AIR CANADA

Investor Presentation

May 26th, 2020

Information Related to Offering and Financial Measures

Important Notice to Prospective Investors in Class A Variable Voting Shares and Class B Voting Shares of Air Canada (collectively, the “Shares”):

A preliminary prospectus dated May 26, 2020 (the “Prospectus”) containing important information relating to the Shares described in this presentation has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the Prospectus, and any amendment, that has been filed is required to be delivered with this presentation. The Prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the Shares until a receipt for the final prospectus has been issued. This presentation does not provide full disclosure of all material facts relating to the offered Shares. Investors should read the Prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the offered Shares, before making an investment decision. This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in the Prospectus and the documents incorporated by reference therein. Prospective investors in the Shares should rely only on the information contained in the Prospectus and the documents incorporated by reference therein. The Prospectus, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference therein, constitutes a public offering of the Shares only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Shares.

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This presentation is qualified in its entirety by the information contained in the Offering Memorandum. Prospective investors in the Notes should rely only on the information contained in the Offering Memorandum. Air Canada or any joint book-running manager participating in the offering of the Notes will arrange to send prospective investors in the Notes the Offering Memorandum upon requested. This presentation does not purport to be comprehensive or to contain all the information that a prospective investor in the Notes may need in order to evaluate the transaction or entities described herein. No representation or warranty, express or implied, is given and, so far as is permitted by law and no responsibility or liability is accepted by any person, with respect to the accuracy, fairness or completeness of the presentation or its contents or any oral or written communication in connection with the offering of Notes described herein.

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This presentation also includes certain non-GAAP financial measures used by Air Canada to provide readers with additional information on its financial and operating performance. Such measures are not recognized measures 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. Readers are advised to review the sections entitled Non-GAAP Financial Measures in Air Canada’s 2019 Annual MD&A for a further discussion of such non-GAAP measures and to the Appendix to this presentation for a reconciliation of such measures to Canadian GAAP.

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This presentation, and any discussion during or following this presentation, includes “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. Forward-looking statements contained or discussed during this presentation may be based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to guidance, strategies, expectations, planned operations or future actions. Forward-looking statements are identified using terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. All statements other than statements of historical facts included in this presentation may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, among others, statements pertaining to:

- Air Canada’s outlook, goals, expectations, and projected results of operations, including factors and assumptions underlying Air Canada’s projections, in particular regarding the impacts of the COVID-19 pandemic;
- Air Canada’s workforce and its capacity plans and expectations, including factors and assumptions underlying its plans and expectations, in particular regarding the impacts of the COVID-19 pandemic;
- Air Canada’s expectations with respect to net cash burn, capital expenditures and liquidity, including its ability to meet its ongoing capital, operating, and other obligations, and anticipated needs for, and sources of, funds;
- the anticipated completion of the Shares offering and the offering of the Notes;
- the use of proceeds from the Shares offering and the offering of the Notes; and
- Air Canada’s assessment of market risks.

Forward-looking statements, by their nature, are based on assumptions, including those described in this presentation, the Prospectus and the Offering Memorandum, as applicable, and the documents incorporated by reference therein and are subject to important risks and uncertainties. Notably, Air Canada’s expectations with respect to net cash burn are subject to current rate assumptions regarding its ability to implement its cost reduction programs discussed in the Prospectus and the Offering Memorandum and the documents incorporated by reference therein and rates of ticket refunds (including as a result of any government orders and court challenges relating to same). Forward-looking statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business of Air Canada. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including those discussed below.

Air Canada, along with the rest of the global airline industry, is facing a severe and abrupt drop in traffic and a corresponding decline in revenue as a result of the coronavirus (“COVID-19”) pandemic and the travel restrictions imposed in many countries around the world, including Canada and the United States. The impact of the COVID-19 pandemic began to be felt in traffic and sales figures commencing in early March 2020. These impacts include drastic declines in earnings and cash flow from operations. There is very limited visibility on travel demand given government restrictions in place; these restrictions and concerns about travel due to the COVID-19 virus and passenger expectations about the need for certain precautions, such as physical distancing, are severely inhibiting demand. Air Canada cannot predict the full impact or the timing for when conditions may improve, but believes that the impact of the COVID-19 pandemic will last at least three years. Air Canada is actively monitoring the situation and will respond as the impact of the COVID-19 pandemic evolves, which will depend on a number of factors including the course of the virus, government actions, and passenger reaction, none of which can be predicted with any degree of certainty.

