TAP AIR PORTUGAL

TAP Air Portugal

Company Overview

September 2025

PARPÚBLICA PARTICIPAÇÕES PÚBLICAS (SGPS), S.A.   BofA SECURITIES   CaixaBI

Background to the Potential Transaction & Communication

- **TAP Air Portugal is the world's leading airline between Europe and Brazil, and the leading operator in Portugal with a 46% market share at Lisbon Airport**[(1)]

- **This document and the information therein are provided in the context and terms of the reprivatisation process approved by the Portuguese Republic's** Decree-Law No. 92/2025 of August 14th and detailed by the Portuguese Government's Resolution of the Council of Ministers No. 141-B/2025 of 22nd September regarding the reprivatisation of a stake in the share capital of TAP – Transportes Aéreos Portugueses, S.A. ("TAP Air Portugal" or "TAP")

- **The reprivatisation of TAP will pursue a transaction of up to 49.9% of the share capital of TAP**: direct sale of up to 44.9% to an investor, whether national or foreign, individually or as part of a consortium, and an additional 5% share offer to employees of TAP (and of other companies that are in a control or group relationship with TAP)

- **Procedural clarification questions as part of the Pre-Qualification Process Phase should be directed to** tap-reprivatizacao-2025@parpublica.pt. Further information on the potential transaction can be found at https://www.parpublica.pt/index.php/tap. Additional public information on TAP, including Annual Reports and summary Interim Accounts, can be found on its official website (www.tapairportugal.com)

- **Bank of America Europe Designated Activity Company and Caixa – Banco de Investimento, S.A., together with Uría Menéndez Abogados, S.L.P., Sucursal em Portugal, are acting, respectively, as financial advisers and legal adviser** to Parpública, acting on behalf of the Portuguese State, and the Portuguese Government in connection with the potential transaction

- **On 8th November 2024, TAP S.A. acquired from SIAVILO the shares representing 100% of the share capital of Portugália**. The Group's consolidated perimeter was further modified on 21st January 2025 and 9th April 2025, with the acquisition from TAPGER of 100% and 51% of the share capital of UCS and Cateringpor, respectively. These reformulations of the Group's consolidation perimeter resulted in significant changes to the financial statements
    - Figures presented for FY 2024 include only the last two months of Portugália's activity for the year with prior FY results not restated
    - Figures for Q2'24 have been presented on an unaudited proforma basis to ensure comparability with Q2'25 figures

(1) *Based on share of 2024 seats.*

Portuguese Government Key Objectives for the Reprivatisation

Objectives	
Recover recent investment by the Portuguese State	Maximise the valuation received for the current TAP perimeter to recover the €3.2bn injected into the company [(1)]
Reinforce aviation and engineering capabilities, as well as enhance strategic routes	Enhance TAP's role as a key provider of highly skilled jobs in aviation, engineering and maintenance, whilst sustaining essential domestic and international routes (e.g. Portuguese-speaking destinations)
Value and grow TAP with private investment	Partner with a financially strong and experienced private investor that is capable of investing in TAP and unlocking its full potential, whilst enhancing TAP´s competitiveness and long-term sustainability
Maintain TAP brand with headquarters and management in Lisbon	Preserve TAP's well-established identity as Portugal´s flag carrier with the development of a sound industrial plan and strategic routes
Create synergies with reference investor to increase competitiveness	Develop and monetize initiatives by partnering with a reference investor to create value for TAP through operational efficiencies, network integration, economies of scale and cost savings

(1) Including €600m of Covid-19 compensation which is non-refundable.

TAP Air Portugal: Key Highlights

TAP AIR PORTUGAL

16.1m
Passengers (1)

9.0%
FY24 Recurring EBIT Margin

31
Countries Served

9,743
Active Staff (2)

99
Aircraft

98.9%
Regularity (1)

€4.2bn
FY24 Revenue

20+
Recent Awards Won

A Transformed Proposition

- **Successful operational turnaround,** laying the foundation for **sustainable profitability** supporting EBIT margin recovery
- **Re-focused network**, with 50%+ of ASKs deployed to the Americas utilising capabilities of the A321LR to offer services from Portugal to North America's East Coast and Northern Brazil, with TAP being **the leading operator between Europe and Brazil**
- **Network strategy underpinned by attractive, modular fleet**, consistently operating one of the youngest fleets in the world with **75% of Airbus aircraft expected to be next-gen models** by the end of 2025
- **Revamped customer experience, brand identity**, digital experience, off-and on-board offering with proven improvement in **customer satisfaction scores**

A unique opportunity to invest in the Portuguese national carrier performing a vital role connecting Europe and the Americas

Source: Company annual report, quarterly filings and company website.
(1) FY24.
(2) As of June 2025, and including employees of Portugália, UCS and Cateringpor.

