CARGOJET

Corporate Overview
May 3 2022

Caution Concerning Forward Looking Statements

This presentation includes certain forward-looking statements that are based upon current expectations which involve risks and uncertainties associated with our business and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “project” and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts, but reflect Cargojet’s current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Examples of the factors that can affect the results are government regulations, competition, seasonal fluctuations, international trade, weather patterns, retention of key personnel, labour relations, terrorist activity, general industry condition and economic sensitivity, the Company’s ability to manage growth and profitability, fuel prices, other cost controls and foreign exchange fluctuations, and capability of maintaining its fleet. The risk and uncertainties are detailed in the “Risk Factors” section of the MD&A for the three month period and the year ended December 31, 2020 dated March 1, 2021 which was filed with SEDAR at www.sedar.com and the Company is not aware of any significant changes to its risk factors from those disclosed at that time.

Forward looking statements are based on a number of material factors, expectations or assumptions of the Company which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. The statements are based on the following factors: the continued and timely development of infrastructure, continued availability of debt financing and cash flow, future commodity prices, currency, exchange and interest rates, regulatory framework regarding taxes and environmental matters in the jurisdictions in which the Company operates.

This document contains forward-looking statements that reflect management’s current expectations related to matters such as future financial performance and liquidity and capital resources of the Company.

Agenda

- Who we Are
- Business Model
- Ambition and Strategy
- Key Market Segments
- Domestic Business
- ACMI Business
- Adhoc Charter Business
- Fleet Plan
- Financial Highlights
- Business Outlook
- Reference Material

Who We Are

- Entrepreneurial company that prides itself in building lasting customer relationships while delivering exceptional service
- Engaged and passionate workforce of over 1,500 with over $750 million in revenues
- In 20 years, we have become Canada's #1 cargo airline, only national overnight air cargo consolidator
- We represent over 90% of the domestic overnight air cargo lift available in Canada

Business Model

- **Only national network** that enables next day service for courier industry to over 90% of Canadian population, a strong competitive advantage
- **Entrepreneurial mindset**: allows speed to market, responsiveness and sharp focus on network optimization and cost management
- **Long-term customer contracts:** with minimum revenue guarantees and cost pass-through provisions for increases in uncontrollable variable costs (e.g. fuel)
- **Unique mix of customers & cargo:** allows optimization of density and space
- **Fuel efficient fleet**: state-of-the-art aircraft & GSE equipment
- **Barriers to entry**: serving 16 major airports in Canada stretching across Canada from coast to coast (eg. St. John's - Iqaluit - Vancouver)
- **Strong, motivated non-unionized workforce** – High level of engagement
- **Pilots union enjoys a very positive and collaborative relationship**; 7-year contract extended in 2019 to June 2027. The contract contains a no-strike, no-lockout clause

Ambition and Strategy - Pillars

1. Build the most efficient “middle-mile” air capability to allow couriers and logistics players to fulfil their time-sensitive “next-day” delivery promise.

2. Identify high growth areas and aggressively pursue opportunities that allow network and fleet optimization thereby creating attractive price-points for customers to use more air product.

3. Play a key role in enabling e-commerce growth across North America by understanding and fulfilling emerging requirements from e-Commerce and logistics players.

Ambition and Strategy - Tactics

1. Maintain e-Commerce leadership *(B2B and B2C)*
   - Backbone for all time-sensitive deliveries across Canada for all major logistics and courier players
   - Cargojet is the de-facto enabler of e-commerce in Canada
   - Cargojet reaches 90% of Canadian population through its overnight national network to fulfil next day delivery promise.

2. Capture new cross-border and international opportunities
   - Growing ACMI services for international courier customers
   - Stronger demand and yields on international adhoc charters due to the shortage of air cargo capacity due to the lack of passenger air cargo capacity

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Ambition and Strategy - Tactics

3. Continue to optimize fleet utilization by building both day and week-end networks including Charters and ACMI model.

4. Opportunistically utilize west-to-east lanes for non-courier freight opportunities (Asia inbound) and E-commerce growth.

5. Exploit adjacent revenue opportunities by offering ground-handling capabilities to third party shippers.

6. Build the best fleet to allow cost advantage for our customers.

7. Attract and retain the best talent and maintain high employee engagement of frontline staff .

8. Build a cost-effective MRO capability to capture additional margin opportunity.

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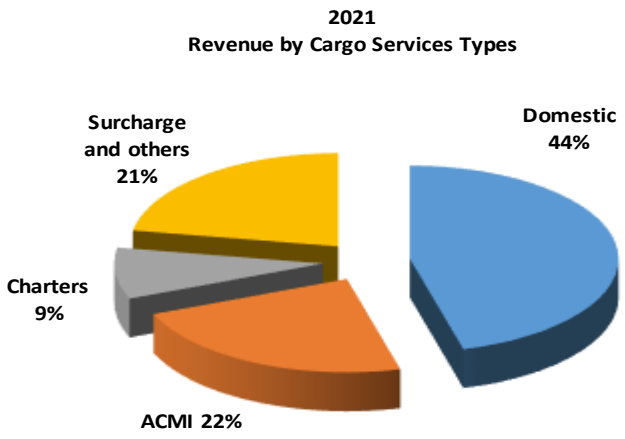
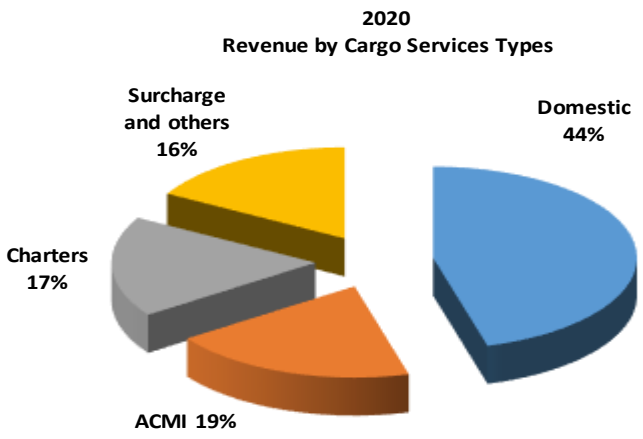
Key Market Segments

We serve three key market segments:

- Domestic Network (includes Surcharges, Interline and Newark/Bermuda route)
- ACMI (Aircraft, Crew, Maintenance and Insurance) primarily dedicated scheduled routes
- "All-in Charter" primarily adhoc business

