

Press release
For immediate release



Transat A.T. Inc. Issues Letter to Shareholders and Encourages Shareholders to Vote for Transat's 8 Nominees Ahead of March 6 Deadline

Montréal, Québec — February 25, 2026 — Transat A.T. Inc. (“Transat” or the “Company”) today announced that it has mailed a letter to shareholders outlining the Board’s recommendation to vote the **BLUE proxy** in support of **Transat’s eight (8) nominees** and the Company’s ongoing turnaround plan that is delivering measurable results.

The letter, mailed to shareholders and available at votetransat.ca, highlights Transat’s turnaround momentum, strengthened balance sheet, improved financial results and disciplined execution of its clear strategy as Transat enters the next phase of its strategic plan.

“We thank the many shareholders who have already voted,” said Susan Kudzman, Chair of the Board. “This is a pivotal moment for Transat. The Board remains focused on executing a clear plan that is delivering measurable results and positioning Transat for sustainable long-term value creation for the benefit of all shareholders.”

Letter Highlights Transat’s Progress and Clear Path Forward

In the letter to shareholders, Transat emphasizes several key developments:

- **A plan delivering results.** Transat continues to execute its defined turnaround strategy, including the Elevation Program, which is on track to deliver \$100 million uplift in adjusted operating income by mid-2026 through revenue optimization, cost discipline and operational efficiencies.
- **A materially stronger balance sheet.** Following the July 2025 federal debt restructuring, Transat cut its government debt in half and lowered annual interest expense by approximately 90%, improving financial flexibility and protecting shareholder value.
- **Demonstrated performance momentum.** Over the past 12 months, Transat’s share performance has outpaced key benchmarks, reflecting improved operating performance and turnaround progress.

- **Right-sized, industry-expert and experienced Board.** Transat’s eight (8) nominees (four new and four returning directors) bring extensive airline and transportation expertise, independence and strong, experienced oversight, also reflecting constructive engagement with major long-term shareholders. Transat’s slate includes a candidate put forward by each of La Caisse de dépôt et placement du Québec and the Fonds de solidarité des travailleurs et travailleuses du Québec (FTQ).

Context Matters: Letter Provides Shareholders with the Facts

The letter encourages shareholders to review information regarding recent public claims by Financière Outremont Inc. and provides the facts and context to help investors make an informed decision.

Financière Outremont’s Claim	Transat Factual and Contextual Information
<i>Transat’s share price is down 57% over five years.</i>	<p>With Transat’s focus on international leisure travel, prolonged border closures and travel restrictions during the COVID pandemic had an outsized impact on Transat and its share price. Using 2020 as the starting point for share-price performance creates a distorted comparison.</p> <p>Over the past 12 months, Transat’s shares have outperformed its main Canadian competitor by approximately 27.5 percentage points and the S&P/TSX Composite Index by approximately 16 percentage points.</p>
<i>Transat has the worst financial performance in the industry.</i>	<p>Broad “worst in the industry” claims depend on selective peer sets and selective time windows. What matters now is the recovery trajectory: record adjusted EBITDA in FY2025, improved cash burn of 45%, and a stronger balance sheet than a year ago evidenced by a lower leverage ratio.</p>
<i>Transat is at risk of insolvency.</i>	<p>Liquidity is seasonal by nature in aviation. Cash burn has improved materially year over year. The balance sheet is materially stronger than it was 12 months ago.</p>
<p><i>Transat’s pilots went on strike in December 2025.</i></p> <p><i>Labour relations are unstable.</i></p>	<p>Transat and its pilots reached a negotiated agreement prior to the deadline, avoiding a strike and significant operational disruption. That agreement was ratified, with a vote of 91% in favour of ratification, by pilots in January 2026. In 38 years of operations, Transat has never experienced a labour conflict.</p>

