CAUTION REGARDING FORWARD-LOOKING INFORMATION

This presentation includes forward-looking statements within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to preliminary results, guidance, strategies, expectations, planned operations or future actions. Forward-looking statements are identified using terms and phrases such as “preliminary”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions.

Forward-looking statements, by their nature, are based on assumptions, including those described herein and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including without limitation, our ability to successfully achieve or sustain positive net profitability or to realize our initiatives and objectives, industry, market, credit, economic and geopolitical conditions, energy prices, currency exchange, competition, our dependence on technology, cybersecurity risks, our ability to successfully implement appropriate strategic initiatives (including the return to service of Boeing 737 MAX aircraft in our fleet as well as those on order) or reduce operating costs, our ability to successfully integrate and operate the Aeroplan loyalty business following its acquisition from Aimia Inc. and to successfully launch our new loyalty program, our ability to preserve and grow our brand, airport user and related fees, high levels of fixed costs, our dependence on key suppliers including regional carriers, employee and labour relations and costs, our dependence on Star Alliance and joint ventures, interruptions of service, environmental factors (including weather systems and other natural phenomena and factors arising from man-made sources), our ability to pay our indebtedness and maintain liquidity, pension issues, limitations due to restrictive covenants, pending and future litigation and actions by third parties, our ability to attract and retain required personnel, war, terrorist acts, casualty losses, changes in laws, regulatory developments or proceedings, epidemic diseases, insurance issues and costs, as well as the factors identified in Air Canada's public disclosure file available at www.sedar.com and, in particular, those identified in section 14 “Risk Factors” of Air Canada’s First Quarter 2019 MD&A and section 18 “Risk Factors” of Air Canada’s 2018 MD&A. The forward-looking statements contained or incorporated by reference in this presentation represent Air Canada’s 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. However, Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether because of new information, future events or otherwise, except as required under applicable securities regulations.

This presentation also includes certain non-GAAP financial measures used by Air Canada to provide readers with additional information on its financial and operating performance. 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.

Reconciliations of these measures to comparable GAAP measures can be found in Air Canada’s MD&A reports, available at aircanada.com.
2019 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
2019 Annual and Special Meeting of Shareholders

Calin Rovinescu
President and Chief Executive Officer

May 6, 2019
Toronto
Celebrating our 82nd year
Long term sustainable profitability

Strong performance despite adversity

• Fuel price volatility
• Economic uncertainty
• Trade wars
• Competition
• “Black swan” events
  – Including the Boeing 737 MAX grounding
Sustainable profitability

- Record financial results
- Stronger balance sheet
- Expanded global network
- Resilient cost structure
- Better debt rating

- Significant free cash flow
- Pension plan surplus
- Stable long-term labour agreements
Record operating revenue

CAGR +7.8%

(in millions $)

2013: 12,382
2014: 13,272
2015: 13,868
2016: 14,667
2017: 16,252
2018: 18,065

+46%
Passenger revenue growth 11.2%
Capacity growth 7.1%
Load factor up from 2017 83.3%
Continued profitability
EBITDAR and EBITDAR Margin

EBITDAR Margin %

2013 1,433 11.6
2014 1,671 12.6
2015 2,542 18.3
2016 2,768 18.9
2017 2,928 18.0
2018 2,851 15.8

$ Millions

EBITDAR (excluding special items)
EBITDAR Margin (excluding special items)
2018 results

Free cash flow of $791M
• Exceeded $500-$600M projection

Net income of $167M

Adjusted pre-tax income of $952M
Strong cost performance

Adjusted CASM increased 0.3% in 2018

CASM increased 6.0%
- Largely attributed to fuel price
- Outperformed nearly all major North American carriers

Adjusted CASM decreased 9.8% over 2012-2018 period
Cost Transformation Program

$250M savings intended by end of 2019

• Identified or realized $242M (97% of goal)
Record liquidity

Over $5.7B in unrestricted liquidity at end of 2018

• Up from $4.2B at the end of 2017
Effectively restructured pension plans

$20B in assets against future fluctuations

Pension Plan Surplus (Deficit)

$ Billions

Jan 1, 2012  Jan 1, 2019

(4.2)  2.5
Q1 2019 Results
Q1 2019 – Positive trends continue

**Record** operating revenues of $4.45B

Net income $345M
- Compared to net loss of $203M in Q1-2018

**EBITDA of $583M**
- Compared to a net loss of $504M in Q1-2018

Leverage ratio of 1.2

**Record** unrestricted liquidity of $6.9B
Air Canada’s credit rating strengthened advancing us to our goal of investment grade status

