

Chorus Aviation Inc. Announces Fourth Quarter and Year-end 2024 Financial Results

Annual Highlights:

- Completed the sale of the RAL business with net proceeds of US \$607.7 million in cash.
- Leverage Ratio^{1,2} improved to 1.4 at December 31, 2024 from 3.3 at December 31, 2023.
- Net loss from continuing operations of \$15.8 million.
- Adjusted Earnings available to Common Shareholders^{1,2} of \$28.5 million.
- Adjusted Earnings available to Common Shareholders^{1,2} of \$1.04 per Common Share, basic.
- Adjusted EBITDA^{1,2} of \$211.6 million.
- Free Cash Flow^{1,2} of \$118.8 million.
- Parts sales, contract flying, MRO and other revenue of \$128.3 million primarily driven by Voyager.

Q4 Financial Highlights:

- Net loss of \$6.6 million.
- Net loss from continuing operations of \$49.4 million.
- Adjusted Earnings available to Common Shareholders^{1,2} of \$10.6 million.
- Adjusted Earnings available to Common Shareholders^{1,2} of \$0.39 per Common Share, basic.
- Adjusted EBITDA^{1,2} of \$52.7 million.
- Free Cash Flow^{1,2} of \$27.5 million.
- Parts sales, contract flying, MRO and other revenue of \$35.9 million primarily driven by Voyager.

Share Consolidation

- Effective February 5, 2025, Chorus consolidated its Common Shares on the basis of one post-consolidation Common Shares for every seven pre-consolidation Common Shares (the “Share Consolidation”). Unless otherwise stated, all per-Common Share figures in this new release are reported on a post-Share Consolidation basis.

¹ These are non-GAAP financial measures or non-GAAP ratios that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results.

² The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures to conform to current period presentation. All amounts presented and discussed in this press release are from continuing operations unless otherwise noted.

Halifax, February 19, 2025 - Chorus Aviation Inc. ('Chorus') (TSX: CHR) today announced its fourth quarter and year-end 2024 financial results.

"We took a significant step this past year to strengthen Chorus and unlock value with the sale of the RAL business in December," said Colin Copp, President and Chief Executive Officer, Chorus. "Combined with the significant reduction in debt and corporate financings, reduced interest and preferred dividend costs, the transaction positions Chorus for improved earnings and cash flows, as we renew our focus on growing our aviation services business."

"Our fourth quarter delivered strong and consistent results that were in line with our expectations," said Mr. Copp. "The Jazz team continued to deliver strong cash flows under its CPA with Air Canada, while Voyageur grew its position within the special mission, parts sales and specialty MRO spaces, delivering on its growth targets for the year. Cygnet, our pilot aviation academy, made great progress welcoming its seventh cohort recently and graduating pilots who moved into careers with Jazz as first officers, as it also builds key industry partnerships for future growth."

"Since the sale of the RAL business, we have accelerated the pace of share repurchases under our NCIB, investing \$10.0 million during this period," said Mr. Copp. "With a stronger balance sheet and cash flows post the RAL sale, we are monitoring market conditions and evaluating opportunities to best enhance shareholder returns. As we move forward, we are committed to driving long-term value for our shareholders while strengthening our overall business."

Fourth Quarter Summary

In the fourth quarter of 2024, Chorus reported Adjusted EBITDA from continuing operations of \$52.7 million, a decrease of \$2.0 million compared to the fourth quarter of 2023 primarily due to:

- a decrease in aircraft leasing revenue under the CPA of \$2.4 million primarily due to a change in lease rates on certain aircraft; and
- an increase in general administrative expenses primarily attributable to increased operations; and
- an increase in stock-based compensation of \$1.4 million due to an increase in the Common Share price offset by the change in fair value of the Total Return Swap; partially offset by
- an increase in Voyageur's parts sales, contract flying and MRO activity;
- an increase in capitalization of major maintenance overhauls on owned aircraft of \$2.4 million; and
- an improvement in the Controllable Cost Guardrail of \$2.0 million.

Adjusted Net Income from continuing operations was \$10.6 million for the quarter, in line compared to the fourth quarter of 2023 primarily due to:

- a \$2.0 million decrease in Adjusted EBITDA as previously described; and
- an increase in depreciation expense of \$4.0 million primarily attributable to a change in depreciation estimates on certain aircraft and capital expenditures; partially offset by
- a positive change in foreign exchange of \$3.2 million;
- a decrease of \$1.7 million in income tax expense; and

- a decrease in net interest costs of \$0.8 million, inclusive of a \$3.7 million interest charge related to the acceleration of the amortization of the deferred financing costs related to the Series B Debentures and Series C Debentures.

Net loss from continuing operations increased \$77.7 million compared to the fourth quarter of 2023 primarily due to:

- a realized foreign exchange loss on the settlement of Preferred Shares of \$31.3 million;
- a reduction in realized foreign exchange gains related to the settlement of intercompany loans in 2023 of \$26.4 million;
- a negative change in net unrealized foreign exchange of \$13.8 million;
- impairment provisions of \$10.5 million primarily related to planned part-out of Voyager's non-operational owned aircraft;
- interest accretion on Preferred Shares of \$10.4 million; and
- an increase in employee separation program costs of \$1.0 million; partially offset by
- a realized foreign exchange gain of \$13.7 million related to US dollar denominated cash held between the dates December 6, 2024 and December 31, 2024 being the dates Chorus received the net proceeds from the Transaction and the redemption of the Preferred Shares, respectively; and
- an increase in income tax recovery on adjusted items of \$2.2 million.

