Results for the second quarter ended April 30, 2025

Supplementary Disclosure

transat

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, 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 an available capacity increase of 1%, measured in available seat-miles, compared to 2024.

The outlook whereby the initiatives implemented to date are expected to generate an annualized adjusted EBITDA run rate of $67.0 million and the Corporation remains on track to reach its goal of $100.0 million.

The outlook whereby the subordinated debt - LEEFF would be reduced to $175.0 million as at the date of the agreement and the unsecured credit facility - travel credits will be subject to a restructuring resulting from the issuance of an unsecured debenture - LEEFF in the amount of $158.7 million and the issuance of 9,934,617 convertible preferred shares in the amount of $16.3 million.

The outlook whereby the expiry date of the 13,000,000 warrants outstanding would be extended from April 26, 2031, to April 26, 2035. The outlook whereby the Corporation must repay its subordinated debt - LEEFF as well as 50% of its $50.0 million revolving term credit agreement by November 1, 2026.

The outlook whereby this debt restructuring is expected to result in a gain on debt forgiveness, estimated to date at approximately $370.0 million. The outlook whereby the Corporation and the Canada Enterprise Emergency Funding Corporation are able to finalize the definitive agreements and obtain the necessary approvals within the anticipated timeframe, the transaction is expected to close in the third quarter of the 2025 calendar year.

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, 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 (loss) on long-term debt modification 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

Q2 2025

Highlights Q2 2025

$1,031M
Revenues

$98M
Adjusted EBITDA[1]

($23M)
Net Loss

$142M
Free Cash Flow[1]

Revenues grew by 5.9%
Achieved Adjusted EBITDA[1] margin of 9.5%

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

Operating Metrics

- Traffic continued to grow in Q2 2025, posting a year-over-year increase of 1.6%, reflecting sustained demand
- The yield environment showed further improvement, with a 2.0% increase compared to Q2 2024 across the global network
- The load factor stood at 84.6%, slightly below last year's level
- The South market delivered strong results, with a slight improvement in load factor and a solid 2.6% year-over-year increase in yield
- Looking ahead to the summer season, load factors are currently tracking 1.2 percentage points below the same period last year, while yields are trending 1.7% higher

Key Indicators for Q2 2025		
Versus 2024	Global Network	South (Main Network)
Load Factor	- 0.9 pp (84.6%)	+ 0.3 pp (79.9%)
Yield[1]	+ 2.0 %	+ 2.6 %
Capacity (ASM[2])	+ 2.6 %	- 0.6 %
Capacity (Seats)	- 0.7 %	- 2.1 %

1. Airline unit revenues expressed in revenue per passenger-mile.
2. Available seat miles.

Capacity Increase and Fleet Overview

- **Capacity increase for fiscal 2025 in ASMs[1] is projected at +1 %**
  - Fleet size will remain unchanged, as no new aircraft deliveries are scheduled for 2025 or 2026
- **The ongoing Pratt & Whitney GTF engine issue continues to disrupt operations, grounding 6 to 7 aircraft during the quarter and driving up costs**
  - A compensation agreement reached in April will ease pressure, providing access to two additional engines over the summer, with gradual improvement expected starting in 2026
- **Strategic focus remains on network optimization and aircraft utilization, by reinforcing existing routes and adding promising new destinations for leisure and VFR travel**

Fleet Overview [2]

	2024		2025	
	Winter	Summer	Winter	Summer
A330	13	16	16	16
A321LR	15	19	19	19
Medium-haul[3]	15	8	9	8
Total	**43**	**43**	**44**	**43**