<p><i>Financière Outremont is protecting shareholders?</i></p>	<p>Recent acquisition proposals received from Les Placements Péladeau Inc. were below market value, with some valuations of Transat's equity as low as at \$1, which would have significantly impaired or eliminated shareholder value.</p>
<p><i>The Board refused engagement.</i></p>	<p>The Board is open to dialogue with all shareholders and has engaged in good faith negotiations with Financière Outremont for several years and, more recently, offered proportional representation consistent with an approximate 9.5% ownership stake. This offer came with entirely customary protections that were even less restrictive than what is typically asked of activist shareholders in similar circumstances, like voting support and limited covenants to ensure the activist will refrain from launching another proxy fight during an agreed, reasonable cooling-off period so that the reconstituted Board could operate with stability during the turnaround, for the benefit of the Company and all shareholders. The offer was declined.</p>
<p><i>Transat has no credible plan.</i></p>	<p>Transat's plan, including the detailed Elevation Program, sets measurable financial and operational targets through mid-2026 and is already being executed. Our fiscal 2025 financial results prove that the Company's clear plan is working.</p>
<p><i>Financière Outremont is bringing necessary human and financial capital.</i></p>	<p>Experience in unrelated industries does not translate to the ability to run a highly complex, regulated, safety-focused international airline where any missteps could have major consequences.</p>
<p><i>New capital is ready.</i></p>	<p>Shareholders have not been shown any committed financing terms or capital, a detailed plan, or an execution roadmap. Promises of potential "new capital" are not the same as disclosed, fundable commitments. Statements about potential "new capital" are not a plan and shareholders should not be asked to approve major governance changes based on undefined capital claims.</p>
<p><i>Government has taken Transat hostage.</i></p>	<p>The government relationship is governed by legal and contractual terms, and Transat remains a public company accountable to shareholders through its Board. The 2025 restructuring improved solvency and preserved shareholder equity and the court rejected Financière Outremont's efforts to obtain an injunction which aimed in particular at preventing closing of the restructuring unless Transat obtained shareholder approval.</p>

<i>Minority representation would be a waste of Financière Outremont's nominees' time.</i>	In a public company, directors serve all shareholders not one investor. Demanding influence beyond ownership without a premium or a financed plan is not a shareholder-friendly model. Ask yourself – why is something short of effective control a waste of time?
<i>Urgent need for 'new capital' asserted without specifics.</i>	If new capital is truly urgent, shareholders deserve to see the specifics: amount, pricing, source, conditions, and how it improves leverage and returns. In July 2025, Transat restructured its federal debt, reducing it by more than half, from approximately \$772 million to \$334 million, and lowering annual interest expense by approximately \$45 million (or approximately 90%). The restructuring allows us to work on structuring projects. Cash burn has improved materially year over year. The balance sheet is materially stronger than it was 12 months ago.
<i>Telecom success translates to airline turnaround.</i>	Airlines are safety-critical, heavily regulated, and operationally complex. Success in unrelated industries does not substitute for airline operating, safety and fleet expertise especially during a turnaround.

Your Vote Matters: Shareholders are Encouraged to Participate

Transat’s Board believes industry expertise, independent oversight and disciplined execution remain essential as the Company completes its turnaround in the highly regulated and operationally complex international airline industry.

Transat thanks shareholders who have already voted and encourages those who have not yet done so to vote well in advance of the deadline.

Shareholders are urged to vote **the BLUE proxy or voting instruction form** to support Transat’s **eight (8) nominees** and maintain momentum toward long-term value creation. **We encourage you to vote online or by telephone today.**

How to Vote

The deadline for proxy voting is **March 6, 2026 at 9:00 a.m. (Montréal time)**. Shareholders who have questions or require assistance voting may contact Laurel Hill Advisory Group by calling or texting “INFO” to 1-877-452-7184 (toll-free in North America) or 1-416-304-0211 (International), or by email at assistance@laurelhill.com.

Additional information, including the full shareholder letter and the Board’s unanimous voting recommendations, is available at www.votetransat.ca.

About Transat

Founded in Montreal in 1987, Transat has achieved worldwide recognition as a provider of leisure travel particularly as an airline under the Air Transat brand. Voted World's Best Leisure Airline by passengers at the 2025 Skytrax World Airline Awards, it flies to international destinations. By renewing its fleet with the most energy-efficient aircraft in their category, it is committed to a healthier environment, knowing that this is essential to its operations and the destinations it serves. Based in Montreal, Transat has nearly 5,000 employees with a common purpose to bring people closer together. (TSX: TRZ) www.transat.com

For more information

Media

Andréan Gagné
Senior Director, Communications, Public Affairs and Corporate Responsibility
andreaan.gagne@transat.com
514 987-1616, ext. 104071

Financial analysts

Jean-François Pruneau
Chief Financial Officer
jean-francois.pruneau@transat.com
514-987-1660, ext. 104567