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First Quarter 2025

Management's Discussion and Analysis of
Results of Operations and Financial Condition

Chorus Aviation Inc.

INTRODUCTION

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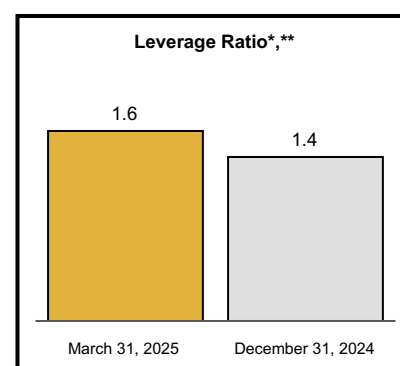
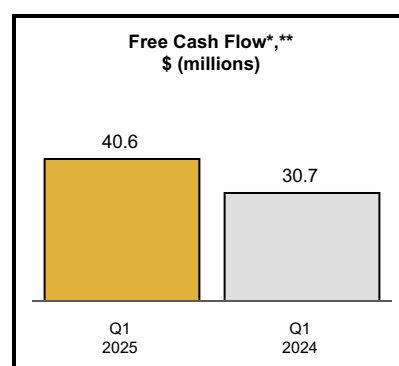
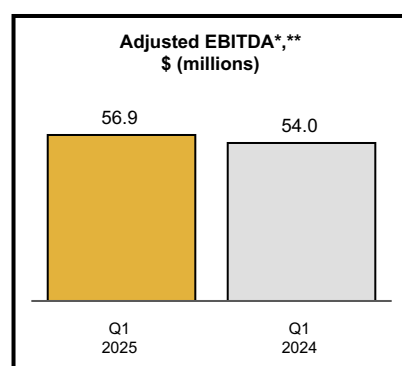
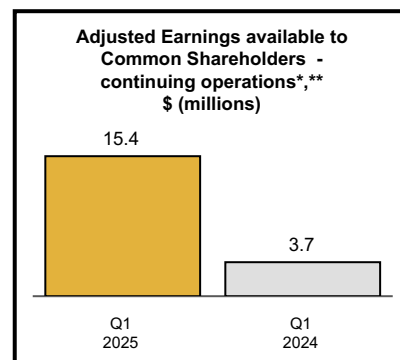
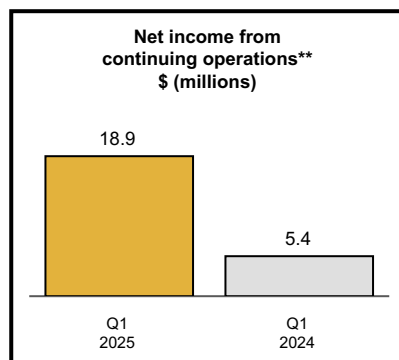
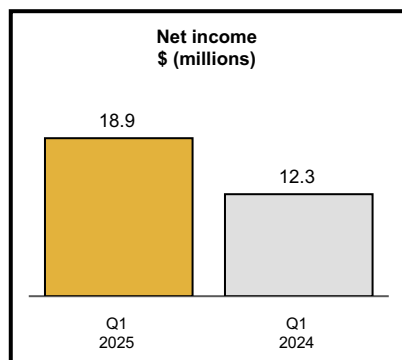
In this MD&A, references to Chorus refer, as the context may require, to one or more of Chorus Aviation Inc. and its current and former subsidiaries, including partnerships in which the Corporation holds a majority of the equity interests. Where this MD&A discusses the CPA, references to Chorus are exclusively intended to refer to Jazz. Please refer to Section 22 - Glossary of Terms for definition of capitalized terms and acronyms used in this MD&A.

This MD&A, which presents a discussion of the financial condition and results of operations for Chorus, should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements of Chorus for the three months ended March 31, 2025, the audited consolidated financial statements of Chorus and the notes therein for the year ended December 31, 2024, Chorus' MD&A dated February 19, 2025 in respect of the year ended December 31, 2024, and Chorus' Annual Information Form dated February 19, 2025 in respect of the year ended December 31, 2024. All financial information has been prepared in accordance with GAAP, as set out in the CPA Canada Handbook, except for any financial information specifically denoted otherwise. Except as otherwise noted or where the context may otherwise require, this MD&A is prepared as of May 6, 2025.

The earnings and cash flows of Chorus are affected by certain risks. For a description of those risks, please refer to the discussion of specific risks in Section 7 – Capital Structure and Section 9 – Risk Factors.

Except where the context otherwise requires, all amounts are stated in Canadian dollars.

1 OVERVIEW



* 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. Refer to Section 17 – Non-GAAP Financial Measures for further information, including the composition and use of such non-GAAP financial measures and ratios.

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

Q1 2025 Highlights:

Following Chorus' sale of the RAL business in December 2024, it redeemed all of the Preferred Shares and repaid the Series A Debentures at maturity on December 31, 2024 and subsequently repurchased part of the outstanding Series B Debentures and Series C Debentures in the first quarter of 2025. These actions have reduced debt and improved earnings, highlighted by:

- Net income of \$18.9 million compared to \$12.3 million for Q1 2024.
- Net income from continuing operations of \$18.9 million compared to \$5.4 million for Q1 2024.
- Adjusted Earnings available to Common Shareholders of \$15.4 million compared to \$3.7 million for Q1 2024 was due to the positive impacts of the sale of the RAL business and improved financial results primarily related to increased parts sales, contract flying, MRO and other revenue.
- Adjusted Earnings available to Common Shareholders of \$0.57 per Common Share, basic, compared to \$0.13 for Q1 2024.
- Adjusted EBITDA of \$56.9 million compared to \$54.0 million for Q1 2024.

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- Free Cash Flow of \$40.6 million compared to \$30.7 million for Q1 2024.
- Leverage Ratio of 1.6 compared to 1.4 at December 31, 2024. The increase was a result of additional cash held at December 31, 2024 due to a \$58.9 million prepayment of revenue related to January 2025.
- Parts sales, contract flying, MRO and other revenue of \$39.1 million compared to \$28.5 million for Q1 2024 primarily driven by Voyageur.

On April 14, 2025, Chorus commenced a substantial issuer bid (the “**Offer**”), pursuant to which the Company has offered to purchase up to \$25.0 million in value of its Common Shares at a cash purchase price of not less than \$17.50 and not more than \$21.00 per Common Share. The Offer is expected to expire at 5:00 pm eastern standard time on May 20, 2025, or such later time and date to which the Offer may be extended by Chorus (the “**Expiration Date**”). Chorus’ board of directors believes that the Offer is an advisable use of its financial resources given its available cash resources, its ongoing cash requirements and access to capital markets, as well as the fact that Chorus believes the recent trading price of its Common Shares is not fully reflective of the value of Chorus’ business and future prospects.

As of April 4, 2025, there were 26,523,017 Common Shares issued and outstanding, and accordingly, the Offer would be for approximately 5.39% of the total issued and outstanding Common Shares if the purchase price is determined to be \$17.50 (which is the minimum price per Common Share under the Offer) or approximately 4.49% of the total number of issued and outstanding Common Shares if the purchase price is determined to be \$21.00 (which is the maximum price per Common Share under the Offer). The Offer is proceeding by way of a “modified Dutch auction” that allows Common Shareholders wishing to tender to the Offer to individually select the price, within the specified range (and specified increments), at which they are willing to sell their Common Shares.

Concurrent with launching the Offer, Chorus suspended purchases pursuant to its normal course issuer bid (“**NCIB**”) until after the Expiration Date or earlier termination of the Offer. The automatic share purchase plan that Chorus had previously entered into with its designated broker in connection with the NCIB was automatically terminated in accordance with its terms.

During the three months ended March 31, 2025, Chorus purchased and cancelled 652,293 Common Shares under the NCIB at a weighted average price of \$20.29 (post-Share Consolidation) per Common Share for \$13.3 million. (Refer to Section 7 - Capital Structure.)

First Quarter Summary

In the first quarter of 2025, Chorus reported Adjusted EBITDA from continuing operations of \$56.9 million, an increase of \$2.8 million compared to the first quarter of 2024 primarily due to:

- an increase in Voyageur’s parts sales, contract flying and MRO activity; and
- a decrease in general administrative expenses primarily attributable to lower overhead costs; partially offset by
- a decrease in capitalization of major maintenance overhauls on owned aircraft of \$1.5 million; and
- a decrease in aircraft leasing revenue under the CPA of \$0.7 million primarily due to a change in lease rates on certain aircraft partially offset by a higher US dollar exchange rate.

Adjusted Net Income from continuing operations was \$15.4 million for the quarter, an increase of \$2.8 million compared to the first quarter of 2024 primarily due to:

- a \$2.8 million increase in Adjusted EBITDA as previously described; and

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- a decrease in net interest costs of \$5.5 million primarily related to the repayment of the Series A Debentures at maturity, the partial repurchase of the Series B Debentures and Series C Debentures and the absence of any draw in the current quarter under the Operating Credit Facility; partially offset by
- an increase of \$3.5 million in income tax expense;
- an increase in depreciation expense of \$1.1 million primarily attributable to capital expenditures; and
- a negative change in foreign exchange of \$1.0 million.

Net income from continuing operations was \$18.9 million, an increase of \$13.5 million compared to the first quarter of 2024 primarily due to:

- the previously noted increase in Adjusted Net Income of \$2.8 million; and
- a positive change in net unrealized foreign exchange of \$10.7 million.

Adjusted Earnings available to Common Shareholders from continuing operations was \$15.4 million for the quarter, an increase of \$11.7 million compared to the first quarter of 2024 primarily due to:

- the previously noted increase in Adjusted Net Income of \$2.8 million; and
- the elimination of Preferred Share dividends of \$8.8 million due to the redemption of the Preferred Shares.

