
NOTE: This version has been corrected to remove a typo on page 4, paragraph 4. No other content has changed.

CHORUS AVIATION ANNOUNCES THIRD QUARTER EARNINGS
Momentum in new regional aircraft leasing transactions continues
Delivering regional aviation to the world

- Net income of \$43.7 million, or \$0.31 per basic share, inclusive of an unrealized foreign exchange gain of \$14.0 million.
- Adjusted net income¹ of \$30.8 million, or \$0.22 per basic share, a decrease of \$18.0 million, of which \$12.6 million was driven by changes in tax rates in 2017.
- Adjusted EBITDA¹ of \$87.1 million, an increase of \$3.4 million or 4.0% primarily due to increased earnings from aircraft leasing.
- Continued execution on aircraft leasing strategy with the addition of three new customers and growth in third-party fleet to 33 aircraft, of which five will be delivered over the course of 2019.
- Expanded maintenance, repair and overhaul ('MRO') certifications to include Embraer 135 and 145 aircraft.
- Added airBaltic as a third-party airframe maintenance customer.
- Diversified parts provisioning offerings with the addition of Q400 inventory.
- Completed the eighth Extended Service Program ('ESP') on a Dash 8-300 aircraft.

Halifax, November 14, 2018 – Chorus Aviation Inc. ('Chorus') (TSX: CHR) today announced third quarter financial results for the period ended September 30, 2018.

"Our business delivered solid performance in the third quarter of this year," said Joe Randell, President and Chief Executive Officer, Chorus. "Our financial performance in the third quarter generated over \$87.0 million in adjusted EBITDA, a \$3.4 million or 4.0% increase over third quarter 2017 due primarily to growth in aircraft leasing. Net income per basic share was \$0.31."

"The Chorus team executed on our diversification strategy securing leasing and maintenance, repair and overhaul contracts with new international customers," continued Mr. Randell. "The addition of Philippine Airlines, Lion Air and JamboJet extends our aircraft leasing customer base into 13 countries and marks our first transactions in Southeast Asia, a market we believe has good potential for additional aircraft placements."

“Once these recently announced transactions are completed, we will have acquired aircraft valued at approximately \$730.0 million USD to date, excluding the CPA aircraft, and secured additional, long-term lease revenue streams,” remarked Mr. Randell.

“We also gained traction on the MRO front,” commented Mr. Randell. “We were very pleased to welcome airBaltic to our portfolio of third-party maintenance customers to conduct airframe maintenance on 12 Q400s. Further, we obtained Transport Canada certification to perform MRO work on Embraer 135 and 145 aircraft diversifying our capabilities beyond Bombardier products. This, in addition to expanding our parts provisioning inventory to now include highly marketable Q400 parts, supports our mission to provide a complete suite of support services to regional operators worldwide.”

“I’m confident in our pipeline for future growth opportunities, and I extend my gratitude to our team of exceptional professionals for embracing our vision,” concluded Mr. Randell.

THIRD QUARTER 2018 SUMMARY

Financial Performance – third quarter 2018 compared to third quarter 2017

In the third quarter of 2018, Chorus reported adjusted EBITDA of \$87.1 million versus \$83.7 million in 2017, an increase of \$3.4 million or 4.0%. Adjusted EBITDA came in below Management’s expectations due to added CPA costs related to increased component repair maintenance, primarily on the classic Dash 8 fleet, and CPA on-time performance challenges. Rate performance varies quarter to quarter depending on a number of factors. From a year to date perspective, Chorus’ rate performance on controllable costs is consistent with the same period of 2017.

There were also several one-time adjustments that impacted the quarter-over-quarter comparisons.

The third quarter of 2017 other cost category was \$1.5 million lower due to a one-time reduction in contingent consideration payable. The third quarter of 2018 other cost category increased by \$1.2 million related to a one-time adjustment to the supplemental defined benefit pension plan.

Removing the impact of these items resulted in a \$6.1 million positive variance due to:

- an \$8.6 million increase in third-party regional aircraft leasing; and
- a \$2.5 million increase in aircraft leasing earnings under the CPA; offset by
- increased CPA costs of \$5.0 million which resulted from increased maintenance costs of \$3.0 million mainly related to classic Dash 8 aircraft, and \$2.0 million in additional costs associated with CPA on-time performance challenges.

Adjusted net income was \$30.8 million for the period, a decrease from 2017 of \$18.0 million, or 36.9%. Adjusted net income in the third quarter of 2017 was impacted by a change in tax rates which was recorded in this quarter and relates to the nine months ended September 30, 2017 results. This change had the effect of lowering income taxes,

and therefore increased adjusted net income for the third quarter of 2017 by \$12.6 million. The third quarter of 2018 was also negatively impacted by foreign exchange losses on debt and working capital which amounted to \$3.3 million.

Removing the impact of these items, adjusted net income was \$2.1 million lower quarter-over-quarter due to:

- an additional \$2.8 million in depreciation, primarily related to new aircraft; and
- an increase in interest costs of \$2.4 million related to additional aircraft debt; offset by
- the \$3.4 million increase in adjusted EBITDA previously described.

Net income was \$43.7 million for the period, a decrease of \$35.6 million or 44.9% from the same period of 2017. The decrease was primarily due to a quarter-over-quarter change in foreign exchange of \$17.1 million, the previously noted \$18.0 million decrease in the adjusted net income and increased employee separation program costs of \$0.5 million.

YEAR TO DATE 2018 SUMMARY

Year to date 2018 compared to year to date 2017

For the nine months ended September 30, 2018, Chorus reported adjusted EBITDA of \$249.7 million versus \$204.0 million in 2017, an increase of \$45.7 million or 22.4%. The 2017 other cost category was \$1.5 million lower due to a one-time reduction in contingent consideration payable. The 2018 other costs were increased by a \$1.2 million one-time adjustment related to the supplemental defined benefit pension plan.

Removing the impact for these items resulted in a \$48.4 million positive variance year-over-year due to:

- a \$36.8 million increase in third-party regional aircraft leasing;
- a \$6.2 million increase in aircraft leasing earnings under the CPA;
- decreased stock-based compensation of \$4.0 million;
- decreased other costs of \$5.2 million, mainly driven by reduced general overhead including the impact of the change in stock price on deferred share units; offset by
- decreased contract flying contribution of \$3.8 million mainly related to reduced revenue from international flying and a decrease in incentive revenue.

Adjusted net income was \$86.7 million for the period, a decrease from 2017 of \$5.1 million, or 5.6%. Adjusted net income was impacted by a change in tax rates which was recorded in the third quarter of 2017 and related to the nine months ended September 30, 2017 results. This change had the impact of lowering income taxes, and therefore increased adjusted net income for the nine months ended September 30, 2017 by approximately \$18.4 million. The 2018 year to date figure was also negatively impacted by foreign exchange losses on debt and working capital which amounted to \$3.1 million.

Removing the impact for these items resulted in a \$16.6 million increase year-over-year due to:

- the \$45.7 million increase in adjusted EBITDA previously described: offset by
- an additional \$17.8 million in depreciation primarily related to new aircraft; and
- an increase in interest costs of \$11.3 million related to additional aircraft debt and convertible debentures.

Net income was \$65.0 million for the period, a decrease of \$82.4 million or 55.9% from the same period of 2017. The decrease was primarily due to a year-over-year change in foreign exchange of \$79.8 million and the previously noted \$5.1 million decrease in the adjusted net income; offset by decreased employee separation program costs of \$4.2 million.

2018 OUTLOOK

(See cautionary statement regarding forward-looking information below)

Since the start of last year, Chorus has realized net proceeds of \$303.0 million from the issuance of Convertible Units in March 2017 and the issuance of Common Shares* in March 2018. Approximately 30% of this capital is uncommitted and Chorus anticipates committing the balance by mid-2019 in new to mid-life aircraft with long-term leases to a diverse group of high quality customers located around the world.

Based on the 2017-2018 winter schedule, the 2018 summer schedule and updated planning assumptions received from Air Canada, Billable Block Hours for 2018 are expected to be between 364,000 and 370,000 hours based on 116 Covered Aircraft as at December 31, 2018. The actual number of Billable Block Hours for 2018 may vary from this anticipated range due to various factors.

Capital expenditures for 2018, excluding those for the acquisition of aircraft and ESP, and including capitalized major maintenance overhauls, are expected to be between \$41.0 million and \$48.0 million.

* 'Common shares' refers to Chorus' Class A Variable Voting Shares and Class B Voting Shares

Investor Conference Call / Audio Webcast

Chorus will hold an analyst call at 09:30 a.m. ET on Wednesday, November 14, 2018 to discuss the third quarter financial results. The call may be accessed by dialing 1-888-231-8191. The call will be simultaneously audio webcast via:

<https://event.on24.com/wcc/r/1851698/66F31419A0CD397AF0EC6760CDA9954D>

This is a listen-in only audio webcast. Media Player or Real Player is required to listen to the broadcast; please download well in advance of the call.

The conference call webcast will be archived on Chorus' website at www.chorusaviation.ca under Reports > Executive Management Presentations. A

playback of the call can also be accessed until midnight ET, November 22, 2018 by dialing toll-free 1-855-859-2056, and passcode 1273527#.

