

Lisbon, Portugal, 10 May 2024

Transportes Aéreos Portugueses, S.A. ("TAP" or "Group") informs on the first quarter of 2024 ("1Q24").

The financial information contained in this document refers to the preliminary, non-audited consolidated financial statements of TAP prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The analysis of this document does not exclude the reading of the "Cautionary Statement" section.

PERFORMANCE HIGHLIGHTS IN THE FIRST QUARTER 2024

In the first quarter of 2024, TAP's performance was in line with the Group's path to recovery and financial sustainability and structural transformation that began in recent years. This path is based on the Group's strategic focus and ability to adapt to an increasingly challenging context.

- **Improved operational performance in Q1:** In the first quarter of 2024, TAP presented an improvement of its operational performance surpassing the first quarter of 2023 in several operational metrics: carried more passengers (+0.6%), increased capacity (+3.8%) and improved load factor (+0.3 p.p.), confirming TAP's focus on continuous improvement of its operation.
- **Further Revenue Growth:** In 1Q24, our operating revenues reached EUR 862m, increasing by 3.1% compared to the first quarter of 2023, driven by passenger revenues (+5.0%), supported on an increase of PRASK (+1.2%) and yield (+1.8%) in a highly challenging context, confirming TAP's strategic approach to seizing market opportunities.
- **Resilient Operating Results:** Despite the decrease compared to 2023, TAP recorded, in the first quarter of 2024, a Recurring EBITDA of EUR 83.7m and a negative Recurring EBIT of EUR 43.3m, but significantly higher than pre-crisis levels of 2019 (EUR 5.5m and EUR -99.3m). These results confirm our commitment, while maintaining a balanced approach, to delivering consistent value to our stakeholders.
- **Strong Liquidity Position:** As of 31 March 2024, the Group recorded a strong liquidity position of EUR 1,133.4m, an increase of EUR 344.0m compared to end of 2023, following the execution of the second capital tranche by the shareholder in January 2024, in the amount of EUR 343m. This amount confirms the disciplined financial management and careful decision-making, seeking to inspire confidence among our investors.
- **FY24 Outlook:** The outlook for the Summer 2024 remains positive, with forward bookings in line with 2023, despite capacity increase, confirming a resilient demand. Also in 2024, the investment in a more modern fleet will continue, with the phase-in of three new aircraft A320 NEO, confirming TAP's commitment in a more sustainable and efficient fleet.

Luís Rodrigues, TAP Chief Executive Officer, said:

"In the first quarter of 2024 we continued the structural transformation TAP required. The investment in our people, including the termination of salary cuts, inflationary adjustments and new collective labour agreements have an immediate impact in the bottom line but it will continue to pay off. We were able to increase capacity, carry more passengers and improve load factor when compared to the first quarter of 2023, which translated into increased revenue, significantly lower disruptions, improved punctuality and regularity on a substantial congested infrastructure. This also translated into a jump in NPS from 12 to 24. We trust fully in our people, and we know we will be up to the challenge of a strong Summer, with a significant increase in frequencies to the Brazilian and North American markets. Our focus and commitment remain unchanged: to establish TAP into a sustainably profitable airline and as one of the most attractive companies in the sector for all our stakeholders."

