



Results for the fourth quarter ended October 31, 2025

# Supplementary Disclosure





# 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 planned 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 including its debt refinancing, 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 news release 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 by other means.

The outlook whereby, for winter 2026, the Corporation expects a 5% to 7% increase in capacity, measured in available seat-miles, compared to 2025.

The outlook whereby, for fiscal year 2026, the Corporation expects a 6% to 8% increase in capacity, measured in available seat-miles, compared to 2025.

The outlook whereby the initiatives from the Elevation Program are expected to contribute \$100 million to adjusted operating income by mid-2026.

The outlook whereby the targeted network expansion across destinations in Africa, Europe and South America, combined with fewer grounded aircraft and network optimization, should result in increased capacity for 2026.

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 and preferred shares, 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, changes in market price of CORSIA Eligible Emissions Units (carbon credits), 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 on long-term debt extinguishment 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 November 1, 2024, 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 and changes in market price of CORSIA Eligible Emissions Units (carbon credits) used to calculate the provision for carbon offsets. The Corporation believes that these items, which are highly variable and difficult to predict, can have a significant impact on results for a particular period and do 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 FY2025 and Q4 2025





# Highlights FY2025



**\$3.4B**

Revenues

**\$271M**

Adjusted EBITDA<sup>1</sup>

**\$242M**

Net Income

**(\$45M)**

Free Cash Flow<sup>1</sup>

Annual revenues grew by 3.5% and Adjusted EBITDA<sup>1</sup> reached an all-time high

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





# Operating Metrics

- Year marked by modest growth, ending with a **+0.8% ASM<sup>1</sup>** increase
- **Strategic capacity planning supported stronger operating metrics and sustained momentum throughout the year**
  - Fiscal year yield increased by 2.3%, and Q4 yield rose 2.6% year over year
- **Winter 2026 capacity is projected to grow by 5% to 7%, primarily during the second part of the season**
  - New destinations, annualization and higher frequencies for successful routes
- **For Winter 2026, yields are 1.4% higher compared to the same period last year, while load factor is 0.8 percentage points lower**
  - Demand remains robust, supporting yields despite significant industry-wide capacity growth

## Key Indicators for Q4 2025

<i>Versus 2024</i>	Global Network	Transatlantic (Main Network)
Load Factor	- 0.2 pp (87.0%)	- 0.1 pp (87.9%)
Yield <sup>1</sup>	+ 2.6 %	+ 2.4 %
Capacity (ASM <sup>2</sup> )	- 1.8 %	- 1.2 %
Capacity (Seats)	- 0.7 %	- 1.1 %

1. Airline unit revenues expressed in revenue per passenger-mile.

2. Available seat miles.



# Capacity Increase and Fleet Overview

- **Capacity growth in 2026 is projected to be at 6-8% in ASMs<sup>1</sup>, driven by a higher operational fleet as fewer aircraft are grounded**
  - No planned aircraft deliveries in 2026
  - Two leases are expected to end during the summer: one A330 and one A321ceo
  - The number of grounded aircraft is expected to range from three to five next year, down from 2025 levels
  - These improvements are expected to boost operational capacity and optimize fleet utilization
- **Deliveries of A321XLR aircraft are anticipated to begin in 2027**

Fleet Overview <sup>2</sup>				
	2025		2026	
	Winter	Summer	Winter	Summer
A330	16	16	16	15
A321LR	19	19	19	19
Medium-haul <sup>3</sup>	9	8	8	7
Total	44	43	43	41

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.



# Network Development

- **Focus on optimizing aircraft utilization through high-potential routes with low seasonality and strong VFR (visiting friends and relatives) demand**
- **Expansion across Africa, Europe, and South America supported by new destinations and strategic partnerships**
  - New non-stop route between Toronto and Tirana (Albania)
  - New West Africa destinations with year-round potential: Accra (Ghana), Agadir (Morocco), and Dakar (Senegal)
  - Interline agreements with Turkish Airlines and GOL Airlines enhance connectivity to Asia, the Middle East, and South America
  - New European route to Reykjavik operating twice weekly from mid-June to late September
  - Annualized service on select successful routes to the Caribbean, Central, and South America to balance growth and risk
  - Expanded regional offering with exclusive transatlantic routes: Québec City–Marseille and Ottawa–London Gatwick