Overview of Routes & Network Strategy

North America Segment — 22%

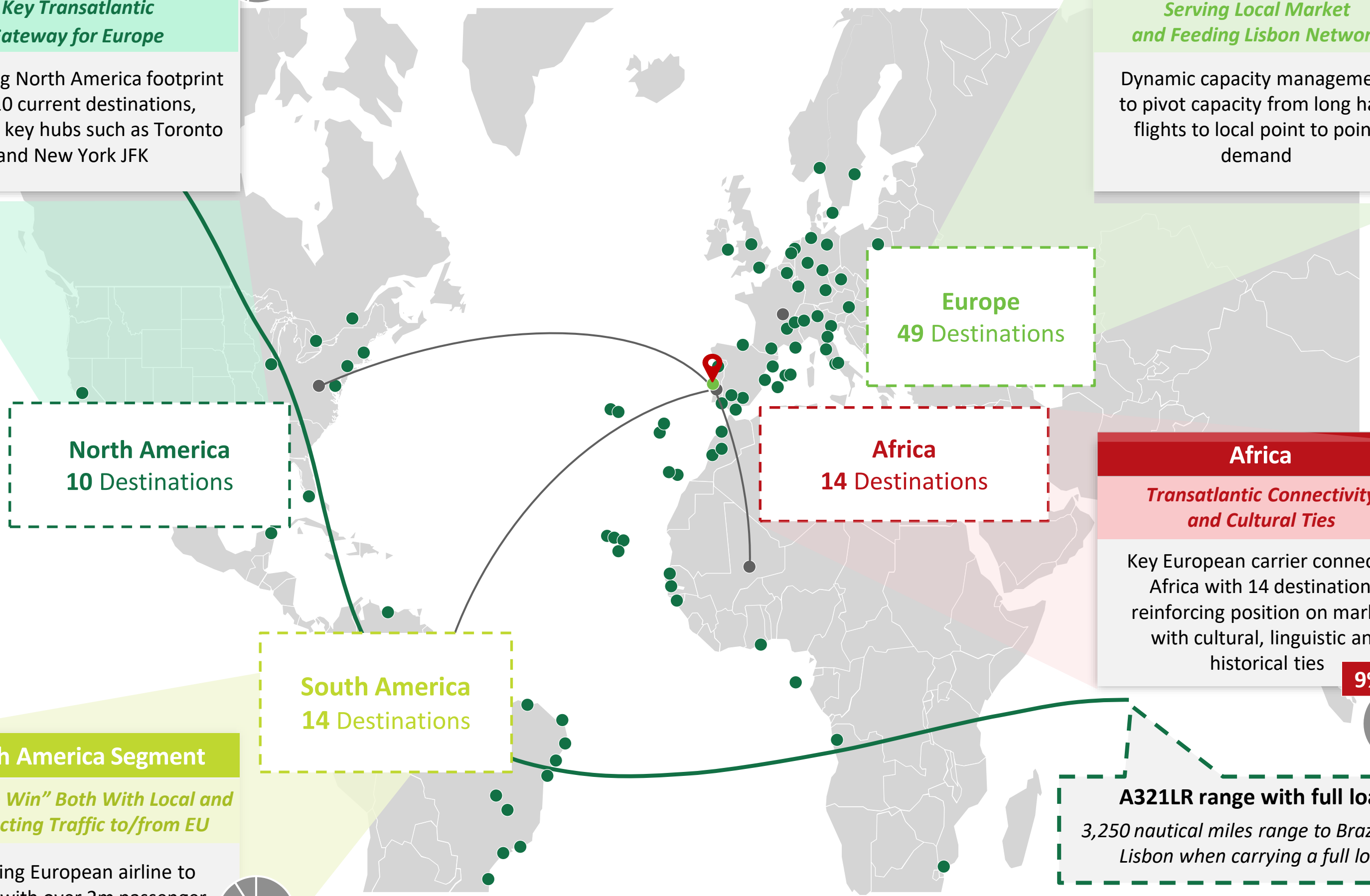
Key Transatlantic Gateway for Europe

Expanding North America footprint with 10 current destinations, including key hubs such as Toronto and New York JFK

Europe Short Haul — 37%

Serving Local Market and Feeding Lisbon Network

Dynamic capacity management to pivot capacity from long haul flights to local point to point demand



Africa

Transatlantic Connectivity and Cultural Ties

Key European carrier connecting Africa with 14 destinations, reinforcing position on markets with cultural, linguistic and historical ties — 9%

A321LR range with full load

3,250 nautical miles range to Brazil from Lisbon when carrying a full load

South America Segment

"Right to Win" Both With Local and Connecting Traffic to/from EU

Leading European airline to Brazil with over 2m passenger carried between Brazil and Europe for the first time in 2024 — 32%

Destinations · HQ · Summer 25 ASKs

300m+
Portuguese speakers globally, providing strong VFR traffic and connectivity

9
of 13 destinations in Brazil are exclusive to TAP (1)

52%
of Americas to Europe passengers connect through Lisbon

87
Destinations

31
Countries

Strong network positioning providing connectivity to strategic routes and Lusophone communities with optionality to accelerate growth from Oporto

Source: Company information.

(1) Refers to destinations in Brazil served exclusively by TAP from Europe including both direct flights and those with a commercial stop.

Strategic Partnerships Enhance Network Reach

Intermodal partnership – Train services within Europe: AccesRail Trenitalia; SBB; OBB; Transpennine; GWR, SNCB; Swedish worldticket solutions Deutsche Bahn

200

Access to additional destinations worldwide through codeshare agreements and relationships

36 (1)

Code-share partners of which 20 are Star Alliance

+100 (2)