REVIEW OF THE FIRST QUARTER OF 2024

- In 1Q24, the **number of passengers carried increased by 0.6%** compared to the first quarter of 2023 ("1Q23"), while operating 2.0% less flights than in 1Q23. Compared to pre-crisis levels of 2019 ("1Q19"), carried passengers reached 104%, surpassing them, while operated flights reached 90%.
- **Capacity** (measured in ASK) **increased by 3.8%** compared to 1Q23, also exceeding pre-crisis levels, reaching 114% of 1Q19 values. The **Load Factor improved by 0.3 p.p., reaching 79.3%**, compared to the previous year, and 4.1 p.p. when compared with pre-crisis levels.
- **Operating revenues amounted to EUR 861.9m**, increasing by 3.1% when compared to 1Q23, surpassing and representing **140% of 1Q19 operating revenues**, mainly driven by **passenger segment revenues**. These revenues **increased by EUR 37.2m (+5.0%)**, compared to 1Q23, to EUR 774.7m, generating a **PRASK of EUR 6.25 cents** – an increase of 1.2% (+EUR 0.07 cents) compared to 1Q23 and an increase of 28.0% (+EUR 1.37 cents) compared to 1Q19.
- **The Maintenance division's revenues amounted to EUR 45.0m**, recording an increase of EUR 1.4m compared to 1Q23, mainly due to better conditions in the supply chain that had delayed scheduled activities in previous quarters. **The Cargo segment's revenues decreased by EUR 12.1m to EUR 36.7m, recording a decline of 24.7%** compared to 1Q23, due to the normalisation of cargo yields observed in the market, albeit surpassing 2019 levels.
- **Recurring operating costs reached EUR 905.2m**, representing a 7.0% increase or EUR 59.1m rise compared to the 1Q23. This variation is primarily caused by the **increase in employee costs** (+EUR 70.5m or 56.9%) due to the new collective labour agreements (*see the following bullet*), mostly offset by the **reduction in fuel costs** (-EUR 23.6m or 8.5%) due to a lower jet fuel price in this the quarter when compared to 1Q23. **When compared to the corresponding period in 2019, recurring operating costs have increased by 27.0%, primarily due to higher fuel and employee costs**. The overall CASK from recurring operating costs **increased by 3.1%**, reaching EUR 7.30 cents compared to 1Q23. **Excluding fuel costs, CASK from recurring operating costs reached EUR 5.26 cents**, increasing 10.3% compared to 1Q23 and 2.8% compared to 1Q19.
- It should be noted that the increase in employee costs in 1Q24 compared to 1Q23 was **impacted by one-off costs resulting from an agreement reached with the pilots' representatives** and additionally by the **existence of remuneration reductions in force in 2023**, which were eliminated with the new collective labour agreements in the second half of 2023.
- The **recurring EBITDA¹ amounted to EUR 83.7m in 1Q24**, despite the reduction of EUR 36.3m compared to 1Q23. The **recurring EBIT² recorded a negative amount of EUR 43.3m**, decreasing by EUR 33.1m compared to 1Q23. Considering non-recurring items, EBIT reached EUR -57.1m. **Compared to pre-crisis levels, Recurring EBIT and EBIT increased by EUR 55.9m and EUR 44.3m respectively**. Excluding the impact of the one-off costs in 1Q24 and the remuneration reductions in 1Q23, recurring EBITDA in 1Q24 would decrease by EUR 9.5m compared to 1Q23 and recurring EBIT would decrease by to EUR 6.3m.
- The **net income was negative by EUR 71.9m**, showing a reduction of EUR 14.5m compared to 1Q23. Nonetheless, **when compared to 1Q19, it improved by EUR 34.7m**.
- As of 31 March 2024, the **balance sheet showed a robust cash and cash equivalents position of EUR 1,133.4m**, an increase of EUR 344.0m compared to 31 December 2023, following the execution of the second capital tranche in the amount of EUR 343m done by the shareholder on 4 January 2024.
- Operationally, it was re-opened, in the end of the first quarter, two destinations from Lisbon for the summer season: Naples and Porto Santo. The operating fleet³ comprised **99 aircraft as of 31 March 2024**, where **68% of the medium and long-haul operating fleet consisted of NEO Family aircraft** (compared to 67% on 31 March 2023 and 17% on 31 March 2019).

¹ Recurring EBITDA = EBITDA + Restructuring Costs + non-recurring items.

² Recurring EBIT = Operating Result + Restructuring Costs + non-recurring items.

³ TAP's total fleet may differ from its fleet in operation as it can include aircraft in process of phase-in and phase-out.