Annual Summary

Chorus reported Adjusted EBITDA from continuing operations of \$211.6 million for the year ended December 31, 2024, a decrease of \$10.0 million compared to the same prior year period primarily due to:

- a decrease in aircraft leasing revenue under the CPA of \$15.7 million primarily due to a change in lease rates on certain aircraft;
- an increase in stock-based compensation of \$3.6 million due to an increase in the Common Share price offset by the change in fair value of the Total Return Swap; and
- an increase in general administrative expenses primarily attributable to increased operations; partially offset by
- an increase in capitalization of major maintenance overhauls on owned aircraft of \$6.4 million;
- an improvement in the Controllable Cost Guardrail of \$4.0 million; and
- an increase in Voyager's parts sales, contract flying and MRO activity.

Adjusted Net Income from continuing operations of \$46.3 million, a decrease of \$5.7 million compared to the same prior year period primarily due to:

- a \$10.0 million decrease in Adjusted EBITDA as previously described; and
- an increase in depreciation expense of \$14.4 million primarily attributable to a change in depreciation estimates on certain aircraft and capital expenditures; partially offset by

- a decrease of \$11.9 million in income tax expense; decrease in net interest costs of \$3.7 million, inclusive of a \$3.7 million interest charge related to the acceleration of the amortization of the deferred financing costs related to the Series B Debentures and Series C Debentures.; and
- a positive change in net foreign exchange of \$2.9 million.

Net loss from continuing operations of \$15.8 million, an increase of \$117.4 million compared to the same prior year period primarily due to:

- the previously noted decrease in Adjusted Net Income of \$5.7 million;
- a realized foreign exchange loss on the settlement of Preferred Shares of \$31.3 million;
- the Defined Benefit Pension Revenue recognized in 2023 of \$29.9 million (Air Canada agreed to compensate Jazz for the one-time impact of the wage increase on the Jazz defined benefit pension plan);
- a reduction in realized foreign exchange gains related to the settlement of intercompany loans in 2023 of \$26.4 million;
- a negative change in net foreign exchange of \$26.0 million;
- impairment provisions of \$10.5 million primarily related to planned part-out on Voyageur non-operational owned aircraft;
- interest accretion on Preferred Shares of \$10.4 million; and
- an increase in employee separation program costs of \$1.1 million; partially offset by
- a realized foreign exchange gain of \$13.7 million related to US dollar denominated cash held between the dates December 6, 2024 and December 31, 2024 being the dates Chorus received the net proceeds from the Transaction and the redemption of the Preferred Shares, respectively; and
- an increase in income tax recovery on adjusted items of \$10.3 million.

Consolidated Financial Analysis

This section provides detailed information and analysis about Chorus' performance from continuing operations for the three months and year ended December 31, 2024 compared to the three months and year ended December 31, 2023.

(expressed in thousands of Canadian dollars)	Three months ended December 31,				Year ended December 31,			
	2024 \$	2023 \$	Change \$	Change %	2024 \$	2023 \$	Change \$	Change %
		(revised) ⁽¹⁾				(revised) ⁽¹⁾		
Operating revenue ⁽²⁾	353,155	354,628	(1,473)	(0.4)	1,404,954	1,399,611	5,343	0.4
Operating expenses	339,851	323,823	16,028	4.9	1,312,308	1,241,081	71,227	5.7
Operating income	13,304	30,805	(17,501)	(56.8)	92,646	158,530	(65,884)	(41.6)
Net interest expense	(20,479)	(10,811)	(9,668)	89.4	(47,385)	(40,653)	(6,732)	16.6
Foreign exchange (loss) gain	(40,126)	14,455	(54,581)	(377.6)	(47,968)	19,154	(67,122)	(350.4)
Gain on property and equipment	76	—	76	100.0	96	13	83	638.5
(Loss) income before income tax	(47,225)	34,449	(81,674)	(237.1)	(2,611)	137,044	(139,655)	(101.9)
Income tax expense	(2,200)	(6,161)	3,961	(64.3)	(13,152)	(35,414)	22,262	(62.9)
Net (loss) income from continuing operations	(49,425)	28,288	(77,713)	(274.7)	(15,763)	101,630	(117,393)	(115.5)
Net income (loss) from discontinued operations, net of taxes ⁽⁴⁾	42,829	8,333	34,496	414.0	(140,686)	4,476	(145,162)	(3,243.1)
Net (loss) income	(6,596)	36,621	(43,217)	(118.0)	(156,449)	106,106	(262,555)	(247.4)
Net income attributable to non-controlling interest	1,012	2,443	(1,431)	(58.6)	2,051	4,753	(2,702)	(56.8)
Net (loss) income attributable to Shareholders	(7,608)	34,178	41,786	122.3	(158,500)	101,353	(259,853)	(256.4)
Adjusted EBITDA ⁽³⁾	52,665	54,643	(1,978)	(3.6)	211,579	221,535	(9,956)	(4.5)
Adjusted EBT ⁽³⁾	15,170	17,038	(1,868)	(11.0)	62,093	79,720	(17,627)	(22.1)
Adjusted Net Income ⁽³⁾	10,565	10,704	(139)	(1.3)	46,302	51,993	(5,691)	(10.9)

- (1) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.
- (2) Air Canada agreed to compensate Jazz for the one-time impact of the wage increase on the Jazz defined benefit pension plan of \$29.9 million in 2023.
- (3) These are non-GAAP financial measures that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results.
- (4) Discontinued operations includes \$49.9 million in foreign exchange gains, recycled from other comprehensive income, as a result of the divestiture of the RAL business.

Post Sale Pro forma Non-GAAP Financial Measures December 31, 2024

The pro forma financial information in this section is based on the audited consolidated financial statements of Chorus for the year ended December 31, 2024 (the "Q4 2024 Statements") and has been prepared to retroactively illustrate the financial impact of the Transaction and subsequent debt reduction

on Chorus had the Transaction closed on January 1, 2024 for the purposes of metrics which are based on the trailing 12 months ended December 31, 2024 and December 31, 2023 for all other metrics. The pro forma adjustments to the Q4 2024 Statements are not audited and are based on current management estimates and assumptions. Furthermore, since the pro forma information is based on historical financial results, it is not indicative of future financial results and should not be regarded as a forecast or projection of Chorus' future earnings, financial position or cash flows. Therefore, undue reliance should not be placed on the pro forma information. (See cautionary statement regarding forward-looking information below.)

On December 31, 2024 Chorus repaid all of its outstanding Series A Debentures (\$86.3 million aggregate principal amount) together with all accrued and unpaid interest thereon and redeemed all of the outstanding Preferred Shares in the amount of US \$363.3 million comprised of US \$300.0 million Preferred Shares and a MOIC of US \$63.3 million net of dividends paid, in each case for cash and repaid the balance outstanding under the Operating Credit Facility.

On December 9, 2024, Chorus announced offers to purchase the Series B Debentures and Series C Debentures in accordance with the terms of the relevant indentures. On February 3, 2025, Chorus purchased for cancellation a total of \$43.8 million aggregate principal amount of Series B Debentures and a total of \$37.8 million aggregate principal amount of Series C Debentures pursuant to those offers. As of the date of this MD&A, \$28.7 million aggregate principal amount of Series B Debentures and \$47.2 million aggregate principal amount of Series C Debentures remain outstanding.

The redemption of the Preferred Shares, the significant debt reduction and reduction in interest and preferred dividend costs, has significantly strengthened Chorus' balance sheet and improved key financial metrics.

The following table provides a summary of the use of the net proceeds from the Transaction and repayment of corporate financings:

<i>(in thousands of Canadian dollars)</i>	
Net proceeds, net of transaction costs ⁽¹⁾	854,089
Redemption/Repayment December 2024:	
Series A Debentures	86,250
Operating Credit Facility	60,000
Preferred Shares ⁽²⁾	523,691
Redemption/Repayment Q1 2025:	
Series B Debentures and Series C Debentures ⁽³⁾	81,570
	751,511
Net cash remaining	102,578

(1) The net proceeds of \$854.1 million are net of transaction costs of \$32.6 million. The proceeds were converted to CAD at 1.4038 from USD using the exchange rate as of December 6, 2024 and excludes cash sold in the RAL business of \$194.0 million.

(2) Chorus was required to pay a MOIC (net of cash dividends paid) of \$91.2 million (US \$63.3 million) on the redemption of the \$432.5 million (US \$300.0 million) Preferred Shares. The Preferred Shares were redeemed on December 31, 2024 when the USD to CAD foreign exchange rate was 1.4416.

(3) On February 3, 2025, Chorus purchased for cancellation \$43.8 million aggregate principal amount of Series B Debentures and \$37.8 million aggregate principal amount of Series C Debentures.

The following pro forma non-GAAP adjusted metrics reflect continuing operations and the effect of the repayment and the repayment of corporate financings on the December 31, 2024 results.

Pro Forma Adjusted Earnings available to Common Shareholders per Common Share

<i>(in thousands of Canadian dollars, except per share amounts)</i>	Three months ended December 31, 2024 \$	Year ended December 31, 2024 \$
Adjusted Earnings available to Common Shareholders as reported from continuing operations⁽¹⁾⁽²⁾	10,565	28,475
Interest expense savings, net of tax ⁽³⁾	5,892	15,857
Preferred Share dividend savings	—	17,827
Pro Forma Adjusted Earnings available to Common Shareholders from continuing operations⁽¹⁾	16,457	62,159
Pro Forma Adjusted Earnings available to Common Shareholders per Common Share, basic from continuing operations⁽¹⁾	0.60	2.27

- (1) These are non-GAAP financial measures that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results.
- (2) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.
- (3) The interest expense on the actual redemption of the Unsecured Debentures and the Operating Credit Facility for the three months and year ended December 31, 2024 was \$8.1 million and \$21.7 million, respectively. The interest expense was tax effected using a 27.0% tax rate.

