



Results for the second quarter ended April 30, 2026

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, planned or contemplated 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 maintain and grow its reputation and brand, the availability of funding in the future for the Corporation including its debt refinancing, the Corporation’s ability to repay its debt and settle its liabilities from internally generated funds or otherwise, the Corporation’s ability to maintain an adequate level of liquidity for its working capital requirements, the Corporation’s ability to adequately mitigate the Pratt & Whitney GTF engine issues, fluctuations in fuel prices and exchange rates and interest rates, the availability and continuity of fuel supply at each airport served by the Corporation, 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 Corporation’s ability to reduce operating costs through, among other things, the Elevation Optimization Program initiatives, 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 Management’s Discussion and Analysis included in our 2025 Annual Report, filed on SEDAR+ at www.sedarplus.ca.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect any of the Corporation’s forward-looking statements. The reader is also cautioned to consider these and other factors carefully and not to place undue reliance on forward-looking statements.

The forward-looking statements in this news release are based on a number of assumptions relating to economic and market conditions as well as the Corporation’s operations, financial position and transactions. Examples of such forward-looking statements include, but are not limited to, statements concerning:

The outlook whereby the Corporation will be able to meet its obligations with cash on hand, cash flows from operations, drawdowns under existing credit facilities or by other means.

The outlook whereby, for fiscal year 2026, the Corporation expects a 4% to 5% increase in capacity, measured in available seat-miles, compared to 2025.

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, that fuel supplies will continue to be available on terms generally consistent with those currently being offered, that fuel prices, exchange rates, selling prices, and hotel and other costs remain stable, that 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. If these assumptions prove incorrect, actual results and developments may differ materially from those contemplated by the forward-looking statements contained in this presentation.

The Corporation considers that the assumptions on which these forward-looking statements are based are reasonable. These statements reflect current expectations regarding future events and operating performance, speak only as of the date this presentation is issued, and represent the Corporation’s expectations as of that date. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable securities legislation.



Non-IFRS Financial Measures

We report our financial results in accordance with IFRS. This presentation was prepared using results and financial information determined under IFRS. In addition to IFRS financial measures, this presentation also contains non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures used by management to assess the Corporation's operational performance including adjusted operating loss, adjusted net loss, adjusted loss per share, total net debt, net cash burn, current ratio, free cash flow and unrestricted liquidity. These measures do not have a standardized meaning under IFRS. It is likely that the non-IFRS financial measures used by the Corporation will not be comparable to similar measures reported by other issuers or those used by financial analysts as their measures may have different definitions. The measures used by the Corporation are intended to provide additional information and should not be considered in isolation or as a substitute for IFRS financial performance measures.

Generally, a non-IFRS financial measure is a numerical measure of an entity's historical or future financial performance, financial position or cash flows that is neither calculated nor recognized under IFRS. Management believes that such non-IFRS financial measures are important as they provide users of our consolidated financial statements with a better understanding of the results of our recurring operations and their related trends, while increasing transparency and clarity into our operating results. Management also believes these measures to be useful in assessing the Corporation's capacity to fulfil its financial obligations.

By excluding from our results items that arise mainly from long-term strategic decisions and/or do not, in our opinion, reflect our operating performance for the period, such as the change in fair value of derivatives, the revaluation of the liability related to warrants and preferred shares, gain (loss) on business disposals and/or asset disposals, the effect of changes in discount rates used for accretion of the

provision for return conditions, changes in market price of CORSIA Eligible Emissions Units (carbon credits), restructuring costs, asset write-offs and impairment, reversal of impairment of the investment in a joint venture, depreciation and amortization, foreign exchange gains (losses), gain on long-term debt extinguishment and other significant unusual items, and by including premiums related to derivatives that matured during the period, we believe this presentation helps users to better analyze our results, as well as our ability to generate cash flows from operations. Furthermore, the use of non-IFRS measures helps users by enabling better comparability of results from one period to another and better comparability with other businesses in our industry.

