chorus

TSX: CHR

Chorus Aviation Announces Agreement to Sell Regional Aircraft Leasing Business

July 30, 2024

2 Transacting Now Accelerates Value Creation and Creates Flexibility for Future Growth

Context and Background

- Chorus has been executing on its asset-light leasing strategy, however, market conditions have impacted the pace.
- While exploring a significant aircraft portfolio transaction, consistent with the stated asset-light strategy, unsolicited offers were received for the entire RAL business.

Rigorous and Competitive Process

- Considered and evaluated various options in consultation with external advisors.
- Determined that exploring a sale of the entire RAL business had merit and deserved further analysis.
- Competitive process launched to assess market interest for a transaction.
- Strong interest in this business with multiple bidders participating in the process.

Successfully Negotiated Transaction, Accretive to Shareholders and Providing Future Flexibility

- Process produced a $1.9 billion sale price, generating $814 million in net proceeds.[1,2]
- Unlocks value for shareholders at an accelerated pace.
- Upon closing, transaction will immediately and substantially improve the capital structure, which is anticipated to result in increased profitability and flexibility for the future.

1. See Notice to Reader and Endnotes including Endnote 1.
2. Refer to Slide 14 for Transaction Overview (Equity Value less costs to sell).

3 Sale to Unlock Significant Embedded Value & Provide Flexibility for Future Growth in Aviation Services

- Chorus' share price has underperformed the broader market and is currently trading at a significant discount to its book value.[1,2,3]
- Trading the RAL business at a premium to current implied valuation generates incremental value for shareholders.
- Chorus sees this transaction as a catalyst to accelerate the pace of value creation for shareholders and facilitates future profitable growth.

Sale price represents a significant premium to the implied valuation

Provides the ability to accelerate return of capital to shareholders

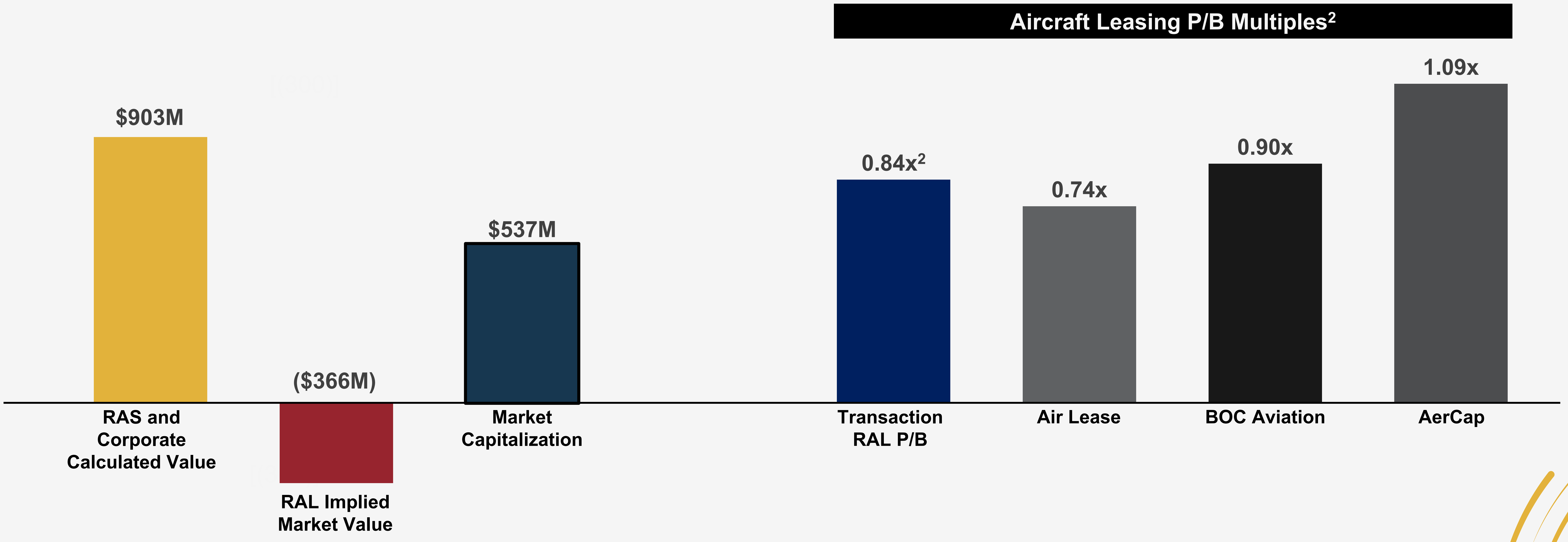
Results in a simplified Chorus, with substantial liquidity and flexibility for future growth

~$814 million in net proceeds unlocks significant value[3]~

1. Broader market refers to S&P/TSX Composite index for the five years ended December 31, 2023.
2. See Notice to Reader and Endnotes including Endnotes 2 and 4.
3. Refer to Slide 4 for book value comparison and Slide 14 for Transaction Overview.

4 RAL Segment Undervalued and to be Sold at Significant Premium to Implied Value

- Chorus has valued the combined RAS and Corporate segments at 7.0x EV / EBITDA in line with its peer set.[1,2]
- This implies a negative valuation for its RAL segment based on current share price.[2]
- Sale of RAL business will achieve a price-to-book ratio ("P/B") of 0.84x[2], which aligns closely with publicly traded peers.



1. "RAS" refers to Chorus' Regional Aviation Services segment. "EV / EBITDA" refers to Enterprise Value divided by Adjusted EBITDA. RAS and Corporate EV/EBITDA 7.0x multiple per Chorus' investor presentation dated March 29, 2023.
2. See Notice to Reader and Endnotes including Endnotes 1 and 4.
3. Please refer to RAS Market Value and RAL Implied Market Value calculation on Slide 32.

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5 Key Transaction Metrics

The Transaction[1]

$1.9B[5]
Sale price

$814M[5]
Net proceeds

$4.21[5]
Net proceeds per Common Share

$1.7B[6]
Pro forma repayment of corporate and aircraft-related financings

Post Sale Pro Forma 2023 Metrics[2]

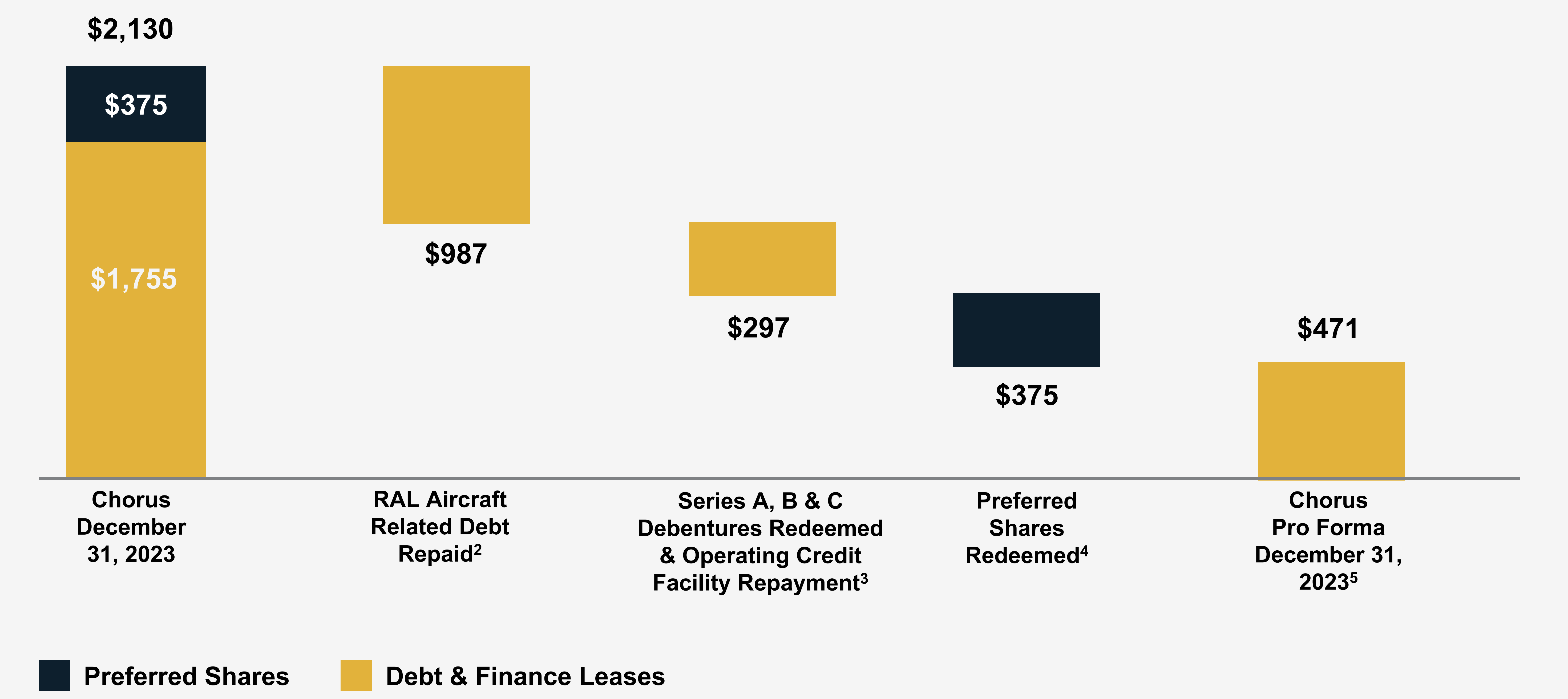
$221M[4]	Adjusted EBITDA
1.8x[4]	Leverage ratio improves by ~2 full turns
$58M[4]	Elimination of annual debt servicing costs and Preferred Share dividends
$74M[4]	Free Cash Flow after debt repayments increases by ~29%
$250M[4]	Liquidity
17%[4]	Increase in Adjusted EPS
11.0%[4]	Return on Equity increases by ~36%