¹NON-GAAP MEASURES

This news release references several non-GAAP measures to supplement the analysis of Chorus' results. These measures are provided to enhance the reader's understanding of our current financial performance. They are included to provide investors and management with an alternative method for assessing our operating results in a manner that is focused on the performance of our ongoing operations and to provide a consistent basis for comparison between periods. These non-GAAP measures are not recognized measures under GAAP, and therefore they are unlikely to be comparable to similar measures presented by other companies. A reconciliation of these non-GAAP measures to their nearest GAAP measure is provided in the Management's Discussion and Analysis ('MD&A') dated November 13, 2018.

Adjusted net income and Adjusted net income per Share are used by Chorus to assess performance without the effects of unrealized foreign exchange gains or losses on long-term debt and finance leases related to aircraft, foreign exchange gains or losses on cash held on deposit for investment in the regional aircraft leasing business, signing bonuses, employee separation program costs and strategic advisory fees. Chorus manages its exposure to currency risk on such long-term debt by billing the lease payments within the CPA in the underlying currency (US dollars) related to the aircraft debt. These items are excluded because they affect the comparability of our financial results, period-over-period, and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring due to ongoing currency fluctuations between the Canadian and US dollar. During the first quarter of 2017, Chorus revised its definition of Adjusted net income to exclude the signing bonuses, employee separation program costs, and strategic advisory fees to facilitate transparency and comparability as these items can fluctuate from period to period. In addition, Chorus revised its definition of Adjusted net income to exclude foreign exchange gains or losses on US dollar denominated cash held on deposit for investment in the regional aircraft leasing business. This item is excluded as it relates to a foreign exchange gain or loss on proceeds from the Convertible Units that were converted to US dollars and will be used to invest in long-term and primarily US dollar denominated assets, whose related income is expected to be earned over time.

EBITDA is defined as earnings before net interest expense, income taxes, and depreciation and amortization and is a non-GAAP financial measure that is used frequently by companies in the aviation industry as a measure of performance. **Adjusted EBITDA** (EBITDA before signing bonuses, employee separation program costs, strategic advisory fees and other items such as foreign exchange gains or losses) is a non-GAAP financial measure used by Chorus as a supplemental financial measure of operational performance. Management believes Adjusted EBITDA assists investors in comparing Chorus' performance by excluding items, which it does not believe will occur over the longer-term (such as signing bonuses, employee separation program costs and strategic

advisory fees) as well, which items that are non-cash in nature such as foreign exchange gains and losses.

Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows, forming part of Chorus' financial statements.

Various Financial Measures

Third Quarter Summary

(unaudited) (expressed in thousands of Canadian dollars)	Three months ended September 30,			
	2018 \$	2017 \$	Change \$	Change %
Operating revenue	366,696	343,685	23,011	6.7
Operating expenses	310,669	287,673	22,996	8.0
Operating income	56,027	56,012	15	—
Non-operating (expenses) income	(2,797)	20,208	(23,005)	(113.8)
Income before income taxes	53,230	76,220	(22,990)	(30.2)
Income tax (expense) recovery	(9,508)	3,085	(12,593)	(408.2)
Net income	43,722	79,305	(35,583)	(44.9)
Add (Deduct) items to get to Adjusted net income ⁽¹⁾				
Unrealized foreign exchange gain	(13,982)	(31,088)	17,106	(55.0)
Employee separation program	1,098	583	515	88.3
	(12,884)	(30,505)	17,621	(57.8)
Adjusted net income⁽²⁾	30,838	48,800	(17,962)	(36.8)
Add (Deduct) items to get to Adjusted EBITDA ⁽¹⁾				
Net interest expense	13,987	11,632	2,355	20.2
Income tax expense (recovery)	9,508	(3,085)	12,593	(408.2)
Depreciation and amortization	29,950	27,149	2,801	10.3
Foreign exchange loss (gain)	2,598	(749)	3,347	(446.9)
Loss (gain) on disposal of property and equipment	194	(3)	197	(6566.7)
	56,237	34,944	21,293	60.9
Adjusted EBITDA⁽²⁾	87,075	83,744	3,331	4.0

(1) These items are excluded because they affect the comparability of our financial results, period-over-period, and could potentially distort the analysis of trends in business performance.

(2) This is a non-GAAP measure.