2 ABOUT CHORUS

The Corporation is a holding company which owns the following principal operating subsidiaries: Jazz Aviation, the largest regional airline 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, the Corporation's subsidiaries provide services that encompass every stage of an aircraft's lifecycle, including: contract flying; aircraft refurbishment, engineering, modification, repurposing and transition; aircraft and component maintenance, disassembly, and parts provisioning; aircraft acquisition and leasing; and pilot training.

The Corporation's subsidiaries operate in the following four sectors of the aviation industry:

- a) Contract flying: Jazz and Voyageur both provide contract flying services.

Jazz is the largest regional airline in Canada and operates more flights into more airports in Canada through its scheduled services under the CPA with Air Canada than any other Canadian airline. Air Canada makes all decisions with respect to flight scheduling and ticket sales, and bears all of the market risk associated with fluctuations in passenger ticket revenues.

Voyageur provides charter services and specialized contract flying, such as medical, logistical and humanitarian flights, to international and Canadian customers.

- b) Aircraft leasing: Jazz currently earns leasing revenue under the CPA from aircraft and spare engines owned by Jazz or other Chorus affiliates. Voyageur also earns revenue from leasing aircraft to third parties.

- c) MRO, part sales and technical services: Jazz provides 24/7 MRO services and is certified on Dash 8, CRJ, and Embraer 135, 145 and 175 aircraft. Voyageur provides specialty MRO and engineering services on Dash, CRJ, Embraer, Diamond DA-20/40/42, and Beechcraft King Air aircraft products. Voyageur also focuses on aircraft disassembly and aircraft parts provisioning to customers globally.

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- d) Pilot training: Cygnet is a pilot academy in Canada that, through an arrangement with CAE Inc., enables cadets to achieve their Integrated Airline Transport Pilot License and acquire an airline specific type training.

Jazz earns margin under the CPA in three ways:

1. *Fixed Margin*

Jazz earns a Fixed Margin based on the number of Covered Aircraft under the CPA that does not vary based on flight activity.

2. *Performance Incentives*

Jazz has the opportunity to earn Performance Incentives under the CPA for achieving certain performance targets in relation to controllable on-time performance, controllable flight completion, customers arriving with luggage and customer service.

3. *Aircraft leasing under the CPA*

Jazz earns aircraft leasing revenue under the CPA from the following owned assets: 34 Dash 8-400s, 14 CRJ900s, and five spare engines.

Jazz bills for Controllable Costs (which are offset by Controllable Cost Revenue) and Pass-Through Costs (which are offset by Pass-Through Revenue) as follows:

a) *Controllable Cost Revenue*

Jazz and Air Canada negotiate rates (“**Controllable Cost Revenue**”) for the Controllable Costs Jazz expects to incur which are estimated based on certain variables to operate Air Canada Express services under the CPA. Jazz’s exposure to variances between the Controllable Cost Revenue Jazz receives from Air Canada to cover annually negotiated Controllable Costs, and Jazz’s actual Controllable Costs incurred in performing its services for Air Canada is limited to \$2.0 million annually (referred to as the “**Controllable Cost Guardrail**”).

b) *Pass-Through Revenue*

Jazz receives Pass-Through Revenue, which is based on Pass-Through Costs reimbursed by Air Canada.

Pass-Through Costs include operational expenses that are reimbursed by Air Canada such as airport and navigation fees, and certain aircraft maintenance, materials and supplies. Jazz does not incur fuel or food and beverage costs related to CPA flying, as these are charged directly to Air Canada.

Aircraft fleet under the CPA

From January 1, 2021 through December 31, 2025, the minimum number of Covered Aircraft is set at 105. From January 1, 2026 through December 31, 2035, 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 (refer to Section 23 - Caution Regarding Forward-Looking Information).

3 STRATEGY

Chorus generates predictable earnings primarily from long-term contracts. Chorus’ core competencies include:

- Structuring and negotiating long-term fixed payment contracts with large blue-chip customers, including commercial airlines and government agencies;

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- Developing strong relationships by consistently delivering on contractual commitments by providing high quality, reliable and safe services; and
- Providing customers a full range of services that include aircraft engineering, aircraft modifications, in-service support, flying operations, aircraft disassembly and parts provisioning.

This section contains forward-looking information. Please refer to Section 23 - Caution Regarding Forward-Looking Information.

4 OUTLOOK

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 (refer to Section 23 - Caution Regarding Forward-Looking Information).

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.

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

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

(2) Includes 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 three Dash 8-400s expire at the end of 2025 and on six Dash 8-400s that expire in mid-2026. Chorus plans to sell these aircraft.

Portfolio of Aircraft Leasing under the CPA

- Current fleet of 48 wholly-owned aircraft and five spare engines
- Current net book value of \$778.0 million
- Future contracted lease revenue US \$362.2 million^{1,2}
- Current weighted average fleet age of 8.7 years³
- Current weighted average remaining lease term of 4.6 years³

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- Long-term debt of \$324.1 million (US \$225.4 million)
- 100% of debt has a fixed rate of interest
- Current weighted average cost of borrowing of 3.31%

¹ Refer to Section 23 - Caution Regarding Forward-Looking Information.

² The estimates are based on agreed lease rates in 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 2025 to 2026 are as follows:

| <i>(unaudited)</i> | | <u>Actual</u> March 31, 2025 | <u>Change</u> 2025 | <u>Forecast</u> 2025 | <u>Change</u> 2026 | <u>Forecast</u> 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 8-400s: six expiries in November 2027, seven expiries in 2028 and 12 expiries in 2030; and for CRJ900s: five in 2028, eight in 2032 and one in 2033.

Jazz has started the initial phase of an extensive cabin refurbishment program for aircraft operated under the Air Canada Express brand. This refurbishment program includes upgraded Wi-Fi connectivity, larger overhead storage bins, new lightweight seats, in-seat power supply, and refreshed cabin interiors for the E-175s and CRJ900s. In addition, a select number of Dash 8-400s will receive Wi-Fi connectivity for Toronto Billy Bishop service along with Jazz's previous announcement in May 2024 that its Dash 8-400 fleet would receive new lightweight seats as part of an emission reductions initiative. All 39 owned aircraft leased under the CPA post 2026 are included in this passenger cabin refurbishment program with all costs associated with the program to be paid by Air Canada.

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Capital Expenditures

Capital expenditures in 2025 are expected to be as follows:

| <i>(unaudited)</i> <i>(in thousands of Canadian dollars)</i> | Annual Forecast 2025 \$ | |
|---|--|------------------|
| Capital expenditures, excluding aircraft acquisitions | 20,000 | to 25,000 |
| Capitalized major maintenance overhauls ⁽¹⁾ | 8,000 | to 13,000 |
| Aircraft acquisitions and improvements | 2,500 | to 7,500 |
| | 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.

5 FLEET

The following table provides the total number of aircraft from continuing operations as at March 31, 2025:

| <i>(unaudited)</i> | Total | Owned |
|--|--------------|--------------|
| Covered Aircraft Leased Under the CPA | | |
| Dash 8-400 | 34 | 34 |
| CRJ900 | 14 | 14 |
| Total Covered Aircraft Leased Under the CPA | 48 | 48 |
| Other Covered Aircraft | | |
| CRJ200 ⁽¹⁾ | 15 | — |
| CRJ900 | 21 | — |
| Dash 8-400 | 5 | — |
| E175 | 25 | — |
| Total Other Covered Aircraft | 66 | — |
| Voyageur Aircraft | | |
| CRJ200 | 6 | 6 |
| King Air 200 | 3 | 3 |
| King Air 350 | 1 | 1 |
| Dash 8-100 | 1 | 1 |
| Dash 8-300 | 9 | 9 |
| Dash 8-400 | 1 | 1 |
| Total Voyageur Aircraft | 21 | 21 |
| Total⁽²⁾ | 135 | 69 |

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

(2) Excludes 12 Diamond aircraft operated by Cynet and seven non-operational aircraft.

6 CONSOLIDATED FINANCIAL ANALYSIS

This section provides detailed information and analysis about Chorus' performance from continuing operations for the three months ended March 31, 2025 compared to the three months ended March 31, 2024.

| (unaudited) (expressed in thousands of Canadian dollars) | Three months ended March 31, | | | |
|---|------------------------------|------------|--------------|-------------|
| | 2025 \$ | 2024 \$ | Change \$ | Change % |
| Operating revenue | 348,129 | 358,594 | (10,465) | (2.9) |
| Operating expenses | 318,419 | 330,632 | (12,213) | (3.7) |
| Operating income | 29,710 | 27,962 | 1,748 | 6.3 |
| Net interest expense | (3,744) | (9,291) | 5,547 | (59.7) |
| Foreign exchange gain (loss) | 152 | (9,550) | 9,702 | (101.6) |
| Gain on property and equipment | 1 | — | 1 | 100.0 |
| Income before income tax | 26,119 | 9,121 | 16,998 | 186.4 |
| Income tax expense | (7,186) | (3,711) | (3,475) | 93.6 |
| Net income from continuing operations | 18,933 | 5,410 | 13,523 | 250.0 |
| Net income from discontinued operations, net of taxes | — | 6,900 | (6,900) | (100.0) |
| Net income | 18,933 | 12,310 | 6,623 | 53.8 |
| Net income attributable to non-controlling interest | — | 3,491 | (3,491) | (100.0) |
| Net income attributable to Shareholders | 18,933 | 8,819 | 10,114 | 114.7 |
| Adjusted EBITDA ⁽²⁾ | 56,861 | 54,013 | 2,848 | 5.3 |
| Adjusted EBT ⁽²⁾ | 22,568 | 16,279 | 6,289 | 38.6 |
| Adjusted Net Income ⁽²⁾ | 15,382 | 12,568 | 2,814 | 22.4 |

(1) The results of discontinued operations (RAL segment) have been excluded from prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this MD&A are from continuing operations unless otherwise 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. Refer to Section 17 – Non-GAAP Financial Measures for further information, including the composition and use of such non-GAAP financial measures and ratios.

