Results for first quarter 2020
Adjusted net loss cut by half; Outlook overshadowed by COVID-19

TRANSACTION WITH AIR CANADA: The transaction is expected to be completed in mid-2020 subject to regulatory approvals and other closing conditions usual in this type of transaction
Forward-looking statements / Non-IFRS financial measures

This presentation contains certain forward-looking statements regarding the Corporation’s expectation that travel reservations will follow the trends. In making these statements, the Corporation has assumed that the trends in reservations and selling prices will continue, and that fuel prices, other costs and the value of the Canadian dollar against foreign currencies will remain stable. If these assumptions prove incorrect, actual results and developments may differ materially from those contemplated by the forward-looking statements contained in this news release. Results indicated in 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, 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 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, changes in legislation, unfavorable regulatory developments or procedures, pending litigation and third party lawsuits, the ability to reduce operating costs, the Corporation’s ability to attract and retain skilled resources, labor relations, collective bargaining and labor disputes, pension issues, maintaining insurance coverage at favorable levels and conditions and at an acceptable cost, and other risks detailed from time to time in the Corporation’s continuous disclosure documents.

This presentation also contains certain forward-looking statements about the Corporation concerning the transaction involving the acquisition of all the shares of the Corporation by Air Canada. These statements are based on certain assumptions deemed reasonable by the Corporation, but are subject to certain risks and uncertainties, several of which are outside the control of the Corporation, which may cause actual results to vary materially. In particular, the completion of a transaction is subject to the approval of applicable regulatory and governmental authorities and the satisfaction of other conditions customary for this type of transaction. In addition, statements regarding the results of a transaction will depend on the purchaser’s plans following the completion of a transaction. The Corporation disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by securities laws.

These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable but cautions the reader that these assumptions regarding future events, many of which are beyond its control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect the Corporation. For additional information with respect to these and other factors, see the Annual Report for the year ended October 31, 2019, filed with Canadian securities commissions. The Corporation disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by securities laws.

This presentation also includes references to non-IFRS financial measures, such as adjusted EBITDAR, adjusted EBITDA and adjusted net income (loss). Please refer to the appendix at the end of this presentation for additional information on non-IFRS financial measures.
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<td>Financial performance and outlook</td>
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<td>24</td>
</tr>
</tbody>
</table>
Recent Developments
Transaction with Air Canada – Key dates

April 30, 2019
TRZ announces being in preliminary discussions with more than one party concerning a transaction involving the acquisition of the Corporation.

May 16, 2019
TRZ and AC announce exclusive negotiations whereby AC will acquire TRZ for $13 per voting share in cash.

June 27, 2019
AC and TRZ announce the finalization of the arrangement agreement at $13 per voting share in cash.

July 23, 2019
TRZ announces the mailing of its circular in connection with the special meeting of shareholders to approve the plan of arrangement with AC.

August 11, 2019
AC increases offer to $18 per voting shares and TRZ break fee to $40M and locks-up from Letko Brosseau, largest shareholder of TRZ.

August 23, 2019
TRZ shareholders approved the transaction at 94.7%.

March 23, 2020
Release of the Competition Bureau report.

May 2, 2020
Transport Canada has until May 2, 2020 to conduct the public interest assessment and make a recommendation to the Minister of Transport.

May 2, 2020
Air Canada increases offer to $18 per voting shares.

August 28, 2019
TRZ announces receipt of Final Court Approval for the transaction with AC.

August 23, 2019
TRZ announces the mailing of its circular in connection with the special meeting of shareholders to approve the plan of arrangement with AC.

Second quarter of 2020 (calendar)
Planned closing TRZ acquisition *

+38% spread vs. current price

* Subject to regulatory approvals and other closing conditions usual in this type of transaction.
Growing our integrated business model

1. DISTRIBUTION
   - Improve the booking experience, understand better our customer needs and increase our revenue per customer; Increase our offering; market segmentation to maximize the revenue
   - Best Customer Experience in Quebec in the Tourism at the Flèche d’or gala

2. AIRLINE
   - Modernization of our fleet to enhance and standardize the customer experience as well as reducing our operational costs and increasing our efficiency.
   - World’s Best Leisure Airline by Skytrax (2 consecutive years)

3. HOLIDAY EXPERIENCES
   - Hotel chain development project – Capital-intensive investment which drive higher returns; benefitting from vertical integration
   - ON HOLD FROM THE TIME BEING

4. DESTINATION EXPERIENCES
   - Attracting customers to enlarge TRZ’s ecosystem
   - (booking process, onboard, …)
Financial Performance & Outlook
Sun destinations capacity breakdown | Winter 2019-20 (1)
(Based on scheduled and chartered flight deployed)

- Winter 2019 (Final)
- Winter 2020 (Forecast)

