



# Bombardier

## FIRST QUARTERLY REPORT

Three-month period ended March 31, 2025

## GLOSSARY

The following table shows the abbreviations used in this report.

Term	Description	Term	Description
ACLP	Airbus Canada Limited Partnership	FVTP&L	Fair value through profit and loss
bps	Basis points	GAAP	Generally accepted accounting principles
CCTD	Cumulative currency translation difference	IAS	International Accounting Standard(s)
DDHR	Derivative designated in a hedge relationship	IASB	International Accounting Standards Board
DSU	Deferred share unit	IFRS	International Financial Reporting Standard(s)
EBIT	Earnings (loss) before financing expense, financing income and income taxes	MD&A	Management's discussion and analysis
EBITDA	Earnings (loss) before financing expense, financing income, income taxes, amortization and impairment charges on PP&E and intangible assets	OCI	Other comprehensive income
EBT	Earnings (loss) before income taxes	PP&E	Property, plant and equipment
EPS	Earnings (loss) per share attributable to equity holders of Bombardier Inc.	PSU	Performance share unit
FVOCI	Fair value through other comprehensive income	R&D	Research and development
		RSU	Restricted share unit
		SG&A	Selling, general and administrative
		U.S.	United States of America

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# 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 our industry; customer value; expected demand for products and services; growth strategies including, potential revenues and year-over-year growth generated therefrom; 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, credit ratings, available liquidities and capital resources, expected financial requirements, capital allocation and deployment of excess liquidity and ongoing review of strategic and financial alternatives; the introduction and anticipated results of productivity enhancements and profitability initiatives, operational efficiencies optimizing the use of our manufacturing and services facilities, cost reduction and potential future 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, or international trade disputes or renegotiation of existing trade arrangements, 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: alignment of production rates to market demand, including the supply base supporting our product development and production rates in a commercially acceptable and timely manner; deployment and execution of growth strategies, including our Services, Pre-owned and Defense businesses; and mitigation of international trade disputes and protection measures (including tariffs) or changes to existing trade agreements. For additional information about these and other assumptions underlying the forward-looking statements made in this MD&A, refer to the Forward-looking statements - Assumptions section hereinafter. Given the impact of the changing circumstances surrounding new or continuing global health, geopolitical and military events, and new or threatened international protectionist trade policies or measures, as well as 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 cyclicity; doing business with partners; product performance warranty and casualty claim losses; environmental, health and safety concerns and regulations; dependence on a limited number of contracts, customers and suppliers; supply chain risks; human resources risks including the departure of senior executives, the global availability of a skilled workforce, and the failure to attract and retain quality employees; 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 sustainability and corporate social responsibility matters; adequacy of insurance coverage; acquisitions; 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, as well as changes in laws and regulations; 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 trade control limitations; global climate change; and force majeure events); market risks (such as foreign currency fluctuations and changing interest rates, including our ability to hedge exposures thereto; increases in commodity prices; and inflation); 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, 2024. Any one or more of the foregoing factors may be exacerbated by new or continuing global health, geopolitical or military events, or new or exacerbated international trade disputes or renegotiation of existing trade arrangements, 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.

## Forward-looking statements — Assumptions

Forward-looking statements<sup>(1)</sup> in this MD&A are based on and subject to, without limitation, the following material assumptions:

- normal execution and delivery of current backlog and sufficient order intake to maintain current backlog levels;
- the alignment of production rates to market demand, including the ability of the supply base to support product development and planned production rates on commercially acceptable terms in a timely manner;
- executing the ongoing development and entry-into-service of the *Global 8000* on cost and on target timeline;
- continued deployment and execution of growth strategies, and continued growth of the Services, Pre-owned and Defense businesses;
- the ability to invest in our product portfolio;
- the accuracy of the analyses and assumptions underlying our business case including estimated cash flows and revenues over the expected life of our programs and thereafter;
- the accuracy of our estimates and judgments regarding the duration, scope and impacts of new or continuing global health, geopolitical or military events, on the economy and financial markets, and on our business, operations, revenues, liquidity, financial condition, margins, cash flows, prospects and results in future periods;
- the ability to mitigate the impact of new or exacerbated international trade disputes, tariffs, trade protection measures (including any retaliations to such measures), or renegotiation of existing trade agreements;
- the accuracy of our assessment of anticipated growth drivers and sector trends;
- the accuracy of our assessment of pricing, supply chain and inflation trends;
- new program aircraft prices, unit costs and ramp-up;
- the ability to understand customer needs and portfolio of products and services to drive market demand and secure new orders and maintain the backlog level;
- continued deployment and execution of leading initiatives to improve revenue conversion into higher earnings and free cash flow<sup>(2)</sup>, through improved procurement cost, controlled spending and labour efficiency;
- the effectiveness of disciplined capital deployment measures in new programs and products to drive revenue growth;
- the ability to recruit and retain highly skilled resources; the continued renewal of labour agreements within planned amounts and with minimal / no disruption to our operations;
- the stability of the competitive global environment, global economic conditions and financial markets in the face of new or continuing international trade disputes or global health, geopolitical or military events;
- the stability of foreign exchange rates at current levels;
- the ability to access the capital markets, on acceptable terms, as needed or opportunistically;
- the ability to have sufficient liquidity to execute the strategic plan and to pay down long-term debt or refinance maturities; and
- the ability to successfully defend ourselves against ongoing and future legal and regulatory proceedings.

For a discussion of the material risk factors associated with the forward-looking information, refer to 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, 2024.

<sup>(1)</sup> Also refer to the forward-looking statements disclaimer of this MD&A.

<sup>(2)</sup> 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.

# OVERVIEW

## HIGHLIGHTS

### Results of the quarter

Three-month periods ended March 31	2025	2024	Variance
Revenues	\$ 1,522	\$ 1,281	19 %
Adjusted EBITDA <sup>(1)</sup>	\$ 248	\$ 205	21 %
Adjusted EBITDA margin <sup>(2)</sup>	16.3 %	16.0 %	30 bps
Adjusted EBIT <sup>(1)</sup>	\$ 177	\$ 142	25 %
Adjusted EBIT margin <sup>(2)</sup>	11.6 %	11.1 %	50 bps
EBIT	\$ 177	\$ 144	23 %
EBIT margin <sup>(3)</sup>	11.6 %	11.2 %	40 bps
Net income <sup>(4)</sup>	\$ 44	\$ 110	\$ (66)
Diluted EPS (in dollars) <sup>(4)</sup>	\$ 0.37	\$ 1.02	\$ (0.65)
Adjusted net income <sup>(1)</sup>	\$ 68	\$ 44	\$ 24
Adjusted EPS (in dollars) <sup>(2)</sup>	\$ 0.61	\$ 0.36	\$ 0.25
Cash flows from operating activities <sup>(4)</sup>	\$ (271)	\$ (343)	\$ 72
Net additions to PP&E and intangible assets <sup>(3)</sup>	\$ (33)	\$ (44)	\$ 11
Free cash flow usage <sup>(1)</sup>	\$ (304)	\$ (387)	\$ 83

As at	March 31, 2025	December 31, 2024	Variance
Cash and cash equivalents	\$ 1,026	\$ 1,653	(38)%
Available liquidity <sup>(1)</sup>	\$ 1,419	\$ 2,082	(32)%
Order backlog (in billions of dollars) <sup>(5)</sup>	\$ 14.2	\$ 14.4	(1)%

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

<sup>(4)</sup> Only from continuing operations.

<sup>(5)</sup> Represents order backlog for both manufacturing and Services.

## Key highlights and events

### Bombardier Q1 2025 Revenues, Earnings, Free Cash Flow, All Jump Double-Digits Year-Over-Year, Corporation Provides Strong 2025 Guidance

- Revenues grew 19% year-over-year to \$1.5 billion, driven by 3 incremental aircraft deliveries and steady year-over-year gain from Services to \$495 million.
- Adjusted EBITDA<sup>(1)</sup> recorded an impressive 21% year-over-year jump to \$248 million, and adjusted EBITDA margin<sup>(2)</sup> of 16.3%. Reported EBIT reached \$177 million.
- Net income<sup>(3)</sup> and adjusted net income<sup>(1)</sup> were \$44 million and \$68 million respectively. Diluted EPS<sup>(3)</sup> reached \$0.37, while adjusted EPS<sup>(2)</sup> was up 69% year-over-year, from \$0.36 to \$0.61.
- Free cash flow usage<sup>(1)</sup> of \$304 million, represented a 21% improvement compared to Q1 2024; cash flow usage from operating activities<sup>(3)</sup> and net additions to PP&E and intangible assets<sup>(4)</sup> were at \$271 million and \$33 million respectively.
- Backlog<sup>(5)</sup> of \$14.2 billion as at March 31, 2025, unit book-to-bill<sup>(6)</sup> of 0.9.
- Available liquidity<sup>(1)</sup> stayed strong at \$1.4 billion; cash and cash equivalents were \$1.0 billion as at March 31, 2025.
- 2025 guidance brings higher year-over-year top and bottom-line targets, with significant growth in free cash flow, as the Corporation projects another successful year ahead.<sup>(7)</sup>

<sup>(1)</sup> 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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<sup>(3)</sup> Only from continuing operations.

<sup>(4)</sup> Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

<sup>(5)</sup> Represents order backlog for both manufacturing and Services.

<sup>(6)</sup> Defined as net new aircraft orders in units over aircraft deliveries in units.

<sup>(7)</sup> See the forward-looking statements disclaimer of this MD&A.