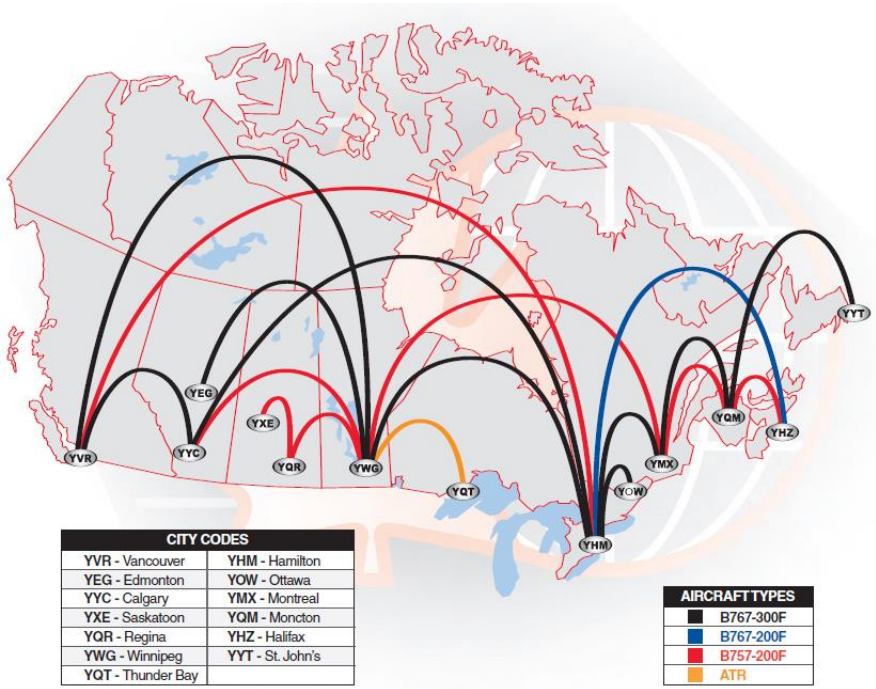




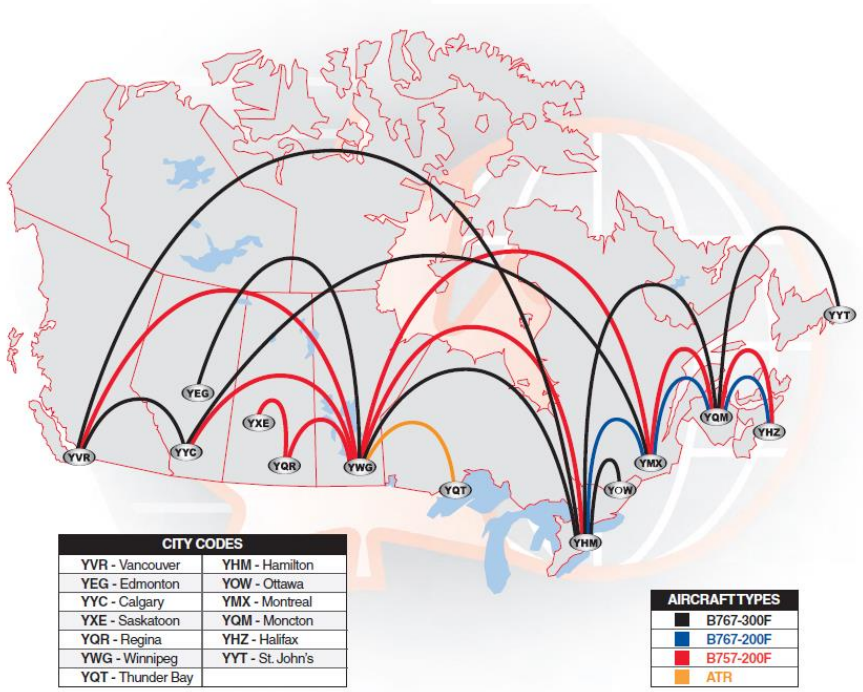
Domestic Business - Network

Cargojet operates its network across North America transporting Over 25 million pounds of time-sensitive cargo weekly

