Results for the first quarter ended January 31, 2025

Supplementary Disclosure

transat

Forward-Looking Statements

This presentation contains certain forward-looking statements with respect to the Corporation, including those regarding its results, its financial position and its outlook for the future. These forward-looking statements are identified by the use of terms and phrases such as “anticipate” “believe” “could” “estimate” “expect” “intend” “may” “plan” “potential” “predict” “project” “will” “would”, the negative of these terms and similar terminology, including references to assumptions. All such statements are made pursuant to applicable Canadian securities legislation. Such statements may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions. Forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements.

The forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, economic conditions, changes in demand due to the seasonal nature of the business, extreme weather conditions, climatic or geological disasters, war, political instability, measures taken or contemplated by governments regarding the imposition of tariffs on exports and imports, real or perceived terrorism, outbreaks of epidemics or disease, consumer preferences and consumer habits, consumers’ perceptions of the safety of destination services and aviation safety, demographic trends, disruptions to the air traffic control system, the cost of protective, safety and environmental measures, competition, the Corporation's ability to repay its debt from internally generated funds or otherwise, the Corporation’s ability to adequately mitigate the Pratt & Whitney GTF engine issues, maintain and grow its reputation and brand, the availability of funding in the future, fluctuations in fuel prices and exchange rates and interest rates, the Corporation’s dependence on key suppliers, the availability and fluctuation of costs related to our aircraft, information technology and telecommunications, cybersecurity risks, changes in legislation, regulatory developments or procedures, pending litigation and third party lawsuits, the ability to reduce operating costs through the Elevation program initiatives, among other things, the Corporation’s ability to attract and retain skilled resources, labour relations, collective bargaining and labour disputes, pension issues, maintaining insurance coverage at favourable levels and conditions and at an acceptable cost, and other risks detailed in the Risks and Uncertainties section of the MD&A.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect any of the Corporation’s forward-looking statements. The reader is also cautioned to consider these and other factors carefully and not to place undue reliance on forward-looking statements.

The forward-looking statements in this presentation are based on a number of assumptions relating to economic and market conditions as well as the Corporation’s operations, financial position and transactions. Examples of such forward-looking statements include, but are not limited to, statements concerning:

The outlook whereby the Corporation will be able to meet its obligations with cash on hand, cash flows from operations drawdowns under existing credit facilities or otherwise.

The outlook whereby for fiscal year 2025, the Corporation expects to increase available capacity by 2%, measured in available seat-miles, compared to 2024, with potential adjustments depending on the evolving situation with Pratt & Whitney GTF engine issues.

The outlook whereby the initiatives completed to date since the start of the Elevation program should result in an increase in annual adjusted operating income of approximately $37.0 million, while the target is to generate $100.0 million by mid-2026, as planned.

In making these statements, the Corporation assumes, among other things, that the standards and measures for the health and safety of personnel and travellers imposed by government and airport authorities will be consistent with those currently in effect, that workers will continue to be available to the Corporation, its suppliers and the companies providing passenger services at the airports, that credit facilities and other terms of credit extended by its business partners will continue to be made available as in the past, that management will continue to manage changes in cash flows to fund working capital requirements for the full fiscal year and that fuel prices, exchange rates, selling prices, and hotel and other costs remain stable, the Corporation will be able to adequately mitigate the Pratt & Whitney GTF engine issues and that the initiatives identified to improve adjusted operating income (adjusted EBITDA) can be implemented as planned, and will result in cost reductions and revenue increases of the order anticipated by mid-2026. If these assumptions prove incorrect, actual results and developments may differ materially from those contemplated by the forward-looking statements contained in this presentation.

The Corporation considers that the assumptions on which these forward-looking statements are based are reasonable. These statements reflect current expectations regarding future events and operating performance, speak only as of the date this presentation is issued, and represent the Corporation’s expectations as of that date. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable securities legislation.

Non-IFRS Financial Measures

We report our financial results in accordance with IFRS. This presentation was prepared using results and financial information determined under IFRS. In addition to IFRS financial measures, this presentation also contains non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures used by management to assess the Corporation's operational performance including adjusted operating loss, adjusted net loss, adjusted loss per share, total net debt, net cash burn, current ratio, free cash flow and unrestricted liquidity. These measures do not have a standardized meaning under IFRS. It is likely that the non-IFRS financial measures used by the Corporation will not be comparable to similar measures reported by other issuers or those used by financial analysts as their measures may have different definitions. The measures used by the Corporation are intended to provide additional information and should not be considered in isolation or as a substitute for IFRS financial performance measures.

