A STAR ALLIANCE MEMBER

2025 Integrated Report

Transportes Aéreos Portugueses, S. A.



TAP AIR PORTUGAL

Embrace the World



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About this report

This Integrated Report of Transportes Aéreos Portugueses, S.A. ("TAP", "TAP Air Portugal", "TAP, S.A.", or the "Company") provides a comprehensive view of the Company's performance, strategy and key developments for the period from 1 January to 31 December 2025.

This report (the "Integrated Report") combines financial and non-financial information for the TAP Group, including economic, social, environmental and corporate governance information, reflecting an integrated approach to reporting and value creation in the short, medium and long term.

The Integrated Report is structured into the following chapters, which together comprise the Annual Report:

- **Management Report**, which includes the sector overview, a description of the business, operating and financial performance, and the outlook for 2026. It also includes information on compliance with shareholder guidelines and the legal provisions applicable to the Company as a public undertaking;
- **Risk Management and Internal Control**, describing the risk management and internal control systems associated with the main risks to which the Group is exposed;
- **Corporate Governance Report**, detailing TAP's governance model and practices;
- **Sustainability Statement**, prepared in accordance with Directive (EU) 2022/2464 – Corporate Sustainability Reporting Directive (CSRD);
- **Consolidated Financial Statements**, prepared in accordance with International Financial Reporting Standards (IFRS);
- **Appendices**, including supplementary information, the Statutory Audit Report and the Opinion of the Supervisory Board.

This document is a translation from the Portuguese original.
In the event of any inconsistencies the Portuguese version shall prevail.



1. Management Report

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1.1. 2025 Highlights

46%
FY25 Lisbon market share

17 million
FY25 passengers

86
Destinations

31
Countries

EUR 4,313 million
FY25 operating income

6%
Recurring EBIT margin FY25

+3
NPS points *vs* FY24

10,161
Employees

99
Aircraft

71%
Airbus NEO generation

52%
D15 On time Performance

99%
Regularity

100%
State ownership

Member of Star Alliance

97 tons
Cargo chargeable weight

1.1 million
Direct labour hours

8.3 million
Miles donated, TAP Donate miles

-12.4%
CO_2 per passenger carried, *vs* 2019



1.2. Letter from the Chairman

2025 marks the conclusion of a restructuring cycle at TAP and lays the foundations for the Company's next phase, built on stronger execution discipline and a reinforced governance model.

Throughout the year, TAP consolidated its operations and deepened its presence in strategic markets, demonstrating resilience in a demanding environment, while also highlighting the need for greater focus on profitability management.

2025 also marked a significant evolution in the corporate governance model. The separation of the roles of Chairman and Chief Executive Officer (CEO) was a structural step to enhance the quality of oversight, strengthen the Board of Directors' focus on strategy and long-term value, and increase accountability for execution.

It was also the year in which the partial reprivatization process of TAP was initiated by the shareholder. This process will be instrumental for the Company's next phase and represents an opportunity to sustain its future competitiveness. In this context, the Board of Directors established a clear principle of separation between operational execution and the requirements of the process, ensuring continued focus on performance and quality of preparation.

A 10-year strategic direction was also defined, anchored in TAP's unique geographic positioning and in the role of the Lisbon hub as a connecting platform between Europe, Africa, and the Americas. Within this context, the Company maintains a leading position, particularly in connections between Europe and Brazil. Delivering on this strategy will require consistency in execution, discipline in value creation and profitability, as well as an evolution in the way the Company is organized, fostering greater integration across functions and strengthening planning capabilities.

From a financial standpoint, TAP closes the year with a stronger position, albeit with pressure on operational profitability. Growth and profitability must evolve in a consistent and inseparable manner.

The external environment has become more uncertain, with visible impacts from the geopolitical context and energy costs, requiring greater resilience, agility, and rigor in execution and delivery.

In the year TAP celebrated its 80th anniversary, it is only fitting to recognize the contribution of all employees and the Executive Committee for the way they led the Company throughout the year.

TAP now enters a new phase. The challenge is clear: to execute with discipline and in a sustainable manner, consolidating its position as a leading operator in transatlantic connections, particularly as the leading carrier between Europe and Brazil, while capturing the growth potential associated with its unique positioning.

The Board of Directors will accompany this new cycle with a strong focus on strategy, rigorous oversight, and a commitment to long-term value creation, counting on the engagement of the entire organization.

Carlos Oliveira
Chairman of the Board of Directors



1.3. Letter from the CEO

In 2025, despite a challenging and uncertain environment, TAP delivered solid results, building on the progress of recent years, supported by a continued focus on financial sustainability and the Company's structural transformation. This journey culminated in the completion of the operational and financial commitments under the EU-approved Restructuring Plan, reinforcing our ability to execute the next phase of disciplined and sustainable growth.

This year, we continued to fulfil our mission of connecting Portugal to the World, carrying around 17 million passengers across approximately 118,000 flights, serving 86 destinations in 31 countries. We thereby reinforced our role as a strategic platform connecting Europe with the American and African continents, leveraging our geographical location and the uniqueness of our network.

The year was marked by a demanding external environment, characterised by cost inflation, supply chain constraints and significant operational challenges across the aviation industry. Despite this context, we maintained resilient margins, strengthened the Company's financial position and delivered a positive net income for the fourth consecutive year, reflecting disciplined execution of our strategy and the robustness of our business model.

This performance was supported by resilient passenger demand across the network, mainly in the second half of the year, and a strong contribution from our Maintenance business, which continued to increase its contribution to total revenues. In the opposite direction, inflationary pressures on key cost drivers and changes in the consolidation perimeter, in line with the Restructuring Plan guidelines, led to higher operating costs, putting pressure on profitability.

From an operational standpoint, despite being significantly impacted by structural constraints at Lisbon Airport and by factors outside the Company's control, TAP maintained a consistent focus on service quality. This effort was reflected in an improvement in NPS compared to the previous year, demonstrating customer recognition, as well as in external recognition of the Company, through several awards, including being named the leading airline on routes to South America and to Africa.

At TAP Air Portugal, we view sustainability as a central element of our transformation and our long-term value creation strategy. We are determined to position the Company as a more efficient and more resilient airline, prepared for the challenges and opportunities ahead. In this context, we are implementing a structured roadmap to progressively reduce the carbon intensity of our operations, based on fleet modernisation, continuous improvements in operational efficiency and the gradual incorporation of lower-carbon fuels. We reinforced this commitment in 2025 by joining the Aviation Sustainability Alliance.

2025 ended with an important milestone for TAP. The European Commission acknowledged the completion of the operational and financial commitments under the EU-approved Restructuring Plan, confirming TAP's successful transformation to deliver long-term viability and balanced growth. This recognition closes a demanding cycle of transformation, launched during one of the most challenging periods in the sector's history.

In 2026, the Executive Committee will accelerate the execution of the initiatives already defined, with a clear focus on operational priorities. This process will be accompanied by the start of a new phase of disciplined and sustainable growth, with a stronger focus on transatlantic expansion, namely with two new destinations in Brazil, reinforcing our leadership and network in this market to a total of 15 destinations, of which 10 are exclusively served by TAP. In addition, we will expand our operations from Porto, with several new routes and the investment in a new maintenance hub.

In parallel, we will continue to invest in our product and customer experience, with a particular focus on the introduction of a new cabin and the reinforcement of our onboard offering, enhancing Portuguese identity as a differentiating element. It is also with great satisfaction that we will strengthen our commitment to national sport, with the TAP brand as an official partner of the National Football Team and the Portuguese Olympic and Paralympic Committee.

Finally, I would like to express my sincere thanks to all our people for their commitment, professionalism and resilience, and to our customers, partners, shareholder and other stakeholders for their continued support. Their dedication was critical to delivering this performance in 2025, and it will remain essential as we enter this new chapter for TAP.

We remain committed to transforming TAP into a sustainably profitable, competitive airline, recognised for the quality of its service—always staying true to our mission of connecting Portugal to the World.

Luís Rodrigues
Chief Executive Officer



1.4. About TAP

Transportes Aéreos Portugueses, S.A. ("TAP", "TAP Air Portugal", "TAP, S.A.", or "Company") is the leading Airline in Portugal and has been a member of Star Alliance since 2005. Flying since 1945, TAP Air Portugal has its hub in Lisbon, a privileged access platform in Europe, at the crossroads with Africa and North, Central and South America.

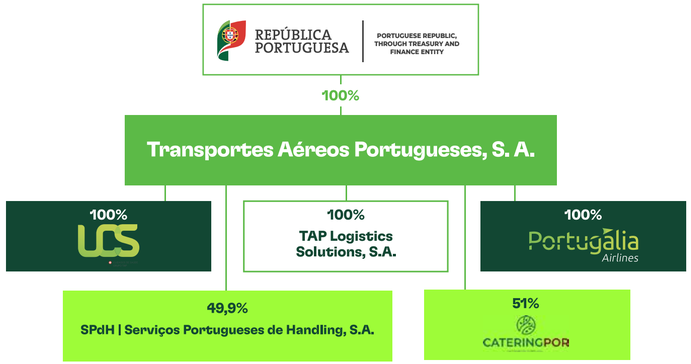
TAP Air Portugal is the leading airline in Portugal, with a market share of 46% (measured in seats) in 2025 at Lisbon Airport, and the world's leading Airline between Europe and Brazil. During the summer of 2025, TAP offered more than 1,250 flights per week, serving 31 countries and 86 destinations: 7 in Portugal, 42 in Europe, 13 in Africa, 14 in South America, and 10 in North America.

TAP continued to modernise its fleet in 2025, operating 99 aircraft. Of these, 71% of the Airbus fleet already corresponds to the NEO generation, delivering significant gains in operational efficiency—particularly in fuel consumption—as well as in energy and environmental performance.

TAP was ranked by Airline Ratings as the safest airline in Europe and the sixteenth safest in the world for 2026, having received a seven-star rating out of seven possible in the Safety category.

In 2025, TAP Air Portugal was distinguished by the World Travel Awards as Europe's and World's Leading Airline to Africa, and as Europe's and World's Leading Airline to South America, reaffirming a track record of consistent recognition in these categories over the past decade.

As of 2025, following the acquisition of Portugália in November 2024, the acquisition of UCS and Cateringpor in January 2025 and April 2025, respectively, the TAP Group ("Group") has the following structure:



1.5. Business performance in 2025

2025 was a year of activity growth, accompanied by discipline in operating profitability. This evolution reflects, on the one hand, the strengthening of the Company's operating base and, on the other, the need to ensure a higher conversion of that growth into profitability. In this context, and building on the progress of recent years, TAP delivered solid results, supported by a continued focus on financial sustainability and structural transformation. Despite a challenging and uncertain environment, TAP completed the operational and financial commitments under the Restructuring Plan, demonstrating consistent execution of its strategic priorities.

In summary, the highlights of the year include:

- **Revenue increase**: In FY25, operating revenues amounted to EUR 4.3 billion, increasing by 1.2% year-on-year, driven by passenger revenues supported by higher capacity (+3.1%) and improved load factor (+1.9 p.p.), as well as by a solid performance in the Maintenance segment, which grew 10.7% year-on-year.
- **Operating results**: In FY25, TAP delivered a recurring EBITDA of EUR 742.9 million, representing a 17% margin, and a recurring EBIT of EUR 243.4 million, representing a 6% margin, despite a challenging first quarter.
- **Positive net income**: In FY25, TAP reported a positive net income of EUR 4.1 million, marking the fourth consecutive year with a positive result, despite a significant external impact, namely the EUR 42.0 million corporate income tax adjustment. Excluding this effect, net income would have amounted to EUR 46.1 million.
- **Restructuring Plan**: TAP completed, in FY25, the fulfilment of the operational and financial commitments set out in the Restructuring Plan approved by the EU, with the European Commission acknowledging that all required operational measures had been implemented in a timely manner and that TAP achieved operational and financial results securing its long-term viability. In parallel, the European Commission approved the extension of the deadline for the divestment of the shareholdings in Cateringpor and SPdH (Sociedade Portuguesa de Handling, S.A.) until 30 June 2026, with TAP being required to return EUR 24.99 million of State Aid to the Portuguese Republic, as a consequence of such extension
- **Solid Financial Structure**: As of 31 December 2025, TAP maintained a solid financial position, supported by a strong liquidity balance of EUR 765.3 million, an increase of EUR 113.7 million compared to 31 December 2024, and by a Net Debt/EBITDA [1] ratio of 2.6x (2.6x in 2024).

Carried Passengers

2025: 16,655 thousand (+3.4%)
2024: 16,108 thousand

Capacity (ASKs)

2025: 55,294 million (+3.1%)
2024: 53,617 million

Load Factor

2025: 84.2% (+1.9pp)
2024: 82.3%

Operation Income (EUR million)

2025: 4,313 (+1.7%)
2024: 4,242

Recurring EBIT (EUR million)

2025: 243 (-36.4%)
2024: 383

Net Income (EUR million)

2025: 4 (-92.3%)
2024: 54

PRASK (EUR cents)

2025: 6.96 (-2.3%)
2024: 7.13

RecurringCASK (EUR cents)

2025: 7.36 (+2.2%)
2024: 7.20

RecurringCASK ex-fuel (EUR cents)

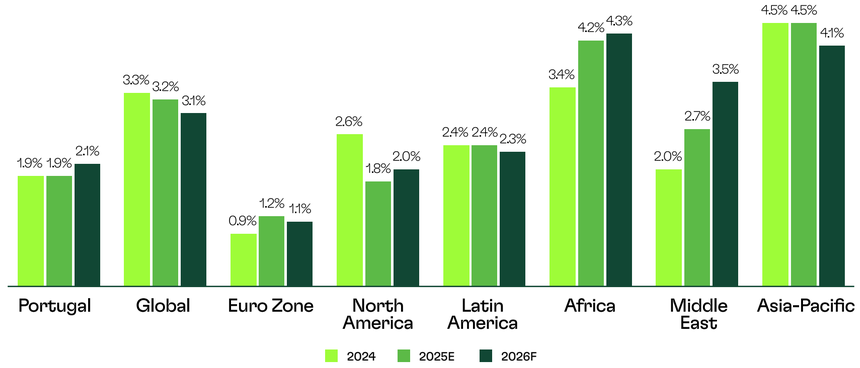
2025: 5.57 (+6.1%)
2024: 5.25

[1] Net Debt / EBITDA = Net financial debt + Lease liabilities without purchase option – Other financial assets – Brazil flown receivables & other cash equivalents / Recurring EBITDA trailing 12 months.

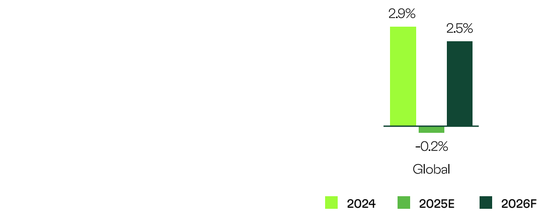
1.5.1 Sector Environment

1.5.1.1. Economic Framework

Real GDP Growth



Trade Growth

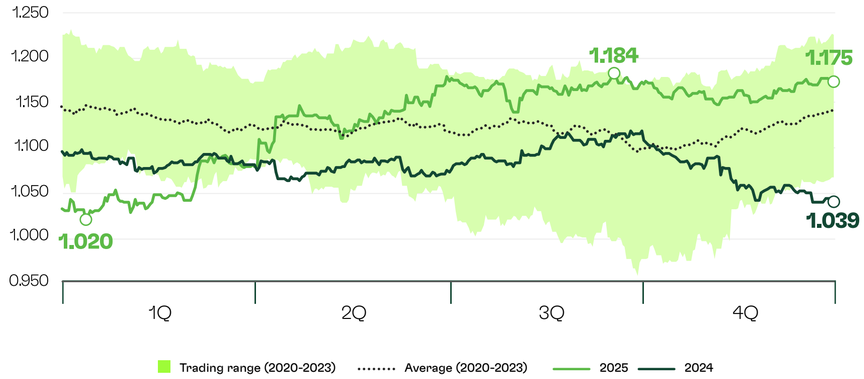


Source: IMF (January 2026), World Trade Organization (April 2025).

In 2025, the global economy is estimated to have expanded by 3.2%, slightly above the IMF's earlier projection of 3.1% for the year. Growth remained broadly resilient across major regions despite persistent geopolitical and macroeconomic uncertainty. For 2026, global activity is forecast to grow by 3.1%, broadly in line with the 2025 estimate, according to IMF projections.

Portugal's economy is estimated to have grown by 2.1% in 2025, continuing its convergence toward the Eurozone average, which reached 1.1% in the same period, supported primarily by the sustained strength of the tourism sector. Across geographies, growth remained heterogeneous: Africa and Asia-Pacific recorded the strongest expansion (4.2% and 4.5% respectively), while North America and Latin America grew at more moderate rates (1.8% and 2.4%). These trends are expected to persist into 2026, with Africa and Asia-Pacific remaining the fastest-growing regions.

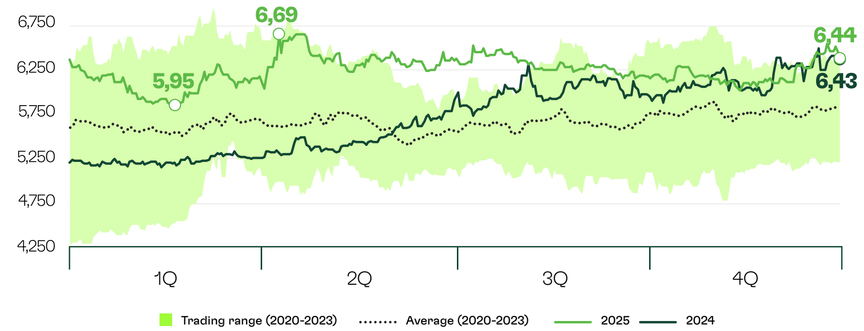
EUR/USD



Source: ECB (via Bloomberg), EUR/USD daily price.

Exchange rate developments in 2025 were marked by pronounced volatility, with the EUR/USD trading within a broad range of approximately 1.02 to 1.18 over the year. The euro remained at weaker levels in the early months of 2025, reflecting the continuation of global monetary-policy divergence and the lingering effects that had supported the US dollar through 2024, including periods of heightened fiscal and political uncertainty in the United States. As the year progressed, the euro strengthened, with the second half of 2025 showing a clear upward trend as interest-rate expectations between the Federal Reserve and the European Central Bank moved toward greater alignment.

EUR/BRL



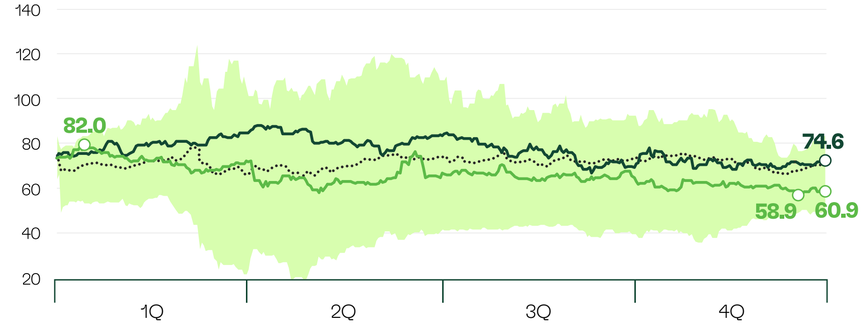
Source: ECB (via Bloomberg), EUR/BRL daily price.

Against the Brazilian real, the euro displayed comparatively greater stability. The EUR/BRL remained, for most of the year, at around 6.3 reais, reflecting the combined effect of Brazil's high domestic interest rates and a broadly supportive macroeconomic backdrop. Although occasional episodes of volatility were visible - largely driven by shifts in global risk sentiment and commodity-price movements - the overall behaviour of the EUR/BRL in 2025 remained more contained when compared with the more pronounced swings observed in the EUR/USD.

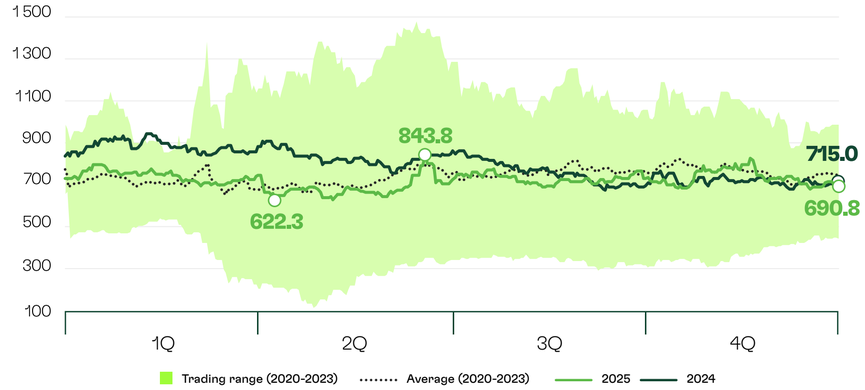
In 2025, Brent and jet fuel prices remained volatile, although within a market environment characterised by a more balanced relationship between supply and demand. This dynamic placed downward pressure on prices, which ended the year at levels below those observed in 2024 and below the averages of recent years. In the case of jet fuel, the additional decline reflected not only the evolution of crude prices but also less favourable refining margins and a moderation in the growth of air-transport demand, which, while resilient, expanded at a slower pace than in previous years.

Brent traded between a high of USD 82/bbl and a low of USD 58.9/bbl during 2025, closing the year near USD 60.9/bbl and significantly below the previous year's close of USD 74.6/bbl. Jet fuel followed a similar trend, ending the year at around USD 690.8/ton compared with USD 715/ton at the end of 2024, and fluctuating within a range of USD 843.8/ton to USD 622.3/ton. Despite the lower price levels, volatility remained broadly in line with that recorded in 2024.

Brent price in USD



Brent price in USD



Source: Bloomberg (Brent) and Platts (Jet Fuel), average daily price.

1.5.1.2. Industry environment

Airline Sector Review

In 2025, the global airline industry continued its post-pandemic recovery trajectory, although the pace of expansion moderated compared with the strong rebound seen in preceding years. According to IATA, global capacity (measured in ASK) expanded by 4.9%, while passenger traffic (measured in RPK) grew by 5.2%, reflecting sustained travel demand across international markets.

In Europe, market dynamics remained relatively stable, with both capacity and traffic numbers increasing by approximately 5% in 2025, signalling a return to pre-pandemic growth patterns after several years of exceptional volatility.

For 2026, IATA forecasts continued expansion, albeit at a more moderate pace, with ASK expected to rise 4.7% and RPK 4.9%, reflecting ongoing structural constraints—including labour shortages, and persistent supply chain bottlenecks that continue to limit aircraft availability and delivery timelines.

This alignment between capacity and traffic continued to support high utilisation levels across the global fleet. For the full year, the passenger load factor is expected to average 83.7% in 2025, slightly above 2024 levels, underpinned by strong demand and tight capacity management. Looking ahead, the load factor is projected to rise marginally to 83.8% in 2026, as aircraft shortages are expected to persist, limiting seat supply and maintaining pressure on load factors.

Capacity (ASK) % change *vs* previous year

Regions	2023	2024	2025E	2026F
Global	**31.1%**	**8.9%**	**4.9%**	**4.7%**
Europe	16.0%	8.1%	5.1%	3.8%
North America	14.0%	4.7%	1.2%	1.0%
Latin America	14.4%	7.2%	7.0%	6.5%
Asia-Pacific	75.0%	13.2%	6.6%	7.1%
Africa	35.6%	10.0%	5.3%	5.7%
Middle East	24.7%	8.5%	5.9%	5.4%

Source: IATA - Industry Statistics (december 2025).



Passenger Traffic (RPK) % change *vs* previous year

Regions	2023	2024	2025E	2026F
Global	**36.8%**	**10.6%**	**5.2%**	**4.9%**
Europe	20.3%	8.7%	5.0%	3.8%
North America	15.1%	4.6%	0.2%	1.5%
Latin America	16.8%	7.8%	7.1%	6.6%
Asia-Pacific	95.9%	17.5%	8.0%	7.3%
Africa	36.5%	12.7%	7.4%	6.0%
Middle East	32.4%	9.7%	6.0%	6.1%

Source: IATA - Industry Statistics (december 2025).

From a financial perspective, passenger revenues are expected to continue expanding in line with the robust demand environment. For 2025, global passenger revenues are estimated at USD 853 billion, representing a 4.4% increase compared with 2024, supported by the higher traffic volumes recorded during the year despite the decline in yields (-0.7%). This increase reflects a balanced contribution from both passenger tickets, which are projected to rise to USD 716 billion, and ancillary services, estimated at USD 137 billion.
Looking ahead to 2026, passenger revenues are forecast to increase further to USD 896 billion, consistent with the expected growth in RPK of 4.9%, as passenger yields are projected to remain broadly stable in 2026 compared with 2025, reflecting the anticipated stabilisation in jet fuel prices and a more balanced supply–demand environment.

Global Airline Industry: Passenger	2023	2024	2025E	2026F
Passenger Revenue, USD billion	**770**	**817**	**853**	**896**
Passenger ticket	648	687	716	751
Ancillaries and others	122	130	137	145
Yield, % YoY				
Total	5.9%	-4.1%	-0.7%	0.0%
Passenger ticket	8.5%	-4.2%	-0.9%	-0.1%
Load Factor, %	**82.2%**	**83.5%**	**83.7%**	**83.8%**

Source: IATA - Industry Statistics (Dec 2025)



Air Cargo Sector Review

In 2025, the global air cargo market continued a steady recovery trajectory, supported primarily by the resilience of cross-border e-commerce, which remained a key driver of global air freight demand. This occurred despite softer trading conditions following the introduction of higher tariffs from certain major partners, particularly affecting flows to the United States.

As a result, global cargo traffic (measured in CTK) is estimated to have grown by 3.1% in 2025, following the strong rebound recorded in 2024 (+11.4%). Cargo load factors remained broadly stable at 45.8%, with capacity largely meeting demand given persistent supply constraints, including continued delays in widebody aircraft deliveries that have restricted belly-hold availability.

Global cargo revenues are projected to reach USD 155 billion in 2025 (up from USD 151 billion in 2024), supported by higher traffic, despite an estimated yield decline of -0.5%, marking the third consecutive year of normalisation but the smallest decrease since the post-pandemic adjustment began.

Looking ahead to 2026, IATA forecasts a further increase in cargo revenues to USD 158 billion, underpinned by expected CTK growth of 2.6%, albeit at a slower pace than in 2025 in line with softening global trade, and another year of stable cargo yields (-0.5%), while the cargo load factor is projected to edge up to 46.0%, as air cargo continues to benefit from rising demand for high-value, time-sensitive goods, particularly linked to e-commerce and semiconductor supply chains.

Global Airline Industry: Cargo	2023	2024	2025E	2026F
Revenue, USD billion	139	151	155	158
Yield, % YoY	-31.7%	-2.0%	-0.5%	-0.5%
Cargo Growth, CTK, % YoY	-1.7%	11.4%	3.1%	2.6%
Load Factor, % CTK	44.3%	45.9%	45.8%	46.0%

Source: IATA - Industry Statistics (Dec 2025)





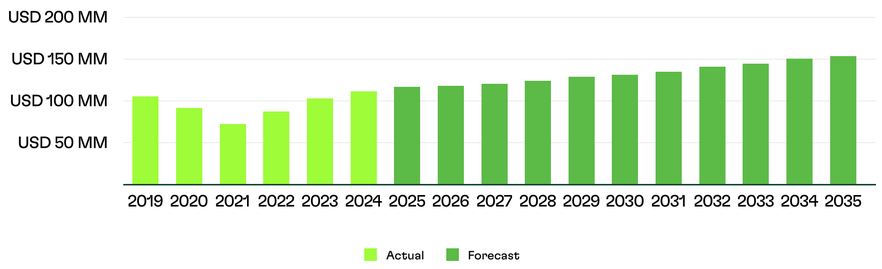
Maintenance Repair and Overhaul Sector Review

The global MRO sector[2] entered 2025 in a position of exceptional strength, reaching a record market size of USD 119 billion, surpassing the previous peak of 2019 by 12% and marking the start of a sustained growth cycle. This performance reflects a convergence of structural factors: an ageing fleet with higher maintenance requirements to remain in service; newer-generation aircraft experiencing unexpected durability and reliability issues that require earlier-than-anticipated maintenance; and exceptionally high air travel demand combined with an undersupply of new aircraft, which is keeping aircraft in service for longer and increasing annual utilisation levels. As a result, the average age of the global fleet rose to 13.4 years in 2025 (from 12.1 years in 2024), reinforcing upward pressure on MRO needs.

The MRO super-cycle is not only the consequence of increased demand for labour and parts or the ageing of the fleet. It is also amplified by rising input costs, with parts prices driven higher by shortages of critical raw materials, supply chain delays stemming from limited production capacity, and persistent workforce shortages across manufacturing and maintenance. These cost pressures compound the already elevated maintenance demand profile, further intensifying pressure on global MRO capacity.

Looking ahead, Oliver Wyman expects the global MRO market to expand at a CAGR of 2.7% between 2025 and 2035, compared with a growth rate of just 1.9% between 2019 and 2025. By 2035, total global MRO spend is projected to reach USD 156 billion—up more than 31% from 2025 and 46% above the former peak in 2019. This growth outlook is underpinned by an ageing and heavily utilised fleet, persistent labour shortages, the emergence of additional maintenance and inspection needs on next-generation aircraft platforms, and rising component and materials costs.

MRO Demand 2019-2035



[2] Source: Global fleet and MRO Market Forecast 2025-2035, Oliver Wyman



1.5.2. Operational performance in 2025

1.5.2.1 Business segments



Passenger

Passenger air transport across TAP's network.



Maintenance

Aircraft, engine and component maintenance provided internally and to third parties.



Cargo & Mail

Air freight services managed through TAP Air Cargo.

Passenger segment

Passengers
16,656 (+3.4%)

Capacity (ASK million)
55,294 (+3.1%)

Traffic (RPK million)
46,544 (+5.5%)

Load Factor
84.2% (+1.9 p.p.)

Departures
118,847 (+0.8%)

Operating income (EUR million):
3,849.3 (+0.8%)

PRASK (EUR cents)
6.96 (-2.3%)

Destinations
86

Routes
101 (+4)

TAP Air Portugal remains firmly committed to the development of its Lisbon hub, leveraging its strategic geographic position to connect Europe with key markets in Africa, South America and North America. In 2025, this strategy was reinforced through targeted capacity adjustments and the strengthening of long-haul connectivity, particularly in transatlantic markets.

During the year, TAP carried 16.7 million passengers, an increase of 3.4% compared with 2024, reflecting sustained levels of demand across the network. Capacity, measured in ASKs, rose by 3.1%, while traffic, in RPKs, increased by 5.5%, resulting in a 1.9 percentage-point improvement in load factor, which reached 84.2%. The number of departures totalled approximately 119 thousand (+0.8%), consistent with the selective reinforcement of operations in key markets. Within this performance, TAP achieved two significant milestones: it surpassed once again the two-million-passenger mark on flights between Portugal and Brazil, carrying around 2.2 million passengers, a new all-time record for the airline; and it also welcomed around 1.7 million passengers between Portugal and North America, representing a 4% year-on-year increase, consolidating the importance of these long-haul markets in TAP's network.

	Proportion of total ASKs 2025	ASKs *vs* 2024	*Load factor*	*Load factor vs* 2024
North America	21%	+3%	87%	+2,2 p.p.
South America	34%	+4%	86%	+1,7 p.p.
Europe	36%	+3%	82%	+0,6 p.p.
Africa	9%	0%	78%	+5,8 p.p.
Total network	**100%**	+3%	84%	+1,9 p.p.

[3] Not considering Tel Aviv destination and route, suspended since October 2023 due to geopolitical reasons

The network continued to expand, introducing four new routes and one new destination, bringing the total to 86 destinations and 101 routes[3].
In **North America**, capacity increased by 3% year-on-year, consolidating TAP's position in a market of growing relevance for the airline. Three new routes were added—Los Angeles, San Francisco (from Terceira) and Boston (from Porto)—supporting a 4% increase in passenger volumes and expanding the regional offering to 10 destinations and 14 routes.

South America also remained a strategic pillar for TAP, with the continuation of the new routes launched in late 2024 (Manaus and Florianópolis) and the resumption of operations to Porto Alegre, previously suspended due to the natural disaster affecting Rio Grande do Sul. Capacity in the region grew by 4% and passenger numbers increased by 6%, with TAP now serving 14 destinations and 17 routes across South America. Of these, 13 destinations are in Brazil, and 8 of those destinations are served exclusively by TAP from Europe, whether through direct flights or services incorporating a commercial stop, underscoring the airline's uniquely strong position in the region.

In **Africa**, TAP maintained stable capacity across its 13 destinations, ensuring continuity of service to key diaspora markets such as Angola, Cape Verde, Guinea-Bissau, Mozambique and São Tomé and Príncipe. Even with capacity unchanged, passenger numbers increased by 7%, reflecting sustained demand.

In **Europe**, capacity rose by 3%, driven by reinforced connectivity to the Portuguese market—particularly to the Autonomous Regions—with increased services to Funchal, Ponta Delgada, Porto Santo and Terceira, as well as the launch of a new route between mainland Portugal and the Madeira archipelago: Funchal–Faro. In addition to this strengthening of domestic links, TAP also increased capacity on selected European routes, including Copenhagen, Berlin, Menorca and Palma de Mallorca. From a financial perspective, passenger revenue reached EUR 3,849.3 million in 2025, an increase of 0.8% compared with the previous year, mainly driven by capacity expansion and stronger load factors, offsetting the decline in unit revenue. PRASK stood at EUR 6.96 cents, representing a reduction of 2.3%, reflecting competitive pressures across key markets. Ancillary revenues played an important role in the segment's performance, growing by 10% year-on-year and helping to mitigate those pressures.

Maintenance & Engineering segment

261.5 (+10.7%)
Operating income (EUR million)

1,899
Employees (average)

385
A&C Checks

22,129
Components

+1,000
Customers

51
Engine HM shop visits

1.1 million
Direct labour hours

The year 2025 marked a period of consolidated growth for TAP's Maintenance & Engineering (M&E) division, across both of its core areas of activity: supporting TAP's fleet and providing services to third-party customers. The implementation of the workforce expansion plan enabled a more effective response to rising maintenance volumes, strengthening team capabilities and supporting more robust operational performance throughout the year.

Operationally, the division benefitted from the stabilisation of the IT systems and procedures introduced in 2024, which reached a higher level of maturity despite continued fine-tuning and optimisation efforts. M&E also demonstrated strong readiness and technical responsiveness during several significant operational events affecting TAP's fleet in 2025, including the management of premature and unscheduled engine removals across both fleet types and the resolution of a flight-control-related issue that required coordinated intervention across multiple engineering teams.

From a strategic perspective, the division continued to advance its expansion plan, structured around short-term and medium- to long-term objectives, with all short-term goals successfully delivered during the year. This execution contributed to an increase in revenue from third-party services, fully aligned with the targets set for 2025 and reinforcing M&E's role as a contributor to the Group's diversification of revenue sources.

Infrastructure upgrades also progressed across several areas of Production and Logistics. Notable developments included the expansion of Engine Maintenance capacity through an additional 1,500 m^2 of workspace, as well as the construction of the new platform adjacent to Hangar 6. The latter advanced substantially during 2025 and is scheduled to become operational in March 2026, further supporting the division's long-term capacity and efficiency requirements.





Cargo & Mail

160.1 (-1.6%)
Operating income
(EUR million)

97 (+1.9%)
Chargeable weight
(tons)

48.6% (0.0 pp)
Load Factor

During 2025, TAP Air Cargo focused on ensuring yield stability and reinforcing its relationships with major global forwarders, in an environment marked by political and economic uncertainty, including tariff-related impacts on international trade flows.

Within this context, TAP increased its revenue market share on its main online lanes from 7.9% to 8.1%, reflecting a stronger commercial position. Cargo demand, measured by Chargeable weight, grew by 2%, while available capacity also increased, resulting in a stable load factor of 48.6% for the year, which were not sufficient to offset the decline in yield by approximately 3%, driving a decrease in total cargo revenues.

TAP Air Cargo also continued to advance its digital transformation, with the share of bookings made through digital platforms reaching 17.8% of total transactions in 2025.
Operationally, TAP Air Cargo operated four charter flights during the year—two to Kigali (KGL) and two to Luanda (NBJ)—demonstrating its ability to provide flexible capacity in response to specific market needs.



1.5.2.2. Fleet and Operations

Fleet

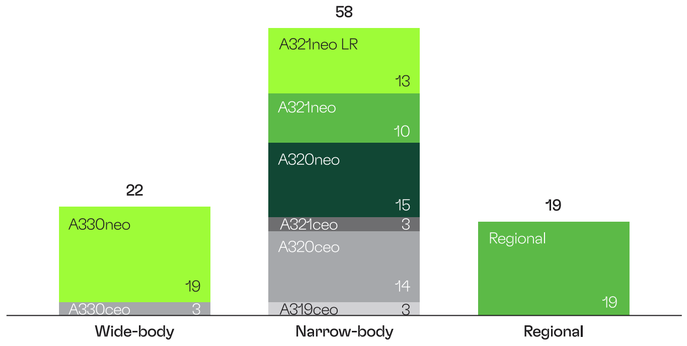
TAP's fleet strategy continues to prioritise the modernisation and renewal of its aircraft, with a focus on accelerating the transition to next-generation models that structurally improve fuel efficiency, reduce emissions, optimise operating costs and enhance the passenger experience.

The Group's fleet structure is organised into two core components: the mainline fleet, operated by TAP and fully composed of Airbus aircraft, including the A330 family for long-haul operations and the A320 family for medium-haul routes; and the regional fleet, operated by Portugália, consisting of Embraer E190 and E195 aircraft. However, given Portugal's advantageous geographic position, TAP is also able to deploy the narrow-body A321LR on long-haul operations, particularly across the Atlantic to the East Coast of North America and to Northeast Brazil, enhancing the flexibility and efficiency of its long-haul network.

At the end of 2025, TAP's operating fleet consisted of 99 aircraft, unchanged from 2024. During the year, one A320neo and one A321neo entered into operation, reinforcing the Group's ongoing fleet renewal commitment. In parallel, two A320neo aircraft were placed into long-term storage due to being in a non-airworthy condition.

As a result of these changes, by year-end 71% of the medium- and long-haul fleet was composed of next-generation NEO aircraft, including 86% within the long-haul segment, underscoring TAP's commitment to operating a more fuel-efficient fleet with clear benefits for both cost performance and sustainability.

Composition of TAP's operating fleet[1] as of 31 December 2025

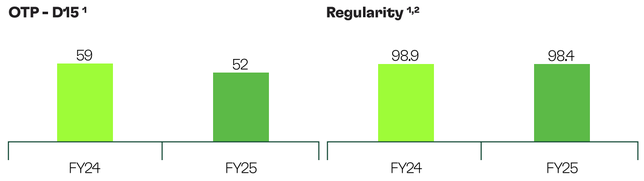


[1] TAP's total fleet may differ from its fleet in operation as it can include aircraft in process of phase-in/phase-out or aircraft in a non-airworthy condition.



Operations

TAP's operational strategy remains focused on continuously transforming its Operations into a resilient, efficient and high-performance organisation, with emphasis on strengthening Regularity and Connectivity, improving Punctuality, enhancing cost efficiency and supporting customer satisfaction.



[1] Including only regular flights (excludes cargo only & charters)
[2] Operational window cancellations

Operational performance in 2025 reflected a year marked by significant external constraints and operational disruptions, which substantially impacted the levels of punctuality and regularity compared with 2024. Across the full year, TAP achieved an On-Time Performance (OTP D15) of 52%, compared with 59% in 2024 (-7 p.p.), while Regularity remained high at 98.4% (vs. 98.9% in 2024). These constraints included Portugalia pilot strikes in the first quarter, a ground-handling strike in the third quarter, border-control delays at Portuguese airports mainly in the second half of the year, as well as persistent air traffic control (ATC) restrictions and adverse weather affecting both European and intercontinental operations.

In addition, TAP's hub at Lisbon Airport continued to face structural capacity limitations, with chronic congestion affecting punctuality across all operators. In 2025, airport-wide OTP for all carriers operating at Lisbon stood at approximately 50%, illustrating the systemic constraints of an infrastructure operating beyond its optimal capacity. TAP's operational performance, therefore, cannot be dissociated from the structural conditions of its main hub.

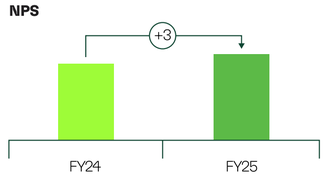
Despite these constraints, TAP continued to strengthen its operational base, implementing measures that helped mitigate the impact of disruptions and increase the resilience of its operating model. Regarding punctuality, and despite the pressure from adverse weather conditions, air traffic control (ATC) restrictions and infrastructure limitations, TAP reinforced its disruption-mitigation framework through dynamic schedule adjustments, the availability of spare aircraft and increased team flexibility. Operational decisions prioritised passenger connectivity, the protection of the Lisbon hub and the recovery of the daily programme, even when D15 punctuality was under significant pressure. During periods of major disruption—including the national blackout in April, strikes and adverse weather—robust planning and cross-functional coordination supported a rapid operational recovery, preserved network stability and demonstrated the resilience of the operation.

In terms of regularity, TAP maintained high levels by design, supported by a proactive increase in the number of spare aircraft, the optimisation of turnaround buffers and reinforced crew availability, ensuring the operation of almost all scheduled flights. Structural initiatives—including network robustness planning, improved connection windows and reduced reliance on ACMI—strengthened the operation's ability to absorb operational shocks and preserve flight integrity. Even during significant disruptions, the recovery actions implemented safeguarded completion rates and reinforced the resilience of the operating model.



1.5.2.3. Customer experience

TAP's Customer Experience strategy is guided by a clear focus on delivering a service that is simple, caring and reliable, while proudly bringing Portuguese culture to the skies and strengthening the customer journey across all touchpoints. The airline continues to build on the progress made in recent years, reinforcing its ambition to offer an increasingly consistent and customer-centric experience.



In 2025, TAP registered a further improvement in its overall Net Promoter Score (NPS), increasing by three points compared with 2024. This positive evolution builds on the significant eight-point increase achieved between 2023 and 2024, reflecting sustained momentum in customer satisfaction and the effectiveness of ongoing service-enhancement initiatives. TAP also achieved its highest NPS levels of the past decade across six core touchpoints: check-in, cabin cleanliness, onboard comfort, crew service, catering and the onboard retail experience.

Customer support operations also evolved during the year. TAP strengthened both responsiveness and service quality at its Contact Centre, achieving a record CSAT score (4.60 vs. 4.53 in 2024) in partnership with Teleperformance, with whom the Group renewed its service agreement. The airline was also recognised externally, receiving an APCC award and being distinguished as the highest-rated airline in Portugal for complaint management, acknowledging continued efforts to enhance after-sales service quality.

Significant improvements were also introduced across the onboard product. These included offering TAP's signature chocolate on all flights, new higher-quality blankets in economy class and upgraded pillows in business class, enhancements to frozen meals in economy, and the introduction of Bluetooth audio connectivity in long-haul economy class, enabling passengers to use their personal headphones.

Infrastructure supporting the customer journey was strengthened through the opening of two new TAP lounges: one in Miami, developed in partnership with Avianca, and the TAP Lounge Orly in Paris, serving a strategically important route with multiple daily frequencies and previously without a dedicated lounge for TAP customers. At the airport, TAP reinforced its focus on customer experience by creating a dedicated Customer Experience Agents team responsible for real-time monitoring and service improvement across key stations. In parallel, the airline made substantial investments in digital baggage-handling tools, aimed at reducing irregularities and increasing transparency through continuous status updates, thereby improving customer confidence.

Operational disruption remained a priority area. To improve the customer experience during irregular operations, TAP enhanced its digital processes, enabling the automated issuance of hotel and transportation vouchers, reducing response times and providing greater autonomy to customers. The airline also significantly increased proactive disruption notifications, with messaging volumes up 76% in August 2025 compared with August 2024, ensuring customers remained informed during major operational events.

TAP's Miles&Go frequent flyer programme continued to strengthen its value proposition, with several improvements introduced during the year. These included the launch of new lifetime status levels (Gold and Navigator), new partnerships with Etihad and Santander Brazil, enhancements to Cash&Miles, the introduction of a new Miles&Go homepage in the TAP app, and the celebration of the first year of the co-branded BTG credit card.

Lastly, in 2025 TAP prepared a comprehensive Customer Experience Transformation Programme for implementation between 2026 and 2028, designed to further align TAP's customer proposition with its ambition of delivering a simple, caring and reliable experience across every touchpoint.



1.5.2.4. Sustainability and ESG Strategy

-12.4g CO_2
per passenger carried compared to 2019

92%
of single-use onboard items are recyclable

67.5%
of onboard service items are reusable

+400 thousand
items donated to 28 organisations

IATA Environmental Certification

47%
female representation in management roles

73
organisations supported

8.3 million
miles donated (TAP Donate Miles)

TAP Air Portugal views sustainability and ESG principles as central pillars of its long-term value creation strategy, recognising their direct impact on operational resilience, competitiveness and the Company's attractiveness to investors, regulators and strategic partners. In an industry undergoing profound transformation, driven by the transition to a low-carbon economy and an increasingly demanding regulatory framework, TAP is implementing a structured approach that ensures alignment between operational performance, financial discipline and sustainability objectives, in line with stakeholder expectations.

TAP's decarbonisation strategy is based on essential investments aimed at progressively reducing the carbon intensity of its operations, with a focus on fleet modernisation, continuous improvements in operational efficiency and the gradual incorporation of lower-carbon aviation fuels (SAF). These levers are critical to mitigating the Company's exposure to energy-cost volatility, carbon price developments and growing regulatory requirements, while also helping to improve operational efficiency and strengthen financial resilience over the medium and long term.



2025 Highlights

Strengthening the ESG Governance Model

TAP has been continuously strengthening its ESG governance model, ensuring effective oversight at the highest level and embedding these principles into strategic decision-making processes. In 2025, the Fuel and Emissions Efficiency Multidisciplinary Committee was created, with participation from members of the Executive Committee, ensuring ongoing monitoring of operational and environmental performance.
The existence of a Sustainability Directorate reporting directly to the Executive Committee, and of a Sustainability Committee reporting to the Board of Directors, ensures rigorous management of the risks and opportunities associated with the climate transition and the consistent execution of strategic priorities.

Transparency and regulatory alignment

This report constitutes the first reporting exercise aligned with the Corporate Sustainability Reporting Directive (CSRD), ahead of the applicable regulatory deadlines. This timely adoption demonstrates the Group's level of preparedness for the new disclosure requirements, strengthening the confidence of investors and other stakeholders.

Climate Transition Plan and carbon footprint management

In 2025, the Group began developing its Climate Transition Plan, aligned with the European Climate Law and with the objective of limiting global warming to 1.5°C, in line with the Paris Agreement.
The plan sets out the main emissions-reduction levers, the associated investments and the respective time horizons, ensuring alignment with the ambition to achieve carbon neutrality by 2050.
Scope 1, 2 and 3 emissions reporting (with Scope 3—categories 1, 2 and 3—being calculated for the first time) has been fully implemented, reinforcing transparency and enabling structured monitoring of progress in emissions reduction

Strategy for adopting lower-carbon fuels

Recognising lower-carbon fuels as a key element in aviation decarbonisation, TAP is developing a strategy to progressively increase the incorporation of SAF over the next decade, aligned with its commitment to carbon neutrality by 2050. This transition will reduce structural dependence on fossil fuels and mitigate regulatory and market risks.

Alliances and strategic partnerships

In 2025, TAP joined the Aviation Sustainability Alliance, reinforcing its commitment to the sector's decarbonisation and to promoting increasingly efficient aviation.
As part of this partnership, TAP will work with a range of strategic stakeholders on the development of the National Roadmap for Aviation Decarbonisation (RONDA), contributing to concrete solutions to reduce the sector's carbon footprint while also promoting competitiveness, connectivity and economic development.

Integration of ESG criteria in the value chain

Environmental, social and governance criteria are being progressively integrated into supplier registration, qualification and evaluation processes, strengthening supply-chain risk management and promoting alignment with international best practices.

Social responsibility

The TAP Donate Miles programme was strengthened, with an increase in miles donated and tickets issued for partner organisations. TAP also supported solidarity campaigns, the transport of humanitarian aid and the donation of surplus materials, reinforcing its contribution to the communities in which it operates.

This structured approach to sustainability, combining operational excellence with environmental and social responsibility, enables TAP to build a more sustainable future, while simultaneously strengthening its competitiveness, resilience and ability to generate long-term value for investors, customers and other stakeholders.

1.5.3. Financial Performance

As disclosed in Note 2 of the notes to the consolidated financial statements of TAP, S.A., these financial statements were prepared in accordance with International Financial Reporting Standards adopted by the European Union ("IFRS"), as permitted by the legislation in force. Nonetheless, the individual financial statements were prepared in accordance with the provisions of the Sistema de Normalização Contabilística ("SNC") issued in force on 31 December 2025.

As of 31 December 2025, TAP held 100% of the share capital of its subsidiaries TAP Logistics Solutions, S.A., founded on 30 November 2015; Portugália, acquired on 8 November 2024; and UCS, acquired on 21 January 2025, as well as 51% of the share capital of Cateringpor, acquired on 9 April 2025. The financial statements of all these companies were included in TAP's consolidated financial statements using the full consolidation method, reflecting their respective contributions from the dates of acquisition.

In the 2024 financial year, the consolidated income statement, consolidated comprehensive income statement and consolidated cash flow statement included only the last two months of Portugália's activity, due to the timing of its acquisition. In 2025, the consolidated financial statements include, for the first time, the full-year contribution of Portugália, as well as the contributions of UCS and Cateringpor from their respective dates of integration.

In this way, comparability between periods is affected by the change in the consolidation perimeter, resulting from the integration of Portugália with a full-year contribution in 2025 (only partial in 2024) and the integration of UCS and Cateringpor throughout 2025.



TAP, S.A. Consolidated *EUR million*	2025	2024	Change Value	 %
Operating Income	**4,313.5**	**4,242.4**	**+71.1**	**+1.7%**
Passenger	3,849.3	3,820.6	+28.7	+0.8%
Maintenance	261.5	236.8	+24.8	+10.5%
Cargo and Mail	160.1	162.7	-2.6	-1.6%
Other operating income	42.5	22.3	+20.2	+90.7%
Operating Costs	**4,087.2**	**3,928.0**	**+159.1**	**+4.1%**
Aircraft fuel	989.8	1,045.8	-56.0	-5.4%
Traffic operating costs	884.4	870.1	+14.3	+1.6%
Employee costs	972.1	817.1	+155.0	+19.0%
Aircraft maintenance costs	76.9	60.8	+16.1	+26.5%
Cost of materials consumed	217.4	171.6	+45.8	+26.7%
Commercial, communication and marketing costs	216.4	217.4	-1.0	-0.4%
Impair. losses in inventories, receiv. and provisions	1.7	22.9	-21.2	-92.6%
Other operating expenses	211.8	161.3	+50.5	+31.3%
Restructuring	0.3	-0.9	+1.2	+132.9%
Other non-recurring items	16.8	69.2	-52.4	-75.7%
Depreciation, amortisation and impairment losses	499.5	492.7	+6.8	+1.4%
EBIT (Operating Result)	**226.3**	**314.4**	**-88.1**	**-28.0%**
EBIT margin	**5.2%**	**7.4%**	**-2.2 p.p.**	**s.s.**
Recurring EBIT [1]	**243.4**	**382.7**	**-139.2**	**-36.4%**
Recurring EBIT margin	**5.6%**	**9.0%**	**-3.4 p.p.**	**s.s.**
Interest and similar income	70.6	79.9	-9.3	-11.6%
Interest and similar expenses	-195.7	-249.8	+54.0	+21.6%
Net currency exchange	-33.0	-48.9	+16.0	+32.6%
Earnings before taxes	**68.2**	**95.6**	**-27.4**	**-28.7%**
Income tax	-66.1	-41.9	-24.2	-57.9%
Net Income/(loss) before non-controlling interests	**2.1**	**53.7**	**-51.6**	**-96.1%**
Non-controlling interests	2.0	-	+2.0	n.m.
Net Income/(loss)	**4.1**	**53.7**	**-49.6**	**-92.3%**
EBITDA	**725.8**	**807.1**	**-81.3**	**-10.1%**
EBITDA margin	**16.8%**	**19.0%**	**-2.2 p.p.**	**s.s.**
Recurring EBITDA [2]	**742.9**	**875.3**	**-132.4**	**-15.1%**
Recurring EBITDA margin	**17.2%**	**20.6%**	**-3.4 p.p.**	**s.s.**
PRASK (EUR cents)	6.96	7.13	-0.16	-2.3%
Recurring CASK (EUR cents) [2]	7.36	7.20	+0.16	+2.2%
Recurring CASK ex-fuel (EUR cents)	5.57	5.25	+0.32	+6.1%

1) Recurring EBIT = Operating Result + Restructuring + Other non-recurring items.
2) Recurring EBITDA = Operating Result + Depreciation, amortisation, and impairment losses + Restructuring + Other non-recurring items.

Operating income

TAP reported a total operating income of EUR 4,313.5 million in 2025, an increase of EUR 71.1 million (+1.7%) compared with 2024, driven by higher passenger revenues and increased maintenance activity.

Passenger revenues totalled EUR 3,849.3 million, representing an increase of 0.8% versus 2024, supported by higher capacity (+3.1%) and improved load factors (+1.9 p.p.). These factors offset the decline in unit revenues, which were pressured by increased competition in key markets and transatlantic flows, as well as by macroeconomic effects in the North American market, with a more significant impact on Economy Class, with PRASK down 2.3% to EUR 6.96 cents. This performance, despite the challenging context, reflects TAP's continued focus on maximising revenues in its core markets, leveraging TAP's geographical advantage and unique network.

In the Maintenance segment, revenue increased by EUR 24.8 million (+10.5%) year-on-year to EUR 261.5 million, supported by stable activity levels in a context of persistent OEM supply-chain constraints affecting the timely delivery of materials required for maintenance events, as well as by a price effect arising from higher material costs and a higher share of value-added services.
Cargo and Mail revenues totalled EUR 160.1 million, decreasing 1.6% compared with 2024, despite higher chargeable weight (+1.9%) and a stable load factor (+0.0 p.p.), which were not sufficient to offset the decline in yield (-3.4%).

Operating costs

Total operating costs amounted to EUR 4,087.2 million in 2025, an increase of EUR 159.1 million (+4.1%) compared with the previous year, pressured by inflationary pressures and by operational and supply-chain constraints. This increase was primarily driven by higher employee costs (+EUR 155.0 million or +19.0%), mainly reflecting the full-year consolidation of Portugália in 2025 (whereas the 2024 accounts included only two months), but also the implementation of collective labour agreements. Operating costs were also impacted by higher costs of materials consumed (+EUR 45.8 million or +26.7%), driven by the increase in the cost of materials required for maintenance activities and by the consolidation of Cateringpor's meal-preparation costs. In addition, other operating costs increased by EUR 50.5 million (+31.3%), largely due to the consolidation of Cateringpor, particularly temporary-work-related expenses. On the other hand, the increase in operating costs was partially offset by a reduction in fuel costs (-EUR 56.0 million or -5.4%), resulting from lower jet fuel prices in 2025 compared with 2024.

From a unit cost perspective, CASK from recurring operating costs increased by 2.2% year-on-year to EUR 7.36 cents in 2025. Excluding fuel costs, CASK ex-fuel increased by 6.1% compared to 2024, reaching EUR 5.57 cents, mainly reflecting the new consolidation perimeter.

Operating results and Net income

The Operating Result (EBIT) totalled EUR 226.3 million in 2025, a decrease of EUR 88.1 million compared with 2024. When adjusted for non-recurring items and restructuring costs, recurring EBIT reached EUR 243.4 million, corresponding to a 5.6% margin. Recurring EBITDA totalled EUR 742.9 million, corresponding to a 17.2% margin. The comparability impact associated with the consolidation perimeter change between 2024 and 2025 amounted to EUR -78.5 million in the year-on-year change in operating result.

In 2025, TAP reported, for the fourth consecutive year, a positive net income of EUR 4.1 million, compared with EUR 53.7 million in 2024. The year's performance was mainly impacted by non-operational and non-recurring effects, notably the accounting impact associated with the remeasurement of deferred tax assets and liabilities following the approval of Law No. 64/2025 of 7 November. This legislative change introduced a gradual reduction of the Corporate Income Tax (IRC) rate by 1 percentage point per year between 2026 and 2028, setting it at 17% from 2028 onwards. The reduction in future tax rates required the remeasurement of deferred tax assets, reflecting a lower expected tax benefit and, consequently, a decrease in their carrying amount. As a result, in November 2025 TAP recorded a non-cash negative impact of approximately EUR 42.0 million on the Group's consolidated net income. Excluding this non-recurring impact, net income would have amounted to EUR 46.1 million in 2025. Additionally, the comparability impact associated with the consolidation perimeter change between 2024 and 2025 amounted to EUR -56.9 million in the year-on-year change in net income.

Financial Position

TAP, S.A. Consolidated *EUR million*	31 Dec 25	31 Dec 24	Change Value	 %
Total Assets	**5,903.0**	**5,796.9**	**+106.1**	**+1.8%**
Non-current Assets	4,164.6	4,046.4	+118.2	+2.9%
Current Assets	1,709.5	1,750.5	-41.0	-2.3%
Non-current Assets held for sale	28.9	-	+28.9	n.m.
Equity	**717.0**	**585.3**	**+131.7**	**+22.5%**
Total Liabilities	**5,186.0**	**5,211.6**	**-25.6**	**-0.5%**
Non-current Liabilities	3,218.8	3,315.0	-96.2	-2.9%
Current Liabilities	1,947.8	1,896.6	+51.2	+2.7%
Non-current Liabilities held for sale	19.4	-	+19.4	n.m.

As of 31 December 2025, TAP's total assets amounted to EUR 5,903.0 million, an increase of EUR 106.1 million (+1.8%) compared with 2024. Equity increased to EUR 717.0 million (+22.5%), while total liabilities decreased slightly to EUR 5,186.0 million (-0.5%).

Non-current assets increased to EUR 4,164.6 million (+2.9%), mainly due to the growth in tangible fixed assets, reflecting the acquisition of two aircraft during the year, the capitalisation of pre-delivery payments related to aircraft scheduled for delivery in future years, and the capitalisation of heavy-maintenance works carried out on the fleet.

Equity increased to EUR 717.0 million (+22.5%), essentially due to the impact of the depreciation of the US dollar on lease liabilities. Under the hedge accounting policy adopted in 2022, this change is recognised in equity under Other Reserves.

On the liabilities side, the main year-on-year variations relate to financial debt and lease liabilities. Gross financial debt increased to EUR 1,582.2 million (+EUR 180.2 million), mainly reflecting the financing operation completed in March 2025: an additional EUR 200 million bond issuance, placed

via a private offering to international investors and admitted to trading on an unregulated market, with maturity in 2029 and an implied yield to maturity of 4.467%.

Lease liabilities without purchase option decreased significantly to EUR 1,298.7 million (-EUR 300.6 million), supported by periodic payments made during the year and by the depreciation of the US dollar.

Net financial debt decreased to EUR 2,102.3 million (-EUR 247.2 million), reflecting both the reduction in gross debt and the increase in cash and cash equivalents.

TAP, S.A. Consolidated *EUR million*	**31 Dec 25**	**31 Dec 24**	**Change** **Value**	**%**
Financial Debt	**1,582.2**	**1,402.0**	**+180.2**	**+12.9%**
Bank Loans & Bonds	722.5	533.1	+189.5	+35.5%
Lease liabilities with purchase option	859.6	868.9	-9.3	-1.1%
Lease liabilities without purchase option	**1,298.7**	**1,599.2**	**-300.6**	**-18.8%**
Gross debt	**2,880.8**	**3,001.2**	**-120.4**	**-4.0%**
Cash and cash equivalents	**765.3**	**651.6**	**+113.7**	**+17.4%**
Other financial assets	**13.2**	**-**	**+13.2**	**n.m.**
Net Financial Debt	**2,102.3**	**2,349.6**	**-247.2**	**-10.5%**

In July 2025, TAP announced the confirmation of the Corporate Family Rating assigned by Moody's Investors Service ("Moody's") at Ba3 (stable outlook), and in October 2024, the confirmation of its long-term credit rating assigned by S&P Global Ratings Europe Limited ("S&P") at BB- (stable outlook).

1.6. Subsequent Events

Resignation of a member of the Board of Directors and appointment of a new member to the Board of Directors

- On 31 January 2026, Gonçalo Neves da Costa Monteiro Pires submitted his resignation from the position of member of the Board of Directors and member of TAP's Executive Committee. Following the resignation submitted by the aforementioned director, on 3 February 2026 TAP's Board of Directors adopted a unanimous written resolution pursuant to which:
  - The co-option of Renato Teobaldo Rodrigues Inácio as a member of the Company's Board of Directors, until the election of a new management body, with effect from 5 February 2026, was approved;
  - The appointment of Renato Teobaldo Rodrigues Inácio as a member of the Company's Executive Committee, until the election of a new management body, with effect from 5 February 2026, was approved.
- Like Gonçalo Pires, Renato Inácio performs duties on the Executive Committee as Chief Financial Officer.

Iran / Middle East Conflict

- In February 2026, the United States of America and Israel initiated a coordinated military action against Iran, targeting that country's nuclear and defense infrastructure, triggering a conflict of regional scale with significant and wide-ranging impacts. The macroeconomic repercussions of this conflict are reshaping global markets, industrial supply chains, financial conditions and geopolitical alignments, with potentially lasting consequences.
- The conflict has since intensified and, as a result, has caused significant pressure on global financial and commodity markets, introducing extreme levels of volatility, with sharp increases in crude oil prices and, in particular, jet fuel prices, which have proven to be among the most affected petroleum derivatives.
- The disruptions caused by this conflict are also evident in the supply chains of other energy commodities and goods, affecting a broad range of products and services and contributing to heightened inflationary pressures and a deterioration in global economic growth prospects.
- In addition, the conflict has led to restrictions on air traffic in several areas of the Middle East, including the temporary closure of national airspaces, the need to adopt alternative flight routes and longer flight times on routes crossing the region.
- The evolution of this conflict is characterized by a high level of uncertainty regarding its duration, scope and impact, making it impossible at this stage to predict the potential effects that may arise from it or their duration, including impacts on inflation, economic growth and fuel prices over the coming months.

Legal action by Azul

- On 13 March 2026, Azul Linhas Aéreas Brasileiras, S.A. ("Azul") brought legal action against TAP, seeking payment by TAP S.A. to Azul of a total amount of EUR 188,985,150 for the alleged breach of the obligations assumed under the Security Agreement (Note 37 of Chapter 5). The deadline for TAP to submit its statement of defence is currently running and will expire on 13 May 2026.

Disposal of Cateringpor

- On 30 December 2025, TAP launched Public Tender No. 1/2025 for the disposal of an indivisible lot of 357,000 shares, with a par value of EUR 5.00 each, representing 51% of the share capital of Cateringpor, as well as for the definition of the contractual terms for the provision of catering services by Cateringpor following completion of the disposal.
- In March 2026, the Board of Directors of TAP approved the award of the legal instruments of the transaction to the entity that submitted a proposal.
- The remaining steps in the tender programme necessary for the conclusion of the procedure and the completion of the disposal of the shareholding in Cateringpor are currently underway.

1.7. Outlook for 2026

The year 2026 is expected to continue to be shaped by a demanding external environment, marked by geopolitical and macroeconomic uncertainty, volatility in input prices—particularly fuel and jet fuel—an increasingly complex and restrictive regulatory environment, as well as the challenges associated with the transition to a more sustainable aviation model, which requires relevant investments and entails additional costs. These external factors are expected to continue to exert pressure on supply chains, already significantly affected in recent years, potentially influencing the availability of productive inputs and cost evolution. This environment may therefore continue to impact both demand dynamics and the sector's cost structure.

In this context, TAP's strategy for 2026 is based on disciplined and sustainable growth, supported by the continued expansion and modernisation of the fleet through the delivery of new-generation Airbus aircraft (NEO), while simultaneously strengthening the Company's operational efficiency, environmental performance and competitiveness. For 2026, the delivery of 10 new aircraft is planned, enabling disciplined fleet growth and ensuring the progressive replacement of older equipment with more efficient aircraft. By year-end, NEO aircraft are expected to represent around 74% of the medium- and long-haul operating fleet, in line with TAP's strategic and sustainability objectives. Activity growth will be mainly driven by the reinforcement of the transatlantic network, with particular emphasis on Brazil, a structurally strategic market for the Company. In 2026, the year in which TAP celebrates 60 years of scheduled flights to Brazil, the Company plans to launch new services to Curitiba and São Luís do Maranhão, strengthening its presence in the Brazilian market and consolidating its leading position on routes between Europe and Brazil. With the introduction of these new routes, TAP's network in Brazil will cover a total of 15 destinations, of which 10 will be served exclusively by the Company. Additionally, an increase in frequencies to Porto Alegre and Florianópolis is planned, reinforcing operations to the South of the country. In North America, the launch of the Lisbon–Orlando route stands out, expanding the offering in this market and strengthening connectivity.

Additionally, TAP will continue to expand its medium-haul network, with the introduction of new routes to Athens, Tel Aviv and Santa Maria (Azores), strengthening connectivity with relevant markets and increasing the reach of its network from the Lisbon hub.

The strategy for Francisco Sá Carneiro Airport will also play a central role in the outlook for 2026. TAP will continue to develop a dedicated growth plan for the Northern region, through the launch of new routes from Porto—namely to Terceira, Praia and Tel Aviv—as well as the reinforcement of intercontinental operations, with the Boston route becoming a year-round operation, expanding international connectivity and responding to solid local demand. In parallel, the strategic investment in a Maintenance hub in Porto, in the amount of EUR 20 million, will continue, contributing to the region's economic development, namely through the creation of around 200 highly qualified jobs.
TAP will also continue to invest in its product and customer experience, with emphasis on the introduction of a new cabin and the reinforcement of the onboard offering, enhancing Portuguese identity as a differentiating element. In this regard, the Company will also strengthen its commitment to national sport through two new partnerships: Official Airline of the National Football Team, supporting the cycles of the 2026 World Cup and the 2030 World Cup, and Official Airline of Team Portugal, accompanying the Olympic and Paralympic cycle through Los Angeles 2028.

From a commercial perspective, the Company expects demand resilience and positive booking momentum to support higher Load Factor levels and improved unit revenues, despite the increase in capacity. The impact of fuel price developments is expected to be partially mitigated through pricing adjustments aligned with market trends, supported by robust additional demand. The focus remains on the main markets and on revenue quality, leveraging TAP's geographical advantage and unique network.

These initiatives are part of a consistent strategy of disciplined and sustainable growth, based on disciplined execution, continuous improvement of passenger service and the strengthening of the Company's value proposition.



1.8. Compliance with the Shareholder Guidelines and Legal Provisions

For the purposes of complying with TAP, S.A.'s Legal Guidelines, the structure and instructions regarding the 2025 financial accounts reporting process were followed (circular letter SAI/2026/904 – 26/01/2026).

1. Activity and Budget Plan

TAP operates in a competitive market and, therefore, its Activity and Budget Plan (PAO) is confidential.

In compliance with the applicable provisions, TAP submitted the PAO for 2025 to the competent authorities.

2. Operating efficiency and evolution of operating costs

The Restructuring Plan of TAP, approved by the European Commission on 21 December 2021, is levered on the optimisation of operating costs, having TAP made the commitment, while the plan is in force, to reduce its operating costs by renegotiating contracts with suppliers and aircraft lessors, reducing third party costs and downsizing labour costs.

Thus, although TAP continues to pursue enhanced operational efficiency, the figures presented do not fully reflect this effort. First, FY24 and FY25 are not directly comparable, as the consolidation perimeter differs. When FY24 is adjusted on a pro-forma basis to reflect the same perimeter as 2025, the operational efficiency ratio increases to 81.0%, only 1.8 p.p. below the 2025 ratio. Second, given that TAP operates in competitive markets and is exposed to market volatility, revenues may be affected by external factors. In fact, 2025 revenues were significantly impacted by competitive pressures, contributing to a 2.4% decline in PRASK. If this reduction in unit revenue is neutralised by applying the FY24 PRASK level to FY25, the operational efficiency ratio for 2025 would also stand at 81.0%, fully aligned with the FY24 pro-forma figure. On a like-for-like basis, TAP would therefore comply with the operational efficiency guideline.

Operational Efficiency - Article 140 ot the 2025 DLEO

EUR Thousand			2025/2024	
	2025	2024	Δ Value	% Δ
(1) Cost of materials consumed	217,428	171,631	45,797	27%
(2) External services and supplies	2,379,304	2,355,425	23,878	1%
Aircraft fuel	989,776	1,045,805	-56,029	-5%
Traffic operating costs	884,442	870,145	14,297	2%
Aircraft maintenance costs	76,927	60,798	16,129	27%
Comercial, communication and marketing costs	216,392	217,366	-975	0%
Other operating expenses	211,766	161,310	50,456	31%
(3) Employee costs	972,121	817,130	154,991	19%
(4) Impacts on costs resulting from legal requirements	0	0	0	n.a.
(5) Adjusted operating costs (1)+(2)+(3)-(4)	**3,568,852**	**3,344,186**	**224,666**	**7%**
(6) Revenue	4,313,491	4,242,434	71,057	2%
(7) Impacts on Revenue resulting from legal requirements	0	0	0	n.a.
(8) Adjusted revenue (6)+(7)	**4,313,491**	**4,242,434**	**71,057**	**2%**
(9) Weight of Costs/Revenue = (5)/(8)	**82.7%**	**78.8%**	**+3.9 p.p.**	**n.m.**



Additional Information	2025	2024	2025/2024 Δ Valor	2025/2024 % Δ
(1) Employee costs	972,121	817,130	154,991	19%
i. (-) Expenses related to the governing bodies	-3,261	-2,463	-798	-32%
ii. (-) Effect of compliance with legal provisions (please specify, if applicable)	0	0	0	n.a.
iii. (-) 2025–2028 tripartite agreement on wage increases and economic growth	0	0	0	n.a.
iv. (-) Salary increases resulting from the application of Regulations/Collective Labour Agreements (IRCT	-19,103	-16,503	-2,599	-16%
v. (+) Effect of absenteeism	32,563	29,328	3,235	11%
vi. (-) Effect of severance/termination compensations paid (except by mutual agreement)	-10	0	-10	n.a.
(2) Employee costs excluding impacts i. to vi.	982,310	827,492	154,818	19%
(3) Travel and accommodation expenses	78,921	69,622	9,299	13%
(4) Per diem (allowance) expenses	128,403	106,201	22,203	21%
(5) Expenses associated with the vehicle fleet	2,533	569	1,964	> 250%
(6) Costs related to the contracting of studies, opinions/reports, projects, and consultancy	11,377	11,440	-62	-1%
(7) Total expenses (3) to (6)	**221,235**	**187,832**	**33,403**	**18%**
(8) No. of vehicles (operational)	**221**	**196**	**25**	**13%**
(8) No. of vehicles (non-operational)	**76**	**53**	**23**	**43%**

The change in the number of vehicles is largely related to the inclusion of UCS and Cateringpor in the consolidation perimeter.