Other factors which may cause results to differ materially from results indicated in forward-looking statements include Air Canada’s ability to successfully achieve or sustain positive net profitability, economic and geopolitical conditions, the timing and conditions of the return to service of Boeing 737 MAX aircraft in Air Canada’s fleet (including the introduction of those on order and the management of Air Canada’s fleet and operations until their return to service or introduction), industry and market conditions and the demand environment, competition, energy prices, Air Canada’s dependence on technology, Air Canada’s ability to successfully implement appropriate strategic and other important initiatives (including Air Canada’s ability to reduce operating costs), the successful completion of the offerings of securities described herein, cybersecurity risks, war, terrorist acts, other epidemic diseases, Air Canada’s dependence on key suppliers, casualty losses, changes in laws, regulatory developments or proceedings, Air Canada’s ability to successfully launch and operate Air Canada’s new loyalty program, climate change and environmental factors (including weather systems and other natural phenomena and factors arising from man-made sources), interruptions of service, Air Canada’s dependence on regional and other carriers, Air Canada’s ability to preserve and grow Air Canada’s brand, employee and labour relations and costs, Air Canada’s dependence on Star Alliance and joint ventures, limitations due to restrictive covenants, Air Canada’s ability to pay Air Canada’s indebtedness and maintain liquidity, pending and future litigation and actions by third parties, currency exchange, pension plans, Air Canada’s ability to attract and retain required personnel, insurance issues and costs, as well as the factors identified in Air Canada’s public disclosure filings available at www.sedar.com and, in particular, those identified in section 14 “Risk Factors” of Air Canada’s First Quarter 2020 MD&A and section 20 “Risk Factors” of Air Canada’s 2019 Annual MD&A. Furthermore, the acquisition of Transat A.T. Inc. is subject to regulatory approvals and certain conditions, and there are no assurances that the acquisition will be completed as described in Air Canada’s 2019 Annual MD&A or at all. The forward-looking statements contained in this presentation represent Air Canada's expectations as of the date of this presentation (or as of the date they are otherwise stated to be made) and are subject to change after such date. However, Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether because of new information, future events or otherwise, except as required under applicable securities regulations. References to "C$" or "CAD" refer to the legal currency of Canada; references to "US$" refer to the legal currency of the United States.

Transaction Overview

Executive Summary

- In 2019, Air Canada (the "Company") was Canada's largest domestic, U.S. transborder and international airline and the largest provider of scheduled passenger services in the Canadian market, the Canada-U.S. transborder market and the international market to and from Canada
  - Strong position in core and international markets
  - Track record of capitalizing on international network with a disciplined approach to growth
  - Heightened focus on balance sheet and downturn resilience
- In 2019, the Company (with Air Canada Express regional partners) carried 51.5 million passengers and operated an average of 1,531 daily flights
- At the end of 2019, the Company served 217 direct destinations on six continents
  - As of March 31, 2020, the Company's aircraft fleet (including regional carriers) was comprised of 406 aircraft
- The Company is seeking to raise ~C$1.1B
  - C$500M of Common Shares
  - US$400M aggregate principal amount of Convertible Senior Notes due 2025
- Pro forma for the offering proceeds, the Company will have approximately C$9.2B of liquidity[1]

(1) Includes C$1.6B of financing proceeds raised in April 2020 and assumes proceeds of C$1.1B from the contemplated offering of Shares and Notes. Liquidity as used in this presentation refers to "unrestricted liquidity", and is defined as cash, cash equivalents and available amounts under the Company's credit facilities

Common Share and Convertible Offering Details

	Common Share Offering (“Shares”)	Convertible Debenture Offering (“Notes”)
Security	Class A Variable Voting Shares and/or Class B Voting Shares of the Company	Convertible Senior Unsecured Notes
Launch Size	C$500M	US$400M
Over-Allotment Option	15%	15%
Issue Currency	C$	US$
Coupon	–	4.50% - 5.00%
Conversion Premium	–	25% - 30%
Call Feature	–	Non-call life
Maturity	–	July 1, 2025 (5 years)
Form of Offering	Marketed public offering in Canada by way of a short-form prospectus. Private placement in the U.S. via Rule 144A	Marketed private placement in Canada to accredited investors. Private offering in the U.S. via Rule 144A
Lock-up	90 days	90 days
Anticipated Pricing Date	May 27, 2020 post close	May 27, 2020 post close
Anticipated Closing Date	June 2, 2020	June 2, 2020