Total seats in the market
Winter 2019
4,697,000

Total seats in the market
Winter 2020
4,931,000

+5%

(1) Capacity between Canada and the following sun destinations: Mexico, Dominican Republic, Cuba, Caribbean, Jamaica and Central America
First quarter financial performance

**HIGHLIGHTS (vs. 2019)**
- Sun destinations industry capacity was up by 7%
- Q1 2019 restated – IFRS 16 impact
  - Adjusted EBITDAR: +$10.2M
  - Adjusted EBITDA: +$30.2M
  - Adjusted net income (loss): -$3.2M
  - Net income (loss) per FS: -$3.3M
- Adjusted net income (loss) improved by ~$19M
- Sun destination program (revenues)
  - Travelers up by 10.8%
  - Load factor down by 0.4%
- Operational costs
  - Unit airline costs net of sub-contracts decreased by 6.1% mainly due to the growth of our activity (ASM) which allow us to amortize our fixed cost structure on a larger volume or production
  - Net FX/Fuel variation decreased our operational costs by -$3M
- The net income attributable to shareholders includes:
  - Costs associated to the transaction with Air Canada of -$4.2M
  - Change in fair value on derivatives instruments of -$10.8M related to the time value considering that we are using mostly option structures

**1st quarter results ended January 31**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019 (2) (Restated)</th>
<th>2020 vs. 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>REVENUES</td>
<td>692.8</td>
<td>647.6</td>
<td>45.2</td>
</tr>
<tr>
<td>Adjusted EBITDAR</td>
<td>36.5</td>
<td>11.1</td>
<td>25.4</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>27.4</td>
<td>(7.6)</td>
<td>34.9</td>
</tr>
<tr>
<td>As % of revenues</td>
<td>(1.2%)</td>
<td>4.0%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Adjusted net income (loss)</td>
<td>(20.3)</td>
<td>(39.2)</td>
<td>18.9</td>
</tr>
<tr>
<td>As % of revenues</td>
<td>(6.1%)</td>
<td>(2.9%)</td>
<td>3.1%</td>
</tr>
<tr>
<td>Per share</td>
<td>($0.54)</td>
<td>($1.04)</td>
<td>$0.50</td>
</tr>
<tr>
<td>Net income (loss) attributable to shareholders</td>
<td>(53.0)</td>
<td>(33.8)</td>
<td>19.1</td>
</tr>
</tbody>
</table>

(1) Refer to Non-IFRS Financial Measures in the Appendix
(2) Results restated to reflect the adoption of IFRS 16
**Outlook – Current bookings**

### SECOND QUARTER (vs. 2019)

- **Sun destination program (primary program)**
  - Industry capacity is up by 3%
  - As of today, Transat capacity up by 5% and 83% of our inventory sold
  - Load factor down by 1.7%
  - Net FX/Fuel variation decrease our operational costs by 0.3%
  - Unit margin are higher by 0.8%
  - Arrival of 2 new A321neoLR in our fleet

### SUMMER (vs. 2019)

- **Transatlantic program (primary program)**
  - As of today, Transat capacity up by 3% and 34% of our inventory sold
  - Load factor down by 1.7%
  - Prices are lower by 5.7%
  - Net FX/Fuel variation decrease our operational costs by 4.0% due to the impact of coronavirus on fuel price
  - Expect the delivery of 3 other A321neoLR

### IMPACT OF COVID-19 ON PERSPECTIVES

- Since mid-February, the daily bookings taken are lower than previous year and the variance year-over-year increased significantly in the last few days. In the current situation, it’s impossible to predict the impact on our future bookings. Consequently, the Corporation will not provide any perspectives regarding the second quarter as well as the summer

---

### Adj. EBITDA 2019

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Winter</th>
<th>Summer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA 2019</td>
<td>(38M)</td>
<td>3M</td>
<td>(35M)</td>
<td>73M</td>
</tr>
<tr>
<td>IFRS 16 adjustment</td>
<td>30M</td>
<td>37M</td>
<td>67M</td>
<td>87M</td>
</tr>
</tbody>
</table>

### Adj. EBITDA 2019 restated

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Winter</th>
<th>Summer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA 2019 restated</td>
<td>(8M)</td>
<td>40M</td>
<td>32M</td>
<td>160M</td>
</tr>
<tr>
<td>FX / Fuel impact on costs</td>
<td>3M</td>
<td>5M</td>
<td>8M</td>
<td>40M</td>
</tr>
</tbody>
</table>

