2021 Annual Meeting of Shareholders

MANAGEMENT’S REPORT

Michael Rousseau
President and Chief Executive Officer
Air Canada
June 29, 2021
2020 REVIEW
Severe impact on airline global industry

Operating Revenues
73% decline in passenger traffic

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>19,131</td>
</tr>
<tr>
<td>2020</td>
<td>5,833</td>
</tr>
</tbody>
</table>

Operating Income (Loss)
Loss of nearly $3.8 billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,650</td>
</tr>
<tr>
<td>2020</td>
<td>(3,776)</td>
</tr>
</tbody>
</table>
Air Canada shares
Stock has more than doubled since March 2020

$25.36
Monday, June 28, 2021
Air Canada team – Resilient, resourceful and professional
SAFETY MEASURES
Jan. 2020  
China flights suspended

Apr. 2020  
Masks must be worn by all customers

May 2020  
Pre-boarding temperature checks
FINANCING AND COST SAVINGS
Liquidity

Strongest balance sheet in the industry relative to size

- Raised nearly $6.8 billion in additional liquidity
- Ended the year with $8 billion in unrestricted liquidity
- Minimum of $1.7 billion in unencumbered assets
Cost-saving measures

Operating expenses decreased by nearly $7.9 billion (45%)

• Managed variable costs and reduced fixed expenses
• $1.7 billion savings through company-wide cost and capital reduction and deferral program
Necessary workforce reduction

- Nearly 20,000 furloughed or let go
- Preserved 15,000 jobs (40% of workforce)
- June/July 2021 – 2,600 employees return to work
TRAVEL RECOVERY
#timetotravel

- Case counts dropping
- Vaccination programs advancing
- Governments relaxing restrictions

FREQUENT FLYER SURVEY: 46% planning to travel (between now and Sept.)
RESTORING SERVICES

Maple Leaf Lounge
@ la table
Touchless services

- Touchless check-in
- Touchless baggage-drop and lounge services
- Expand facial recognition biometrics
Air Canada Cargo

- Capitalized on increased demand for air cargo
- Cabin space conversions
- Over 4,000 all-cargo flights in 2020
Dedicated freighter conversions
Welcome to the speed of now.

Meet your new shipping service.

Track your parcel
## Changes to our fleet

### MAINLINE

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>CURRENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boeing 787-8</td>
<td>8</td>
</tr>
<tr>
<td>Boeing 787-9</td>
<td>29</td>
</tr>
<tr>
<td>Boeing 777-300ER</td>
<td>19</td>
</tr>
<tr>
<td>Boeing 777-200LR</td>
<td>6</td>
</tr>
<tr>
<td>Airbus A330-300</td>
<td>16</td>
</tr>
<tr>
<td><strong>Boeing 737 MAX 8</strong></td>
<td>24 / 40</td>
</tr>
<tr>
<td>Airbus A321</td>
<td>15</td>
</tr>
<tr>
<td>Airbus A320</td>
<td>21</td>
</tr>
<tr>
<td>Airbus A319</td>
<td>16</td>
</tr>
<tr>
<td><strong>Airbus A220</strong></td>
<td>15 / 33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>169</td>
</tr>
</tbody>
</table>
New Passenger Service System
(Reservation system)

• Complex multi-year project
• Greater ability to:
  – serve customers
  – manage inventory
  – work with partner carriers
Transformed Aeroplan

- Improved value on flight rewards
- More options
- New relationships (i.e. Starbucks)
- Strong relationships with major credit card partners
• Continued to promote well-being of our People and our Customers
• Emphasis on diversity and inclusion
• Air Canada Foundation
Environmental initiatives

- Installed electric chargers for airport vehicles
- Diverted more than 800 tonnes of waste from landfills
- Illegal wildlife trade certification
Air Canada is committed to achieving net-zero greenhouse gas emission by the year 2050

- Establish interim goals
- Invest $50 million in sustainable aviation fuel and other measures
FOCUSED ON A SAFE RESTART
Re-establish ourselves as a Canadian global champion

Rebuilding a strong global network

- Hub-to-hub flying
- Seamless connectivity
- Consistent superior customer service
- Diversified revenue base (Aeroplan / Cargo)
- Reduce costs and increase revenues
Key investments in technology

- AI
- Machine learning and analytics
- Mobile and digital technologies
Create meaningful personal connections through the customer experience.
Thank you
Merci