



Supplemental Segment Reporting Transition Information for Q1 and Q2 2018

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December 21, 2018

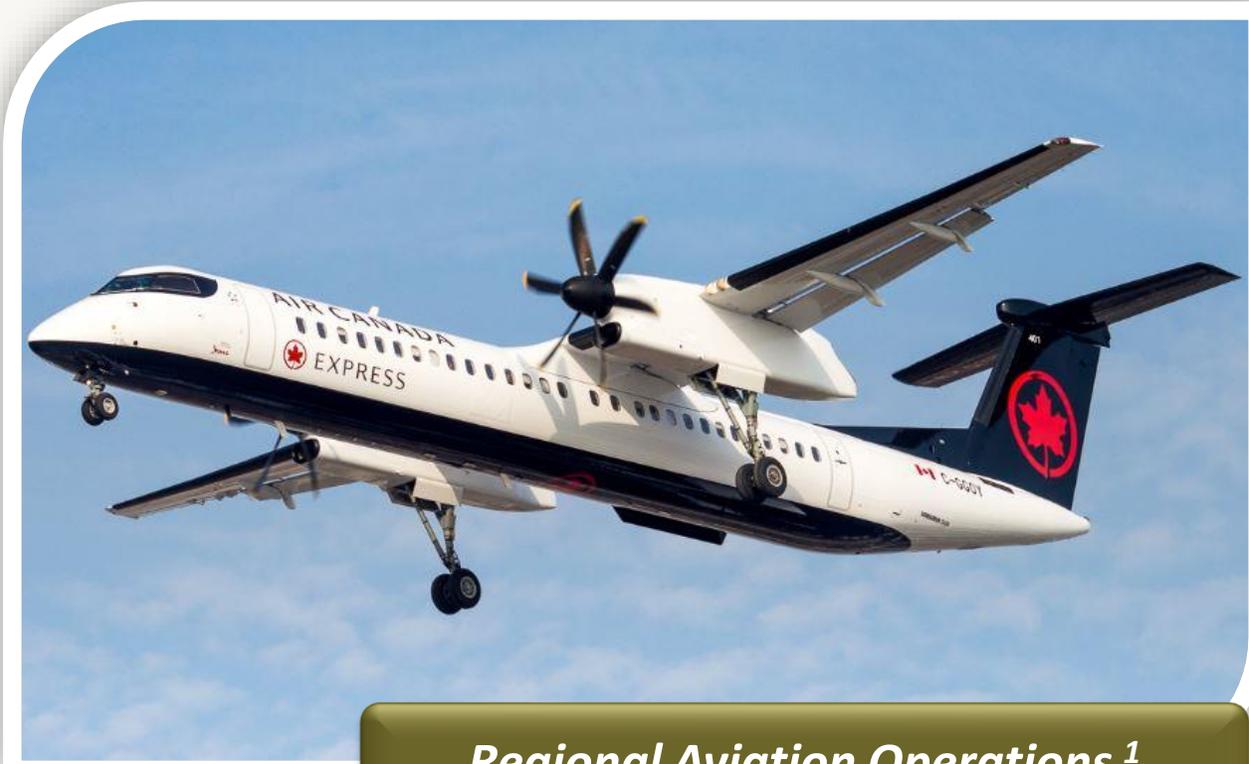
Forward-Looking Information

- This document should be read in conjunction with Chorus' unaudited interim condensed and consolidated financial statements for the periods ended March 31, 2018, June 30, 2018 and September 30, 2018 and management's discussion and analysis thereon dated May 3, 2018, August 8, 2018 and November 13, 2018, which are available on SEDAR at www.sedar.com and www.chorusaviation.ca
 - This document contains "forward-looking information" as defined under applicable Canadian securities legislation. Forward-looking information is identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information may involve but is not limited to comments with respect to strategies, expectations, planned operations or future actions.
 - Forward-looking information relates to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and other uncertain events. Forward-looking information, by its nature, is based on assumptions, including those described below, and is subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, external events, changing market conditions and general uncertainties of the business. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed in the forward-looking information. Other risks that could cause actual results to differ materially from those indicated in forward-looking information include: the development of circumstances risks relating to Chorus' economic dependence on and relationship with Air Canada; risks relating to the airline industry (including the international operation of aircraft in developing countries and areas of unrest); risks relating to aircraft leasing (including the financial condition of lessees, availability of aircraft, access to capital, fluctuations in aircraft market values, competition and political risks); the failure of Chorus or any other party to satisfy conditions precedent to the closing of anticipated transactions; energy prices, general industry, market, credit, and economic conditions (including a severe and prolonged economic downturn which could result in reduced payments under the capacity purchase agreement with Air Canada (the "CPA")); increased competition affecting Chorus and/or Air Canada; insurance issues and costs; supply issues and costs; the risk of war, terrorist attacks, aircraft incidents and accidents; fraud, cybersecurity attacks or other criminal behaviour by internal or external parties; epidemic diseases, environmental factors or acts of God; changes in demand due to the seasonal nature of Chorus' business or general economic conditions; the ability to reduce operating costs and employee counts; the ability of Chorus to secure financing; the ability of Chorus to attract and retain the talent required for its existing operations and future growth; the ability of Chorus to remain in good standing under and to renew and/or replace the CPA and other important contracts; employee relations, labour negotiations or disputes; pension issues and costs; currency exchange and interest rates; debt leverage and restrictive covenants contained in debt facilities; uncertainty of dividend payments; managing growth; changes in laws; adverse regulatory developments or proceedings in countries in which Chorus and its subsidiaries operate or will operate; pending and future litigation and actions by third parties. For a further discussion of risks, please refer to Chorus' Annual Information Form dated February 14, 2018. The statements containing forward-looking information in this discussion represent Chorus' expectations as of December 21, 2018 and are subject to change after such date. However, Chorus disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.
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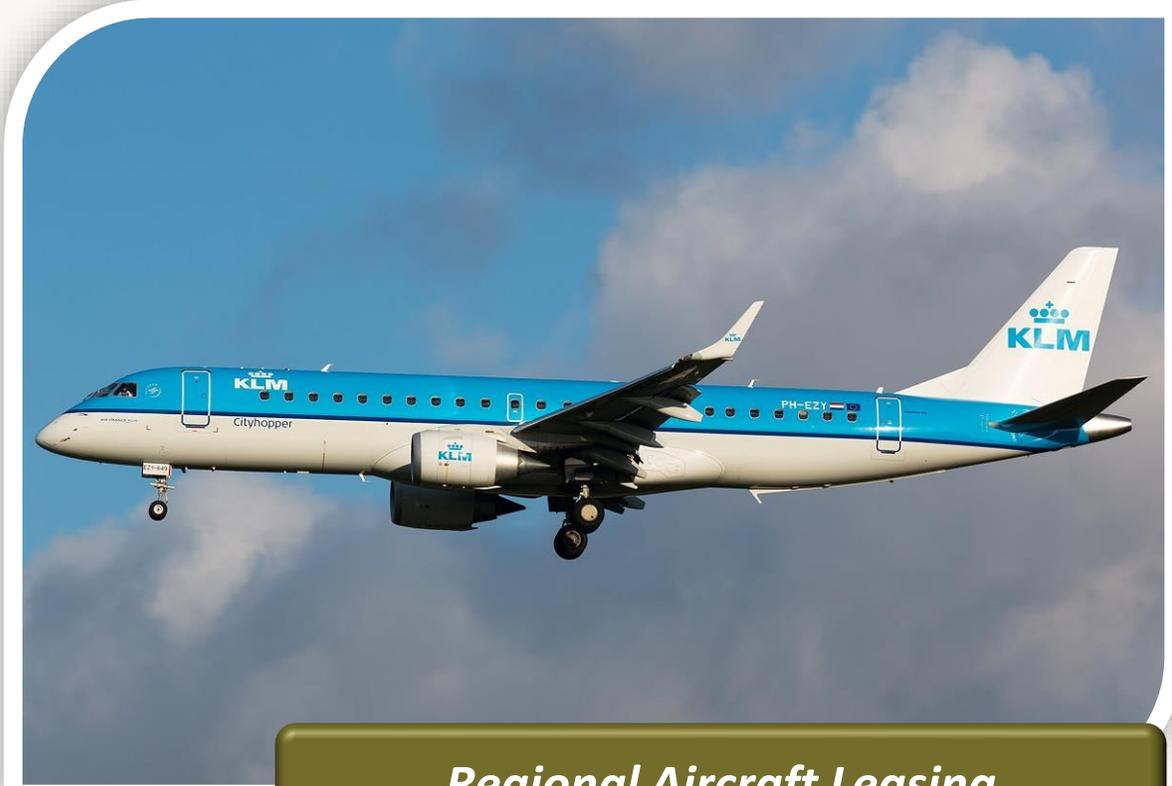
Non-GAAP Measures and Certain Defined Terms

