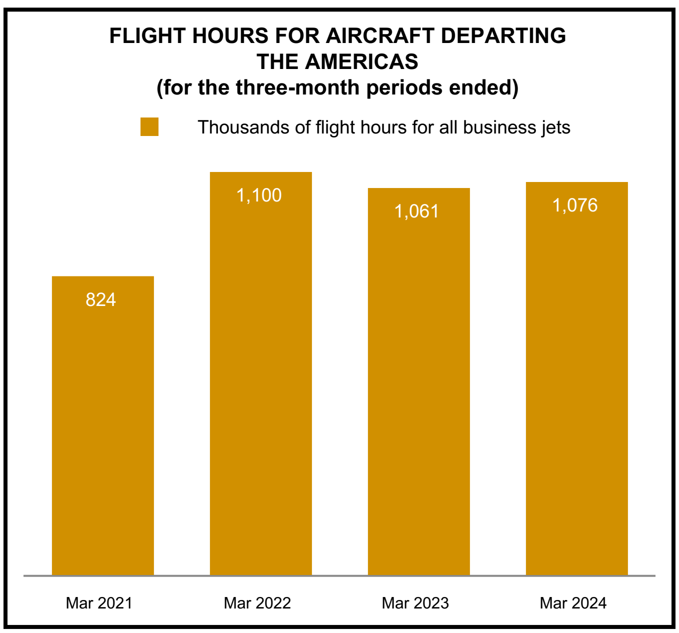
(1) Based on our estimates, public disclosure records of certain competitors, the General Aviation Manufacturers Association (GAMA) shipment reports and Cirium, excludes very light jet and large corporate airliners.
(2) According to J.P. Morgan, Business Jet Monthly of March 2024.
(3) According to WingX data, excludes very light jets and large corporate airliners, as of April 1, 2024.
(4) See the forward-looking statements disclaimer of this MD&A.
(5) According to JETNET and Cirium, excludes very light jet and large corporate airliners.
(6) According to the Barclays Business Jet Survey dated March 14, 2024.



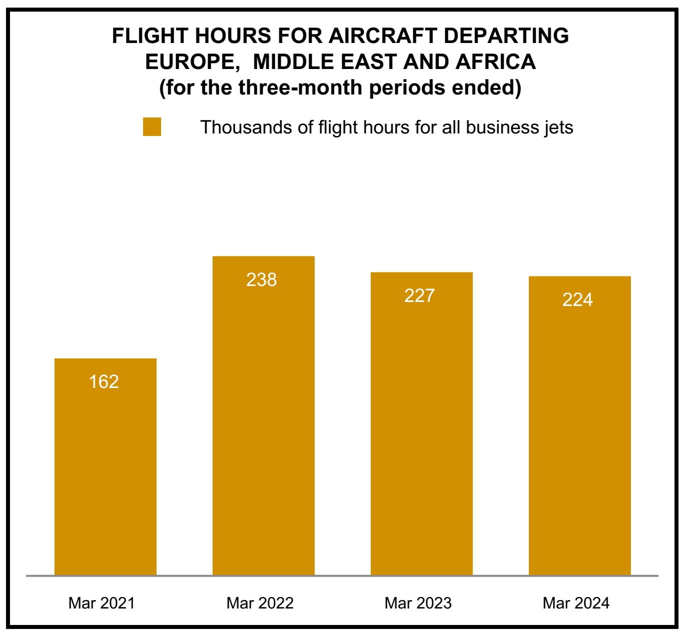
Source: Barclays.
* The Business Jet Indicator is a measure of market confidence from industry professionals, gathered through regular surveys of brokers, dealers, manufacturers, fractional providers, financiers and others.



Sources: JETNET and Cirium.
* As a percentage of total business jet fleet, excluding very light jets.
Represents the approximate 10 year rolling average calculated as at March 31, 2024 (8.5%).



Source: WingX, excludes very light jets and large corporate airliners, as of April 1, 2024.



Source: WingX, excludes very light jets and large corporate airliners, as of April 1, 2024.

CONSOLIDATED RESULTS OF OPERATIONS

Results of operations

	Three-month periods ended March 31	
	2024	2023
Revenues		
Business aircraft		
Manufacturing and Other[1]	**$ 795**	$ 1,020
Services[2]	**477**	424
Others[3]	**9**	9
Total revenues	**$ 1,281**	$ 1,453
Cost of sales	**1,001**	1,158
Gross margin	**280**	295
SG&A	**109**	96
R&D	**24**	61
Other expense[4]	**5**	—
Restructuring charges (reversals)[4][5]	**(1)**	—
Gain related to disposal of business[4][6]	**—**	(1)
Impairment and program termination (reversals)[4][7]	**(1)**	(1)
EBIT	**144**	140
Financing expense	**136**	176
Financing income	**(86)**	(253)
EBT	**94**	217
Income taxes (recovery)	**(16)**	(85)
Net income	**$ 110**	$ 302
EPS (in dollars)		
Basic	**$ 1.04**	$ 3.10
Diluted	**$ 1.02**	$ 2.98
As a percentage of total revenues		
Gross margin[8]	**21.9 %**	20.3 %
EBIT margin[8]	**11.2 %**	9.6 %

(1) Includes revenues from sale of new aircraft, specialized aircraft solutions and pre-owned aircraft.
(2) Includes revenues from aftermarket services including parts, *Smart Services*, service centers, training and technical publications.
(3) Includes revenues from sale of components related to commercial aircraft programs.
(4) Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification, to our Interim consolidated financial statements, for more information.
(5) Includes severance charges or related reversal, as well as curtailment losses (gains), if any.
(6) Includes changes in provisions related to past divestitures.
(7) Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any.
(8) Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

Other non-GAAP financial measures, non-GAAP financial ratios and closest IFRS measures

	Three-month periods ended March 31			
		2024		2023
EBIT	**$**	**144**	$	140
Adjusted EBIT[(1)(2)]	**$**	**142**	$	138
Adjusted EBIT margin[(3)]		**11.1 %**		9.5 %
Adjusted EBITDA[(1)(2)]	**$**	**205**	$	212
Adjusted EBITDA margin[(3)]		**16.0 %**		14.6 %
Net income	**$**	**110**	$	302
Adjusted net income[(1)(2)]	**$**	**44**	$	113
Diluted EPS (in dollars)[(4)]	**$**	**1.02**	$	2.98
Adjusted EPS (in dollars) [(2)(3)(4)]	**$**	**0.36**	$	1.06

(1) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

(2) Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification, to our Interim consolidated financial statements, for more information.

(3) Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

(4) Only from continuing operations.

Analysis of consolidated results

Revenues

Revenues for the three-month period ended March 31, 2024 decreased by $172 million year-over-year mainly due to:

- Manufacturing and Other revenues decreased by $225 million year-over-year mainly due to lower large aircraft deliveries partly offset by higher medium aircraft deliveries; and
- Services revenues increased by $53 million year-over-year.

Gross margin[(1)]

Gross margin[(1)] as a percentage of revenues for the three-month period ended March 31, 2024 increased by 1.6 percentage points year-over-year, mainly as a result of higher contributions from aftermarket and medium aircraft partially offset by lower contributions from large aircraft.

(1) Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

EBIT margin[1] and adjusted EBIT margin[2]

Adjusted EBIT margin[2] for the three-month period ended March 31, 2024 increased by 1.6 percentage points year-over-year, mainly as a result of

- higher contributions from aftermarket and medium aircraft ; and
- lower R&D expenses which includes amortization of aerospace program tooling and investment tax credits.

Partially offset by:

- lower contributions from large aircraft; and
- higher SG&A expenses.

EBIT margin[1] increased by 1.6 percentage point compared to the same period last year. EBIT includes certain amounts not included in adjusted EBIT[3] such as statement of income line items; gain related to disposal of business, impairment and program termination (reversals), restructuring charges (reversals) and pension related items in other (income) expense, where applicable.

Net financing expense (income)

Net financing expense amounted to $50 million for the three-month period ended March 31, 2024, compared to a net financing income of $77 million for the corresponding period last fiscal year.

The $127 million increase in net financing expense for the three-month period ended March 31, 2024 is mainly due to:

- net change on certain financial instruments classified as FVTP&L, mainly due to a non-cash change in fair value of embedded derivatives related to call options on long-term debt ($160 million).

Partially offset by:

- losses related to the full repayment and/or partial repayment of certain Senior Notes recorded in the corresponding prior period ($38 million).

Income taxes

The effective income tax rate for the three-month period ended March 31, 2024 is lower than the statutory income tax rate in Canada of 26.5%. The effective income tax rate is due to the positive impact of the permanent differences and the net recognition of previously unrecognized tax losses and temporary differences.

The effective income tax rate for the three-month period ended March 31, 2023 is lower than the statutory income tax rate in Canada of 26.5%. The effective income tax rate is due to the positive impact of the net recognition of previously unrecognized tax losses and temporary differences, and the permanent differences.

(1) Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.
(2) Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.
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Product development

Investment in product development

		Three-month periods ended March 31		
		2024		2023
Additions to aerospace program tooling[1]	**$**	**24**	$	24
R&D expense, gross[2]		**10**		9
	$	**34**	$	33
As a percentage of revenues		**2.7 %**		2.3 %

[1] Represents the net amount capitalized in aerospace program tooling, as well as the amount that was paid to suppliers based on reception of parts for acquired development costs carried out by them.
[2] Excludes amortization of aerospace program tooling of $35 million for the three-month period ended March 31, 2024 ($52 million for the three-month period ended March 31, 2023), as the related investments are already included in aerospace program tooling, and excludes $21 million of investment tax credits that were recognized as a reduction of R&D expense in the three month period ended March 31, 2024 (nil for the three-month period ended March 31, 2023).

The development and certification process for the *Global 8000* aircraft is on track, with expected entry into service in 2025[1]. Announced in 2022, the Bombardier *Global 8000* aircraft will have a range of 8,000 nautical miles with a top speed of Mach 0.94[2], making it the fastest in the industry.

In February 2024, Bombardier announced it was expanding its industry-defining *Smart Services* program with the introduction of *Smart Services Defense.* This new program is specifically aimed at Bombardier Defense's special mission, medevac, head-of-state and government operators, and offers customization based on end-user capabilities and personnel and infrastructure requirements. Through the *Smart Services Defense* program, customers will receive complete maintenance cost coverage on major components such as aircraft systems components (scheduled and unscheduled) and landing gear overhaul, APU coverage for all *Global* platform, parts shipping, technical publications and a guaranteed flight-hour rate throughout the term.

