

Lisbon, Portugal, 29 August 2024

Transportes Aéreos Portugueses, S.A. ("TAP" or "Group") informs on the second quarter of 2024 ("2Q24") and half year of 2024 ("1H24") results.

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 HALF OF 2024

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

- **Further Revenue Growth:** In 1H24, our operating revenues reached EUR 1,969m, increasing by 3.3% compared to the first half of 2023, driven, in the passenger revenues, by an increase of capacity (+2.9%) and improved load factor (+0.8 p.p.), and by a significant activity increase in the maintenance revenues (+36.7%). This increase confirms TAP's strategic approach to seizing market opportunities.
- **Improved Operating Results:** TAP recorded, in the first half of 2024, an increase of the recurring operating results compared to 2023, recording a recurring EBITDA of EUR 372.7m (+EUR 11.0m), with a margin of 19%, and a recurring EBIT of EUR 139.2m (+EUR 14.7m), with a margin of 7%, confirming our commitment to delivering consistent value to our stakeholders, while maintaining a balanced approach.
- **Net income:** In 1H24, TAP recorded a net income of EUR 0.4m, as a result of the positive net income in the second quarter of EUR 72.2m, offsetting the negative net income in the first quarter of 2024.
- **Strong Liquidity Position:** As of 30 June 2024, the Group recorded a strong liquidity position of EUR 1,175.7m, an increase of EUR 386.3m 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. Additionally, there was a significant improvement in the Net Debt / EBITDA ratio, reaching 2.1x, compared to the ratio of 2.6x as of 31 December 2023, reinforcing the deleveraging strategy and a disciplined financial management, seeking to inspire confidence among our investors.
- **2H24 Highlights:** For the second half of 2024, the forward bookings are in line with 2023, but with some pressure on yields. Also, in the second half of the year, the investment in Brazil will increase with the opening of two new routes: Florianopolis and Manaus, increasing its presence to 13 cities throughout 15 routes. Additionally, confirming TAP's commitment in a more sustainable and efficient fleet, the investment in a more modern fleet will continue, with the delivery of three new aircraft A320 NEO, with one entering in service in Q3. Finally, the focus on the strategic roadmap will continue, namely on deleveraging and strong operating margins.

Luís Rodrigues, TAP Chief Executive Officer, said:

"In the second quarter, we continued the required structural transformation of TAP. The investment in our people and in operations continues to confirm our commitment and shows results: a significant reduction in disruptions, further improvement in punctuality and regularity, and an increase in NPS, resulting in revenue increase. Special emphasis on the maintenance and engineering area, which is beginning to realise its potential. The strong performance in the second quarter allows a positive net income in the semester, that although minor, is achieved for the second consecutive time, but now without salary cuts. We remain committed to our path, with the commitment of our people and the support of our stakeholders: to establish TAP into a sustainably profitable airline, and one of the most attractive companies in the sector."