## 2025 Guidance<sup>(1)</sup>

	2024 Results	2025 Guidance
<b>Aircraft deliveries (in units)</b>	146	> 150
<b>Revenues</b>	\$8.67 billion	> \$9.25 billion
<b>Adjusted EBITDA<sup>(2)</sup></b>	\$1.36 billion	> \$1.55 billion
<b>Adjusted EBIT<sup>(2)</sup></b>	\$915 million	> \$1.00 billion
<b>Free cash flow<sup>(2)</sup></b>	\$232 million	\$500 million - \$800 million

Aircraft deliveries in 2025 are expected to be greater than 150.

Revenues are expected to be greater than \$9.25 billion, an increase of greater than \$585 million versus 2024 as a result of higher aircraft deliveries, improved revenue mix including Defense contributions, higher pricing, and continued growth in our Services business.

Bombardier also aims to further improve profitability, with an adjusted EBITDA<sup>(2)</sup> exceeding \$1.55 billion, with growth driven by margin conversion on increased revenues, margin expansion from improved revenue mix, and net favorable pricing over inflation, partly offset by higher supplier related costs. Adjusted EBIT<sup>(2)</sup> is expected to be greater than \$1.00 billion.

Free cash flow<sup>(2)</sup> is expected to be between \$500 million and \$800 million, with the low end of the range reflecting a weaker demand environment for the first half of 2025 tied to global economic uncertainty. Net additions to PP&E and intangible assets<sup>(3)</sup> are expected to be between \$200 million and \$300 million.

The 2025 Guidance aligns with Bombardier's previously stated objective of reaching an adjusted net debt to adjusted EBITDA ratio<sup>(4)</sup> of approximately 2x - 2.5x, supported by growing EBITDA and the allocation of excess cash towards debt repayment.

<sup>(1)</sup> See the forward-looking statements disclaimer of this MD&A and assumptions. In particular, these objectives assume our ability to mitigate the impact of new or exacerbated international trade disputes, tariffs, trade protection measures (including any retaliations to such measures), or renegotiation of existing trade agreements. Should any such trade disputes, tariffs, protection measures, retaliations, or changes to existing trade agreements arise, depending upon the severity and duration of impacts, both on our business and on macroeconomic conditions, we may be required to re-evaluate our 2025 Guidance, and any such re-evaluation may be significant and based on factors outside our control.

<sup>(2)</sup> 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.

<sup>(3)</sup> Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

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## INDUSTRY AND ECONOMIC ENVIRONMENT

The industry delivered 117 units in the first quarter of 2025, 12 more units as compared to the first quarter of 2024<sup>(1)</sup>. The industry indicators we monitor, including flight hours, new aircraft deliveries and pre-owned inventory levels, remained positive in the first quarter of 2025 despite economic uncertainty.

Business jet flight hours showed strong growth in the first quarter of 2025, within a 3.1% increase when compared to the same period in 2024<sup>(2)</sup>. Bombardier aircraft flight hours followed this trend with a 2.9% increase, driven largely by non-fleet operators whose flight hours increased by 3.8% as compared to the same period in 2024<sup>(2)</sup>. Fleet operators flight hours also increased by 0.9% as compared to the first quarter of 2024<sup>(2)</sup>.

The Americas region, comprising of North America, South America and the Caribbean, drove the industry flight hours growth with a 3.9% increase for the first quarter of 2025, compared with the same period in 2024<sup>(2)</sup>. For aircraft departing Europe, the Middle East and Africa, flight hours rose by 1.2%, while flight hours for aircraft departing the Asia Pacific region fell by about 2.0%, when comparing the first quarter of 2025 to its equivalent in 2024<sup>(2)</sup>. The first quarter of 2025 continues the strong trend of growth in business aviation flight hours, as there was a 40.5% increase in total flight hours when comparing the first quarter of 2025 to its equivalent quarter in the last pre-pandemic year<sup>(2)</sup>.

Pre-owned business jets available for sale in all categories, expressed as a percentage of the total in-service fleet, rose to 7.0% compared to 6.8% during the same period in 2024<sup>(3)</sup>. Pre-owned inventory remains below the rolling 10-year historical average<sup>(3)</sup> and should continue to favour a more balanced market. Pre-owned inventory as a percentage of active fleet for Bombardier's *Challenger* models dropped in March 2025 to 4.9% as compared to 5.1% in March 2024<sup>(3)</sup>, below industry average for medium sized aircraft. For Bombardier *Global* models, the pre-owned inventory as a percentage of active fleet fell to 6.2% in March of 2025 from 6.6% in March 2024<sup>(3)</sup>.

We continue to monitor and consider the impact of macroeconomic conditions on the performance of business aviation. The overall impact of U.S. tariffs remains to be seen, however, they have already introduced a significant level of economic uncertainty. This is reflecting on economic indicators, with gross domestic product (GDP) forecasts for the U.S. and the world as an aggregate being revised downward<sup>(4)</sup>.

As explained above, the key industry indicators remained healthy in the first quarter of 2025. If uncertainty begins to fall and economic measures improve, we would expect the industry to maintain the strong performance it had in post-pandemic years and as a leading market player in the industry, Bombardier is well positioned to benefit from this<sup>(5)</sup>.

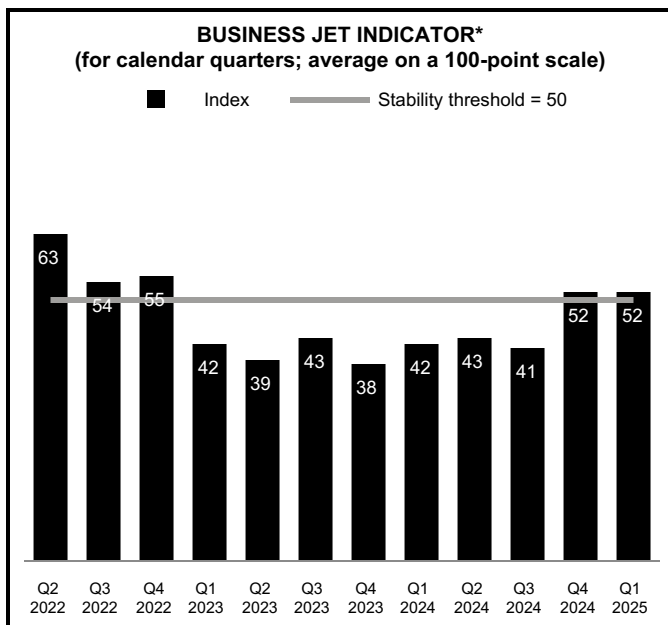
<sup>(1)</sup> Based on our estimates, public disclosure records of certain competitors, the General Aviation Manufacturers Association (GAMA) shipment reports and Cirium, excludes very light jet and large corporate airliners.

<sup>(2)</sup> According to WingX data, excludes very light jets and large corporate airliners, as of April 1, 2025.

<sup>(3)</sup> According to JETNET and Cirium as of April 1, 2025, excludes very light jet and large corporate airliners.

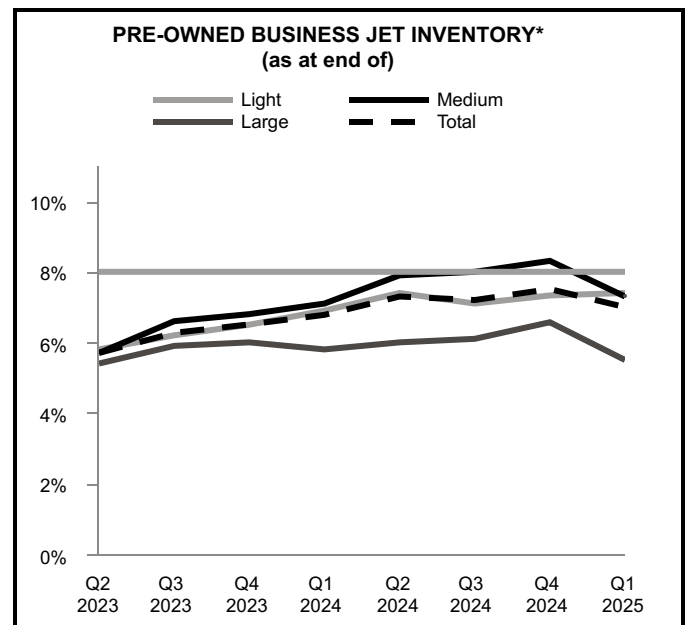
<sup>(4)</sup> According to Oxford Economics data updated on March 19, 2025.

<sup>(5)</sup> See the forward-looking statements disclaimer of this MD&A.



Source: Barclays Business Jet Survey, as of March 11, 2025.

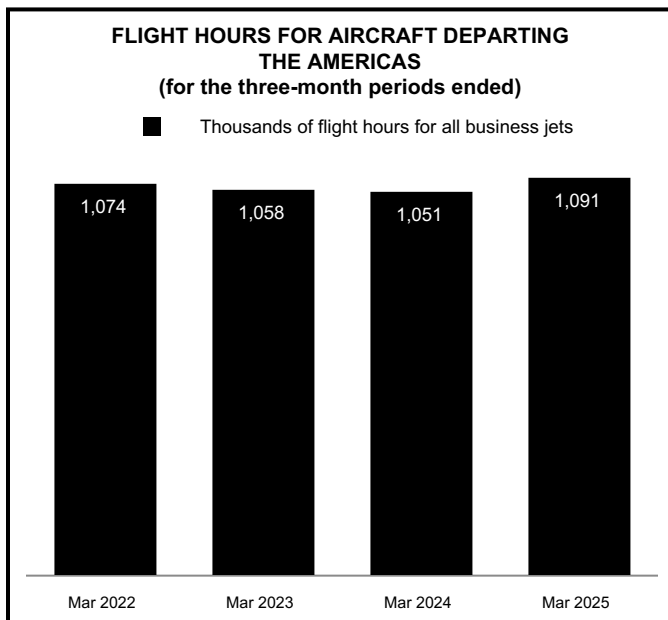
\* The Business Jet Indicator is a measure of market confidence from industry professionals, gathered through regular surveys of brokers, dealers, manufacturers, fractional providers, financiers and others.



