



Results for the First Quarter 2024

OUR ORGANIZATION

Outgoing tour operators

- Transat Tours Canada (Canada)
- Canadian Affair (United Kingdom)

Retail distribution

- Transat Distribution Canada (Canada)

Air transportation

- Air Transat

Incoming tour operators

Destination services

- Trafictours
- Turissimo
- North America
- Europe

Transat A.T. inc., a holiday travel reference worldwide, particularly as an air carrier under the Air Transat brand

Founded in Montréal 36 years ago, Transat has achieved worldwide recognition as a provider of leisure travel. Known for operating as an air carrier under the Air Transat brand, Transat also consists of specialist tour operators and other entities in the retail distribution of holiday travel packages. Its full offerings include products and services for exploring a multitude of international destinations, mainly in Europe and the Caribbean, with growth ambitions in South America and North Africa.

Transat is headquartered in Montréal, with places of business in France and the United Kingdom, as well as the Caribbean. Its airline, Air Transat, is an important part of the Montréal-Trudeau (YUL) and Toronto Pearson (YYZ) airport platforms. Transat employs over 5,000 individuals who share the same purpose: reducing the distances that separate us.

Voted World's Best Leisure Airline by passengers at the 2023 Skytrax World Airline Awards, Air Transat is known for its exceptional customer service. (TSX: TRZ) www.transat.com

First Quarter highlights:

- Revenues of \$785.5 million, up 17.7% from \$667.5 million last year
- Negative adjusted EBITDA¹ of \$8.6 million, compared to adjusted EBITDA¹ of \$3.3 million last year
- Net loss of \$61.0 million (\$1.58 per share), versus \$56.6 million (\$1.49 per share) last year
- Positive free cash flow¹ of \$39.1 million compared to \$144.2 million last year
- Proceeds from the sale of an investment in Mexico applied to reduce secured facilities by \$20.7 million
- Record customer deposits for future travel of \$1,026.9 million, up 14% from January 31, 2023

Quick Facts

Ticker: TRZ - Listings: Toronto Stock Exchange (TSX)

Year end: October 31

Transat's first-quarter results reflect sustained demand for leisure travel. Revenues grew 17.7% year-over-year, driven by a solid traffic increase.

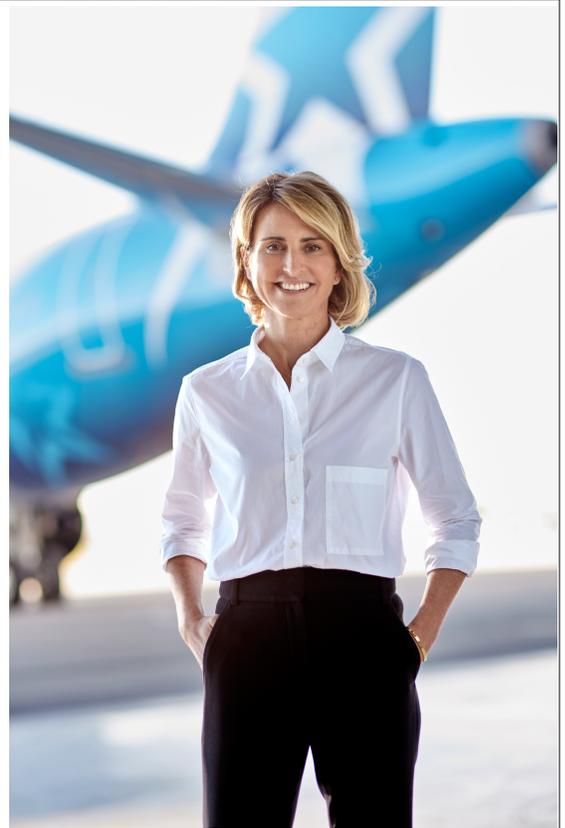
However, the persisting speculation of a strike by flight attendants starting last November clearly affected bookings and yield for the winter season, and we are pleased that the adoption of a new collective agreement in late February removed this uncertainty.

As for the operating challenges related to the Pratt & Whitney GTF engine issue, costs incurred, including those related to the temporary leasing of additional aircraft, applied pressure on profitability.

