AIR CANADA

News Releases

Air Canada and Carbon Engineering Sign MoU to Explore Commercial Opportunities for Sustainable Aviation Fuel, Carbon Removal and Decarbonization Technology

- *Two Canadian firms work together to advance aviation decarbonization solutions*

MONTREAL, Nov. 10, 2021 /CNW Telbec/ - Air Canada and Carbon Engineering Ltd. (CE) today announced a Memorandum of Understanding ("MoU") to identify potential opportunities in how CE's proprietary Direct Air Capture (DAC) technology, which captures carbon dioxide (CO_2) from the atmosphere, can advance aviation decarbonization. The two Canadian companies plan to explore potential cooperation activities in sustainable aviation fuels (SAF), permanent carbon dioxide removal and innovation, including opportunities for Air Canada to purchase SAF utilizing CE's technologies.

CE's DAC technology captures CO_2 directly out of the atmosphere and can be used to support decarbonization in two significant and complementary ways:



- When combined with secure geologic storage, it can permanently remove vast amounts of CO_2 from the atmosphere, providing a tool to eliminate any CO_2 emission, from any location and at any moment in time.
- Additionally, through integration with CE's AIR TO FUELS™ technology, DAC can be used to produce ultra-low carbon transportation fuels, such as SAF, by combining atmospheric CO_2 with clean hydrogen.

"At Air Canada, we are very focused on seeking innovative, long term, sustainable emission reduction solutions as we work towards achieving our absolute midterm GHG net reduction targets by 2030 and our net zero GHG emissions goal by 2050. Our relationship with Carbon Engineering spanning three years has enabled us to learn about their emerging technology advances, SAF production and ecosystem building efforts. We are pleased to officially become the first Canadian airline to work with CE to advance new, transformational technologies towards the commercial viability of SAFs and carbon removal, two significant components to building a long-term, sustainable, global aviation industry," said Amos Kazzaz, Executive Vice President & Chief Financial Officer at Air Canada.

"Addressing emissions within the aviation industry is expected to be some of the most challenging, yet important, work in the years to come," said Steve Oldham, CEO of CE. "The good news is that feasible, affordable and scalable solutions, like CE's DAC and AIR TO FUELS™ technologies, are available and capable of making a meaningful impact in meeting critical net zero targets. At CE, supporting aviation decarbonization is a key component of our commercialization plans and we're thrilled to be working with a major airline, like Air Canada, to collaborate on ways to accelerate the potential of DAC-based solutions in supporting the aviation energy transition."

As part of its climate targets to reach a goal ofnet-zero greenhouse gas emissions throughout its global operations by 2050, Air Canada has committed to invest in a variety of alternative fuel and carbon reduction solutions. Air Canada currently reports its carbon footprint, targets and climate protection strategy through the CDP and, as of 2022, will also be reporting through the Task Force on Climate-related Financial Disclosures framework. Additional information about Air Canada's Environmental Social Governance activities is discussed in the airline's Corporate Sustainability Report, *Citizens of the World*.

About Air Canada

Air Canada is Canada's largest domestic and international airline, and in 2020 was among the top 20 largest airlines in the world. It is Canada's flag carrier and a founding member ofStar Alliance, the world's most comprehensive air transportation network. Air Canada is the only international network carrier inNorth America to receive a Four-Star ranking according to independent U.K. research firm Skytrax. In 2019, Air Canada was named Global Traveler's Best Airline in North America for the second straight year. In January 2021, Air Canada received APEX's Diamond Status Certification for the Air Canada CleanCare+ biosafety program for managing COVID-19, the only airline in Canada to attain the highest APEX ranking. AirCanada has also committed to a net zero emissions goal from all global operations by 2050. For more information, please visit: aircanada.com/media, follow Air Canada on Twitter and LinkedIn, and join Air Canada on Facebook.

About Carbon Engineering

Founded in 2009, Carbon Engineering (CE) is a Canadian-based clean energy company. CE is focused on the global deployment of megaton-scale Direct Air Capture (DAC) technology that captures carbon dioxide (CO_2) out of the atmosphere so it can be

permanently stored deep underground or used to produce clean, affordable transportation fuels. From a pilot plant in British Columbia, CE has been capturing CO_2 from the atmosphere since 2015. Today, with its partners, CE is working to deploy large-scale, commercial facilities in multiple markets around the globe.

Engineering is underway on the first large-scale, commercial facility to utilize CE's technology, which is being developed in the US by 1PointFive. The facility is expected to capture up to one million tonnes of CO_2 every year and construction is expected to begin in 2022, with operations targeted for 2024. More information can be found at carbonengineering.com.

Caution Regarding Forward-Looking Information

This news release includes forward-looking statements within the meaning of applicable securities laws, including but not limited to, statements relating to potential cooperation activities amongst Air Canada and CE, and Air Canada's climate goals. Forward-looking statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties in the business of Air Canada. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including those identified in Air Canada's public disclosure file available atwww.sedar.com and, in particular, those identified in section 17 "Risk Factors" in Air Canada's 2020 MD&A and in section 14 "Risk Factors" of Air Canada's Third Quarter 2021 MD&A. Any forward-looking statements contained in this news release represent expectations as of the date of this news release 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.

Further, this news release contains information obtained by Air Canada solely from CE, including but not limited to statements pertaining to the applications, performance and opportunities presented by CE's technology. Such statements are based on representations made by CE and have not been independently verified by Air Canada.

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