Pro Forma Leverage Ratio

<i>(in thousands of Canadian dollars)</i>	December 31, 2024 \$
Long-term debt and lease liabilities (including current portion)	516,379
Less:	
Series B Debentures and Series C Debentures ⁽¹⁾	(81,570)
	434,809
Less:	
Cash on hand at December 31, 2024	(222,216)
Cash required to repay Series B Debentures and Series C Debentures ⁽¹⁾	81,570
Pro Forma Adjusted Net Debt⁽²⁾	294,163
Adjusted EBITDA⁽²⁾⁽³⁾	211,579
Pro Forma Leverage Ratio⁽²⁾	1.4

- (1) On February 3, 2025, Chorus purchased for cancellation \$43.8 million aggregate principal amount of Series B Debentures and \$37.8 million aggregate principal amount of Series C Debentures. In addition to other redemption rights set out in the relevant indentures, the Corporation retains the ability to redeem the outstanding Series B Debentures at any time on and after June 30, 2025 at the principal amount of \$28.7 million plus accrued and unpaid interest thereon and the outstanding Series C Debentures at any time on and after March 31, 2026 at the principal amount of \$47.2 million plus accrued and unpaid interest thereon.
- (2) These are non-GAAP financial measures or non-GAAP ratios that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results.
- (3) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.

Pro Forma Free Cash Flow and Pro Forma Free Cash Flow after Repayment on Long-term Borrowings⁽³⁾

<i>(in thousands of Canadian dollars)</i>	Three months ended December 31, 2024 \$	Year ended December 31, 2024 \$
Free Cash Flow as reported⁽¹⁾⁽²⁾	27,482	118,787
Interest savings, net of tax ⁽³⁾	2,716	11,246
Pro Forma Free Cash Flow⁽¹⁾	30,198	130,033
<i>Repayment on long-term borrowings⁽²⁾⁽⁴⁾</i>	<i>(25,561)</i>	<i>(85,224)</i>
Pro Forma Free Cash Flow after repayment on long-term borrowings⁽¹⁾⁽⁴⁾	4,637	44,809

- (1) These are non-GAAP financial measures that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results.
- (2) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.
- (3) The interest expense on the actual redemption of the Unsecured Debentures and the Operating Credit Facility for the three months and year ended December 31, 2024 was \$3.7 million and \$15.4 million, excluding interest accretion of \$4.3 million and \$6.3 million, respectively. The interest expense was tax effected using a 27.0% tax rate.
- (4) Excludes repayment of \$nil and \$33.9 million on the Unsecured Credit Facility for the three months and year ended December 31, 2024, respectively.

Pro Forma Adjusted Return on Equity

<i>(in thousands of Canadian dollars)</i>	Trailing 12-months ended December 31, 2024
Adjusted Earnings Available to Common Shareholders as reported ⁽¹⁾⁽²⁾	28,475
Add: Interest savings, net of tax ⁽³⁾	15,857
Add: Preferred Share dividends declared	17,827
Pro Forma Adjusted Earnings Available to Common Shareholders⁽²⁾	62,159
Average equity attributable to Common Shareholders excluding cash	
Average Shareholders' equity as reported	896,209
Add (Deduct) items to get to average equity attributable to Common Shareholders excluding cash	
Average Non-controlling interest	(43,293)
Average Preferred Shares	(187,609)
Average Cash	(126,385)
Average Cash to redeem the Series B Debentures and Series C Debentures ⁽⁴⁾	40,785
	579,707
Pro Forma Adjusted Return on Equity⁽²⁾	10.7%

- (1) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.
- (2) These are non-GAAP financial measures that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results.
- (3) The interest expense on the actual redemption of the Unsecured Debentures and the Operating Credit Facility for the trailing 12-months ended December 31, 2024 was \$21.7 million. The interest expense was tax effected using a 27.0% tax rate.
- (4) On February 3, 2025, Chorus purchased for cancellation \$43.8 million aggregate principal amount of Series B Debentures and \$37.8 million aggregate principal amount of Series C Debentures. In addition to other redemption rights set out in the relevant indentures, the Corporation retains the ability to redeem the outstanding Series B Debentures at any time on and after June 30, 2025 at the principal amount of \$28.7 million plus accrued and unpaid interest thereon and the outstanding Series C Debentures at any time on and after March 31, 2026 at the principal amount of \$47.2 million plus accrued and unpaid interest thereon.

Outlook

(See cautionary statement regarding forward-looking information below.)

The discussion that follows includes forward-looking information. This outlook provides current expectations for the Jazz business in 2025 and 2026. This information may not be appropriate for other purposes. The outlook was updated to reflect higher anticipated USD/CAD foreign exchange rates.

The CPA provides a Fixed Margin to Jazz regardless of flying levels; therefore, any variations in flying are not expected to have any impact on Jazz's earnings. In addition, Jazz receives compensation for aircraft leased under the CPA that generates predictable Free Cash Flows. Jazz aircraft have amortizing debt that will be fully paid-off at the end of the original lease term under the CPA. At the end of each lease, Jazz will either extend the lease, sell or part-out each aircraft. Subsequent aircraft leases will continue to produce predictable Free Cash Flow at lower rates as the aircraft will be unencumbered.

