End of the discussions for the acquisition of Transat

MONTRÉAL, June 21, 2021 /CNW Telbec/ - Transat A.T. Inc. ("**Transat**" or the "**Corporation**") announces today that the ongoing discussions with Mr. Pierre Karl Péladeau concerning the potential acquisition of all of the shares of Transat through his company Gestion MTRHP inc. ("MTRHP") have ended.

On April 7, 2021, Mr. Péladeau delivered to Transat a non-binding proposal contemplating a transaction pursuant to which MTRHP would acquire all of the shares of Transat for a consideration of $5.00 per share, payable in cash. Considering the current share price, the price offered no longer provides a reasonable basis to envision receiving the level of shareholder approval required in order to allow the transaction to proceed. Accordingly, MTRHP confirmed to the Corporation that it was withdrawing from the discussions.

In light of the foregoing, the work of the special committee charged of reviewing strategic alternatives will cease, and Transat intends to focus its efforts on the implementation of its strategic plan and on the upcoming restart of its operations and flights, on July 30.

As contemplated in its strategic plan, the outline of which was revealed publicly on June 10, Transat also intends to examine possibilities to optimize its financing structure, which could include the issuance of shares of its capital or bond financing on more favorable terms than those attached to a portion of the liquidities made available to Transat under the Large Employer Emergency Financing Facility (LEEFF).

Caution regarding forward-looking statements

This press release contains certain forward-looking statements about Transat concerning potential transactions designed to optimize its capital structure. These statements are based on certain assumptions deemed reasonable by Transat, but are subject to certain risks and uncertainties, several of which are outside the control of Transat, which may cause results to vary materially. In particular, the completion of an equity or debt financing will be subject to market conditions and investor interest. Moreover, such a financing may benefit Transat with respect to its capital structure but could adversely affect certain shareholders, due in particular to the dilution resulting from an eventual share offering depending on the level of participation of current shareholders to such financing. Transat 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.

About Transat

Transat A.T. Inc. is a leading integrated international tourism company specializing in holiday travel. Under the Transat and Air Transat banners, the Corporation offers vacation packages, hotel stays and air travel to some 60 destinations in over 25 countries in the Americas and Europe. Transat is firmly committed to sustainable tourism development, as reflected in its multiple corporate responsibility initiatives over the past 14 years and obtained Travelife certification in 2018. The Corporation is based in Montréal (TSX: TRZ).

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