1. Refer to Slide 14 for Transaction Overview.
2. Certain of 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. See Notice to Reader (Non-GAAP Financial Measures) and Endnotes, including Endnotes 1, 2, 3, 5, and 7.
3. Pro forma liquidity comprised of $80 million pro forma cash on hand, $150 million Operating Credit facility, net of letters of credit that reduce the amount available under this facility, and $50 million secured Bi-Lateral Credit Facility.
4. Refer to Pro Forma Income Statement, Pro Forma Leverage Ratio, Pro Forma Free Cash Flow calculation, and Pro Forma Return on Equity calculation on Slides 16, 17, 18, and 19, respectively.
5. $1.9 billion sale price is calculated on total enterprise value basis, which is subject to final closing adjustments, while $814 million net proceeds and $4.21 net proceeds per share are calculated on an equity value basis, i.e., net of aircraft-related debt and non-controlling interest, but before repayment of corporate financings. Refer to Endnote 5.
6. Pro forma repayment of corporate and aircraft-related financings of $1.7 billion includes $987.0 million of RAL aircraft-related debt, $297.0 million of Series A, B, and C Debentures redeemed and Operating Credit Facility repayment, and $375.0 million of Preferred Shares redeemed. Does not include premium paid on Preferred Share redemption, non-controlling interest, and costs to sell. Please refer to Slide 14.

6 Proceeds Used to Strengthen and Simplify Capital Structure

Chorus Pro Forma Debt and Preferred Shares at December 31, 2023[1]

(in millions CAD$)



Pro Forma payment of $1.7 billion in financings[1]

- $987 million in RAL aircraft related debt
- Redemption of all Debentures and repayment of Operating Credit Facility[3]
- Elimination of $375 million (US $300 million) in Preferred Shares with an 8.75% dividend rate[1]

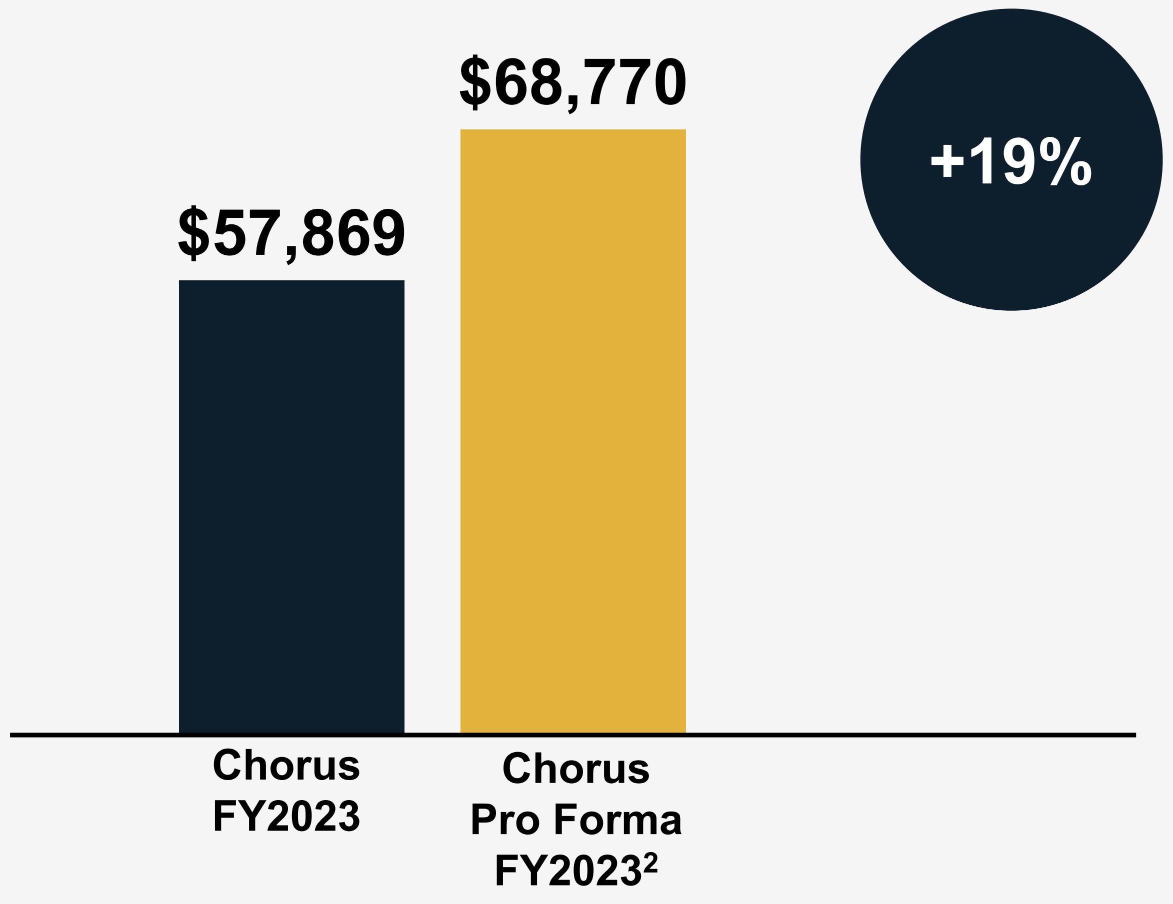
Substantially all remaining debt relates to aircraft and engines operated under the Capacity Purchase Agreement with Air Canada, which is a long-term fixed fee contract to the end of 2035

Chorus to repay substantially all corporate financings

1. See Notice to Reader and Endnotes including Endnote 6.
2. RAL Aircraft Related Debt amount repaid includes lease liabilities and netting of deferred financing fees.
3. Refers to Series A, Series B and Series C Debentures. Repayment of $297 million in table above includes Debenture balances at December 31, 2023, net of deferred financing fees and Operating Credit Facility balance of $60 million as at June 30, 2024.
4. Please refer to Slide 14 for details of premium on redemption of Preferred Shares.
5. Refer to Slide 17 for Pro Forma Leverage Ratio.