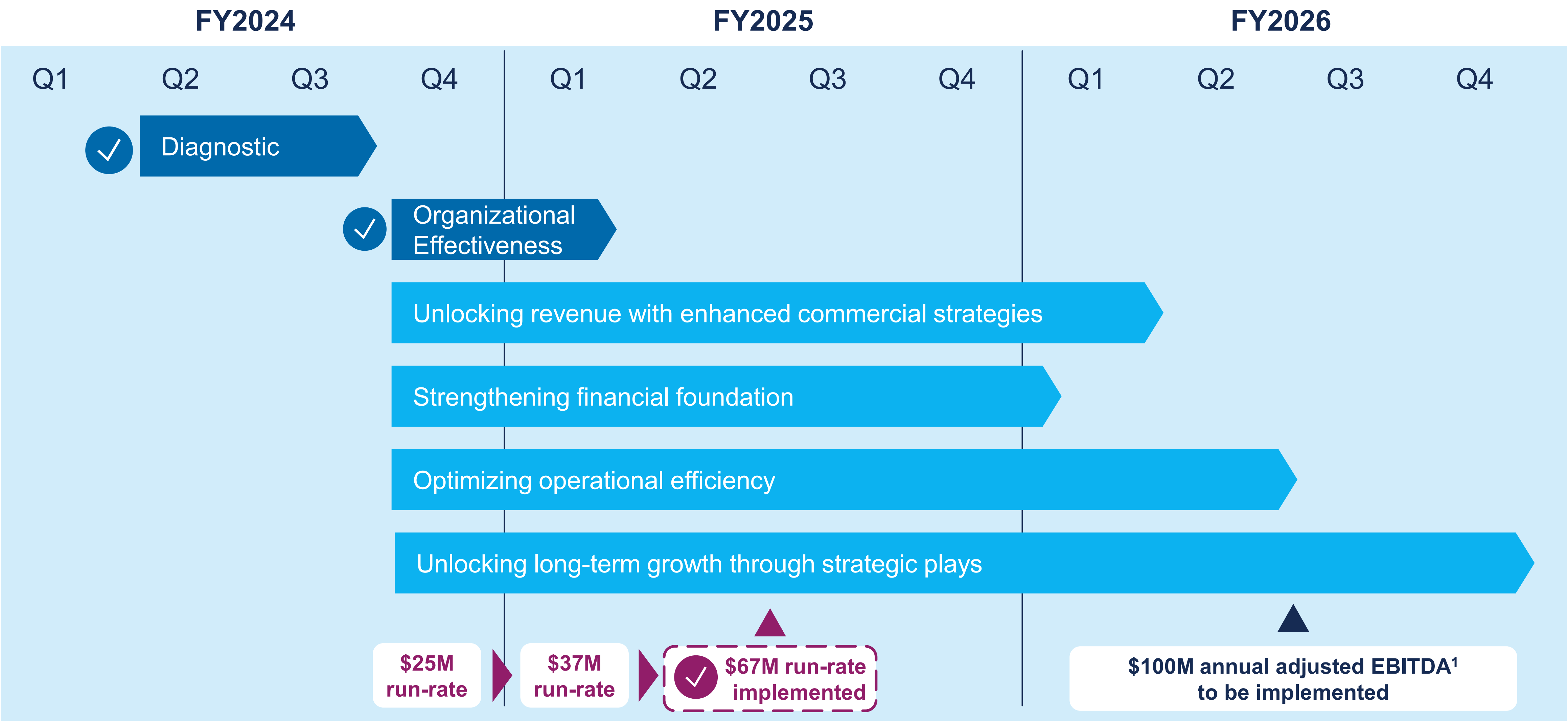
1. Available seat miles
2. Includes short-term leases and reflects the fleet at the peak of the season.
3. Mainly includes A321CEO and B737.

Delivering on *Elevation* Program Initiatives

- **Implementation of key initiatives is progressing well, with the program now delivering tangible benefits across the organization**
- **Initiatives rolled out to date are expected to generate $67 million in annualized adjusted EBITDA[1], up from $37M reported three months ago**
  - AI-driven efficiencies, especially in the call center, exceeded expectations
  - Continued momentum on cost initiatives with further opportunities identified
- **The financial impact remained limited this quarter, as implementation costs offset early gains, but meaningful benefits are expected to begin materializing in Q3**
- **The current priority is on unlocking value through new revenue streams and advanced revenue management tools**