3. Human Resources and Payroll

Profissional category	31/12 2024	Movements 2025 Entries	Exits	Internal Transfers	UCS Consolid.	Cateringpor Consolid.	31/12 2025
Governing Bodies (GB)	9	1	-	-	-	-	10
Diretors (D)	61	-	-	0	5	7	73
Employees	8,988	502	198	0	99	687	10,078
Flight deck crew	1,471	78	46	-	-	-	1,503
Cabin crew	3,719	131	27	0	-	-	3,823
Maintenance	1,851	170	49	5	-	-	1,977
Other	1,947	123	76	-5	99	687	2,775
TOTAL	**9,058**	**503**	**198**	**-**	**104**	**694**	**10,161**

The change in the number of governing bodies refers to the appointment of the Chairman of the Board of Directors in July 2025.

The increase in the number of employees between 2024 and 2025 includes the incorporation of UCS and Cateringpor employees (798) and the expansion of TAP's operations in 2025. In order to support this increase, a trend that has been observed since 2023, there was a net increase of 305 employees (503 hires and 198 departures throughout 2025), mostly in the operational areas. Considering only this net increase, the financial impact was approximately EUR 1.8 million (EUR 6.6 million for new hires and EUR 4.8 million for departures) in fixed remuneration.

Human Resources	2025	2024	2025/2024 Δ Absolut	2025/2024 Var. %
N. Governing Bodies (GB)	10	9	1	11.1%
N.Diretors (D)	73	61	12	20%
N. Employees (without GB and D)	10,078	8,988	1,090	12%
TOTAL	10,161	9,058	1,103	12%
N. Employees / N. D	139	148	-9	-6%
Employee costs / Total (GB+D+E)	95,672	90,211	5,461	6%
Salary bill (€)	**711,558,488**	**602,141,651**	**109,416,837**	**18%**

4. Investment plan

	2025	Sources of funding Self-funding	Debt
Total [1]	**214,089,519**	86,317,364	127,772,155

[1] Considering only material investments (higher than EUR 10.7m)

5. Public Service Contracting

In 2025, TAP did not enter into public service provision contracts.

6. Financial risk management

Years	2025	2024	2023	2022	2021
Financial expenses (€)	67,294,739	78,296,206	82,983,430	72,819,936	115,817,276
Average financing rate (%)	4.5%	5.5%	5.4%	4.7%	5.7%

[3] For the purposes of calculating financial debt and remunerated financing, lease liabilities without purchase option related to aircraft (i.e. aircraft in the service of TAP under operational lease) were excluded.

The financial debt (not including lease liabilities without purchase option)[4] and, consequently, the financial expenses have followed the growth of TAP's activity over the last 5 years. The two bond loans issued in 2019 and in particular the financing from the Portuguese State in the context of the State Aid to Covid-19 in 2020 (later converted into equity), substantially contributed to the increase of the financial expenses in 2020, having these reached their maximum in 2021. Following this peak, the company has been reducing its debt. Notably, despite the significant increase in central bank benchmark rates in recent years, TAP has successfully lowered its credit risk spread, securing more favourable conditions in both fixed and variable rate financing.

7. Limit to the growth of indebtedness

Under the terms of Decree-Law 39-B/2020 of 16 July, as amended by article 156 of Decree-Law 53/2022 of 12 August, it is expressly provided for the non-application to TAP SA, nor to the companies directly or indirectly held by them, of article 27 of the Legal Framework of the Public Business Sector, which provides that: "public companies are obliged to comply with the applicable rules regarding indebtedness, established in this decree-law and other applicable legislation."

Notwithstanding, the change in indebtedness, calculated in accordance with the formula provided in no. 1 of article 53 of 2025 State Budget law, and provided in article 141 of the Decree-law of the 2025 State Budget, would be as follows:

Variation in indebtedness (execution)	2025	2024
	Amounts (€)	
Remunerated financing (current and non-current) [4]	1,582,186,897	1,401,980,000
Share capital realised and other capital instruments	656,600,000	656,600,000
New Investments in 2025 (with material expression)	214,089,519	
INDEBTEDNESS VARIATION	-1.6%	

8. Principle of State Treasury Unity

IGCP	1st Quarter €	2nd Quarter €	3rd Quarter €	4th Quarter €
Availabilities	61,867,003	90,508,896	22,502,297	1,160,899
Financial Applications	650,000,000	610,000,000	545,000,000	355,000,000
Security deposits	480,593	480,593	487,164	869,300
Total	712,347,596	700,989,489	567,989,461	357,030,200

Commercial banks	1st Quarter €	2nd Quarter €	3rd Quarter €	4th Quarter €
Total	490,752,488	454,491,727	445,213,314	408,238,942
Interests received [1]	*5,887,176*	*5,258,731*	*5,379,025*	*4,265,690*

The interest received refers exclusively to investments in foreign currency and remunerated deposits in foreign currency.

For 2025, TAP was granted a partial exemption from compliance with the State Treasury Unit of IGCP - Public Debt and Treasury Management Agency, granted through Order SGG No. 160 of 11 November 2024 and Order SGG No. 1125 of dated 12 December 2025, for the following services:

- Receipts and Payments in currencies other than the Euro
- Accounts of TAP's foreign representations
- Purchase and Sale of Foreign Currency
- Receipts and Payments in Euros:
  - Receipts from public entities requiring an account with a tax identification number (TIN) issued by the relevant country
  - Receipts from entities that incur additional transfer costs when sending funds to Portugal
  - Payments to passengers without mandatory TIN collection
- Bank Guarantees / Pledged Deposits, where substitution by IGCP-held pledged deposits is not feasible
- Prepaid Cards
- Direct Debits (creditor side)
- Custody of Securities/financial instruments
- Cash-in-transit and cash-handling services
- Emergency Fund in Euros / Emergency Fund Credit Cards
- POS Receipts or other digital payments / virtual POS payments / domestic POS Receipts
- Cash and cheque receipts outside Portuguese territory
- Operational and financial leases and other financing arrangements
- Jet fuel hedging
- Bank account seizures, in cases where the authority does not authorise the replacement of the bank account
- Contracts entered into for receipts and payments, until migration to IGCP accounts becomes operationally feasible
- Urgent payments where IGCP accounts do not have sufficient balances
- Foreign-currency investments and derivative transactions for hedging or to meet future commitments
- Receipts via MB WAY and Multibanco reference payments processed through SIBS's DPG platform

Additionally, TAP was exempted from remitting the income earned in 2024 and 2025, under Order No. 81/2026/SEAO issued by the Secretary of State for the Budget.

9. Evolution of the Average Payment Term (APT)

APT	2025	2024	Change 25/24 Value	Change 25/24 %
Term (days)	24	21	3	14%

[1] It was considered interests resulting from financial investmenst and deposits. Interests on deposits include positive and negative interets

[4] For the purposes of calculating financial debt and remunerated financing, lease liabilities without purchase option related to aircraft (i.e. aircraft in the service of TAP under operational lease) were excluded.

OVERDUE DEBTS
Value of overdue debts in accordance with Article 1 of Decree-Law 65-A/2011 in conjunction with Paragraph 2 of Article 4 of Decree-Law 127/2012.

Overdue debt (>90 days)	2025				2024
	90-180 days	180-365 days	> 365 days	Total	> 365 days
1 - Acq. of goods and services	586,066	184,718	2,056,264	2,827,048	8,409,308
2 - Acq. of capital	7,165	127,707	554,403	689,275	26,110
3 - Total overdue debt >90 days (1+2)	593,231	312,425	2,610,667	3,516,323	8,435,418
4 -Excluded situations (Paragraph 2, Article 4 of Decree-Law 127/2012)	-	-	-	-	-
4.1 - Payment obligations under judicial challenge until a final and enforceable decision is issued					
4.2 - Situations of impossibility of compliance due to an act attributable to the creditor					
4.3 - Amounts subject to payment agreements, provided that payment is made within the agreed deadlines					
5 - OVERDUE PAYMENTS (3)-(4)	**593,231**	**312,425**	**2,610,667**	**3,516,323**	**8,435,418**

Balances older than 90 days mainly relate to account reconciliations under negotiation.

10. Public Manager Statute (EGP)

a. Management Objectives

TAP is committed to the implementation of the Restructuring Plan, submitted by the Portuguese State, and approved by the European Commission on 21 December 2021.
The management objectives are aligned with the Plan, namely with the four pillars in which it was based:

- **Focus on core business activities**: the Group should focus on the core activity, namely the aviation business carried out through TAP SA and Portugália, while gradually shifting away from and divesting non-core businesses.
- **Adjustment of capacity**: measures aimed at re-sizing TAP's fleet and optimizing TAP's network will lead to a more homogeneous fleet composition and to a reduction in operating costs, due to the lower fuel consumption.
- **Reduction of costs**: reducing operating costs over the course of the Restructuring Plan through renegotiation of contracts with aircraft suppliers and lessors, through measures to reduce third party costs, and downsizing of labour costs. In 2025, 1,815 contracts were renegotiated, generating around of EUR 49 million annualized savings.
- **Enhancement of revenues**: revenue increase through several measures and initiatives that have been implemented, with a focus on Ancillary Revenues, such as the new "Empty Seat Option" and the "Pack of Services."

b. Articles 32 and 33 of the Public Manager Statute (EGP)

i. The non-use of credit cards or other payment instruments by public managers, with the purpose of carrying out expenses in the service of the company
In accordance with article 156 (amendment to article 2 of Decree-Law no. 39 -B/2020, of 16 July) of Decree-Law no. 53/2022 of 12 August, it does not apply to Transportes Aéreos Portugueses, S. A., nor to the companies directly or indirectly held by them, the Chapter VI (Remuneration and Pensions) of the Public Manager Statute, Decree-Law 71/2007, of 27 March (as amended by Law 64-A/2008, of 31/12, DL 8/2012, of 18/01, Rect. Nº 2/2012, of 25/01, DL nº 39/2016, of 28/07, DL nº 22-C/2021, of 22/03 and DL nº 50/2022, of 19/07).

ii. Not reimbursing public managers for any expenses that fall under the concept of personal representation expenses
In accordance with article 156 (amendment to article 2 of Decree-Law no. 39 -B/2020, of 16 July) of Decree-Law no. 53/2022 of 12 August, it does not apply to Transportes Aéreos Portugueses, S. A., nor to the companies directly or indirectly held by them, the Chapter VI (Remuneration and Pensions) of the Public Manager Statute, Decree-Law 71/2007, of 27 March (as amended by Law 64-A/2008, of 31/12, DL 8/2012, of 18/01, Rect. Nº 2/2012, of 25/01, DL nº 39/2016, of 28/07, DL nº 22-C/2021, of 22/03 and DL nº 50/2022, of 19/07).

iii. The value of expenses regarding communications, which include mobile phones, home phones and internet
In accordance with article 156 (amendment to article 2 of Decree-Law no. 39 -B/2020, of 16 July) of Decree-Law no. 53/2022 of 12 August, it does not apply to Transportes Aéreos Portugueses, S. A., nor to the companies directly or indirectly held by them, the Chapter VI (Remuneration and Pensions) of the Public Manager Statute, Decree-Law 71/2007, of 27 March (as amended by Law 64-A/2008, of 31/12, DL 8/2012, of 18/01, Rect. Nº 2/2012, of 25/01, DL nº 39/2016, of 28/07, DL nº 22-C/2021, of 22/03 and DL nº 50/2022, of 19/07).

iv. The monthly value of fuel and tolls allocated to service vehicles
In accordance with article 156 (amendment to article 2 of Decree-Law no. 39 -B/2020, of 16 July) of Decree-Law no. 53/2022 of 12 August, it does not apply to Transportes Aéreos Portugueses, S. A., nor to the companies directly or indirectly held by them, the Chapter VI (Remuneration and Pensions) of the Public Manager Statute, Decree-Law 71/2007, of 27 March (as amended by Law 64-A/2008, of 31/12, DL 8/2012, of 18/01, Rect. Nº 2/2012, of 25/01, DL nº 39/2016, of 28/07, DL nº 22-C/2021, of 22/03 and DL nº 50/2022, of 19/07).

c. Undocumented or confidential expenses

In accordance with Article 16(2) of the RJSPE and Article 11 of the EGP, no undocumented or confidential expenses were incurred.

11. Public procurement

TAP S.A. is not considered a contracting entity under the Public Procurement Code, pursuant to Article 2 of Decree-Law 18/2008, of 29 January, as amended, given that it pursues a corporate purpose with commercial objectives and operates in a competitive market. This allows TAP S.A. to act and contract in the market with greater flexibility, similar to its private-sector competitors.

Notwithstanding the above, TAP S.A. has internal procedures in place for the procurement of goods and services, which are reviewed as necessary.

In 2025, TAP S.A. and its subsidiary Portugália submitted 75 contracts for prior review by the Court of Auditors. The total estimated value of these contracts is EUR 2,274,928,777

12. Supplementary information

a. Company registration in the National System of Public Purchases (SNCP)
TAP S.A. has not adhered to the SNCP, as it is not considered to be a contracting entity under the Public Procurement Code, pursuant to Article 2 of Decree-Law 18/2008 of 29 January, as amended, given that it pursues a corporate purpose with commercial objectives and operates in a competitive market. This allows TAP S.A. to act and contract in the market with greater flexibility, similar to its private-sector competitors.

b. Diligences undertaken and the results obtained within the scope of compliance with shareholder recommendations issued at the time of the last approval of the financial statements
When approving the annual accounts documents for the previous financial year, the shareholder issued a recommendation to ensure that TAP's operating expenses (on a standalone basis) in the 2025 financial year would not exceed a certain limit. As a result of the measures undertaken, operating expenses in 2025 were below the amount indicated by the shareholder, evidencing full compliance with the recommendation issued.

c. Diligences undertaken to solve situations relating to qualified opinion in the last Statutory Audit Report
In 2024 the statutory audit opinion was not qualified, and thus, this item is not applicable.

d. Measures Implemented to Ensure CSRD Compliance
Although it is not yet subject to this obligation, TAP presents its Sustainability Statement, with regard to the 2025 financial year, in accordance with the CSRD, which can be consulted in Chapter 4 – Sustainability Statement.



13. Summary Table of Compliance with the Guidelines

#	Compliance with Legal Guidelines	Compliance Y/N/N.A.	Page Manag. Report
1	**Execution of the ABP**	**N.A.**	**30**
2	**Operating efficiency and evolution of operating costs**	**S**	**30**
3	**Human Resources and Payroll**		
	Indication of the evolution of Human Resources	S	31
	Identification and availability of the authorising Order for staff increases (if applicable)	N.A.	31
	Evolution of the salary bill (excluding volume effect)	N.A. [1]	31
4	**Investment Plan**	**S**	**31**
5	**Public Service Contracting**		
	Indicators, targets and execution	N.A.	31
	Compensation received	N.A.	31
6	**Financial Risk Management**	**S**	**31**
7	**Limit to the growth of indebtedness**	**N.A.**	**32**
8	**Principle of State Treasury Unity**		
	Centralised cash and investments at IGCP	S	32
	Cash and investments held with Commercial Banks	S	32
	Interest earned and transferred to the State Budget	N.A.	32
	Identification of the authorising Order(s) for exemptions (if applicable)	S	32
9	**Suppliers APT and arrears**		
	APT evolution	S	32
	Payments in arrears	S	33
10	**Public Manager Statute**		
	Management objectives	S	33
	Articles 32 and 33 of the Public Manager Statute (EGP)	N.A.	33
	No use of corporate credit card	N.A.	33
	No reimbursement of personal representation expenses	N.A.	33
	Maximum eligible amount for communications expenses	N.A.	33
	Maximum monthly allowance for fuel and toll expenses related to service vehicles	N.A.	33
	Undocumented or confidential expenses	S	33
11	**Public Procurement**		
	Application of public procurement rules by the Company	N.A.	33
	Application of public procurement rules by subsidiaries	N.A.	33
	Internal procedures established for the procurement of goods and services	S	33
	Contracts submitted to prior review (visto prévio) by the Court of Auditors	S	33
12	**Supplementary information**		
	Company registration in the National System of Public Purchases (SNCP)	N.A.	34
	Dilligences taken regarding shareholder recommendations issued during the latest approval of accounts	S	34
	Diligences taken relating to qualified opinion in the last Statutory Audit Report	N.A.	34
	Audits by the Court of Auditors / IGF – Audit Authority	N.A.	34
	Measures implemented to ensure compliance with sustainability reporting (CSRD)	S	34
13	**Information Systematisation**	**S**	**35**

[1] Considering not applicable as a result pof th application of collective labour agreements



2. Risk Management and Internal Control

2.1. Enterprise Risk Management
> 2.1.1. Risk management process
> 2.1.2 Main risks

2.2. Internal Control

Risk is inherent in all business activities. That is why proactive and effective risk management is essential for achieving our strategic objectives and creating sustainable value for all our stakeholders.

Risk management and internal control are essential pillars of the Group's governance model, supporting decision-making, value protection, and strategy execution in a context of increasing complexity, interdependence, and regulatory demands. Within this framework, the Group has been strengthening a structured, integrated, and cross-functional approach to enterprise risk management, aligned with the internal control system and with strategic, operational, financial and compliance objectives.

The adopted model is based on an integrated view of risk, combining a top-down perspective, ensured by the governing bodies and senior management, with a bottom-up perspective, supported by directorates, operational areas, and corporate functions. This approach promotes the timely identification of key risks, the definition of appropriate responses, the continuous monitoring of risk exposure and regular reporting to the competent bodies, in line with international best practices in risk management and governance.

During 2025, TAP Group continued the development and implementation of its Enterprise Risk Management (ERM) system, with a focus on strengthening an integrated view of risks with potential impact on the Group's strategy, operational performance, financial position, compliance, and reputation. This work was conducted on a Group-wide basis, with specialist external support, and with a strong focus on methodological formalisation, clarification of responsibilities and strengthening the robustness of the governance model.

Throughout the year, priority was given to the design, consolidation and operationalisation of the system's main foundational tools, namely: the Risk Management Policy, the Governance Model, the Risk Management Manual, the assessment methodology, the activity calendar, the Group risk taxonomy, key risk indicators (KRIs) and key performance indicators (KPIs) to monitor the maturity and effectiveness of the system. These tools are at different stages of formalisation, approval and implementation, and their operational and documentary consolidation is expected to continue throughout 2026.
In parallel, the risk capability and culture component was also developed, including a Group-wide e-learning training solution for employees, with the aim of strengthening risk literacy, team accountability, and the integration of risk management into the organisation's day-to-day operations.

This framework was designed to ensure that risk management is not treated as a standalone reporting exercise, but as a continuous decision-support process, aligned with planning, execution, and performance monitoring, and closely linked to the internal control model and to the second- and third-line functions.

2.1. Enterprise Risk Management

TAP Group's Enterprise Risk Management is structured to support the identification, analysis, assessment, treatment and monitoring of the key risks and opportunities that may impact the achievement of the Group's strategic and operational objectives. The model was designed to ensure an approach proportionate to the materiality, nature, and time horizon of risks, promoting methodological consistency and management relevance.

The system architecture is underpinned by principles of clear governance, defined responsibilities, segregation of duties, information traceability, and continuous improvement. In this context, risk management is conducted in alignment with planning, performance, control and reporting processes, contributing to a consolidated view of the Group's risk profile and the corresponding response measures.

Given the nature of TAP Group's business, as well as the diversity and geographical spread of its operations, the Group is exposed to a wide range of internal and external uncertainties. These may materialise into risks that impact, among others, health and safety, operational continuity, financial performance, compliance, the environment, assets, and reputation, potentially affecting strategy execution and the achievement of defined objectives.

The model currently being implemented is aligned with internationally recognised frameworks, namely ISO 31000 and COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM, as well as with the principles of the IIA Three Lines Model, promoting alignment between strategy, risk management, internal control, and governance. Operationally, this model delivers the integrated approach referred to in the previous section, combining top-down and bottom-up perspectives to ensure a more comprehensive, comparable, and useful view of the Group's risk profile.

The risk governance model is structured around lines of action and oversight, ensuring coordination between:

- business and functional areas, responsible for identifying, assessing, and managing risks within their respective processes and activities;
- the Corporate Risk Management function, responsible for methodological coordination, consolidation, monitoring, and reporting; and
- independent oversight and assurance functions, including Internal Audit, in accordance with their respective mandates.

The work of the different stakeholders is supported by formal instruments, namely policies, methodologies, the risk taxonomy, assessment criteria, and reporting and escalation mechanisms, appropriate to the level of risk criticality.

The model is based on the accountability of business and functional areas for managing risks within their respective processes and activities, with the Corporate Risk Management function responsible for methodological coordination, consolidation, and reporting. The Internal Audit function, within its mandate, provides oversight and independent assurance over the system. The Board of Directors and the relevant bodies and committees receive periodic information on the risk profile, key exposures, and the progress of response measures, supporting decision-making and ongoing oversight of the system.

In 2025, the priority was on stabilising the risk management process, achieving methodological alignment across Group companies, and structuring the tools that support monitoring, including the risk taxonomy and the foundations for developing key risk indicators (KRIs). In 2026, the model's evolution will focus on completing the work initiated in 2025 and on consolidating periodic monitoring, reporting, and review mechanisms, further strengthening the system's operational maturity.

The model's development has been guided by recognised market references and by reporting and governance practices observed in international corporate groups, particularly regarding integrating risk management with strategy, the role of risk owners, the periodic review of key risks, and alignment with internal control and governance bodies.

Risk management at TAP is embedded in a regulatory framework that encompasses a set of policies, standards and procedures, based on the Risk Management Policy and the Risk Governance Model.

At TAP, procedures, systems, and the governance structure support the Company in managing the risks to which it is exposed. Risk management is therefore a fundamental part of TAP's decision-making processes.

2.1.1 Risk management process

TAP Group's risk management process is based on a structured, iterative, and continuous approach. It was designed to promote methodological consistency across Group companies and directorates, ensuring a common baseline of criteria and practices, while retaining the flexibility to accommodate operational specificities and differing levels of maturity.

In line with the Enterprise Risk Management model described in the previous section, the process is aligned with the planning, control, and performance monitoring cycles. The Strategic Plan is the central reference for setting priorities and framing materiality, while the corporate taxonomy ensures a common language and consistent classification criteria, enabling risks to be consolidated and compared in a way that is useful for management.

The process is structured to ensure traceability between objectives (strategic and operational), risk categories, and the main management outputs: identification and recording, analysis and assessment, definition of responses and their monitoring, as well as periodic reporting. This linkage strengthens coherence between strategic priorities and operational knowledge across the business, supporting a comparable, decision-oriented view of risk.



In summary, the process comprises the following main stages:

1. 1. Context definition - NThis stage sets the framework within which risks will be analysed, including the internal and external context, strategic and operational objectives, key assumptions, and critical factors. The scope of the exercise, participants, and the assessment criteria to be applied are also clarified.

2. Risk identification – Risks are identified based on input from the Group's directorates and companies, document review, event history, trends, and other relevant contextual factors. Identified risks are recorded and classified in accordance with the corporate taxonomy, enabling consolidation and comparison at Group level.

3. Risk analysis – This stage deepens the understanding of each risk, including causes, risk events, potential impacts, and vulnerability factors. Where applicable, existing controls and other supporting elements are also considered to better characterise the exposure.

4. Risk assessment – The assessment is conducted based on the criteria defined in the model, namely likelihood and impact, to determine the risk level and support prioritisation. This stage helps distinguish the most relevant matters for management and supports the definition of action and reporting priorities.

5. Risk treatment – Based on the assessment performed, mitigation measures and action plans are defined, strengthened, or reviewed, including the identification of owners, priorities, and deadlines. Treatment should be proportionate to the materiality of the risk and aimed at reducing exposure or strengthening response capability.

6. Monitoring and review – Monitoring and review ensure follow-up of risk evolution and the effectiveness of implemented measures, including periodic updates of information. Where applicable, this stage is supported by key risk indicators (KRIs) and by review and challenge mechanisms, strengthening the reliability of reported information.

7. Communication and reporting – Communication and reporting are transversal to the entire process and ensure the flow of information between risk-responsible areas, oversight functions, and governance bodies. Reporting is conducted in proportion to risk materiality and oriented towards decision support.

Within this process, each risk is assigned defined owners and stakeholders, as well as assessment criteria, update rules, and escalation mechanisms. The use of the corporate taxonomy and common analysis and assessment criteria help ensure consistency across areas, improve information comparability, and enhance the quality of consolidated reporting at Group level.

In addition, the model includes a culture and capability dimension, through awareness-raising initiatives, training, and methodological knowledge-sharing, with the aim of promoting a common risk language, greater consistency in assessments and stronger accountability across areas. This component is particularly relevant for consolidating the system on a Group-wide basis and strengthening its maturity over time.

In 2025, the process was conducted in a context of system implementation and stabilisation, which required additional effort in methodological alignment, harmonisation of criteria and reinforcement of reporting discipline across areas. Within this framework, the assessment was primarily qualitative and prioritisation-focused, and the structuring of key risk indicators (KRIs) and related monitoring mechanisms was initiated. In 2026, the process will evolve towards completing the work initiated in 2025 and on consolidating periodic monitoring, reporting, and the systematic review of key risks, with stronger alignment with internal control and with the other second-line functions.

2.1.2 Main risks

The identification and determination of the Group's main risks result from a structured process that combines the analysis of the strategic and operational context with the collection of inputs from relevant directorates and functions, the application of the risk taxonomy, and the consolidation of risks in accordance with the materiality criteria defined by the Group.

The main risks presented in this report reflect those which, based on the preliminary assessment performed, may have the greatest impact on the Group's ability to execute its strategy, ensure operational continuity and resilience, comply with legal and regulatory obligations, and protect its financial position and reputation. This presentation is not exhaustive and focuses on the risks considered most relevant within the reporting and management horizon.

As part of the assessment process conducted in 2025 and considering that the system was in the implementation phase, the Group's main risks were identified and organised in line with the taxonomy and the most material themes for the business, based on a predominantly qualitative assessment exercise.

In a demanding sector subject to multiple sources of uncertainty, risk management supports rational decision-making, seeking to balance benefits and objectives with costs, effort, and implementation constraints, while ensuring structured monitoring and proactive management of the most relevant exposures.

Some of the main risks to which the Company was exposed during 2025 included:

Regulatory Risks

Aviation licensing, safety regulation and compliance governance	Risk of non-compliance with aviation licensing, safety and related regulatory obligations, including weak governance and culture around adherence to evolving rules and standards, potentially resulting in audit findings, operational restrictions, and loss or limitation of critical approvals. Compliance requirements and governance discipline remained high, with a focus on the ability to evidence effectiveness, ensure consistency of practices, and respond to requirements and audits.
Corporate governance, tax and reporting compliance	Risk of non-compliance with corporate governance, financial and tax reporting regulations and standards. The importance of strict compliance with obligations and of strengthening control and transparency mechanisms remained high, given the Group's sensitivity to requirements.

Operational Risks

Legal dispute, litigation and compliance governance	Risk that legal frameworks, contract management and dispute-handling processes are inadequate, increasing exposure to litigation, fines and unfavourable settlements. Potential materiality and uncertainty associated with disputes and regulatory developments remained, underscoring the need for structured monitoring and governance discipline.
System and technology failures	Risk that system outages, integration issues, legacy tools or technical malfunctions across platforms disrupt processes, reduce efficiency, impair customer experience and increase operational and safety risks. Dependence on critical systems remained a key factor for operational stability and for the quality and availability of management information, with ongoing exposure to outages and risks associated with technological change.
Fleet and crew availability	Risk that fleet or crew availability is insufficient, inflexible, or misaligned with operational and commercial requirements, leading to cancellations, schedule instability, lost revenue, and service disruption. The robustness of planning and the ability to respond to disruption remained central to safeguarding programme delivery and service quality, given the operation's sensitivity to resource constraints.
Maintenance facility and supplier capacity	Risk that internal maintenance capabilities and external maintenance providers lack sufficient capacity, quality or reliability to deliver aircraft into operation, resulting in reduced fleet availability and potential misalignment of aircraft reliability with operator safety standards. Capacity and lead-time constraints (facilities and suppliers) persisted, with potential impacts on downtime and availability, underscoring the need to manage dependencies and constraints in maintenance.
Talent attraction, engagement and retention	Risk that the organisation is unable to attract, engage and retain critical talent, leading to instability, loss of expertise and higher replacement and training costs. Pressure on skills and retention remained relevant, with potential impacts on knowledge continuity, team stability and execution capacity in critical roles.
Airport infrastructure, slot capacity and hub dependency	Risk that airport infrastructure constraints, slot scarcity and portfolio performance, and dependence on key hubs (notably Lisbon) and airspace capacity constrain growth, reduce resilience, and increase operational and financial vulnerability, including through tighter airport/community operating constraints. Infrastructure capacity and efficiency constraints continued to influence operational predictability and performance, with reliance on the hub remaining a relevant structural factor.

Strategic Risks

Project and financial planning effectiveness	Risk that project management practices and financial analyses are insufficiently robust, timely or coordinated, resulting in delays, budget overruns and misinformed strategic or investment decisions. The complexity of the initiatives portfolio and the internal and external dependencies underscored the importance of greater planning discipline and stronger alignment between priorities, execution capacity and operational constraints.
Strategic alliances effectiveness	Risk that strategic alliances ventures fail to deliver expected benefits, or creates operational, financial or strategic constraints, due to relationship frictions or breakdowns, misaligned objectives, governance limitations, compliance requirements, or dependency on alliance-wide decisions and critical interfaces. Maximising the value of alliances remained critical, depending on effective network performance, operational and commercial coordination, and the ability to respond to changes in the competitive landscape.
Partner performance and dependency	Risk that overreliance on partners with weak performance compromises service quality and customer experience. There remained a need to monitor dependencies and service levels, given third parties' influence across key stages of the value chain and the potential impact on the consistency of the customer experience.
Brand positioning, communication and corporate reputation	Risk that brand strategy, positioning and corporate communication are misaligned or poorly executed, reducing employer attractiveness and damaging reputation with customers, investors and other stakeholders. Reputation remained sensitive to operational disruption, service quality and public perception, underscoring the importance of coherence and credibility in communication and in managing expectations.

Business Environment Risks

Political, geopolitical and regulatory environment	Risk that domestic and international political developments, geopolitical tensions, public health crises and regulatory or legal changes alter market access, traffic rights, cost structures and operating conditions, leading to disruption, reduced competitiveness and strategic constraints. A context of geopolitical volatility and uncertainty persisted, with potential impacts on demand, operational predictability and costs (including energy, insurance, financing, and restrictions and disruption).
Pricing, yield and demand competitiveness	Risk that competitor pricing actions, capacity changes and demand underperformance (particularly on new or developing routes) erode yields, margins and revenue on key routes. A competitive environment persisted, with pressure on prices and yields in certain markets and periods, requiring tactical adjustments to capacity and commercial management to accommodate demand fluctuations and seasonality.
Climate change and extreme weather physical	Risk that extreme weather events and long-term climate impacts disrupt operations, damage infrastructure and affect reliability and cost structures. The topic remained material, with potential impacts on operational regularity and disruption-related costs, in a context of growing regulatory and environmental reporting requirements.
Pandemics, global health crises and large-scale catastrophic events	Risk that global or regional pandemics, epidemic outbreaks or other large-scale catastrophic events severely disrupt demand, operations, network connectivity and workforce availability, with prolonged impacts on financial performance and resilience. Although no crisis occurred with an impact equivalent to the pandemic, the risk remained relevant from a resilience perspective, with a focus on the capacity to respond and adapt to external shocks.

Financial Risks

Fuel and key input price volatility	Risk that volatility in jet fuel, other key input prices and related exchange and interest rates significantly increases the airline's operating costs and earnings volatility. Due to the evolving macroeconomic conditions and the global geopolitical context, volatility in the financial, energy and monetary markets remained high, continuing to represent a relevant risk factor for the Company's performance. In this context, the active management of these exposures, based on continuous monitoring mechanisms and the implementation of mitigation strategies, proves decisive for preserving profitability and the stability of cash flows.
Short-term liquidity and cash management	Risk that the Company is unable to efficiently manage and forecast short-term cash flows and liquidity positions, resulting in insufficient immediately available liquidity to meet operational, financial, or contractual obligations as they fall due, potentially leading to operational disruption, increased funding costs, liquidity buffers erosion, or forced short-term financing actions. Rigorous liquidity management remained central to ensuring stability and the ability to respond to volatility and shocks, in a context where cost pressures and uncertainty may affect treasury needs.
Funding structure and refinancing	Risk that the Company's funding structure and debt profile are insufficiently diversified, improperly tenored, or inadequately aligned with liquidity needs, resulting in heightened refinancing pressure, increased funding costs, or reduced financial flexibility, potentially leading to liquidity stress, covenant pressure, deterioration of credit metrics, or disruption to ongoing operations. Developments in the financial and interest rate environment continued to make the management of the financing structure and the predictability of conditions material, with potential impacts on investment capacity and financial resilience.

2.2. Internal Control

TAP Group maintains an internal control system appropriate to its size, structure and complexity, designed to provide a reasonable level of assurance regarding the effectiveness and efficiency of operations, the reliability of management, financial and non-financial information, compliance with legal and regulatory requirements, and the safeguarding of assets. In this context, the internal control system is an essential element of good governance and the Group's management model, supporting strategy execution and the robustness of decision-making processes.

Internal control is understood as a continuous process, embedded in day-to-day management, and distributed across different levels of the organisation. It is not limited to formal validation or reporting mechanisms and is also based on the clear definition of responsibilities, segregation of duties, the existence of policies, standards and procedures, approval and oversight mechanisms, and regular monitoring of the execution of relevant controls.

The Group's internal control system is closely aligned with the risk management system, in a complementary manner. While risk management enables the identification, assessment and prioritisation of the main exposures that may affect the achievement of the Group's objectives, internal control ensures that appropriate controls, procedures and responsibilities are in place to prevent, detect and respond to failures, deviations or vulnerabilities, helping to keep those exposures within levels considered acceptable.

Within this framework, the strengthening of the Enterprise Risk Management model, initiated in 2025, contributed to further enhancing the alignment between risk management and internal control, namely through:

- clearer roles and responsibilities;
- better structuring of risk information to support management;
- strengthening of the methodological basis for monitoring;
- preparing the conditions for a more robust link between risks, controls, and relevant indicators, to be progressively consolidated.

The Group adopts a governance model aligned with the Three Lines concept, complemented by external assurance mechanisms, with differentiated responsibilities and coordination and oversight arrangements among the various stakeholders. Within this framework:

First line – consists of management and the operational and support areas, responsible for conducting activities, implementing day-to-day controls, and managing risks within the processes under their responsibility.

Second line – includes risk, compliance, and other specialised control functions, which support, monitor and challenge the first line, contributing to methodological strengthening, oversight, and system consistency.

Third line – is provided by Internal Audit, as an independent assurance function responsible for assessing the adequacy and effectiveness of the internal control system, governance, and risk management processes.

External assurance – is provided by external entities within the scope of their respective mandates, contributing to increased confidence, transparency and credibility of the control and oversight model.

This framework helps strengthen system consistency, reduce gaps and overlaps, and improve the ability to identify weaknesses in a timely manner.

TAP's internal control model is based on internationally recognised frameworks, with particular emphasis on the COSO framework, as it is widely accepted, adaptable to the structure and complexity of organisations, and well suited to aligning internal control, risk management, and governance. This framework establishes a relationship between the organisation's objectives — operations, reporting, and compliance — and five essential components of internal control, which support their achievement across the organisational structure.

These five components are:

Control environment – forms the foundation of the system, reflecting ethical values, organisational culture, management's commitment, institutional discipline, and the overall context within which the remaining controls are designed and performed.

Risk assessment – enables the identification, analysis and monitoring of factors that may compromise the achievement of defined objectives, providing an essential basis for defining appropriate and proportionate responses.

Control activities – consist of policies, procedures and specific mechanisms designed to prevent, mitigate, or detect risks. They may be preventive or detective in nature and include, among others, approvals, validations, reconciliations, reviews, and segregation of duties.

Information and communication – ensure the availability, flow, and use of relevant, reliable, and timely information, both internally and externally, supporting the execution of controls and the quality of decision-making.

Monitoring activities – enable the ongoing assessment of the adequacy and effectiveness of the system over time, promoting the identification of deficiencies, the evaluation of improvement opportunities and the implementation of corrective actions.

The Group's internal control architecture is therefore underpinned by core principles such as the definition of responsibilities and levels of authority, segregation of duties, the formalisation of policies and procedures, the existence of validation, reconciliation and review mechanisms, exception reporting, and the implementation of corrective actions and continuous improvement. Where applicable, key controls are monitored by the responsible functions and may include self-assessments, control testing, functional reviews, and follow-up actions.

Monitoring of the internal control system is complemented by the activities of second-line functions and by independent assurance provided by Internal Audit, which helps assess the adequacy and effectiveness of the model and identify opportunities for enhancement. Ongoing evaluations and independent reviews enable the system's evolution to be tracked, taking into account the Group's context, risk profile, process maturity, and applicable regulatory and operational requirements.

The Board of Directors and the Executive Committee devote particular attention to internal control, risk management, fraud prevention, information transparency, and the reliability of reporting, recognising their relevance to value protection, decision quality, and the confidence of different stakeholders.

The progressive strengthening of the internal control system, in conjunction with the Enterprise Risk Management model, has been contributing to a more integrated approach to the Group's governance, reporting and oversight. This evolution helps to consolidate a common language around risks, controls and responsibilities, improve the quality of information made available to management and oversight bodies, and enhance the Group's ability to respond to the challenges of its operational and regulatory context in a structured and timely manner.



3. Corporate Governance

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3.1. Overview (Executive Summary)

1. Síntese

Transportes Aéreos Portugueses, S.A. ("**TAP**" or the "**Company**") is a part of the state's business sector as the country's leading airline and a strategic asset for the Portuguese economy. It plays a central role in the country's connectivity, in its international profile and in the development of tourism and foreign trade. It operates within a strategic and competitive sector characterised by high operational complexity, a demanding regulatory framework, and heightened requirements for transparency, rigorous governance and alignment with national and international best practices. It is also subject to high levels of scrutiny from a wide range of stakeholders.

In recent years, the Company has undergone a process of financial restructuring, in accordance with the Restructuring Plan approved by the European Commission. This has involved significant changes to its operational, financial and organisational models, as well as a major shift in the responsibilities and roles of its governing bodies.

At the same time, preparations are underway for the privatisation of the Company's share capital. This requires a continuous strengthening of institutional credibility, the robustness of governance mechanisms and the maturity of the functioning of its governing bodies, to play a particularly critical role in defining the medium- and long-term strategic vision in risk management, business sustainability and the safeguarding of the interests of shareholders and other stakeholders.

The corporate governance model was strengthened, notably through the separation of the roles of Chairman of the Board of Directors and CEO, allowing the Board of Directors to focus more on strategic oversight and monitoring of execution.

This reinforcement is particularly significant in the context of the ongoing privatization process and the need to ensure robust strategic oversight during the Company's next phase.

Also worthy of special mention is the role of the Board of Directors' specialized committees, as essential pillars of an effective and technically qualified corporate governance model. These structures have established themselves as key factors in the quality of the decision-making process, ensuring rigorous, independent, and informed scrutiny of some of the most critical matters for the Company.

In the course of its activities, the Company continued to systematically strengthen its corporate governance model in 2025, in line with the Legal Framework for the Public Business Sector (RJSPE) and with the principles and best practices of governance in terms of integrity, transparency and accountability.

This commitment involved implementing and developing various initiatives as regards policies, processes and internal control mechanisms, and the consolidation of others already in place, with a particular focus on preventing corruption risks, strengthening ethical culture and management, and consolidating control mechanisms.

These measures included the implementation of the Sustainability Policy and the Human Rights Policy, and the updating of other key business integrity policies, including: The Code of Ethics and Conduct; Good Conduct Policy for Preventing and Combating Harassment at Work; Competition Policy; Anti-Corruption Policy; Ethical Conduct Channel Policy; Policy on the Offering and Acceptance of Gifts; Policy on the Prevention and Management of Conflicts of Interest, Investor Relations Policy, and other relevant procedures relating to this matter.

The Plan for the Prevention of Corruption and Related Offences (PPR) remained fully operational, having undergone an annual review in April 2025 and an interim review in October 2025. This made it possible to identify, analyse and classify relevant risks and consolidate preventive and corrective measures to reduce the likelihood of occurrence and mitigate the potential impacts of the identified risks and situations.

The Company also organised ongoing training sessions on business integrity, including modules on ethics, conflicts of interest, corruption and the giving and receiving of gifts, thereby providing consistent training for its staff.

TAP also maintains a fully functioning Ethics Channel, which continues to play a vital role in detecting and managing irregularities in order to receive and deal with complaints submitted by employees and third parties, in compliance with Law no. 93/2021, of 20 December, which establishes the general regime for the protection of whistleblowers. This channel enables people to report various types of misconduct, including bribery, corruption, fraud, conflicts of interest, sexual harassment and bullying, and discrimination. Complaints can be made anonymously and are processed by a specialised team, which ensures that the entire process is conducted properly, confidentially and independently, protecting the whistleblower and other vulnerable parties.

Furthermore, as part of its commitment to best corporate governance practices, TAP intends to consolidate a series of initiatives throughout 2026 to encourage greater efficiency in the work of its governing bodies, as well as strengthening mechanisms for oversight, transparency and value creation. To this end, it is particularly important to highlight the need for a structured and independent assessment of the Board of Directors, covering an evaluation of its overall functioning, internal dynamics, the suitability of existing powers, as well as the effectiveness of decision-making and strategic monitoring processes.
In parallel, Artificial Intelligence became widespread throughout society in 2025 and is being further developed in 2026 as a transformative tool for management and governance. Its systematic use provides effective support for decision-making—ensuring decisions are better informed, faster and more consistent—thereby strengthening the capabilities of the Board of Directors and the organisation as a whole.

Furthermore, as part of the efforts to strengthen the Company's corporate governance and internal control systems, particular importance was attached to establishing a clear reporting structure from the legal compliance department to the Board of Directors was also of particular importance in 2025, with the aim of strengthening the independence of this function within the Company.

This integrated approach ensures that the Company maintains its focus, effectiveness, transparency and ability to deliver, thereby strengthening sustainability and long-term value creation.

This Corporate Governance Report presents detailed information on the structure and composition of the governing bodies and committees, bylaws and communications, risk management and remuneration, among other topics associated with its governance model, following the instructions contained in the manual and the model established by the Treasury and Finance Department ('TFD'), for the year 2025.

2. Good Practices in Corporate Governance

In compliance with the provisions of Chapter II of the Legal Framework for the Public Business Sector (RJSPE), regarding good governance practices, throughout the fiscal year of 2025, the Company implemented and monitored a comprehensive set of measures designed to ensure transparency, rigor, integrity, and management´s accountability.

The table below summarizes the Company's level of compliance with the provisions set out in the aforementioned Chapter II of the RJSPE, presenting, in a structured manner, the practices adopted and the corresponding compliance status.



Legal Framework of the Public Business Sector Good Practices in Corporate Governance		Yes	No
ESRS E1	Submitted an Activity Plan and Budget for 2025 adequate to the available resources and sources of financing.	√	
	Obtained approval of the sectoral and financial authorities of the Activity Plan and Budget for 2025.	√	
Art. 44	Disclosed information on shareholder structure, shareholdings, operations with shareholdings, financial guarantees and assumption of debts or liabilities, execution of objectives, accounting documents, quarterly reports on budget execution with a report from the supervisory body, identity and curriculum of the members of corporate bodies, remuneration and other benefits.	(1)	
Art. 45	Submitted the annual financial information to the Chartered Accountant, who is responsible for the Company's Legal Certification of Accounts.	√	
Art. 46	Prepared the evaluation reports of the Plan for the Prevention of Risks of Corruption and Related Offences.	√	
Art. 47	Adopted a Code of Ethics and released the corresponding document.	√	
Art. 48	Has a contract to provide a Public Service or a Service of General Interest, if entrusted to it.		n/a
Art. 49	Pursued social and environmental responsibility goals.	√	
Art. 50	Implemented human resources policies and equality plans.	√	
Art. 51	Declared the independence of all members of the Governing Body, and that members refrain from participating in decisions involving their own interests.	(2)	
Art. 52	Declared that all members of the Governing Body complied with the obligation to declare the equity interests they hold in the company, and relationships that could generate conflicts of interest to the governing body, the Supervisory Body and to the General Inspectorate of Finance.	(2)	
Art. 53	Ensured that the TFD meets the preconditions so that all information to be disclosed can appear on its website	√	
Art. 54	Submitted the report of the Supervisory Body in which it is assessed that the annual report on corporate governance practices includes current and complete information on all matters dealt with in Chapter II of the RJSPE (good practices in corporate governance).	√	

(1) Publicações no site institucional da Sociedade, no decurso do exercício 2025.
(2) Os membros do órgão de administração apresentaram declaração no início de funções.

3.2. Mission, Objectives and Policies

1. Mission, Vision and Values that guide the Company

TAP was created in 1945 and prides itself on being one of the main promoters of 'Portugality' in the world.

Its main mission is to connect Portugal to the world, contributing to the economic, social and cultural development of the regions in which it operates. The Company guarantees a reliable service to all clients, seeking to meet their needs through the safe and consistent provision of its operations, creating value for the shareholder and ensuring high levels of professional qualification and motivation of its employees.

Today, in order to continue to be the main airline for the Portuguese and for millions of other passengers around the world, its keywords are transformation and innovation.

Step by step, TAP is reaffirming its commitment to the future, connecting people, economies and communities, and increasingly establishing itself as Portugal's leading national exporter and promoter on the global stage.

In 2025, one of its main priorities was to continue along the path of making TAP one of the most attractive companies in the industry. Attractive to its employees, attractive to its customers, attractive to its investors. Failing any one of them would be failing all of them, so any one of these three groups is crucial to ensuring the company's sustainable future.

TAP does more than just connect Portugal to the world and the world to Portugal. Its aim is to awaken that typical curiosity about Portugal in every traveller, and how it positions itself in the market.

"TAP embraces visitors when they arrive, embraces them when they leave, and embraces them as they come and go. As a flag carrier, it embraces all flags." With this stance, TAP continues to put its customers first, working every day to be the company that is always ready to broaden horizons and embrace the world's diversity.

2. Policies and Lines of Action, Success Factors and Sectoral Guidelines and Policies

a) Targets and results defined by the shareholders regarding the development of business activity to be achieved in each year and three-year period, in particular economic and financial ones.

TAP is bound by the implementation of the TAP Group Restructuring Plan, submitted by the Portuguese Republic and approved by the European Commission on 21 December, 2021 (the "**Restructuring Plan**").

The management targets are in line with those set out in the Restructuring Plan, namely with the four cornerstones on which it was based:

1. **Focusing on core business activities**: the TAP Group should focus on its main activity, the aviation business carried out by TAP and Portugália, while divesting from "non-core" activities.
2. **Capacity adjustment**: Resizing TAP's fleet and optimising the network, which will lead to a more homogeneous fleet and a reduction in operating costs due to lower fuel consumption.
3. **Optimisation of operational costs**: Reduction of operational costs throughout the Restructuring Plan through the renegotiation of contracts with suppliers and aircraft lessors, and measures to reduce costs with third parties and to reduce labour costs. In 2025, around 1,815 agreements were renegotiated, with TAP achieving around EUR 49 million in annualised savings.
4. **Improving revenues**: increasing revenues through several measures and initiatives that have been implemented, with a focus on Ancillary Revenues, such as the new ancillary Next Free Seat and Pack of Services.

b) Degree of fulfilment of the same, as well as the justification for the deviations found and the corrective measures applied or to be applied.

The TAP Group Restructuring Plan is a document that the Portuguese State has agreed and submitted to the European Commission. For this reason, and despite the fact that the Company made a significant contribution to its development, it is a document of the Portuguese State. For this reason, TAP cannot publicly provide information on it. This is the sole responsibility of the Portuguese State, if it so wishes.

3. Critical success factors on which the Company's results depend

- The strategic sizing and composition of TAP's fleet is a key factor in dealing with strategic and commercial risks;
- Identifying critical suppliers for business continuity, as well as managing the supply chain in a timely manner, are key measures to ensure the smooth running of the business;
- Failure to respond to ESG issues on its agenda and strategic priorities, which are increasingly important and scrutinised by various stakeholders, can have effects on scenarios for attracting investment and on the company's reputation;
- Permanent monitoring of the financial markets in connection with a risk management programme, in order to anticipate and minimise the potential adverse effects of financial risks on its financial performance;
- For TAP, Safety is a fundamental value, essential for maintaining customer trust, and a day-to-day requirement that determines the activity and long-term future of the air transport industry;

- With regard to working conditions and the development of human capital, it is essential to note that employees are TAP's most important asset. Keeping their trust is vital to enable the Company to achieve its highest standards of performance for the benefit of customers, and the involvement of employees, the development of their talent and social stability are key factors for the long-term viability and success of the Company;
- As a result of its business model - hub & spoke - TAP depends significantly on Humberto Delgado Airport, and all its limitations relating to capacity and the only runway available are well known. The causes of disruption can be numerous and come from a variety of sources, but they are all capable of causing significant disruption to the Company's operations and, consequently, causing reputational and financial damage.

4. Evidence of action in accordance with the guidelines defined by the sectoral ministries

During the financial year under review, instructions were received exclusively from the Ministry of Finance, as set out in Order No. 335/2024-SET, of 13 August, in conjunction, where applicable, with Decree-Law No. 13-A/2025 of 10 March, concerning the preparation of the Activity Plan and Budget for the 2025–2027 period.

At the same time, the Company's operations continued to be guided by the implementation of the Restructuring Plan, which is currently underway; this plan has steered the Company's activities and mobilised the organisation to pursue the strategic and operational objectives associated with the four key pillars defined therein.
The monitoring of financial metrics can be accessed in the Integrated Report, in particular in the management and accounts for the financial year ending 31 December 2025, of which this Corporate Governance Report forms an integral part.

3.3. Capital Structure

1. Disclosure of Capital Structure

On 17 January, 2025, a unanimous written resolution was taken to increase TAP's share capital by new cash contributions to be made by its sole shareholder, the Portuguese Republic, through the Treasury and Finance Department, in the amount of EUR 343,000,000, replacing its initial obligation to make a single ancillary contribution of the same amount. The aforementioned instalment of EUR 343 million was received on 20 January, 2025.

As a result of this operation, TAP's share capital increased to EUR 656,600,000.00, represented by 410,375,000 ordinary shares with a nominal value of EUR 1.60 each.



Shareholder Structure of Transportes Aéreos Portugueses, S.A. as at 31 December, 2025

2. Possible restrictions on the transferability of shares

Pursuant to Article 5 of TAP Bylaws, the transfer and encumbrance of shares are subject to the Company's consent, which must be requested in writing, specifying all the conditions involved in the intended operation.

The Company shall give or withhold its consent to the transfer or encumbrance of shares by means of a resolution of the Board of Directors, within a maximum period of 60 (sixty) days from the date on which the request for consent is received, failing which such transfer or encumbrance shall cease to depend on the consent of the Company and shall become free.

Besides other reasons for refusing consent, the Board of Directors shall always refuse consent when the intended transfer or encumbrance of shares:

a) violates the provisions of Regulation (EC) no. 1008/2008 of the European Parliament and of the Council of 24 September, 2008, or may cause the revocation of the Company's air transport operating licence;

b) is made in favour of a person, company, association, group or any other similar entity, that directly or indirectly exercises an aviation activity, under any kind of business, or is a partner, shareholder or holder of a governing body of any entity that operates an activity competing with that of the Company under the terms described above.

If consent is refused, the Company shall be obliged to acquire the shares or have them acquired by another person, in accordance with Article 329(3)(c) of Portuguese Commercial Companies Code.

3. Existence of Shareholder Agreements

Given that TAP is wholly owned by the Portuguese Republic, through the Treasury and Finance Department, there is no shareholder agreement concerning the company.

3.4. Shareholdings and Bonds Held

1. Company's shareholdings

(i) SPdH - Serviços Portugueses de Handling, S.A. ("SPdH")

a) SPdH Recovery Plan

As part of the recovery plan submitted in and approved as part of the SPdH insolvency proceedings, conducted before the Lisbon District Court, TAP became a shareholder of SPdH, holding, as of June 4, 2024, a minority stake in SPdH's share capital and voting rights, corresponding to 249,001,996 shares with a par value of €0.01 each, representing 49% of the company's share capital. The remaining 50.1% of SPdH's capital is held by the majority shareholder Menzies Aviation – Portugal – Serviços de Carga, Unipessoal, Lda. ("Menzies").

The acquisition of this equity interest in SPdH was carried out through a capital increase, by means of the conversion of part of the secured claims held by TAP against SPdH, which were duly filed and recognized within the scope of the insolvency proceedings.

Under the terms of the Shareholders' Agreement entered into between TAP and Menzies, a put option was expressly provided for, pursuant to which Menzies irrevocably committed to acquire the equity interest held by TAP in SPdH.

In December 2025, TAP formally notified Menzies of the exercise of the put option.

b) TAP Group Restructuring Plan | Sale of SPdH

On December 21, 2021, the European Commission approved TAP Group's Restructuring Plan by means of Commission Decision (EU) No. 2022/2763 ("the EC Decision"), subject to compliance with four pillars aimed at implementing a recovery strategy for TAP Group and ensuring its long term sustainability.

The first of these pillars focused on the core strategy, which entailed: (i) the consolidation within TAP of all companies directly engaged in the aviation business and (ii) the divestment by TAP Group of all non-core businesses.

In this context, the implementation of the Restructuring Plan required TAP to divest its equity interest in SPdH by December 31, 2025.

TAP took steps to divest its equity stake in SPdH as early as 2025, however, a set of circumstances prevented the exercise of the Put Option agreed upon with Menzies, whose mechanism provides for a divestiture at market prices, based on valuations carried out by independent experts.

Given the impossibility of completing the sale within the required timeframe, the European Commission accepted the request submitted by the Portuguese Republic to extend the divestment obligation until June 30, 2026, as further described in section 3.4.2. below ("acquisition and sale of equity interests").

(ii) Portugália – Companhia Portuguesa de Transportes Aéreos, S.A. ("Portugália")

In compliance with the unanimous written resolution of 11 October 2024, taken by the shareholder Portuguese Republic, , a share purchase agreement was signed on 8 November 2024 between TAP SGPS (currently known as SIAVILO - SGPS, S. A.) in its capacity as seller, and TAP in its capacity as buyer, under which its entire shareholding in Portugália was transferred to TAP.

With the signing of this agreement, TAP now holds the entire share capital of Portugália, represented by 3,000,000 (three million) shares with a nominal value of €5.70 (five euros and seventy cents).

(iii) TAP Logistics Solutions, S.A ("TAP Logistics")

On 31 December, 2025, TAP also held 10,000 shares representing the entire share capital of the company TAP Logistics, which remains unchanged at the present time.

(iv) UCS – Cuidados Integrados de Saúde, S.A. ("UCS")

In compliance with the unanimous written resolution of 27 December 2024, taken by the shareholder Portuguese Republic, on 21 January 2025, a share purchase agreement was entered into between TAPGER - Sociedade de Gestão e Serviços, S.A. ('**TAPGER**'), in its capacity as seller, and TAP, as buyer, pursuant to which TAPGER transferred to TAP the shares representing 100% of the share capital of UCS - Cuidados Integrados de Saúde, S.A.

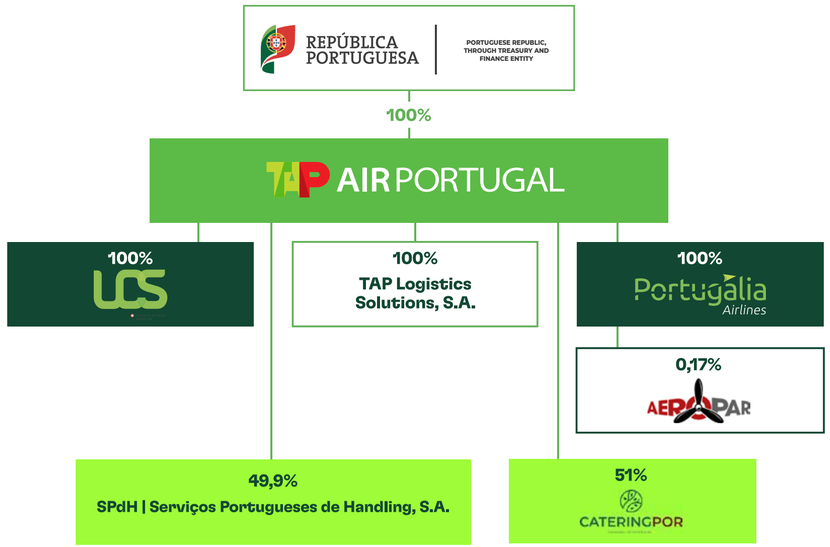
As a result of of the execution of this agreement, TAP became the sole holder of the entire share capital of UCS, represented by 100,000 (one hundred thousand) shares, each with a par value of EUR 5.00 (five euros).

(v) Cateringpor – Catering de Portugal, S.A. ("Cateringpor")

In compliance with the unanimous written resolution of 27 December 2024 taken by the shareholder Portuguese Republic, on 21 January, 2025, , a share purchase agreement was entered into between TAPGER, as seller, and TAP, as buyer, pursuant to which TAPGER transferred to TAP the shares representing 51% of the share capital of Cateringpor - Catering de Portugal, S.A.

The agreement was subject to the fulfillment of certain conditions, namely the granting of prior approval by the Court of Auditors, which were met on April 9, 2025, and as from that date TAP came to hold 51% of Cateringpor's share capital, represented by 357,000 (three hundred fifty-seven thousand) shares, each with a par value of €5.00 (five euros).

The remaining 49% is held by the minority shareholder Gate Gourmet Switzerland GmbH.



2. Acquisition and disposal of shareholdings

On November 8, 2024, as described above, TAP acquired 100% of Portugália's share capital from SIAVILO.

On 21 January 2025, as described above, TAP acquired the entire share capital of UCS from TAPGER, as well as 51% of the share capital of Cateringpor (although, in this case, the transfer only took place on 9 April 2025, as described above).

The transactions involving Portugália and UCS stem from the need to implement the Restructuring Plan, which establishes, among its core underlying assumptions, the centralization within TAP of the assets directly related to the air transport business, including, in particular, the entire share capital of Portugália and UCS.
With regard to Cateringpor, whose activity falls within vertically integrated services with the aviation sector, namely catering services provided to air transport operations, the acquisition by TAP of shares previously held by TAPGER constitutes an interim measure, insofar as, under the terms set out in the European Commission Decision, such shareholding must be divested to a third party by 31 December 2025.

Throughout the period of the Restructuring Plan, TAP pursued the divestment of the equity interest it holds in Cateringpor, while remaining committed to maximizing the value of such shareholding, ensuring that Cateringpor will continue to provide in-flight catering services to TAP.

In this context, a public bidding process was launched in 2025, pursuant to Law No. 71/88 of May 24 and Decree-Law No. 328/88 of September 27, with the following objectives: (i) the sale of an indivisible block of 357,000 shares, with a par value of €5.00, representing 51% of share capital of Cateringpor, as well as (ii) the definition of the contractual terms for the provision of catering services by Cateringpor, effective from the moment the sale of those shares is completed.

Due to a series of unforeseen circumstances, TAP was unable to complete the sale of its equity interest in Cateringpor by December 31, 2025.

With regard to SPdH, TAP sought to complete the divestment of its equity interest in SPdH as early as 2025, however, a combination of circumstances prevented the completion of the exercise of the put option agreed upon with Menzies.

On October 17, 2025, the Portuguese State submitted a memorandum to the European Commission outlining the difficulties encountered in carrying out the divestitures, and on October 28, 2025, filed a pre-notification request seeking an extension of the deadline for the full divestiture of Cateringpor and SPdH. The European Commission granted the request, confirming an extension of the Restructuring Plan until June 30, 2026, while maintaining the obligation to divest the the shareholdings on those subsidiaries and imposing the following additional measures: (i) TAP SA must repay 24.99 million euros in state aid to the Portuguese Republic by June 30, 2026; (ii) the fleet of TAP SA is subject to a maximum cap on the number of aircraft; and (iii) TAP SA is prohibited from operating new routes until June 30, 2026. Furthermore, until June 30, 2026, the company remains prohibited from acquiring shares in any company, as well as from promoting state aid as a competitive advantage when marketing its products and services.

3. Shares and bonds held by members of the governing and supervisory bodies

In accordance with the provisions of Article 447(5) of the Portuguese Commercial Companies Code, the members of the governing and supervisory bodies do not hold shares and/or bonds in the Company.

4. Commercial relations between the shareholders and the Company

As of 31 December 2025, the entities identified as related parties and with which the most relevant business relationships were established are as follows:

Shareholder:
Portuguese State

Subsidiaries:
Cateringpor – Catering de Portugal, S.A.
Portugália – Companhia Portuguesa de Transportes Aéreos, S.A.
UCS – Cuidados de Saúde Integrados, S.A.
TAP Logistics Solutions, S.A.

Associates:
SPdH – Serviços Portugueses de Handling, S.A.

Other TAP Group entities
SIAVILO – SGPS, S.A.
TAP Manutenção e Engenharia Brasil, S.A.
TAPGER – Sociedade de Gestão e Serviços, S.A.

3.5. Governing Bodies and Committees

3.5.1. Governance Model

The Company's Bylaws adopted the Corporate Governance Model provided for in Article 278(1)(a), and Article 413(1)(b) and (2)(a), of the Portuguese Commercial Companies Code. The Company's governance model therefore comprises the existence of a Board of Directors, a Supervisory Board, a Chartered Accountant or Statutory Auditors Firm, which is not a member of the Supervisory Board, and a Company Secretary and its alternate.

Under this legal framework, the corporate governance structure is based on a clear definition and separation of powers and functions among the various corporate bodies, ensuring efficient management as well as appropriate oversight and control mechanisms.

3.5.2. General Meeting

1. Composition of the Board of the General Meeting

In accordance with Article 12 of the Company's Bylaws, the Board of the General Meeting consists of a Chairperson and the Company Secretary, and the shareholders may decide that the Board of the General Meeting also include a Vice-Chairperson.

The composition of the Board of the General Meeting during the year 2025 has been as follows:

Term of Office	Position	Name	Appointment	Termination
2021-2024	Chairperson	To be appointed[1]		-
	Company Secretary	Manuela Ferreira e Silva de Vasconcelos Simões	Board of Directors' Resolution from 18/05/2023	-
	Alternate Company Secretary	Ana Maria Sirgado Malheiro	Board of Directors' Resolution from 18/05/2023	-

[1] The position of Chairperson of the General Meeting was vacated by António de Macedo Vitorino, who resigned on 20 February, 2023, with effect from 31 March, 2023. To this date, no replacement for the position has been appointed.

2. Qualified majority shareholder resolutions

In accordance with the provisions of Article 10 of the Company's Bylaws, the General Meeting can only decide, on first call, if shareholders holding shares representing at least 51% (fifty-one per cent) of the Company's share capital are present or represented.

Resolutions shall be approved by a majority of the votes of the shareholders present or represented at the General Meeting, unless a legal or statutory provision requires a qualified majority.

Resolutions concerning amendments to the bylaws, merger, de-merger, transformation and dissolution of the Company, as well as other matters requiring a qualified majority by law, without specifying so, shall be approved by two-thirds of the votes cast, unless the resolution is approved in the General Meeting held on second call where shareholders owning at least half of the voting share capital are present or duly represented, in which case the aforesaid decisions may be approved by a majority of the votes cast.

3.5.3. Management and Supervision

1. Statutory Rules

The Company's Bylaws establish that the members of the Board of Directors are appointed by the General Meeting.

The General Meeting may designate a Vice-Chairperson, who shall replace the Chairperson of the Board of Directors in his/her absences and impediments, or, if there is no vice chairperson, he/she shall be replaced by the member of the Board of Directors designated for this purpose by the Chairperson of the Board of Directors.

In the absence of a statutory clause regulating the appointment of the Chairperson of the Board of Directors, this competence falls to the Board of Directors, which may replace the Chairperson at any time, under the terms set out in Article 395 (1) and (2) of the Portuguese Commercial Companies Code.

Pursuant to Article 13 of TAP's Bylaws, and for the purposes of Article 393 of the Portuguese Commercial Companies Code, the absence of a director to more than 4 (four) consecutive meetings of the Board of Directors, or 6 (six) interpolated meetings, without justification accepted by the other members of the Board of Directors, leads to the definitive absence of a director, and his/her replacement must be carried out, under the legal terms.

The replacement referred to above, when made by co-option or by appointment of the Supervisory Board, shall be submitted for ratification at the first General Meeting following the replacement.

2. Members' minimum and maximum statutory number and statutory duration of the term of office

In accordance with the provisions of Article 13 of TAP's Bylaws, the management of the Company will be carried out by a Board of Directors, composed by a minimum of 5 (five) and a maximum of 11 (eleven) members, all appointed by the General Meeting.

The members of the Board of Directors shall exercise their duties for a period of 4 (four) years, renewable, with the calendar year of their appointment being counted as a full year, and they may be reappointed once or more times, within the limits provided for by law.

Once the term of office ends, the members will remain in office until their substitutes are appointed, in accordance with the provisions of Article 8 of TAP's Bylaws.

3. Composition of the Board of Directors

The composition of the Board of Directors in 2025 was as follows:

Term of Office	Position	Name	Appointment (1st appointment)	Termination
2021-2024	Chairperson	Carlos Nuno Alves de Oliveira Luís Manuel da Silva Rodrigues	Unanimous written decision taken on 17/07/2025 Unanimous written decision taken on 14/04/2023	- 16/07/2025
	Member	Luís Manuel da Silva Rodrigues	Unanimous written decision taken on 14/04/2023	-
	Member	Gonçalo Neves Costa Monteiro Pires	General Meeting Resolution taken on 24/06/2021	-
	Member	Jose Mario Cruz Henriquez	Unanimous written decision taken on 18/07/2023	-
	Member	Maria João Santos Gomes Cardoso	Unanimous written decision taken on 17/05/2023	-
	Member	Mário Rogério Carvalho Chaves	Unanimous written decision taken on 17/05/2023	-
	Member	Sofia Norton dos Reis Lufinha de Mello Franco	Unanimous written decision taken on 22/09/2022	-
	Member	Ana Teresa Cunha de Pinho Tavares Lehmann	General Meeting Resolution taken on 24/06/2021	-
	Member	João Pedro Conceição Duarte	General Meeting Resolution taken on 24/06/2021	-
	Member	Patrício Ramos Castro	General Meeting Resolution taken on 24/06/2021	-

On 14 April 2023, by unanimous written resolution of the shareholder Portuguese Republic, Luís Manuel da Silva Rodrigues was elected Chairperson of the Board of Directors, and, on the same date, the Chairperson of the Executive Committee was also appointed by a resolution of the Board of Directors.
This dual role was of an exceptional and temporary nature, and was intended to ensure continuity and stability in management during a particularly critical period for the Company.

On 16 April 2025, by unanimous written resolution of the shareholder Portuguese Republic, through the Treasury and Finance Department, Carlos Nuno Alves de Oliveira was elected Chairperson of the Board of Directors, while Luís Manuel da Silva Rodrigues continued to serve as Chairperson of the Executive Committee and as a member of the Board of Directors.
The separation of the roles of Chairman and CEO was a significant step toward strengthening the corporate governance model, allowing the Board of Directors to focus more on strategic oversight and monitoring of execution.

Subsequent event:
On 3 February 2026, the Board of Directors resolved to co-opt Renato Teobaldo Rodrigues Inácio as an executive member of the Company's Board of Directors, with effect from 5 February 2026, to carry out his duties until the election of a new board of directors, following the resignation submitted by Gonçalo Neves da Costa Monteiro Pires on 31 January 2026.
On 5 February 2026, by unanimous written resolution of the Board, the Portuguese Republic, through the Treasury and Finance Department, ratified the aforementioned co-option, confirming the appointment of Renato Teobaldo Rodrigues Inácio as an executive member of the Board of Directors.

4. Executive and Non-Executive Members

O The Board of Directors elected on 24 June, 2021 for the 2021-2024 term of office initially consisted of eleven directors, five of whom were executive directors and six non-executive directors holding non-executive roles, a structure which, at the time, ensured a majority of non-executive directors, in line with best corporate governance practices.

During the term of office, there were changes to the composition of the board of directors following resignations and subsequent adjustments to the executive structure. In particular, the resignation of an executive director in October 2021 and the appointment, on the same date, of an executive director from among the non-executive directors, as well as the subsequent resignation of a non-executive director in January 2022, led to a shift in the balance that had initially existed between executive and non-executive directors.

Later, in May, 2023, the Board of Directors decided to reshuffle the Executive Committee, which now has six directors. This development, combined with the resignation of a non-executive director at the end of 2023, has widened the gap between the number of executive and non-executive directors.

Notwithstanding this, the composition of the Board remains appropriate to the Company's size, operational complexity and risk profile, whilst also ensuring that non-executive directors fulfil the independence criteria provided for in Article 414 (5) of the Portuguese Commercial Companies Code.

The appointment of a non-executive Chairman of the Board of Directors has reinforced the distinction between oversight and executive management roles, contributing to greater institutional balance in the functioning of the body.

Moreover, the separation of the roles of Chair of the Board of Directors and Chair of the Executive Committee — which ceased to be held by the same individual — constitutes a practice aligned with the principles of good corporate governance, promoting enhanced institutional balance, strengthening the Board's capacity, and ensuring a clearer distinction between supervisory and executive management functions.

