



Results for the Second Quarter 2025

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 37 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 5,000 individuals who share the same purpose: reducing the distances that separate us.

Voted World's Best Leisure Airline by passengers at the 2024 Skytrax World Airline Awards, Air Transat is known for its exceptional customer service. (TSX: TRZ) www.transat.com

Second Quarter highlights:

- Revenues of \$1,031.1 million, up 5.9% from \$973.2 million last year
- Adjusted EBITDA¹ of \$98.4 million compared to \$30.2 million last year
- Net loss of \$22.9 million (\$0.58 per share), compared to a net loss of \$54.4 million (\$1.40 per share) last year
- Free cash flow¹ of \$142.3 million compared to \$109.8 million last year
- Cash and cash equivalents of \$532.6 million as at April 30, 2025
- Elevation optimization Program initiatives implemented to date are expected to deliver an annualized adjusted EBITDA¹ run-rate of \$67.0 million
- Reached an agreement in principle for the restructuring of the LEEFF debt incurred in connection with the COVID-19 pandemic

Quick Facts

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

Year end: October 31

² Geared turbofan ("GTF").

Transat delivered improved operating and financial performances in the second quarter of fiscal 2025, building on the positive momentum that began in the fourth quarter of 2024. During the second quarter, revenue grew 5.9%, driven by a 2.0% year-over-year yield improvement and a 1.6% passenger traffic increase. Tight control of operating expenses led to productivity gains, while lower fuel costs further supported performance, resulting in adjusted EBITDA of \$98.4 million. Despite persistent economic uncertainty, Transat is methodically executing its business strategy through disciplined fleet optimization and network expansion. Recent additions of new routes and changes to our program have further strengthened our leadership in providing leisure travel services to Canadian consumers.

We are making significant progress through our Elevation Program, a comprehensive optimization plan aimed at maximizing long-term profitable growth. The initiatives implemented to date are expected to generate an annualized adjusted EBITDA run rate of \$67 million and we remain on track to reach our goal of \$100 million. Our teams are fully committed to successfully executing the plan and we expect to benefit directly from cost-saving and revenue-generating initiatives beginning in the second half of the current year.

Annick Guérard
President and Chief Executive Officer, Transat



Financial Highlights

Financial Highlights for the Quarters Ended April 30

(in thousands of Canadian dollars, except per share amounts)	2025 \$	2024 \$	Difference \$	Difference %
Consolidated statements of loss				
Revenues	1,031,073	973,204	57,869	5.9
Operating income (loss)	37,270	(15,161)	52,431	345.8
Net loss	(22,884)	(54,387)	31,503	57.9
Basic loss per share	(0.58)	(1.40)	0.82	58.6
Diluted loss per share	(0.58)	(1.40)	0.82	58.6
Adjusted operating income ¹	98,446	30,150	68,296	226.5
Adjusted net income (loss) ¹	4,735	(46,868)	51,603	110.1
Adjusted net earnings (loss) per share ¹	0.12	(1.21)	1.33	109.9

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	As at April 30, 2025 \$	As at October 31, 2024 \$	Difference \$	Difference %
Consolidated Statements of Financial Position				
Cash and cash equivalents	532,611	260,336	272,275	104.6
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	295,582	484,944	(189,362)	(39.0)
	828,193	745,280	82,913	11.1
Total assets	2,831,579	2,750,910	80,669	2.9
Debt (current and non-current)	705,562	682,295	23,267	3.4
Total debt ¹	2,187,802	2,277,320	(89,518)	(3.9)
Total net debt ¹	1,655,191	2,016,984	(361,793)	(17.9)

¹Non-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, 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 operating income is also used to calculate variable compensation for employees and senior executives.
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, 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)	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, 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 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	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 Second Quarterly Report of 2025, which is available on SEDAR at www.sedarplus.ca and on www.transat.com in the Investors section.

Senior Management

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

Investor Relations Information

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