[1] See the forward-looking statements disclaimer of this MD&A.
[2] Under certain operating conditions, when compared to aircraft currently in service.

Aircraft deliveries and order backlog

Aircraft deliveries

	Three-month periods ended March 31	
(in units)	**2024**	2023
Business aircraft		
Medium	**12**	8
Large	**8**	14
	20	22

Order backlog

			As at	
(in billions of dollars)		**March 31, 2024**		December 31, 2023
Order backlog[1]	**$**	**14.9**	$	14.2

[1] Represents order backlog for both manufacturing and services.

We finished the first quarter of 2024 with a strong order backlog of $14.9 billion. Management continuously monitors backlog length and production rates to balance with sales activities, market demand and aircraft manufacturing lead times.

CONSOLIDATED FINANCIAL POSITION

The $364 million increase in assets for the three-month period is mainly explained by:

- a $619 million increase in inventories supporting a ramp up in production;
- a $53 million increase in other assets;
- a $49 million increase in deferred income tax assets; and
- a $40 million increase in PP&E.

Partially offset by:

- a $413 million decrease in cash and cash equivalents. Refer to the consolidated statements of cash flows for the three-month period ended March 31, 2024 and the Available liquidity section of this MD&A.

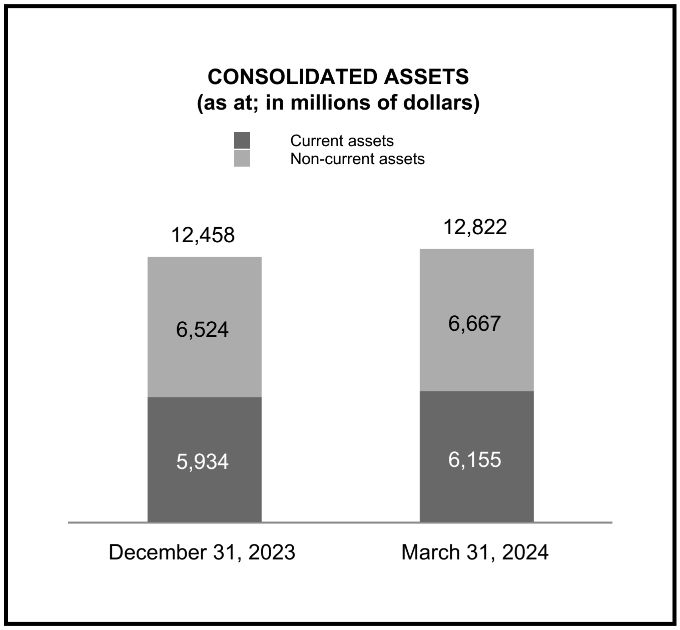
The $364 million increase in total liabilities and deficit for the three-month period is explained by a $250 million increase in equity[1] and a $114 million increase in liabilities.

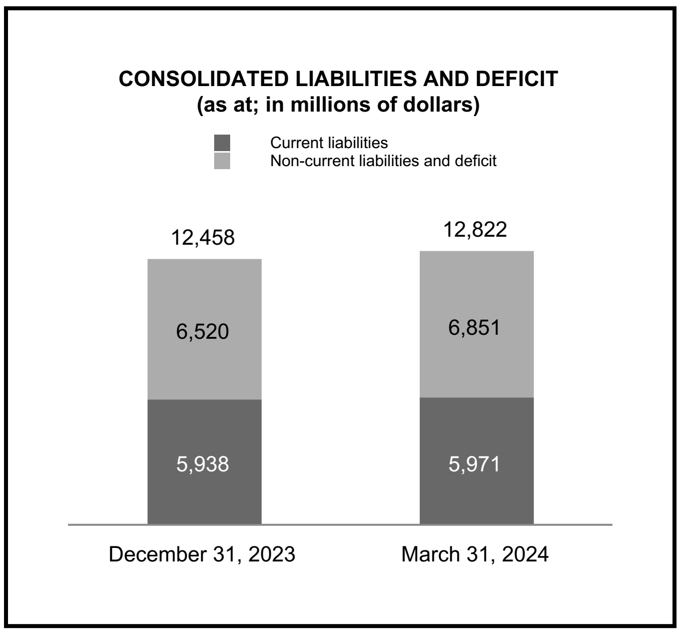
The $114 million increase in liabilities is mainly due to the below:

- a $369 million increase in contract liabilities due to advances on aerospace programs as a result of order intake and customer progress payments.

Partially offset by:

- a $151 million decrease in retirement benefits liability mainly due to remeasurement of defined benefits plans.





[1] Refer to the consolidated statements of changes in equity for the three-month period ended March 31, 2024 for more information.

LIQUIDITY AND CAPITAL RESOURCES

Free cash flow usage[(1)]

Free cash flow usage[(1)] from continuing operations

		Three-month periods ended March 31		
		2024		2023
Net income from continuing operations	**$**	**110**	$	302
Non-cash items				
Amortization		**63**		74
Deferred income taxes (recovery)		**(38)**		(86)
Share-based expense		**5**		4
Losses on repayment of long-term debt		**—**		38
Net change in non-cash balances		**(483)**		(494)
Cash flows from operating activities - continuing operations		**(343)**		(162)
Net additions to PP&E and intangible assets		**(44)**		(85)
Free cash flow usage[(1)]	**$**	**(387)**	$	(247)

(1) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

Cash flows from operating activities - continuing operations

The $181 million change in cash flows from operating activities for the three-month period is mainly due to:

- a lower net income from continuing operations before non-cash items ($192 million).

Partially offset by:

- a positive period-over-period variation in net change in non-cash balances ($11 million) (see explanations below).

Net change in non-cash balances

For the three-month period ended March 31, 2024, the $483 million outflow is mainly due to:

- an increase in inventories supporting a ramp up in production;
- a change in net other financial assets and liabilities mainly due to a non-cash change in fair value of embedded derivatives related to call options on long-term debt; and
- an increase in other assets.

Partially offset by:

- an increase in contract liabilities mainly due to customer progress payments and order intake.

For the three-month period ended March 31, 2023, the $494 million outflow is mainly due to:

- an increase in inventories to meet the delivery schedule;
- an increase in other financial assets mainly due to a non-cash change in fair value of embedded derivatives related to call options on long-term debt; and
- a decrease in other liabilities related to the payment of incentive-based compensation plan for employees across our sites.

Partially offset by:

- an increase in trade and other payables mainly due to timing as well as production rate increase; and
- an increase in contract liabilities mainly due to customer progress payments and order intake.

Net additions to PP&E and intangible assets

		Three-month periods ended March 31		
		2024		2023
Net additions to PP&E and intangible assets	**$**	**(44)**	$	(85)

For the three-month period ended March 31, 2024, the $41 million decrease in net additions to PP&E and intangible assets is principally due to activities related to the new Toronto Pearson Airport manufacturing facility.

Available liquidity[1]

Variation in cash and cash equivalents

		Three-month periods ended March 31		
		2024		2023
Balance at the beginning of period	**$**	**1,594**	$	1,291
Free cash flow usage[1]		**(387)**		(247)
Changes to restricted cash[2]		**—**		392
Sale (purchase) of investments in securities		**(8)**		95
Net proceeds from issuance of long-term debt		**—**		739
Repayments of long-term debt		**—**		(1,163)
Payment of lease liabilities		**(9)**		(5)
Dividends paid - Preferred shares		**(6)**		(6)
Issuance of Class B shares		**—**		41
Effect of exchange rates on cash and cash equivalents		**1**		—
Other		**(4)**		5
Balance at the end of period	**$**	**1,181**	$	1,142

Following the first quarter results, as well as the deployment actions towards debt repayments, the Corporation's available liquidity[1] remains strong at approximately $1.4 billion, which includes cash and cash equivalents of $1.2 billion and $236 million under a committed secured revolving credit facility. This facility of $300 million which matures in 2027 is available for cash drawings for the ongoing working capital needs of the Corporation and for issuance of performance letters of credit. This facility was undrawn as at March 31, 2024 and the availability as at such date was $236 million based on the collateral, which may vary from time to time.

(1) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.
(2) Includes cash collateral supporting various bank guarantees.

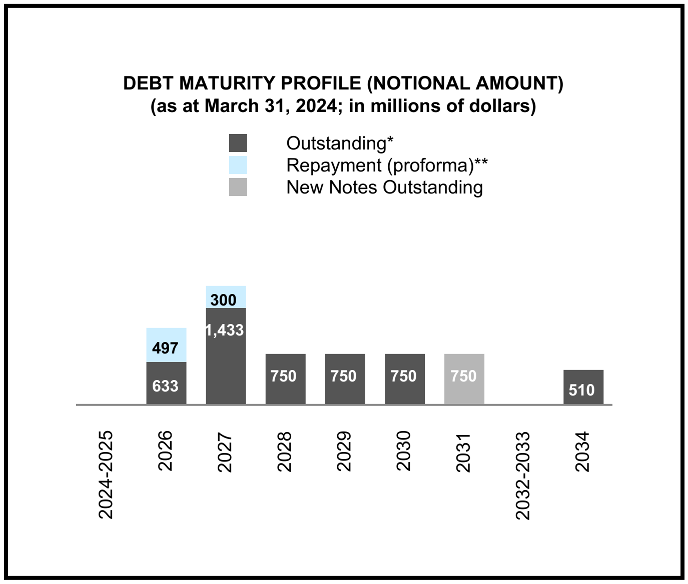
Future liquidity requirements

There is no long-term debt due until June 2026.

In April 2024, the Corporation completed the closing of its offering of $750 million aggregate principal amount of Senior Notes due 2031. The Senior Notes carry a coupon of 7.25% per annum and were sold at 99.75% of par. The Corporation used the net proceeds to finance the partial repayment of $497 million of Senior Notes due 2026 and $200 million of Senior Notes due 2027. In addition, the Corporation also completed a partial repayment of $100 million of Senior Notes due 2027 using cash from its balance sheet. See Note 15 – Long-term debt to our Interim consolidated financial statements for more information.