REVIEW OF THE SECOND QUARTER OF 2024

- In 2Q24, compared to the second quarter of 2023 ("2Q23"), the **number of passengers carried increased by 2.4%**, and the number of operated flights increased by 0.7%. Compared to pre-crisis levels of 2019 ("2Q19"), carried passengers reached 92% and operated flights reached 87%.
- **Capacity** (measured in ASK) **increased by 2.1%** compared to 2Q23, exceeding pre-crisis levels and reaching 102% of 2Q19 values. The **Load Factor reached 82.7%, improving by 1.4 p.p.**, when compared to the previous year, and decreasing 0.8 p.p. when compared with pre-crisis levels.
- **Operating revenues amounted to EUR 1,106.7m**, increasing by 3.4% when compared to 2Q23, surpassing and representing **133% of 2Q19 operating revenues**. The passenger segment revenues increased by EUR 8.3m (+0.8%), compared to 2Q23, to EUR 986.4m, generating a PRASK of EUR 7.39 cents – a decrease of 1.2% (-EUR 0.09 cents) compared to 2Q23 and an increase of 30.2% (+EUR 1.71 cents) compared to 2Q19.
- **The Maintenance revenues recorded an increase of EUR 29.9m (+71.4%)** compared to 2Q23, **amounting to EUR 71.8m**, mainly due to higher engine shop activity. **The Cargo and Mail revenues decreased by EUR 4.3m to EUR 39.3m, recording a decline of 9.9%** compared to 2Q23, due to the normalisation of cargo yields observed in the market, albeit surpassing 2019 levels, and despite improved load factor compared to 2Q23.
- **Recurring operating costs reached EUR 924.1m**, representing a 1.2% decrease or EUR 11.6m compared to the 2Q23. This variation is primarily caused by the **decrease in traffic operating costs** (-EUR 24.0m or 10.1%) due to lower ACMLs and lower IROPs costs, and by the decrease in **impairment losses** (-EUR 25.6m), including the reversal of the impairment loss related to Groundforce following the approval of its restructuring plan, mostly offset by the **increase in employee costs** (+EUR 28.5m or 18.1%) due to the new collective labour agreements that entered in force on the second half of 2023. The overall CASK from recurring operating costs **decreased by 3.2%** (-EUR 0.23 cents), reaching EUR 6.93 cents compared to 2Q23. **Excluding fuel costs, CASK from recurring operating costs reached EUR 4.95 cents**, decreasing 3.4% (-EUR 0.17 cents) compared to 2Q23.
- The **recurring EBITDA¹ amounted to EUR 289.0m in 2Q24**, increasing by EUR 47.4m (+19.6%) compared to 2Q23. The **recurring EBIT² increased by EUR 47.9m (+35.5%) compared to 2Q23, amounting to EUR 182.5m**, representing a 16.5% margin. Considering non-recurring items, EBIT reached EUR 168.0m. **Compared to pre-crisis levels, Recurring EBIT and EBIT increased by EUR 163.7m and EUR 151.6m respectively.**
- The **net income amounted to EUR 72.2m**, a reduction of EUR 8.1m compared to 2Q23, having been impacted by currency exchange losses following the devaluation of the Brazilian Real, offsetting operational gains. Nonetheless, **when compared to 2Q19, it improved by EUR 77.6m.**
- As of 30 June 2024, the **balance sheet showed a robust cash and cash equivalents position of EUR 1,175.7m**, an increase of EUR 386.3m compared to 31 December 2023, following the execution of the second capital tranche in the amount of EUR 343m done by the shareholder in the beginning of 2024.
- The **Net Debt/EBITDA³ ratio significantly improved to 2.1x** compared to year-end 2023 (2.6x).
- Operationally, it was re-opened, during the second quarter, five destinations from Lisbon for the summer season: Ibiza, Alicante, Palma de Mallorca, Menorca and Agadir, and opened a new route, for the summer season, from Lisbon to Caracas, returning via Funchal. The operating fleet⁴ comprised **99 aircraft as of 30 June 2024**, where **68% of the medium and long-haul operating fleet consisted of NEO Family aircraft** (compared to 67% on 30 June 2023 and 27% on 30 June 2019).

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

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

³ Net Debt / EBITDA = Net financial debt + Lease liabilities without purchase option - Brazil flown receivables & other cash equivalents / Recurring EBITDA trailing 12 months

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

REVIEW OF THE FIRST HALF OF 2024

- In the first half of 2024, TAP transported a total of **7.7m passengers**, which is a 1.6% rise from last year, reaching 97% of the levels achieved in 2019. While the total number of flights operated decreased by 0.6%, compared to 1H23, attaining 88% of pre-crisis levels.
- **Capacity continues to surpass pre-crisis levels**, reaching 107%, **representing a 2.9% increase** from the first half of 2023 ("1H23"). The **Load Factor** increased by 0.8 p.p. year-on-year, **reaching 81.1% in 1H24**, also improving by 1.3 p.p. compared to the first half of 2019 ("1H19").
- **In 1H24, operating revenues amounted to EUR 1,968.6m**, which represented a 3.3% increase from 1H23 and a 35.9% rise compared to 1H19. The **PRASK in 1H24 was EUR 6.84 cents**, decreasing by 0.3% (-EUR 0.02 cents) compared to the same period in 2023 and increasing by 28.7% (+EUR 1.53 cents) compared to 2019.
- **Recurring operating costs rose** by 2.7% to reach EUR 1,829.3m. The overall **CASK from recurring operating costs decreased by 0.2%** to EUR 7.11 cents compared to 1H23. Excluding fuel, reached a unit cost of EUR 5.10 cents, increasing by 2.9% compared to 1H23, and 4.6% compared to 2019.
- **Recurring EBITDA reached EUR 372.7m in 1H24, with a 18.9% margin**, increasing by EUR 11.0m or 3.1% compared to 1H23. **Recurring EBIT amounted to EUR 139.2m in 1H24, with a margin of 7.1%**, which is EUR 14.7m higher than in 1H23.
- **The net income totalled EUR 0.4m**, decreasing by EUR 22.6m compared to previous year, having been impacted by currency exchange losses following the devaluation of the Brazilian Real. Compared to 2019, it increased by EUR 112.4m.