### Adj. EBITDA 2019 restated after FX/Fuel impact

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Winter</th>
<th>Summer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA 2019 restated after FX/Fuel impact</td>
<td>(5M)</td>
<td>45M</td>
<td>40M</td>
<td>200M</td>
</tr>
<tr>
<td>Primary program - Yield management</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary program - Yield management</td>
<td>2M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit airline costs net of sub-contract</td>
<td>30M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FX conversion impact on balance sheet accounts</td>
<td>(5M)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other subsidiaries</td>
<td>(2M)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. Refer to Non-IFRS Financial Measures in the Appendix
2. Impact as at March 10, 2020 (considered the recent collapse of the fuel price due to the coronavirus)
3. Capacity, price, load factor, ancillary revenue and hotel costs at FX constant basis impact on adjusted EBITDA
4. Portion of this FX conversion is considered as non-cash
3

Financial Position
Current financial position

**HIGHLIGHTS**

Free cash of $682M vs. $620M = ∆+$62M

Monetary profitability from operations of +$93M, an improvement of +$43M vs. previous quarter

Net customer deposits of +$67M

- Customer deposits and deferred revenue of +$56M
- Prepaid expenses of +$18M
- Cash in trust of ($7M)

Income taxes recovery of +$15M

Change in net working capital of +$4M

- +$17M of receivables net of payables
- ($11M) of deposits

Professional fees paid associated to the transaction with Air Canada of ($14M)

Litigation settlement (Sistemas) of ($7M)

Special items of ($38M)

- ($2M) of deposits related to the introduction of A321neoLR
- ($2M) of additional equity contribution into Marival Armony Resort & Suites (formerly Rancho Banderas)
- ($34M) related to the acquisition of 2 spare engines for A321neoLR

Capital expenditures of ($62M)

- ($57M) of capital expenditures related to Distribution & Airline
- ($5M) of capital expenditures related to Hotel

Lease liabilities with terms of more than 12 months of $690M (NEW – To reflect the adoption of IFRS 16)

- $605M related to fleet
- $85M related to real estate and other

**FREE CASH VARIATION**

$620 to $682 = ∆+$62M
Distribution & Airline
Cost-reduction and margin-improvement initiatives

FLEET AND NETWORK

- Fleet adapted to our two leisure markets
- 17 new A321neo and neo LRs: Reduce cost vs A310-A330
- All-Airbus fleet: Simplify the cost structure
- Cost reduction and control
- Disciplined growth
- Stronger network
- Increase aircraft utilization
- Increase network connectivity
- Agreement with SNCF and easyJet to enhance flexibility

REVENUE MANAGEMENT
(ANCILARY REVENUES)

- Revenue culture
  - New team of professionals in place
  - State-of-the-art practices and processes
- Revenue maximization
  - Introduction of base fares and first baggage fee
  - Market segmentation (branded fares)
  - Seamless technology

DISTRIBUTION AND DIGITAL

- Optimize distribution
  - Increase control and direct sales
  - Revenue per customer enhancement
- Create customer loyalty
  - Increase customer loyalty (NPS)
  - Repeat bookings
- Innovation and technology
  - Improve booking experience (CRM)

G&A EXPENSES

- Optimize corporate structure
  - Create efficiency in support and administrative functions
  - Increase employee engagement

CUMULATIVE IMPACT
(cost-reduction and margin-improvement initiatives)

FY2018 $30M
FY2019 $60M
FY2020 $70-105M
FY2021 $85-130M
FY2022 $100-150M

- Achieved
- Minimum expected
- Internal threshold
Distribution & Airline
Fleet and network optimization

100% AIRBUS FLEET BY 2022
(Cockpit commonality and mixed-fleet flying)

- Optimized crew scheduling
- Reduced maintenance and training costs
- Increased operational efficiencies
- Enhanced and standardized customer experience

15 NEW A321NEO LR

- Long range (autonomy)
- Versatile (South and Europe)
- Low fuel consumption and reduced maintenance costs
- Competitive operating costs

As of today, 3 A321neoLR in operation and we expect the delivery of another 4 during the year

STRENGTHENING OUR POSITION IN OUR MARKETS

Increase network robustness and depth
- Adding point-to-point frequencies and new destinations
- Increasing flexibility for customers
- Extending the European season

Growth in feeders
- Focusing on Eastern Canada
- Offering our customers more flexibility
- Increasing loads, especially during low peaks

Opportunities for external feeding/commercial alliances
- Announced agreement with SNCF and EasyJet
As at January 31, 2020:
+24% vs. 2019 $/pax (YTD)

Ancillary revenues include seat selection, different fares, airport revenues, buy-on-board, excess baggage, first baggage fee, duty-free, excursions, travel insurance, etc.