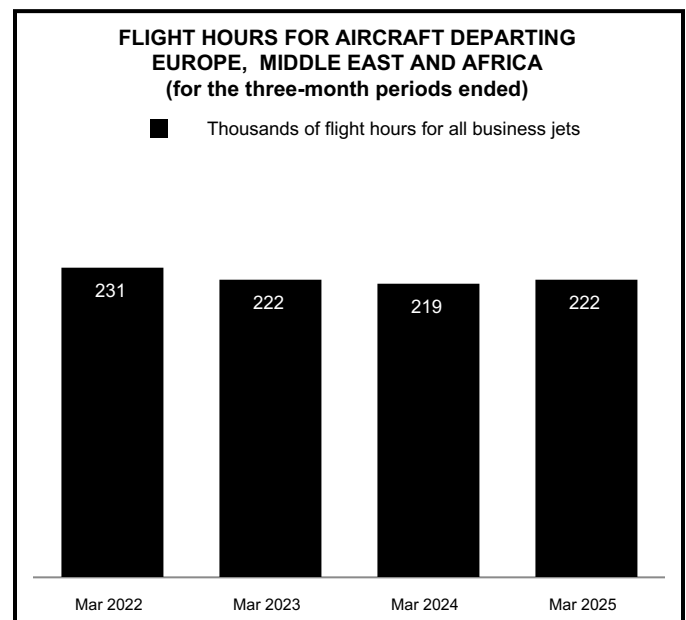
Sources: JETNET and Cirium, as of April 1, 2025.

\* As a percentage of total business jet fleet, excluding very light jets. As at Q1 2025, the percentages for Total, Large, Medium and Light were 7.0%, 5.5%, 7.3% and 7.4%, respectively.

— Represents the approximate 10 year rolling average calculated for Total as at March 31, 2025 (8.0%).



Source: WingX, excludes very light jets and large corporate airliners, as of April 1, 2025. Segmentation methodology used in the calculation of the flight hours has been adjusted from the prior periods.



Source: WingX, excludes very light jets and large corporate airliners, as of April 1, 2025. Segmentation methodology used in the calculation of the flight hours has been adjusted from the prior periods.

## CONSOLIDATED RESULTS OF OPERATIONS

### Results of operations

	Three-month periods ended March 31	
	2025	2024
Revenues		
Business aircraft		
Manufacturing and Other <sup>(1)</sup>	\$ 1,022	\$ 795
Services <sup>(2)</sup>	495	477
Others <sup>(3)</sup>	5	9
<b>Total revenues</b>	<b>1,522</b>	<b>1,281</b>
Cost of sales <sup>(4)</sup>	1,241	996
<b>Gross margin</b>	<b>281</b>	<b>285</b>
SG&A	98	109
R&D <sup>(4)</sup>	(3)	29
Other expense (income)	9	5
Restructuring charges (reversals)	—	(1)
Impairment and program termination (reversals)	—	(1)
<b>EBIT</b>	<b>177</b>	<b>144</b>
Financing expense	144	136
Financing income	(12)	(86)
<b>EBT</b>	<b>45</b>	<b>94</b>
Income taxes (recovery)	1	(16)
<b>Net income<sup>(5)</sup></b>	<b>\$ 44</b>	<b>\$ 110</b>
<b>EPS (in dollars)</b>		
Basic	\$ 0.37	\$ 1.04
Diluted	\$ 0.37	\$ 1.02
<b>As a percentage of total revenues</b>		
Gross margin <sup>(6)</sup>	18.5 %	22.2 %
EBIT margin <sup>(6)</sup>	11.6 %	11.2 %

<sup>(1)</sup> Includes revenues from sale of new aircraft, pre-owned aircraft and Defense.

<sup>(2)</sup> Includes revenues from Services and Support including parts, *Smart Services*, service centers, training and technical publications.

<sup>(3)</sup> Includes revenues from sale of components related to commercial aircraft programs.

<sup>(4)</sup> Certain items have been reclassified from cost of sales to R&D, for the comparative period. See Note 21 - Reclassification for more information.

<sup>(5)</sup> Only from continuing operations.

<sup>(6)</sup> 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	
	2025	2024
EBIT	\$ 177	\$ 144
Adjusted EBIT <sup>(1)</sup>	\$ 177	\$ 142
Adjusted EBIT margin <sup>(2)</sup>	11.6 %	11.1 %
Adjusted EBITDA <sup>(1)</sup>	\$ 248	\$ 205
Adjusted EBITDA margin <sup>(2)</sup>	16.3 %	16.0 %
Net income <sup>(3)</sup>	\$ 44	\$ 110
Adjusted net income <sup>(1)</sup>	\$ 68	\$ 44
Diluted EPS (in dollars) <sup>(3)</sup>	\$ 0.37	\$ 1.02
Adjusted EPS (in dollars) <sup>(2)</sup>	\$ 0.61	\$ 0.36

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Only from continuing operations.

## Analysis of consolidated results

### Revenues

Revenues for the three-month period ended March 31, 2025 increased by \$241 million year-over-year mainly due to:

- Manufacturing and Other revenues increased by \$227 million year-over-year mainly due to higher large aircraft deliveries and higher selling prices; and
- Services revenues increased by \$18 million year-over-year.

### Gross margin<sup>(1)</sup>

Gross margin<sup>(1)</sup> as a percentage of revenues for the three-month period ended March 31, 2025 decreased by 3.7 percentage points year-over-year, mainly due to lower aircraft margins as a result of higher supplier related costs and increased in-service fleet support costs.

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

## ***EBIT margin<sup>(1)</sup> and adjusted EBIT margin<sup>(2)</sup>***

Adjusted EBIT margin<sup>(2)</sup> for the three-month period ended March 31, 2025 increased by 0.5 percentage points year-over-year, mainly as a result of:

- higher recognition of investment tax credits against R&D expense; and
- lower SG&A expense.

Partially offset by:

- lower aircraft margins as a result of higher supplier related costs and increased in-service fleet support costs.

EBIT margin<sup>(1)</sup> increased by 0.4 percentage points compared to the same period last year. EBIT includes certain amounts not included in adjusted EBIT<sup>(3)</sup> such as statement of income line items; loss (gain) related to disposal of business, impairment and program termination (reversals), restructuring charges (reversals) and certain pension related items and non-commercial legal claims, included in other expense (income), where applicable.

## ***Net financing expense (income)***

Net financing expense amounted to \$132 million for the three-month period ended March 31, 2025, compared to a net financing expense of \$50 million for the corresponding period last fiscal year.

The \$82 million increase in net financing expense for the three-month period ended March 31, 2025 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 (\$68 million); and
- loss related to the partial repayment of certain Senior Notes (\$22 million).

Partially offset by:

- lower interest on long-term debt (\$10 million).

## ***Income taxes***

The effective income tax rate for the three-month period ended March 31, 2025 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 partially offset by the permanent differences.

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.

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

## Product development

### Investment in product development

	Three-month periods ended March 31	
	2025	2024
Additions to aerospace program tooling <sup>(1)</sup>	\$ 20	\$ 24
R&D expense, gross <sup>(2)(3)</sup>	21	15
	\$ 41	\$ 39
As a percentage of revenues	2.7 %	3.0 %

<sup>(1)</sup> 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.

<sup>(2)</sup> Excludes amortization of aerospace program tooling of \$43 million for the three-month period ended March 31, 2025 (\$35 million for the three-month period ended March 31, 2024), as the related investments are already included in aerospace program tooling, and excludes \$67 million of investment tax credits that were recognized as a reduction of R&D expense during the three-month period ended March 31, 2025 (\$21 million for the three-month period ended March 31, 2024).

<sup>(3)</sup> Certain items have been reclassified from cost of sales to R&D, for the comparative period. Refer to Note 21 - Reclassification in our Interim consolidated financial statements for more information.

The development and certification process for the *Global 8000*<sup>(1)</sup> aircraft is on track, with expected entry-into-service in 2025<sup>(2)</sup>. The final assembly phase is underway at the Bombardier Aircraft Assembly Centre in the Greater Toronto Area (GTA). Bombardier's *Global 8000*<sup>(1)</sup> Flight Test Vehicle has also recently flown missions to Europe successfully. Announced in 2022, the Bombardier's *Global 8000* aircraft will have a range of 8,000 nautical miles with a top speed of Mach 0.94<sup>(3)</sup>, making it the fastest in the industry.

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

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

<sup>(3)</sup> Under certain operating conditions, when compared to aircraft currently in service.

## Aircraft deliveries and order backlog

### Aircraft deliveries

(in units)	Three-month periods ended March 31	
	2025	2024
<b>Business aircraft</b>		
Medium	12	12
Large	11	8
	23	20

### Order backlog

(in billions of dollars)	As at	
	March 31, 2025	December 31, 2024
Order backlog <sup>(1)</sup>	\$ 14.2	\$ 14.4

<sup>(1)</sup> Represents order backlog for both manufacturing and Services.

We finished the first quarter of 2025 with a strong order backlog of \$14.2 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 \$93 million decrease in assets for the three-month period is mainly explained by:

- a \$627 million decrease in cash and cash equivalents. Refer to the consolidated statements of cash flows for the three-month period ended March 31, 2025 and the Available liquidity section of this MD&A; and
- a \$74 million decrease in trade and other receivables.