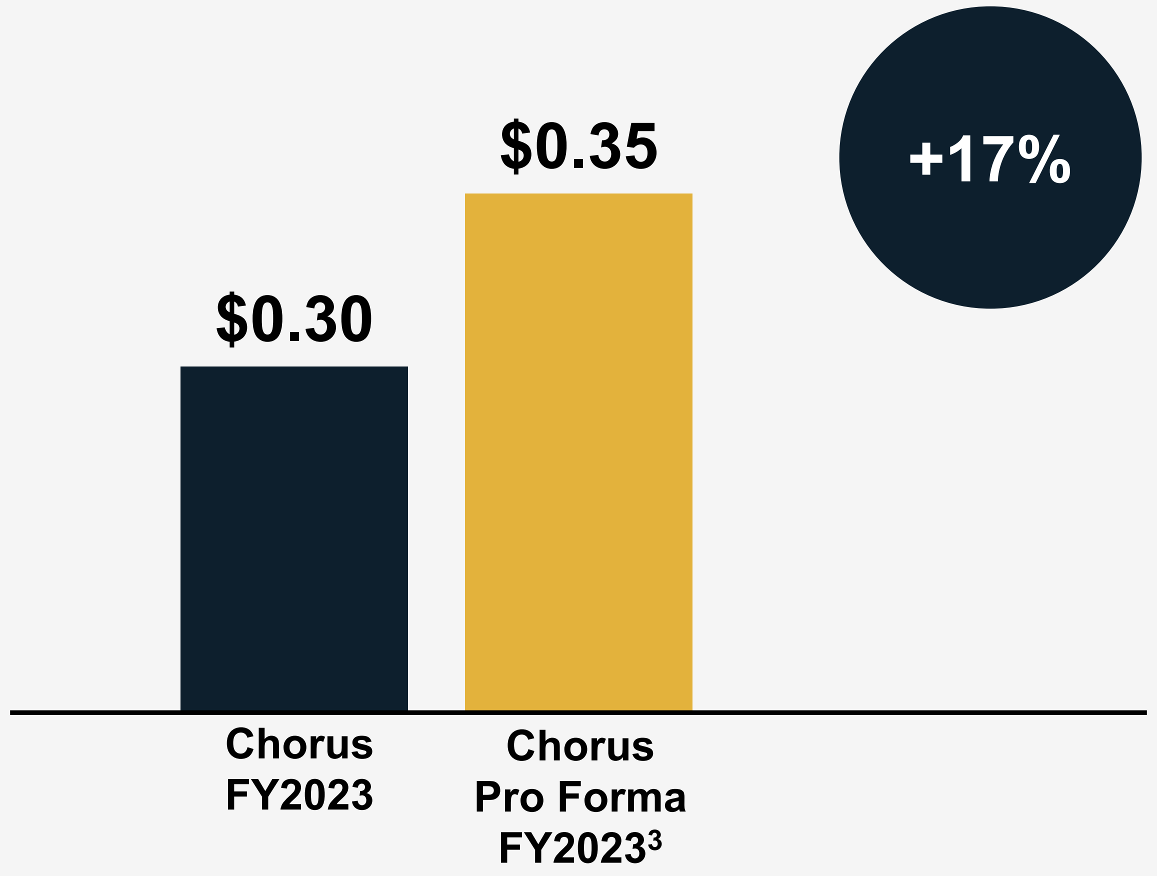
7 Capital Structure Improvements Anticipated to Support Profitability and Flexibility for the Future

Adjusted Net Income[1]
(Thousands CAD$)



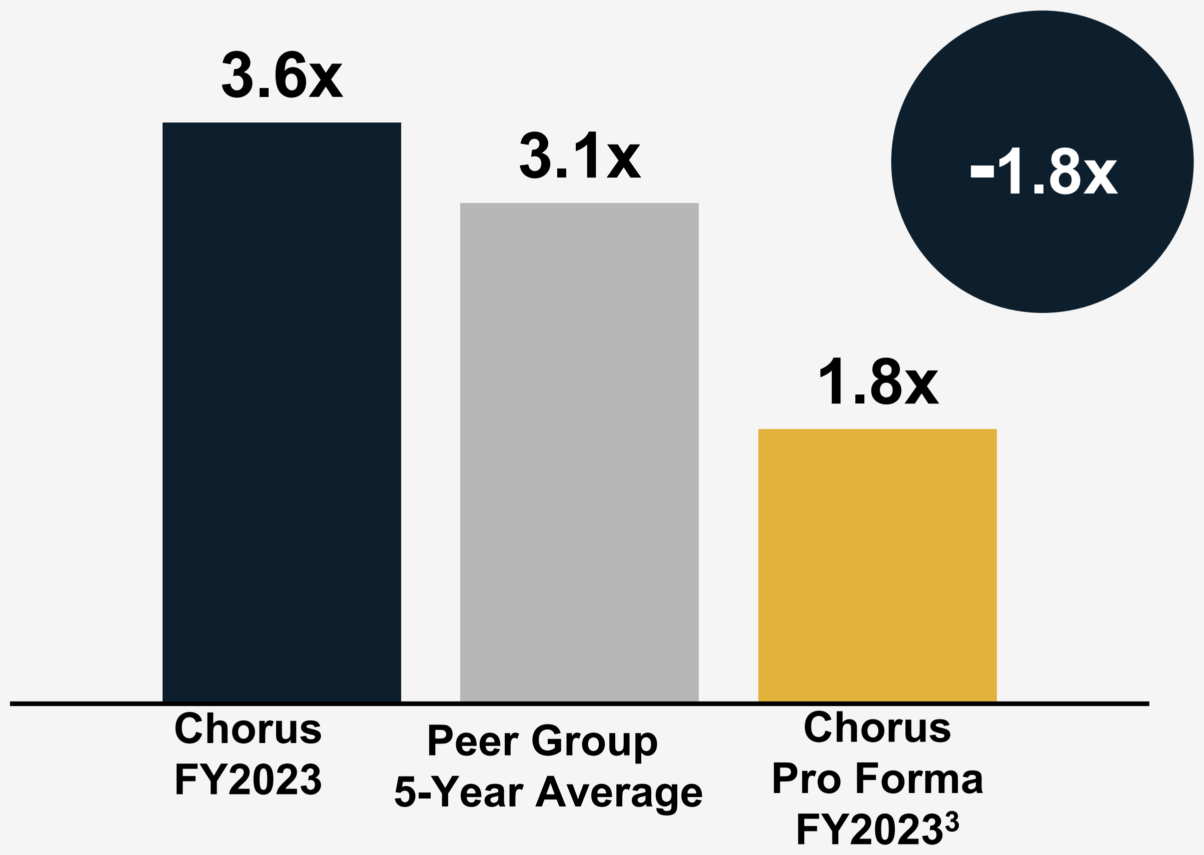
Reduction in corporate financings eliminates $58.4 million[2] annually in interest and Preferred Share dividend payments on a pro forma basis.

Adjusted Earnings per Common Share[1]
("Adjusted EPS" CAD$)



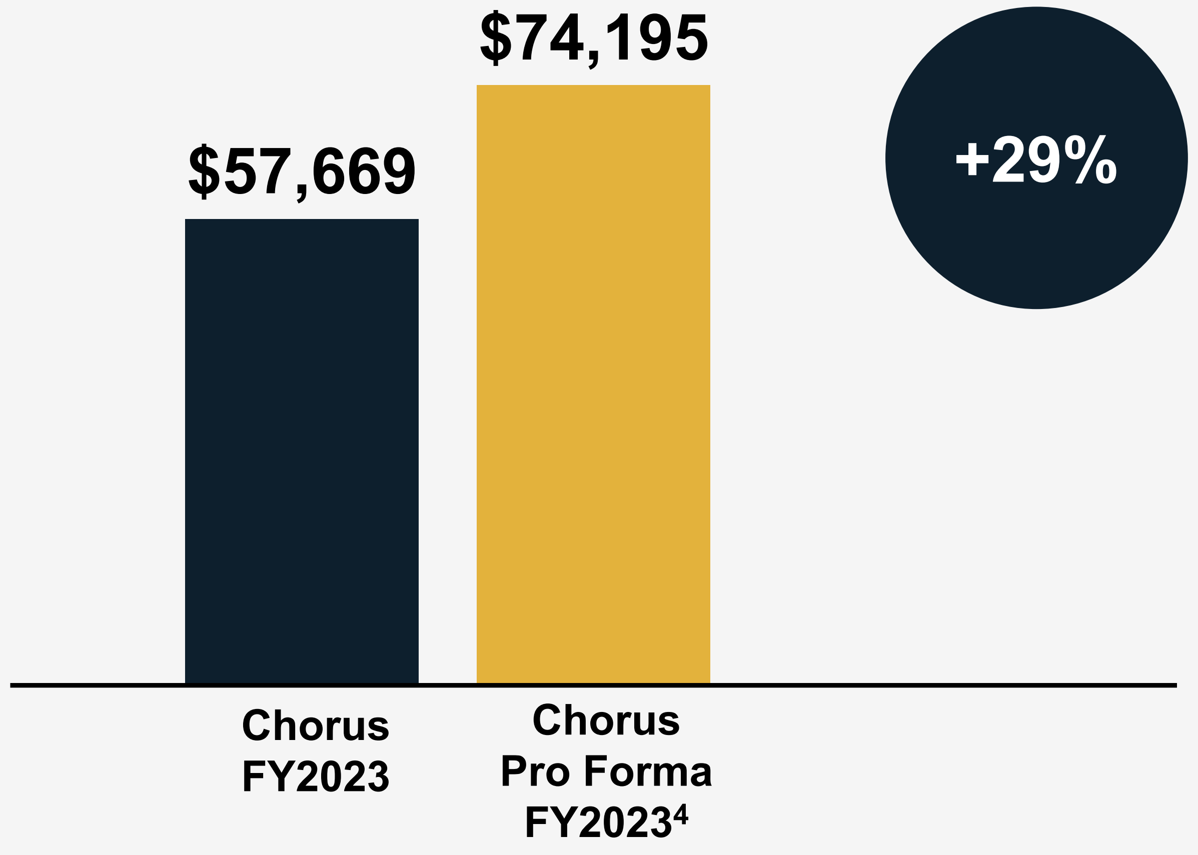
Elimination of debt servicing and Preferred Share dividend payments more than offset earnings lost from divesture of RAL segment

Net Debt to Adjusted EBITDA[1]



Leverage well below targeted range of 2.5x to 3.5x[2].

