



Cargojet Announces First Quarter Financial Results

Mississauga, ON, May 4, 2026 - Cargojet Inc. ("Cargojet" or the "Corporation") (TSX: CJT) today announced financial results for the first quarter ended March 31, 2026.

"We are pleased to have delivered year-over-year revenue growth in the first quarter of 2026, despite ongoing international trade uncertainty and disruption, and against an exceptionally strong first quarter in 2025. Domestic revenues were steady and resilient year over year despite market headwinds and geopolitical conditions, demonstrating the durability of our business. This performance reflects the resilience, adaptability, and discipline of our team, as we continued to deliver industry-leading on-time performance at 99.2% during a challenging operating environment", said Pauline Dhillon, Chief Executive Officer. "Our focus on operational excellence and cost discipline resulted in improved year-over-year Adjusted EBITDA⁽¹⁾ of \$81.9 million and Adjusted EBITDA margin⁽¹⁾ of 32.2%. These results underscore the strength of our business model and the commitment of our people, whose dedication and professionalism continue to drive our success. I remain deeply grateful for their contributions."

For the quarter ended March 31, 2026:

- Total revenues were \$254.7 million, an increase of \$4.8 million or 1.9% compared to the same period of the previous year, supported by a \$12.1 million or 26.3% increase in Charter revenues, partially offset by a decrease in ACMI revenue driven primarily by macroeconomic conditions and an increase in amortization of contract assets. Domestic revenue remained flat year over year.
- Adjusted EBITDA was \$81.9 million, an increase of \$1.1 million or 1.4% compared to the same quarter of the previous year.
- Adjusted EBITDA margin was 32.2%, relatively consistent with 32.3% in the same quarter last year.
- Free Cash Flow⁽¹⁾ was an inflow of \$87.4 million, an increase of \$133.3 million compared to an outflow of \$45.9 million in the same quarter last year driven by an increase in proceeds from asset disposals and related notes receivable, net of additions, of \$128.2 million, and an increase in cash flow from operations of \$5.1 million.
- Net earnings of \$4.1 million, a decrease of \$43.9 million compared to net earnings of \$48.0 million for the first quarter of 2025 primarily driven by gross margin decrease of \$12.4 million, an increase of \$8.4 million in selling, general and administrative expenses mostly due to higher share-based compensation and an increase of \$21.9 million in net finance costs and other gains and losses.

⁽¹⁾ Non-GAAP measures. See "Non-GAAP Financial Measures" section.

FIRST QUARTER RESULTS

Financial highlights

(Canadian dollars in millions, except where indicated)

| | Three Month Periods Ended | | | |
|---|---------------------------|----------|----------|----------|
| | March 31, | | | |
| | 2026 | 2025 | Change | % |
| Domestic network, ACMI and charter revenues | \$217.1 | \$210.2 | \$6.9 | 3.3% |
| Total revenues | \$254.7 | \$249.9 | \$4.8 | 1.9% |
| Net earnings | \$4.1 | \$48.0 | (\$43.9) | (91.5%) |
| Adjusted net earnings⁽¹⁾ | \$8.9 | \$25.3 | (\$16.4) | (64.8%) |
| EPS Diluted | \$0.27 | \$2.87 | (\$2.60) | (90.6%) |
| Adjusted EPS⁽¹⁾ | \$0.60 | \$1.62 | (\$1.02) | (63.0%) |
| Adjusted EBITDA⁽¹⁾ | \$81.9 | \$80.8 | \$1.1 | 1.4% |
| Adjusted EBITDA margin⁽¹⁾ - (%) | 32.2% | 32.3% | (0.1%) | |
| Net cash from operating activities | \$69.9 | \$64.8 | \$5.1 | 7.9% |
| Free cash flow⁽¹⁾ | \$87.4 | (\$45.9) | \$133.3 | (290.4%) |

(1) Non-GAAP Measures

Below is a description of certain non-GAAP financial measures and non-GAAP financial ratios used by the Corporation to provide readers with additional information on its financial and operating performance. Non-GAAP financial ratios are ratios or percentages that are calculated using a non-GAAP financial measure. Such measures are not recognized measures for financial statement presentation under GAAP, do not have standardized meanings, may not be comparable to similar measures presented by other entities and should not be considered a substitute for or superior to GAAP results.

“Adjusted EBITDA” is used by the Corporation to assess earnings before interest, taxes, depreciation, amortization, gain or loss on disposal of capital assets, share-based compensation, gain or loss on disposal of property, plant and equipment and assets held for sale, impairment and gain on insurance claim, fair value increase or decrease on stock warrant, gain on extinguishment of stock warrant obligations, amortization of contract assets, gain or loss on fair value or settlement of swap derivatives, unrealized foreign exchange gains or losses, gains or losses on settlement of debts, share of income or loss in associate, and provision for employee pension, as these costs can vary significantly among airlines due to differences in the way airlines finance their aircraft and other assets. The most directly comparable financial measure disclosed in the Corporation’s financial statements is net earnings.

“Adjusted EBITDA margin” is defined as Adjusted EBITDA as a percentage of revenue. Adjusted EBITDA margin is commonly used in the airline industry and is used by the Corporation as a means to measure the operating margin excluding certain items as described above.

“Free Cash Flow” is used by the Corporation to evaluate its financial strength and performance of its business, indicating the amount of cash the Corporation can generate from operations after capital expenditures. Free Cash Flow is defined as cash flows from operating activities less additions to property, plant and equipment and intangible assets plus proceeds from disposals of property, plant and equipment and assets held for sale, and insurance proceeds related to these assets.

“Adjusted net earnings” and “Adjusted net earnings per share” (“Adjusted EPS”) are used to assess the overall financial performance of its business. Adjusted net earnings and adjusted EPS are defined as net earnings and net earnings per basic share excluding impairment and gain on insurance claim, fair value increase or decrease on stock warrant, gain on extinguishment of stock warrant obligations, amortization of contract assets, gain or loss on swap derivatives, and unrealized foreign exchange gain or loss, as well as the tax impact of these adjustments where applicable. These items are excluded as they may distort the analysis of certain business trends and render comparative analysis to other airlines less meaningful.

Reconciliations of non-GAAP measures are provided below and in the “Non-GAAP Measures” section of the Corporation’s Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) for the three month period ended March 31, 2026 and is available on SEDAR+ at www.sedarplus.ca.

| (Unaudited - Canadian dollars in millions, except where indicated) | Three Month Periods Ended | |
|--|---------------------------|--------|
| | March 31, | |
| | 2026 | 2025 |
| Calculation of EBITDA and Adjusted EBITDA | \$ | \$ |
| Net earnings | 4.1 | 48.0 |
| Add: | | |
| Interest | 11.8 | 12.0 |
| Provision of deferred taxes | 2.7 | 1.9 |
| Depreciation of property, plant and equipment | 52.3 | 42.5 |
| EBITDA | 70.9 | 104.4 |
| Add: | | |
| Share-based compensation | 5.4 | (4.0) |
| Gain on disposal of property, plant and equipment | - | (0.9) |
| Fair value adjustment on warrant valuation and amortization of contract assets | 5.7 | (34.0) |
| Loss on swap derivative | 2.0 | 14.3 |
| Unrealized foreign exchange (gain) loss | (0.8) | 1.1 |
| Gain on extinguishment of stock warrant obligations | (1.8) | - |
| Share of loss (income) in associate | 0.1 | (0.3) |
| Employee pension | 0.4 | 0.2 |
| Adjusted EBITDA | 81.9 | 80.8 |
| Revenue | 254.7 | 249.9 |
| Adjusted EBITDA margin | 32.2% | 32.3% |

| (Unaudited - Canadian dollars in millions) | Three Month Periods Ended | |
|--|---------------------------|---------|
| | March 31, | |
| | 2026 | 2025 |
| Calculation of Free Cash Flow | \$ | \$ |
| Net cash from operating activities | 69.9 | 64.8 |
| Additions to property, plant and equipment and intangible assets | (44.6) | (111.9) |
| Proceeds from asset disposals and related notes receivable | 62.1 | 1.2 |
| Free cash flow | 87.4 | (45.9) |

| (Unaudited - Canadian dollars in millions, except where indicated) | Three Month Periods Ended | |
|--|---------------------------|-------------|
| | March 31, | |
| | 2026 | 2025 |
| Calculation of Adjusted Earnings and Adjusted EPS | \$ | \$ |
| Net earnings | 4.1 | 48.0 |
| Add: | | |
| Fair value adjustment on stock warrant and amortization of contract assets | 5.7 | (34.0) |
| Gain on extinguishment of stock warrant obligations | (1.8) | - |
| Loss on swap derivative | 2.0 | 14.3 |
| Unrealized foreign exchange (gain) loss | (0.8) | 1.1 |
| Tax impact on items listed above | (0.3) | (4.1) |
| Adjusted net earnings | 8.9 | 25.3 |
| Weighted average number of shares - basic (in millions of shares) | 14.9 | 15.6 |
| Adjusted EPS | 0.60 | 1.62 |

Notice on Forward Looking Statements:

Certain statements contained herein constitute "forward-looking statements", including with respect to the Corporation's intention to continue rationalizing costs and capital expenditures to generate cash, strengthen strategic customer relationships, and drive shareholder value. Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans," "intends," "anticipates," "should," "estimates," "expects," "believes," "indicates," "targeting," "suggests" and similar expressions. These forward-looking statements are based on current expectations and entail various risks and uncertainties. Reference should be made to the Corporation's most recent Annual Information Form ("AIF") filed with the Canadian securities regulators, and its most recent Annual Consolidated Financial Statements and Notes thereto and related MD&A, for a summary of major risks. Actual results may materially differ from expectations, if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. The Corporation cautions that the list of risk factors and uncertainties described in the AIF and MD&A is not exhaustive and other factors could also adversely affect its results. Readers are urged to carefully consider the risks, uncertainties and assumptions in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. The forward-looking information contained herein represents our expectations as of the date hereof (or as the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws. In the event that we update any forward-looking statement, no inference should be made that we will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

All references to "\$" in this press release are to Canadian dollars.