- S&P 5 notch improvement to B++ (stable)
- Moody’s 5 notch improvement to Ba2 (stable)
Reduced risk profile through lower leverage ratio
Strategy increases value
Share price up over 1,400% since 2013 and over 4,000% since April 1, 2009

Over $9 billion in shareholder value created since Apr. 1, 2009

Historical Share Price*
May 3, 2019 $33.62
Jan. 8, 2018 $23.88 (+41%)
June 1, 2015 $14.19 (+137%)
June 7, 2013 $2.27 (+1,480%)
April 1, 2009 $0.78 (+4,310%)

*Increases based on Feb. 22, 2019 closing share price of $33.14
Source: FactSet Prices
A couple of Megastars from the ROB Magazine’s Top 1,000 guide

When it comes to value, our experts prefer stocks that trade at low prices relative to their earnings, cash flow and sales. It also favors stocks with high dividend yields and hefty share buyback programs. On the momentum side of the ledger, it seeks stocks with strong relative returns over the past year because stocks in an upward price trend are more likely to perform well.

Here are the top stock ideas for 2020.

1. Air Canada (ACAF): The country’s largest airline, flies customers to more than 220 destinations in six continents. The company has been listed as a Megastar on The Globe and Mail’s Top 1,000 stock list for three years in a row.

2. Megastar: The symphony has a pension plan with a significant component for all employees.

3. Megastar: The company has a strong track record of growth and profitability.

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Going forward
Four corporate priorities

- COST REDUCTION AND REVENUE GENERATION
- CULTURE CHANGE
- INTERNATIONAL EXPANSION
- CUSTOMER ENGAGEMENT
Upcoming initiatives
Will achieve significant cost savings
Air Canada Rouge

Fundamental to our competitive transformation

- CASM advantages through upgauging aircraft: A320 A321
- Addition of 11 aircraft in 2019
Effective revenue generation
Unique competitive advantages
Ancillary revenue key to expanding margins

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Ancillary revenues grew 13% in 2018
Air Canada Vacations and Air Canada Cargo

Key drivers of revenue growth
International capacity growth over 80% since 2009
Our competitive hubs

### Europe

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Data based on peak summer 2019
Increased transit traffic through hubs

132% more passengers carried since 2013

- Growing market share to 2% would represent approximately $675M of annual incremental revenue
Narrow-body fleet

Moving away from smaller less competitive airplanes to more efficient and CASM competitive types
Culture change

WIN AS ONE
AIR CANADA
Collaborative and cross functional training
Engaged workforce
Diversity and Inclusion
Talent acquisition and attracting talent

5,000 new employees hired in 2018
Pulling together through adversity

24 Boeing 737 MAX grounded
• Employees rallied across the company
• Textbook display of nimble response
• Focused on safety and customer care
• Winning as One Air Canada
Customer Engagement
Bill C-49

- Unintended consequences of regulatory burden
Air Canada Signature
Seamless end-to-end travel experience
Improved connection experience for customers transiting our hubs
Upping our digital game

Passenger Service System

• Handle all reservations on all platforms
• Power departure control processes
• Improved customer service and operational efficiencies
Upping our digital game

Developing new means through AI to:
• better understand our customers
• deliver more relevant content
• build new efficiencies in our operations and customer experience
• establish powerful loyalty to brand
Loyalty

Successful acquisition of Aeroplan

- NPV in excess of $2.5B
- Materially contributes to free cash flow
- Improves seasonality
Over 200 communities served
Helping kids reach new heights

AIR CANADA FOUNDATION
Reducing our footprint

44.5% IMPROVEMENT IN FUEL EFFICIENCY between 1990 and 2018

Litres for every 100 Revenue Tonne Kilometres

Environmental commitments
Eco-Airline of the Year
Taking care of our people

Our transformation saved 26,000 jobs and 32,000 retirees’ pensions!
Conclusion

Leveraging our natural advantages:
✓ Geography
✓ Brand
✓ Legacy

Continuing to invest in:
✓ People
✓ Fleet
✓ Network
✓ Product
✓ Loyalty
✓ Data
2019 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS