transat

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**

INVESTOR'S PRESENTATION
MARCH 2020

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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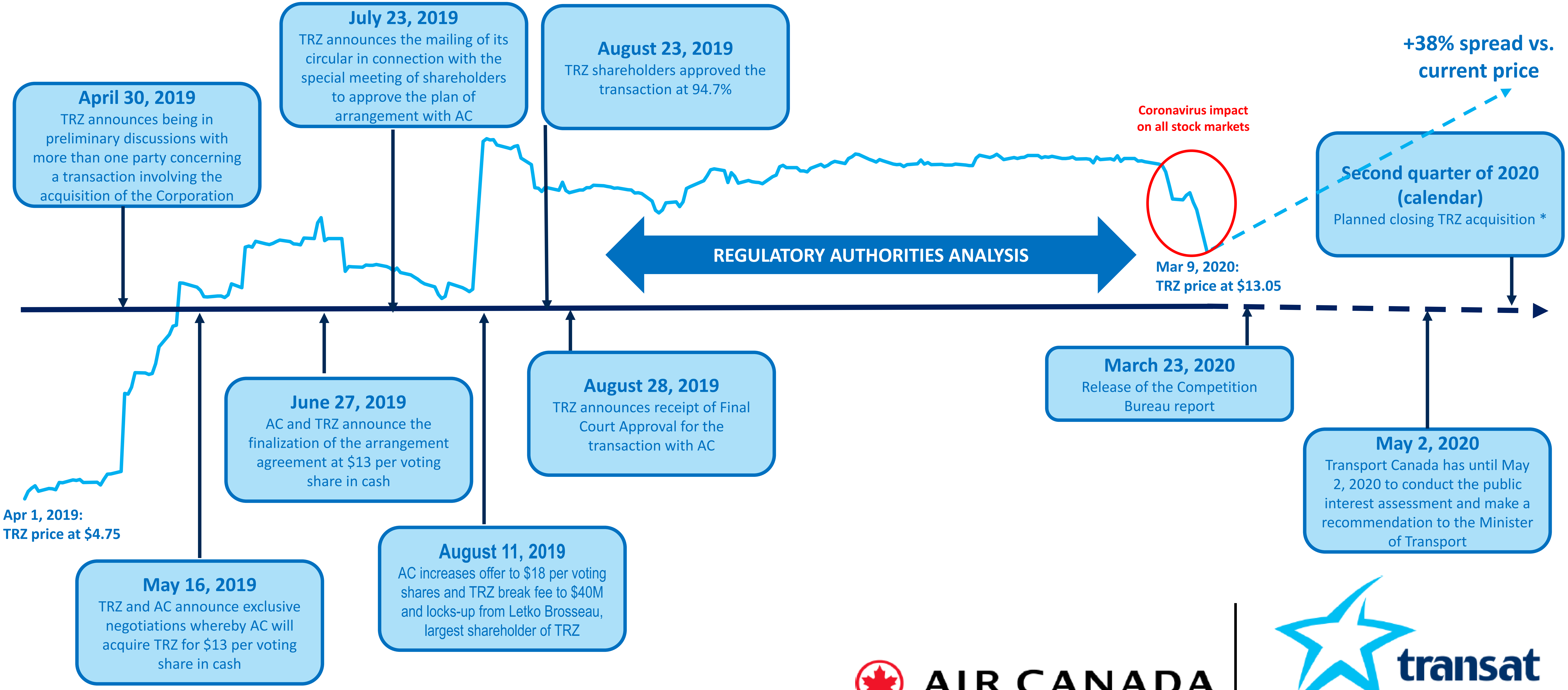
Recent Developments

Transaction with Air Canada – Key dates

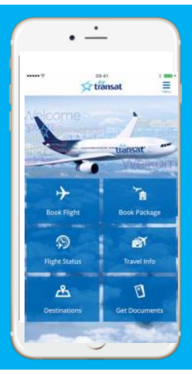


AIR CANADA | transat

* 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 consecutives year)