Three months ended March 31, 2025

For the three months ended March 31, 2025, consolidated operating revenue decreased \$10.5 million or 2.9%, compared to the same period last year and was attributable to reductions in Controllable Cost Revenue of \$18.8 million, Pass-Through Revenue of \$1.3 million and a decrease in aircraft leasing revenue under the CPA of \$0.7 million; partially offset by an increase in parts sales, contract flying, MRO and other revenue of \$10.6 million primarily due to Voyageur.

Operating expenses decreased \$12.2 million or 3.7% for the three months ended March 31, 2025 compared to the same period last year primarily due to decreased engine overhaul maintenance events of \$17.9 million, decreased Pass-Through Costs and decreased general administrative expenses, partially offset by increased costs related to parts sales and MRO activity, a decrease in capitalization of major maintenance overhauls on owned aircraft of \$1.5 million and increased depreciation expense related to capital expenditures.

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Net interest expense decreased \$5.5 million or 59.7% for the three months ended March 31, 2025 compared to the same period last year primarily due to the repayment of the Series A Debentures at maturity, the partial repurchase of the Series B Debentures and Series C Debentures, the absence of any draw in the current quarter under the Operating Credit Facility and lower average debt balances resulting from payments on long-term debt.

Foreign exchange gains increased \$9.7 million for the three months ended March 31, 2025 compared to foreign exchange losses in the same period last year primarily related to foreign exchange gains on long-term debt. The March 31, 2025 closing exchange rate for USD to CAD was 1.4376 compared to at 1.4389 December 31, 2024. The March 31, 2024 closing exchange rate for USD to CAD was 1.3550 compared to 1.3226 at December 31, 2023.

Income tax expense increased \$3.5 million for the three months ended March 31, 2025 compared to the same period last year primarily due to the increase in EBT, adjusted to remove non-taxable unrealized foreign exchange losses and certain non-deductible expenses.

7 CAPITAL STRUCTURE

Chorus' capital structure currently consists primarily of Common Shares and debt consisting of Series B Debentures, Series C Debentures, senior secured amortizing facilities, the Operating Credit Facility, the Bi-Lateral Credit Facility and lease liabilities.

Following the closing of the Transaction in December 2024, Chorus repaid at maturity all of its outstanding Series A Debentures, redeemed all of the outstanding Preferred Shares and repaid the balance outstanding under the Operating Credit Facility. In February 2025, Chorus purchased for cancellation \$43.8 million principal amount of Series B Debentures and of \$37.8 million principal amount of Series C Debentures.

The substantial improvement in Chorus' capital structure resulting from the redemption of the Preferred Shares and repayment of the Series A Debentures as well as the partial repurchase of the Series B Debentures and Series C Debentures provides the Corporation with greater financial flexibility. (Refer to Section 23 - Caution Regarding Forward-Looking Information.)

Chorus' objective when managing its capital structure is to maintain adequate liquidity and flexibility, while obtaining the lowest cost of capital available. It manages foreign exchange and interest rate risk in its capital structure by borrowing when appropriate in currencies other than the Canadian dollar to align with underlying revenue streams and fixing interest rates on its debt.

Chorus uses debt to reduce its cost of capital. The amount of debt available to Chorus is a function of earnings and/or equity, tangible asset backing, ability to service the debt and market accepted norms for businesses in this sector.

Chorus maintains flexibility in its capital structure by regularly reviewing forecasts, multi-year business plans, and making any required changes to its debt and equity on a proactive basis. These changes can include issuing or repurchasing equity, issuing new secured or unsecured debt, modifying the term of existing debt facilities or repaying existing debt from cash generated from operations and/or proceeds from the sale of surplus assets.

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Chorus' capital structure was as follows as at March 31, 2025 and December 31, 2024.

| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | March 31, 2025 \$ | December 31 2024 \$ | Change \$ |
|---|---------------------------------|-----------------------------------|---------------------|
| Equity | | | |
| Capital | 387,119 | 394,774 | (7,655) |
| Contributed surplus | 923,916 | 925,566 | (1,650) |
| Deficit | (821,822) | (836,996) | 15,174 |
| Exchange differences on foreign operations | 1,582 | 1,555 | 27 |
| Equity component of Series B Debentures | 1,063 | 2,683 | (1,620) |
| Warrants | 24,366 | 24,366 | — |
| | 516,224 | 511,948 | 4,276 |
| Long-term debt | 402,987 | 507,827 | (104,840) |
| Lease liabilities | 15,450 | 8,552 | 6,898 |
| Total capital | 934,661 | 1,028,327 | (93,666) |

As at May 2, 2025 and December 31, 2024, the issued and outstanding shares of Chorus, were as follows:

| <i>(unaudited)</i> | May 2, 2025 | December 31, 2024 |
|---|--------------------|------------------------------|
| Total issued and outstanding Common Shares | 26,463,837 | 27,175,310 |
| Common Shares potentially issuable: | | |
| Stock-based compensation plans | 316,312 | 207,629 |
| Series B Debentures ⁽¹⁾ | 646,277 | 1,631,046 |
| 2022 Warrants ⁽²⁾ | 2,663,253 | 2,663,253 |
| Total outstanding and potentially dilutive Common Shares | 30,089,679 | 31,677,238 |

(1) Issuable at a price of \$44.45 per Common Share upon conversion of all the Series B Debentures by the holders thereof, subject to adjustment in certain circumstances.

(2) Issuable at a price of \$32.20 per Common Share upon the exercise of all the 2022 Warrants by the holder(s) thereof, subject to adjustment in certain circumstances.

Normal Course Issuer Bid

On November 6, 2024, the Corporation renewed its NCIB. Under the NCIB, the Corporation was authorized to purchase for cancellation up to a maximum of 14,826,478 Common Shares (pre-Share Consolidation), representing 10% of the public float of the Common Shares as of November 4, 2024 calculated in accordance with TSX rules. On February 10, 2025, the Common Shares began trading on the TSX on a post-Share Consolidation basis, at which time the maximum number of Common Shares Chorus was authorized to purchase for cancellation for the remainder of the NCIB was adjusted to 1,685,150 Common Shares.

On April 7, 2025, the Corporation announced its intention to commence a substantial issuer bid for the Common Shares, whereupon the automatic share purchase plan that Chorus had entered into with its designated broker in

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connection with the NCIB was automatically terminated in accordance with its terms. Chorus has suspended further purchases pursuant to the NCIB until after the Expiration Date or earlier termination of the Offer.

During the three months ended March 31, 2025, the Corporation purchased and cancelled 652,293 Common Shares under the current NCIB at a weighted average price of \$20.29 per Common Share (post-Share Consolidation) for \$13.3 million. Since the renewal of the NCIB on November 14, 2024 to March 31, 2025, the Corporation has purchased and cancelled 778,248 Common Shares at a weighted average price of \$20.40 (post-Share Consolidation) for \$15.9 million.

Security holders may obtain a copy of the NCIB notice filed with the TSX, without charge, by contacting the Corporation.

Long-term debt

Long-term debt consists of the following:

| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | March 31, 2025 | December 31, 2024 |
|---|---------------------------|------------------------------|
| | \$ | \$ |
| Secured long-term debt and credit facilities⁽¹⁾ | | |
| Amortizing term loans | | |
| Secured by aircraft | 322,441 | 345,475 |
| Secured by engines | 1,616 | 1,852 |
| Nova Scotia Jobs Fund loan - secured by office building | 3,000 | 3,000 |
| | 327,057 | 350,327 |
| Unsecured long-term debt⁽¹⁾ | | |
| Series B Debentures | 28,727 | 72,500 |
| Series C Debentures | 47,203 | 85,000 |
| | 402,987 | 507,827 |
| Less: Current portion ⁽²⁾ | 66,169 | 231,528 |
| | 336,818 | 276,299 |

(1) The majority of long-term debt is payable in USD and has been converted to CAD at 1.4376 which was the exchange rate in effect at closing on March 31, 2025 (December 31, 2024 - 1.4389).

(2) The current portion of long-term debt at December 31, 2024 included Series B Debentures and Series C Debentures given Chorus' offer to purchase these Unsecured Debentures in accordance with the terms of the relevant indentures which expired on January 27, 2025.

The principal attributes of Chorus' long-term debt facilities are summarized below. Such summaries are qualified in their entirety by the specific terms and conditions of the relevant indentures and agreements. For full details of the Series B Debentures, the Series C Debentures and the Operating Credit Facility, please refer to the relevant agreements and indentures which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Amortizing term loans

Chorus currently has amortizing term loans for owned aircraft operated by Jazz under the CPA which are repayable in instalments, bear fixed interest at a weighted average rate of 3.31%, and mature between September 2027 and February 2033. These loans are secured primarily by the aircraft and engines financed by the loans, as well as an assignment of any leases in respect thereof.

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Chorus also has amortizing term loans for engines used by Jazz under the CPA which are repayable in instalments, bear fixed interest at a weighted average rate of 3.84%, and mature between October 2025 and May 2028. These loans are secured primarily by the engines.

Chorus has an office building loan that is repayable in annual instalments of \$1.0 million, bearing interest at a fixed rate of 3.33%, and matures on August 31, 2027. The loan may be repaid in full or in part at any time without bonus or penalty and is secured by a first security interest in the land and office building located at 3 Spectacle Lake Drive, Dartmouth, Nova Scotia and the assignment of the building tenant leases.

Financial Covenants under amortizing term loans

Amortizing term loans for aircraft and engines have covenants which apply separately to the “**Jazz Group**” (comprising Jazz and Jazz Leasing and any entity controlled directly or indirectly by either of them). The Jazz Group is required to maintain a maximum adjusted leverage and a minimum adjusted interest debt coverage ratio. The financing agreements also contain a covenant respecting the continuation of business under the CPA which is specific to Jazz as the operator of the financed Dash 8-400s, Dash 8-400 spare engines, and CRJ900s. As at March 31, 2025, the Jazz Group was in compliance with these financial covenants.