Westbound Flights

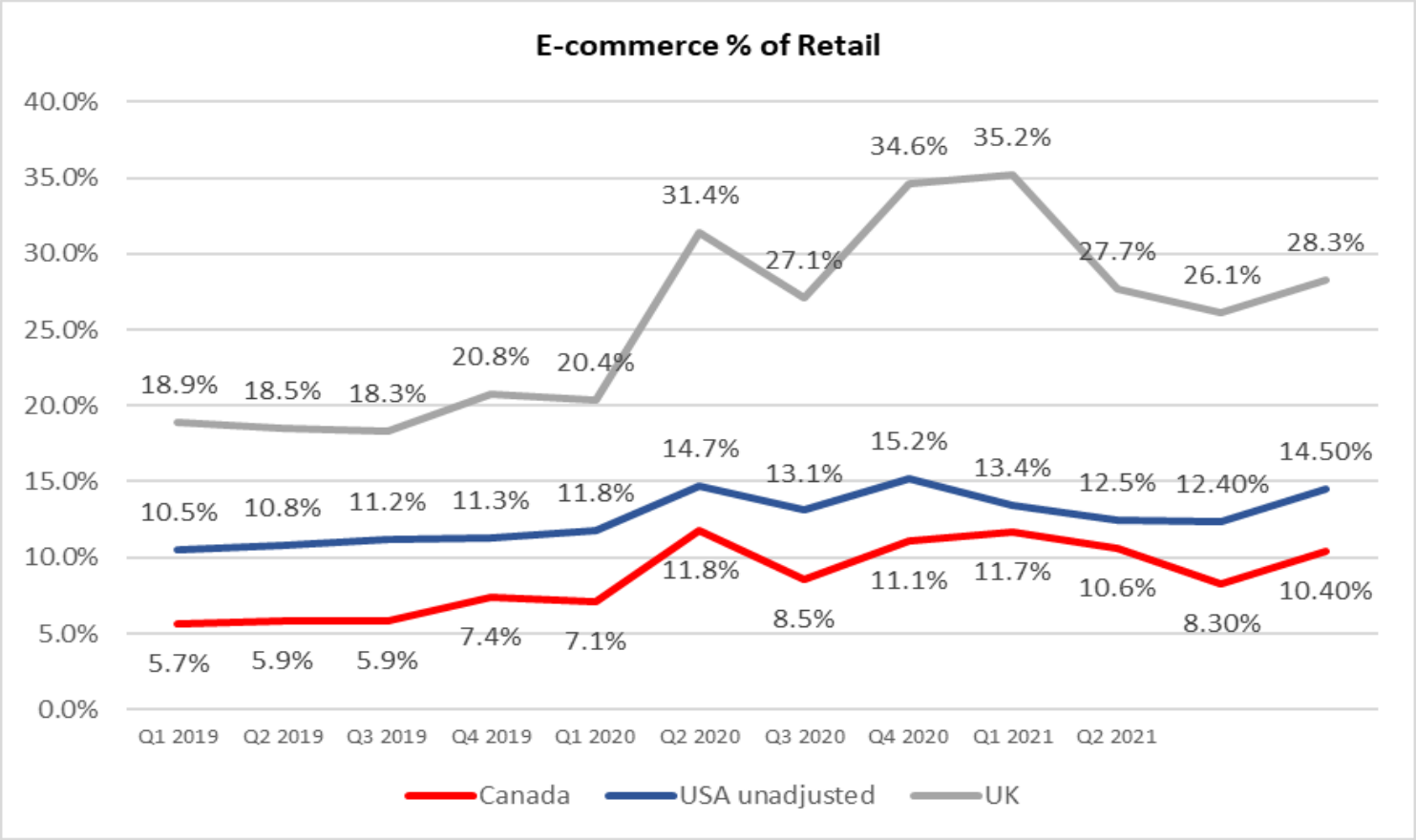


Eastbound Flights



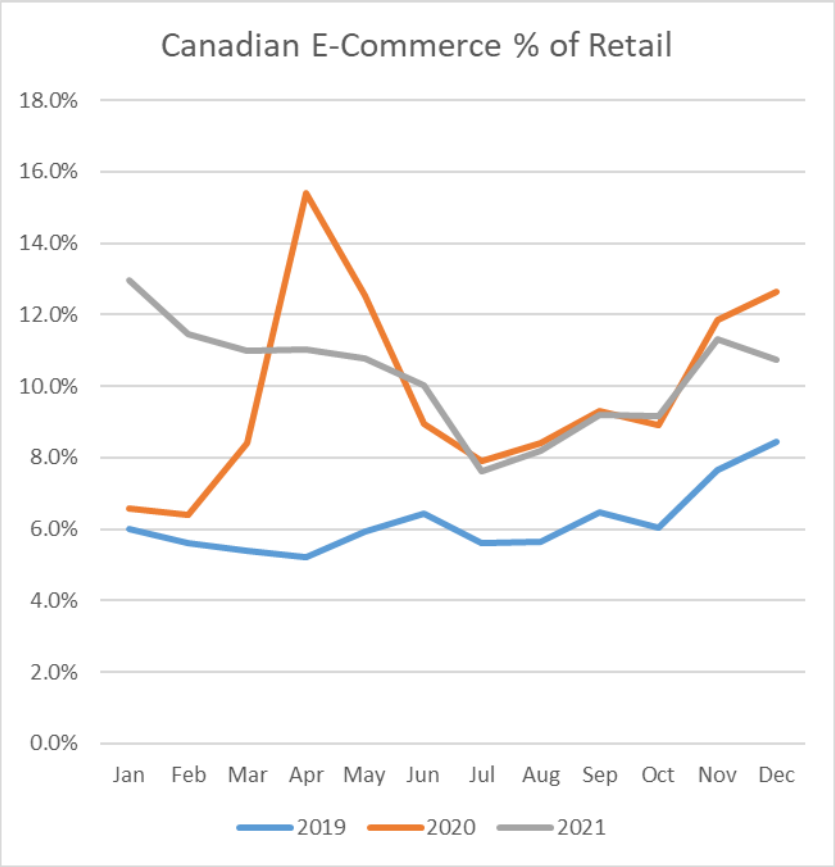
Cargojet operates over 80 flight legs each business night using a combination of B767-300F; B767-200F and B757-200F aircraft

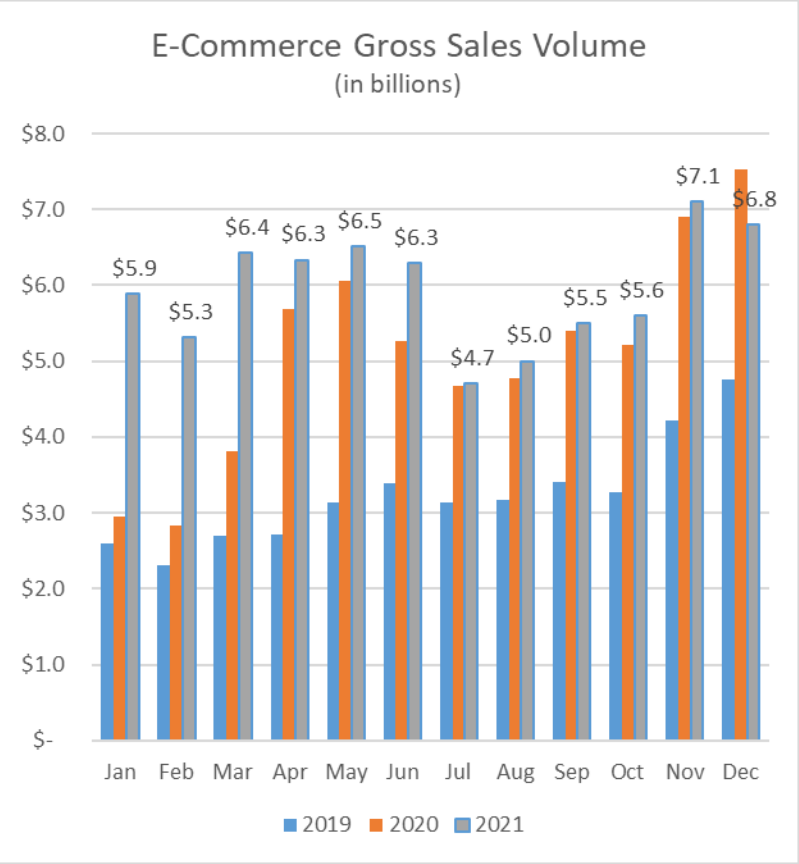
Domestic Business – the Growth of E-Commerce



- Sources: Statistics Canada, US Census Bureau and the UK Office for National Statistics

Growth of E-Commerce – Canada Only





E-Commerce Stats Source: Statistics Canada

Domestic Business - Customers

- Approx. 75% of Domestic Revenues are under long-term contracts
- All contract include variable surcharges for uncontrollable cost changes (e.g. fuel and regulatory changes)
- All contracts have guaranteed volume minimums
- All contracts have CPI-based automatic annual price increases