5. Relevant curriculum details of the members of the Board of Directors

The curriculum vitae of each member of the Board of Directors in office can be consulted on the company's website:
https://www.tapairportugal.com/pt/sobre-nos/administracao

6. Equity Interests

Pursuant to the provisions of Article 52 of the RJSPE, the members of the Board of Directors submitted a statement at the beginning of their duties/term of office stating that they do not hold any equity interests in the Company, nor any relationships with its suppliers, customers, financial institutions, or any other company business partners likely to generate conflict of interest situations.

7. Family, professional or business relationships

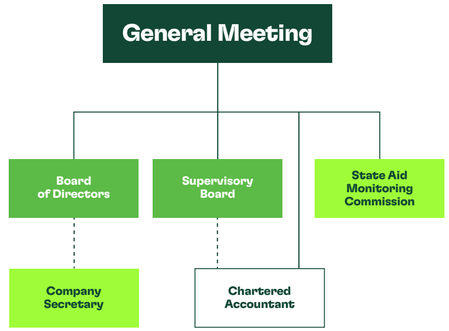
The members of the Board of Directors in office on 31 December, 2025 do not maintain any family, commercial, professional or commercial relationships of a routine and/or significant nature with shareholders holding qualified stakes of more than 2% of voting rights.

8. Organisational Chart of the Governing Bodies and Corporate Bodies

Pursuant to the provisions of Article 8 of TAP's Bylaws, the Company's corporate bodies are the General Meeting, the Board of Directors, the Supervisory Board and the Chartered Accountant or the Statutory Auditors firm.

In addition to these, the company governance structure also has the following corporate bodies: the Board of the General Meeting and the State Aid Monitoring Committee.

The Company also has a Company Secretary, appointed under the terms provided for in its bylaws and with the powers provided for by law.



9. Description of the functioning of the Board of Directors

a) Number of meetings held and attendance rate of each member

The Board of Directors shall set the dates or the frequency of its ordinary meetings, but shall meet at least once every quarter, and shall meet extraordinarily whenever convened by its Chairperson, by two directors, or at the request of the Company's audit body.

Throughout 2025, the Board of Directors held 20 meetings, and the attendance rate of each member is shown in the following table:

Name	Attendance (present or represented)
Carlos Nuno Alves de Oliveira	100%
Luís Manuel da Silva Rodrigues	100%
Gonçalo Neves Costa Monteiro Pires	95%
Jose Mario Cruz Henriquez	95%
Maria João Santos Gomes Cardoso	100%
Mário Rogério Carvalho Chaves	100%
Sofia Norton dos Reis Lufinha de Mello Franco	100%
Ana Teresa Cunha de Pinho Tavares Lehmann	100%
João Pedro Conceição Duarte	100%
Patrício Ramos Castro	100%

b) Positions held simultaneously in other companies, inside and outside the group, and other relevant activities carried out by members of the Board of Directors

Positions held in other TAP Group companies (at 31 December 2025)

Some members of the Company's Board of Directors also hold positions on the management bodies of other companies within the TAP group, as shown in the table below:

	Companies | Positions					
Members	**SIAVILO 2**	**PORTUGÁLIA**	**TAPGER**	**UCS**	**CATERINGPOR**	**TAP LOGISTICS**
Luís Manuel da Silva Rodrigues	Chairperson	Chairperson	Chairperson	Chairperson	_	Chairperson
Gonçalo Neves Costa Monteiro Pires	Director	Director	Director	_	Chairperson	Director
José Mário Cruz Henriquez	Director	Director	_	_	_	_
Maria João Santos Gomes Cardoso [3]	Director	Director	_	Chairperson	_	Director
Mário Rogério Carvalho Chaves	Director	Director	_	_	_	_
Sofia Norton dos Reis Lufinha de Mello Franco	Director	Director	Director	_	-	_

[2] On 31 March, 2025 the Members of the Board of Directors of SIAVILO, SGPS, S.A. resigned from their positions, with effect from 30 April, 2026.

[3] Maria João Santos Gomes Cardoso was appointed Chairperson of the Board of Directors of UCS on 19 February, 2025, following the resignation of Luís Manuel da Silva Rodrigues on 13 February, 2025.

Positions held outside TAP Group

Members	Companies	Position
Carlos Nuno Alves de Oliveira	Automaise, S.A.	Chairperson (non-executive)
	BOC - BRAGA OFFICE CENTER, Lda	Managing Diector (non-executive) [4]
	DevScope, S.A.	Director (non-executive)
	IBG EUROPE, SGPS, S.A.	Chairperson (non-executive) [4]
	MobiRE, Lda.	Managing Diector (non-executive)
	Nozes Capital, Lda	Managing Diector (non-executive)
	SBS STARTUPBRAGA – Investimentos em Startups, S.A.	Chairperson (non-executive) [4]
	SkyBusiness, S.A.	Chairperson (non-executive)
Ana Teresa Cunha de Pinho Tavares Lehmann	BCR-Brisa Concessão Rodoviária, S.A.	Managing Diector (non-executive)
	Futebol Clube do Porto - Futebol SAD	Director (non-executive)
	The Navigator Company, S.A.	Director (non-executive)
	Vieira de Carro - Produtos Alimentares, S.A.	Chairperson of the Supervisory Board
	Zolve – Logística e Transporte, S.A.	Chairperson (non-executive)
João Pedro Conceição Duarte	Abelha Austera, Lda.	Managing Diector (executive)
	Atlasquare, Lda	Managing Diector (executive)
	Ceres Capital, Lda	Managing Diector (executive)
	JDCJ, Lda	Managing Diector (executive)
	J.P.Duarte – Agropecuária, Lda	Managing Diector (executive)
	Turhis rtn, Lda	Managing Diector (executive)

[4] As of the date of approval of this Report, the positions identified are no longer in effect.

c) Company bodies responsible for assessing the performance of executive directors and predetermined criteria for assessing their performance

Performance evaluation of Executive Directors is based on pre-determined criteria, to be defined by the Shareholder Portuguese Republic.

d) Committees, composition, competences and summary of the activities carried out by the existing committees of the management body

Executive Committee

Composition in the 2025 financial year:

Term of Office	Position	Name	Appointment
2021-2024	Chief Executive Officer	Luís Manuel da Silva Rodrigues	Board of Directors' Resolution of 14/04/2023
	Chief Financial Officer	Gonçalo Neves Costa Monteiro Pires	Board of Directors' Resolution of 15/10/2021
	Chief Commercial & Revenue Officer	Jose Mario Cruz Henriquez	Board of Directors' Resolution of 27/07/2023
	Chief Operating Officer	Mário Rogério Carvalho Chaves	Board of Directors' Resolution of 18/05/2023
	Chief Customer Officer	Sofia Norton dos Reis Lufinha de Mello Franco	Board of Directors' Resolution of 28/09/2022
	Chief Maintenance Officer	Maria João Santos Gomes Cardoso	Board of Directors' Resolution of 18/05/2023

Competences

Pursuant to Article 14(2) of the Company's Bylaws, the Board of Directors may delegate, within the limits established by law, the day-to-day management of the Company to one or more delegated directors or to an Executive Committee.

On 1 February 2022, the Company's Board of Directors decided to delegate the following powers to the Executive Committee:

1. Preparation of the proposed business plan and budget — including the investment plan and the respective funding sources - and the respective quarterly execution reports, both to be submitted to the Board of Directors for approval, whose terms and frequency must be consistent with the applicable legal framework, namely with the provisions set in RJSPE, according to the instructions for setting up such proposals, as well as the preparation of updates or reviews to annual budget and/or the activity plan and budget, which shall also be submitted to the Board of Directors for prior approval, including the assumption of the aforementioned updates or reviews;

2. Preparation of the new proposed list of flight destinations, on an annual basis, and of any significant changes that may be made to such list, for prior approval by the Board of Directors;

3. Preparation of the new proposed long-term fleet plan, on an annual basis, and of any significant changes that may occur in that plan, for prior approval by the Board of Directors;

4. Subject to the conditions set out in paragraph 5 below, conduct the Company's financial, operational, administrative and human resources management, in accordance with the annual budget and the activity plan and budget, as revised and/or updated and approved. With regard to commitments, expenses, transactions and agreements expressly provided for in the annual budget and in the activity plan and budget (as updated and reviewed), and in accordance therewith, the Executive Committee may, provided that applicable law is always respected, conduct the management of the Company within the following limits, which will be interpreted as limits per operation, including when the operation in question corresponds to a multi-year agreement:
   a. Financial investment commitments or other capital expenditures by the Company and/or its subsidiaries in an amount up to 15 million Euros;
   b. Commitments for operating expenses of the Company and/or its subsidiaries, under the following terms:
      (i) Expenses with flight operations, namely fuel and on-ground assistance agreements, which will not exceed 300 million Euros;
      (ii) All other operational flight agreements (such as, but not limited to, catering, ATC and other agreements of a similar scope) in an amount up to 30 million Euros;
      (iii) Maintenance and Engineering expenses up to 50 million Euros;
      (iv) Business expenses (marketing and sales, technology, payment solutions, consultancy and other expenses of a similar scope) within an amount up to 15 million Euros, except for strategic consulting services, whose limit will be up to 1 million Euros;
   c. Investments related to the aircraft fleet or operating expenses of the Company and/or its subsidiaries within an amount up to 50 million Euros;
   d. Financial instruments/Company funding and/or of its subsidiaries, such as, but not limited to, debt, with a term of less than one year and within an amount up to 100 million Euros (excluding, in any case, the provision of any kind of guarantees by the Company or its subsidiaries);
   e. Proposals for all financial instruments of the Company and/or its subsidiaries (i) with a term of less than one year and an amount higher than 100 million Euros, or (ii) with a term of one or more years, to be submitted for prior approval by the Board of Directors;
   f. Hedging instruments within the following limits: (i) portfolio of jet fuel derivatives, swap options and simple combinations thereof, up to 500,000 metric tonnes or a value of up to USD 400 million (ii) expected average monthly hedging activity of up to 80,000 metric tonnes;
   g. Acquisition, encumbrance, disposal and/or sale of assets of the Company and/or its subsidiaries within an amount up to 5 million Euros;
   h. Without prejudice of legal requirements provided under RJSPE, proposals for investment and/or sale of shares of merged companies and/or incorporation of new companies, and/or changes to the structure of shareholders of the business group to which the Company belongs, to be submitted for prior approval by the Board of Directors;
   i. Proposals for transactions with related parties within the scope of Article 397 of the Portuguese Commercial Companies Code, to be submitted for prior approval by the Board of Directors, with the exception of transactions with subsidiaries of the Company which will not be subject to the prior approval of the Board of Directors;
   j. Negotiating and signing contracts to which the Company or its subsidiaries are a party, which are not covered by the nature of contracts described in the above paragraphs (namely partnerships or joint venture agreements), with a value, or involving liabilities, of up to 15 million Euros;
   k. Opening bank accounts, negotiating financial conditions with banks, executing payments, deposits or withdrawing money from the Company's bank accounts, in accordance with all other delegated powers.
5. The powers awarded to the Executive Committee, under the terms of paragraph 4 above, shall always comply with the requirements established in the applicable legislation, and, in particular, shall be subject to compliance with the provisions of RJSPE, namely:
   a. The Executive Committee shall not:
      (i) Provide any guarantee in favour of another entity, regardless of whether there is any participation in the beneficiary's share capital;
      (ii) Enter into any agreements or transactions, or perform any legal act that may result in financial liabilities for the Company, actual or contingent, that exceed the annual budget or that are not provided for in the investment plan, as approved by the shareholder;
      (iii) Enter into any agreements or performing any legal act that may result in liabilities for the Company that exceed 5% of the Company's net assets, without the prior favourable opinion of the Company's Supervisory Board (unless expressly provided for in the business plan and annual budget);
      and
      (iv) Approve any investments or transactions not provided for in the business plan and annual budget;
   b. Any agreements, acts or transactions with a financial impact that exceeds 1% of the Company's net assets shall be approved by the executive member of the Board of Directors appointed by the Government representative responsible for finances. In the absence of such approval, the matter shall be submitted to the Company's Shareholders General Meeting for approval.
6. Management of the institutional relationship with employees and external entities, including the representation of the Company before all Courts, namely civil, criminal, administrative, labour and tax courts, at all instances, appointing a lawyer when required or convenient, submitting petitions, requests, appeals, oppositions, counterclaims, submitting evidence, and filling both ordinary and extraordinary appeals; negotiating and revoking petitions in any Court, whether civil, criminal, administrative, labour or tax courts, with the broadest powers, on behalf of the Company.
7. Proposals for new collective labour agreements and major structural changes to labour agreements, to be submitted for prior approval by the Board of Directors;
8. In emergency situations, when people's life and the safety of assets are at risk, the Executive Committee shall take all necessary and appropriate measures and efforts, with the responsibility of always informing the Board of Directors of the appropriate justifications and of all measures taken, as soon as possible.
9. Opening and closing of representations, agencies, offices and other forms of local representation of the Company abroad.

State Aid Monitoring Commission

omposition in the 2025 financial year:

Position	Name	Appointment
Chairperson	Patrício Ramos Castro	General Meeting Resolution taken on 24/06/2021
Member	To be appointed	-
Member	To be appointed	-

Competences

In accordance with Article 8 (3) of the Company's Bylaws, the State Aid Monitoring Committee shall oversee and monitor the use of the funds made available by the Portuguese Republic as State Aid, and shall be entitled to request the Board of Directors and the Executive Committee to provide it, in a timely, complete and accurate manner, with all the information necessary to carry out its activity.

Finance, Audit and Risk Committee

Composition in the 2025 financial year | Until 27 August 2025:

Position	Name	Appointment	Termination of duties
Chairperson	Ana Teresa Cunha de Pinho Tavares Lehmann	Board of Directors' Resolution of 12/10/2021	-
Member	Gonçalo Neves Costa Monteiro Pires	Board of Directors' Resolution of 12/10/2021	26/08/2025
Member	Luís Manuel da Silva Rodrigues	Board of Directors' Resolution of 27/06/2023	26/08/2025
Member	Patrício Ramos Castro	Board of Directors' Resolution of 12/10/2021	-

Composition in the 2025 financial year | After 27 August 2025:

Position	Name	Appointment	Termination of duties
Chairperson	Ana Teresa Cunha de Pinho Tavares Lehmann	Board of Directors' Resolution of 12/10/2021	-
Member	Patrício Ramos Castro	Board of Directors' Resolution of 12/10/2021	-
Member	João Pedro Conceição Duarte	Board of Directors' Resolution of 27/08/2025	-

Competences

In accordance with the provisions of Article 2 of its Regulations, the Finance, Audit and Risk Committee is responsible for supporting the Board of Directors, in matters of its exclusive scope – financial matters, auditing and risk management, ensuring compliance with market best practice, as well as the necessary impartiality and independence in the performance of its duties.

Without prejudice to the legal powers attributed to the Supervisory Board, the Finance, Audit and Risk Committee shall monitor, advise and report to the Board of Directors in performing the following duties:

a) monitoring the activity of the Executive Committee within the scope of the duties listed below:
   i. ensuring compliance with applicable legislation and with the Company's Bylaws;
   ii. monitoring developments in the Company's economic and financial situation, with access to relevant financial information at any time upon request;
   iii. monitoring the preparation process, the quality and integrity of financial information, namely that contained within the Company's accounts;
   iv. overseeing the procedures for assessing and selecting the external auditor;
   v. overseeing the review of the accounts, and the audit of the Company's accounting statements;
   vi. ensuring the independence of the external auditor;
   vii. overseeing the preparation of the annual audit and internal control plan;
   viii. monitoring and supervising the internal audit work carried out by the Internal Audit Department, which will report functionally to the Finance, Audit and Risk Committee; the reports and all information from this Department must be made available to the Committee;
   ix. monitoring and supervising the work of the Risk Officer who will report functionally to the Finance, Audit and Risk Committee; the reports and all information must be made available to the Committee;
   x. monitoring and overseeing the Ethics Hotline, working in conjunction with the Legal Compliance department for this purpose.

The members of the Finance, Audit and Risk Committee are also responsible for:
a) issuing a factsheet or non-binding report on any matter within its remit brought to it by the Board of Directors;
b) submitting to the Board of Directors any matter that it considers to be within the scope of the Committee's duties;
c) proposing any changes to the Regulation.

The Chairperson of the Finance, Audit and Risk Committee is specifically responsible for coordinating the activities of this committee, for convening and chairing the respective meetings, and for requesting and receiving all information and documentation that the Committee needs to perform its duties.

Any Internal Audit, Risk Officer (or risk management, as applicable) and Ethics Channel functions established within the structure of the subsidiaries wholly owned by the Company shall also report functionally to the Finance, Audit and Risk Committee.

Safety and Security Committee

Composition in the 2025 financial year

Position	Name	Appointment	Termination of duties
Chairperson	Carlos Miguel Carvalho Barros	Board of Directors' Resolution of 09/01/2025	-
Member	Patrício Ramos Castro	Board of Directors' Resolution of 01/02/2022	-
Member	Luís Manuel da Silva Rodrigues	Board of Directors' Resolution of 27/06/2023	-
Member	Mário Rogério Carvalho Chaves	Board of Directors' Resolution of 27/06/2023	-
Member	Maria João Santos Gomes Cardoso	Board of Directors' Resolution of 27/06/2023	-
Member	Mário Lobato Faria (*Accountable Manager* da Portugália)	Board of Directors' Resolution of 27/06/2023	-

Competences

In accordance with the provisions of Article 2 of its Regulations, the Safety and Security Committee is responsible for monitoring, advising and reporting to the Board of Directors, performing the following functions:

- Overseeing the activity of the Executive Committee within the scope of the duties listed below, in accordance with terms to be agreed upon;
- Ensuring compliance with legal and corporate provisions;
- Monitoring the evolution of the Company's performance and safety and security culture;
- Monitoring internal safety and security systems and the security, compliance and risk management;
- Investigating any activity or state of affairs within its terms of reference;
- Seeking/investigating any information requiring the cooperation of any employee and all employees will be directed to cooperate with any request made by the Committee;
- Requesting any reports or inquiries it deems necessary to fulfil its duties.

The members of the Safety and Security Committee are also responsible for:

- Issuing an informative note or non-binding report on any matter brought to it by the Board of Directors or by the Executive Committee;
- Submitting to the Board of Directors any matter that it considers to be within the scope of the Committee's duties;
- Proposing any changes to its Regulation.

The Chairperson of the Safety and Security Committee is specifically responsible for coordinating the activities of this committee, for convening and directing the respective meetings, and for requesting and being the recipient of all information and documentation that the Committee needs to perform its duties.

People and Culture Committee

Composition in the 2025 financial year | Until 27 August 2025:

Position	Name	Appointment	Termination of duties
Chairperson	João Pedro Conceição Duarte	Board of Directors' Resolution of 27/06/2023	-
Member	Jose Mario Cruz Henriquez	Board of Directors' Resolution of 27/06/2023	26/08/2025
Member	Maria João Santos Gomes Cardoso	Board of Directors' Resolution of 27/06/2023	-
Member	Mário Rogério Carvalho Chaves	Board of Directors' Resolution of 27/08/2025	-

Composition in the 2025 financial year | After 27 August 2025:

Position	Name	Appointment	Termination of duties
Chairperson	João Pedro Conceição Duarte	Board of Directors' Resolution of 27/06/2023	-
Member	Gonçalo Neves Costa Monteiro Pires	Board of Directors' Resolution of 27/08/2025	04/02/2026
Member	Maria João Santos Gomes Cardoso	Board of Directors' Resolution of 27/06/2023	-
Member	Mário Rogério Carvalho Chaves	Board of Directors' Resolution of 27/08/2025	-

Following the resignation submitted by Gonçalo Neves da Costa Monteiro Pires on 31 January 2026, Ana Teresa Cunha de Pinho Tavares Lehmann was appointed as a member of the People and Culture Committee by the Board of Directors on 26 February 2026.

Competences

In accordance with the provisions of Article 2 of its Regulations, the People and Culture Committee is responsible for supporting the Board of Directors, in matters of its exclusive scope, with the aim of ensuring that People and Cultures are the cornerstones of TAP's competitiveness and reputation, acting as a body responsible for strategic planning and oversight of talent management policies and practices, as well as organisational culture.

The People and Culture Committee has the following duties:

a) analysing and monitoring the human resources strategies and policies adopted by the Company and its subsidiaries;

b) submitting recommendations on strategies and policies for employees of the Company and its subsidiaries;
c) drafting recommendations that promote the organisational culture, aligned with the TAP Group's mission, vision and values, and focused on building sustainable results.

The members of the People and Culture Committee are also responsible for:
a) issuing an informative note or non-binding report on any matter brought to it by the Board of Directors or by the Executive Committee;
b) submitting to the Board of Directors any matter that it considers to be within the scope of the Committee's duties;
c) issuing an annual report on the Committee's activities;
d) Proposing any changes to the Regulation.

The Chairperson of the People and Culture Committee is specifically responsible for coordinating the activities of this Committee, for convening and chairing the respective meetings, and for requesting and receiving all information and documentation that the Committee needs to perform its duties.

Sustainability Committee

On 27 August 2025, by resolution of the Board of Directors and pursuant to Article 14 of the Company's Bylaws, the Sustainability Committee was established, thereby formalising a structure that had previously operated within the Company as the Sustainability Committee.

Composition in the 2025 financial year | Until 27 August 2025:

Position	Name	Appointment	Termination of duties
Chairperson	Luís Manuel da Silva Rodrigues	Board of Directors' Resolution of 20/06/2025	-
Member	Ana Teresa Cunha de Pinho Tavares Lehmann	Board of Directors' Resolution of 20/06/2025	-
Member	Maria João Santos Gomes Cardoso	Board of Directors' Resolution of 20/06/2025	-
Member	Sofia Norton dos Reis Lufinha de Mello Franco	Board of Directors' Resolution of 20/06/2025	-

Composition in the 2025 financial year | After 27 August 2025:

Position	Name	Appointment	Termination of duties
Chairperson	Luís Manuel da Silva Rodrigues	Board of Directors' Resolution of 27/08/2025	-
Member	Ana Teresa Cunha de Pinho Tavares Lehmann	Board of Directors' Resolution of 27/08/2025	-
Member	Maria João Santos Gomes Cardoso	Board of Directors' Resolution of 27/08/2025	04/02/2026
Member	Sofia Norton dos Reis Lufinha de Mello Franco	Board of Directors' Resolution of 27/08/2025	-

Competences

The responsibilities of the Sustainability Committee specifically include:

a) Proposing sustainability targets and objectives to the Executive Committee, in line with the business strategy and as set out in the Sustainability Plan;
b) Overseeing the implementation of the Sustainability Plan, ensuring that the commitments made are met, in particular by monitoring performance indicators against the defined objectives and making adjustments where necessary;
c) Proposing, assessing and overseeing investments and the allocation of resources in order to fulfil the commitments made;
d) Ensuring that sustainability guidelines are integrated into business decisions and monitoring risks that could have a direct impact on the business's long-term performance and its relationships with stakeholders;
e) Assessing and anticipating risks and opportunities associated with sustainability and ESG issues, enabling the development of strategies to mitigate and capitalise on them;
f) Ensuring a smooth flow of communication between operations and the business, and between strategy and policies, in order to ensure, monitor and lead the transformation of internal processes into procedures that are more sustainable for people, the environment and the business as a whole; and
g) Proposing a Sustainability communication strategy.

Strategic oversight of sustainability-related issues is carried out by the Sustainability Committee, which reports directly to the Board of Directors. This Committee provides ongoing monitoring of sustainability policies, initiatives and indicators, proposing measures for improvement and ensuring compliance with regulatory requirements and best practices within the aviation sector.

Committee for Overseeing Privatisation

Position	Name	Appointment	Termination of duties
Chairperson	Carlos Nuno Alves de Oliveira	Board of Directors' Resolution of 15/09/2025	-
Member	Luís Manuel da Silva Rodrigues	Board of Directors' Resolution of 15/09/2025	-
Member	Gonçalo Neves Costa Monteiro Pires	Board of Directors' Resolution of 15/09/2025	04/02/2026
Member	Patrício Ramos Castro	Board of Directors' Resolution of 15/09/2025	-

The establishment of this Commission aims to ensure a structured governance model for the privatization process, strengthening internal coordination, ensuring consistency in institutional positions, and safeguarding TAP's strategic interests.

Following the resignation submitted by Gonçalo Neves da Costa Monteiro Pires on 31 January 2026, Renato Teobaldo Rodrigues Inácio was appointed as a member of the Committee for Overseeing Privatisation on 26 February 2026.

Competences

In accordance with the provisions of Article 2 of its regulations, the Committee for Overseeing Privatisation is responsible for:

a) Ensuring contact and coordination with internal stakeholders (TAP Steering Committee and others) and external stakeholders throughout all stages of the privatisation process;
b) Presenting and advocating the company's strategic views on privatisation, ensuring that institutional interests and objectives are taken into account;
c) Validating and monitoring strategies and decisions that fall directly within TAP's remit, ensuring alignment across different departments and compliance with established guidelines;
d) Ensuring that all relevant internal information to be shared externally as part of the process is validated in advance by the company's competent bodies, namely the Executive Committee and the Board of Directors;
e) Officially representing TAP at all meetings and negotiations relating to the privatisation process, to ensure that the company's interests are consistently safeguarded.

The Chairperson of the Committee for Overseeing Privatisation is responsible for coordinating the activities of this committee, for convening and chairing the respective meetings, and for requesting and receiving all information and documentation that the Committee needs to perform its duties.

3.5.4. Audit

1. Identification of the supervisory body

In accordance with the provisions of Article 18 of TAP's Bylaws, the audit of corporate affairs shall be incumbent upon a Supervisory Board and a Chartered Accountant or a Statutory Audit Firm, that shall not be a member of the Supervisory Board, to be mandatorily appointed from among auditors registered with the Portuguese Securities Market Commission.

2. Relevant curricular details of each member of the supervisory body

The curriculum details of each member of the Supervisory Board are included in the Attachments to this report.

3. Action by the Supervisory Board for contracting additional services from the external auditor

In accordance with Supervisory Board Regulation, the provision of services by experts to assist the members of the Supervisory Board in carrying out their respective duties is contracted by the Supervisory Board, and such hiring and the professional fees of such experts shall take into account the importance of the matters committed to them as well as the economic situation of the Company.

4. Other functions of the supervisory bodies

The Supervisory Board is responsible for supervising the Company, in accordance with the provisions of Article 6 of the Supervisory Board Regulation, and it is also responsible for the following competences:

- Supervising the management of the Company;
- Ensuring compliance with the law and with the Company's bylaws;
- Checking the regularity of accounting books, records, and supporting documents;
- Checking the accuracy of the accounting documents;
- Checking whether the accounting policies and valuation criteria adopted by the Company lead to a correct assessment of assets and results;
- Preparing an annual report on its supervisory work addressed to shareholders, including a description of the supervisory activities carried out, any constraints detected, and issuing an opinion on the Accounts' Report, as well as on the proposals presented by the Board of Directors;
- Supervising the process of preparing and disclosing financial information;
- Supervising the effectiveness of the management, risk and internal control systems, as well as the activities of internal audit and information systems;
- Receiving reports on irregularities presented by shareholders, Company employees or others.

5. Members' minimum and maximum statutory number and statutory duration of the term of office

Pursuant to Article 4 of the Supervisory Board Regulations, the Supervisory Board consists of three permanent members and one alternate.
The Supervisory Board term of office is for a period of four years, renewable, the calendar year of their appointment being counted as a full year, and may be reappointed once or more times, within the limits provided for by law.

6. Composition of the Supervisory Board

The Supervisory Board elected for the term of office 2021-2024, in particular during the 2025 financial year, consisted of the following members:

Position	Name	1st Appointment
Chairperson	André, Graça & Associados; SROC, Lda | UHY Portugal, represented by Paulo Jorge Duarte Gil Galvão André	13 November, 2015
José Gato	To be appointed	13 November, 2015
Alternate	José Manuel Fusco Gato	24 June, 2021

The alternate member of the Supervisory Board shall replace the member of the Supervisory Board who is temporarily prevented from exercising his/her duties or who has terminated his/her duties, remaining in office until the first General Meeting at which is executed the fulfilment of the vacancy left open.

7. Independence of the Members of the Supervisory Board

The members of the Supervisory Board meet the independence requirements established in Article 414(5) of the Portuguese Commercial Companies Code. As established in Article 414-A of that same legal document, none of the members of the Supervisory Board is in a status of incompatibility.

8. Description of the functioning of the Supervisory Board

a) Number of meetings held and attendance rate of

Throughout 2025, the Supervisory Board held 9 meetings.

The attendance rate of each permanent member of the Supervisory Board is presented in the following table:

No. meetings	Location	Meeting participants	Absence of supervisory body members
1	Company Head Office	Chairperson of the Supervisory Board; Substitute Member of the Supervisory Board; Director of Corporate Finance and Risk; Director of Planning and Management Control.	no absences recorded
2	Company Head Office	Chairperson of the Supervisory Board; Substitute Member of the Supervisory Board; PwC Team; Board of Directors; Director of Corporate Finance and Risk; Legal Advice; Company Secretary.	no absences recorded
3	Company Head Office	Chairperson of the Supervisory Board; Substitute Member of the Supervisory Board; Director of Corporate Finance and Risk; Director of Planning and Management Control, Investor Relations Manager; Head of Accounting; PwC team.	no absences recorded
4	Company Head Office	Chairperson of the Supervisory Board; Substitute Member of the Supervisory Board.	no absences recorded
5	Company Head Office	Chairperson of the Supervisory Board; Substitute Member of the Supervisory Board; Board of Directors; Chartered Accountant.	no absences recorded
6	Company Head Office	Chairperson of the Supervisory Board; Substitute Member of the Supervisory Board.	no absences recorded
7	Company Head Office	Chairperson of the Supervisory Board; Substitute Member of the Supervisory Board;	no absences recorded
8	Company Head Office	Chairperson of the Supervisory Board; Board of Directors; Chartered Accountant.	no absences recorded
9	Company Head Office	Chairperson of the Supervisory Board; Substitute Member of the Supervisory Board.	no absences recorded

b) Positions held simultaneously in other companies, inside and outside the group, and other relevant activities carried out by members of the Supervisory Board

Information on the positions held by the members of the Supervisory Board in other Companies is described in the curricular elements of each member and can be consulted in the Attachments to this report.

3.5.5. Chartered Accountant

1. Permanent and alternate members

Under the terms of Article 6 (3) of the Regulations of the Supervisory Board, in exercising its powers and fulfilling its duties, the Supervisory Board proposes to the General Meeting the appointment of the Company's effective Chartered Accountant and alternate Chartered Accountant, supervises and assesses their independence, the scope of their services and the auditing of the Company's financial statements.

For the term of office 2021-2024, the following firm was appointed to perform the duties of Chartered Accountant of the Company:

Name	Position	CMVM No.	OROC No.
PricewaterhouseCoopers & Associados, SROC, Lda.	Effective	20161485	183
Carlos José Figueiredo Rodrigues	Alternate	20161347	1737

PricewaterhouseCoopers & Associados, SROC, Lda is represented by António Joaquim Brochado Correia (OROC No. 1076) and Hugo Miguel Patrício Dias (OROC No. 1432)

2. Legal limitations on the number of years the Chartered Accountant has been providing services to the company

Bearing in mind that on 31 December, 2025, TAP does not qualify as a Public Interest Entity under the terms of Law no. 140/2015, of 7 September, there are no legal limitations on the number of years the Chartered Accountant can provide services to the company.

3. Duties and Remunerations

PricewaterhouseCoopers & Associados, SROC, Lda. ("PwC") was appointed Statutory Auditor by unanimous written decision taken on 17 December, 2019, having performed the duties of chartered accountant of the Company for 6 years.

The details of the fees invoiced for the services provided to TAP, during the year ended 31 December, 2025, are as follows:

Description	Remuneration (€)
Services of Legal Review of Accounts	98,720
Services of Limited Review	54,790

4. Other services provided

In addition, during the 2025 financial year, PwC provided assurance and reliability services for the validation of financial ratios, in the amount of €2,000.

3.5.6. External Auditor

1. Identification and Duties

In 2025, the duties of External Auditor for TAP, S.A were performed by PwC, registered at CMVM under No. 20161485, as provided in the previous chapter. Likewise, the period those duties were performed coincides with the same period of the Chartered Accountant.

2. Rotation Policy and Frequency

There are no formally established procedures regarding the rotation of the Company's external auditor. At TAP, the duties of Chartered Accountant and External Auditor have been carried out by the same entity, and the possible replacement of the External Auditor has been considered with the same frequency as that one of the Chartered Accountant.

3. Other Services

The services provided by the External Auditor, other than auditing, are those resulting from the provision of services as the Company's Chartered Accountant and are described in the previous chapter.

4. Remuneration

The amount of the annual remuneration paid by the Company to the External Auditor is included in the remuneration of the Chartered Accountant.

3.6. Internal Organisation

3.6.1. Company's Bylaws and Communications

1. Applicable rules to the amendments to the Company's Bylaws

Under the terms of the Portuguese Commercial Companies Code, it is the responsibility of the General Meeting to resolve on amendments to the Bylaws of the Company, and the draft amendments must be duly substantiated and approved by the Shareholder, under the terms and for the purposes of the RJSPE.

2. Means and Policy for reporting non-conformities

The Company encourages the reporting of disrespectful, inappropriate, fraudulent, unethical or illegal behaviour, including issues related to bribery and corruption, money laundering, fraud, conflicts of interest, bullying, sexual harassment and discrimination, misuse of privileged or confidential information and human rights violations. For this purpose, on 1 June, 2022, a whistleblowing channel - the Ethical Conduct Channel - was launched, which complies with the obligations imposed by Law No. 93/2021, of 20 December.

This channel is available via form, WhatsApp or telephone line. All information can be found on TAP's intranet or through the link to the channel's page available at Ethical Conduct Channel at TAP Air Portugal (Transportes Aéreos Portugueses, S.A.).

3. Anti-fraud policies adopted and prevention of organisational fraud

TAP is sensitive to the need for fraud management and prevention within its organisation. In addition to complying with the specific legislation in force, it strongly encourages the reporting of all and any situations that constitute or may constitute fraudulent acts or other types of illicit acts. The prevention of organisational fraud is supported by the reporting of irregularities and by guiding the actions of the Company's employees through a sense of responsibility in complying with ethically correct rules, values, principles and practices. These practices, which must be observed, defended and complied with by all, are defined in the Code of Conduct and in the Anti-Corruption policy.

3.6.2. Internal Control and Risk Management

1. Internal Control System

TAP, and in particular its Board of Directors and Executive Committee, pay special attention to the issues of internal control, risk management, fraud, disclosure of information and the reliability of financial reporting.

The TAP Group maintains an internal control system appropriate to its size, structure and complexity, which is designed to provide reasonable assurance regarding: (i) the effectiveness and efficiency of operations; (ii) the reliability of management, financial and non-financial information; (iii) compliance with legal and regulatory requirements; and (iv) the safeguarding of assets.

Internal control is understood as an ongoing process, integrated into day-to-day management and spread across the various levels of the organisation. It is based on a clear definition of responsibilities and levels of authority, the segregation of duties, the formalisation of policies and procedures, approval and oversight mechanisms, and the regular monitoring of the implementation of relevant controls.

The internal control system is closely integrated with the Enterprise Risk Management system, working in a complementary manner: whilst risk management enables the identification, assessment and prioritisation of the main exposures likely to affect the achievement of the Group's objectives, internal control ensures that appropriate controls, procedures and responsibilities are in place to prevent, detect and respond to failures, deviations or vulnerabilities, thereby helping to keep exposure within levels considered acceptable.

For further details, please refer to Chapter 2 – "Risk Management and Internal Control", in particular Section 2.2 – "Internal Control".

2. Risk management and control system

Ultimate responsibility for the internal control system and risk management rests with the Board of Directors, with oversight by the Executive Committee, which receives regular updates on the risk profile, main exposures and the progress of response measures.

The risk governance model is based on a framework of lines of responsibility and oversight: (i) the business and functional areas are responsible for identifying, assessing and managing risks within their respective processes; (ii) the Corporate Risk Management department ensures methodological coordination, consolidation, monitoring and reporting; and (iii) Internal Audit, within the scope of its mandate, ensures supervision and provides independent assurance regarding the adequacy and effectiveness of the system.

To ensure regular monitoring of the most significant issues relating to internal control and risk management, the Group's governance framework includes dedicated bodies, notably the Finance, Audit and Risk Committee, which enable systematic monitoring, ensure reporting discipline and facilitate the timely escalation of critical issues to the relevant bodies.

3. Risk levels and adopted measures

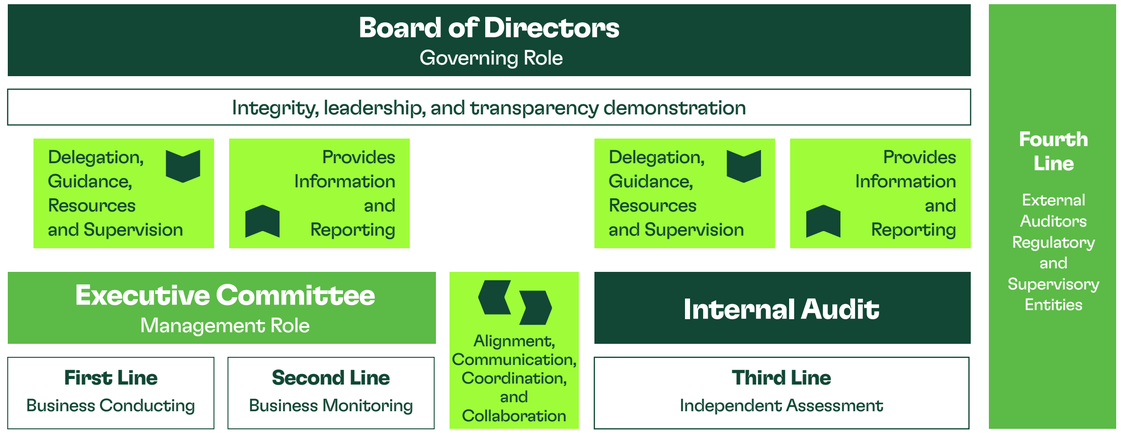
The Group adopts an approach commensurate with the materiality, nature and time horizon of the risks, underpinned by common assessment criteria and methodology (probability and impact) and by mechanisms for prioritisation, escalation and reporting. Responses and measures are designed to ensure that exposures remain within acceptable levels, by strengthening existing controls and/or implementing action plans where necessary.

In 2025, with the system's implementation and stabilisation, the assessment focused primarily on qualitative analysis and prioritisation, and work has begun on developing key risk indicators and the associated monitoring mechanisms. In 2026, the model will be developed with a view to consolidating the regular monitoring, reporting and systematic review of key risks, whilst strengthening coordination with internal control and the other second-line functions.

For further details, please refer to Chapter 2 – "Risk Management and Internal Control", in particular Subsection 2.1.1 – "The risk management process".

4. Organisational Chart

The risk governance and internal control framework is integrated into the Group's overall governance model, ensuring segregation of duties, traceability of information and mechanisms for cross-functional coordination. The organisation is structured around governing bodies (the Board of Directors and the Executive Committee), monitoring committees, operational and support functions (first line), second-line functions (including Corporate Risk Management and other specialist functions) and Internal Audit (third line), supplemented by external assurance.



5. Existence of other functional areas with competences in risk control

In addition to the departments responsible for processes and activities (the front line), the Group has specialised second-line functions which, within the scope of their respective mandates, support, monitor and challenge the front line, thereby strengthening the design and consistency of controls and ensuring reporting discipline. These functions include Corporate Risk Management, Legal Compliance, Legal Advice, Planning and Management Control, Safety & Security, Sustainability and other areas of specialised control.

This monitoring is complemented by oversight and assurance mechanisms, by the Internal Audit and by external bodies acting within their respective remits, including the Supervisory Board, the Statutory Auditor, the External Auditor and various public supervisory and regulatory bodies, thereby contributing to the transparency and credibility of the model.

6. Main types of risk

The Group seeks to maintain a comprehensive and integrated view of the key risks and opportunities to which it is exposed, taking into account strategic, operational, financial, regulatory and governance aspects. The identification and assessment of key risks is the result of a structured process that combines an analysis of the strategic and operational context, input from relevant departments and functions, the application of the corporate taxonomy, and consolidation based on defined materiality criteria.

The key risks disclosed in Chapter 2 – "Risk Management and Internal Control", in Subsection 2.1.2 – "Key risks", are considered the most significant issues within the reporting and management timeframe; this list is not exhaustive.

7. Identification, assessment, monitoring, control, risk prevention and mitigation

The TAP Group's risk management process is based on a structured, iterative, and continuous approach that is integrated with the planning, monitoring and evaluation cycles of the business. The Strategic Plan serves as the central framework for setting priorities and defining materiality, while the corporate taxonomy ensures a common language and consistent classification criteria, enabling risks to be consolidated and compared in a way that is useful for management.

In summary, the process includes: defining the context; identification; analysis; assessment; defining/reviewing responses and action plans; monitoring and review; and communication and reporting, with clear accountability for stakeholders and escalation mechanisms commensurate with the materiality of the issue.

For further details, please refer to Chapter 2 – "Risk Management and Internal Control", in particular Subsection 2.1.1 – "The risk management process".

8. Elements of the ICS and risk prevention implemented in the disclosing of Financial Information

O Conselho de Administração da TAP assegura a qualidade e a melhoria dos processos mais relevantes
TAP's Board of Directors ensures the quality and improvement of the most relevant processes for preparing and disclosing the Company's financial report, in accordance with the adopted accounting principles, while bearing in mind the goals of transparency, consistency, simplicity and materiality. In this context, the Company's attitude towards the management of financial risks has been conservative and prudent. The risks involved in financial reporting are thus mitigated, namely through the segregation of responsibilities and the implementation of prevention and detection controls. Additional controls are the result of the supervision carried out by the Finance, Audit and Risk Committee of the monitoring carried out by the Planning and Management Control and Legal Departments, of the reliability assessments carried out by the Corporate Finance department on the preparation and disclosure of financial information, as well as the analysis of deviations from the approved plans.

The adequacy and quality of the financial information disclosed, which is processed in information systems, is guaranteed through the IT controls implemented, its monthly analysis through the preparation of activity reports where variations in balances are explained and decomposed, the semi-annual external audits carried out on the financial statements and the monitoring provided by the Supervisory Board.

3.6.3. Regulations and Codes

1. Internal and External Regulations

The Company's business activity is subject to its Bylaws, to the legal rules applicable to public limited Companies, as provided for, in particular, in the Portuguese Commercial Companies Code, and also to the rules established for companies in the State business sector, as provided for in RJSPE.

In addition, the Company has a channel for all its employees, through internal, personalised access, especially dedicated to promoting and internally adopting a set of practices, guided by transparency, honesty, integrity and trust, in line with the Company's Vision, Mission and Values. The aim of these practices is to help strengthen a culture of ethics and promote compliance with the law and the Company's internal rules. The Company, in the course of its activity, is subject to the application and updating of all Internal Regulations, in order to preserve the parameters of Best Practices in accordance with the Code of Ethics and Conduct in place.

On 9 January, 2024, a revision of the Global Internal Audit Standards was carried out, which became effective as of 9 January, 2025. As such, organisations and their internal audit functions made a commitment to integrate and adopt the new Global Standards during this 12-month transition period.

Currently, and although there are still Standards, they have been organised into five domains:

- 1st Domain: Purpose of Internal Audit;
- 2nd Domain: Ethics and Professionalism;
- 3rd Domain: Governing the Internal Audit Function;
- 4th Domain: Governing the Internal Audit Function;
- 5th Domain: Performing Internal Audit Services.

Each of these domains contain the following elements:

- Principles: broad descriptions of a related group of requirements and considerations;
- Standards, which include:
  - Requirements: mandatory practices for internal audit;
  - Implementation Considerations: common and preferred practices to consider when implementing requirements;
  - Examples of Evidence of Compliance: ways to demonstrate that the requirements of the Standards have been implemented.

Likewise, it promotes benchmarking of best practices in the profession, and encourages the training and updating of its professionals' knowledge.

The Company, in the development of its business activity, also follows the rules defined by external entities that regulate the Markets and Commercial Relations in the Commercial Civil Aviation Sector, such as:

- **The Competition Authority**: its main mission is to ensure compliance with antitrust legislation, to encourage the adoption of practices that foster competition, and to contribute to the dissemination of a competitive culture and policy;
- **The European Commission**: is an executive institution par excellence within the European Union, which has the right to propose legislation and that ensures that European Union policies are properly implemented;
- **The European Aviation Safety Agency ("EASA")**: whose mission is to ensure the highest common level of safety protection for EU citizens, and environmental protection, and to ensure a single regulatory and certification process for all Member States in the civil aviation sector;
- **The International Civil Aviation Organization ("ICAO")**: is a specialised United Nations institution whose goal is to promote international cooperation in civil aviation;
- **The International Air Transport Association (IATA)**: an institution whose mission is to represent, guide and serve the air transport sector, helping carriers operate safely, effectively and efficiently by establishing clear and objective rules and standards;
- **The European Civil Aviation Conference ("ECAC")**: is an intergovernmental organisation whose objective is to promote the sustainable, safe and efficient development of the European air transport system; it works in close liaison with ICAO, and in active cooperation with all other EU institutions;
- **The National Civil Aviation Authority ("ANAC")**: its mission is to license, certify, authorise and approve activities and procedures, entities, personnel, aircraft, infrastructure, equipment, systems and other resources related to civil aviation;
- **Other National Civil Aviation Authorities (EU and third countries)**: their mission, like the Portuguese aeronautical authority, is to regulate and supervise the civil aviation sector.

It should also be noted that TAP has contributed with opinions, comments, recommendations and reports to the National Civil Aviation Authority (ANAC), the Directorate-General for Foreign Policy and the Directorate-General for European Affairs of the Ministry of Foreign Affairs and Directorates-General of the European Commission (in particular the Directorate-General for Mobility and Transport), regarding proposals for legislation/regulation affecting the sector and negotiations of Air Services Agreements between the Portuguese State (or the European Commission, when mandated to do so by the Council) and Third Countries, with the aim of securing or expanding traffic rights and other elements that are essential for the Company's business.

2. Code of Ethics and Conduct

a) Reference to the existence of a code of conduct that includes demanding ethical and deontological behaviour, indicating the date of the last update and how it is disclosed to its employees, customers and suppliers.

In accordance with the provisions of Article 47(1) of RJSPE and Article 7 of Decree-Law no. 109-E/2021, of 9 December, establishing the General Regime for the Prevention of Corruption (hereinafter "RGPC"), TAP shall adopt a Code of Ethics and Conduct that includes demanding ethical and deontological behaviours, and ensure that it is disclosed.

The TAP Code of Ethics and Conduct was updated on 15 December 2025 and is available on TAP's official website Ética & Compliance | TAP Institucional and on the Company's Intranet, thus enabling workers, employees, business partners and the general public to be aware of the ethical principles underlying the Company's activity. In addition, TAP offers continuous training to its employees to ensure knowledge and application of the principles established in the Code of Ethics and Conduct. The Code of Ethics and Conduct is also included in the agreements entered into by the Company, for the knowledge and acceptance of the counterparties.

b) Statement regarding compliance with current legislation and regulations on measures in place to ensure fair treatment of its customers and suppliers and other legitimate interest holders, such as employees of the Company, or creditors other than suppliers or, in general, any entity that establishes a legal relationship with the Company.

TAP undertakes to fully comply with the legislation and regulations in force, with a special focus on measures that ensure adequate treatment of its stakeholders, including customers, suppliers, employees, creditors and any other entities with which it establishes legal relationships. The Company adopts practices that ensure transparency, fairness and respect for the rights of all parties involved, promoting equal treatment and avoiding discrimination or harmful practices.

In compliance with legal requirements, TAP implements internal policies and procedures to ensure that all interactions with customers, suppliers and other business partners are conducted in a fair way, respecting the principles of good faith, loyalty and transparency. This commitment is reflected in our contractual practices, in the management of relationships with our employees and other stakeholders, as well as in the implementation of measures that ensure compliance with obligations towards all parties involved.

TAP is also committed to ensuring compliance with legal and regulatory obligations, always respecting the rights and legitimate interests of all parties involved in its business relationships.

3. General Regime for the Prevention of Corruption

a) Reference to the existence of the Plan for the Prevention of Risks of Corruption and Related Offences
In accordance with article 6 of RGPC, the Company has a Plan for the Prevention of Risks of Fraud, Corruption and Related Offences ("PPR"), which was revised/updated in December 2023. The PPR can be consulted on TAP's official website.
With the approval and implementation of this PPR, the Company intends to achieve a level of excellence in preventing and combating acts that do not comply with current law, with a special focus on the prevention of corruption crimes and related infractions.

b) Reference to the preparation of a mid-term evaluation report in situations identified as being of high or maximum risk
In accordance with the provisions of Article 6(4)(a) of the RGPC, the implementation of the PPR is subject to control, one of the control measures being the issue, in October, of a mid-term assessment report in situations identified as being of high or maximum risk. TAP prepared the aforementioned report, showing the degree of implementation of the preventive and corrective measures identified in the PPR up to October 2025, which can be consulted on the Company's official website.

b) Reference to the preparation of the annual evaluation report
In accordance with the provisions of Article 6(4)(b) of the RGPC, the implementation of the PPR is subject to control, one of the control measures being the preparation, in April of the following year, of an annual assessment report, containing in particular the quantification of the degree of implementation of the preventive and corrective measures identified, as well as the forecast of their full implementation. TAP prepared the aforementioned report, referring to 2024, which can be consulted on the Company's official website.

d) Reference to the existence of a code of conduct
In accordance with Article 7 of the RGPC, the Company has a Code of Ethics and Conduct, which establishes the set of principles, values and rules of conduct for all managers and employees in terms of professional ethics, taking into account the criminal rules on corruption and related offences and the risks of exposure of the organisation to these crimes, as described above in point 2. The Code of Ethics and Conduct is published on the Company's official website.

3.6.4. Special Information Duties

1. Compliance with special information duties

In compliance with the provisions of Article 44 of the RJSPE on disclosure obligations, the Company discloses the information on its website.

In accordance with Article 2(2)(b) of the Law on the Organisation and Procedure of the Court of Auditors, the Law No. 98/97 of 26 August ("LOPTC") determines that companies subject to the Legal Regime of the Public Business Sector are subject to the jurisdiction and financial control powers of the Court of Auditors, and therefore, according to Article 51(1)(o) of LOPTC, they must comply with the Provision of Accounts. The Company also reports monthly to SISEE because it is considered to be part of State productive units, organised and managed in a business manner, which include public companies and subsidiary companies.

3.6.5. Website

a) Address
The Company's global website can be found at www.tapairportugal.com

b) Bylaws and functioning regulations
The Bylaws and information on the functioning of the Board of Directors are available on the Company's website via the link:
https://www.tapairportugal.com/pt/sobre-nos/administracao

c) Members of governing bodies and other statutory bodies and their curricula vitae
Information regarding the members and composition of the company's governing bodies is available via the following link:
https://www.tapairportugal.com/pt/sobre-nos/administracao

d) Annual and, if applicable, half-yearly financial statements
Information on the documents related to the provision of accounts is available on the Company website through the hyperlink:
https://www.tapairportugal.com/pt/sobre-nos/investidores/informacao-financeira

e) Underlying financing model and financial support received from the State in the last three financial years
Information on the underlying financing model and on the financial support received from the State over the last three financial years is available on the website through the hyperlink:
https://www.tapairportugal.com/pt/sobre-nos/investidores/informacao-financeira

f) Applicable internal regulations and external regulations to which the Company is legally bound
Information on applicable regulations of the Company is available through the hyperlink:
https://www.tapairportugal.com/pt/sobre-nos/administracao

g) Code of Ethics and Conduct
The Company's Code of Ethics and Conduct is available and may be found on the hyperlink:
https://www.tapairportugal.com/pt/sobre-nos/manuais

h) Plan for the Prevention of Risks of Corruption and Related Offences (PPR)
The Plan for the Prevention of Risks of Corruption and Related Offences is available and may be found on the hyperlink:
https://www.tapairportugal.com/pt/sobre-nos/manuais

i) Mid-term evaluation report in situations identified as being of high or maximum risk
The Mid-term evaluation report in situations identified as being of high or maximum risk is available and may be found on the hyperlink:
https://www.tapairportugal.com/pt/sobre-nos/manuais

j) Annual evaluation report on the implementation of the PPR
The Annual evaluation report on the implementation of the PPR is available and may be found on the hyperlink:
https://www.tapairportugal.com/pt/sobre-nos/manuais

k) Gender Pay Report
The Company's Gender Pay Report is available and may be found on the hyperlink:
https://www.tapairportugal.com/pt/sobre-nos/orgaos-sociais

l) Annual information on how the company's mission has been pursued, the degree to which its goals have been met, how the policy of social responsibility, sustainable development and the terms of public service provision have been complied with, and to what extent its competitiveness has been guaranteed, namely through research, development, innovation and the integration of new technologies into the production process.
The information may be found via the following links:
https://www.tapairportugal.com/pt/sobre-nos/administracao
https://www.tapairportugal.com/pt/sobre-nos/manuais
https://www.tapairportugal.com/pt/sobre-nos/investidores/informacao-financeira

3.7. Remuneration

3.7.1. Competence for Settlement

1. Competence for determining remuneration

In accordance with the provisions of Article 11 of TAP's Bylaws, the shareholders resolve at the General Meeting on all matters in relation to which the law or the Company's Bylaws confer competence on them, as well as on any matters that are not within the spheres of competence of other bodies of the company, and it is their responsibility to resolve on the remuneration of the members of the governing and corporate bodies.

2. Mechanisms adopted to prevent conflicts of interest

Pursuant to the provisions of Article 51 of the RJSPE, the performance of duties on any governing or corporate body is guided by ethics, and the holder cannot use his/her position or influence, the information acquired, or the assets or resources of the Company for his/her own improper benefit or for benefit of third parties. Legal and regulatory rules aimed at preventing situations of conflicts of interest shall always be applied.

3. Compliance with Article 51 of the RJSPE

The members of the board of directors declare to the board of directors and the supervisory body, as well as to the General Inspectorate of Finance, any equity interests they hold in the company, as well as any relationships they maintain with their suppliers, customers, financial institutions or any other business partners, which may generate conflicts of interest.

3.7.2. Remuneration Committee

1. Composition

On 25 October 2023, the shareholder Portuguese Republic decided to abolish the Company's Remuneration Committee.

3.7.3. Remuneration Structure

1. Remuneration Policy of the management and supervisory bodies

For the members of the Board of Directors who are part of the Executive Committee, as well as for the non executive members of the Company's Board of Directors, serving during the 2021–2024 term, the annual base remuneration and the aforementioned employee benefits applicable to their respective positions are those established under the terms of the resolution of the Compensation Committee dated August 11, 2021.

Bearing in mind the guidelines provided by the shareholder on this matter, the cumulative exercise of positions by the members of the Board of Directors and by the members of the Company's Supervisory Board, in other companies within the TAP Group, does not allow the accumulation of remuneration.

2. Information on how remuneration is structured

The Remuneration Committee unanimously decided, on 11 August, 2021, that the fixed component of the members of the Board of Directors is subject to a 30% reduction, while the Restructuring Plan is in force.

In view of the extension of the Restructuring Plan until 30 June 2026, agreed between the Portuguese State and DGCOMP in accordance with the latter's decision of 23 December 2025, the pay cut will remain in place until 30 June 2026.

3. Variable Component of Remuneration

Neither the Remuneration Committee nor the shareholder, the Portuguese State, following the dissolution of the Committee, took a decision on the variable component of remuneration.

4. Deferral of Payment of the Variable Component

As per the previous paragraphs, there is no information to provide regarding the matter covered by this item.

5. Annual Bonus System

As per the previous paragraphs, there is no information to provide regarding the matter covered by this item.

6. Complementary Pension or Early Retirement Schemes

No supplementary pension or early retirement schemes were approved for the Company Directors. SEE BYLAWS ON THIS MATTER)

3.7.4. Disclosure of Remuneration

Pursuant to Article 156 (amendment to Article 2 of Decree-Law no. 39-B/2020, of 16 July) of Decree-Law no. 53/2022 of 12 August, Transportes Aéreos Portugueses, S.A., nor to the companies directly or indirectly owned by them, is not subject to chapter VI (Remuneration and Pensions) of the Public Manager Statute, Decree-Law No. 71/2007, of 27 March (as amended by Law No. 64-A/2008, of 31/12, DL No. 8/2012, of 18/01, amend. by No. 2/2012, of 25/01, DL no. 39/2016, of 28/07, DL no. 22-C/2021, of 22/03 and DL no. 50/2022, of 19/07).

1. Disclosure of remuneration of the Board of Directors

a) Monthly remuneration of executive directors

The Executive Committee members received the following monthly remuneration:

Position	Name	Appointment	Termination of executive duties	Monthly Remuneration (€)
Chief Executive Officer	Luís Manuel da Silva Rodrigues [5]	14/04/2023	-	36,000
Chief Financial Officer	Gonçalo Neves Costa Monteiro Pires [6]	15/10/2021	04/02/2026	17,500
Chief Commercial & Revenue Officer	José Mario Cruz Henriquez [6]	27/07/2023	-	17,500
Chief Operating Officer	Mário Rogério Carvalho Chaves [6]	18/05/2023	-	17,500
Chief Customer Officer	Sofia Norton dos Reis Lufinha de Mello Franco [6]	28/09/2022	-	17,500
Chief Maintenance Officer	Maria João Santos Gomes Cardoso [6]	18/05/2023	-	17,500

[5] Remuneration reduced by 30% on a permanent basis compared to the compensation amounts established pursuant to the aforementioned resolution.

[6] Remunerations subject to a temporary reduction (until June 30, 2026, as noted in section 3.7.3) of 30% compared to the salaries established pursuant to the aforementioned resolution.

b) Remuneration of executive directors for 2025

The Executive Committee members received the following remuneration in 2025:

Position	Name	Appointment	Termination of executive duties	Remuneration in 2024 (€)
Chief Executive Officer	Luís Manuel da Silva Rodrigues [5]	14/04/2023	-	504,000.00
Chief Financial Officer	Gonçalo Neves Costa Monteiro Pires [6]	15/10/2021	04/02/2026	245,000.00
Chief Commercial & Revenue Officer	Jose Mario Cruz Henriquez [6]	27/07/2023	-	245,000.00
Chief Operating Officer	Mário Rogério Carvalho Chaves [6]	18/05/2023	-	245,000.00
Chief Customer Officer	Sofia Norton dos Reis Lufinha de Mello Franco [6]	28/09/2022	-	245,000.00
Chief Maintenance Officer	Maria João Santos Gomes Cardoso	18/05/2023	-	245,000.00

[5] Remuneration reduced by 30% on a permanent basis compared to the compensation amounts established pursuant to the aforementioned resolution.

[6] Remunerations subject to a temporary reduction (until June 30, 2026, as noted in section 3.7.3) of 30% compared to the salaries established pursuant to the aforementioned resolution.

Other benefits: Life insurance, health insurance, personal accident insurance, applied under the terms in force in the company for employees, and the use of a mobile phone on duty.

c) Monthly remuneration of non-executive directors

Non-Executive Directors receive the following monthly remuneration:

Position	Name	Appointment	Termination of executive duties	Monthly Remuneration (€)
Chairperson	Carlos Nuno Alves de Oliveira [6]	17/07/2025	-	8,400
Member	Ana Teresa Cunha de Pinho Tavares Lehmann [6]	24/06/2021	-	4,200
Member	João Pedro Conceição Duarte [6]	24/06/2021	-	4,200
Member	Patrício Ramos Castro [6]	24/06/2021	-	4,200

[6] Remunerations subject to a temporary reduction (until June 30, 2026, as noted in section 3.7.3) of 30% compared to the salaries established pursuant to the aforementioned resolution.

d) Remuneration of non-executive directors for 2025

Non-Executive Directors received the following remuneration in 2025:

Position	Name	Appointment	Termination of executive duties	Remuneration in 2024 (€)
Chairperson	Carlos Nuno Alves de Oliveira [6]	17/07/2025	-	53,748.99
Member	Ana Teresa Cunha de Pinho Tavares Lehmann [6]		-	58,800.00
Member	João Pedro Conceição Duarte [6]	24/06/2021	-	58,800.00
Member	Patrício Ramos Castro [6]	24/06/2021	-	58,800.00

[6] Remunerations subject to a temporary reduction (until June 30, 2026, as noted in section 3.7.3) of 30% compared to the salaries established pursuant to the aforementioned resolution.

2. Information on amounts paid by other companies

By shareholder resolution, the possibility of accumulating remuneration in the event of accumulation of positions in other companies in the TAP universe, by the members of TAP's management body and by the members of TAP's supervisory body, is not allowed.

3. Remuneration paid in the form of profit-sharing and/or payment of bonuses

In 2025, no remuneration was paid in the form of profit sharing and/or payment of bonuses.

4. Compensation paid or owed to former executive directors

No compensations were paid to former executive directors in 2025.

5. Annual Remuneration of the Supervisory Board

In the 2025 financial year, the members of the Supervisory Board received the following remuneration:

Name	Remuneration in 2025 (€)
André, Graça & Associados; SROC, Lda | UHY Portugal, represented by Paulo Jorge Duarte Gil Galvão André	24,108.02
José Manuel Fusco Gato	9,800.00

The remuneration referred to in the table above reflects a reduction of 30%

6. Annual Remuneration of the Board of the General Meeting

The remuneration of the members of the Board of the General Meeting in 2025 corresponds to the following table:

Name	Attendance Fee (€)
Manuela Ferreira e Silva de Vasconcelos Simões	490.00

The attendance fee referred to in the table above reflects a reduction of 30%

3.8. Transactions with Related Parties and Others

1. Mechanisms implemented to control transactions with related parties

The transactions between the Company and related parties are detailed in the Integrated Report on the 2025 Management Report and Consolidated Accounts. The terms or conditions practiced between the Company and related parties are substantially identical to the terms and conditions that would normally be contracted between independent entities in comparable operations.

As part of the identification of related parties, the members of the Board of Directors and other Governing Bodies were also assessed as related parties, in addition to those identified in the chapter on Shareholdings and Bonds hold.

For more details, please refer to the attachment on Related Party Transactions.

2. Other Transactions

a) Adopted procedures concerning the acquisition of goods and services
The Company has a Procurement Manual which sets out, in a structured manner, the internal policies, rules, procedures and processes applicable to the procurement of goods and services necessary for the conduct of its business. Procurement requirements for goods and services are carried out in accordance with the aforementioned manual and are subject to a formal review and evaluation process by the Procurement Committee. This process comprises several stages and levels of validation/approval, ensuring a thorough technical and economic assessment, as well as strict cost control, in line with the approved annual budget and the expenditure authorisation procedures in force.
In the same way, the Company sets forth the delegation of powers as an instrument for the empowerment of employees, facilitating decision-making on the approval of expenditures, approving the purchase commitment, and approving the respective payment.
This model clearly defines the levels of authority and the powers granted for the approval of expenditure, which is properly accounted for within the budget, whilst ensuring the segregation of duties and compliance with the principles of internal control.

b) Transactions that did not take place under market conditions.
All transactions took place under market conditions.

c) List of suppliers with transactions with the Company representing more than 5% of external supplies and services (above 1 million Euros)

Supplier	Ammount (€)	%
Petrogal - Petróleos de Portugal	368.722.458	13
Vibra Energia SA	145.849.327	5

3.9. Analysis of the Company's Economic, Social, and Environmental Sustainability

1. Strategies adopted and degree of accomplishment of set goals

The strategies adopted, as well as the extent to which the established goals have been met, can be found in 4. Sustainability Statement.

2. Adopted Policies

The Policies adopted during the financial year 2025 can be found in detail in Section 4: Sustainability Statement.

3. Form of compliance with the principles inherent in proper business management

a) Definition of a policy of social responsibility and sustainable development and of the terms of the public service provided, namely in the area of consumer protection.

b) Definition of adopted policies for the promotion of environmental protection and respect for principles of legality and business ethics, as well as the rules implemented for sustainable development.

c) Adoption of equality plans aimed at achieving effective equal treatment and opportunities for men and women, eliminating discrimination and enabling the reconciliation of personal, family and professional life.

d) Reference to specific measures regarding the Gender Equality Principle, as established in paragraph 1 of Council of Ministers Resolution no. 19/2012, of 23 February and the elaboration of the report referred to in paragraph 2 of Council of Ministers Resolution no. 18/2014, of 7 March.

e) Identification of the human resources policies defined by the Company, which should be aimed at valuing the individual, strengthening motivation and stimulating productivity increase, treating its employees with respect and integrity and actively contributing to their professional development (see Article 50(1) of RJSPE).

f) Information on the economic responsibility policy, with reference to the ways in which the Company's competitiveness has been ensured, namely through research, innovation, development and the integration of new technologies into the production process (see Article 45(1) of RJSPE). Reference to the action plan for the future and to measures aimed at creating shareholder value (increasing productivity, customer orientation, reducing exposure to risks arising from the environmental, economic and social impacts of activities, etc.)

The issues related to these points can be seen in Section 4. Sustainability Statement and in the 2024 Gender Pay Report, available on the Company's website.

3.10. Corporate Governance Evaluation

1. Mention of the disclosure in SiRIEF of the General Meeting minutes that should approve the financial statements for 2024 financial year

The Company's Accountability documents for the 2024 financial year were made available on the SISEE platform and on the Court of Auditors' platform.
The Company does not provide information in SiRIEF.

The Management Report and the individual and consolidated accounts, for the year ended on 31 December, 2024, as well as the 2024 Corporate Governance Report, were approved at the Annual General Meeting held on 27 August, 2025, whose minutes can be consulted in attachment.

2. Verification of compliance with received recommendations

No recommendations were received regarding the structure and practices of corporate governance.

3. Other information

The following table shows the measures taken by the Company to comply with the recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance ("CGS IPCG"):

Recommendations	Degree of Compliance	Corporate Governance Report
I. General Part		
I.1. Relationship of the Company with investors and information		
I.1.1. The Company must set up mechanisms to ensure, in an appropriate and rigorous manner, the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts and the market in general.	Adopted	Points from the Special Information Duties section of Chapter VI.
I.2. Diversity in The Composition and Functioning of the Corporate Bodies		
I.2.1. Companies must establish criteria and requirements relating to the profile of new members of corporate bodies suited to the duties to be performed, considering that, in addition to individual attributes (such as competence, independence, integrity, availability and expertise), those profiles should consider diversity requirements were also, paying particular attention to gender, in order to contribute to improved performance of the body and to its balanced composition.	Adopted	Points in the Administration and Supervision section of Chapter V and Complementary Information to the Curricula of the Corporate Bodies.
I.2.2. Companies must have clear and transparent decision-making structures and ensure maximum effectiveness in the functioning of their corporate bodies and committees. Companies shall ensure that the functioning of their corporate bodies and committees is duly recorded, namely in minutes, which help understand not only the meaning of the decisions adopted, but also their foundations and the opinions expressed by their members.	Adopted	Bylaws and Communications sections and Website of Chapter VI.
I.3. Relations between Corporate Bodies		
I.3.1. The members of the corporate bodies, especially directors, shall create the conditions, in accordance with the responsibilities of each body, so that thoughtful and efficient measures are taken and ensured, and, likewise, the various corporate bodies of the Company act in a harmonious, articulated way, with adequate information for the fulfilment of their respective duties.	Adopted	Managing and Supervisory Bodies Section of Chapter V.
I.4. Conflicts of interest		
I.4.1. By internal regulation or equivalent, members of managing and supervisory bodies and internal committees are obliged to inform the respective body or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the Company's interests.	Adotada	Secção Regulamentos e Códigos do capítulo VI.

Recommendations	Degree of Compliance	Corporate Governance Report
I.4.2. Procedures should be adopted to ensure that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification that the body, committee or its members request.	Adopted	Codes and Regulations Section of chapter VI.
I.5. Transactions with Related Parties		
I.5.1. Due to the potential risks they entail, transactions with related parties must be justified by the interest of the Company and carried out under market conditions, subject to the principles of transparency and to adequate supervision.	Adopted	Chapter VIII
II. Shareholders and General Meeting		
II.1. The adequate involvement of shareholders in corporate governance constitutes a positive factor of corporate governance, as an instrument for the efficient functioning of the Company and for the achievement of its social purpose. The Company shall foster the personal participation of shareholders in General Meetings, as a space for shareholders to communicate with the corporate bodies and committees and for conducting reflections on the Company. The Company shall implement adequate means for the participation and remote voting of shareholders at the meeting.	Adopted	Points of General Meeting section of chapter V.
III. Non-executive Management and Audit		
III.1. Members of governing bodies with non-executive management and supervisory duties shall exercise, in an effective, judicious manner, a supervisory role and challenge the executive management for the fulfilment of the Company's social purpose, and this action shall be complemented by committees aiming central areas of corporate governance. The composition of the Supervisory Body and all non-executive directors shall provide the company with a balanced and adequate diversity of skills, knowledge, and professional experience. The Supervisory Body shall carry out a permanent oversight of the Company's management, also from a preventive point of view, monitoring the Company's business activity and, in particular, all decisions of a critical importance to the Company.	Adopted	Managing and Supervisory Bodies Section and Audit Section, both of Chapter V.
IV. Executive Committee		
IV.1. As a way of enhancing performance quality and efficiency of the managing body, and the adequate flow of information to this body, the day-to-day management of the Company shall be committed to executive directors with the appropriate qualifications, skills and experience for the position. The executive directors are responsible for managing the company, for pursuing the company's objectives, and shall aim at contributing to its sustainable development. In determining the number of executive directors, in addition to the costs and the desirable speed of operation of the executive board, the size of the company, the complexity of its activity, and its geographical dispersion shall also be considered.	Adopted	Managing and Supervisory Bodies Section of Chapter V.