Free Cash Flow (After Debt Repayment)[1]
(Thousands CAD$)



Higher Free Cash Flow (after debt repayments). Elimination of annual debt and interest payments and Preferred Share dividends of ~$280M on a pro forma 2023 basis.[5]

1. See Notice to Reader.
2. Refer to Slide 16 for Pro Forma Income Statement.
3. Refer to Slide 20 and Slide 21 for Pro Forma Adjusted Metrics.
4. Refer to Slide 18 for Pro Forma Free Cash Flow.
5. Elimination of $280 million of debt and interest payments and Preferred Share Dividends consists of (a) $58.4 million interest and Preferred Share dividend savings per Pro Forma Income Statement on Slide 16, (b) $165 million in RAL long-term debt payments eliminated per Pro Forma Free Cash Flow on Slide 18, and (c) $58 million of RAL net interest expense eliminated per Pro Forma Income Statement on Slide 16.

8

Go Forward Lines of Business
Predictable Cashflows and Complementary Capabilities

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9

Future State: Attractive Growth Opportunities in Aviation Services[1]

Post-transaction, Chorus will intensify its focus on high-potential sectors, leveraging substantial strengths and capabilities in aviation services.

Regional and specialty aviation is a profitable niche market.

Chorus intends to grow aviation services through both organic growth and acquisitions to expand capabilities and market share.

Growth opportunities across multiple sectors


Cargo Operations


Aerospace Defence


Flight Training


Regional Parts Provisioning

1. Refer to Notice to Reader, including the Caution Regarding Forward-Looking Information.

Vision for the Future[1]

Post-closing, Chorus will have a strengthened balance sheet, greater liquidity and ability to return capital to shareholders

A simplified Chorus will capitalize on its strengths in aviation services with long-term, predictable cash flows

Chorus will have the financial flexibility and operational expertise to pursue growth opportunities in the aviation services sector

1. Refer to Notice to Reader, including the Caution Regarding Forward-Looking Information.

Q&A

12 Pro Forma Financial Information

Pro forma metrics Post Sale

A stronger company with predictable cash flow

(Expressed in thousands CAD$)	Chorus as at December 31, 2023	Change	Chorus Pro Forma December 31, 2023[2]
Assets	3,850,867	(2,312,152)	1,538,715
Liabilities	2,570,398	(1,571,015)	999,383
Equity	1,280,469	(741,138)	539,331
Debt and Finance Leases	1,755,580	(1,284,355)	471,225
Free Cash Flow	331,423	(148,720)	182,703
Repayment of Long-term Debt[1]	273,754	(165,246)	108,508
Free Cash Flow After Debt Repayment	57,669	16,526	74,195
Net Income	106,106	12,301	118,406
Adjusted Net Income per Common Shareholder	57,869	10,901	68,770
Adjusted EPS	0.30	0.05	0.35
Adjusted EBITDA	458,666	(237,130)	221,536
Leverage	3.6x	(1.8x)	1.8x
Adjusted Return on Equity	8.1%	3.7%	11.0%

Higher Free Cash Flow and lower debt leverage allows for simultaneous allocation of capital to shareholders (share buybacks & dividends) and investments in growth[3]

1. Repayment of long-term debt excludes repayment on the Unsecured Credit Facility of $67.5 million.
2. Refer to Slides 15 to 21 for Pro Forma calculations.
3. Refer to Notice to Reader, including the Caution Regarding Forward-Looking Information.

Transaction Overview

(expressed in thousands of dollars)	USD	CAD[1]
Gross Bid Value	1,412,215	1,906,490
Less:		
Debt Balances (as at December 31, 2023)	718,800	970,380
Non-controlling Interest	65,500	88,425
Equity Value	627,915	847,685
Less: Costs to Sell	(25,000)	(33,750)
Net Proceeds	**602,915**	**813,935**
Use of Proceeds:		
Operating Credit Facility[2]		60,000
Series A Debentures		86,250
Series B Debentures		72,500
Series C Debentures		85,000
Preferred Share Redemption[1,3]		490,416
		794,166
Cash Remaining		**19,769**

- Agreed sale price[4] is based on a "locked box" date of December 31, 2023. The sale price is inclusive of an equity adjustment of 8% per annum between December 31, 2023 and the completion date
- Estimated costs to sell: US $25.0 million
- Assumes the repayment/redemption of the Operating Credit Facility, the Series A, Series B, and Series C Debentures and the Preferred Shares

1. See Notice to Reader and Endnotes including Endnotes 1 and 6.
2. Operating Credit Facility balance as at June 30, 2024.
3. Chorus will be required to pay a premium of US $63.3 million ($85.5 million at USD/CAD exchange rate of 1.3500) on redemption of the US $300.0 million ($405.0 million at USD/CAD exchange rate of 1.3500) Preferred Shares.
4. Agreed selling price is the gross enterprise value, subject to final closing adjustments, less related debt repayments and the Non-Controlling Interest, otherwise referred to in the table as the Equity Value.

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Pro Forma Balance Sheet

chorus

As at December 31, 2023 (expressed in thousands of Canadian dollars)	December 31, 2023			Pro Forma Balance Sheet Post Sale Repayment of Corporate Debt & Preferred Shares					
	Chorus Aviation Inc. As Reported	Assets Classified as held for sale	Restated Chorus Aviation Inc.	Sale of two airBaltic aircraft[1]	Sale of RAL[2]	FX change[2]	Continuing operations	Redemption/Repayment Preferred Shares, Series A, Series B and Series C Debentures and Operating Credit Facility[3, 4]	Pro Forma Chorus Aviation Inc.
Assets									
Current assets									
Cash	85,985	55,432	30,553	29,339	813,935	-	873,828	(794,166)	79,662
Restricted cash	90,432	90,208	224	-	-	-	224	-	224
Accounts receivable – trade and other	222,279	51,759	168,569	-	-	-	170,520	-	170,520
Inventories	206,533	118	206,415	(86,743)	-	-	119,672	-	119,672
Prepaid expenses and deposits	22,334	7,881	14,453	-	-	-	14,453	-	14,453
Current portion of finance lease receivables	2,278	1,354	924	-	-	-	924	-	924
Income tax receivable	970	901	69	-	-	-	69	-	69
Assets Classified as held for sale	-	-	2,274,519	-	(2,325,262)	50,743	-	-	-
	630,811	**207,654**	**2,697,676**	**(57,404)**	**(1,512,398)**	**50,743**	**1,179,688**	**(794,166)**	**385,524**
Finance lease receivables	39,492	39,492	-	-	-	-	-	-	-
Property and equipment	2,966,563	1,882,019	1,084,544	-	-	-	1,084,544	-	1,084,544
Intangibles	14,600	12,919	1,681	-	-	-	1,681	-	1,681
Goodwill	8,966	1,816	7,150	-	-	-	7,150	-	7,150
Investments	24,823	24,823	-	-	-	-	-	-	-
Deferred income tax asset	18,286	18,286	-	-	-	-	-	-	-
Other long-term assets	147,326	87,510	59,816	-	-	-	59,816	-	59,816
	3,850,867	**2,274,519**	**3,850,867**	**(57,404)**	**(1,511,326)**	**50,743**	**2,332,880**	**(794,166)**	**1,538,715**
Liabilities									
Current liabilities									
Accounts payable and accrued liabilities	346,599	88,484	258,115	-	-	-	258,115	-	258,115
Current portion of lease liabilities	3,309	836	2,473	-	-	-	2,473	-	2,473
Current portion of long-term incentive plan	2,877	-	2,877	-	-	-	2,877	-	2,877
Current portion of long-term debt	430,082	170,120	259,962	(57,814)	-	-	202,148	(85,376)	116,771
Preferred shares dividend payable	8,680	-	8,680	-	-	-	8,680	-	8,680
Income tax payable	10,915	4,547	6,368	-	-	-	6,368	-	6,368
Liabilities directly associated with assets held for sale	-	-	1,215,767	-	(1,240,954)	25,187	-	-	-
	802,462	**263,987**	**1,754,242**	**(57,814)**	**(1,240,954)**	**25,187**	**480,661**	**(85,376)**	**395,284**
Lease liabilities	7,267	3,214	4,053	-	-	-	4,053	-	4,053
Long-term debt	1,314,922	754,937	559,985	-	-	-	559,985	(212,058)	347,927
Deferred income tax liability	212,919	9,494	203,425	-	-	-	203,425	-	203,425
Other long-term liabilities	232,828	184,135	48,693	-	-	-	48,693	-	48,693
	2,570,398	**1,215,767**	**2,570,398**	**(57,814)**	**(1,240,954)**	**25,187**	**1,296,817**	**(297,434)**	**999,383**
Equity attributable to shareholders	1,193,884	972,165	1,193,884	410	(181,993)	23,762	1,036,063	(496,732)	539,331
Equity attributable to non-controlling interest	86,585	86,586	86,585	-	(88,379)	1,794	-	-	-
Equity	**1,280,469**	**1,058,751**	**1,280,469**	**410**	**(270,372)**	**25,556**	**1,029,888**	**(496,732)**	**539,331**
	3,850,867	**2,275,519**	**3,850,867**	**(57,404)**	**(1,511,326)**	**50,743**	**2,332,880**	**(794,166)**	**1,538,715**