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

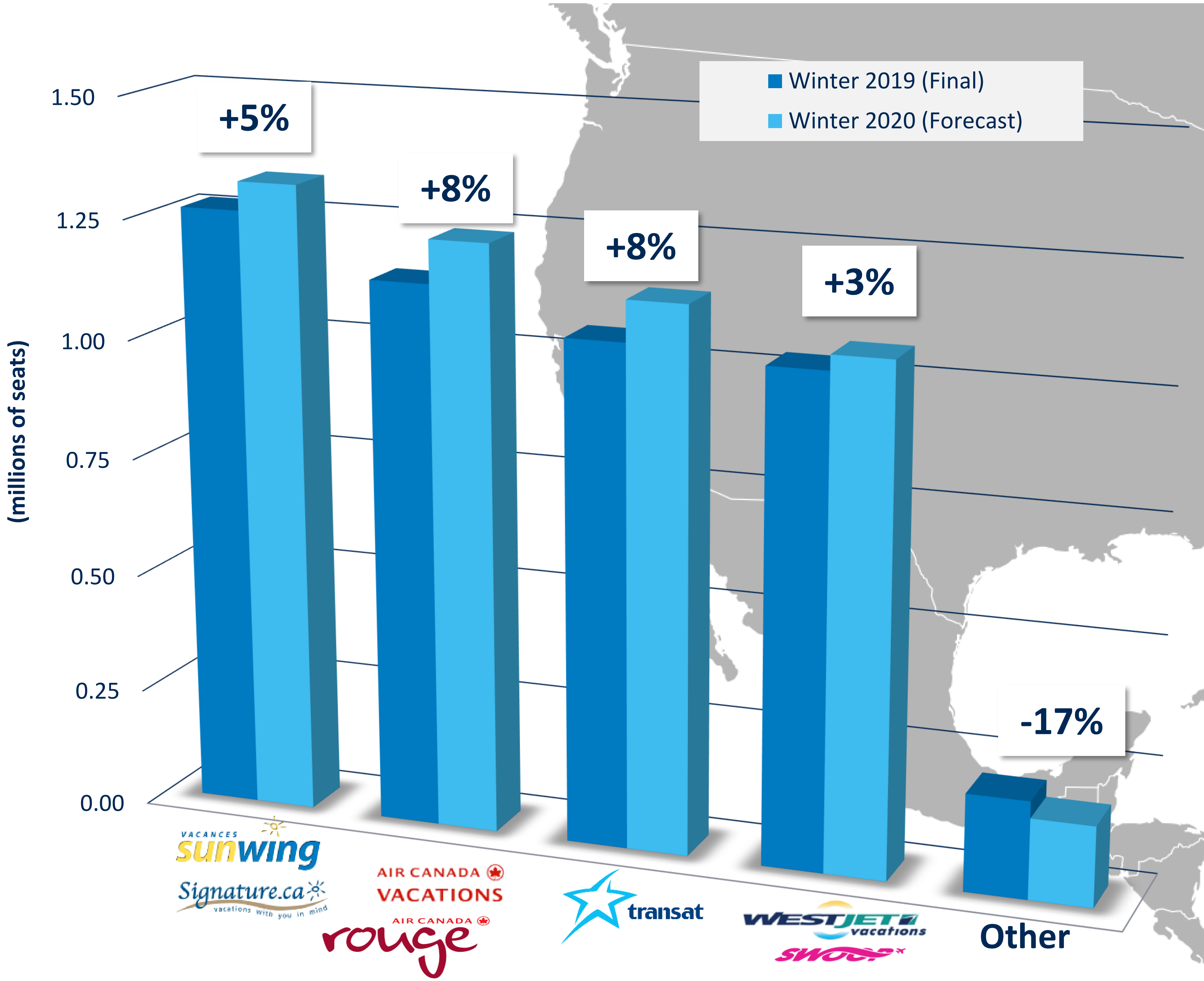
Attracting customers to enlarge TRZ's ecosystem (booking process, onboard, …)

2

Financial Performance & Outlook

Sun destinations capacity breakdown | Winter 2019-20 (1)

(Based on scheduled and chartered flight deployed)



Total seats in the market

Winter 2019

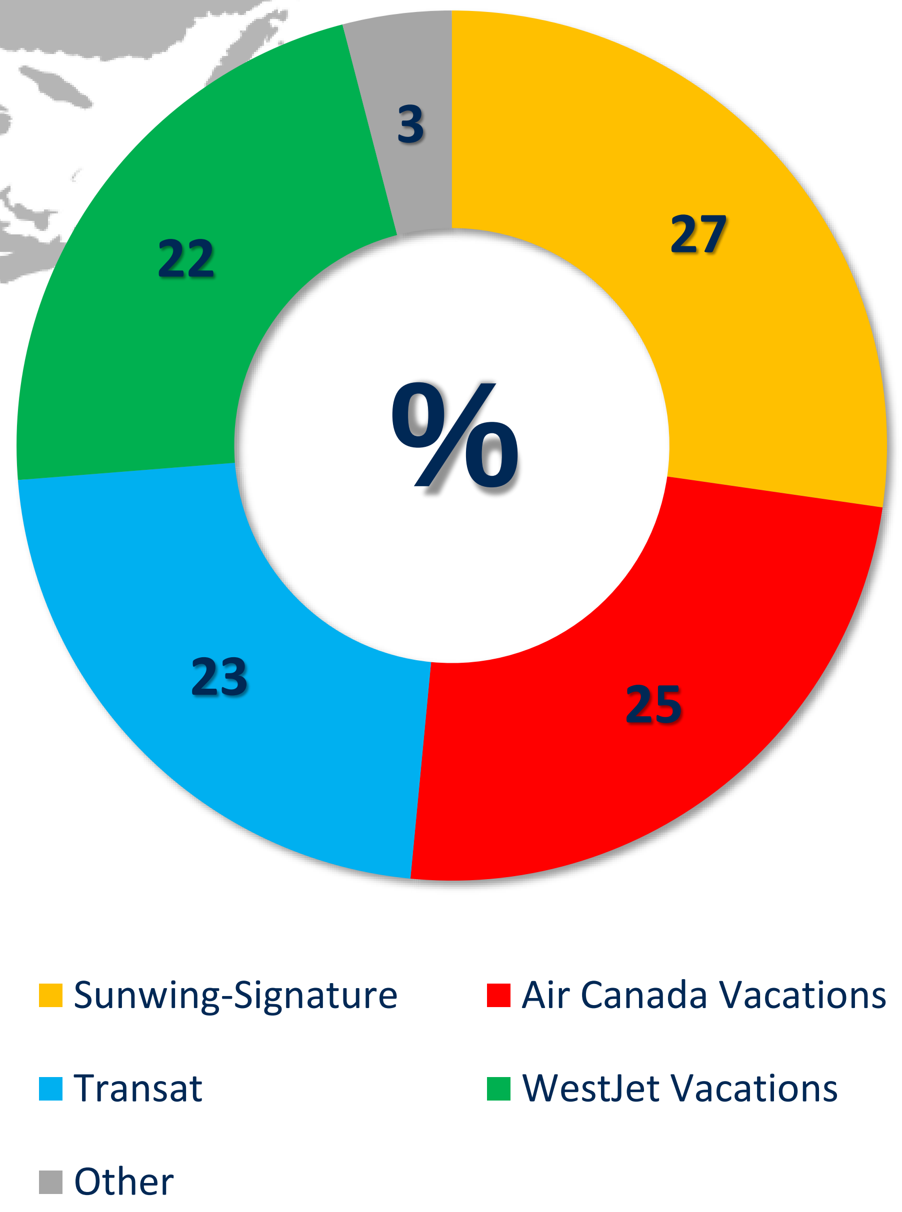
4,697,000

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

(in millions of C$, except per share amounts)	1st quarter results ended January 31			
	2020	2019 (2) (Restated)	2020 vs. 2019	
			$	%
REVENUES	**692.8**	**647.6**	**45.2**	**7%**
Adjusted EBITDAR (1)	36.5	11.1	25.4	230%
Adjusted EBITDA (1)	**27.4**	**(7.6)**	**34.9**	**463%**
As % of revenues	(1.2%)	4.0%	5.1%	439%
Adjusted net income (loss) (1)	**(20.3)**	**(39.2)**	**18.9**	**48%**
As % of revenues	(6.1%)	(2.9%)	3.1%	52%
Per share	($0.54)	($1.04)	$0.50	48%
Net income (loss) attributable to shareholders	**(53.0)**	**(33.8)**	**19.1**	**36%**

(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

	Q1	Q2	Winter	Summer
Adj. EBITDA 2019 (1)	**(38M)**	**3M**	**(35M)**	**73M**
IFRS 16 adjustment	30M	37M	**67M**	**87M**
Adj. EBITDA 2019 restated (1)	**(8M)**	**40M**	**32M**	**160M**
FX / Fuel impact on costs (2)	3M	5M	**8M**	**40M**
Adj. EBITDA 2019 restated after FX/Fuel impact (1)	**(5M)**	**45M**	**40M**	**200M**
Primary program - Yield management (3)	6M			
Secondary program - Yield management (3)	2M			
Unit airline costs net of sub-contract	30M			
FX conversion impact on balance sheet accounts (4)	(5M)			
Other subsidiaries	(2M)			
Adj. EBITDA 2020 (1)	**27M**			

(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 = Δ +$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 tp the acquisition of 2 spare engines for A321neoLR

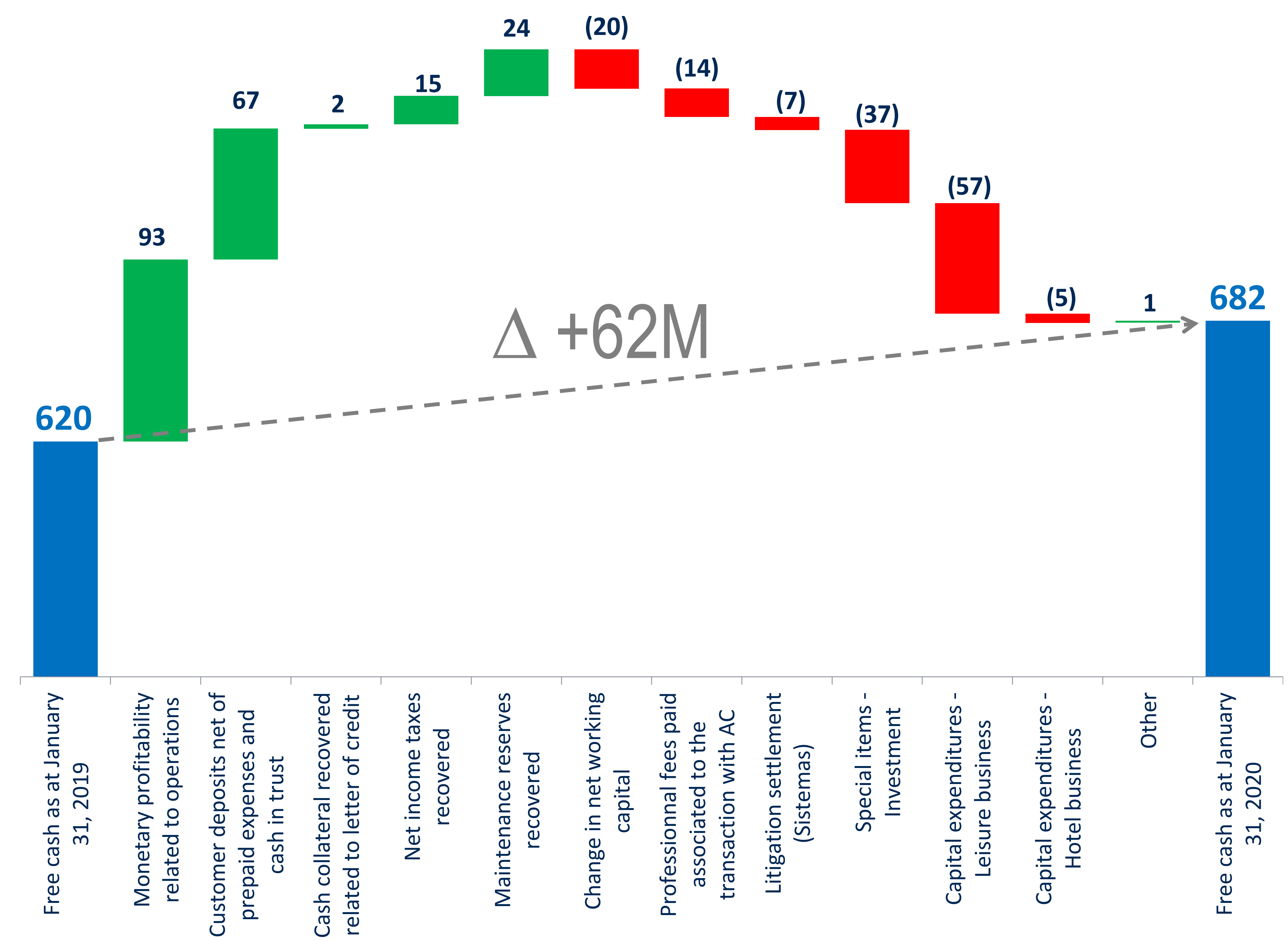
Capital expenditures of ($62M)