FY2022 target: ~C$205M
- Unbundling fares
- Rebundling fares (semi or fully)

OPTIMIZING ANCILLARY CONTRIBUTION
(Airline and other)

<table>
<thead>
<tr>
<th>FY</th>
<th>Ancillary Revenues</th>
<th>($/pax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017A</td>
<td>$98M</td>
<td>($22/pax)</td>
</tr>
<tr>
<td>FY2018A</td>
<td>$108M</td>
<td>($22/pax)</td>
</tr>
<tr>
<td>FY2019A</td>
<td>$162M</td>
<td>($31/pax)</td>
</tr>
<tr>
<td>FY2020E</td>
<td>$185M</td>
<td>($32/pax)</td>
</tr>
<tr>
<td>FY2021E</td>
<td>$195M</td>
<td>($33/pax)</td>
</tr>
<tr>
<td>FY2022E</td>
<td>$205M</td>
<td>($34/pax)</td>
</tr>
</tbody>
</table>
Creating a fully integrated centralized customer file accessible to all points of contact

Launching a new and improved mobile friendly airline and vacation website

Improving mobile apps to accompany our customers during their trips

Optimizing our digital marketing strategy

INCREASE CUSTOMER LOYALTY = ↑ REVENUE
A total investment of ~US$750M required to establish a presence of ~5,000 rooms in Transat’s major markets by end of 2024 with a mix of fully-owned (~3,000 rooms) and strictly managed (~2,000 rooms)

- Combination of land purchase & construction, acquisition of existing hotels and management agreements
- Phase 1: Financed using Transat’s excess cash and mortgage debt with local banks

**Investments and Opportunities**

- **Dominican Republic**
  - Punta Cana
  - 1,000 rooms
  - EBITDA per room of ~US$25K-30K

- **Mexico**
  - Cancún and Riviera Maya
  - 1,800 rooms
  - EBITDA per room of ~US$35K-40K

- **Jamaica**
  - Montego Bay
  - 700 rooms
  - EBITDA per room of ~US$30K-35K

- **Cuba**
  - Varadero and Havana
  - 1,500 rooms
  - EBITDA per room of ~US$25K-30K

Generating annual EBITDA of ~US100M at maturity and high ROIC

**Project development**

- Work-in-progress with the international marketing firm to define the product and brand
- Work-in-progress to define the architectural and design of the hotel (building plan and equipment)
- Pre-construction work already done on the 1st hotel project and still looking for other opportunities

**Hired or identified permanent senior management team and flexible organization for the construction of the 1st hotel**

- **Hired**: Development and Finance, Construction, IT
- **Identified**: Marketing and Operations
- **Flexible**: Architect, Engineer, Project Manager, …

**Organization**

- Retained our major executive employees of the hotel organization

**Hired or identified permanent senior management team and flexible organization for the construction of the 1st hotel**

- **Hired**: Development and Finance, Construction, IT
- **Identified**: Marketing and Operations
- **Flexible**: Architect, Engineer, Project Manager, …

**Investments and Opportunities**

- **1st land purchase in Puerto Morelos, Mexico**
  - to build a beachfront resort of ~800-900 rooms for a total consideration of US$56M (C$76M)
  - a) Exceptional location: ~700 meters of beachfront and ~20 minutes from the airport
  - b) Preparation of the construction (licences and permits)

- **Pre-construction work already done on the 1st hotel project and still looking for other opportunities**

**ON HOLD FROM THE TIME BEING**

- Transat has agreed to limit its undertakings and expenses relating to the implementation of its hotel strategy until the closing of the transaction with Air Canada
- Retained our major executive employees of the hotel organization

- Pre-construction work already done on the 1st hotel project and still looking for other opportunities

**Generating annual EBITDA of ~US100M at maturity and high ROIC**

- As per hotel development plan presented at the investor day on April 4, 2018
- 500 strictly managed rooms in Mexico + Cuba only under management contract
- All EBITDA numbers are annual and at maturity (after 5 years in operation)
ESG Overview
Leader in sustainability

The proof? Transat is the first major international tour operator to be Travelife Certified for all its activities.

Travelife CERTIFIED
Excellence in sustainability

resp.transat.com
### Environment
Reducing our ecological footprint: Sustainable transportation, waste recovery (recycling & composting) and responsible sourcing  
Managing fuel: Implementation of one of the best management programs in the industry for fuel-saving  
Renew our fleet: Replacing our A310 by 15 new A321LR with the lowest fuel consumption and greenhouse gas emissions in its class

### Communities
Helping children from here and abroad: Child protection is at the heart of our philanthropic actions through various organizations with the collaboration of our customers, partners and employees  
Encouraging the next generation of tourism professionals: Support different program and institute in the tourism sector (UQAM, ITHQ, Guelph University, Baxter, ...)  
Contributing to our city, Montreal: Donations to Breast Cancer Research Chair as well as Le Devoir International Journalism Fund

### Operations
Making responsible tourism accessible: Customers can now find an eco-responsible hotel using the search engine on our new web page. Responsible travel tips can also be found on our website and in our brochures  
Developing best practices: Produced two videos to highlight the most responsible practices which can be viewed on board or on the web.  
30% of our South offering comprises certified hotels

### Workplace
Encouraging volunteering: Every year, more than 300 employees participate in a volunteering day with a dozen organizations  
Measuring happiness in real time: Through OfficeVibe, we measure in real-time many dimensions of life at work  
Developing a strong employer brand: Employees embody our brand and reflect Transat’s friendly, passionate and caring personality.

