

STATEMENT

INFORMATION ON THE IMPACT OF COVID-19 VIRUS ON TRANSPORTES AÉREOS PORTUGUESES, S.A. ACTIVITY

LISBON – March 9, 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:

Since the outbreak of Covid-19 virus, TAP’s priority is to ensure the protection of workers and passengers’ health. From the very beginning, TAP has been taking actions in close coordination with the competent national and international Health and Civil Aviation authorities, as well as other relevant entities.

The spread of Covid-19 virus has been evolving in a singular way, with no room for comparisons with previous cases, therefore requiring economic agents to be constantly reassessing the impacts caused by this situation and the measures to be adopted based on the best available information to date.

Tourism and Civil Aviation industries are among the most affected. Since the beginning of March, TAP has been noticing a significant decrease on the demand side. To face this situation, TAP’s main guidelines, similarly to its peers, are aimed at matching supply and capacity to changes in demand and at conducting an appropriate business policy of its cash position.

Within this context, TAP is implementing, through cancellation of flights with less demand, a reduction of its capacity correspondent to 7% in March, 11% in April and 19% in May, which represents a total reduction of circa 3500 flights (as planned as of today), mainly in the European market, but also in the intercontinental market, given TAP’s operational model as a long-haul airline focused on connectivity.

In parallel, TAP has adopted a set of measures aimed at controlling and reducing costs, including the suspension or delay of non-critical investments, the renegotiation of commercial agreements and respective payment schedules, cuts on incidental expenses, the suspension of new staff recruitment, promotions and training, as well as the implementation of temporary unpaid leave programs.

TAP’s assessment on Covid-19 virus forecast for the company’s activity is based on the best available information to date. TAP will continue to monitor very closely further developments on this situation.

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

TRANSPORTES AÉREOS PORTUGUESES, S.A.

Raffael Guarita Quintas Alves
Representative for the Relations with Capital Markets and the CMVM
Phone: +351 218 416 127
Email: investors@tap.pt