Generally, a non-IFRS financial measure is a numerical measure of an entity's historical or future financial performance, financial position or cash flows that is neither calculated nor recognized under IFRS. Management believes that such non-IFRS financial measures are important as they provide users of our consolidated financial statements with a better understanding of the results of our recurring operations and their related trends, while increasing transparency and clarity into our operating results. Management also believes these measures to be useful in assessing the Corporation's capacity to fulfil its financial obligations.

By excluding from our results items that arise mainly from long-term strategic decisions and/or do not, in our opinion, reflect our operating performance for the period, such as the change in fair value of derivatives, the revaluation of the liability related to warrants, gain (loss) on business disposals and/or asset disposals, the effect of changes in discount rates used for accretion of the provision for return conditions, restructuring costs, asset write-offs and impairment, reversal of impairment of the investment in a joint venture, depreciation and amortization, foreign exchange gains (losses), gain (loss) on long-term debt modification and other significant unusual items, and by including premiums related to derivatives that matured during the period, we believe this presentation helps users to better analyze our results, as well as our ability to generate cash flows from operations. Furthermore, the use of non-IFRS measures helps users by enabling better comparability of results from one period to another and better comparability with other businesses in our industry.

Starting in the quarter ended January 31, 2025, the Corporation excludes from its calculations of Adjusted operating income, Adjusted earnings and Adjusted net income the effect of changes in discount rates used for accretion of the provision for return conditions. The Corporation believes that this item, which is highly variable and difficult to predict, can have a significant impact on results for a particular period, and does not reflect our past or future financial performance.

See the Non-IFRS financial measures slide in the Appendix for more information, including a description of such measures.

General Overview

Q1 2025

Highlights Q1 2025

$830M
Revenues

$20M
Adjusted EBITDA[1]

($123M)
Net Loss

$129M
Free Cash Flow[1]

Revenue grew by 5.6%
Achieved Adjusted EBITDA[1] margin of 2.4%

1. Refer to Non-IFRS Financial Measures in the Appendix.

Operating Metrics

- **Traffic continued to grow in Q1 2025, increasing by 1.0% compared to the previous year**
- **A disciplined approach to capacity management in Q1 2025 contributed to a positive impact on operating metrics**
  - The yield[1] environment is showing encouraging signs, with a 1.7% increase versus Q1 2024
  - Load factor at 80.6%, maintaining a comparable level to the prior year
- **For Q2 2025, load factor is 2 percentage points lower compared to the same period last year, while yields are 2% higher**
- **While it is still early, winter trends for yield and load factor are continuing into the summer**

Key Indicators for Q1 2025

Versus 2024	Global Network	South (Main Network)
Load Factor	+ 0.4 pp (80.6%)	- 0.1 pp (79.9%)
Yield[1]	+ 1.7 %	- 0.3 %
Capacity (ASM[2])	+ 0.5 %	+ 1.8 %
Capacity (Seats)	- 1.6 %	- 0.5 %

1. Airline unit revenues expressed in revenue per passenger-mile.
2. Available seat miles.

Capacity Increase and Fleet Overview

- **Planned capacity increase for fiscal 2025 in ASMs[1] is projected at +2 %**
  - Fleet size will remain stable with no new aircraft deliveries scheduled for the year
  - Significant reduction in short-term aircraft rentals compared to last winter, resulting in a positive impact on costs and improved operational performance
  - Disciplined capacity management in the main network (South) resulted in a 1.8% increase in ASMs during Q1, compared to double-digit growth in the previous year
- **The ongoing Pratt & Whitney GTF engine issue continues to affect operations, with 6 to 7 grounded aircraft during the last quarter, driving additional costs and persistent challenges**

Fleet Overview [2]

	2024		2025	
	Winter	Summer	Winter	Summer
A330	13	16	16	16
A321LR	15	19	19	19
Medium-haul[3]	15	8	9	8
Total	**43**	**43**	**44**	**43**