Furthermore, the amortizing term loans generally contain provisions that require the immediate repayment of all amounts outstanding thereunder if the borrower or any guarantor of the loan undergoes a change of control without the lender’s consent.

Series B Debentures

On April 6, 2021, the Corporation issued \$72.5 million aggregate principal amount of Series B Debentures, which bear interest at a rate of 6.00% per annum, mature on June 30, 2026 and can be redeemed any time after June 30, 2025 at the principal amount plus accrued and unpaid interest.

Following the closing of the Transaction, the Corporation offered to purchase all of the outstanding Series B Debentures at a price and on the terms set out in the indenture and as a result of such offer, purchased for cancellation \$43.8 million aggregate principal amount of Series B Debentures leaving \$28.7 million outstanding as at March 31, 2025.

Subject to adjustment in certain circumstances, the Series B Debentures were initially convertible at the holder’s option into 157.4803 Common Shares per \$1,000 principal amount of such debentures, initially representing a conversion price of \$6.35 per Common Share. As a result of the Share Consolidation, the outstanding Series B Debentures are currently convertible at the holder's option into 22.4972 Common Shares per \$1,000 principal amount of such debentures, representing a conversion price of \$44.45 per Share (subject to further adjustment in certain circumstances).

Subject to any required regulatory approvals and provided no event of default has occurred and is continuing at such time under the indenture governing the Series B Debentures, the Corporation may elect to satisfy its obligation to pay the principal amount of the outstanding Series B Debentures, plus any accrued and unpaid interest, on redemption or at maturity through, in whole or in part, the issuance of Common Shares at a price equal to 95% of the then Current Market Price (as defined in the indenture). In addition, and subject to the aforementioned conditions, the Corporation may satisfy its obligation to pay interest on the Series B Debentures by delivering Common Shares to the trustee under the indenture governing the Series B Debentures for sale, with the proceeds used to satisfy the interest payment obligation.

The outstanding Series B Debentures are listed for trading on the TSX under the symbol CHR.DB.B.

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Series C Debentures

In September 2021, the Corporation issued \$85.0 million aggregate principal amount of Series C Debentures, which bear interest at a rate of 5.75% per annum, mature on June 30, 2027 and can be redeemed any time after March 31, 2026 at the principal amount plus accrued and unpaid interest.

Following the closing of the Transaction, the Corporation offered to purchase all of the outstanding Series C Debentures at a price and on the terms set out in the indenture and as a result of such offer, purchased for cancellation \$37.8 million aggregate principal amount of Series B Debentures leaving \$47.2 million outstanding as at March 31, 2025.

The Series C Debentures are not convertible by the holders thereof into Common Shares.

Subject to any required regulatory approvals and provided no event of default has occurred and is continuing at such time under the indenture governing the Series C Debentures, the Corporation may elect to satisfy its obligation to pay all or a portion of the principal amount of the outstanding Series C Debentures on redemption or at maturity through, in whole or in part, the issuance of Common Shares at a price equal to 95% of the then Current Market Price (as defined in the indenture). In addition, and subject to the aforementioned conditions, the Corporation may satisfy its obligation to pay interest on the Series C Debentures by delivering Common Shares to the trustee under the indenture governing the Series C Debentures for sale, with the proceeds used to satisfy the interest payment obligation.

The outstanding Series C Debentures are listed for trading on the TSX under the symbol CHR.DB.C.

Loan facilities

Operating Credit Facility

The Operating Credit Facility provides the Corporation and certain designated subsidiaries with a committed limit of up to \$150.0 million, subject to a borrowing base calculation. As at March 31, 2025, the borrowing base calculation supported a limit of \$150.0 million. Letters of credit issued by Chorus under this facility further reduce the amount available under the facility. On February 14, 2025, Chorus amended the Operating Credit Facility to extend the maturity date to January 27, 2028.

The Operating Credit Facility is secured by all present and after-acquired personal property of the Credit Parties, excluding certain specified assets such as aircraft and engines and the equity securities of certain specified entities. Any outstanding balance under this facility is immediately repayable if the Corporation undergoes a change in control without the lender's consent. It contains customary representations, warranties and covenants, including a covenant to maintain a minimum consolidated interest coverage ratio.

The facility bears interest for Canadian dollar advances at Canadian Prime plus 1.50% - 2.50% or CORRA plus a credit spread adjustment plus 2.50% - 3.50%, and for US dollar advances at Base Rate plus 1.50% - 2.50% or SOFR plus a credit spread adjustment plus 2.50% - 3.50%.

The trustees (collectively, the "**Trustees**") under the indentures for each of the Unsecured Debentures entered into, in their capacity as trustee for and on behalf of the holders of the relevant Unsecured Debentures, intercreditor agreements (the "**Intercreditor Agreements**") with The Bank of Nova Scotia, in its capacity as administrative agent for and on behalf of the lenders under the Operating Credit Facility. The Intercreditor Agreements provide, among other things, that following the occurrence of a default (as defined in the Intercreditor Agreements) which is continuing or upon an insolvency or liquidation proceeding (as defined in the Intercreditor Agreements) involving the Corporation, all obligations under the Operating Credit Facility shall first be paid in full before payments are made to holders of Unsecured Debentures under or pursuant to the applicable indenture and as such, to the extent that any amounts remain outstanding under the Operating Credit Facility after realization upon the applicable security, any

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proceeds received by the Trustees on behalf of the holders of Unsecured Debentures may be required to be remitted to the administrative agent under the Operating Credit Facility until all amounts due under the Operating Credit Facility are paid in full. Copies of the Intercreditor Agreements are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Bi-Lateral Credit Facility

Chorus has a bi-lateral credit facility which provides a revolving loan in an amount up to the lesser of (a) 50% of the current market value of certain aircraft pledged as security for the loan, and (b) \$50.0 million (the "**Bi-Lateral Credit Facility**"). Borrowings bear interest for Canadian dollar advances at Canadian Prime plus 2.50% or CORRA plus a credit spread adjustment plus 3.50%, and for US dollar advances at Base Rate plus 2.50% or SOFR plus a credit spread adjustment plus 3.50%. Borrowings are secured by the aircraft pledged as security together with the related leases and insurance proceeds. The loan agreement contains customary representations, warranties, covenants and events of default, and is cross-defaulted to any event of default under the Operating Credit Facility. The facility is available to use for general corporate purposes. On February 14, 2025, Chorus amended the Bi-Lateral Credit Facility to extend the maturity date to January 27, 2028.

Total scheduled principal payments on long-term debt on March 31, 2025 for continuing operations are as follows:

| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | \$ |
|---|---------|
| No later than one year | 66,169 |
| Later than one year and no later than five years | 273,903 |
| Later than five years | 62,915 |
| | 402,987 |

Covenant Default Risk

Chorus' debt agreements contain financial and non-financial covenants which if breached and not waived by the relevant lenders could result in the acceleration of indebtedness. To the extent that debt agreements are cross-defaulted, a default or acceleration under one agreement could cause a default or acceleration under another agreement.

As at March 31, 2025, Chorus' largest commercial lender held 80% of Chorus' consolidated long-term debt through the Jazz Group under aircraft loans. All Chorus loans contain customary events of default that may be triggered when any other financial indebtedness of the borrowers or guarantors thereunder (subject to prescribed thresholds) is in default or is declared due prior to its scheduled maturity. The foregoing is a general summary only and is qualified in its entirety by the specific terms and conditions of Chorus' loan agreements.

If Chorus were to default under any of its debt agreements, this could have a material adverse effect on Chorus' financial position, cash flows and prospects.

Interest Rate Risk

Chorus manages interest rate risk on a portfolio basis and seeks financing terms in individual arrangements that are most advantageous considering all relevant factors, including credit margin, term and basis. Chorus' risk management objective is to minimize the potential for changes in interest rates to cause adverse changes in cash flows.

As of March 31, 2025, the majority of Chorus' debt is not subject to interest rate volatility as it bears interest at fixed rates. Excluding revolving debt facilities, at March 31, 2025, 100.0% of Chorus' term debt was fixed rate debt.

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An interest rate change of 25 basis points would not have a material impact on annual net income as a result of Chorus' exposure to interest rate fluctuations on its floating rate debt.

Foreign Exchange Rate Risk

Chorus receives revenue and incurs expenses in US dollars and Canadian dollars. Chorus manages its economic exposure to currency risk by billing for its services within the CPA with Air Canada in the underlying currency related to the expenditure and matching the currency of debt for leased aircraft with the currency of the related lease rents.

Chorus converts its foreign currency monetary assets and liabilities, such as cash, accounts receivable, accounts payable, obligations under finance leases, long-term debt and intercompany loans at each balance sheet date, which gives rise to unrealized foreign exchange gains or losses.

The amount of US dollar denominated financial assets was \$92.3 million and US denominated financial liabilities was \$282.1 million at March 31, 2025. A 1¢ change in the US exchange rate would result in a change in the unrealized gain or loss of approximately \$1.9 million.

Equity Price Risk

Chorus has equity price risk exposure to Common Shares that it issues under its various stock-based compensation programs. To mitigate this risk, Chorus hedges the variability of its Common Share price effecting settlement under its various stock-based compensation programs with a Total Return Swap.

The current swap is for 708,571 Common Shares priced at \$20.22 per Common Share maturing in March 2026. Chorus does not apply hedge accounting to the Total Return Swap and as such, gains and losses arising from changes in its fair value are recognized in operating income in the period in which they arise. For additional information, please refer to notes 4(j) and 4(k), under the heading "Material Accounting Policies", of the audited consolidated financial statements of the Corporation for the year ended December 31, 2024.

