



Results for the third quarter ended July 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 or other credit facilities.

The outlook whereby, for fiscal year 2025, the Corporation expects a 1.0% increase in capacity, measured in available seat-miles, compared to 2024, reflecting a modest reduction in capacity during the fourth quarter.

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

The outlook whereby the benefits from the Elevation Program, a comprehensive optimization plan aimed at maximizing long-term profitable growth, are materializing as anticipated and continue to drive results towards generating adjusted EBITDA of \$100 million by mid-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, 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

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



General Overview

Q3 2025





Highlights Q3 2025



\$766M

Revenues

\$81M

Adjusted EBITDA¹

\$400M²

Net Income

(\$122M)

Free Cash Flow¹

Revenues grew by 4.1%
Achieved Adjusted EBITDA¹ margin of 10.6%

1. Refer to Non-IFRS Financial Measures in the Appendix.
2. Including \$345.1 million gain from long-term debt restructuring.



Operating Metrics

- Traffic maintained its upward trend, with a 1.0% increase recorded in Q3 2025
- Patterns from earlier in the year continued, as yield improved compared to 2024 and load factor slightly declined to 85.0%
 - Robust demand drove solid yield performance in Sun destinations, even during the off-peak summer period
 - Challenging competitive environment in European destinations led to a modest increase in yields
- Looking ahead to Q4, load factors are currently tracking 1.2 percentage points below the same period last year, while yields are trending 3.1% higher, but showing a downward trend

Key Indicators for Q3 2025

<i>Versus 2024</i>	Global Network	Transatlantic (Main Network)
Load Factor	- 1.2 pp (85.0%)	- 1.7 pp (84.9%)
Yield ¹	+ 2.6 %	+ 1.8 %
Capacity (ASM ²)	+ 2.4 %	+ 4.2 %
Capacity (Seats)	+ 2.0 %	+ 4.4 %

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

2. Available seat miles.



Capacity Increase and Fleet Overview

- **Capacity for fiscal 2025 is projected to grow by 1.0% in ASMs¹**
 - Over the first nine months of the year, capacity increased by 1.9%
 - Modest decline in capacity is expected in Q4
- **The Pratt & Whitney GTF engine issue continues to impact operations, with six aircraft currently grounded**
- **Growth in 2026 is expected to be stronger than in 2025, while remaining measured, with no aircraft deliveries scheduled**
 - Capacity is expected to increase by 5–7% in winter 2026, supported by the gradual return of some grounded aircraft to service and higher aircraft utilization
- **Strategic focus remains on network optimization, greater diversification, and maximizing aircraft utilization**

Fleet Overview ²				
	2025		2026	
	Winter	Summer	Winter	Summer
A330	16	16	16	15
A321LR	19	19	19	19
Medium-haul ³	9	8	8	8
Total	44	43	43	42

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 Elevation Program was launched one year ago with the goal of generating \$100M in adjusted EBITDA¹ through targeted initiatives
- Elevation Program has reached its implementation target, with current initiatives projected to generate \$100 million in adjusted EBITDA¹ by mid-2026
- As anticipated, the optimization program is beginning to show tangible improvements in financial performance
 - Anticipate benefits to progressively ramp up over the next few quarters
- Numerous initiatives have been enacted, with a few additional ones planned by mid-winter to support long-term value creation
- These broader internal efforts have reshaped operations and laid the groundwork for sustainable profitability

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



Summary

- Load factor and yield trends from earlier in the year continued into Q3, with yields improving and load factors slightly declining
- Significant progress was made in strengthening the balance sheet, with the refinancing marking a major step toward long-term financial sustainability
- Elevation Program has reached its implementation target, with current initiatives in place expected to deliver \$100M in adjusted EBITDA¹ by mid-2026
- A shift in market conditions is becoming apparent, as the economic slowdown begins to weigh on consumer behavior
- Capacity re-deployment by other carriers is impacting the competitive environment
- Disciplined execution and continued rollout of the Elevation program remain key priorities, along with close monitoring of macroeconomic conditions

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



Financial Review

Q3 2025





Financial Highlights

- **Q3 results showed improvement, supported by revenue growth and continued cost discipline**
 - Yield increased by 2.6% year-over-year, partially offset by a 1.2 percentage point decline in load factor
 - A financial compensation of \$7M was recognized in revenue following the 2025 agreement regarding the GTF engines
 - Lower fuel prices and disciplined cost management contributed to a year-over-year reduction in cost per available seat mile, despite the depreciation of the Canadian dollar
- **The LEEFF debt restructuring was completed, reducing the total outstanding corporate debt balance to \$384M**
- **Sale-leaseback of two Pratt & Whitney GTF engines generated \$62M, used to reduce debt, redeem outstanding preferred shares and support operations**
- **Revolving Credit Facility maturity was extended from November 2026 to November 2027**