Pro forma reflects:

- Sale and removal of RAL assets and liabilities
- Sale of two A220 aircraft in Q1 2024 which is excluded from the Transaction
- Redemption of Series A, Series B and Series C Debentures
- Redemption of the Preferred Shares
- Repayment of the Operating Credit Facility

1. Chorus sold two A220 aircraft in January 2024 that are excluded from the Transaction.
2. RAL assets were converted from USD to CAD at a foreign exchange rate of 1.3500 versus the December 31, 2023 foreign exchange rate of 1.3226.
3. Actual cash payment related to the redemption of the Series A, Series B and Series C Debentures will be $6.3 million higher due to the netting of deferred transaction costs and interest accretion. Repayment of Operating Credit Facility balance of $60 million as at June 30, 2024.
4. Chorus will be required to pay a premium of US $63.3 million on the redemption of the Preferred Shares.
5. See Notice to Reader and Endnotes including Endnote 1.

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Pro Forma Income Statement

For the twelve months ended December 31, 2023 (expressed in thousands of Canadian dollars)	Chorus Aviation Inc. As Reported	Discontinued operations with impairment[1]	Continuing operations	Redemption/Repayment Preferred Shares, Series A, Series B and Series C Debentures and Operating Credit Facility[2]	Pro Forma Chorus Aviation Inc.
Passenger	1,294,133	-	1,294,133	-	1,294,133
Other	386,942	281,464	105,478	-	105,478
Operating revenue	**1,681,075**	**281,464**	**1,399,611**	**-**	**1,399,611**
Operating expenses					
Salaries, wages and benefits	523,363	30,449	492,914	-	492,914
Depreciation, amortization and impairment	238,005	146,526	91,479	-	91,479
Aircraft maintenance materials, supplies and services	312,148	15	312,133	-	312,133
Airport and navigation fees	143,890	-	143,890	-	143,890
Terminal handling services	22,067	-	22,067	-	22,067
Other	209,836	31,238	178,598	-	178,598
	1,449,309	**208,228**	**1,241,081**	**-**	**1,241,081**
Operating income	**231,766**	**73,236**	**158,530**	**-**	**158,530**
Non-operating (expenses) income					
Interest revenue	6,096	3,911	2,185	-	2,185
Interest expense	(104,594)	(61,756)	(42,838)	22,982	(19,856)
Gain on disposal of property and equipment	13	-	13	-	13
Gain on fair value of investments	3,555	3,555	-	-	-
Foreign exchange gain	23,091	3,937	19,154	-	19,154
Impairment on discontinued operations[3]	-	(181,993)	-	-	-
	(71,839)	**(232,346)**	**(21,487)**	**22,982**	**1,495**
Income (loss) before income taxes	**159,927**	**(159,110)**	**137,044**	**22,982**	**160,025**
Income tax expense					
Current income tax	(21,295)	(3,443)	(17,852)	(6,205)	(24,057)
Deferred income tax	(32,526)	(14,964)	(17,562)	-	(17,562)
	(53,821)	**(18,407)**	**(35,414)**	**(6,205)**	**(41,619)**
Net income (loss)	**106,106**	**(177,517)**	**101,630**	**16,777**	**118,407**
Net income attributable to non-controlling interest	4,753	4,753	-	-	-
Net income (loss) attributable to shareholders	101,353	(182,270)	101,630	16,777	118,407
Preferred share dividends declared[2]	(35,426)	-	(35,426)	35,426	-
Earnings (loss) attributable to common shareholders	**65,927**	**(182,270)**	**66,204**	**52,203**	**118,407**
Earnings (loss) attributable to common shareholders, per share, basic	0.34	(0.93)	0.34	0.27	0.61
Earnings (loss) attributable to common shareholders, per share, diluted	0.33	(0.93)	0.33	0.26	0.61
Continuing operations	101,630	-	101,630	16,777	118,407
Discontinued operations	(277)	(182,270)	-	-	-
	101,353	**(182,270)**	**101,630**	**16,777**	**118,407**

Pro forma Income Statement reflects the removal:

- RAL segment; and
- Savings of $58.4 million related to the redemption/repayment of:
  - Series A, B and C Debentures
  - Operating Credit Facility
  - Preferred Shares

1. The cumulative translation adjustment ("CTA") is estimated to be a $20.6 million gain based on a foreign exchange rate of 1.3500 to convert USD to CAD. The CTA will be recognized to the income statement once the Transaction is completed at the exchange rate in effect at that date.
2. Estimated interest expense savings of $23.0 million relate to the redemption/repayment of Series A, B and C Debentures of $16.7 million and Operating Credit Facility interest of $6.3 million.
3. Impairment is calculated based on a foreign exchange rate of 1.3500 to convert USD to CAD using the measurement to fair value less non-controlling interest and costs to sell.
4. See Notice to Reader and Endnotes.

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Pro Forma Leverage Ratio

	December 31, 2023				
(expressed in thousands of Canadian dollars)	**Chorus Aviation Inc. As Reported**	**Discontinued operations**	**Continuing operations**	**Redemption/ Repayment Series A, Series B and Series C Debentures and Operating Credit Facility and Cash retained[2]**	**Pro Forma Chorus Aviation Inc.**
Long-term debt and lease liabilities (including current portion)	1,755,580	986,921	768,659	297,434	471,225
Less: Cash	(85,985)	(55,432)	(30,553)	49,109	(79,662)
Net debt	**1,669,595**	**931,489**	**738,106**	**346,542**	**391,563**
Adjusted EBITDA	**458,666**	**237,130**	**221,536**	-	221,536
Leverage Ratio	**3.6**	**3.9**	**3.3**	-	**1.8**

Pro forma Leverage Ratio reflects:

- Net proceeds from the Transaction
- Sale of A220 aircraft in Q1 2024[3]
- Redemption of Series A, B and C Debentures
- Redemption of the Preferred Shares
- Repayment of the Operating Credit Facility

1. See Notice to Reader and Endnotes including Endnote 1.
2. Includes repayment of Operating Credit Facility balance of $60 million as at June 30, 2024.
3. Chorus sold two A220s in January 2024 that are excluded from the Transaction.