* Referred to: https://www.transat.com/en-CA/corporate-responsibility/our-ambition
Governance *

HIGHLIGHTS

➢ 11 of 12 Directors are independent
➢ Independent Lead Director
➢ Each committee of the Corporation is composed of independent members (except for the Executive Committee)
➢ Majority voting guidelines for Directors
➢ Comprehensive Board orientation and training program
➢ Code of business conduct for employees, officers and Directors
➢ No multiple voting share class
➢ Board and senior management diversity policy, providing for a target of Board seats held by women of 30% which target was exceeded
➢ Annual advisory vote on executive compensation
➢ Annual performance review of Board members and operation

* Referred to: https://www.transat.com/en-CA/corporate/governance
Appendix
## Historical financial position

### (in millions of C$)

<table>
<thead>
<tr>
<th></th>
<th>Jan 31</th>
<th>Apr 30</th>
<th>Jul 31</th>
<th>Oct 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free cash</td>
<td>749.3</td>
<td>620.5</td>
<td>682.2</td>
<td>566.3</td>
</tr>
<tr>
<td>Cash in trust or otherwise reserved</td>
<td>336.5</td>
<td>405.2</td>
<td>410.5</td>
<td>174.4</td>
</tr>
<tr>
<td>Total Cash</td>
<td>1,085.9</td>
<td>1,025.6</td>
<td>1,092.7</td>
<td>740.7</td>
</tr>
<tr>
<td>Customer deposits and deferred revenue</td>
<td>675.1</td>
<td>752.8</td>
<td>809.1</td>
<td>523.8</td>
</tr>
<tr>
<td>Current ratio (1)</td>
<td>1.37</td>
<td>1.14</td>
<td>1.04</td>
<td>1.14</td>
</tr>
<tr>
<td>Liquidity ratio (2)</td>
<td>37%</td>
<td>36%</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td>Customer deposits coverage ratio (3)</td>
<td>161%</td>
<td>136%</td>
<td>135%</td>
<td>141%</td>
</tr>
</tbody>
</table>

(1) Current ratio = current assets / current liabilities
(2) Liquidity ratio = total cash / LTM revenue
(3) Customer deposits coverage ratio = Total cash / Customer deposits and deferred revenue
ACCOUNTING POLICIES CHOICES
IFRS 16 was applied on November 1, 2019, and the Corporation elected to apply the full retrospective approach, with restatement for each prior reporting period presented. The Corporation has elected to apply the following permitted capitalization exemptions:
➢ No capitalization for leases with terms of less than 12 months
➢ No capitalization for leases of low value assets
*Our new accounting policies are detailed in note 2 to the interim condensed financial statements for the period ended January 31, 2020.

IMPACT ON PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS *

<table>
<thead>
<tr>
<th>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</th>
<th>Impact</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>Decrease</td>
<td>Lease incentives are now included in the calculation of lease liabilities</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>Decrease</td>
<td>Prepaid rent is no longer recorded</td>
</tr>
<tr>
<td>Deposits</td>
<td>Increase</td>
<td>Maintenance deposits to lessors which were previously recorded as a reduction of the provision for overhaul of leased aircraft are presented separately</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>Increase</td>
<td>Account for right-of-use assets and capitalized maintenance</td>
</tr>
<tr>
<td>Other assets</td>
<td>Decrease</td>
<td>Deferred rent is no longer recorded</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>Decrease</td>
<td>Which included the provision of overhaul of leased aircraft that were in maintenance at period end</td>
</tr>
<tr>
<td>Provision for overhaul of leased aircraft</td>
<td>No longer account</td>
<td>Replaced by Provision for return conditions and which are now provisioned over the lease term</td>
</tr>
<tr>
<td>Lease liabilities (1)</td>
<td>New - Increase</td>
<td>Present value of minimum lease payments</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>Decrease</td>
<td>Lease incentives are now included in the calculation of lease liabilities</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>Increase</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSOLIDATED STATEMENTS OF INCOME</th>
<th>Impact</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft rent</td>
<td>Decrease</td>
<td>As the expense now only includes certain variable rent as well as rent related to our seasonal aircraft fleet</td>
</tr>
<tr>
<td>Aircraft maintenance</td>
<td>Seasonality</td>
<td>Eligible maintenance costs are capitalized and depreciated over the shorter of the lease term or expected useful life. Other types of maintenance are accounted for when the maintenance is carried out (period cost)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>Increase</td>
<td>As right-of-use assets and components are amortized on straight line basis</td>
</tr>
<tr>
<td>Financing costs</td>
<td>Increase</td>
<td>Following the recognition of interest related to lease liabilities</td>
</tr>
<tr>
<td>Foreign exchange loss (gain)</td>
<td>Volatility</td>
<td>Since the lease liabilities related to aircraft are denominated in USD and will be converted at the closing rate</td>
</tr>
</tbody>
</table>

