TRANSAT A.T. INC. – RESULTS FOR SECOND QUARTER 2019

WINTER RESULTS IN LINE WITH FIRST QUARTER; DUE DILIGENCE UNDERWAY RELATED TO POTENTIAL SALE OF THE CORPORATION

INVESTOR'S PRESENTATION

JUNE 2019

Caution regarding 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 a potential transaction involving the acquisition of all the shares of the Corporation. 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 will be subject to the negotiation and execution of a definitive agreement to the satisfaction of the parties, Air Canada's due diligence, the approval of the Corporation's shareholders, the approval of applicable regulatory and governmental authorities, court approval of a potential plan of arrangement, the execution of support agreements by certain shareholders and the satisfaction of other conditions customary for this type of transaction. In addition, statements regarding the results of a potential transaction will depend on the purchaser's plans following the completion of a potential 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, 2018, 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 net income (loss), adjusted EBITDA, adjusted EBITDAR, free cash flow and adjusted net debt. Please refer to the appendix at the end of this presentation for additional information on non-IFRS financial measures

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Section 1

Recent developments and business model

Recent developments

April 30:

The Corporation announces being in preliminary discussion with more than one party concerning potential transaction involving the acquisition of the Corporation. These discussions result from expressions of interest received by the Corporation.

The share price closed at $8.29 (+58% vs. 20-day MAVG before the announcement)

May 16:

Transat A.T. Inc. announces that it has agreed to a 30-day period of exclusive negotiations with Air Canada pursuant to a letter of intent contemplating a transaction by which Air Canada would acquire all of the shares of Transat at a price of $13.00 per share. During such exclusivity period, it is contemplated that Air Canada will complete its due diligence review and the parties will finalize the negotiation of a definitive agreement regarding this transaction, the material terms of which are announced today.

The letter of intent sets forth certain terms that will be required in the definitive agreement. These terms include a break fee of $15 million payable by Transat in case of termination of the transaction, including upon acceptance of an unsolicited superior proposal, and a reverse break fee of a maximum of $40 million payable by Air Canada in the event that the agreement is terminated because regulatory or governmental approvals are not obtained. In addition, the non-solicitation provision will be subject to the usual withdrawal right based on fiduciary duties if an unsolicited proposal is made at a firm price per share that is at least $1.00 higher than the price offered by Air Canada, in the event such proposal is not matched by Air Canada. Moreover, the execution of a definitive agreement by Air Canada will be subject to the execution of support and voting agreements by certain large shareholders of Transat.

Finally, Transat has agreed to limit its undertakings and expenses relating to the implementation of its hotel strategy during the exclusivity period. Any agreement will also contain numerous conditions customary for this type of transaction, including applicable regulatory approvals and the approval of the shareholders of Transat. There is no assurance that a definitive agreement will be reached in relation to any transaction following the exclusivity period and the ongoing discussions. No assurance may be given that a transaction will occur in relation to the proposed transaction or otherwise, or regarding the definitive terms of such transaction, if any.

The share price closed at $12.00 (+128% vs. 20-day MAVG before the announcement of April 30)

June 4:

The Corporation confirms that it has taken note of the press release issued by Group Mach Inc. regarding its expressed interest to acquire Transat A.T. Inc. at $14 cash per share and take it private.

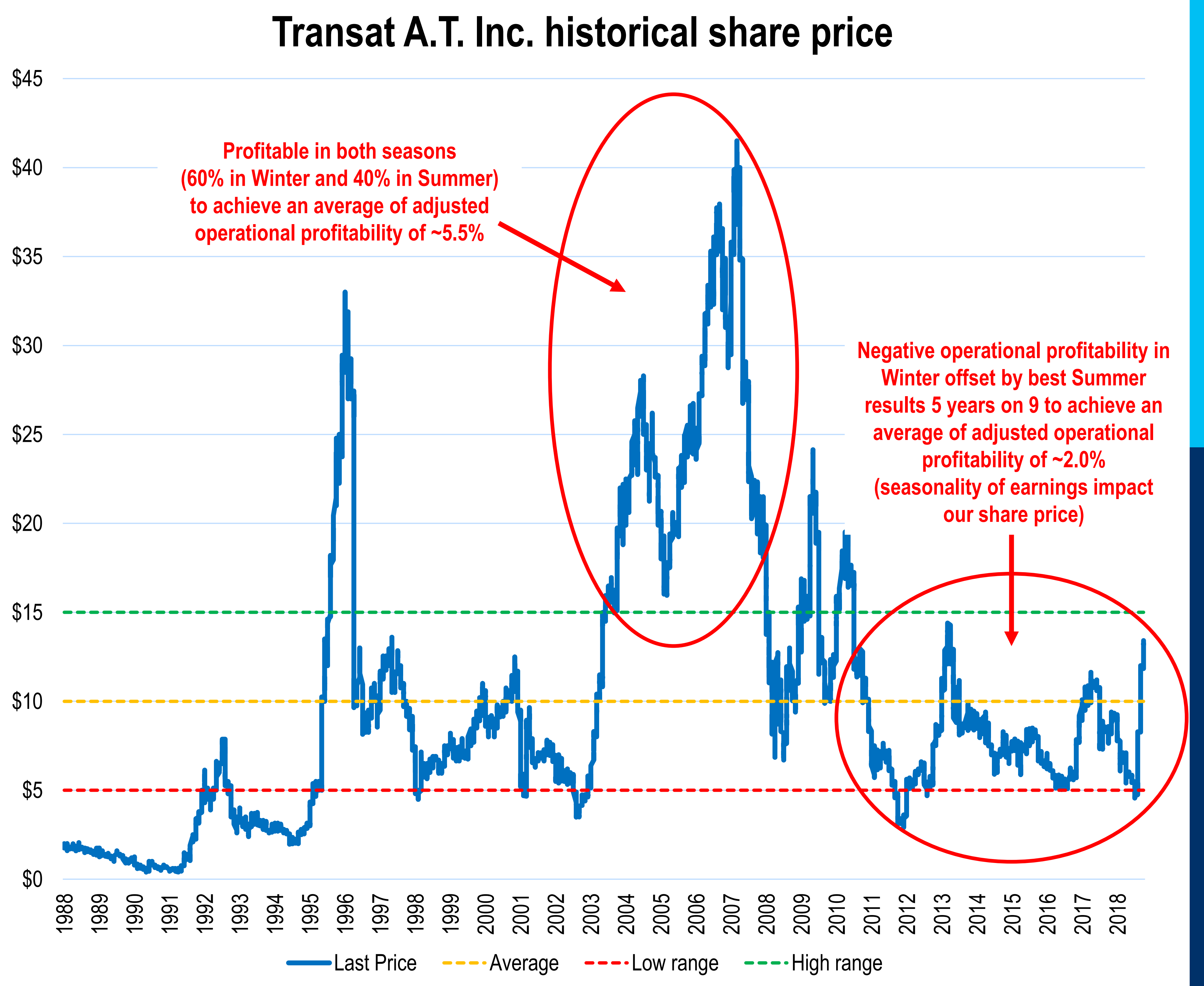
The share price closed at $13.20 (+151% vs. 20-day MAVG before the announcement of April 30)

June 12:

As of this date, the Corporation has not received any formal proposal in relation to Group Mach Inc's June 4 press release.

June 26:

End of the exclusivity period with Air Canada



One of the largest tour operators in North America

Transat value chain

Airline — Air Transat

Tour operator — Transat

Distributor — Transat Travel

Services-at-destination provider — Trafic Tours de Mexico S.A. de C.V.; Turissimo; Turissimo Jamaica DMC

Hotel provider — Hotel division

ON HOLD DURING 30-DAY PERIOD OF EXCLUSIVE NEGOTIATIONS WITH AIR CANADA

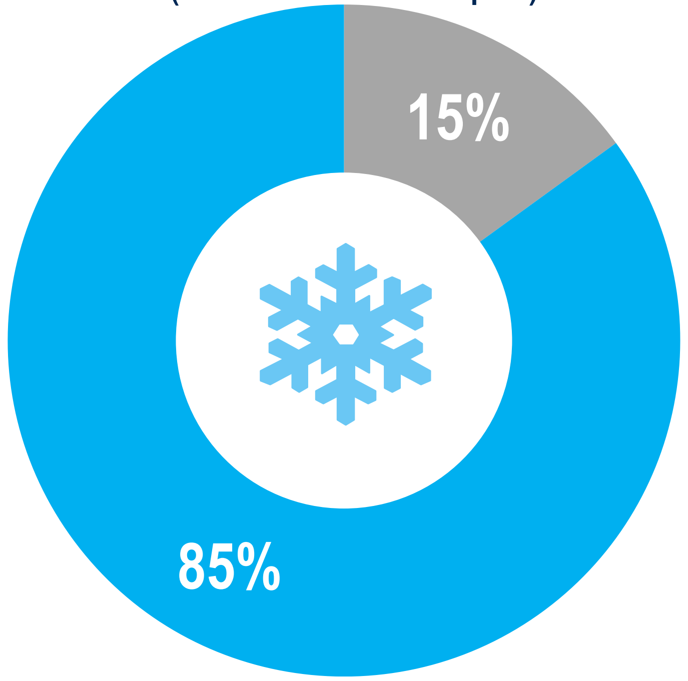
Sales & Airline → Holiday experiences

Passenger distribution and highlights

Focus on returning to profitability in Winter with the development over 7-year period of our hotel chain

Winter

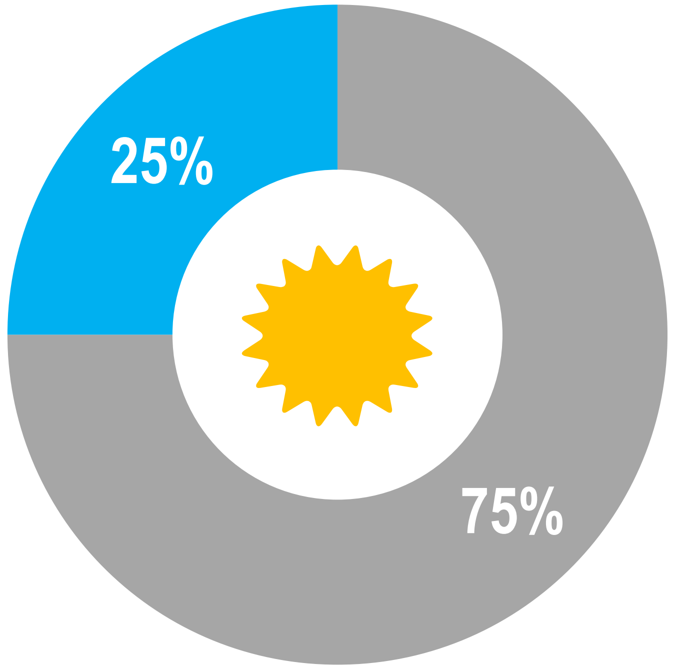
(November to April)



Transatlantic   Sun Destinations

Summer

(May to October)



Protect performance in Summer by optimizing our aircraft fleet, strengthening our network, increasing ancillary revenues, optimizing our distribution and extending our digital footprint