Year-to-Date Summary

(unaudited) (expressed in thousands of Canadian dollars)	Nine months ended September 30,			
	2018 \$	2017 \$	Change \$	Change %
Operating revenue	1,092,531	996,167	96,364	9.7
Operating expenses	937,540	873,282	64,258	7.4
Operating income	154,991	122,885	32,106	26.1
Non-operating (expenses) income	(63,859)	32,177	(96,036)	(298.5)
Income before income taxes	91,132	155,062	(63,930)	(41.2)
Income tax expense	(26,163)	(7,742)	(18,421)	237.9
Net income	64,969	147,320	(82,351)	(55.9)
Add (Deduct) items to get to Adjusted net income ⁽¹⁾				
Unrealized foreign exchange loss (gain)	16,613	(63,226)	79,839	(126.3)
Foreign exchange gain on cash held for deposit	—	(1,646)	1,646	100.0
Employee separation program	5,147	9,365	(4,218)	(45.0)
	21,760	(55,507)	77,267	(139.2)
Adjusted net income⁽²⁾	86,729	91,813	(5,084)	(5.5)
Add (Deduct) items to get to Adjusted EBITDA ⁽¹⁾				
Net interest expense	41,449	30,170	11,279	37.4
Income tax expense	26,163	7,742	18,421	237.9
Depreciation and amortization	89,557	71,747	17,810	24.8
Foreign exchange loss	6,111	3,028	3,083	101.8
(Gain) loss on disposal of property and equipment	186	184	2	1.1
Other	(500)	(687)	187	(27.2)
	162,966	112,184	50,782	45.3
Adjusted EBITDA⁽²⁾	249,695	203,997	45,698	22.4

(1) These items are excluded because they affect the comparability of our financial results, period-over-period, and could potentially distort the analysis of trends in business performance.

(2) This is a non-GAAP measure.

Forward-Looking Information

This news release should be read in conjunction with Chorus' unaudited interim condensed and consolidated financial statements for the period ended September 30, 2018, and MD&A dated November 13, 2018, which are available on SEDAR at www.sedar.com and www.chorusaviation.ca

This news release contains ‘forward-looking information’ as defined under applicable Canadian securities legislation. Forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve but is not limited to comments with respect to strategies, expectations, planned operations or future actions. Examples of forward-looking information include the discussion of term sheets for transactions that remain subject to the execution of definitive agreements and can also be found in this news release under the heading “2018 Outlook”, as well as the discussion throughout this news release of Chorus’ expectations for Chorus Aviation Capital’s market potential.

Forward-looking information relates to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and other uncertain events. Forward-looking information, by its nature, is based on assumptions, including those described below, and is subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, external events, changing market conditions and general uncertainties of the business. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed in the forward-looking information. Other risks that could cause actual results to differ materially from those indicated in forward-looking information include: the development of circumstances risks relating to Chorus’ economic dependence on and relationship with Air Canada; risks relating to the airline industry (including the international operation of aircraft in developing countries and areas of unrest); risks relating to aircraft leasing (including the financial condition of lessees, availability of aircraft, access to capital, fluctuations in aircraft market values, competition and political risks); the failure of Chorus or any other party to satisfy conditions precedent to the closing of anticipated transactions; energy prices, general industry, market, credit, and economic conditions (including a severe and prolonged economic downturn which could result in reduced payments under the CPA); increased competition affecting Chorus and/or Air Canada; insurance issues and costs; supply issues and costs; the risk of war, terrorist attacks, aircraft incidents and accidents; fraud, cybersecurity attacks or other criminal behaviour by internal or external parties; epidemic diseases, environmental factors or acts of God; changes in demand due to the seasonal nature of Chorus’ business or general economic conditions; the ability to reduce operating costs and employee counts; the ability of Chorus to secure financing; the ability of Chorus to attract and retain the talent required for its existing operations and future growth; the ability of Chorus to remain in good standing under and to renew and/or replace the CPA and other important contracts; employee relations, labour negotiations or disputes; pension issues and costs; currency exchange and interest rates; debt leverage and restrictive covenants contained in debt facilities; uncertainty of dividend payments; managing growth; changes in laws; adverse regulatory developments or proceedings in countries in which Chorus and its subsidiaries operate or will operate; pending and future litigation and actions by third parties. For a further discussion of risks, please refer to Chorus’ Annual Information Form dated February 14, 2018. The statements containing forward-looking information in this

discussion represent Chorus' expectations as of November 14, 2018 and are subject to change after such date. However, Chorus disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

About Chorus

Headquartered in Halifax, Nova Scotia, Chorus was incorporated on September 27, 2010. Chorus' vision is to deliver regional aviation to the world. Chorus has been leasing its owned regional aircraft into Jazz's Air Canada Express operation since 2009 and has established Chorus Aviation Capital Corp. to become a leading, global provider of regional aircraft leases and support services. Chorus also owns Jazz Aviation and Voyageur Aviation – companies that have long histories of safe and solid operations that deliver excellent customer service in the areas of contract flying operations, engineering, fleet management, and maintenance, repair and overhaul. Chorus Class A Variable Voting and Class B Voting Shares trade on the Toronto Stock Exchange under the trading symbol 'CHR'. www.chorusaviation.ca

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