- ($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



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2018-2022 Strategic Plan

Distribution & Airline

Cost-reduction and margin-improvement initiatives

1

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

2

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

3

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)

4

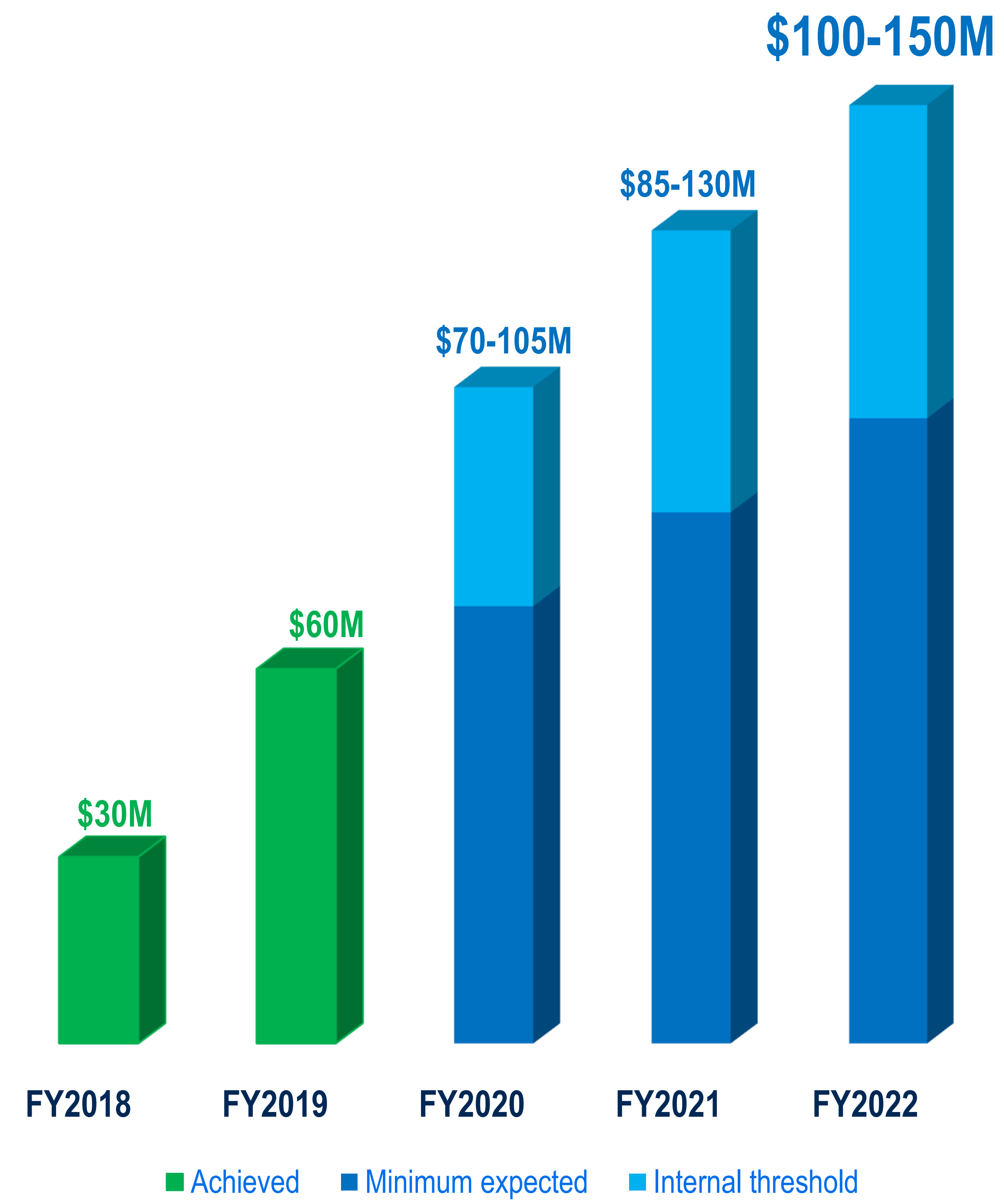
officevibe

G&A EXPENSES

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

CUMULATIVE IMPACT

(cost-reduction and margin-improvement initiatives)