Section 2

Financial performance & outlook

Annual financial performance

Highlights

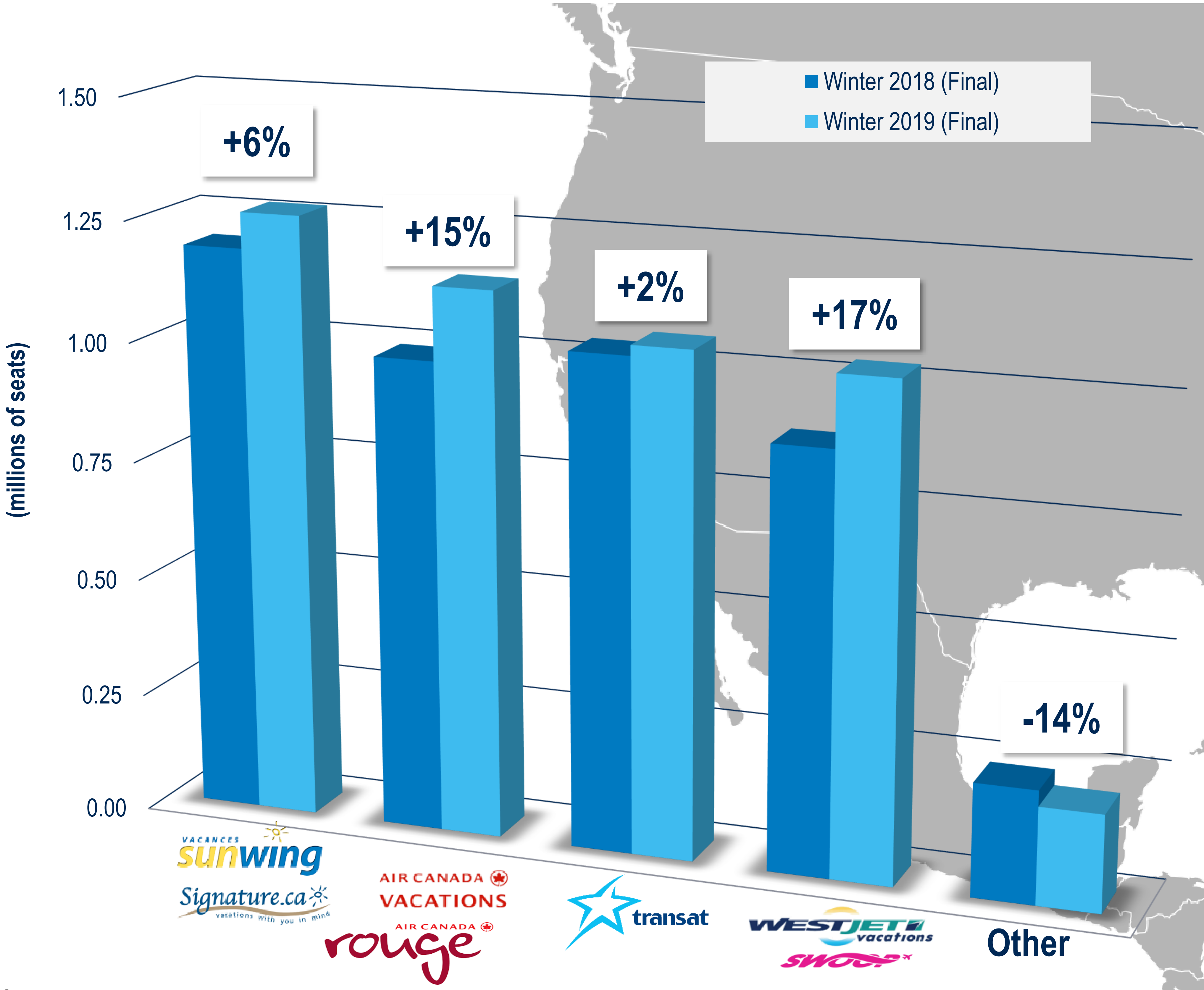
- **Historical (2014-2018)**
  - Reached C$80-100M of adjusted EBITDA [3] 3 times in the last 5 years
    - 2016 results: Significant FX impact at the beginning of Winter offset partially by fuel price decrease
    - 2018 results: Significant fuel impact at the beginning of Summer and no positive impact from C$
  - Businesses disposed of in 2017 for a total of C$234M in proceeds which contributed up to C$20M in profitability
  - At the end of 2018, acquisition of the first land for the development of our hotel division which could more than double EBITDA contribution from businesses disposed over the coming years (long-term project)
- **Vision for upcoming years**
  - **Sun destinations**: Transformation plan underway to reduce seasonality of earnings through the addition of a hotel division which is less volatile
  - **Transatlantic**: Focus on customer satisfaction by reinforcing operational efficiency (fleet optimization) and optimizing online and offline distribution
  - Sound balance sheet and our ongoing cost-and-margin initiatives program gives us the tools to accomplish our long term plan

(in millions of C$, except per share amounts)	12-month period ended October 31 [1]				
	2018 [2]	2017	2016	2015	2014
REVENUES	**2,849.0**	**3,005.3**	**2,889.6**	**2,898.0**	**2,996.1**
Adjusted EBITDAR [3]	141.7	234.2	161.6	199.5	168.5
Adjusted EBITDA [3]	**17.2**	**102.0**	**25.8**	**100.6**	**81.3**
As % of revenues	*0.6%*	*3.4%*	*0.9%*	*3.5%*	*2.7%*
Adjusted net income (loss) [3]	**(24.0)**	**29.1**	**(15.5)**	**45.9**	**37.1**
As % of revenues	*(0.8%)*	*1.0%*	*(0.5%)*	*1.6%*	*1.2%*
Per share	*($0.64)*	*$0.78*	*($0.42)*	*$1.19*	*$0.95*
Net income (loss) attributable to shareholders	**11.4**	**134.3**	**(91.5)**	**44.9**	**16.6**

(1) Results from continuing operations (including minority interest in Ocean Hotels and Jonview Canada)
(2) Results restated to reflect the adoption of IFRS 9 and IFRS 15
(3) Refer to Non-IFRS Financial Measures in the Appendix 3

Sun destinations capacity breakdown | Winter 2018-19 (1)

(Based on scheduled and chartered flight deployed)



Total seats in the market

Winter 2018

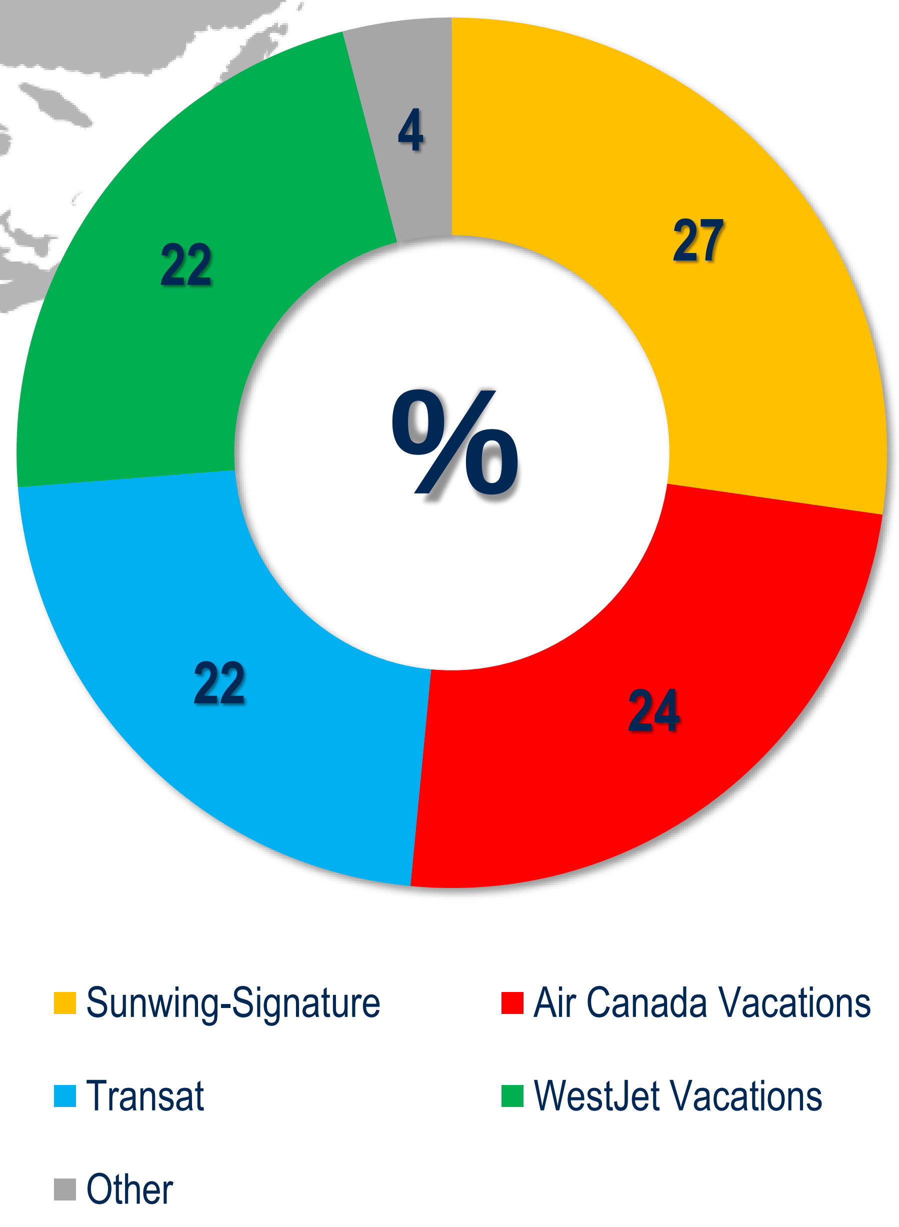
4,330,000

Total seats In the market

Winter 2019

4,697,000

+9%



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

Second quarter financial performance

Q2 Highlights (vs. 2018)

- **Sun destination industry capacity up by 10%**
- **Q2 2018 restated – IFRS 9 and IFRS 15 impact** (2)
  - ✓ Revenues: -$34.8M
  - ✓ Adjusted EBITDA: +$5.6M
  - ✓ Adjusted net income (loss): +$4.1M
  - ✓ Net income (loss) per FS: +$1.3M
- **Sun destination market (Revenues)**
  - ✓ Travelers up by 2.3%
  - ✓ Change in the mix of travelers
    - Decrease in packages sold
    - Increase in flight only sales
  - ✓ Average prices
    - Average price of packages up by 4.5%
    - Flight only average prices up by 3.6%
- **Sun destination market (Operational costs)**
  - ✓ Depreciation of C$ against US$ combined with fuel price increase currently leads to an increase of our operational expenses by +2.8% minimized by our hedging program
  - ✓ Additional costs related to the transition and optimization of the fleet by $8M
- **The net loss change per FS is mainly due to :**
  - ✓ Positive variation of fair value of the derivative instruments for $18M in 2019 vs. $11M in 2018 partially offset by a litigation settlement occurred on June 5, 2019 (subsequent event) for amount of US$5.0M (C$6.7M) who is recorded as a special items in the consolidated statement of income

(1) Refer to new IFRS measures in the Appendix

(in millions of C$, except per share amounts)	2nd quarter results ended April 30			
	2019	2018 (2) (Restated)	2019 vs. 2018 $	2019 vs. 2018 %
REVENUES	**897.4**	**867.2**	**30.3**	**3.5%**
Adjusted EBITDAR (1)	44.2	45.5	(1.3)	(2.9%)
Adjusted EBITDA (1)	**3.1**	**12.1**	**(9.1)**	**(74.9%)**
As % of revenues	*0.3%*	*1.4%*	*(1.1%)*	*(75.7%)*
Adjusted net income (loss) (1)	**(6.3)**	**(0.5)**	**(5.9)**	**(1,284.3%)**
As % of revenues	*(0.7%)*	*(0.1%)*	*(0.6%)*	*(1,240.5%)*
Per share	*($0.17)*	*($0.01)*	*($0.16)*	*(1,287.5%)*
Net income (loss) attributable to shareholders	**2.3**	**7.9**	**(5.7)**	**(71.4%)**

(1) Refer to Non-IFRS Financial Measures in the Appendix 3
(2) Results restated to reflect the adoption of IFRS 9 and IFRS 15