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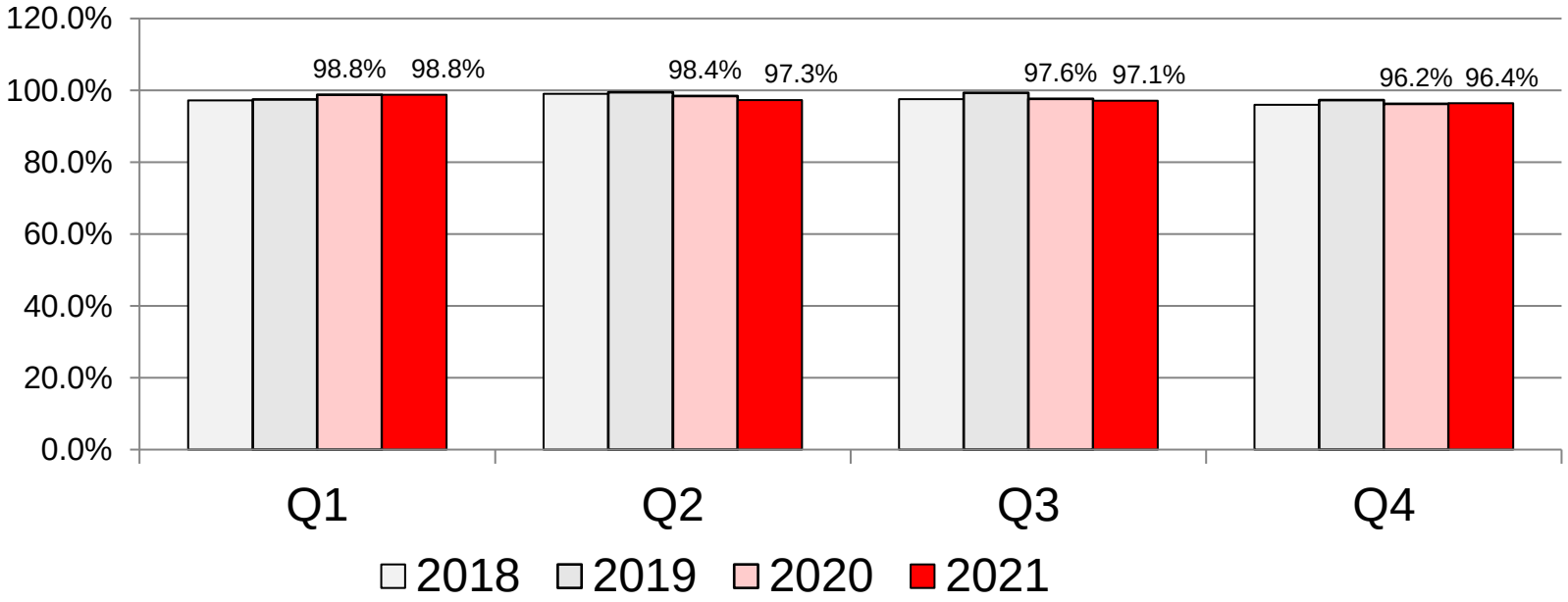
Domestic Business - Alliances

- Fifty-Four international Alliances/Partnerships with the world's leading carriers
- Allows these carriers to extend their networks
- Expands Cargojet's brand globally

Domestic Business- OTP



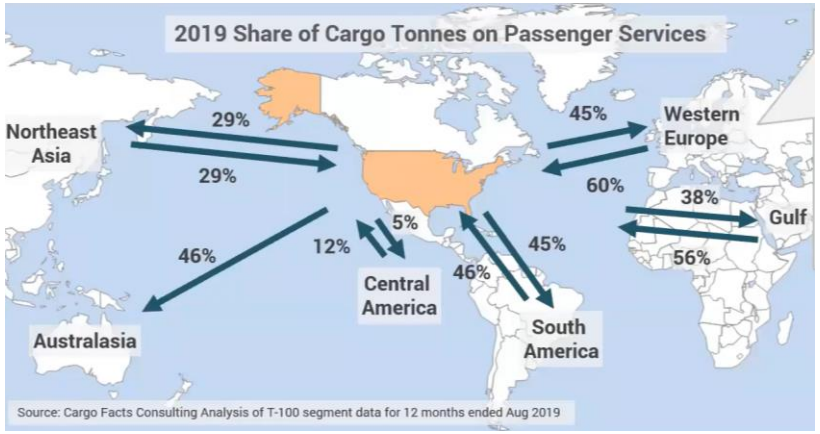
- Cargojet must demonstrate operational excellence each and every night to maintain industry leading on-time performance;
- Cargojet is ISO 9001-2008 and IATA Operational Safety Audit (IOSA) certified;
- **Safety**, **Reliability** and **Efficiency** are the essential values of Cargojet's business.

ACMI Business

- Cargojet currently operates 12 dedicated ACMI routes for DHL:
  - 4 Cross-Border Routes between DHL's hub at CVG airport and major airports in Canada
  - 3 Routes that operate between airports in Mexico and CVG. The most recent route started at the end of Q3 2020.
  - 3 New Routes that operate between CVG and the UK and YHM and UK that started in April 2020 and October 2021 respectively
  - 2 New Routes that operate between YHM - YYC and YHM – YVR
- Each route requires an aircraft since the DHL network operates concurrently with Cargojet's Domestic Network

Adhoc Charter Business

- Cargojet utilizes the same aircraft that operate in its Domestic and ACMI networks on weekends and daytime for Adhoc charters and scheduled some charters on weekends.
- Cargojet is competitive in the adhoc market due to the fact that its fixed costs are already covered by its Domestic and ACMI businesses.
- International Adhoc charter rates and demand have surged due to the lack of air cargo capacity caused by the grounding of aircraft due to Covid-19
- Adhoc charter rates and demand for Cargojet's services are expected to remain strong until the passenger industry recovers.