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

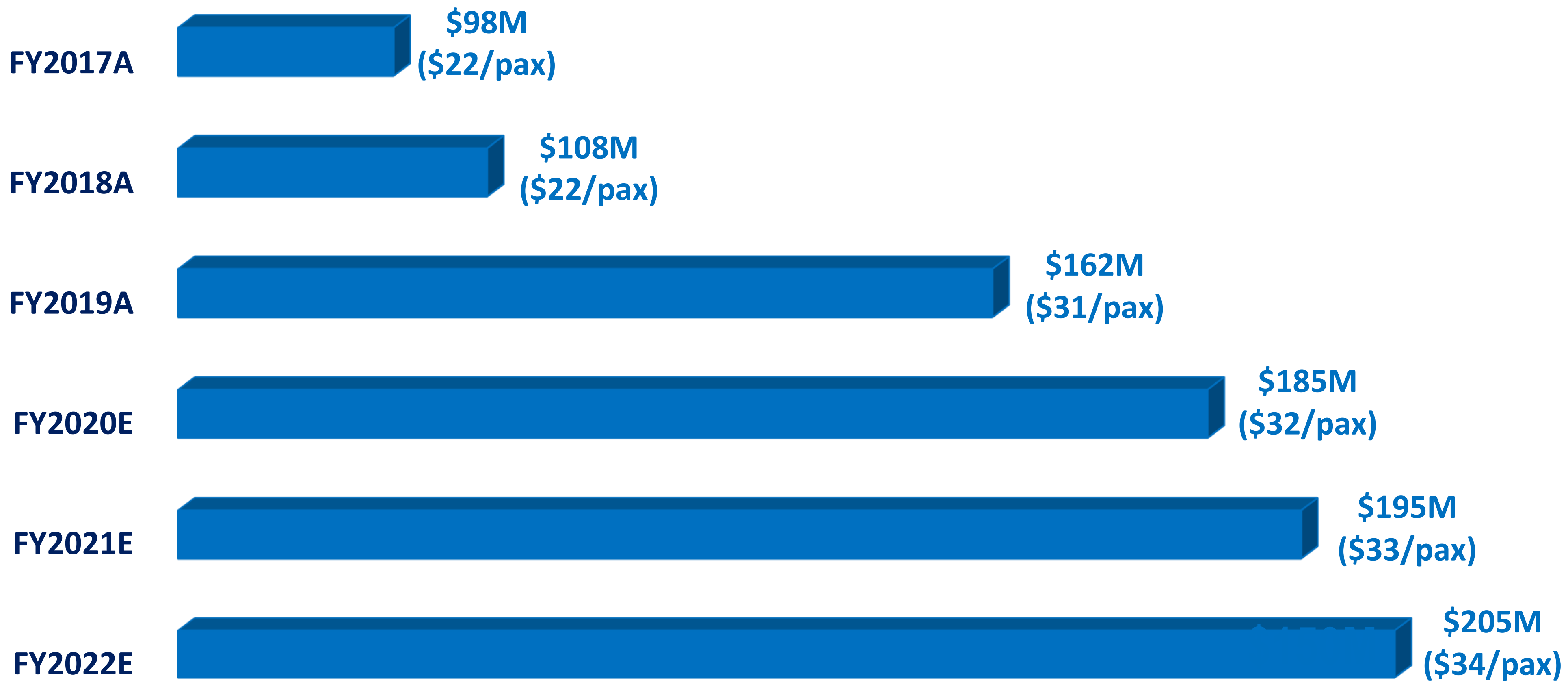
Opportunities for external feeding/commercial alliances
Announced agreement with SNCF and EasyJet

Distribution & Airline

Ancillary revenues

OPTIMIZING ANCILLARY CONTRIBUTION

(Airline and other)