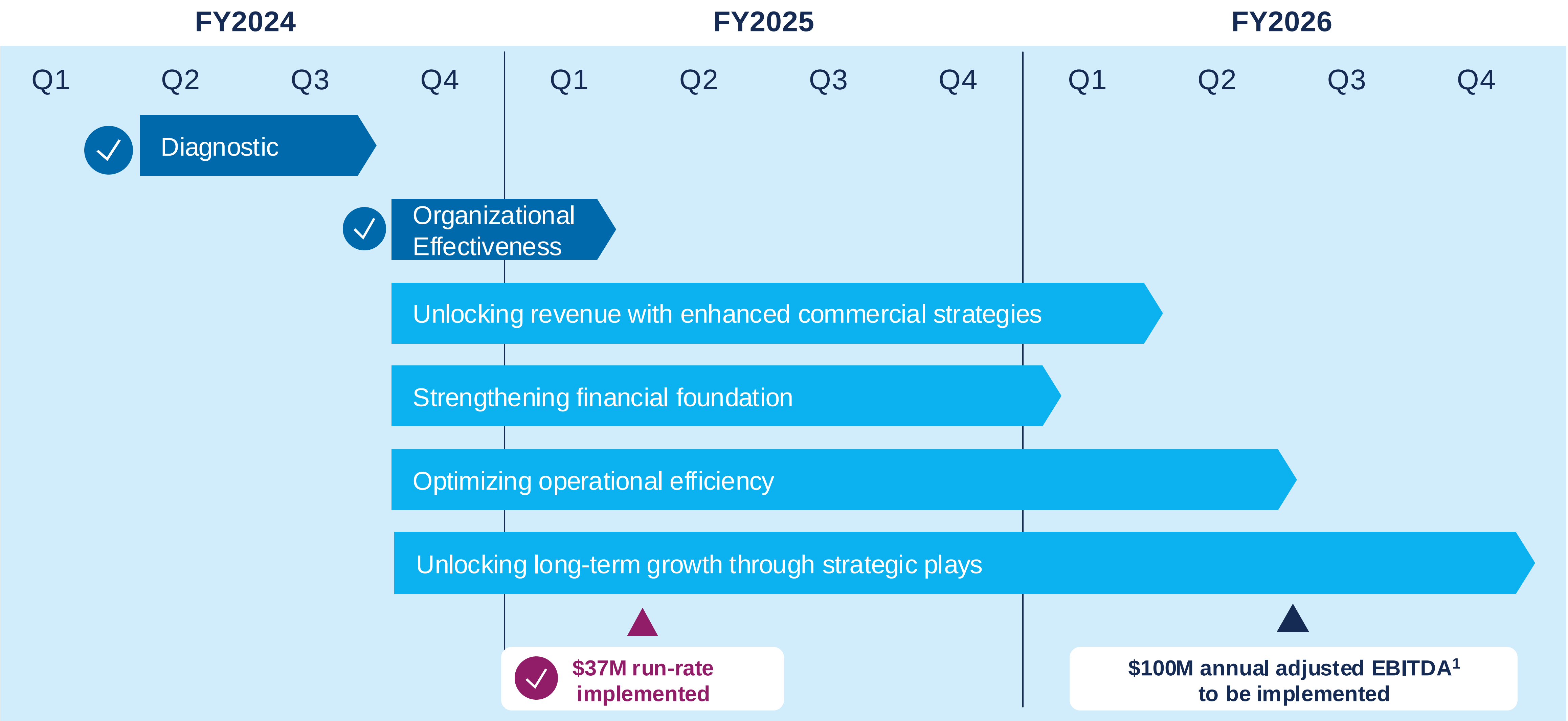
1. Available seat miles
2. Includes short-term leases and reflects the fleet at the peak of the season.
3. Mainly includes A321CEO and B737.

Delivering on *Elevation* Program Initiatives

- **The plan is designed to support sustainable value creation and a return to profitability by increasing revenues, reducing costs, enhancing efficiency, and improving cash flow management**
- **Initiatives implemented at this stage are expected to generate an annualized adjusted EBITDA[1] of $37 million**
  - This is primarily driven by the focus on optimizing organizational costs, with notable efficiency gains in the contact centre through AI technology, exceeding expectations
- **Progressing towards the objective of $100 million of adjusted EBITDA[1] generated from initiatives by mid-2026**
- **Initial financial impact neutral due to implementation costs, with benefits expected to materialize in the second half of fiscal 2025**
- **Next phase focuses on advanced revenue management strategies and further productivity improvements**