Today’s Presenter

Michael Rousseau
Deputy Chief Executive Officer
& Chief Financial Officer

Recent Developments

Latest Update

Reaction to COVID-19 and Other Recent Developments

- Reacted quickly to the severity and abrupt impact of the COVID-19 pandemic, taking numerous measures to help preserve liquidity including:
  - Raised over C$2.6B of liquidity since March 16, 2020 from drawing down on credit lines and completing other financings
  - Reducing close-in capacity by more than 90%
  - Achieved over C$1B of cost reduction and capital reduction/deferral, additional reductions/deferrals expected
  - Accelerating the retirement of 79 older aircraft from fleet
  - Adopted the Canada Emergency Wage Subsidy (CEWS) for most of its workforce which allowed it to return previously furloughed Canadian-based employees to its payroll for the March 15 to June 6, 2020 period
  - On May 15, 2020, announced 50% to 60% reduction of workforce effective June 7, 2020
  - On May 15, 2020, the Canadian government announced it would extend CEWS to August 29, 2020; Air Canada expects to maintain CEWS following June 7, 2020 for active employees and employees on furlough
- To assist with global requirements of goods and personal protective equipment during COVID-19, operated more than 500 all-cargo international flights since March 22, 2020 and expect approximately 150 per week for remainder of Q2 2020
- Air Canada experienced a net cash burn[1] of approximately C$688M (net of C$255M in debt maturity) in March 2020, or approximately C$22M per day
  - Expected daily net cash burn to improve modestly in second quarter, driven by reduction in net refund activity, initiatives in place to reduce overall cash expenses and other obligations, and CEWS
- Transat acquisition is subject to regulatory approvals and closing conditions

Key Q1 2020 Financials

- **Adj. Net Loss[2]:** C$(392)M
- **Operating Loss:** C$(433)M
- **Liquidity:** C$6.5B
- **PF Liquidity:** C$9.2B[3]
- **Unencumbered Asset Pool[4]:** C$2.6B
- **Net Debt:** C$4.2B[5]

(1) Net cash burn is calculated based on the total change in cash and short and long term investments, which mainly includes cash flows from operating activities, capital expenditures and ongoing scheduled debt repayments, but excluding a lump-sum debt maturity of C$255 million made in March 2020 related to a 2015 enhanced equipment trust certificate financing (EETC), and is before the proceeds from new borrowings
(2) Adjusted Net Income (Loss) is a non-GAAP measure. Readers are advised to review the section entitled Non-GAAP Financial Measures in Air Canada's Q1 2020 MD&A for a further discussion of this non-GAAP measure and to the Appendix to this presentation for a reconciliation of this measure to Canadian GAAP
(3) Includes C$1.6B of financing proceeds raised in April 2020 and assumes proceeds of C$1.1B from the contemplated offerings of Shares and Notes
(4) Includes C$0.9B of aircraft and excludes the value of Aeroplan and Air Canada Vacations; After completion of April 2020 financings (US$600M and C$788M), including the 18 Airbus A220 aircraft financed by the April 2020 bridge financing
(5) Unadjusted for the contemplated offering of Shares and Notes; Includes draw down on US$600M and C$200M revolving credit facilities made in April 2020

Decisive Actions Underway to Protect Financial Foundation

Capacity Reduction

- Reduced second quarter 2020 capacity by approximately 85% to 90% compared to second quarter 2019
- Third quarter 2020 capacity is expected to be reduced by approximately 75% compared to the third quarter of 2019

Expense Management

- Initiated a company-wide cost reduction and capital reduction and deferral program which has reached approximately C$1.050B, from an initial target of C$500M
- Accelerating the retirement of 79 older aircraft from its fleet – Boeing 767, Airbus A319 and Embraer 190 aircraft, with the Embraer aircraft exiting the fleet immediately
- Announced 50% to 60% reduction of workforce effective June 7, 2020, estimating that approximately 20,000 employees will be laid-off
- Reduced salaries for Senior Executives, Board Members and Management
- Suspended share repurchase program