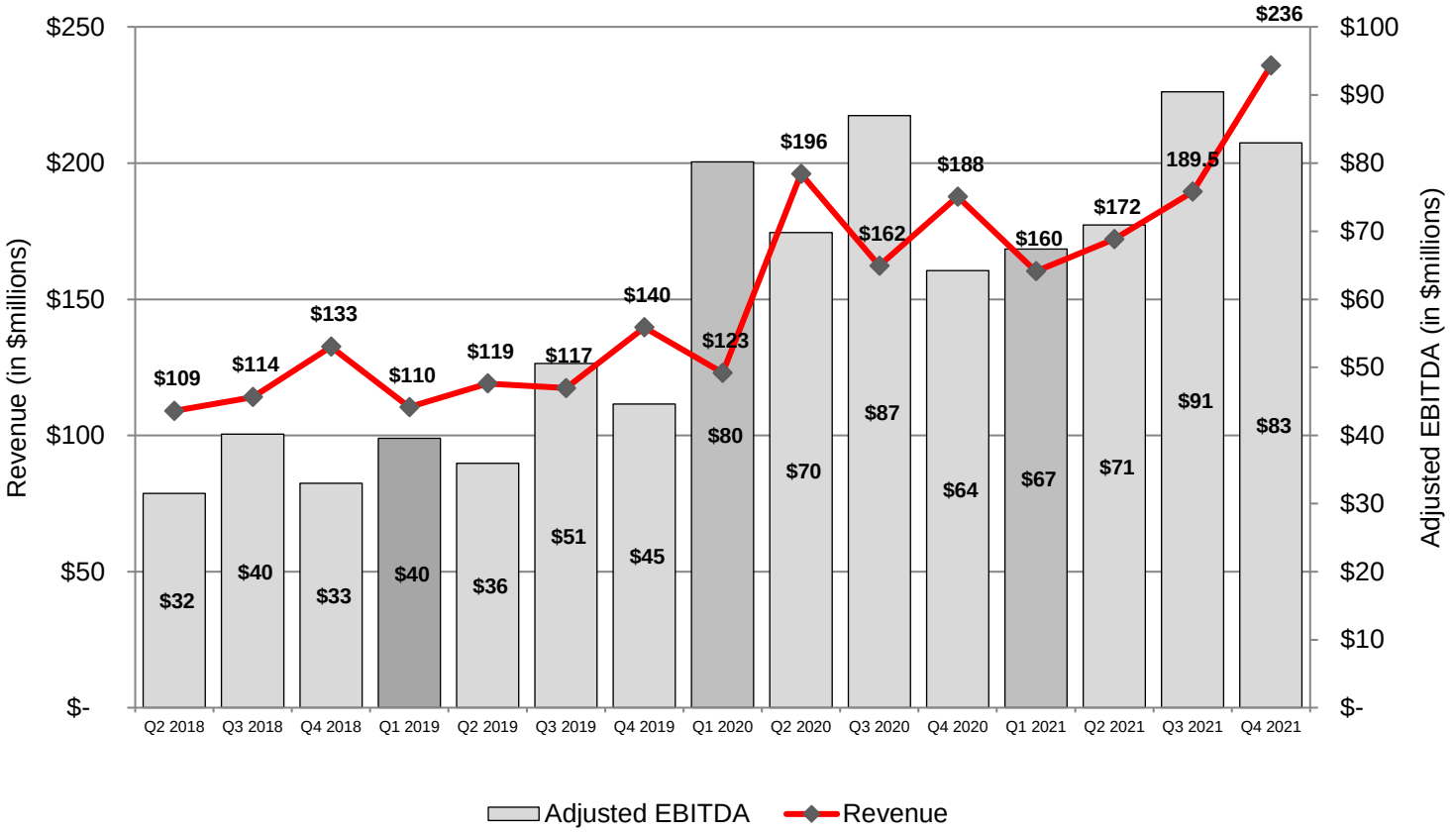
Fleet Plan

All-cargo aircraft operated by Cargojet

Type	Payload (lbs)	2019	2020	2021	2022 Plan	2023 Proj.	2024 Proj.
B767-300	125,000	12	14	16	19	20	20
B767-200	100,000	1	3	3	3	3	4
B757-200	80,000	8	8	9	14	15	15
B777-200	233,000	-	-	-	-	1	4
B777-300	222,000	-	-	-	-	-	2
Total		**21**	**25**	**28**	**36**	**39**	**45**