We believe our available liquidity[(1)] of $1.4 billion is sufficient to execute our plan in the short-term. We currently anticipate that these resources will enable the development and upgrade of products and investments in PP&E to enhance our competitiveness and support our growth; will enable us to meet currently anticipated financial requirements in the foreseeable future; and will allow the payment of dividends on preferred shares, if and when declared by the Board of Directors[(2)].

The Corporation intends to continue to opportunistically refinance or deploy excess liquidity towards debt pay down and continues to evaluate the most efficient debt reduction strategies, which for example could include redemptions, tenders or open market repurchases. The amounts involved may be material.



* Includes other long-term debt amounting to $18 million which is included within long-term debt in our Interim consolidated financial statements as at March 31, 2024.

** Represents the amount repaid by the Corporation in April 2024. Refer to Note 15 - Long-term debt to our Interim consolidated financial statements for more details.

(1) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

(2) See the forward-looking statements disclaimer of this MD&A.

Creditworthiness

In April 2023, Moody's Investors Service, Inc. upgraded Bombardier's issuer rating from B3 to B2. In May 2023, S&P Global Ratings upgraded Bombardier's issuer rating from B- to B.

Credit Ratings

	Bombardier Inc.'s issuer rating March 31, 2024
Moody's Investors Service, Inc.	B2
S&P Global Ratings	B

Over the long-term, the Corporation believes that it will be in a good position to continue improving its credit ratings and thereby approach a credit profile nearing investment-grade as it expects to continue to reduce debt while delivering positive free cash flow(1) generation and improved profitability(2).

(1) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

(2) See the forward-looking statements disclaimer of this MD&A.

CAPITAL STRUCTURE

The Corporation analyzes its capital structure using established metrics, which are based on a broad economic view of the Corporation, in order to assess the creditworthiness of the Corporation. The Corporation has emphasized its plan to make deleveraging one of its key priorities and will execute on its plan through a phased approach.

As the Corporation progressively reshapes its business and reaps the benefit from its various initiatives, it aims to lower adjusted net debt to adjusted EBITDA ratio(1) to approximately 2x - 2.5x by 2025(2). The Corporation's objective is to achieve this by continuing to grow its adjusted EBITDA(3) towards its 2025 objective of greater than $1.625 billion and allocate excess available liquidity towards debt repayment(2).

The Corporation aims at maintaining an adequate debt maturity runway by opportunistically refinancing or deploying excess liquidity towards debt pay down thereby building manageable and flexible debt maturity stacks while focusing on reducing its interest expense.

(1) Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.
(2) See the forward-looking statements disclaimer of this MD&A.
(3) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

Global metrics – The following global metrics do not represent the ratios required for any covenants.

	Four-quarter trailing periods ended			
		March 31, 2024		December 31, 2023
Interest paid on long-term debt (1)	**$**	**406**	$	425
Long-term debt	**$**	**5,606**	$	5,607
Less: Cash and cash equivalents		**1,181**		1,594
Adjusted net debt(2)	**$**	**4,425**	$	4,013
EBIT	**$**	**797**	$	793
Amortization		**420**		431
Restructuring charges(3)(4)		**—**		1
Gain related to disposal of business(3)(5)		**(80)**		(81)
Impairment and program termination(3)(6)		**83**		83
Pension related items(3)(7)		**3**		3
Adjusted EBITDA(2)	**$**	**1,223**	$	1,230
Adjusted net debt to adjusted EBITDA ratio(8)		**3.6**		3.3

(1) Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.
(2) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.
(3) Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification, to our Interim consolidated financial statements, for more information.
(4) Includes severance charges or related reversal, as well as curtailment losses (gains), if any.
(5) Includes changes in provisions related to past divestitures.
(6) Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any.
(7) Includes the loss related to the purchase of pension annuities.
(8) Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

In addition, the Corporation separately monitors its net retirement benefit liability[1] which amounted to $491 million as at March 31, 2024. The measurement of this liability is dependent on numerous key long-term financial and actuarial assumptions such as discount rates, future compensation increases, inflation rates and mortality rates. In recent years, this liability has been particularly volatile due to changes in discount rates. Such volatility is exacerbated by the long-term nature of the obligation. The Corporation closely monitors the impact of the net retirement benefit liability[1] on its future cash flows and has introduced significant risk mitigation initiatives in recent years in this respect such as buying out annuities on behalf of pensioners. The $169 million decrease in the net retirement benefit liability[1] is explained as follows:

Variation in net retirement benefit liability[1]		
Balance as at December 31, 2023	$	660 [2]
Changes in discount rates and other financial assumptions		(154)
Employer contributions		(19)
Actuarial gains on pension plan assets		(14)
Current service costs		17
Accretion on net retirement benefit obligation		8
Changes in foreign exchange rates		(9)
Other		2
Balance as at March 31, 2024	**$**	**491** [2]

[1] Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.
[2] Includes retirement benefit assets of $161 million as at March 31, 2024 ($143 million as at December 31, 2023).

NON-GAAP AND OTHER FINANCIAL MEASURES

This MD&A is based on reported earnings in accordance with IFRS and on the following non-GAAP and other financial measures:

Non-GAAP and other financial measures	
Non-GAAP Financial Measures	
Adjusted EBIT	EBIT excluding certain items which do not reflect the Corporations core performance or where their separate presentation will assist users of the consolidated financial statements in understanding the Corporation’s results for the period. Such items include restructuring charges (reversals), (gain) loss related to disposal of business, impairment and program termination (reversals), certain one-time pension related items included in other (income) expense such as (gain) loss on pension annuity purchases, and non-commercial legal claims.
Adjusted EBITDA	Adjusted EBIT plus amortization charges on PP&E and intangible assets.
Adjusted net income (loss)	Net income (loss) from continuing operations excluding restructuring charges (reversals), (gain) loss related to disposal of business, impairment and program termination (reversals), certain one-time pension related items included in other (income) expense such as (gain) loss on pension annuity purchases, non-commercial legal claims, certain net gains and losses arising from changes in measurement of provisions and of financial instruments carried at FVTP&L, accretion on net retirement benefit obligation, losses (gains) on repayment of long-term debt, changes in discount rates of provisions and the related tax impacts of these items.
Free cash flow (usage)	Cash flows from operating activities - continued operations less net additions to PP&E and intangible assets.
Available liquidity	Cash and cash equivalents, plus undrawn amounts under credit facilities.
Adjusted net debt	Long-term debt less cash and cash equivalents less certain restricted cash supporting various bank guarantees, if applicable.
Non-GAAP Financial Ratios	
Adjusted EPS	EPS calculated based on adjusted net income attributable to equity holders of Bombardier Inc., using the treasury stock method, giving effect to the exercise of all dilutive elements.
Adjusted EBIT margin	Adjusted EBIT, as a percentage of total revenues.
Adjusted EBITDA margin	Adjusted EBITDA, as a percentage of total revenues.
Adjusted net debt to adjusted EBITDA ratio	Adjusted net debt divided by adjusted EBITDA.
Supplementary Financial Measures	
Interest paid on long-term debt	Interest paid comprises interest on long-term debt after the effect of hedges, if any, excluding up-front costs paid related to the negotiation of debts or credit facilities.
EBIT margin	EBIT, as a percentage of total revenues.
Gross margin percentage	Gross margin, as a percentage of total revenues.
Net retirement benefit liability	Retirement benefit liability less retirement benefit assets.

Non-GAAP and other financial measures are measures mainly derived from the consolidated financial statements but are not standardized financial measures under the financial reporting framework used to prepare our financial statements. Therefore, these might not be comparable to similar non-GAAP and other financial measures used by other issuers. The exclusion of certain items from non-GAAP or other financial measures does not imply that these items are necessarily non-recurring.

Adjusted EBIT

Adjusted EBIT is defined as the EBIT excluding certain items which do not reflect the Corporations core performance or where their separate presentation will assist users of the consolidated financial statements in understanding the Corporation's results for the period. Such items include restructuring charges (reversals)[(1)(2)], (gain) loss related to disposal of business[(1)(3)], impairment and program termination (reversals)[(1)(4)], certain one-time pension related items included in other (income) expense such as (gain) loss on pension annuity purchases[(1)], and non-commercial legal claims[(1)]. Management uses adjusted EBIT for purposes of evaluating underlying business performance. Management believes presentation of this non-GAAP operating earnings measure in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

Adjusted EBITDA

Adjusted EBITDA is defined as the EBIT excluding restructuring charges (reversals)[(1)(2)], (gain) loss related to disposal of business[(1)(3)], impairment and program termination (reversals)[(1)(4)], certain one-time pension related items included in other (income) expense such as (gain) loss on pension annuity purchases[(1)], non-commercial legal claims[(1)], and amortization charges on PP&E and intangible assets. Management uses adjusted EBITDA for purposes of evaluating underlying business performance. Management believes this non-GAAP operating earnings measure in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business, since it excludes the effects of items that are usually associated with investing or financing activities and items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

Adjusted net income (loss)

Adjusted net income (loss) is defined as the net income (loss) from continuing operations adjusted for certain specific items that are significant but are not, based on management's judgment, reflective of the Corporation's underlying operations. These include adjustments related to restructuring charges (reversals)[(1)(2)], (gain) loss related to disposal of business[(1)(3)], impairment and program termination (reversals)[(1)(4)], certain one-time pension related items included in other (income) expense such as (gain) loss on pension annuity purchases[(1)], non-commercial legal claims[(1)], certain net gains and losses arising from changes in measurement of provisions and of financial instruments carried at FVTP&L, accretion on net retirement benefit obligation, losses (gains) on repayment of long-term debt, changes in discount rates of provisions and the related tax impacts of these items. Management uses adjusted net income (loss) for purposes of evaluating underlying business performance. Management believes this non-GAAP earnings measure in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increase the transparency and clarity of the core results of our business. Adjusted net income (loss) excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

(1) Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification, to our Interim consolidated financial statements, for more information.
(2) Includes severance charges or related reversal, as well as curtailment losses (gains), if any.
(3) Includes changes in provisions related to past divestitures.
(4) Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any.