Partially offset by:

- a \$471 million increase in inventories supporting a ramp up in production;
- a \$85 million increase in PP&E; and
- a \$58 million increase in other assets.

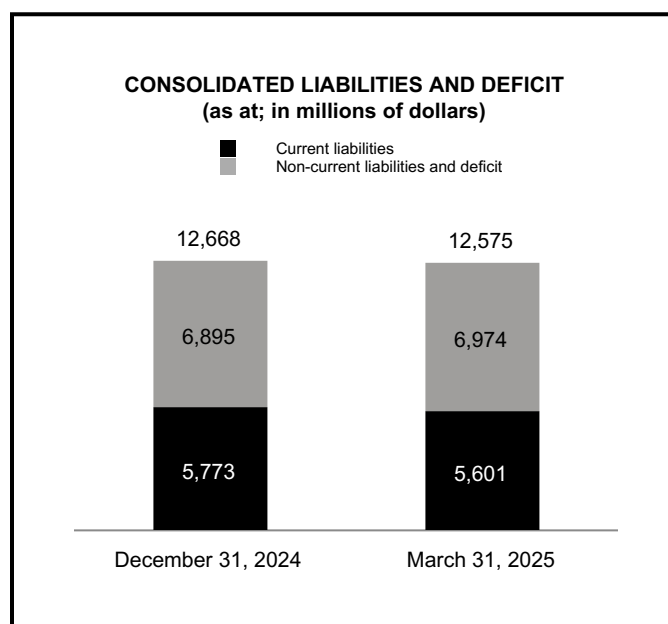
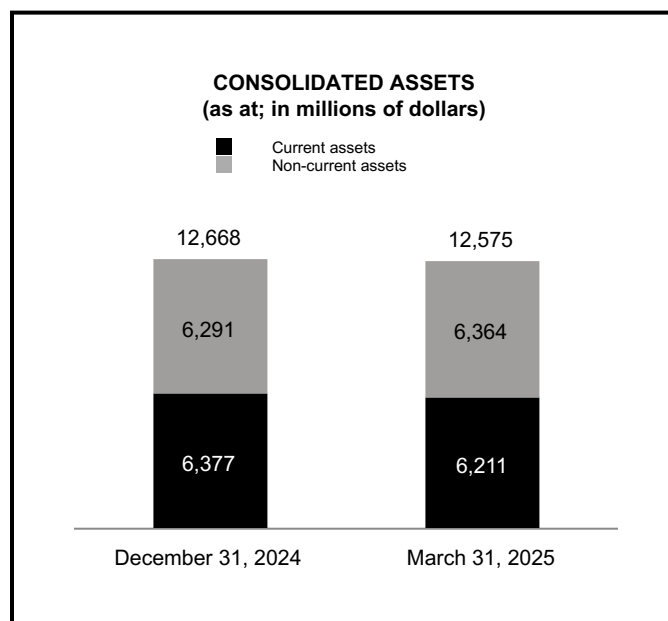
The \$93 million decrease in total liabilities and deficit for the three-month period is explained by a \$140 million decrease in liabilities and a \$47 million increase in equity<sup>(1)</sup>.

The \$140 million decrease in liabilities is mainly due to:

- a \$299 million decrease in the current portion of long-term debt<sup>(2)</sup> obligations. This is primarily due to the partial repayment of certain Senior Notes;
- a \$115 million decrease in trade and other payables; and
- a \$96 million decrease in other liabilities.

Partially offset by:

- a \$410 million increase in contract liabilities due to advances on aerospace programs as a result of customer progress payments and order intake, partially offset by deliveries.



<sup>(1)</sup> Refer to the consolidated statements of changes in equity for the three-month period ended March 31, 2025 for more information.

<sup>(2)</sup> Refer to Note 16 – Long-term debt in our Interim consolidated financial statements for more information.

# LIQUIDITY AND CAPITAL RESOURCES

## *Free cash flow usage<sup>(1)</sup>*

### Free cash flow usage<sup>(1)</sup>

	Three-month periods ended March 31	
	2025	2024
<b>Net income</b>	<b>\$ 44</b>	<b>\$ 110</b>
Non-cash items		
Amortization	71	63
Deferred income taxes (recovery)	(8)	(38)
Share-based expense	6	5
Loss on repayment of long-term debt	22	—
Net change in non-cash balances	(406)	(483)
<b>Cash flows from operating activities - total</b>	<b>(271)</b>	<b>(343)</b>
Net additions to PP&E and intangible assets <sup>(2)</sup>	(33)	(44)
<b>Free cash flow usage<sup>(1)</sup></b>	<b>\$ (304)</b>	<b>\$ (387)</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

### Cash flows from operating activities - total

The \$72 million increase in cash flows from operating activities for the three-month period is mainly due to:

- a positive period-over-period variation in net change in non-cash balances (\$77 million) (see explanations below).

Partially offset by:

- a lower net income before non-cash items (\$5 million).

### Net change in non-cash balances

For the three-month period ended March 31, 2025, the \$406 million outflow is mainly due to:

- an increase in inventories;
- a decrease in trade and other payables;
- a decrease in other liabilities; and
- an increase in other assets.

Partially offset by:

- an increase in contract liabilities mainly due to customer progress payments and order intake, partially offset by deliveries; and
- a decrease in trade and other receivables.

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.



**Net additions to PP&E and intangible assets<sup>(1)</sup>**

	Three-month periods ended March 31	
	2025	2024
<b>Net additions to PP&amp;E and intangible assets</b>	<b>\$ (33)</b>	<b>\$ (44)</b>

For the three-month period ended March 31, 2025, there was an \$11 million decrease in net additions to PP&E and intangible assets<sup>(1)</sup>.

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

***Available liquidity<sup>(1)</sup>*****Variation in cash and cash equivalents**

	Three-month periods ended March 31	
	2025	2024
Balance at the beginning of period	\$ 1,653	\$ 1,594
Free cash flow usage <sup>(1)</sup>	(304)	(387)
Purchase of investments in securities	—	(8)
Repayment of long-term debt	(300)	—
Payments of lease liabilities	(9)	(9)
Dividends paid - Preferred shares	(5)	(6)
Effect of exchange rates on cash and cash equivalents	—	1
Other	(9)	(4)
<b>Balance at the end of period</b>	<b>\$ 1,026</b>	<b>\$ 1,181</b>

Following the first quarter results, as well as the deployment actions towards debt repayments, the Corporation's available liquidity<sup>(1)</sup> remains strong at approximately \$1.4 billion, which includes cash and cash equivalents of \$1.0 billion and \$393 million under a committed secured revolving credit facility. This facility of \$450 million which matures in 2029 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, 2025 and the availability as at such date was \$393 million based on the collateral, which may vary from time to time.

<sup>(1)</sup> 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.

## Future liquidity requirements

There is no long-term debt due until the second quarter of 2026.

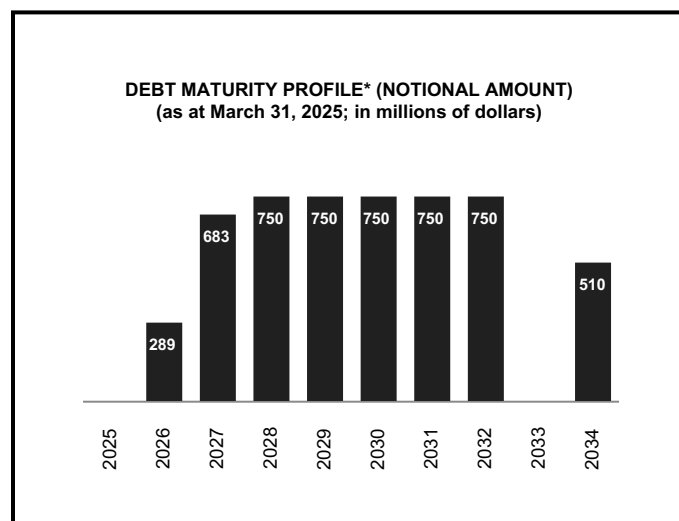
In January 2025, the Corporation completed a partial repayment of Senior Notes due 2027 for an aggregate amount of \$300 million using cash from its balance sheet. See Note 16 – Long-term debt to our Interim consolidated financial statements for more information.

We believe our available liquidity<sup>(1)</sup> of \$1.4 billion is sufficient to execute our plan. We currently anticipate that these resources will allow for continued organic growth investments in Services and Defense, as well as 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<sup>(2)</sup>.

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.

<sup>(1)</sup> 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.

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



\* 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, 2025.

## ***Creditworthiness***

In May 2024, Moody's Investors Service, Inc. upgraded Bombardier's issuer rating from B2 to B1. In June 2024, S&P Global Ratings upgraded Bombardier's issuer rating from B to B+.

### **Credit Ratings**

Bombardier Inc.'s issuer rating	
March 31, 2025	
Moody's Investors Service, Inc.	B1
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 approach a credit profile nearing investment-grade as it expects to continue to reduce debt while delivering positive free cash flow<sup>(1)(2)</sup>.

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

The Corporation aims to lower adjusted net debt to adjusted EBITDA ratio<sup>(1)</sup> to approximately 2x - 2.5x by continuing to grow its adjusted EBITDA<sup>(2)</sup>, allocating excess available liquidity towards debt repayment, and by reaping the benefit from its various initiatives<sup>(3)</sup>.

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

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> See the forward-looking statements disclaimer of this MD&A.