Winter financial performance

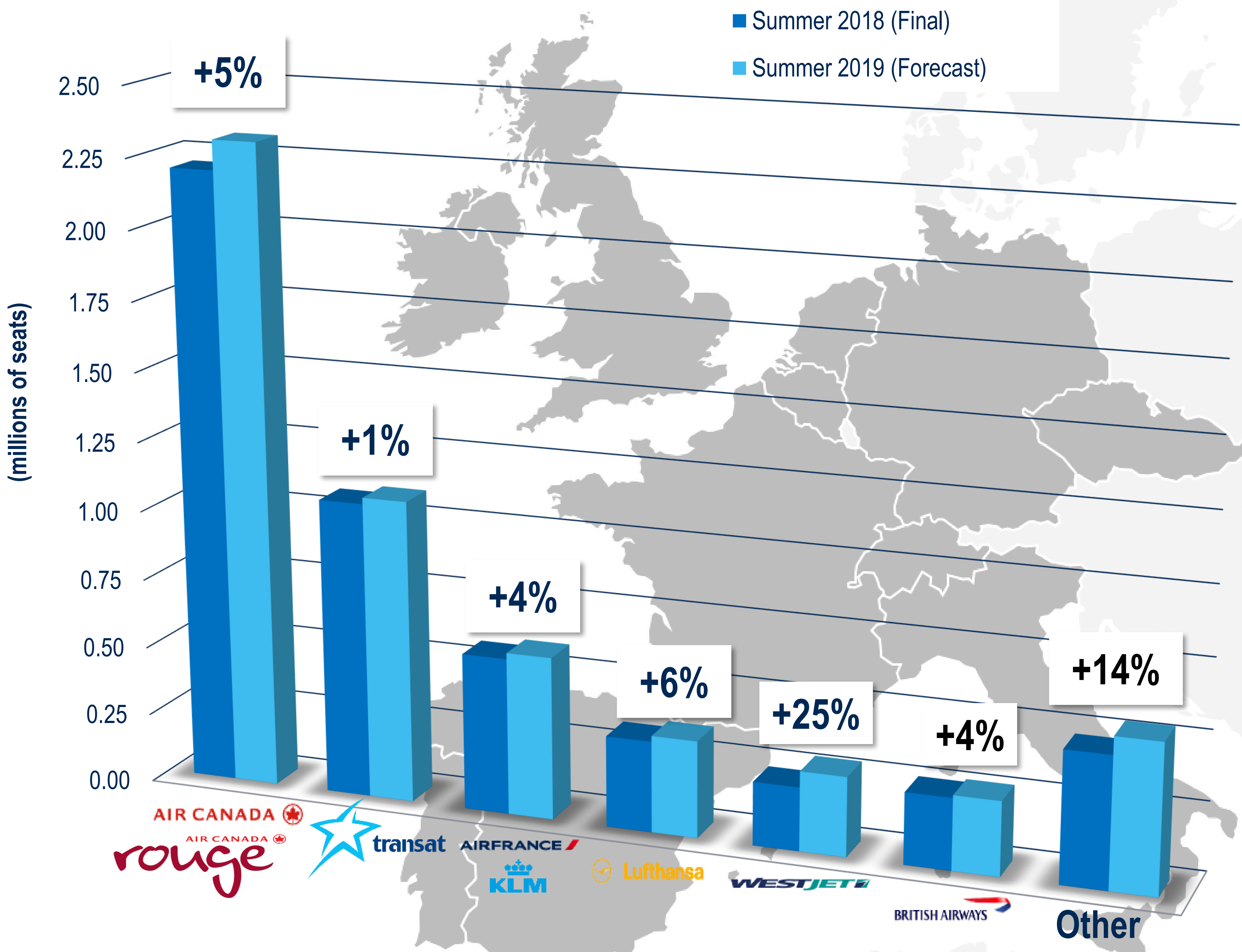
Winter Highlights (vs. 2018)

- **Sun destination industry capacity up by 9%**
- **Winter 2018 restated – IFRS 9 and IFRS 15 impact (2)**
  - ✓ Revenues: -$112.2M
  - ✓ Adjusted EBITDA: +$7.8M
  - ✓ Adjusted net income (loss): +$5.8M
  - ✓ Net income (loss) per FS: +$4.7M
- **Sun destination markets**
  - ✓ Travelers up by 2.8% mainly due to a slight capacity increase
  - ✓ Average selling prices increase but different mix
  - ✓ More than offset by:
    - Depreciation of C$ against US$ combined with fuel price increase currently leads to an increase of our operational expenses of 2.8% minimized by our hedging program
    - Additional costs related to the transition and optimization of the fleet

	Q1	Q2	Winter
Adj. EBITDA 2018 (1)	**(31M)**	**7M**	**(24M)**
IFRS 15 – 2018 results restated	2M	6M	**8M**
∆ FX / Fuel on costs on sun destinations margin	(17M)	(19M)	**(36M)**
Adj. EBITDA 2018 after FX/Fuel impact (1)	**(46M)**	**(6M)**	**(52M)**
Sun destinations yield management (2)	7M	18M	25M
Other markets and subs (including marketing, one-time fees, …)	1M	(9M)	(8M)
Adj. EBITDA 2019 (1)	**(38M)**	**3M**	**(35M)**

(1) Refer to Non-IFRS Financial Measures in the Appendix 3
(2) Capacity, price, load factor and airline / hotel costs at FX constant basis impact on adjusted EBITDA

Transatlantic capacity breakdown | Summer 2019 (1)



Total seats in the market

Summer 2018

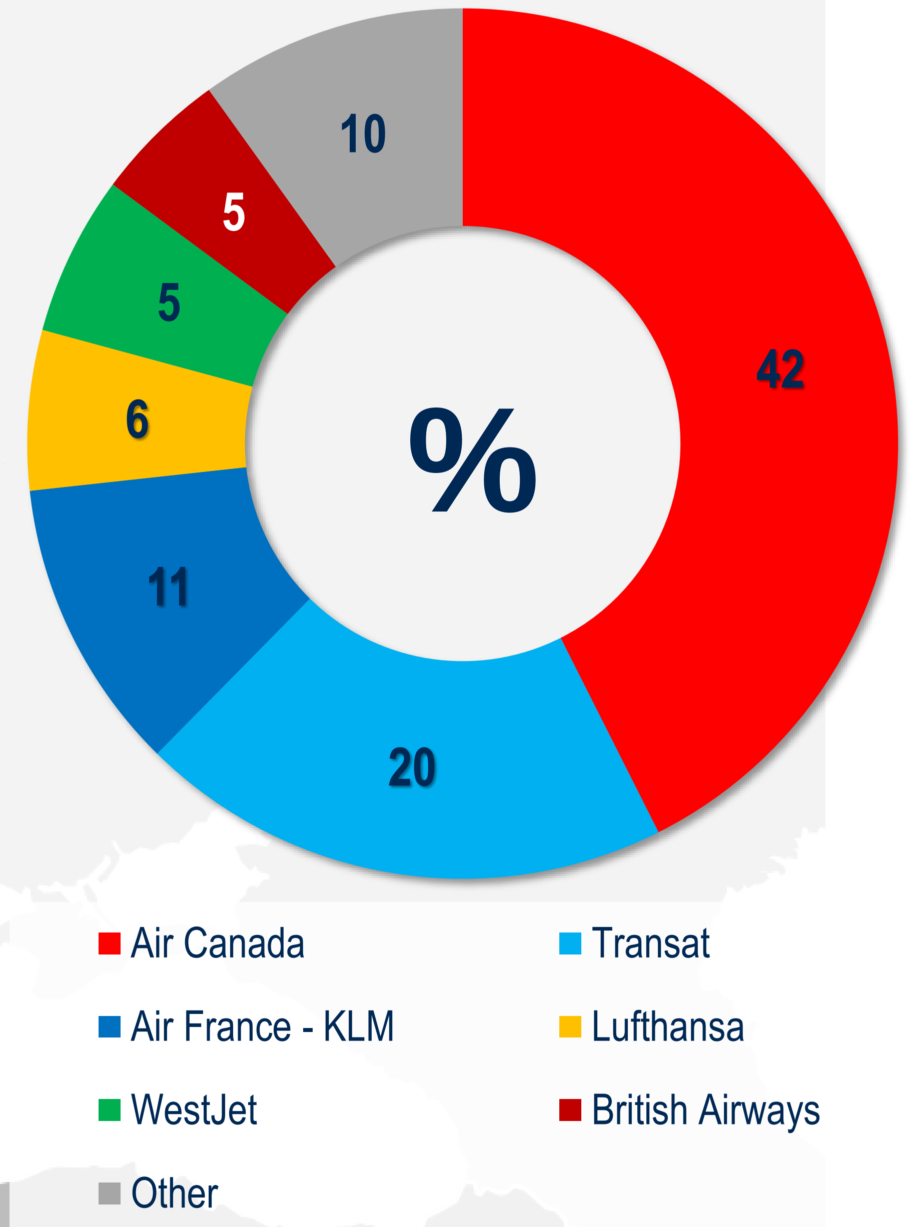
5,135,000

Total seats in the market

Summer 2019

5,440,000

+6%



(1) Capacity between Canada and the following European countries: France, United Kingdom, Italy, Spain, Portugal, Greece, Netherlands, Germany, Belgium, Ireland, Switzerland, Austria, Czech Republic, Hungary and Croatia

Summer financial outlook

Highlights (vs. 2018)

- **Transatlantic industry capacity up by 6%**
- **Transatlantic market**
  - ✓ Transat capacity up by 1%
  - ✓ 64% of inventory sold
  - ✓ Load factor up by 0.7%
  - ✓ Price similar
  - ✓ 2018 results was affected by a significant fuel price increase at the beginning of the season (C$60M impact over the season) but no FX/Fuel impact on costs anticipated in 2019 as of today
  - ✓ Change in the capacity distribution
    - Increase capacity during the peak of the season with higher revenue per passenger
    - Reduce capacity in the shoulder period (May and October)
- **Sun destination markets**
  - ✓ Same capacity
  - ✓ 60% of inventory sold
  - ✓ Load factor similar
  - ✓ Unit margins higher than previous year
- **If those trends stand, the Corporation expect that the results of third quarter to be slightly higher than previous year.**
- **Too early to draw any conclusions about the fourth quarter considering the low level of capacity sold at this period of the season**

	Q3	Q4	Summer
Adj. EBITDA 2018 (1)	**5M**	**36M**	**43M**
IFRS 15 – 2018 results restated	(3M)	(4M)	**(7M)**
Δ FX / Fuel on costs on transatlantic margin (2)	-	-	**-**
Adj. EBITDA 2018 after FX/Fuel impact (1)	**2M**	**32M**	**34M**
Transatlantic yield management (3)			
Other markets and subs (including marketing)			
Adj. EBITDA 2019 (1)			

(1) Refer to Non-IFRS Financial Measures in the Appendix 3
(2) Impact as at June 12, 2019
(3) Capacity, price, load factor and airline costs at FX constant basis impact on adjusted EBITDA