Adjusted EPS

Adjusted EPS is defined as the adjusted net income (loss) attributable to equity shareholders of Bombardier Inc., divided by the weighted-average diluted number of common shares for the period. Management uses adjusted EPS for purposes of evaluating underlying business performance. Management believes this non-GAAP financial ratio in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business. Adjusted EPS excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

Adjusted EBIT margin

Adjusted EBIT margin is defined as the adjusted EBIT expressed as a percentage of total revenues. Management uses adjusted EBIT margin for purposes of evaluating underlying business performance. Management believes this non-GAAP financial ratio in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increase the transparency and clarity of the core results of our business. Adjusted EBIT margin excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

Adjusted EBITDA margin

Adjusted EBITDA margin is defined as the adjusted EBITDA expressed as a percentage of total revenues. Management uses adjusted EBITDA margin for purposes of evaluating underlying business performance. Management believes this non-GAAP financial ratio in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increase the transparency and clarity of the core results of our business. Adjusted EBITDA margin excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

Reconciliation of adjusted EBIT to EBIT and computation of adjusted EBIT margin

	Three-month periods ended March 31	
	2024	2023
EBIT	**$ 144**	$ 140
Restructuring charges (reversals)[1][2]	**(1)**	—
Gain related to disposal of business[1][3]	**—**	(1)
Impairment and program termination (reversals)[1][4]	**(1)**	(1)
Adjusted EBIT	**$ 142**	$ 138
Total revenues	**$ 1,281**	$ 1,453
Adjusted EBIT margin	**11.1%**	9.5%

(1) Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification, to our Interim consolidated financial statements, for more information.

(2) Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

(3) Includes changes in provisions related to past divestitures.

(4) Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any.

Reconciliation of adjusted EBITDA to EBIT and computation of adjusted EBITDA margin

	Three-month periods ended March 31	
	2024	2023
EBIT	**$ 144**	$ 140
Amortization	**63**	74
Restructuring charges (reversals)[1][2]	**(1)**	—
Gain related to disposal of business[1][3]	**—**	(1)
Impairment and program termination (reversals)[1][4]	**(1)**	(1)
Adjusted EBITDA	**$ 205**	$ 212
Total revenues	**$ 1,281**	$ 1,453
Adjusted EBITDA margin	**16.0%**	14.6%

Reconciliation of adjusted net income to net income and computation of adjusted EPS

	Three-month periods ended March 31			
	2024		2023	
		(per share)		(per share)
Net income	**$ 110**		$ 302	
Adjustments to EBIT related to:				
Restructuring charges (reversals)[1][2]	**(1)**	**(0.01)**	—	—
Gain related to disposal of business[1][3]	**—**	**—**	(1)	(0.01)
Impairment and program termination (reversals)[1][4]	**(1)**	**(0.01)**	(1)	(0.01)
Adjustments to net financing expense (income) related to:				
Net gain on certain financial instruments	**(72)**	**(0.72)**	(232)	(2.35)
Accretion on net retirement benefit obligations	**8**	**0.08**	6	0.06
Losses on repayment of long-term debt	**—**	**—**	38	0.38
Changes in discount rates of provisions	**—**	**—**	1	0.01
Adjusted net income	**44**		113	
Preferred share dividends, including taxes	**(8)**		(8)	
Adjusted net income attributable to equity holders of Bombardier Inc.	**$ 36**		$ 105	
Weighted-average diluted number of common shares (in thousands)	**99,706**		98,830	
Adjusted EPS (in dollars)	**$ 0.36**		$ 1.06	

(1) Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification, to our Interim consolidated financial statements, for more information.
(2) Includes severance charges or related reversal, as well as curtailment losses (gains), if any.
(3) Includes changes in provisions related to past divestitures.
(4) Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any.

Reconciliation of adjusted EPS to diluted EPS (in dollars)

	Three-month periods ended March 31	
	2024	2023
Diluted EPS from continuing operations	**$ 1.02**	$ 2.98
Impact of adjustments to EBIT related to:		
Restructuring charges (reversals)[1][2]	**(0.01)**	—
Gain related to disposal of business[1][3]	**—**	(0.01)
Impairment and program termination (reversals)[1][4]	**(0.01)**	(0.01)
Adjustments to net financing expense (income) related to:		
Net gain on certain financial instruments	**(0.72)**	(2.35)
Accretion on net retirement benefit obligations	**0.08**	0.06
Losses on repayment of long-term debt	**—**	0.38
Changes in discount rates of provisions	**—**	0.01
Adjusted EPS	**$ 0.36**	$ 1.06

(1) Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification, to our Interim consolidated financial statements, for more information.
(2) Includes severance charges or related reversal, as well as curtailment losses (gains), if any.
(3) Includes changes in provisions related to past divestitures.
(4) Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any.

Free cash flow (usage)

Free cash flow (usage) is defined as cash flows from operating activities - continued operations less net additions to PP&E and intangible assets. Management believes that this non-GAAP cash flow measure provides investors with an important perspective on the Corporation’s generation of cash available for shareholders, debt repayment, and acquisitions after making the capital investments required to support ongoing business operations and long-term value creation. This non-GAAP cash flow measure does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt. Management uses free cash flow (usage) as a measure to assess both business performance and overall liquidity generation.

Reconciliation of free cash flow (usage) to cash flows from operating activities

	Three-month periods ended March 31	
	2024	2023
Cash flows from operating activities - continuing operations	**$ (343)**	$ (162)
Net additions to PP&E and intangible assets	**(44)**	(85)
Free cash flow usage	**$ (387)**	$ (247)

Available liquidity

Available liquidity is defined as cash and cash equivalents plus undrawn amounts under credit facilities. Management believes that this non-GAAP financial measure provides investors with an important perspective on the Corporation’s ability to meet expected liquidity requirements, including the support of product development initiatives and to ensure financial flexibility. This measure does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

Reconciliation of available liquidity to cash and cash equivalents

As at	**March 31, 2024**	December 31, 2023
Cash and cash equivalents	**$ 1,181**	$ 1,594
Undrawn amounts under available revolving credit facility[1]	**236**	251
Available liquidity	**$ 1,417**	$ 1,845

(1) A committed secured revolving credit facility of $300 million which matures in 2027 and is available for cash drawings for the ongoing working capital needs of the Corporation and for issuance of performance letters of credit. This facility was undrawn as at March 31, 2024 and the availability as at such date was $236 million based on the collateral, which may vary from time to time.

Adjusted net debt
Adjusted net debt is defined as long-term debt less cash and cash equivalents less certain restricted cash supporting various bank guarantees, if applicable. Management believes that this non-GAAP financial measure is a useful measure because it reflects the Corporations ability to service its debt and other long-term obligations. This measure does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

Adjusted net debt to adjusted EBITDA ratio
Management uses adjusted net debt to adjusted EBITDA ratio as a useful credit measure for purposes of measuring the Corporation's ability to service its debt and other long-term obligations. This non-GAAP financial ratio does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

Reconciliation of adjusted net debt to long-term debt and computation of adjusted net debt to adjusted EBITDA ratio

	Four-quarter trailing periods ended	
	March 31, 2024	December 31, 2023
Long-term debt	**$ 5,606**	$ 5,607
Less: Cash and cash equivalents	**1,181**	1,594
Certain restricted cash supporting various bank guarantees	**—**	—
Adjusted net debt	**$ 4,425**	$ 4,013
Adjusted EBITDA	**$ 1,223**	$ 1,230
Adjusted net debt to adjusted EBITDA ratio	**3.6**	3.3

OTHER

OFF-BALANCE SHEET ARRANGEMENTS

Refer to the Off-balance sheet arrangements section in Other of our Financial Report for the year ended December 31, 2023 for a description of these arrangements, and to Note 19 – Commitments and contingencies, to our Interim consolidated financial statements for further details.

RISKS AND UNCERTAINTIES

We operate in an industry which presents a variety of risk factors and uncertainties. The risks and uncertainties that we currently believe could materially affect our business activities, financial condition, cash flows, results of operations and reputation are described in our Financial Report for the fiscal year ended December 31, 2023 in Other, but are not necessarily the only risks and uncertainties that we face.

There was no significant change to these risks and uncertainties during the three-month period ended March 31, 2024, other than those described elsewhere in this MD&A, including, without limitation, those described in Note 19 – Commitments and contingencies, to our Interim consolidated financial statements.

If any of these risks, or any additional risks and uncertainties presently unknown to us or that we currently consider as being not material, actually occur or become material risks, our business activities, financial condition, cash flows and results of operations could be materially adversely affected.

CONTROLS AND PROCEDURES

No changes were made to our internal controls over financial reporting during the three-month period ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

OTHER

On April 1, 2024 the Corporation confirmed that it had received approval from the Toronto Stock Exchange for its new normal course issuer bid (NCIB) to purchase, from April 3, 2024 to April 2, 2025, up to 1,750,000 Class B shares (subordinate voting). Class B shares (subordinate voting) purchased under the NCIB will either be (a) cancelled to mitigate the dilutive effect of granting stock options under the Corporation’s stock option plan, (b) made for the account, and on behalf, of Computershare Trust Company of Canada, as trustee for an employee benefit plans trust account, and eventually be used to settle the Corporation’s obligations under certain of its employee share-based incentive plans, including its PSU and RSU plans, or (c) cancelled in order to manage the Corporation’s capital position while generating value for its shareholders.

FOREIGN EXCHANGE RATES

We are subject to currency fluctuations from the translation of revenues, expenses, assets and liabilities of foreign operations with non-U.S. dollar functional currencies, mainly the Euro, and from transactions denominated in foreign currencies, mainly the Canadian dollar.