1. Refer to Non-IFRS Financial Measures in the Appendix.

Elevation on Track: $37M Run-Rate Implemented



1. Refer to Non-IFRS Financial Measures in the Appendix.

Summary

- **Demand remains strong, with continued traffic growth**
- **The yield environment has improved compared to last year, supported by disciplined capacity management, with a 0.5% increase in capacity during the quarter and a 2% increase in ASMs projected for the year**
- **Ongoing Pratt & Whitney GTF engine issue and its persistent challenges continue to impact operations and may lead to capacity adjustments in the coming months**
- **The *Elevation* program continues to advance as planned, with key revenue management initiatives set for implementation in the coming months**
- **Given the high level of macroeconomic uncertainty, including the impact of U.S. trade tariffs and potential consequences on consumers' disposable income, a cautious approach remains essential when assessing the outlook for the remainder of 2025**
- **Maintaining discipline and executing the *Elevation* program remain priorities, while closely monitoring macroeconomic developments**

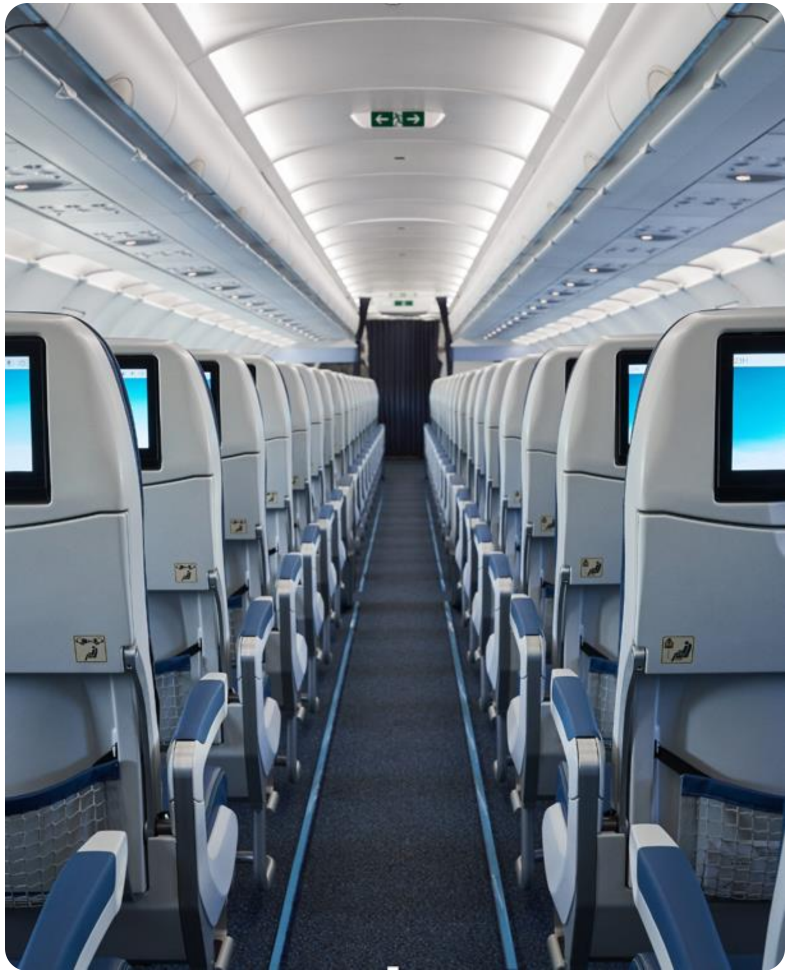
1. Refer to Non-IFRS Financial Measures in the Appendix.

