

**Financial results falling short of expectations and a lack of sense of urgency among the members of Transat A.T. Inc.'s Board of Directors are exacerbating the disengagement of shareholders and the financial market**

**Montreal, December 19, 2025** - Transat A.T. Inc.'s ("Transat" or the "Company") fourth quarter financial results for fiscal 2025, published on December 18, 2025, demonstrate an unsustainable financial situation emerging in the short term for the carrier.

As of October 31, 2025, cash and cash equivalents had significantly depleted. Indeed, many analysts at major Canadian financial institutions point out that Transat ended the fourth quarter of 2025 with \$165 million in cash and cash equivalents, compared to \$357 million at the end of the third quarter of 2025, despite CAPEX investments having decreased by \$41 million in 2025. Furthermore, cash and cash equivalents stood at \$436 million as of October 31, 2023, representing a decrease of \$271 million, or 62%, over two years.

This situation is even more concerning because, although the federal debt fell from \$762 million in the second quarter to \$350 million on October 31, 2025, the net debt remained at a similar level for the same period, namely \$1.655 billion on April 30, 2025 before the debt restructuring with the Canadian government, versus \$1.597 billion on October 31, 2025.

We also note an increase in operating expenses to \$3.389 billion for 2025 versus \$3.296 billion in 2024, despite favorable fuel prices in 2025, representing savings of \$39 million. Furthermore, employee salaries and benefits totaled \$543 million in 2025, compared to \$532 million for the previous year, an increase of \$11 million, despite management's promises of efficiency gains resulting from the Elevation program implemented by a consulting firm, which is clearly not delivering on its promises, despite management's claims to the contrary.

Furthermore, no one can ignore a significant drop in adjusted EBITDA during the fourth quarter, which was \$71.4 million, well below the forecasts of financial analysts who follow the Company, compared to \$128.4 million for the same period last year, a decrease of \$57 million or 44%.

"Upon reading these results and the reports of financial analysts who follow the Company, it is distressing to note once again the lack of sense of urgency among the members of the Board of Directors in place," says Pierre Karl Péladeau, on behalf of Financière Outremont Inc. ("Financière Outremont"), which holds nearly 10% of the shares of Transat AT Inc.

Transat A.T. Inc.'s fourth-quarter results do not bode well for the fiscal year that began on November 1, 2025. Cash flow is down, net debt remains high, and costs are rising. It is difficult to see how Transat will be able to finance the promised investments in upgrading its product, in order to keep it up to market expectations, in the face of strong competition, especially since, according to the agreement reached with the federal government, any sum invested in the company will be used to repay this \$350 million government debt.

Mr. Péladeau concluded: “Let’s not forget that over the past 5 years, Transat’s shares have fallen by 57%, making it the biggest loser among its peers. In contrast, the shares of competing airlines are up 31%, and the S&P/TSX Composite Index is up 82%. Clearly, shareholders have lost confidence and are disengaged.”

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