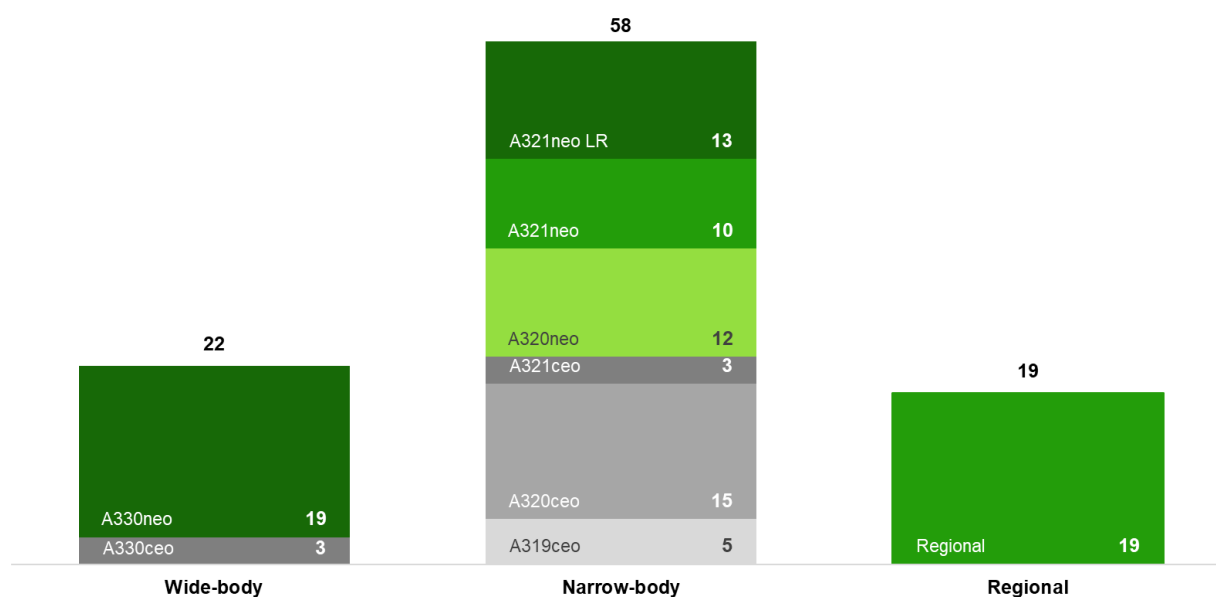
MAIN OPERATING INDICATORS

TAP, S.A. Consolidated	1Q24	1Q23	Change	
			Value	%
Passenger ('000)	3,532	3,511	+22	+0.6%
RPK (million)	9,835	9,442	+394	+4.2%
ASK (million)	12,401	11,945	+456	+3.8%
Load Factor (%)	79.3	79.0	+0.3	+0.3%
Block Hours	90,819	88,723	+2,095	+2.4%
Number of Departures	27,000	27,557	-557	-2.0%
Average Stage Length (km)	2,262	2,158	+104	+4.8%
Active Staff (end of period) ¹⁾	7,623	7,126	+497	+7.0%
PRASK (EUR cents)	6.25	6.17	+0.07	+1.2%
Recurring CASK (EUR cents) ²⁾	7.30	7.08	+0.22	+3.1%
Recurring CASK ex. fuel (EUR cents)	5.26	4.76	+0.49	+10.3%

1) Excludes staff not placed and not active.

2) Recurring CASK = CASK calculated on the basis of Operating Costs - Restructuring - Other non-recurring items.

OPERATING FLEET AS OF 31 MARCH 2024⁴



⁴TAP's total fleet may differ from its fleet in operation as it can include aircraft in the process of phase-in and phase-out.