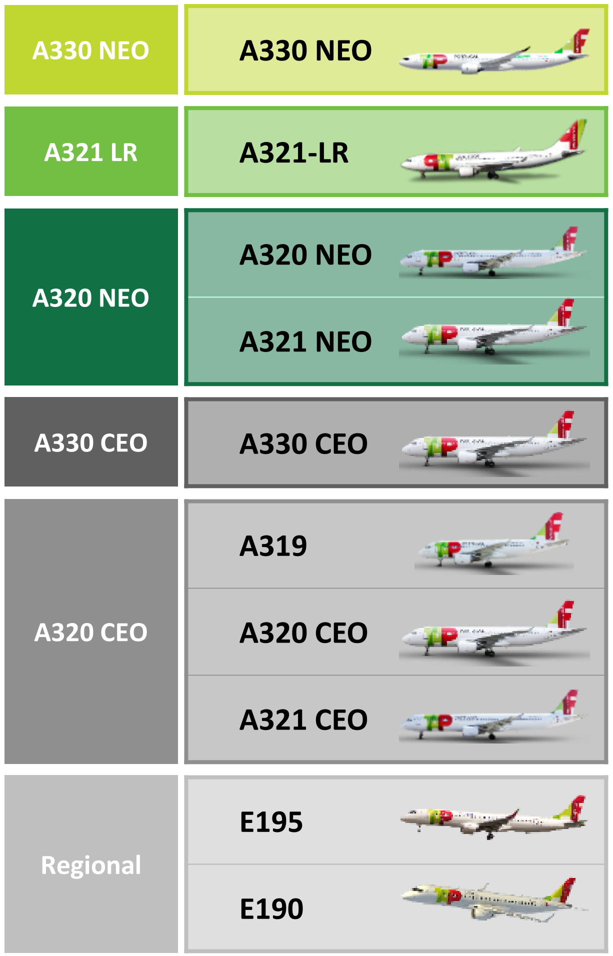
Interline partners

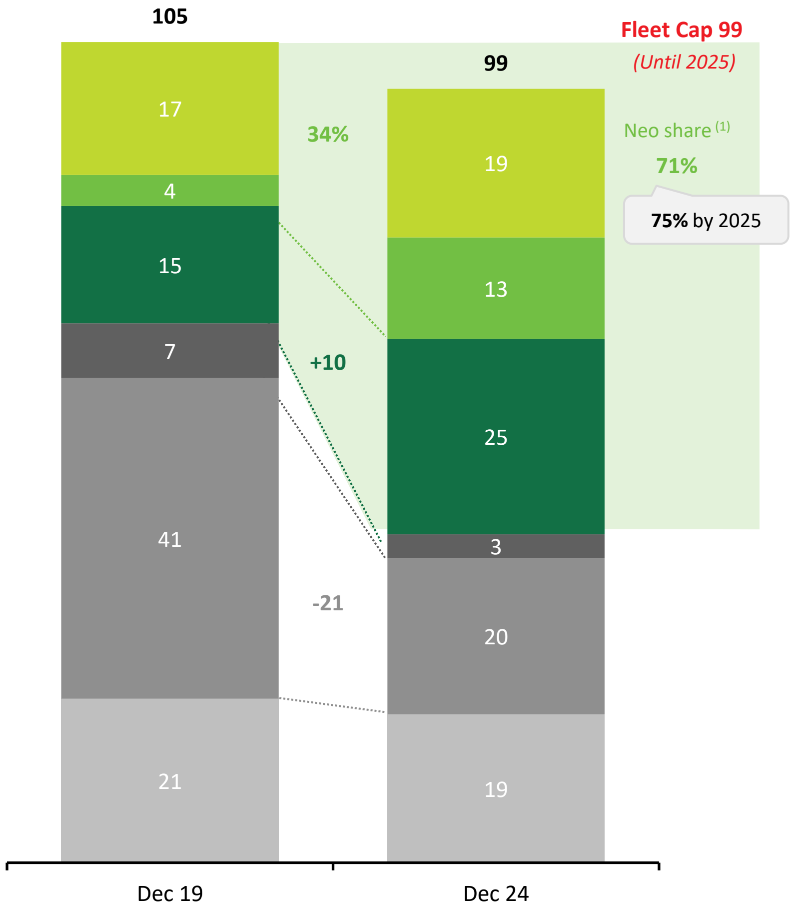
Access to **34** Brazilian cities through various partnerships

TAP is part of a broad network of global partnerships enhancing connectivity and providing network flexibility

Source: Company information as of June 2024.
(1) Excluding code-shares currently suspended due to geopolitical circumstances.
(2) Includes Special Prorate Agreement (SPA).

A Modern and Well-Invested Fleet





A330 NEO | A321 LR | A320 NEO | A330 CEO | A320 CEO

Airbus Fleet

Regional

9.3 years

Average Age of Airbus Fleet [(2)]

$2,300 - $7,000[(3)]

Average reduction in fuel costs per transatlantic flight (vs. other European airports) due to strategic position of the Lisbon network

9

Next-gen aircraft to be brought into operation in 2026, phasing out older, less fuel-efficient models

TAP's **In-house Maintenance Division** is a key differentiator in managing upkeep of its fleet

Ongoing fleet modernisation driving enhanced customer proposition and incremental efficiency savings from shift to NEO aircraft

Source: Company information.
(1) Share of neo aircraft of Airbus fleet.
(2) As of June 2024. Includes only Airbus fleet.
(3) Considering same aircraft, A330-900 and fuel price of $885 per ton (2023 average price).

Reshaping the Customer Experience

Key Initiatives

Improved Ground Experience with the new Non-Schengen Lisbon Lounge supported by new CLA's to enable greater crew flexibility during disruptions

Customer-facing operations strengthened by integrating Airport Services into the Customer organization and a dedicated Customer Experience team at Lisbon Airport

Enhanced Digital Experience & Security through launch of a new website and App

Upgraded onboard experience with new business class menus created by Local Star Chefs featuring high-quality Portuguese cuisine

Customer satisfaction scores improving across all touchpoints, with overall NPS increasing by 6 points in H1'25 vs. H1'24

Increased Brand Goodwill on social media, with positive sentiment rising from 32% in 2023 to 74% in 2024

TAP AIR PORTUGAL MILES&GO

100+
Program Partners

Revamped loyalty program with **new partnerships** and **introduction of new tiers**