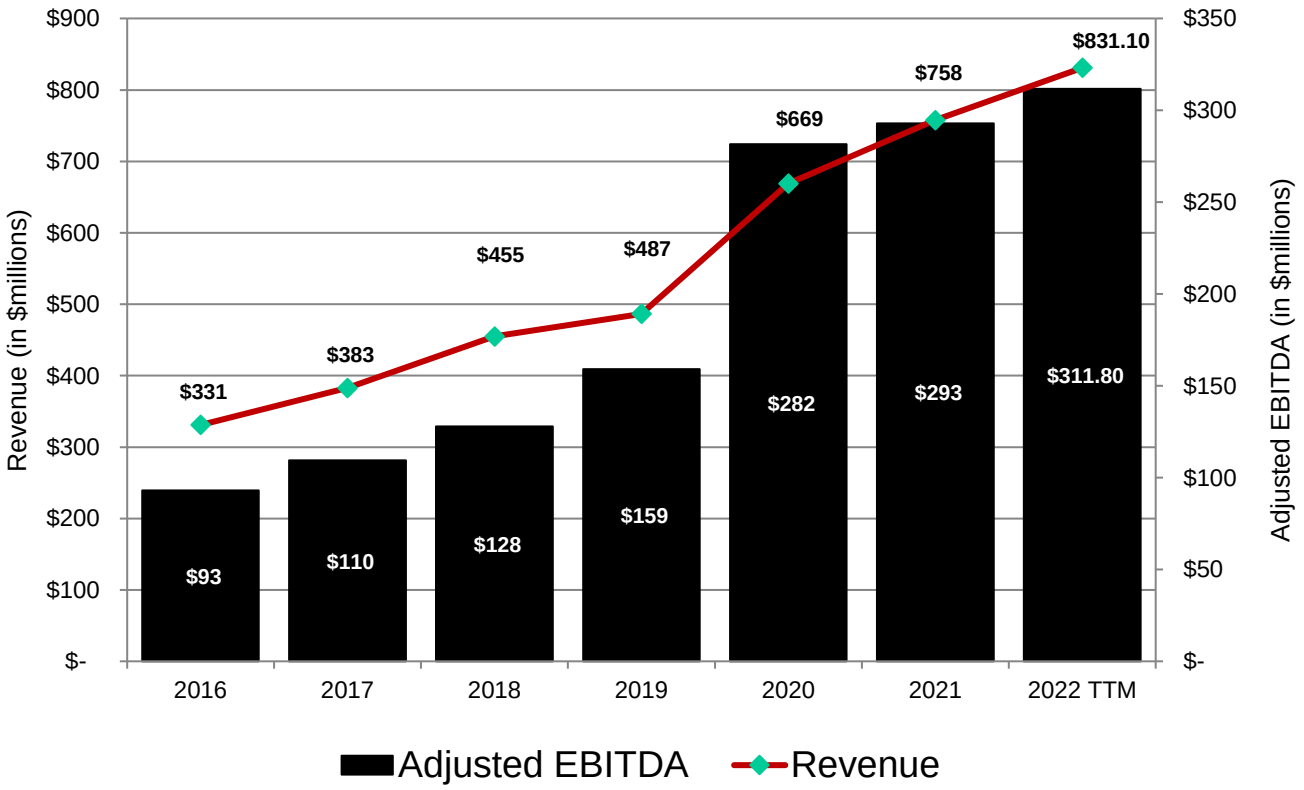
Financial Highlights

Quarterly Revenue and Adjusted EBITDA



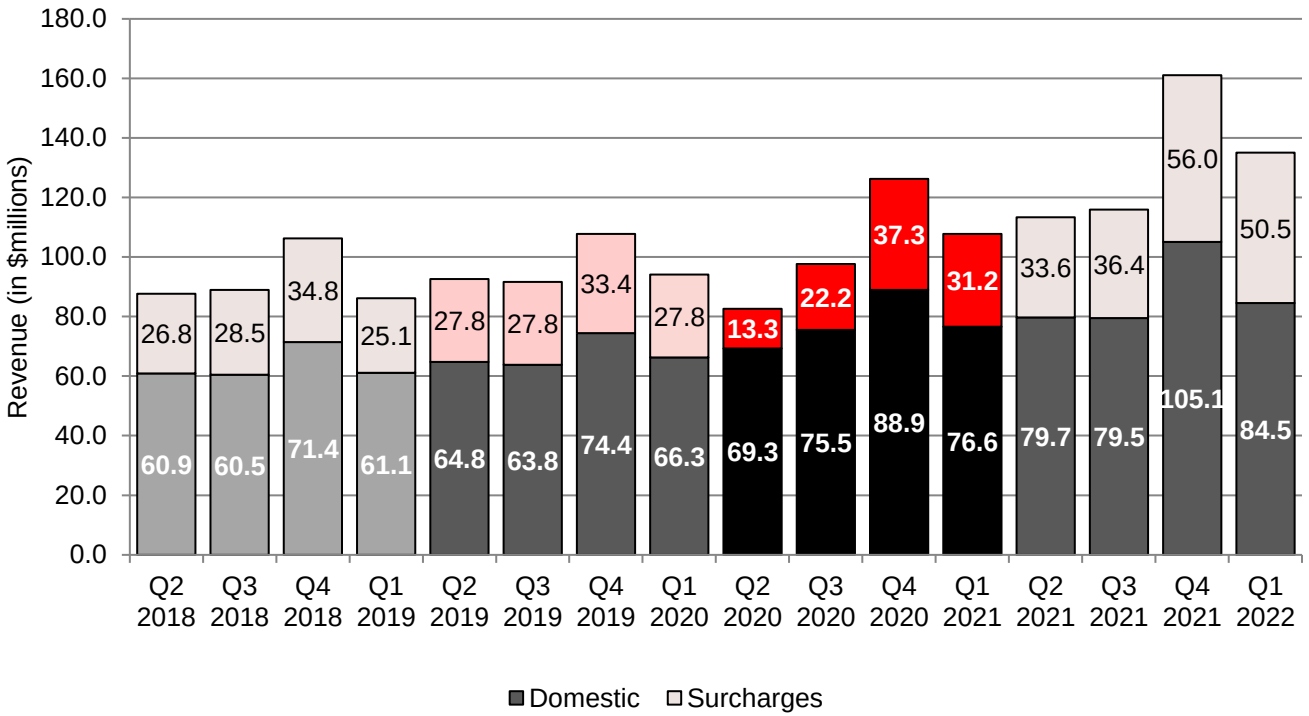
- The Covid pandemic has resulted in a sharp increase in adhoc charter and ACMI demand.
- Cargojet's "Peak Season" in Q4 reflects the holiday shopping season beginning in late November.
- The growth of e-commerce is the key driver of Domestic volume and revenue growth

Cargojet Has Achieved New Levels of Revenue & Cashflow



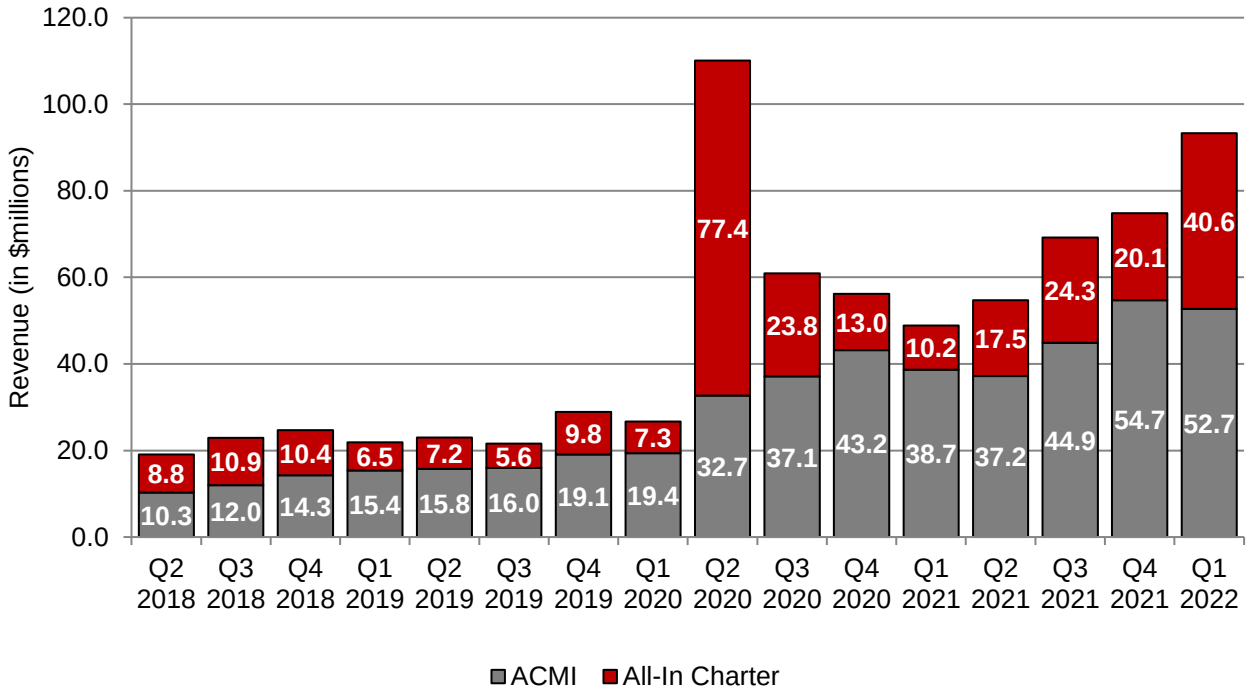
- Cargojet's revenues growth is driven by e-commerce and new ACMI routes flown between Canada, Europe, the US and Mexico.
- The growth of e-commerce continues to drive Domestic and ACMI revenues.