Section 3

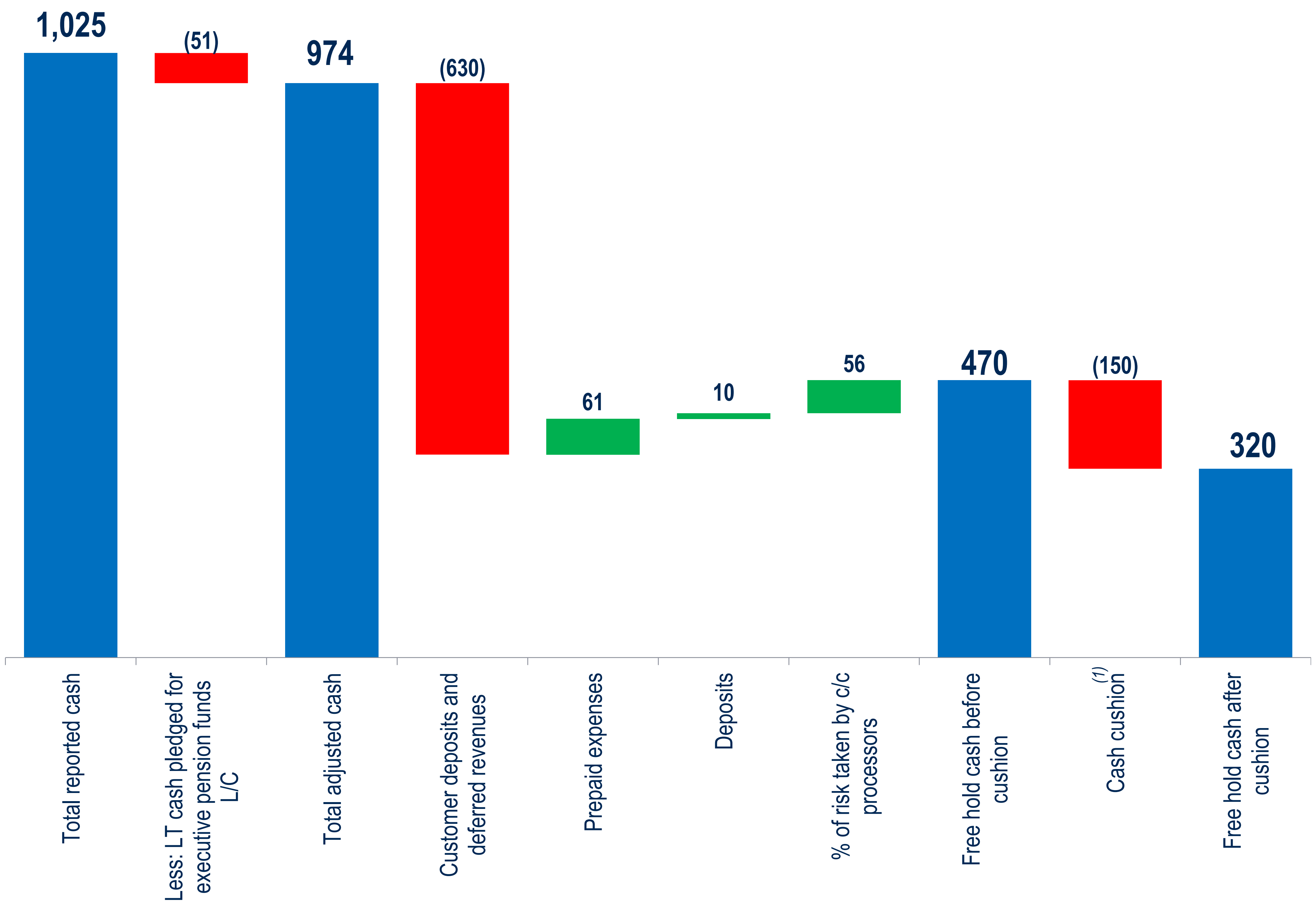
Financial profile

Current financial position

Highlights

- **Free cash: C$796M vs. C$903M**
  - ✓ Variation of (C$107M) compared to previous year explained by:
    - IFRS 15: 2018 impact of (C$16M) – (recognized as restricted cash instead of unrestricted cash in 2019)
    - Negative free cash flow of (C$17M) for leisure business
      - + Maintenance reserves of ~C$20M to be collected during the coming months
      - + 2018 income taxes of ~C$14M to be recovered in Q3 2019
      - - No operational profitability during the last 12-month
      - - Security deposits for the introduction of A321neo equivalent to 2 months rent
      - - Litigation settlement for an amount of US$5.0M (C$6.7M) has been recognized in trade payable in Q2 2019 and will be paid during Q3 2019
    - Acquisition of two adjacent lands in Mexico to build a beachfront resort for (C$77M)
- **Capital expenditures – Sales & Airline**
  - ✓ FY2019E : ~C$40M excluding the potential acquisition of A321neo spare engine in the coming months equivalent to C$16M (2 options: cash investment or sale-and-leaseback) and all the discretionary investment done on the new aircraft that will be reimburse by lessors close to C$20M
- **Off-balance sheet arrangements: C$2.5B**
  - >60% of the obligations are related to the future introduction of A321 in our fleet (1st in spring 2019 up to spring 2022 but mostly in 2020)
  - Arrival of the first A321neoLR at the beginning of May and the second one will be at the end of June
- **Capital expenditures – Holiday experience**
  - ✓ FY2019E : Acquisition of a land in Puerto Morelos for a total consideration of C$76M (equivalent to US$56M or ~60k per room) and we can expect additional investment already committed for the licenses and permits, architect, engineer, …
  - ✓ Marival Armony Resort & Suites (formerly Rancho Banderas): Additional equity contribution of US$1.3M to be disbursed in Q3 2019

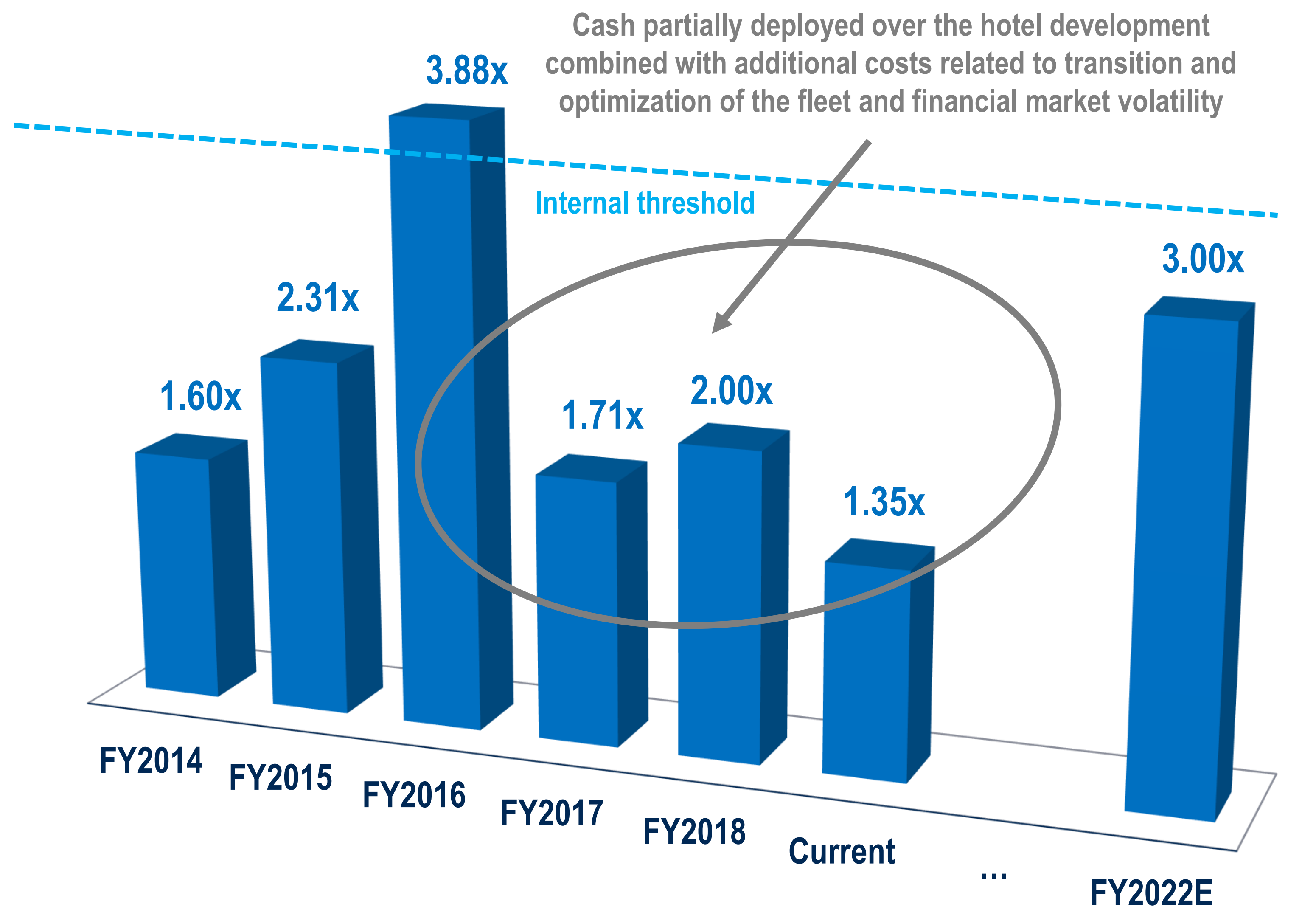
Current excess cash available



(1) Cash cushion for unforeseen events, cash held outside Canada and period of weak results (tightness of terms conditions with suppliers)

Financial performance targets

Leverage ratio

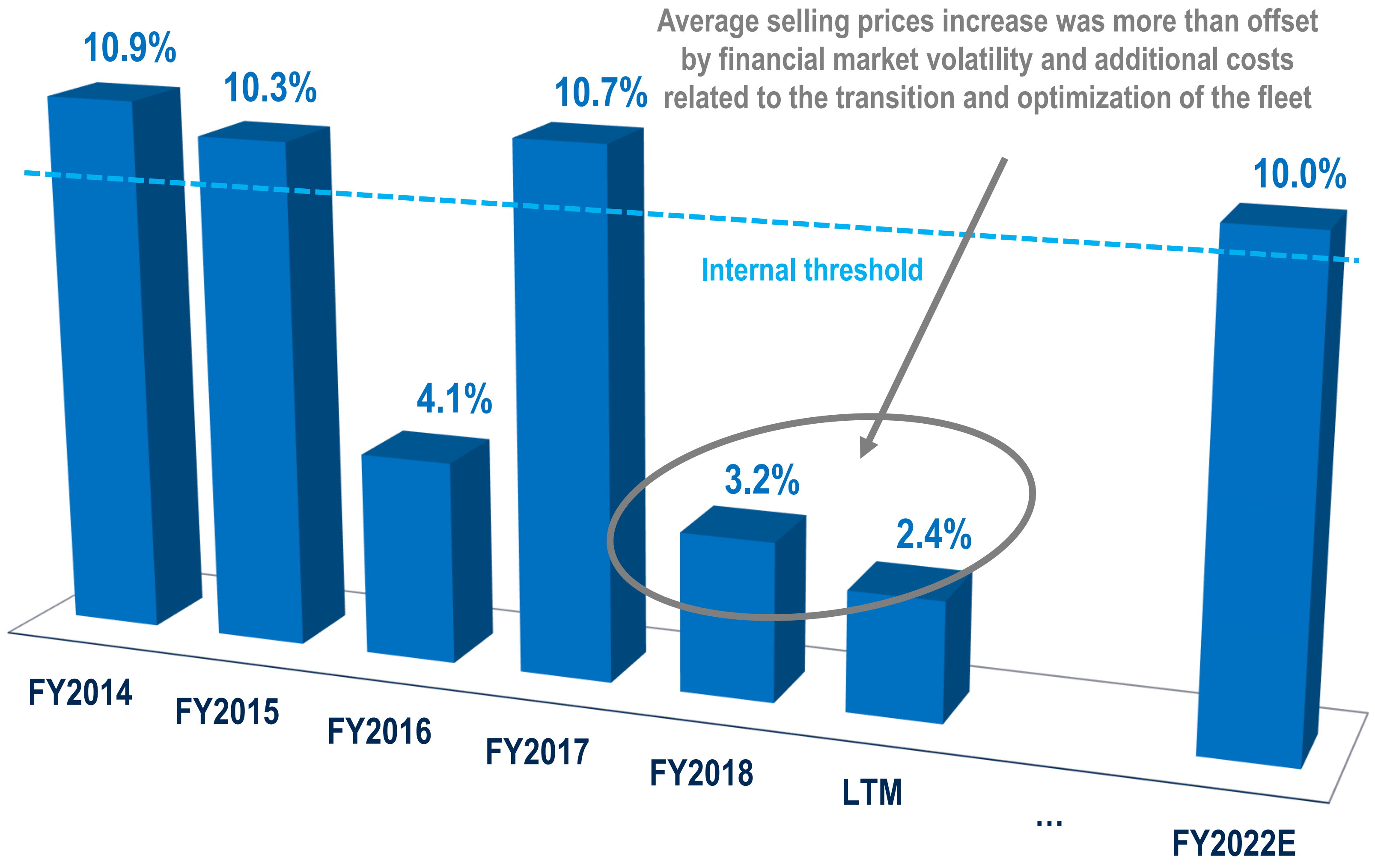


Capital structure optimization

- Maximize the debt issuance to accelerate the development of our hotel chain which will generate higher profitability
- Introduction of 15 new A321neo LRs to replace all A310 and 5 A330 (higher fixed costs but less variable) that will contribute to the operational efficiency (increasing frequencies to amortize more the fixed costs)