Capex Reduction

- Capex for the remainder of 2020 downsized to C$1.5B
  - Includes 18 Airbus A220 aircraft which have been financed initially with the bridge financing of C$788M concluded in late April 2020
- 65% of C$1.050B cost reduction plan driven by capex reductions and deferment

Update on Government Support

Canada Emergency Wage Subsidy ("CEWS")

- Canada Emergency Wage Subsidy provides a subsidy of employee wages
- Initial eligible period from March 15 – June 6, 2020
  - 75% of employee wage paid by the Canadian government during the eligible period, up to C$847 per week per employee
- On May 15, 2020, the Canadian government announced it would extend CEWS to August 29, 2020
  - Air Canada expects to maintain CEWS following June 7, 2020 for active employees and employees on furlough

Large Employer Emergency Financing Facility ("LEEFF")

- On May 11, 2020, the Canadian government announced the establishment of the Large Employer Emergency Financing Facility, with certain additional details provided on May 20, 2020
- While details and application of terms for Air Canada have yet to be determined, as announced:
  - Loans will be advanced in tranches over 12 months
  - 80% of loan in the form of a 5-year unsecured facility with 5% interest in year 1, 8% in year 2, and increasing by 2% per annum thereafter[1]
  - 20% of loan in the form of a secured facility, with interest rate and term based on that of the borrower's existing secured debt
  - For publicly-listed companies, issuance of warrants representing 15% of principal amount of loans
  - Borrowers will be subject to certain covenants including protecting pensions, performing collective bargaining agreements, and publishing climate related financial disclosure
  - Borrowers will be subject to restrictions on dividends, capital distributions and share repurchases, and certain executive compensation restrictions
  - Government may appoint observer to borrower's Board
- Air Canada has not applied for financing under the LEEFF program, and application of the above terms and any specific terms for Air Canada are not clear
- No assurance that government financial assistance will be made available, on terms acceptable to Air Canada, or at all

(1) Interest may be paid in-kind for the first two years of the loan

Strengthening Air Canada's Liquidity Position

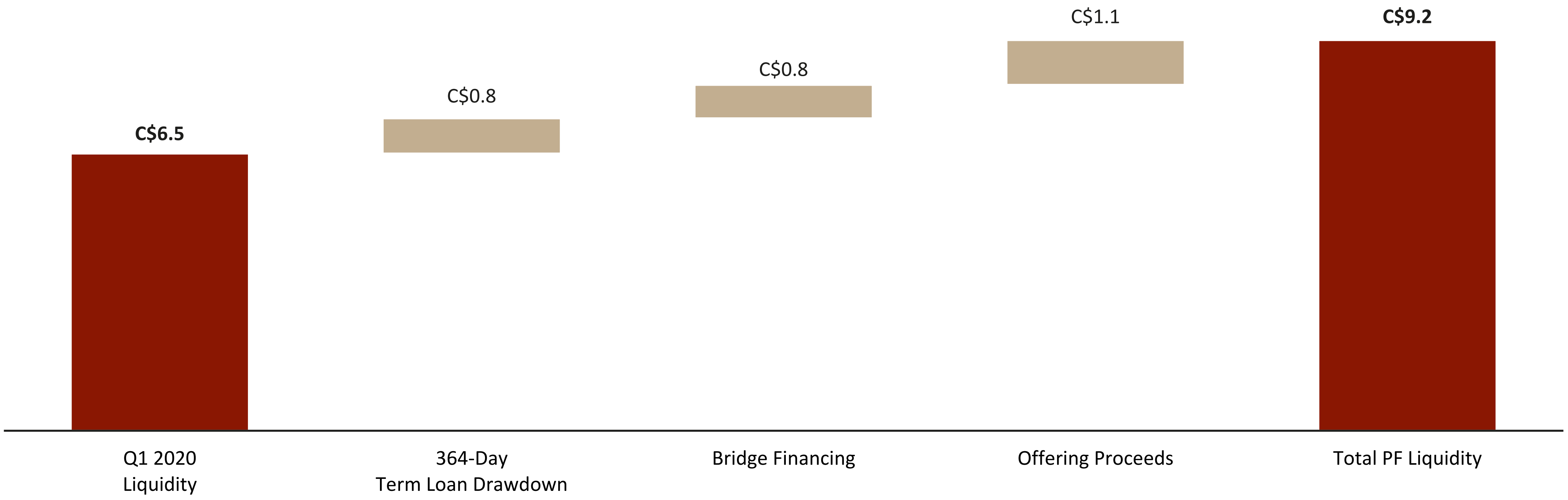
- ✓ Total liquidity including the current offerings represents 48% of 2019 revenue
  - C$1.050B company-wide cost reduction and capital reduction and deferral program
  - Drew down US$600M and C$200M revolving credit facilities for aggregate net proceeds of C$1.027B
  - In April 2020, entered into a 364-day term loan in the amount of US$600M, secured by aircraft and spare engines, for net proceeds of C$829M
  - In late April 2020, concluded a bridge financing of C$788M, which may be used for working capital or general corporate purposes and is being used to finance 18 Airbus A220 aircraft
- ✓ Current unencumbered assets are valued at approximately C$2.6B[1], excluding the value of Aeroplan and Air Canada Vacations
- ✓ Air Canada is refunding refundable fares according to their terms and is offering a future travel credit to customers holding non-refundable tickets. Of the approximately C$2.6B in advance ticket sales at the end of the first quarter, approximately 15% were sold on refundable fare types
  - The total value of cash refunds in April 2020, excluding taxes and related fees, totaled C$142M