- This Segment Reporting Transition Information document should be read in conjunction with Chorus' unaudited interim condensed and consolidated financial statements for the periods ended March 31, 2018, June 30, 2018 and September 30, 2018, and MD&As dated May 3, 2018, August 8, 2018 and November 13, 2018, which are available on SEDAR at www.sedar.com and www.chorusaviation.ca
- This document references several non-GAAP measures to supplement the analysis of Chorus' results. These measures are provided to enhance the reader's understanding of our current financial performance. They are included to provide investors and management with an alternative method for assessing our operating results in a manner that is focused on the performance of our ongoing operations and to provide a consistent basis for comparison between periods. These non-GAAP measures are not recognized measures under GAAP, and therefore they are unlikely to be comparable to similar measures presented by other companies.
- **Adjusted net income** is used by Chorus to assess performance without the effects of unrealized foreign exchange gains or losses on long-term debt and finance leases related to aircraft, foreign exchange gains or losses on cash held on deposit for investment in the regional aircraft leasing business, signing bonuses, employee separation program costs and strategic advisory fees. Chorus manages its exposure to currency risk on such long-term debt by billing the lease payments within the CPA in the underlying currency (US dollars) related to the aircraft debt. These items are excluded because they affect the comparability of our financial results, period-over-period, and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring due to ongoing currency fluctuations between the Canadian and US dollar. During the first quarter of 2017, Chorus revised its definition of Adjusted net income to exclude the signing bonuses, employee separation program costs, and strategic advisory fees to facilitate transparency and comparability as these items can fluctuate from period to period. In addition, Chorus revised its definition of Adjusted net income to exclude foreign exchange gains or losses on US dollar denominated cash held on deposit for investment in the regional aircraft leasing business. This item is excluded as it relates to a foreign exchange gain or loss on proceeds from the Convertible Units that were converted to US dollars and will be used to invest in long-term and primarily US dollar denominated assets, whose related income is expected to be earned over time.
- **EBITDA** is defined as earnings before net interest expense, income taxes, and depreciation and amortization and is a non-GAAP financial measure that is used frequently by companies in the aviation industry as a measure of performance. **Adjusted EBITDA** (EBITDA before signing bonuses, employee separation program costs, strategic advisory fees and other items such as foreign exchange gains or losses) is a non-GAAP financial measure used by Chorus as a supplemental financial measure of operational performance. Management believes Adjusted EBITDA assists investors in comparing Chorus' performance by excluding items, which it does not believe will occur over the longer-term (such as signing bonuses, employee separation program costs and strategic advisory fees) as well, which items that are non-cash in nature such as foreign exchange gains and losses. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows, forming part of Chorus' financial statements.
- **EBT** is defined as earnings before income tax. **Adjusted EBT** (EBT before signing bonuses, employee separation program costs, strategic advisory fees and other items such as foreign exchange gains and losses) is non-GAAP financial measure used by Chorus as a supplemental financial measure of operational performance. Management believes Adjusted EBT assists investors in comparing Chorus' performance by excluding items, which it does not believe will occur over the longer-term (such as signing bonuses, employee separation program costs and strategic advisory fees) as well, which items that are non-cash in nature such as foreign exchange gains and losses.
- Please refer to Management's Discussion and Analysis of Results of Operations and Financial Condition dated May 3, 2018, August 8, 2018 and November 13, 2018 for definitions of CPA, Controllable Revenue, Convertible Units, ESP, Fixed Margin, Pass-Through Revenue, and Fixed Margin and Infrastructure Fee per Covered Aircraft.

Chorus Business Segments



*Regional Aviation Operations*¹



Regional Aircraft Leasing

1. In the presentation dated November 28, 2018 and titled "Segmented Reporting Transition Information Session" that is located on our website, we refer to the Airline Operations segment. Going forward that segment will be referred to as Regional Aviation Operations.

Chorus Business Segments (cont'd)

Regional Aviation Operations

Operations conducted through Jazz and Voyageur subsidiaries:

- Jazz operates scheduled service through a CPA with Air Canada, under the Air Canada Express brand.
- Jazz operates charter flights for a variety of customers.
- Voyageur Airways provides specialized contract flying globally.
- Voyageur Aerotech, Voyageur Avparts, and Jazz Technical Services carry out Maintenance, Repair and Overhaul (“MRO”) and spare part services.
- This segment includes corporate expenses: interest on convertible units, executive and share-based compensation costs, and professional fees.