(1) Leverage ratio calculation = (Aircraft leases multiplied by 7.0x + balance sheet debt + other debt – unrestricted cash) / Adjusted EBITDAR ; We used a multiple of 7.0x to be on the same basis than our Canadian airline peers

Return on invested capital (ROIC)



Returning to double-digit ROIC by 2022

- Investing excess cash into the creation of the hotel division to generate higher return
- Fleet transformation to reduce cost and secure future growth
- Target: 60% of profitability will come from sales & airline and 40% from holiday experiences as at FY2022

(2) ROIC = (Adjusted EBT + interest expenses + implicit interest on operating leases (7.0%)) / (Average balance sheet debt + average shareholder equity + aircraft leases multiplied by 7.0x – excess cash) ; We used a multiple of 7.0x and a 7.0% implicit interest rate to be on the same basis than our Canadian airline peers

Section 4

2018-2022 Strategic plan

2018-2022 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 structure
- **Stronger network**
  - ✓ Agreement with Thomas Cook, SNCF and easyJet to enhance flexibility
- **Cost reduction and control**
- **Disciplined growth**

2 Revenue management and ancillary 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

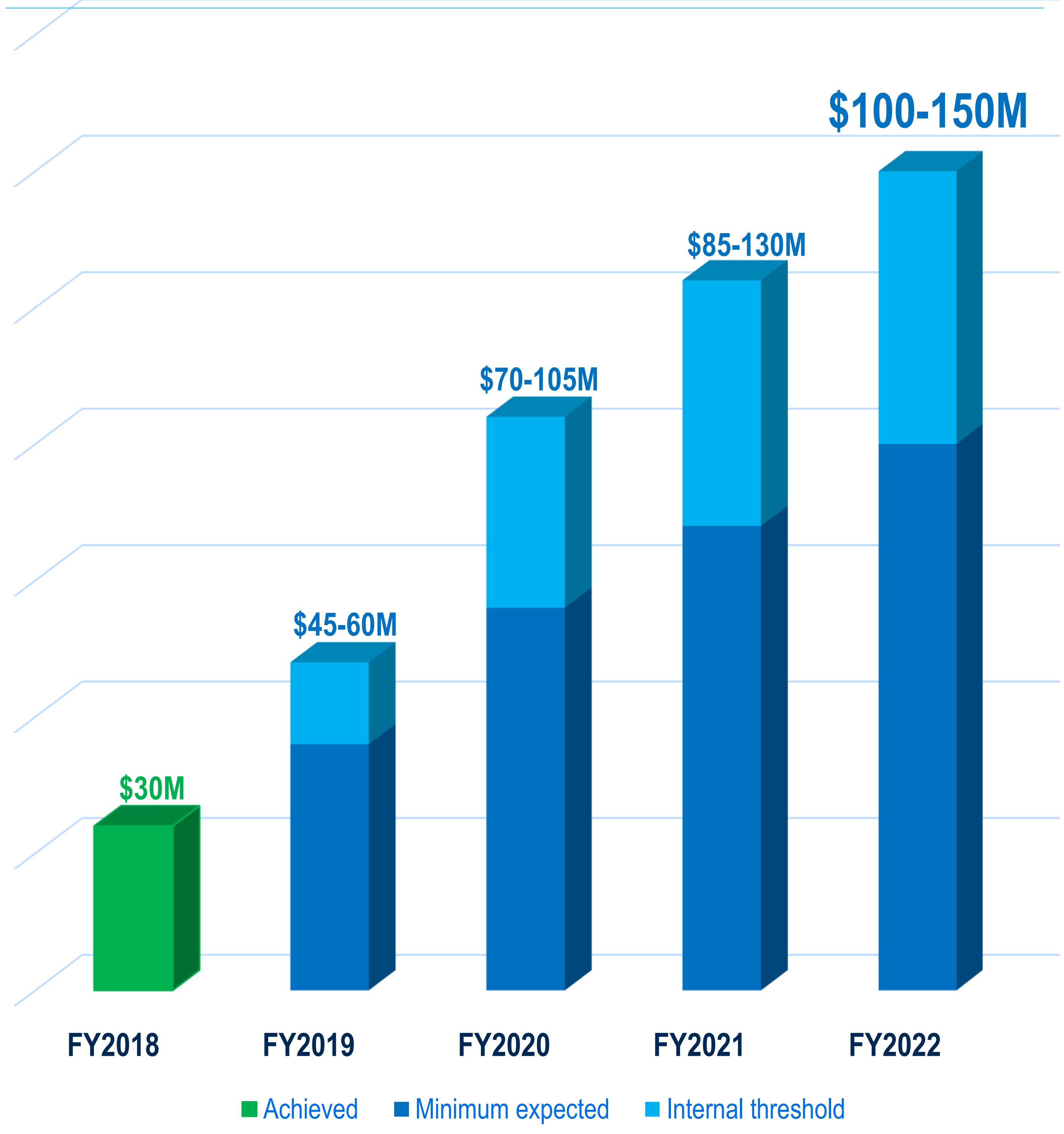
- **Optimize distribution**
  - ✓ Increase control and direct sales
  - ✓ Revenue per customer enhancement
- **Create customer loyalty**
  - ✓ Increase customer satisfaction (NPS)
  - ✓ Repeat bookings
- **Innovation and technology**
  - ✓ Improve booking experience (CRM)

4 G&A expenses

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

Cumulative impact

(cost-reduction and margin-improvement initiatives)



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 LRs

- Long range (autonomy)
- Versatile (South and Europe)
- Low fuel consumption and reduced maintenance costs
- Competitive operating costs
- First North American carrier to operate them in 2019

Strengthening our position in our markets

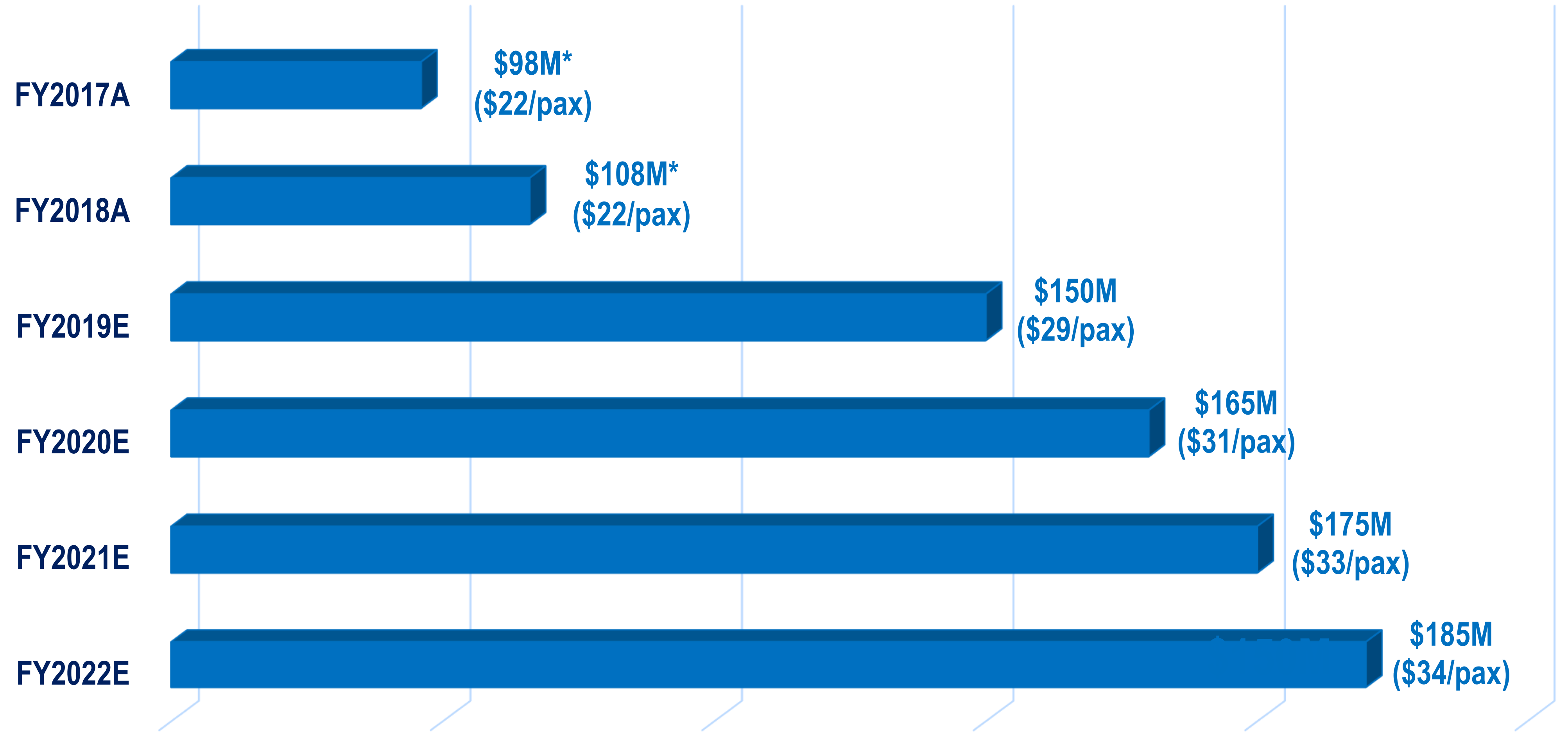
Increase network robustness and depth
Adding point-to-point frequencies and new destinations
Increasing flexibility for customers
Extending the European season

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 Thomas Cook, SNCF and EasyJet

Ancillary revenues

Optimizing ancillary contribution
(Airline and other)