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



General Overview

Q2 2026





Highlights Q2 2026



\$1,028M

Revenues

(\$21M)

Adjusted EBITDA¹

(\$79M)

Net Loss

\$59M

Free Cash Flow¹

Industry-wide fuel crisis weighed on quarterly profitability

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



Operating Metrics

- **Capacity increased by 4.8% year-over-year**
 - Increase in ASMs driven by more long-haul flying, with double-digit growth in the transatlantic network
 - South network capacity up 1.7%
- **Yields under pressure, reflecting operational and capacity-related impacts**
 - Persistent issues with Pratt & Whitney's GTF engines continued to result in less effective revenue management
 - Inefficiencies associated with the unexpected redeployment of capacity, following the suspension of Cuba flights during peak season due to fuel supply issues at destination airports
- **To date, load factors for the summer are 0.6 percentage points higher compared to the same date last year, while yields are 0.6% higher**

Key Indicators for Q2 2026		
Versus 2025	Global Network	South (Main Network)
Load Factor	- 0.7 pp (83.8%)	- 2.0 pp (82.8%)
Yield ¹	- 0.7 %	+ 0.6 %
Capacity (ASM ²)	+ 4.8 %	+ 1.7 %
Capacity (Seats)	- 2.8 %	- 4.3 %

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

2. Available seat miles.



Capacity Increase and Fleet Overview

- **Capacity outlook for 2026 revised to 4–5% vs. 2025 (previously 5%–7%), reflecting network adjustments**
 - Suspension of flights to Cuba
 - Network optimization and capacity reductions implemented in response to higher fuel prices
- **Pratt & Whitney engine issues continue to impact operations, with 5 aircraft grounded as at April 30, 2026 (vs. 3 expected)**
 - Ongoing inefficiencies and elevated operational volatility
 - Number of grounded aircraft expected to decrease to 3 over the summer
- **Current fleet of 42 aircraft, with one A321ceo lease expected to expire during the summer**
 - No planned aircraft deliveries in 2026
 - Deliveries of A321XLR aircraft are anticipated to begin in 2027

Fleet Overview ¹				
	2025		2026	
	Winter	Summer	Winter	Summer
A330	16	16	16	15
A321LR	19	19	19	19
A321ceo	9	8	8	7
Total	44	43	43	41

1. Includes short-term leases and reflects the fleet at the peak of the season.



Summary

- **Q2 operating performance under pressure, with a 0.7% year-over-year decline in yield**
 - Persistent Pratt & Whitney GTF engine issues continued to result in less effective revenue management
 - Partial redeployment of capacity following the unexpected suspension of flights to Cuba also created inefficiencies
- **Profitability declined by \$119M¹ year-over-year, reflecting several external headwinds**
 - Approximately \$70M from higher fuel prices in March and April following the Iran conflict
 - Approximately \$25M from the suspension of Cuba operations
 - \$15M from lower Pratt & Whitney compensation compared with the prior year
- **Intent to apply to the Government of Canada's new Liquidity for Airline Sector Resilience (LASR) facility for up to \$150M in funding**
 - Facility designed to address fuel cost pressures currently facing airlines, reflecting the essential role aviation plays in the Canadian economy
- **Continued expansion and diversification of the network for Winter 2026–2027**
 - Launch of new routes including Québec City–San José, Toronto–Fort-de-France, London–Puerto Plata and Charlottetown–Punta Cana
 - Expansion of transatlantic offering with Toronto–Paris and Montréal–Barcelona now offered year-round
 - Addition of new winter destinations including Aruba, Barbados, Los Cabos and Canary Islands (Las Palmas)

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



Financial Review

Q2 2026





Financial Highlights

- **Revenues of \$1,028M, down 0.3% year-over-year despite higher capacity**
 - Suspension of flights to Cuba
 - Lower Pratt & Whitney compensation versus last year
 - Partially offset by an increase in traffic
- **Adjusted EBITDA¹ of negative \$21M, compared to \$98M in Q2 2025, reflecting an approximately \$70M adverse impact from higher fuel prices, as well as lower Pratt & Whitney compensation and Cuba-related impacts**
- **\$55M repayment of long-term debt during the quarter**
- **Free cash flow of \$59M compared to \$142M last year, reflecting lower profitability**