Domestic Revenues



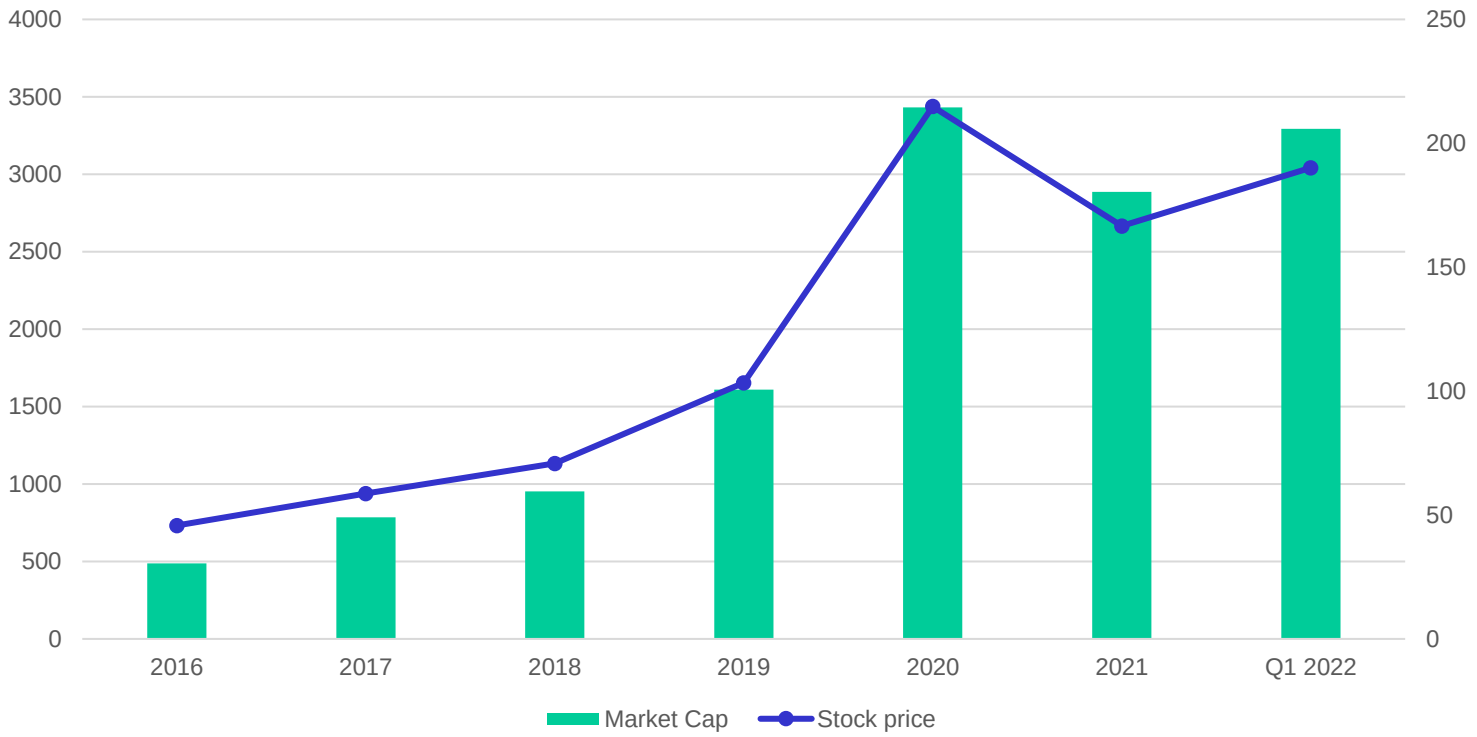
- Domestic revenues have increased due to the CPGOC contract and tremendous e-commerce growth. Domestic revenues are net of contract amortization costs.
- Surcharge revenues are comprised primarily of fuel surcharges from core customers that are 100% variable based on the price of fuel. Surcharges revenues also include amounts for navigation and pass-through costs for some ACMI charters.

ACMI and Adhoc Charter Revenues



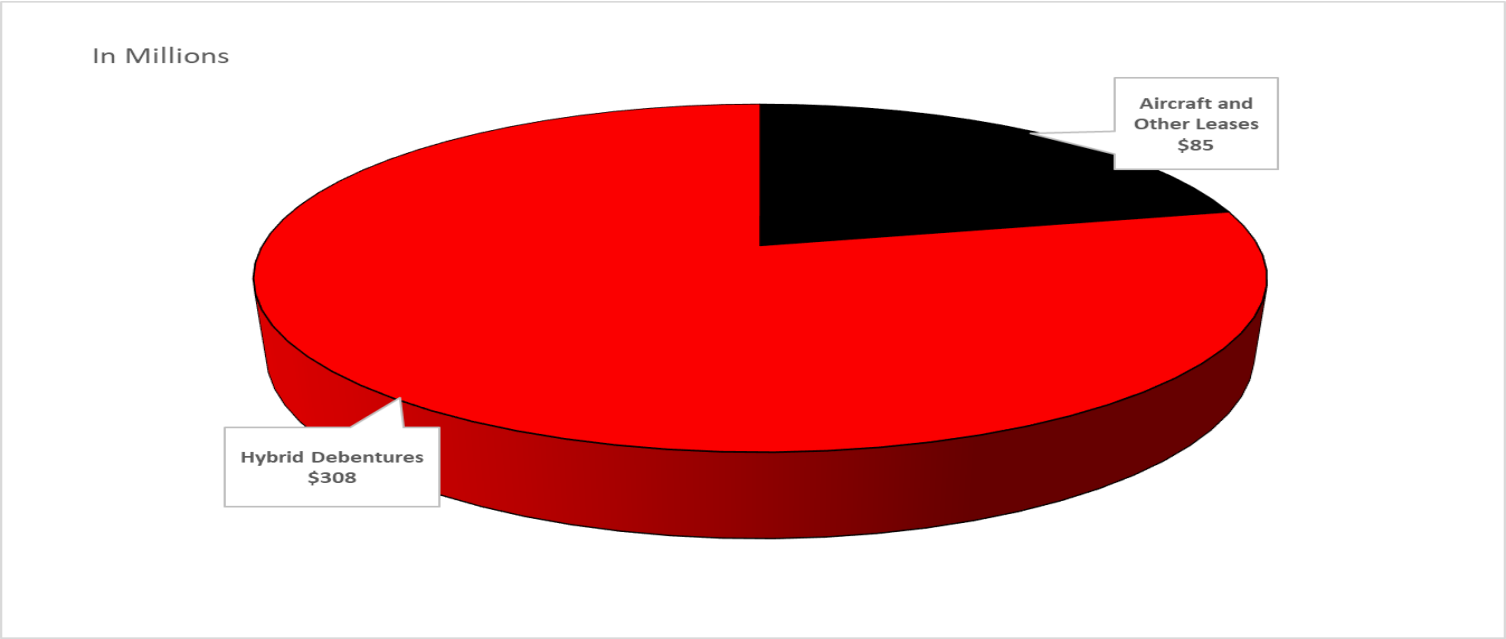
- Cargojet operates 12 ACMI routes between Canada, US and Mexico. An additional route to Europe and two domestic route were added in October 2021.
- The increase in All-in Charter revenues in 2020 was due primarily to flights to China to supply Canadian governments with PPE
- ACMI revenues produce a relatively high EBITDA margin since flight costs such as fuel, navigation charges, landing fees and ground handling charges are borne directly by the customer.

Market Cap & Stock Price



Cargojet was added to the TSX S&P index in 2019.

Cargojet Debt at March 31, 2021



- Total debt is approx. **1.26x** trailing 12-month Adjusted EBITDAR.
- Cargojet amended Syndicated Revolver in February 2022 with borrowing limit of $600M with an additional $100M increase on request by Cargojet and approval by lenders and extended maturity date till February 2027.
- Cargojet issued 1,713,500 shares for $365M in February 2021. Part of the net proceeds were used to pay down the Syndicated Revolver and aircraft leases.