CONSOLIDATED INCOME STATEMENT

TAP, S.A. Consolidated EUR million	1Q24	1Q23	Change	
			Value	%
Operating Income	861.9	835.9	+26.0	+3.1%
Passenger	774.7	737.6	+37.2	+5.0%
Maintenance	45.0	43.6	+1.4	+3.3%
Cargo and Mail	36.7	48.7	-12.1	-24.7%
Other operating income	5.4	6.0	-0.6	-9.4%
Operating Costs	919.0	852.2	+66.8	+7.8%
Aircraft fuel	253.4	277.0	-23.6	-8.5%
Traffic operating costs	188.5	181.1	+7.5	+4.1%
Employee costs	194.3	123.8	+70.5	+56.9%
Aircraft maintenance costs	13.3	14.8	-1.6	-10.5%
Cost of materials consumed	35.8	33.3	+2.4	+7.3%
Commercial, communication and marketing costs	47.3	42.8	+4.5	+10.5%
Impair. losses in inventories, receiv. and provisions	6.9	6.6	+0.3	+4.0%
Other operating expenses	38.7	36.4	+2.3	+6.4%
Restructuring	0.0	-	+0.0	n.m.
Other non-recurring items	13.7	6.1	+7.6	+123.3%
Depreciation, amortisation and impairment losses	127.1	130.3	-3.2	-2.4%
EBIT (Operating Result)	-57.1	-16.3	-40.7	<-200%
EBIT margin	-6.6%	-2.0%	-4.7 p.p.	n.m.
Recurring EBIT ¹⁾	-43.3	-10.2	-33.1	<-200%
Recurring EBIT margin	-5.0%	-1.2%	-3.8 p.p.	n.m.
Interest and similar income	20.0	14.4	+5.6	+39.1%
Interest and similar expenses	-59.8	-63.4	+3.5	+5.6%
Net currency exchange	6.8	8.0	-1.2	-15.0%
Earnings before taxes	-90.1	-57.3	-32.8	-57.2%
Income tax	18.3	-0.0	+18.3	>+200%
Net income/ (loss)	-71.9	-57.4	-14.5	-25.2%
EBITDA	70.0	113.9	-43.9	-38.6%
EBITDA margin	8.1%	13.6%	-5.5 p.p.	n.m.
Recurring EBITDA ²⁾	83.7	120.1	-36.3	-30.3%
Recurring EBITDA margin	9.7%	14.4%	-4.6 p.p.	n.m.

1) Recurring EBIT = Operating Result + Restructuring + Other non-recurring items.

2) Recurring EBITDA = Operating Result + Depreciation, amortization and impairment losses + Restructuring + Other non-recurring items.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TAP, S.A. Consolidated EUR million	31 Mar 24	31 Dec 23	Change	
			Value	%
ASSETS				
Non-current Assets				
Tangible assets	3,145.4	3,181.2	-35.7	-1.1%
Investment properties	1.9	1.9	-	+0.0%
Intangible assets	22.2	22.5	-0.3	-1.3%
Deferred tax assets	506.8	486.3	+20.5	+4.2%
Other non current assets	15.4	15.6	-0.2	-1.2%
Other receivables	111.3	120.9	-9.7	-8.0%
Total Non-current Assets	3,802.9	3,828.4	-25.4	-0.7%
Current Assets				
Inventories	76.9	78.7	-1.8	-2.3%
Clients and Other receivables	963.0	1,128.4	-165.3	-14.7%
Income tax receivable	4.1	3.2	+0.9	+26.7%
Other current assests	75.1	64.0	+11.2	+17.4%
Cash and cash equivalents	1,133.4	789.4	+344.0	+43.6%
Total Current Assets	2,252.6	2,063.7	+188.9	+9.2%
Total Assets	6,055.5	5,892.0	+163.5	+2.8%
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	980.0	980.0	-	-%
Legal reserves	8.3	8.3	-	-%
Hedge reserves	1.0	-0.5	+1.4	>+200%
Other reserves	-55.3	-27.3	-28.0	-102.3%
Adjustments in equity shares	-7.9	-9.5	+1.6	+16.5%
Retained earnings	-337.1	-514.4	+177.3	+34.5%
Net income/(loss) for the year	-71.9	177.3	-249.1	-140.5%
Total Equity	517.1	613.9	-96.8	-15.8%
LIABILITIES				
Non-current Liabilities				
Provisions	322.0	307.3	+14.6	+4.8%
Loans	186.9	200.0	-13.1	-6.6%
Lease liabilities with purchase option	684.6	698.3	-13.7	-2.0%
Lease liabilities without purchase option	1,462.5	1,498.5	-36.0	-2.4%
Post-employment benefits obligations	176.1	176.7	-0.6	-0.4%
Deferred tax liabilities	74.0	82.9	-8.9	-10.8%
Total Non-current Liabilities	2,906.0	2,963.7	-57.7	-1.9%
Current Liabilities				
Loans	455.7	450.5	+5.3	+1.2%
Lease liabilities with purchase option	93.5	91.7	+1.8	+1.9%
Lease liabilities without purchase option	297.8	302.7	-4.8	-1.6%
Suppliers and Other payables	657.8	674.7	-16.9	-2.5%
Income tax payable	0.0	0.0	-	-%
Liabilities from unused flight documents	1,052.9	715.8	+337.2	+47.1%
Other current liabilities	74.6	79.0	-4.5	-5.6%
Total Current Liabilities	2,632.4	2,314.4	+318.0	+13.7%
Total Liabilities	5,538.4	5,278.1	+260.3	+4.9%
Total Equity and Liabilities	6,055.5	5,892.0	+163.5	+2.8%
Financial Debt	1,420.7	1,440.4	-19.8	-1.4%
Bank Loans & Bonds	642.6	650.5	-7.8	-1.2%
Lease liabilities with purchase option	778.0	790.0	-11.9	-1.5%
Cash and cash equivalents	1,133.4	789.4	+344.0	+43.6%
Net Financial Debt	287.3	651.1	-363.8	-55.9%
Lease liabilities without purchase option	1,760.3	1,801.1	-40.8	-2.3%