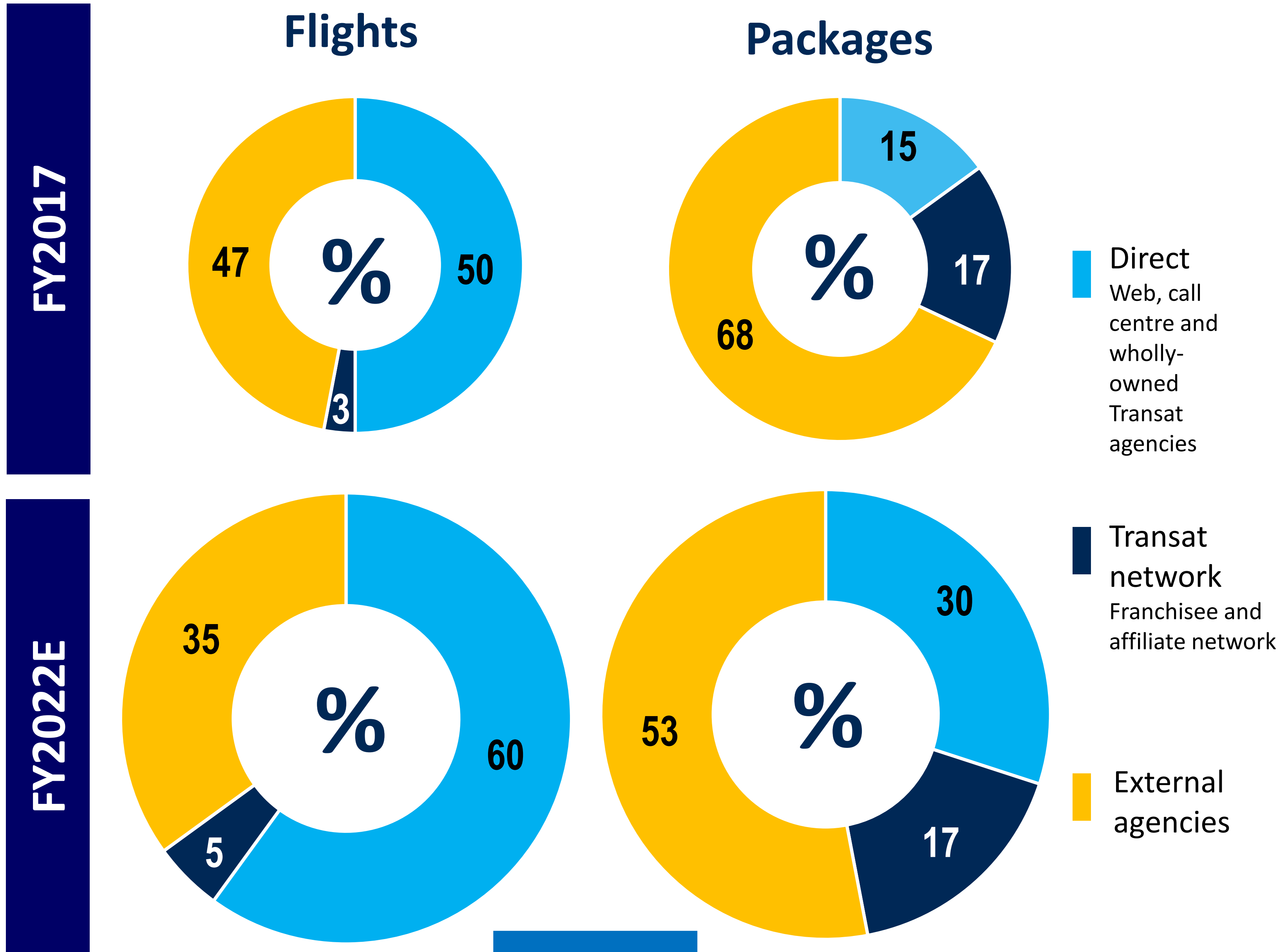


- **As at January 31, 2020: +24% vs. 2019 $/pax (YTD)**
- **Ancillary revenues include seat selection, different fares, airport revenues, buy-on-board, excess baggage, first baggage fee, duty-free, excursions, travel insurance, etc.**
- **FY2022 target : ~C$205M**
  - Unbundling fares
  - Rebundling fares (semi or fully)

Distribution & Airline

Optimizing our distribution and extending our digital footprint

DIRECT SALES GROWTH



Reduce our distribution costs by increasing our direct and control sales; Each 1% reduction could represent a saving between $2-3M/year

DATA AND DIGITAL STRATEGY

1. Creating a fully integrated centralized customer file accessible to all points of contact
2. Launching a new and improved mobile friendly airline and vacation website
3. Improving mobile apps to accompany our customers during their trips
4. Optimizing our digital marketing strategy

INCREASE CUSTOMER LOYALTY = ↑ REVENUE

Holiday experiences (hotel development strategy) ON HOLD FROM THE TIME BEING

Returning to profitability in winter considering that is an higher margin business and minimize the seasonality of our results

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

Fall 2018 – 1st land acquisition

Winter 2018/19 – Establish the organization and define the product and brand

Summer 2019 – Pre-construction

Winter 2019/20 – Looking into other opportunities

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)

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

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, …

Retained our major executive employees of the hotel organization

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

ORIGINAL INVESTMENT PLAN (1)

Mexico
Cancún and Riviera Maya
1,800 rooms (2)
EBITDA (3) per room of~US$35K-40K

Dominican Republic
Punta Cana
1,000 rooms
EBITDA (3) per room of ~US$25K-30K

Jamaica
Montego Bay
700 rooms
EBITDA (3) per room of ~US$30K-35K

Cuba
Varadero and Havana
1,500 rooms (2)

Generating annual EBITDA of ~US100M at maturity and high ROIC

(1) As per hotel development plan presented at the investor day on April 4, 2018
(2) 500 strictly managed rooms in Mexico + Cuba only under management contract
(3) All EBITDA numbers are annual and at maturity (after 5 years in operation)