Note: Liquidity as used in this presentation refers to "unrestricted liquidity", and is defined as cash, cash equivalents and available amounts under the Company's credit facilities

(1) Includes C$0.9B of aircraft and excludes the value of Aeroplan and Air Canada Vacations; After completion of April 2020 financings (US$600M and C$788M), including the 18 Airbus A220 aircraft financed by the April 2020 bridge financing

Air Canada has Prudently Managed its Liquidity Position

Total Pro Forma Unrestricted Liquidity (C$B)

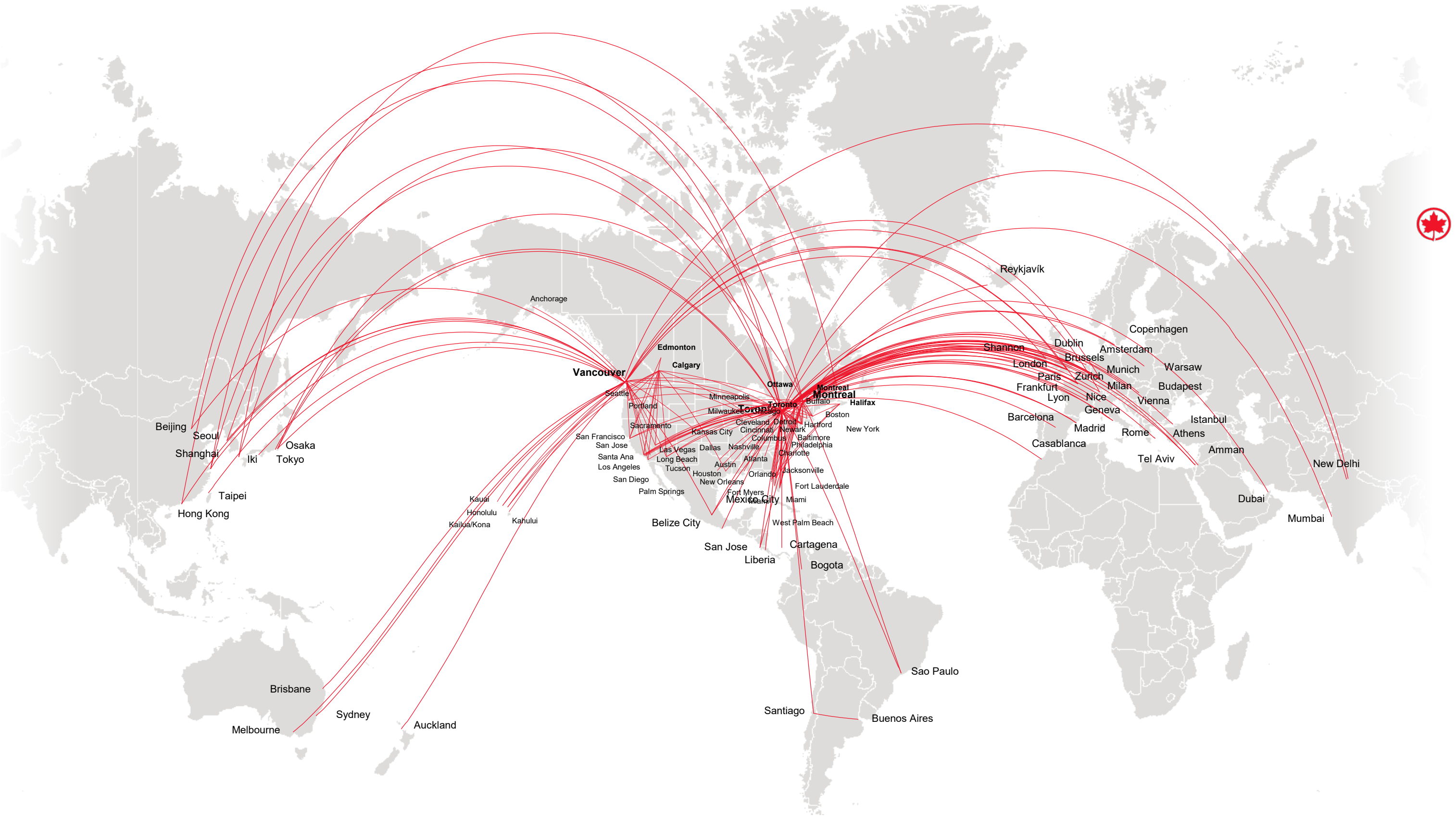


Note: Liquidity as used in this presentation refers to "unrestricted liquidity", and is defined as cash, cash equivalents and available amounts under the Company's credit facilities

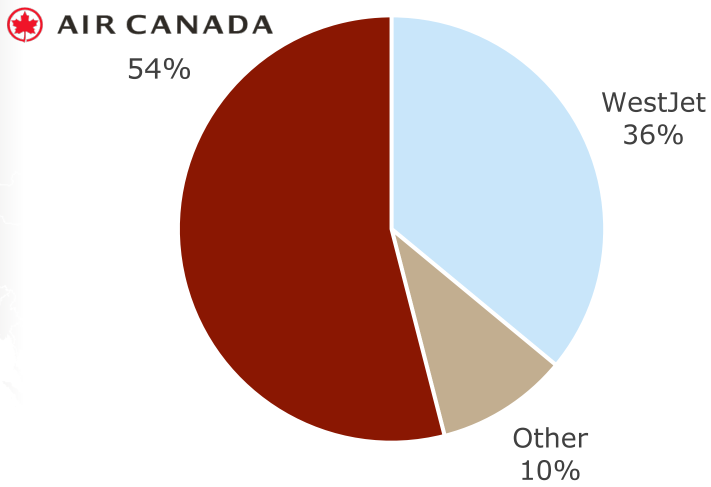
Company Overview

Leading Airline in the Canadian Market

The Air Canada Network



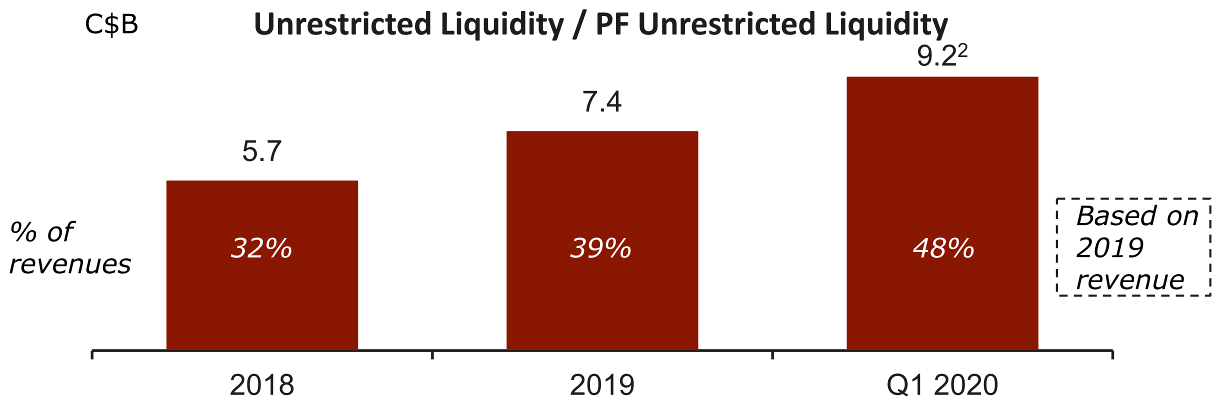
Domestic Scheduled Capacity Market Share