# Summary

- **2025 was a year of improved operating metrics, particularly yields, which supported revenue growth and highlights strong demand for Transat products**
  - Implemented the Elevation program, focused on optimizing costs and revenues and strengthening business fundamentals ahead of future growth
  - Successfully completed debt refinancing, a key milestone enabling the next phase of the company's strategy
  - Pratt & Whitney engine issues continued to weigh on performance, with between 6 and 8 aircraft grounded during most of the year and ending at 5, impacting costs and revenues
- **2026 is off to a solid start, with winter yields trending higher and robust demand, including a shift from U.S. markets toward Caribbean and Mexico destinations**
  - Network development and the gradual return of grounded aircraft in 2026, combined with full benefits from the Elevation program, are expected to drive growth, increase revenues, and improve margins



# Financial Review

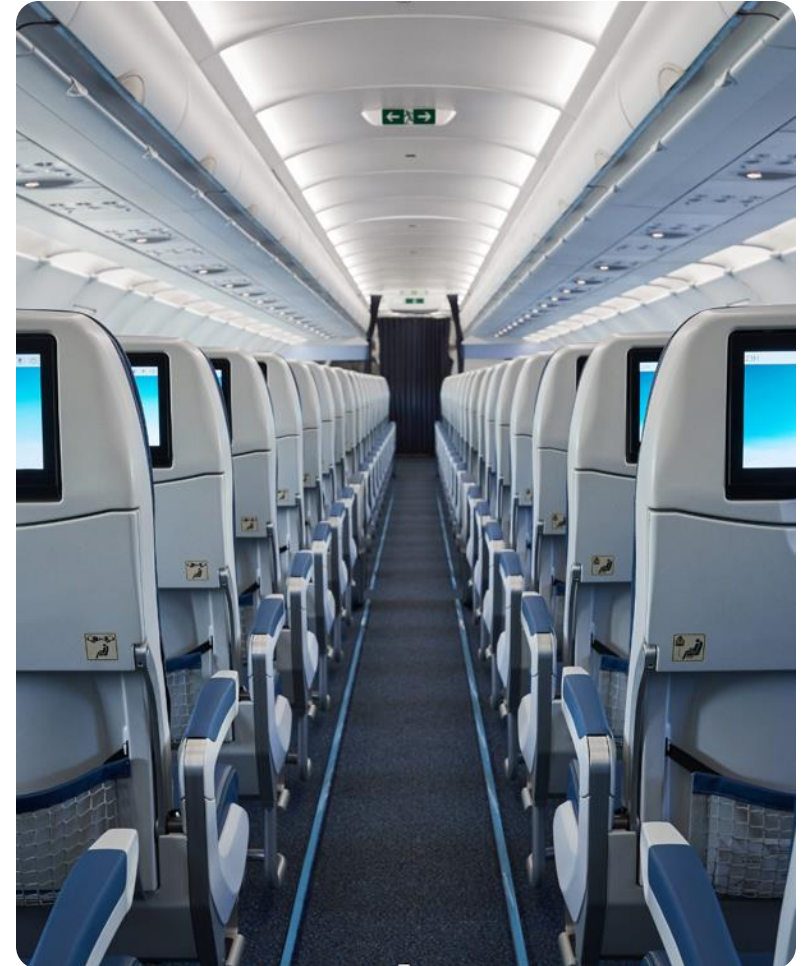
## Q4 2025





# Financial Highlights

- **Revenues increased by 1.5% year over year when excluding the unfavorable impact of the Pratt & Whitney compensation (\$28M less compensation in Q4 2025)**
  - Growth achieved despite lower capacity and reflects solid demand for Transat's offering
- **Fourth-quarter EBITDA declined to \$71 million, representing a 9.3% margin, compared to \$128 million and a 16.3% margin last year**
  - Primarily due to lower revenues and unfavorable provisions
- **Benefits of debt restructuring have started to materialize, with lower interest expenses**
  - Full savings are expected to be realized in the next fiscal year