The foreign exchange rates used to translate assets and liabilities into U.S. dollars were as follows, as at:

	March 31, 2024	December 31, 2023	Decrease
Euro	**1.0790**	1.1062	(2)%
Canadian dollar	**0.7386**	0.7559	(2)%

The average foreign exchange rates used to translate revenues and expenses into U.S. dollars were as follows, for the three-month periods ended:

	March 31, 2024	March 31, 2023	Increase
Euro	**1.0860**	1.0726	1 %
Canadian dollar	**0.7419**	0.7397	— %

SELECTED FINANCIAL INFORMATION

The following table provides selected financial information for the last eight quarters:

Fiscal years	**2024**			2023				2022
	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter
Revenues	**$ 1,281**	$ 3,062	$ 1,856	$ 1,675	$ 1,453	$ 2,655	$ 1,455	$ 1,557
Net income (loss)								
Continuing operations	**$ 110**	$ 215	$ (37)	$ 10	$ 302	$ 241	$ 27	$ (109)
Discontinued operations	**$ —**	$ —	$ —	$ (45)	$ —	$ —	$ —	$ (20)
Total	**$ 110**	$ 215	$ (37)	$ (35)	$ 302	$ 241	$ 27	$ (129)
EPS (in dollars)								
Continuing operations - basic	**$ 1.04**	$ 2.15	$ (0.47)	$ 0.03	$ 3.10	$ 2.48	$ 0.20	$ (1.22)
Continuing operations - diluted	**$ 1.02**	$ 2.11	$ (0.47)	$ 0.03	$ 2.98	$ 2.40	$ 0.20	$ (1.22)
Discontinued operations - basic	**$ 0.00**	$ 0.00	$ 0.00	$ (0.47)	$ 0.00	$ 0.00	$ 0.00	$ (0.21)
Discontinued operations - diluted	**$ 0.00**	$ 0.00	$ 0.00	$ (0.47)	$ 0.00	$ 0.00	$ 0.00	$ (0.21)

SHAREHOLDER INFORMATION

Authorized, issued and outstanding share data, as at April 23, 2024

	Authorized	Issued and outstanding	
Class A Shares (multiple voting)(1)	143,680,000	12,349,370	
Class B Shares (subordinate voting)(2)	143,680,000	85,307,628	(3)
Series 2 Cumulative Redeemable Preferred Shares	12,000,000	2,684,527	
Series 3 Cumulative Redeemable Preferred Shares	12,000,000	9,315,473	
Series 4 Cumulative Redeemable Preferred Shares	9,400,000	9,400,000	

(1) Ten votes each, convertible at the option of the holder into one Class B Subordinate Voting Share.
(2) Convertible at the option of the holder into one Class A Share under certain conditions.
(3) Net of 1,993,445 Class B Subordinate Voting Shares purchased and held in trust in connection with the PSU and RSU plans.

Share option, PSU, DSU and RSU data as at March 31, 2024	
Options issued and outstanding under the share option plans	914,309
PSUs, DSUs and RSUs issued and outstanding under the PSU, DSU and RSU plans	1,808,535
Class B Subordinate Voting Shares held in trust to satisfy PSU and RSU obligations	1,993,445

Expected issuance date of our financial reports for the next 12 months	
Second Quarterly Report, for the period ending June 30, 2024	July 25, 2024
Third Quarterly Report, for the period ending September 30, 2024	November 7, 2024
Financial Report, for the fiscal year ending December 31, 2024	February 6, 2025
First Quarterly Report, for the period ending March 31, 2025	May 1, 2025

Information

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This MD&A for the three-month period ended March 31, 2024 was authorized for issuance by the Board of Directors on April 24, 2024.

Additional information relating to the Corporation, including the financial report and annual information form, are available on SEDAR+ at sedarplus.ca or on Bombardier's dedicated investor relations website at ir.bombardier.com.

The *Global 8000* aircraft is currently under development and remains to be finalized and certified. It is expected to enter service in 2025(1). All specifications and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions.

Un exemplaire en français est disponible sur demande adressée auprès du service des Relations avec les investisseurs ou sur le site Internet de la Société dédié aux relations avec les investisseurs, à l'adresse ri.bombardier.com.

(1) See the forward-looking statements disclaimer of this MD&A.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024
(Unaudited)
(Tabular figures are in millions of U.S. dollars, unless otherwise indicated)

The following table shows the abbreviations used in the consolidated financial statements.

Term	Description	Term	Description
ACLP	Airbus Canada Limited Partnership	IAS	International Accounting Standard(s)
CCTD	Cumulative currency translation difference	IASB	International Accounting Standards Board
CDPQ	Caisse de dépôt et placement du Québec	MHI	Mitsubishi Heavy Industries, Ltd
DDHR	Derivative designated in a hedge relationship	OCI	Other comprehensive income
DSU	Deferred share unit	PP&E	Property, plant and equipment
EBIT	Earnings before financing expense, financing income and income taxes	PSU	Performance share unit
		R&D	Research and development
EBT	Earnings before income taxes	RSU	Restricted share unit
EPS	Earnings per share attributable to equity holders of Bombardier Inc.	SG&A	Selling, general and administrative
		U.K.	United Kingdom
FVOCI	Fair value through other comprehensive income	U.S.	United States of America
FVTP&L	Fair value through profit and loss		

BOMBARDIER INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in millions of U.S. dollars, except per share amounts)

		Three-month periods ended March 31	
	Notes	**2024**	2023
Revenues	2	**$ 1,281**	$ 1,453
Cost of sales	9	**1,001**	1,158
Gross margin		**280**	295
SG&A		**109**	96
R&D	3	**24**	61
Other expense[1]	4	**5**	—
Restructuring charges (reversals)[1][2]		**(1)**	—
Gain related to disposal of business[1][3]		**—**	(1)
Impairment and program termination (reversals)[1][4]		**(1)**	(1)
EBIT		**144**	140
Financing expense	5	**136**	176
Financing income	5	**(86)**	(253)
EBT		**94**	217
Income taxes (recovery)		**(16)**	(85)
Net income		**$ 110**	$ 302
EPS (in dollars)	6		
Basic		**$ 1.04**	$ 3.10
Diluted		**$ 1.02**	$ 2.98

(1) Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification for more information.
(2) Includes severance charges or related reversal, as well as curtailment losses (gains), if any.
(3) Includes changes in provisions related to past divestitures.
(4) Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any.

The notes are an integral part of these interim consolidated financial statements.

BOMBARDIER INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(in millions of U.S. dollars)

		Three-month periods ended March 31		
		2024		2023
Net income	**$**	**110**	$	302
OCI				
Items that may be reclassified to net income				
Net change in cash flow hedges				
Net gain (loss) on derivative financial instruments		**(49)**		8
Reclassification to income or to the related non-financial asset		**5**		16
Income taxes recovery (expense)		**11**		(6)
		(33)		18
FVOCI financial assets				
Net unrealized gain (loss)		**(1)**		8
CCTD				
Net investments in foreign operations		**—**		—
Items that are never reclassified to net income				
FVOCI equity instruments				
Net realized loss		**—**		(4)
Retirement benefits				
Remeasurement of defined benefit plans		**177**		(47)
Total OCI		**143**		(25)
Total comprehensive income	**$**	**253**	$	277

The notes are an integral part of these interim consolidated financial statements.

BOMBARDIER INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
As at
(in millions of U.S. dollars)

	Notes	March 31 2024	December 31 2023
Assets			
Cash and cash equivalents		**$ 1,181**	$ 1,594
Trade and other receivables		**269**	258
Contract assets	8	**83**	84
Inventories	9	**4,387**	3,768
Other financial assets	10	**67**	97
Other assets	11	**168**	133
Current assets		**6,155**	5,934
PP&E		**1,415**	1,375
Aerospace program tooling		**3,554**	3,566
Deferred income taxes		**504**	455
Other financial assets	10	**805**	757
Other assets	11	**389**	371
Non-current assets		**6,667**	6,524
		$ 12,822	$ 12,458
Liabilities			
Trade and other payables		**$ 1,793**	$ 1,820
Provisions	12	**75**	78
Contract liabilities	8	**3,560**	3,455
Other financial liabilities	13	**134**	148
Other liabilities	14	**409**	437
Current liabilities		**5,971**	5,938
Provisions	12	**90**	90
Contract liabilities	8	**1,473**	1,209
Long-term debt	15	**5,606**	5,607
Retirement benefits		**652**	803
Other financial liabilities	13	**948**	972
Other liabilities	14	**236**	243
Non-current liabilities		**9,005**	8,924
		14,976	14,862
Equity (deficit)			
Attributable to equity holders of Bombardier Inc.		**(2,154)**	(2,404)
		$ 12,822	$ 12,458
Commitments and contingencies	19		

The notes are an integral part of these interim consolidated financial statements.

BOMBARDIER INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
For the three-month periods ended
(in millions of U.S. dollars)

	Attributable to equity holders of Bombardier Inc.									
	Share capital			Retained earnings (deficit)			Accumulated OCI			
	Preferred shares	Common shares	Warrants	Other retained earnings (deficit)	Remeasurement gains (losses)	Contributed surplus	FVOCI	Cash flow hedges	CCTD	Total equity (deficit)
As at December 31, 2023	$ 347	$ 2,707	$ —	$ (3,747)	$ (2,219)	$ 479	$ 5	$ 39	$ (15)	$ (2,404)
Total comprehensive income (loss)										
Net income	—	—	—	110	—	—	—	—	—	110
OCI	—	—	—	—	177	—	(1)	(33)	—	143
	—	—	—	110	177	—	(1)	(33)	—	253
Dividends - preferred shares, including taxes	—	—	—	(8)	—	—	—	—	—	(8)
Share-based expense	—	—	—	—	—	5	—	—	—	5
As at March 31, 2024	**$ 347**	**$ 2,707**	**$ —**	**$ (3,645)**	**$ (2,042)**	**$ 484**	**$ 4**	**$ 6**	**$ (15)**	**$ (2,154)**
As at January 1, 2023	$ 347	$ 2,615	$ 11	$ (4,161)	$ (1,992)	$ 491	$ (13)	$ (45)	$ (15)	$ (2,762)
Total comprehensive income (loss)										
Net income	—	—	—	302	—	—	—	—	—	302
OCI	—	—	—	—	(47)	—	4	18	—	(25)
	—	—	—	302	(47)	—	4	18	—	277
Dividends - preferred shares, including taxes	—	—	—	(8)	—	—	—	—	—	(8)
Expiration of warrants[1]	—	—	(11)	—	—	11	—	—	—	—
Options exercised	—	62	—	—	—	(21)	—	—	—	41
Share-based expense	—	—	—	—	—	4	—	—	—	4
As at March 31, 2023	$ 347	$ 2,677	$ —	$ (3,867)	$ (2,039)	$ 485	$ (9)	$ (27)	$ (15)	$ (2,448)

[1] In February 2023, 4 million of warrants held by CDPQ expired.

The notes are an integral part of these interim consolidated financial statements.