Chorus recorded losses on the Total Return Swap as follows:

| | Three months ended March 31, | |
|---|------------------------------|-------|
| | 2025 | 2024 |
| <i>(unaudited)</i> <i>(in thousands of Canadian dollars)</i> | \$ | \$ |
| Income statement | | |
| Loss on Total Return Swap | 2,221 | 3,908 |

8 LIQUIDITY

Chorus' liquidity needs primarily relate to funding ongoing operations, planned capital expenditures, principal and interest payments related to long-term borrowings.

Chorus has a number of treasury management practices designed to ensure sufficient liquidity and continued access to capital including foreign exchange risk and interest rate risk.

As of March 31, 2025, Chorus' liquidity was \$265.3 million including cash of \$74.4 million, \$140.9 million of available credit under its Operating Credit Facility and \$50.0 million available under its Bi-Lateral Credit Facility.

On February 3, 2025, Chorus partially purchased for cancellation \$43.8 million aggregate principal amount of Series B Debentures and \$37.8 million aggregate principal amount of Series C Debentures which reduced cash by a further \$81.6 million. 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

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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.

During the quarter, Chorus' cash flow from continuing operations was an outflow of \$22.5 million. Other key changes during the quarter which decreased cash were as follows:

- A decrease in accounts payable of \$97.2 million partially due to the reduction in unearned revenue of \$58.9 million related to a prepayment in December 2024 for the January 2025 Controllable Cost Revenue;
- Scheduled debt repayments of \$22.9 million;
- Repurchase of shares under the NCIB of \$13.3 million; and
- Capital expenditures of \$6.4 million.

At March 31, 2025, the Controllable Cost Guardrail balance is a receivable of \$1.0 million.

Working Capital

Chorus' working capital is typically not a good measure of its liquidity due to the fact that current liabilities include the current portion of long-term debt, whereas current assets do not include the current portion of the long-term aircraft operating lease receivables as aircraft lease revenue is recorded as it is earned on a monthly basis.

Chorus' working capital surplus as reflected on the March 31, 2025 balance sheet was \$67.1 million (December 31, 2024 - \$30.7 million deficit). As at December 31, 2024, the Series B Debentures and Series C Debentures totaling \$157.5 million were classified as current debt as a result of the offers to purchase in accordance with the terms of the relevant indentures. On February 3, 2025, Chorus purchased for cancellation a total of \$81.6 million aggregate principal amount of Series B Debentures and Series C Debentures. The total Unsecured Debentures that remain outstanding of \$75.9 million was subsequently re-classified to long-term debt on February 3, 2025.

The current portion of contracted aircraft operating lease receivables for continuing operations as at March 31, 2025 is estimated to be approximately \$122.5 million converted to CAD at the March 31, 2025 rate of 1.4376. Normalized working capital adjusted for the current portion of estimated long-term aircraft operating lease receivables reflect a surplus of approximately \$189.5 million (refer to Section 23 - Caution Regarding Forward-Looking Information).

Leverage

Chorus' Leverage Ratio increased to 1.6 at March 31, 2025 from 1.4 at December 31, 2024. The increase was a result of additional cash held at December 31, 2024 due to a \$58.9 million prepayment of revenue related to January 2025 partially offset by an increase in the trailing 12-months Adjusted EBITDA for continuing operations of \$2.8 million (refer to Section 17 - Non-GAAP Financial Measures).

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Cash Flows

The following table provides information on Chorus' cash flows for the three months March 31, 2025 and March 31, 2024.

| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | Three months ended March 31, | |
|--|------------------------------|------------|
| | 2025 \$ | 2024 \$ |
| Cash (used in) provided by operating activities | (22,514) | 68,216 |
| Cash used in financing activities | (118,520) | (94,324) |
| Cash used in investing activities | (6,138) | (17,543) |
| Cash flow from operating, financing and investing activities | (147,172) | (43,651) |
| Effect of foreign exchange rate changes on cash | (693) | 724 |
| Net change in cash during the periods continuing operations | (147,865) | (42,927) |
| Net change in cash during the periods discontinued operations | — | 38,296 |
| Cash and restricted cash – Beginning of periods | 222,216 | 176,417 |
| Cash and restricted cash – End of periods continuing and discontinued operations | 74,351 | 171,786 |
| Less: cash and restricted cash - discontinuing operations end of period | — | 149,936 |
| Cash and restricted cash – End of periods continuing operations | 74,351 | 21,850 |

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

Cash (used in) provided by operating activities

Chorus had cash outflows from operating activities of \$22.5 million for the three months ended March 31, 2025, compared to cash inflows of \$68.2 million for the three months ended March 31, 2024. The quarter-over-quarter decrease was attributable to unearned revenue in 2024 related to a prepayment in December 2024 for the January 2025 Controllable Cost Revenue and a decrease in accounts payable primarily related to the payment of accrued transaction costs on the sale of RAL business partially offset by a decrease in the receivable from Air Canada. Cash from operating activities before net changes in non-cash balances related to operations was \$46.9 million compared to the three months ended March 31, 2024 of \$38.5 million, an increase of \$8.4 million primarily related to increased operating income.

Cash used in financing activities

Cash used in financing activities for the three months ended March 31, 2025 was \$118.5 million, comprised primarily of the repayment of the Series B Debentures and Series C Debentures of \$81.6 million, payments on long-term borrowings of \$22.9 million and repurchase of Common Shares under the NCIB of \$13.3 million.

Cash used in financing activities for the three months ended March 31, 2024 was \$94.3 million, comprised primarily of payments on long-term borrowings of \$40.4 million, net payment on the Operating Credit Facility of \$42.0 million;

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payment of dividends on the Preferred Shares of \$8.8 million and repurchase of Common Shares under the NCIB of \$1.9 million.

Cash used in investing activities

Cash used in investing activities for the three months ended March 31, 2025 was \$6.1 million, which includes capital expenditures of \$6.4 million for the reconfiguration costs on certain aircraft, as well as major maintenance overhauls and other capital expenditures.

Cash used in investing activities for the three months ended March 31, 2024 was \$17.5 million, which included capital expenditures of \$18.3 million for the purchase of one aircraft and reconfiguration costs on certain aircraft, as well as major maintenance overhauls and other capital expenditures.

Capital expenditures

The following table provides a breakdown of capital expenditures on a quarter-over-quarter basis.

| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | Three months ended March 31, | | |
|---|------------------------------|--|--------------|
| | 2025 \$ | 2024 \$ | Change \$ |
| Capital expenditures, excluding aircraft acquisitions | 3,171 | <i>(revised)</i> ⁽¹⁾ 3,037 | 134 |
| Capitalized major maintenance overhauls ⁽²⁾ | 3,218 | 4,768 | (1,550) |
| Aircraft acquisitions and improvements | — | 10,508 | (10,508) |
| Total capital expenditures | 6,389 | 18,313 | (11,924) |

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

(2) For the three months ended March 31, 2025 includes \$2.3 million of costs which form part of Controllable Costs (three months ended March 31, 2024 - \$3.8 million).

Commitments for capital expenditures

Chorus does not have any material commitments for capital expenditures.

Dividends on Common Shares

Chorus does not currently pay a dividend on its Common Shares. Chorus' Board of Directors may, at its discretion, determine to pay dividends on the Common Shares, after considering the Corporation's results of operations and financial condition and other factors as the directors of the Corporation consider appropriate from time to time, including compliance with the covenants contained in Chorus' debt agreements. The amount, timing and frequency of any such dividends is at the discretion of the Board. There can be no assurance that any dividends will be paid on the Common Shares.

For the three months ended March 31, 2025, the Corporation declared and paid \$nil in Preferred Share dividends (\$8.8 million declared and paid for the three months ended March 31, 2024).

9 RISK FACTORS

For detailed description of the possible risk factors associated with Chorus' business, including its dependence on the CPA, the aviation industry, and the Voyageur business refer to Section 7 - Capital Structure of this MD&A and the section entitled "Risk Factors" in Chorus' Annual Information Form dated February 19, 2025 (which is deemed incorporated into this MD&A).

Refer to Section 23 - Caution Regarding Forward-Looking Information.

10 ECONOMIC DEPENDENCE

Chorus and Air Canada are parties to the CPA under which Air Canada currently purchases substantially all of Jazz's fleet capacity on the Covered Aircraft. As Chorus derives a majority of its revenue from the CPA and is substantially dependent on the CPA (refer to Section 2 - About Chorus and note 20 of the audited consolidated financial statements of Chorus for the years ended December 31, 2024 and 2023).

11 CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with GAAP requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Significant judgement, estimate and assumption items include employee future benefits, depreciation and amortization of long-lived assets and impairment. These estimates are based on historical experience and management's best knowledge of current events and actions that Chorus may undertake in the future. By their nature, estimates and judgements may change in light of new facts and circumstances in the internal and external environment and actual results can differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period or in the period of revision and future periods if the revision affects both current and future periods.

12 CHANGES IN ACCOUNTING STANDARDS

The material accounting policies of Chorus are described in note 4 of the audited consolidated financial statements of Chorus for the years ended December 31, 2024 and 2023.

Accounting standards issued but not yet applied

IFRS 18 - Presentation and Disclosure in Financial Statements

The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. Chorus is currently evaluating the new standard for any potential impact on the consolidated financial statements.

13 OFF-BALANCE SHEET ARRANGEMENTS

Information regarding Chorus' off-balance sheet arrangements is disclosed in Section 9 of Chorus' annual MD&A dated February 19, 2025. There have been no material changes to Chorus' off-balance sheet arrangements from what was disclosed at that time.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities have been classified into categories that determine their basis of measurement and for items measured at fair value, whether changes in fair value are recognized in the statement of income or comprehensive income. Those categories are: fair value through profit or loss; fair value through other comprehensive income; and amortized cost. With the exception of the items noted below, all financial instruments have fair value that approximate carrying value due to their short-term nature.