CONSOLIDATED STATEMENT OF CASH FLOWS

TAP, S.A. Consolidated EUR millions	31 Mar 24	31 Mar 23	Change	
			Value	%
OPERATING ACTIVITIES				
Receipts from customers	1,161.3	1,100.0	+61.3	+5.6%
Payments to suppliers	-734.8	-783.3	+48.6	+6.2%
Payments to employees	-191.7	-142.6	-49.1	-34.4%
Payments of low value and short-term leases	-1.7	-1.5	-0.2	-13.1%
Cash generated from operations	233.1	172.6	+60.5	+35.1%
Income Tax (payments)/receipts	-0.0	-0.0	+0.0	+75.6%
Other (payments)/receipts relating to operating activities	-2.2	3.1	-5.3	-171.2%
Cash flow from operating activities (1)	230.9	175.7	+55.2	+31.4%
INVESTMENT ACTIVITIES				
Receipts from:				
Other financial assets	0.7	18.8	-18.1	-96.5%
Loans granted	82.6	89.8	-7.2	-8.0%
Interests and similar income	11.4	8.1	+3.3	+40.2%
Total receipts	94.7	116.8	-22.1	-18.9%
Payments relating to:				
Other financial assets	-10.0	-24.4	+14.3	+58.8%
Tangible fixed assets	-64.3	-53.5	-10.8	-20.2%
Intangible assets	-2.0	-0.1	-1.9	<-200%
Loans granted	-91.3	-91.9	+0.5	+0.6%
Total payments	-167.6	-169.8	+2.1	+1.3%
Cash flow from investment activities (2)	-72.9	-53.0	-19.9	-37.6%
FINANCING ACTIVITIES				
Receipts from:				
Capital increases, supplementary capital contributions and share issuance premium	343.0	-	+343.0	n.m.
Total receipts	343.0	-	+343.0	n.m.
Payments relating to:				
Borrowings	-12.5	-15.1	+2.6	+17.1%
Lease liabilities with purchase option	-21.9	-17.9	-4.0	-22.4%
Lease liabilities without purchase option	-116.5	-131.5	+15.0	+11.4%
Interests and similar costs	-18.1	-15.6	-2.5	-16.0%
Total payments	-168.9	-180.0	+11.1	+6.2%
Cash flow from financing activities (3)	174.1	-180.0	+354.1	+196.7%
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)	332.1	-57.3	+389.4	>+200%
EFFECT OF CURRENCY EXCHANGE DIFFERENCES	12.0	-3.0	+14.9	>+200%
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	789.4	916.1	n.m.	n.m.
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,133.4	855.8	n.m.	n.m.

GLOSSARY

ASK: Available seat kilometre; total number of seats available for sale multiplied by the number of kilometres flown.

PRASK: Passenger revenue per available seat kilometre; passenger revenue divided by available seat kilometres.

CASK: Cost per available seat kilometre; operating costs divided by available seat kilometres.

RPK: Revenue passenger kilometre; total number of passengers multiplied by the number of kilometres flown.

Load Factor: Total number of revenue passenger-kilometres (RPK) divided by the total number of available seat-kilometres (ASK).

EBIT: Operating Result = Operating Income less Operating Cost

EBITDA: Operating Result + Depreciation, amortization, and impairment losses

CAUTIONARY STATEMENT

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