

Form 51-102F3
Material Change Report

Item 1: Name and Address of Company

Chorus Aviation Inc. (“**Chorus**” or the “**Corporation**”)
3 Spectacle Lake Drive, Suite 380, Dartmouth, Nova Scotia B3B 1W8

Item 2: Date of Material Change

December 6, 2024

Item 3: News Release

A news release with respect to the material change referred to in this report was disseminated by Cision on December 6, 2024. A copy of the news release is available under the Corporation’s profile on SEDAR+ at www.sedarplus.ca.

Item 4: Summary of Material Change

On December 6, 2024, the Corporation completed the sale of its Regional Aircraft Leasing (“**RAL**”) segment previously announced on July 30, 2024.

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

On July 30, 2024, the Corporation and its wholly-owned subsidiary, Chorus Aviation Capital Corp. (“**CACC**”), entered into a binding sale and purchase agreement with Cruise Bidco ULC and Falko Holdings Limited (collectively, the “**Buyers**”), each of which is an affiliate of investment funds managed by HPS Investment Partners, LLC, whereby the Buyers, together and on a joint and several basis, agreed to purchase the Corporation’s RAL segment, comprised of (i) all of the limited partnership interests in Chorus Aviation Investment Holdings LP held by Chorus, (ii) all of the shares in Chorus Aviation Leasing Inc. held by Chorus’ subsidiary, CACC, and (iii) all of the shares in Chorus Aviation Holdings GP Inc. held by Chorus (the “**Transaction**”).

The Transaction was completed on December 6, 2024. The Transaction resulted in the disposition of Falko Regional Aircraft Limited, Falko (Ireland) Limited and their respective affiliates in the RAL segment (collectively, the “**Falko Group**”), together with Chorus’ ownership of the aircraft in the RAL segment and its interests in the aircraft investment funds in the RAL segment which are managed by the Falko Group.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

Dennis Lopes
SVP, Chief Legal Officer and Corporate Secretary
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E-mail: dennis.lopes@chorusaviation.com

Item 9: Date of Report

December 10, 2024



Chorus Announces Completion of Sale of its Regional Aircraft Leasing Segment and Organizational Updates

HALIFAX, NS, December 6, 2024 /CNW/ - Chorus Aviation Inc. (TSX: CHR) ("**Chorus**") today announced the completion of the previously announced sale of its Regional Aircraft Leasing (RAL) segment (the "**Transaction**").

"Chorus is pleased to announce the completion of the sale of its RAL segment, including Falko. As we close this transaction, we are moving forward with a stronger financial position for our company," said Colin Copp, President and Chief Executive Officer, Chorus. "The significant deleveraging and improved liquidity resulting from this sale will enable us to implement a sustainable capital return program for our shareholders and fund steady growth in our aviation services businesses."

"We extend our sincere gratitude to all of the parties who made possible the successful completion of this transaction, including Chorus and Falko employees and our advisors," noted Mr. Copp. "We also thank our board of directors and shareholders, whose guidance and strong endorsement of the transaction were instrumental in re-positioning Chorus for future success."

Chorus also announced the planned retirement of Jolene Mahody, Executive Vice President and Chief Strategy Officer, effective January 2025 after a 32-year career with Chorus and its predecessor companies. Randolph deGooyer has been appointed to the role of Chief Operating Officer of Chorus, effective January 1, 2025. Randolph is currently the President of Chorus' largest subsidiary, Jazz Aviation, and brings significant operational and industry experience to his new role. Doug Clarke, currently Jazz's Vice President of Finance and Business Services, will replace Randolph as President of Jazz.

"I thank Jolene for her contributions over her 32 years with Chorus, including playing a central role in the lead up to today's announcement to reposition our business," said Mr. Copp. "I wish Randolph and Doug the very best in their new roles and look forward to their contributions to Chorus and Jazz, as we embark on a new chapter for our business."

With the disposition of the RAL segment, Chorus is reducing corporate overhead cost in many areas, including reducing its Board of Directors by 50 per cent. As a result, Chorus directors Gail Hamilton, R Stephen Hannahs, Alan Jenkins and David Levenson are stepping down from the board effective January 1, 2025, and Karen Cramm will stay on until the next annual general meeting.

"We are grateful to the directors who are departing for their capable guidance over the years and, most recently, for their invaluable counsel throughout the last year, as we worked on the divestiture of our leasing business. I wish them all the best," said Mr. Copp.

Forward-Looking Information

This news release contains forward-looking information and statements within the meaning of applicable securities laws (collectively, “**forward-looking information**”). Forward-looking information involves significant risks and uncertainties that could cause actual results to differ materially from those anticipated. Examples of forward-looking information include statements regarding the potential implementation of a capital return program for shareholders and the future growth in Chorus’ services businesses. Actual results could differ materially from those described in forward-looking information due to known or unknown risks, including, but not limited to, the risk factors described in Chorus’ public disclosure record available under Chorus’ profile on SEDAR+ at www.sedarplus.ca.

The forward-looking information contained in this news release represents Chorus’ expectations as of the date of this news release (or as of the date they are otherwise stated to be made) and is subject to change after such date. Chorus disclaims any intention or obligation to update or revise any forward-looking information as a result of 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.

About Chorus Aviation Inc.

Chorus is a Canadian company focused on aviation services businesses. Our operating subsidiaries are: Jazz Aviation, the largest regional operator in Canada and provider of regional air services under the Air Canada Express brand; Voyageur Aviation, a leading provider of specialty charter, aircraft modifications, parts provisioning and in-service support services; and Cygnet Aviation Academy, an industry leading accredited training academy preparing pilots for direct entry into airlines. Together, Chorus’ subsidiaries provide services that encompass every stage of an aircraft’s lifecycle, including: aircraft acquisition and leasing; aircraft refurbishment, engineering, modification, repurposing and transition; contract flying; aircraft and component maintenance, disassembly, and parts provisioning; and pilot training.

Chorus Class A Variable Voting Shares and Class B Voting Shares trade on the Toronto Stock Exchange under the trading symbol ‘CHR’. Chorus 5.75% Senior Unsecured Debentures due December 31, 2024, 6.00% Convertible Senior Unsecured Debentures due June 30, 2026, and 5.75% Senior Unsecured Debentures due June 30, 2027 trade on the Toronto Stock Exchange under the trading symbols ‘CHR.DB.A’, ‘CHR.DB.B’, and ‘CHR.DB.C’ respectively. For further information on Chorus, please visit www.chorusaviation.com.

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