BOMBARDIER INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in millions of U.S. dollars)

	Notes		Three-month periods ended March 31 2024		2023
Operating activities					
Net income from continuing operations		**$**	**110**	$	302
Net income (loss) from discontinued operations[1]			**—**		—
Non-cash items					
Amortization[2]			**63**		74
Deferred income taxes (recovery)			**(38)**		(86)
Share-based expense	16		**5**		4
Losses on repayment of long-term debt	5		**—**		38
Net change in non-cash balances	17		**(483)**		(494)
Cash flows from operating activities - total			**(343)**		(162)
Cash flows from operating activities - discontinued operations[1]			**—**		—
Cash flows from operating activities - continuing operations			**(343)**		(162)
Investing activities					
Additions to PP&E and intangible assets			**(44)**		(85)
Changes to restricted cash			**—**		392
Sale (purchase) of investments in securities			**(8)**		95
Other			**(4)**		4
Cash flows from investing activities - total			**(56)**		406
Cash flows from investing activities - discontinued operations[1]			**(3)**		(8)
Cash flows from investing activities - continuing operations			**(53)**		414
Financing activities					
Net proceeds from issuance of long-term debt			**—**		739
Repayments of long-term debt			**—**		(1,163)
Payment of lease liabilities[3]			**(9)**		(5)
Dividends paid - Preferred shares			**(6)**		(6)
Issuance of Class B shares			**—**		41
Other			**—**		1
Cash flows from financing activities - total			**(15)**		(393)
Cash flows from financing activities - discontinued operations[1]			**—**		—
Cash flows from financing activities - continuing operations			**(15)**		(393)
Effect of exchange rates on cash and cash equivalents			**1**		—
Net decrease in cash and cash equivalents			**(413)**		(149)
Cash and cash equivalents at beginning of period			**1,594**		1,291
Cash and cash equivalents at end of period		**$**	**1,181**	$	1,142
Supplemental information					
Cash paid for					
Interest		**$**	**60**	$	79
Income taxes		**$**	**4**	$	3
Cash received for					
Interest		**$**	**12**	$	12
Income taxes		**$**	**—**	$	—

[1] Discontinued operations are related to the sale of the Transportation business.
[2] Includes $9 million of amortization charge related to right-of-use of assets for the three-month period ended March 31, 2024 ($8 million for the three-month period ended March 31, 2023).
[3] Lease payments related to the interest portion, short-term leases, low value assets and variable lease payments not included in lease liabilities are classified as cash outflows from operating activities. The total cash outflows for the three-month period ended March 31, 2024 amounted to $19 million ($15 million for the three-month period ended March 31, 2023).

The notes are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024
(Unaudited)
(Tabular figures are in millions of U.S. dollars, unless otherwise indicated)

1. BASIS OF PREPARATION

Bombardier Inc. (“the Corporation” or “our” or “we”) is incorporated under the laws of Canada. The Corporation is a manufacturer of business aircraft, as well as certain major aircraft structural components, and is a provider of related services.

The interim consolidated financial statements are expressed in U.S. dollars and have been prepared in accordance with IAS 34, *Interim financial reporting*, as issued by the IASB. The interim consolidated financial statements follow the same accounting policies as the most recent annual consolidated financial statements. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Corporation’s Financial Report for the fiscal year ended December 31, 2023.

These interim consolidated financial statements for the three-month period ended March 31, 2024 were authorized for issuance by the Board of Directors on April 24, 2024.

The results of operations and cash flows for the interim periods are not necessarily indicative of the results of operations and cash flows for the full fiscal year.

2. REVENUES

The Corporation’s revenues by categories were as follows:

	Three-month periods ended March 31	
	2024	2023
Business aircraft		
Manufacturing and Other[1]	**$ 795**	$ 1,020
Services[2]	**477**	424
Others[3]	**9**	9
	$ 1,281	$ 1,453

[1] Includes revenues from sale of new aircraft, specialized aircraft solutions and pre-owned aircraft.
[2] Includes revenues from aftermarket services including parts, *Smart Services*, service centers, training and technical publications.
[3] Includes revenues from sale of components related to commercial aircraft programs.

3. RESEARCH AND DEVELOPMENT

R&D expense, net of government assistance, was as follows:

	Three-month periods ended March 31	
	2024	2023
R&D expenditures[1]	**$ 12**	$ 29
Less: development expenditures capitalized to aerospace program tooling	**(23)**	(20)
	(11)	9
Add: amortization of aerospace program tooling	**35**	52
	$ 24	$ 61

[1] Includes $21 million of investment tax credits for the three-month period ended March 31, 2024 (nil for the three-month period ended March 31, 2023).

4. OTHER EXPENSE

Other expense[1] was as follows:

	Three-month periods ended March 31	
	2024	2023
System implementation related costs	**$ 8**	$ 1
Other	**(3)**	(1)
	$ 5	$ —

[1] Special items and certain items of other expense (income) were mainly reclassified to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals), for the comparative period. See Note 20 - Reclassification for more information.

5. FINANCING EXPENSE AND FINANCING INCOME

Financing expense and financing income were as follows:

	Three-month periods ended March 31	
	2024	2023
Financing expense		
Losses on repayment of long-term debt[1]	**$ —**	$ 38
Interest expense on lease liabilities	**10**	10
Accretion on advances	**10**	7
Accretion on net retirement benefit obligations	**8**	6
Accretion on other financial liabilities	**4**	8
Accretion on provisions	**1**	1
Changes in discount rates of provisions	**—**	1
Other	**—**	1
	33	72
Interest on long-term debt	**103**	104
	$ 136	$ 176
Financing income		
Net gain on certain financial instruments[2]	**$ (72)**	$ (232)
Other	**(3)**	(1)
	(75)	(233)
Interest on cash and cash equivalents	**(10)**	(16)
Income from investments in securities	**(1)**	(4)
	(11)	(20)
	$ (86)	$ (253)

(1) Represents the losses related to the full repayment of the Senior Notes due 2024 and the partial repayment of the Senior Notes due 2025 for the three-month period ended March 31, 2023.
(2) Net gain on certain financial instruments classified as FVTP&L, which includes call options on long-term debt.

6. EARNINGS PER SHARE

Basic and diluted EPS were computed as follows:

	Three-month periods ended March 31	
	2024	2023
(Number of shares, stock options, PSUs, DSUs and RSUs, in thousands)		
Net income		
Continuing operations	**$ 110**	$ 302
Discontinued operations[1]	**—**	—
Preferred share dividends, including taxes	**(8)**	(8)
Net income attributable to common equity holders of Bombardier Inc.	**$ 102**	$ 294
Weighted-average number of common shares outstanding	**98,122**	94,703
Net effect of stock options, PSUs, DSUs and RSUs	**1,584**	4,127
Weighted-average diluted number of common shares	**99,706**	98,830
EPS (in dollars)		
Basic	**$ 1.04**	$ 3.10
Diluted	**$ 1.02**	$ 2.98

[1] Discontinued operations are related to the sale of the Transportation business.

The effect of the exercise of stock options, PSUs, DSUs and RSUs was included in the calculation of diluted EPS in the above table, except for 661,715 for the three-month period ended March 31, 2024 (2,381,646 for the three-month period ended March 31, 2023) since the average market value of the underlying shares was lower than the exercise price, or because the predetermined target market price thresholds of the Corporation's Class B shares (subordinate voting) or predetermined financial performance targets had not been met or the effect of the exercise would be antidilutive.

7. FINANCIAL INSTRUMENTS

The classification of financial instruments and their carrying amounts and fair values were as follows, as at:

	FVTP&L						
	FVTP&L	**Designated**	**FVOCI**	**Amortized cost**	**DDHR**	**Total carrying value**	**Fair value**
March 31, 2024							
Financial assets							
Cash and cash equivalents	**$ —**	**$ —**	**$ —**	**$ 1,181**	**$ —**	**$ 1,181**	**$ 1,181**
Trade and other receivables	**—**	**—**	**—**	**269**	**—**	**269**	**269**
Other financial assets	**626**	**—**	**113**	**114**	**19**	**872**	**872**
	$ 626	**$ —**	**$ 113**	**$ 1,564**	**$ 19**	**$ 2,322**	**$ 2,322**
Financial liabilities							
Trade and other payables	**$ —**	**$ —**	**n/a**	**$ 1,793**	**$ —**	**$ 1,793**	**$ 1,793**
Long-term debt	**—**	**—**	**n/a**	**5,606**	**—**	**5,606**	**5,763**
Other financial liabilities	**1**	**350**	**n/a**	**721**	**10**	**1,082**	**1,092**
	$ 1	**$ 350**	**n/a**	**$ 8,120**	**$ 10**	**$ 8,481**	**$ 8,648**
December 31, 2023							
Financial assets							
Cash and cash equivalents	$ —	$ —	$ —	$ 1,594	$ —	$ 1,594	$ 1,594
Trade and other receivables	—	—	—	258	—	258	258
Other financial assets	575	—	109	112	58	854	854
	$ 575	$ —	$ 109	$ 1,964	$ 58	$ 2,706	$ 2,706
Financial liabilities							
Trade and other payables	$ —	$ —	n/a	$ 1,820	$ —	$ 1,820	$ 1,820
Long-term debt	—	—	n/a	5,607	—	5,607	5,746
Other financial liabilities	1	359	n/a	753	7	1,120	1,129
	$ 1	$ 359	n/a	$ 8,180	$ 7	$ 8,547	$ 8,695

n/a: Not applicable

8. CONTRACT BALANCES

Contract assets represent cost incurred and recorded margins on service contracts in the amount of $83 million and $84 million as at March 31, 2024 and December 31, 2023, respectively.

Contract liabilities were as follows, as at:

		March 31, 2024		December 31, 2023
Advances on aerospace programs	**$**	**4,611**	$	4,225
Long-term service contracts deferred revenues		**260**		277
Other deferred revenues		**162**		162
	$	**5,033**	$	4,664
Of which current	**$**	**3,560**	$	3,455
Of which non-current		**1,473**		1,209
	$	**5,033**	$	4,664

9. INVENTORIES

Inventories were as follows, as at:

		March 31, 2024		December 31, 2023
Aerospace programs	**$**	**3,796**	$	3,159
Finished products		**591**		609
	$	**4,387**	$	3,768

The amount of inventories recognized as cost of sales totaled $839 million for the three-month period ended March 31, 2024 ($980 million for the three-month period ended March 31, 2023). This amount includes $5 million of write-downs and $1 million of reversal of write-downs for the three-month period ended March 31, 2024 ($12 million of write-downs and nil of reversal of write-downs for the three-month period ended March 31, 2023).

