

Cargojet Announces Strategic Agreement with Amazon to Provide Air-Transportation Services

Mississauga, ON, Aug 23, 2019 – Cargojet Inc. (“Cargojet” or the “Corporation”) (TSX:CJT) announced today that it has entered into a new strategic agreement with Amazon.com NV Investment Holdings LLC, an affiliate of Amazon.com.ca, Inc. Cargojet is a key air cargo carrier for Amazon’s middle mile transportation in Canada. This agreement is in conjunction with Amazon’s and Cargojet’s existing commercial agreement for overnight air cargo services and charters and to incentivize growth in Amazon’s utilization of those services to support fast delivery for Amazon customers in Canada. Under the new strategic agreement, Cargojet will issue warrants to Amazon to purchase variable voting shares that will vest based on the achievement of commercial milestones related to Amazon’s business with Cargojet. Cargojet expects the agreement to generate additional revenue growth and be meaningfully accretive to Cargojet’s earnings and cash flows over time.

Amazon utilizes Cargojet’s overnight air network and charter aircraft services to move packages from Amazon facilities to other Amazon or last mile carrier locations before final delivery to customers. Speed and reliability in this component of the logistics network are critical for enabling consistent delivery performance for Amazon customers across Canada.

“Cargojet’s entrepreneurial culture, combined with our core values of strong customer focus, have enabled Cargojet’s customers to deliver and fulfill on their e-Commerce promises. This agreement will support Cargojet further solidify its vision and strong leadership in the air cargo industry,” said Chairman of the Board James R. Crane.

“The commercial relationship the Cargojet team continues to build with Amazon has now allowed us to further strengthen and align our long-term strategic commercial interests. Our continuous commitment to provide value added services enables us to earn all of our customers’ trust as the leading overnight air-network operator,” added Chief Executive Officer Ajay Virmani.

“Cargojet has been a key player in our Canadian middle mile operations for several years,” said Adam Baker, Vice President Global Transportation, Amazon. “We’re thrilled to build a longer-term relationship that will allow us to provide even faster service to Amazon customers in Canada.”

Growth in e-commerce and recent industry announcements for even faster deliveries as well as 7 days-a-week deliveries will drive Cargojet to further strengthen its premium domestic network. Cargojet plans, over time, to add more non-stop flights allowing later departures and earlier arrivals to the 15 major cities that Cargojet already serves and to add new cities on its overnight network. These service and frequency enhancements will be

available to all Cargojet customers, and will expand Cargojet's reach to approximately 95% of the Canadian population. This optimized network will further improve fleet utilisation, create additional opportunities, and continue to help Cargojet enhance its customer-neutral, cost effective network for all its customers.

As part of the agreement, Cargojet will issue the warrants to Amazon in two tranches. The first tranche of warrants allows Amazon to acquire up to 9.9 percent of Cargojet's variable voting shares at an exercise price of \$91.78 per share, comprising the 30-day volume weighted average trading price ("VWAP") immediately prior to the date of the agreement. The first tranche of warrants will vest over a period of six and a half years, with vesting tied to the delivery by Amazon of up to C\$400 million in business volumes during the same term.

Amazon will also receive additional warrants to acquire up to an additional 5 percent of Cargojet's variable voting shares with vesting tied to the delivery by Amazon of up to an additional C\$200 million in business volumes after the first tranche of warrants is fully vested. The vesting period for the second tranche of warrants will continue for an additional year, making the aggregate term of all the warrants equal to seven and a half years from the date of the agreement. The exercise price of the second tranche of warrants will be set two years after the date of the agreement using the 30 day VWAP immediately prior to the second anniversary of the agreement (or, if earlier, the date on which the first tranche of warrants is vested in full).

Additional Information

The Corporation intends to file a material change report in connection with the transactions contemplated by this news release, which will be available under the Corporation's corporate profile on SEDAR at www.sedar.com. In connection therewith, a copy of the relevant material agreement will be filed with the applicable Canadian securities regulators on SEDAR.

The Corporation has received conditional listing approval from the Toronto Stock Exchange to list an aggregate of 2,391,881 variable voting shares issuable upon the full vesting of the first and second tranche of the Warrants, representing 14.9% of Cargojet's voting shares. The summary of the key terms of the Warrants contained herein and in the to-be-filed material change report are expressly qualified in their entirety by the full text of the as filed material agreement.

CIBC Capital Markets is acting as financial advisor and Stikeman Elliott LLP is serving as legal advisor, both to Cargojet, in connection with this transaction.

Conference Call

Cargojet will be hosting a conference call on August 23, 2019 @ 8:30am EST.

Dial in numbers as follows:

Toll free: 1 800 377 0758

Local: 416 340 2216

About Cargojet:

Cargojet is Canada's leading provider of time sensitive premium overnight air cargo services and carries over 8,000,000 pounds of cargo weekly. Cargojet operates its network across North America each business night serving 15 major cities, and selected international destinations, utilizing a fleet of 26 all-cargo aircraft.

For further information, please contact:

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Notice on Forward Looking Statements

Certain statements contained herein constitute "forward-looking statements", including with respect to the expectation that the strategic agreement between Cargojet and Amazon will generate revenue growth and be meaningfully accretive to Cargojet's earnings and cash flows over time as well as create other benefits and opportunities, including to Cargojet's existing network as described above; the future service and frequency enhancements to Cargojet's network; and the performance-based vesting of the warrants to be issued to Amazon and the listing of the underlying shares on the Toronto Stock Exchange. Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans," "intends," "anticipates," "should," "estimates," "expects," "believes," "indicates," "targeting," "suggests" and similar expressions.

These forward-looking statements are based on current expectations and entail various risks and uncertainties. Although Cargojet believes that the forward-looking statements in this press release are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond Cargojet's control and the effects of which can be difficult to predict: (a) the failure to obtain the anticipated revenue growth from Amazon's business and the associated margins; (b) the failure to achieve the financial and other anticipated benefits from the strategic agreement on the timeline contemplated or otherwise; (c) credit, market,

currency, operational, capital expenditures, liquidity and funding risks generally, including changes in economic conditions, interest rates, exchange rates or tax rates; (d) risks and uncertainties relating to retail, e-commerce growth, labour, technology, changes in law or regulation, competition, and business generally; and (e) other risks inherent to the Corporation's business and/or factors beyond its control which could have a material adverse effect on Cargojet. In addition, reference should be made to the issuer's most recent Annual Information Form filed with the Canadian securities regulators, and its most recent Annual Consolidated Financial Statements and Notes thereto and related Management's Discussion and Analysis (MD&A), for a summary of major risks. Actual results may materially differ from expectations, if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. The issuer assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason, other than as required by applicable securities laws. In the event the issuer does update any forward-looking statement, no inference should be made that the issuer will make additional updates with respect to that statement, related matters, or any other forward-looking statement.