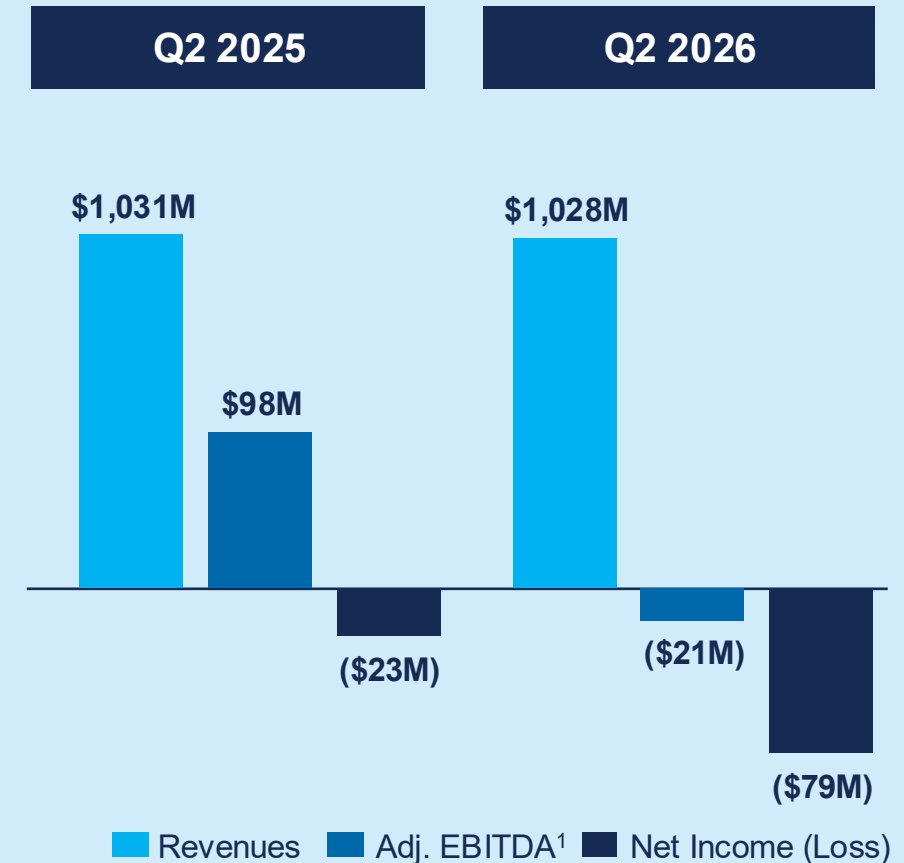
1. Refer to Non-IFRS Financial Measures in the Appendix.



Q2 2026 Results

- **Revenues of \$1,028M, down \$3.5M or 0.3% year-over-year**
 - \$15M reduction in Pratt & Whitney compensation, as last year covered October to April versus February to April this year
 - \$81M revenue shortfall from suspension of flights to Cuba
 - Partially offset by a 3.9% increase in traffic
- **Adjusted EBITDA¹ of negative \$21M, compared to \$98M in Q2 2025**
 - Elevated costs from higher fuel prices, with an approximately \$70M negative impact in March and April
 - Lower Pratt & Whitney compensation versus prior year
 - Impact from the suspension of Cuba flights
 - Higher salaries following the new pilot collective agreement implemented in January
- **Net loss of \$79M, compared to a net loss of \$23M in Q2 2025**