Financial Review

Q1 2025

Financial Highlights

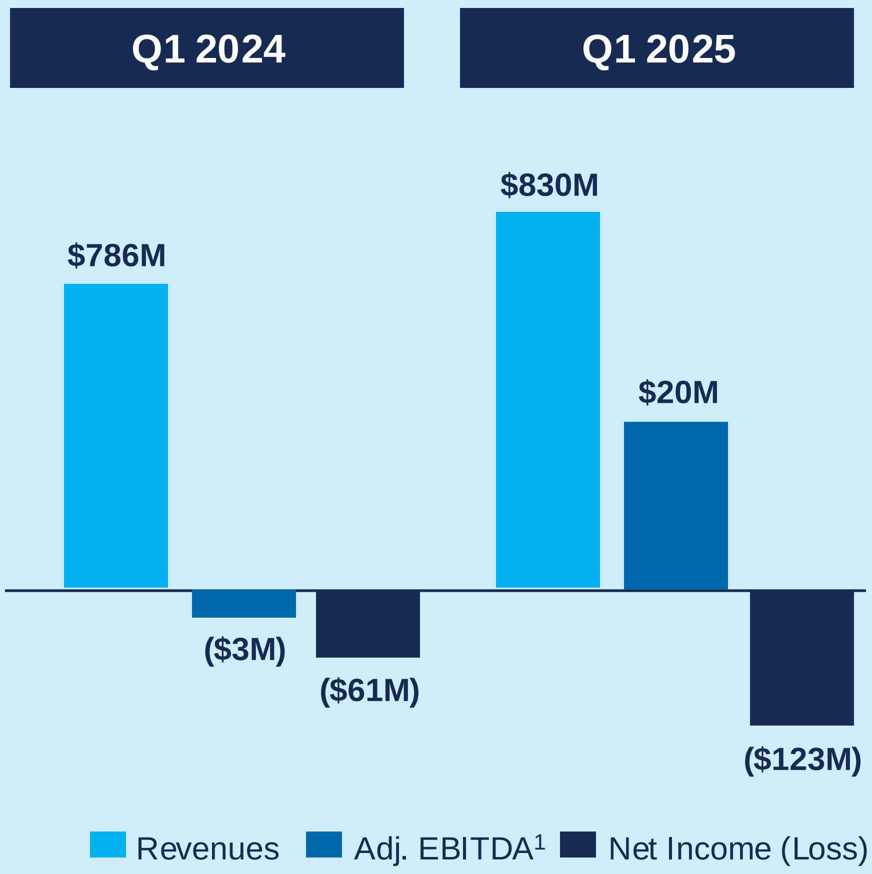
- **Higher Q1 results than last year, supported by revenue growth and continued cost discipline**
  - Yield increased by 1.7% year-over-year and load factor +0.4 pp, driving revenue growth
  - Lower fuel prices contributed to reduced costs compared to the prior year
  - Disciplined cost management limited overall cost increases
- **Extension of the $312M LEEFF subordinated financing maturity from April 2026 to April 2027, and the $50M revolving term credit and $41M LEEFF secured financing maturities from February 2026 to November 2026**



1. Refer to Non-IFRS Financial Measures in the Appendix.

Q1 2025 Results

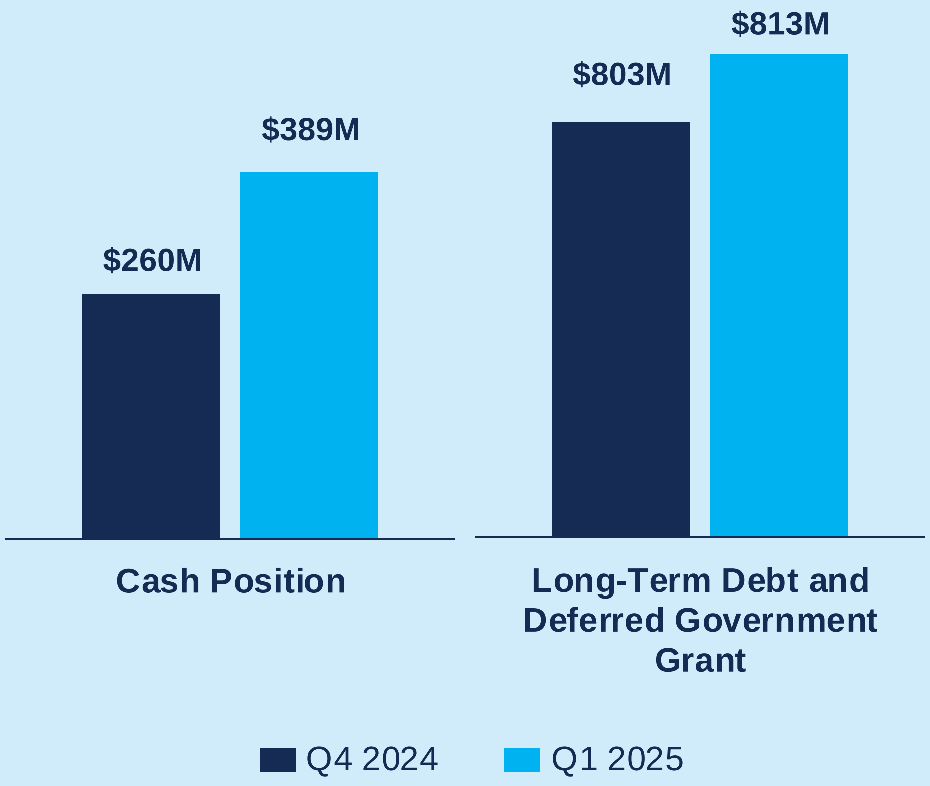
- **Revenues grew by 5.6% year-over-year, reaching $830M**
  - Traffic, measured in revenue-passenger-miles, increased by 1.0%
  - Yield increased by 1.7%
- **Adjusted EBITDA[1] of $20M (2.4% margin) compared to a negative $3M in Q1 2024**
  - The variation was primarily driven by higher revenue, a 15% reduction in fuel prices compared to Q1 2024, and disciplined cost management
  - Lower aircraft rent expenses also contributed, as last year's costs were elevated due to the use of short-term rentals to mitigate the impact of aircraft groundings caused by P&W engine issues
- **Adjusted net loss[1] totaled $75M versus adjusted net loss of $76M in Q1 2024**