5

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 and social

Focus on 4 pillars of action *

1

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

2

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

3

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

4

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

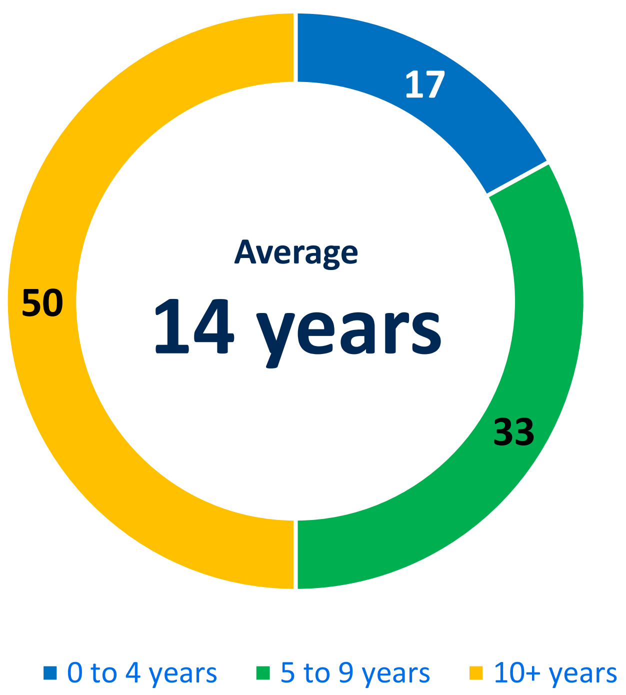
Governance *

HIGHLIGHTS

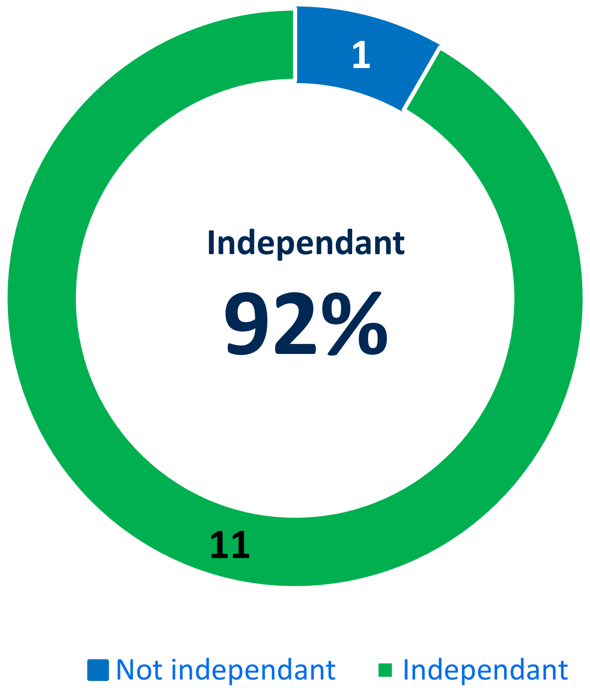
- 11 of 12 Directors are independent
- Independent Lead Director
- Each committee of the Corporation is composed of independent members (except for the Executive Committee)
- Majority voting guidelines for Directors
- Comprehensive Board orientation and training program
- Code of business conduct for 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

