

Chorus Aviation announces \$100 million bought deal public offering and a concurrent \$30 million private placement from AIMCo and NordStar Capital

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HALIFAX, NS, March 16, 2021 /CNW/ - Chorus Aviation Inc. ("Chorus" or the "Company") (TSX: CHR) announced today that it has entered into an agreement with a syndicate of underwriters led by RBC Capital Markets, as bookrunner, under which they have agreed to purchase from Chorus and sell to the public \$50 million units of Chorus (the "Units") at a price of \$4.60 per Unit (the "Unit Price") and \$50 million aggregate principal amount of convertible senior unsecured debentures at a price of \$1,000 per debenture, with an interest rate of 6% per annum, payable semi-annually on the last day of June and December commencing on December 31, 2021 and maturing on June 30, 2026 (the "Debentures"), resulting in combined gross proceeds to Chorus of \$100 million (the "Offering"). If the Over-Allotment Option, as defined hereinafter, is exercised in full, gross proceeds to Chorus will amount to \$115 million.

Concurrently, Chorus has entered into agreements with Alberta Investment Management Corporation ("AIMCo"), on behalf of certain of its clients, and NordStar Capital to purchase from Chorus an aggregate of \$15 million of Units at the Unit Price and \$15 million aggregate principal amount of Debentures at a price of \$1,000 per Debenture (the "Private Placement").

The net proceeds of the Offering and concurrent Private Placement will be used to position Chorus to pursue growth opportunities (including purchasing additional aircraft to continue expanding the Company's regional aircraft leasing business, and expanding into additional contracted flying operations), provide additional balance sheet flexibility, repay indebtedness (including the use of up to 35% of the Debenture Offering proceeds to repay part of the balance outstanding under the Company's US\$100 million revolving debt facility), and for general corporate purposes.

"We are very pleased to be launching this capital raise enabling us to bolster the balance sheet and prudently move ahead with re-starting our growth initiatives," stated Joe Randell, President and Chief Executive Officer, Chorus. "It has been a challenging year; however, I am proud of the way we are managing through this pandemic, and with the finalization of the revised capacity purchase agreement and this financing, we are now ready to turn our attention to the future. Our industry is seeing positive trends and as travel demand returns, most particularly in regional and short haul markets, Chorus is well positioned to pursue aircraft sale and leaseback opportunities with high quality airlines." Joe added, "We are delighted that two sophisticated institutional investors such as AIMCo and NordStar Capital are participating in this transaction, demonstrating confidence in our growth strategy."

"We are impressed with Chorus' world class global operational excellence and believe that this financing positions it well to execute on a number of growth opportunities", said David Tiley, Director, Public Equities, AIMCo. "Chorus Aviation represents a strong addition to our clients' public markets portfolio and is aligned with our strategy for seeking long term value creation. We look forward to future opportunities to expand our relationship with Chorus as it continues to pursue its strategic ambitions."

Each Unit will be comprised of one common share (the "Common Shares") of the Company which, for greater certainty, shall mean for Canadian investors participating in the offering, Class B Voting

Shares of Chorus, and for non-Canadian investors participating in the offering, Class A Variable Voting Shares of Chorus, and one-half of a Common Share purchase warrant of the Company. Each full Warrant shall entitle the holder thereof to purchase one Common Share at an exercise price of \$6.20 at any time for a period of 12 months following the closing of the Offering.

The Debentures will be convertible at the holder's option into Common Shares at a conversion price of \$6.35 per Common Share (the "Conversion Price"), subject to adjustment in certain circumstances. The Debentures will not be redeemable by the Company before June 30, 2024. On or after June 30, 2024 and prior to June 30, 2025, the Debentures may be redeemed in whole or in part from time to time at the option of the Company at par plus accrued and unpaid interest, if any, to but excluding the date of redemption, provided that the arithmetic average of the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is at least 125% of the Conversion Price. On or after June 30, 2025, the Debentures may be redeemed at the option of the Company at any time at par plus accrued and unpaid interest, if any, to but excluding the date of redemption.

Chorus has also granted the underwriters the option to purchase up to an additional \$7.5 million of Units and up to an additional \$7.5 million aggregate principal amount of Debentures, exercisable in whole or in part, to cover over-allotments, if any, and for market stabilization purposes, during the 30 days following the closing of the offering (the "Over-Allotment Option").

Closing is expected to occur on or about April 6, 2021, and is subject to the receipt of all required regulatory approvals including that of the TSX.

The Units and Debentures will be offered by way of a short form prospectus in all of the provinces and territories of Canada as well as by way of private placement in Canada and may also be offered by way of private placement in the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the securities in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful. The Units and Debentures have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act of 1933 and other applicable securities laws.

This concludes the investment discussions referenced in Chorus' news release dated February 18, 2021.

About Chorus

Chorus is a global provider of integrated regional aviation solutions. Chorus' vision is to deliver regional aviation to the world. Headquartered in Halifax, Nova Scotia, Chorus is comprised of Chorus Aviation Capital – a leading, global lessor of regional aircraft, and Jazz Aviation and Voyageur Aviation – companies that have long histories of safe operations with excellent customer service. Chorus provides a full suite of regional aviation support services that encompasses every stage of an aircraft's lifecycle, including aircraft acquisitions and leasing; aircraft refurbishment, engineering, modification, repurposing, and preparation; contract flying; and aircraft and component maintenance, disassembly, and parts provisioning. Chorus Class A Variable Voting Shares and Class B Voting Shares trade on the Toronto Stock Exchange under the trading symbol 'CHR'.

www.chorusaviation.com

About AIMCo

AIMCo is one of Canada's largest and most diversified institutional investment managers with more than C\$120 billion of assets under management. AIMCo was established on January 1, 2008 with a

mandate to provide superior long-term investment results for its clients. AIMCo operates at arms-length from the Government of Alberta and invests globally on behalf of 33 pension, endowment and government funds in the Province of Alberta. AIMCo's head office is located in Edmonton, Alberta, with additional offices located in Toronto, London, and Luxembourg. More information is available at www.aimco.ca

About NordStar Capital

NordStar Capital is a Canadian company led by Jordan Bitove and Paul Rivett, and wholly owned by the Bitove and Rivett families. NordStar Capital is a long-term focused, relationship-based, innovative funding and advisory services firm.

Forward-Looking Information

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", "potential", "project", "will", "would", and similar terms and phrases, including references to assumptions. Forward-looking information involves 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. Examples of statements containing forward-looking information in this news release include the anticipated closing and closing date of the Offering and the Private Placement, and the anticipated use of proceeds. Results indicated in forward-looking information may differ materially from actual results for a number of reasons, including the failure to close the transactions referenced in this news release on the terms and conditions currently contemplated by Chorus, or at all, as well as those described in Chorus' most recent Annual Information Form and Management's Discussion and Analysis of Results of Operations and Financial Condition. Statements containing forward-looking information in this news release are made as of the date of this news release and Chorus does not undertake any obligation to publicly update such statements to reflect new information, subsequent events or otherwise unless required by applicable securities laws.

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