1. Refer to Non-IFRS Financial Measures in the Appendix.

Financial Profile

- **Free cash flow[1] of $129M compared to free cash flow[1] of $39M in Q1 2024**
  - Cash flows from operating activities amounted to $169M in the quarter compared to $111M in 2024
  - Capex decreased from $49M in Q1 2024 to $23M, with elevated capex in 2024 driven by an unfavorable maintenance calendar
  - Net proceeds of $31 million from the sale and leaseback of a fourth spare engine completed in November
- **Cash position of $389M at the end of the quarter compared to $260M in Q4 2024**
- **Customer deposits for future travel reached $1,034M at the end of the quarter, surpassing last year's record**
- **Long-term debt and deferred government grant remain elevated at $813M compared to $803M in Q4 2024**
  - Net of cash represents $424M



1. Refer to Non-IFRS Financial Measures in the Appendix.

Refinancing Update

- **Refinancing the outstanding debt and strengthening the balance sheet remain key priorities**
- **Continue to explore alternatives to implement an optimal long term capital structure**
- **Assisted by a special committee of the Board of Directors composed of independent members**
- **Discussions with the main lender, the Federal Government, initiated over 18 months ago, as well as other stakeholders, are still ongoing**
- **To provide greater flexibility while discussions continue, recently extended the maturity dates of subordinated and secured LEEFF financing agreements to April 2027 and November 2026 respectively**
    - Additionally, renegotiated the revolving credit facility, extending its maturity to November 2026

Appendix

Debt Breakdown

Sources of capital	Type of instruments	Accounting policies		Facility amount[2]			Maturity date	Considerations
		Accounts	Carrying amount[2]	Available	Used	Unused		
Bank facilities	Revolving Credit Facility (1st lien secured)	Long-term debt	50	50	50	-	November 2026	**Interest rate**: CORRA plus a premium of 4.5%
Government facilities	LEEFF Secured Credit Facility (1st lien secured)	Long-term debt	41	41	41	-	November 2026	Reflect terms and conditions of Revolving Credit Facility
	LEEFF Subordinated Credit Facility	Long-term debt	370	377	377	-	April 2027	Face value of $312M. Bore interest at 8.0% until December 31, 2024. It now bears interest at 10% until December 31, 2025, increasing by 2.0% every year thereafter. Interest was capitalized (PIK) until December 31, 2024.
	Unsecured Credit Facility related to travel credits	Long-term debt	238	353	353	-	April 2028	**Interest rate:** fixed at 1.22%
		Deferred government grant	114					
Long-term debt and deferred government grant			**813**	**822**	**822**	-		
Lease liabilities	Fleet	Lease liabilities	1,440		1,440	-	2025-2036	The delivery of 4 A321LRs and 3 A330s during the summer of 2024 led to an increase of approximately $414M in lease liabilities upon reception
	Real Estate	Lease liabilities	39		39	-	2025-2037	
Government facilities	Warrants (equity derivatives)	Current portion of liability related to warrants	9		9	-	April 2031	19.9% exercisable in stock and the excess will be payable in cash on the basis of the difference between the market price of Transat 's shares and the exercise price.
Total debt[1]			**2,302**		**2,310**			
Cash	Unrestricted cash	Cash & cash equivalents	(389)		(389)	389		
Total net debt[1]			**1,912**		**1,921**	389		

Note: as of January 31, 2025.
1. Refer to Non-IFRS Financial Measures in the Appendix.
2. Amount in millions of C$.