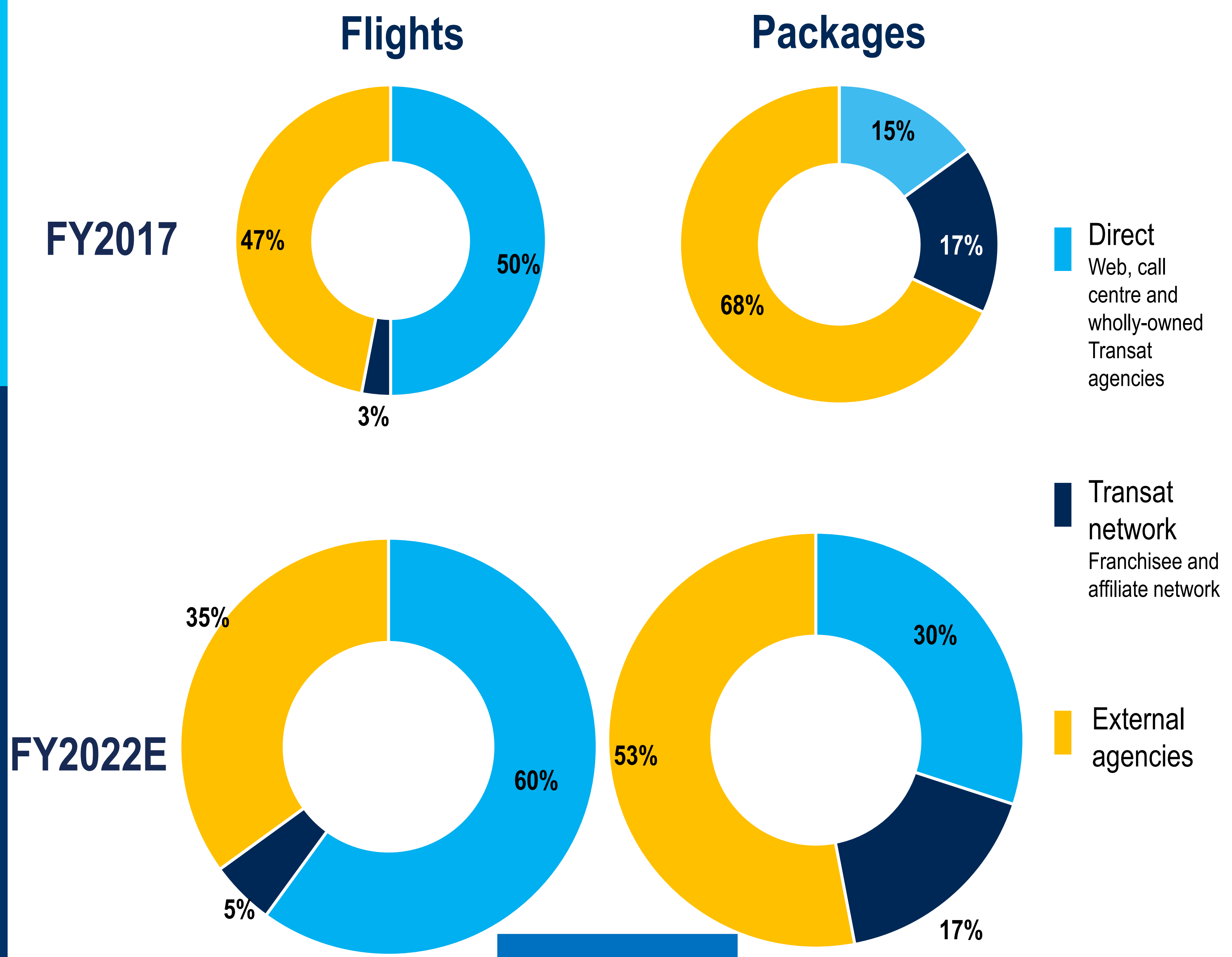


- **As at April 30, 2019: +10% vs. 2018**
- **Ancillary revenues include seat selection, different fares, airport revenues, buy-on-board, excess baggage, first baggage fee, duty-free, excursions, travel insurance, etc.**
- **FY2022 target revised: ~C$185M**
  - Unbundling fares
  - Rebundling fares (semi or fully)

* Revised numbers compared to Q1 2019 (gross revenues instead of net revenues)

Optimizing our distribution and extending our digital footprint

Direct-sales evolution



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 SATISFACTION AND REVENUE

Hotel development strategy (ON HOLD DURING 30-DAY PERIOD OF EXCLUSIVE NEGOTIATIONS WITH AIR CANADA)

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 2018-2019 – Establish the organization and define the product and brand

Summer 2019 – Preparation of the construction

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)

Other opportunities under review without any commitments

Transat has agreed to limit its undertakings and expenses relating to the implementation of its hotel strategy during the exclusivity period

Organization

Hired or identified permanent senior management team

- ✓ Development and Finance
- ✓ Construction
- ✓ IT
- ✓ Marketing and Sales (identified)
- ✓ Operations (identified)

Hiring the flexible organization for the construction of the 1st hotel

- ✓ Architect, Engineer, Project Manager, Contractor

Product, brand and design

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)

ORIGINAL INVESTMENT PLAN BREAKDOWN (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)

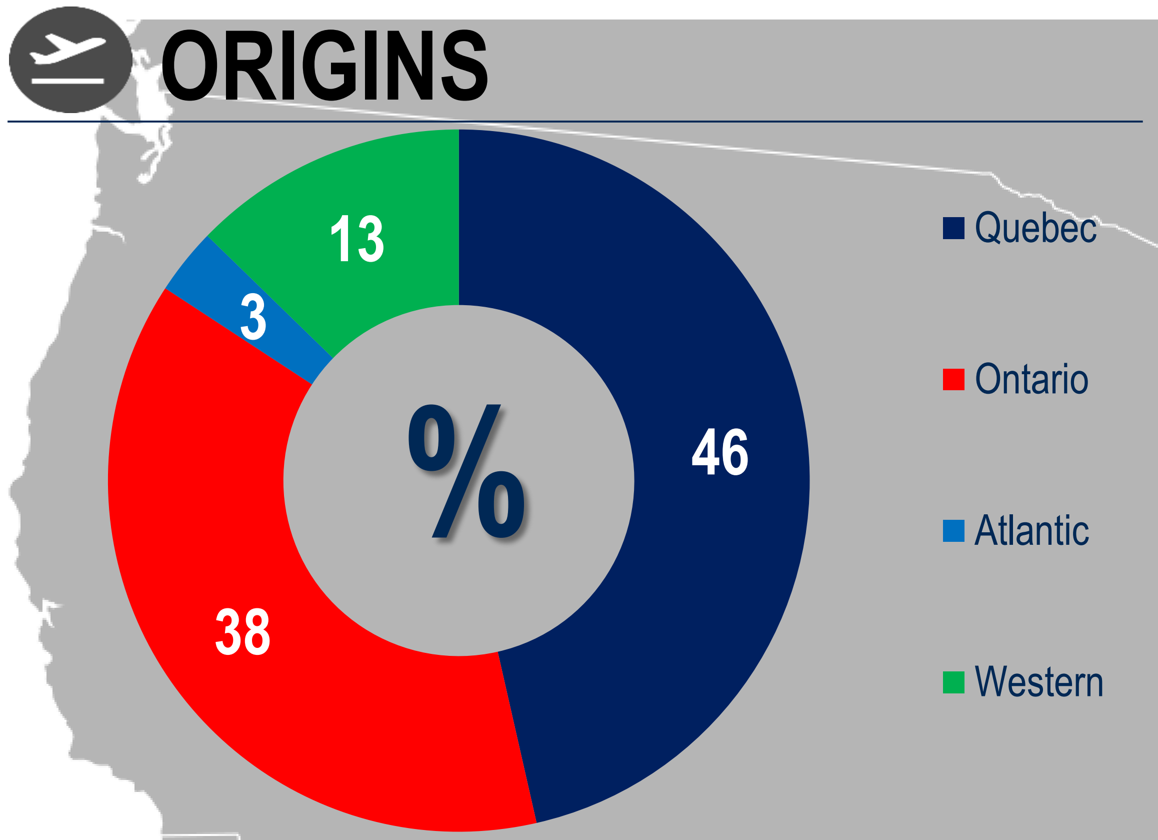
Generating annual EBITDA of ~US100M at maturity and targeted ROIC of 11-13%

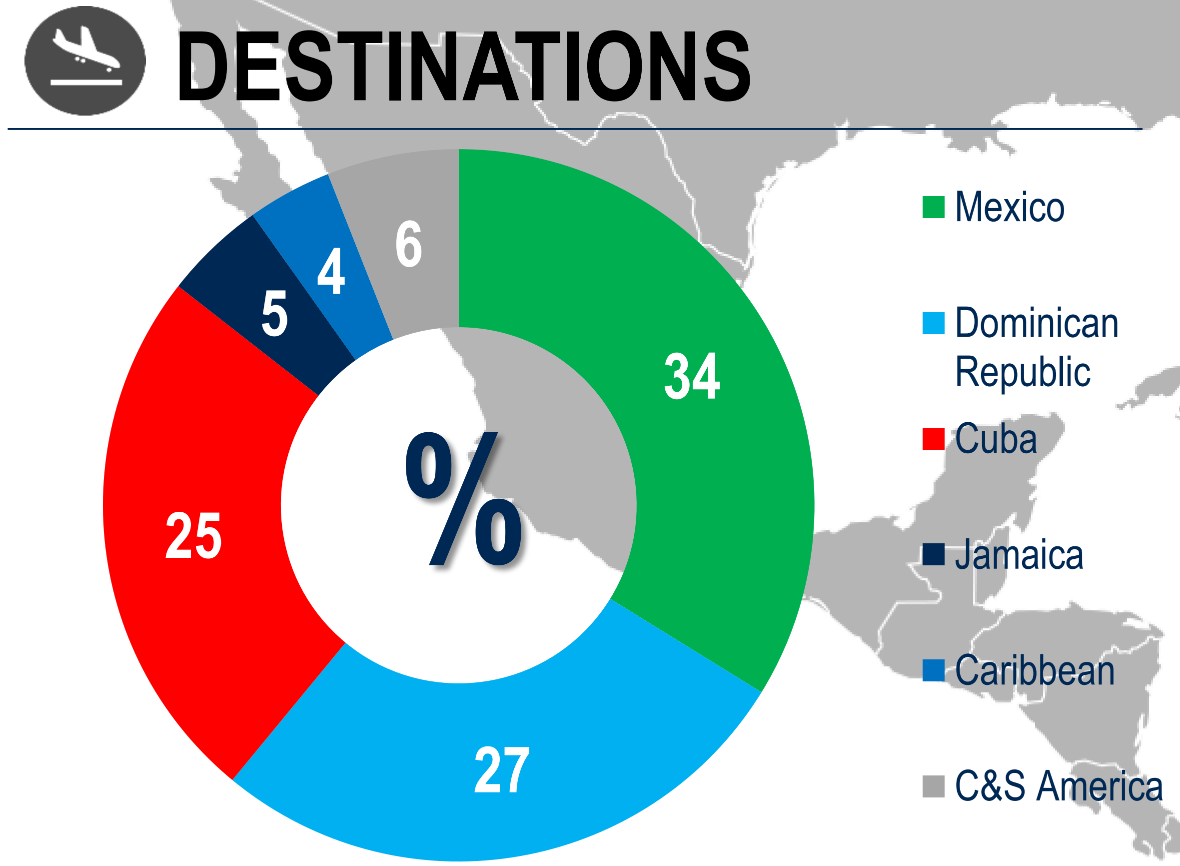
(1) As per hotel development plan presented at the investor day on April 4, 2018
(2) 500 strictly managed rooms in Mexico + Cuba only under management contract
(3) All EBITDA numbers are annual and at maturity (after 5 years in operation)