Recommendations	Degree of Compliance	Corporate Governance Report
V. Performance Evaluation and Remuneration		
V.1. Yearly Performance Evaluation		
V.1.1. The board of directors shall assess its performance annually, as well as the performance of its committees and executive directors, taking into account the fulfilment of the Company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to this purpose, as well the relationship among corporate bodies and committees.	Not adopted. In 2026, the Company will implement a 'Board Assessment and Board Development' programme, with specialist external support.	
V.2. Remuneration		
V.2.1. The remuneration policy of the members of the managing and supervisory bodies shall allow the Company to attract, at a cost economically justifiable by its condition, duly qualified professionals, to induce the alignment of interests with those of the shareholders — taking into account the wealth actually created by the Company, the economic context and that of the market — while constituting a factor for the development of a culture of professionalism, sustainability, promotion of merit, and transparency within the Company. Directors shall receive a remuneration that adequately repays the responsibilities taken up; the availability and competence placed at the service of the Company; that guarantees performance in line with the long-term interests of shareholders and that promotes the sustainable performance of the Company; and that rewards performance.	Adopted	
VI. Risk Management		
VI.1. Based on its medium and long-term strategy, the Company shall establish a risk management and control and internal audit system that helps anticipate and minimize the risks inherent to the business activity carried out.	Adopted	Internal Control and Risk Management Section of chapter VI.
VII. Financial Information		
VII.1. Financial Information		
VII.1.1. The Supervisory Body's internal regulations require it to inspect the adequacy of the management body's process of preparing and disclosing financial information, including the adequacy of accounting policies, estimates, judgments, relevant disclosures, and their consistent application over the years, in a duly documented and communicated manner.	Adopted	Supervisory Section of chapter V.
VII.2. Statutory audit and supervision		
VII.2.1 It is up to the Supervisory Body to establish and monitor formal, clear and transparent procedures on the Company's relationship with the Chartered Accountant and the supervision of compliance by the latter with the rules of independence that the law and professional standards impose on it.	Adopted	Supervisory Section of chapter V.

3.11. Attachments

I. Extract from the Annual General Meeting Minutes Approving the Corporate Governance Report and Management Report and the Individual and Consolidated Accounts

TAP AIR PORTUGAL

I. Extrato da Ata da Assembleia Geral Anual de Aprovação do Relatório de Governo Societário e Relatório de Gestão e as Contas, Individuais e Consolidadas

Transportes Aéreos Portugueses, S.A.
Aeroporto de Lisboa, Edifício 25, 1700-008 Lisboa
Nº de matrícula e Pessoa Coletiva 500 278 725
Capital Social €904.327.865,00

Livro de Atas
Assembleia Geral
Folha nº 34

----------**ATA NÚMERO 56** ----------

Aos vinte e sete dias de agosto de dois mil e vinte e cinco, pelas dez horas, reuniu a Assembleia Geral anual da sociedade anónima Transportes Aéreos Portugueses, S.A. (doravante "Sociedade" ou "TAP"), matriculada na Conservatória do Registo Comercial de Lisboa com o número único de matrícula e de pessoa coletiva 500 278 725, com sede social sita no Aeroporto de Lisboa, Edifício 25, 1700 – 008 Lisboa, freguesia dos Olivais, concelho de Lisboa, e com o capital social de 656.600.000,00 Euros (seiscentos e cinquenta e seis milhões e seiscentos mil euros). ----------

A reunião realizou-se em sala e também por meios telemáticos, tido sido assegurada a transmissão e a receção em tempo real de voz e imagem, nos termos do nº 5 do artigo 15.º dos Estatutos da Sociedade. ----------

Na ausência devidamente justificada do Presidente da Mesa da Assembleia Geral, Senhor António de Macedo Vitorino, na sequência da renúncia apresentada ao cargo aos sete dias do mês de março de 2023, e também da ausência devidamente justificada do Vice Presidente da Mesa da Assembleia Geral, David Oliveira Festas, na sequência de renúncia apresentada aos trinta dias do mês de outubro de 2023, assumiu a Presidência da Assembleia Geral, a Baker Tilly, PG & Associados, SROC, Lda, representada por Paulo Jorge Duarte Gil Galvão André, na qualidade de Presidente do Conselho Fiscal, nos termos previstos no nº 3 do artigo 374º do Código das Sociedades Comerciais, tendo a reunião sido secretariada pela Secretária da Sociedade, Manuela Ferreira e Silva de Vasconcelos Simões. ----------

O Presidente da Mesa da Assembleia Geral verificou estar devidamente representada a acionista representante da totalidade do capital social, a saber a República Portuguesa, através da Entidade do Tesouro e Finanças (doravante "**ETF**"), com sede na Rua da Alfândega, n.º 5, 1º andar, em Lisboa, com o número de identificação de pessoa coletiva 600 006 441, representada por Carlos Manuel Leitão dos Santos Pinto (doravante "**República Portuguesa**"), conforme carta de representação que fica arquivada na pasta de documentos relativa à presente Assembleia. ----------

Encontravam-se igualmente presentes o Presidente do Conselho de Administração, Carlos Nuno Alves de Oliveira, e os vogais , Luis Manuel da Silva Rodrigues, Ana Teresa Cunha de Pinho Tavares Lehmann, Gonçalo Neves da Costa Monteiro Pires, João Pedro da Conceição Duarte, Jose Mario Cruz Henriquez Cruz, Mário Rogério Carvalho Chaves, Patricio Ramos

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Castro, e Sofia Norton dos Reis Lufinha de Mello Franco, o Presidente do Conselho Fiscal da Sociedade, Paulo Jorge Duarte Gil Galvão André, bem como o Revisor Oficial de Contas Efetivo, PricewaterhouseCoopers & Associados, representado por Hugo Miguel Patrício Dias. Estando reunida a totalidade do capital social, foi expressamente manifestado pelo representante da acionista única, a sua vontade de reunir em Assembleia Geral Universal, sem a observância das formalidades prévias, nos termos e para os efeitos do n.º 1 do artigo 373.º e artigo 54.º, nº 1, segunda parte do Código das Sociedades Comerciais, para deliberar sobre a seguinte ordem de trabalhos: ----------

Ponto Um. Deliberar sobre os relatórios de gestão e as contas, individuais e consolidadas, e o relatório do governo societário, relativos ao exercício findo em 31 de dezembro de 2024. --

Ponto Dois: Deliberar sobre a proposta de aplicação de resultados respeitantes ao exercício de 2024. ----------

Ponto Três: Proceder à apreciação geral da administração e fiscalização da Sociedade no que respeita ao ano de 2024. ----------

Ponto Quatro: Deliberar sobre o Plano de Atividades e Orçamento para o ano de 2025-2027.

O Senhor Presidente da Mesa da Assembleia Geral declarou aberta a sessão e, após verificar estar devidamente representada a acionista única da Sociedade e tendo o seu representante se pronunciado no sentido de deliberar sobre os identificados Pontos da Ordem de Trabalhos, sem a observância das formalidades prévias quanto à convocatória, considerou estar a Assembleia Geral em condições de validamente se constituir e deliberar. ----------

Declarada aberta a sessão, entrou-se de imediato na apreciação do **Ponto Um** da ordem de trabalhos, tendo o representante da acionista única declarado que lhe foi disponibilizado e que tem pleno conhecimento dos documentos de prestação de contas da Sociedade referentes ao exercício findo em 31 de dezembro de 2024. ----------

Não tendo sido solicitados esclarecimentos, nem pretendendo qualquer dos presentes fazer uso da palavra, o Senhor Presidente da Mesa da Assembleia Geral submeteu à votação os relatórios de gestão e as contas, individuais e consolidadas, bem como o relatório do governo societário, relativos ao exercício findo em 31 de dezembro de 2024, tendo para o efeito passado a palavra ao representante da acionista única que deliberou aprovar e votar

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Livro de Atas
Assembleia Geral
Folha nº 35

favoravelmente, o relatório de gestão e as contas, individuais e consolidadas, e o relatório do governo societário, relativos ao exercício findo em 31 de dezembro de 2024, atentas as ênfases expressas nas Certificações Legais de Contas, tendo recomendado ao Conselho de Administração que diligencie no sentido de dar cumprimento, em 2025, ao limite da gastos operacionais autorizados no Despacho nº 98/2025-SETF, de 9 de julho. ----------

Passando à apreciação do **Ponto Dois** da ordem de trabalhos, o Senhor Presidente da Mesa da Assembleia Geral procedeu à leitura da proposta de aplicação de resultados apresentada pelo Conselho de Administração da Sociedade relativamente ao exercício findo em 31 de dezembro de 2024, nos seguintes termos: "No exercício de 2024, a Transportes Aéreos Portugueses, S.A. apresentou um resultado líquido negativo no montante de €11.955.562. Assim, de acordo com a legislação em vigor e com os estatutos da Empresa, o Conselho de Administração propõe que o resultado líquido do exercício seja transferido, na totalidade, para a conta de resultados transitados." ----------
De seguida, não tendo nenhum dos presentes querido usar da palavra no período de discussão, o Senhor Presidente da Mesa da Assembleia Geral submeteu a referida proposta a votação, tendo a mesma sido aprovada pelo representante da acionista única. ----------

Entrando-se na apreciação do **Ponto Três** da ordem de trabalhos, o Senhor Presidente da Mesa da Assembleia Geral passou a palavra ao representante da acionista única República Portuguesa que deliberou aprovar e votar favoravelmente, nos termos do artigo 455º do Código das Sociedades Comerciais, um voto de confiança nos órgãos de Administração e Fiscalização da Sociedade e em cada um dos seus membros. ----------

Já no contexto da apreciação do **Ponto Quatro** da ordem de trabalhos, o Senhor Presidente da Mesa da Assembleia Geral passou a palavra ao representante da acionista única República Portuguesa que deliberou votar favoravelmente a aprovação do Plano de Atividades e Orçamento para 2025-2027, circunscrito ao ano de 2025, sendo concedidas as autorizações a seguir identificadas, sem prejuízo do cumprimento dos demais requisitos legais por parte da Sociedade e condições constantes no Despacho nº 98/2025 SETF, de 9 de julho, do Senhor Secretário de Estado do Tesouro e das Finanças: ----------

i. Aumento dos Gastos Operacionais em 2025, até ao limite de 3.481 milhões de euros;

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ii. Contratação de estudos, pareceres, projetos e consultoria em 2025, até ao limite de 12 milhões de euros; ----------
iii. Contratação de 369 trabalhadores em 2025, para as áreas operacionais de voo, Pessoal Navegante Técnico (45) e Pessoal Navegante Comercial (121) e de Manutenção e Engenharia (203), limitando a 8.570 o número total de trabalhadores (sem órgãos sociais); ----------
iv. Renovação da frota automóvel em 2025, substituição de viaturas com idade média entre 6 a 8 anos e viaturas operacionais de propriedade TAP com idades superiores a 20 anos. ----------
v. Contratação em AOV de novas viaturas em 2025 (28 operacionais e 18 não operacionais), limitando a 202 o total de viaturas operacionais e a 61 o total de viaturas não operacionais, que se têm por fundamentadas, com exceção da contratação de novas viaturas, mantendo-se, assim, limitado a 174 o total de viaturas operacionais e a 43 o total de viaturas não operacionais; ----------
vi. Aquisição de Simulador de Voo no valor total de 5,831 milhões de euros, sob condição de não ter qualquer impacto financeiro, uma vez que o seu financiamento (incluindo obras de instalação) será garantido através do adiamento para 2026 de um conjunto de projetos. ----------

Nada mais havendo a tratar, o Presidente da Mesa da Assembleia Geral deu por encerrada a reunião pelas dez horas e quinze minutos e, tendo sido lavrada a presente ata que, depois de lida e aprovada, vai ser assinada por quem assumiu a Presidência da Mesa da Assembleia Geral e pela Secretária da Sociedade. ----------

Presidente da Mesa da Assembleia Geral -

Secretária da Sociedade -

II. Report and Opinion of the Supervisory Board on the Corporate Governance III.

REPORT AND OPINION OF THE SUPERVISORY BOARD

(CONSOLIDATED ACCOUNTS – Year 2025)

(Translation of a report originally issued in Portuguese)
(In case of discrepancies, the Portuguese version prevails)

To the shareholder of
Transportes Aéreos Portugueses, S.A.

In accordance with the legislation in force and the mandate we are entitled to, we submit to your appreciation our Report and Opinion, that covers the activity developed by us and about the statutory consolidated accounts of Transportes Aéreos Portugueses, S.A. ("Company" or "Group TAP"), related to the year ended 31 December 2025, that are the responsibility of the Board of Directors.

We monitored, with the periodicity and debt considered adequate, the evolution of the activity of the Group TAP, the regularity of its accounting records and the compliance of the legislation and statutory requirements in force, having obtained from the Board of Directors and from the various services of the Company and its subsidiaries, the information and the clarifications requested.

In the scope of our functions, we examined the consolidated financial statements, prepared in accordance with the International Financial and Reporting Standards (IFRS) as adopted in the European Community, that comprise the consolidated Statement of the Financial Position as of 31 December 2025, the consolidated Statement of Results, the consolidated Statement of the Integral Income, the consolidated Statement of the Changes in Equity and the consolidated Statement of Cash Flows, related to the year then eneded and the related Appendix.

In addition, we reviewed the consolidated Board of Director's Report of 2025, prepared by the Board of Directors, having verified that this document, as well as the Appendix of the consolidated financial statements, include relevant disclosures, namely the disclosures included in Note 1 of the Appendix, related with the approval of the Restructuring Plan of Group TAP, by the European Commission, which compliance, will be monitored by that entity.

We also reviewed the Legal Certification of Accounts and Audit Report about the consolidated financial statements, issued by the statutory auditors, dated 9 April 2026, that does not include any qualification, and includes two emphasis paragraph, i) one related with the Restructuring Plan of Group TAP approved by the European Comission as of 21 December 2021, in the scope of the State aid to Group TAP (Approved Restructuring Plan) and its subsequent monitoring by the European Comission of its Compliance, as well it refers that potential unfavorable future variations between actual and estimated cash flows and/or results in the 2026/2030 Financial Projections may have significant impacts on the recoverable value of non-current assets

related to the air transport cash-generating unit and deferred tax assets, and consequently significantly affect the financial and economic position of the TAP Group, and ii) another related to the current high uncertainty regarding the impacts of the conflict in the Middle East on the air transport sector and, consequently, on the operational activity of the TAP Group, these two paragraphs included in the Emphasis section of the Statutory Audit of the accounts, being considered to be fully reproduced in this document.

We have found that the provisions set out in Articles 35º and 171º of the Commercial Companies Code are applicable to the Company, noting that Note 42 of the Annex to the individual financial statements for the 2025 financial year mentions that the Board of Directors will submit to the General Meeting for consideration the consequent adoption of measures, specifically one of those provided for in that legal provision.

We assessed the compliance with the State shareholder's guidelines regarding the reporting of legally applicable information to the State Business Sector (SEE), and we also reviewed the Corporate Governance Report (which refers to individual reporting) prepared by the Company in accordance with Article 54 (nº1) of the RJSPE, which must be reported to its shareholder and published on its website. This Report includes a section with information submitted within the scope of the CSRD. Since the Company is not required to do so in the 2025 financial year, this information was not reviewed by a sustainability auditor.

Tanking all the above into consideration, and considering the matters described in the section "Emphasis" of the Legal Certification of Accounts and Audit Report, about the consolidated financial statements, it is our opinion that the consolidated financial statements, the Corporate Governance Report (presented from an individual perspective) and the Consolidated Board of Director's Report are in accordance with applicable accounting, legal and statutory provisions, and may therefore be approved at the General Shareholders' Meeting.

We thanks to the Company's Board of Directors and to the services of the Company and its subsidiaries, all collaboration and assistance provided, namely the availability of its key employees to clarify the questions raised during the monitoring activities of the Supervisory Board.

Lisbon, 9 April 2026

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André, Graça e Associados, SROC, Lda. (member firm of UHY International)
Represented by Paulo Jorge Duarte Gil Galvão André (President)

_____

José Manuel Fusco Gato (Effective member)

III. Curriculum Details of the Members of the Supervisory Board

Curriculum Details of Paulo Jorge Duarte Gil Galvão André



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Curriculum Vitae – Paulo André

Paulo André | Partner
Audit
pandre@uhy.pt
T.: +351 210 988 710
M.: +351 918 954 968

Áreas de especialização

- Auditoria;
- Forensic & Litigation;
- Controlo Interno & Risk Management (GRC);
- Due diligences e Avaliação de Empresas e Negócios;
- Compliance e Reporting;
- Revisão de Processos e Sistemas de Informação;
- IFRS, SNC e USGaap;
- Revisão de Demonstrações Financeiras;

Avenida Columbano Bordalo Pinheiro, nº 108, 1B
1070-067 Lisboa
Portugal

Experiência profissional

UHY – André & Graça, SROC, Lda.	2025 - presente (Audit Partner)
Baker Tilly SROC, Lda.	2009 a 2025 (Audit Partner)
Deloitte, SROC S.A	2002 a 2009 (Audit Partner)
Arthur Andersen SROC, S.A	1987 a 2002 (Staff, Manager e Audit Partner)

Qualificações académicas

- Pós-Graduação em Gestão Estratégica (Andersen/Universidade Católica) – 1999
- Licenciatura em Economia (NovaSBE) - 1987

Qualificações Profissionais

- Revisor Oficial de Contas, inscrito em Portugal na OROC e na CMVM - 1997
- Revisor Oficial de Contas, inscrito em Moçambique na OCAM - 2015

Funções de Fiscalização

Financeira Corte Inglês	ROC e Membro do Conselho Fiscal
AIP – Associação Industrial Portuguesa	ROC e Membro do Conselho Fiscal
SPdH, S.A.	Presidente do Conselho Fiscal
ESEL – Escola Superior de Enfermagem de Lisboa	ROC
Banco Montepio S.A.	Auditor Externo (Relatório de Sustentabilidade)
Anacom (Entidade Reguladora)	ROC e Fiscal Único
INCM – Casa da Moeda	Auditor Externo
RTP, S.A.	ROC
Cateringpor S.A.	Presidente do Conselho Fiscal
PGA - Portugália, S.A.	Presidente do Conselho Fiscal
Altice Pay, S.A	ROC e Fiscal Único
Oracle Portugal, S.A	ROC
IFFRU – Instrum. Financ. Reabilit. Revital. Urbana	Auditor Externo
Alcon Portugal, S.A.	ROC
Kirchhoff Portugal, S.A.	ROC



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Curriculum Vitae – Paulo André

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Áreas de especialização

- *Auditoria*;
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- Due diligences e Avaliação de Empresas e Negócios;
- Compliance e Reporting;
- Revisão de Processos e Sistemas de Informação;
- IFRS, SNC e USGaap;
- Revisão de Demonstrações Financeiras;

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Portugal

Outras atividades

- Professor Convidado (Univ. Autónoma – Mestrado Auditoria Operacional);
- Co-Autor do Livro "Gestão Desportiva";
- Autor de artigos técnicos em Publicações (Jornais / Revistas) especializadas na área económica e financeira.

Curriculum Details of José Manuel Fusco Gato

José Manuel Fusco Gato

(i) Formação académica

• Licenciatura em Gestão e Organização de Empresas pelo Instituto Superior de Ciências do Trabalho e da Empresa (ISCTE)

• Especialização em Contabilidade e Auditoria pela Universidade de Évora

• Pós-Graduação em Gestão Pública pelo Instituto Superior de Gestão (ISG)

(ii) Atividade profissional

• Desde maio de 2025 - Diretor de Serviços na Entidade do Tesouro e Finanças (Departamento de Gestão das Participações do Estado).

• Desde 2016 a maio de 2025 - Diretor de Serviços na Direção Geral do Tesouro e Finanças (Gabinete de Apoio e Coordenação do Sector Empresarial do Estado).

• Desde junho de 2021 – Presidente do Conselho Fiscal da Companhia das Lezírias, S.A.

• Desde junho 2021 – Vogal suplente do Conselho Fiscal da Transportes Aéreos Portugueses, S.A., da TAP – Transportes Aéreos Portugueses, SGPS, S.A. e da Portugália – Companhia Portuguesa de Transportes Aéreos, S.A, com exercício de funções de membro efetivo, em substituição, a partir de janeiro de 2022.

• Desde 2016 - Vogal do Conselho Fiscal da Oitante, S.A.

• De 2014 a 2017 - Vogal do Conselho Fiscal da SOFID - Sociedade para o Financiamento do Desenvolvimento, Instituição Financeira de Crédito, S.A.

• De 2018 a 2021 - Presidente do Conselho Fiscal da RTP – Radio e Televisão de Portugal, S.A.

• De 2012 a 2018 – Vogal do Conselho Fiscal da RTP – Radio e Televisão de Portugal, S.A.

• De 2012 a 2016 – Técnico Superior na Direção Geral do Tesouro e Finanças (Gabinete de Apoio e Coordenação do Sector Empresarial do Estado).

• De 2008 a 2011 - Diretor de Serviços na direção do acompanhamento das Empresas e Parcerias Público-Privadas, no Gabinete de Planeamento Estratégico e Relações Internacionais do Ministério das Obras Pública Transportes e Comunicações.

• De 1996 a 2007 - Inspetor na Inspeção-Geral de Finanças (IGF)

IV. Transactions with Related Parties

ANEXO ÀS DEMONSTRAÇÕES FINANCEIRAS DO EXERCÍCIO DE 2025

[...]

Partes relacionadas 2025

Em 31 de dezembro de 2025, as partes relacionadas identificadas são as seguintes:

Acionista:	**Associadas:**
Estado Português	SPdH - Serviços Portugueses de Handling, S.A.
Subsidiárias:	**Outras entidades do Grupo TAP**
Cateringpor	SIAVILO
Portugália	TAP ME Brasil
UCS	TAPGER
TAP Logistics	

No âmbito da identificação das partes relacionadas, para efeitos de relato financeiro, foram avaliados igualmente como partes relacionadas os membros do Conselho de Administração e demais Órgãos Sociais. Ver Relatório de Gestão.

Os saldos com entidades relacionadas a 31 de dezembro de 2025 e 2024 são como segue:

	2025 - Ativos								
	Clientes (Nota 13)	Adiantamentos a fornecedores (Nota 11)	Devedores por acréscimo de rendimentos (Nota 11)	Diferimento de gastos (Nota 15)	Prestações acessórias não realizadas (Nota 11)	Outros devedores - não corrente (Nota 11)	Outros devedores - corrente (Nota 11)	Imparidade de contas a receber (Notas 11 e 13)	Totais
SIAVILO	151.183	-	-	-	-	-	1.111.756.403	(1.111.907.243)	343
Portugália	213.184	122.332.434	2.224.820	286.409	-	51.281.253	4.353.400	-	180.691.500
SPdH	-	-	-	-	-	5.020.939	19.267.766	(16.107.162)	8.181.543
TAP ME Brasil	15.162.376	504.620	-	112.967	-	2.959.062	10.236.401	(28.563.111)	412.315
Cateringpor	-	-	267.902	-	-	-	262.402	-	530.304
UCS	35.414	-	-	-	-	-	80.223	-	115.637
	15.562.157	**122.837.054**	**2.492.722**	**399.376**	**-**	**59.261.254**	**1.145.956.595**	**(1.156.577.516)**	**189.931.642**

	2024 - Ativos								
	Clientes (Nota 13)	Adiantamentos a fornecedores (Nota 11)	Devedores por acréscimo de rendimentos (Nota 11)	Diferimento de gastos (Nota 15)	Prestações acessórias não realizadas (Nota 11)	Outros devedores - não corrente (Nota 11)	Outros devedores - corrente (Nota 11)	Imparidade de contas a receber (Notas 11 e 13)	Totais
Estado Português	-	-	-	-	343.000.000	-	-	-	343.000.000
SIAVILO	(67)	-	885	-	-	-	1.082.706.085	(1.082.705.989)	914
PGA	561.213	129.808.138	1.090.016	1.050.752	-	53.666.060	297.319	-	186.473.498
SPdH	4.806.447	-	6.081.872	-	-	-	13.264.039	-	24.152.358
TAP ME Brasil	17.009.173	510.772	-	112.967	-	-	10.507.688	(27.647.671)	492.929
Cateringpor	145.720	-	2.017.407	-	-	-	166.577	-	2.329.704
UCS	66.706	-	-	-	-	-	118.358	-	185.064
	22.589.192	**130.318.910**	**9.190.180**	**1.163.719**	**343.000.000**	**53.666.060**	**1.107.060.066**	**(1.110.353.660)**	**556.634.467**

	Fornecedores (Nota 22)	Credores por acréscimo de gastos (Nota 21)	Ganhos diferidos (Nota 23)	Outros credores-corrente (Nota 21)	Totais
SIAVILO	(342)	-	-	-	(342)
Portugália	(14.649.822)	(2.866)	(21.395)	-	(14.674.083)
SPdH	(3.992.719)	(3.298.952)	(89.006)	(29.888)	(7.410.565)
TAP ME Brasil	(299.347)	-	-	-	(299.347)
Cateringpor	(2.226.249)	(2.547.673)	(244.329)	-	(5.018.251)
UCS	-	(535.004)	-	-	(535.004)
	(21.168.479)	**(6.384.495)**	**(354.730)**	**(29.888)**	**(27.937.592)**

2024 - Passivos					
	Fornecedores (Nota 22)	Credores por acréscimo de gastos (Nota 21)	Ganhos diferidos (Nota 23)	Outros credores-corrente (Nota 21)	Totais
SIAVILO	(30)	-	-	-	(30)
PGA	(11.710.494)	-	(20.932)	-	(11.731.426)
SPdH	(5.676.280)	(3.085.374)	(89.006)	-	(8.850.660)
TAP ME Brasil	(373.737)	-	-	-	(373.737)
Cateringpor	(2.207.692)	(2.374.943)	(238.982)	-	(4.821.617)
UCS	(7.920)	(435.750)	-	(16.116)	(459.786)
	(19.976.153)	**(5.896.067)**	**(348.920)**	**(16.116)**	**(26.237.256)**

As transações com entidades relacionadas a 31 de dezembro de 2025 e 2024 são como segue:

2025					
	Vendas e serviços prestados	Compras e serviços recebidos	Juros obtidos	Juros suportados	Total
SIAVILO	-	(1.131)	24.552.330	-	24.551.199
Portugália	3.162.030	(174.785.381)	-	-	(171.623.351)
SPdH	6.343.489	(110.301.563)	993.018	(215.394)	(103.180.450)
TAP ME Brasil	-	-	46.441	-	46.441
Cateringpor	1.893.739	(56.756.567)	-	-	(54.862.828)
UCS	726.923	(5.080.286)	-	-	(4.353.363)
	12.126.181	**(346.924.928)**	**25.591.789**	**(215.394)**	**(309.422.352)**

2024					
	Vendas e serviços prestados	Compras e serviços recebidos	Juros obtidos	Juros suportados	Total
SIAVILO	-	-	40.073.520	-	40.073.520
Portugália	2.953.680	(112.690.903)	-	-	(109.737.223)
SPdH	6.762.599	(105.220.652)	-	(993.018)	(99.451.071)
TAP ME Brasil	-	-	-	-	-
Cateringpor	1.913.266	(56.826.731)	-	-	(54.913.465)
	11.629.545	(274.738.286)	40.073.520	(993.018)	(224.028.239)

As transações com a SPdH referem-se a serviços de *ground handling* prestados pela SPdH para suporte a aviões, passageiros, bagagem, carga e correio.

[...]

Board of Directors

Carlos Nuno Alves de Oliveira
Chairperson of the Board of Directors

Luís Manuel da Silva Rodrigues
Member of the Board of Directors and Chairperson of the Executive Committee

Renato Teobaldo Rodrigues Inácio
Member of the Board of Directors and Member of the Executive

Jose Mario Cruz Henriquez
Member of the Board of Directors and Member of the Executive

Maria João Gomes Cardoso
Member of the Board of Directors and Member of the Executive

Mário Rogério de Carvalho Chaves
Member of the Board of Directors and Member of the Executive

Sofia Norton dos Reis Lufinha de Mello Franco
Member of the Board of Directors and Member of the Executive

Ana Teresa C. P. Tavares Lehmann
Member of the Board of Directors

João Pedro Conceição Duarte
Member of the Board of Directors

Patrício Ramos Castro
Member of the Board of Directors

4. Sustainability Statement



4.1. General Information

- 4.1.1. ESRS 2 – General disclosures, including information provided under the application requirements of the thematic ESRS set out in Appendix C of ESRS 2
  - 4.1.1.1 Basis for preparation
  - 4.1.1.2. Governance
  - 4.1.1.3. Strategy
  - 4.1.1.4. Management of impacts, risks and opportunities

4.2. Environmental Information

- 4.2.1. Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
- 4.2.2. ESRS E1 – Climate change
- 4.2.3. ESRS E2 - Pollution
- 4.2.4. ESRS E4 - Biodiversity and ecosystems
- 4.2.5. ESRS E5 - Resource use and circular economy

4.3. Social Information

- 4.3.1. ESRS S1 - Own workforce
- 4.3.2. ESRS S2 - Workers in the value chain
- 4.3.3. ESRS S3 - Affected communities
- 4.3.4. ESRS S4 - Consumers and end-users

4.4. Governance Information

- 4.4.1. ESRS G1 - Business conduct

4.5. Annexes

4.1. General Information

4.1.1. ESRS 2 – General disclosures, including information provided under the application requirements of the thematic ESRS set out in Appendix C of ESRS 2

4.1.1.1. Basis for preparation

General basis for preparation of sustainability statement (BP-1)

The Sustainability Statement was prepared by the TAP Group in accordance with EU Directive 2022/2464 – Corporate Sustainability Reporting Directive (CSRD), whose transposition into Portuguese law had not been completed at the time of preparation of this report. This Statement has been prepared voluntarily, in alignment with the European Sustainability Reporting Standards (ESRS), as published in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, since the Group is not yet legally required to comply with them. This Sustainability Statement is part of the Group's Annual Report, covers the period from 1 January 2025 to 31 December 2025, and has not been subject to verification or certification by an independent external entity.

The scope of consolidation of the Sustainability Statement covers the following entities: Transportes Aéreos Portugueses, S.A. (TAP); Portugália – Companhia Portuguesa de Transportes Aéreos, S.A. (Portugália); and UCS – Cuidados Integrados de Saúde, S.A. Although Cateringpor – Catering de Portugal, S.A. is included within the scope of consolidation of the Group's Consolidated Financial Statements, it has been excluded from sustainability disclosures, considering that this asset is expected to be divested under the Restructuring Plan approved by the European Commission, which is to be completed by 30 June 2026. Among the Group companies, only TAP is not exempt from the obligation to submit sustainability reports under Article 19-A(9) and Article 29-A(8) of Directive 2013/34/EU.

For the purposes of this Sustainability Statement, the three companies covered are treated collectively under the designations **TAP Group**, **TAP**, **Organisation**, or **Company**, which are used interchangeably throughout this document. Whenever reference to a single company is required, it will be identified individually and specifically.

The TAP Group's Sustainability Statement considers the entire relevant value chain, particularly within the scope of the Double Materiality assessment, which encompassed suppliers, customers, service providers, distributors and other partners, as well as the community and other stakeholders. The Group has policies, actions, targets and metrics that extend across its value chain. Notably, in 2025, the Group took initial steps to apply ESG (Environmental, Social, and Governance) criteria in the qualification of its main suppliers, through questionnaires and codes of conduct. Further information on the value chain can be found in Chapter 4.1.1.3 ESRS 2 SBM-1.

Disclosures in relation to specific circumstances (BP-2)

Time horizons
For the purposes of information disclosure, time horizons consistent with the definitions of the European Sustainability Reporting Standards (ESRS) were applied, namely: short-term (less than 1 year); medium-term (between 1 and 5 years); and long-term (more than 5 years).

Estimates, value chain estimates, and sources of these estimates

The TAP Group is committed to ensuring the quality, traceability and consistency of the data disclosed. Accordingly, the quantitative data reported, including financial and sustainability indicators, follows robust methodologies aligned with recognised best practices, such as the GHG Protocol and internationally recognised guidance from the International Air Transport Association (IATA).

Regarding metrics that include upstream and/or downstream value chain data, particular attention is given to the accounting of Scope 3 greenhouse gas emissions. Despite methodological diligence, the Group recognises limitations associated with data accuracy and the use of emission factors representing estimated market averages.

The Group is committed to enhancing traceability and data quality in future reporting cycles as a way to mitigate uncertainties and ensure greater robustness and reliability of the information.

The Group carried out calculations based on jet fuel consumption and conversion factors to quantify atmospheric pollutants emitted during test-bench operations, in the context of the E2-4 disclosure.

Changes, preparation or presentation of information, comparability, and use of cross-references
During the 2025 financial year, the TAP Group carried out a review of the methodology used to calculate Scope 1 greenhouse gas (GHG) emissions. This review identified an overestimation in the historical values previously reported between 2019 and 2024. The revised figures are presented in Chapter 4.2.2.3 ESRS E1-6.

About the comparability of reported information, changes in the presentation of certain indicators were identified in relation to previous periods, particularly when adjustments to the reporting structure were necessary to meet ESRS requirements. For metrics disclosed for the first time, or those subject to methodological changes due to ESRS that make annual comparability unsustainable, no comparative values have been provided.

Where applicable and relevant for the reading of the Statement, cross-references between chapters have been used, with such cases clearly identified throughout the text to ensure traceability and transparency of information. These cross-references can be consulted in the annex to the report, in Chapter 4.5.3 List of disclosure requirements and data points referenced.

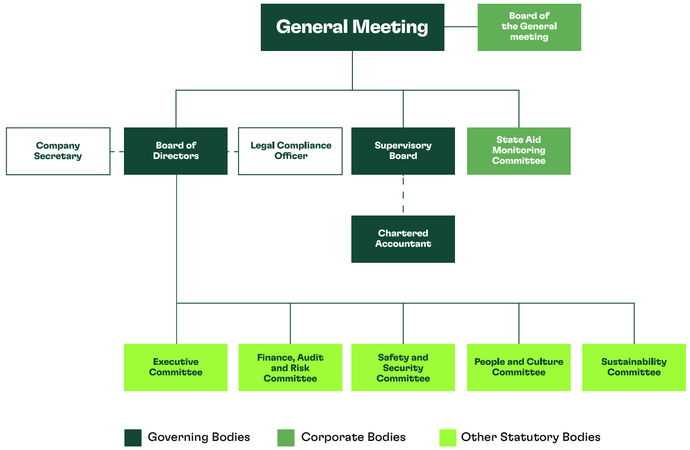
Use of phase-in provisions
The Group applied certain phase-in provisions, as permitted under the ESRS, particularly concerning disclosures on the expected financial impacts of material risks, given the complexity associated with their quantification and the need to strengthen internal systems, processes, and methodologies. In the current reporting period, although voluntary, phase-ins were applied to the requirements SBM-3, E1-9, S1-7 and, additionally, disclosures under ESRS S1 covering covering non-employees.

4.1.1.2. Governance

The role of the administrative, management and supervisory bodies (GOV-1)

TAP operates a governance model based on ethical management, ensuring that financial performance and the resilience of its business model are sufficient to support the investments necessary to promote business sustainability, while being adapted to the nature and scale of its operations.

TAP maintains a robust governance model to oversee, manage, and integrate sustainability topics both within the corporate strategy and day-to-day operations. This governance framework involves management, executive, and supervisory bodies, ensuring that ESG (Environmental, Social, and Governance) impacts, risks, and opportunities are systematically monitored and addressed. Under the coordination of the Sustainability Department which reports directly to an Executive Board Member, and in collaboration with the Sustainability Committee, the Divisions are responsible for embedding ESG criteria into the strategy, business model, and operations.



TAP ensures the co-management model, implemented on 24 June 2021, at the time of the appointment of the corporate bodies for the 2021–2024 term, through the designation by the shareholder, the Portuguese Republic, of a non-executive director (an employee of the Company), following an internal election process by the employees, thereby ensuring that employees have a voice in strategic decision-making processes and safeguarding alignment with the interests of the workforce.

Other internal collegiate bodies with management and supervisory functions, such as the Finance, Audit and Risk Committee, Safety & Security Committee, People and Culture Committee, and Sustainability Committee, also seek to ensure social dialogue, consultation, and employee participation on environmental, social, and labour matters reported in the Sustainability Statement.

Body	Responsibilities
Finance, Audit and Risk Committee	Monitor the activities of the Executive Committee (EC) in relation to the functions listed below, under terms to be agreed;
	Ensure compliance with legal provisions and the articles of association;
	Monitor the evolution of the Company's economic and financial situation;
	Oversee the preparation process, quality, and integrity of financial information, including that reported in the Company's accounts;
	Supervise the procedure for selecting the external auditor;
	Oversee the review of accounts and the audit of the Company's financial reporting documents;
	Safeguard the independence of the external auditor;
	Monitor the preparation of the annual audit and internal control plan;
	Supervise and oversee internal audit activities;
	Monitor internal audit systems, internal controls, compliance, and risk management;
	Issue an informative note or non-binding report on any matter submitted by the Board of Directors or the Executive Committee;
	Submit to the Board of Directors any matters that should be considered in the exercise of its functions.
Safety & Security Committee	Monitor the activities of the Executive Committee (EC) in relation to the functions listed below, under terms to be agreed;
	Ensure compliance with legal and regulatory provisions;
	Monitor the evolution of the Company's safety and security performance and culture;
	Monitor internal security and safety management systems, compliance, and safety & security risk management;
	Investigate any activities or conditions within its terms of reference;
	Seek/investigate any information that requires the cooperation of any employee, and all employees shall be instructed to cooperate with any request made by the Committee;
	Obtain, at the Company's expense, specialised advice from professional consultants if deemed necessary;
	Request any reports or inquiries considered necessary to fulfil its obligations;
	Issue an informative note or non-binding report on any matter submitted by the Board of Directors or the Executive Committee;
	Submit to the Board of Directors any matters that should be considered in the exercise of its functions.
People and Culture Committee	Analyse and monitor the human resources strategies and policies adopted by the Company;
	Provide recommendations regarding remuneration and benefits strategies and policies for the Company's employees;
	Develop recommendations that promote the organisational culture, aligned with the Company's mission, vision and values, and focused on building sustainable outcomes;
	Issue an informative note or non-binding report on any matter submitted by the Board of Directors or the Executive Committee;
	Submit to the Board of Directors any matters considered within the scope of the Committee's duties;
	Prepare an annual report on the activities of the Committee.
Sustainability Committee	Propose sustainability targets and objectives to the Executive Committee and the Board of Directors, aligned with the business strategy and included in the Sustainability Plan;
	Monitor the implementation of the Sustainability Plan, ensuring that established commitments are met, including through the tracking of performance indicators for defined objectives, and make adjustments if necessary;
	Propose, evaluate, and oversee investments and resource allocation to achieve the commitments undertaken;
	Ensure the integration of Sustainability guidelines into business decisions and monitor risks that may have a direct impact on long-term business results and stakeholder relationships;
	Assess and anticipate risks and opportunities associated with sustainability and ESG issues, enabling the development of mitigation and enhancement strategies;
	Ensure the flow of communication between operations, business strategy, and policies to oversee, support, and lead the transformation of internal processes into more sustainable procedures for people, the environment, and the business as a whole;
	Propose a Sustainability communication strategy.

TAP continuously invests in specialised training for its management and executive bodies. Additionally, members of the Executive Committee and managers regularly participate in international forums and sustainable aviation conferences, ensuring they remain up to date with industry trends.

There is also a targeted effort to recruit specific skills, such as increasing the number of environmental engineers. To ensure the adequacy of competencies, TAP promotes internal sustainability training programmes, specialised workshops with external partners and industry experts, and the creation of multidisciplinary working groups for each ESRS standard, alongside technical consultancy to support strategic decisions on topics such as sustainable fuels and decarbonisation.

The strategic oversight of sustainability-related topics is carried out by the Sustainability Committee, which reports directly to the Board of Directors. This Committee ensures continuous monitoring of sustainability policies, actions, and indicators, proposing improvement measures and guaranteeing alignment with regulatory requirements and best practices in the aviation sector.

Responsibility for implementing sustainability practices is distributed across the Group's various Divisions, including Sustainability, Human Resources, Procurement, Legal Compliance, Operations, and Finance, among others, ensuring a transversal and integrated approach.

Board of Directors

	2023		2024		2025	
Executive members	6	67%	6	67%	6	60%
Non-executive members	3	33%	3	33%	4	40%
Independent members (executive and non-executive)	3	33%	3	33%	4	40%
Total	**9**		**9**		**10**	

	2023		2024		2025	
Male	6	67%	6	67%	7	70%
Female	3	33%	3	33%	3	30%
Other	0		0		0	
Not disclosed	0		0		0	
Total	**9**		**9**		**10**	
Board of Directors Diversity Index*	0.50		0.50		0.43	

* Calculated as the number of female members divided by the number of male members.

	Carlos Nuno Alves de Oliveira	**Luís Manuel da Silva Rodrigues**	**Gonçalo Neves Costa Monteiro Pires**	**Mário Rogério Carvalho Chaves**	**José Mario Cruz Henriquez**	**Maria João Santos Gomes Cardoso**	**Sofia Norton dos Reis Lufinha de Mello Franco**	**Patricio Ramos Castro**	**Ana Teresa Tavares Lehmann**	**João Pedro da Conceição Duarte**
Position	Chairman of the Board of Directors.	*Chief Executive Officer.* Chairman of the Sustainability Committee. Member of the Safety & Security Committee, and Finance, Audit and Risk Committee, until 27th august. Responsibilities: Safety & Security, Operations Compliance Monitoring, Internal Audit, Legal Advisory, Legal Compliance, Strategy and Partnerships, Transformation Office, Corporate Communications.	*Chief Financial Officer.* Member of the Finance, Audit and Risk Committee, until 27th august and member of People and Culture Committee, since 27th august. Responsibilities: Corporate Finance & Corporate Risk, Accounting, Planning & Control, IT, Human Resources, Labour.	*Chief Operating Officer.* Member of the Safety & Security Committee, and People and Culture Committee, since 27th august. Responsibilities: Flight Operations, Fleet, Cabin and Flight Crew Management, Training and Instruction, Operations Engineering, and Integrated Operations Centre.	*Chief Commercial & Revenue Officer.* Member of the People and Culture Committee, until 27th august. Responsibilities: Network, Revenue, Sales, E-commerce & Digital, Marketing, Cargo.	*Chief Maintenance Officer.* Member of the Safety & Security Committee, the People and Culture Committee, and the Sustainability Committee. Responsibilities: Maintenance and Engineering, Procurement, Real Estate and Campus Maintenance, Cybersecurity.	*Chief Customer Officer.* Member of the Sustainability Committee. Responsibilities: Customer Service Centre, Loyalty (Miles & Go), Inflight and Ground Product, Customer Experience, Airport Services and Sustainability.	Non-Executive Director. Member of the Finance, Audit and Risk Committee, and the Safety & Security Committee.	Non-Executive Director. Chair of the Finance, Audit and Risk Committee and member of the Sustainability Committee.	Non-Executive Director. Chairman of the People and Culture Committee. Member of the Finance, Audit and Risk Committee, since 27th august.
Relevant experience	He has built his career in the fields of innovation, entrepreneurship, economic development and public policy. President of the Conselho Nacional de Ciência, Tecnologia e Inovação (CNCTI) (National Council for Science, Technology and Innovation) and a non-executive director of several companies. Holds a degree in Systems and Computer Engineering from the University of Minho, a Certificate in Corporate Governance from INSEAD, completed the INSEAD International Directors Programme, attended the Advanced Management Programme in Information and Communication Technologies at the Portuguese Catholic University, and holds an Aviation Fundamentals Diploma from IATA.	Former Chairman of the Board and CEO of SATA, Azores Airlines & Air Açores. Previously Executive Director, Chairman of TAP Maintenance & Engineering Brazil, and Executive Director at SPdH – Serviços Portugueses de Handling, S.A. Former Chairman of the Executive Committee at Nova School of Business & Economics. Holds a degree in Economics and an MBA from Nova School of Business & Economics and completed the Advanced Management Program at Harvard University.	Founding Partner of Adamastor Investments. Former Executive Director of Global Corporate Equity Derivatives and Global Corporate Equity Solutions at Banco Santander, and responsible for Cash Equities at Santander Totta. Holds a degree in Economics from Nova School of Business & Economics.	Former General Manager of Portugália Airlines, Chief Operating & Commercial Officer and Accountable Manager at the SATA Group, Interim CEO of Cabo Verde Airlines, Vice President of Operational Efficiency, and General Manager of Operations at Icelandair Ground Services. Holds over 8,000 flight hours as Pilot, Captain, and Flight Instructor.	Former Senior Director of Revenue Management at TAP and previously Vice President of Pricing and Network Planning Director at Avianca Holdings, Executive Director of Avianca Ecuador, and Regional Director of Customer Service and Operations at TACA Regional. Holds a degree in Industrial Engineering from Universidad José Simeón Cañas and an MBA from Universidad Católica de Chile.	Former Director of Labour Relations, Aircraft Maintenance Director, and Quality Director at TAP Maintenance & Engineering, and Assistant in the Materials Department at the Faculty of Science and Technology, Universidade Nova de Lisboa. Holds a degree and a master's in Metallurgical Engineering from Instituto Superior Técnico.	Former Chief Strategy Officer at TAP, Chief Operating Officer and Marketing Director at the Jerónimo Martins Group, and a partner at McKinsey & Company. Holds a degree in Engineering and Industrial Management from Instituto Superior Técnico and an MBA from INSEAD.	Chief Transformation Officer at Parques Reunidos and has over 20 years of experience in consulting, having served as Director and Partner in the Consumer and Travel sector at the Boston Consulting Group. Holds a degree and a master's in Industrial Engineering from ICAI Engineering School and an MBA from Columbia Business School.	Non-Executive Director at The Navigator Company, Brisa, Futebol Clube do Porto and Zolve; Chairperson of the European International Business Academy; member of the advisory boards of the Strategic Council for the Digital Economy, Orkestra – Basque Institute of Competitiveness and the Centre for Competitiveness at the University of Fribourg; and Professor at the School of Economics and Business of the University of Porto and at Porto Business School. Holds a degree in Management from the Faculty of Economics of the University of Porto, a Master's in International Business and Economic Integration from the University of Reading, a PhD in Economics from the University of Reading, and a post-doctorate in Internationalisation of Firms and Foreign Direct Investment Attraction from the University of Strathclyde.	Vice-President of the Portuguese Association of Cabin Crew and former Long-Haul and Medium-Haul Purser and Long-Haul and Medium-Haul Flight Attendant at TAP. Holds a diploma in the Advanced Management Program for Executives from Universidade Católica Portuguesa.
Material topics	ESRS G1	ESRS S1 ESRS S3 ESRS S4 ESRS G1	ESRS E1 ESRS S1 ESRS G1	ESRS E1 ESRS S1	ESRS S3 ESRS S4	ESRS E1 ESRS E2 ESRS E4 ESRS E5 ESRS S1 ESRS S2 ESRS S4	ESRS E1 ESRS E2 ESRS E4 ESRS E5 ESRS S3 ESRS S4		ESRS S1 ESRS G1	ESRS S1

Business Conduct
The Board of Directors assumes primary responsibility for the business conduct of the TAP Group, notably through the direct oversight of the activities of the Legal Compliance function. These activities include internal training, management of the Ethics Channel, the drafting and updating of internal policies, and the monitoring of their implementation. The Board of Directors is responsible for appointing the Compliance Officer, who is tasked with monitoring the annual activity plan, receiving regular reports on its execution, and submitting the applicable ethics and compliance policies for approval.

The Board of Directors also ensures an appropriate balance of powers within the Executive Committee, defining responsibilities and supervisory mechanisms that safeguard the effectiveness and integrity of management. In performing these duties, the Board sets the ethical tone of the organisation and makes a decisive contribution to fostering a responsible corporate culture through:

- Defining the sustainability and corporate responsibility strategy: the Board not only approves compliance policies but also integrates principles of sustainability, ethics and transparency into TAP's overall strategy.
- Risk oversight: the Board monitors organisational risks (including sustainability risks and the reliability of CSRD/ESRS reporting), as well as the adequacy of internal controls, ensuring that effective mitigation mechanisms are in place.
- Oversight of internal controls and audit: the Board ensures that internal control systems operate effectively, safeguarding the reliability of information and regulatory compliance.
- Performance evaluation of the Executive Committee: the Board appoints and supervises the Executive Committee and evaluates its performance, thereby reinforcing accountability.
- Promotion of transparency and accountability: the Board approves financial and sustainability reports that communicate to the market and stakeholders its commitment to responsible conduct.

The Executive Committee is responsible for the day-to-day management of TAP and for the effective implementation of the policies and strategic guidelines approved by the Board of Directors. In the area of business conduct, the Executive Committee plays a central role in embedding ethical principles and compliance requirements into TAP's operations.

The LAR Committee (Legal, Audit and Risk), in which TAP's Chief Executive Officer and Chief Financial Officer participate, was established with the mission of providing integrated oversight of ethics, compliance, legal, internal audit and risk management matters, ensuring a coordinated approach at the highest level of the organisation.

Through the LAR Committee, the Executive Committee receives regular reports from the Legal Compliance function, including information on training programmes, internal policies, the operation of the Ethics Channel and risk assessments. Its members actively support compliance initiatives, promote employee awareness and foster a culture of integrity across all business areas.

TAP's supervisory bodies receive regular information on specific matters, including reports related to the Ethics Channel, thereby ensuring independent monitoring and appropriate accountability. The members of these bodies possess qualifications in audit, accounting and risk management, and benefit from the support of Internal Audit and the Statutory Auditor, ensuring independent and specialised oversight of business conduct.

All Directors, as well as employees in general, undertake mandatory training in the areas of business conduct, ethics and compliance, ensuring up-to-date and organisation-wide knowledge of principles of integrity, anti-corruption prevention and good governance practices.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

TAP's administrative bodies participated in the Double Materiality assessment and its subsequent review, contributing to the identification of material impacts, risks and opportunities for the Group. The results of this process, led by the Sustainability Department and supported by various functional areas, were submitted for review and final validation by the Sustainability Committee, on which four members of the Board of Directors sit.

The identification of material impacts, risks and opportunities enabled TAP to refine its sustainability strategy by redefining areas of action, commitments, objectives and internal targets. Ultimate responsibility for the implementation of this strategy rests with the Board of Directors, which also ensures overall oversight of its execution. As reflected in chapter 4.1.1.2 ESRS 2 GOV-1, the Finance, Audit and Risk Committee, the Safety & Security Committee, the People and Culture Committee and the Sustainability Committee – responsible for the various material topics – report to the members of the Board of Directors on the progress of policies, projects, initiatives and targets, assessing the effectiveness of the measures adopted and proposing adjustments whenever necessary. Such reporting takes place through regular meetings involving the members of the Committees, which include members of the Board of Directors.

Integration of sustainability-related performance in incentive schemes (GOV-3)

TAP does not have formal incentive schemes or remuneration policies that are directly or indirectly linked to sustainability objectives or climate-related targets for its Board of Directors or other management and supervisory bodies.

Statement on due diligence (GOV-4)

TAP applies a structured and ongoing sustainability due diligence process to its own operations, with the objective of identifying, preventing, mitigating and monitoring environmental, social and governance risks and impacts. This process covers all operational and corporate areas.

From an environmental perspective, greenhouse gas (GHG) emissions from aircraft (Scope 1), energy consumption of facilities (Scope 2) and waste generation (e.g. plastics and waste from flight operations) are periodically assessed.

From a social perspective, labour-related indicators are monitored, including the rate of occupational accidents, the physical and psychosocial well-being of crew members, working hours performed, training hours and employee turnover rates. In addition, regular consultation processes are conducted with employees and their trade union representatives, where relevant, and appropriate mitigation measures are implemented in response to the needs identified.

From a governance perspective, TAP regularly monitors ethical practices, anti-corruption measures, cybersecurity and the protection of internal and customer data. Furthermore, TAP has a Legal Compliance team which is responsible, among other initiatives, for monitoring compliance with the TAP Group's Code of Ethics and Conduct and other Legal Compliance Policies and Procedures, managing the Ethics Channel and delivering mandatory business integrity training to TAP employees.

The results of the sustainability due diligence of operations are comprehensively monitored by the Sustainability Committee and reported to the Board of Directors.

The table below presents the mapping of the main elements of the due diligence process and indicates where the relevant disclosures can be found within this Statement.

Risk management and internal controls over sustainability reporting (GOV-5)

At TAP, the risk management and internal control processes and systems relating to sustainability reporting cover the reporting perimeter of own operations as well as the upstream and downstream value chain. These mechanisms are based on the Double Materiality assessment, particularly the identification of risks and opportunities, considering engagement with internal and external stakeholders, and are integrated into the Enterprise Risk Management (ERM) system.

Risk assessment and management are carried out during the review stages of the Double Materiality exercise and are reported, assessed and approved by the Sustainability Committee, in accordance with the defined governance model and sustainability due diligence process. The material risks identified can be consulted in chapter 4.1.1.3 ESRS 2 SBM-3.

In 2025, TAP implemented a set of internal controls to safeguard the quality, integrity and timely availability of sustainability reporting. These controls included the engagement of external consultancy support, the definition of a sustainability reporting governance model, integrated project management led by the Transformation Office, and the creation of qualitative and quantitative data collection templates to be completed by operational areas and subsequently reviewed and consolidated by the Sustainability Department.

In addition, this Statement was validated and approved by the Executive Committee and the Board of Directors prior to its publication. For future reporting cycles, TAP intends to implement a system incorporating the progressive automation of quantitative indicators and an annual control review process, to ensure the reliability, consistency and traceability of the disclosed data.

From a continuous improvement perspective, this system incorporates lessons learned, the progressive automation of KPIs (Key Performance Indicators) and an annual review of controls, thereby ensuring the reliability, consistency and traceability of the disclosed data. Internal processes are adjusted to incorporate refinements and improvements, materialised through corrective action plans, policy updates, strengthened controls, targeted training or measures clarifying responsibilities, coordinated by the Sustainability Department and reported to the Sustainability Committee and the Board of Directors.

This cycle of assessment, action and monitoring reinforces and promotes the full integration of sustainability into TAP's management and business model.

Key elements of due diligence	Location in the Sustainability Statement
Integrate due diligence into governance, strategy and business model	Chapter 4.1.1.2 ESRS 2 GOV-1, ESRS 2 GOV-2, ESRS 2 GOV-3
Engage with affected stakeholders at all key stages of due diligence	Chapter 4.1.1.2 ESRS 2 GOV-2, chapter 4.1.1.3 ESRS 2 SBM-2 and chapter 4.1.1.4 ESRS 2 IRO-1
Identify and evaluate adverse impacts	Chapter 4.1.1.3 ESRS 2 SBM-3 and chapter 4.1.1.4 ESRS 2 IRO-1
Take action to address such adverse impacts	Chapter 4.1.1.2 ESRS 2 GOV-1, chapter 4.2.2.1 ESRS E1-1, chapter 4.2.2.2 ESRS E1-3, chapter 4.2.3.2 ESRS E2-2, chapter 4.2.4.1 ESRS E4-1, chapter 4.2.4.2 ESRS E4-3, chapter 4.2.5.2 ESRS E5-2, chapter 4.3.1.2 ESRS S1-4, chapter 4.3.2.2 ESRS S2-4, chapter 4.3.3.2 ESRS S3-4 and chapter 4.3.4.2 ESRS S4-4, chapter 4.4.1.2 ESRS G1-1, ESRS G1-2
Monitor the effectiveness of such efforts and communicate	Chapter 4.1.1.2 ESRS 2 GOV-1, ESRS 2 GOV-2, chapter 4.2.2.3 ESRS E1-4, chapter 4.2.3.3 ESRS E2-3, chapter 4.2.4.3 ESRS E4-4, chapter 4.2.5.3 ESRS E5-3, chapter 4.3.1.3 ESRS S1-5, chapter 4.3.2.3 ESRS S2-5, chapter 4.3.3.3 ESRS S3-5, chapter 4.3.4.3 ESRS S4-5, chapter 4.4.1.3 MDR-T

4.1.1.3. Strategy

Strategy, business model and value chain (SBM-1)

About TAP

TAP Air Portugal is the leading airline connecting Europe and Brazil and has been a member of Star Alliance since 2005. Operating since 1945, TAP Air Portugal has its hub in Lisbon, a strategic European gateway at the crossroads with Africa, North, Central and South America. Its core activities relate to passenger and cargo transport, and it is also active in aircraft, engine and component maintenance, aeronautical clinical services and catering services.

TAP has made a clear commitment to fleet modernisation and to offering customers a best-in-class product. The Company operates a young fleet, with a significant proportion of its aircraft already belonging to the Airbus NEO (New Engine Option) generation – Airbus A320neo, Airbus A321neo, Airbus A321LR and Airbus A330neo – delivering significant improvements in energy and environmental performance. The NEO fleet is among the youngest in Europe, with an average age of just 5 years and 4 months. In long-haul operations, more than 90% of aircraft are under seven years old. TAP also operates 19 Embraer aircraft within its regional fleet (TAP Express).

TAP is ranked by Airlines Ratings as the safest airline in Europe. Since 2014, it has been consistently recognised and awarded as Europe's Leading Airline to Africa and Europe's Leading Airline to South America by the World Travel Awards. Since 2018, it has also been consecutively awarded World's Leading Airline to Africa and World's Leading Airline to South America by the same organisation.

Our People

2023	2024	2025
8,838	9,160	9,467

Business Model

In 2025, TAP's network strategy continued to centre on Lisbon Airport (LIS), consolidated as its main hub for transatlantic connections, and Porto Airport (OPO), as a focus city. The airline provides connections to 86 destinations (IATA Summer 2025), across 31 countries, with more than 1,250 weekly flights throughout Europe, Africa, North America and South America. During that year, TAP carried more than 16.7 million passengers, reinforcing the strategic role of Lisbon as a privileged gateway linking Europe, Brazil, the United States and the Portuguese-speaking African countries.

TAP's value proposition is built on delivering a distinctly Portuguese experience, supported by digital solutions focused on convenience, high standards of onboard service and increasing personalisation of the customer journey. The airline offers differentiated products by class – Business and Economy –, including menus created by Portuguese chefs, lounge access, fast-track services, multi-flex fare options, global bookings through GDS (Global Distribution System) and NDC (New Distribution Capability), as well as the renewed TAP Miles&Go loyalty programme, which has 9.5 million members.

TAP's competitive position within the European context is underpinned by a consistent set of structural advantages that sustain its growth and international relevance. The Lisbon hub serves as a natural bridge between Europe, the Americas, Africa and the Middle East, enabling the airline to establish a leading presence in strategic markets, particularly in South America.

In North America, TAP benefits from growing demand and efficient connections to Southern Europe, supported by a highly cost-efficient A321LR fleet. In South America – particularly Brazil – it holds a dominant position, combining A330 aircraft for southern destinations with A321LR aircraft for the Northeast. The medium-haul segment ensures a consistent passenger flow to Lisbon and Porto, while routes to Africa capitalise on cultural, historical and commercial ties, reinforcing TAP's market positioning.

The global network is significantly expanded through strategic alliances. As a member of Star Alliance, TAP has established 36 code-share agreements and more than 100 interline partnerships, extending its coverage to over 200 additional destinations. This partnership ecosystem allows TAP to capture approximately 95% of passenger demand to and from Lisbon, highlighting the high complementarity of the established alliances.

A continued focus on customer experience and innovation is reflected in the positive evolution of the Net Promoter Score (NPS). Improvements in onboard entertainment, Wi-Fi connectivity, punctuality and service quality have earned the airline multiple international recognitions, including awards as the best airline in Europe and worldwide across these performance parameters.

At the operational level, the fleet renewal programme has resulted in one of the youngest and most efficient fleets in Europe, simultaneously contributing to operational efficiency gains and the achievement of environmental objectives. This process will continue with the delivery of A320neo, A321neo and A330neo aircraft.

The Maintenance & Engineering (M&E) division also represents a strategic asset, providing comprehensive support to the airline's fleet as well as to external clients. Its activities cover aircraft, engine and component maintenance, specialised engineering services and laboratories, consistently delivering performance of relevance to the Group.

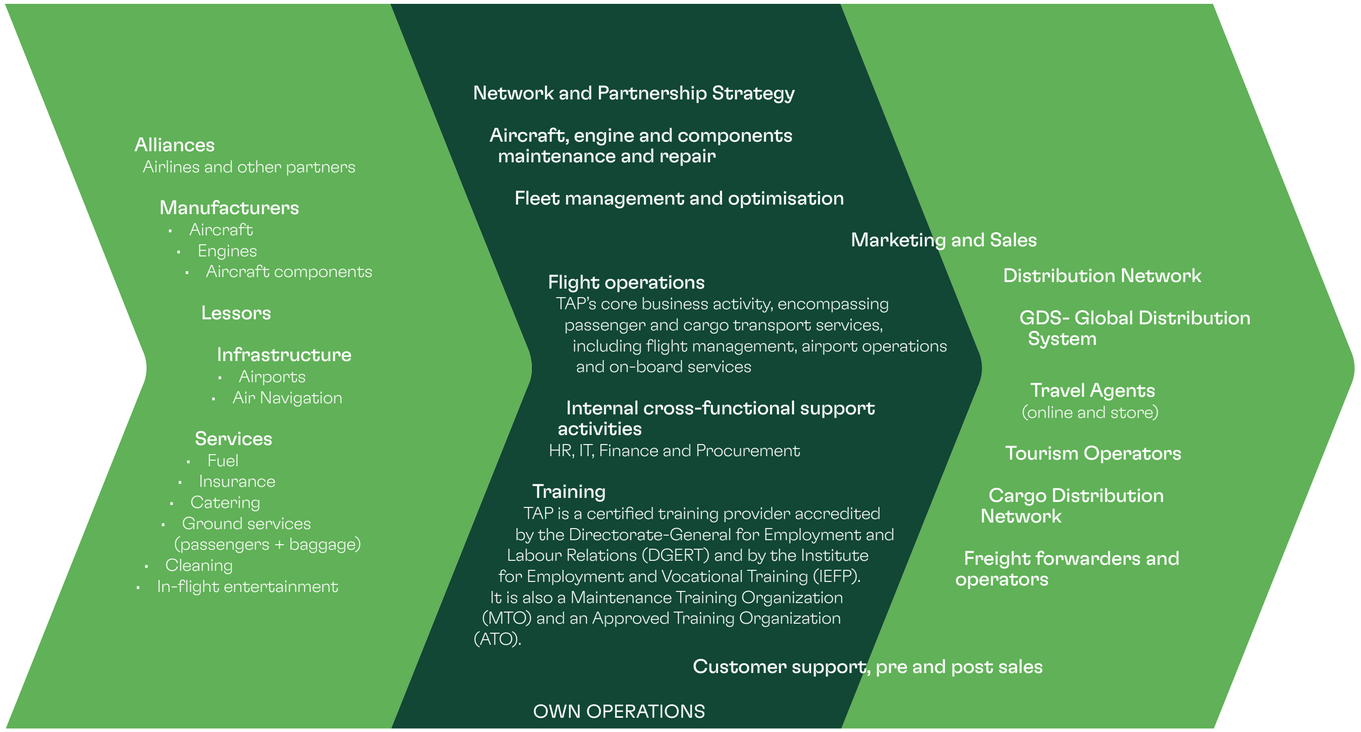
TAP Cargo complements the business model by utilising available passenger aircraft capacity for the transport of cargo and mail across the network, with no operations dedicated exclusively to cargo.

The model is further reinforced by aeronautical clinical services and other healthcare capabilities, provided by UCS – Unidade de Cuidados de Saúde (Health Care Unit), contributing to operational safety and the well-being of employees.

Value Chain

Upstream, TAP's value chain includes a wide range of strategic suppliers, particularly in the areas of fuel, aircraft parts and components, uniforms,

Value Chain



inflight products and services, catering, technology and specialised professional services. These partners play a crucial role in operational reliability, service quality and overall efficiency of the airline.

Downstream, the value created is delivered to passengers, cargo clients, corporate customers, travel agencies, loyalty programme members and local communities. This ecosystem also involves airports, sector authorities and regulatory bodies, such as the Autoridade Nacional da Aviação Civil (National Civil Aviation Authority (ANAC), the European Union Aviation Safety Agency (EASA), the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO), as well as strategic partners through code-share agreements and the Star Alliance.

Within this framework, TAP manages an integrated business ecosystem, characterised by high human capital intensity and environmental impact. This reality underpins the company's cross-cutting adoption of sustainability policies, due diligence processes, and structured risk mitigation mechanisms throughout the entire value chain, ensuring the creation of responsible and long-term value for all stakeholders.

Sustainability in the Business Model

TAP positions sustainability as one of the five strategic pillars guiding its operations, integrating it across its business model, operational performance and competitive positioning. This approach translates into the incorporation of responsible, ethical and resilient management principles in decision-making processes and day-to-day business operations.

The adopted strategic framework is based on a holistic vision, which integrates environmental, social and governance dimensions while simultaneously ensuring economic and financial robustness across the entire value chain. This perspective reflects the belief that sustainable value creation depends on a balanced articulation between operational performance, social responsibility and the mitigation of environmental impacts.

Civil aviation, as a carbon-intensive industry due to its current reliance on fossil fuels and the significant contribution of the value chain to the global carbon footprint, plays a decisive role in economic development and in connecting people, cultures and markets. TAP recognises the impacts of its activities on the economy, communities and the environment, as well as the structural challenges the sector faces in the climate transition process. Within this context, the airline takes responsibility for identifying risks and opportunities, adopting concrete measures to mitigate impacts and ensure that aviation continues to make the world more accessible, progressively promoting global connectivity in a more sustainable manner.

Passenger and cargo air transport, across European and intercontinental routes, forms the core of the Company's business model. This activity simultaneously represents the primary source of value creation and the main vector of sustainability impacts, risks and opportunities. The Group's strategic markets, which are essential for the national economy and the Company's competitiveness, pose additional decarbonisation challenges due to the distances operated and the still limited availability of low-carbon alternative fuels.

To mitigate impacts, progressively reduce emissions, and integrate more sustainable solutions into its corporate strategy, TAP structures its operations around five strategic priorities:

1. *Fleet renewal and modernisation:* The gradual replacement of older aircraft with new-generation models that are more fuel- and emission-efficient is one of the main levers for decarbonisation. In 2025, 58% of the fleet consisted of new-generation aircraft.

2. *Progressive adoption of alternative aviation fuels (SAF):* The incremental incorporation of alternative fuels with a lower carbon footprint aims to reduce the emissions intensity of operations, prioritising feedstocks that do not compromise supply chains or ecosystems. In 2025, SAF accounted approximately 1.28% of total fuel used in flight operations.

3. *Operational optimisation and efficiency:* The implementation of operational efficiency measures – including optimisation of flight profiles, take-off weight management, and the adoption of digital monitoring and continuous improvement tools – has contributed to consistent efficiency gains. Between 2019 and 2025, CO_2 emissions per passenger transported decreased by 12.4%.

4. *Sectoral alignment and strategic cooperation:* Recognising that the aviation sector's transition requires coordinated action, TAP actively participates in national and European initiatives, such as the National Roadmap for Aviation Sector Decarbonisation (RONDA), the Clean Aviation Joint Undertaking (CAJU), the Bio-Ref Lab – Collaborative Biorefinery Laboratory, and the Aviation Sustainability Alliance in Portugal, promoting innovation and accelerating low-carbon solutions.

5. *Emissions offsetting and market mechanisms:* For residual emissions that are difficult to eliminate, TAP utilises complementary instruments, offering voluntary offset programmes targeted at individual, corporate and cargo customers, contributing to a comprehensive and progressive approach to carbon neutrality.

Through these five strategic priorities, TAP strengthens the integration of sustainability into its business model, promoting a transformation pathway aligned with climate commitments and stakeholder expectations.

Sustainability in TAP's strategy

The TAP Group positions sustainability as a core driver of its corporate strategy, aligning it with objectives of competitiveness, financial resilience and long-term value creation. In a post-pandemic recovery context, and in line with national and European Union (EU) priorities for the aviation sector, the adopted strategy is based on the ambition for environmental leadership and the reinforcement of stakeholder engagement.

- **Outlook: the journey to carbon neutrality**
  TAP's sustainability agenda aims to mitigate regulatory, reputational and transition risks, while leveraging opportunities for innovation, efficiency and sustainable growth. The climate transition is approached as a strategic transformation process, essential to ensuring the Group's competitiveness in a sector undergoing profound change.

- **Strategy for the adoption of fuels with a lower carbon footprint**
  Recognising lower-carbon fuels as a central element in decarbonising air transport, TAP is developing a strategy to progressively increase their use over the next decade. This pathway is aligned with the commitment to achieve carbon neutrality by 2050, reducing exposure to risks associated with the structural dependence on fossil fuels.

- **Climate Transition Plan and carbon footprint management**
  In 2025, the Group began developing its Climate Transition Plan, in line with the European Climate Law and the objective of limiting global warming to 1.5 °C, as established in the Paris Agreement. This plan reinforces TAP's commitment to achieving carbon neutrality by 2050 and incorporates multiple decarbonisation scenarios, derived from sensitivity analyses considering various combinations of technological, operational and regulatory factors.
  The methodological framework is based on recognised sector standards, including the Science Based Targets Initiative Aviation Framework, ICAO-defined decarbonisation roadmaps, and key legislative and market trends at European and global levels.
  Reporting of Scope 1, 2 and 3 emissions (with Scope 3 categories 1, 2 and 3 calculated for the first time in 2025) has been implemented. This exercise enhances transparency regarding the carbon intensity of operations and enables structured monitoring of progress achieved.

- **Integration of ESG criteria into the value chain**
  Environmental, Social and Governance (ESG) criteria are progressively being incorporated into supplier registration, qualification and evaluation processes. This integration strengthens supply chain risk management and promotes alignment with international best practices, ensuring consistency between strategic commitments and operational execution.

- **Transparency and regulatory alignment**
  This report represents the first disclosure exercise aligned with the EU Corporate Sustainability Reporting Directive (CSRD), anticipating applicable regulatory deadlines. This early adoption demonstrates the Group's preparedness for new disclosure requirements and contributes to strengthening the confidence of investors and other stakeholders.

- **Cross-functional organisational engagement**
  TAP is embedding ESG principles across all functional areas, fostering an organisational culture oriented towards sustainability. Each business unit is expected to actively contribute to achieving defined objectives, ensuring consistency in execution and the capacity for impactful innovation.
  In 2024, a structured internal process was initiated to share the strategic sustainability vision and define targets and priorities, involving all teams working directly with the Sustainability Department. Concurrently, regular awareness and capacity-building initiatives have been promoted, including themed sessions, masterclasses, and dedicated intranet channels, reinforcing the collective commitment to the Group's sustainable transformation.

Interests and views of stakeholders (SBM-2)

TAP recognises that structured dialogue with stakeholders is essential for developing a robust corporate strategy that is transparent and aligned with market, societal, and regulatory expectations.