Industry Recognition and Awards

WORLD TRAVEL AWARDS

2024 Europe's and World's Leading Airline to South America & Africa

AirlineRatings

1st Safest European Airline, 2025

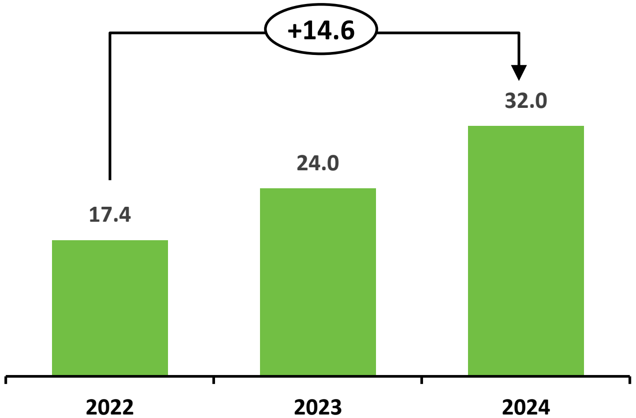
APEX

2025 Four Star Major Airline

Global Traveler

2024 Best Stopover program (6th consecutive edition)

Proven Improvement in NPS



Area	2024 vs 2023
Punctuality	+10
Entertainment	+9
On board Wi-Fi	+23
Check in	+7
Boarding	+8

Enhanced product proposition and loyalty engagement driving incremental RASK improvement and customer stickiness

Source: Company information.

Transformed Financial Profile

Key Elements of the Restructuring Plan

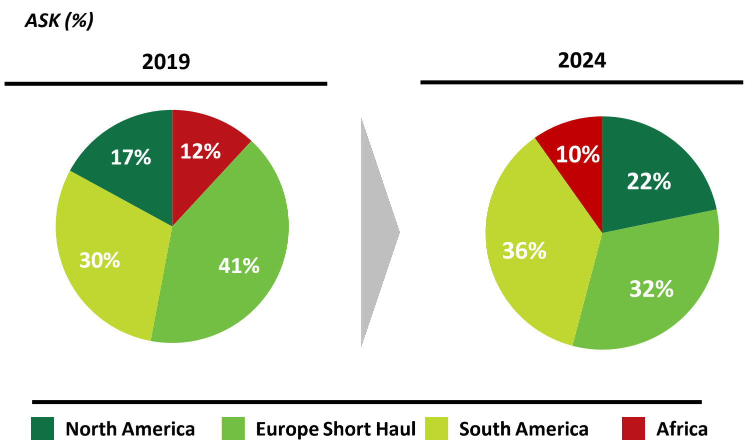
Operational Initiatives

- Corporate structure focused on **core airline business**
- **Capacity Adjustment:** Fleet rightsizing, network optimization
- **Tactical network planning** with deployment of capacity on routes with strongest demand: focus on **transatlantic connectivity**
- **Robust labor agreements** ensuring flexibility and availability of staff

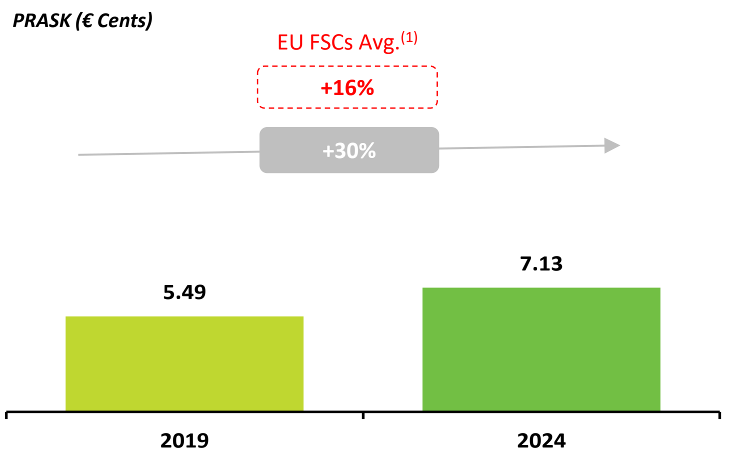
Financial Initiatives

- **€3.2bn[2] of cumulative State Support**
- **Revenue Enhancement:** Passenger revenues, marketing & sales, other revenues
- **Ancillary operating income** driving a more resilient and diversified top line
- **Operating Cost Improvement:** Leasing negotiation, third party costs, labor restructuring
- **Balance Capital Structure:** New shareholder structure with focus on TAP SA, decision to divest from ME Brasil