* The impacts of the transition to IFRS 16 are detailed in note 3 to the interim condensed financial statements for the period ended January 31, 2020.
## 2019 financial results

### IFRS 16 impact

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>WINTER</th>
<th>SUMMER</th>
<th>FULL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDAR</td>
<td>11.1</td>
<td>65.9</td>
<td>64.1</td>
<td>98.2</td>
<td>76.9</td>
<td>162.3</td>
<td>239.3</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(7.6)</td>
<td>40.4</td>
<td>62.1</td>
<td>97.5</td>
<td>32.8</td>
<td>159.6</td>
<td>192.4</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>(48.7)</td>
<td>(3.8)</td>
<td>15.5</td>
<td>47.2</td>
<td>(52.6)</td>
<td>62.7</td>
<td>10.1</td>
</tr>
<tr>
<td>Adjusted EBT</td>
<td>(52.0)</td>
<td>(7.1)</td>
<td>10.7</td>
<td>41.9</td>
<td>(59.1)</td>
<td>52.6</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Adjusted net income (loss)</td>
<td>(39.2)</td>
<td>(6.4)</td>
<td>6.2</td>
<td>30.0</td>
<td>(45.6)</td>
<td>36.2</td>
<td>(9.5)</td>
</tr>
<tr>
<td>Net income (loss) attributable to shareholders</td>
<td>(53.0)</td>
<td>(0.9)</td>
<td>(1.5)</td>
<td>23.0</td>
<td>(53.9)</td>
<td>21.5</td>
<td>(32.4)</td>
</tr>
</tbody>
</table>

### BEFORE

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>WINTER</th>
<th>SUMMER</th>
<th>FULL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDAR</td>
<td>0.9</td>
<td>44.2</td>
<td>52.0</td>
<td>84.8</td>
<td>45.0</td>
<td>136.8</td>
<td>181.8</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(37.7)</td>
<td>3.1</td>
<td>21.8</td>
<td>50.9</td>
<td>(34.7)</td>
<td>72.7</td>
<td>38.0</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>(52.7)</td>
<td>(13.2)</td>
<td>6.1</td>
<td>33.6</td>
<td>(65.8)</td>
<td>39.8</td>
<td>(26.1)</td>
</tr>
<tr>
<td>Adjusted EBT</td>
<td>(47.8)</td>
<td>(8.0)</td>
<td>11.2</td>
<td>38.3</td>
<td>(55.8)</td>
<td>49.5</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Adjusted net income (loss)</td>
<td>(36.0)</td>
<td>(6.3)</td>
<td>5.7</td>
<td>27.2</td>
<td>(43.0)</td>
<td>33.7</td>
<td>(9.3)</td>
</tr>
<tr>
<td>Net income (loss) attributable to shareholders</td>
<td>(49.7)</td>
<td>7.2</td>
<td>(11.0)</td>
<td>20.3</td>
<td>(42.4)</td>
<td>9.2</td>
<td>(33.2)</td>
</tr>
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</table>

### VARIATION

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
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<th>Q4</th>
<th>WINTER</th>
<th>SUMMER</th>
<th>FULL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDAR</td>
<td>10.2</td>
<td>21.7</td>
<td>12.1</td>
<td>13.4</td>
<td>31.9</td>
<td>25.5</td>
<td>57.5</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>30.2</td>
<td>37.3</td>
<td>40.3</td>
<td>46.7</td>
<td>67.5</td>
<td>87.0</td>
<td>154.4</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>3.9</td>
<td>9.3</td>
<td>9.3</td>
<td>13.6</td>
<td>13.3</td>
<td>22.9</td>
<td>36.2</td>
</tr>
<tr>
<td>Adjusted EBT</td>
<td>(4.2)</td>
<td>0.9</td>
<td>0.5</td>
<td>3.6</td>
<td>(3.3)</td>
<td>3.1</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Adjusted net income (loss)</td>
<td>(3.2)</td>
<td>(0.1)</td>
<td>0.5</td>
<td>2.8</td>
<td>(3.1)</td>
<td>3.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Net income (loss) attributable to shareholders</td>
<td>(3.3)</td>
<td>(8.2)</td>
<td>9.5</td>
<td>2.8</td>
<td>(11.5)</td>
<td>12.3</td>
<td>0.8</td>
</tr>
</tbody>
</table>