The Company maintains active engagement with all stakeholders to understand expectations, identify impacts, risks and opportunities, and foster collaboration. TAP has established diverse communication channels and routines, such as meetings, discussion forums, online platforms, and other initiatives, to listen to and respond to stakeholder needs and concerns.

Customer satisfaction surveys and service co-creation initiatives are carried out with customers. Internal forums, organisational climate surveys and continuous training programmes are promoted with employees. With investors and regulators, formal reporting channels, regular meetings and participation in public consultations are maintained. Local communities in the areas where TAP operates are involved through social and environmental responsibility projects, notably the TAP Donate Miles programme.

Responsibility for stakeholder engagement is distributed across the various areas of the organisation, each responsible for managing specific stakeholder

	Regulatory and Supervisory Entities	Suppliers and Partners	Financial Institutions and Debt Investors	Media and Influencers	Shareholders	Customers	Employees	Community	NGOs/Environment	Trade Unions
TAP Positioning	Maintain an open and transparent dialogue in order to ensure compliance with relevant regulations and standards.	Maintain a transparent relationship and ensure the application of the sustainability principles throughout its value chain.	Ensure compliance with financing agreements by monitoring the Group's ability to meet its commitments to these creditors.	Maintain an open and transparent dialogue with the media and influencers, recognising their significant relevance in shaping public perception and the possible impact on the Group's reputation.	Interact with shareholders to keep them informed about the Group's performance and financial results, listen to their feedback and address their concerns.	Offer a competitive, high-quality product by providing a range of options and value-added solutions for their journeys, together with personalised contact.	Inform, engage and recognise, reinforcing their sense of belonging and the Group's culture.	Reach an increasing number of communities in the destinations where it operates and conducts its activities, assuming a relevant role in driving change within those communities.	Maintain an ongoing, open and transparent relationship with environmental NGOs, with the aim of sharing projects and challenges, listening to their views and obtaining technical guidance.	Maintain a constructive relationship and social dialogue with trade union bodies, with a view to ensuring industrial peace and preventing potential collective labour disputes.
Communication Channels	Opinions, comments, recommendations and reports; regular meetings with relevant entities and European and international organisations; observation of Air Transport Agreement negotiations; assessment of the impact of proposed legislation on the industry.	Corporate website; commercial website (FlyTAP); events with partners (TAP Awards); industry fairs and specialised conferences (BTL, Intermodal, SAGALEXPO, TAP Air Cargo Awards, Aero-Engines Europe, Portugal Air Summit, Aviation Festival); email communication; meetings.	Investor relations section and annual reports on the FlyTAP website; email communication; quarterly results conference call; in-person meetings; investors road shows.	Press releases; media events; social media platforms; interviews; FlyTAP website.	FlyTAP website; Investor Relations Department; General Meeting; annual reports; meetings; email communication; press releases; social media platforms.	FlyTAP website; TAP app + push notifications; email; marketing communications; SMS; Contact Centre; events and trade fairs; social media; ground product (retail shops and airport services) and onboard product (IFE – Inflight Entertainment); NPS (Net Promoter Score.	Intranet; internal myTAP app; TAP TV; DOV Portal; TAP Contigo; regular newsletters; internal sessions (delivered remotely or in person, such as TAP Talks); Great Place to Work Survey.	FlyTAP website (including dedicated pages for TAP Miles&Go and the TAP Donate Miles programme); internal MyTAP app; social media; press releases; newsletters; TAP Cargo website; TAP ForBiz website; and the corporate website.	Regular meetings; issuance and sharing of opinions and position statements.	Regular meetings; working groups; emails; letters; communications.

groups and topics. This engagement aims to ensure that TAP's sustainability strategy addresses stakeholders' concerns, strengthens mutual trust and promotes a process of continuous improvement, while also serving as the basis for the Double Materiality assessment. TAP's governing and management bodies receive regular information regarding stakeholder management and their expectations within the framework of the sustainability strategy, its respective action plans and the internal management targets established for material topics.

TAP recognises that understanding stakeholders' interests and perspectives is essential to aligning its business strategy and business model with social and economic expectations, as well as to ensuring an effective response to emerging risks and opportunities.

This understanding is ensured through a regular and consistent engagement matrix, culminating in the Double Materiality analysis carried out in accordance with the Corporate Sustainability Reporting Directive (CSRD). The topics identified as material, with the participation of stakeholders, influence the Group's sustainability strategy and are subject to action plans designed to strengthen TAP's positioning in these areas.

TAP has strengthened its internal monitoring and accountability mechanisms in order to ensure that stakeholders' concerns are effectively considered in risk management, investment decisions and strategic decision-making.

Own workforce

TAP recognises its employees as a central element of its strategy, operations and sustainable value creation. The Group promotes continuous dialogue with its workforce through direct channels (organisational climate surveys and internal communication channels, both digital and in person) and indirect channels (such as the Workers' Committee and Trade Unions), ensuring that their perspectives inform strategic decisions, namely in relation to training, employee benefits, and health and safety.

TAP operates in accordance with high human rights standards, the respect for which constitutes a fundamental principle of its activities, as reflected in its Code of Ethics and Conduct and its Human Rights Policy. These are aligned with the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organization. These policies ensure, among other aspects, the prohibition of any form of discrimination, the promotion of equal opportunities, freedom of association and collective bargaining, as well as the protection of occupational health and safety.

In 2025, approximately 80% of employees were covered by specific Company Agreements, with the remaining employees covered by Internal Regulations that establish a common baseline across the Company Agreements with regard to their most relevant provisions. During 2025, training actions in ethics and integrity were delivered to 4,518 participants. Skills development initiatives carried out in 2025 totalled more than 477 thousand hours of training. Additionally, diversity and inclusion initiatives contributed to maintaining female representation in leadership positions at 47%.

These commitments and results demonstrate how TAP ensures that the protection of human rights and the consideration of the interests and perspectives of its workforce are not merely ethical commitments, but fundamental pillars for the implementation of its corporate strategy and for the sustainability of its business.

Workers in the Value Chain

TAP recognises that workers throughout its value chain play a critical role in the delivery of safe, efficient and high-quality services.

The impacts and risks identified as material in the Double Materiality assessment, related to workers' health and well-being because of their working conditions, have been directly and indirectly influencing the Group's short, medium and long-term strategy.

In 2025, TAP initiated an ESG supplier qualification process, which will serve as the foundation for a collaborative approach aimed at promoting and monitoring good practices within the value chain and prioritising partners that implement them.

Additionally, TAP intends to integrate sustainability criteria into supplier evaluation and contracting processes, focusing on the development of long-term partnerships with suppliers committed to sustainable practices to mitigate reputational and operational risks, as well as to strengthen the resilience of the value chain.

Affected Communities

Air operations directly impact communities located near airports, primarily due to aircraft noise. At the same time, the existence of corporate social responsibility policies and initiatives, focused on community support actions and assistance to non-profit organisations, constitutes a significant positive impact on affected communities.

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The contributions of impacted communities are incorporated into the definition of TAP's operational and strategic policies, namely through its Sustainability Policy.

Consumers and End-Users

TAP adopts practices to ensure that customers' needs, expectations and rights are consistently considered in decision-making processes and in the design of products and services.

TAP provides satisfaction surveys to measure the Net Promoter Score (NPS), 24/7 customer service channels (call centre, app, website and social media), digital feedback platforms, loyalty programmes (which enable the collection of opinions on products and services) and a frontline employee listening programme.

The information collected is analysed and has supported both strategic and tactical decision-making. It has been used in the development of products and services aligned with passengers' expectations; in the definition of customer experience plans prioritising comfort, punctuality and transparency; in accessibility and inclusion programmes; and in consumer-driven innovation through fleet modernisation and improvements to onboard services.



Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

TAP continuously assesses the relevant impacts, risks and opportunities that influence its business model, value chain, strategy and decision-making processes, in order to proactively adapt to a rapidly evolving regulatory, environmental and social context. The Group continuously monitors its operational business model, not only to mitigate risks but also to create competitive advantages in a sector undergoing transition.

The Double Materiality process, described in Chapter 4.1.1.4 ESRS 2 IRO-1, identified risks such as increased costs related to the mandatory and voluntary use of alternative fuels with a lower carbon footprint, namely Sustainable Aviation Fuel (SAF); compliance with European decarbonisation requirements; and the growing incidence of extreme weather events that may affect operations. Conversely, opportunities exist in technological innovation, the use of more efficient aircraft, alternative fuels, and the enhancement of internal talent and diversity.

This process enabled the identification of the links between impacts and dependencies, as well as the risks and opportunities associated with each of these factors. Time horizons and positioning within the value chain were also mapped, ensuring a structured approach aligned with the Group's strategy and business model.

Dependence on fossil fuels remains a critical challenge for the sector, and future competitiveness depends on the integration of SAF and fleet renewal with more efficient aircraft. This entails increased pressure on suppliers to secure alternative fuels with a lower environmental footprint that are economically viable. TAP has focused its investments on fleet modernisation and the implementation of operational efficiency measures, notably through the incorporation of new-generation aircraft (A320neo, A321LR and A330neo) and the optimisation of operations and routes, particularly through monitoring software and the optimisation of operational procedures.

Additionally, since 2009, TAP's voluntary carbon dioxide (CO_2) offsetting programme has provided passengers with the opportunity to calculate the CO_2 emissions associated with their journey. In 2024, this programme was expanded to include corporate and cargo customers, responding to the growing need to better understand, in greater detail, the emissions linked to their activities.

Looking ahead, TAP has identified as a priority the progressive integration of alternative fuels with a lower carbon footprint, in alignment with European regulatory requirements. Analyses are also underway to establish strategic partnerships with producers of synthetic fuels, as well as to promote research and innovation initiatives in more sustainable aviation technologies.

In this context, TAP has implemented the necessary adjustments to its strategy and business model and has further strengthened its internal sustainability governance through the creation of a Sustainability Committee, reporting directly to the Board of Directors. This Committee is supported by multidisciplinary working groups responsible for managing material topics and integrating sustainability risk management, particularly those related to climate.

The exercise reported this year identifies new topics and consolidates others previously reported in 2024. The main changes arise from the materialisation of topics relating to energy, air pollution and biodiversity within the environmental sphere; working conditions, the impact of noise on communities, talent scarcity and technical capability-building within the social sphere; and sustainability due diligence processes within the supplier chain in the governance sphere.

ENVIRONMENT	IRO	+/-	R/P	OP/CV
ESRS E1: Climate change				
Climate change adaptation				
Financial impacts associated with damage caused by extreme weather events on TAP's flight operations and infrastructure.	RI		P	Both
Climate change mitigation				
Worsening climate change due to GHG (Greenhouse Gas) emissions resulting from the use of fossil fuels, both in operations and in the vehicle fleet and facilities (e.g. corporate premises and maintenance).	I	-	R	Both
Worsening of climate change resulting from GHG emissions across the value chain, both upstream and downstream of operations (e.g. purchased materials, uncontrolled upstream and downstream transport).	I	-	R	VC
Worsening of climate change through the release of gases/chemicals during flight operations (e.g. contrails, nitrogen oxides).	I	-	R	OP
Contribution to climate change mitigation at aviation sector level through active participation in the development of sustainable aviation fuels.	I	+	P	Both
Financial impact associated with increasing requirements under binding carbon markets (e.g. EU Emissions Trading System (ETS)), such as GHG emission caps and the price of emission allowances.	RI		R	Both
Increased operating costs and revenue reduction due to the large-scale use of SAF, resulting in higher costs for TAP.	RI		P	Both
Opportunity associated with innovation and the development of SAF and other lower-carbon technologies for flight operations.	O		P	Both
Energy				
Costs associated with fluctuations in energy and fuel prices.	RI		P	Both
Consumption of fossil-based energy resources (e.g. aviation fuel).	I	-	R	OP
ESRS E2: Pollution				
Pollution of air				
Impact on human health resulting from atmospheric pollutant emissions in operations (e.g. maintenance and airport operations) and in the value chain (e.g. passenger transport to airports).	I	-	R	Both
ESRS E4: Biodiversity and ecosystems				
Direct impact drivers of biodiversity loss				
Contribution to biodiversity loss due to the impact of TAP on the worsening of climate change (through GHG emissions), one of the direct factors of biodiversity loss.	I	-	P	Both
Impacts on the extent and condition of ecosystems				
Contribution to the degradation of ecosystems due to pressures generated (e.g. pollution, resource scarcity) by material extraction activities in the value chain and TAP Group operations (e.g. aircraft manufacturing, fossil fuel production, maintenance).	I	-	P	Both
ESRS E5: Circular economy				
Resource inflows, including resource use				
Consumption of raw materials and non-renewable materials used in TAP's operations.	I	-	R	Both
Waste				
Production of hazardous waste in TAP's own operations (e.g. maintenance and UCS services).	I	-	R	Both
Production of non-hazardous waste in TAP operations (e.g. food waste, packaging waste (on board) and other waste in TAP operations).	I	-	R	Both

SOCIAL	IRO	+/-	R/P	OP/CV
ESRS S1: Own workforce				
Working conditions				
Access to skilled labour and competitiveness in attracting and retaining talent.	RI		R	OP
Workers' health and safety due to occupational accidents and exposure to physical health risk factors.	RI		P	OP
Absenteeism associated with sick leave in operational roles, affecting TAP's flight operations.	RI		P	OP
Internal recruitment and technical training of current employees.	O		P	OP
Equal treatment and opportunities for all				
Continuous employee development through general and aviation-specific technical training, driving efficiency gains and innovation.	I	+	R	OP
Promotion of diversity and inclusion in own operations and value chain, reinforcing innovation and creativity.	O		P	Both
ESRS S2: Workers in the value chain				
Working conditions				
Potential negative impacts on the health and well-being of value chain workers due to working conditions (e.g. wages, health and safety, working time).	I	-	P	VC
ESRS S3: Affected communities				
Communities' economic, social and cultural rights				
Existence of corporate social responsibility policies and initiatives, with a focus on supporting community actions and non-profit organisations.	I	+	R	OP
Increased vulnerability of communities, with impacts on quality of life due to airport and aviation sector operations (e.g. noise pollution).	I	-	R	Both
ESRS S4: Consumers and end-users				
Personal safety of consumers and/or end-users				
Contribution to the safety of passengers and crew on board, due to the existence of robust safety procedures in TAP's operations.	I	+	P	Both
Information-related impacts for consumers and/or end-users				
Risk associated with potential cyber-attacks compromising consumer privacy and data.	RI		P	Both

GOVERNANCE	IRO	+/-	R/P	OP/CV
ESRS G1: Business conduct				
Corporate culture				
Potential financial damage due to ineffective control of corporate policies, procedures and practices.	RI		P	OP
Need to adapt to an evolving legal environment.	RI		P	OP
Management of relationships with suppliers including payment practices				
Reputational damage related to the absence of supplier sustainability due diligence procedures.	RI		P	Both

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

The main policies, actions, targets and metrics associated with the management of these impacts, risks and opportunities are referenced in the respective environmental, social and governance thematic sections throughout the Sustainability Statement. The linkage between each impact, risk or opportunity and TAP's Strategy is also detailed in the specific sections of this report.

Committed to leading a sustainable aviation business, TAP recognises the United Nations Sustainable Development Goals (SDGs) as an inspiration for implementing and operationalising the 2030 Agenda. The Company values and actively seeks to contribute to all 17 SDGs, with particular focus on those related to Affordable and Clean Energy, Climate Action, Responsible Consumption and Production, Decent Work and Economic Growth, and Partnerships for the Goals, which have been identified as the most relevant and material to the business. This takes into account both the positive impact of its activities and the awareness of the negative impact for which the Company bears responsibility to mitigate.

Financial implications

TAP intends, over the coming years, to develop quantitative analysis of the current and potential financial effects of material risks and opportunities on the Group's financial position and performance.

Resilience of the strategy and business model

TAP has not conducted a formal resilience analysis of its business model or strategy from the perspective of sustainability risks or financial impacts. Empirically, and based on the Double Materiality analysis undertaken, TAP considers that its strategy demonstrates adequate resilience to address the identified challenges and to capitalise on emerging opportunities. In this context, particular emphasis is placed on efforts in fleet renewal with new-generation aircraft, mitigating exposure to rising costs associated with emission allowances; the progressive integration of lower-carbon fuels in line with European regulatory targets, reducing non-compliance risks and analysing potential production partnerships; and operational efficiency programmes, which enable reductions in both operating costs and greenhouse gas emissions.

4.1.1.4. Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

In 2024, TAP conducted a Double Materiality analysis to identify the most relevant sustainability topics for its activities and stakeholders. The exercise, completed at the end of that year, was carried out in accordance with the methodology defined by the European Union's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This ensured that both the perspective of the company's impact on people and the environment, and the impact of sustainability topics on the company's financial performance – including cash flows, performance and financial position – were properly considered. This analysis marked a transition from the previous year, in which TAP only performed impact-based materiality assessments, and forms the basis for the first year of sustainability reporting aligned with CSRD and ESRS requirements, thereby establishing a more robust, comprehensive process in line with regulatory and stakeholder expectations.

The assessment started from a comprehensive initial list of ESG (Environmental, Social, and Governance) topics, built from the full catalogue in Appendix A of ESRS 1 (AR 16), supplemented by a research exercise focused on companies in the aviation sector. This process ensured that, beyond regulatory requirements, sector-specific aspects relevant to TAP were also taken into account.

In an initial phase, contextual work was carried out through internal meetings and analysis of supporting documentation, which enabled the construction of a shared understanding of potential impacts, risks and opportunities. The stakeholder mapping (employees, customers, regulators, business partners, strategic suppliers and representatives of civil society) made it possible to identify not only TAP's direct interlocutors but also those who could be affected, positively or negatively, by its activities or value chain.

This was followed by an active stakeholder consultation phase, which included structured engagement sessions. This dialogue was essential to validate perceptions of current and potential impacts, confirm critical dependencies, and understand emerging social and environmental expectations. In this way, it was ensured that the assessments reflected not only internal analysis but also the contribution of diverse external perspectives.

TAP structured the assessment around specific criteria, aligned with CSRD and ESRS, applied differently depending on whether the focus was on environmental or social impacts, or on financial risks and opportunities.

ESRS	ODS	Topic	Subtopic
ESRS E1		Climate change	Climate change adaptation
			Climate change mitigation
			Energy
ESRS E2		Pollution	Pollution of air
ESRS E4		Biodiversity and ecosystems	Direct impact drivers of biodiversity loss
			Impacts on the extent and condition of ecosystems
ESRS E5		Resource use and circular economy	Resource inflows, including resource use
			Waste
ESRS S1		Own workforce	Working conditions
			Equal treatment and opportunities for all
ESRS S2		Workers in the value chain	Working conditions
ESRS S3		Affected communities	Communities' economic, social and cultural rights
ESRS S4		Consumers and end-users	Information-related impacts for consumers and/or end-users
			Personal safety of consumers and/or end-users
ESRS G1		Business conduct	Corporate culture
			Management of relationships with suppliers including payment practices

For impact materiality, three central criteria were considered to determine impact severity:

- **Scale**: measures the gravity of the impact on people or the environment. An impact with very significant effects on health, safety, biodiversity or human rights will receive a higher score.
- **Scope**: assesses the extent of the impact, i.e., how many people, communities or ecosystems are affected. A localised impact may have a limited scope, while one affecting multiple geographies or a large number of stakeholders will have an extended scope.
- **Irremediability (only for negative impacts)**: considers the extent to which the impact can be reversed or compensated. Impacts such as greenhouse gas emissions or biodiversity loss tend to be more difficult to remediate, increasing their irremediability.

In the analysis, the severity of actual impacts results from the combination of scale and scope. For potential impacts, severity is further multiplied by the **likelihood** of occurrence.

For financial materiality, TAP used criteria that reflect potential economic effects:

- **Magnitude**: expresses the scale of the financial effect, measuring how much a risk or opportunity could influence cash flows, costs, revenues or access to financing.
- **Likelihood**: assesses the probability of the risk or opportunity materialising. A high-magnitude risk with low probability does not carry the same weight as a moderate risk that is highly likely.

The application of these criteria allowed the creation of a common assessment framework, ensuring consistency across different areas and topics. In both cases, impacts and risks/opportunities, TAP defined any topic scoring 2.5 or higher on a scale of 1 to 5 as material.

In 2025, following a period of reflection and maturation of the results, TAP reviewed its Double Materiality analysis before consolidating the outcomes. This additional process allowed the confirmation and validation of the identified material topics, culminating in the definition of the themes that guide the Group's sustainability strategy and reporting.

This process resulted in the identification of 16 material subtopics (8 environmental, 6 social, 2 governance), listed below, which form the basis of TAP's sustainability strategy and reporting. In some cases, the assessment led to the elimination or reclassification of certain impacts, risks and opportunities, reinforcing the linkage between critical dependencies and potential financial effects.

The governance of this process is ensured by the Sustainability Committee, which approved the final assessment and oversees the monitoring of projects and initiatives related to the management of material topics. The Committee also ensures integration into the company's overall risk management framework. The identification and assessment phases of impacts, risks and opportunities were carried out with significant involvement from the Group's operational areas. Likewise, the identified opportunities – such as investments in alternative aviation fuels with a lower carbon footprint, technological innovation or energy efficiency programmes – are reported to the Executive Committee and considered within strategic planning and capital allocation processes.

TAP is committed to reviewing this assessment whenever material events occur that justify an update, ensuring that sustainability topics accurately reflect the most relevant impacts, risks and opportunities for the company and for society.

Identification and Assessment of Impacts, Risks and Opportunities related to Climate Change (ESRS E1)

Climate change constitutes the most material topic for TAP, reflecting the carbon-intensive nature of the aviation sector. During the Double Materiality analysis, all categories of TAP's assets and activities, in Portugal and internationally, as well as those across its value chain, were mapped to identify potential impacts, risks and opportunities. In this first year of CSRD application by TAP, climate scenarios were not considered for the purpose of determining the magnitude of risks and opportunities.

The main material impacts identified are associated with greenhouse gas emissions resulting from the combustion of jet fuel in flight operations and ground testing, as well as the formation of contrails and cirrus clouds (composed of water vapour, nitrogen oxides and aerosols) at high altitudes, which directly contribute to heat absorption in the atmosphere. The first impact also extends across the value chain, from the production and transport of fuels, such as jet fuel, used in TAP's operations, to the decommissioning of end-of-life assets. These impacts are actual and have short, medium and long-term consequences.

TAP faces material physical risks related to extreme weather events (such as storms, strong winds and thunderstorms), with direct impacts on flight operations; an increased frequency of heatwaves, affecting aircraft performance and passenger comfort; changes in precipitation patterns (such as heavy rainfall and flooding), associated with the risk of disruption to airport operations; and rising mean sea levels, posing a long-term risk to coastal airport infrastructure. The materiality assessment of these physical risks considered their likelihood of occurrence, magnitude, potential duration and the geographical location of assets.

Material transition risks also arise from the tightening of international and European climate policies, notably the increase in the price of emission allowances under the EU Emissions Trading System (EU ETS); the implementation of the ReFuelEU Aviation Regulation, which establishes mandatory blending quotas for lower-carbon alternative aviation fuels, also known as Sustainable Aviation Fuel (SAF), in flight operations; and heightened transparency requirements in ESG reporting stemming from directives and regulations such as the CSRD, ESRS, the Corporate Sustainability Due Diligence Directive (CSDDD) and others. In parallel with regulatory pressures, additional costs may result from the need to increase SAF incorporation in operations, the possible introduction of new environmental taxes on air transport, and potential loss of business due to growing competition from low-carbon transport modes (e.g. high-speed rail on short-haul routes). Furthermore, the full decarbonisation of the aviation sector will require the progressive replacement of the aircraft fleet with aircraft compatible with emerging technologies, such as hydrogen and electric propulsion for regional routes, entailing significant corporate investment.

Conversely, TAP is a founding member of CoLAB BIOREF – Collaborative Laboratory for Biorefineries, a private, non-profit association whose primary objective is to identify sustainable alternatives to fossil fuels across various economic sectors. About lower-carbon alternative aviation fuel projects (SAF), TAP remains focused on actively contributing to the country's energy transition, exploring strategic options through projects and/or partnerships that act as enablers of the decarbonisation journey towards carbon-neutral operations by 2050. At the same time, TAP participates in major national and European initiatives, notably the National Roadmap for the Decarbonisation of Aviation (RONDA) and the Clean Aviation Joint Undertaking (CAJU), aimed at accelerating the development of innovative technologies with emissions reduction potential. Through its involvement in these collaborative initiatives, TAP reinforces its commitment to the decarbonisation of the aviation sector, contributing to the creation of enabling conditions that support the transition to low-carbon operations.

Regarding the energy subtopic, negative impacts and material risks were identified in connection with TAP's strong dependence on fossil fuels (primarily jet fuel) and their price volatility, factors that directly affect operating costs and the Company's competitiveness. Geopolitical instability and evolving global energy policies further increase uncertainty regarding jet fuel prices, representing a significant threat to financial predictability.

Identification and Assessment of Pollution-Related Impacts, Risks and Opportunities (ESRS E2)

In assessing the topic of pollution, TAP considered the entirety of its assets and operations across the value chain, and as previously mentioned, consulted several external stakeholders. Although communities potentially affected by pollution were not directly consulted, the external stakeholders involved possessed sufficient technical and scientific expertise to serve as appropriate representatives.

Regarding pollution, an impact on human health was identified arising from atmospheric pollutant emissions generated by TAP's flight and airport

operations, including aircraft operations, airport activities and maintenance, as well as across the value chain, for example during the transport of passengers and cargo to and from the airport. This impact is transversal to all TAP operations and is present in all locations from and to which TAP operates, being more concentrated in Lisbon, the city hosting Humberto Delgado Airport, where TAP accounts for the majority of airport movements.

Identification and Assessment of Impacts, Risks and Opportunities related to Water and Marine Resources (ESRS E3)

Although flight operations are not water-intensive, water is an essential resource in aircraft maintenance activities, catering services and facility sanitation. Impacts may arise from significant water use in regions subject to water scarcity and from the risk of effluent discharges. However, at TAP level, such impacts were not classified as material, given that the supply of water of the required quality is not considered to be at risk. Similarly, no identified financial risks or opportunities were deemed materially relevant to operations.

Identification and Assessment of Impacts, Risks and Opportunities related to Biodiversity and Ecosystems (ESRS E4)

During the Double Materiality analysis, TAP assessed the location of its assets and operations, considering their respective interactions with surrounding biodiversity and ecosystems. Within the scope of its activities, the Group does not manage infrastructure located in biodiversity-sensitive areas. However, it operates at airports situated in proximity to such areas, such as Faro Airport, adjacent to the Ria Formosa Natural Park, and Porto Santo Airport, located near a UNESCO Biosphere Reserve. In carrying out its operational activities, TAP complies with all standards and procedures established by the competent authorities regarding the minimisation of potential impacts on habitats. It also seeks to coordinate with airport managing entities in the implementation of additional measures undertaken by them. About maintenance activities conducted in Portugal at TAP facilities, the Company ensures full compliance with all legally applicable environmental and industrial licensing requirements. Any significant modification to such facilities is subject to prior assessment by the licensing authority, which defines the necessary mitigation measures to minimise environmental impacts associated with maintenance activities.

Accordingly, the most relevant and material impact associated with TAP's operations arises indirectly from greenhouse gas emissions generated by its activities, which contribute to climate change. In turn, climate change accelerates ecosystem loss, weakens species and reduces environmental resilience at both local and global levels.

As previously mentioned, TAP operates within an economic sector that contributes significantly to climate change due to the intensive use of fossil fuels (jet fuel) in its daily operations and the emission of gases at altitudes that meaningfully affect average atmospheric temperatures. The effect of global warming, which directly leads to sustained changes in the global climate, results in biodiversity and ecosystem disruptions that may become irreversible. Similarly, due to the intensive need for materials and raw materials—whether fuels or others—their upstream extraction and procurement may lead to ecosystem degradation in countries where oversight of such operations is limited or where applicable environmental legislation is less stringent.

Identification and Assessment of Impacts, Risks and Opportunities related to Resource Use and Circular Economy (ESRS E5)

In assessing the topic of resource use, TAP considered the entirety of its assets and operations across the value chain and as previously mentioned, consulted various external stakeholders. The material negative impacts identified are related to the consumption of raw materials and non-renewable materials in TAP's flight and maintenance operations, as well as the generation of hazardous and non-hazardous waste in airport and flight operations and in the service activities of the UCS medical unit. These impacts also extend across the value chain.

In this context, regarding the consumption of materials and raw materials, particular emphasis is placed on the resources required for the maintenance of TAP's assets, including aircraft components (with a high metal content) and chemical products, which are considered high risk due to their hazardous nature and non-renewability. Additionally, catering materials are also relevant, including single-use plastics, aluminium and paper/cardboard.

Identification and Assessment of Impacts, Risks and Opportunities related to Business Conduct (ESRS G1)

Business conduct is of major relevance to TAP, operating in a highly regulated global sector subject to public scrutiny. Within the Double Materiality analysis, risks related to business conduct and supplier management were identified. These risks are associated with potential financial damage arising from ineffective control of recent corporate policies, procedures and practices, whose control mechanisms are still being implemented, and the need to adapt to an evolving legal environment, whether environmental or social in nature. They also include potential reputational damage resulting from the absence of robust sustainability due diligence procedures for suppliers.

Disclosure requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

Based on the results obtained through the Double Materiality analysis, it was possible to determine the ESRS disclosure requirements to be included in this Sustainability Statement. The table summarising the disclosure requirements considered can be found in the annex to the Statement, in Chapter 4.5.1 List of disclosure requirements observed in the preparation of the Sustainability Statement.

In addition, the table containing all data points arising from other European Union legislation, as listed in Appendix B of ESRS 2, can also be consulted in the annex to the Statement, in Chapter 4.5.2 Data points stemming from other EU legislation.

4.2. Environmental Information

4.2.1. Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Context

The European Taxonomy Regulation (Regulation (EU) 2020/852) was introduced in 2020 by the European Parliament and the Council as part of a framework to promote sustainable investment aligned with the European Green Deal. The Taxonomy establishes a classification system for economic activities considered environmentally sustainable and primarily aims to direct investment towards such activities.

For an activity to be considered environmentally sustainable, it must

1. Contribute substantially to one of the six environmental objectives:
   i. Climate change mitigation;
   ii. Climate change adaptation;
   iii. Sustainable use and protection of water and marine resources;
   iv. Transition to a circular economy;
   v. Pollution prevention and control;
   vi. Protection and restoration of biodiversity and ecosystems.
2. Do no significant harm to any of the other environmental objectives.
3. Comply with minimum social safeguards.

Regulation (EU) 2020/852 further establishes a set of reporting indicators that non-financial undertakings must disclose to demonstrate alignment with the Taxonomy. These indicators include turnover, capital expenditure (CapEx) and operating expenditure (OpEx) related to activities considered Taxonomy--eligible and/or Taxonomy-aligned.

Since 2023, all six environmental objectives have been regulated. On 21 November 2023, the European Taxonomy Regulation adopted Delegated Regulation (EU) 2023/2485 of 27 June 2023, which amended Delegated Regulation (EU) 2021/2139 and introduced a new set of EU Taxonomy criteria applicable to economic activities that substantially contribute to one or more non-climate environmental objectives, namely the sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems (Objectives III to VI).

Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amends Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486, simplifying the content and presentation of the information to be disclosed regarding environmentally sustainable activities, as well as certain technical screening criteria related to the "do no significant harm" principle. In alignment with this new Delegated Regulation, the TAP Group will apply the amendments from the 2025 reporting year onwards.

Eligibility and Technical Alignment Assessment

For an economic activity to be considered Taxonomy-eligible, it must be included in either the Climate Delegated Act or the Environmental Delegated Act.

In the reporting year 2025, the eligible activities are as follows:

MAC 3.21 Manufacture of aircraft, including the manufacture, repair, maintenance, overhaul, retrofitting, design and upgrading of aircraft, as well as aircraft parts and equipment.
MAC 6.5 Transport by motorcycles, passenger cars and light commercial vehicles.
MAC 6.19 Passenger and freight air transport.
MAC 7.3 Installation, maintenance and repair of energy efficiency equipment.
MAC 7.4 Installation, maintenance and repair of electric vehicle charging stations installed in buildings (and associated parking spaces).
MAC 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and monitoring the energy performance of buildings.
MAC 7.7 Acquisition and ownership of buildings.
MAC 8.1 Data processing, hosting and related activities.
ratamento de dados, alojamento de informação e atividades conexas.

In accordance with the outcomes of the Omnibus I initiative, which aims to simplify the scope and complexity of sustainability disclosures, the assessment of the technical screening criteria for alignment may be waived for activities that, taken together, cumulatively represent less than 10% of the total financial metrics assessed (Turnover, CapEx and OpEx), as reflected in Commission Delegated Regulation (EU) 2026/73.

In light of this update, the Group has opted to exclude from its alignment assessment the activities MAC 6.5, MAC 7.3, MAC 7.4, MAC 7.5, MAC 7.7 and MAC 8.1, as, collectively, these represent less than 10% of Taxonomy-related Turnover, CapEx and OpEx.

Minimum Safeguards

The Taxonomy Regulation defines minimum safeguards as "alignment with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the International Bill of Human Rights". To assess such alignment, and in accordance with the Final Report on Minimum Safeguards published by the European Commission's Platform on Sustainable Finance, undertakings must evaluate the topics of Human Rights, Corruption, Taxation and Fair Competition.

The Group conducts its activities in line with the fundamental principles of Human Rights and Labour Practices of the UN Global Compact, integrating them into its values and internal policies. Its Diversity and Inclusion Policy promotes a culture of respect and appreciation for diversity, rejecting any form of discrimination, while the TAP Group Code of Ethics and Conduct establishes the values, principles and ethical practices that must be observed and complied with by all. In addition, in 2025, the TAP Group Human Rights Policy was approved and published. Its purpose and commitment are to respect, support and protect Human Rights, promoting ethical, responsible and sustainable business practices throughout its operations and value chain. For more detailed information on these policies, please refer to chapters 4.3.1.2 ESRS S1-1 and 4.3.2.2 ESRS S2-1.

The Group implements measures to prevent or mitigate potential adverse human rights impacts, requiring business partners to provide assurances regarding compliance with its Code of Conduct, and may take action to cease any actual adverse impacts identified. It also provides a whistleblowing mechanism, namely the Ethics Conduct Channel, accessible to all internal and external stakeholders, enabling the submission of reports concerning potential or actual human rights violations across its operations, subsidiaries and value chain. The Group ensures a transparent procedure for handling such reports and informs relevant stakeholders about its functioning. Further details are available in chapter 4.3.1.2 ESRS S1-2.

It is also relevant to note that all employees are covered by collective bargaining agreements or internal regulations, ensuring conditions, principles and benefits that exceed the minimum requirements established under labour legislation. Nevertheless, as at 31 December 2025, there were outstanding labour proceedings following court decisions unfavourable to the Group and the inability to regularise them before the end of the relevant financial year.

With regard to corruption, the Group is a signatory to the UN Global Compact's Call to Action on Anti-Corruption, which encourages the public and private sectors to promote transparency, integrity and good governance measures by governments, thereby fostering the adoption of its Principle 10, according to which "businesses should work against corruption in all its forms, including extortion and bribery". Through its Code of Ethics and Conduct and its Anti-Corruption Policy, the Group adopts a zero-tolerance approach to any form of fraud, corruption, bribery, money laundering, terrorist financing and any other criminal offences, committing to maintain internal control procedures appropriate for the prevention and detection of non-compliance. Any identified irregularity may be reported through the Ethics Conduct Channel.

In terms of corruption, the Group promotes measures of transparency, integrity and good governance, thereby encouraging the adoption of Principle 10 of the UN Global Compact Anti-Corruption Call to Action, according to which "organisations should work against corruption in all its forms, including extortion and bribery".

In this context, various initiatives have been consolidated with the objective of preventing acts of corruption within the organisation and, simultaneously, strengthening the ethical culture of the Group and of all those who engage with it, based on the principles of integrity, accountability and transparency. Emphasis is placed on the publication of the Business Integrity Policies, the preparation of the Corruption and Related Offences Risk Prevention Plan (PPR), and the respective Annual and Interim PPR Assessment Reports, all of which are available on the corporate website.

The Group has a dedicated Tax Department responsible for the monitoring and management of all tax matters, with the mission of ensuring strict compliance with reporting obligations, the planning and structuring of tax issues, as well as providing clarification and collaboration with stakeholders and competent tax authorities. This department works in close coordination with other areas of the TAP Group to ensure that all matters with potential tax impact are properly addressed and managed.

Regarding fair competition, the TAP Group conducts its activities in accordance with its Code of Ethics and Conduct, which establishes the principles and practices guiding the ethical behaviour of all employees. The Code is widely disseminated and promoted through communication and training initiatives, with particular emphasis on the topic of Relations with Competitors, reinforcing the Group's commitment to compliance with competition law and to the proper functioning of the market economy.

KPI Disclosure

The TAP Group is not aligned with the Minimum Safeguards in the current year, due to the inability to finalise the regularisation of labour-related cases by 31 December 2025. Consequently, the 2025 alignment exercise is limited to 0% alignment. Nevertheless, the Group presents the reporting tables ("Proforma Tables") below, prepared under the assumption of full compliance with the aforementioned Minimum Safeguards.

KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year (2024)	Proportion of Taxonomy-aligned activities in previous financial year (2024)
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
	€	%	€	%	%	%	%	%	%	%	%	%	%	€	%
Turnover	4,313,491,017	99.0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%
CapEx	625,695,469	95.1%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.9%	0	0%
OpEx	4,087,183,574	9.8%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	3.7%	0	0%

In the context of the applicability of the EU Taxonomy Regulation, the Group discloses below the proportion of eligible and non-eligible economic activities in relation to total Revenue (Turnover), CapEx, and OpEx for the 2025 financial year.

Net Turnover

Economic Activities	Code	Proportion of Taxonomy-eligible Turnover	Taxonomy-aligned Turnover	Proportion of Taxonomy-aligned Turnover	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate change Mitigation	Climate Change Adaptation	Water	Circular Economy	Polution	Biodiversity			
		%	€	%	%	%	%	%	%	%	E (where applicable)	T (where applicable)	%
Aircraft manufacturing	CCM 3.21	6.1%	0	0%	0%	0%	0%	0%	0%	0%			0%
Passenger and cargo air transport	CCM 6.19	93.9%	0	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total Turnover		99.0%	0	0%	0%	0%	0%	0%	0%	0%			0%

The proportion of turnover is calculated as the share of the annual net turnover resulting from products or services, including intangibles, associated with taxonomy-aligned economic activities (numerator) divided by the net turnover (denominator), within the meaning of Article 2(5) of Directive 2013/34/EU. Net turnover includes revenues recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.

The denominator corresponds to the total revenues of the Group, as presented in the consolidated income statement, with the accounting policies and related information detailed in Notes 24 and 25 of the consolidated financial statements.

CapEx

Economic Activities	Code	Proportion of Taxonomy- eligible CapEx	Taxonomy-aligned CapEx	Proportion of Taxonomy-aligned CapEx	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate change Mitigation	Climate Change Adaptation	Water	Circular Economy	Polution	Biodiversity			
		%	€	%	%	%	%	%	%	%	E (where applicable)	T (where applicable)	%
Aircraft manufacturing	CCM 3.21	1.0%	0	0%	0%	0%	0%	0%	0%	0%			0%
Passenger and cargo air transport	CCM 6.19	98.1%	0	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total CapEx		95.1%	0	0%	0%	0%	0%	0%	0%	0%			0%

The proportion of capital expenditure is defined as taxonomy-aligned CapEx (numerator) divided by total CapEx (denominator). Under the Delegated Act of Article 8 of the Taxonomy, total CapEx consists of the value of additions to tangible and intangible assets during the year, including business combination assets, before considering depreciation, amortisation, and any remeasurements, including those arising from revaluations and impairments, and excluding changes in fair value.

The denominator corresponds to the total acquisitions of tangible fixed assets, including rights of use of tangible and intangible assets, as presented in Notes 4 and 6 of the consolidated financial statements. The relevant accounting policies are detailed in Notes 2.27, 2.7, and 2.9 of the consolidated financial statements.

OpEx

Economic Activities	Code	Proportion of Taxonomy-eligible OpEx	Taxonomy-aligned OpEx	Proportion of Taxonomy-aligned OpEx	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate change Mitigation	Climate Change Adaptation	Water	Circular Economy	Polution	Biodiversity			
		%	€	%	%	%	%	%	%	%	E (where applicable)	T (where applicable)	%
Aircraft manufacturing	CCM 3.21	48.9%	0	0%	0%	0%	0%	0%	0%	0%			0%
Passenger and cargo air transport	CCM 6.19	47.5%	0	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total OpEx		9.8%	0	0%	0%	0%	0%	0%	0%	0%			0%

The proportion of operating expenditure is defined as taxonomy-aligned OpEx (numerator) divided by total OpEx (denominator). Under the Delegated Act of Article 8 of the Taxonomy, total OpEx consists of direct non-capitalised costs during the year related to research and development, building renovation measures, short-term leases, maintenance and repairs, and other direct costs associated with the day-to-day upkeep of tangible fixed assets necessary to ensure their proper functioning.

The denominator corresponds to the sum of amounts included under aircraft maintenance expenses, material consumed, short-term lease expenses, maintenance and repair expenses for buildings and vehicles, and personnel costs associated with the maintenance of TAP assets, as detailed in Notes 26 and 29 of the consolidated financial statements. The relevant accounting policies are set out in Notes 2.1 and 2.27 of the consolidated financial statements.

4.2.2. ESRS E1 – Climate change

4.2.2.1. Strategy

Transition plan for climate change mitigation (E1-1)

The TAP Group operates in the commercial aviation sector, providing passenger transport services on domestic and international routes, as well as cargo transport and maintenance operations for aircraft, engines, and components. In 2025, the Group had an operational fleet of 99 aircraft, with its main hub at Humberto Delgado Airport in Lisbon, maintaining a significant presence on routes to Europe, South America, North America, and Africa.

The aviation sector is inherently carbon-intensive due to its current reliance on fossil fuels. Climate change represents both material risks and opportunities for the Group's activities, arising from evolving regulatory frameworks, such as the European Union Emissions Trading System (EU ETS) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), consumer expectations, and technological advances in aircraft and alternative aviation fuels with lower carbon footprints. TAP is aligned with the aviation sector's global decarbonisation challenges and commitments and has endorsed the Fly Net Zero resolution of the International Air Transport Association (IATA), targeting carbon neutrality by 2050.

In addition to the direct emissions generated by flight operations, TAP Group's value chain represents a significant portion of its carbon footprint. Upstream, the extraction, refining, and transportation of crude oil required for jet fuel production constitutes one of the main sources of Scope 3 emissions, substantially contributing to the Group's climate impact. Furthermore, the manufacturing of aircraft acquired under the fleet renewal programme, while essential for the future reduction of operational carbon intensity, also involves considerable emissions associated with industrial production and the equipment life cycle.

In 2025, TAP Group began developing its Climate Transition Plan, aligned with European climate legislation, aiming to ensure that its strategy is compatible with limiting global warming to 1.5 °C, in line with the Paris Agreement, and achieving carbon neutrality by 2050, while acting responsibly and progressively to strengthen the resilience of its business model. Through this plan, the Group reinforces its commitment to align operations with global climate change mitigation objectives and the reduction of greenhouse gas (GHG) emissions. From its inception, the plan integrates multiple decarbonisation scenarios, derived from a sensitivity analysis designed to explore different combinations of factors, and is based on sectoral reference assumptions, including those defined in the SBTi Aviation Framework, as well as the decarbonisation roadmaps of the International Civil Aviation Organization (ICAO), and key sectoral and legislative trends at European and global levels.

Due to the sector's complexity, the European regulatory context, and the ongoing privatisation process, TAP has chosen to keep the Climate Transition Plan confidential.

The Climate Transition Plan is fully integrated into the Group's strategy, aligning with the five strategic pillars, notably the 'Planet' pillar, where climate change mitigation constitutes one of the priority material topics. The plan has been validated by the Sustainability Committee, representing a formal commitment from the Group and reinforcing institutional responsibility at the highest management level. At the executive level, implementation of the plan will be overseen by an Executive Director, who will ensure coordination between the climate strategy and the Group's critical operational areas.

To strengthen governance over these topics, TAP Group has established, under the guidance of the Executive Committee, the Fuel and Emissions Efficiency Multidisciplinary Committee, ensuring that climate-related matters are monitored at the highest level and that decarbonisation initiatives are aligned with the Group's overall strategy.

Within the framework of the transition plan, the main drivers of decarbonisation identified are:

- Progressive incorporation of lower-carbon alternative aviation fuels (SAF);
- Fleet modernisation and the introduction of more efficient aircraft;
- Operational optimisation;
- Strategic sectoral alignment;
- Offsetting of remaining emissions.

These drivers have been translated into strategic action pillars that guide the Group's emission reduction targets, supported by key initiatives that advance the decarbonisation of its operations.

1. *Action Pillar – Fleet Renewal and Modernisation*
   Gradual replacement of older aircraft with models that are more energy-efficient and produce lower atmospheric emissions.

2. *Action Pillar – Progressive Adoption of alternative aviation fuels with a lower carbon footprint (SAF)*
   Gradual incorporation of lower-carbon alternative aviation fuels, prioritising feedstocks and fuels that do not negatively impact supply chains or ecosystems.

3. *Action Pillar – Operational Optimisation and Efficiency*
   A set of measures that may include optimising flight profiles, managing take-off weight, and implementing more effective operational procedures. To support these initiatives, the Group has invested in advanced software that enables the monitoring and improvement of operational performance, fostering a continuous reduction in fuel consumption and, consequently, greenhouse gas (GHG) emissions.

4. *Action Pillar – Sector and Strategic Alignment*
   Recognising the importance of collaboration to accelerate the sector's transition, the Organisation actively participates in national and European partnerships, forums, and initiatives, including the National Roadmap for Aviation Decarbonisation (RONDA), the Clean Aviation Joint Undertaking (CAJU), the Bio-Ref Lab – Collaborative Laboratory for Biorefineries, and the Aviation Sustainability Alliance in Portugal. These platforms promote dialogue and collaboration among airlines, airport operators, fuel suppliers, public authorities, and academic institutions, fostering innovation, the development of lower-carbon alternative aviation fuels, and structural decarbonisation solutions.

5. *Action Pillar – Emissions Offsetting and Market Mechanisms*
   A complementary tool for residual emissions that are difficult to eliminate.

Relationship between the plan and the Taxonomy

The Group has been analysing and directing specific investments and financing instruments to support the implementation of its Climate Transition Plan. These investments are focused on key areas such as:

- Fleet modernisation: acquisition of more fuel-efficient aircraft with lower greenhouse gas (GHG) emissions;
- Lower-carbon alternative aviation fuels (SAF): investments in the progressive incorporation of SAF, including the adaptation of associated infrastructure and logistics;
- Operational and technological efficiency: implementation of advanced software and monitoring systems to optimise operational performance.

These investments will enable the decarbonisation of the Group's activities and progressively enhance its alignment with the EU Taxonomy Regulation. For the 2025 financial year, 95.1% of CapEx was eligible under the European Union (EU) Taxonomy (Commission Delegated Regulation (EU) 2021/2178), while 9.8% of OpEx was eligible.

Blocked emissions

The aviation sector faces a structural challenge related to blocked greenhouse gas (GHG) emissions, resulting from the long service life of aircraft, airport infrastructure and the operational models currently in place. These future emissions are, to a significant extent, embedded in past investment decisions, which constrains the pace at which the sector, at a global level, can reduce its carbon footprint. Even with the progressive adoption of lower-carbon alternative aviation fuels (SAF), operational improvements and emerging technologies, a portion of these emissions will remain unavoidable over the coming years.

Nevertheless, the Group remains committed to continuing its investments in fleet modernisation and the acquisition of SAF, with the objective of mitigating the impact of its operations on climate change.

Progress in 2025

Among the main advances achieved in 2025 in mitigating the impact of the Group's operations on climate change, the following should be highlighted:

- **Fleet modernisation**: the fleet modernisation programme remained a strategic priority in 2025, although its implementation was constrained by restrictions imposed by the European Union, which prevented growth beyond the current 99 aircraft. Consequently, while the operational fleet remained unchanged during the financial year due to these external constraints, the Company maintained its commitment to upgrading its assets for the period following the lifting of such restrictions.

- **Fuel sustainability**: definition of a medium and long-term strategic framework for the incorporation of lower-carbon alternative aviation fuels (SAF), with a direct impact on the reduction of greenhouse gas (GHG) emissions and aligned with international sectoral targets.

- **Strengthened governance**: establishment of the Efficiency and Emissions Multidisciplinary Committee, which includes the participation of members of the Executive Committee and ensures ongoing monitoring of the Group's operational and environmental performance, thereby reinforcing its sustainability governance model.

Material impacts, risks, and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

ENVIRONMENT	IRO	+/-	R/P	OP/CV
ESRS E1: Climate change				
Climate change adaptation				
Financial impacts associated with damage caused by extreme weather events on TAP's flight operations and infrastructure.	RI		P	Both
Climate change mitigation				
Worsening climate change due to GHG (Greenhouse Gas) emissions resulting from the use of fossil fuels, both in operations and in the vehicle fleet and facilities (e.g. corporate premises and maintenance).	I	-	R	Both
Worsening of climate change resulting from GHG emissions across the value chain, both upstream and downstream of operations (e.g. purchased materials, uncontrolled upstream and downstream transport).	I	-	R	VC
Worsening of climate change through the release of gases/chemicals during flight operations (e.g. contrails, nitrogen oxides).	I	-	R	OP
Contribution to climate change mitigation at aviation sector level through active participation in the development of sustainable aviation fuels.	I	+	P	Both
Financial impact associated with increasing requirements under binding carbon markets (e.g. EU Emissions Trading System (ETS)), such as GHG emission caps and the price of emission allowances.	RI		R	Both
Increased operating costs and revenue reduction due to the large-scale use of SAF, resulting in higher costs for TAP.	RI		P	Both
Opportunity associated with innovation and development of SAF and other lower carbon technologies for flight operations.	O		P	Both
Energy				
Costs associated with fluctuations in energy and fuel prices.	RI		P	Both
Consumption of fossil-based energy resources (e.g. aviation fuel).	I	-	R	OP

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

Within the climate change domain, the Group makes a significant contribution to greenhouse gas (GHG) emissions, primarily through the combustion of fossil fuels in flight operations, its ground vehicle fleet and its facilities. In addition to direct emissions, there are climate impacts associated with the release of compounds during flight, such as nitrogen oxides and contrails, as well as indirect emissions across the value chain, particularly upstream in the transport of materials and supplies, but also downstream in services associated with the company's activities.

In this context, the Group is exposed to relevant climate and energy-related risks. Transition risks arise mainly from European regulation applicable to the aviation sector, notably under the EU Emissions Trading System, the incorporation of lower-carbon alternative aviation fuels (SAF) under the European ReFuelEU Aviation Regulation, which requires fuel suppliers to make SAF available, and the volatility of electricity and fuel prices, with potential impacts on operating costs, competitiveness and the Group's financial performance. In parallel, physical risks stem from the intensification of extreme weather events, such as storms, heatwaves and flooding, which may affect aircraft, airport infrastructure and flight operations, leading to operational disruption, physical damage and economic losses.

Resilience of the Business Model

The Group integrates the management of these risks and opportunities into its strategy, with the objective of strengthening the resilience of its business model in the short, medium and long term. Strategic responses include partnerships for the development and supply of lower-carbon alternative aviation fuels (SAF), operational and energy efficiency programmes, the progressive renewal of the fleet with lower-carbon-intensity aircraft, the use of financial instruments to mitigate fuel price volatility, as well as operational contingency plans, safety protocols and investments in preventive maintenance.

Across the value chain, upstream, the Group depends on fuel and aircraft suppliers and is exposed to risks related to availability constraints and cost increases. Downstream, demand is sensitive not only to ticket price fluctuations but also, in a reactive and immediate manner, to the occurrence of extreme weather events, a risk already identified. In parallel, market differentiation opportunities are emerging in connection with the adoption of sustainable and low-carbon solutions. The resilience analysis carried out focuses on the most relevant material risks, excluding emerging technologies and indirect disruptions with a longer time horizon or currently non-material financial impact.

The Group conducted a qualitative assessment of its strategic resilience to climate change, based on assumptions regarding the evolution of the aviation sector in the context of the transition to a low-carbon economy, including the strengthening of European regulation (notably the EU Emissions Trading System and the ReFuelEU Aviation Regulation), macroeconomic trends affecting costs and demand, changes in the energy mix, and technological deployment. This assessment considered three-time horizons: short term (up to 2030), characterised by greater exposure to regulatory costs, operational efficiency pressures and extreme physical events; medium term (2030–2040), marked by intensified regulation and greater penetration of lower-carbon alternative aviation fuels (SAF); and long term (2040–2050), associated with the European Union's carbon neutrality objectives and the gradual adoption of disruptive technologies.

No analysis based on international climate scenarios was carried out, nor were financial impacts calculated. However, relevant areas of uncertainty were identified, namely the evolution of prices and availability of alternative fuels with a lower carbon footprint (SAF), the pace and rigor of European climate regulation, and the intensification of extreme weather events. These uncertainties are integrated into strategic and investment decisions, strengthening the adaptability of TAP's business model to different time horizons.

4.2.2.2. Impact, risk, and opportunity management

Policies related to climate change mitigation and adaptation (E1-2)

The **Environmental Policy**, applicable to TAP S.A. and Portugália, aims to promote partnerships that enable the reduction of greenhouse gas (GHG) emissions, addressing both climate change adaptation and mitigation, reducing dependence on fossil fuels through the transition to cleaner, renewable and sustainable energy sources, as well as improving energy efficiency and the conservation of natural resources by promoting more efficient technologies and sustainable practices to reduce consumption and encourage reuse. The policy is integrated into the existing environmental management system, which is based on ISO 14001 and IATA standards, with its implementation and monitoring ensured by the Executive Administrator responsible for the Sustainability Department, together with the General Director of Portugália, both acting in the capacity of IEnvA Leadership.

In defining the policy, the Group considered the interests of its main stakeholders, including employees, customers, suppliers, regulatory authorities and the local community. The commitments set out in the policy reflect relevant environmental topics, legal compliance expectations, and best practices within the aviation sector. The policy is publicly available on the Group's institutional website and can be accessed by any interested member of society.

The **TAP Group Sustainability** Policy, approved in 2025, has the overarching objective of establishing principles and strategic guidelines to promote a responsible and sustainable business management model, aligned with the United Nations (UN) Sustainable Development Goals (SDGs). The policy covers the environmental, social, economic, and governance (ESG) dimensions, guiding the TAP Group's activities towards a more responsible and inclusive future. About climate change mitigation, the policy underpins the reduction of carbon dioxide and other greenhouse gas emissions and promotes the energy transition through lower-carbon alternative aviation fuels.

The policy applies to all companies within the Group and is globally applicable across all business areas, facilities, and commercial and business relationships with partners, suppliers, customers, and communities, regardless of their geographical location. The highest levels responsible for implementing the policy are the Board of Directors and the Group Executive Committee. These bodies oversee all sustainability-related policies and initiatives, ensuring the integration of sustainability principles into decision-making processes and the Group's overall strategy. In addition, the Sustainability Committee supports the definition of strategy and monitors the Group's ESG performance.

The policy commits to respecting the UN SDGs, international human rights and labour principles, ensuring responsible, fair, safe, and inclusive practices in the Group's operations and across its value chain, as well as compliance with international legislation and standards related to ethics, anti-corruption, and responsible governance.

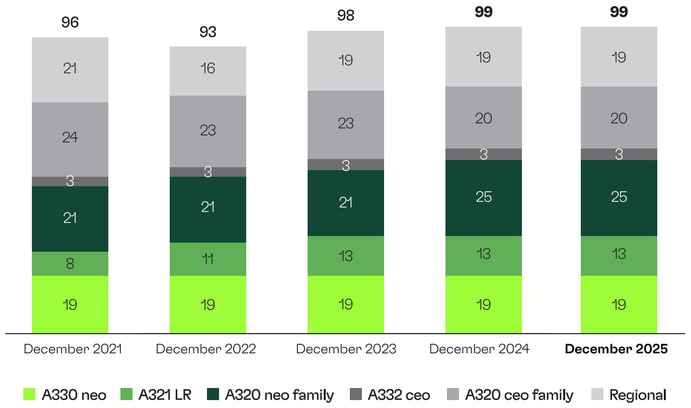
The TAP Group incorporated the interests of key stakeholders in defining the policy through consultation and the outcomes of the Double Materiality assessment. The policy provides channels for active participation and relies on a network of interlocutors across various business areas, ensuring that sustainability matters are addressed throughout the organisation. This process reinforces the TAP Group's commitment to aligning its strategy with stakeholders' expectations.

The policy is publicly available for consultation on the TAP Group's institutional website and can also be accessed individually by employees via the intranet.

Actions and resources in relation to climate change policies (E1-3)

Climate Change Mitigation

In 2025, the TAP Group continued its fleet renewal programme, aiming to replace older aircraft with more modern and efficient models, which consume less fuel and emit less CO_2 per passenger transported, constituting one of the main measures to mitigate the environmental impact of its operations. Over the coming years, the gradual incorporation of 15 new aircraft is planned by 2027, although their entry into service may be temporarily adjusted due to delivery delays by the manufacturer, which are beyond TAP's control. The long-term fleet renewal plan is currently constrained by the privatisation process, being dependent on the strategy defined by the future shareholder. In 2025, although the operational fleet remained unchanged, the Company maintained its commitment to updating its assets for the period following the lifting of the growth restrictions imposed by the EU.



In parallel, during the reporting year, TAP progressed with negotiations and the definition of supplier shortlists for the future incorporation of lower-carbon alternative aviation fuels (SAF) into its operations. The integration of these fuels has been gradual, according to market availability, and remains at a relatively low initial percentage, with the Group recording a 1.28% overall incorporation in 2025. This action directly contributes to climate change mitigation and the decarbonisation of operations. According to IATA studies, the use of SAF has the potential to reduce CO_2 emissions by 65% compared with conventional fossil fuels over their life cycle. The formalisation of offtake agreements may take place as suppliers consolidate the availability of these fuels. This initiative reinforces the Group's commitment to climate change mitigation, aligning its strategy with European decarbonisation objectives while simultaneously promoting strategic partnerships along the fuel supply chain.

During the reporting year, TAP also continued its operational light fleet renewal programme, replacing older vehicles with more efficient and lower-emission models, thereby contributing to the reduction of greenhouse gas (GHG) emissions associated with ground operations. In 2025, 60 electric and/or hybrid vehicles were integrated, with a further 20 replacements planned for 2026. In addition, 20 new electric vehicle charging stations were installed across the Group's facilities, including national operational bases, aiming to facilitate the fleet's transition to lower environmental impact mobility, reduce CO_2 emissions, and encourage employees to use electric vehicles.

During the reporting year, a multidisciplinary Fuel and Emissions Efficiency Committee was also established, with the objective of monitoring, identifying, and promoting operational efficiency initiatives aimed at reducing the fuel consumption of TAP Group aircraft, ensuring the participation of specialists from various areas of the organisation. The initiatives developed within this forum are designed to improve operational energy performance, in alignment with the Group's decarbonisation strategy. In this context, a Fuel Efficiency Gap Analysis (FEGA) has been scheduled by IATA for 2026, aimed at identifying additional opportunities to reduce fuel consumption.

In parallel, TAP adopted the SkyBreathe tool, which enables the automatic monitoring of aircraft fuel efficiency initiatives, objective assessment of the impact of implemented measures, identification of improvement opportunities, and feedback provision to flight crews, thereby enhancing operational efficiency and decarbonisation efforts.

Additionally, during the reporting year, the TAP Group maintained active participation in the preparation of RONDA, a collaborative initiative bringing together key stakeholders from the aviation, energy, and academic sectors, with the aim of defining strategies and concrete actions to achieve carbon neutrality by 2050. Participation in RONDA supports the alignment of the Group's strategy with national and international emissions reduction commitments, promoting stakeholder collaboration, the exchange of best practices, and the development of joint solutions. In this context, TAP also participated in the Aviation Sustainability Alliance, strengthening cooperation to anticipate and mitigate material impacts on communities affected by its operations.

TAP also ensures ongoing monitoring and cooperation with national airports through formally signed partnership agreements, strengthening the coordinated implementation of mitigation measures and support for local communities, particularly about the environmental impacts of operations.

Finally, within the framework of the IEnvA Environmental Management System, TAP developed a supplier assessment matrix incorporating environmental criteria and carried out the mapping and segmentation of its supplier base by geography and product and service category. In the coming years, the Group intends to incorporate environmental requirements, including environmental performance parameters and legal compliance criteria, promoting the continuous improvement of environmental performance across the value chain, encouraging more responsible practices, and strengthening the management of Scope 3 indirect emissions.

Energy

TAP is complying with the Energy Consumption Rationalisation Plan (PREn) applicable to the 2020–2027 period, which establishes energy efficiency measures for companies with energy consumption above a defined threshold, with the objective of reducing energy use and associated greenhouse gas (GHG) emissions. The implementation of these measures aims to ensure compliance with the defined target of a 6% reduction in energy consumption by 2027, based on 2019 levels. During 2025, lighting replacement actions with light-emitting diode (LED) technology were carried out in Building 27. The replacement of lighting with LED technology is planned for Hangar 5 in 2026 and Hangar 6 in 2027, at the TAP Campus.

4.2.2.3. Metrics and targets

Targets related to climate change mitigation and adaptation (E1-4)

Climate Change Mitigation

The Group has established internal targets regarding environmental performance, the progress of which is monitored through key metrics reviewed by the Sustainability Committee. Some of these targets have previously been disclosed. However, as they are currently under review and considering the ongoing privatisation process, they have not been disclosed in this report.

The efficiency metric used to monitor environmental performance is CO_2 emissions per passenger transported. This metric enables the assessment of the contribution of different intervention areas, including fleet modernisation, continuous improvement of operational efficiency, and the progressive incorporation of lower-carbon alternative aviation fuels, supporting the alignment of the Group's action plan with national, European, and international objectives.

In addition, the Group monitors the energy efficiency of its air transport operations, measured in litres of fuel per passenger transported, and the fleet renewal index, expressed as the percentage of new-generation aircraft within the total fleet.

These indicators are monitored by the Fleet, Sustainability, and Operations Engineering departments and are periodically reviewed within the framework of the Sustainability Committee.

It should be noted that, regarding climate change mitigation, the aviation sector is influenced by factors beyond the Group's direct control, including the availability of lower-carbon alternative aviation fuels (SAF) and

technological constraints within the aviation market. In this context, the Group incorporates these external dependencies into its risk and opportunity analysis, maintaining its commitment to promoting strategic partnerships for the energy transition and emissions reduction. The integration of these fuels has been gradual, in line with their availability in the market, and remains at a relatively low initial percentage, with the Group recording an estimated 1.28% worldwide incorporation in 2025.

Metric	Performance 2023	Performance 2024	Performance 2025
Percentage of new generation fleet	54%	58%	58%
CO_2 emissions per passenger transported (CO_2/RPK), baseline 2019	84	83.4	81
Fuel consumption per passenger transported (l/100RPK)	3.36	3.33	3.27

Energy

Within the framework of the Energy Consumption Rationalisation Plan (PREn) for the 2020–2027 period, and in accordance with Decree-Law No. 71/2008 of 15 April, TAP is committed to achieving a 6% reduction in its primary energy consumption by the end of 2027, using 2019 as the baseline year. This requirement applies to primary energy consumption at the TAP Campus and is supported by the implementation of a set of Rational Use of Energy Measures (MURE) in the PREn.

Progress is monitored annually and formalised through the biennial Execution and Progress Reports (REP). The results for the 2024/2025 biennium are currently being prepared by EDP and are expected to be submitted, together with the corresponding calculation of the cumulative percentage reduction achieved, during 2026.

Energy consumption and mix (E1-5)

The Group's energy consumption is systematically monitored, as it constitutes an essential element in determining the carbon footprint and assessing operational performance. This monitoring also supports the definition, implementation, and follow-up of energy efficiency measures.

In 2025, the Group expanded its non-financial reporting consolidation perimeter. In addition to operations in Portugal, the data now reported includes energy consumption from other Group facilities, ensuring a more comprehensive view of the impact of global operations. In this reporting cycle, it should be noted that, in determining electricity and natural gas consumption, usage associated with third-party entities (namely Menzies), although located at the TAP Campus, was excluded, as these entities are not included within the reporting consolidation perimeter.

The following table presents energy consumption, disaggregated by source, for sectors classified as carbon-intensive, which include both passenger and cargo air transport, as well as aircraft, engine, and component maintenance activities.

	Energy consumption (MWh)		
	2023	2024	2025
Fuel consumption from coal and coal products	0	0	0
TAP S.A. (including Portugália operations)	0	0	0
UCS	0	0	0
Fuel consumption from crude oil and petroleum products	13,600,270	14,293,177	14,253,401
TAP S.A. (including Portugália operations)	13,600,270	14,293,177	14,253,401
UCS	0	0	0
Fuel consumption from natural gas	8,053	7,621	6,812
TAP S.A. (including Portugália operations)	8,053	7,621	6,812
UCS	0	0	0
Fuel consumption from other fossil sources	0	0	0
TAP S.A. (including Portugália operations)	0	0	0
UCS	0	0	0
Consumption of purchased electricity, heat, steam and cooling derived from fossil sources	15,610	16,214	16,322
TAP S.A. (including Portugália operations)	15,610	16,214	15,824
UCS	0	0	498
Total energy consumption from fossil sources	**13,623,933**	**14,317,012**	**14,276,535**
TAP S.A. (including Portugália operations)	13,623,933	14,317,012	14,276,037
UCS	-	-	498
Proportion of energy from fossil sources	100%	100%	99%
TAP S.A. (including Portugália operations)	100%	100%	99%
UCS	-	-	100%
Total energy consumption from nuclear sources	**0**	**0**	**0**
TAP S.A. (including Portugália operations)	0	0	0
UCS	0	0	0
Proportion of energy from nuclear sources	0%	0%	0%
TAP S.A. (including Portugália operations)	0%	0%	0%
UCS	0%	0%	0%
Fuel consumption from renewable sources, including biomass (also including industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources, etc.	1,782	28,309	168,283
TAP S.A. (including Portugália operations)	1,782	28,309	168,283
UCS	0	0	0
Consumption of purchased electricity, heat, steam and cooling derived from renewable sources	0	0	0
TAP S.A. (including Portugália operations)	0	0	0
UCS	0	0	0
Consumption of renewable non-fuel energy generated by the Company	0	0	0
TAP S.A. (including Portugália operations)	0	0	0
UCS	0	0	0
Total energy consumption from renewable sources	**1,782**	**28,309**	**168,283**
TAP S.A. (including Portugália operations)	1,782	28,309	168,283
UCS	0	0	0
Proportion of energy from renewable sources	0%	0%	1%
TAP S.A. (including Portugália operations)	0%	0%	1%
UCS	0%	0%	0%
Total energy consumption	**13,625,715**	**14,345,321**	**14,444,817**
TAP S.A. (including Portugália operations)	13,625,715	14,345,321	14,444,320
UCS	-	-	498

Notes:
All electricity purchased for internal consumption was considered to be derived from fossil sources due to the absence of Guarantees of Origin.
Portugália's fuel consumption from petroleum sources and electricity consumption for the years 2023 and 2024 are included within TAP S.A.'s consumption figures due to the impossibility of disaggregation.

Data collection for the determination of energy consumption is based on differentiated monitoring systems depending on the type of energy source:

- **Electricity and Natural Gas**: data collection is based on the monthly invoices issued by suppliers, ensuring direct correspondence with actual consumption records.
- **Aviation Fuel (Jet Fuel and SAF)**: the process for extracting aircraft fuel consumption data is described in the EU ETS Monitoring Plan approved by the competent authority. Data extraction is carried out through records entered into operational applications and subsequently validated by the Operations Engineering and Support Department. This process records the actual consumption verified during flight operations.
- In the specific case of **lower-carbon sustainable aviation fuel (SAF)**, accounting is based on the quantities supplied and the associated emissions reductions indicated in the respective Proofs of Compliance (PoC) provided by suppliers.

Consumption figures are consolidated by the Sustainability Department in collaboration with the operational areas. All consumption data collected in their original units were converted into MWh using standard conversion factors recommended by international standards.

Energy intensity of sectors with high climate impact

	2023	2024	2025
Total energy consumption (MWh)	13,625,715	14,345,321	14,444,320
Net revenue (M€)	4,215	4,242	4,296
Energy intensity (MWh/M€)	**3,233**	**3,381**	**3,362**

Note: The net revenue figure used can be consulted in Notes 24 and 25 of the Consolidated Financial Statements.

Of all the Group's activities, only those carried out within TAP S.A. and Portugália fall under High Climate Impact Sectors (HCIS), as defined by the European Union. As such, the Group uses only the energy consumption and net revenue of these entities to determine the energy intensity of the Group's operations.

Gross Scope 1, 2, 3 and total GHG emissions (E1-6)

	GHG emissions (tCO_2e)				
	2019	2023	2024	2025	%Δ anual
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions	3,893,089	3,586,295	3,688,696	3,771,677	2%
Percentage of Scope 1 GHG emissions covered by regulated emissions trading systems (%)	-	32%	31%	32%	3%
Scope 2 GHG emissions					
Gross Scope 2 GHG emissions – location-based	4,233	2,139	713	1,027	44%
Gross Scope 2 GHG emissions – market-based	7,640	2,377	2,097	3,072	47%
Scope 3 GHG emissions					
Gross Scope 3 GHG emissions	-	-	-	1,966,290	-
Category 1: Purchased goods and services	-	-	-	1,080,007	-
Category 2: Capital goods	-	-	-	91,237	-
Category 3: Fuel and energy-related activities (not included in Scope 1 or Scope 2)	-	-	-	795,045	-
Category 4: Upstream transportation and distribution	-	-	-	-	-
Category 5: Waste generated from operations	-	-	-	-	-
Category 6: Business travel	-	-	-	-	-
Category 7: Employee commuting	-	-	-	-	-
Category 8: Upstream leased assets	-	-	-	-	-
Category 9: Downstream transportation and distribution	-	-	-	-	-
Category 10: Processing of sold products	-	-	-	-	-
Category 11: Use of sold products	-	-	-	-	-
Category 12: End-of-life treatment of products sold	-	-	-	-	-
Category 13: Downstream leased assets	-	-	-	-	-
Category 14: Franchises	-	-	-	-	-
Category 15: Investments	-	-	-	-	-
Total GHG emissions					
Total Scope 1 and Scope 2 GHG emissions (location-based)	3,897,322	3,588,434	3,689,409	3,772,704	2%
Total Scope 1 and Scope 2 GHG emissions (market-based)	3,900,729	3,588,672	3,690,793	3,774,749	2%
Total GHG emissions (location-based)	-	-	-	5,738,994	-
Total GHG emissions (market-based)	-	-	-	5,741,039	-

Notes:
As 2025 was the first year of calculation of the TAP Group's Scope 3 GHG emissions, total emissions figures (Scope 1, Scope 2 and Scope 3) for 2019, 2023 and 2024 are not being reported.
The source of the emission factor used in the calculation of Scope 2 gross GHG emissions based on the location-based method is the Portuguese Renewable Energy Association (APREN).