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Pro Forma Free Cash Flow

(expressed in thousands of Canadian dollars)	Chorus Aviation Inc. As reported	Discontinued operations	Continuing operations	Redemption/ Repayment Series A, Series B and Series C Debentures and Operating Credit Facility	Pro Forma Chorus Aviation Inc.
	Year ended December 31, 2023				
Cash provided by operating activities	299,675	94,045	205,630	16,777	222,407
Add (deduct)					
Net Changes in non-cash balances	62,055	71,608	(9,553)	-	(9,553)
Capital expenditures, excluding aircraft acquisitions	(15,251)	(876)	(14,375)	-	(14,375)
Heavy checks	(15,776)	-	(15,776)	-	(15,776)
	330,703	164,777	165,927	16,777	182,703
Net proceeds on asset sales	720	720	-	-	-
Free Cash Flow	**331,423**	**165,497**	**165,926**	**16,777**	**182,703**

Repayment of long-term borrowings

Repayment of long-term borrowings	341,234	165,246	175,988	-	175,988
Repayment of Unsecured Credit Facility	67,480	-	67,480	-	67,480
Repayment of long-term borrowings excluding Unsecured Credit Facility	**273,754**	**165,246**	**108,508**	**-**	**108,508**
Free Cash Flow After Debt Repayment	**57,669**	**251**	**57,418**	**16,777**	**74,195**

Pro forma Free Cash Flow reflects removal of:

- RAL segment
- Interest expense on Series A, B and C Debentures
- Interest expense on the Operating Credit Facility

1. See Notice to Reader and Endnotes including Endnote 1.

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Pro Forma Adjusted Return on Equity

(expressed in thousands of Canadian dollars)	Chorus Aviation Inc. As Reported	Discontinued operations	Continuing operations	Redemption/ Repayment Series A, Series B and Series C Debentures and Operating Credit Facility	Pro Forma Chorus Aviation Inc.
	Trailing 12-Months ended December 31, 2023				
Adjusted Net Income	98,048	46,055	51,993	16,777	68,770
Non-controlling interest	(4,753)	(4,753)	-	-	-
Preferred Share dividends declared	(35,426)	-	(35,426)	35,426	-
Adjusted Net Income available to Common Shareholders	**57,869**	**41,302**	**16,567**	**52,203**	**68,770**
Average equity attributable to Common Shareholders excluding cash					
Average Shareholders' equity[1]	1,274,446	-	1,274,446	(370,443)	904,003
Less:					
Average Non-controlling interest	(87,718)	(87,718)	-	(43,859)	(43,859)
Average Preferred Shares	(375,217)	-	(375,217)	187,609	(187,608)
Average Cash	(93,006)	(68,080)	(24,926)	(24,554)	(49,480)
	718,505	**(155,798)**	**874,303**	**(251,248)**	**623,055**
Adjusted Return on Equity	8.1%				11.0%

Pro forma Adjusted net income available to Common Shareholders reflects removal of:

- RAL segment
- Interest expense on Series A, B and C Debentures
- Interest expense on the Operating Credit facility
- Preferred Share dividends

Pro forma Adjusted Shareholders equity reflects:

- Net proceeds from the Transaction
- Redemption of Series A, Series B and Series C Debentures
- Repayment of the Operating Credit Facility
- Redemption of the Preferred Shares

1. The table above reflects an adjustment to Average Shareholders' Equity for the difference in USD/CAD foreign exchange rates used to value RAL net assets at December 31, 2023 (1.3226) and the assumed USD/CAD foreign exchange rate for the sale of the RAL business (1.3500).
2. See Notice to Reader and Endnotes including Endnote 1.

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Pro Forma Adjusted Metrics

	Year ended December 31, 2023				
(expressed in thousands of Canadian dollars)	Chorus Aviation Inc. As reported	Discontinued operations	Continuing operations	Redemption/ Repayment Preferred Shares, Series A, Series B and Series C Debentures and Operating Credit Facility[2]	Pro Forma Chorus Aviation Inc.
Operating income	**231,766**	**73,236**	**158,530**	**-**	**158,530**
Depreciation and amortization excluding impairment[1]	238,005	146,526	91,479	-	91,479
Employee separation program[1]	1,442	-	1,442	-	1,442
Defined Benefit Pension Revenue[2]	(29,916)	-	(29,916)	-	(29,916)
Gain on fund investments	3,568	3,568	-	-	-
Lease Repossession Costs[1]	13,800	13,800	-	-	-
Adjusted EBITDA[3]	**458,666**	**237,130**	**221,536**	**-**	**221,536**
Earnings before tax	159,927	22,883	137,044	22,982	160,025
Impairment Provision[1]	30,591	30,591	-	-	-
Employee separation program[1]	1,442	-	1,442	-	1,442
Defined Benefit Pension Revenue[2]	(29,916)	-	(29,916)	-	(29,916)
Lease Repossession Costs[1]	13,800	13,800	-	-	-
Unrealized foreign exchange gain	(5,768)	(3,354)	(2,413)	-	(2,413)
Realized foreign exchange gain on intercompany loan[4]	(26,437)	-	(26,437)	-	(26,437)
Adjusted EBT[3]	**143,639**	**63,920**	**79,719**	**22,982**	**102,701**

Pro forma reflects the removal of:

- RAL segment
- Interest expense on Series A, B and C Debentures
- Interest expense on the Operating Credit Facility
- Preferred Share dividends

1. Included in operating expenses.
2. Air Canada agreed to compensate Jazz for the one-time impact of the wage increase on the Jazz defined benefit pension plan of $29.9 million which will be repaid in 60 equal monthly payments beginning on December 1, 2023. In accordance with IFRS, the associated impact of the wage scale pension assumption change in the pension liability was charged directly to other comprehensive income.
3. 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 Non-GAAP Financial Measures.
4. Realized foreign exchange gain relates to the extinguishment of intercompany loan receivables in the fourth quarter of 2023. During the term of these intercompany loan receivables the unrealized foreign exchange gain or loss was recognized on the loan receivable. The intercompany loan payable was recorded in one of Chorus' subsidiaries with a USD functional currency such that the foreign exchange offset was recognized in exchange differences on foreign operations in other comprehensive income. The elimination of the realized foreign exchange from adjusted net income reflects the economics of the intercompany transaction.

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Pro Forma Adjusted Metrics (continued)

(expressed in thousands of Canadian dollars)	Chorus Aviation Inc. As reported	Discontinued operations	Continuing operations	Redemption/ Repayment Preferred Shares, Series A, Series B and Series C Debentures and Operating Credit Facility[2]	Pro Forma Chorus Aviation Inc.
Net Income	106,106	4,476	101,629	16,777	118,406
Impairment Provision[1]	30,591	30,591	-	-	-
Employee separation program[1]	1,442	-	1,442	-	1,442
Defined Benefit Pension Revenue[2]	(29,916)	-	(29,916)	-	(29,916)
Lease Repossession Costs[1]	13,800	13,800	-	-	-
Unrealized foreign exchange gain	(5,768)	(3,354)	(2,413)	-	(2,413)
Realized foreign exchange gain on intercompany loan[3]	(26,437)	-	(26,437)	-	(26,437)
Tax Recovery on Adjusted Items[4]	8,230	542	7,688	-	7,688
Adjusted Net Income[5]	**98,048**	**46,055**	**51,993**	**16,777**	**68,770**
Adjusted earnings available to Common Shareholders per Common Share					
Add (Deduct) items to get to Adjusted earnings available to Common Shareholders					
Adjusted Net Income	98,048	46,055	51,993	16,777	68,770
Non-controlling interest	(4,753)	(4,753)	-	-	-
Preferred Shares	(35,426)	-	(35,426)	35,426	-
Adjusted net income per common shareholder[5]	57,869	41,302	16,567	52,203	68,770
Adjusted Net Income available to common shareholders per common share - basic	**0.30**	**0.21**	**0.09**	**0.26**	**0.35**

1. Included in operating expenses.
2. Air Canada agreed to compensate Jazz for the one-time impact of the wage increase on the Jazz defined benefit pension plan of $29.9 million which will be repaid in 60 equal monthly payments beginning on December 1, 2023. In accordance with IFRS, the associated impact of the wage scale pension assumption change in the pension liability was charged directly to other comprehensive income.
3. Realized foreign exchange gain relates to the extinguishment of intercompany loan receivables in the fourth quarter of 2023. During the term of these intercompany loan receivables the unrealized foreign exchange gain or loss was recognized on the loan receivable. The intercompany loan payable was recorded in one of Chorus' subsidiaries with a USD functional currency such that the foreign exchange offset was recognized in exchange differences on foreign operations in other comprehensive income. The elimination of the realized foreign exchange from adjusted net income reflects the economics of the intercompany transaction.
4. In the second quarter of 2022, Chorus recognized a deferred tax asset on certain adjusted expenses related to repossessions of aircraft and lease restructurings in FIL's aircraft portfolio. In the second quarter of 2023, Chorus recognized a provision against the deferred tax asset as the aircraft have not yet been re-leased.
5. 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 Non-GAAP Financial Measures.

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Appendices

Notice to Reader

PURPOSE OF THIS PRESENTATION

This presentation has been prepared in connection with Chorus’ investor communications program and is for information purposes only. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company. This presentation is not, and in no circumstances is to construed as, a prospectus, an advertisement or a public offering of securities and this presentation does not contain all of the information that would normally appear in a prospectus under Canadian securities laws. The information presented herein is not intended to provide and must not be relied on for, accounting, legal, regulatory, tax, business, financial or related advice or investment recommendation. No person providing any information herein is acting as a fiduciary or advisor with respect to such information. Any unauthorized use of this presentation is strictly prohibited. Distribution or copying of this presentation, in whole or in part in any medium, is prohibited without the prior written consent of the Company. All information contained herein regarding the Transaction is qualified in its entirety by the information that will be contained in the management proxy circular for Chorus’ special meeting of shareholders to be called for the purpose of approving the Transaction.