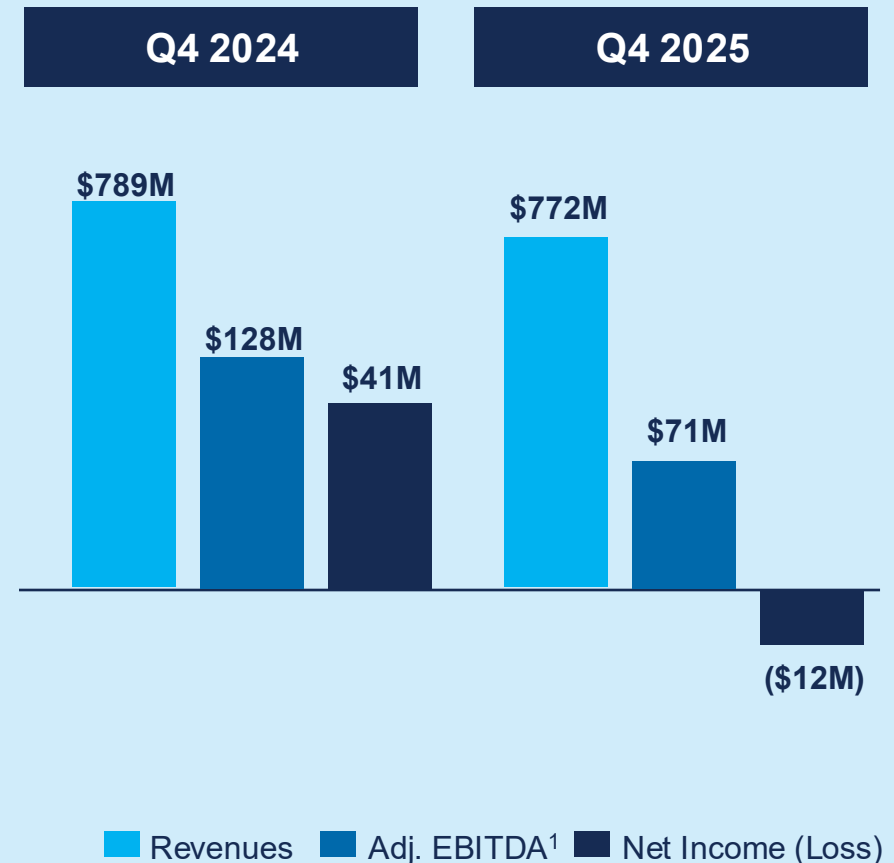




# Q4 2025 Results

- **Passenger revenue increased year over year despite lower capacity, driven by stronger yields**
  - Q4 yield up 2.6% year over year
- **Total revenue declined year over year due to the timing of Pratt & Whitney compensation:**
  - \$34M recognized in Q4 2024 (agreement covering 2023–2024 grounded aircraft)
  - \$5M recognized in Q4 2025
- **Adjusted EBITDA<sup>1</sup> of \$71M (9.3% margin) compared to \$128M in Q4 2024**
  - Impacted by reduction in Pratt & Whitney compensation recognized as revenues and flowing through to adjusted EBITDA<sup>1</sup>
  - Higher costs versus last year, mainly from various unfavorable provisions, including \$10M in compliance costs for carbon credits recorded in fuel expenses
- **Adjusted net loss<sup>1</sup> of \$19M versus an adjusted net income of \$32M in Q4 2024**

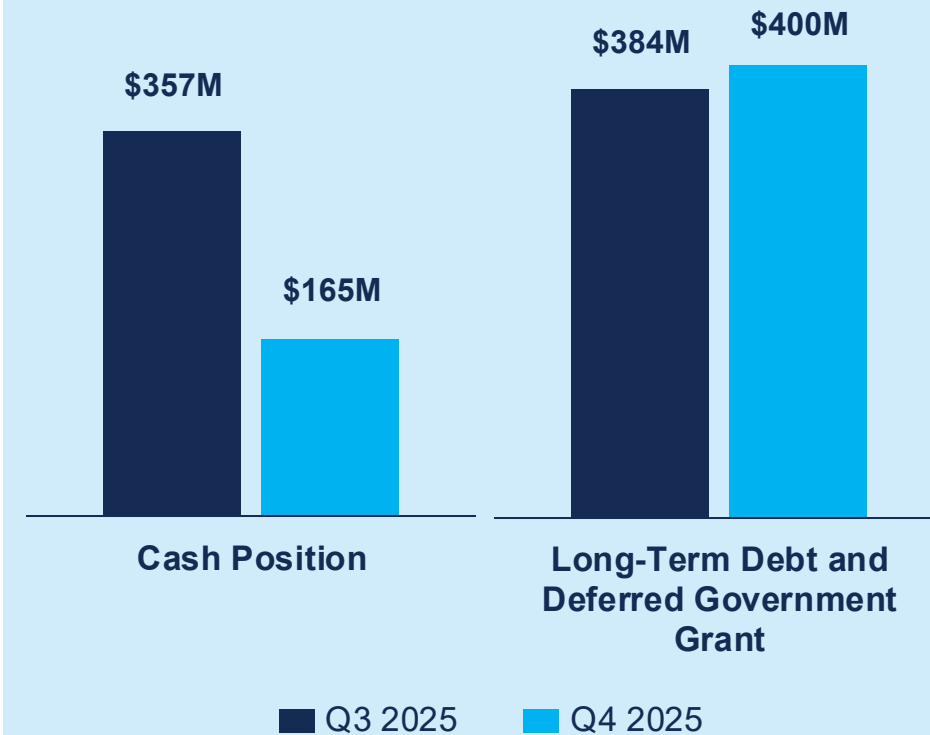
1. Refer to Non-IFRS Financial Measures in the Appendix.





