

STATEMENT
INFORMATION ON THE EUROPEAN COMMISSION'S DECISIONS

Lisbon, 16 July 2021

Under the terms and for the purposes of Article 17(1) of Regulation (EU) No 596/2014 of the European Parliament and of 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 public in general that:

According to a press release issued on the date hereof by the European Commission (**"European Commission's Press Release"**), today this authority adopted the following two separate decisions:

(i) Re-approval of the €1.2 billion rescue aid

The European Commission has decided to re-approve the €1.2 billion rescue loan to TAP – Transportes Aéreos Portugueses, SGPS, S.A. (**"TAP SGPS"**), that it had previously approved by a decision dated 10 June 2020, by further specifying the reasons for approving the aid (in connection with the situation of the TAP Group and its shareholders in June 2020), as required pursuant to the judgment of the General Court of the European Union of 19 May 2021 (case T-465/20), which annulled the initial rescue aid decision, while suspending the effects of the annulment pending the adoption of a new decision by the European Commission.

Therefore, this new decision of the European Commission confirms the previous decision adopted by this authority on 10 June 2020, which found that the said €1.2 billion rescue aid was compatible with the internal market, pursuant to Article 107(3)(c) of the Treaty on the Functioning of the European Union and in accordance with the requirements of the European Commission's Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (**"R&R Guidelines"**).

(ii) TAP Group's Restructuring Plan



According to the European Commission's Press Release, on 10 June 2021, Portugal notified to this authority a €3.2 billion restructuring aid, with the aim of financing a restructuring plan of TAP SGPS, which sets out a package of measures for streamlining TAP's operations and reducing costs (in accordance with which, for instance, it is foreseen that TAP will reduce its fleet, streamline its network, and adjust to reduced demand before 2023).

Following this notification of the Portuguese Republic, the European Commission has decided to open an in-depth investigation to further assess the compliance of the proposed restructuring plan and of the related aid with the conditions of the R&R Guidelines.

The opening of an investigation, which is a regular process established in the applicable European rules, will give Portugal and interested third parties the opportunity to submit comments and it does not prejudice the outcome of the investigation. Moreover, it does not affect the €1.2 billion rescue aid that was granted to the TAP Group, which approval has been confirmed today by the European Commission, as further detailed in paragraph (i) above.

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

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