Chorus' financial instruments consist of cash, accounts receivable, long-term defined benefit pension receivable, finance lease receivables, Total Return Swap, accounts payable and accrued liabilities, long-term incentive plan liability, long-term debt and lease liabilities.

The carrying amounts reported in the statement of financial position for cash, accounts receivable, and accounts payable and accrued liabilities approximate fair values based on the immediate or short-term maturities of these financial instruments. Assets and liabilities, such as commodity taxes and deferred lease inducements, that are not contractual and that arise as a result of statutory requirements imposed by governments, do not meet the definition of financial assets or financial liabilities and are therefore excluded. The methods and assumptions used in estimating the fair value of other financial assets and liabilities are as follows:

| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | As at March 31, 2025 | | As at December 31, 2024 | |
|---|----------------------|----------------|-------------------------|----------------|
| | Fair value | Carrying value | Fair value | Carrying value |
| | \$ | \$ | \$ | \$ |
| Accounts receivable | | | | |
| Total Return Swap ⁽¹⁾ | — | — | 3,220 | 3,220 |
| Finance lease receivables⁽²⁾ | 7,601 | 7,457 | — | — |
| Other long-term assets | | | | |
| Defined benefit pension receivable | 17,121 | 17,121 | 18,610 | 18,610 |
| Accounts payable and accrued liabilities | | | | |
| Total Return Swap ⁽¹⁾ | 1,169 | 1,169 | — | — |
| Long-term debt | | | | |
| Amortizing term loans ⁽³⁾ | 307,071 | 327,057 | 324,185 | 350,327 |
| Series B Debentures ⁽⁴⁾ | 28,744 | 28,727 | 73,145 | 72,500 |
| Series C Debentures ⁽⁴⁾ | 47,345 | 47,203 | 85,808 | 85,000 |

- (1) Fair value is estimated using valuation models that utilize market based observable inputs and is classified as level 2.
- (2) Fair value is calculated by discounting the future cash flow at the relevant market interest rate and is classified as level 2.
- (3) Fair value is calculated by discounting the future cash flow of the respective long-term debt at relevant market interest rates of similar debt instruments and is classified as level 2.
- (4) Fair value is calculated based on quoted prices observed in active markets and is classified as level 1.

15 RELATED PARTY TRANSACTIONS

As at March 31, 2025, Chorus had no transactions with related parties as defined in the CPA Canada Handbook, except those pertaining to transactions with key management personnel in the ordinary course of their employment or directorship arrangements or transactions that are otherwise not material.

16 CONTROLS AND PROCEDURES

Chorus' disclosure controls and procedures ("**DC&P**") have been designed to provide reasonable assurance that the relevant information is recorded, processed, summarized and reported to its President and Chief Executive Officer ("**CEO**"), its Chief Financial Officer ("**CFO**") and its Disclosure Policy committee in a timely basis to ensure appropriate and timely decisions are made regarding public disclosure.

The internal controls over financial reporting ("**ICFR**") have been designed by management, under the supervision of, and with the participation of the Corporation's CEO and CFO, to provide reasonable assurance of the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. In Chorus' filings for the year ended December 31, 2024, the Corporation's CEO and CFO certified, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design and operational effectiveness of both the DC&P and the ICFR.

In Chorus' filings for the three months ended March 31, 2025, the CEO and CFO also certified, as required by National Instrument 52-109, the appropriateness of the financial disclosures, the design of both the DC&P and the ICFR based on the framework established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO - 2013).

Due to inherent limitations, the ICFR and DC&P can only provide reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

There has been no change in Chorus' internal control over financial reporting that occurred during the first quarter of 2025 that has materially affected Chorus' ICFR.

The Audit, Finance and Risk Committee of the Board of Directors of Chorus reviewed this MD&A and the unaudited interim condensed consolidated financial statements of Chorus for March 31, 2025 and approved these documents prior to their release.

17 NON-GAAP FINANCIAL MEASURES

Chorus uses certain non-GAAP financial measures, non-GAAP financial ratios and capital management measures described below, to evaluate and assess performance. These non-GAAP measures are generally numerical measures of a company's 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.

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Adjusted Net Income, Adjusted EBT and Adjusted EBITDA

Chorus revised its definition of Adjusted Net Income in the first quarter of 2025 to no longer exclude employee separation program costs as Chorus considers this item to be a part of normal operations and it does not significantly effect comparability of its results.

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 lease liability related to aircraft, realized foreign exchange on intercompany loans, realized foreign exchange on the Preferred Shares, interest accretion on the Preferred Shares, impairment provisions, Defined Benefit Pension Revenue, strategic advisory fees and the applicable tax expense (recovery). 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 Chorus' 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 (refer to Section 23 - Caution Regarding Forward-Looking Information).

Chorus revised its definition of Adjusted EBT and Adjusted EBITDA in the first quarter of 2025 to no longer exclude employee separation program costs as Chorus considers this item to be a part of normal operations and does not significantly effect comparability of its results.

Adjusted EBT and Adjusted EBITDA should not be used as exclusive measures of cash flow because these measures do 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 impairment provisions, Defined Benefit Pension Revenue, interest accretion on the Preferred Shares, strategic advisory fees and other items such as foreign exchange gains and losses) is a 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 re-occur over the longer-term (such as impairment provisions, Defined Benefit Pension Revenue, interest accretion on the Preferred Shares and strategic advisory fees) as well as items that are non-cash in nature such as foreign exchange gains and losses.

EBITDA is defined as earnings before net interest expense, income taxes, depreciation and amortization and impairment 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 strategic advisory fees, impairment provisions, Defined Benefit Pension Revenue, interest accretion on the Preferred Shares 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 re-occur over the longer-term (such as impairment provisions, Defined Benefit Pension Revenue, interest accretion on the Preferred Shares, and strategic advisory fees) as well as 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.

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| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | Three months ended March 31, | | |
|---|------------------------------|--|---------------|
| | 2025 \$ | 2024 \$ | Change \$ |
| Net income | 18,933 | <i>(revised)</i> ⁽¹⁾ 12,310 | 6,623 |
| Less: Net income from discontinued operations, net of taxes | — | 6,900 | (6,900) |
| Net income from continuing operations | 18,933 | 5,410 | 13,523 |
| <i>Add (Deduct) items to get to Adjusted Net Income</i> | | | |
| Unrealized foreign exchange (gain) loss | (3,551) | 7,158 | (10,709) |
| | (3,551) | 7,158 | (10,709) |
| Adjusted Net Income | 15,382 | 12,568 | 2,814 |
| <i>Add (Deduct) items to get to Adjusted EBT</i> | | | |
| Income tax expense | 7,186 | 3,711 | 3,475 |
| Adjusted EBT | 22,568 | 16,279 | 6,289 |
| <i>Add (Deduct) items to get to Adjusted EBITDA</i> | | | |
| Net interest expense | 3,744 | 9,291 | (5,547) |
| Depreciation and amortization excluding impairment | 27,151 | 26,051 | 1,100 |
| Foreign exchange loss | 3,399 | 2,392 | 1,007 |
| Gain on disposal of property and equipment | (1) | — | (1) |
| | 34,293 | 37,734 | (3,441) |
| Adjusted EBITDA | 56,861 | 54,013 | 2,848 |

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

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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.

| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars, except per Share amounts)</i> | Three months ended March 31, | | |
|---|------------------------------|------------------------------------|--------------|
| | 2025 \$ | 2024 \$ | Change \$ |
| Adjusted Net Income from continuing operations | 15,382 | (revised) ⁽¹⁾ 12,568 | 2,814 |
| <i>Add (Deduct) items to get to Adjusted Earnings available to Common Shareholders</i> | | | |
| Preferred Share dividends declared | — | (8,848) | 8,848 |
| Adjusted Earnings available to Common Shareholders - continuing operations | 15,382 | 3,720 | 11,662 |
| Adjusted Earnings available to Common Shareholders per Common Share, basic - continuing operations | 0.57 | 0.13 | 0.44 |

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

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.

| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | March 31, 2025 \$ | December 31, 2024 \$ | Change \$ |
|---|----------------------|-------------------------------------|--------------|
| Long-term debt and lease liabilities (including current portion) | 418,437 | (revised) ⁽¹⁾ 516,379 | (97,942) |
| Less: | | | |
| Cash | (74,351) | (222,216) | 147,865 |
| Adjusted Net Debt | 344,086 | 294,163 | 49,923 |
| Adjusted EBITDA⁽¹⁾ | 211,885 | 209,037 | 2,848 |
| Leverage Ratio | 1.6 | 1.4 | 0.2 |

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

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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. Following the sale of the RAL business in December 2024, asset sales are no longer considered part of the ordinary course of Chorus' business. Therefore, net proceeds from asset sales are no longer included in Free Cash Flow.

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 March 31, | | |
|---|------------------------------|--|--------------|
| | 2025 \$ | 2024 \$ | Change \$ |
| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | | | |
| Cash (used in) provided by operating activities from continuing operations | (22,514) | 68,216 <i>(revised)⁽¹⁾</i> | (90,730) |
| Add (Deduct) | | | |
| Net changes in non-cash balances related to operations | 69,457 | (29,722) | 99,179 |
| Capital expenditures, excluding aircraft acquisitions | (3,171) | (3,037) | (134) |
| Capitalized major maintenance overhauls | (3,218) | (4,768) | 1,550 |
| Free Cash Flow | 40,554 | 30,689 | 9,865 |

- (1) The results of discontinued operations (RAL segment) have been excluded from prior period figures to conform to current period presentation. All amounts presented and discussed in this MD&A are from continuing operations unless otherwise noted.