DATE OF FINANCIAL INFORMATION AND CURRENCY

Unless expressly stated otherwise, (i) historical financial information included in this presentation is provided as of December 31, 2023, and (ii) all references to “$” or “Dollars” in this presentation are to Canadian Dollars.

DEFINED TERMS

All references to “Chorus”, “the Company”, “us”, “our” or derivatives thereof in this presentation are to Chorus Aviation Inc.

The “Transaction” refers to the sale of the assets comprising Chorus’ Regional Aircraft Leasing segment, including Falko Regional Aircraft Limited.

References to: (i) “shares” or “common shares” (or the singular versions thereof) are to Chorus’ Class A Variable Voting Shares and Class B Voting Shares; (ii) “shareholders” are to holders of Chorus’ Class A Variable Voting Shares or Class B Voting Shares; (iii) “Preferred Shares” are to Chorus’ Series 1 Preferred Shares; (iv) “Series A Debentures” are to the 5.75% senior unsecured debentures of Chorus due December 31, 2024; (v) “Series B Debentures” are to the 6.00% convertible senior unsecured debentures of Chorus due June 30, 2026; (vi) “Series C Debentures” are to the 5.75% senior unsecured debentures of Chorus due June 30, 2027; (vii) “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 Chorus, 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; (viii) “CAD” refers to Canadian Dollars; and (ix) “USD” refers to U.S. Dollars.

References in this presentation to other capitalized terms and acronyms used but not defined in this presentation have the meanings given to them in our Management’s Discussion and Analysis of Results of Operations and Financial Condition dated February 22, 2024, which is available under Chorus’ profile on SEDAR+ at www.sedarplus.ca.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This presentation includes forward-looking information and statements (collectively, “forward looking information”) within the meaning of applicable securities laws. Forward-looking information may be identified by the use of terms and phrases such as “anticipate”, “believe”, “can”, “could”, “estimate”, “expect”, “future”, “intend”, “make”, “may”, “plan”, “potential”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including negative versions thereof and other similar expressions. 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 forward-looking information. As a result, there can be no assurance that the forward-looking information included in this presentation will prove to be accurate or correct.

(continued on next page)

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Notice to Reader (continued)

Actual results may differ materially from those anticipated in forward-looking information for a number of reasons, including: whether Chorus' shareholders approve the Transaction; whether all conditions precedent, including all necessary regulatory approvals, to the Transaction are satisfied; Chorus' ability to realize the anticipated benefits of the Transaction, including the implementation of any capital return program for shareholders; the anticipated net proceeds from the Transaction, the anticipated use of proceeds from the Transaction, the potential impact of the announcement or completion of the Transaction on relationships, including with employees, suppliers, customers, investors and other providers of capital; changes in the aviation industry and general economic conditions; and the risk factors in Chorus' most recent Annual Information Form and in its public disclosure record available under its profile on SEDAR+ at www.sedarplus.ca. Forward-looking information and statements contained in this presentation represent Chorus' 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. Chorus disclaims any intention or obligation to update or revise such information or statements to reflect 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.

CAUTION REGARDING UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS ("PRO FORMA STATEMENTS")

The Pro Forma Statements are based on Chorus' consolidated financial statements for the year ended December 31, 2023 (the "2023 Financial Statements") and have been prepared to retroactively show the effect of the Transaction on Chorus had the Transaction closed on January 1, 2023. The pro forma adjustments to the 2023 Financial Statements are intended to illustrate the financial effect of the Transaction on Chorus; however, such adjustments are tentative and are based on current management estimates and assumptions.

The Pro Forma Statements are not audited. Furthermore, since the Pro Forma Statements are based on historical financial results, they are not indicative of future financial results and should not be regarded as a forecast or projection of Chorus' future earnings, financial position or cash flows. Undue reliance should not be placed on the Pro Forma Statements.

MARKET AND INDUSTRY DATA

This document includes estimates regarding market and industry data that is prepared based on management's knowledge and experience in the markets in which we operate, together with information obtained from various sources, including publicly available information and industry reports and publications. While we believe such information is reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified any third-party information.

The information in this presentation does not take into account your investment objectives, financial situation or particular needs and nothing contained herein should be construed as legal, business or tax advice. Each prospective investor should consult its own financial, legal and tax advisor as to legal, financial, tax and related matters concerning the information contained herein.

NON-GAAP FINANCIAL MEASURES

This presentation contains references to non-GAAP financial measures, non-GAAP ratios and non-GAAP capital management measures that are calculated and presented using methodologies other than in accordance with generally accepted accounting principles in Canada following the adoption of International Financial Reporting Standards ("GAAP"). We use these measures in managing Chorus' business, including for performance measurement, capital allocation and valuation purposes and believe that providing these measures on a supplemental basis to our results is helpful to investors in assessing the overall performance of our businesses. These financial measures should not be considered superior to GAAP measures and should not be considered as the sole measure of our performance or in isolation from, or as a substitute for, similar financial measures calculated in accordance with GAAP. We caution readers that these non-GAAP measures or other financial metrics may differ from the calculations disclosed by other entities and, as a result, may not be comparable to similar measures presented by other entities. For a discussion regarding our use of non-GAAP measures in this presentation and, where applicable, their reconciliation to the most directly comparable GAAP measures, refer to the following pages and our public disclosure record available under Chorus' profile on SEDAR+ at www.sedarplus.ca.

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Non-GAAP Financial Measures

ADJUSTED NET INCOME

Adjusted Net Income and Adjusted Net Income per share 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, employee separation program costs, impairment provisions, lease repossession costs net of security packages realized, restructuring ECL provision, 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.

ADJUSTED EBT AND ADJUSTED EBITDA

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 employee separation program costs, impairment provisions, lease repossession costs net of security packages realized, restructuring ECL provision, Defined Benefit Pension Revenue, 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 employee separation program costs, impairment provisions, lease repossession costs net of security packages realized, restructuring ECL provision, Defined Benefit Pension Revenue 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 employee separation program costs, strategic advisory fees, impairment provisions, lease repossession costs net of security packages realized, restructuring ECL provision, Defined Benefit Pension Revenue 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 employee separation program costs, impairment provisions, lease repossession costs net of security packages realized, restructuring ECL provision, Defined Benefit Pension Revenue 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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Non-GAAP Financial Measures (continued)

Per Chorus' Management's Discussion and Analysis of Results of Operations and Financial Condition dated February 22, 2024

(unaudited) *(expressed in thousands of Canadian dollars)*	Year ended December 31, 2023 $	 2022 $
Net income	**106,106**	**51,917**
Add (Deduct) items to get to Adjusted net income		
Impairment provisions[1]	30,591	20,499
Restructuring expected credit loss provision[1, 2]	—	10,353
Employee separation program[1]	1,442	2,296
Strategic advisory fees[1]	—	8,524
Defined Benefit Pension Revenue[3]	(29,916)	—
Lease repossession costs[1]	13,800	28,059
Unrealized foreign exchange loss (gain)	(5,768)	7,356
Realized foreign exchange gain on intercompany loan[4]	(26,437)	—
Tax (recovery) expense on adjusted items[2]	8,230	(10,162)
	(8,058)	66,925
Adjusted net income	**98,048**	**118,842**
Add (Deduct) items to get to Adjusted EBT		
Income tax expense	53,821	21,933
Tax expense (recovery) on adjusted items[2]	(8,230)	10,162
Adjusted EBT	**143,639**	**150,937**
Add (Deduct) items to get to Adjusted EBITDA		
Net interest expense	98,498	100,843
Depreciation and amortization excluding impairment	207,414	182,114
Foreign exchange loss	9,114	6,256
Gain on disposal of property and equipment	(13)	(172)
Loss on fair value of investments	14	1,068
	315,027	290,109
Adjusted EBITDA	**458,666**	**441,046**

1. Included in operating expenses.
2. In the second quarter of 2022, Chorus recognized a deferred tax asset on certain adjusted expenses related to repossessions of aircraft and lease restructurings in FIL's aircraft portfolio. In the second quarter of 2023, Chorus recognized a provision against the deferred tax asset as the aircraft have not yet been re-leased.
3. Air Canada agreed to compensate Jazz for the one-time impact of the wage increase on the Jazz defined benefit pension plan of $29.9 million which will be repaid in 60 equal monthly payments beginning on December 1, 2023. In accordance with IFRS, the associated impact of the wage scale pension assumption change in the pension liability was charged directly to other comprehensive income.
4. Realized foreign exchange gain relates to the extinguishment of intercompany loan receivables in the fourth quarter of 2023. During the term of these intercompany loan receivables the unrealized foreign exchange gain or loss was recognized on the loan receivable. The intercompany loan payable was recorded in one of Chorus' subsidiaries with a USD functional currency such that the foreign exchange offset was recognized in exchange differences on foreign operations in other comprehensive income. The elimination of the realized foreign exchange from adjusted net income reflects the economics of the intercompany transaction.