About Cargojet

Cargojet is Canada's leading provider of time sensitive premium air cargo services to all major cities across North America, providing Dedicated, ACMI and International Charter services and carries over 25,000,000 pounds of cargo weekly. Cargojet operates its network with its own cargo fleet of 41 aircraft.

For further information, please contact investor relations at investorrelations@cargojet.com

FINANCIAL INFORMATION AND OPERATING STATISTICS HIGHLIGHTS

(Unaudited - Canadian dollars in millions, except where indicated)

| | | Three Month Periods Ended March 31, | | | |
|---|-------------------------|--|----------|----------|---------|
| | | 2026 | 2025 | Change | % |
| Domestic network, ACMI and charter revenues | | \$217.1 | \$210.2 | \$6.9 | 3.3% |
| Fuel surcharge and other revenues | | \$45.6 | \$45.2 | \$0.4 | 0.9% |
| Total revenues excluding amortization of contract assets | | \$262.7 | \$255.4 | \$7.3 | 2.9% |
| Amortization of contract assets | | (\$8.0) | (\$5.5) | (\$2.5) | 45.5% |
| Total revenues | | \$254.7 | \$249.9 | \$4.8 | 1.9% |
| Direct expenses | | \$214.3 | \$197.1 | \$17.2 | 8.7% |
| Gross margin | | \$40.4 | \$52.8 | (\$12.4) | (23.5%) |
| Gross margin - (%) | | 15.9% | 21.1% | (5.2%) | |
| Selling, general and administrative expenses | | \$24.7 | \$16.3 | \$8.4 | 51.5% |
| Net finance costs and other gains and losses | | \$8.8 | (\$13.1) | \$21.9 | 167.2% |
| Share of loss (income) in associate | | \$0.1 | (\$0.3) | \$0.4 | 133.3% |
| Earnings before income taxes | | \$6.8 | \$49.9 | (\$43.1) | (86.4%) |
| Income taxes | | 2.7 | \$1.9 | \$0.8 | 42.1% |
| Net earnings | | \$4.1 | \$48.0 | (\$43.9) | (91.5%) |
| Adjusted net earnings⁽¹⁾ | | \$8.9 | \$25.3 | (\$16.4) | (64.8%) |
| Earnings per share | | | | | |
| | Basic | \$0.28 | \$3.07 | (\$2.79) | (90.9%) |
| | Diluted | \$0.27 | \$2.87 | (\$2.60) | (90.6%) |
| | Adjusted ⁽¹⁾ | \$0.60 | \$1.62 | (\$1.02) | (63.0%) |
| Adjusted EBITDA⁽¹⁾ | | \$81.9 | \$80.8 | \$1.1 | 1.4% |
| Adjusted EBITDA margin ⁽¹⁾ - (%) | | 32.2% | 32.3% | (0.1%) | |
| Net cash from operating activities | | \$69.9 | \$64.8 | \$5.1 | 7.9% |
| Free cash flow⁽¹⁾ | | \$87.4 | (\$45.9) | \$133.3 | 290.4% |
| Operating statistics⁽²⁾ | | | | | |
| Operating days ⁽³⁾ | | 49 | 49 | - | 0.0% |
| Average domestic network revenue per operating day ⁽⁴⁾ | | 2.14 | 2.14 | - | 0.0% |
| Block hours ⁽⁵⁾ | | 16,994 | 17,336 | (342) | (2.0%) |
| | B757-200 | 16 | 17 | (1) | |
| | B767-200 | 2 | 3 | (1) | |
| | B767-300 | 22 | 21 | 1 | |
| | Cargo operating fleet | 40 | 41 | (1) | (2.4%) |
| Head count | | 1,840 | 1,935 | (95) | (4.9%) |

1. Non-GAAP measures. See "Non-GAAP Financial Measures" section.
2. The definitions for the Operating statistics included in this table are provided in the notes below.
3. Operating days refer to the days on which the full domestic network air cargo network is in operation. The Corporation's domestic network air cargo network operates primarily from Monday to Thursday with a reduced network operating on Friday, weekends and on certain weekdays that are adjacent to certain statutory holidays.
4. Average domestic network revenue per operating day refers to total domestic network revenues earned by the Corporation's per operating day.
5. Block hours refer to the total duration of a flight from the time the aircraft releases its brakes when it initially moves from the airport parking area prior to flight, to the time the brakes are set when it arrives at the airport parking area after the completion of the flight.