

Mach Waives Financing Condition for its Acquisition of Transat

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Group Mach Inc. →

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MONTREAL, June 25, 2019 /CNW Telbec/ - Group Mach Inc. ("Mach") is pleased to announce its non-binding agreement with the Government of Quebec in connection with Mach's formal proposal to acquire all issued and outstanding voting shares (the "Shares") of Transat A.T. Inc. (TSX: TRZ) ("Transat" or the "Company") at a price of \$14.00 cash per Share to the attention of the Board of Directors of Transat as announced in Mach's press release of June 14, 2019 (the "Proposal"). As such, Mach has deposited today an amended version of its Proposal with the Board of Directors of Transat by, in particular, removing conditions related to financing from the Government of Quebec and the execution of support and voting agreements with the Fonds de solidarité FTQ and the Caisse de dépôt et placement du Québec (the "Amended Proposal"). Such Amended Proposal only contains the following conditions:

- Transat terminating its current process with Air Canada prior to entering into any definitive acquisition agreement with Air Canada;
- The execution of a confidentiality agreement between Transat and Mach which includes a period of 30 days to complete due diligence and execute a definitive acquisition agreement between Mach and Transat during said period; and
- The receipt of customary regulatory approvals, namely the review of the Amended Proposal by federal competition and transportation authorities (the "Key Regulatory Approvals").

Of note in regards to Key Regulatory Approvals, Mach, TM Grupo Inmobiliario ("TM") and their subsidiaries do not carry on any activities in Canada in any of the segments of current activities of Transat. In particular, neither Mach nor TM or any of their subsidiaries operate an airline anywhere in the world. Mach shall preserve all existing operational activities of Transat post-closing of our proposed acquisition of Transat.

Considering the confidential nature of the above-mentioned agreement between Mach and the Government of Quebec, Mach will not comment any further in this regard. For greater certainty, the Amended Proposal is not contingent in any respect upon such agreement.

We look forward to the Board of Directors of Transat working with us to solidify the long-term profitability of the Company as a strong and independent global leading vertically integrated leisure travel brand under the banner of Transat, thus successfully carrying out the Company's strategic plan of 2018-2022 and preserving the legacy of its founders.

Forward looking statements

Certain statements set forth in this press release may constitute forward-looking statements within the meaning of securities legislation. Positive or negative verbs such as "believe", "could", "should", "intend", "expect", "estimate", "assume" and other related expressions are used to identify such statements. These forward-looking statements include, but are not limited to, statements relating to Mach's expectations with respect to the timing and outcome of the Amended Proposal, the anticipated benefits of such transaction, any regulatory approvals, the ability of the parties to enter into a definitive acquisition agreement and the anticipated timing of the closing of the transaction. There can be no assurance that the Amended Proposal will be completed, or that it will be completed on the terms and conditions contemplated in this press release. The Amended Proposal could be modified or terminated. In particular, the completion of a transaction will be subject to the negotiation and execution of a definitive acquisition agreement satisfactory to both parties, the due diligence review by Mach, the approval of applicable regulatory authorities and the completion of other conditions customary for this type of transaction. Considering that the letter of intent between Transat and Air Canada has not been filed on SEDAR, we don't have exact knowledge of the effects of such letter on our Amended Proposal. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Since forward-looking statements and information address future events and conditions, by their very nature

they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors beyond Mach's control that could affect the operations or financial results of Transat, could in turn also impact the completion of the transaction.

The forward-looking statements contained in this news release are made as of the date of this release and, accordingly, are subject to change after such date. Unless otherwise required by applicable securities laws, Mach disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking information in this news release is based on information available as of the date of the release.

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