	Actual	Annual Forecast ⁽¹⁾	
	2024 \$	2025 \$	2026 ⁽²⁾ \$
<i>(in thousands of Canadian dollars)</i>			
Fixed Margin⁽³⁾	61,280	59,600	43,900
Aircraft leasing under the CPA			
Revenue ⁽⁴⁾	133,174	123,000	109,000
Payment on long-term debt and interest	97,126	81,000	72,000
Total Fixed Margin and Aircraft leasing under the CPA less payment on long-term debt and interest	97,328	101,600	80,900
Wholly-owned aircraft leased under the CPA (end of period) ⁽⁴⁾	48	45	39
Wholly-owned aircraft leased under the CPA available for re-lease (end of period) ⁽⁴⁾	—	3	9

(1) The forecast uses a foreign exchange rate of 1.4000 for 2025 and 2026 (previously at 1.3200 and 1.2900 for 2026) to translate USD to CAD.

(2) Includes estimates for future market lease rates for 12 Dash 8-400's for 2026 with contracted lease extensions to 2030.

(3) The Fixed Margin will decrease to no less than \$59.6 million in 2025 and no less than \$43.9 million in 2026 with no further changes thereafter.

(4) Leases on six Dash 8-400s expire in mid-2026.

Portfolio of Aircraft Leasing under the CPA

- Current fleet of 48 wholly-owned aircraft and five spare engines
- Current net book value of \$793.4 million
- Future contracted lease revenue US \$385.4 million^{1,2}
- Current weighted average fleet age of 8.5 years³
- Current weighted average remaining lease term of 4.9 years³
- Long-term debt of \$347.3 million (US \$241.4 million)
- 100% of debt has a fixed rate of interest
- Current weighted average cost of borrowing of 3.32%

¹ See cautionary statement regarding forward-looking information below.

² The estimates are based on agreed lease rates in the CPA and certain assumptions and estimates for future market lease rates related to new and extended leases under the CPA.

³ Fleet age and remaining lease term is calculated based on the weighted-average of the aircraft net book value.

Covered Aircraft

The actual and forecasted Covered Aircraft under the CPA for the years 2024 to 2026 is as follows:

		Actual 2024	Change 2025	Forecast 2025	Change 2026	Forecast 2026
Dash 8-400	Aircraft Leased under the CPA	34	(3)	31	(6)	25
	Other Covered Aircraft	5	(5)	—	—	—
		39	(8)	31	(6)	25
CRJ900	Aircraft Leased under the CPA	14	—	14	—	14
	Other Covered Aircraft	21	—	21	(5)	16
		35	—	35	(5)	30
CRJ200	Aircraft Leased under the CPA	—	—	—	—	—
	Other Covered Aircraft ⁽¹⁾	15	—	15	(15)	—
		15	—	15	(15)	—
E175	Aircraft Leased under the CPA	—	—	—	—	—
	Other Covered Aircraft	25	—	25	—	25
		25	—	25	—	25
Total	Aircraft Leased under the CPA ⁽²⁾⁽³⁾	48	(3)	45	(6)	39
	Other Covered Aircraft	66	(5)	61	(20)	41
		114	(8)	106	(26)	80

(1) The 15 CRJ200s are currently non-operational under the CPA.

(2) After 2026, the 39 owned Aircraft Leased under the CPA have lease expiry dates from 2027 to 2033. Air Canada will determine the composition of the Covered Aircraft fleet on the condition that the fleet must have a minimum of 80 aircraft with 75-78 seats. As leases in respect of owned aircraft mature, the minimum 80 Covered Aircraft fleet will be composed of owned aircraft with lease extensions and/or other Covered Aircraft sourced by Air Canada.

(3) Lease expiry dates for owned aircraft are as follows: Dash 8-400's: six expiries in November 2027; seven expiries in 2028 and 12 expiries in 2030; and for CRJ900's: five in 2028; eight in 2032 and one in 2033.

Capital Expenditures

Capital expenditures in 2025 are expected to be as follows:

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2024 \$	Annual Forecast 2025 \$	
Capital expenditures, excluding aircraft acquisitions	13,547	20,000 to	25,000
Capitalized major maintenance overhauls ⁽¹⁾	19,452	8,000 to	13,000
Aircraft acquisitions and improvements	19,892	2,500 to	7,500
	52,891	30,500 to	45,500

(1) The 2025 plan includes between \$3.0 million to \$7.0 million of costs that are expected to be included in and recovered through the Controllable Costs. Actual 2024 includes \$12.6 million which forms part of Controllable Costs.

Use of Defined Terms

Capitalized terms used but not defined in this news release have the meanings given to them in management's discussion and analysis of results of operations and financial condition ("MD&A") dated the date hereof, which is available on Chorus' website (www.chorusaviation.com) and under Chorus' profile on SEDAR+ (www.sedarplus.ca). In this news release, the term "shareholders" refers only to holders of Common Shares.