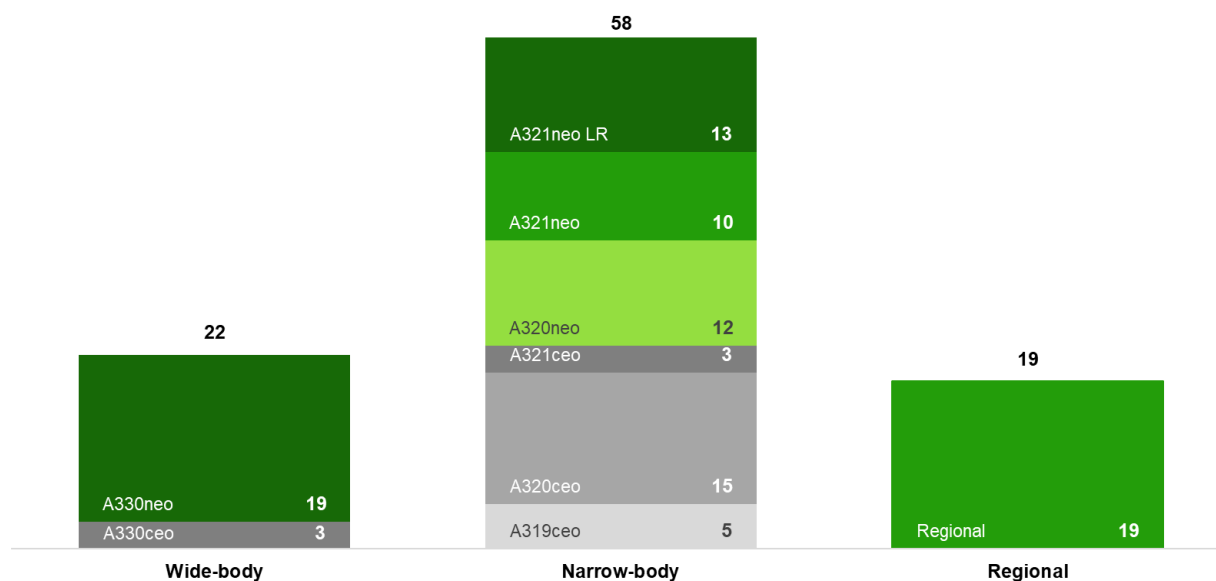
MAIN OPERATING INDICATORS

TAP, S.A. Consolidated	2Q24	2Q23	Change		1H24	1H23	Change	
			Value	%			Value	%
Passenger ('000)	4,165	4,069	+96	+2.4%	7,698	7,579	+118	+1.6%
RPK (million)	11,031	10,626	+406	+3.8%	20,867	20,067	+799	+4.0%
ASK (million)	13,341	13,070	+271	+2.1%	25,743	25,016	+727	+2.9%
Load Factor (%)	82.7	81.3	+1.4	+1.7%	81.1	80.2	+0.8	+1.0%
Block Hours	98,883	95,912	+2,971	+3.1%	189,702	184,635	+5,067	+2.7%
Number of Departures	30,232	30,033	+199	+0.7%	57,232	57,590	-358	-0.6%
Average Stage Length (km)	2,192	2,140	+51	+2.4%	2,225	2,149	+76	+3.5%
Active Staff (end of period) ¹⁾	7,617	7,444	+173	+2.3%	7,617	7,444	+173	+2.3%
PRASK (EUR cents)	7.39	7.48	-0.09	-1.2%	6.84	6.86	-0.02	-0.3%
Recurring CASK (EUR cents) ²⁾	6.93	7.16	-0.23	-3.2%	7.11	7.12	-0.02	-0.2%
Recurring CASK ex. fuel (EUR cents)	4.95	5.13	-0.17	-3.4%	5.10	4.95	+0.14	+2.9%