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

Elevation on Track: $67M Run-Rate Implemented



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

Summary

- Demand remained strong, as reflected in a 1.3% increase in traffic during the first six months
- Yield improved year-over-year, supported by disciplined capacity management, with a 1.8% increase across the global network in the first half of the year
- The Elevation program is progressing as planned, with most cost initiatives already implemented and key revenue management measures set to launch following successful pilot tests
- Yields for the summer season are approximately 1.7% higher than last year, with load factors remaining similar
- The South market, despite being off-peak, is showing a strong start, particularly in yield growth, while Europe remains steady
- Disciplined execution and continued rollout of the Elevation program remain top priorities, alongside close monitoring of macroeconomic conditions

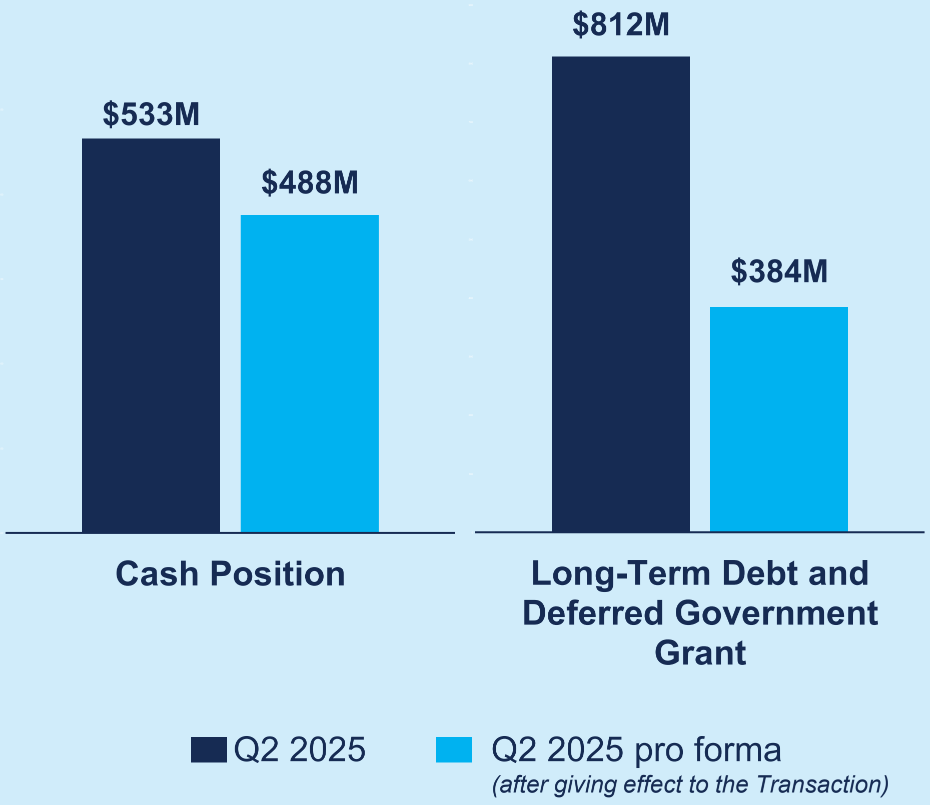
Financial Review

Q2 2025

Refinancing Agreement

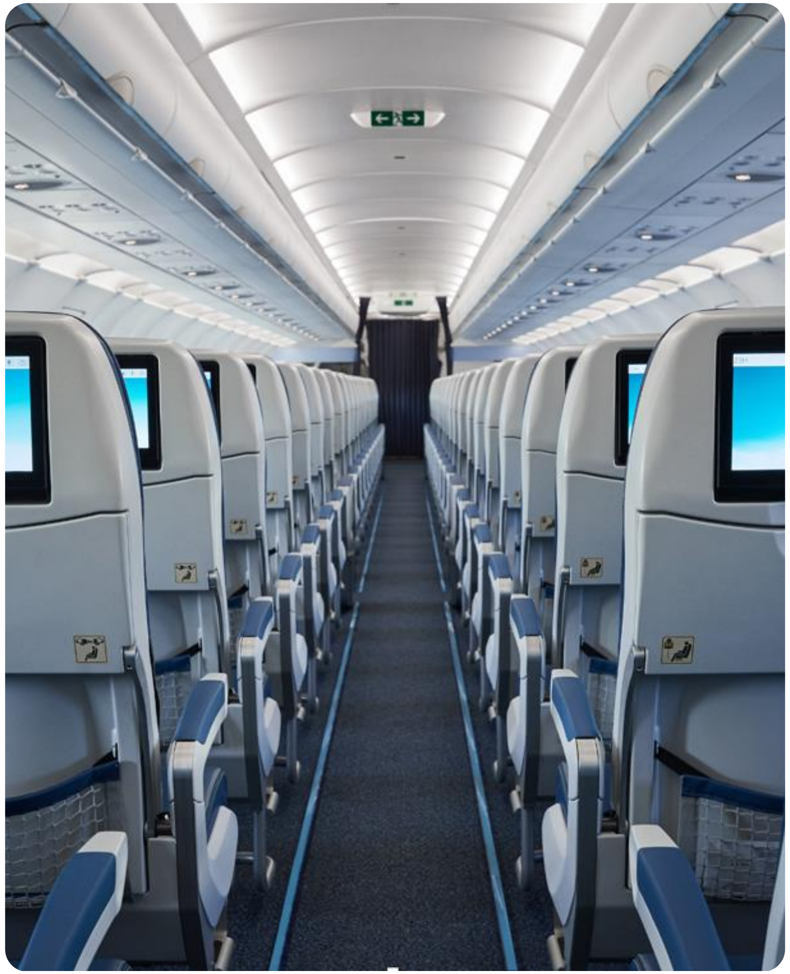
- **A comprehensive refinancing agreement was reached in early June to restructure the LEEFF debt originally incurred in response to the COVID-19 pandemic**
- **Transaction expected to substantially deleverage the balance sheet and provide flexibility to further implement long term sustainable strategic plan**
  - Repayment of $41M LEEFF Secured Credit Facility at transaction closing
  - Credit facilities reduced to a single credit facility of $175M
  - Issuance to CEEFC of a $159M debenture maturing in 10 years
  - Issuance to CEEFC of $16M of preferred shares convertible into Class B Voting Shares representing 19.9% of the issued and outstanding voting shares
  - Existing warrants will be maintained and their expiry extended from April 2031 to April 2035
- **Refer to the appendix for the complete pro forma debt breakdown anticipated upon closing of the transaction**