Investor Conference Call / Audio Webcast

Chorus will hold an analyst call at 9:00 AM ET on Thursday, February 20, 2025, to discuss the fourth quarter and year-end 2024 financial results. The call may be accessed by dialing 1-888-699-1199. The call will be simultaneously audio webcast via: [#https://app.webinar.net/O7wPI32YNRM.#](https://app.webinar.net/O7wPI32YNRM)

This is a listen-in only audio webcast.

The conference call webcast will be archived on Chorus' website at www.chorusaviation.com under [Investors > Reports](#). A playback of the call can also be accessed until midnight ET, February 27, 2025, by dialing toll-free 1-888-660-6345 and using passcode 50070 # (pound key).#

NON-GAAP FINANCIAL MEASURES

This news release references several non-GAAP financial measures and ratios to supplement the analysis of Chorus' results. Chorus uses these non-GAAP measures to evaluate and assess performance. These non-GAAP measures are generally numerical measures of Chorus' financial performance, financial position, or cash flows, that include or exclude amounts from the most comparable GAAP measure. As such, these measures are not recognized for financial statement presentation under GAAP, do not have standardized meanings, may not be comparable to similar measures presented by other entities, and should not be considered a substitute for or superior to GAAP results. For further information on non-GAAP measures used in this news release, please refer to Section 19 (*Non-GAAP Financial Measures*) of the MD&A dated February 19, 2025, which is available on Chorus' website (www.chorusaviation.com) and under Chorus' profile on SEDAR+ (www.sedarplus.ca). Reconciliations of non-GAAP measures to their nearest GAAP measures are provided below.

Adjusted Net Income, Adjusted EBT, Adjusted EBITDA

	Three months ended December 31,			Year ended December 31,		
	2024 \$	2023 \$	Change \$	2024 \$	2023 \$	Change \$
<i>(expressed in thousands of Canadian dollars)</i>						
Net (loss) income	(6,596)	36,621	(43,217)	(156,449)	106,106	(262,555)
Less: Net income (loss) from discontinued operations, net of taxes	42,829	8,333	34,496	(140,686)	4,476	(145,162)
Net (loss) income from continuing operations	(49,425)	28,288	(77,713)	(15,763)	101,630	(117,393)
<i>Add (Deduct) items to get to Adjusted Net Income</i>						
Impairment provisions ⁽²⁾	10,517	—	10,517	10,517	—	10,517
Employee separation program ⁽³⁾	1,675	638	1,037	2,542	1,442	1,100
Defined Benefit Pension Revenue ⁽⁴⁾	—	—	—	—	(29,916)	29,916
Interest accretion on Preferred Shares	10,445	—	10,445	10,445	—	10,445
Realized foreign exchange gain on cash ⁽⁵⁾	(13,732)	—	(13,732)	(13,732)	—	(13,732)
Realized foreign exchange loss on Preferred Shares ⁽⁶⁾	31,307	—	31,307	31,307	—	31,307
Realized foreign exchange gain on intercompany loan ⁽⁷⁾	—	(26,437)	26,437	—	(26,437)	26,437
Unrealized foreign exchange loss (gain)	22,183	8,388	13,795	23,625	(2,413)	26,038
Tax (recovery) expense on adjusted items	(2,405)	(173)	(2,232)	(2,639)	7,687	(10,326)
	59,990	(17,584)	77,574	62,065	(49,637)	111,702
Adjusted Net Income	10,565	10,704	(139)	46,302	51,993	(5,691)
<i>Add (Deduct) items to get to Adjusted EBT</i>						
Income tax expense	2,200	6,161	(3,961)	13,152	35,414	(22,262)
Tax recovery (expense) on adjusted items	2,405	173	2,232	2,639	(7,687)	10,326
Adjusted EBT	15,170	17,038	(1,868)	62,093	79,720	(17,627)
<i>Add (Deduct) items to get to Adjusted EBITDA</i>						
Net interest expense	10,034	10,811	(777)	36,940	40,653	(3,713)
Depreciation and amortization excluding impairment	27,169	23,200	3,969	105,874	91,479	14,395
Foreign exchange loss	368	3,594	(3,226)	6,768	9,696	(2,928)
Gain on disposal of property and equipment	(76)	—	(76)	(96)	(13)	(83)
	37,495	37,605	(110)	149,486	141,815	7,671
Adjusted EBITDA	52,665	54,643	(1,978)	211,579	221,535	(9,956)

- (1) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.
- (2) Impairment provisions related to planned part-out of Voyageur's non-operational owned aircraft.
- (3) Included in operating expenses.
- (4) Air Canada agreed to compensate Jazz for the one-time impact of the wage increase on the Jazz defined benefit pension plan of \$29.9 million.
- (5) Foreign exchange gains on US dollar denominated cash held between the dates December 6, 2024 and December 31, 2024, being the dates Chorus received the net proceeds from the Transaction and the redemption of the Preferred Shares, respectively.
- (6) Realized foreign exchange on Preferred Shares relates to the foreign exchange loss on settlement of the Preferred Share liability.
- (7) Realized foreign exchange gain relates to the extinguishment of intercompany loan receivables in the fourth quarter of 2023. During the term of these intercompany loan receivables the unrealized foreign exchange gain or loss was recognized on the loan receivable. The intercompany loan payable was recorded in one of Chorus' subsidiaries with a USD functional currency such that the foreign exchange offset was recognized in exchange differences on foreign operations in other comprehensive income. The

elimination of the realized foreign exchange from Adjusted Net Income reflects the economics of the intercompany transaction.