Note: Based on 2019 data
Source: 2019 Annual Information Form and other public information

Strong Balance Sheet Positions Air Canada Well for Current Challenge

Entered the Crisis with One of the Strongest Balance Sheets in Air Canada's History



- ✓ **Net leverage ratio lowered** from 1.6[1] as of December 31, 2018 **to 0.8[1] as of December 31, 2019**
- ✓ **Average cost of debt and lease liabilities of 5.0%** at December 31, 2019
- ✓ **Average cost of capital of 7.0%**, 850 basis points lower than ROIC of 15.5%[1] at December 31, 2019
- ✓ **Built up collateral by purchasing new aircraft**
- ✓ **Currently C$2.6B of unencumbered assets**
- ✓ Unrestricted liquidity of **C$9.2B**[2]

PF Liquidity[3] as % of 2019 Revenue

- In accordance with Section 13.7(4) of National Instrument 41-101 – General Prospectus Requirements, all of the information relating to Air Canada's comparables and any disclosure relating to the comparables, which is contained in the presentation to be provided to potential investors, has been removed from this template version for purposes of its filing on the System for Electronic Document Analysis and Retrieval (SEDAR).

Source: Air Canada 2019 MD&A, Air Canada Q1 2020 MD&A and peer company filings
(1) Net leverage ratio and ROIC are each non-GAAP measures. Readers are advised to review the section entitled Non-GAAP Financial Measures in Air Canada's 2019 MD&A for a further discussion of such non-GAAP measures and to the Appendix to this presentation for a reconciliation of such measures to Canadian GAAP.
(2) Includes C$1.6B of financing proceeds raised in April 2020 and assumes proceeds of C$1.1B from the contemplated offering of Shares and Notes
(3) Pro forma for latest capital raising activities as of May 22nd, 2020 based on publicly available information and full amount of U.S. government funding from Payroll Support Program

2019 Initiatives Have Enhanced Air Canada's Resiliency to Economic Downturns

- ✓ C$250M Cost Transformation Program completed in Q2 2019
- ✓ Investments in new reservation system with annual incremental benefits of C$100M+[1]
- ✓ Replacement of less-efficient narrow-body aircraft
- ✓ Acquisition of Aeroplan loyalty business. Launch of new program expected in late 2020
- ✓ New Jazz CPA agreement
- ✓ C$2.6B of unencumbered assets, including C$0.9B unencumbered aircraft (and excluding the value of Aeroplan and Air Canada Vacations)

- ✓ Engaged workforce:
  - One of Canada's Best Diversity Employers – *Mediacorp Canada*
  - One of Montreal's Top Employers – *Mediacorp Canada*
  - One of 50 Most Engaged Workplaces – *Achievers Awards*
  - Recognized for Diversity in Leadership – *Airline Strategy Awards*
- ✓ Multiple industry awards:
  - Four-Star ranking – *Skytrax*
  - Best Airline in North America - *Skytrax*
  - Best Business Class in North America – *Trip Advisor*
  - Best Premium Economy Class – *Global Traveler*
  - Best Airline for Onboard Entertainment – *Global Traveler*

(1) Estimated as of FYE 2019

Appendix

Non-GAAP Adjusted Net Income (Loss) Reconciliation

Non-GAAP Adjusted Net Income (Loss) Reconciliation

(Canadian dollars in millions, except where indicated)	First Quarter		
	2020	**2019**	**$ Change**
Net income (loss)- GAAP	**(C$1,049)**	**C$345**	**(C$1,394)**
Adjusted for:			
Foreign exchange (gain) loss	624	(221)	845
Net financing expense related to employee benefits	8	7	1
(Gain) loss on financial instruments recorded at fair-value	25	(6)	31
Special net income tax recovery	-	(108)	108
Adjusted net income (loss)	**(C$392)**	**C$17**	**(C$409)**
Weighted average number of outstanding shares used in computing diluted income per share (in millions)	**263**	**274**	(11)
Adjusted earnings (loss) per share - diluted	**(C$1.49)**	**C$0.06**	**(C$1.55)**

Note: 2019-2020 figures include the impact of IFRS 15 and 16; Adjusted net income (loss) and Adjusted earnings (loss) per share - diluted are each non-GAAP measures. Readers are advised to review the section entitled Non-GAAP Financial Measures in Air Canada's Q1 2020 MD&A for the period(s) indicated for a further discussion of such non-GAAP measures