Aircraft Leasing Under the CPA

- Jazz currently earns leasing revenue under the CPA:
 - 34 Q2 & Q1 x Q400s
 - 5 Q2 & Q1 x CRJ900s
 - 6 Q2 & 5 Q1 x Dash 8-300s
 - 5 Q2 & Q1 x PW150 engines
- \$60.7 million in aircraft leasing revenue under the CPA in Q2 2018 YTD (Q2 \$30.9; Q1 \$29.8).
- As of Q3 11, (Q2 – 13, Q1 – 14) additional Dash 8-300s to undergo an extended service program and earn leasing revenue under the CPA. Eight ESPs to be completed by the end of 2019 and the remainder by no later than December 31, 2022.



Regional Aircraft Leasing

- Chorus Aviation Capital (CAC) is a regional aircraft lessor with a committed fleet of 23 aircraft in Q1 & Q2:
 - 6 x ATR 72s
 - 5 x Q400s
 - 4 x CRJ1000s
 - 2 x CRJ900s
 - 4 x E190s
 - 2 x E195s
- As of Q3, CAC’s committed fleet totaled 33 aircraft ¹. CAC’s committed portfolio spans 12 customers in 12 countries on 6 continents.

¹Includes aircraft which have not yet been delivered but for which lease agreements have been signed. See cautionary statement regarding forward-looking information on slide 2.

Indicative Segment Revenue Mapping

(unaudited) (In thousands of Canadian dollars)	Segment Mapping	Three months ended March 31, 2018 \$	Three months ended June 30, 2018 \$
CPA Revenue			
Controllable Revenue	Regional Aviation Operations	195,292	221,645
Pass-Through Revenue	Regional Aviation Operations	50,517	54,210
Aircraft leasing under the CPA	Regional Aviation Operations	29,770	30,892
Fixed Margin and Infrastructure Fee per Covered Aircraft	Regional Aviation Operations	27,918	27,917
Incentive revenue	Regional Aviation Operations	3,913	3,418
		307,410	338,082
Charter and other contract flying revenue	Regional Aviation Operations	11,978	12,169
Other revenue	As shown below	28,162	28,034
		347,550	378,285
Other revenue split			
Regional Aircraft Leasing - Disclosure		17,646	19,334
Regional Aviation Operations - MRO and Other		10,516	8,700
Other revenue		28,162	28,034
Regional Aviation Operations - Disclosure			
Contract Flying		289,618	319,359
Aircraft leasing under the CPA		29,770	30,892
MRO and Other		10,516	8,700
Total Regional Aviation Operations revenue		329,904	358,951

Indicative Segment Results

(Unaudited) (In thousands of Canadian dollars)	For the three months ended March 31, 2018			For the three months ended June 30, 2018		
	Regional Aviation Operations \$	Regional Aircraft Leasing \$	Total \$	Regional Aviation Operations \$	Regional Aircraft Leasing \$	Total \$
Operating Revenue	329,904	17,646	347,550	358,951	19,334	378,285
Operating Expenses	293,997	8,638	302,635	313,467	10,769	324,236
Operating Income	35,907	9,008	44,915	45,484	8,565	54,049
Net interest expense	(9,446)	(4,359)	(13,805)	(9,160)	(4,497)	(13,657)
Other¹	(20,196)	204	(19,992)	(13,689)	81	(13,608)
Earnings before Income tax	6,265	4,853	11,118	22,635	4,149	26,784
Income tax expense	(5,623)	(443)	(6,066)	(9,445)	(1,144)	(10,589)
Net Income	642	4,410	5,052	13,190	3,005	16,195
Depreciation and amortization	23,225	6,430	29,655	22,791	7,161	29,952
Employee separation program	3,459	-	3,459	590	-	590
Adjusted EBITDA²	62,591	15,438	78,029	68,865	15,726	84,591
Unrealized foreign exchange loss	17,974	-	17,974	12,621	-	12,621
Employee separation program	3,459	-	3,459	590	-	590
Adjusted EBT²	27,698	4,853	32,551	35,846	4,149	39,995
Adjusted Net Income²	22,075	4,410	26,485	26,401	3,005	29,406

¹Other includes foreign exchange expense and gain/loss on disposal of property and equipment.

²This is a non-GAAP measure – refer to slide 3 for disclosures on Non-GAAP measures.

Indicative Balance Sheet Information

(Unaudited) (In thousands of Canadian dollars)	As at March 31, 2018			As at June 30, 2018		
	Regional Aviation Operations \$	Regional Aircraft Leasing \$	Total \$	Regional Aviation Operations \$	Regional Aircraft Leasing \$	Total \$
Selected balance sheet information by reportable operating segment:						
Property and equipment	1,129,811	675,011	1,804,822	1,122,764	674,091	1,796,855
Long-term debt (excluding finance leases)	916,540	446,186	1,362,726	904,007	439,460	1,343,467