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

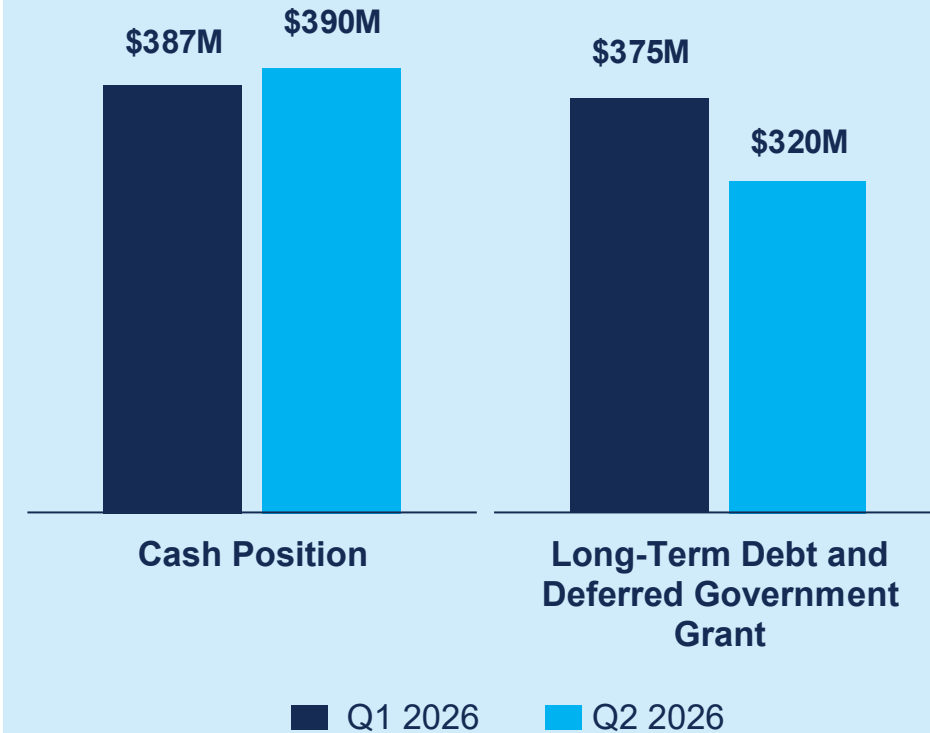




Financial Profile

- **Free cash flow¹ of \$59M, compared to \$142M in Q2 2025**
 - Decrease in cash flow from operating activities from \$208M to \$118M, reflecting lower profitability in the quarter
- **Long-term debt and deferred government grant totaled \$320M at quarter-end, compared to \$375M at the end of Q1 2026 and \$812M a year ago**
 - \$55M debt repayment during the quarter
 - \$25M repaid on the revolving term credit facility, bringing the balance to nil
 - \$30M repaid on the subordinated working capital facility
- **Intent to apply to the LASR facility for up to \$150M in funding, a Government of Canada initiative to address fuel cost pressures facing airlines**

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	0	25	2028	- Interest rate: CORRA plus a premium of 4.5%.
Government facilities	LEEFF Subordinated Credit Facility	Long-term debt	70	175	2035	- Interest rate: 1.22% per annum until July 2028, and 3% per annum thereafter.
		Deferred government grant	105			
	LEEFF Unsecured Debenture	Long-term debt	59	145	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	86			
LEEFF Subordinated Working Capital Facility	Long-term debt	0	30	2035	- Interest rate: 7% per annum until July 10, 2026, and thereafter at CORRA plus a premium of 4.5%	
Long-term debt and deferred government grant			320	375		
Lease liabilities	Fleet	Lease liabilities	1,227	1,227	2026-2036	
	Real Estate	Lease liabilities	38	38	2026-2037	
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 debt¹			1,604	1,659		
Cash	Unrestricted cash	Cash & cash equivalents	(390)	(390)		
Total net debt¹			1,214	1,269		

Note: As of April 30, 2026. Amounts in millions of C\$.

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

Non-IFRS Financial Measures

The non-IFRS measures, non-IFRS ratios, total of segment measures, capital measures and/or other financial measures used by the Corporation are as follows:

- **Adjusted operating income (loss) or Adjusted 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, changes in market price of CORSIA Eligible Emissions Units (carbon credits), restructuring and transaction costs and other significant unusual items, and including premiums related to derivatives that matured during the period. The Corporation uses this measure to assess the operational performance of its activities before the aforementioned items to ensure better comparability of financial results. Adjusted operating income is also used to calculate variable compensation for employees and senior executives.
- **Adjusted pre-tax income (loss) or Adjusted 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, changes in market price of CORSIA Eligible Emissions Units (carbon credits), restructuring and transaction costs, write-off of assets, reversal of impairment of the investment in a joint venture, foreign exchange gain (loss) and other significant unusual items, and including premiums related to derivatives that matured during the period. The Corporation uses this measure to assess the financial performance of its activities before the aforementioned items to ensure better comparability of financial results.
- **Adjusted net income (loss)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, changes in market price of CORSIA Eligible Emissions Units (carbon credits), restructuring and transaction costs, write-off of assets, reversal of impairment of the investment in a joint venture, foreign exchange gain (loss), reduction in the carrying amount of deferred tax assets and other significant unusual items, and including premiums related to derivatives that matured during the period, net of related taxes. The Corporation uses this measure to assess the financial performance of its activities before the aforementioned items to ensure better comparability of financial results. Adjusted net income (loss) is also used in calculating the variable compensation of employees and senior executives.
- **Adjusted net income (loss) per 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 is 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

<i>(In thousands of Canadian dollars)</i>	Free Cash Flow			
	Quarters ended April 30		Six-month periods ended April 30	
	2026	2025	2026	2025
	\$	\$	\$	\$
Cash flows related to operating activities	118,317	207,842	414,714	376,420
Cash flows related to investing activities	(21,098)	(19,312)	(34,752)	(11,578)
Repayment of lease liabilities	(38,109)	(46,251)	(74,295)	(93,434)
Free cash flow	59,110	142,279	305,667	271,408

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 2026, which is available on SEDAR+ at www.sedarplus.ca.

Note 2: See table above.