# Financial Profile

- **Free cash flow<sup>1</sup> was negative \$194M, compared to negative \$102M in Q4 2024**
  - In Q4 2024, entered into sale and leaseback transaction involving 3 Pratt & Whitney GTF engines for a total of \$92M
  - Capital expenditures remained stable year-over-year at \$30M
- **Quarter-end cash was \$165M, down from \$357M in Q3, reflecting the seasonal nature of operations**
- **Long-term debt and deferred government grant increased from \$384M at the end of Q3 2025 to \$400M**
  - Following the sale and leaseback of two engines, 50% of proceeds were allocated to:
    - Repay \$14M of the LEEF Unsecured Debenture, reducing the outstanding balance to \$145M
    - Apply \$16M to redeem 6.2M preferred shares
  - \$30M drawn on the working capital facility



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



# Appendix







# Debt Breakdown

Sources of capital	Type of instruments	Accounting Policies		Facility Amount	Maturity date (Fiscal Year)	Considerations
		Accounts	Carrying Amount			
Bank facilities	Revolving Credit Facility (1 <sup>st</sup> lien secured)	Long-term debt	50	50	2028	- <b>Interest rate:</b> CORRA plus a premium of 4.5%.
Government facilities	LEEFF Subordinated Credit Facility	Long-term debt	66	175	2035	- <b>Interest rate:</b> 1.22% per annum until July 2028, and 3% per annum thereafter.
		Deferred government grant	109			
	LEEFF Unsecured Debenture	Long-term debt	55	145	2035	- <b>Interest rate:</b> No interest for the first 5 years. Starting in year 6, interest will accrue at an annual rate of 7%, increasing by 1 percentage point each year thereafter, up to a maximum of 12%.
		Deferred government grant	90			
	LEEFF Subordinated Working Capital Facility	Long-term debt	30	30	2035	- <b>Interest rate:</b> 7% per annum until July 10, 2026, and thereafter at CORRA plus a premium of 4.5%
Long-term debt and deferred government grant			400	400		
Lease liabilities	Fleet	Lease liabilities	1,308	1,308	2026-2036	
	Real Estate	Lease liabilities	40	40	2026-2037	
Government facilities	Warrants (equity derivatives)	Current portion of liability related to warrants	14	14	2035	- 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 <sup>1</sup>			1,762	1,762		
Cash	Unrestricted cash	Cash & cash equivalents	(165)	(165)		
Total net debt <sup>1</sup>			1,597	1,597		

Note: As of October 31, 2025. Amounts in millions of C\$.

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



# 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<sup>1</sup>:** 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, changes in market price of CORSIA Eligible Emissions Units (carbon credits), 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 operating income is also used to calculate variable compensation for employees and senior executives.
- **Adjusted pre-tax income (loss) or Adjusted EBT<sup>1</sup>:** Income (loss) before income tax expense before change in fair value of derivatives, revaluation of liability related to warrants and preferred shares, gain on long-term debt extinguishment, 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, changes in market price of CORSIA Eligible Emissions Units (carbon credits), 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)<sup>1</sup>:** Net income (loss) before change in fair value of derivatives, revaluation of liability related to warrants and preferred shares, gain on long-term debt extinguishment, 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, changes in market price of CORSIA Eligible Emissions Units (carbon credits), 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<sup>1</sup>:** 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<sup>2</sup>:** 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<sup>1</sup>:** Long-term debt plus lease liabilities, deferred government grant and liability related to warrants, net of deferred financing cost related to the subordinated debt - LEEF. 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<sup>1</sup>:** Total debt (described above) less cash and cash equivalents. Total net debt is used to assess the cash position relative

	Free Cash Flow			
	Quarters ended Oct. 31		Fiscal Year	
	2025	2024	2025	2024
	\$	\$	\$	\$
<i>(In thousands of Canadian dollars)</i>				
Cash flows related to operating activities	(114,530)	(108,108)	156,975	94,673
Cash flows related to investing activities	(29,830)	57,874	(10,206)	(31,451)
Repayment of lease liabilities	(49,877)	(51,982)	(191,732)	(185,280)
Free cash flow	(194,237)	(102,216)	(44,963)	(122,058)

**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 Annual Report 2025, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Note 2:** See table above.