Adjusted Earnings available to Common Shareholders per Common Share

Adjusted Earnings available to Common Shareholders per Common Share is used by Chorus to assess performance and is calculated as Adjusted Net Income less non-controlling interest and Preferred Share dividends declared, excluding the MOIC.

Pro Forma Adjusted Earnings available to Common Shareholders per Common Share is calculated as Adjusted Earnings available to Common Shareholders plus anticipated interest savings on repayment of corporate financings and Preferred Share dividends declared, excluding the MOIC.

<i>(expressed in thousands of Canadian dollars, except per Share amounts)</i>	Three months ended December 31,			Year ended December 31,		
	2024 \$	2023 \$	Change \$	2024 \$	2023 \$	Change \$
Adjusted Net Income from continuing operations	10,565	<i>(revised)</i> ⁽¹⁾ 10,704	(139)	46,302	<i>(revised)</i> ⁽¹⁾ 51,993	(5,691)
<i>Add (Deduct) items to get to Adjusted Earnings available to Common Shareholders</i>						
Preferred Share dividends declared, excluding MOIC ⁽²⁾	—	(8,940)	8,940	(17,827)	(35,426)	17,599
Adjusted Earnings available to Common Shareholders - continuing operations⁽²⁾	10,565	1,764	8,801	28,475	16,567	11,908
Adjusted Earnings available to Common Shareholders per Common Share, basic - continuing operations⁽²⁾	0.39	0.06	0.33	1.04	0.59	0.45

(1) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.

(2) Adjusted Earnings available to Common Shareholders excludes the MOIC payment of \$91.2 million as the Preferred Shares were redeemed early due to the sale of the RAL business.

Leverage Ratio

Leverage Ratio is used by Chorus as a means to measure financial leverage. Leverage Ratio is calculated by dividing Net debt by trailing 12-month Adjusted EBITDA. Management believes Leverage Ratio to be a useful ratio when monitoring and managing debt levels. In addition, as leverage is a measure frequently analyzed for public companies, Chorus has calculated the amount to assist readers in this review. Leverage Ratio should not be construed as a measure of cash flows. Net debt is a key

component of capital management for Chorus and provides management with a measure of its net indebtedness.

Pro Forma Leverage Ratio is calculated by dividing Net debt, adjusted to remove the anticipated repayment of the Series B Debentures and Series C Debentures, by trailing 12-month Adjusted EBITDA.

<i>(expressed in thousands of Canadian dollars)</i>	December 31, 2024	December 31, 2023	Change
	\$	\$	\$
Long-term debt and lease liabilities (including current portion) ⁽²⁾	516,379	<i>(revised)⁽¹⁾</i> 1,755,580	(1,239,201)
Less:			
Long-term debt and lease liabilities (including current portion) related to discontinued operations ⁽²⁾	—	(986,921)	986,921
Cash ⁽¹⁾	(222,216)	(85,985)	(136,231)
Cash related to discontinued operations ⁽¹⁾⁽²⁾	—	55,432	(55,432)
Adjusted Net Debt	294,163	738,106	(443,943)
Adjusted EBITDA	211,579	221,535	(9,956)
Leverage Ratio	1.4	3.3	(1.9)

(1) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.

(2) Long-term debt and lease liabilities related to discontinued operations of \$986.9 million and cash of \$55.4 million have been removed from December 31, 2023 for comparative purposes.

Free Cash Flow

Free Cash Flow is a non-GAAP measure used as an indicator of financial strength and performance. Chorus believes that this measurement is useful as an indicator of its ability to service its debt, meet other ongoing obligations and reinvest in the Corporation and return capital to Common Shareholders. Readers are cautioned that Free Cash Flow does not represent residual cash flow available for discretionary expenditures.

Free Cash Flow is defined as cash provided by operating activities less net changes in non-cash balances related to operations, capital expenditures excluding aircraft acquisitions and improvements plus net proceeds on asset sales (proceeds on disposal of property and equipment less the related debt repayments for the assets sold).

Pro Forma Free Cash Flow is defined as Free Cash Flow plus anticipated interest savings on repayment of corporate financings.

Pro Forma Free Cash Flow after repayment on long-term borrowings is defined as Free Cash Flow plus anticipated interest savings on repayment of corporate financings less repayment on long-term borrowings.

The following table provides a reconciliation of Free Cash Flow to cash flows from operating activities, which is the most comparable financial measure calculated and presented in accordance with GAAP:

	Three months ended December 31,			Year ended December 31,		
	2024	1905	Change	2024	1905	Change
<i>(expressed in thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$
Cash provided by (used in) operating activities from continuing operations	21,099	(16,498) ⁽¹⁾	37,597	172,806	158,013 ⁽¹⁾	14,793
Add (Deduct)						
Net changes in non-cash balances related to operations	16,867	56,548	(39,681)	(21,020)	38,065	(59,085)
Capital expenditures, excluding aircraft acquisitions	(4,244)	(4,340)	96	(13,547)	(14,237)	690
Capitalized major maintenance overhauls	(6,240)	(6,080)	(160)	(19,452)	(15,776)	(3,676)
Free Cash Flow	27,482	29,630	(2,148)	118,787	166,065	(47,278)

(1) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.