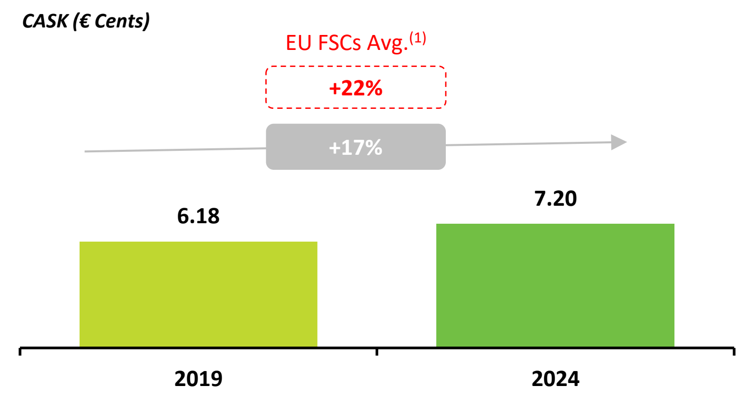
Disciplined Capacity Deployment



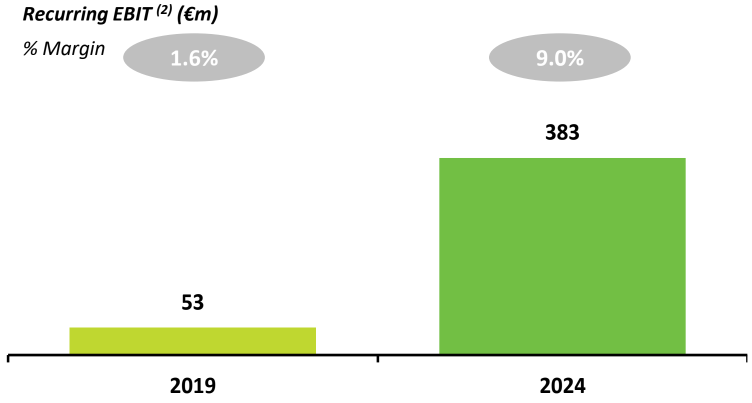
Strong Unit Revenue Progression



Focus on Unit Cost Management



Strong Recovery in Profitability

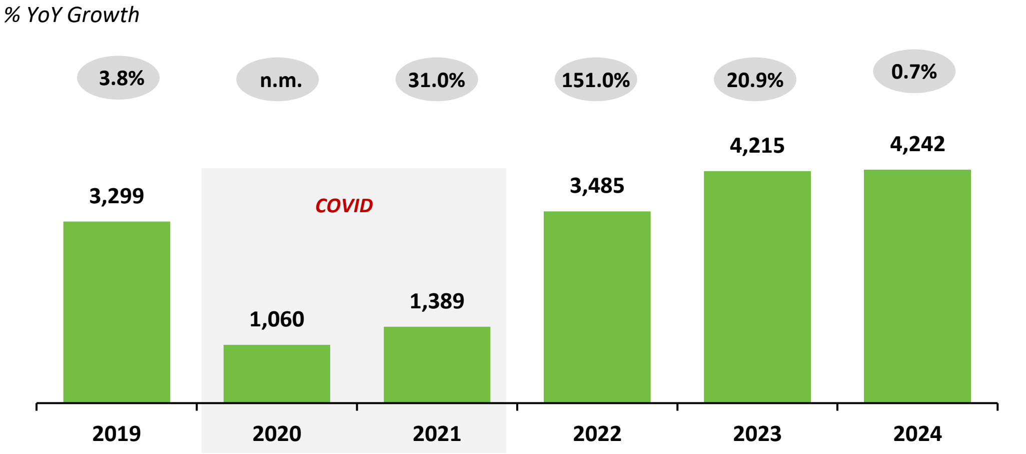


Restructuring Plan initiatives have yielded a significant uplift in revenue and cost performance

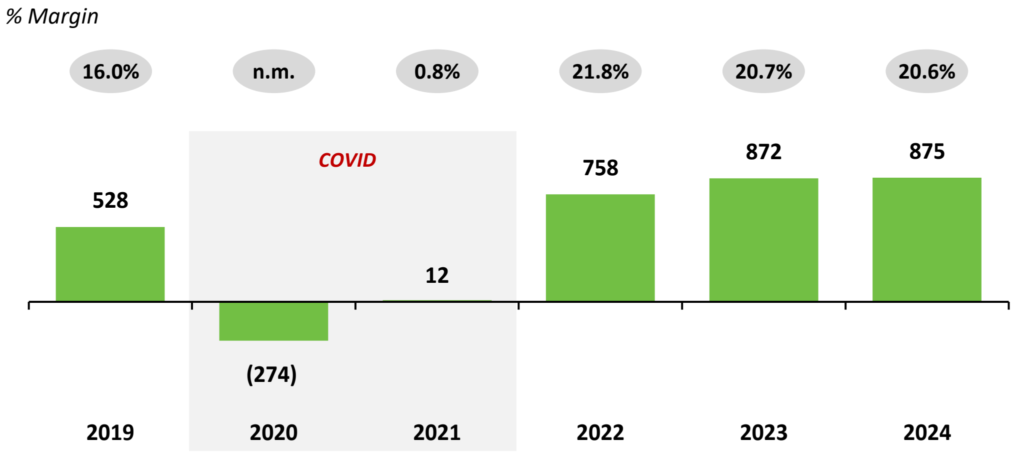
Source: Company Information.
EU FSCs include IAG, Air France KLM, and Lufthansa.
(1) Defined as Operating Result + Restructuring + Other non-recurring items.
(2) Including €600m of Covid-19 compensation which is non-refundable.

Historical Financial Performance

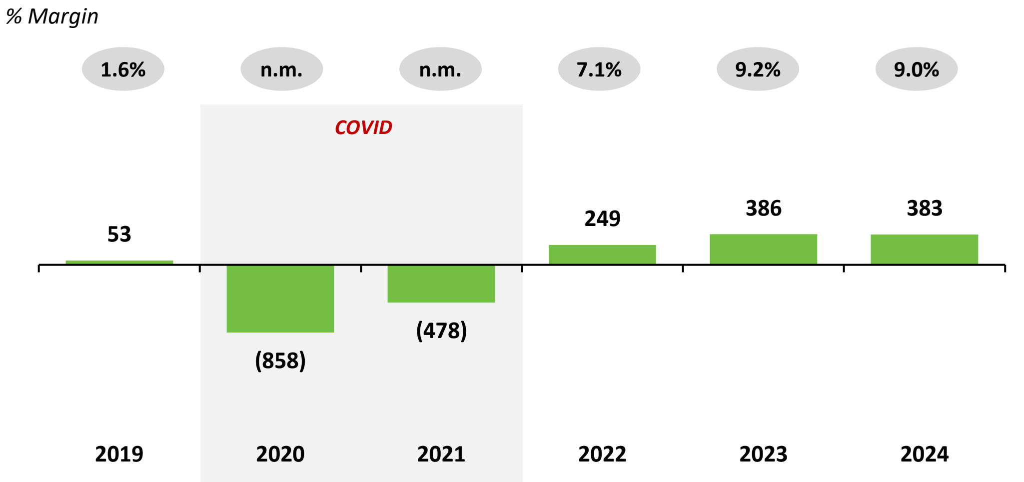
Revenue (€m)