10. OTHER FINANCIAL ASSETS

Other financial assets were as follows, as at:

	March 31, 2024	December 31, 2023
Receivable from ACLP[1]	**$ 350**	$ 359
Derivative financial instruments	**295**	274
Investments in securities	**113**	109
Restricted cash	**77**	77
Receivable from MHI[2]	**29**	29
Other	**8**	6
	$ 872	$ 854
Of which current	**$ 67**	$ 97
Of which non-current	**805**	757
	$ 872	$ 854

(1) This receivable from ACLP represents a back-to-back agreement that the Corporation has with ACLP related to certain government refundable advances. See Note 13 - Other financial liabilities for more information.
(2) This receivable represents a back-to-back agreement that the Corporation has with MHI on credit and residual value guarantees payable of $29 million as at March 31, 2024 ($29 million as at December 31, 2023). See Note 13 – Other financial liabilities for more information.

11. OTHER ASSETS

Other assets were as follows, as at:

	March 31, 2024	December 31, 2023
Prepaid expenses	**$ 188**	$ 175
Retirement benefits	**161**	143
Sales tax and other taxes	**113**	87
Intangible assets other than aerospace program tooling	**74**	78
Prepaid sales concessions and deferred contract costs	**11**	8
Other	**10**	13
	$ 557	$ 504
Of which current	**$ 168**	$ 133
Of which non-current	**389**	371
	$ 557	$ 504

12. PROVISIONS

Changes in provisions were as follows, for the three-month periods ended March 31:

	Product warranties	Onerous contracts	Other [1]	Total
Balance as at December 31, 2023	**$ 140**	**$ 14**	**$ 14**	**$ 168**
Additions	**16**	**4**	**—**	**20**
Utilization	**(4)**	**(1)**	**(1)**	**(6)**
Reversals	**(15)**	**(1)**	**(2)**	**(18)**
Accretion expense	**1**	**—**	**—**	**1**
Balance as at March 31, 2024	**$ 138**	**$ 16**	**$ 11**	**$ 165**
Of which current	**$ 65**	**$ 2**	**$ 8**	**$ 75**
Of which non-current	**73**	**14**	**3**	**90**
	$ 138	**$ 16**	**$ 11**	**$ 165**

	Product warranties	Onerous contracts	Other [1]	Total
Balance as at January 1, 2023	$ 184	$ 36	$ 14	$ 234
Additions	18	—	1	19
Utilization	(14)	(8)	—	(22)
Reversals	(13)	(1)	(1)	(15)
Accretion expense	1	—	—	1
Effect of changes in discount rates	1	—	—	1
Balance as at March 31, 2023	$ 177	$ 27	$ 14	$ 218
Of which current	$ 61	$ 7	$ 12	$ 80
Of which non-current	116	20	2	138
	$ 177	$ 27	$ 14	$ 218

[1] Includes claims and litigation.

13. OTHER FINANCIAL LIABILITIES

Other financial liabilities were as follows, as at:

	March 31, 2024	December 31, 2023
Government refundable advances[1]	**$ 510**	$ 520
Lease liabilities	**438**	448
Credit and residual value guarantees payable[2]	**49**	48
Derivative financial instruments	**11**	8
Vendor non-recurring costs	**2**	3
Other[3]	**72**	93
	$ 1,082	$ 1,120
Of which current	**$ 134**	$ 148
Of which non-current	**948**	972
	$ 1,082	$ 1,120

(1) Of which $350 million has a back-to-back agreement with ACLP as at March 31, 2024 ($359 million as at December 31, 2023). Refer to Note 10 - Other financial assets for the receivable from ACLP. The Corporation is required to pay amounts to governments based on the number of deliveries of aircraft.
(2) Of which $29 million has a back-to-back agreement with MHI as at March 31, 2024 ($29 million as at December 31, 2023). Refer to Note 10 - Other financial assets for more information.
(3) Mainly represents liabilities related to various divestitures.

14. OTHER LIABILITIES

Other liabilities were as follows, as at:

	March 31, 2024	December 31, 2023
Employee benefits	**$ 298**	$ 287
Supplier contributions to aerospace programs	**194**	198
Sales incentive and customer credit notes	**57**	72
Income taxes payable	**35**	36
Other	**61**	87
	$ 645	$ 680
Of which current	**$ 409**	$ 437
Of which non-current	**236**	243
	$ 645	$ 680

15. LONG-TERM DEBT

In April 2024, the Corporation completed the closing of its offering of $750 million aggregate principal amount of Senior Notes due 2031. The Senior Notes carry a coupon of 7.25% per annum and were sold at 99.75% of par. The Corporation used the net proceeds together with its cash and cash equivalents to finance repayment of the below mentioned Senior Notes.

In April 2024, the Corporation completed the partial repayment of Senior Notes due 2026 for an aggregate amount of $497 million, and the partial repayment of Senior Notes due 2027 for an aggregate amount of $300 million.

16. SHARE-BASED PLANS

PSU, DSU and RSU plans
The number of PSUs, DSUs and RSUs has varied as follows:

			Three-month periods ended March 31			
			2024			2023
	PSU	**DSU**	**RSU**	PSU	DSU	RSU
Balance at beginning of period	**931,676**	**38,609**	**841,323**	738,403	38,609	2,953,698
Granted	**424**	**—**	**424**	290	—	865
Forfeited	**(1,378)**	**—**	**(2,543)**	(3,371)	—	(11,046)
Balance at end of period	**930,722**	**38,609** (1)	**839,204**	735,322	38,609 (1)	2,943,517

(1) Of which 38,609 DSUs are vested as at March 31, 2024 (38,609 as at March 31, 2023).

The compensation expense with respect to the PSU, DSU and RSU plans amounted to $5 million during the three-month period ended March 31, 2024 ($4 million during the three-month period ended March 31, 2023).

Share option plan
The number of options issued and outstanding to purchase Class B shares (subordinate voting) has varied as follows:

	Three-month periods ended March 31	
	2024	2023
Balance at beginning of period	**1,325,668**	3,683,172
Exercised	**—**	(1,028,661)
Forfeited	**(411,359)**	(118,428)
Balance at end of period	**914,309**	2,536,083

A compensation expense of nil was recorded during the three-month period ended March 31, 2024, with respect to share option plan (nil for the three-month period ended March 31, 2023).

17. NET CHANGE IN NON-CASH BALANCES

Net change in non-cash balances was as follows:

	Three-month periods ended March 31	
	2024	2023
Trade and other receivables	**$ (11)**	$ 4
Inventories	**(659)**	(479)
Contract assets	**1**	(1)
Contract liabilities	**369**	31
Other financial assets and liabilities, net	**(84)**	(225)
Other assets	**(59)**	28
Trade and other payables	**(26)**	269
Provisions	**(3)**	(15)
Retirement benefit liability	**26**	—
Other liabilities	**(37)**	(106)
	$ (483)	$ (494)

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value amounts disclosed in these interim consolidated financial statements represent the Corporation's estimate of the price at which a financial instrument could be exchanged in a market in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. They are point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Fair value is determined by reference to quoted prices in the principal market for that instrument to which the Corporation has immediate access. However, there is no active market for most of the Corporation's financial instruments. In the absence of an active market, the Corporation determines fair value based on internal or external valuation models, such as discounted cash flow models. Fair value determined using valuation models requires the use of assumptions concerning the amount and timing of estimated future cash flows, discount rates, the creditworthiness of the borrower, default probability, generic industrial bond spreads and marketability risk. In determining these assumptions, the Corporation uses primarily external, readily observable market inputs, including factors such as interest rates, credit ratings, credit spreads, default probabilities, currency rates, and price and rate volatilities, as applicable. Assumptions or inputs that are not based on observable market data are used when external data are unavailable. These calculations represent management's best estimates. Since they are based on estimates, the fair values may not be realized in an actual sale or immediate settlement of the instruments.

Methods and assumptions
The methods and assumptions used to measure fair value for items recorded at FVTP&L and FVOCI are as follows:

Investments in securities – The Corporation uses discounted cash flow models to estimate the fair value of unquoted investments in fixed-income securities, using market data such as interest rates.

Receivable from ACLP and related government refundable advances – The Corporation uses discounted cash flow analysis to estimate the fair value using market data for interest rates and credit spreads.

Derivative financial instruments – Fair value of derivative financial instruments generally reflects the estimated amounts that the Corporation would receive to sell favorable contracts i.e. taking into consideration the counterparty credit risk, or pay to transfer unfavorable contracts i.e. taking into consideration the Corporation's credit risk, at the reporting dates. The Corporation uses discounted cash flow analysis and market data such as interest rates, credit spreads and the foreign exchange spot rate to estimate the fair value of forward agreements.

The Corporation uses option-pricing models and discounted cash flow models to estimate the fair value of embedded derivatives using applicable market data.

The methods and assumptions used to measure fair value for items recorded at amortized cost are as follows:

Financial instruments whose carrying value approximates fair value – The fair values of cash and cash equivalents, trade and other receivables, restricted cash, certain receivable from MHI and trade and other payables measured at amortized cost, approximate their carrying value due to the short-term maturities of these instruments, because they bear variable interest-rate or because the terms and conditions are comparable to current market terms and conditions for similar items.

Long-term debt – The fair value of long-term debt is estimated using public quotations, when available, or discounted cash flow analyses, based on the current corresponding borrowing rate for similar types of borrowing arrangements.

Government refundable advances and vendor non-recurring costs – The Corporation uses discounted cash flow analysis to estimate the fair value using market data for interest rates and credit spreads.

Fair value hierarchy

The following table presents financial assets and financial liabilities measured at fair value on a recurring basis categorized using the fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs from observable markets other than quoted prices included in Level 1, including indirectly observable data (Level 2); and
- inputs for the assets or liabilities that are not based on observable market data (Level 3).

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment. The fair value of financial assets and liabilities by level of hierarchy was as follows, as at March 31, 2024:

	Total	Level 1	Level 2	Level 3
Financial assets				
Receivable from ACLP[1]	$ 350	$ —	$ —	$ 350
Derivative financial instruments[2]	295	—	295	—
Investments in securities	113	—	113	—
	$ 758	$ —	$ 408	$ 350
Financial liabilities				
Government refundable advances[1]	$ 350	$ —	$ —	$ 350
Derivative financial instruments[2]	11	—	11	—
	$ 361	$ —	$ 11	$ 350

[1] This receivable represents a back-to-back agreement that the Corporation has with ACLP related to certain government refundable advances.
[2] Derivative financial instruments consist of forward foreign exchange contracts and embedded derivatives.