Significant Reduction Expected in Long Term Debt



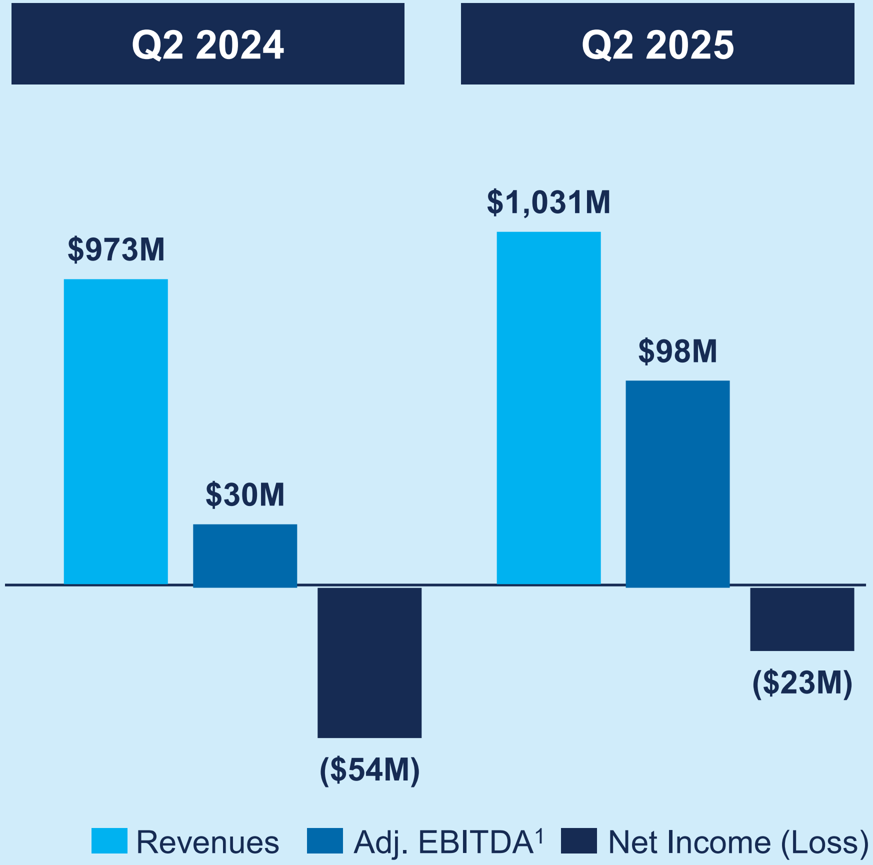
Financial Highlights

- **Q2 results improved, supported by revenue growth and continued cost discipline**
  - Yield increased by 2.0% year-over-year, partially offset by a 0.8 percentage point decline in load factor, resulting in overall revenue growth
  - Revenues also benefited from the Pratt & Whitney agreement for 2025–2026, finalized in April, with a $20M financial compensation recognized during the quarter
  - Lower fuel prices contributed to a year-over-year reduction in costs
  - Disciplined cost management helped contain overall cost increases
- **Refinancing agreement reached in June to restructure COVID-related LEEFF debt and strengthen long-term financial flexibility**



Q2 2025 Results

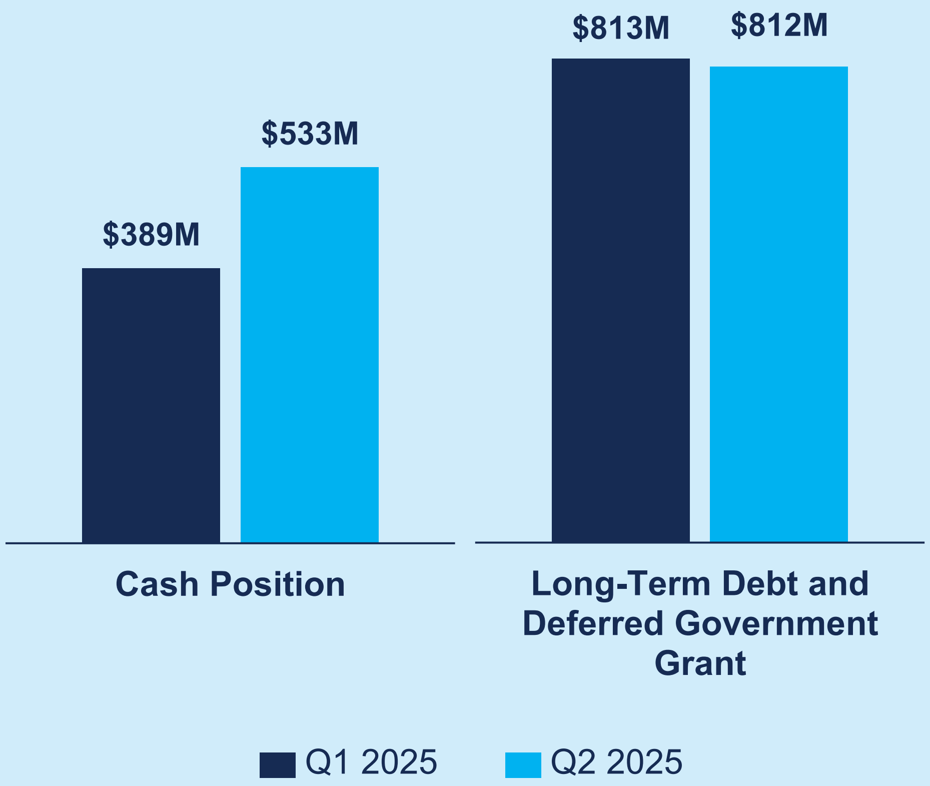
- **Revenues grew by 5.9% year-over-year, reaching $1,031 million**
  - Traffic, measured in revenue-passenger-miles, increased by 1.6%
  - Yield increased by 2.0%
  - Includes $20 million recognized as revenues from the Pratt & Whitney 2025-2026 compensation agreement for grounded aircraft
- **Adjusted EBITDA[1] of $98M (9.5% margin) compared to $30M in Q2 2024**
  - The improvement was primarily driven by higher revenues, an 18% reduction in fuel prices, and continued disciplined cost management
- **Adjusted net income[1] totaled $5M versus adjusted net loss of $47M in Q2 2024**