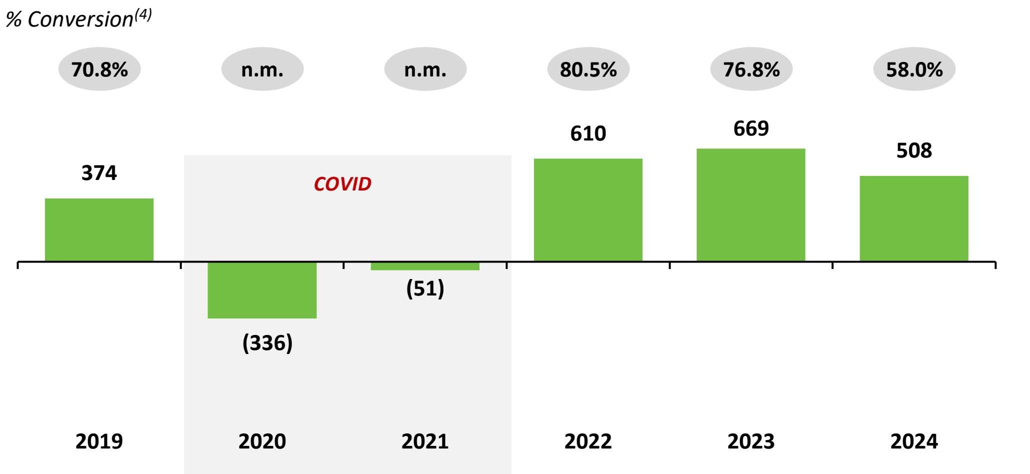
Recurring EBITDA(1) (€m)



Recurring EBIT(2) (€m)



OpFCF(3) (€m)



Delivering Sustainable Profitability

Source: Company Information.

Note: TAP acquired 100% of Portugália's share capital in November 2024, integrating its operations into TAP's consolidated financials. 2024 figures reflect two months of Portugália's performance, whereas the prior figures have not been restated to reflect this acquisition.

(1) Recurring EBITDA defined as EBITDA + Restructuring Costs + Non-recurring items.

(2) Recurring EBIT defined as Operating Result + Restructuring Costs + Non-recurring items.

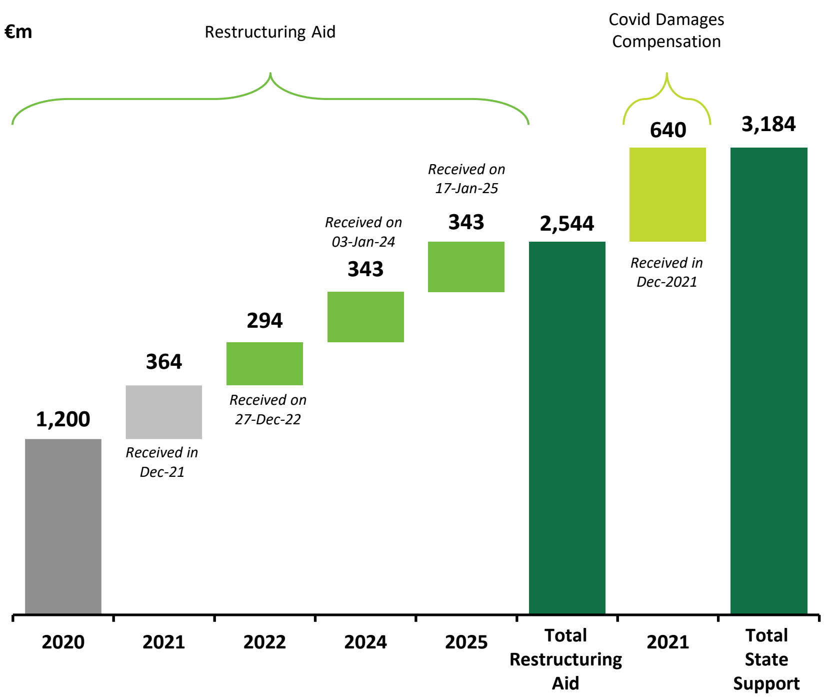
(3) Refined as Recurring EBITDA-Capex.

(4) Defined as (Recurring EBITDA - Capex)/Recurring EBITDA.

Solid Financial Structure

Solid Financial Structure

Phasing of State Support



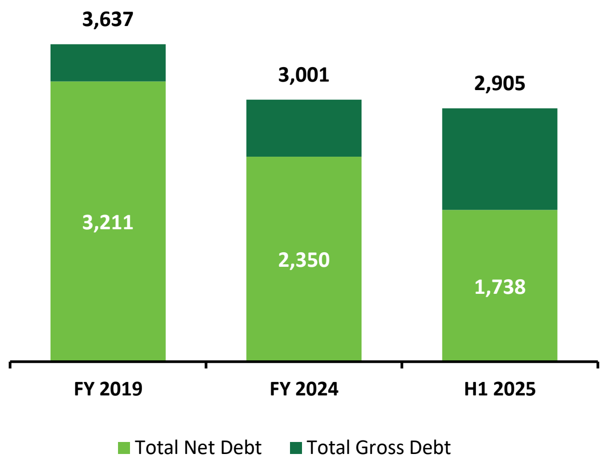
Reduced & Stable Leverage

Net Debt / Recurring LTM EBITDA[1]

FY 2019	FY 2024	H1 2025
5.2x	2.6x	2.2x

IFRS 16 Operating Leases (€m)

FY 2019	FY 2024	H1 2025
2,278	1,599	1,355



Credit Rating and Premium Improvement

Credit Premium Improvement [2]

+ 407bps

Senior Notes 2019-2024 vs. Senior Notes 2024-2029 (March 2025)

	S&P Global Ratings	Moody's Investors Service
Current	BB- Stable Outlook	Ba3 Stable Outlook
2019	BB-	B2

- **2020 Tranche:** €1.2bn covid-rescue loan received in 7 tranches between 17-Jul-20 and 30-Dec-20 and converted into equity in Dec-2021 as part of the approved €2.5bn Restructuring Aid package
- **2021 Tranche:** €364m capital increase in the context of the restructuring plan and €640m of Covid Damages Compensations received (non-refundable)
- **2022-2025 Tranches:** €980m capital increase subscribed on 27-Dec-2022 as part of the Restructuring Plan

- Leverage improved slightly, with Net Debt / EBITDA decreasing to 2.2x, reflecting the impact of the capital markets transaction completed in Q1
- Gross debt decreased €97m, reflecting impact of ongoing lease liability repayments and USD devaluation, offsetting €200m additional senior notes issued in Q1
- 69% of financial debt is fixed rate

- Upgraded by both credit rating agencies in October 2024 and again by Moody's in July 2024, remaining stable
- Credit rating restored, with Moody's rating above 2019 levels

Optimised financial structure with stable leverage and increased debt maturity

Source: Company information.