---

1. Refer to Non-IFRS Financial Measures in the Appendix
### Financial position
#### IFRS 16 impact

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>REPORTED</td>
<td>ADJUSTMENT</td>
<td>IFRS 16</td>
<td>REPORTED</td>
<td>ADJUSTMENT</td>
<td>IFRS 16</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>140.0</td>
<td>(6.4)</td>
<td>133.6</td>
<td>137.5</td>
<td>0.5</td>
<td>137.9</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>68.9</td>
<td>(5.2)</td>
<td>63.7</td>
<td>83.8</td>
<td>(9.3)</td>
<td>74.5</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>1,156.8</td>
<td>(11.5)</td>
<td>1,145.3</td>
<td>1,127.6</td>
<td>(8.8)</td>
<td>1,118.7</td>
</tr>
<tr>
<td>Deposits</td>
<td>41.7</td>
<td>124.3</td>
<td>166.0</td>
<td>41.2</td>
<td>124.9</td>
<td>166.1</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>15.0</td>
<td>1.2</td>
<td>16.1</td>
<td>27.2</td>
<td>0.9</td>
<td>28.2</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>201.5</td>
<td>520.0</td>
<td>721.5</td>
<td>235.2</td>
<td>656.3</td>
<td>891.5</td>
</tr>
<tr>
<td>Other assets</td>
<td>26.7</td>
<td>(26.5)</td>
<td>0.2</td>
<td>34.1</td>
<td>(33.7)</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>410.0</td>
<td>619.0</td>
<td>1,029</td>
<td>457.4</td>
<td>748.4</td>
<td>1,205.8</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,566.8</td>
<td>607.4</td>
<td>2,174.2</td>
<td>1,584.9</td>
<td>739.6</td>
<td>2,324.5</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>320.7</td>
<td>(8.5)</td>
<td>312.3</td>
<td>315.4</td>
<td>(4.3)</td>
<td>311.1</td>
</tr>
<tr>
<td>Current portion of provision for overhaul of leased aircraft</td>
<td>27.3</td>
<td>(27.3)</td>
<td>-</td>
<td>27.2</td>
<td>(27.2)</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of lease liabilities</td>
<td>-</td>
<td>71.3</td>
<td>71.3</td>
<td>-</td>
<td>99.8</td>
<td>99.8</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>869.3</td>
<td>35.5</td>
<td>904.8</td>
<td>918.6</td>
<td>68.3</td>
<td>987.0</td>
</tr>
<tr>
<td>Provision for overhaul of leased aircraft</td>
<td>29.9</td>
<td>(29.9)</td>
<td>-</td>
<td>31.1</td>
<td>(31.1)</td>
<td>-</td>
</tr>
<tr>
<td>Provision for return conditions</td>
<td>-</td>
<td>128.5</td>
<td>128.5</td>
<td>-</td>
<td>155.1</td>
<td>155.1</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>-</td>
<td>493.9</td>
<td>493.9</td>
<td>-</td>
<td>566.1</td>
<td>566.1</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>92.0</td>
<td>(50.9)</td>
<td>41.1</td>
<td>97.5</td>
<td>(50.1)</td>
<td>47.4</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>3.3</td>
<td>8.5</td>
<td>11.7</td>
<td>1.3</td>
<td>8.5</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>125.9</td>
<td>550.1</td>
<td>676.0</td>
<td>131.5</td>
<td>648.6</td>
<td>780.1</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>995.2</td>
<td>585.6</td>
<td>1,580.8</td>
<td>1,050.1</td>
<td>716.9</td>
<td>1,767.0</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>340.8</td>
<td>21.8</td>
<td>362.6</td>
<td>314.3</td>
<td>22.7</td>
<td>337.0</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>571.6</td>
<td>21.8</td>
<td>593.5</td>
<td>534.8</td>
<td>22.7</td>
<td>557.5</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>1,566.8</td>
<td>607.4</td>
<td>2,174.2</td>
<td>1,584.9</td>
<td>739.6</td>
<td>2,324.5</td>
</tr>
<tr>
<td><strong>Current ratio</strong></td>
<td>1.33</td>
<td>(0.06)</td>
<td>1.27</td>
<td>1.23</td>
<td>(0.10)</td>
<td>1.13</td>
</tr>
</tbody>
</table>
Non-IFRS financial measures

Non-IFRS financial measures included in this presentation are not defined under IFRS. Therefore, 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 non-IFRS measures used by the Corporation in this presentation are defined as follows:

➢ **Adjusted EBITDAR**: Operating income (loss) before aircraft rent, depreciation and amortization expense, restructuring charge, lump-sum payments related to collective agreements and other significant unusual items including premiums for fuel related derivatives and other derivatives 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 EBITDA (adjusted operating income (loss))**: Operating income (loss) before depreciation and amortization expense, restructuring charge, lump-sum payments related to collective agreements and other significant unusual items including premiums for fuel related derivatives and other derivatives 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 EBT (adjusted pre-tax income (loss))**: Income (loss) before income tax expense before charge in fair value of fuel-related derivatives and other derivatives, gain (loss) on business disposals, restructuring charge, lump-sum payments related to collective agreements, asset impairment, foreign exchange gain (loss) and other significant unusual items and including premiums for fuel-related derivatives and other 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) attributable to shareholders before net income (loss) from discontinued operations, change in fair value of fuel-related derivatives and other derivatives, gain (loss) on business disposals, restructuring charge, lump-sum payments related to collective agreements, asset impairment, foreign exchange gain (loss) and other significant unusual items, and including premiums for fuel-related derivatives and other derivatives 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**: Adjusted net income (loss) divided by the adjusted weighted average number of outstanding shares used in computing diluted earnings (loss) per share

**Note**: The reconciliations between IFRS financial measures and non-IFRS financial measures are available in our First Quarter Report 2020 and Annual Report 2019 by clicking on the following links: First Quarter Report 2020 and Annual Report 2019
Experienced and results-driven executive team

Jean-Marc Eustache
Chairman of the Board
President and
Chief Executive Officer
Transat A.T. Inc.

Jean-Marc Eustache was the principal architect of the 1987 creation of Transat A.T. Inc. His forward-thinking business vision — focused on vertical integration — combined with outstanding leadership skills have helped elevate Transat A.T. Inc. to the rank of Canada’s tourism industry leader. With its subsidiaries and affiliates, the Company has also become international in scope and one of the world tourism industry’s largest players.

He holds a Bachelor of Science degree in Economics (1974) from l’Université du Québec à Montréal. He began his career in the tourism industry in 1977 at Tourbec, a travel agency specializing in youth and student tourism, before founding Trafic Voyages — the foundation for the creation of Transat A.T. in 1982.

Annick Guérard, Transat’s Chief Operating Officer since November 2017, heads all of the Company’s travel-related operations, including those of the Air Transat business unit. With her extensive knowledge of Transat, the industry and consumers, combined with her qualities of vision, leadership and effectiveness, she plays a key role in Transat’s development and success.

She joined Transat in 2002, and has served in senior management posts involving operations, distribution, marketing, e-commerce, customer service and product development for several business units, namely Air Transat, Jonview Canada and Transat Tours Canada. In December 2012, she was appointed President and General Manager of Transat Tours Canada, which develops and commercializes all Transat and Air Transat products and services.

Ms. Guérard began her career in engineering consulting as a project manager in the transportation industry, then served as a senior advisor in organizational management for Deloitte Consulting. She holds a bachelor’s degree in civil engineering from Polytechnique Montréal and an MBA from HEC Montréal.

Jordi Solé was appointed President of Transat’s hotel division in 2018. Since 2001, he has overseen the operations of resorts belonging to several major international hotel chains, where he has acquired extensive experience in operations, sales, marketing and staff management at all-inclusive resorts. He began his career in the industry in Spain as Deputy Managing Director of Barcelo Hotels and Resorts, where he optimized operational and organizational procedures across Europe. In 2009, he came to Latin America as head of Iberostar Hotels and Resorts in Mexico, where he oversaw the 10 resorts in the region (4,000 rooms and 4,500 employees). More recently, he was appointed Senior Vice-President, Operations, for Blue Diamond Resorts, participating in the extensive growth and development of the company.

Mr. Solé holds an MBA from IESE Business School and a bachelor’s degree in industrial engineering from Universitat Politècnica de Catalunya, in Barcelona, Spain.

Mr. Petrin holds a bachelor’s degree in Business Administration from Université du Québec à Trois-Rivières.

Jean-François Lemay joined Transat’s senior management team in October 2011. He has some 30 years of experience in the practice of law, including with the firms Desjardins Ducharme, then Bélanger Sauvé and finally Dunton Rainville, where he was a partner and member of the executive committee. A specialist in labor law, he has advised many clients on issues related to labor relations, human rights and freedoms, and occupational health and safety. He is invited regularly to speak to professional associations and is the author of numerous articles on labor relations. He has also served as a lecturer in labor law with the Law Faculty of Université de Montréal, where he obtained his law degree, and as a professor in labor law with the École du Barreau of the Quebec Bar.

Denis Pétrin, CPA has held the position of Vice-President, Finance and Administration and Chief Financial Officer for Transat A.T.Inc. since 2009. He began his career with EY before joining Air Transat in 1990. In 1997, he was appointed Vice-President, Finance and Administration for Air Transat to which was added the equivalent position for Transat Tours Canada in 2003.
Results for first quarter 2020

Cut our income loss by half on a like-for-like basis

Continue to expect the deal to close in Q2/20 (calendar), subject to regulatory approvals

THANK YOU TO OUR CUSTOMERS, EMPLOYEES, INVESTORS AND PARTNERS