The TAP Group's greenhouse gas (GHG) emissions are accounted for in accordance with the methodology set out in the GHG Protocol Corporate Accounting and Reporting Standard (2004). This methodology is complemented by the guidance provided in the GHG Protocol Scope 2 Guidance (2015), for the accounting of Scope 2 emissions, and in The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), for the accounting of Scope 3 emissions.

The calculation of emissions is supported by an internally developed tool tailored to the operational reality and value chain of the TAP Group, encompassing both upstream and downstream activities.

The consolidation of the emissions inventory follows the operational control approach defined by the GHG Protocol and is aligned with the disclosure requirements of the ESRS. The TAP Group does not exercise operational control over any activity or entity excluded from the financial consolidation perimeter, namely associates or joint ventures. During the reporting year, the entity Cateringpor was also excluded from the consolidation perimeter, as it is currently undergoing a disposal process and therefore no longer forms part of the Group's operational perimeter.

The emissions inventory includes the following GHGs: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases (hydrofluorocarbons – HFCs, perfluorocarbons – PFCs, sulphur hexafluoride – SF_6, and nitrogen trifluoride – NF_3), where applicable.

Scope 1 – Direct emissions

Scope 1 includes direct greenhouse gas (GHG) emissions arising from sources under the operational control of the TAP Group. These emissions primarily result from fuel combustion in flight operations and ground activities, including:

- Jet fuel consumption in flight operations and engine test bench activities;
- Diesel and petrol consumption in the vehicle fleet; and
- Natural gas and other fuel consumption in buildings and facilities.

The primary activity data correspond to actual fuel consumption, with no need to rely on material estimates or assumptions.

The emission factor applied to jet fuel is derived from CORSIA, while the emission factors for liquid and gaseous fuels are obtained from the respective suppliers.

During the 2025 financial year, the Group carried out a comprehensive review of the methodology applied to the calculation of Scope 1 GHG emissions, adjusting the technical assumptions to ensure alignment with international best practices. As a result, the historical and current values reported reflect this methodological update, strengthening the reliability of the information disclosed. This review identified an overestimation of the historical values previously reported.

Scope 2 – Indirect emissions from electricity, heat, cooling and steam

Scope 2 includes indirect greenhouse gas (GHG) emissions associated with the generation of purchased and consumed electricity, heat, cooling and steam by the TAP Group, namely in buildings and facilities. In the case of the Group, no heat, cooling or steam is purchased. Emissions associated with electricity are calculated based on billed electricity consumption.

- *Location-based method*: applies an emission factor representative of the average carbon intensity of grid electricity in the country of consumption, in accordance with the most recent data published by published by the Portuguese Renewable Energy Association (APREN) or by international energy monitoring agencies.
- *Market-based method*: applies the specific emission factor of the electricity supplied by the energy retailers used by the TAP Group during the reporting year, calculated based on the most recent information available at the reporting date. Where it was not possible to obtain the emission factor associated with a particular supplier, the location-based emission factor was applied.

Scope 3 – Other indirect emissions

Scope 3 emissions correspond to the total indirect emissions associated with third-party activities within the TAP Group's value chain, both upstream and downstream of its operations.

The current financial year represents the first reporting period in which the Group has calculated Scope 3 emissions. This constituted a significant effort to broaden the understanding of impacts generated across the Group's value chain. The categories considered were:

- Category 1 – Purchased goods and services;
- Category 2 – Capital goods; and
- Category 3: Fuel and energy-related activities not included in Scope 1 or Scope 2.

As internal systems and data collection processes continue to evolve, the Group expects to progressively integrate additional categories in future reporting cycles.

Category 1 – Purchased goods and services

Emissions associated with purchased goods and services are calculated by multiplying operational expenditure (consolidated OpEx) by specific emission factors per product or service category. The spend-based method is applied, with emission factors obtained from appropriate databases, such as Environmentally Extended Input-Output (EEIO) tables.

Category 2 – Capital goods

This category includes emissions associated with fixed assets acquired during the reporting year. The calculation also follows the spend-based method, considering consolidated capital expenditure (CapEx) and asset-specific emission factors derived from EEIO databases.

Category 3: Fuel and energy-related activities not included in Scope 1 or Scope 2

This category includes upstream life cycle emissions associated with the fuels and electricity consumed (extraction, production, refining and transport), as well as emissions related to the generation of electricity lost in transmission and distribution networks.

The calculation uses life cycle assessment (LCA) emission factors publicly available from the Department for Environment, Food and Rural Affairs (DEFRA). For sustainable aviation fuel (SAF), the emission factor used was obtained from the respective certificates of origin.

	Carbon intensity		
	2023	**2024**	**2025**
Total location-based GHG emissions (tCO_2e)	-	-	5,738,994
Total market-based GHG emissions (tCO_2e)	-	-	5,741,039
Net revenues (M€)	-	-	4,296
Location-based carbon intensity (tCO_2e/M€)	-	-	**1,336**
Market-based carbon intensity (tCO_2e/M€)	-	-	**1,336**

Notes:
As 2025 was the first year of calculation of the TAP Group's Scope 3 GHG emissions, carbon intensity figures for 2023 and 2024 are not being reported.
The net revenue figure used can be found in Notes 24 and 25 of the Consolidated Financial Statements.

Biogenic emissions

Biogenic emissions correspond to CO_2 emissions resulting from the combustion or decomposition of biomass, such as biofuels or other materials of biological origin. In accordance with the GHG Protocol, these emissions must be reported separately from the emissions inventory by scope (1, 2 and 3), as a memorandum item, and are not added to the organisation's total emissions.

During the reporting year, biogenic emissions were recorded in connection with the use of sustainable aviation fuel (SAF) in flight operations. The combustion of SAF generates CO_2 emissions of biogenic origin, as the carbon released derives from organic matter captured within the biological cycle rather than from fossil sources.

The calculation of biogenic emissions resulting from SAF consumption is based on multiplying the volume of fuel consumed by the corresponding biogenic emission factor. For this purpose, the emission factor publicly made available by DEFRA was applied.

Total Scope 1 biogenic emissions associated with SAF consumption amounted to 442.73 tonnes of CO_2e. In line with the GHG Protocol, these emissions are reported separately and are not included in the total emissions reported under Scopes 1, 2 and 3.

GHG removal and GHG mitigation projects financed through carbon credits (E1-7)

The Group uses carbon credits as a complementary instrument to mitigate its greenhouse gas (GHG) emissions, particularly to meet obligations arising under CORSIA. This mechanism forms part of the Group's overall climate management approach, which continues to prioritise the direct reduction of operational emissions through efficiency gains, renewal of the operational fleet, and the progressive adoption of lower-carbon alternative aviation fuels (SAF). In order to meet future compliance obligations under CORSIA, the TAP Group has already contracted 288,012 tonnes of carbon reduction credits. Within the framework of this scheme, the Group uses eligible carbon credits from projects that comply with the criteria defined by the International Civil Aviation Organization (ICAO), including additionality, environmental integrity, permanence and independent verification. The selection of credits also takes into account the robustness of certification systems and, where possible, the environmental and social co-benefits associated with the financed project.

The contracted credits are certified under the Gold Standard and fall within the scope of Article 6 of the Paris Agreement, meeting the CORSIA eligibility criteria established by ICAO, notably regarding project start date, monitoring, verification, host country authorisation and corresponding adjustments. TAP's assessment and use of these credits are based on their regulatory eligibility and certification status, rather than on the monetisation of any associated social or environmental co-benefits.

As at the reporting date, no carbon credits had yet been cancelled, with cancellation expected to occur closer to the applicable compliance deadline for CORSIA Phase 1, relating to verified emissions for the 2024–2026 period.

The Group continuously monitors developments in regulatory frameworks, eligibility criteria and market practices associated with carbon credits and the implementation of CORSIA. This monitoring forms part of broader risk management and sustainability governance processes, with a view to ensuring ongoing compliance, maintaining operational flexibility and supporting informed decision-making, in a context where carbon market mechanisms, methodologies and expectations continue to evolve. In this regard, the Group remains attentive to developments that may, over time, affect the financial, operational or reputational dimensions of its carbon-related obligations.

The use of carbon credits is understood by the Group as a complementary and transitional measure and does not replace the structural decarbonisation efforts of its activities. The Group continuously monitors the evolution of additional CORSIA requirements, as well as market best practices, ensuring that its approach remains aligned with the principles of credibility and transparency required for this type of instrument.

	2023	2024	2025
Carbon credits from previous periods cancelled during the year (tCO_2e)	0	0	0
Carbon credits scheduled for cancellation in the future (tCO_2e)	0	118,090	169,922
Proportion of total credits associated with removal projects (%)	0%	0%	0%
Proportion of total credits associated with reduction projects (%)	0%	100%	100%
Proportion of total credits recognised by quality standards (%)	0%	100%	100%
Proportion of total credits in EU projects (%)	0%	0%	0%
Proportion of total credits eligible as corresponding adjustments (%)	0%	100%	100%

In conjunction with the Group's decarbonisation strategy, based on the progressive integration of lower-carbon alternative aviation fuels (SAF), fleet modernisation, and the continuous improvement of operational and network efficiency, the Group offers passengers the option to voluntarily contribute to climate-related projects through internationally recognised certification schemes.

Under this programme, passengers may choose to support climate projects certified by third parties that generate carbon credits in accordance with internationally recognised standards, including ACR, CAR, VCS and Gold Standard, within the framework of the Voluntary Carbon Market (VCM). These voluntary passenger contributions:

- are entirely optional and determined solely by the passengers;
- are not purchased, held or cancelled by the Group;
- are not accounted for within the Group's Scope 1, 2 or 3 GHG emissions;
- do not contribute to the Group's decarbonisation targets, transition plan or climate performance metrics;
- do not contribute to the Group's decarbonisation targets, transition plan or climate performance metrics.

Accordingly, this programme is understood as a passenger engagement and awareness-raising mechanism that complements the Company's sustainability commitments by promoting climate awareness and participation. However, it does not constitute the financing of GHG removal or mitigation projects through carbon credits and remains fully distinct from the Group's climate strategy, emissions accounting and decarbonisation targets.

In parallel, within the European context, the Group already complies with the regulatory obligations applicable under the European Union Emissions Trading System (EU ETS), through the acquisition and surrender of emission allowances corresponding to its emissions covered by this mechanism. This scheme currently represents the Group's primary economic instrument for internalising the cost of carbon within its operations. In addition to the EU ETS, the Group also monitors and complies with related and interoperable emissions trading schemes applicable to its international operations, including the Swiss Emissions Trading System (CH ETS) and the United Kingdom Emissions Trading Scheme (UK ETS).

Internal carbon pricing (E1-8)

The TAP Group applies an internal carbon price as an analytical element within its financial planning and forward-looking scenario analysis, enabling the assessment of potential impacts arising from existing and emerging carbon pricing mechanisms applicable to the aviation sector, including the European Union Emissions Trading System (EU ETS), the United Kingdom Emissions Trading Scheme (UK ETS) and CORSIA.

The internal carbon price is used to support strategic, medium- and long-term considerations, incorporating assumptions regarding CO_2 emission costs into selected business planning and sensitivity analysis (stress testing) exercises. Its purpose is to strengthen the TAP Group's understanding of its potential financial exposure to developments in carbon pricing mechanisms and to support scenario-based assessments of regulatory, market and cost-evolution risks.

The TAP Group's approach to managing carbon costs is primarily based on its direct exposure to regulated carbon pricing mechanisms applicable to its aviation activities, which account for most of its Scope 1 emissions. These schemes give rise to actual and observable compliance costs, which are reflected in the Group's financial planning, liquidity management and risk management processes.

For scenario analysis and planning purposes, internal carbon price assumptions are derived from the TAP Group's expected exposure to regulated carbon markets and are periodically updated to reflect market conditions, regulatory outlooks and compliance horizons. For long-term exercises, the Group uses indicative price ranges of EUR 80 to 125 per tCO_2eq for the EU ETS, GBP 60 to 95 per tCO_2eq for the UK ETS, and USD 20 to 50 per tCO_2eq for CORSIA, with the aim of modelling potential compliance costs and assessing sensitivity

to carbon price developments. These assumptions are applied exclusively for analytical and planning purposes and are not intended to function as internal charges or to directly influence profit or loss recognition.

The TAP Group continues to monitor regulatory developments, market practices and approaches adopted within the aviation sector regarding internal carbon pricing, progressively strengthening its frameworks where these tools prove increasingly relevant and value-generating for risk management, financial resilience and the execution of its decarbonisation roadmap.

4.2.3. ESRS E2 – Pollution

4.2.3.1. Strategy

Material impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3)

The TAP Group is committed to reducing the environmental impacts of its operations, particularly through the mitigation of air pollution. It adopts a responsible and proactive approach, based on the continuous monitoring of emissions and the implementation of efficiency measures. This commitment is reflected in compliance with applicable environmental regulations and in transparent reporting on the results achieved, thereby promoting environmental protection as well as the safety and well-being of communities.

The Double Materiality assessment process considered all the Group's operations across all regions in which it operates. As a result of this exercise, a negative impact was identified.

ENVIRONMENT	IRO	+/-	R/P	OP/CV
ESRS E2: Pollution				
Pollution of air				
Impact on human health resulting from atmospheric pollutant emissions in operations (e.g. maintenance and airport operations) and in the value chain (e.g. passenger transport to airports).	I	-	R	Both

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

The identified negative impact relates to human health, due to the emission of air pollutants arising from the Group's own operations and across its value chain. Within its own operations, air pollutant emissions mainly result from airport operations and maintenance activities. In addition to carbon dioxide, passenger and cargo transport activities also emit pollutants such as nitrogen oxides (NO_x), sulphur oxides (SO_x), particulate matter (PM_{10}) and carbon monoxide (CO).

4.2.3.2. Impact, risk and opportunity management

Policies related to pollution (E2-1)

The **Environmental Policy** aims to guide the Group's actions in managing impacts and continuously improving environmental performance, establishing commitments that contribute to reducing carbon dioxide and other pollutant emissions and decreasing dependence on fossil fuels. These commitments support climate change mitigation and adaptation and promote a transition to cleaner, renewable and sustainable energy sources, thereby helping to mitigate the negative impact on human health identified from air pollutant emissions. The policy is integrated into the existing environmental management system, which is based on ISO 14001 and IATA standards, and its implementation and monitoring are ensured by the Executive Administrator responsible for the Sustainability Department, together with the Director-General of Portugália, in their capacity as IEnvA Leadership.

In defining the policy, the Group considered the interests of key stakeholders, ensuring that the commitments it contains reflect relevant environmental issues, promote legal compliance, and adhere to industry best practices. The policy is publicly available on the Group's corporate website and can be consulted by any interested member of the public.

The TAP **Group Sustainability Policy**, approved in 2025, has the overarching objective of establishing strategic principles and guidelines to promote a responsible and sustainable business management model aligned with the United Nations (UN) Sustainable Development Goals (SDGs). The policy covers environmental, social, economic and governance (ESG) dimensions, guiding the TAP Group's activities towards a more responsible and inclusive future. With respect to pollution, the policy provides guidance to ensure that the TAP Group reduces emissions of all types of air pollutants.

The policy applies to all companies within the Group and is globally applicable to all business areas, facilities, and commercial and business relationships with partners, suppliers, customers, and communities, regardless of geographic location. The highest-level bodies responsible for policy implementation are the Board of Directors and the Group Executive Committee. These bodies oversee all sustainability-related policies and initiatives, ensuring the integration of sustainability principles into decision-making processes and the overall Group strategy. In addition, the Sustainability Committee supports strategy definition and monitors the Group's ESG performance.

The policy commits to respecting the UN SDGs and international human rights and labour principles, ensuring responsible, fair, safe, and inclusive practices across the Group's operations and value chain, as well as compliance with international legislation and standards related to ethics, anti-corruption, and responsible governance.

The TAP Group incorporated the interests of key stakeholders into the policy definition through consultation and the results of the Double Materiality analysis. The policy provides channels for active stakeholder engagement and is supported by a network of interlocutors across the various business areas, ensuring the monitoring of sustainability issues throughout the organisation. This process reinforces the TAP Group's commitment to aligning its strategy with stakeholder expectations.

The policy is publicly accessible on the TAP Group corporate website and, for employee reference, on the Company intranet.

Actions and resources related to pollution (E2-2)

Gradual incorporation into TAP's operations of alternative fuels with a lower carbon footprint over their life cycle

As discussed in Chapter 4.2.2.2 ESRS E1-3, the gradual integration of lower-carbon alternative fuels over their life cycle contributes to the reduction of greenhouse gas emissions compared with conventional jet fuel. Beyond reducing carbon dioxide emissions, the progressive adoption of this lower-carbon alternative aviation fuel (SAF – Sustainable Aviation Fuel) in operations also helps to decrease particulate matter and other pollutants associated with jet fuel combustion, while remaining fully compatible with current engines. This solution is already available, albeit at a small scale and high cost, and the Group is expected to gradually increase its use across all flight operations, ensuring compliance with European legal requirements.

This measure directly contributes to aviation decarbonisation objectives, the reduction of non-CO_2 emissions (such as NOx and VOCs), and the improvement of local air quality.

The initiative includes upstream commitments, notably through the establishment of offtake agreements with SAF suppliers and producers,

strengthening the availability of sustainable fuel in the market. The Group also participates in the Aviation Sustainability Alliance, which brings together stakeholders from the aviation and energy sectors to promote sectoral collaboration at the national level, share best practices, and develop joint initiatives for the transition to lower-environmental-impact alternative fuels. In parallel, TAP ensures monitoring and cooperation with national airports through formally established partnership plans, reinforcing the coordinated implementation of mitigation measures and support for affected communities, particularly with regard to the environmental impacts of operations.

The implementation of this measure primarily involves operational expenditure (OpEx) related to the acquisition of lower-carbon sustainable alternative fuel over its life cycle.

Installation of gas effluent treatment system (STEG)

Gaseous effluents generated at facilities with environmental permits under Maintenance & Engineering are treated through effluent treatment systems, such as counterflow gas scrubbers, and, at other locations, via filtration systems, for example in paint shops and washing centres, ensuring the capture of particulate matter and other pollutants. This measure helps reduce air pollution associated with aircraft, engine, and component maintenance activities, including electrolytic treatments, solvent cleaning, and painting, by retaining atmospheric pollutants directly at the source.

Adoption of maintenance and operational best practices

At TAP facilities, all industrial equipment is subject to a preventive maintenance plan that includes inspection and replacement of STEG filters, with corrective actions carried out whenever anomalies are detected. This practice, aligned with best available techniques, contributes to the reduction of particulate matter and other pollutants associated with maintenance activities.

Monitoring of gaseous effluents at Maintenance & Engineering facilities

To ensure legal compliance and as a risk-reduction mechanism, gaseous effluents are regularly monitored to verify that the Emission Limit Values (ELVs) established by law are not exceeded. Sampling frequency is also defined by legislation or the licensing authority. Monitoring results enable adjustments, if necessary, to the intervals specified in preventive maintenance plans, ensuring control and prevention of particulate and other pollutant emissions associated with aircraft, engine, and component maintenance activities. This measure contributes to pollution reduction by meeting applicable prevention and control criteria.

Reduction of fuel consumption in aircraft maintenance operations

TAP identified a potential improvement in Airbus procedures for the A330neo fleet, proposing the replacement of a high-power test with a lower-power test, reducing consumption by approximately 300 kg of fuel per test. After validation by Airbus, the measure was implemented globally, significantly contributing to the reduction of pollutant emissions into the atmosphere. For TAP's fleet of 19 A330neo aircraft, this inspection occurs approximately seven times per year, resulting in an estimated annual fuel saving of around 2.1 tonnes. This reduction helps decrease particulate and other pollutant emissions associated with combustion, improving the environmental performance of Maintenance & Engineering operations.

Transition to an electric fleet in Maintenance & Engineering

The Maintenance & Engineering division has been investing in replacing its combustion-engine fleet with electric vehicles for its operations. Like aircraft engines, the combustion of diesel and petrol in light and heavy vehicles produces particulate matter and other gaseous pollutants, in addition to greenhouse gas emissions, which may have adverse effects on human health. In 2025, 17 combustion vehicles were retired from the fleet and 15 electric vehicles were added.

4.2.3.3. Metrics and targets

Targets related to pollution (E2-3)

The Organisation has established internal targets, the progress of which is monitored through key metrics by the Sustainability Committee. However, as they are currently under review and considering the ongoing privatisation process, they have not been disclosed in this report.

Pollution of air, water and soil (E2-4)

In 2025, all gaseous effluents subject to mandatory periodic monitoring under current legislation fully complied with the applicable emission limit values for air pollutants, with no exceedances recorded.

Emission values for each pollutant were calculated in accordance with the guidelines established under the Integrated Pollution Prevention and Control (IPPC) framework. These calculations were based on direct measurements at emission sources on a local basis, combined with recorded operating hours.

It should be noted that emission values can vary significantly from year to year, as aircraft maintenance activities are not continuous. Consequently, results from spot measurements depend heavily on the specific processes occurring at the time of monitoring.
In the case of engine test benches, where direct monitoring is not possible, emission values for NOx, CO and SO_2 were estimated based on Jetfuel A1 consumption and the corresponding emission factors.

The emission factors applied were as follows:

- 30 kg of NO_x per tonne of fuel;
- 2.5 kg of CO per tonne of fuel; and
- 0.8 kg of SO_2 per tonne of fuel.

These emission factors are based on standardised industrial values commonly used to estimate emissions in aviation operations. The degree of uncertainty associated with these estimates is mainly due to variability in fuel composition and engine performance under different operating conditions. Based on these calculations, it was concluded that the Group does not exceed any reporting thresholds.



4.2.4. ESRS E4 – Biodiversity and Ecosystems

4.2.4.1. Strategy

Transition plan and consideration of biodiversity and ecosystems in strategy and business model (E4-1)

Aware of global challenges related to the loss of habitats, species, and ecosystems, the TAP Group recognises the growing importance of biodiversity protection and is committed to integrating biodiversity considerations into its sustainability strategy and business model.

In this area, the Group acknowledges that its activities have a direct impact on exacerbating climate change, which in turn places significant pressure on biodiversity, affecting habitats, species, and ecosystems.

Airport operations and flight activities result in greenhouse gas emissions and other air pollutants, which can be disruptive, for example, to migratory birds. Additionally, the extraction of raw materials and resources required for the Group's operations and its value chain, such as aircraft manufacturing, fossil fuel production, and maintenance, can contribute to ecosystem degradation.

Thus, while recognising that its direct footprint on habitats is limited, the Group also acknowledges that operating near ecologically sensitive areas, as well as choices made within the value chain, entail increasing responsibility for the preservation of ecosystems.

These factors have led to the identification of biodiversity as a material topic for the Company, reinforcing the Group's commitment to nature protection and responsible impact management.

In 2025, the TAP Group developed its first Biodiversity Transition Plan, aimed at framing initiatives for biodiversity protection and ecosystem preservation.

The Biodiversity Transition Plan selectively and adaptively incorporates the objectives and guidance of relevant reference frameworks, such as the Kunming-Montreal Global Biodiversity Framework (Target 2 – Ecosystem Restoration, Target 8 – Climate Change and Resilience, Target 10 – Sustainable Management of Natural Resources, Target 11 – Ecosystem Services, and Target 15 – Corporate Transparency), the European Union (EU) Biodiversity Strategy for 2030 (Target – Planting three billion new trees in the EU), and the Sustainable Development Goals (SDG 12 – Responsible Production and Consumption, SDG 13 – Climate Action, and SDG 15 – Life on Land). Validated by the Sustainability Committee, the Plan is implemented in alignment with existing policies and reflects the specificities of civil aviation and the Group's operations in Portugal.

Closely linked with the Climate Transition Plan and its strategic decarbonisation axes, which are discussed in more detail in Chapter 4.2.2.1 ESRS E1-1, the Biodiversity Transition Plan establishes a set of targets and action plans to progressively reduce impacts, support nature-based solutions, and contribute to biodiversity restoration in the most relevant contexts of the Group's operations.

The initiatives within the action plans follow the mitigation hierarchy – avoid, minimise, restore, and offset – and are organised around the following areas of direct and indirect action related to the identified impacts:

1. *Action Pillar – Operational emissionss*
Reduce operational emissions impacting biodiversity through:
   - Fleet renewal and modernisation: progressively replacing older aircraft with models that are more energy-efficient and have lower atmospheric emissions.
   - Gradual adoption of lower-carbon alternative aviation fuels (SAF – Sustainable Aviation Fuel): prioritising fuels and feedstocks that do not negatively affect food supply chains or ecosystems.
   - Operational optimisation and efficiency measures: including flight profile optimisation, take-off weight management, and the implementation of other more efficient operational procedures. To support these initiatives, the Group has invested in advanced software to monitor and improve operational performance, promoting continuous reductions in fuel consumption and, consequently, greenhouse gas (GHG) emissions.

2. *Action Pillar – Compensation*
The Group currently offers a voluntary carbon dioxide (CO_2) offset programme, aimed at passengers, cargo, and corporate clients. This programme enables customers to understand the CO_2 emissions associated with their air travel and to voluntarily offset them by supporting certified projects developed globally, which aim to reduce or remove carbon from the atmosphere. While these projects do not have a direct impact on emissions from the flights themselves, they contribute to the reduction or removal of carbon in other regions, supporting global climate change mitigation efforts. The supported initiatives, aligned with the principles of Nature-Based Solutions (NbS), simultaneously pursue climate action objectives and the protection of relevant ecosystems.

3. *Action Pillar – Partnerships and commitments*
The establishment of strategic partnerships with suppliers, local authorities, regulators, and airport entities to promote biodiversity conservation has enabled the development of collaborative projects.

Ongoing engagement and dialogue with environmental stakeholders, including relevant NGOs, further support the deepening of knowledge regarding the operational impacts on biodiversity, the identification of priority action areas, and the development of monitoring mechanisms suitable for the aviation sector.

In the medium term, between 2034 and 2037, the construction of Luís de Camões Airport is planned, which will replace Humberto Delgado Airport, currently TAP's hub. Through stakeholder consultation processes conducted by the various parties involved, TAP has contributed to defining best practices to ensure that the new infrastructure is resilient, efficient, and aligned with general sustainability and environmental best practices.

Additionally, TAP maintains measures prohibiting the transport of hunting trophies, laboratory animals, shark fins, and endangered species, reinforcing environmental integrity and combating illegal wildlife trade.

Annual monitoring and reporting of the Biodiversity Transition Plan follow a systematic approach that ensures the continuous improvement of TAP Group's environmental performance. The adopted governance model allows for tracking the real impact of actions through a structured cycle that integrates initial characterisation, execution, results evaluation, and monitoring of key indicators. The Group's performance on biodiversity will be monitored through measurable indicators aligned with the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030, including total GHG emissions (Scopes 1, 2, and 3), the percentage of lower-carbon alternative aviation fuel (SAF) incorporation, and the proportion of suppliers assessed against environmental criteria.

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

During 2025, the TAP Group conducted a comprehensive assessment of its impacts and dependencies on biodiversity and ecosystems, as well as the associated financial risks and opportunities, based on the double materiality approach required by the European Sustainability Reporting Standards (ESRS). This assessment confirmed that biodiversity and ecosystems are a material topic from an impact perspective.

The Double Materiality assessment considered all ecosystems directly or indirectly affected by TAP's activities, as well as stakeholders and communities dependent on these natural resources. As a result of this exercise, two material negative impacts were identified.

ENVIRONMENT	IRO	+/-	R/P	OP/CV
ESRS E4: Biodiversity and ecosystems				
Direct impact drivers of biodiversity loss				
Contribution to biodiversity loss due to the impact of TAP on the worsening of climate change (through GHG emissions), one of the direct factors of biodiversity loss.	I	-	P	Both
Impacts on the extent and condition of ecosystems				
Contribution to the degradation of ecosystems due to pressures generated (e.g. pollution, resource scarcity) by material extraction activities in the value chain and TAP Group operations (e.g. aircraft manufacturing, fossil fuel production, maintenance).	I	-	P	Both

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

The most significant indirect impact of the Group's activities on biodiversity and ecosystems arises from its contribution to climate change through greenhouse gas (GHG) emissions. These emissions intensify global warming, alter climatic patterns, affect water availability, modify habitats, and accelerate phenomena such as ocean acidification, all of which exacerbate global biodiversity loss.

In addition to this effect, airport operations and flight activities generate air pollutants that have disruptive impacts on wildlife, including migratory birds, while the extraction of raw materials, fossil fuel production, and maintenance operations may further contribute to ecological degradation.

Some of TAP's operations take place at airports near areas of high ecological value, such as the Azores and Madeira (classified under the Natura 2000 Network and coastal and marine nature reserves) and Faro (adjacent to the Ria Formosa Natural Park), whereas in Lisbon and Porto, the airports are located in densely urbanised areas but remain subject to environmental licensing under the supervision of the Portuguese Environment Agency (APA).

4.2.4.2. Impact, risk and opportunity management

Policies related to biodiversity and ecosystems (E4-2)

The TAP Group is committed to reducing carbon dioxide and other greenhouse gas emissions and promoting the transition to lower-carbon fuels, thereby contributing to climate change mitigation, a key driver of biodiversity loss. Energy efficiency, resource conservation, and circular economy practices reduce pressure on natural areas by lowering raw material extraction and water and energy consumption. Minimising air pollution and waste generation, along with adopting sustainable practices across the value chain, helps limit habitat degradation and protect terrestrial and aquatic ecosystems. Environmental emergency management and support for conservation initiatives further help prevent and mitigate impacts on species and ecosystems. These measures, integrated into Group policies, also safeguard essential ecosystem services, such as water and energy, strengthening the environmental resilience of operations.

The **Environmental Policy**, applicable to TAP S.A. and Portugália, is integrated into the existing environmental management system (IEnvA), based on ISO 14001 and International Air Transport Association (IATA) standards, ensuring compliance with applicable environmental legislation and promoting continuous improvement in environmental performance. With respect to biodiversity and ecosystems, this policy aims to mitigate the negative impacts arising from greenhouse gas emissions, which represent a direct driver of biodiversity loss, while supporting the conservation of natural resources.

Additionally, the Group has a **Sustainability Policy**, whose key commitments regarding biodiversity and ecosystems include reducing carbon dioxide and other greenhouse gas emissions, protecting biodiversity, and supporting conservation initiatives. The policy also encourages the development of partnerships and compliance with environmental standards, reinforcing the protection of ecosystems and species.

Both policies incorporate awareness-raising, training, and engagement of employees and stakeholders, fostering understanding of the social impacts linked to ecosystem changes and encouraging actions that mitigate negative social consequences, particularly within local communities and among suppliers.

Further information on these policies can be found in Chapter 4.2.3.2 ESRS E2-1.

Actions and resources related to biodiversity and ecosystems (E4-3)

Operational emissions

The TAP Group recognises that emissions from aviation, particularly carbon dioxide (CO_2), nitrogen oxides (NOX), and contrails, pose significant risks to the climate and, indirectly, to biodiversity. These pollutants contribute to air quality degradation, soil and water acidification, and climate change, all of which threaten vulnerable habitats and species.

To address this challenge, the Group has implemented a set of integrated measures, also reflected in the Climate Transition Plan, combining fleet modernisation, operational efficiency improvements, and the use of lower-carbon alternative aviation fuels (SAF – Sustainable Aviation Fuel). Further information on these initiatives can be found in Chapter 4.2.2.2 ESRS E1-3.

By reducing the climate impact of its operations, the Group contributes not only to decarbonising the aviation sector but also to protecting biodiversity by limiting additional pressures on ecosystems.

Compensation

Since 2009, the Group has operated a voluntary carbon dioxide (CO_2) offset programme, initially targeting passengers and later extended to cargo and corporate clients. Passengers can voluntarily offset the CO_2 emissions associated with their flights during the ticket purchase process. Cargo and corporate clients have access to dedicated portals and receive detailed reports estimating the CO_2 emissions of their flights. The programme enables clients to support globally certified projects designed to reduce or remove carbon from the atmosphere.

TAP is responsible for selecting the projects offered to its clients, ensuring that the available options meet quality standards, have environmental relevance, and hold internationally recognised certification, prioritising initiatives that provide tangible benefits for biodiversity and ecosystems. These actions follow the principles of Nature-Based Solutions (NbS), combining efforts to mitigate emissions with the protection of strategic ecosystems. Selected initiatives include the protection of the boreal forest in Alaska and the Brazilian Amazon, mangrove restoration in Pakistan, promotion of clean wind energy in Costa Rica, and the engagement of local communities, reinforcing both social and environmental benefits.

Partnerships and Commitments

Aware that ecological challenges require collaborative, locally grounded responses, the TAP Group continuously monitors and evaluates opportunities for cooperation with scientific institutions, universities, public authorities, and NGOs, particularly in ecological restoration and biodiversity monitoring projects near its operations.

In 2025, the Group maintained open dialogue channels with key institutional stakeholders such as ANA Aeroportos de Portugal, Autoridade Nacional da Aviação Civil (ANAC), NAV Portugal, and other navigation and environmental authorities, as well as NGOs, ensuring ongoing coordination on environmental and operational sustainability matters. TAP also continued its active participation in the Roteiro Nacional para a Descarbonização do Setor da Aviação (RONDA), a collaborative initiative bringing together the main actors from the aviation, energy, and academic sectors to define strategies and concrete actions to achieve carbon neutrality by 2050.

Within the IEnvA Environmental Management System, TAP developed a supplier evaluation matrix integrating environmental criteria, mapping and segmenting suppliers by geography and product/service category. In the coming years, the Group plans to incorporate environmental requirements – including environmental performance and legal compliance parameters – into supplier assessments. This approach promotes continuous improvement in environmental performance across the value chain, encourages more responsible practices, and strengthens the management of Scope 3 indirect emissions.

In 2015, the Group implemented a measure prohibiting the transport of hunting trophies, laboratory animals, shark fins and any parts of species included in the list of 'Endangered Animals'. This measure applies to all of the Group's cargo operations.

In 2025, the Group ensured that 100% of paper purchased for the TAP campus was certified by FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification).

4.2.4.3. Metrics and targets

Targets related to biodiversity and ecosystems (E4-4)

The Group has established a set of internal targets aimed at addressing its direct and indirect impacts on biodiversity. Progress towards these internal targets is monitored through key metrics by the Sustainability Committee. However, as they are currently under review and considering the ongoing privatisation process, they have not been disclosed in this report.

These targets are aligned with key international frameworks, including the Kunming-Montreal Global Biodiversity Framework, the European Union Biodiversity Strategy for 2030 and the Sustainable Development Goals (SDGs), ensuring an integrated and transparent approach to monitoring its environmental performance.

Action Pillar – Operational emissions
As mentioned in Chapter 4.2.4.1 ESRS E4-1, this pillar is perfectly aligned with the Group's objectives regarding climate change management, with metrics in this area being directly or indirectly related to greenhouse gas emissions. The methodology used to calculate and establish these metrics is presented in Chapter 4.2.2.3 ESRS E1-4.

Action Pillar – Partnerships and Commitments
Within this pillar, the Group emphasises the importance of good value chain management to ensure that impacts throughout the chain are mitigated.

About supplier relationship management, the metrics monitored reflect the implementation of the principles set out in the Group's Supplier Code of Conduct, namely the commitment to legal compliance and environmental protection, as well as the qualification of suppliers based on ESG criteria. In 2025, 34.9% of scope suppliers were assessed. Further information on this initiative, including the methodology used to calculate and establish this metric, can be found in Chapter 4.3.2.2 ESRS S2-4.

The inclusion of environmental criteria in the evaluation of suppliers for key purchasing categories enables continuous monitoring of supply chain performance and ensures alignment with the Group's corporate sustainability policies and good environmental practices.

The supplier evaluation metric based on environmental criteria is calculated as the percentage ratio of the total number of suppliers in the key purchasing categories to those whose procurement process already incorporates environmental criteria at the evaluation stage.

Impact metrics related to biodiversity and ecosystems change (E4-5)

In 2025, the Group initiated the process of monitoring, tracking, and reporting its impact on the biosphere, in line with the results of the Double Materiality assessment. In this first year of reporting, the Group focused on the geographic mapping of its assets and the identification of sensitive areas in the surroundings of its operations. In the future, the Group will assess the relevance and feasibility of monitoring and reporting additional metrics related to biodiversity and ecosystems, according to stakeholder expectations.

To evaluate the exposure of sensitive areas to the Group's operations, the georeferenced address of each owned or leased building/space was used on the IBAT (Integrated Biodiversity Assessment Tool) platform. Three main layers were consulted on the platform:

- **Key Biodiversity Area (KBA)**: sites that make a significant contribution to the global persistence of biodiversity, across terrestrial, freshwater, and marine ecosystems;
- **Protected Area Designations (Overall designation)**: includes international and regional networks and conventions, such as Natura 2000, Ramsar, Emerald Network, World Heritage natural sites, Regional Seas, Man and Biosphere, national/subnational areas, as well as areas protected through non-legal means (local communities or private initiatives);
- **IUCN Management Categories (I–VI)**: classifying protected areas according to their conservation and management objectives.

An area was considered potentially exposed or affected if the Group's building or space was located within, or at a maximum distance of, three kilometres. For buildings and spaces situated within airports, the three-kilometre distance was measured from the airport boundary. The metrics monitored in 2025, and to be monitored annually, were the number of buildings located in or near sensitive areas and the total area of these buildings in square metres. This approach allows an objective quantification of the interaction between the Group's operations and areas of high biodiversity significance, guiding the definition and prioritisation of mitigation measures.

	2023	2024	2025
Number of sites located in sensitive areas	-	-	29
Area (in m²) of sites located i n sensitive areas	-	-	3,300

The analysis covered the buildings and spaces of TAP S.A., Portugália and UCS, including owned and leased buildings with a known georeferenced address, regardless of the country in which they were located. Buildings with contracts for residential purposes were excluded from the analysis, as the Group considers that these assets do not have the potential to negatively impact biodiversity and ecosystems as materially as airport infrastructure. The metrics are based on globally recognised conservation boundaries (KBA, protected areas and IUCN categories), aligning with international biodiversity priorities, including planetary boundaries related to biosphere integrity and conservation of essential ecosystems.

4.2.5. ESRS E5 – Resource use and circular economy

4.2.5.1. Strategy

Material impacts, risks, and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The TAP Group recognises the importance of ensuring that, wherever possible, materials are sourced through secondary cycles, as well as of reducing resource consumption, promoting reuse, and recycling waste from its flight and ground operations, in order to minimise its environmental footprint.

ENVIRONMENT	IRO	+/-	R/P	OP/CV
ESRS E5: Circular Economy				
Resource inflows, including resource use				
Consumption of raw materials and non-renewable materials used in TAP's operations.	I	-	R	Both
Waste				
Production of hazardous waste in TAP's own operations (e.g. maintenance and UCS services).	I	-	R	Both
Production of non-hazardous waste in TAP operations (e.g. food waste, packaging waste (on board) and other waste in TAP operations).	I	-	R	Both

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

In terms of resource input, TAP has a real negative impact associated with the consumption of non-renewable materials used in its operations, with particular emphasis on aeronautical maintenance materials (e.g. parts, lubricants, solvents and chemicals), which represent a high environmental risk due to their hazardous nature and limited circularity. Although fossil fuel consumption is the main non-renewable material resource used, this falls under the theme of climate change (ESRS E1), with operational and catering materials being the focus of analysis in the context of this section.

Regarding waste, the Group identifies real negative impacts related to the production of hazardous waste, particularly in maintenance and technical services, as well as the generation of non-hazardous waste, including food and packaging waste from on-board and catering operations. In addition, there is the production of hospital waste associated with the UCS activity, which requires specialised management and treatment. Although non-hazardous waste has a lower direct environmental impact, its high volume and geographical dispersion make it difficult to implement circular solutions, such as recycling or reuse.

4.2.5.2. Impact, risk and opportunity management

Policies related to resource use and circular economy (E5-1)

To ensure the management of identified impacts, the Group has two policies: the Environmental Policy (IEnvA POL 01) and the Sustainability Policy.

The **Environmental Policy** seeks to promote the circular economy by establishing processes for the procurement and management of materials and equipment that prioritise reduction, reuse and recycling, as well as ensuring the applicability of sustainability principles throughout the value chain in all locations where TAP operates. As this policy is integrated into TAP's existing environmental management system, based on ISO 14001, it aims to prioritise the prevention, preparation for reuse and recycling stages of the waste hierarchy, ensuring that the Group complies with applicable environmental legislation and promotes the continuous improvement of the environmental performance of its operations. One of the objectives of the **Sustainability Policy** in its environmental dimension is to implement circular economy models, guiding the Group towards the reduction, reuse and recycling phases of the waste hierarchy. More information on these policies can be found in Chapter 4.2.3.2 ESRS E2-1.

Actions and resources related to resource use and circular economy (E5-2)

Within the scope of materials management, the Group seeks to integrate circularity principles from the procurement stage, prioritising reusable, durable and recyclable solutions, while assessing opportunities for recovery, reuse or valorisation in order to optimise resource use and reduce environmental impacts throughout the life cycle of materials.

Sustainable Cabin Project
TAP's priority has been the systematic analysis of consumption patterns and customer profiles through the monitoring of quality indicators (NPS – Net Promoter Score), internal cabin reports and feedback from customer-facing areas, as well as monthly Supply Chain audits of catering providers. This approach aims to meet customer expectations while optimising loading plans, which – alongside the overcatering project – constitutes the primary mechanism for preventing food waste and maximising the reuse of recoverable items.

At the same time, consistent efforts have been made to replace single-use items with reusable (rotational) alternatives and, wherever possible, to introduce recycled and recyclable materials.

In line with the waste hierarchy, the project focuses on: reducing waste generation, increasing the number of reusable and recyclable items on board, improving the recycling rate of on-board waste.

All workstreams under this project require the continuous involvement of the value chain to ensure that the established objectives are achieved.

On-board Recycling
This initiative was launched in 2024, involving the Product Inflight, Cabin Crew, Cateringpor, Procurement and Sustainability teams, which jointly designed and implemented an action plan to promote enhanced segregation of catering waste on board and its appropriate recovery at the Lisbon hub caterer.

In 2025, the focus was on creating on-board conditions to enable and enhance waste separation for subsequent recycling. This included converting safety and waste trolleys into recycling trolleys through the adaptation of frames, colour-coded bags and drawers, as well as using drinking trolleys as dedicated recycling trolleys for beverage packaging and other materials.

Focus was also placed on training and involving crew members, through the distribution of an on-board Sustainability Guide containing all the standards, guidelines and procedures for recycling on board, multi-channel internal marketing campaigns with videos, posters and digital components, quarterly visits to Cateringpor and the sharing of practical Do's and Don'ts.

The Group also strengthened collaboration with the Lisbon hub caterer to ensure appropriate waste segregation, auditing and monitoring. Measures included the expansion of the recycling area, reinforcement of staffing, the redesign of processes and flows, the definition of monitoring indicators, and the issuance of monthly reports highlighting positive and negative aspects.

In 2025, 12.4% of catering waste at the Lisbon hub was recycled.

Overcatering
In January 2024, a dedicated working group was established, comprising members from the Product Inflight and Network & Revenue teams, to conduct regular analyses of overcatering on medium-haul double-catering flights. This enables adjustments to on-board meal loading, considering historical no-shows, upgrades and last-minute reservations by departure destination.

This initiative, together with meal pre-selection and the ongoing monitoring and adjustment of meal quantities and types according to different geographies and time bands, allows the Group to optimise the volume of products loaded onto its aircraft. This contributes to reducing food waste and to more efficient on-board resource management by maximising the reuse of materials. These initiatives also contribute to weight reduction on board, thereby lowering fuel consumption and associated CO_2 emissions resulting from the transport of unused products.

In 2025, overcatering was reduced by 54% on European flights and by 30% across the overall network, compared to the 2023 baseline year, for flights catered at the Lisbon hub.

Reusable and Recyclable Items
Currently, 67.5% of non-food on-board items are reusable and recyclable (including tableware, amenity kits and other non-consumable materials), representing nearly all items for which such solutions are operationally viable. Of the remaining single-use items, 92% are recyclable.

The sourcing and procurement of increasingly lightweight, reusable and recyclable non-food items remains an ongoing priority for the Product Inflight and Procurement teams. In 2023, the Group reinforced its commitment to sustainability by introducing reusable and recyclable tableware in Economy Class on long-haul flights. From a circular economy perspective, when these materials become damaged or reach end of life, they are reintroduced into the production process for new units through a closed-loop recycling system.

Waste Management at the TAP Campus
The Group recognises the importance of managing the waste it generates and integrates this practice into its operations. Whenever technically feasible and economically viable, and in collaboration with service providers, the Group prioritises sending waste for recovery and valorisation rather than disposal, with the aim of reducing environmental impact and optimising resource use.

During 2025, the Group implemented several initiatives to reduce the volume of waste generated at the TAP Campus and to increase the proportion of waste directed towards recovery.

The main measures included:

- The elimination of single-use plastic bottles from the staff canteen and internal supply chain, replaced by water dispensers and the use of reusable bottles at meetings and events.
- Reinforcement of recycling bins to improve waste segregation and collection.
- The digitalisation of internal processes, contributing to a reduction in paper consumption.
- The continuation of the organic waste collection programme in the canteen and its subsequent treatment through composting.
- The donation of equipment and materials that were no longer operationally required by the Group.
- A reduction in paper consumption through the implementation of the eTLB (Electronic Technical Logbook) at Portugália and the development of the eQRH (Electronic Quick Reference Handbook), currently at an early stage.
- The reuse of flooring materials that would otherwise have been classified as construction and demolition waste, repurposed for paving one of the Campus car parks.

As a result of these initiatives, approximately 416,000 items were donated in 2025. Regarding the quantity of municipal-equivalent waste generated per employee at the TAP Campus, a 19% reduction was recorded compared to the 2019 baseline year.

To reinforce its action plan, the Group intends in the coming years to implement audits of residual (non-segregated) waste streams and to strengthen employee awareness campaigns.

In addition, the Group plans to establish strategic partnerships with external entities to develop circularity projects applicable to different materials and equipment used in its operations, promoting their reuse, recovery or reintegration into new usage cycles.

The Group is also working on the progressive incorporation of environmental criteria into procurement processes, particularly within priority purchasing categories.

4.2.5.3. Metrics and targets

Targets related to resource use and circular economy (E5-3)

The Group has established internal targets to monitor its environmental performance, with progress tracked through key metrics reviewed by the Sustainability Committee. Some of these targets have previously been disclosed. However, as they are currently under review and considering the ongoing privatisation process, they have not been disclosed in this report.

Notwithstanding this, the progress of the initiatives' impact is monitored through operational metrics, which reflect the Group's commitment to addressing the negative impacts identified, particularly circularity, in the management of the reduction, reuse and recovery of resources/waste. In this way, it monitors the evolution of waste equivalent to urban waste in relation to the total waste produced on Campus, per employee, the recycling rate of catering waste at the Lisbon hub, as well as the reduction rate of overcatering on European flights and across the entire network.

The municipal-equivalent waste reduction metric at the TAP Campus is defined based on the weight of municipal-equivalent waste per employee relative to the total waste generated. The value is presented as a percentage and reflects cumulative annual performance compared to the 2019 baseline year.

METRIC	Performance 2023	Performance 2024	Performance 2025
Percentage reduction in the amount of municipal-equivalent waste produced at the TAP Campus per employee (baseline 2019)	2.9%	5.2%	19%
Percentage of catering waste recycled in total waste/1,000 flights	-	9.6%	12.4%
Percentage of recyclable single-use items on board	-	92%	92%
Percentage reduction in the number of full meals not consumed per 100 passengers on European flights. Catering loaded at the Lisbon hub	15.9%	13%	7.4%
Percentage reduction in the number of full meals not consumed per 100 passengers across the entire network. Catering loaded at the Lisbon hub.	10%	9.3%	6.5%

The on-board recycling metric is defined based on the relative weight of waste sent for recycling compared to the total catering waste generated at the Lisbon hub. The value is presented as a percentage and is calculated based on TAP's share of monthly business volume within the total monthly volume handled by the Lisbon caterer, per 1,000 flights.

A limitation of this metric is that waste is not disaggregated by airline, production/unloading stage, or type of flight/aircraft. Reporting is carried out monthly by the caterer, based on waste transfer documentation and management control information. The values presented refer to performance in the reporting year.

The metric for recyclable single-use items is based on the ratio between the number of single-use items on board (non-food and non-consumable) that are recyclable and those that are not. The value, presented as a percentage, refers to performance in the reference year. Reporting is carried out every six months by the Procurement/Supply Chain teams.

The overcatering metric represents the percentage reduction in the number of full meals left over on board per 100 passengers, both on the European medium-haul network and on the total network, including only flights loaded at the Lisbon hub. The report is produced by the Product Inflight team on a quarterly basis, and the figures refer to performance in the reference year.

Resource inflows (E5-4)

The Group uses different types of material resources in its operations, reflecting the diversity of its business areas, namely flight operations, maintenance and engineering, and healthcare services. Resource inflows are directly associated with air transport services, aircraft maintenance and the provision of healthcare, involving both single-use and reusable materials, as well as technical components and specialised products.

In flight operations, the main resource inflows are associated with the on-board service and include food and beverages, packaging and service materials (single-use items such as plastic or cardboard packaging, plastic cups and PET containers), as well as passenger comfort items (reusable products such as blankets, pillows, cutlery and other service utensils).

The Maintenance and Engineering area represents one of the primary centres of technical material consumption, being responsible for interventions, repairs and services performed on both the Group's own aircraft and those of third parties. Resource inflows in this area include a range of specialised materials and components, notably chemical products such as lubricants, greases, oils, component repair products and cleaning agents; engines and engine parts; composite materials and technical components; as well as cabin components and materials, including textile elements.

The Group also includes a healthcare unit (UCS), whose activities require the use of hospital-related resources. Although smaller in relative scale compared to the other operational areas, this unit is responsible for hospital consumables such as syringes, disposable gloves, dressings and compresses, medicines, pharmaceutical products and medical equipment.

TAP has been implementing initiatives aimed at reducing the inflow of single-use materials across its operational areas. Among the key measures adopted is the introduction of reusable tableware for meals served on long-haul flights, as well as the elimination of aluminium trays and single-use plastic films previously used in passenger meal packaging.

As at the reporting date, the Group has not yet been able to quantify, on a consolidated basis, the total weight of resources procured. However, the strengthening of data collection and consolidation mechanisms is planned to enable such quantification in future reporting periods.

Resource outflows (E5-5)

Within the TAP Group, waste management is a central pillar of the sustainability strategy, reflecting the complexity of its operations and its commitment to the circular economy. Waste arises from air transport operations, on-board catering and cleaning activities, maintenance and engineering operations at the TAP Campus, as well as administrative functions and healthcare service provision.

In the operations of TAP S.A. and Portugália, waste is generated from catering services and on-board cleaning activities. At the TAP Campus, which also hosts the Maintenance and Engineering area, industrial activities are carried out that give rise to industrial waste, both hazardous and non-hazardous. Administrative activities across the Group's offices likewise contribute to waste generation, albeit on a smaller scale. In addition, the Group includes UCS, a healthcare unit with hospital activities, which, although representing a relatively small proportion of the total, also generates hospital waste.

Approximately 83% of the waste generated by the Group's operations is classified as non-hazardous, notwithstanding the fact that the absolute quantities remain significant. The Company remains focused on progressively reducing the volume of waste generated and increasing the proportion directed towards recovery and valorisation.

TAP ensures that all waste generated in its operations is accurately accounted for through institutional electronic waste management platforms. Waste management is carried out by licensed waste management operators, who provide the necessary technical expertise for proper handling and processing, prioritising, whenever technically and financially feasible, recovery and valorisation in compliance with applicable legal requirements. Catering waste from flights arriving in Lisbon, included under TAP S.A. waste (on-board category), is accounted for separately. The determination of quantities for the Group is based on the total waste produced by the service provider and is subsequently adjusted proportionally to the business volume between the Group and the provider. To monitor these values, a monthly report on these quantities is submitted to the Group.

In 2025, an increase in waste sent to landfill was recorded, influenced by aviation biosecurity regulations. On-board waste from international flights, which may contain traces of animal-origin products (Category 1), must be disposed of via incineration or landfill. Given technical limitations and installed capacity at incineration facilities in Portugal, landfill disposal currently constitutes the only available option to ensure the lawful treatment of these waste streams.

Tonnes	2023	2024	2025
Non-hazardous waste	1,975.82	2,075.97	2,087.53
TAP S.A.	1,974.45	2,074.55	2,086.57
Headquarters	788.24	654.20	598.84
Aircraft, engine and component maintenance	300.67	412.82	575.04
On board	885.55	1,007.52	912.69
Portugália	1.37	1.42	0.96
Aircraft maintenance	1.37	1.42	0.96
UCS	0	<0.01	0
Hazardous waste	351.35	282.49	426.06
TAP S.A.	337.50	271.43	413.68
Aircraft, engine and component maintenance	337.50	271.43	413.68
Portugália	11.31	8.67	10.24
Aircraft maintenance	11.31	8.67	10.24
UCS	2.55	2.39	2.14
Radioactive waste	0	0	0
TAP S.A.	0	0	0
Portugália	0	0	0
UCS	0	0	0

Tonnes	2023	2024	2025
Non-recycled waste	1,908.87	1,851.65	1,940.55
TAP S.A.	1,898.63	1,841.91	1,931.70
Headquarters	675.01	563.36	509.22
Aircraft, engine and component maintenance	338.08	271.28	510.14
On-board	885.55	1,007.27	912.34
Portugália	7.69	7.35	6.72
Aircraft maintenance	7.69	7.35	6.72
UCS	2.55	2.39	2.14
Percentage of non-recycled waste	82%	79%	77%
TAP S.A.	82%	79%	77%
Headquarters	86%	86%	85%
Aircraft, engine and component maintenance	53%	40%	52%
On-board	100%	100%	100%
Portugália	61%	73%	60%
Aircraft maintenance	61%	73%	60%
UCS	100%	100%	100%



Tonnes	2023	2024	2025
Total waste	2,327.18	2,358.46	2,513.58
TAP S.A.	2,311.95	2,345.98	2,500.25
Portugália	12.68	10.09	11.20
UCS	2.55	2.39	2.14
Total waste diverted from disposal	642.29	744.66	941.91
TAP S.A.	629.73	734.86	930.82
Portugália	12.56	9.80	11.09
UCS	0	<0.01	<0.01
Hazardous	221.72	231.49	266.58
TAP S.A.	210.53	223.12	256.45
Portugália	11.19	8.38	10.13
UCS	0	0	<0.01
Preparation for reuse	32.47	37.69	42.95
TAP S.A.	32.47	37.69	42.95
Portugália	0	0	0
UCS	0	0	0
Recycling	27.99	25.08	42.28
TAP S.A.	23.78	23.01	38.38
Portugália	4.21	2.07	3.91
UCS	0	0	0
Other recovery operations	161.26	168.72	181.35
TAP S.A.	154.28	162.42	175.13
Portugália	6.98	6.30	6.22
UCS	0	0	<0.01
Non-hazardous	420.58	513.17	675.33
TAP S.A.	419.21	511.75	674.37
Portugália	1.37	1.42	0.96
UCS	0	<0.01	0
Preparation for reuse	0	0	0
TAP S.A.	0	0	0
Portugália	0	0	0
UCS	0	0	0
Recycling	390.32	481.73	530.75
TAP S.A.	389.54	481.06	530.17
Portugália	0.78	0.67	0.58
UCS	0	0	0
Other recovery operations	30.26	31.44	144.58
TAP S.A.	29.67	30.69	144.20
Portugália	0.59	0.75	0.38
UCS	0	<0.01	0
Waste sent for disposal	1,684.89	1,613.80	1,571.67
TAP S.A.	1,682.22	1,611.12	1,569.42
Portugália	0.12	0.29	0.11
UCS	2.55	2.39	2.14
Hazardous	129.64	51.00	159.47
TAP S.A.	126.97	48.31	157.22
Portugália	0.12	0.29	0.11
UCS	2.55	2.39	2.14
Incineration	0	0	0
TAP S.A.	0	0	0
Portugália	0	0	0
UCS	0	0	0
Landfill	0	0	0
TAP S.A.	0	0	0
Portugália	0	0	0
UCS	0	0	0
Other disposal operations	129.64	51.00	159.47
TAP S.A.	126.97	48.31	157.22
Portugália	0.12	0.29	0.11
UCS	2.55	2.39	2.14
Non-hazardous	1,555.25	1,562.80	1,412.20
TAP S.A.	1,555.25	1,562.80	1,412.20
Portugália	0	0	0
UCS	0	0	0
Incineration	525.08	744.58	0
TAP S.A.	525.08	744.58	0
Portugália	0	0	0
UCS	0	0	0
Landfill	1,030.04	817.90	1,412.05
TAP S.A.	1,030.04	817.90	1,412.05
Portugália	0	0	0
UCS	0	0	0
Other disposal operations	0.13	0.33	0.15
TAP S.A.	0.13	0.33	0.15
Portugália	0	0	0
UCS	0	0	0

During 2025, the Group promoted initiatives for the recovery and reuse of resources, donating over 400,000 items to various entities. These actions contribute to the circular economy by extending the life cycle of products and materials, reducing waste and minimising environmental impact.

The approach adopted by the Group demonstrates the transformative potential of the circular economy, reinforcing social responsibility and creating economic value through the optimisation of resource use.

During the reporting year, flooring materials that would have been classified as construction and demolition waste (CDW) were repurposed to pave one of the car parks at the TAP Campus. The reuse of materials in construction projects represents an effective waste management practice, avoiding disposal in landfill, promoting material recovery and reducing environmental impact. This approach contributes to the circular economy by extending the life cycle of materials and may generate economic benefits by lowering costs associated with the purchase of new materials, transportation, and waste treatment.

Regarding end-of-life aircraft, these were previously returned to the respective lessors. In cases where end-of-life aircraft are owned by the Group, they are sold to third parties for dismantling. The dismantling process is conducted in accordance with applicable European regulations, ensuring the adoption of environmentally responsible practices. Engines and components have their own life cycles: the most recent parts can be reused in other aircraft, provided they meet all technical, operational and safety requirements. Parts that cannot be reused are sent for dismantling and recycling by specialised companies contracted by the Group.

Within TAP's Maintenance and Engineering area, specific procedures are applied for the recovery of aircraft materials. This practice is common in the aviation sector, as some materials are designed to last for the entire life of the aircraft, while others have lifespans defined by manufacturers' manuals.

4.3. Social Information

4.3.1. ESRS S1 – Own Workforce

4.3.1.1. Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

People management and their commitment to the Company constitute a strategic pillar for the TAP Group, driving the ongoing cultural transformation and supporting policies and practices that foster a culture of recognition and commitment among employees. This approach also underpins the business model, which is based on the provision of safe, efficient and sustainable air transport services. This positioning guided the Double Materiality assessment process, during which positive impacts, risks and opportunities were identified.

SOCIAL	IRO	+/-	R/P	OP/CV
ESRS S1: Own workforce				
Working conditions				
Access to skilled labour and competitiveness in attracting and retaining talent.	RI		R	OP
Workers' health and safety due to occupational accidents and exposure to physical health risk factors.	RI		P	OP
Absenteeism associated with sick leave in operational roles, affecting TAP's flight operations.	RI		P	OP
Internal recruitment and technical training of current employees.	O		P	OP
Equal treatment and opportunities for all				
Continuous employee development through general and aviation-specific technical training, driving efficiency gains and innovation.	I	+	R	OP
Promotion of diversity and inclusion in own operations and value chain, reinforcing innovation and creativity.	O		P	Both

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

Employee development through general and technical training

TAP's business model is based on the provision of safe, efficient and sustainable air transport services, which requires a high level of technical proficiency, ongoing training in operational safety (Safety Management System) and continuous updating on new-generation aircraft technologies, digital processes and sustainable practices. Workforce development through general and technical training is a positive and structuring impact, essential for maintaining regulatory certifications, enhancing the customer experience and achieving strategic and operational objectives of the Group.

TAP identifies three categories of workers: (1) employees, (2) personnel provided by third-party companies, and (3) independent contractors. Employees represent the majority of the workforce and directly benefit from development and training policies. Workers supplied by third-party companies perform roles in operations and ground services, aircraft cleaning, catering, logistics, temporary specialised services and healthcare, while independent contractors are engaged only occasionally for strategic or technological consulting and specialised training.

Risks and opportunities

The workforce is a critical element for operational continuity and strict compliance with safety and quality standards. Dependence on highly qualified professionals — including pilots, cabin crew, maintenance technicians, operations specialists and customer service teams — is essential for the execution of the business model. TAP faces risks related to occupational accidents, exposure to harmful physical factors (such as radiation, pressure and noise), and absenteeism due to medical leave in operational roles, which may impact operational regularity and efficiency.

At the same time, there are significant opportunities linked to the development and empowerment of the current workforce. Continuous investment in technical and general training enhances efficiency, strengthens internal mobility, fosters innovation and contributes to talent retention. Promoting diversity and inclusion, both within the Group's operations and across its value chain, reinforces creativity, innovation and organisational performance, consolidating the corporate culture of the Group.

Integration into strategy and business model

The management of workforce-related impacts, risks and opportunities is fully integrated into TAP's strategy. Access to qualified personnel, talent attraction and retention, and the promotion of occupational health and safety are essential elements for safe and continuous operations. TAP implements structured personal development and training plans, robust occupational health and safety programmes, social dialogue mechanisms, and internal retention and upskilling initiatives.

Ongoing investment in safety, health, wellbeing, and technical, digital and sustainability training is a strategic pillar that supports the adaptation of the business model to the technological, environmental and regulatory demands of the aviation sector, ensuring long-term competitiveness, resilience and capacity for innovation.

4.3.1.2. Impact, risk and opportunity management

Policies related to own workforce (S1-1)

Respect for life, human dignity and human rights is the principle guiding the relationship between the TAP Group and its employees. This commitment involves conducting due diligence with respect to human rights and the principles enshrined in the Code of Ethics and Conduct, as well as fulfilling responsibilities in occupational health and safety, promoting diversity, equity and inclusion within both potential and current workforce, and ensuring the professional development of employees and teams so that they are equipped to embrace and overcome the ongoing challenges of the sector. The set of workforce-related policies and procedures outlined below is widely communicated through a diverse range of internal communication channels, including in-person, offline and online formats.

Working conditions

The TAP Group has an integrated set of internal policies and regulations that define working conditions and ensure the protection of fundamental human and labour rights. **Company Collective Agreements** and the corresponding

Internal Regulation establish clear and fair labour standards, ensuring rights, duties and consistent working conditions, regulating contracts, working hours, remuneration, benefits and disciplinary processes, while promoting safety, equality and efficiency in the workplace. These standards apply to the Group's own operations in Portugal and have been developed considering employees' rights and obligations, the Company's operational needs, legal requirements, and the positions of employee representatives, regulatory authorities, and management teams.

The **TAP Group Human Rights Policy** reaffirms the Group's commitment to respect, support and protect human rights, promoting ethical, responsible and sustainable business practices across its operations and value chain. The **Code of Ethics and Conduct** define the principles and rules of ethical and professional behaviour applicable to all employees and partners of the Group, while the **Ethical Conduct Channel Policy** establishes procedures for the submission, receipt, handling and investigation of potential breaches. Further information on these policies can be found in Chapter 4.3.2.2 ESRS S2-1.

These policies are aligned with the Universal Declaration of Human Rights, the United Nations Guiding Principles, the International Labour Organization (ILO) fundamental conventions, and the Organisation for Economic Co-operation and Development (OECD) Guidelines, reflecting TAP's commitment to decent working conditions, non-discrimination, respect for human dignity, and freedom of association.

Additionally**, TAP S.A.'s Smart Working Policy** regulates remote work, promoting flexibility, productivity and work-life balance. This policy aims to enhance employee engagement, foster new ways of working, improve the employee value proposition, reduce the environmental footprint of operations, and optimise the management of facilities and resources. It applies only to employees whose roles can be performed remotely, and its implementation is overseen by the Executive Committee (EC).

Occupational Health and Safety

Occupational health and safety are ensured through **TAP S.A.'s Occupational Health** and **Safety Regulation** and **UCS's Occupational Health and Safety Policy**, which apply to all employees of the respective companies, regardless of employment status, including interns, apprentices and other economically dependent collaborators, covering all facilities and locations where activities are carried out.

The Regulation aim to promote workplace safety, protect and promote employees' health, and encourage cooperation between the company and its workforce, in compliance with national, EU and international legislation. Within this framework, TAP ensures safe and healthy working conditions, identifies and mitigates risks at their source, provides personal protective equipment, promotes continuous training, monitors health, and maintains facilities and equipment. Responsibility for enforcing the Regulation lies with the Board of Directors, with advisory and supervisory support from the Occupational Health and Safety Committee, which monitors the implementation of safety measures. The Regulations are communicated through internal channels, ensuring access for all employees.

UCS's Occupational Health and Safety Policy aims to prevent accidents, occupational diseases and incidents, manage risks (identification, assessment and mitigation), define responsibilities, provide information and continuous training, promote employee consultation and participation, and consolidate a safety culture. This policy applies to the entire Organisation and to all persons under its control, including clients, users, visitors and service providers, whenever they are exposed to or may be affected by the Company's activities. Oversight and implementation are the responsibility of the Board of Directors, which ensures that the policy is aligned with strategic objectives and complies with legal requirements. The UCS policy is available for consultation on the corporate website.

Talent Management: attraction, training and development

TAP's Internal Mobility Policy aims to promote internal talent, ensuring employee mobility, development and retention in alignment with the Company's needs. The policy establishes clear guidelines, ensuring efficiency in processes, equal opportunities and transparency. It is published on the intranet, where vacancies related to internal mobility are also advertised.

The **Talent Acquisition Manual** defines the recruitment and selection process, ensuring that TAP has the human resources required to meet its operational and strategic needs. It covers all facilities and operations in Portugal, including headquarters, airports and offices, and may be adapted for international operations whenever necessary. The Human Resources Department is responsible for managing the manual, which is approved by the Executive Committee (EC). The document is based on legal, ethical and social responsibility principles and is aligned with the National Strategy for Equality and Non-Discrimination, as well as with international standards of the United Nations, the European Union and the International Labour Organization (ILO).

The **training management manuals** – the Training Management Manual (TMM), the Training Procedures Manual (TPM) and the Internal Training Regulation – define the core activities of Universidade TAP (TAP University), establishing procedures that ensure consistency in training processes and coordination with the various internal departments. They cover all training delivered under their responsibility, with overall management entrusted to the Human Resources Department. Like the Internal Mobility Policy, these manuals are available for consultation via the intranet.

Portugália and UCS, as well as specific and specialised operational areas such as flight operations, airport services, maintenance and engineering, also have dedicated manuals that support the consistency and quality of training processes.

The **Performance and Potential Management Process Manual** of TAP S.A. define the Company's employee performance evaluation model, focusing on individual development and continuous improvement. Its objectives are to assess competencies and identify training needs, promote personal and professional development, ensure the effectiveness of training, and align behaviours with the Company's objectives. The evaluation process includes self-assessment and appeal mechanisms, ensuring the active participation of those assessed. Best practices in performance management have been incorporated, ensuring transparency, fairness and alignment with training and career progression policies. The manual, which is accessible to all employees via the intranet, and the procedures set out therein are managed by the Human Resources Department and approved by the Executive Committee. It is aligned with the Portuguese Labour Code, with principles of fair and non-discriminatory assessment, and with international best practices in performance management of the International Labour Organization (ILO).

Equal opportunities, diversity and inclusion

The promotion of equality and non-discrimination is supported by the **TAP Group's Diversity and Inclusion (D&I) Policy**. In addition to this policy, the Group has prepared the **Gender Equality Plan 2026**, which is currently undergoing approval and is expected to be published in the first quarter of 2026. The Group also provides training on non-discrimination policies and practices and has already adjusted the physical environment to ensure the accommodation of employees, customers and other visitors with disabilities, through the installation of ramps, lifts and accessible entrances.

The D&I Policy aims to embed inclusion and the appreciation of diversity into the essence, culture and history of the Group, defining priorities such as gender equality, intergenerational inclusion, the valuing of different cultures, religions, beliefs, skills and ways of thinking, as well as the integration of persons with disabilities. The policy is committed to fostering an organisational culture based on mutual respect, recognition of individual merit and talent, the prohibition of discrimination and harassment, and the promotion of equal opportunities.

The Human Resources Department is responsible for monitoring diversity indicators and promoting initiatives throughout the year. Compliance with the policy is mandatory for all TAP Group companies and across all geographies in which the Group operates. Through this policy, the Group ensures compliance with national legislation, the Portuguese Labour Code, the Constitution of the Portuguese Republic, the National Strategy for Equality and Non-Discrimination 2018–2030, as well as international and European standards and initiatives, including the Universal Declaration of Human Rights, the Charter of Fundamental Rights of the European Union, the conventions of the International Labour Organization and the United Nations Global Compact.

The Gender Equality Plan 2026 establishes concrete measures to promote gender equity, aligned with national legislation and TAP's corporate responsibility commitments. Its objectives include removing barriers to career

progression, fostering a culture of respect and merit, promoting work-life balance, and monitoring and addressing pay and representation inequalities. The plan applies to all TAP operations and facilities in Portugal and may be extended to international operations. Following formal approval, it will be made publicly available on the corporate websites and on the intranet of the Group's companies.