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

	Four-quarter trailing periods ended	
	March 31, 2025	December 31, 2024
<b>Interest paid on long-term debt<sup>(1)</sup></b>	<b>\$ 435</b>	<b>\$ 389</b>
<b>Long-term debt</b>	<b>\$ 5,247</b>	<b>\$ 5,545</b>
Less: Cash and cash equivalents	1,026	1,653
<b>Adjusted net debt<sup>(2)</sup></b>	<b>\$ 4,221</b>	<b>\$ 3,892</b>
EBIT	\$ 911	\$ 878
Amortization	453	445
Restructuring charges (reversals) <sup>(3)</sup>	4	3
Impairment and program termination (reversals) <sup>(4)</sup>	3	2
Non-commercial legal claims	25	25
Pension related items <sup>(5)</sup>	7	7
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$ 1,403</b>	<b>\$ 1,360</b>
<b>Adjusted net debt to adjusted EBITDA ratio<sup>(6)</sup></b>	<b>3.0</b>	<b>2.9</b>

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

<sup>(2)</sup> 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.

<sup>(3)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(4)</sup> 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.

<sup>(5)</sup> Includes the loss related to the purchase of pension annuities.

<sup>(6)</sup> 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<sup>(1)</sup> which amounted to \$479 million as at March 31, 2025. 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<sup>(1)</sup> 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 \$4 million decrease in the net retirement benefit liability<sup>(1)</sup> is explained as follows:

<b>Variation in net retirement benefit liability<sup>(1)</sup></b>		
Balance as at December 31, 2024	\$	483 <sup>(2)</sup>
Employer contributions		(34)
Actuarial gains on pension plan assets		(5)
Changes in foreign exchange rates		2
Accretion on net retirement benefit obligation		6
Changes in discount rates and other financial assumptions		7
Current service costs		17
Other		3
<b>Balance as at March 31, 2025</b>	<b>\$</b>	<b>479 <sup>(2)</sup></b>

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

<sup>(2)</sup> Includes retirement benefit assets of \$141 million as at March 31, 2025 (\$141 million as at December 31, 2024).

## 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 Corporation's 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), loss (gain) related to disposal of business, impairment and program termination (reversals), certain one-time pension related items included in other expense (income) such as loss (gain) 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), loss (gain) related to disposal of business, impairment and program termination (reversals), certain one-time pension related items included in other expense (income) such as loss (gain) 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 - continuing 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.
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 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 additions to PP&E and intangible assets	Additions to PP&E and intangible assets less proceeds from disposals of PP&E and intangible assets.
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 Corporation's 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)<sup>(1)</sup>, loss (gain) related to disposal of business<sup>(2)</sup>, impairment and program termination (reversals)<sup>(3)</sup>, certain one-time pension related items included in other expense (income) such as loss (gain) on pension annuity purchases, and non-commercial legal claims. 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)<sup>(1)</sup>, loss (gain) related to disposal of business<sup>(2)</sup>, impairment and program termination (reversals)<sup>(3)</sup>, certain one-time pension related items included in other expense (income) such as loss (gain) on pension annuity purchases, non-commercial legal claims, 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)<sup>(1)</sup>, loss (gain) related to disposal of business<sup>(2)</sup>, impairment and program termination (reversals)<sup>(3)</sup>, certain one-time pension related items included in other expense (income) such as loss (gain) 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. 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.

<sup>(1)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(2)</sup> Includes changes in provisions related to past divestitures.

<sup>(3)</sup> 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	
	2025	2024
<b>EBIT</b>	<b>\$ 177</b>	<b>\$ 144</b>
Restructuring charges (reversals) <sup>(1)</sup>	—	(1)
Impairment and program termination (reversals) <sup>(2)</sup>	—	(1)
<b>Adjusted EBIT</b>	<b>\$ 177</b>	<b>\$ 142</b>
Total revenues	<b>\$ 1,522</b>	<b>\$ 1,281</b>
<b>Adjusted EBIT margin</b>	<b>11.6%</b>	<b>11.1%</b>

<sup>(1)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(2)</sup> 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	
	2025	2024
<b>EBIT</b>	<b>\$ 177</b>	<b>\$ 144</b>
Amortization	71	63
Restructuring charges (reversals) <sup>(1)</sup>	—	(1)
Impairment and program termination (reversals) <sup>(2)</sup>	—	(1)
<b>Adjusted EBITDA</b>	<b>\$ 248</b>	<b>\$ 205</b>
Total revenues	\$ 1,522	\$ 1,281
<b>Adjusted EBITDA margin</b>	<b>16.3%</b>	<b>16.0%</b>

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

	Three-month periods ended March 31			
	2025		2024	
	(per share)		(per share)	
<b>Net income from continuing operations</b>	<b>\$ 44</b>		<b>\$ 110</b>	
Adjustments to EBIT related to:				
Restructuring charges (reversals) <sup>(1)</sup>	—	0.00	(1)	(0.01)
Impairment and program termination (reversals) <sup>(2)</sup>	—	0.00	(1)	(0.01)
Adjustments to net financing expense related to:				
Net gain on certain financial instruments	(4)	(0.04)	(72)	(0.72)
Accretion on net retirement benefit obligations	6	0.06	8	0.08
Loss on repayment of long-term debt	22	0.22	—	0.00
<b>Adjusted net income</b>	<b>68</b>		<b>44</b>	
Preferred share dividends, including taxes	(7)		(8)	
<b>Adjusted net income attributable to equity holders of Bombardier Inc.</b>	<b>\$ 61</b>		<b>\$ 36</b>	
Weighted-average diluted number of common shares (in thousands)	100,287		99,706	
<b>Adjusted EPS (in dollars)</b>	<b>\$ 0.61</b>		<b>\$ 0.36</b>	

## Reconciliation of adjusted EPS to diluted EPS (in dollars)

	Three-month periods ended March 31	
	2025	2024
<b>Diluted EPS from continuing operations</b>	<b>\$ 0.37</b>	<b>\$ 1.02</b>
Impact of adjustments to EBIT related to:		
Restructuring charges (reversals) <sup>(1)</sup>	0.00	(0.01)
Impairment and program termination (reversals) <sup>(2)</sup>	0.00	(0.01)
Adjustments to net financing expense related to:		
Net gain on certain financial instruments	(0.04)	(0.72)
Accretion on net retirement benefit obligations	0.06	0.08
Loss on repayment of long-term debt	0.22	0.00
<b>Adjusted EPS</b>	<b>\$ 0.61</b>	<b>\$ 0.36</b>

<sup>(1)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(2)</sup> 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 - continuing 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	
		2025	2024
<b>Cash flows from operating activities - continuing operations</b>	<b>\$</b>	<b>(271)</b>	<b>\$ (343)</b>
Net additions to PP&E and intangible assets		(33)	(44)
<b>Free cash flow (usage)</b>	<b>\$</b>	<b>(304)</b>	<b>\$ (387)</b>

#### 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, 2025	December 31, 2024
<b>Cash and cash equivalents</b>	<b>\$</b>	<b>1,026</b>	<b>\$ 1,653</b>
Undrawn amounts under available revolving credit facility <sup>(1)</sup>		393	429
<b>Available liquidity</b>	<b>\$</b>	<b>1,419</b>	<b>\$ 2,082</b>

<sup>(1)</sup> A committed secured revolving credit facility of \$450 million which matures in 2029 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, 2025 and the availability as at such date was \$393 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. Management believes that this non-GAAP financial measure is a useful measure because it reflects the Corporation's 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, 2025	December 31, 2024
<b>Long-term debt</b>	<b>\$</b>	<b>5,247</b>	<b>\$ 5,545</b>
Less: Cash and cash equivalents		1,026	1,653
<b>Adjusted net debt</b>	<b>\$</b>	<b>4,221</b>	<b>\$ 3,892</b>
Adjusted EBITDA	<b>\$</b>	<b>1,403</b>	<b>\$ 1,360</b>
<b>Adjusted net debt to adjusted EBITDA ratio</b>		<b>3.0</b>	<b>2.9</b>

## **OTHER**

### **OFF-BALANCE SHEET ARRANGEMENTS**

Refer to the Off-balance sheet arrangements section in Other of our Financial Report for the fiscal year ended December 31, 2024 for a description of these arrangements, and to Note 20 – Commitments and contingencies, to our Interim consolidated financial statements for the three-month period ended March 31, 2025 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, 2024 in Other, but are not necessarily the only risks and uncertainties that we face.

There was no material change to these risks and uncertainties during the three-month period ended March 31, 2025, other than those described elsewhere in this MD&A, including, without limitation, those described in Note 20 – 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 and reputation 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, 2025 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## **OTHER**

On April 1, 2025 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, 2025 to April 2, 2026, up to 600,000 Class A Shares (multiple voting) and up to 4,300,000 Class B Shares (subordinate voting). Shares 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, 2025	December 31, 2024	Increase
Euro	1.0829	1.0354	5 %
Canadian dollar	0.6986	0.6952	— %

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, 2025	March 31, 2024	Decrease
Euro	1.0515	1.0860	(3)%
Canadian dollar	0.6968	0.7419	(6)%

## SELECTED FINANCIAL INFORMATION

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

Fiscal years	2025				2024				2023
	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	
<b>Revenues</b>	\$ 1,522	\$ 3,108	\$ 2,073	\$ 2,203	\$ 1,281	\$ 3,062	\$ 1,856	\$ 1,675	
<b>Net income (loss)</b>									
Continuing operations	\$ 44	\$ 124	\$ 117	\$ 19	\$ 110	\$ 215	\$ (37)	\$ 10	
Discontinued operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (45)	
<b>Total</b>	\$ 44	\$ 124	\$ 117	\$ 19	\$ 110	\$ 215	\$ (37)	\$ (35)	
<b>EPS (in dollars)</b>									
Continuing operations - basic	\$ 0.37	\$ 1.18	\$ 1.11	\$ 0.12	\$ 1.04	\$ 2.15	\$ (0.47)	\$ 0.03	
Continuing operations - diluted	\$ 0.37	\$ 1.16	\$ 1.09	\$ 0.12	\$ 1.02	\$ 2.11	\$ (0.47)	\$ 0.03	
Discontinued operations - basic	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.47)	
Discontinued operations - diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.47)	

# SHAREHOLDER INFORMATION

## Authorized, issued and outstanding share data, as at April 29, 2025

	Authorized	Issued and outstanding
Class A Shares (multiple voting) <sup>(1)</sup>	143,680,000	12,349,278
Class B Shares (subordinate voting) <sup>(2)</sup>	143,680,000	85,619,164 <sup>(3)</sup>
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

<sup>(1)</sup> Ten votes each, convertible at the option of the holder into one Class B Shares (subordinate voting).