Level 3 financial instruments include only assets and liabilities with a back-to-back agreement and their corresponding back-to-back assets and liabilities.

19. COMMITMENTS AND CONTINGENCIES

The table below presents the maximum potential exposure for major group of exposures, as at:

	March 31, 2024	December 31, 2023
Aircraft sales		
Trade-in commitments	**$ 354**	$ 277

Legal proceedings
In the normal course of operations, the Corporation is a defendant in certain legal proceedings before various courts or other tribunals including in relation to product liability, contractual disputes with customers or suppliers, claims and disputes arising from divestiture or acquisition transactions, and other legal proceedings with third parties. The Corporation's approach is to vigorously defend its position in these matters.

While the Corporation cannot predict the final outcome of all legal proceedings pending as at March 31, 2024, based on information currently available and known by the Corporation, management believes that the resolution of these legal proceedings will not have a material adverse effect on its financial position.

Sweden
While this matter relates to the Transportation business, which has been divested as part of the sale to Alstom on January 29, 2021, the Corporation remains involved in this legal proceeding and remains liable to Alstom, as acquirer of Transportation, in the event of any damage suffered in connection thereof.

Since the fourth quarter of 2016, the Swedish police authorities have been conducting an investigation in relation to allegations concerning a 2013 contract for the supply of signaling equipment and services to Azerbaijan Railways ADY (the "ADY Contract"). In October 2016, the Corporation launched an internal review into the allegations which is conducted by external forensic advisors, under the supervision of the General Counsel and external counsel. The internal review is still on-going. On August 18, 2017, charges were laid against a then employee of the Swedish subsidiary of the Corporation for aggravated bribery and, alternatively, influence trafficking. The trial on these charges took place from August 29 to September 20, 2017. No charges were laid against the subsidiary of the Corporation. In a decision rendered on October 11, 2017, the then employee was acquitted of all charges. The decision was appealed regarding all charges on October 25, 2017 by the Prosecution Authority. On June 19, 2019, the Prosecution Authority confirmed that the acquittal on charge of influence trafficking is no longer being appealed; accordingly, this acquittal on this charge stands as a final judgment. The case is pending with the Swedish Court of Appeal with a likely scenario that the Swedish Court of Appeal will set a date for the appeal trial.

World Bank
The ADY Contract is being audited by the World Bank Group pursuant to its contractual audit rights. The audit is on-going. The Corporation's policy is to comply with all applicable laws and it is cooperating to the extent possible with the investigation and the audit. As reported in the media, on November 15, 2018, the World Bank Integrity Vice Presidency ("INT") issued a 'show cause' letter to Bombardier, outlining INT's position regarding alleged collusion, corruption, fraud and obstruction in the ADY Contract. The Corporation was invited to respond to these preliminary findings and has done so. As the World Bank's audit process is governed by strict confidentiality requirements, the Corporation can only reiterate that it strongly disagrees with the allegations and preliminary conclusions contained in the letter.

U.S. Department of Justice
On February 10, 2020, Bombardier received a letter from the U.S. Department of Justice (the "DOJ") requesting the communication of documents and information regarding the ADY Contract. The Corporation's internal review about the reported allegations is on-going but based on information known to the Corporation at this time, there is no evidence that suggests a corrupt payment was made or offered to a public official or that any other criminal activity involving Bombardier took place.

The DOJ also made requests regarding contracts in South Africa and Indonesia (see below), as well as requests with respect to other sales of aircraft and services. Bombardier is cooperating with the DOJ's requests.

South Africa (Transnet)
While this matter relates to the Transportation business, which has been divested as part of the sale to Alstom on January 29, 2021, the Corporation remains involved in this matter and remains liable to Alstom, as acquirer of Transportation, under certain circumstances.

The Corporation learned through various media reports of the appointment of a Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector, including organs of state (the “Zondo Commission”) for which the terms of reference were published by presidential proclamation on January 25, 2018. The media reported allegations of irregularities with respect to multiple procurements regarding the supply of 1,064 locomotives by South African train operator Transnet Freight Rail in 2014. On September 7, 2018, Bombardier Transportation South Africa (Pty.) Ltd. (“BTSA”) was informed that the Special Investigation Unit (“SIU”), a forensic investigation agency under the Department of Justice in South Africa, had opened an investigation with respect to the acquisition of the 1,064 locomotives by Transnet.

The Corporation conducted an internal review into the allegations by external advisors under the supervision of counsel. Based on information known to the Corporation at this time, there is no reason to believe that the Corporation has been involved in any wrongdoing with respect to the procurement by Transnet of 240 TRAXX locomotives from Bombardier Transportation. Following the sale of the Transportation business to Alstom, Alstom has been managing the Zondo Commission and SIU related aspects of the matter.

While the National Prosecution Agency (“NPA”) of South Africa has not communicated any request to the Corporation, the Corporation understands that the NPA is investigating the Transnet contracts.

U.K. Serious Fraud Office (“SFO”) (Indonesia)
In May 2020, the Indonesian Corruption Court convicted the former CEO of Garuda Indonesia (Persero) TBK (“Garuda”) and his associate of corruption and money laundering in connection with five procurement processes involving different manufacturers, including the 2011-2012 acquisition and lease of Bombardier CRJ1000 aircraft by Garuda (the “Garuda Transactions”). No charges were laid against the Corporation or any of its directors, officers or employees. Shortly thereafter, the Corporation launched an internal review into the Garuda Transactions, which is being conducted by external counsel.

The SFO commenced a formal investigation into the Garuda Transactions. The Corporation has communicated with the SFO regarding the Corporation’s internal review and its potential assistance with the SFO investigation on a voluntary basis.

RCMP
In 2021, Bombardier also received a communication from the RCMP’s Sensitive and International Investigation Unit advising that it would be undertaking an investigation on the Garuda Transactions, and requested communication of documents from the Corporation.

The various regulators’ investigations here above mentioned and internal reviews are on-going.

Claim from Certain Holders of Senior Notes due 2034
On January 31, 2022, the Corporation received a letter (the “Letter”) from counsel to certain holders of 7.450% Senior Notes due 2034 (the “2034 Notes”), and has learned that such holders also filed a complaint before the Supreme Court of the State of New York (the “Action”), reiterating claims made in a letter addressed to the Corporation in April 2021 (the “April 2021 Letter”) substantially to the effect that the Corporation’s divestitures of non-core assets, including its transportation business, regional jet program and aerostructures division, constitute a breach of certain covenants under the indenture governing the 2034 Notes and further alleging that the actions of the Corporation in May 2021, addressing the matters raised in the April 2021 Letter, breached the rights of such holders. The Corporation believes that these allegations are without merit and intends to vigorously defend itself against the Action.

Class action
On February 15, 2019, the Corporation was served with a Motion for authorization to bring an action pursuant to Section 225.4 of the Quebec Securities Act and application for authorization to institute a class action before the Superior Court of Québec in the district of Montréal against Bombardier Inc. and Messrs. Alain Bellemare and John Di Bert ("Motion") (formerly the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer, respectively, of Bombardier) to claim monetary damages in an unspecified amount in connection with alleged false and misleading representations about the Corporation's business, operations, revenues and free cash flow, including an alleged failure to make timely disclosure of material facts concerning its guidance for 2018. In the class action component of the Motion, the Plaintiff Denis Gauthier seeks to represent all persons and entities who have purchased or acquired Bombardier's securities during the period of August 2, 2018 to November 8, 2018, inclusively, and held all or some of these securities until November 8, 2018. Both the action pursuant to the Quebec Securities Act and the class action require an authorization from the Court before they can move forward. Until they are authorized, there are no monetary claims pending against the defendants in the context of these Court proceedings.

Bombardier Inc. and Messrs. Bellemare and Di Bert are contesting this Motion. The Corporation's preliminary view at this juncture is that the possibility that these Court proceedings will cause the Corporation to incur material monetary liability appears to be remote.

Alstom Request for Arbitration
The Corporation received a notice from Alstom S.A. requesting arbitration before the International Chamber of Commerce pursuant to the agreement relating to the sale by Bombardier of its Transportation business on January 29, 2021 (the "Transaction"). In its request for arbitration, Alstom is alleging that the Corporation is in breach of certain contractual provisions. While litigation proceedings inherently carry uncertainties, the Corporation has good grounds to defend itself against Alstom's claim and intends to do so vigorously. The Corporation also intends to challenge certain purchase price adjustments which resulted in proceeds from the Transaction being lower than initially estimated. Evidentiary hearing on the arbitration is currently expected in late 2025 and proceedings are subject to confidentiality provisions.

RSU Class Action
On April 21, 2023, a motion for authorization to institute a class action was filed with the Superior Court of Québec in the district of Montréal against Bombardier Inc. and Messrs. Pierre Beaudoin, Éric Martel and Alain Bellemare ("Motion") (respectively the Chairman of the Board of Directors, the President and Chief Executive Officer and the former President and Chief Executive Officer of Bombardier Inc.). The Motion seeks permission to represent all persons who received, in November 2020, Restricted Share Units vesting in November 2023 (the "RSUs") and to claim on their behalf an unspecified amount equal to the value of the RSUs which were canceled when they were prorated at the closing of the sale of the Transportation segment on January 29, 2021.

Plaintiff alleges that the defendants engaged in fraudulent omissions and manoeuvres in not sharing their interpretation of the RSU plan pursuant to which former employees would not get the benefit of RSUs vesting after the closing date of a transaction leading to the end of their employment with Bombardier. The class action requires an authorization from the Court before it can move forward. Until it is authorized, there are no monetary claims pending against any of the defendants in the context of this Court proceeding.

Bombardier Inc. and the other defendants are contesting this Motion. The Corporation's preliminary view at this juncture is that the proposed class action is without merit, that the inclusion of Messrs. Beaudoin, Martel and Bellemare as defendants is unfounded and that the possibility that these Court proceedings will cause the Corporation to incur material monetary liability appears to be remote.

20. RECLASSIFICATION

Certain comparative figures in the consolidated statements of income have been reclassified to conform to the presentation adopted in the current period, mainly a reclassification from special items and other expense (income) to gain related to disposal of business, impairment and program termination (reversals), and restructuring charges (reversals).