DIRECTORS

TERM

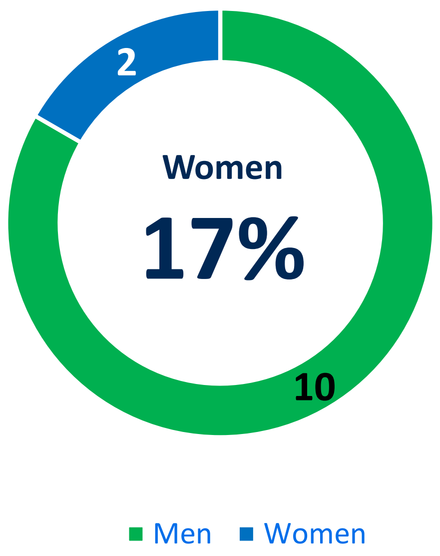


INDEPENDENCE

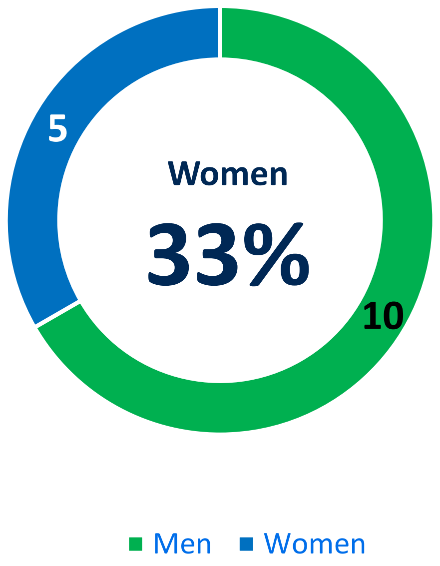


GENDER DIVERSITY

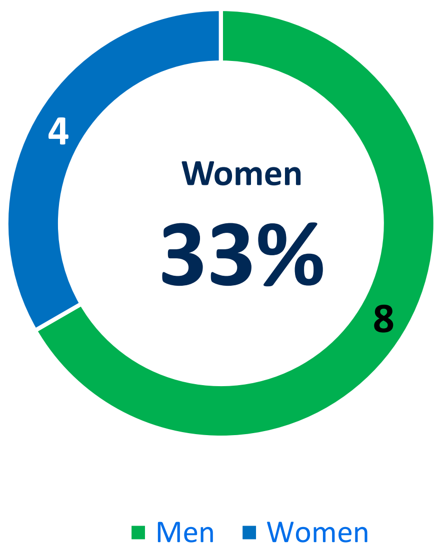
AMONG EXECUTIVE OFFICERS



ON THE EXECUTIVE COMMITTEE



ON THE BOARD



* Referred to : https://www.transat.com/en-CA/corporate/governance

Appendix

Historical financial position

(in millions of C$)	Jan 31			Apr 30			Jul 31			Oct 31		
	2018	2019	2020	2017	2018	2019	2017	2018	2019	2017	2018	2019
Free cash	749.3	620.5	682.2	566.3	903.3	796.3	580.7	867.3	723.8	593.6	593.7	564.8
Cash in trust or otherwise reserved	336.5	405.2	410.5	174.4	190.4	177.3	185.0	184.7	198.0	259.0	287.7	301.6
Total Cash	**1,085.9**	**1,025.6**	**1,092.7**	**740.7**	**1,093.7**	**973.6**	**765.7**	**1,051.9**	**921.9**	**852.6**	**881.4**	**866.4**
Customer deposits and deferred revenue	675.1	752.8	809.1	523.8	604.9	629.7	509.9	587.2	611.1	433.9	517.4	561.4
Current ratio (1)	**1.37**	**1.14**	**1.04**	**1.14**	**1.41**	**1.14**	**1.26**	**1.41**	**1.10**	**1.52**	**1.27**	**1.13**
Liquidity ratio (2)	**37%**	**36%**	**37%**	**27%**	**37%**	**34%**	**27%**	**37%**	**32%**	**28%**	**31%**	**29%**
Customer deposits coverage ratio (3)	**161%**	**136%**	**135%**	**141%**	**181%**	**155%**	**150%**	**179%**	**151%**	**194%**	**170%**	**154%**

(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

IFRS 16

Leases

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 *

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

CONSOLIDATED STATEMENTS OF INCOME		
	Impact	Details
Aircraft rent	Decrease	As the expense now only includes certain variable rent as well as rent related to our seasonal aircraft fleet
Aircraft maintenance	Seasonality	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)
Depreciation and amortization	Increase	As right-of-use assets and components are amortized on straight-line basis
Financing costs	Increase	Following the recognition of interest related to lease liabilities
Foreign exchange loss (gain)	Volatility	Since the lease liabilities related to aircraft are denominated in USD and will be converted at the closing rate

*** 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.**

(1) Liabilities recorded in USD are converted at the closing rate

2019 financial results

IFRS 16 impact

(in millions of C$)		Q1	Q2	Q3	Q4	WINTER	SUMMER	FULL YEAR
IFRS 16	Adjusted EBITDAR [1]	11.1	65.9	64.1	98.2	76.9	162.3	239.3
	Adjusted EBITDA [1]	**(7.6)**	**40.4**	**62.1**	**97.5**	**32.8**	**159.6**	**192.4**
	Adjusted EBIT [1]	(48.7)	(3.8)	15.5	47.2	(52.6)	62.7	10.1
	Adjusted EBT [1]	(52.0)	(7.1)	10.7	41.9	(59.1)	52.6	(6.5)
	Adjusted net income (loss) [1]	**(39.2)**	**(6.4)**	**6.2**	**30.0**	**(45.6)**	**36.2**	**(9.5)**
	Net income (loss) attributable to shareholders	**(53.0)**	**(0.9)**	**(1.5)**	**23.0**	**(53.9)**	**21.5**	**(32.4)**
BEFORE	Adjusted EBITDAR [1]	0.9	44.2	52.0	84.8	45.0	136.8	181.8
	Adjusted EBITDA [1]	**(37.7)**	**3.1**	**21.8**	**50.9**	**(34.7)**	**72.7**	**38.0**
	Adjusted EBIT [1]	(52.7)	(13.2)	6.1	33.6	(65.8)	39.8	(26.1)
	Adjusted EBT [1]	(47.8)	(8.0)	11.2	38.3	(55.8)	49.5	(6.3)
	Adjusted net income (loss) [1]	**(36.0)**	**(6.3)**	**5.7**	**27.2**	**(43.0)**	**33.7**	**(9.3)**
	Net income (loss) attributable to shareholders	**(49.7)**	**7.2**	**(11.0)**	**20.3**	**(42.4)**	**9.2**	**(33.2)**
VARIATION	Adjusted EBITDAR [1]	10.2	21.7	12.1	13.4	31.9	25.5	57.5
	Adjusted EBITDA [1]	**30.2**	**37.3**	**40.3**	**46.7**	**67.5**	**87.0**	**154.4**
	Adjusted EBIT [1]	3.9	9.3	9.3	13.6	13.3	22.9	36.2
	Adjusted EBT [1]	(4.2)	0.9	(0.5)	3.6	(3.3)	3.1	(0.2)
	Adjusted net income (loss) [1]	**(3.2)**	**(0.1)**	**0.5**	**2.8**	**(3.1)**	**3.3**	**0.2**
	Net income (loss) attributable to shareholders	**(3.3)**	**(8.2)**	**9.5**	**2.8**	**(11.5)**	**12.3**	**0.8**

(1) Refer to Non-IFRS Financial Measures in the Appendix

Financial position

IFRS 16 impact

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

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
Chief Operating Officer
Transat A.T. Inc.

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
President,
Hotel division
Transat A.T. Inc.

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

Jean-François Lemay
President and
General Manager
Air Transat

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
Vice-President,
Finance
& Administration
And CFO
Transat A.T. Inc.

Denis Petrin, 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.

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