Business Outlook

- Long term customer contracts generate 75% of annual revenues with renewal options.
- Highly engaged workforce with a strong safety culture continues to be the backbone of our service offerings.
- We are well positioned to benefit from long-term secular trends in e-commerce serving both B2C and B2B segments.
- We continue to enhance our product offerings to increase asset utilization and margin enhancement:
  - E-commerce demand has expanded the demand for air cargo services into the weekend and daytime.
  - New air cargo charter opportunities exist with wide-body aircraft fleet strategically located across the country and internationally.
- Strong track record of revenue and EBITDA growth, cashflow generation and cost management.
- Focus on capital structure to reduce debt in the medium term.

CARGOJET’s ESG POLICY

Cargojet's ESG Policy - Summary

Key Updates to Policy

- Builds on Cargojet's existing ESG policy
- Focuses on position statements for key environmental, social and governance topics based on ESG best-practices, with activity-based information moved to Cargojet's ESG Report
- Includes scope and ownership statements

Policy Overview

Outlines core values and commitment to building a long-term sustainable business. Rooted in understanding the environmental, economic and social impacts of our business, clarifying expectations for employees and those working on behalf of Cargojet and ensuring that corporate ESG framework is guided by the highest standards.

Scope		All activities undertaken, all employees and contractors
Ownership		Cargojet Management
Policy Statements	Governance	▪ Committed to sound legal and ethical business practices and a commitment to transparency ▪ Committed to a high standard of compliance within applicable regulatory requirements [and the adoption of certain best practices that go beyond the requirements mandated by law] ▪ Committed to having a workforce, including members of the Board and executive officers, who reflect the diversity of the company's stakeholders
Policy Statements	Environment	▪ Committed to reducing impact on environment and integrating environmental considerations in our capital plans, operations, and investment decisions ▪ Environmental initiatives are based on encouraging conservation, adhering to environmental laws, minimizing our impact, and participating in global industry initiatives ▪ ***Key update***: commitment to minimize impacts of climate change and the related risks and opportunities
Policy Statements	Social – Our People	▪ Safety is Cargojet's top priority, we are committed to ensuring safety programs are fully compliant and adhere to all applicable standards ▪ Committed to ensuring internal policies and systems are free from barriers and emphasize the value of diversity ▪ ***Key update:*** Committed to ethical operations with consideration of human rights
Policy Statements	Social – Community	▪ Committed to building positive and respectful relationships with stakeholders ▪ Committed to involvement in the community and building mutually beneficial relationships

ESG Considerations – Research Analyst Perspectives

	Environmental	Social	Governance	Other Considerations
North American Cargo	▪ Maximizing fuel efficiency, reducing GHG emissions and minimizing energy usage ▪ Investing in technology to minimize the impact of jet fuel consumption	▪ Focus on strong workplace practices, culture, employee satisfaction where employee base is non-unionized	▪ Leadership programs in place with a focus on diversity and inclusion ▪ Commitment to achieve Board compositions with regards to gender diversity	▪ Looking to improve on ESG documentation in the coming years
North American Airlines	▪ Targeting net zero GHG emissions over the next 20 – 30 years ▪ Sustainable aviation fuels, renewables and other sources of carbon offset ▪ Investing in new fuel efficient aircrafts	▪ Safety is a top priority ▪ Older aircrafts are retired to ensure passenger safety ratings continue to improve, among other things	▪ More concrete long-term targets for diversity at the senior level	▪ Fleet modernization is a key theme with respect to "E" and "S"
Package & Courier	▪ Targeting carbon emission neutrality over the next 20 – 30 years ▪ Converting to electric power vehicles ▪ Modernizing fleet with new fuel efficient aircrafts	▪ One of Amazon's goals is to reduce musculoskeletal disorders ("MSDs") which account for 40% of work-related injuries at Amazon	▪ Increasing diversity, building the most inclusive work environment and ensuring equitable access for all	▪ Environmental sustainability viewed as the focal point for the Package & Courier operators

Reference Material

Air Cargo Industry Memberships

ISO 9001:2000 Quality Certified Company

International Air Transport Association

The International Air Cargo Association

Canadian Courier & Logistics Association

AWARDS

2021 - “Carrier of Choice” – Shipper’s Choice Award

2019 - “Carrier of Choice” – Shipper’s Choice Award

2018 - “Carrier of Choice” – Shipper’s Choice Award

2017 - “Carrier of Choice” – Shipper’s Choice Award

2016 - “Carrier of Choice” – Shipper’s Choice Award

2015 - “Carrier of Choice” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline and Carrier of Choice for 2015 by the Canadian Transportation and Logistics Magazine.

2014 - “Carrier of Choice” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline and Carrier of Choice for 2014 by the Canadian Transportation and Logistics Magazine.

2013 - “Carrier of Choice” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline and Carrier of Choice for 2013 by the Canadian Transportation and Logistics Magazine.

2012 - “Carrier of Choice” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline and Carrier of Choice for 2012 by the Canadian Transportation and Logistics Magazine.

2011 - “Carrier of Choice” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline and Carrier of Choice for 2011 by the Canadian Transportation and Logistics Magazine.

2010 - “Carrier of Choice” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline and Carrier of Choice for 2010 by the Canadian Transportation and Logistics Magazine.

2009 - “Outstanding Business Achievement Award, Ontario” – awarded by the Ontario Chamber of Commerce.

2009 - “**Outstanding Business Achievement** Award” – awarded by the Hamilton Chamber of Commerce.

2009 - “Carrier of Choice” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline and Carrier of Choice for 2009 by the Canadian Transportation and Logistics Magazine.

2008 - “Cargo Airline of the Year” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline of 2008 by the Canadian Transportation and Logistics Magazine.

2007 - “Cargo Airline of the Year” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline of 2007 by the Canadian Transportation and Logistics Magazine.

2006 - “Cargo Airline of the Year” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline of 2006 by the Canadian Transportation and Logistics Magazine.

2005 - “Cargo Airline of the Year” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline of 2005 by the Canadian Transportation and Logistics Magazine.

2005 - Cargojet has been awarded as “Leader In Customer Service”.

January 17, 2005 - Cargojet has been awarded one of Canada’s 50 Best Managed Companies, by Deloiite & Touche, National Post, CIBC Banking and Queens University.

November 2004 - “Entrepreneur of the Year” – Ajay K. Virmani named as Entrepreneur of the Year by Ernst Young.

September 2003 - “Cargo Airline of the Year” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline of 2003 by the Canadian Transportation and Logistics Magazine.

September 2002 - “Cargo Airline of the Year” – Shipper’s Choice Award – Cargojet awarded as Canada’s Cargo Airline of 2002 by the Canadian Transportation and Logistics Magazine.

Providing First Class Service

CARGOJET

Boeing 777-200ERF

Maximum Payload: 233,000 lbs

Boeing 767-300ERF

- **Maximum Payload: 125,000 lbs**

Boeing 767-200ERF

- **Maximum Payload: 100,000 lbs**

Boeing 757-200ER

- **Maximum Payload: 80,000 lbs**

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