Finally, while demand remains sound, softer yields indicate heightened consumer price sensitivity in the current macro-economic environment as well as fierce price competition, especially in the Toronto market,

Annick Guérard

President and Chief Executive Officer, Transat



Financial Highlights

Financial Highlights for the Quarters Ended January 31

| (in thousands of Canadian dollars, except per share amounts) | 2024 \$ | 2023 \$ | Difference \$ | Difference % |
|--|------------|------------|------------------|-----------------|
| Consolidated statements of loss | | | | |
| Revenues | 785,498 | 667,457 | 118,041 | 17.7 |
| Operating loss | (52,429) | (38,103) | (14,326) | (37.6) |
| Net loss | (60,977) | (56,610) | (4,367) | (7.7) |
| Basic loss per share | (1.58) | (1.49) | (0.09) | (6.0) |
| Diluted loss per share | (1.58) | (1.49) | (0.09) | (6.0) |
| Adjusted operating income (loss) ¹ | (8,625) | 3,331 | (11,956) | (358.9) |
| Adjusted net loss ¹ | (81,342) | (61,564) | (19,778) | (32.1) |
| Adjusted net loss per share ¹ | (2.11) | (1.62) | (0.49) | (30.2) |

Consolidated Statements of Financial Position

| (in thousands of Canadian dollars) | As at January 31, 2024 \$ | As at October 31, 2023 \$ | Difference \$ | Difference % |
|---|---------------------------------|---------------------------------|------------------|-----------------|
| Consolidated Statements of Financial Position | | | | |
| Cash and cash equivalents | 453,286 | 435,647 | 17,639 | 4.0 |
| Cash and cash equivalents in trust or otherwise reserved (current and non-current) | 641,936 | 450,752 | 191,184 | 42.4 |
| | 1,095,222 | 886,399 | 208,823 | 23.6 |
| Total assets | 2,786,111 | 2,569,370 | 216,741 | 8.4 |
| Debt (current and non-current) | 665,104 | 669,145 | (4,041) | (0.6) |
| Total debt ¹ | 1,976,554 | 2,058,046 | (81,492) | (4.0) |
| Total net debt ¹ | 1,523,268 | 1,622,399 | (99,131) | (6.1) |

1 Non-IFRS Financial Measures

| | |
|--|--|
| Adjusted operating income (loss) or adjusted EBITDA | Operating income (loss) before depreciation, amortization and asset impairment expense, reversal of impairment of the investment in a joint venture, 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 | 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, 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) | 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, 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 earnings (loss) per share | Adjusted net income (loss) divided by the adjusted weighted average number of outstanding shares used in computing diluted earnings (loss) per share. |
| Total debt | Long-term debt plus lease liabilities, deferred government grant and liability related to warrants, net of deferred financing costs related to the unsecured 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 | 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 | Cash flows related to operating activities less cash flows related to investing activities and repayment of lease liabilities. The Corporation uses this measure to assess the cash that's available to be distributed in a discretionary way such as repayment of long-term debt or deferred government grant or distribution of dividend to shareholders. |

For more detailed information and for the reconciliations between the IFRS financial measures and the non-IFRS financial measures, please refer to Section 2 Non-IFRS financial measures of our MD&A in First Quarterly Report of 2024, which is available on SEDAR at www.sedarplus.ca and on www.transat.com in the Investors section.

Senior Management

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|------------------------------|--|
| Annick Guérard | President and Chief Executive Officer, Transat |
| Joseph Adamo | President, Transat Distribution Canada Chief Sales and Marketing Officer, Transat |
| Sebastian Ponce | Chief Revenue Officer |
| Jean-François Pruneau | Chief Financial Officer |
| Bernard Bussières | Chief Legal and Government Relations Officer and Corporate Secretary |
| Julie Lamontagne | Chief People, Sustainability and Communications Officer |
| Marc-Philippe Lumpé | Chief Airline Operations Officer |
| Bamba Sissoko | Chief Information Officer |

Investor Relations Information

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|--|---|--|
| Jean-François Pruneau Chief Financial Officer +1 514 987-1616 investorrelations@transat.com | Transat A.T. Inc. Tour Transat 300 Léo-Pariseau Street, Suite 600 Montreal (Quebec) H2X 4C2 Tel: 1-514-987-1660 Fax: 1-514-987-8035 | Transfer Agent and Registrar TSX Trust 1701-1190, Canadiens-de-Montréal Avenue Montreal (Quebec) H3B 0G7 Telephone (toll-free): 1-800-387-0825 shareholderinquiries@tmx.com tsxtrust.com |
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