Appendix 1

Capacity breakdown

Sun destinations capacity breakdown by destination and origin





GLOBAL MARKET OVERVIEW

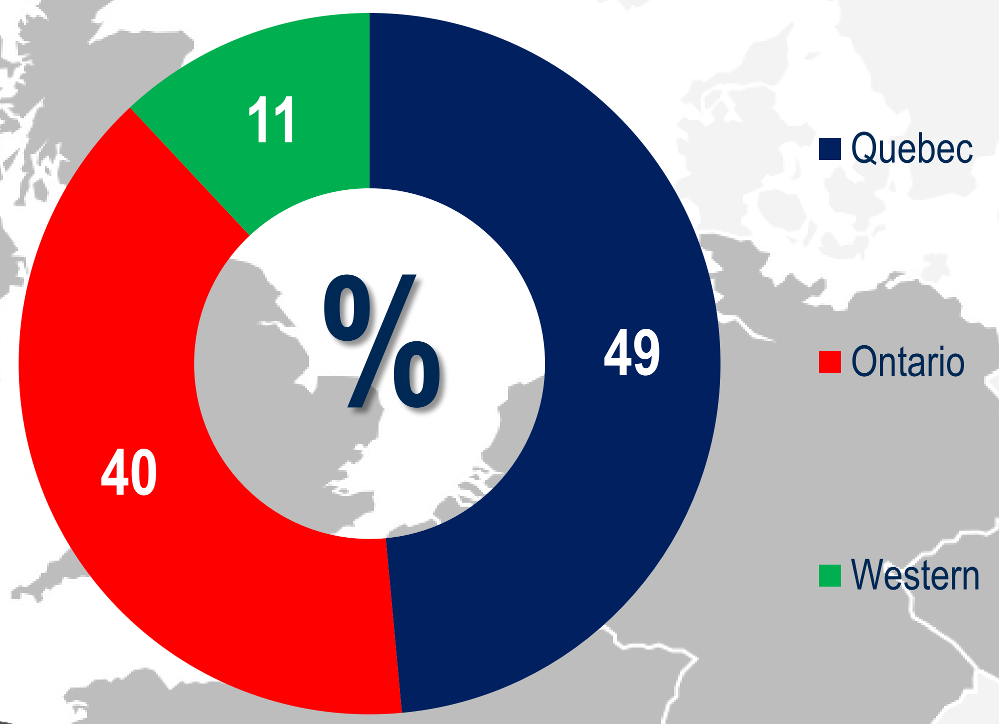
- Mexico and Caribbean : One of the largest sun and beach markets in the world
- 4.7M seats in Winter 2018-2019 between Canada and Mexico and the Caribbean

TRANSAT STRATEGY AND MARKET POSITION

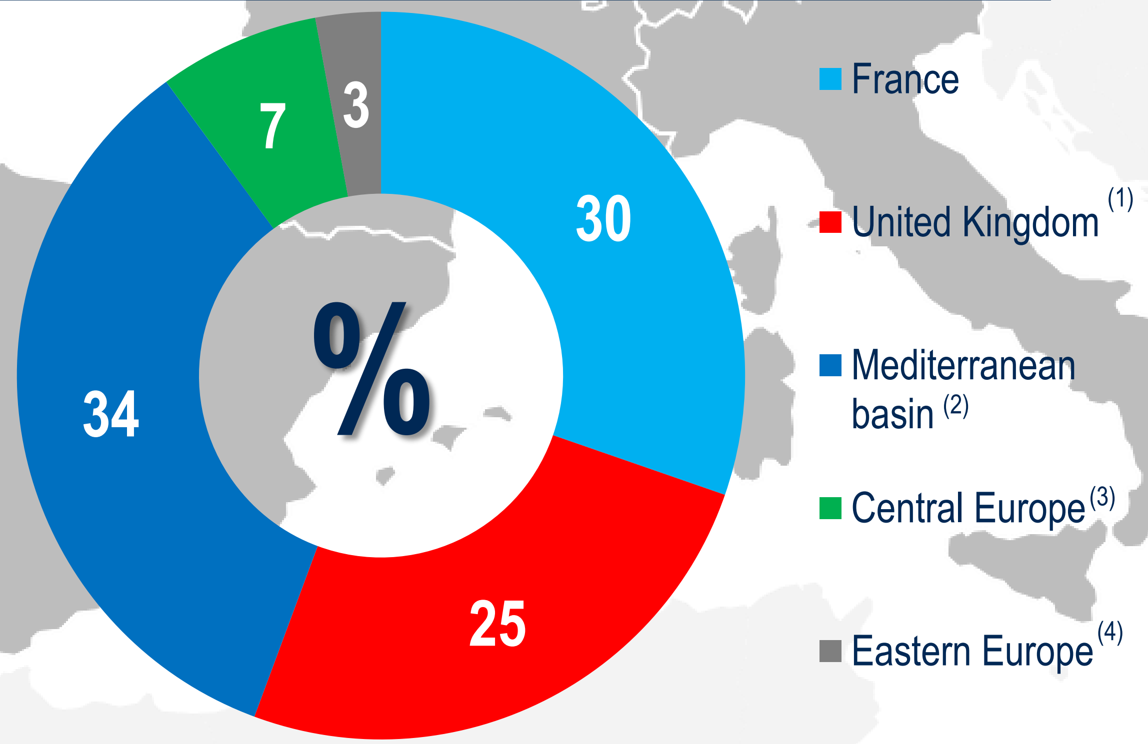
- Winter 2018-2019: Increased capacity and introduction of 9 new routes
- All-inclusive products at 35 sun destinations (including Florida) for a wide portfolio of more than 635 hotels, including 40 exclusive properties and 30 new hotels
- Most important destinations are Cancun (240k seats), Punta Cana (186K seats), Puerto Vallarta (102k seats) and Varadero (84k seats)
- Sun offer for everyone with All-inclusive packages; Guided tours and Duo packages; All-in one cruise packages; Florida for everyone

Transatlantic capacity breakdown by destination and origin

ORIGINS



DESTINATIONS



GLOBAL MARKET OVERVIEW

- Europe: Largest tourism market in the world
- 5.4M seats in summer 2019 between Canada and Europe

TRANSAT STRATEGY AND MARKET POSITION

- Summer 2019: Similar capacity to previous year but redeploy differently with an increase in peak and reduction in shoulder
- Wide portfolio of direct flights (25 destinations)
- Start of deployment of our firsts A321 LR on certain routes (more efficient)
- Strong airline brand and friendly service at affordable prices (voted best leisure airlines in the World in 2018 by Skytrax)
- ~40% of European passengers = sales in foreign currency
- Attractive offering of packages including accommodations, transfers, cruises, tours, rental cars and excursions

(1) Including Ireland ; (2) Italy, Portugal, Spain and Greece ; (3) Netherlands, Belgium and Switzerland ; (4) Croatia and Czech Republic

Appendix 2

Historical results

5-year historical financial results

(Results from continuing operations excluding Jonview and Ocean Hotels) (1)

(in millions of C$)		2014	2015	2016	2017	2018 (Restated) (2)	2019
WINTER	**Revenues**	**1,663.6**	**1,547.0**	**1,598.8**	**1,552.9**	**1,515.5**	**1,545,0**
	Adjusted EBITDAR	18.2	33.2	30.9	33.6	46.9	44.2
	Adjusted EBITDA	**(20.8)**	**(14.6)**	**(40.1)**	**(39.8)**	**(16.6)**	**(34.7)**
	As % of revenues	*(1.3%)*	*(0.9%)*	*(2.5%)*	*(2.6%)*	*(1.1%)*	*(2.2%)*
	Adjusted EBIT	(38.9)	(37.1)	(63.2)	(71.0)	(46.7)	(54.9)
	Adjusted net income (loss)	**(28.0)**	**(26.5)**	**(46.8)**	**(49.6)**	**(32.7)**	**(42.3)**
	As % of revenues	*(1.7%)*	*(1.7%)*	*(2.9%)*	*(3.2%)*	*(2.2%)*	*(2.7%)*
	Net income (loss) attributable to shareholders	**(34.0)**	**(40.5)**	**(90.7)**	**(45.9)**	**4.7**	**(42.4)**
SUMMER	**Revenues**	**1,217.1**	**1,221.7**	**1,136.2**	**1,270.4**	**1,333.4**	
	Adjusted EBITDAR	140.6	154.7	118.5	181.1	94.8	
	Adjusted EBITDA	**92.4**	**103.7**	**53.7**	**122.4**	**33.8**	
	As % of revenues	*7.6%*	*8.5%*	*4.7%*	*9.6%*	*2.5%*	
	Adjusted EBIT	69.4	80.5	27.0	85.5	4.8	
	Adjusted net income (loss)	**55.9**	**62.1**	**20.8**	**61.6**	**8.6**	
	As % of revenues	*4.6%*	*5.1%*	*1.8%*	*4.8%*	*0.6%*	
	Net income (loss) attributable to shareholders	**47.7**	**72.7**	**38.5**	**163.1**	**6.7**	
YEAR	**Revenues**	**2,880.7**	**2,768.7**	**2,735.0**	**2,823.3**	**2,848.9**	OUTLOOK
	Adjusted EBITDAR	158.8	187.9	149.4	214.7	141.6	
	Adjusted EBITDA	**71.6**	**89.1**	**13.6**	**82.6**	**17.2**	
	As % of revenues	*2.5%*	*3.2%*	*0.5%*	*2.9%*	*0.6%*	
	Adjusted EBIT	30.5	43.4	(36.1)	14.4	(41.9)	
	Adjusted net income (loss)	**27.9**	**35.6**	**(26.0)**	**12.0**	**(24.1)**	
	As % of revenues	*1.0%*	*1.3%*	*(1.0%)*	*0.4%*	*(0.8%)*	
	Net income (loss) attributable to shareholders	**13.7**	**32.3**	**(52.2)**	**117.2**	**11.3**	

(1) Refer to Non-IFRS Financial Measures in the Appendix 3
(2) Results restated to reflect the adoption of IFRS 9 and IFRS 15

5-year historical winter financial position (continuing operations)

(in thousands of C$)	As at January 31					As at April 30				
	2015	2016	2017	2018 (1) (2)	2019 (2)	2015	2016	2017	2018 (1) (2)	2019 (2)
Free cash	**371,160**	**427,541**	**454,827**	**749,342**	**620,445**	**427,880**	**440,559**	**566,288**	**903,300**	**796,322**
Cash in trust or otherwise reserved	387,272	391,582	332,646	336,531	405,195	284,117	247,321	174,416	190,431	177,290
Trade and other receivables	96,915	95,643	98,753	117,587	156,262	97,111	91,435	102,393	150,738	151,659
Trade and other payables (3)	317,373	463,298	297,682	271,753	329,275	301,418	314,683	287,316	312,143	336,718
Customer deposits and deferred revenue	586,050	609,393	597,745	675,061	752,847	512,251	483,739	523,754	604,930	629,683
Working capital ratio	**1.10**	**1.08**	**1.15**	**1.37**	**1.21**	**1.01**	**1.02**	**1.14**	**1.41**	**1.24**
Off-balance sheet arrangements (4)	684,551	672,066	703,121	1,770,151	2,456,910	624,156	713,606	742,667	1,796,538	2,454,206
Hotel investments (joint-venture)	85,322	107,317	99,133	15,381	16,257	94,532	101,909	122,866	16,146	16,360
LTM capital expenditures – Leisure business (5)	68,406	60,007	74,271	59,981	63,896	62,822	51,926	79,260	62,942	66,280
LTM capital expenditures – Hotel business	0	0	0	0	75,889	0	0	0	0	76,903
Free cash flow (TTM) (6)	**37,588**	**69,148**	**(49,655)**	**92,897**	**(13,821) ***	**52,527**	**23,597**	**52,327**	**125,252**	**(17,241)**

(1) Figures restated to reflect the adoption of IFRS 9 and IFRS 15
(2) Following the adoption of IFRS 9 and 15, impact on cash presented in the Appendix 3
(3) As at April 30th, 2019 the trade and other payables includes the fair value of the non-controlling interest for $25,479 – Minority shareholder put option expire in in the coming year and then, we transferred the liabilities from long-term to short-term until the put option is renewed
(4) Including operating leases and guarantees but excluding agreements with suppliers
(5) LTM capital expenditures related to sales & airline (excluding capital expenditures related to hotel chain development)
(6) Refer to Non-IFRS Financial Measures in the Appendix and the calculation excludes the capital expenditures related to the hotel chain development

* This number was revised to exclude capital expenditures related to hotel chain development as indicated at note 5

5-year historical summer financial position (continuing operations)