Q3 2025 Results

- **Revenues grew by 4.1% year-over-year, reaching \$766M**

- Traffic, measured in revenue-passenger-miles, increased by 1.0%, on a 2.4% capacity increase
- Yield increased by 2.6%
- Includes \$7M recognized as revenues from the Pratt & Whitney 2025 compensation agreement for grounded aircraft

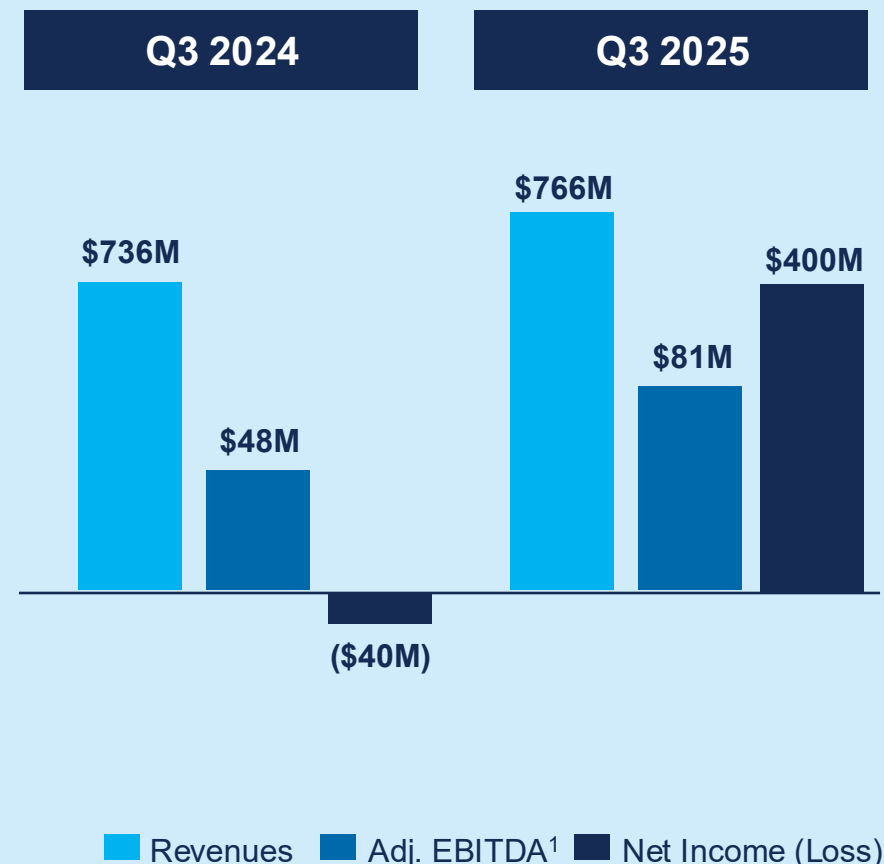
- **Adjusted EBITDA¹ of \$81M (10.6% margin) compared to \$48M in Q3 2024**

- The improvement was mainly driven by revenue growth, a 14% drop in fuel prices, and continued productivity gains, partially offset by the depreciation of the Canadian dollar

- **Net income of \$400M includes a \$345M one-time gain from the long-term debt restructuring**

- **Adjusted net loss¹ totaled \$12M versus adjusted net loss¹ of \$36M in Q3 2024**