Processes for engaging with own workers and workers' representatives about impacts (S1-2)

The TAP Group has a diverse and comprehensive set of channels for engaging with employees, either directly or through representative bodies, such as Trade Unions and Workers' Committees.

Among the direct communication channels available are corporate email, the myTAP app, the intranet, Microsoft Teams, TAP Contigo (email, telephone and chat), Human Resources Business Partners (HRBPs), HR Updates, the "People" channel on the intranet, in-person human resources support and the Social Support Service. Direct communication with senior management takes place through management meetings, "À Conversa com..." sessions, town halls, committees and working meetings.

These channels ensure bidirectional communication, with interactions formally recorded whenever employees so request. The promotion of dialogue and its integration into business processes is the responsibility of human resources professionals, from HRBPs to the Director, as well as all Group directors, ensuring a constructive and continuous relationship of social dialogue.

Between 2024 and 2025, the full implementation of all Company Collective Agreements was completed. These were instrumental in reversing the salary reductions introduced under the Temporary Emergency Agreements applied since 2021. Matters relating to career progression, length-of-service increments and the organisation of working time were also updated, resulting in operational improvements and significant increases in employee satisfaction and engagement levels across the Group. As part of this process, the Group developed several initiatives to communicate clearly and objectively the changes and benefits arising from the new Company Collective Agreements, including briefing sessions, informative emails, individual remuneration statements and a dedicated FAQ section on the intranet.

TAP ensures that all available channels include sign language support, bilingual communication (PT/EN) and forums tailored by functional area or hierarchical level. Specific channels are also available for whistleblowing and the resolution of conflicts of interest, such as the Ethical Conduct Channel and the Workers' Committee. The Group has a high level of unionisation, with approximately 80% of employees covered by specific Company Collective Agreements, while the remaining employees are covered by the Internal Regulation, which establishes a common framework across the Company Agreements in respect of their most relevant matters.

The effectiveness of dialogue processes is monitored through the annual internal satisfaction survey conducted by the Great Place to Work (GPTW), which assesses seven dimensions: Strategy and Future Outlook; Strategy and Future Outlook – Management; Leadership; Culture and Purpose; Team Dynamics; Growth and Development; and Personal Needs and Satisfaction. In 2025, the favourability rate recorded was 54%. This monitoring is complemented by the ongoing engagement of HRBPs with business units, directors and employees, as well as through onboarding and offboarding interviews.

Although there are no specific forums or groups dedicated exclusively to individuals in situations of greater vulnerability (such as women, migrants or persons with disabilities), all dialogue mechanisms are transversal across the Group. HRBP teams, the Social Support Service and UCS (clinical and psychology services) constitute the main points of contact to provide appropriate support to these groups.

Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

TAP considers ethical management to be a fundamental principle for the sustainable creation of value. The Company promotes conduct guided by excellence, integrity, responsibility and respect, based on high ethical standards that go beyond strict legal compliance, establishing a complementary relationship between its activities and the communities in which it operate.

In 2025, the Group continued to strengthen the Ethical Conduct Channel, ensuring that all employees understand its importance and functioning, and aligning it with the Group's values and organisational culture. Launched in June 2022, the Channel has proven to be an essential tool in ensuring that the working environment complies with the highest ethical, legal and social responsibility standards.

In January 2025, the TAP Group's Ethical Conduct Channel became available on a new platform, more modern, accessible and equipped with enhanced functionalities. To ensure greater customisation, each company – TAP, Portugália and UCS – now has its own autonomous channel, which can be easily accessed via the intranet or the respective institutional websites.

Another significant innovation was the creation of "Ana", the TAP Group's Ethics & Compliance virtual assistant, designed to support and clarify employees' queries, whether regarding the operation of the Ethical Conduct Channel, the Code of Ethics and Conduct or the Group's Business Integrity Policies.

In October 2025, the TAP Group Ethics & Compliance Week was held, featuring the premiere of a short film produced internally and starring Group employees, highlighting the importance of reporting.

The Channel is secure and independent, guaranteeing confidentiality and anonymity throughout the reporting process, thereby creating an environment of trust in which employees can raise concerns without fear of retaliation. By ensuring that unethical practices are properly addressed, the Group strengthens the integrity of its internal processes and its ability to act responsibly and sustainably, contributing to long-term value creation for the benefit of all employees.

Reports received through the Channel are referred by the Chairperson of the Finance, Audit and Risk Committee to the appropriate working group, according to their nature. The investigation process is conducted by the Legal Compliance & Ethics function, involving all necessary parties to ascertain the facts. Once the investigation is concluded, its outcome may result in an action plan monitored by Internal Audit.

Of the 106 reports received during 2025, all were processed, and investigations and analyses were concluded in 102 cases. Of these, 43 were deemed unsubstantiated, 11 were closed due to insufficient information, 23 were considered outside the scope of the Ethical Conduct Channel, 20 were substantiated and 5 were partially substantiated.

In 2025, a slight decrease was observed in the number of reports received compared with the previous year, reflecting greater clarification regarding the scope of the Ethical Conduct Channel, which does not cover matters of a predominantly employment-related nature. Nevertheless, a high level of recognition of and trust in this Channel was maintained, as well as in the effectiveness of the conclusions resulting from it.

In addition to the Ethical Conduct Channel, the Group provides specific forums for reporting human resources issues (TAP Contigo, HRBP), social assistance (Social Service) and channels for reporting Safety & Security and Cybersecurity risks. All channels have policies and governance models that ensure trust and credibility and are accessible to all employees via the intranet or the Group's websites, with transparent processes that seek balanced solutions for all parties involved.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

The Group considers that all matters affecting its workforce are of high relevance. For this reason, workforce-related risks are integrated into the Group's overall risk management system. They are identified and assessed according to the corporate methodology, with regular reporting by the Human Resources function and joint monitoring with the Risk Management, Safety and Security, and Operational Compliance functions. These risks are incorporated into the corporate risk map and communicated periodically to the Board of Directors.

The management of identified impacts is carried out by the Human Resources, Occupational Health and Safety, Safety and Security, and Compliance functions, which work in a coordinated manner to identify, prevent and mitigate labour-related risks.

Occupational Health and Safety

In this context, TAP aims to promote quality of work life, prevent and reduce workplace accidents, monitor employees' health, identify, assess and control risks in the workplace, and minimise factors associated with occupational diseases, adopting a multidisciplinary approach. Raising awareness among all employees to create healthy working environments contributes to productivity, employee satisfaction and the sustainability of the Company.

The Group's approach focuses on the identification, assessment, mitigation and control of risks, complemented by continuous employee training. Periodic evaluations and audits are conducted to proactively detect non-compliances and monitor the corrective and mitigation actions implemented, following a validated methodology regularly applied by health and safety professionals.

The Group ensures ongoing Occupational Health and Safety (OHS) training for all employees, with a particular focus on crew members, aiming to reduce occupational illnesses and workplace accidents. The programmes include initial training for new employees and periodic sessions on occupational hazards, fatigue management, ergonomics, fire safety and first aid. Practical exercises in emergency response and aircraft evacuation are also carried out.

These training programmes increase risk awareness, encourage the reporting of incidents and accidents, and promote employee involvement in OHS Programmes.

The Group also provides a monthly **Workplace Accident Report**, accessible to all employees via the intranet. This report presents a detailed analysis of workplace accidents, accompanied by recommendations for the prevention and remediation of risk situations, reinforcing the commitment to a safe and healthy work environment based on continuous improvement.

Furthermore, the Group regularly promotes **health and well-being campaigns**, communicated through the intranet and internal channels, covering areas such as Occupational Safety, Global Health, Nutrition, Psychological Health and other relevant domains. These initiatives include awareness-raising actions and best practices, contributing to the consolidation of a safety, health and well-being culture, encouraging positive habits and continuous improvement of the workplace environment.

Additional details and metrics, including the number of workplace accidents, are provided in Chapters 4.3.1.3 ESRS S1-14.

Working Conditions

The Group maintains a constructive and ongoing social dialogue with employee representative organisations, aiming to ensure social peace and prevent collective labour disputes. Between 2024 and 2025, all Company Collective Agreements were reviewed, renegotiated and implemented to meet employees' expectations and to ensure the continuity and operational efficiency of the Group's various companies. This process was pivotal in reversing the salary reductions introduced under the Temporary Emergency Agreements in force since 2021.

In parallel, matters related to career progression, length-of-service increments and the organisation of working time were updated, resulting in significant operational improvements and very positive levels of employee satisfaction and engagement with the Group.

To ensure clear and transparent communication of the changes introduced, the Group developed, in 2025, a series of initiatives aimed at explaining the main benefits of the new Company Collective Agreements in a simple and objective manner, including briefing sessions, email communications, individual remuneration statements and a frequently asked questions (FAQ) section on the intranet of the Group's companies.

Regarding employee benefits, highlights include access to nursery and canteen services at subsidised rates, highly valued as part of social support. The Company provides health and life insurance, as well as a wide range of partnerships, notably with gyms, educational and leisure services. The provision of air travel privileges at special fares (subject to availability of unsold seats, for employees, family members and companions) also constitutes an important benefit for TAP employees, whose opportunity to use the Company's services fosters commitment and reinforces the desire to provide the best possible air transport service.

Like many other organisations, TAP has been embracing changes associated with new technologies and the evolution of a challenging global work environment, promoting the adoption of different working methods that encourage collaboration, efficiency and a positive work experience. Smart working is a work model based on a flexible approach to the organisation and management of work, including time and workplace arrangements, supported by digital technologies made available to employees. The implementation of TAP's Smart Working policy enables all eligible employees to optimise the advantages of both remote and on-site work.

Annually, an organisational climate survey is conducted by Great Place to Work (GPTW), which identifies opportunities for internal improvement and potential risks associated with talent retention. This survey covers all Group TAP companies, in Portugal and international operations, involving employees at all hierarchical levels.

Talent Management: attraction, training and development

The establishment of policies and the implementation of robust initiatives for attracting, selecting and developing people are essential to promoting employee well-being, performance and engagement. This is a material topic of high relevance for all stakeholders, in an industry particularly demanding in terms of labour practices, initially strongly impacted by the COVID-19 pandemic and subsequently by a rapid and large-scale recovery.

Recognised as a strategic pillar of people management and one of the main tools for employees' professional development, the TAP Group's Internal Mobility Policy was revised in 2024 to strengthen mobility and talent retention, differentiate the Group's companies in the market, and ensure management's commitment to providing internal development opportunities to all employees with the appropriate skills, potential and performance.

Within the scope of internal mobility, 102 internal recruitment processes were carried out at TAP and 8 at Portugália, including 23 processes at TAP using external assessment, with success rates of 29% and 13%, respectively. At UCS, three professionals transitioned from a service provision regime to the employee framework.

In 2025, TAP, Portugália and UCS conducted 164, 18 and 3 external recruitment processes, respectively, resulting in the hiring of 454, 61 and 7 people. These hirings reflect the Group's investment in young talent, represented by 56%, 39% and 14% of new employees aged 29 or under at TAP, Portugália and UCS, respectively. Notably, the partnership with the Academy enabled TAP to carry out 104 projects including professional internships, curricular internships and thesis and dissertation development, serving as a flagship initiative for attracting and developing young talent.

Regarding the Aircraft Maintenance Technician (AMT) role, TAP provides specific internal courses of approximately nine months' duration, corresponding to around 979 hours of training. This investment aims to maintain the Company's role as a leading training provider and to meet the growing demand for these professionals. In 2025, 67 trainees were recruited for three cohorts, corresponding to TAP's 38th, 39th and 40th ab initio courses delivered through its Maintenance Training Organization (MTO).

The year 2025 was also marked by the continued career development of Crew Members. In the Flight Crew career path, 18 pilots at TAP and 4 at Portugália were promoted to Commander. In the Cabin Crew career path, 34 crew members were promoted to Purser at TAP.

Professional training plays a strategic role in skills development. In this context, TAP provides, on the one hand, training that is specific and essential to its operations and, on the other hand, transversal training aimed at employees' personal and professional development, promoting individual growth and reinforcing organisational competitiveness.

TAP adopts a structured approach to identifying training needs, ensuring that skills are aligned with strategic, operational and sustainability requirements. The annual Training Needs Assessment identifies skills gaps and prioritises critical areas. Through a structured training catalogue, the training offer is made available equitably, ensuring accessibility, inclusion and continuous development. These processes contribute to professional development by strengthening both technical and behavioural competencies. Total training hours and other development metrics are detailed in Chapter 4.3.1.3 ESRS S1-13.

Within the scope of talent management, the TAP Group evaluates employee performance through the Performance and Potential Management model, a central tool for promoting a culture of continuous feedback and supporting both employee and Group development.

In 2025, with improvements implemented in the Performance and Potential Management tool, it was ensured that almost all evaluated employees had access to an Individual Development Plan (IDP). Until the end of 2024, the IDP primarily reflected identified training needs, which were subsequently integrated into the training catalogue of Universidade TAP.

To strengthen talent management processes, new metrics are planned for introduction in 2026 within the Performance and Potential Management framework, including the assessment of potential, retention risk, and the impact of possible departures. Employee interests, aspirations and ambitions will also be incorporated through self-assessment, adding value to Individual Development Plans.

These new functionalities will allow the construction of a more robust internal talent map, support the identification of high-potential profiles, and inform decisions on development, internal mobility and career progression, mitigating the risk of losing critical talent and reinforcing the Group's strategy of retention, continuous skills development, and sustainable growth.

Additionally, to enhance retention and facilitate internal mobility, the Group plans to review and update, between 2026 and 2027, the workforce framework across its operations, ensuring clearer, more transparent and consistent role descriptions and requirements aligned with organisational needs. This update will also contribute to the establishment of objective evaluation and accountability criteria, as well as to the internal recognition and development of employees.

Equal opportunities, diversity and inclusion

Diversity and inclusion are strategic priorities for the TAP Group and are recognised as critical factors for the sustainable creation of value. The Group fosters an inclusive working environment based on equal opportunities and respect for differences, regardless of gender, sexual orientation, age, nationality, culture, religion, skills or ways of thinking. This approach contributes to innovation, organisational learning and business model resilience, directly supporting the Group's sustainability and competitiveness.

The TAP Group guides its diversity and inclusion efforts through four key pillars:

- **Gender equality**, promoting balance between women and men across all hierarchical levels and functional areas, as well as inclusion of all sexual orientations;
- **Intergenerational inclusion**, ensuring coexistence and valuing the contributions of different generations;
- **Multiculturalism**, integrating different cultures, beliefs, religions, skills and perspectives in alignment with the diversity of employees and customers. In 2025, TAP employed staff from 34 different nationalities, working across 21 countries on four continents.
- **Inclusion of persons with disabilities**, ensuring the integration and mobility of employees with a disability degree of 60% or higher, through the removal of physical and cultural barriers.

In 2025, TAP implemented, via Universidade TAP, the eLearning programme "Diversity, Equity and Inclusion" (DEI), for the first time across the entire Group, except for TAP´s crew members. The training aimed to raise awareness of unconscious biases, promote inclusive working environments, and reinforce respect for diversity. By the end of 2025, 4,185 employees – 90.23% of the ground workforce – had completed this training.

Attracting young talent is also a key pillar of the Group's diversity strategy. The TAP Group joined the "Pacto Mais e Melhores Empregos para os Jovens" (More and Better Jobs for Young People Pact) of the Fundação José Neves and strengthened its engagement with academia through job fairs, master talks, open days, and partnerships with platforms connecting students and universities. These initiatives reinforce TAP's position as an employer of choice and contribute to increasing the number of applications.

In terms of gender diversity, the Group has developed actions to mitigate the structural imbalances typical of the aviation industry, particularly in roles such as pilots, aircraft maintenance technicians, and cabin crew. At the same time, it remains committed to reducing gender pay gaps and promoting pay equity.

In this context, TAP and Portugália are signatories of the IATA "25by2025" initiative, which aims to increase female representation in leadership and under-represented areas by 25%, or achieve at least 25%, by 2025. This commitment is monitored annually by IATA, and the results are considered in the Group's Diversity and Inclusion journey.

Additionally, TAP S.A. maintains a partnership with the Commission for Equality in Labour and Employment (CITE), participating as an observer in the current edition of the Cycle of Equality Laboratories for Women and Men at Work and Employment, an initiative aimed at combating occupational segregation and eliminating discriminatory practices.

Although the aviation industry continues to exhibit gender imbalances in certain roles, the TAP Group has recorded positive progress in female representation between 2021 and 2025, reflecting a gradual trend of change. The Group's recruitment processes are non-discriminatory across all professional categories, although limitations in labour market supply exist for some specific roles.

The evolution of female representation between 2021 and 2025 illustrates this trend across the different professional categories of TAP S.A. and Portugália.

Evolution of the percentage of women, by position, between 2021 and 2025

	TAP S.A.	Portugália
Pilots	4% - 5%	5% - 8%
Engineers	45% - 51%	17% - 13%
Maintenance technicians	6% - 7%	4% - 3%
Technology	30% - 35%	N/A
Management team	40% - 36%	N/A

In 2025, the Gender Equality Plan was developed in compliance with national legislation and aligned with European and international best practices. Its approval and publication are scheduled for 2026. The plan applies to all TAP Group operations and sets out measures aimed at equality in opportunities for career progression, remuneration, work-life balance, and access to training, with the objective of enhancing employee satisfaction and engagement, and mitigating organisational risks.

The plan is based on an institutional diagnosis grounded in the analysis of human resources indicators, employee consultations, and engagement with union representatives. Recommendations from regulatory bodies and equality agencies, as well as legal requirements and international best practices, are

also considered. It reflects TAP's commitment to promoting equality and responding to the expectations of employees, managers, regulators, and society. Management and execution of the plan are the responsibility of the Human Resources Department.

Together, these initiatives contribute to aligning the TAP Group with the United Nations Sustainable Development Goals, in particular SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities).

4.3.1.3. Metrics and targets

Targets related to managing material negative impacts, advacing positive impacts, and managing material risks and opportunities (S1-5)

TAP has defined a set of internal targets to continuously monitor and improve the impact of its human resources management practices. These targets, overseen by the Sustainability Committee, are aligned with the Group's commitment to promoting a safe, inclusive work environment that supports employee growth and development.

However, as they are currently under review and considering the ongoing privatisation process, they have not been disclosed in this report.

METRIC	Performance 2023	Performance 2024	Performance 2025
Organisational climate survey – employee engagement and satisfaction rate (GPTW)	49%	55%	54%
Hiring rate of young employees aged 29 or under	45%	49%	56%
Average number of training days per employee	4.46	5.01	6.32
Workplace accident fatality rate	0%	0%	0%

All metrics are defined by the Human Resources Department and monitored across all TAP Group operations and companies, including Portugal and outstations. The data required for measuring and tracking these metrics are recorded in SAP HR or obtained through the GPTW survey.

The metric associated with **engagement** and satisfaction regarding the working environment, leadership and management practices is the favourability rate measured through the GPTW survey and methodology. It is represented by the percentage of positive responses provided by TAP Group employees in the organisational climate survey, in relation to the total number of responses collected.

The **youth hiring rate (up to 29 years old)** is the indicator expressing the percentage of employees aged 29 or under within the total number of new hires made during the reporting period at TAP S.A., demonstrating the Organisation's commitment to youth employability.

Within the **training and development pillar**, the metric used is the average number of training days per TAP S.A. employee. This is calculated by dividing the total number of training days by the total number of employees and reflects the Organisation's commitment to skills development and professional capacity-building. This indicator, in the years 2023 and 2024, regarding crew members, only includes training delivered in the classroom.

The **occupational safety** metric – the fatality rate resulting from workplace accidents – expresses the number of deaths arising from workplace accidents occurring during the reporting period in relation to the total number of TAP Group employees. It reflects the Organisation's performance in the field of occupational health and safety and reinforces the culture of prevention and the implementation of stringent operational safety measures across all working contexts. This metric excludes accidents occurring during commuting.

From 2026 onwards, a **Gender Gap** metric will begin to be monitored. This metric assesses the gender balance among technical and cabin flight crew at TAP and Portugália, enabling the identification of areas with greater female or male under-representation and supporting diversity and inclusion policies. The Gender Gap is the indicator that measures the percentage difference in gender representation, allowing for the assessment of progress in gender equity within these roles.

Great Place to Work (MDR-M)

In 2025, the organisational climate survey conducted by GPTW recorded a participation rate of 48%, corresponding to 4,273 responses, 73 more than in 2024. The survey is fully anonymous, and the results are processed and analysed by an external entity, ensuring the independence and reliability of the process.

The TAP Group's overall favourability rate stood at 54%, reflecting a slight variation compared to 2024 (55%). The evolution of results shows differentiated trends across the assessed dimensions.

An increase of 1 percentage point was recorded in the dimensions of Leadership (60%), Culture and Purpose (61%) and Growth and Development (54%). The dimensions of Team Dynamics (49%) and Personal Needs and Satisfaction (64%) remained stable compared to the previous year, with the latter representing the highest-performing dimension overall.

Conversely, the Strategy and Future Outlook dimension recorded the lowest result (42%) and the most significant decrease compared to 2024 (-5 p.p.). The Strategy and Future Outlook – Management dimension also declined by 2 percentage points, from 50% to 48%, reflecting challenges in employees' perceptions regarding strategic alignment and the communication of the future vision.

At the level of the Group's companies, TAP S.A. recorded a favourability rate of 55%, Portugália 48% and UCS 46%, compared to 56%, 52% and 40%, respectively, in 2024.

Additional questions included in the survey made it possible to assess the follow-up to the results of the previous study. The data indicate that 84% of employees consider that their teams received feedback on the results of the 2024 GPTW survey, demonstrating a significant effort by management to share information, particularly within teams with individualised results. However, only 42% state that the results were used to define action plans, and 34% consider that those plans were successfully implemented.

These findings highlight opportunities for improvement in translating dialogue into concrete actions, as well as in the systematic monitoring of the impact of the measures adopted. In response, the work undertaken in 2025 will continue in 2026, with operational and corporate teams implementing action plans aimed at improving the organisational climate, based on the survey findings.

	GPTW Favourability Rate		
	2023	2024	2025
Group TAP	49%	55%	54%
TAP S.A.	50%	56%	55%
Portugália	40%	52%	48%
UCS	52%	40%	46%

Based on the survey results, segmented by company, department and directorate, the Human Resources Department raises awareness among managers of the importance of developing action plans addressing the main areas of team dissatisfaction, assigning direct responsibility for the process to each team leader.

At a broader level, employee feedback regarding satisfaction with the Group serves as an input for the development and updating of internal Human Resources Department policies. Through the sharing of results with the Executive Committee and directors, these data are also used to define cross-cutting policies, ensuring that the Group's initiatives reflect employees' needs and expectations.

Characteristics of the untertaking's employees (S1-6)

Within the TAP Group, the profile of its employed workforce is systematically monitored, enabling analysis of its size, composition and stability across the Group's different companies. This section presents the distribution of employees by gender, geography and contractual type, highlighting trends over time and potential asymmetries that may require specific management measures. The information is reported based on headcount and reflects the contractual structure in place at the end of the financial year, including the breakdown between permanent contracts, fixed-term contracts and contracts with non-guaranteed working hours.

Number of employees by gender

		2023	2024	2025
Group TAP	Male	4,993	5,197	5,415
	Female	3,845	3,963	4,052
	Other	0	0	0
	Not disclosed	0	0	0
	Total	**8,838**	**9,160**	**9,467**
TAP S.A.	Male	4,454	4,657	4,869
	Female	3,383	3,491	3,574
	Other	0	0	0
	Not disclosed	0	0	0
	Total	**7,837**	**8,148**	**8,443**
Portugália	Male	529	529	534
	Female	370	383	386
	Other	0	0	0
	Not disclosed	0	0	0
	Total	**899**	**912**	**920**
UCS	Male	10	11	12
	Female	92	89	92
	Other	0	0	0
	Not disclosed	0	0	0
	Total	**102**	**100**	**104**

Number of employees by geography

		2023	2024	2025
Group TAP	Portugal	8,564	8,888	9,192
	Europe (except Portugal)	91	91	93
	Africa	58	58	59
	North America	36	36	36
	South America	89	89	87
TAP S.A.	Portugal	7,563	7,876	8,168
	Europe (except Portugal)	91	91	93
	Africa	58	58	59
	North America	36	36	36
	South America	89	89	87
Portugália	Portugal	899	912	920
UCS	Portugal	102	100	104

Note: This table includes all countries and geographical areas where the various TAP Group companies operate.

Number of employees by gender and type of contract

		Female	Male	Other	Not disclosed	Total
Number of employees						
Group TAP	2023	3,845	4,993	0	0	8,838
	2024	3,963	5,197	0	0	9,160
	2025	4,052	5,415	0	0	9,467
TAP S.A.	2023	3,383	4,454	0	0	7,837
	2024	3,491	4,657	0	0	8,148
	2025	3,574	4,869	0	0	8,443
Portugália	2023	370	529	0	0	899
	2024	383	529	0	0	912
	2025	386	534	0	0	920
UCS	2023	92	10	0	0	102
	2024	89	11	0	0	100
	2025	92	12	0	0	104
Number of permanent employees						
Group TAP	2023	3,776	4,946	0	0	8,722
	2024	3,935	5,162	0	0	9,097
	2025	4,037	5,390	0	0	9,427
TAP S.A.	2023	3,316	4,414	0	0	7,730
	2024	3,464	4,626	0	0	8,090
	2025	3,559	4,849	0	0	8,408
Portugália	2023	369	522	0	0	891
	2024	383	525	0	0	908
	2025	386	530	0	0	916
UCS	2023	91	10	0	0	101
	2024	88	11	0	0	99
	2025	92	11	0	0	103
Number of temporary employees						
Group TAP	2023	69	47	0	0	116
	2024	28	35	0	0	63
	2025	15	25	0	0	40
TAP S.A.	2023	67	40	0	0	107
	2024	27	31	0	0	58
	2025	15	20	0	0	35
Portugália	2023	1	7	0	0	8
	2024	0	4	0	0	4
	2025	0	4	0	0	4
UCS	2023	1	0	0	0	1
	2024	1	0	0	0	1
	2025	0	1	0	0	1
Number of employees with no guaranteed hours						
Group TAP	2023	0	0	0	0	0
	2024	0	0	0	0	0
	2025	0	0	0	0	0
TAP S.A.	2023	0	0	0	0	0
	2024	0	0	0	0	0
	2025	0	0	0	0	0
Portugália	2023	0	0	0	0	0
	2024	0	0	0	0	0
	2025	0	0	0	0	0
UCS	2023	0	0	0	0	0
	2024	0	0	0	0	0
	2025	0	0	0	0	0

TAP S.A.

At the end of 2025, TAP S.A. had 8,443 employees, of whom 4,869 identified as male (58%) and 3,574 as female (42%).

The contractual structure was predominantly permanent, with 8,408 employees on permanent contracts (99.6%). Fixed-term contracts accounted for a very small proportion, covering 35 employees, reflecting occasional needs relative to the overall workforce size.

The gender distribution shows a slight predominance of male employees. Between 2023 and 2025, the total number of employees increased, rising from 7,837 in 2023 to 8,148 in 2024 and reaching 8,443 in 2025 (a 3.6% increase compared with 2024), reflecting the growth in activity and the strengthening of operational capacity.

Portugália

At the end of 2025, Portugália had 920 employees, of whom 534 identified as male (58%) and 386 as female (42%). As in TAP S.A., the contractual structure was predominantly permanent, with 99.6% of employees covered by permanent contracts.

The evolution of employee numbers between 2023 and 2025 shows a moderate annual increase, from 899 employees in 2023 to 912 in 2024, reaching 921 in 2025 (a 1% increase compared to 2024). This change reflects the gradual adjustment of workforce size to the company's operational and strategic needs.

UCS

At the end of 2025, UCS had 104 employees, of whom 92 were female (88%) and 12 were male (12%). Compared to the other Group companies, UCS has a significantly higher representation of female employees.

The contractual structure was predominantly permanent, with a total of 103 employees holding permanent contracts (99%) and 1 employee on a temporary contract in 2025.

Between 2023 and 2025, UCS's workforce remained largely stable, with 102 employees in 2023, 100 in 2024, and 104 in 2025 (a 4% increase compared to 2024), reflecting slight fluctuations over the period.

The turnover rate across the Group's companies has remained generally stable in recent years, with the consolidated turnover rate decreasing from 4% in 2023 to 2% in 2025.

Turnover

	2023	2024	2025
Number of employees who left the company			
Group TAP	358	230	206
TAP S.A.	299	142	150
Portugália	55	79	53
UCS	4	9	3
Turnover rate			
Group TAP	4%	3%	2%
TAP S.A.	4%	2%	2%
Portugália	6%	9%	6%
UCS	4%	9%	3%

Note: The turnover rate was calculated as the ratio of the number of employees leaving the company to the average headcount for the year. The TAP Group's average headcount was 8,641 in 2023, 8,966 in 2024, and 9,337 in 2025.

Collective bargaining coverage and social dialogue (S1-8)

TAP recognises the importance of collective labour agreements as key instruments to promote equity, security and employee well-being. As noted earlier, between 2024 and 2025, the Group reviewed, renegotiated and implemented all Company Collective Agreements to meet employees' expectations and ensure the continuity and effectiveness of operations across its companies. Accordingly, as of 31 December 2025, approximately 80% of employees were covered by specific Company Collective Agreements, with the remainder covered by the Internal Regulation, which provide a common baseline for the most relevant provisions of the agreements.

The Group currently does not have agreements with employees regarding representation through a European Works Council, a workers' committee of a European company, or a workers' committee of a Societas Cooperativa Europaea (SCE).

Diversity metrics (S1-9)

The TAP Group has sought to address the gender gap typical of the aviation industry, particularly in roles such as pilots, aircraft maintenance technicians and cabin crew. In this context, TAP S.A. is a signatory of the IATA "25by2025" initiative, which aims to increase the representation of women in leadership positions and in traditionally under-represented areas.

The Company is also an observer of the Commission for Equality in Labour and Employment (CITE), participating in the 12th Edition of the Cycle of Equality Laboratories between Women and Men in Labour and Employment. This initiative aims to address workplace gender equality, combat occupational segregation, and eliminate labour-related discrimination.

Number of employees in management positions

		2023		2024		2025	
Group TAP	Male	86	57%	98	55%	98	53%
	Female	66	43%	80	45%	87	47%
	Other	0		0		0	
	Not disclosed	0		0		0	
	Total	**152**		**178**		**185**	
TAP S.A.	Male	76	55%	87	53%	87	51%
	Female	61	45%	76	47%	83	49%
	Other	0		0		0	
	Not disclosed	0		0		0	
	Total	**137**		**163**		**170**	
Portugália	Male	8	89%	8	89%	8	89%
	Female	1	11%	1	11%	1	11%
	Other	0		0		0	
	Not disclosed	0		0		0	
	Total	**9**		**9**		**9**	
UCS	Male	2	33%	3	50%	3	50%
	Female	4	67%	3	50%	3	50%
	Other	0		0		0	
	Not disclosed	0		0		0	
	Total	**6**		**6**		**6**	

Note: Employees in management positions, one or two levels below the administrative and supervisory bodies (N-1 and N-2).



At Group level, gender representation among management positions shows a balanced profile and has remained stable over the past three years.

The Group recognises the importance of integrating people from different generations within its companies. Intergenerational coexistence brings together diverse perspectives, skills and experiences, contributing to the diversity of workplace environments and fostering knowledge sharing across teams.

Number of employees by age group

		2023	2024	2025
Group TAP	Under 30 years old	787	809	845
	30-50 years old	6,208	6,309	6,361
	Over 50 years old	1,843	2,042	2,261
TAP S.A.	Under 30 years old	642	675	727
	30-50 years old	5,545	5,641	5,683
	Over 50 years old	1,650	1,832	2,033
Portugália	Under 30 years old	136	129	113
	30-50 years old	608	617	624
	Over 50 years old	155	166	183
UCS	Under 30 years old	9	5	5
	30-50 years old	55	51	54
	Over 50 years old	38	44	45

TAP S.A.

In 2025, TAP S.A. showed a balanced gender distribution among management positions. In total, there were 170 people in leadership roles, of whom 87 identified as male (51%) and 83 as female (49%), demonstrating parity in the occupation of management positions.

Regarding age structure, the workforce was predominantly concentrated in the intermediate age groups: employees aged 30 to 50 accounted for 67% of the total, followed by those over 50 (24%). Employees under 30 totalled 727 (9%), indicating a still limited presence relative to the total and highlighting the importance of continuing to promote young talent attraction and internal succession planning.

Portugália

In 2025, at Portugália, manegement positions included 9 employees in leadership roles, of whom 8 identified as male (89%) and only 1 as female (11%). This distribution has remained stable since 2023.

The age distribution of Portugália's employees shows a workforce predominantly in the 30–50 age range, representing 624 employees (approximately 68% of the total employees) in 2025. The over-50 age group accounted for 183 employees (20%), and those under 30 numbered 113 (12%). These figures reflect a workforce concentrated in the intermediate age ranges, highlighting the importance of initiatives aimed at generational renewal in the coming years.

UCS

In 2025, at UCS, management positions included 6 people in leadership roles, of whom 3 identified as female (50%) and 3 as male (50%), demonstrating parity in the occupation of decision-making positions.

Regarding age structure, the workforce was notably concentrated in older age groups. In 2025, 52% of employees were aged 30–50, while those over 50 accounted for 43% of the total. Employees under 30 represented 5% of the workforce. This age distribution shows a concentration in intermediate and senior age ranges, reinforcing the importance of monitoring generational evolution in the coming years.

Adequate wages (S1-10)

All employees across the Group's companies received, in 2025, remuneration above the applicable national minimum wage in the various countries where the Group operates. Between 2024 and 2025, as part of the negotiation and implementation of the new Company Collective Agreements, matters related to career progression, length-of-service increments and the organisation of working time were updated. These changes resulted in significant operational improvements and very positive levels of employee satisfaction and commitment to the Group..

Training and skills development metrics (S1-13)

Professional training plays a strategic role in skills development within the Group. Training is provided both as role-specific, essential to employees' activities, and as transversal training aimed at personal and professional development, fostering individual growth and organisational competitiveness.

Universidade TAP promotes technology-based learning approaches, aiming to shift from a training culture to a learning culture. Through continuous learning, the Group seeks to enhance operational efficiency, support improvements in service quality, and contribute to innovation. Training activities cover a variety of topics, including Safety, Security, ERP, Health, Dangerous Goods Regulation (DGR) and Cybersecurity.

Since 2016, TAP S.A. has been certified by DGERT – the Portuguese Directorate-General for Employment and Labour Relations – in 16 Education and Training areas. This certification confirms that TAP fully complies with the requirements and standards established in Portugal for professional training providers.

Average number of training hours per employee

		2023	2024	2025
Group TAP	Male	38.69	42.16	64.17
	Female	31.59	32.13	32.10
	Other	0	0	0
	Not disclosed	0	0	0
	Total	**35.60**	**37.82**	**50.44**
TAP S.A.	Male	36.00	40.00	64.74
	Female	31.00	31.00	31.28
	Other	0	0	0
	Not disclosed	0	0	0
	Total	**40.36**	**40.10**	**50.57**
Portugália	Male	61.81	61.86	60.04
	Female	42.58	47.29	45.24
	Other	0	0	0
	Not disclosed	0	0	0
	Total	**53.47**	**55.75**	**53.73**
UCS	Male	13.10	9.75	15.86
	Female	9.06	10.77	9.10
	Other	0	0	0
	Not disclosed	0	0	0
	Total	**9.46**	**10.66**	**9.88**

Note: In the years 2023 and 2024, at TAP S.A., regarding crew members, only classroom training is included.

Average training hours per employee by functional area

		2023	2024	2025
TAP S.A.	Flight Crew	19.70	27.52	52.48
	Cabin Crew	32.29	26.46	29.54
	Headquarters	34.35	44.41	35.42
	Maintenance and Engineering	52.69	67.67	105.61
Portugália	Flight Crew	80.61	77.70	77.65
	Cabin Crew	43.88	47.49	45.78
	Headquarters	35.66	39.81	45.71
	Maintenance and Engineering	44.74	51.50	46.29
UCS	Diagnostic Technician/ Therapist	5.54	2.57	7.73
	Physician	19.05	6.54	17.69
	Qualified Technician	7.78	3.47	15.26
	Nurse	9.21	3.81	11.01
	Administrative Technician	2.39	0.76	6.97
	Specialist in Working Conditions	21.50	29.07	10.56
	Clinical Support Assistant	8.27	0.82	7.94
	Clinical Specialist Technician	7.00	0.68	3.59

Note: In the years 2023 and 2024, at TAP S.A., regarding crew members, only classroom training is included.

TAP S.A.

In 2025, at TAP S.A., the average number of training hours per employee was 50.57 hours. Of the total, employees who identified as male recorded an average of 64.74 training hours, while employees who identified as female recorded 31.28 hours.

By functional area, Maintenance and Engineering recorded the highest value, with 105.61 training hours per employee. Flight Crew recorded 52.48 hours and Cabin Crew 29.54 hours.

Portugália

In 2025, at Portugália, the average number of training hours per employee was 53.73 hours, compared with 53.47 hours in 2023 and 55.75 hours in 2024. Employees who identified as male recorded, on average, 60.04 training hours, while employees who identified as female recorded 45.24 hours.

By functional area, Flight Crew recorded the highest average, with 77.65 training hours. Maintenance and Engineering follow with 46.29 hours, Cabin Crew with 45.78 hours, and other ground-based functions with 45.71 hours.

UCS

In 2025, at UCS, the average number of training hours per employee was 9.88 hours, compared with 9.46 hours in 2023 and 10.66 hours in 2024. Employees who identified as male recorded an average of 15.86 training hours, while employees who identified as female recorded 9.10 hours.

By functional area, in 2025 doctors recorded 17.69 training hours, qualified technicians 15.26 hours and nurses 11.01 hours, reflecting the training needs associated with the different roles within the organisation.

The performance evaluation process is a key tool for fostering a culture of feedback and supporting the development of both employees and the Group. With this objective, the process was fully resumed in 2024.

Led by the Human Resources Department, the process involved all relevant stakeholders, including evaluators, who played a central role in its implementation. The results of the performance evaluations provide valuable information for managing career progression across the various professional paths, in accordance with the applicable internal regulations.

Given that the assessment is carried out during the first half of the year following the reporting period, the results for 2025 are not yet available.

Flight Crew and Cabin Crew at TAP S.A. and Portugália were not included in the reported performance evaluation data, which explains the low values observed for the two companies and, consequently, for the TAP Group in the tables below.

Percentage of employees who participated in regular performance and career development reviews

		2023	2024	2025
Group TAP	Male	43%	46%	-
	Female	32%	34%	-
	Other	0%	0%	-
	Not disclosed	0%	0%	-
	Total	38%	41%	-
TAP S.A.	Male	44%	47%	-
	Female	33%	31%	-
	Other	0%	0%	-
	Not disclosed	0%	0%	-
	Total	39%	42%	-
Portugália	Male	30%	33%	-
	Female	13%	14%	-
	Other	0%	0%	-
	Not disclosed	0%	0%	-
	Total	23%	25%	-
UCS	Male	100%	91%	-
	Female	91%	96%	-
	Other	0%	0%	-
	Not disclosed	0%	0%	-
	Total	92%	95%	-

Number of performance reviews conducted per employee

	2023	2024	2025
Group TAP	Planned: 0.40	Planned: 0.41	-
	Actual: 0.38	Actual: 0.41	
TAP S.A.	Planned: 0.41	Planned: 0.42	-
	Actual: 0.39	Actual: 0.42	
Portugália	Planned: 0.24	Planned: 0.25	-
	Actual: 0.23	Actual: 0.25	
UCS	Planned: 0.94	Planned: 0.95	-
	Actual: 0.92	Actual: 0.95	

TAP S.A.

At TAP S.A., 42% of employees participated in regular performance and career development reviews in 2024, representing an increase compared with the 39% recorded in 2023.

The gender analysis shows higher participation among male employees (47%), compared with female employees (31%).

Regarding the average number of performance reviews conducted per employee, 0.42 reviews were recorded in 2024, in line with the expected value for the period and above the figure recorded in 2023 (0.39), reflecting the resumption and consolidation of the performance appraisal process.

Portugália

At Portugália, 25% of employees participated in regular performance and career development reviews in 2024, representing an increase compared with the 23% recorded in 2023.

Participation was higher among male employees (33%), while participation among female employees was 14%.

Regarding the average number of performance reviews conducted per employee, 0.25 reviews were recorded in 2024, in line with the expected value for the period and above the figure observed in 2023 (0.23), evidencing a gradual improvement in the implementation of these processes.

UCS

In 2024, 95% of employees participated in performance appraisal processes, increasing from the 92% recorded in 2023.

Participation was high among both genders, with 91% recorded among male employees and 96% among female employees.

About the average number of performance reviews conducted per employee, 0.95 reviews were recorded in 2024, in line with the expected value and above the figure recorded in 2023 (0.92), reflecting a performance appraisal system that is widely implemented within the organisation.

Health and safety metrics (S1-14)

The TAP Group promotes a culture of Occupational Health and Safety (OHS), with the involvement and commitment of all management levels and the contribution of employees and other stakeholders. The aim is to ensure that working conditions are appropriate to the operational demands of the activities carried out, within a context of high safety requirements.

Occupational Health and Safety serve a preventive function, focused on the identification and mitigation of workplace risks and the promotion of safe and healthy working conditions, in compliance with applicable legislation.

The Group's OHS management is coordinated between UCS and the other companies within the Group, with integrated and comprehensive initiatives across multiple domains of workplace health and safety. UCS – Unidade de Cuidados de Saúde – is responsible for occupational health within the TAP Group. UCS is certified under NP ISO 45001:2019 for Occupational Health and Safety services and accredited for Health Quality by the Portuguese Directorate-General for Health.

The Group applies a structured process for hazard and risk assessment, considering the circumstances under which hazards may occur in the workplace. The risk assessment aims to prevent workplace accidents and occupational diseases by implementing appropriate risk control measures. In addition, periodic evaluations and audits are conducted to proactively detect non-compliances and monitor corrective and mitigation actions, following a validated methodology regularly applied by health and safety professionals.

Percentage of employees covered by an audited health and safety management system

	2023	2024	2025
Group TAP	100%	100%	100%
TAP S.A.	100%	100%	100%
Portugália	100%	100%	100%
UCS	100%	100%	100%

The main types of workplace accidents remain predominantly physical, with particular emphasis on injuries caused by changes in air pressure during flight, incorrect posture, or excessive physical exertion.

The TAP Group provides various channels for employees to report potential health and safety concerns, including voluntary reporting tools, as well as through the Occupational Health and Safety Committee, managers, or UCS health and safety professionals.

In 2025, no fatalities due to workplace accidents or work-related illnesses were recorded among the Group's employees.

Recordable work-related accidents

		2023	2024	2025
Group TAP	Number of workplace accidents	1,466	1,430	1,602
	Workplace accident rate*	146	133	142
TAP S.A.	Number of workplace accidents	1,245	1,225	1,388
	Workplace accident rate*	140	128	139
Portugália	Number of workplace accidents	219	203	212
	Workplace accident rate*	216	190	192
UCS	Number of workplace accidents	2	2	2
	Workplace accident rate*	13	13	13

* Calculated as the number of workplace accidents per 1,000,000 hours worked by employees in each company.
Note: The number of workplace accidents excludes commuting accidents.

Occupational Health services contribute to the identification and elimination of hazards and the minimisation of risks in the workplace. Activities include monitoring employees' health through occupational medical examinations, as well as conducting return-to-work medical assessments following illness or workplace accidents. Ergonomic assessments of workstations and conditions are also carried out to reduce the risk of musculoskeletal injuries and prevent incapacity resulting from physical, psychosocial, organisational, and individual factors.

These services also provide first aid training for employees working on board or on the ground, deliver healthcare to all employees across the Group's locations, and offer psychological support to employees upon request.

The Group provides employees with a health insurance plan, which can be extended to family members. Employees also have access to UCS, where, in addition to occupational health services, a variety of medical specialties and other health support services are available.

Number of work-related health problems among employees

	2023	2024	2025
Group TAP	1	7	6
TAP S.A.	0	7	5
Portugália	0	0	1
UCS	1	0	0

	Number of days lost due to work-related accidents, health problems or fatalities among employees		
	2023	2024	2025
Group TAP	16,937	15,953	20,409
TAP S.A.	14,554	13,709	17,857
Portugália	2,269	2,244	2,552
UCS	114	0	0

TAP S.A.

In 2025, a total of 1,388 recordable workplace accidents were reported, representing a 13% increase compared with 2024. The workplace accident rate reached 139 accidents per million hours worked, above the value recorded in the previous year and close to the level observed in 2023. This development mainly results from an increase in less severe accidents not requiring sick leave between 2024 and 2025.

Regarding occupational diseases, 5 cases were identified in 2025, below the figure recorded in 2024 and above that observed in 2023. At the same time, the number of days lost due to workplace accidents and work-related health issues totalled 17,857 days, representing a deterioration of around 30% compared with 2024.

Although the most significant growth occurred in accidents that did not require sick leave, the increase in the number of days of absence is mainly associated with musculoskeletal injuries which, although fewer in number, require substantially longer recovery periods.

This scenario reinforces the importance of continuous monitoring, as well as investment in prevention and ergonomics, particularly in maintenance and ground operations, where the potential for disruption to activities is higher. The results highlight the need to maintain rigorous monitoring of these indicators and to implement mitigation measures that contribute to reducing the severity and frequency of such events.

Portugália

At Portugália, 212 recordable workplace accidents were reported in 2025, representing an increase of around 4% compared with 2024, although the figure remains below the level observed in 2023. The accident rate stood at 192 accidents per million hours worked, reflecting an increase of approximately 1% compared with the previous year and remaining below the level recorded in 2023.

Regarding work-related health issues, 1 case was identified in 2025, following two consecutive years with no reported occurrences. The number of days lost totalled 2,552 days, exceeding the figures recorded in 2024 (an increase of 14%) and standing above the total recorded in 2023.

UCS

UCS, as a TAP Group company with a core business distinct from aviation operations, recorded 2 recordable workplace accidents in 2025, remaining aligned with the values observed in 2024 and 2023. Considering that the workforce remained relatively stable over the period analysed, the workplace accident rate also remained stable, standing at 13 accidents per million hours worked.

In 2025, as in the previous year, no occupational diseases were recorded and no days lost were reported due to sick leave associated with work-related health issues, indicating stability and a consistent level of control in terms of occupational health and safety.

4.3.2. ESRS S2 – Workers in the value chain

4.3.2.1. Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

TAP recognises that workers within its upstream and downstream value chain play a critical role in the delivery of safe, efficient and high-quality services. Accordingly, the Group acknowledges that its operations and activities may materially affect the interests, perspectives and rights of these workers, both directly and indirectly.

In this context, as part of the Double Materiality assessment conducted across the value chain, with greater emphasis on Tier 1 suppliers, one material negative impact was identified.

SOCIAL	IRO	+/-	R/P	OP/CV
ESRS S2: Workers in the value chain				
Working conditions				
Potential negative impacts on the health and well-being of workers in the value chain due to working conditions (e.g. wages, health and safety, working hours).	I	-	P	CV

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

The negative impact identified relates to the potential adverse effects on the health and well-being of workers in the value chain arising from existing working conditions. This impact was considered material, particularly in flight and passenger operations, such as ground operations, inflight and customer service functions, where work organisation presents higher-risk characteristics, including seasonality, shift patterns and a high level of operational disruption.

These functions also represent those with the greatest operational impact on the Group's activities. The impact is considered potential, as it depends on the labour practices and conditions provided by partner entities and suppliers within the value chain. Nevertheless, it is deemed material for the TAP Group as the contracting entity, responsible for promoting and ensuring appropriate working standards aligned with the principles of sustainability and social responsibility.

It should be noted that no significant risks or cases of child labour or forced labour were identified in the geographies or operations in which the Group operates.

4.3.2.2. Impact, risk and opportunity management

Policies related to value chain workers (S2-1)

The TAP Group undertakes commitments in respect of human rights concerning workers in its value chain, aligned with the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

To support the Group's actions in mitigating the potential impact of working conditions on value chain workers, a set of policies and codes applicable to TAP S.A., Portugália and UCS has been developed and is currently in force.

The **Code of Ethics and Conduct** establish the principles and rules that guide the ethical and professional conduct of all those engaged with the TAP Group, including employees, members of the Board of Directors, suppliers and partners. The Code seeks to ensure integrity, accountability and respect in all internal and external relationships, fostering an ethical and sustainable culture. Its overarching objectives include promoting ethics and integrity in all decisions and behaviours; guiding conduct in everyday dilemmas; ensuring the safeguarding and valuing of workers through conditions of safety, well-being, equality, diversity and inclusion; and guaranteeing ethical and transparent relationships with third parties. In addition, the Code adopts a zero-tolerance policy towards corruption and provides for the prevention of money laundering and terrorist financing.

Complementing this framework, the **TAP Group Ethical Conduct Channel Policy** establishes guidelines for the submission, receipt, handling, investigation and retention of reports relating to infringements and unlawful activities or conduct that breach laws, policies, procedures or internal rules of the TAP Group. The policy promotes ethics and integrity as cornerstones of corporate management and culture and facilitates the reporting of infringements by employees and other stakeholders. It ensures the confidentiality of information and the protection of whistleblowers against any form of retaliation and guarantees alignment with Law No. 93/2021 of 20 December and with European legislation on the protection of personal data. The Channel, governed by this policy, is open to all those associated with the TAP Group, including employees, service providers, contractors and subcontractors, and the policy sets out the procedures for investigating and monitoring reported cases.

The **TAP Group Supplier Code of Conduct** sets out the principles and standards that all suppliers must observe in their business relationships with the Group's companies. Its overarching objectives include promoting high standards of ethics, transparency and development across the value chain, while ensuring transparency and legal compliance. The Code requires suppliers to provide safe and healthy working conditions for their workers; to respect human rights; to prohibit child labour, forced labour and human trafficking; and to ensure fair remuneration and equal opportunities. It also incorporates business ethics requirements, including compliance with anti-corruption legislation, protection of intellectual property and personal data, and the adoption of responsible environmental practices to reduce waste and emissions and promote energy efficiency. Furthermore, it encourages the reporting of irregularities as part of a commitment to continuous improvement and social responsibility. Non-compliance by suppliers may give rise to corrective actions in cases of breach.

The **TAP Group Human Rights Policy** has as its overarching objective the establishment of the Group's commitment to respect, support and protect human rights, promoting ethical, responsible and sustainable business practices across its operations and value chain, and preventing adverse human rights impacts. The policy applies to all Group companies and is grounded in international reference frameworks such as the Universal Declaration of Human Rights, ILO Conventions and other relevant international treaties. Its commitments include respecting fundamental human and labour rights; ensuring fair and safe working conditions; prohibiting child, forced or involuntary labour; promoting diversity, inclusion and non-discrimination; and adopting a zero-tolerance approach to harassment or violence in the workplace. The policy further establishes the need for secure and confidential whistleblowing channels, the promotion of occupational risk prevention, and the consideration of the cultural and socio-economic specificities of potentially affected communities.

The TAP Group Code of Ethics and Conduct, as well as these Policies, are accessible to employees and stakeholders via the intranet and the corporate websites of TAP S.A., Portugália and UCS, in both Portuguese and English. Codes addressed to suppliers and service providers also form an integral part of agreements and contractual arrangements.

The implementation and monitoring of the Policies and Codes of Conduct are ultimately the responsibility of the members of the Board of Directors, jointly with the Finance, Audit and Risk Committee and the Sustainability Committee.

The TAP Group makes available to workers within its value chain the Ethical Conduct Channel, established for the reporting of irregularities, misconduct or human rights violations, ensuring confidentiality and protection against retaliation for whistleblowers. In cases of non-compliance with the principles set out in the Supplier Code of Conduct, the TAP Group implements corrective and/or remedial action plans.

These policies demonstrate the TAP Group's commitment to promoting dialogue, preventing adverse impacts and providing remedies for issues related to human rights within the value chain.

Processes for engaging with value chain workers about impacts (S2-2)

The TAP Group has invested in mechanisms and processes for engagement with its value chain from a business perspective and for the purposes of identifying impacts, risks and opportunities within the scope of the Double Materiality assessment. In addition, the Group has established mechanisms that may facilitate the identification and management of actual and potential impacts, fostering an environment of dialogue and transparency.

Freedom of Association and Social Dialogue
The Group requires its suppliers to respect workers' rights to freedom of association and collective bargaining, ensuring the rights to information, consultation and participation. This contributes to the creation of an environment in which workers can express their concerns and influence decisions relating to their working conditions.

Ethical Conduct Channel
The TAP Group makes its Ethical Conduct Channel available to workers within the value chain, enabling them to report inappropriate, fraudulent, unethical or unlawful conduct. These channels guarantee confidentiality and protection against retaliation, encouraging workers to raise concerns that may inform the TAP Group's decisions and activities.

Monitoring and Compliance
TAP provides for monitoring activities, such as visits to suppliers' facilities and access to information and documentation relating to the management of their activities. These activities may include the assessment of impacts on workers and the implementation of corrective actions where non-compliance is identified.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

As mentioned in the previous section, the Group provides an Ethical Conduct Channel through which suppliers and their workers may report any irregular situations, and implements corrective actions whenever non-compliance is identified.

The Ethical Conduct Channel is available to all workers within the value chain globally, under the same rules and procedures across the various geographies in which TAP operates. Reports received through the Channel are addressed to the Chair of the Finance, Audit and Risk Committee and to the Legal Compliance team. The investigation process is led by the Legal Compliance function and involves all relevant stakeholders as necessary. Once the investigation has been concluded, the outcome may require the preparation of an action plan which, depending on its nature, may be monitored by Internal Audit. The reporting and case management platform is operated by a third party external to the Group.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4)

The monitoring of material impacts on workers within the value chain is carried out by the Sustainability Department in conjunction with the Procurement Department and the Legal Compliance function. The initiatives designed to mitigate the identified potential negative impact are aligned with the provisions set out in the Supplier Code of Conduct and have been implemented to prevent, identify and mitigate potential adverse impacts on workers' health and well-being; to promote their rights and safeguards; and to encourage sustainable and responsible business practices.

These measures have a global scope, and, in 2025, no serious human rights issues or incidents related to the value chain were reported, either through the Whistleblowing Channel or through the implementation of the listed initiatives.

Disclosure of the Supplier Code of Conduct and Whistleblowing Channel
The Group ensures that its suppliers accept the TAP Group Code of Ethics and Conduct and the TAP Group Supplier Code of Conduct or alternatively demonstrate compliance with their provisions by submitting their own Code of Conduct, which is assessed by TAP's Legal Compliance function.

ESG Qualification of Suppliers
In 2025, the Group launched an initiative to qualify its suppliers based on Environmental, Social and Governance (ESG) criteria within SAP Ariba,

representing an important step towards integrating sustainability criteria into supplier management and promoting responsible practices throughout the value chain. Suppliers with low performance in ESG criteria are subject to a mitigation plan aimed at encouraging the adoption of more sustainable practices and progressively aligning them with the TAP Group's strategic objectives and sustainability policy. In addition, together with cybersecurity and legal compliance questionnaires, the ESG score will be incorporated into the consolidated risk assessment, contributing to an overall supplier risk rating and evaluation. These measures will enable the proactive identification and mitigation of sustainability- and legal compliance-related risks among critical suppliers, thereby reducing the Group's exposure to legal, environmental or reputational incidents.

In 2025, 34.9% of in-scope suppliers (suppliers with regular commercial relationships with TAP, active contracts and invoicing in the last two years, and excluding state entities, airport authorities and lessors) were qualified. In 2026, the inclusion of environmental criteria in supplier assessments for the main procurement categories is planned.

4.3.2.3. Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)

The Organisation has established internal targets, the progress of which is monitored through key metrics within the Sustainability Committee. Some of these targets have previously been disclosed. However, as they are currently under review and considering the ongoing privatisation process, they have not been disclosed in this report.

The identified metric is directly related to the ESG supplier qualification initiative within the SAP Ariba module, which aims to collect and assess information on suppliers' environmental, social and governance practices.

The metric is based on the ratio between the number of suppliers registered in SAP Ariba who have responded to the ESG questionnaire and the total number of in-scope suppliers. The development of the questionnaire and the monitoring of the metric were carried out by the Sustainability, Procurement and Legal Compliance functions, with approval and oversight provided by the Sustainability Committee.

By measuring the percentage of suppliers with ESG qualification, TAP ensures the continuous monitoring of its supply chain performance and alignment with corporate sustainability and integrity policies, as well as with the objectives established under European ESG directives and criteria. In this way, the initiative contributes to strengthening responsible value chain governance, reducing environmental, social and ethical risks, and supporting TAP's strategic commitments to sustainability and transparency.

4.3.3. ESRS S3 – Affected Communities

4.3.3.1. Strategy

Material impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3)

The Double Materiality assessment process considered communities that could be directly or indirectly affected by the Group's operations, activities and policies. As a result of this exercise, TAP acknowledges that its air transport operations have a direct and negative impact on communities located in proximity to airports, particularly in relation to aircraft noise. At the same time, neighbouring communities and the communities served by its destinations are placed at the centre of its corporate social responsibility initiatives, generating positive impacts.

During the Double Materiality assessment, no operations or direct business relationships were identified in Indigenous territories, and the impact on such territories was therefore classified as non-material.

SOCIAL	IRO	+/-	R/P	OP/CV
ESRS S3: Affected communities				
Communities' economic, social and cultural rights				
Existence of corporate social responsibility policies and initiatives, with a focus on supporting community actions and non-profit organisations.	I	+	R	OP
Increased vulnerability of communities, with impacts on quality of life due to airport and aviation sector operations (e.g. noise pollution).	I	-	R	Both

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

The negative impact is associated with the noise generated in the vicinity of the airports where TAP operates and constitutes a recurrent and widespread impact arising from its core activity. This impact may affect the quality of life and health of communities located near the airport ecosystem and is therefore considered a systemic impact inherent to the air transport business, rather than an isolated occurrence.

The positive impact stems from the Group's ongoing commitment to supporting and collaborating with local, national and international communities in the destinations it serves, through its corporate social responsibility initiatives, such as the transport of humanitarian aid and programmes such as TAP Donate Miles. These initiatives support social causes and social organisations through partnerships, benefiting vulnerable populations assisted by those entities.

In addition, through its operations, the Group promotes:

- **Connectivity and Mobility**: flight operations connecting insular regions (such as the Madeira and Azores Archipelagos) and Portuguese-speaking countries, ensuring accessibility and territorial inclusion. Beneficiary communities include local populations, small businesses reliant on-air transport and regional tourism sectors;
- **Local Economic Development**: the generation of direct and indirect employment and the stimulation of local economies, particularly through increased tourist flows to destinations served by the Group, thereby strengthening local value chains.

4.3.3.2. Impact, risk and opportunity management

Policies related to affected communities (S3-1)

As part of the measures for managing and monitoring environmental impacts associated with noise, two policies have been defined and approved — the Environmental Policy and the Sustainability Policy — which provide the framework for implementing the organisation's principles and commitments in the management of environmental matters, including noise in communities neighbouring airport infrastructures.

The **Environmental Policy** aims to commit TAP S.A. and Portugália to reducing the environmental impact of their activities and operations, promoting practices that contribute to the preservation of natural resources while minimising pollution. Within this scope, the Group seeks to reduce noise pollution by adopting best operational practices and technological innovations, guided by IATA standards. Concurrently, the environmental dimension of the Sustainability Policy focuses on reducing CO_2 and other gas emissions through continuous investment in technologies and operational practices that improve energy efficiency, reduce the carbon footprint, and support climate change mitigation, thereby also reducing environmental impacts at the noise level. More information on these policies can be found in Chapter 4.2.3.2 ESRS E2-1.

To enhance the positive impacts arising from corporate social responsibility initiatives supporting communities, particular attention is given to the Human Rights Policy, the Sustainability Policy, and the TAP Donate Miles Programme Regulation.

The social dimension of the **Sustainability Policy** has the primary objective of contributing to the development of local communities through initiatives with positive social impact, focusing on education, culture, social inclusion, and support for vulnerable populations.

In addition, the **Human Rights Policy**, whose central objective is to respect, support and protect human rights while promoting ethical, responsible and sustainable business practices, defines one of its key commitments as supporting initiatives and institutions that strengthen the communities and geographies in which the TAP Group operates. More information on the Human Rights Policy can be found in Chapter 4.2.3.2 ESRS E2-1.

The **TAP Donate Miles Programme Regulation** establish the rules and criteria for the application and participation of non-profit entities in TAP S.A.'s corporate social responsibility initiative. The programme aims to support legally constituted social organisations in Portugal with interventions in the communities of the regions and countries where the Company operates. It allows customers to donate their miles to support social causes, providing them with a way to contribute to initiatives that generate positive, measurable and meaningful social change in beneficiary communities. As stipulated in the Regulation, partnerships with selected entities have a three-year duration, with the new cycle active from 2025 to 2027. Applications are evaluated by a multidisciplinary team, with finalist entities ultimately approved by the Executive Committee based on the credibility of the request, the experience and strength of the organisation, and the potential impact on the community, ensuring a high likelihood of generating tangible results. The programme application form and Regulation are publicly available on the TAP Group corporate website for consultation by any interested party, in both Portuguese and English.

Processes for engaging with affected communities about impacts (S3-2)

TAP recognises the importance of integrating the perspectives of affected communities into its decision-making and impact management processes, both for positive and negative impacts. Accordingly, the Group maintains direct dialogue with entities representing communities and/or directly involved in community activities, such as local and national authorities, as well as local and national institutions, to contribute to community development through corporate social responsibility programmes, education, nutrition and health initiatives.

Dialogue and engagement mechanisms with communities are implemented through ad hoc meetings with relevant entities and groups, as well as through the Group's participation in working groups and discussion forums involving multidisciplinary teams from the airport ecosystem. These activities aim to share information and develop joint solutions to mitigate the negative impacts of noise on communities. Dialogue with communities is coordinated by the Sustainability Department, in collaboration with the relevant internal functions, ensuring that the perspectives gathered influence both the management of environmental impacts, including noise, and the design of social support programmes. The Sustainability Committee serves as the highest governing body responsible for overseeing these processes.

Specifically, in the context of corporate social responsibility, TAP prioritises dialogue with the official partners of the TAP Donate Miles Programme throughout the different phases of partnerships: application, onboarding, semi-annual and annual results, as well as ad hoc partner initiatives and partnership evaluations. The Group also maintains continuous contact throughout the year with various social organisations, notably those representing vulnerable groups, such as homeless individuals, low-income families, children and women at risk, persons with special needs, chronically or terminally ill patients, and the elderly, both to propose new initiatives and to respond to requests.

The effectiveness of this dialogue and relationship with the impacted communities is monitored through the evolution of noise-related complaints, feedback received from associations and working groups at regular meetings, and entities associated with social support initiatives.

In this way, the Group ensures that dialogue with affected communities directly contributes to managing the negative impacts associated with airport operations, as well as the positive impacts arising from the social, cultural and economic support provided by the Group.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

TAP recognises that airport operations and the aviation sector may generate material negative impacts on neighbouring communities, particularly in terms of noise and quality of life. Although the Group does not have dedicated channels for receiving and managing community complaints specifically on this matter, such concerns can be submitted via widely publicised corporate channels, particularly email, or through the Ethical Conduct Channel, as referenced in Chapter 4.3.2.2 ESRS S2-3.

The Group actively participates in various multi-stakeholder working groups that include the entities responsible for managing this impact, notably ANA Aeroportos de Portugal, the Autoridade Nacional da Aviação Civil (National Civil Aviation Authority), municipalities, and other relevant authorities. TAP's approach focuses on collaboration to identify, monitor, and mitigate negative impacts, providing technical input to these forums with operational data, participating in public consultations, and supporting the implementation of measures aimed at reducing noise levels in residential areas. These corrective measures are evaluated within the framework of these collective forums using objective indicators, such as continuous noise measurements, environmental monitoring reports, and records of community complaints received through the channels of the competent authorities. This information allows mitigation plans to be continuously reviewed and adjusted, ensuring that remediation mechanisms are appropriate and proportionate to the materiality of the impacts identified.

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of these actions (S3-4)

Noise Mitigation

To mitigate the negative impact on communities, the Group highlights two main categories of initiatives: fleet renewal with aircraft generating a lower noise footprint compared to previous models, and active participation in multi-stakeholder working forums.

In 2025, the Group emphasised its participation in multi-stakeholder working groups such as the IATA Environmental Oversight Council (EOC), the A4E Environmental Working Group (Airlines for Europe), and the Aviation Sustainability Alliance, as well as in the development of partnership plans with various national airports. These partnerships and participations will continue in the coming years, allowing the Group to be present in forums where key stakeholders from both the current Lisbon airport and the future airport are represented, working to enhance community welfare and environmental protection. Through this participation, TAP identifies necessary and appropriate measures in response to the negative impact identified.

To directly mitigate noise impacts, TAP S.A. and Portugália have invested, and intend to continue investing, in the modernisation of the operational fleet with new-generation (NEO) aircraft that produce a lower noise footprint compared to the previous models.

Corporate social responsibility initiatives

The Group seeks to generate positive impacts in the communities where it operates by promoting a range of initiatives designed to address common structural issues in society. These initiatives are aligned, among other frameworks, with the United Nations Sustainable Development Goals (SDGs) 10 (Reduced Inequalities), 16 (Peace, Justice and Strong Institutions), and 17 (Partnerships for the Goals).

TAP Donate Miles programme and special campaigns

The TAP Donate Miles Programme aims to support the missions of partner organisations by converting donated miles into travel, with impact measured through reports submitted by the organisations. This contributes to the development of local communities through corporate social responsibility programmes in areas such as education, nutrition, and health.

TAP Donate Miles	2023	2024	2025
Supported entities	3	6	6
Tickets issued	81	60	119
Miles donated by customers	3,000,000	3,972,334	4,794,575
Miles donated by TAP	0	3,000,000	3,000,000

In addition, the Group's teams identify dates or times of the year that are relevant to a special campaign (e.g., Special Day, national or international event) and then identify possible beneficiary entities.

Special TAP Donate Miles Campaigns	2023	2024	2025
Total campaigns	3	2	2
Supported entities	3	2	2
Miles donated	1,300,000	574,458	454,709

Extra Baggage and Solidarity Cargo

These initiatives aim to effectively support projects in TAP's network of destinations by transporting goods and cargo. Entities send requests to the Group, which evaluates them considering the purpose, local partners and who the beneficiaries are.

Extra Baggage	2023	2024	2025
Baggage transported	62	73	57
Supported entities	26	28	20

Solidarity Cargo	2023	2024	2025
Items transported	5	21	199
Supported entities	2	3	6
Weight transported (kg)	40	186	3,544

IPO, Eurest and Refood Protocols

These protocols aim, respectively, to support the treatment of children and young people facing economic difficulties, under the care of the Paediatric Service of the IPO (Portuguese Institute of Oncology) in Lisbon, coming from any country where TAP operates, by providing airline tickets for the patients and accompanying persons; and to facilitate the collection and delivery of surplus food from TAP's catering services to beneficiaries of Refood. Both protocols were signed in 2025 and are valid until the end of 2026, with the IPO Protocol representing a renewal.

IPO Protocol	2023	2024	2025
Tickets	8	2	0

Eurest and Refood Protocol	2023	2024	2025
Food surpluses	-	-	17,566

Donations and Solidarity Campaigns.

These initiatives aim to reuse discontinued or surplus material by donating it to social entities and the communities they support, as well as promoting communication and dissemination of solidarity campaigns by social entities.

Donations	2023	2024	2025
Donated items	924,327	73,044	416,524
Supported entities	75	9	28

Solidarity Campaigns	2023	2024	2025
Campaigns publicised	11	5	6
Supported entities	63	27	22

4.3.3.3. Metrics and Targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)

The Group has established a set of internal targets to monitor the positive impacts generated in the supported communities. Progress is tracked through key metrics by the Sustainability Committee. However, as they are currently under review and considering the ongoing privatisation process, they have not been disclosed in this report.

Nonetheless, regarding corporate social responsibility initiatives, TAP intends to increase its support to communities. In 2026, the number of official entities participating in the TAP Donate Miles programme is expected to rise by 50%, from 6 (six) supported entities to 9 (nine).

METRIC	Performance 2023	Performance 2024	Performance 2025
Number of miles donated by the TAP Donate Miles programme	4,300,000	7,500,000	8,249,284
Number of entities supported by the TAP Donate Miles programme	3	6	6

In addition to these, the Group monitors other relevant metrics to continue assessing the performance of its corporate social responsibility initiatives, as noted previously.

During the reporting period, the Group did not establish its own targets regarding the material negative impact of noise, as these are defined in coordination with external sector entities (ANA Aeroportos de Portugal, ANAC, and municipalities). The Company actively participates in these forums and plans to develop complementary targets aligned with future sector commitments.

Nonetheless, TAP monitors the effectiveness of its policies and actions aimed at mitigating the impact of aircraft noise on communities neighbouring the airports where it operates. This monitoring is carried out in close coordination with the competent authorities and airport infrastructure management entities, given that direct control over certain factors (such as scheduling and land use) does not fall under the Group's remit. Key monitoring mechanisms include:

- Continuous monitoring of noise indicators reported by airport measurement systems;
- Assessment of the effects of operational measures implemented, such as the use of quieter aircraft and limitations on night-time movements;
- Monitoring feedback from local communities and municipal authorities, collected through multistakeholder forums and working groups;
- Participation in sectoral initiatives that evaluate the effectiveness of mitigation measures and define new technological and operational solutions.

4.3.4. ESRS S4 – Consumers and end-users

4.3.4.1. Strategy

Material impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3)

The TAP Group recognises consumers and end-users as key stakeholders in its activities and is committed to placing the customer at the centre of its decisions and operations. Through a responsible, transparent and service-quality-driven approach, the Group promotes safe, accessible and inclusive experiences, while respecting consumer rights. This commitment is reflected in the continuous improvement of services, the protection of personal data, clear communication, and an effective response to passengers' needs and expectations.

The Double Materiality assessment process considered all groups of consumers and end-users of TAP's products and services who could be materially affected by the Group. As a result of this exercise, one positive impact and one material risk were identified.