(in thousands of C$)	As at July 31					As at October 31				
	2015	2016	2017	2018 (1) (2)	2019 (2)	2015	2016	2017	2018 (1) (2)	2019 (2)
Free cash (2)	**486,970**	**470,065**	**580,739**	**867,247**	OUTLOOK	**313,987**	**363,664**	**593,582**	**593,654**	OUTLOOK
Cash in trust or otherwise reserved (2)	259,060	199,594	184,989	184,665		363,371	292,131	258,964	287,735	
Trade and other receivables	105,161	100,174	130,438	152,680		103,005	105,003	121,618	139,979	
Trade and other payables (3)	341,963	349,355	329,614	310,535		270,036	247,795	245,013	288,132	
Customer deposits and deferred revenue	471,414	440,418	509,931	587,213		455,901	409,045	433,897	517,352	
Working capital ratio	**1.11**	**1.02**	**1.26**	**1.41**		**1.17**	**1.28**	**1.51**	**1.38**	
Off-balance sheet arrangements (4)	624,047	693,309	1,383,171	2,368,169		675,385	691,841	1,745,221	2,506,916	
Hotel investments (joint-venture)	96,453	99,216	15,019	16,736		97,897	97,668	15,888	16,084	
LTM capital expenditures – Leisure business (5)	61,460	65,452	69,245	62,962		59,295	70,754	69,523	58,767	
LTM capital expenditures – Hotel business	0	0	0	0		0	0	0	60,286	
Free cash flow (TTM) (6)	**28,829**	**(9,282)**	**50,744**	**69,590**		**39,658**	**(28,266)**	**91,964**	**9,522**	

(1) Figures restated to reflect the adoption of IFRS 9 and IFRS 15
(2) Following the adoption of IFRS 9 and 15, impact on cash presented in the Appendix 3
(3) As at October 31st, 2018 the trade and other payables includes the fair value of the non-controlling interest for $22,800 – Minority shareholder put option expire in in the coming year and then, we transferred the liabilities from long-term to short-term until the put option is renewed
(4) Including operating leases and guarantees but excluding agreements with suppliers
(5) LTM capital expenditures related to sales & marketing (excluding capital expenditures related to hotel chain development)
(6) Refer to Non-IFRS financial measures in the Appendix and the calculation excludes the capital expenditures related to the hotel chain development

Appendix 3

IFRS and Non-IFRS measures

IFRS 9 (Financial instruments) and IFRS 15 (Revenue from contracts with customers)

Update

- Transat adopted IFRS 9, *Financial Instruments*, and IFRS 15, *Revenue from Contracts with Customers*, on November 1st, 2018, and restated the 2018 figures, as well as the November 1st, 2017 opening balance sheet;
- The main changes related to the adoption of IFRS 9 and IFRS 15 are described in note 3 of the interim condensed consolidated financial statements for the period ended April 30th, 2019. A summary of our accounting policies regarding IFRS 15 is provided on the right;
- The adoption of IFRS 9 has no impact on revenue, adjusted EBITDA and adjusted net income (loss), and has no significant impact on the balance sheet;
- The adoption of IFRS 15 had an impact on revenue, adjusted EBITDA and adjusted net income (loss) presented in the following page for each quarter of 2018 and the first two quarters of 2019.
- In addition, IFRS 15 had an impact on few accounts of the balance sheet which directly affected the unrestricted cash and restricted cash line

Summary of accounting policies

Service type	Old accounting policy (IAS 18)	New accounting policy (IFRS 15)
Passenger air transportation	By segment	By segment
Land portion of holiday packages	Upon departure	Over the course of the stay
Commissions (travel agency)	Upon booking	Upon departure
Distribution and credit card costs	Upon booking	Capitalized upon booking and expensed when revenue is recognized

- **Reporting revenue gross or net**
  - ✓ All airport taxes are now reported net of revenue
  - ✓ All commissions are now reported gross of revenue

IFRS 9 and 15 financial impact

Impact on profit & loss

(in millions of C$)	Q1-2018			Q2-2018			S1-2018		
	Before IFRS	Adjustments	After IFRS	Before IFRS	Adjustments	After IFRS	Before IFRS	Adjustments	After IFRS
Revenue	725.8	(77.4)	648.4	902,0	(34.8)	867.2	**1,627.8**	**(112.2)**	**1,515.5**
Adjusted EBITDA	(31.0)	2.3	(28.8)	6.6	5.6	12.1	**(24.5)**	**7.8**	**(16.6)**
Adjusted net income (loss)	(33.9)	1.7	(32.2)	(4.6)	4.1	(0.5)	**(38.4)**	**5.8**	**(32.7)**
Net income (loss) per FS	(6.6)	3.4	(3.2)	6.7	1.3	7.9	**0.1**	**4.6**	**4.7**

(in millions of C$)	Q3-2018			Q4-2018			S2-2018			FY2018		
	Before IFRS	Adjustments	After IFRS	Before IFRS	Adjustments	After IFRS	Before IFRS	Adjustments	After IFRS	Before IFRS	Adjustments	After IFRS
Revenue	696.6	(32.0)	664.6	668.3	0.6	668.8	**1,364.8**	**(31.4)**	**1,333.4**	**2,992.6**	**(143.6)**	**2,849.0**
Adjusted EBITDA	5.1	(2.7)	2.4	35.9	(4.4)	31.5	**41.0**	**(7.2)**	**33.8**	**16.5**	**0.7**	**17.2**
Adjusted net income (loss)	(3.0)	(2.0)	(5.0)	16.9	(3.2)	13.7	**13.9**	**(5.3)**	**8.6**	**(24.5)**	**0.5**	**(24.0)**
Net income (loss) per FS	(4.0)	(1.0)	(5.0)	7.8	3.9	11.7	**3.7**	**2.9**	**6.7**	**3.8**	**7.6**	**11.4**

Impact on balance sheet (1)

(in millions of C$)	Q1-2018			Q2-2018			Q3-2018			Q4-2018			Q1-2019			Q2-2019		
	Before IFRS	Adj.	After IFRS	Before IFRS	Adj.	After IFRS	Before IFRS	Adj.	After IFRS	Before IFRS	Adj.	After IFRS	Before IFRS	Adj.	After IFRS	Before IFRS	Adj.	After IFRS
Cash and cash equivalents	749.3	(33.3)	716.1	903.3	(16.1)	887.2	867.2	(26.7)	840.5	593.7	(5.3)	588.4	652.5	(32.0)	620.5	806.6	(13.3)	796.3
Cash and cash equivalents in trust	336.5	33.3	369.8	190.4	16.1	206.6	184.7	26.7	211.4	287.7	5.3	293.0	373.2	32.0	405.2	164.0	13.3	177.3

(1) Only cash impact is presented but few accounts of the balance sheet also have been impacted as prepaid expenses, trade and other receivables, deferred tax assets, trade and other payables, customer deposits and deferred revenues, deferred tax liabilities and retained earnings

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 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, asset impairment 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.

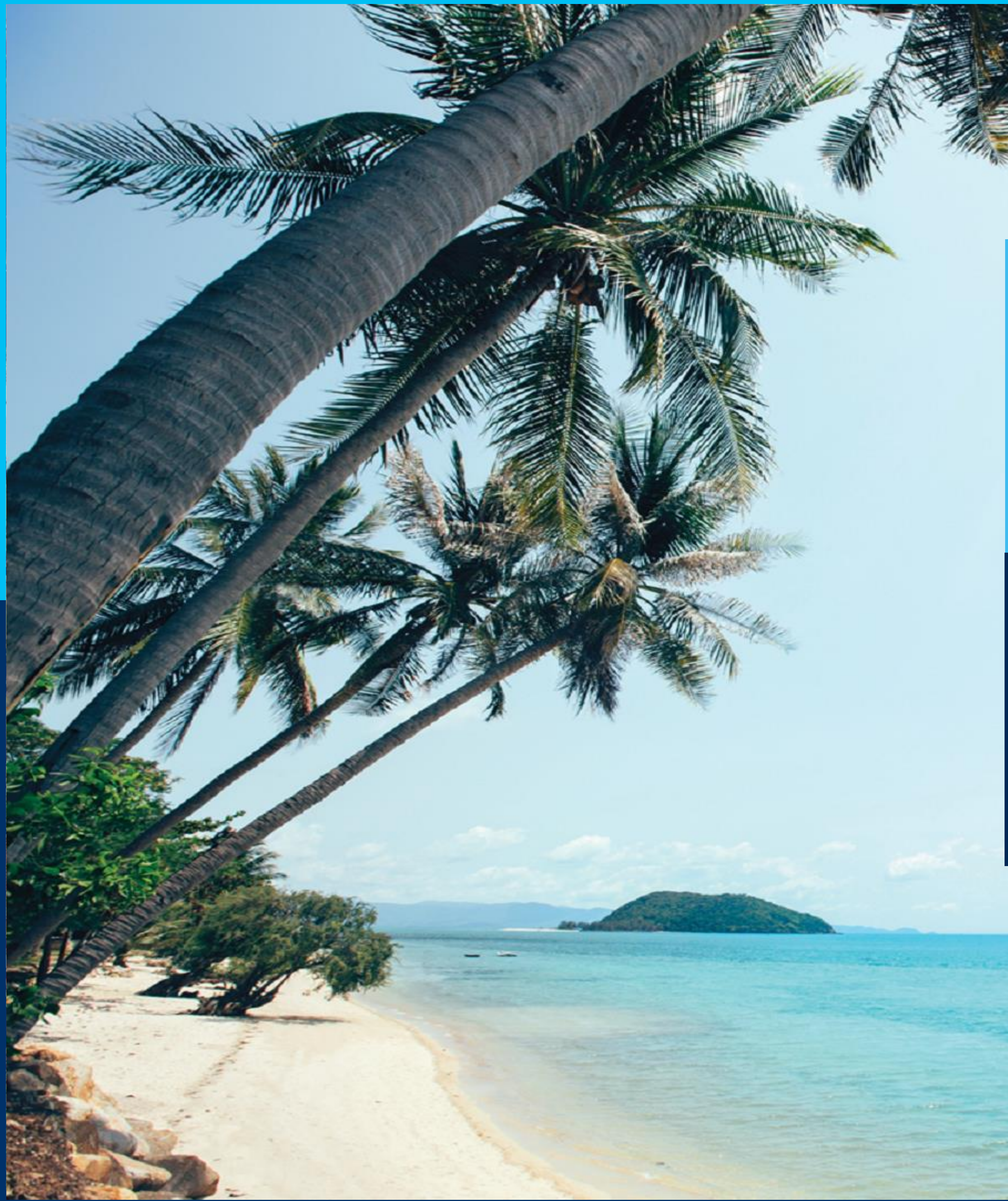
- **Adjusted EBITDA (adjusted operating income (loss)):** Operating income (loss) before depreciation and amortization expense, restructuring charge and other significant unusual items including premiums for fuel related derivatives and other derivatives matured during the period. The Corporation uses this measure to assess the operational performance of its activities before the aforementioned items to ensure better comparability of financial results.

- **Adjusted EBITDAR:** Operating income (loss) before aircraft rent, depreciation and amortization expense, restructuring charge 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.

- **Free cash flow:** Cash flows related to operating activities, net of capital expenditures. The Corporation uses this measure to assess the amount of cash that it is able to generate from its operations after accounting for all capital expenditures, mainly related to aircraft and IT.

- **Adjusted net debt:** Long-term debt plus 7.5x the aircraft rent expense from the last 12 months, less cash and cash equivalents. Management uses adjusted net 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 discharge its current and future financial obligations in comparison with other companies from its sector.

Note: The reconciliations between IFRS financial measures and non-IFRS financial measures are available in our Second Quarter report 2019 and in our Annual report 2018 by clicking on the following links : Second Quarter Report 2019 and Annual Report 2018



Appendix 4

Executive team

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

Denis Pétrin
Vice-President, Finance & Administration and
Chief Financial Officer
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.

TRANSAT A.T. INC. – RESULTS FOR SECOND QUARTER 2019

WINTER RESULTS IN LINE WITH FIRST QUARTER; DUE DILIGENCE UNDERWAY RELATED TO POTENTIAL SALE OF THE CORPORATION

INVESTOR'S PRESENTATION

JUNE 2019