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

Financial Profile

- **Free cash flow[1] of $142M, up from $110M in Q2 2024**
  - Cash flows from operating activities reached $208M, compared to $183M in the same quarter last year
  - Capex declined to $15M, down from $30M in Q2 2024, driven by a more favourable maintenance calendar versus last year and the deferral of certain discretionary expenses
- **Quarter-end cash position stood at $533M, up from $389M in Q1 2025**
  - Net increase in cash was $143M, compared to $76M in the same quarter of the prior year
- **Long-term debt and deferred government grant of $812M compared to $813M in Q1**
  - Net of cash represents $280M



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

Appendix

Debt Breakdown

		As of April 30, 2025	Pro Forma Refinancing Transaction As of April 30, 2025		
Sources of capital	**Type of instruments**	**Carrying Amount**	**Facility Amount**	**Maturity date**	**Considerations**
Bank facilities	Revolving Credit Facility (1st lien secured)	50	50	2026	- **Interest rate**: CORRA plus a premium of 4.5%. - Repayment and facility reduction to $25M expected by no later than November 1, 2026
Government facilities	LEEFF Secured Credit Facility (1st lien secured)	41	0	n/a	- Repayment of $41.4M in cash at closing.
	LEEFF Subordinated Credit Facility	369	175	2035	- **Interest rate**: 1.22% per annum for the first three years and 3% per annum thereafter.
	Unsecured Credit Facility related to travel credits	352	0	n/a	- $175M converted into unsecured debenture ($159M) and preferred shares ($16M).
	LEEFF Unsecured Debenture	0	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%.
Long-term debt and deferred government grant		**812**	**384**		
Lease liabilities	Fleet	1,328	1,328	2025-2036	
	Real Estate	41	41	2025-2037	
Government facilities	Warrants (equity derivatives)	6	9	2035	- Maturity extended from 2031 to 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]		**2,188**	**1,761**		
Cash	Unrestricted cash	(533)	(488)		- Repayment of LEEFF Secured Credit Facility and transaction fees at closing.
Total net debt[1]		**1,655**	**1,273**		

Note: The table below serves to illustrate the impact of the restructuring under the announced refinancing transaction, presenting on an actual and pro forma basis as at April 30, 2025.
Amount 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[1]:** 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[1] :** 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)[1]:** 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, 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[1]:** 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[2]:** 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[1]:** Long-term debt plus lease liabilities, deferred government grant and liability related to warrants, net of deferred financing cost 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[1]**: 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

(In thousands of Canadian dollars)	Quarters ended April 30			Six-month periods ended April 30		
	2025	2024	Difference	2025	2024	Difference
	$	$	$	$	$	$
Cash flows related to operating activities	207,842	183,216	24,626	376,420	293,918	82,502
Cash flows related to investing activities	(19,312)	(31,247)	11,935	(11,578)	(59,992)	48,414
Repayment of lease liabilities	(46,251)	(42,184)	(4,067)	(93,434)	(85,048)	(8,386)
Free cash flow	142,279	109,785	32,494	271,408	148,878	122,530

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

Note 2: See table above.