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

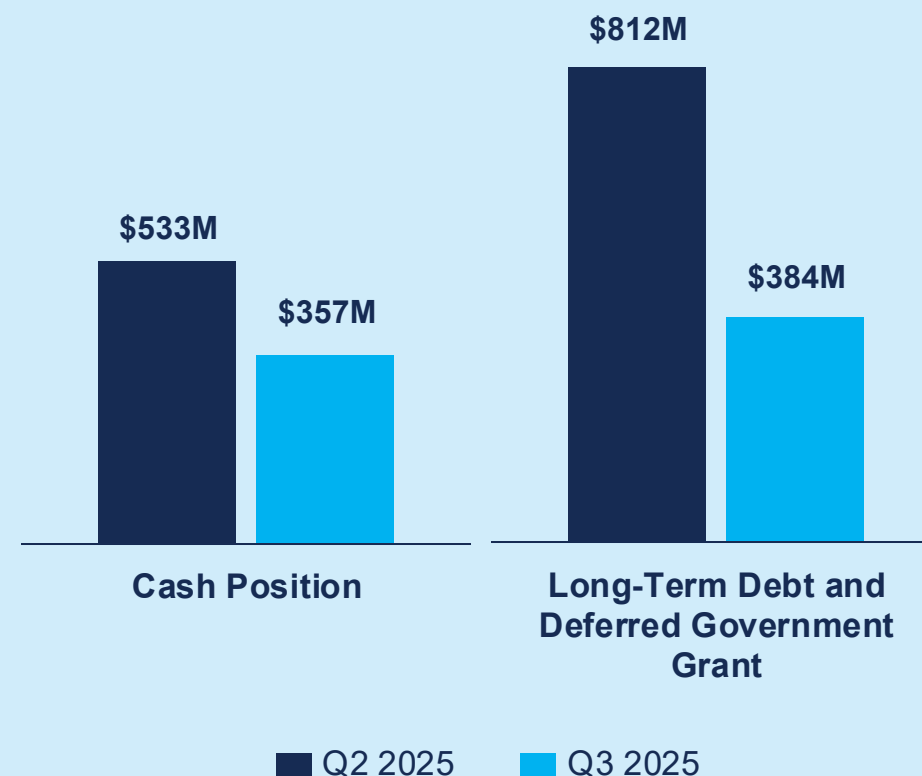




Financial Profile

- **Free cash flow¹ was negative \$122M, an improvement from negative \$169M in Q3 2024**
 - Operating cash flow was negative \$105M, compared to negative \$91M last year
 - Capital expenditures remained stable year-over-year at \$30M
- **Quarter-end cash was \$357M, down from \$533M in Q2, reflecting the seasonal nature of operations**
 - Completed repayment of the \$41M LEEFF secured credit facility
 - Sale-leaseback of two Pratt & Whitney GTF engines generated \$62M, with \$30M used post-quarter to repay debt and redeem preferred shares
- **LEEFF debt restructuring reduced long-term debt and deferred government grant to \$384M, down from \$812M in Q2, significantly lowering leverage**
 - Long-term debt and deferred government grant net of cash totaled \$27M in Q3 versus \$279M in Q2

Significant Reduction in Long Term Debt



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 st lien secured)	Long-term debt	50	50	2027	- Interest rate: CORRA plus a premium of 4.5%. - Maturity extended to fiscal 2028 (November 2026 to 2027) following quarter end.
Government facilities	LEEFF Subordinated Credit Facility	Long-term debt	64	175	2035	- Interest rate: 1.22% per annum until July 2028, and 3% per annum thereafter.
		Deferred government grant	111			
	LEEFF Unsecured Debenture ²	Long-term debt	66	159	2035	- Interest rate: 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	93			
Long-term debt and deferred government grant			384	384		
Lease liabilities	Fleet	Lease liabilities	1,324	1,324	2025-2036	
	Real Estate	Lease liabilities	41	41	2025-2037	
Government facilities	Warrants (equity derivatives)	Current portion of liability related to warrants	19	19	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 ¹			1,768	1,768		
Cash	Unrestricted cash	Cash & cash equivalents	(357)	(357)		
Total net debt ¹			1,411	1,411		

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

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

2. On August 14th, the corporation repaid \$13.7 million of the principal, reducing the outstanding balance to \$145 million.



Non-IFRS Financial Measures

The 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. **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 EBITDA¹:** 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 EBT¹:** 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, 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 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, 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 share¹:** Adjusted net income (loss) divided by the adjusted weighted average number of outstanding shares used in computing diluted earnings (loss) per share.
- **Free cash flow²:** 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 debt¹:** 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 debt¹:** 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 July 31		Nine-month periods ended July 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
<i>(In thousands of Canadian dollars)</i>				
Cash flows related to operating activities	(104,915)	(91,137)	271,505	202,781
Cash flows related to investing activities	31,202	(29,333)	19,624	(89,325)
Repayment of lease liabilities	(48,421)	(48,250)	(141,855)	(133,298)
Free cash flow	(122,134)	(168,720)	149,274	(19,842)

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 Third Quarter Report 2025, which is available on SEDAR+ at www.sedarplus.ca.

Note 2: See table above.