(1) Net Debt / Recurring LTM EBITDA = Net financial debt + Lease liabilities without purchase option – Brazil flown receivables & other cash equivalents / Recurring EBITDA trailing 12 months.

(2) Spread between TAP senior notes' Yield to Maturity vs. German Bund.

Current Trading: Q2’25 Highlights & Outlook

Q2’25 Current Trading

- **Revised group structure** completed and **consolidated to ensure focus** on **core strategy**
- **Network strengthened & diversified** with new routes launched, particularly at focus cities (non-Lisbon gateways)
- **Q2 revenues up +2%** driven predominantly by growth in passenger revenues with improved load factor (+2.3 p.p.) on higher capacity (+5%) and the Easter shift almost offsetting Q1
- **Solid Q2 operating results,** with recurring EBITDA & recurring EBIT margins at 23% & 12% and a solid cash position, supported by execution of the third capital tranche (€200m senior notes offering in Q1 2025) and adjusted free cash flow generation
- **Positive Q2 net income of €38m** in spite of FX losses which reduced the ability to fully offset Q1 losses
- **Solid financial structure** underpinned by strong liquidity and stable leverage

FY’25 Outlook

- **Forward bookings remain broadly in-line with previous year** despite capacity increase & noticeably shorter booking windows
- **Competitive pressures remaining in key markets,** maintaining pressure on yield evolution
- **Focus on best-in-class revenue streams in core markets**, through stronger load factors, leveraging unique network & geographical advantages to maintain market leadership
- **Fleet modernization remains on track** with three additional Airbus NEOs due by year-end, despite delivery delays
- **Consistent strategic focus:** reinforce core network to create a sustainable financial carrier, with reliable and efficient operations

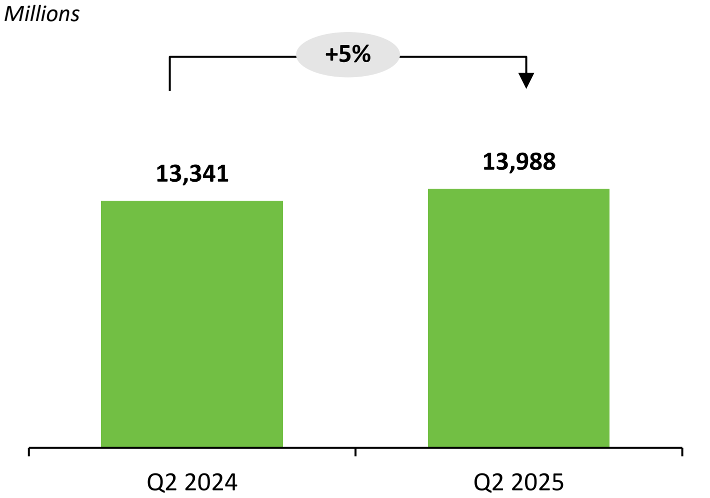
Positive Q2 performance supporting H1’25 operating results offsetting Q1 challenges

Source: TAP Q2 and FY24 results presentation.

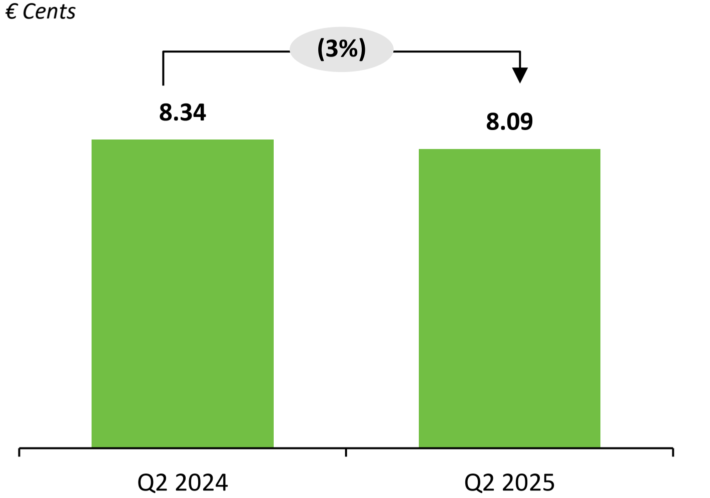
Current Trading: Q2’25 Performance

Q2’24 presented on proforma basis[1]