Adjusted Return on Equity

Adjusted Return on Equity is a non-GAAP financial measure used to gauge a corporation's profitability and how efficient it is in generating profits. Adjusted Return on Equity is calculated based on Chorus' Adjusted Net Income less non-controlling interest and Preferred Share dividends declared divided by Average Shareholders' equity excluding non-controlling interest, Preferred Shares and cash.

Pro Forma Adjusted Return on Equity is calculated based on Adjusted Earnings available to Common Shareholders plus anticipated interest savings on repayment of corporate financings and Preferred Share dividends declared divided by Average Shareholders' equity excluding non-controlling interest, Preferred Shares, cash on hand and cash required to repay the Series B Debentures and Series C Debentures.

	Trailing 12-months ended		
	December 31, 2024	December 31, 2023	Change
<i>(expressed in thousands of Canadian dollars)</i>	\$	\$	\$
Adjusted Net Income from continuing operations⁽¹⁾	46,302	(revised) ⁽¹⁾ 51,993	(5,691)
<i>Add (Deduct) items to get to Adjusted Earnings available to Common Shareholders</i>			
Preferred Share dividends declared, excluding MOIC	(17,827)	(35,426)	17,599
Adjusted Earnings available to Common Shareholders⁽²⁾	28,475	16,567	11,908

Average equity attributable to Common Shareholders excluding cash			
Average Shareholders' equity	896,209	1,274,446	(378,237)
<i>Add (Deduct) items to get to average equity attributable to Common Shareholders excluding cash</i>			
Average Non-controlling interest	(43,293)	(87,718)	44,425
Average Preferred Shares	(187,609)	(375,217)	187,608
Average Cash ⁽¹⁾	(126,385)	(24,926)	(101,459)
	538,922	786,585	(247,663)
Adjusted Return on Equity⁽¹⁾	5.3%	2.1%	3.2%

- (1) The results of discontinued operations (RAL segment) have been excluded from both current and prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this release are from continuing operations unless noted.
- (2) Adjusted Earnings available to Common Shareholders excludes the MOIC payment of \$91.2 million as the Preferred Shares were redeemed early due to the sale of the RAL business.

Forward-Looking Information

This news release includes forward-looking information and statements within the meaning of applicable securities laws (collectively, "forward-looking information"). Forward-looking information is identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "potential", "predict", "project", "will", "would", and similar terms and phrases, including negative versions thereof. All information and statements other than statements of historical fact are forward-looking and by their nature, are based on various underlying assumptions and expectations that are subject to known and unknown risks, uncertainties and other factors that may cause actual future results, performance or achievements to differ materially from those indicated in the forward-looking information. As a result, there can be no assurance that the forward-looking information included in this news release will prove to be accurate or correct.

Examples of forward-looking information in this news release include the discussion in the Outlook section and statements regarding Chorus' future performance, growth prospects and the ability to return capital to Common Shareholders. Actual results may differ materially from those anticipated in forward-looking information for a number of reasons including: changes in the aviation industry and general economic conditions; the emergence of disputes under the CPA; a deterioration in Air Canada's financial condition; any default by Chorus under debt covenants; asset impairments; changes in law; the imposition of tariffs on Canadian exports or adverse changes to existing trade agreements and/or

relationships; and the risk factors in Chorus' Annual Information Form dated February 19, 2025, and in Chorus' public disclosure record available under its profile on SEDAR+ at www.sedarplus.ca.

The forward-looking information contained in this news release represents Chorus' expectations as of the date of this news release (or as of the date they are otherwise stated to be made) and is subject to change after such date. Chorus disclaims any intention or obligation to update or revise any forward-looking information as a result of new information, subsequent events or otherwise, except as required by applicable securities laws. Readers are cautioned that the foregoing factors and risks are not exhaustive.

About Chorus Aviation Inc.

Chorus is a Canadian company focused on aviation services businesses. Our operating subsidiaries are: Jazz Aviation, the largest regional operator in Canada and provider of regional air services under the Air Canada Express brand; Voyageur Aviation, a leading provider of specialty charter, aircraft modifications, parts provisioning and in-service support services; and Cygnet Aviation Academy, an industry leading accredited training academy preparing pilots for direct entry into airlines. Together, Chorus' subsidiaries provide services that encompass every stage of an aircraft's lifecycle, including: aircraft acquisition and leasing; aircraft refurbishment, engineering, modification, repurposing and transition; contract flying; aircraft and component maintenance, disassembly, and parts provisioning; and pilot training.

Chorus Class A Variable Voting Shares and Class B Voting Shares trade on the Toronto Stock Exchange under the trading symbol 'CHR'. Chorus 6.00% Convertible Senior Unsecured Debentures due June 30, 2026, and 5.75% Senior Unsecured Debentures due June 30, 2027 trade on the Toronto Stock Exchange under the trading symbols 'CHR.DB.B', and 'CHR.DB.C' respectively. www.chorusaviation.com.

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