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 30 JUNE 2024⁵



⁵TAP'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	2Q24	2Q23	Change		1H24	1H23	Change	
			Value	%			Value	%
Operating Income	1,106.7	1,070.4	+36.3	+3.4%	1,968.6	1,906.3	+62.3	+3.3%
Passenger	986.4	978.2	+8.3	+0.8%	1,761.2	1,715.7	+45.4	+2.6%
Maintenance	71.8	41.9	+29.9	+71.4%	116.9	85.5	+31.4	+36.7%
Cargo and Mail	39.3	43.6	-4.3	-9.9%	76.0	92.3	-16.4	-17.7%
Other operating income	9.1	6.7	+2.4	+35.9%	14.5	12.7	+1.8	+14.6%
Operating Costs	938.6	946.1	-7.4	-0.8%	1,857.6	1,798.3	+59.3	+3.3%
Aircraft fuel	263.7	265.8	-2.1	-0.8%	517.1	542.8	-25.7	-4.7%
Traffic operating costs	214.5	238.5	-24.0	-10.1%	403.1	419.6	-16.5	-3.9%
Employee costs	185.8	157.3	+28.5	+18.1%	380.1	281.1	+99.0	+35.2%
Aircraft maintenance costs	16.7	13.0	+3.8	+29.1%	30.0	27.8	+2.2	+8.0%
Cost of materials consumed	49.7	35.3	+14.4	+40.6%	85.5	68.7	+16.8	+24.4%
Commercial, communication and marketing costs	55.5	54.9	+0.5	+1.0%	102.8	97.7	+5.0	+5.1%
Impair. losses in inventories, receiv. and provisions	-5.4	20.1	-25.6	-126.8%	1.4	26.7	-25.3	-94.6%
Other operating expenses	37.2	43.8	-6.6	-15.0%	76.0	80.2	-4.2	-5.3%
Restructuring	0.2	-0.4	+0.6	+165.8%	0.3	-0.4	+0.6	+175.7%
Other non-recurring items	14.3	10.7	+3.5	+32.8%	28.0	16.9	+11.1	+65.7%
Depreciation, amortisation and impairment losses	106.4	107.0	-0.5	-0.5%	233.5	237.2	-3.7	-1.6%
EBIT (Operating Result)	168.0	124.3	+43.8	+35.2%	111.0	108.0	+3.0	+2.8%
EBIT margin	15.2%	11.6%	+3.6 p.p.	n.m.	5.6%	5.7%	-0.0 p.p.	n.m.
Recurring EBIT ¹⁾	182.5	134.7	+47.9	+35.5%	139.2	124.5	+14.7	+11.8%
Recurring EBIT margin	16.5%	12.6%	+3.9 p.p.	n.m.	7.1%	6.5%	+0.5 p.p.	n.m.
Interest and similar income	20.2	17.6	+2.6	+14.9%	40.3	32.0	+8.3	+25.8%
Interest and similar expenses	-74.5	-66.3	-8.2	-12.4%	-134.3	-129.6	-4.7	-3.6%
Net currency exchange	-24.3	19.6	-43.9	<-200%	-17.5	27.6	-45.1	-163.6%
Earnings before taxes	89.5	95.3	-5.8	-6.1%	-0.6	37.9	-38.6	-101.7%
Income tax	-17.3	-14.9	-2.3	-15.5%	1.0	-15.0	+16.0	+106.7%
Net income/ (loss)	72.2	80.3	-8.1	-10.1%	0.4	22.9	-22.6	-98.3%
EBITDA	274.5	231.2	+43.3	+18.7%	344.5	345.2	-0.7	-0.2%
EBITDA margin	24.8%	21.6%	+3.2 p.p.	n.m.	17.5%	18.1%	-0.6 p.p.	n.m.
Recurring EBITDA ²⁾	289.0	241.6	+47.4	+19.6%	372.7	361.7	+11.0	+3.1%
Recurring EBITDA margin	26.1%	22.6%	+3.5 p.p.	n.m.	18.9%	19.0%	-0.0 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	30 Jun 24	31 Dec 23	Change	
			Value	%
ASSETS				
Non-current Assets				
Tangible assets	3,230.6	3,181.2	+49.5	+1.6%
Investment properties	1.9	1.9	-	+0.0%
Intangible assets	27.0	22.5	+4.5	+20.1%
Investments in associates	1.9	-	+1.9	n.m.
Deferred tax assets	487.1	486.3	+0.8	+0.2%
Other non current assets	15.0	15.6	-0.6	-3.6%
Other receivables	162.9	120.9	+42.0	+34.7%
Total Non-current Assets	3,926.5	3,828.4	+98.1	+2.6%
Current Assets				
Inventories	73.3	78.7	-5.5	-6.9%
Clients and Other receivables	893.3	1,128.4	-235.0	-20.8%
Income tax receivable	25.5	3.2	+22.2	>+200%
Other current assets	97.3	64.0	+33.3	+52.1%
Cash and cash equivalents	1,175.7	789.4	+386.3	+48.9%
Total Current Assets	2,265.1	2,063.7	+201.4	+9.8%
Total Assets	6,191.6	5,892.0	+299.5	+5.1%
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	980.0	980.0	-	-%
Legal reserves	8.3	8.3	-	-%
Hedge reserves	-1.2	-0.5	-0.7	-165.2%
Other reserves	-68.0	-27.3	-40.7	-148.7%
Adjustments in equity shares	-4.8	-9.5	+4.7	+49.7%
Retained earnings	-345.1	-514.4	+169.3	+32.9%
Net income/(loss) for the year	0.4	177.3	-176.9	-99.8%
Total Equity	569.7	613.9	-44.2	-7.2%
LIABILITIES				
Non-current Liabilities				
Provisions	330.6	307.3	+23.3	+7.6%
Loans	175.9	200.0	-24.1	-12.0%
Lease liabilities with purchase option	714.1	698.3	+15.9	+2.3%
Lease liabilities without purchase option	1,456.5	1,498.5	-42.0	-2.8%
Post-employment benefits obligations	186.3	176.7	+9.6	+5.4%
Deferred tax liabilities	80.1	82.9	-2.8	-3.3%
Total Non-current Liabilities	2,943.6	2,963.7	-20.1	-0.7%
Current Liabilities				
Loans	452.4	450.5	+1.9	+0.4%
Lease liabilities with purchase option	99.3	91.7	+7.6	+8.3%
Lease liabilities without purchase option	291.9	302.7	-10.8	-3.6%
Suppliers and Other payables	670.5	674.7	-4.3	-0.6%
Income tax payable	0.0	0.0	-	-%
Liabilities from unused flight documents	1,069.6	715.8	+353.9	+49.4%
Other current liabilities	94.6	79.0	+15.6	+19.7%
Total Current Liabilities	2,678.3	2,314.4	+363.9	+15.7%
Total Liabilities	5,621.9	5,278.1	+343.8	+6.5%
Total Equity and Liabilities	6,191.6	5,892.0	+299.5	+5.1%
Financial Debt	1,441.7	1,440.4	+1.3	+0.1%
Bank Loans & Bonds	628.3	650.5	-22.2	-3.4%
Lease liabilities with purchase option	813.4	790.0	+23.4	+3.0%
Cash and cash equivalents	1,175.7	789.4	+386.3	+48.9%
Net Financial Debt	266.0	651.1	-385.1	-59.1%
Lease liabilities without purchase option	1,748.3	1,801.1	-52.8	-2.9%