<sup>(2)</sup> Convertible at the option of the holder into one Class A Shares (multiple voting) under certain conditions.

<sup>(3)</sup> Net of 2,049,537 Class B Shares (subordinate voting) purchased and held in trust in connection with the PSU and RSU plans.

## Share option, PSU, DSU and RSU data as at March 31, 2025

Options issued and outstanding under the share option plans	516,383
PSUs, DSUs and RSUs issued and outstanding under the PSU, DSU and RSU plans	1,582,735
Class B Shares (subordinate voting) held in trust to satisfy PSU and RSU obligations	1,662,807

## Expected issuance date of our financial reports for the next 12 months

Second Quarterly Report, for the period ending June 30, 2025	July 31, 2025
Third Quarterly Report, for the period ending September 30, 2025	November 6, 2025
Financial Report, for the fiscal year ending December 31, 2025	February 12, 2026
First Quarterly Report, for the period ending March 31, 2026	April 30, 2026

## Information

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**This MD&A for the three-month period ended March 31, 2025 was authorized for issuance by the Board of Directors on April 30, 2025.**

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

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

*Bombardier, Bombardier Pür Air, Bombardier Vision Flight Deck, Chaise, Challenger, Challenger 300, Challenger 350, Challenger 3500, Challenger 600, Challenger 601, Challenger 604, Challenger 605, Challenger 650, Exceptional by Design, Executive cabin, Global, Global 5000, Global 5500, Global 6000, Global 6500, Global 7500, Global 8000, Global Express, Global Express XRS, Global Vision, Global XRS, Learjet, Learjet 40, Learjet 45, Learjet 70, Learjet 75, Learjet 75 Liberty, L'Opéra, Nuage, Nuage Cube, PrecisionPlus, Smart Link, Smart Link Plus, Smart Parts, Smart Parts Elite, Smart Parts Maintenance Plus, Smart Parts Plus, Smart Parts Preferred, Smart Services, Smart Services Defense, Smart Services Elite, SmartFix, SmartFix Plus, Smooth Flêx Wing, Soleil and Touch* are trademarks of Bombardier Inc. or its subsidiaries.

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](http://ri.bombardier.com).

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

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**For the three-month period ended March 31, 2025**

(Unaudited)

(Tabular figures are in millions of U.S. dollars, unless otherwise indicated)

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

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

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

	Notes	Three-month periods ended March 31	
		2025	2024
Revenues	3	\$ 1,522	\$ 1,281
Cost of sales <sup>(1)</sup>	10	1,241	996
<b>Gross margin</b>		<b>281</b>	<b>285</b>
SG&A		98	109
R&D <sup>(1)</sup>	4	(3)	29
Other expense (income)	5	9	5
Restructuring charges (reversals)		—	(1)
Impairment and program termination (reversals)		—	(1)
<b>EBIT</b>		<b>177</b>	<b>144</b>
Financing expense	6	144	136
Financing income	6	(12)	(86)
<b>EBT</b>		<b>45</b>	<b>94</b>
Income taxes (recovery)		1	(16)
<b>Net income<sup>(2)</sup></b>		<b>\$ 44</b>	<b>\$ 110</b>
<b>EPS (in dollars)</b>	7		
<b>Basic</b>		<b>\$ 0.37</b>	<b>\$ 1.04</b>
<b>Diluted</b>		<b>\$ 0.37</b>	<b>\$ 1.02</b>

<sup>(1)</sup> Certain items have been reclassified from cost of sales to R&D, for the comparative period. See Note 21 - Reclassification for more information.

<sup>(2)</sup> From continuing operations.

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	
	2025	2024
<b>Net income</b>	<b>\$ 44</b>	<b>\$ 110</b>
<b>OCI</b>		
<b>Items that may be reclassified to net income</b>		
<b>Net change in cash flow hedges</b>		
Net gain (loss) on derivative financial instruments	13	(49)
Reclassification to income or to the related non-financial assets	21	5
Income taxes recovery (expense)	(9)	11
	25	(33)
<b>FVOCI financial assets</b>		
Net unrealized gain (loss)	—	(1)
<b>CCTD</b>		
Net investments in foreign operations	—	—
<b>Items that are never reclassified to net income</b>		
<b>Retirement benefits</b>		
Remeasurement of defined benefit plans	(3)	177
<b>Total OCI</b>	<b>22</b>	<b>143</b>
<b>Total comprehensive income</b>	<b>\$ 66</b>	<b>\$ 253</b>

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 2025	December 31 2024
<b>Assets</b>			
Cash and cash equivalents		\$ 1,026	\$ 1,653
Trade and other receivables		260	334
Contract assets	9	154	138
Inventories	10	4,516	4,045
Other financial assets	11	57	30
Other assets	12	198	177
<b>Current assets</b>		<b>6,211</b>	<b>6,377</b>
PP&E		1,438	1,353
Aerospace program tooling		3,301	3,324
Deferred income taxes		679	680
Other financial assets	11	548	573
Other assets	12	398	361
<b>Non-current assets</b>		<b>6,364</b>	<b>6,291</b>
		<b>\$ 12,575</b>	<b>\$ 12,668</b>
<b>Liabilities</b>			
Trade and other payables		\$ 1,677	\$ 1,792
Provisions	13	53	49
Contract liabilities	9	3,304	2,964
Current portion of long-term debt	16	—	299
Other financial liabilities	14	193	204
Other liabilities	15	374	465
<b>Current liabilities</b>		<b>5,601</b>	<b>5,773</b>
Provisions	13	96	98
Contract liabilities	9	1,417	1,347
Long-term debt	16	5,247	5,246
Retirement benefits		620	624
Other financial liabilities	14	853	881
Other liabilities	15	685	690
<b>Non-current liabilities</b>		<b>8,918</b>	<b>8,886</b>
		<b>14,519</b>	<b>14,659</b>
<b>Equity (deficit)</b>			
Attributable to equity holders of Bombardier Inc.		(1,944)	(1,991)
		<b>\$ 12,575</b>	<b>\$ 12,668</b>
Commitments and contingencies	20		

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)		Contributed surplus	Accumulated OCI			Total equity (deficit)
	Preferred shares	Common shares	Other retained earnings (deficit)	Remeasurement gains (losses)		FVOCI	Cash flow hedges	CCTD	
As at December 31, 2024	\$ 347	\$ 2,732	\$ (3,408)	\$ (2,036)	\$ 471	\$ 6	\$ (88)	\$ (15)	\$ (1,991)
Total comprehensive income (loss)									
Net income	—	—	44	—	—	—	—	—	44
OCI	—	—	—	(3)	—	—	25	—	22
	—	—	44	(3)	—	—	25	—	66
Dividends - preferred shares, including taxes	—	—	(7)	—	—	—	—	—	(7)
Shares purchased - PSU/RSU plans <sup>(1)</sup>	—	(18)	—	—	—	—	—	—	(18)
Share-based expense	—	—	—	—	6	—	—	—	6
<b>As at March 31, 2025</b>	<b>\$ 347</b>	<b>\$ 2,714</b>	<b>\$ (3,371)</b>	<b>\$ (2,039)</b>	<b>\$ 477</b>	<b>\$ 6</b>	<b>\$ (63)</b>	<b>\$ (15)</b>	<b>\$ (1,944)</b>
As at January 1, 2024	\$ 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
<b>As at March 31, 2024</b>	<b>\$ 347</b>	<b>\$ 2,707</b>	<b>\$ (3,645)</b>	<b>\$ (2,042)</b>	<b>\$ 484</b>	<b>\$ 4</b>	<b>\$ 6</b>	<b>\$ (15)</b>	<b>\$ (2,154)</b>

<sup>(1)</sup> The Corporation purchased 0.3 million of Class B shares (subordinate voting) for the three-month period ended March 31, 2025 (nil for the three-month period ended March 31, 2024) in order to satisfy future obligations under the Corporation's employee PSU and RSU plans.