Non-IFRS Financial Measures

The non-IFRS measures, non-IFRS ratios, total of segment measures, capital measures and/or other financial measures used by the Corporation are as follows:

- **Adjusted operating income (loss) or Adjusted EBITDA[1]:** Operating income (loss) before depreciation, amortization and asset impairment expense, reversal of impairment of the investment in a joint venture, the effect of changes in discount rates used for accretion of the provision for return conditions, restructuring and transaction costs and other significant unusual items, and including premiums related to derivatives that matured during the period. The Corporation uses this measure to assess the operational performance of its activities before the aforementioned items to ensure better comparability of financial results.
- **Adjusted pre-tax income (loss) or Adjusted EBT[1] :** Income (loss) before income tax expense before change in fair value of derivatives, revaluation of liability related to warrants, gain (loss) on long-term debt modification, gain (loss) on business disposals, gain on disposal of investment, gain (loss) on asset disposals, gain on sale and leaseback of assets, the effect of changes in discount rates used for accretion of the provision for return conditions, restructuring and transaction costs, write-off of assets, reversal of impairment of the investment in a joint venture, foreign exchange gain (loss) and other significant unusual items, and including premiums related to derivatives that matured during the period. The Corporation uses this measure to assess the financial performance of its activities before the aforementioned items to ensure better comparability of financial results.
- **Adjusted net income (loss)[1]:** Net income (loss) before change in fair value of derivatives, revaluation of liability related to warrants, gain (loss) on long-term debt modification, gain (loss) on business disposals, gain on disposal of investment, gain (loss) on asset disposals, gain on sale and leaseback of assets, the effect of changes in discount rates used for accretion of the provision for return conditions, restructuring and transaction costs, write-off of assets, reversal of impairment of the investment in a joint venture, foreign exchange gain (loss), reduction in the carrying amount of deferred tax assets and other significant unusual items, and including premiums related to derivatives that matured during the period, net of related taxes. The Corporation uses this measure to assess the financial performance of its activities before the aforementioned items to ensure better comparability of financial results. Adjusted net income (loss) is also used in calculating the variable compensation of employees and senior executives.
- **Adjusted net income (loss) per share[1]:** Adjusted net income (loss) divided by the adjusted weighted average number of outstanding shares used in computing diluted earnings (loss) per share.
- **Free cash flow[2]:** Cash flow from operating activities minus cash flow from investing activities and repayment of lease liabilities. The Corporation uses this measures to assess the cash that's available to be distributed in a discretionary way such as repayment of long-term debt or government deferred grant, distribution of dividend to shareholders, etc.
- **Total debt[1]:** Long-term debt plus lease liabilities, deferred government grant and liability related to warrants, net of deferred financing cost related to the subordinated debt - LEEFF. Management uses total debt to assess the Corporation's debt level, future cash needs and financial leverage ratio. Management believes this measure is useful in assessing the Corporation's capacity to meet its current and future financial obligations.
- **Total net debt[1]**: Total debt (described above) less cash and cash equivalents. Total net debt is used to assess the cash position relative to the Corporation's debt level. Management believes this measure is useful in assessing the Corporation's capacity to meet its current and future financial obligations.

Free Cash Flow

	Quarters ended January 31		
	2025	2024	Difference
(In thousands of Canadian dollars)	$	$	$
Cash flows related to operating activities	168,578	110,702	57,876
Cash flows related to investing activities	7,734	(28,745)	36,479
Repayment of lease liabilities	(47,183)	(42,864)	(4,319)
Free cash flow	129,129	39,093	90,036

Note 1: The reconciliations between IFRS financial measures and non-IFRS financial measures are incorporated by reference in Section 2 Non-IFRS Financial Measures of our MD&A in our First Quarter Report 2025, which is available on SEDAR+ at www.sedarplus.ca.

Note 2: See table above.