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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, excluding the MOIC, divided by Average Shareholders' equity excluding non-controlling interest, Preferred Shares and cash.

| | Trailing 12-months ended | | |
|---|--------------------------|------------------------------------|--------------|
| | March 31, 2025 \$ | December 31, 2024 \$ | Change \$ |
| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | | | |
| Adjusted Net Income from continuing operations⁽¹⁾ | 47,261 | (revised) ⁽¹⁾ 44,447 | 2,814 |
| <i>Add (Deduct) items to get to Adjusted Earnings available to Common Shareholders</i> | | | |
| Preferred Share dividends declared, excluding MOIC ⁽²⁾ | (8,979) | (17,827) | 8,848 |
| Adjusted Earnings available to Common Shareholders⁽²⁾ | 38,282 | 26,620 | 11,662 |
| Average equity attributable to Common Shareholders excluding cash | | | |
| Average Shareholders' equity | 906,317 | 896,209 | 10,108 |
| <i>Add (Deduct) items to get to average equity attributable to Common Shareholders excluding cash</i> | | | |
| Average Non-controlling interest | (45,838) | (43,293) | (2,545) |
| Average Preferred Shares | (187,609) | (187,609) | — |
| Average Cash ⁽¹⁾ | (48,101) | (126,385) | 78,284 |
| | 624,769 | 538,922 | 85,847 |
| Adjusted Return on Equity⁽¹⁾ | 6.1% | 4.9% | 1.2% |

- (1) The results of discontinued operations (RAL segment) have been excluded from prior period figures to conform to current period presentation. All amounts presented and discussed in this MD&A are from continuing operations unless otherwise noted.
- (2) Adjusted Earnings available to Common Shareholders excludes the MOIC payment in December 2024 of \$91.2 million as the Preferred Shares were redeemed early due to the sale of the RAL business.

18 SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following table summarizes quarterly financial results and major operating statistics of Chorus for the previous eight quarters post-Share Consolidation.

| <i>(unaudited)</i> | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|--|------------|------------|------------|------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | | | | <i>(revised)⁽¹⁾</i> | <i>(revised)⁽¹⁾</i> | <i>(revised)⁽¹⁾</i> | <i>(revised)⁽¹⁾</i> |
| Chorus | | | | | | | | |
| Total revenue from continuing operations (\$000) | 348,129 | 353,155 | 341,987 | 351,218 | 358,594 | 354,628 | 377,898 | 327,454 |
| Net income (loss) from continuing operations (\$000) | 18,933 | (49,425) | 19,802 | 8,450 | 5,410 | 28,288 | 38,906 | 15,679 |
| Net income (loss) from discontinued operations (\$000) | — | 42,829 | (1,392) | (189,023) | 6,900 | 8,333 | (21,758) | 4,639 |
| Net income (loss) (\$000) | 18,933 | (6,596) | 18,410 | (180,573) | 12,310 | 36,621 | 17,148 | 20,318 |
| Adjusted Net Income from continuing operations ⁽¹⁾⁽²⁾ (\$000) | 15,382 | 9,342 | 11,697 | 10,840 | 12,568 | 10,238 | 14,835 | 10,698 |
| Adjusted EBITDA from continuing operations ⁽¹⁾⁽²⁾ (\$000) | 56,861 | 50,990 | 53,559 | 50,475 | 54,013 | 54,005 | 57,820 | 52,097 |
| Earnings (loss) available to Common Shareholders per Common Share, basic from continuing operations (\$) | 0.71 | (5.08) | 0.73 | (0.02) | (0.12) | 0.70 | 1.08 | 0.25 |
| Earnings (loss) available to Common Shareholders per Common Share, basic from discontinued operations (\$) | — | 1.53 | (0.01) | (6.86) | 0.12 | 0.21 | (0.80) | 0.12 |
| Earnings (loss) available to Common Shareholders per Common Share, basic (\$) | 0.71 | (3.55) | 0.72 | (6.88) | — | 0.91 | 0.28 | 0.37 |
| Earnings (loss) available to Common Shareholders per Common Share, diluted from continuing operations (\$) | 0.70 | (5.08) | 0.70 | (0.02) | (0.12) | 0.68 | 1.05 | 0.24 |
| Earnings (loss) available to Common Shareholders per Common Share, diluted from discontinued operations (\$) | — | 1.53 | — | (6.86) | 0.12 | 0.21 | (0.78) | 0.12 |
| Earnings (loss) available to Common Shareholders per Common Share, diluted (\$) | 0.70 | (3.55) | 0.70 | (6.88) | — | 0.89 | 0.27 | 0.36 |
| Adjusted Earnings available to Common Shareholders from continuing operations ⁽¹⁾⁽²⁾⁽³⁾ (\$000) | 15,382 | 9,342 | 11,697 | 1,861 | 3,720 | 1,298 | 6,036 | 1,882 |
| Adjusted Earnings available to Common Shareholders from continuing operations ⁽¹⁾⁽²⁾⁽³⁾ per Common Share - basic (\$) | 0.57 | 0.34 | 0.43 | 0.07 | 0.13 | 0.05 | 0.22 | 0.07 |
| FTE employees (end of period) | 4,345 | 4,308 | 4,503 | 4,573 | 4,501 | 4,454 | 4,704 | 4,730 |
| Number of aircraft (end of period) ⁽⁴⁾ | 135 | 135 | 152 | 153 | 140 | 140 | 142 | 145 |
| Average foreign exchange rates (USD-CAD) | 1.4350 | 1.3976 | 1.3640 | 1.3681 | 1.3483 | 1.3624 | 1.3407 | 1.3434 |
| Jazz | | | | | | | | |
| Departures | 32,516 | 33,202 | 37,827 | 37,104 | 34,599 | 35,151 | 39,936 | 39,807 |
| Block Hours | 51,066 | 51,340 | 58,387 | 56,209 | 52,981 | 52,698 | 62,941 | 62,724 |
| Billable Block Hours | 53,335 | 51,884 | 59,392 | 57,027 | 54,570 | 53,509 | 65,032 | 63,788 |

- (1) The results of discontinued operations (RAL segment) have been excluded from prior period figures to conform to current period presentation. All amounts presented and discussed in this MD&A are from continuing operations unless otherwise 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. Refer to Section 17 – Non-GAAP Financial Measures for further information, including the composition and use of such non-GAAP financial measures and ratios.
- (3) Adjusted Earnings available to Common Shareholders excludes the MOIC payment in December 2024 of \$91.2 million as the Preferred Shares were redeemed early due to the sale of the RAL business.
- (4) Excludes 12 Diamond aircraft operated by Cygnet and seven non-operational aircraft.

19 REVENUE

| <i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i> | Three months ended March 31, | | | |
|---|------------------------------|---|-----------------|--------------|
| | 2025 \$ | 2024 \$ | Change \$ | Change % |
| Controllable Cost Revenue | 209,667 | 228,448 <i>(revised)⁽¹⁾</i> | (18,781) | (8.2) |
| Pass-Through Revenue | 50,249 | 51,566 | (1,317) | (2.6) |
| | 259,916 | 280,014 | (20,098) | (7.2) |
| Fixed Margin | 15,060 | 15,320 | (260) | (1.7) |
| Incentive Revenue | 645 | 639 | 6 | 0.9 |
| Aircraft leasing under the CPA | 33,443 | 34,164 | (721) | (2.1) |
| Parts sales, contract flying, MRO and other revenue ⁽²⁾ | 39,065 | 28,457 | 10,608 | 37.3 |
| | 88,213 | 78,580 | 9,633 | 12.3 |
| Total Revenue | 348,129 | 358,594 | (10,465) | (2.9) |

- (1) The results of discontinued operations (RAL segment) have been excluded from prior period figures in accordance with IFRS 5 to conform to current period presentation. All amounts presented and discussed in this MD&A are from continuing operations unless otherwise noted.
- (2) Parts sales, contract flying, MRO and other includes Voyageur revenue of \$37.7 million for the three months ended March 2025 (\$27.2 million for the three months ended March 2024).

20 CONSOLIDATED STATEMENTS OF INCOME

| (unaudited) (expressed in thousands of Canadian dollars) | Three months ended March 31, | |
|---|------------------------------|--|
| | 2025 \$ | 2024 \$ (revised) ⁽¹⁾ |
| Operating revenue | 348,129 | 358,594 |
| Operating expenses | | |
| Salaries, wages and benefits | 125,795 | 126,374 |
| Depreciation, amortization and impairment | 27,151 | 26,051 |
| Aircraft maintenance materials, supplies and services | 86,046 | 96,910 |
| Airport and navigation fees | 34,867 | 33,735 |
| Terminal handling services | 2,761 | 4,834 |
| Other | 41,799 | 42,728 |
| | 318,419 | 330,632 |
| Operating income | 29,710 | 27,962 |
| Non-operating (expenses) income | | |
| Interest revenue | 1,695 | 734 |
| Interest expense | (5,439) | (10,025) |
| Gain on disposal of property and equipment | 1 | — |
| Foreign exchange gain (loss) | 152 | (9,550) |
| | (3,591) | (18,841) |
| Income before income taxes | 26,119 | 9,121 |
| Income tax (expense) recovery | | |
| Current income tax | (5,977) | (5,109) |
| Deferred income tax | (1,209) | 1,398 |
| | (7,186) | (3,711) |
| Net income from continuing operations | 18,933 | 5,410 |
| Net income from discontinued operations, net of taxes | — | 6,900 |
| Net income | 18,933 | 12,310 |
| Net income attributable to non-controlling interest | — | 3,491 |
| Net income attributable to shareholders | 18,933 | 8,819 |

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

21 ADDITIONAL INFORMATION

Additional information relating to Chorus, including Chorus' Annual Information Form, is available on SEDAR+ or on Chorus' website under "Reports".

22 GLOSSARY OF TERMS

This glossary of terms provides definitions for certain capitalized terms that are used but may not otherwise be defined in this MD&A.

"2015 CPA" means the amended and restated capacity purchase agreement effective January 1, 2015, between Air Canada and Jazz, as amended;

"2019 CPA Amendments" means the amendments to, including the extension of the term of, the 2015 CPA described in the Corporation's Material Change Report dated January 24, 2019;

"2021 CPA Amendments" means the amendments to the 2015 CPA (as amended by the 2019 CPA Amendments) described in the Corporation's Material Change Report dated March 19, 2021;

"2022 Warrants" means the 18,642,772 warrants (currently held by Brookfield) to purchase one-seventh of a Common Share for an exercise price of \$32.20 per Common Share expiring on May 3, 2029. A copy of the indenture relating to the 2022 Warrants is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca;

"Bi-Lateral Credit Facility" has the meaning given in this MD&A under the heading "Capital Structure - Long-term debt – Bi-Lateral Credit Facility";

"Billable Block Hours" mean actual Block Hours flown and Block Hours related to weather and air traffic control cancellations, and commercial cancellations and commercial ferry flights, under the CPA;

"Block Hours" mean the number of minutes elapsing from the time the chocks are removed from the wheels of an aircraft until the chocks are next again returned to the wheels of the aircraft, divided by 60;

"Brookfield" means BSI Dragonfly Holdings LP;

"CAC" means CACC and its subsidiaries (excluding Jazz Leasing);

"CACC" means Chorus Aviation Capital Corp. (formerly, Chorus Aviation Holdings Inc.), a corporation incorporated under the *Canada Business Corporations Act* on November 28, 2013. CACC is a subsidiary of the Corporation;

"CAD" means Canadian dollars;

"Chorus" means, as the context may require, the Corporation and its current and former subsidiaries;

"Common Shareholders" means holders of Common Shares (excluding for the avoidance of doubt, the holders of Preferred Shares);

"Common Shares" means the Class B Voting Shares and Class A Variable Voting Shares in the capital of the Corporation;

"Controllable Costs" means for any period, all costs and expenses incurred and paid by Jazz under the CPA other than Pass-Through Costs;

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“**Corporation**” means Chorus Aviation Inc., a corporation incorporated under the *Canada Business Corporations Act* on September 27, 2010;

“**CORRA**” means Canadian Overnight Repo Rate Average;

“**Covered Aircraft**” means the aircraft whose capacity Air Canada purchases from Jazz under the CPA;

“**CPA**” means the 2015 CPA as extended, supplemented or amended from time to time, including by the 2019 CPA Amendments and the 2021 CPA Amendments;

“**CPA Canada Handbook**” means the Chartered Professional Accountants of Canada Handbook - Accounting - Part 1, which incorporates IFRS as issued by the IASB;

“**Credit Parties**” means the Corporation and certain designated subsidiaries including CACC, Jazz and Voyager;

“**CRJ200**” and “**CRJ900**” means, respectively, Bombardier CRJ 200 and CRJ 900 regional jet aircraft, and “**CRJ aircraft**” means all of the foregoing;

“**Cygnnet**” means Cygnnet Aviation Academy LP, a limited partnership established under the laws of the Province of Ontario on September 1, 2022. Cygnnet is a subsidiary of the Corporation;

“**Dash 8-100**”, “**Dash 8-300**” and “**Dash 8-400**” means, respectively, Bombardier or De Havilland Dash 8-100, Dash 8-300 and Dash 8-400 turboprop aircraft, and “**Dash Aircraft**” means all of the foregoing;

“**Departure**” means one take off of an aircraft;

“**E175**” means Embraer E175 aircraft;

“**EBITDA**” means earnings before net interest expense, income taxes, depreciation, amortization and impairment (refer to Section 17 – Non-GAAP Financial Measures for further information);

“**EBT**” means earnings before income tax;

“**Falko**” means Falko Regional Aircraft Limited, a private limited company incorporated under the Companies Act 2006 (U.K.) on May 23, 2011, together with its subsidiaries and, where the context requires, includes the equity interests in certain aircraft and investment funds managed by Falko Regional Aircraft Limited and its affiliates. Falko Regional Aircraft Limited ceased to be a subsidiary of the Corporation upon the completion of the Transaction on December 6, 2024;

“**FIL**” means Falko (Ireland) Limited (formerly Chorus Aviation Capital (Ireland) Limited) a private company limited by shares incorporated under the *Companies Act 2014* (Ireland) on March 15, 2017 and, where the context requires, includes its subsidiaries. Falko (Ireland) Limited ceased to be a subsidiary of the Corporation upon the completion of the Transaction on December 6, 2024;

“**Fixed Margin**” means the fixed fee under the CPA that, is paid to Jazz by Air Canada for the operation of the Covered Aircraft under the CPA;

“**Free Cash Flow**” means 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; (refer to Section 17 - Non-GAAP Financial Measures for further information);

“**FTE**” means full-time equivalents in respect of employee staffing levels;

“**GAAP**” means generally accepted accounting principles in Canada after the adoption of IFRS;

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“**IASB**” means the International Accounting Standards Board;

“**IFRS**” means International Financial Reporting Standards;

“**Jazz**” means Jazz Aviation LP, a limited partnership established under the laws of the Province of Ontario on November 18, 2010. Jazz is a subsidiary of the Corporation;

“**Jazz Leasing**” means Jazz Leasing Inc., the successor by amalgamation to Jazz Leasing Inc. and Jazz Aircraft Financing Inc. under the *Canada Business Corporations Act* on December 31, 2016. Jazz Leasing is a subsidiary of the Corporation;

“**King Air 200**” means Beechcraft King Air 200 turboprop aircraft;

“**King Air 350**” means Beechcraft King Air 350 turboprop aircraft;

“**Leverage Ratio**” means net debt to trailing 12-month Adjusted EBITDA (refer to Section 17 - Non-GAAP Financial Measures for further information);

“**MD&A**” means Chorus’ management’s discussion and analysis of results of operations and financial condition;

“**MOIC**” means the multiple on invested capital payable by the Corporation upon the redemption of the Preferred Shares;

“**MRO**” means maintenance, repair and overhaul;

“**Operating Credit Facility**” means the committed operating credit facility provided pursuant to the Third Amended and Restated Credit Agreement dated March 4, 2024 (as same may be amended from time to time) between the Corporation as borrower, The Bank of Nova Scotia as sole lead arranger, bookrunner, administrative agent and issuing bank, and the lenders from time to time parties thereto;

“**Pass-Through Costs**” means costs incurred directly by Jazz that are passed-through to Air Canada and fully reimbursed under the CPA;

“**Pass-Through Revenue**” means revenue received by Jazz under the CPA in payment of Pass-Through Costs;

“**Performance Incentives**” mean compensation to Jazz, under the CPA, for achieving established performance targets, being: controllable on-time performance, controllable flight completion, passengers arriving with luggage and customer service;

“**Preferred Shares**” means the series of preferred shares in the capital of the Corporation designated as “Series 1 Preferred Shares”;

“**RAL business**” means the business carried on by the RAL segment (refer to the Transaction);

“**RAL segment**” means the Regional Aircraft Leasing segment which consisted of CAC and all of its subsidiaries, including Falko and FIL and the asset management and aircraft leasing businesses carried on by those entities as well as Chorus’ interests in aircraft investment funds which were managed by Falko (refer to the Transaction);

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval;

“**Series A Debentures**” means the 5.75% senior unsecured debentures of the Corporation due December 31, 2024 which traded on the TSX under the symbol CHR.DB.A prior to their repayment;

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“**Series B Debentures**” means the 6.00% convertible senior unsecured debentures of the Corporation due June 30, 2026 which trade on the TSX under the symbol CHR.DB.B;

“**Series C Debentures**” means the 5.75% senior unsecured debentures of the Corporation due June 30, 2027 which trade on the TSX under the symbol CHR.DB.C;

“**Share Consolidation**” means the consolidation of the Common Shares on the basis of seven pre-consolidation Common Shares for one post-consolidation Common Share effective February 5, 2025 (with trading on the TSX commencing on a post-consolidation basis on February 10, 2025);

“**Shareholders**” means holders of Common Shares and Preferred Shares;

“**SOFR**” means the secured overnight financing rate;

“**SPA**” means the sale and purchase agreement entered into by the Corporation and CACC, as sellers, on July 30, 2024 to sell the assets comprising the Corporation’s RAL segment;

“**Total Return Swap**” means the equity derivative contract entered into by the Corporation relating to its stock-based compensation programs;

“**Transaction**” means the sale, pursuant to the SPA, of (i) all of the limited partnership interests in Chorus Aviation Investment Holdings LP held by the Corporation, (ii) all of the shares in Chorus Aviation Leasing Inc. held by CACC, and (iii) all of the shares in Chorus Aviation Holdings GP Inc. held by the Corporation;

“**Trustees**” has the meaning given in this MD&A under the heading “Long-term debt – Loan facilities – Operating Credit Facility”;

“**TSX**” means the Toronto Stock Exchange;

“**Unsecured Debentures**” means the Series B Debentures and the Series C Debentures; and

“**Voyageur**” means Voyageur Aviation Corp., the successor by amalgamation to Voyageur Aviation Corp., Voyageur Airways Limited, Voyageur Aerotech Inc., Voyageur Avparts Inc., Chorus Holdings II Inc., and North Bay Leasing Inc. under the *Business Corporations Act* (Ontario) on January 1, 2019. Voyageur is a subsidiary of the Corporation;

23 CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A 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 MD&A will prove to be accurate or correct.

Examples of forward-looking information in this MD&A 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 with contractual counterparties (including under the CPA); a deterioration in Air Canada’s financial condition; any default by Chorus under debt covenants; asset impairments; changes in law; litigation; the imposition of tariffs on Canadian

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exports or imports or adverse changes to existing trade agreements and/or relationships; and the risk factors in this MD&A, in the Corporation's Annual Information Form dated February 19, 2025, and in the Corporation's public disclosure record available under its profile on SEDAR+ at www.sedarplus.ca.

The forward-looking information contained in this MD&A represents the Corporation's expectations as of the date of this MD&A (or as of the date they are otherwise stated to be made) and is subject to change after such date. The Corporation 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.