

## STATEMENT

### INFORMATION ON THE REJECTION OF THE PROTECTIVE JUDICIAL PROCEEDING BY DECISION OF THE SUPREME ADMINISTRATIVE COURT

LISBON – July 30, 2020.

Under the terms and for the purposes of Article 17(1) of Regulation (EU) no. 596/2014 of the European Parliament and the Council, of 16 April 2014, and of Article 248-A(1) of the Portuguese Securities Code (“Código dos Valores Mobiliários”), Transportes Aéreos Portugueses, S.A. (“TAP”), informs the market and the general public that:

As previously disclosed to the market and the general public on June 26, 2020, TAP and TAP – Transportes Aéreos Portugueses, SGPS, S.A. (“TAP SGPS”) have been formally summoned by the Supreme Administrative Court (*Supremo Tribunal Administrativo*), in the capacity of Interested Parties, in connection with Protective Judicial Proceeding nr. 55/20.1BALSB. Within the scope of the mentioned judicial proceeding, the Claimants are Oporto Trade Association (*Associação Comercial do Porto – Câmara de Comércio e Indústria do Porto*) and Mr. Nuno Luís Cameira de Sousa Botelho, while the Defendant is the Council of Ministers (*Conselho de Ministros*).

On July 29, 2020, the protective measure included in the above mentioned judicial proceeding requests was rejected by a decision of the Supreme Administrative Court (“Court”). In summary, the Court has considered that either a decision confirming the request on the non-execution of the granting or utilisation of the loan to TAP or, in case such act were to be executed, a decision confirming the opposition to such act were not likely to be taken.

Within the substantive assessment of the protective measure request, the Court mentioned that the decision on whether or not to grant support to TAP is an administrative decision, with broad discretion, thus being its judicial control very limited. Moreover, the Court clarified that the Claimants did not invoke the unlawfulness of the granting of the public loan itself, but have only expressed that such act should not be executed until the flight routes of the company receiving the loan are changed in a way that meets the Claimants’ interests. In this regard, the Court further noted that it is not for the Court to decide on the lawfulness of the administrative act of granting the loan based on the principle of sound administration (and even from a perspective of protection of best national cohesion (*salvaguarda da melhor coesão nacional*)), since it refers to discretionary options and considerations where the Court shall not be involved: namely, the assessment and decision on the number of flights, from and of particular national airports, that is suitable and adjusted in terms of aligning local interests with the company’s management interests.

Given the above and pursuant to the applicable law, the Claimants may appeal against the decision of the Court to the full Section of the Court within 15 days from the date of notification of the Court’s decision.

This information is also available in TAP’s website at: <https://www.flytap.com/>

#### TRANSPORTES AÉREOS PORTUGUESES, S.A.

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