CONSOLIDATED STATEMENT OF CASH FLOWS

TAP, S.A. Consolidated EUR millions	30 Jun 24	30 Jun 23	Change	
			Value	%
OPERATING ACTIVITIES				
Receipts from customers	2,423.4	2,447.8	-24.5	-1.0%
Payments to suppliers	-1,450.7	-1,498.2	+47.5	+3.2%
Payments to employees	-411.6	-267.6	-144.0	-53.8%
Payments of low value and short-term leases	-3.3	-2.9	-0.3	-12.0%
Cash generated from operations	557.9	679.2	-121.3	-17.9%
Income Tax (payments)/receipts	-0.2	-0.4	+0.2	+40.9%
Other (payments)/receipts relating to operating activities	-6.8	-3.3	-3.4	-103.0%
Cash flow from operating activities (1)	550.9	675.4	-124.6	-18.4%
INVESTMENT ACTIVITIES				
Receipts from:				
Other financial assets	0.7	4.3	-3.7	-84.7%
Tangible fixed assets	10.7	8.6	+2.0	+23.3%
Loans granted	398.1	394.2	+3.9	+1.0%
Interests and similar income	25.1	24.2	+0.9	+3.9%
Total receipts	434.5	431.3	+3.2	+0.7%
Payments relating to:				
Other financial assets	-24.3	-29.4	+5.0	+17.1%
Tangible fixed assets	-157.8	-108.3	-49.5	-45.7%
Intangible assets	-3.0	-2.7	-0.4	-13.1%
Loans granted	-421.2	-407.3	-13.9	-3.4%
Total payments	-606.4	-547.6	-58.7	-10.7%
Cash flow from investment activities (2)	-171.9	-116.3	-55.5	-47.7%
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	-23.4	-241.4	+218.0	+90.3%
Lease liabilities with purchase option	-69.8	-37.0	-32.8	-88.8%
Lease liabilities without purchase option	-223.8	-251.3	+27.5	+10.9%
Interests and similar costs	-17.6	-44.1	+26.5	+60.1%
Total payments	-334.6	-573.7	+239.1	+41.7%
Cash flow from financing activities (3)	8.4	-573.7	+582.1	+101.5%
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)	387.4	-14.6	+402.0	>+200%
EFFECT OF CURRENCY EXCHANGE DIFFERENCES	-1.0	-1.7	+0.7	+40.9%
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	1,175.7	899.7	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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