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)

		Three-month periods ended March 31	
	Notes	2025	2024
<b>Operating activities</b>			
Net income		\$ 44	\$ 110
Non-cash items			
Amortization <sup>(1)</sup>		71	63
Deferred income taxes (recovery)		(8)	(38)
Share-based expense	17	6	5
Loss on repayment of long-term debt	6	22	—
Net change in non-cash balances	18	(406)	(483)
<b>Cash flows from operating activities - total</b>		<b>(271)</b>	<b>(343)</b>
Cash flows from operating activities - discontinued operations <sup>(2)</sup>		—	—
<b>Cash flows from operating activities - continuing operations</b>		<b>(271)</b>	<b>(343)</b>
<b>Investing activities</b>			
Additions to PP&E and intangible assets		(33)	(44)
Purchase of investments in securities		—	(8)
Other		(9)	(4)
<b>Cash flows from investing activities - total</b>		<b>(42)</b>	<b>(56)</b>
Cash flows from investing activities - discontinued operations <sup>(2)</sup>		(8)	(3)
<b>Cash flows from investing activities - continuing operations</b>		<b>(34)</b>	<b>(53)</b>
<b>Financing activities</b>			
Repayment of long-term debt	16	(300)	—
Payments of lease liabilities <sup>(3)</sup>		(9)	(9)
Dividends paid - Preferred shares		(5)	(6)
<b>Cash flows from financing activities - total</b>		<b>(314)</b>	<b>(15)</b>
Cash flows from financing activities - discontinued operations <sup>(2)</sup>		—	—
<b>Cash flows from financing activities - continuing operations</b>		<b>(314)</b>	<b>(15)</b>
Effect of exchange rates on cash and cash equivalents		—	1
<b>Net decrease in cash and cash equivalents</b>		<b>(627)</b>	<b>(413)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>1,653</b>	<b>1,594</b>
<b>Cash and cash equivalents at end of period</b>		<b>\$ 1,026</b>	<b>\$ 1,181</b>
<b>Supplemental information</b>			
Cash paid for			
Interest		\$ 107	\$ 60
Income taxes		\$ 5	\$ 4
Cash received for			
Interest		\$ 8	\$ 12
Income taxes		\$ —	\$ —

<sup>(1)</sup> Includes \$9 million of amortization charge related to right-of-use of assets for the three-month period ended March 31, 2025 (\$9 million for the three-month period ended March 31, 2024).

<sup>(2)</sup> Discontinued operations are related to the sale of the Transportation business.

<sup>(3)</sup> 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 related cash outflows for the three-month period ended March 31, 2025 amounted to \$19 million (\$19 million for the three-month period ended March 31, 2024).

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, 2025

(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, 2024.

These Interim consolidated financial statements for the three-month period ended March 31, 2025 were authorized for issuance by the Board of Directors on April 30, 2025.

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. FUTURE CHANGES IN ACCOUNTING POLICIES

### Presentation and disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 - *Presentation and disclosure in Financial Statements*, which replaces IAS 1 - *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 - *Statement of Cash Flows*, and some requirements previously included within IAS 1 have been moved to IAS 8 - *Accounting policies, changes in accounting estimates and errors*, which has been renamed IAS 8 - *Basis of Preparation of Financial Statements*.

IFRS 18 and all consequential amendments are effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required. The Corporation is assessing the impact of adopting IFRS 18 on its financial statements.

### 3. REVENUES

The Corporation's revenues by categories were as follows:

	Three-month periods ended March 31	
	2025	2024
Business aircraft		
Manufacturing and Other <sup>(1)</sup>	\$ 1,022	\$ 795
Services <sup>(2)</sup>	495	477
Others <sup>(3)</sup>	5	9
	<b>\$ 1,522</b>	<b>\$ 1,281</b>

<sup>(1)</sup> Includes revenues from sale of new aircraft, pre-owned aircraft and Defense.

<sup>(2)</sup> Includes revenues from Services and Support including parts, *Smart Services*, service centers, training and technical publications.

<sup>(3)</sup> Includes revenues from sale of components related to commercial aircraft programs.

### 4. RESEARCH AND DEVELOPMENT

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

	Three-month periods ended March 31	
	2025	2024 <sup>(1)</sup>
R&D expenditures, net <sup>(2)</sup>	\$ (26)	\$ 17
Less: development expenditures capitalized to aerospace program tooling	(20)	(23)
	(46)	(6)
Add: amortization of aerospace program tooling	43	35
	<b>\$ (3)</b>	<b>\$ 29</b>

<sup>(1)</sup> Certain items have been reclassified from cost of sales to R&D, for the comparative period. See Note 21 - Reclassification for more information.

<sup>(2)</sup> Includes \$67 million of investment tax credits recorded during the three-month period ended March 31, 2025 (\$21 million for the three-month period ended March 31, 2024).

### 5. OTHER EXPENSE (INCOME)

Other expense (income) was as follows:

	Three-month periods ended March 31	
	2025	2024
System implementation related costs	\$ 9	\$ 8
Other	—	(3)
	<b>\$ 9</b>	<b>\$ 5</b>

## 6. FINANCING EXPENSE AND FINANCING INCOME

Financing expense and financing income were as follows:

	Three-month periods ended March 31	
	2025	2024
<b>Financing expense</b>		
Loss on repayment of long-term debt <sup>(1)</sup>	\$ 22	\$ —
Interest expense on lease liabilities	10	10
Accretion on advances	7	10
Accretion on net retirement benefit obligation	6	8
Accretion on other financial liabilities	3	4
Accretion on provisions	—	1
Other	3	—
	51	33
Interest on long-term debt	93	103
	\$ 144	\$ 136
<b>Financing income</b>		
Net gain on certain financial instruments <sup>(2)</sup>	\$ (4)	\$ (72)
Other	—	(3)
	(4)	(75)
Interest on cash and cash equivalents	(7)	(10)
Income from investments in securities	(1)	(1)
	(8)	(11)
	\$ (12)	\$ (86)

<sup>(1)</sup> Represents the loss related to the partial repayment of the Senior Notes due 2027 for the three-month period ended March 31, 2025.

<sup>(2)</sup> Net losses (gains) on certain financial instruments classified as FVTP&L, which includes call options on long-term debt.

## 7. EARNINGS PER SHARE

Basic and diluted EPS were computed as follows:

	Three-month periods ended March 31	
	2025	2024
(Number of shares, stock options, PSUs, RSUs and DSUs in thousands)		
Net income	\$ 44	\$ 110
Preferred share dividends, including taxes	(7)	(8)
Net income attributable to common equity holders of Bombardier Inc.	\$ 37	\$ 102
Weighted-average number of common shares outstanding	99,003	98,122
Net effect of stock options, PSUs, RSUs and DSUs	1,284	1,584
Weighted-average diluted number of common shares	100,287	99,706
EPS (in dollars)		
Basic	\$ 0.37	\$ 1.04
Diluted	\$ 0.37	\$ 1.02

The effect of the exercise of stock options, PSUs, RSUs and DSUs was included in the calculation of diluted EPS in the above table, except for 87,181 for the three-month period ended March 31, 2025 (661,715 for the three-month period ended March 31, 2024) 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.

## 8. 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		
<b>March 31, 2025</b>									
<b>Financial assets</b>									
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 1,026	\$ —	\$ 1,026	\$ 1,026		
Trade and other receivables	—	—	—	260	—	260	260		
Other financial assets	474	—	75	54	2	605	605		
	<b>\$ 474</b>	<b>\$ —</b>	<b>\$ 75</b>	<b>\$ 1,340</b>	<b>\$ 2</b>	<b>\$ 1,891</b>	<b>\$ 1,891</b>		
<b>Financial liabilities</b>									
Trade and other payables	\$ —	\$ —	n/a	\$ 1,677	\$ —	\$ 1,677	\$ 1,677		
Long-term debt	—	—	n/a	5,247	—	5,247	5,323		
Other financial liabilities	1	321	n/a	620	104	1,046	1,034		
	<b>\$ 1</b>	<b>\$ 321</b>	<b>n/a</b>	<b>\$ 7,544</b>	<b>\$ 104</b>	<b>\$ 7,970</b>	<b>\$ 8,034</b>		
<b>December 31, 2024</b>									
<b>Financial assets</b>									
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 1,653	\$ —	\$ 1,653	\$ 1,653		
Trade and other receivables	—	—	—	334	—	334	334		
Other financial assets	476	—	73	54	—	603	603		
	<b>\$ 476</b>	<b>\$ —</b>	<b>\$ 73</b>	<b>\$ 2,041</b>	<b>\$ —</b>	<b>\$ 2,590</b>	<b>\$ 2,590</b>		
<b>Financial liabilities</b>									
Trade and other payables	\$ —	\$ —	n/a	\$ 1,792	\$ —	\$ 1,792	\$ 1,792		
Long-term debt <sup>(1)</sup>	—	—	n/a	5,545	—	5,545	5,697		
Other financial liabilities	11	309	n/a	623	142	1,085	1,097		
	<b>\$ 11</b>	<b>\$ 309</b>	<b>n/a</b>	<b>\$ 7,960</b>	<b>\$ 142</b>	<b>\$ 8,422</b>	<b>\$ 8,586</b>		

<sup>(1)</sup> Includes current portion of long-term debt.

n/a: Not applicable

## 9. CONTRACT BALANCES

Contract assets represent costs incurred and recorded margins on service contracts in the amount of \$154 million and \$138 million as at March 31, 2025 and December 31, 2024, respectively.

Contract liabilities were as follows, as at:

	March 31, 2025	December 31, 2024
Advances on aerospace programs	\$ 4,318	\$ 3,905
Long-term service contracts deferred revenues	232	234
Other deferred revenues	171	172
	<b>\$ 4,721</b>	<b>\$ 4,311</b>
Of which current	\$ 3,304	\$ 2,964
Of which non-current	1,417	1,347
	<b>\$ 4,721</b>	<b>\$ 4,311</b>

## 10. INVENTORIES

Inventories were as follows, as at:

	March 31, 2025	December 31, 2024
Aerospace programs	\$ 3,933	\$ 3,390
Finished products	583	655
	<b>\$ 4,516</b>	<b>\$ 4,045</b>

The amount of inventories recognized as cost of sales totaled \$1,051 million for the three-month period ended March 31, 2025 (\$839 million for the three-month period ended March 31, 2024). This amount includes \$5 million of write-downs and \$1 million of reversal of write-downs for the three-month period ended March 31, 2025 (\$5 million of write-downs and \$1 million of reversal of write-downs for the three-month period ended March 31, 2024).