Non-GAAP Financial Measures (continued)

Adjusted earnings available to Common Shareholders per Common Share
Per Chorus' Management's Discussion and Analysis of Results of Operations and Financial Condition dated February 22, 2024

(unaudited) *(expressed in thousands of Canadian dollars, except per Share amounts)*	Year ended December 31, 2023 $	 2022 $
Adjusted net income	**98,048**	**118,842**
Add (Deduct) items to get to Adjusted earnings available to Common Shareholders		
Net income attributable to non-controlling interest	(4,753)	(3,027)
Preferred Share dividends declared	(35,426)	(22,902)
Adjusted earnings available to Common Shareholders	**57,869**	**92,913**
Adjusted earnings available to Common Shareholders per Common Share - basic	**0.30**	**0.48**

Non-GAAP Financial Measures (continued)

Leverage Ratio
Per Chorus' Management's Discussion and Analysis of Results of Operations and Financial Condition dated February 22, 2024

Net debt to trailing 12-month Adjusted EBITDA (also referred to as "leverage ratio" in this presentation) is used by Chorus as a means to measure financial leverage. Leverage is not a recognized measure under GAAP, and therefore is unlikely to be comparable to similar measures presented by other companies. Management believes leverage to be a useful term 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 should not be construed as a measure of cash flows.

(expressed in thousands of Canadian dollars)	**December 31, 2023** **$**	**December 31, 2022** **$**
Long-term debt (including current portion)	1,755,580	2,030,276
Less:		
Cash	(85,985)	(100,027)
Net debt	1,669,595	1,930,249
Adjusted EBITDA	458,666	441,046
Leverage Ratio	3.6	4.4

Non-GAAP Financial Measures (continued)

Free Cash Flow
Per Chorus' Management's Discussion and Analysis of Results of Operations and Financial Condition dated February 22, 2024

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 company 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 plus net proceeds on asset sales (proceeds on disposal of property and equipment less the related debt repayments for the assets sold).

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:

	Year ended December 31,	
(unaudited) *(expressed in thousands of Canadian dollars)*	**2023** **$**	**2022** **$**
Cash provided by operating activities	299,675	279,512
Add (Deduct)		
Net changes in non-cash balances related to operations	62,055	(28,773)
Capital expenditures, excluding aircraft acquisitions	(15,251)	(15,914)
Capitalized major maintenance overhauls	(15,776)	(15,974)
	330,703	218,851
Net proceeds on asset sales	720	152,468
Free Cash Flow	**331,423**	**371,319**

Non-GAAP Financial Measures (continued)

Adjusted Return on Equity
Per Chorus' Management's Discussion and Analysis of Results of Operations and Financial Condition dated February 22, 2024

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

(unaudited) *(expressed in thousands of Canadian dollars)*	Trailing 12-months ended **December 31, 2023** **$**	 **December 31, 2022** **$**
Adjusted Net Income	98,048	118,842
Add (Deduct) items to get to Adjusted earnings available to Common Shareholders		
Net income attributable to non-controlling interest	(4,753)	(3,027)
Preferred Share dividends declared	(35,426)	(22,902)
Adjusted Net Income available to Common Shareholders	57,869	92,913
Average equity attributable to Common Shareholders excluding cash		
Average Shareholders' equity	1,274,446	979,446
Add (Deduct) items to get to average equity attributable to Common Shareholders excluding cash		
Average Non-controlling interest	(87,718)	(44,425)
Average Preferred Shares	(375,217)	(187,608)
Average Cash	(93,006)	(111,800)
	718,505	635,613
Adjusted Return on Equity	8.1%	14.6%

Non-GAAP Financial Measures (continued)

Price-to-book value Ratio for Peer Comparison[2]

Price-to-book value[1] (P/B) is a common valuation metric used to measure a company's equity value in relation to its book value per share.

(expressed in thousands of Canadian dollars, except Common Shares issued and outstanding, and Book Value per Common Share - basic)	**December 31, 2023 $**
Equity attributable to shareholders	1,193,884
Add (Deduct)	
Issuance of Preferred Shares, net of transaction costs and related tax[1]	(375,217)
Net equity attributable to Common Shareholders	**818,667**
Common Shares issued and outstanding	193,427,537
Book Value per Common Share – basic	**$4.23**

(expressed in Canadian dollars, except price-to-book value ratio)	**December 31, 2023 $**
Chorus Common Share price[1]	$2.23
Book Value per Common Share - basic	$4.23
Chorus Price-to-book value ratio[2]	**0.53x**

(expressed in thousands of Canadian dollars, except price-to-book value ratio)	**December 31, 2023 $**
Net sales proceeds[3]	813,935
RAL equity attributable to shareholders[4]	972,165
RAL Price-to-book value ratio[2]	**0.84x**

1. See Notice to Reader and Endnotes including Endnotes 2, 4, and 6.
2. Refer to Price-to-Book comparison on Slide 4.
3. Refer to Slide 14 for Transaction Overview.
4. Refer to Slide 15 for Assets classified as held for sale (RAL equity attributable to shareholders).

Non-GAAP Financial Measures (continued)

RAS Calculated Value and RAL Implied Market Value[1]

(expressed in thousands of Canadian dollars, except EV/EBITDA multiple)	**$**
RAS Segment 2023 Adjusted EBITDA[2]	$249,280
Corporate Segment 2023 Adjusted EBITDA[2]	($27,745)
Add (Deduct):	
Forecasted change in Fixed Margin from 2023 to 2025[3]	($3,680)
Forecasted change in revenue from Aircraft Leasing under the CPA from 2023 to 2025[3]	($35,889)
Adjusted EBITDA for Price-to-Book Calculation Pro Forma 2025	**$181,966**
EV / EBITDA Multiple[4]	**7.0x**
Enterprise Value	**$1,273,762**
Add (Deduct):	
RAS Minimum Cash Balance	$30,000
RAS Long-term debt (excluding lease liabilities) as at December 31, 2023	($400,631)
RAS Calculated Value	**$903,131**

Current Market Capitalization[1]	**$537,016**
Add (Deduct)	
RAS Calculated Value (per above)	($903,131)
RAL Implied Market Value	**($366,115)**

1. See Notice to Reader and Endnotes including Endnote 3.
2. Per Management's Discussion and Analysis of Results of Operations and Financial Condition dated February 22, 2024.
3. Forecasted change in Fixed Margin and revenue from Aircraft Leasing under the CPA are calculated as the difference between 2023 annual figures and 2025 forecast provided in the Outlook section of the Management's Discussion and Analysis of Results of Operations and Financial Condition dated May 6, 2024.
4. RAS EV/EBITDA 7.0x multiple per Chorus' investor presentation dated March 29, 2023.

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Endnotes

1. The assumed foreign exchange rate for the sale of the RAL business is: USD/CAD foreign exchange rate of C$1.3500.
2. Share price is based on the 90-day volume weighted average price ("VWAP") of Chorus' common shares on the Toronto Stock Exchange up to, and including, July 16, 2024.
3. Market capitalization is calculated as July 26, 2024 closing share price of $2.81 multiplied by 191,108,856 common shares outstanding as June 30, 2024.
4. Price-to-book value (P/B) is a common valuation metric used to measure a company's equity value in relation to its book value per share. RAL price-to-book ratio of 0.84x is calculated by dividing the net sales proceeds by the net book value of the RAL net assets as at December 31, 2023. Chorus price-to-book value ratio of 0.53x is calculated by dividing Chorus' common share price by Chorus' net book value per share as at December 31, 2023. Peer comparison price-to-book values are the 2024 year-to-date averages per FactSet as of July 17, 2024. Refer to Endnote 3 for definition of Chorus' common share price. Please refer to slide 31 for detailed calculation.
5. Net sale proceeds per common share of $4.21 is calculated as the net sale price for the Transaction divided by the number of common shares outstanding as of December 31, 2023.
6. On May 3, 2022, and in connection with the acquisition of Falko Regional Aircraft Limited and related interests in aircraft, BSI Dragonfly Holdings LP subscribed for US $300 million of Preferred Shares in exchange for US $291 million (CAD $375,217) in cash.

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