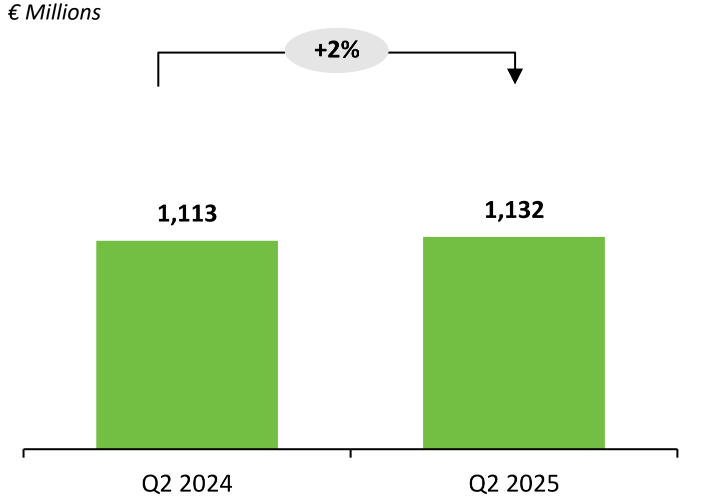
ASKs



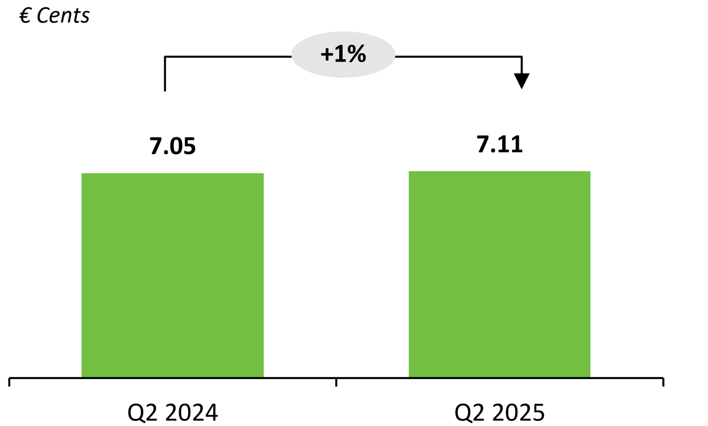
RASK



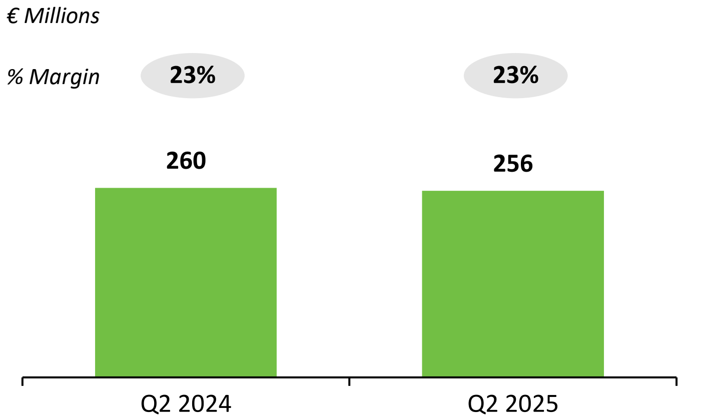
Total Operating Revenue



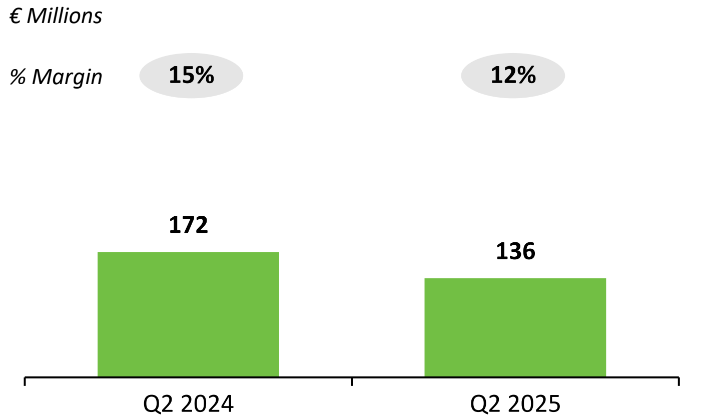
Recurring CASK[2]



Recurring EBITDA[3]



Recurring EBIT[4]



Increased Q2 capacity combined with Easter shift supporting H1’25 recovery

Source: Company filings.

(1) 2024 financial information is presented in an unaudited proforma basis, reflecting the consolidation of Portugália – Companhia Portuguesa de Transportes Aéreos S.A. (“Portugália” or “PGA”), UCS - Cuidados Integrados de Saúde, S.A. (“UCS”) and Cateringpor – Catering de Portugal, S.A. (“Cateringpor”), to ensure comparability with the 2025 accounts.

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

(3) Recurring EBITDA defined as EBITDA + Restructuring Costs + Non-recurring items.

(4) Recurring EBIT defined as Operating Result + Restructuring Costs + Non-recurring items.

Key Investments Highlights

1 **A Transformed Proposition:** post-Covid TAP has been transformed into a focused full-service carrier delivering sustainable profitability, supported by a solid financial structure

21%
2024 EBITDA Margin[1]

2 **World-leading Airline:** Highly visible brand with clear strategy to enhance customer experience through operational improvement and digitalisation

2024 Europe's & World's Leading Airline to South America & Africa
WORLD TRAVEL AWARDS

3 **Strong Hub Positioning:** Leading position at capacity constrained Lisbon hub with optionality to accelerate growth at Oporto

46%
Lisbon market share [2]

4 **Unique Network Connectivity:** Attractive geographic positioning as Europe's 'gateway' capturing attractive growth between Europe and the Americas leveraging enhanced efficiency of Airbus A321-LR narrowbody fleet

#1
Operator Between Europe & Brazil

5 **Attractive Next-Gen Fleet:** Successful investment in efficient modern fleet offering significant unit cost and sustainability benefits whilst improving customer experience

75%
Airbus NEO Fleet by 2025

6 **Future Growth Opportunities:** High-quality in-house M&E capabilities with optionality to accelerate growth and invest in new facilities supported by strong positioning in future SAF value creation opportunity

45%
FY24 M&E YoY Revenue Growth

Source: Company information.
(1) Recurring EBITDA defined as EBITDA + Restructuring Costs + Non-recurring items.
(2) Based on share of 2024 seats.

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