## 11. OTHER FINANCIAL ASSETS

Other financial assets were as follows, as at:

	March 31, 2025	December 31, 2024
Receivable from ACLP <sup>(1)</sup>	\$ 321	\$ 309
Derivative financial instruments	155	167
Investments in securities	75	73
Restricted cash	41	42
Other	13	12
	<b>\$ 605</b>	<b>\$ 603</b>
Of which current	\$ 57	\$ 30
Of which non-current	548	573
	<b>\$ 605</b>	<b>\$ 603</b>

<sup>(1)</sup> This receivable from ACLP represents a back-to-back agreement that the Corporation has with ACLP related to certain government refundable advances. See Note 14 - Other financial liabilities for more information.

## 12. OTHER ASSETS

Other assets were as follows, as at:

	March 31, 2025	December 31, 2024
Prepaid expenses	\$ 200	\$ 214
Sales tax and other taxes	176	104
Retirement benefits	141	141
Intangible assets other than aerospace program tooling	65	65
Other	14	14
	<b>\$ 596</b>	<b>\$ 538</b>
Of which current	\$ 198	\$ 177
Of which non-current	398	361
	<b>\$ 596</b>	<b>\$ 538</b>

## 13. PROVISIONS

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

	Product warranties	Onerous contracts	Other <sup>(1)</sup>	Total
Balance as at December 31, 2024	\$ 120	\$ 17	\$ 10	\$ 147
Additions	14	1	6	21
Utilization	(9)	(2)	—	(11)
Reversals	(8)	—	—	(8)
<b>Balance as at March 31, 2025</b>	<b>\$ 117</b>	<b>\$ 16</b>	<b>\$ 16</b>	<b>\$ 149</b>
Of which current	\$ 39	\$ 2	\$ 12	\$ 53
Of which non-current	78	14	4	96
	<b>\$ 117</b>	<b>\$ 16</b>	<b>\$ 16</b>	<b>\$ 149</b>

<sup>(1)</sup> Includes claims and litigation.

## 14. OTHER FINANCIAL LIABILITIES

Other financial liabilities were as follows, as at:

	March 31, 2025	December 31, 2024
Government refundable advances <sup>(1)</sup>	\$ 458	\$ 444
Lease liabilities	420	422
Derivative financial instruments	105	153
Credit and residual value guarantees payable	21	21
Other <sup>(2)</sup>	42	45
	<b>\$ 1,046</b>	<b>\$ 1,085</b>
Of which current	\$ 193	\$ 204
Of which non-current	853	881
	<b>\$ 1,046</b>	<b>\$ 1,085</b>

<sup>(1)</sup> Of which \$321 million has a back-to-back agreement with ACLP as at March 31, 2025 (\$309 million as at December 31, 2024). Refer to Note 11 - 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.

<sup>(2)</sup> Mainly represent liabilities related to various divestitures.

## 15. OTHER LIABILITIES

Other liabilities were as follows, as at:

	March 31, 2025	December 31, 2024
Supplier contributions to aerospace programs	\$ 556	\$ 560
Employee benefits	239	303
Deferred income	80	82
Sales incentive and customer credit notes	68	80
Income taxes payable	40	40
Other	76	90
	<b>\$ 1,059</b>	<b>\$ 1,155</b>
Of which current	\$ 374	\$ 465
Of which non-current	685	690
	<b>\$ 1,059</b>	<b>\$ 1,155</b>

## 16. LONG-TERM DEBT

In January 2025, the Corporation completed the partial repayment of Senior Notes due 2027 for an aggregate amount of \$300 million, which was announced in December 2024.

## 17. SHARE-BASED PLANS

### PSU, DSU and RSU plans

The number of PSUs, DSUs and RSUs has varied as follows:

	2025			Three-month periods ended March 31		
	PSU	DSU	RSU	PSU	DSU	RSU
Balance at beginning of period	791,966	35,711	755,890	931,676	38,609	841,323
Granted	1,301	—	946	424	—	424
Forfeited	(979)	—	(2,100)	(1,378)	—	(2,543)
Balance at end of period	792,288	35,711 <sup>(1)</sup>	754,736	930,722	38,609 <sup>(1)</sup>	839,204

<sup>(1)</sup> Of which 35,711 DSUs are vested as at March 31, 2025 (38,609 as at March 31, 2024).

The compensation expense with respect to the PSU, DSU and RSU plans amounted to \$5 million during the three-month period ended March 31, 2025 (\$5 million during the three-month period ended March 31, 2024).

### 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	
	2025	2024
Balance at beginning of period	515,487	1,325,668
Granted	896	—
Forfeited	—	(411,359)
Balance at end of period	516,383	914,309

A compensation expense of \$1 million was recorded during the three-month period ended March 31, 2025, with respect to share option plan (nil for the three-month period ended March 31, 2024).

## 18. NET CHANGE IN NON-CASH BALANCES

Net change in non-cash balances was as follows:

	Three-month periods ended March 31	
	2025	2024
Trade and other receivables	\$ 74	\$ (11)
Inventories	(566)	(659)
Contract assets	(15)	1
Contract liabilities	410	369
Other financial assets and liabilities, net	(11)	(84)
Other assets	(78)	(59)
Trade and other payables	(116)	(26)
Provisions	1	(3)
Retirement benefit liability	(7)	26
Other liabilities	(98)	(37)
	\$ (406)	\$ (483)

## 19. 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, 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 analysis, 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, 2025:

	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Receivable from ACLP <sup>(1)</sup>	\$ 321	\$ —	\$ —	\$ 321
Derivative financial instruments <sup>(2)</sup>	155	—	155	—
Investments in securities	75	—	75	—
	<b>\$ 551</b>	<b>\$ —</b>	<b>\$ 230</b>	<b>\$ 321</b>
<b>Financial liabilities</b>				
Government refundable advances <sup>(1)</sup>	\$ 321	\$ —	\$ —	\$ 321
Derivative financial instruments <sup>(2)</sup>	105	—	105	—
	<b>\$ 426</b>	<b>\$ —</b>	<b>\$ 105</b>	<b>\$ 321</b>

<sup>(1)</sup> This receivable represents a back-to-back agreement that the Corporation has with ACLP related to certain government refundable advances.

<sup>(2)</sup> 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.

## 20. COMMITMENTS AND CONTINGENCIES

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

	March 31, 2025	December 31, 2024
<b>Aircraft sales</b>		
Trade-in commitments	\$ 407	\$ 437

### 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, 2025, 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.

### 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.

With respect to the Indonesia matter, 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.

On April 1, 2025, the DOJ informed the Corporation that following a review of the Indonesia and ADY Contract matters, and based on the information the DOJ had learned to date, it had closed both investigations.

#### 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 may be continuing to investigate the Transnet contracts.

#### RCMP

In 2021, Bombardier 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 investigation and internal review are on-going.

#### 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 was seeking 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 under the civil liability provisions of the Civil Code required an authorization from the Court before they could move forward. On May 24, 2024, the Court authorized Plaintiff to institute this class action but only under the provisions of the Quebec Securities Act. Pursuant to this authorization, Plaintiff has since filed his originating application and the defendants have filed their defense denying any wrongdoing.

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 and this class action will be vigorously contested.

#### 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"). 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 is defending vigorously. The Corporation is also challenging 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 Q2 2026 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 Plaintiff, Jérôme Gauthier, was seeking 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 alleged that the defendants engaged in fraudulent omissions and maneuvers 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 required an authorization from the Court before it could move forward.

On July 22, 2024, the Court authorized Plaintiff to institute this class action but only with respect to certain causes of actions and only against the Corporation. The Court did not authorize any cause of action to proceed against any of the individual defendants. Plaintiff has since appealed from the authorization judgment. We expect that the filing of an originating application will only occur after final judgment on authorization.

The Corporation's preliminary view at this juncture is that the proposed class action is without merit, and that the possibility that these Court proceedings will cause the Corporation to incur material monetary liability appears to be remote and this class action will be vigorously contested.

## **21. RECLASSIFICATION**

Certain comparative figures in the consolidated statements of income have been reclassified to conform to the presentation adopted in the current period, only a reclassification from cost of sales to R&D expense.

*Bombardier, Bombardier Pur Air, Bombardier Vision Flight Deck, Chaise, Challenger, Challenger 300, Challenger 350, Challenger 3500, Challenger 600, Challenger 601, Challenger 604, Challenger 605, Challenger 650, Exceptional by Design, Executive cabin, Global, Global 5000, Global 5500, Global 6000, Global 6500, Global 7500, Global 8000, Global Express, Global Express XRS, Global Vision, Global XRS, Learjet, Learjet 40, Learjet 45, Learjet 70, Learjet 75, Learjet 75 Liberty, L'Opéra, Nuage, Nuage Cube, PrecisionPlus, Smart Link, Smart Link Plus, Smart Parts, Smart Parts Elite, Smart Parts Maintenance Plus, Smart Parts Plus, Smart Parts Preferred, Smart Services, Smart Services Defense, Smart Services Elite, SmartFix, SmartFix Plus, Smooth Flex Wing, Soleil and Touch* are trademarks of Bombardier Inc. or its subsidiaries.