Non-GAAP EBITDA Reconciliation

Non-GAAP EBITDA Reconciliation

(Canadian dollars in millions)	First Quarter 2020	First Quarter 2019
Operating Income (Loss) – GAAP	**(C$433)**	**C$127**
Add back:		
Depreciation and amortization	504	456
EBITDA	**C$71**	**C$583**

(Canadian dollars in millions)	Full Year 2019	Full Year 2018
Operating Income – GAAP	**C$1,650**	**C$1,496**
Add back:		
Depreciation and amortization	1,986	1,717
EBITDA	**C$3,636**	**C$3,213**

Note: 2018-2020 figures include the impact of IFRS 15 and 16; EBITDA (earnings before interest, taxes, depreciation and amortization) is a non-GAAP measure. Readers are advised to review the section entitled Non-GAAP Financial Measures in Air Canada’s Q1 2020 and 2019 MD&A for the period(s) indicated for a further discussion of such non-GAAP measures and a reconciliation of such measures to Canadian GAAP

Non-GAAP Leverage Ratio Reconciliation

Non-GAAP Leverage Ratio Reconciliation

(Canadian dollars in millions, except where indicated)	December 31, 2019	December 31, 2018	$ Change
Total long-term debt and lease liabilities	C$8,024	C$8,873	C$(849)
Current portion of long-term debt and lease liabilities	1,218	1,048	170
Total long-term debt and lease liabilities (including current portion)	**C$9,242**	**C$9,921**	**C$(679)**
Less cash, cash equivalents and short and long-term investments	(6,401)	(4,707)	(1,694)
Net debt	**C$2,841**	**C$5,214**	**C$(2,373)**
EBITDA (trailing 12 months)	**C$3,636**	**C$3,213**	**C$423**
Net debt to EBITDA ratio	**0.8**	**1.6**	**(0.8)**

Note: 2018-2019 figures include the impact of IFRS 15 and 16; EBITDA and Net debt to EBITDA ratio are each non-GAAP measures. Readers are advised to review the section entitled Non-GAAP Financial Measures in Air Canada's 2019 MD&A for the period(s) indicated for a further discussion of such non-GAAP measures and a reconciliation of such measures to Canadian GAAP

Non-GAAP ROIC Reconciliation

Non-GAAP ROIC Reconciliation

	12 months ended	
(Canadian dollars in millions, except where indicated)	December 31, 2019	December 31, 2018
Income before income taxes - GAAP	**C$1,775**	**C$228**
Remove:		
Foreign exchange (gain) loss	(499)	578
Net financing expense relating to employee benefits	39	50
(Gain) loss on financial instruments recorded at fair value	(23)	1
Gain on debt settlements and modifications (1)	(6)	(9)
(Gain) loss on disposal of assets (2)	(13)	188
Adjusted pre-tax income	**C$1,273**	**C$1,036**
Adjusted for:		
Interest expense	515	567
Adjusted pre-tax income before interest	**C$1,788**	**C$1,603**
Invested capital:		
Average long-term debt and lease liabilities	9,582	9,649
Average shareholders' equity, net of excess cash	1,951	2,227
Invested capital	**C$11,533**	**C$11,876**
Return on invested capital (%)	**15.5%**	**13.5%**

(1) *In 2019, Air Canada recorded a gain on debt settlements and modifications of C$6 million related to the repricing of its US$1.1 billion senior secured credit facility.*

In 2018, Air Canada recorded a gain on debt settlements and modifications of C$9 million comprised of a gain of C$11 million related to the repricing of its US$1.1 billion senior secured credit facility and a loss of C$2 million related to the prepayment of fixed rate debt.

(2) *In 2019, Air Canada recorded a gain on disposal of assets of C$13 million related to the sale of an aircraft, spare engines and a flight simulator.*

In 2018, Air Canada recorded a loss on disposal of assets of C$188 million related to the sale of 25 Embraer aircraft.

Note: 2018-2019 figures include the impact of IFRS 15 and 16; ROIC is a non-GAAP measure. Readers are advised to review the section entitled Non-GAAP Financial Measures in Air Canada's 2019 MD&A for the period(s) indicated for a further discussion of such non-GAAP measures and a reconciliation of such measures to Canadian GAAP