SOCIAL	IRO	+/-	R/P	OP/CV
ESRS S4: Consumers and end-users				
Personal safety of consumers and/or end-users				
Contribution to the safety of passengers and crew on board, due to the existence of robust safety procedures in TAP operations.	I	+	P	Both
Information-related impacts for consumers and/or end-users				
Risk associated with potential cyber attacks that compromise consumer privacy and data	RI		P	Both

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

Operational Safety

The positive impact identified, related to the safety of passengers and crew on board, is cross-cutting and extends across all geographies where TAP operates. This impact results from the adoption of policies and practices incorporating international standards of aviation safety and universal accessibility.

TAP has implemented a robust Safety Management System (SMS), aligned with the standards of the International Civil Aviation Organization (ICAO) and the European Union Aviation Safety Agency (EASA), ensuring that all flights are conducted in accordance with the highest safety standards. This system contributes to reducing exposure to risk by mitigating potential incidents, as well as strengthening recovery capacity following operational anomalies.

The main measures implemented that contribute to this impact include:

- Rigorous aircraft inspection and preventive maintenance procedures, promoting risk control through proactive and preventive processes.
- Continuous training for flight crews, aircraft maintenance technicians and ground operations teams on operational safety and crisis and emergency management.
- Regular simulations of critical scenarios to ensure swift and effective operational responses. Implementation of advanced navigation and operational monitoring technologies.

These measures contribute to improved operational performance, making it more consistent and predictable, and to enhanced operational resilience, enabling the absorption of disruptions, reducing the impact of adverse events and supporting faster and more effective recovery. In parallel, the reduction of operational risk also translates into cost reduction, notably through a decreased likelihood and severity of incidents.

Additionally, within the scope of the SMS, TAP manages an Emergency Response Plan (ERP), which complies with and applies the relevant requirements in terms of governance, risk management, human impact and operational sustainability.

The SMS also constitutes a fundamental pillar supporting strategic governance, by providing visibility over critical risks, emerging trends and the effectiveness of mitigation measures implemented, thereby supporting informed decision-making at a strategic level.

Cybersecurity and Data Protection

The material risk identified is associated with cybersecurity and the protection of personal data, reflecting the strong digital component of the Group's operations. This dimension encompasses processes such as online bookings, digital check-in, management of the TAP Miles&Go loyalty programme, as well as interactions carried out through mobile applications and the website.

In recent years, there has been a global increase in cybersecurity incidents, representing a significant threat to the integrity and confidentiality of passengers' personal and sensitive data. A potential incident of this nature could result in loss of customer trust, a negative impact on the TAP brand's reputation, regulatory sanctions arising from non-compliance with the General Data Protection Regulation (GDPR), financial costs associated with compensation and system recovery, and operational disruptions across digital channels.

The main measures implemented to mitigate this risk include:

- Ongoing security training and awareness programmes for employees;
- An active incident response plan;
- Integrated risk management, including the assessment and mitigation of security risks;
- Assessment and management of risks relating to critical suppliers;
- Regular independent security audits and assessments;
- Physical protection of critical infrastructure with restricted access and disaster prevention systems;
- Disaster recovery plans, including redundancy and regular backups;
- Encryption of data at rest and in transit;
- Vulnerability management through periodic assessments, penetration testing and remediation;
- Network security controls;
- Device protection through antivirus solutions, Endpoint Detection and Response (EDR), and BitLocker encryption;
- Email security measures, including anti-spam and anti-phishing filters and SPF/DMARC/DKIM authentication;
- Segregation of environments (development, testing and production) and security perimeters;
- Patch management and regular updates for systems and applications.

4.3.4.2. Impact, risk and opportunity management

Policies related to consumers and end-users (S4-1)

Safety and Security

To promote positive impacts on the safety of passengers and crew, the Group has developed specific policies: for TAP S.A., the Safety Policy and the Security Policy; and for Portugália, the Corporate Safety Policy and the Security Policy. The implementation of these policies is the responsibility of the Chief Executive Officer and the Chief Executive Officer of Portugália Airlines, who act as the accountable managers of TAP S.A. and Portugália, respectively.

The **Safety Policy** is founded on the recognition of Safety as one of the core pillars of TAP S.A., promoting a just and positive culture through the Safety Management System (SMS). Its general objectives include achieving the highest level of operational safety performance across all activities; effectively identifying and managing risks; encouraging occurrence reporting without fear of reprisal; and implementing a continuous improvement cycle through the definition, measurement and review of Safety indicators and objectives.

The **Security Policy** is guided by high security standards across operations and follows industry best practices and procedures, which are continuously reviewed and monitored in accordance with national and international Security requirements, with a view to preventing all forms of unlawful interference.

The policy seeks to ensure full compliance with, and continuous updating of, applicable national and international regulations; to maintain an adequate and effective quality control programme; and, where necessary, to develop and implement appropriate continuous improvement actions within the Security management system. It also aims to provide Security training and awareness to all employees to foster and maintain a strong Security culture, and to equip employees with the skills required to respond promptly to acts of unlawful interference. Additionally, the policy ensures that all employees and service providers are permanently informed and aware that Security is a shared responsibility, encouraging the adoption of a proactive and participatory approach in the performance of their duties, so that they may deter, detect, respond to and report any attempted unlawful acts. It further provides for the implementation of a whistleblowing channel that guarantees confidentiality and for the systematic analysis of such occurrences and their contributing factors, with the aim of reducing risk levels and enhancing overall Security.

The **Corporate Safety Policy of Portugália Airlines** establishes safety (both Safety and Security) as an essential pillar of operations, representing a top priority and a formal commitment across the organisation. The policy seeks to maintain safety as the highest priority in all operations; to involve all employees in hazard identification and risk management; to promote an organisational culture based on trust, transparency and shared accountability; and to ensure continuous improvement through training, reporting, monitoring and process review.

The policies identified above were defined based on the needs and concerns of flight crews, maintenance personnel, ground operations staff, suppliers and regulators. They are communicated internally to all employees of each company through training sessions, newsletters, posters and the intranet, and are also shared externally with suppliers and service providers where appropriate.

Cybersecurity and Data Protection

To address this risk, the Group has established internal Policies and Procedures aimed at mitigating the likelihood of data breach incidents. The most relevant include the General Information Security Management System Policy, the Access Control Policy, the Information Classification Policy, the Information Asset Management Policy, the Electronic Resources Usage Policy, the Employee Personal Data Protection Policy, and the Privacy and Cookies Policy. These policies, approved by the Boards of Directors, apply in full to all TAP Group operations. The TAP Group Chief Executive Officer and the Data Protection Officer (DPO) hold ultimate responsibility for the implementation of these policies.

The **General InformationSecurity Management System Policy** sets out the overarching guidelines for information security management and serves as the central policy underpinning all other policies within the Information Security Management System.

The **Access Control Policy** defines the controls required to ensure that only authorised individuals have access to sensitive information.

The **Information Classification Policy** establishes criteria for classifying information based on its sensitivity and criticality.

The **Electronic Resources Usage Policy** governs the appropriate use of electronic resources in order to protect them against unauthorised access and misuse.

The **Information Asset Management Policy** regulates the management of information assets to ensure their security.

The Employee **Personal Data Protection Policy** aims to inform employees about how TAP processes their personal data and for what purposes, in strict compliance with applicable legislation. The policy details the categories of personal data collected, specifies the legal basis for each processing activity, identifies the entities that may receive personal data, indicates who the Group's DPO is, and explains how each employee may exercise their data protection rights.

The **Privacy and Cookies Policy** informs customers and other third parties about how their personal data are processed, whether in connection with membership of the TAP Miles & Go loyalty programme, as a result of having travelled with us, or simply by visiting our website or installing our mobile application. The Policy clarifies which data are collected, for what purposes and on what legal basis they are processed, and ensures the adoption of technical and organisational measures in line with industry best practices to safeguard data confidentiality and security. In strict compliance with applicable legal obligations, the policy also clarifies the rights of data subjects, how they can be exercised, and the contact details of the DPO and the supervisory authority (National Data Protection Commission – CNPD).

The **Data Protection Rules and Procedures Manual**, approved by the Executive Committee of each company, defines the rules and practices to be followed in the TAP Group's internal processes concerning the processing of personal data.

The Privacy and Cookies Policy is available through all TAP digital contact channels with customers and third parties, in both Portuguese and English. The remaining internal policies and manuals, which are mandatory reading, are covered in regular internal training sessions and remain permanently accessible on the TAP Group's intranet.

Processes for engaging with consumers and end-users about impacts (S4-2)

Dialogue with Customers

The Group maintains a structured and ongoing dialogue with its consumers and end-users, recognising that their perspective is essential to improving services and managing actual and potential impacts on the customer experience. These processes frequently result in operational adjustments, refinement of the value proposition and the strengthening of customer relationships, contributing to a more customer-centric approach.

Dialogue is promoted through specific initiatives, such as the Net Promoter Score (NPS) – a benchmark metric that measures the likelihood of recommending the Company – which enables the collection of evaluations and suggestions across various touchpoints following a flight. The NPS Gold/Navigator – Close the Loop programme ensures direct follow-up with Gold and Navigator customers, allowing for swift action in response to feedback received. In parallel, the loyalty programme (TAP Miles&Go) conducts regular surveys to gather suggestions and identify opportunities for improvement.

The coordination and analysis of these processes fall under the responsibility of the Director of the Customer Service Centre and the Director of Loyalty, who integrate the results into the Group's strategic and operational decision-making. Their effectiveness is monitored through indicators such as survey response rates, NPS trends and the improvement actions implemented based on the feedback collected.

In the case of more vulnerable consumer groups, such as passengers with reduced mobility (PRM) or unaccompanied minors, the Group seeks to ensure that all their needs are addressed at the time of travel and endeavours to collect feedback through open comment fields in NPS surveys. Responsibility for managing these interactions and analysing the feedback gathered lies with the Customer Area, which ensures that customers' needs are considered in operational and strategic decisions.

Additionally, TAP maintained its focus on listening to front-line through the cross-departmental forums "Somos Cliente" ("We Are Customer"), "Eu Sou Cliente" ("I Am Customer"), "Fórum Tripulantes" ("Crew Forum") and the "Customer Committee". These forums bring together employees who have direct contact with customers – at airports, on board, or across the various customer service channels – alongside area managers and senior management, to identify key customer complaints, improvement opportunities and action plans to be implemented.

Furthermore, the internal Fly & Rate programme, available on TAP's intranet, enables all employees to submit service improvement suggestions based on

their own experiences. The high level of participation in these initiatives allows for continuous qualitative monitoring of the customer experience, as well as the identification of areas for improvement. Overall, 93% of the suggestions and initiatives have already been addressed.

All these initiatives and suggestions, together with structural projects with a significant impact on the customer experience, are monitored within the Customer Committee, which brings together the heads of all areas related to the customer experience for decision-making purposes. These meetings are held monthly and are chaired by the Company's Chief Customer Officer.

Employee Involvement in Mitigating Risks to Customers

Dialogue with employees is fundamental to ensuring operational safety and the protection of passengers and crew. To this end, formal feedback channels and voluntary reporting mechanisms are made available for Safety and Security occurrences, Personal Data Breach reporting and Information Security Incident reporting. These mechanisms enable all employees to share concerns, suggestions and incidents relevant to operational safety, data and information protection, and the prevention of unlawful interference, whether physical or digital.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

All customers may contact the Group through customer service channels or corporate channels. Customer service channels include telephone (with dedicated numbers by market and service type), email (for Miles&Go and TAP FORBIZ customers), chat (including accessibility features for deaf customers in Brazil and the United States of America), WhatsApp (with differentiated channels for general customers, Navigator customers and Cabin Supervisors) and the online form available on the FlyTAP website for suggestions and complaints. The corporate channels available may be used by any stakeholder and include email contacts for the Sustainability, Corporate Social Responsibility, Corporate Communications, Investor Relations and Marketing departments, as well as the Group's formal Whistleblowing Channel (https://channel.whistleon.com/tapairportugal).

Each interaction is recorded and forwarded to the responsible teams, which monitor the most recurring topics and response times, ensuring systematic follow-up. The effectiveness of these channels is ensured through the continuous monitoring of operational indicators (such as average response time, first-contact resolution rate and customer satisfaction levels) and the analysis of spontaneous feedback collected through post-travel surveys and online forms.

Although there is no formal co-creation mechanism with customers and end-users, TAP considers customer feedback to be an essential component of its continuous improvement process. Through the existing channels, users may suggest improvements to the channels themselves, report access or usability difficulties, and share experiences that help identify shortcomings or opportunities. This feedback is analysed by the Customer Service and Loyalty teams, working in coordination with other areas such as Digital and Operations to implement improvements.

In 2025, TAP continued to listen to its customers in a structured manner through the NPS survey, a benchmark metric that measures the likelihood of recommending the Company. In addition to achieving record satisfaction levels in check-in, cleanliness, comfort, cabin crew, meals and on-board retail (OBR), a 3-percentage point increase in NPS was observed compared to 2024.

The Group also has reporting mechanisms in place to ensure the robustness of its Safety, Security and information security systems. These mechanisms include Safety and Security reports, Personal Data Breach reports and Information Security Incident reports. Identified issues are continuously tracked and monitored through their classification, analysis and respective feedback processes, with the number of reports being reviewed on a daily, weekly and monthly basis.

Formally, the Privacy and Cookies Policy establish that data collected through digital platforms, forms and interactions with the Group's services are treated with appropriate security measures, that data are used only for the specific purposes for which they were collected and that customers have the right to access, correct, limit or delete their data. At the same time, awareness campaigns are carried out to promote the use of the channels and increase their visibility, which are subsequently evaluated by monitoring the evolution of reporting levels, the diversity of reporter profiles and the qualitative analysis of the content of the reports. This data allows us to gauge the degree of trust and active participation of users.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

Operational Safety

The Group maintains ongoing Safety and Security training programmes tailored to the different operational areas and target audiences, with the objective of developing competencies, reinforcing safe behaviours and promoting the practical application of the principles of the Safety Management System (SMS) and the procedures set out in the Security Programme. These training activities are complemented by targeted Safety and Security campaigns whenever the need is identified to address emerging issues or reinforce operational risk areas. In 2025, within the Safety component, more than 714 in-person training sessions were delivered at TAP S.A., covering 95% of flight crew and 5% of ground assistance staff. E-learning training involved 214 users, representing coverage of 23% of TAP S.A.'s total workforce. Considering both in-person and online sessions, 99% of Portugália's employees have up-to-date Safety training, while at TAP S.A. this rate reaches 98%. Within the Security component, in addition to online training, 60 in-person training sessions were conducted, involving a total of 839 participants. In the coming years, the objective is to ensure that all employees covered by the training plan complete the mandatory modules, consolidating critical operational safety competencies and behaviours aligned with the SMS and the Security Programme across the organisation.

Safety communication plays a central role in strengthening the Group's safety culture, promoting the sharing of best practices, lessons learned and occurrence analyses. This information is disseminated periodically through the Group's institutional channels, such as the intranet, the crew portal and the document management platform, ensuring easy, up-to-date and organisation-wide access to critical operational safety information. TAP has a long-standing tradition of sharing operational safety information. Since 1972, the Group has produced dedicated safety publications, fostering the dissemination of knowledge, lessons learned and best practices among employees and partners. In 1999, the first structured operational safety reporting system was implemented. Since then, reporting mechanisms have been continuously developed, ensuring transparency and organisational learning, and contributing consistently to the enhancement of operational safety. Looking ahead, the Group intends to continue promoting an open reporting culture and cross-functional information sharing, ensuring that all employees have timely access to critical Safety information.

The Group maintains active participation in publications, forums and reference groups at both national and international level, contributing to the global debate on aviation safety and promoting its continuous improvement. This engagement reinforces the commitment to the highest industry standards and ensures alignment with sector best practices.

The Group has strengthened its presence in operational safety initiatives by collaborating with various institutions and operators and by integrating strategic groups and platforms, such as IATA's Global Aviation Data Management (GADM) and Fuel IS programmes, and the Data4Safety programme coordinated by EASA. This participation provides access to strategic databases, international benchmarking and support for the development of internal projects, fostering the continuous improvement of the SMS and strengthening the organisation's safety culture.

In 2025, the Group participated in international working groups, including Embraer, IATA, EASA, Star Alliance, Airbus and Eurocontrol. As a member of the European Regions Airline Association (ERA), Portugália hosted the Safety Group meeting, promoting the exchange of experiences among operators. In the area of Safety Promotion, TAP also collaborates with initiatives such as Airbus' D10X and the EASA Aviation Conversation and contributes to the development of SKYbrary video training content, reinforcing the safety culture within the organisation and across the aviation industry.

The Group has been aligned with **ANAC's State Safety Programme** (SSP) since 2019, fulfilling reporting obligations and ensuring the integration of SSP recommendations into its internal processes, thereby contributing to national safety objectives. This alignment is ensured through the biannual submission of relevant information. In 2025, two semi-annual questionnaires were submitted to ANAC within the established deadlines.

Since 2003, the Company has held the **IOSA certification** (IATA Operational Safety Audit), issued by IATA and subject to revalidation audits every two years. The most recent audit was conducted in 2025 for Portugália, while TAP's next revalidation is scheduled for 2026.

In the context of safety quality control, TAP carries out systematic audits and inspections of service providers operating at different airports. These audits aim to ensure compliance with contractual, regulatory and safety requirements defined by the Group, as well as with emergency procedures. The results are monitored and followed up through corrective action plans, ensuring the continuous improvement of safety for consumers and end-users. In 2025, the completion rate for planned audits and inspections was 100%, a result the Group aims to maintain.

Additionally, the Group ensures compliance with the requirements set out in the National Civil Aviation Safety Programme (PNSAC) / National Civil Aviation Safety Training Programme (PNFSAC) defined by ANAC, as well as with applicable international standards, including those of ICAO and IATA.

Preparation for the management of accidents, incidents and large-scale crises is integrated into the Group's governance, risk management and sustainability framework. The TED – Training, Exercises and Drills Program, defined in the Crisis and Emergency Response Manual (CERM), ensures the development of competencies, the conduct of exercises and the regular testing of response capabilities, contributing to the robustness of decision-making processes and internal control mechanisms. The ERP-MP – Emergency Response Plan, Procedures Manual and Station Emergency Response Plans (SERP) ensure the operational implementation of emergency responses at both corporate and local levels, in coordination with Star Alliance partners, governments and competent authorities, promoting the protection of affected persons and the mitigation of environmental impacts resulting from incidents or accidents. In 2025, the Group increased investment in Emergency Response preparedness through enhanced training and drills for teams and the annual review of applicable plans and procedures, maintaining a continuous process of assessment of their consistency, effectiveness and regulatory alignment, with a view to ensuring operational readiness, organisational resilience and the creation of sustainable value.

Cybersecurity and Data Protection

To address the material risk associated with potential cyberattacks that could compromise consumer privacy and data, the Group has been strengthening its cybersecurity approach through the implementation of technical and organisational measures.

To mitigate the risk of customer data compromise on the FlyTAP website and associated fraud, a Customer Identity and Access Management (CIAM) solution has been implemented, aimed at enhancing protection against unauthorised access to customer accounts. This initiative is complemented by a vulnerability management process comprising several measures, including a Bug Bounty programme aligned with best practices, which promotes advanced detection of vulnerabilities in internet-facing applications and their proactive remediation. In 2025, the number of actions protected by Multi-Factor Authentication (MFA) on the FlyTAP website increased, as did the coverage of customer applications included in the Bug Bounty programme. Looking ahead, a significant reduction in the risk of unauthorised access to customer accounts is expected, further strengthening personal data security and ensuring the ongoing protection of applications.

Measures are also underway to mitigate internal risk, including the centralised management of privileged access (PAM), aimed at controlling and monitoring users with critical permissions. In 2025, the number of privileged users and systems integrated into the solution increased, and in the future the Group intends to centrally and securely control all privileged access, reducing internal risk and enhancing compliance.

In parallel, employees are made aware of information security risks through recurring training and education programmes, aimed at reinforcing awareness of cyber-related risks. An interactive phishing simulation solution with gamification features has also been implemented, promoting more practical and engaging learning. Through these measures, the Group seeks to increase employees' digital literacy, reduce human-related risk associated with cyber threats, and strengthen the organisational security culture. In 2025, a significant increase in internal awareness levels was observed.

These initiatives contribute to the overall objectives of the Information Security and Personal Data Protection Policies, mitigating cybersecurity risks and empowering employees in this domain. They are integrated into a structured information security maturity approach, which includes the development of an Information Security Management System (ISMS) in compliance with ISO/IEC 27001 standards.

In accordance with Chapter 4.1.1.2 ESRS 2 GOV-1 and ESRS 2 GOV-5, corporate risk management (ERM) considers Safety, Security and Cybersecurity risks, although these are addressed and managed within their respective areas. Ultimate oversight of these matters falls within the remit of the Finance, Audit and Risk Committee.

4.3.4.3.Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

The Group has established a set of internal targets aimed at monitoring the positive impacts and the effectiveness of actions implemented to mitigate material risks identified through the Double Materiality process. Progress against these internal targets is tracked through key metrics by the Sustainability Committee. However, as they are currently under review and considering the ongoing privatisation process, they have not been disclosed in this report.

Nonetheless, these targets are intended to ensure and continuously improve the experience of consumers and end-users, while simultaneously maintaining high standards of operational safety, data protection, and service quality.

The metric related to **Operational Safety** is directly linked to operational accidents. This metric was established internally by the Safety & Security Review Board (SSRB) and defined based on risk analysis methodologies, in alignment with internal policies and applicable regulatory requirements, as well as industry best practices, notably those established by EASA, ICAO and IATA. Alignment with the National Civil Aviation Operational Safety Plan (PNSOA) and the National Operational Safety Programme (PNSO), developed by ANAC, is also ensured.

The Group maintains several databases integrating information on occurrence reporting and flight data, preserving a consistent structure over the years, which allows for comparative analyses across equivalent periods. This metric is monitored within TAP's SMS and related operational safety initiatives, and is overseen through the SSRB, the Safety and Security Action Group (SSAG), the Departmental Safety Action Group (DSAG), and periodic monitoring based on internally collected data.

The Operational Accident metric, expressed as the absolute number of accidents per calendar year, covers all occurrences recorded in the reporting system with the designation "accident" in the descriptive field.

In 2025, as in the previous three years, the number of operational accidents was zero, which remains the established standard.

The metric related to the protection of **customers' Personal Data** was identified within the scope of the Customer Identity and Access Management

(CIAM) system. It was defined based on cybersecurity risk analysis methodologies, industry best practices, and alignment with the Star Alliance Core Values for fraud prevention. The metric is monitored through periodic tracking of defined indicators, based on internally collected data and in accordance with industry best practices.

The metric for customer actions protected by Multi-Factor Authentication (MFA) is calculated by counting critical customer actions (e.g., account data changes, mileage transactions) that are secured by MFA. The underlying assumption is that all relevant actions are correctly identified, and that MFA protection is a necessary condition to ensure the security of critical customer actions. The proportion of actions protected by MFA is directly associated with the robustness of the authentication control.

In 2025, 87% of customer actions were protected by MFA.

Progress in assessing the impact of these initiatives is monitored through operational metrics that reflect the Group's commitment to ensuring a safe, transparent, and high-quality experience for all consumers.



4.4. Governance Information

4.4.1. ESRS G1 – Business conduct

4.4.1.1. Strategy

Material impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3)

The TAP Group regards ethical business conduct as a critical principle for the sustainable creation of value. It promotes a culture of excellence, integrity, responsibility and respect, going well beyond strict compliance with the law, thereby ensuring effective complementarity between its operations, the communities in which it operates and its stakeholders.

The Double Materiality assessment process considered all regions in which the Group operates. As a result of this exercise, three material risks were identified in connection with corporate culture and the management of supplier relationships.

GOVERNANCE	IRO	+/-	R/P	OP/CV
ESRS G1: Business conduct				
Corporate culture				
Potential financial damage due to ineffective control of corporate policies, procedures and practices.	RI		P	OP
Need to adapt to an evolving legal environment.	RI		P	OP
Management of relationships with suppliers including payment practices				
"Reputational damage related to the absence of supplier sustainability due diligence procedures.	RI		P	Both

Note: (I) Impact, (RI) Risk, (O) Opportunity, (+) Positive impact, (-) Negative impact, (R) Real or current, (P) Potential, (OP) Own operations, (VC) Value chain.

Risks related to corporate culture

The absence of effective and robust mechanisms to ensure the implementation and monitoring of corporate policies and procedures may represent a risk to the TAP Group. In the aviation sector, where integrated risk management is critical to ensuring safe operational continuity, regulatory compliance and market confidence, shortcomings in such controls may give rise to significant financial impacts, including costs associated with incidents, remedial audits and loss of trust among customers and other stakeholders.

In parallel, as TAP operates in a highly regulated sector subject to constant legislative changes at both national and international level, the ability to swiftly adapt internal mechanisms and controls to new legal requirements is critical to avoid non-compliance, fines and operational restrictions. This risk is particularly relevant in a context of increasing regulatory pressure in relation to Environmental, Social and Governance (ESG) matters, including human rights, anti-corruption and transparency.

Risks related to supplier management

The definition and implementation of due diligence processes across suppliers and the value chain play a decisive role in preventing reputational and operational risks. In the aviation sector, where the supply chain is complex and global in scope, inappropriate practices by suppliers may compromise the Group's reputation and generate indirect financial impacts. The implementation of monitoring processes, including audits and specific contractual clauses, is essential to ensure that business partners comply with environmental, social and ethical standards aligned with the TAP Group's commitments and market expectations.

4.4.1.2. Impacts, risk and opportunity management

Business conduct policies and corporate culture (G1-1)

The Group's corporate culture is founded on principles of ethics, integrity, transparency and accountability, which guide the actions of its governing bodies and employees.

The Board of Directors assumes primary responsibility for business conduct, overseeing the Legal Compliance function, appointing the Compliance Officer and approving the applicable ethics and compliance policies. The Board sets the ethical tone of the Group and ensures an appropriate balance of powers within the Executive Committee. Ethics, compliance and integrity matters are regularly discussed at meetings of the Board of Directors, the Executive Committee and the LAR Committee (Legal, Compliance, Audit and Risk), which monitors the implementation of the annual compliance plan.

The Executive Committee, through its members, ensures the practical integration of ethical principles into TAP's operations, promoting responsible behaviours through awareness campaigns, regular communications and training initiatives.

The **Code of Ethics and Conduct**, by establishing the principles and rules of conduct grounded in values of integrity, responsibility and respect for all individuals and entities, and binding all employees to a commitment to ethical management and conduct, constitutes the cornerstone of business conduct.

The **Ethics Channel** is a key pillar of the corporate culture, enabling the confidential and protected reporting of infringements, thereby strengthening trust, transparency and accountability across the Group. The Channel is available 24 hours a day, seven days a week, and may be used by all internal and external stakeholders – including employees, directors, service providers, suppliers and other partners. Further details regarding the Channel are provided in Chapter 4.3.2.2 ESRS S2-3.

TAP also has an Annual Integrity Training and Communication Plan, which includes mandatory training on business integrity, anti-corruption, conflicts of interest and good conduct practices, as well as a continuous multi-channel communication programme (intranet, videos, events and workshops). One of the central initiatives is Ethics & Compliance Week, which mobilises the entire Group through debates, conferences, thematic campaigns and interactive initiatives, reinforcing adherence to the Group's ethical values. Training on ethics, integrity and business conduct included in the Annual Plan is mandatory for all employees, irrespective of their role or hierarchical level, and is also incorporated into the onboarding process for new employees. In addition, members of governing bodies, team managers and employees in roles with higher exposure to compliance risks participate in specific and more in-depth training initiatives, with a practical and contextualised focus. Training attendance is monitored by TAP University and reported to the Legal Compliance function, the LAR Committee and the Board of Directors, enabling the assessment of completion rates, effectiveness and the impact of these initiatives.

Policies and procedures

To support the Group's efforts to mitigate risks related to business conduct, a set of policies and procedures applicable across its various subsidiaries has been established.

The **Investor Relations Policy** defines the rules governing the TAP Group's communication with investors, regulators and the public, ensuring transparent, accurate and timely information. The policy designates those responsible for the Investor Relations function and ensures compliance with legal and regulatory obligations, as well as the management of information requests and communications with the investment community. It also requires the continuous monitoring of transactions, public disclosures, strategic decisions, financial performance and corporate governance matters. The highest level of responsibility for the implementation of this policy lies with the Board of Directors, which also approved it, and which ensures that employees' conduct is guided so as not to jeopardise relations with investors and to progressively strengthen such relationships.

The TAP Group's **Anti-Corruption Policy** aims to reinforce its commitment to compliance with applicable legal requirements and anti-corruption best practices, promoting high standards of integrity, ethical conduct and transparency in its activities and transactions. The policy includes a Risk Prevention Plan and Related Offences (PPR) and establishes criteria for the offering or acceptance of advantages, ensuring that these are appropriate, legitimate and within legal limits. It sets out strict standards of impartiality and integrity in interactions with public officials, prohibits political contributions by the TAP Group and its employees, bans facilitation payments, defines criteria for the engagement of third parties, and provides for the prevention and management of conflicts of interest. The policy is available on the intranet for consultation by all flight and ground employees, who are required to complete training on this subject. It applies to the TAP Group and its employees, irrespective of the country in which they operate. Ultimate responsibility for its implementation rests with the executive bodies of each Group company, which are tasked with ensuring compliance and effective implementation, providing the necessary material and human resources and control mechanisms, monitoring the adequacy, sufficiency and currency of the policy and its procedures, and overseeing internal training initiatives and the handling of reports of irregularities. The Anti-Corruption Policy is accessible to all employees via the Group's intranet and to all stakeholders through the corporate website.

The **Policy on the Prevention of Money Laundering and Terrorist Financing** aims to prevent and detect money laundering and terrorist financing (ML/TF) operations in transactions carried out by the Group, thereby contributing to the fight against economic and financial crime and terrorism. The policy covers all transactions undertaken, whether occasional or within established business relationships, and provides that the Ethics Channel serves as a mechanism for reporting infringements. It applies to all directors and employees of the Group. The policy has global scope, encompassing all geographies in which the Group operates or maintains business relationships, and identifies a set of countries and regions considered High Risk, in alignment with European Commission legislative acts. The highest body within the Group responsible for the implementation of this Policy is the Board of Directors, which approves the policy and ensures its effective implementation and compliance. An additional objective of this policy is alignment with the United Nations Security Council and the Council of the European Union in matters relating to money laundering and terrorist financing.

The **Conflict-of-Interest Prevention and Management Policy** seeks to ensure the identification, management and control of actual, potential or perceived conflicts of interest that may arise in the activities of the Group's companies. The policy is available on the intranet for consultation by all flight and ground employees, with ground employees being required to complete mandatory training on this topic. It covers all activities carried out by the TAP Group, including internal processes, recruitment, supplier qualification, management of external engagements, personal financial interests, family and personal relationships, and the acceptance of gifts or favours. As with the other policies, the highest level responsible for its implementation is the Group's Board of Directors. The Compliance Officer plays a central role in monitoring compliance with the policy, while the Internal Audit Department assesses the quality and effectiveness of the control systems and procedures implemented.

The **Competition Policy** aims to ensure that all Group activities are conducted in compliance with applicable competition laws, promoting ethical business practices and preventing anti-competitive conduct. The policy highlights the significant risks to the Group's reputation and operations in the event of breaches of competition law and provides practical guidance. It covers the Group's internal activities, including unilateral decisions on pricing, sales, customers and commercial strategies, and addresses the abuse of a dominant position, such as the unfair exploitation of customers or discriminatory practices.

The **Gifts and Hospitality Policy** establish a regulatory framework governing the offering and acceptance of gifts, travel, accommodation, meals, invitations to events and entertainment activities, ensuring compliance with the law and preventing undue advantages or improper influence. The policy is available on the intranet for consultation by all flight and ground employees, with ground employees being required to complete mandatory training on the subject. This policy applies to the TAP Group and its employees, irrespective of the nature or form of their legal relationship, and provides for mechanisms relating to registration, exceptional approval and compliance with anti-corruption legislation and internal rules. The highest body responsible for the approval and implementation of the policy is the Group's Board of Directors, and the Legal Compliance function plays a crucial role in the management, recording and compliance assessment of gifts and hospitality.

The **Good Conduct Policy for Preventing and Combating Workplace Harassment** seeks to identify behaviours that may constitute moral or sexual harassment in the workplace and to establish measures to prevent and combat such practices. The policy applies to all TAP Group employees and covers all employment relationships, whether within or outside working hours, and whether conducted in person or through digital means. This policy is based on commitments to zero tolerance of harassment, the guarantee of equal opportunities and equal treatment, confidentiality and protection against retaliation in cases of reporting, and the promotion of training and awareness-raising initiatives. Approved and overseen by the Board of Directors, the policy seeks to align with the Labour Code, Whistleblower Protection legislation, and Equality and Non-Discrimination laws. The policy is available for consultation on the Group's intranet and official corporate webpages, and all flight and ground employees are required to complete mandatory training on the subject.

The Code of Ethics and Conduct, the Ethics Channel, the Human Rights Policy and the Sustainability Policy further define and consolidate ethics, integrity, human rights and respect for the environment and society within the Group's culture. Further information on these policies is available in Chapter 4.3.2.2 ESRS S2-1 and Chapter 4.2.3.2 ESRS E2-1.

Initiatives and action plans

Prevention of Corruption Risks and Related Offences
In 2025, TAP S.A., UCS and Portugália ensured the implementation of the Risk Prevention Plan (PPR), with 14 action plans completed and the remaining plans in their final phase, as well as the preparation and submission of the annual and interim reports. In 2026, following the completion of the privatisation process, the PPR will be reviewed to update the risk map, the respective classification and grading of risks, and the applicable preventive and corrective measures.

The implementation of the PPR directly contributes to the objectives set out in the Ethics and Conduct, Anti-Corruption, Conflict of Interest and Gifts and Hospitality policies, reinforcing the prevention of integrity risks, legal and regulatory compliance, and the consolidation of an organisational culture based on transparency, accountability and ethical business conduct.

Training and communication on business integrity
TAP S.A., UCS and Portugália have an Annual Integrity Training and Communication Programme, coordinated by the Legal Compliance function and TAP University, which ensures the continuous training of all employees, including members of the Board of Directors, in ethics, integrity and business conduct. The plan includes e-learning modules, in-person sessions and internal campaigns, complemented by Ethics & Compliance Week. This programme contributes to strengthening the ethical and integrity culture, promoting compliance with internal policies and the ongoing awareness of employees regarding the prevention of conduct-related risks and the reinforcement of the Group's compliance framework. In 2028, the Group intends to update and expand the training plan by incorporating new policies and content, namely on the prevention of harassment, the prevention of money laundering and terrorist financing, and compliance with international economic sanctions.

Appropriate legal advisory
During 2025, the Group ensured the provision of appropriate legal advisory services through the engagement of external counsel in the various geographies in which it operates and in specialised matters, as well as through the consolidation of its internal Legal Department, composed of professionals with different areas of expertise. TAP also maintained its participation in sectoral associations, enabling the monitoring of best practices and legislative developments.

The Group intends to continue strengthening its Legal Department to ensure an effective response to an ever-evolving legal environment, thereby promoting responsible management.

Enterprise risk management
Throughout 2025, the Corporate Risk Management (CRM) function developed the Enterprise Risk Management (ERM) Policy and the ERM Manual, which form the basis of the Enterprise Risk Management system to be implemented across the Group's companies. The policy has been finalised, as have the design, scheduling and definition of monitoring metrics for the Manual. The Group is currently in the final stage of validating the risk matrix and taxonomy, as well as the respective Key Risk Indicators (KRIs), with both documents expected to be approved during the first quarter of 2026. It should be noted that the system being implemented is aligned with international best practices for risk management (COSO and ISO 31000) and with aviation sector standards (IATA's IRRM standard).

Considering the importance of raising awareness and strengthening risk culture among all employees of the companies concerned, the CRM function launched a risk culture survey in December 2025, aimed at assessing risk maturity. In parallel, various e-learning modules on this subject are being developed in collaboration with TAP University. The following initiatives are also planned for 2026:

- The implementation of an ERM application system to centralise risk registration and optimise the workflow of the risk management process;
- The definition of TAP Group's Risk Tolerance Limits, in collaboration with the Board of Directors, to operationalise the Group's risk appetite;
- The publication of brochures to raise awareness among Group employees, and the dissemination of ERM-related materials on the companies' websites and internally via the intranet, reinforcing the Group's commitment to a stronger risk culture and enhanced risk maturity.

Following the implementation of the initiatives described above, the Group aims to have a robust risk management system capable of effectively responding to identified needs and emerging risks. In this context, the Group also seeks to develop a strong preventive capacity, both in the identification and management of risks, thereby strengthening its risk culture and raising employees' awareness of the importance of risk management. ERM reporting is also expected to include, where material, conduct, compliance and value chain risks, and to be integrated with the sustainability reporting process (CSRD), thereby ensuring coherence between material risks, actions and performance metrics.

Management of relationships with suppliers (G1-2)

TAP adopts a responsible, proactive and preventive approach to managing its relationships with suppliers, seeking to ensure that the supply chain not only meets procurement requirements but also operates in accordance with the ethical, integrity and sustainability values that guide the Group.

Policies and procedures

All TAP suppliers are required to accept and comply with the **Supplier Code of Conduct** (further information on this Code is available in Chapter 4.3.2.2 ESRS S2-1), which establishes standards of conduct in matters such as human rights, labour practices, business ethics, anti-corruption, environmental protection, and health and safety. Supplier contracts also include compliance and integrity clauses, reinforcing the obligation to comply with the law and TAP's internal policies, and providing mitigation mechanisms and, where applicable, contractual remedies in case of non-compliance.

In accordance with Regulation (EU) No. 965/2012, under the Quality Management System certified to EN 9110/ISO 9001, applied to the procurement of aeronautical material and tools, and within the context of IOSA certification (IATA Operational Safety Audit), which covers flight operations and the transport of passengers and cargo, TAP S.A. ensures rigorous, transparent and sustainable management of its supply chain. The procurement process follows distinct stages, ensuring prior evaluation, traceability and continuous monitoring of partner performance. Technical and compliance assessments are based on the analysis of management systems and alignment with regulatory requirements, ISO 9001 standards and IOSA standards, with ongoing monitoring through indicators of quality, timeliness, safety and sustainability.

This integrated management model enables TAP S.A. to strengthen operational safety, promote technical excellence and reinforce the sustainability of the value chain. The procedures are aligned with national and international regulatory requirements, civil aviation sector standards and best practices, as well as the United Nations Sustainable Development Goals (SDGs).

In parallel, in 2025, an ESG Qualification process was created in SAP Ariba, through which suppliers were invited to complete an ESG questionnaire. As described in more detail in Chapter 4.3.2.2 ESRS S2-4, this questionnaire, together with cybersecurity and compliance questionnaires, is designed to assess supplier risk and define mitigation measures proportionate to the level of risk identified.

To mitigate non-compliance risks and ensure the stability of the supply chain, TAP maintains a Payment Policy structured by market and supplier type, approved and implemented by the Treasury Management Manager. Payment proposals are prepared according to supplier type on a daily and weekly basis, with a four-day horizon, ensuring that documents due up to the following cycle are included. Additionally, TAP implements three extraordinary payment cycles per week targeting suppliers classified as critical, based on shortened payment terms, incidence of late payment interest, or potential operational impact resulting from non-compliance. This policy applies to all Group operations, both domestically and internationally, covering all commitments to suppliers of goods and services, regardless of amount, and is accessible only to internal teams responsible for managing these processes and urgent procedures.

In addition to the regular process, the Group also operates the Ask2Pay platform, which allows any employee to submit requests for urgent payments, provided adequate justification is given. This mechanism is intended for exceptional situations, such as contractual requirements, specific awards, or documents that, due to procedural constraints, have not completed the validation/approval process within the established timeframe.

Initiatives and action plans

In addition to the implementation of policies and procedures, the Group has been rolling out a range of initiatives and action plans designed to mitigate the risks associated with suppliers and payments to them.

- *Performance Dashboards and Payment Factory*
  The Performance Dashboards, available since December 2025, are intended to enhance operational control and strategic alignment by providing faster and more accurate performance reporting. These dashboards increase transparency in treasury processes, enable early identification of inefficiencies and imbalances in workload distribution, and provide a basis for performance-driven management in line with best practice in the sector. By doing so, the Group expects this initiative to support a more optimised, reliable and strategically aligned payment process.

  These tools will allow real-time monitoring of payment cycles, ensuring that commitments to suppliers are met within established deadlines, and will facilitate the detection of delays or execution errors, allowing corrective action before they affect critical suppliers or the supply chain. They will support data-driven decision-making, ensuring that treasury and financial management adheres to policy guidelines, and reinforce the confidence of internal and external stakeholders by demonstrating that payment processes are consistent, predictable and compliant with internal standards. The tool will be deployed across all geographies in which the Group operates, including representative offices and national and international operational bases.

  The Payment Factory model, with stabilisation and performance tracking, scheduled for the first quarter of 2026, will offer immediate gains in cost control, resource allocation and process standardisation. By concentrating payment execution in a centralised environment, the group achieves greater process automation and reduced manual intervention, elimination of local banking inefficiencies, improved internal controls and simplified audits, and better cash management through consolidated forecasting and liquidity planning. The project aims to create an integrated, secure and efficient payment operation that supports the Group's strategic and financial objectives. This project will be incorporated in representations such as Angola, São Tomé and Príncipe and Venezuela, locations where operations are still executed or recorded locally.

- *Supplier Portal*
  The Supplier Portal is being developed internally by the Accounts Payable and Procurement teams and aims to provide each supplier with a secure, self-service environment, incorporating automated routing logic to ensure that supplier alerts are directed to the appropriate team according to the invoice status. This initiative will free capacity in the Payments area, increase transparency and response times, and help reduce unnecessary communication and escalation volumes.

  The platform will contribute to achieving TAP's payment policy objectives and goals by enhancing transparency, efficiency, and predictability in its

relationship with suppliers. Automated communication and real-time monitoring of invoice status promote timely payments, reduce the risk of non-compliance and improve operational management, in line with the principles of rigour, control and stability of the supply chain defined by TAP.

- *Supplier ESG Qualification*
  In 2025, the Group launched a supplier qualification initiative based on ESG criteria in SAP Ariba, representing an important step in integrating sustainability criteria into supplier management and promoting responsible practices across the value chain. Suppliers with low ESG performance are subject to a mitigation plan aimed at encouraging the adoption of more sustainable practices, increasingly aligned with TAP Group's strategic objectives and sustainability policy. In addition, together with cybersecurity and legal compliance questionnaires, ESG scores will be incorporated into the consolidated risk assessment, resulting in a risk rating and supplier assessment. These measures will enable the proactive identification and mitigation of risks related to sustainability and legal compliance in critical suppliers, reducing the Group's exposure to legal, environmental or reputational incidents.

4.4.1.3. Metrics and targets

Targets related to the management of negative material impacts, the promotion of positive impacts, and the management of material risks and opportunities (MDR-T, MDR-M)

TAP maintains an ongoing commitment to ethics, transparency, and best practices in corporate governance and supplier management. Accordingly, the organisation has established internal targets, the progress of which is monitored through key metrics by the Sustainability Committee. Some of these targets have previously been disclosed. However, as they are currently under review and considering the ongoing privatisation process, they have not been disclosed in this report.

Within the scope of business conduct and culture, one of the metrics monitored is the percentage of implementation of the action plans described in the Risk Prevention Plan (PPR). This metric is directly linked to the objectives of the Ethics and Compliance policies of TAP S.A., UCS and Portugália, specifically the Anti-Corruption Policy, which aims to ensure the prevention of acts of corruption and related offences, legal and regulatory compliance, and the promotion of a culture of integrity and transparency across all Group activities. The implementation of the PPR constitutes the primary instrument for achieving these objectives, ensuring the effective application of preventive and corrective measures and alignment with the General Anti-Corruption Regime and the corporate governance commitments of the companies.

Of the 21 action plans designed, 14 have already been fully implemented, including all plans addressing risks classified as "high." The integrity risk map is updated annually, and both annual and interim reports are completed within the legally required deadlines. The degree of implementation of the action plans is classified and updated semi-annually by the Legal Compliance function, and annual and interim reports on PPR implementation are submitted to the National Anti-Corruption Mechanism (MENAC), ensuring transparency and external oversight of the measures executed and the results achieved.

It is expected that this process will be reviewed and updated following the completion of the privatisation process, to reflect the reassessment of the risk map and the associated preventive and corrective measures.

Another metric to monitor is directly related to the Annual Training and Communication Programme for Integrity, which aims to promote a culture of ethics and responsible conduct at TAP S.A., UCS and Portugália. This programme contributes to strengthening organisational integrity, alignment with internal Ethics and Business Conduct policies, and compliance with commitments to compliance and good corporate governance practices.

The data sources for this metric include records from the TAP training portal and completion reports for the e-learning modules, with continuous monitoring carried out by the Legal Compliance function in coordination with TAP University. This monitoring encompasses the entire workforce of TAP S.A., UCS and Portugália, including members of the Board of Directors and management. In 2025, 48% of employees completed the training on the Code of Ethics and Conduct.

Regarding supplier relationship management, the metrics monitored reflect the operationalisation of the principles set out in the Group's Supplier Code of Conduct, namely the commitment to responsible business practices, legal compliance, respect for human rights, anti-corruption measures, and environmental protection.

Supplier ESG qualification and the assessment of suppliers based on environmental criteria allow for continuous monitoring of the supply chain's performance and alignment with the Group's corporate sustainability and integrity policies, as well as with international ESG standards.

In 2025, 34.9% of scoped suppliers (suppliers with regular commercial relationships with TAP, with active contracts and invoicing in the last two years, excluding state-owned entities, airports and lessors) were qualified, and in 2026 the inclusion of environmental criteria in supplier evaluations is planned for the main procurement categories.

The supplier ESG qualification metric in the SAP Ariba module is based on the percentage ratio between the number of suppliers registered in SAP Ariba and those who responded to the ESG questionnaire, relative to the total number of scoped suppliers.

The supplier assessment metric based on environmental criteria is calculated as the percentage ratio between the total number of suppliers in the main procurement categories and those whose procurement process already includes environmental criteria at the evaluation stage.

Payment practices (G1-6)

The Standard payment terms of the TAP Group vary according to market and supplier category. In the Brazilian market, due to local specificities, payments are processed daily, regardless of supplier category. In other international markets, except for Angola and Venezuela, where payments are executed locally, the Group makes daily payments for the categories of Fuel, Passenger Compensation, Financing and Leasings.

For other categories, weekly payment cycles apply. This structure ensures regularity and efficiency in financial flows, adapting to the specificities of each market and type of supplier.

	2023	2024	2025
Average number of days to pay an invoice	3	3	3
Percentage of payments in line with general terms and conditions	86%	86%	88%
Number of legal proceedings underway due to late payments	0	0	0

Methodological note: The number of ongoing legal proceedings only includes TAP S.A.

Payment terms are parameterised at the level of each supplier's master data; therefore, no consolidated metric for average payment period is calculated. The Group continuously monitors the volume of payments to be executed in accordance with the previously defined schedule. Regarding reporting, a systematic review is carried out of payments processed after the stipulated due date. This review makes it possible to distinguish responsibility attributable to the Payments function from that resulting from constraints within the approval workflow. In addition, a sample-based detailed analysis is conducted of specific cases that led to delays, with a view to identifying root causes and proposing any necessary corrective measures.

4.5. Annexes to the Statement

4.5.1. List of disclosure requirements complied with in the preparation of the Sustainability Statement

Standard	Requirement	Description	Chapter/Section
ESRS 2	BP-1	General basis for preparation of sustainability statement	4.1.1.1 ESRS 2 BP-1
ESRS 2	BP-2	Disclosures in relation to specific circumstances	4.1.1.1 ESRS 2 BP-2
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	4.1.1.2 ESRS 2 GOV-1
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the undertking's administrative, management and supervisory bodies	4.1.1.2 ESRS 2 GOV-2
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	4.1.1.2 ESRS 2 GOV-3
ESRS 2	GOV-4	Statement on due diligence	4.1.1.2 ESRS 2 GOV-4
ESRS 2	GOV-5	Risk management and internal controls for sustainability reporting	4.1.1.2 ESRS 2 GOV-5
ESRS 2	SBM-1	Strategy, business model and value chain	4.1.1.3 ESRS 2 SBM-1
ESRS 2	SBM-2	Interests and views of stakeholders	4.1.1.3 ESRS 2 SBM-2
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.1.1.3 ESRS 2 SBM-3
ESRS 2	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	4.1.1.4 ESRS 2 IRO-1
ESRS 2	IRO-2	Disclosure requirements contained in ESRS covered by the undertaking's sustainability statement	4.1.1.4 ESRS 2 IRO-2
ESRS E1	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	4.1.1.2 ESRS 2 GOV-3
ESRS E1	E1-1	Transition plan for climate change mitigation	4.2.2.1 ESRS E1-1
ESRS E1	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.2.2.1 ESRS 2 SBM-3
ESRS E1	ESRS 2 IRO-1	Description of the processes to identify and assess climate-related material impacts, risks and opportunities	4.1.1.4 ESRS 2 IRO-1
ESRS E1	E1-2	Policies related to climate change mitigation and adaptation	4.2.2.2 ESRS E1-2
ESRS E1	E1-3	Actions and resources in relation to climate change policies	4.2.2.2 ESRS E1-3
ESRS E1	E1-4	Targets related to climate change mitigation and adaptation	4.2.2.3 ESRS E1-4
ESRS E1	E1-5	Energy consumption and mix	4.2.2.3 ESRS E1-5
ESRS E1	E1-6	Gross Scope 1, 2 and 3 and total GHG emissions	4.2.2.3 ESRS E1-6
ESRS E1	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	4.2.2.3 ESRS E1-7
ESRS E1	E1-8	Internal carbon pricing	4.2.2.3 ESRS E1-8

Standard	Requirement	Description	Chapter/Section
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in until it is regulatory applicable
ESRS E2	ESRS 2 IRO-1	Description of the processes to identify and assess pollution-related material impacts, risks and opportunities	4.1.1.4 ESRS 2 IRO-1
ESRS E2	E2-1	Policies related to pollution	4.2.3.2 ESRS E2-1
ESRS E2	E2-2	Actions and resources related to pollution	4.2.3.2 ESRS E2-2
ESRS E2	E2-3	Targets related to pollution	4.2.3.3 ESRS E2-3
ESRS E2	E2-4	Pollution of air, water and soil	4.2.3.3 ESRS E2-4
ESRS E2	E2-5	Substances of concern and substances of very high concern	Non-material
ESRS E2	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Non-material
ESRS E3	ESRS 2 IRO-1	Description of the processes to identify and assess water and marine resources-related material impacts, risks and opportunities	4.1.1.4 ESRS 2 IRO-1
ESRS E3	E3-1	Policies related to water and marine resources	Non-material
ESRS E3	E3-2	Actions and resources related to water and marine resources	Non-material
ESRS E3	E3-3	Targets related to water and marine resources	Non-material
ESRS E3	E3-4	Water consumption	Non-material
ESRS E3	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Non-material
ESRS E4	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	4.2.4.1 ESRS E4-1
ESRS E4	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.2.4.1 ESRS 2 SBM-3
ESRS E4	ESRS 2 IRO-1	Description of the processes to identify and assess biodiversity and ecosystems-related material impacts, risks and opportunities	4.1.1.4 ESRS 2 IRO-1
ESRS E4	E4-2	Policies related to biodiversity and ecosystems	4.2.4.2 ESRS E4-2
ESRS E4	E4-3	Actions and resources related to biodiversity and ecosystems	4.2.4.2 ESRS E4-3
ESRS E4	E4-4	Targets related to biodiversity and ecosystems	4.2.4.3 ESRS E4-4
ESRS E4	E4-5	Impact metrics related to biodiversity and ecosystem change	4.2.4.3 ESRS E4-5
ESRS E4	E4-6	Anticipated financial effects of biodiversity and ecosystems-related risks and opportunities	Non-material

Standard	Requirement	Description	Chapter/Section
ESRS E5	ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	4.1.1.4 ESRS 2 IRO-1
ESRS E5	E5-1	Policies related to resource use and circular economy	4.2.5.2 ESRS E5-1
ESRS E5	E5-2	Actions and resources related to resource use and circular economy	4.2.5.2 ESRS E5-2
ESRS E5	E5-3	Targets related to resource use and circular economy	4.2.5.3 ESRS E5-3
ESRS E5	E5-4	Resource inflows	4.2.5.3 ESRS E5-4
ESRS E5	E5-5	Resource outflows	4.2.5.3 ESRS E5-5
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities related	Non-material
ESRS S1	ESRS 2 SBM-2	Interests and views of stakeholders	4.1.1.3 ESRS 2 SBM-2
ESRS S1	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.3.1.1 ESRS 2 SBM-3
ESRS S1	S1-1	Policies related to own workforce	4.3.1.2 ESRS S1-1
ESRS S1	S1-2	Processes for engaging with own workers' and workers' representatives about impacts	4.3.1.2 ESRS S1-2
ESRS S1	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	4.3.1.2 ESRS S1-3
ESRS S1	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and the effectiveness of those actions	4.3.1.2 ESRS S1-4
ESRS S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.3.1.3 ESRS S1-5
ESRS S1	S1-6	Characteristics of the undertaking's employees	4.3.1.3 ESRS S1-6
ESRS S1	S1-7	Characteristics of non-employees in the undertaking's own workforce	Phase-in until it is regulatory applicable
ESRS S1	S1-8	Collective bargaining coverage and social dialogue	4.3.1.3 ESRS S1-8
ESRS S1	S1-9	Diversity metrics	4.3.1.3 ESRS S1-9
ESRS S1	S1-10	Adequate wages	4.3.1.3 ESRS S1-10
ESRS S1	S1-11	Social protection	Non-material
ESRS S1	S1-12	People with disabilities	Non-material
ESRS S1	S1-13	Training and skills development metrics	4.3.1.3 ESRS S1-13
ESRS S1	S1-14	Health and safety metrics	4.3.1.3 ESRS S1-14
ESRS S1	S1-15	Work-life balance metrics	Non-material
ESRS S1	S1-16	Compensation metrics (pay gap and total compensation)	Non-material
ESRS S1	S1-17	Incidents, complaints and severe human rights impacts	Non-material
ESRS S2	ESRS 2 SBM-2	Interests and views of stakeholders	4.1.1.3 ESRS 2 SBM-2
ESRS S2	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.3.2.1 ESRS 2 SBM-3
ESRS S2	S2-1	Policies related to value chain workers	4.3.2.2 ESRS S2-1
ESRS S2	S2-2	Processes for engaging with value chain workers about impacts	4.3.2.2 ESRS S2-2
ESRS S2	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	4.3.2.2 ESRS S2-3
ESRS S2	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	4.3.2.2 ESRS S2-4
ESRS S2	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.3.2.3 ESRS S2-5
ESRS S3	ESRS 2 SBM-2	Interests and views of stakeholders	4.1.1.3 ESRS 2 SBM-2
ESRS S3	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.3.3.1 ESRS 2 SBM-3
ESRS S3	S3-1	Policies related to affected communities	4.3.3.2 ESRS S3-1
ESRS S3	S3-2	Processes for engaging with affected communities about impacts	4.3.3.2 ESRS S3-2
ESRS S3	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	4.3.3.2 ESRS S3-3
ESRS S3	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	4.3.3.2 ESRS S3-4
ESRS S3	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.3.3.3 ESRS S3-5
ESRS S4	ESRS 2 SBM-2	Interests and views of stakeholders	4.1.1.3 ESRS 2 SBM-2
ESRS S4	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.3.4.1 ESRS 2 SBM-3
ESRS S4	S4-1	Policies related to consumers and end-users	4.3.4.2 ESRS S4-1
ESRS S4	S4-2	Processes for engaging with consumers and end-users about impacts	4.3.4.2 ESRS S4-2
ESRS S4	S4-3	Processes tp remediate negative impacts and channels for consumers and end-users to raise concerns	4.3.4.2 ESRS S4-3
ESRS S4	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	4.3.4.2 ESRS S4-4
ESRS S4	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.3.4.3 ESRS S4-5
ESRS G1	ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	4.1.1.2 ESRS 2 GOV-1
ESRS G1	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	4.1.1.4 ESRS 2 IRO-1
ESRS G1	G1-1	Business conduct policies and corporate culture	4.4.1.2 ESRS G1-1
ESRS G1	G1-2	Management of relationships with suppliers	4.4.1.2 ESRS G1-2
ESRS G1	G1-3	Prevention and detection of corruption and bribery	Non-material
ESRS G1	G1-4	Confirmed incidents of corruption or bribery	Non-material
ESRS G1	G1-5	Political influence and lobbying activities	Non-material
ESRS G1	G1-6	Payment practices	4.4.1.3 ESRS G1-6

4.5.2. List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirement and corresponding data point	Sustainable Finance Disclosure Regulation (SFDR)	Pillar 3 reference	Regulation Reference Benchmarks	European Climate Law reference	Chapter/ Section
ESRS 2 GOV-1 – Gender diversity on the Board of Directors, paragraph 21(d)	Indicator 13 in Table 1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, annex II		4.1.1.2 ESRS GOV-1
ESRS 2 GOV-1 – Percentage of independent members on the Board of Directors, paragraph 21(e)	Indicator 10 in Table 3 of Annex I				4.1.1.2 ESRS GOV-1
ESRS 2 SBM-1 – Involvement in activities related to fossil fuels, paragraph 40(d)(i)	Indicator 4 in Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Table 1 of Implementing Regulation (EU) 2022/2453: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Annex I of Delegated Regulation (EU) 2020/1816		4.1.1.3 ESRS SBM-1
ESRS 2 SBM-1 – Involvement in activities related to the production of chemical products, paragraph 40(d)(ii)	Indicator 9 in Table 2 of Annex I		Annex II of Delegated Regulation (EU) 2020/1816		4.1.1.3 ESRS SBM-1
ESRS 2 SBM-1 – Involvement in activities related to controversial issues and controversial weapons, paragraph 40(d)(iii)	Indicator 14 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1818; Article 12(1) of Delegated Regulation (EU) 2020/1816; Annex II		4.1.1.3 ESRS SBM-1
ESRS 2 SBM-1 – Involvement in activities related to the cultivation and production of tobacco, paragraph 40(d)(iv)			Article 12, No. 1 of Delegated Regulation (EU) 2020/1818 and annex II to Delegated Regulation (EU) 2020/1816		4.1.1.3 ESRS SBM-1
ESRS E1-1 – Transition plan for achieving climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	4.2.2.1 ESRS E1-1
ESRS E1-1 – Companies excluded from Paris-aligned benchmark indices, paragraph 16(g)		Article 449a of Regulation (EU) No 575/2013; Model 1 of the Commission Implementing Regulation (EU): Banking portfolio – Climate transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Article 12(1)(d)–(g) and Article 12(2) of Delegated Regulation (EU) 2020/1818		4.2.2.1 ESRS E1-1

Disclosure requirement and corresponding data point	Sustainable Finance Disclosure Regulation (SFDR)	Pillar 3 reference	Regulation Reference Benchmarks	European Climate Law reference	Chapter/ Section
ESRS E1-4 – GHG emission reduction targets, paragraph 34	Indicator 4 in Table 2 of Annex I	Article 449a of Regulation (EU) No 575/2013; Model 3 of Commission Implementing Regulation (EU) 2022/2453: Banking portfolio – Climate transition risk: alignment of metrics	Article 6 of Delegated Regulation (EU) 2020/1818		4.2.2.3 ESRS E1-4
ESRS E1-5 – Fossil energy consumption disaggregated by sources (only sectors with high climate impact), paragraph 38	Annex I, Table 1, Indicator 5 and Annex I, Table 2, Indicator 5				4.2.2.3 ESRS E1-5
ESRS E1-5 – Energy consumption and energy mix, paragraph 37	Indicator 5 in Table 1 of Annex I				4.2.2.3 ESRS E1-5
ESRS E1-5 – Energy intensity associated with activities in sectors with high climate impact, paragraphs 10 to 43	Indicator 6 in Table 1 of Annex I				4.2.2.3 ESRS E1-5
ESRS E1-6 – Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44	Annex I, Table 1, Indicators 1 and 2	Article 449a of Regulation (EU) No 575/2013; Model 1 of Commission Implementing Regulation (EU) 2022/2453: Banking portfolio – Climate transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6, and Article 8(1)		4.2.2.3 ESRS E1-6
ESRS E1-6 – Gross GHG emission intensity, paragraphs 10 to 55	Indicator 3, Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Model 3 of Commission Implementing Regulation (EU) 2022/2453: Banking portfolio – Climate transition risk: alignment of metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		4.2.2.3 ESRS E1-6
ESRS E1-7 – GHG removals and carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	4.2.2.3 ESRS E1-7
ESRS E1-9 – Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Annex II to Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816		Phase-in until it is regulatory applicable

Disclosure requirement and corresponding data point	Sustainable Finance Disclosure Regulation (SFDR)	Pillar 3 reference	Regulation Reference Benchmarks	European Climate Law reference	Chapter/ Section
ESRS E1-9 – Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a)		Article 449a of Regulation (EU) 575/2013; paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			Phase-in until it is regulatory applicable
ESRS E1-9 – Location of significant assets exposed to material physical risk, paragraph 66(c)					
ESRS E1-9 – Breakdown of the carrying amount of real estate assets in terms of energy efficiency, paragraph 67(c)		Article 449a of Regulation (EU) 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Phase-in until it is regulatory applicable
ESRS E1-9 – Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Annex II to Delegated Regulation (EU) 2020/1818		Phase-in until it is regulatory applicable
ESRS E2-4 – Quantity of each pollutant listed in Annex II to the E-PRTR Regulation (European Pollutant Release and Transfer Register) released to air, water and soil, paragraph 28	Annex I, Table 1, indicator 8; Annex I, Table 2, indicator 2; Annex I, Table 2, indicator 1; Annex I, Table 2, indicator 3				4.2.3.3 ESRS E2-4
ESRS E3-1 – Water and marine resources, paragraph 9	Indicator 7 of Table 2 of Annex I				Non-material
ESRS E3-1 – Specific policy, paragraph 13	Indicator 8 of Table 2 of Annex I				Non-material
ESRS E3-1 – Sustainable oceans and seas, paragraph 14	Indicator 12 of Table 2 of Annex I				Non-material
ESRS E3-4 – Total water recycled and reused, paragraph 28(c)	Indicator 6.2 of Table 2 of Annex I				Non-material
ESRS E3-4 – Total water consumption in m^3 per net revenue from own operations, paragraph 29	Indicator 6.1 of Table 2 of Annex				Non-material
ESRS 2 SBM-3 – E4 – paragraph 16(a)(i)	Indicator 7 of Table 1 of Annex I				4.2.4.1 ESRS 2 SBM-3
ESRS 2 SBM-3 – E4 – paragraph 16(b)	Indicator 10 of Table 2 of Annex I				Non-material
ESRS 2 SBM-3 – E4 – paragraph 16(c)	Indicator 14 of Table 2 of Annex I				4.2.4.1 ESRS 2 SBM-3
ESRS E4-2 – Sustainable land-use or agricultural practices or policies, paragraph 24(b)	Indicator 11 of Table 2 of Annex I				Non-material
ESRS E4-2 – Sustainable ocean/ /maritime practices or policies, paragraph 24(c)	Indicator 12 of Table 2 of Annex I				Non-material
ESRS E4-2 – Policies to combat deforestation, paragraph 24(d)	Indicator 15 of Table 2 of Annex I				Non-material
ESRS E5-5 – Non-recycled waste, paragraph 37(d)	Indicator 13 of Table 2 of Annex I				4.2.5.3 ESRS E5-5
ESRS E5-5 – Hazardous and radioactive waste, paragraph 39	Indicator 9 of Table 1 of Annex I				4.2.5.3 ESRS E5-5
ESRS 2 SBM-3 – S1 – Risk of incidents related to forced labour, paragraph 14(f)	Indicator 13 of Table 3 of Annex I				4.3.1.1 ESRS 2 SBM-3
ESRS 2 SBM-3 – S1 – Risk of child labour, paragraph 14(g)	Indicator 12 of Table 3 of Annex I				4.3.1.1 ESRS 2 SBM-3
ESRS S1-1 – Commitments regarding human rights policy, paragraph 20	Annex I, Table 3, indicator 9 and Annex I, Table 1, indicator 11				4.3.1.2 ESRS S1-1
ESRS S1-1 – Due diligence policies on issues covered by Fundamental Conventions 1 to 8 of the International Labour Organization (ILO), paragraph 21			Annex II to Delegated Regulation (EU) 2020/1816		4.3.1.2 ESRS S1-1
ESRS S1-1 – Processes and measures to prevent human trafficking, paragraph 22	Indicator 11 of Table 3 of Annex I				4.3.1.2 ESRS S1-1
ESRS S1-1 – Occupational accident prevention policy or occupational accident management system, paragraph 23	Indicator 1 of Table 3 of Annex I				4.3.1.2 ESRS S1-1
ESRS S1-3 – Complaint handling mechanisms, paragraph 32(c)	Indicator 5 of Table 3 of Annex I				4.3.1.2 ESRS S1-3
ESRS S1-14 – Number of fatalities, and number and rate of work-related accidents, paragraph 88(b) and (c)	Indicator 2 of Table 3 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816		4.3.1.3 ESRS S1-14

Disclosure requirement and corresponding data point	Sustainable Finance Disclosure Regulation (SFDR)	Pillar 3 reference	Regulation Reference Benchmarks	European Climate Law reference	Chapter/ Section
ESRS S1-14 – Number of days lost due to injuries, accidents, fatalities or illness, paragraph 88(e)	Indicator 3 of Table 3 of Annex I				4.3.1.3 ESRS S1-14
ESRS S1-16 – Unadjusted gender pay gaps, paragraph 97(a)	Indicator 12 of Table 1 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816		Non-material
ESRS S1-16 – Executive (CEO) excessive pay ratio, paragraph 97(b)	Indicator 8 of Table 3 of Annex I				Non-material
ESRS S1-17 – Discrimination incidents, paragraph 103(a)	Indicator 7 of Table 3 of Annex I				Non-material
ESRS S1-17 – Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, paragraph 104(a)	Indicator 10 of Table 1 and Indicator 14 of Table 3 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Non-material
ESRS 2 SBM-3 – S2 – Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Annex I, Table 3, indicators 12 and 13				4.3.2.1 ESRS 2 SBM-3
ESRS S2-1 – Commitments regarding human rights policy, paragraph 17	Annex I, Table 3, indicator 9 and Annex I, Table 1, indicator 11				4.3.2.2 ESRS S2-1
ESRS S2-1 – Policies related to workers in the value chain, paragraph 18	Annex I, Table 3, indicators 11 and 4				4.3.2.2 ESRS S2-1
ESRS S2-1 – Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Indicator 10 of Table 1 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		4.3.2.2 ESRS S2-1
ESRS S2-1 – Due diligence policies on issues covered by Fundamental Conventions 1 to 8 of the ILO, paragraph 19			Annex II to Delegated Regulation (EU) 2020/1816		4.3.2.2 ESRS S2-1
ESRS S2-4 – Human rights issues and incidents related to upstream and downstream value chain, paragraph 36	Indicator 14 of Table 3 of Annex I				4.3.2.2 ESRS S2-4
ESRS S3-1 – Human rights policy commitments, paragraph 16	Annex I, Table 3, indicator 9 and Annex I, Table 1, indicator 11				4.3.3.2 ESRS S3-1
ESRS S3-1 – Non-compliance with the UN Guiding Principles on Business and Human Rights (UNGP), ILO principles or OECD Guidelines, paragraph 17	Indicator 10 of Table 1 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		4.3.3.2 ESRS S3-1
ESRS S3-4 – Human rights issues and incidents, paragraph 36	Indicator 14 of Table 3 of Annex I				4.3.3.2 ESRS S3-4
ESRS S4-1 – Policies regarding consumers and end-users, paragraph 16	Annex I, Table 3, indicator 9 and Annex I, Table 1, indicator 11				4.3.4.2 ESRS S4-1
ESRS S4-1 – Non-compliance with the UNGP, ILO principles and OECD Guidelines, paragraph 17	Indicator 10 of Table 1 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		4.3.4.2 ESRS S4-1
ESRS S4-4 – Human rights issues and incidents, paragraph 35	Indicator 14 of Table 3 of Annex I				4.3.4.2 ESRS S4-4
ESRS G1-1 – United Nations Convention against Corruption, paragraph 10(b)	Indicator 15 of Table 3 of Annex I				4.4.1.2 ESRS G1-1
ESRS G1-1 – Whistleblower protection, paragraph 10(d)	Indicator 6 of Table 3 of Annex I				4.4.1.2 ESRS G1-1
ESRS G1-4 – Fines for breaches of anti-corruption and anti-bribery laws, paragraph 24(a)	Indicator 17 of Table 3 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816		Non-material
ESRS G1-4 – Anti-corruption and anti-bribery standards, paragraph 24(b)	Indicator 16 of Table 3 of Annex I				Non-material

4.5.3. List of disclosure requirements and datapoints incorporated by reference

Disclosure requirement / Data points	Chapter / Section	Location of information incorporated by reference
Value chain information incorporated in the Statement	4.1.1.1 ESRS 2 BP-1	4.1.1.3 ESRS SBM-1
Errors in prior periods	4.1.1.1 ESRS 2 BP-2	4.2.2.3 ESRS E1-6
Complete list of references	4.1.1.1 ESRS 2 BP-2	4.5.3 List of disclosure requirements and data points inserted by reference
Risks identified as material	4.1.1.2 ESRS GOV-5	4.1.1.3 ESRS SBM-3
Information on the Environmental Policy	4.2.4.2 ESRS E4-2 4.2.5.2 ESRS E5-1 4.3.3.2 ESRS S3-1	4.2.3.2 ESRS E2-1
Information on the Sustainability Policy	4.2.4.2 ESRS E4-2 4.2.5.2 ESRS E5-1 4.3.3.2 ESRS S3-1 4.4.1.2 ESRS G1-1	4.2.3.2 ESRS E2-1
Information on actions related to operational emission	4.2.4.2 ESRS E4-3	4.2.2.2 ESRS E1-3
Information on offsetting actions	4.2.4.2 ESRS E4-3	4.2.2.2 ESRS E1-3
Methodology for setting targets	4.2.4.3 ESRS E4-4	4.2.2.3 ESRS E1-4
Information on the supplier assessment target	4.2.4.3 ESRS E4-4 4.4.1.2 ESRS G1-2	4.3.2.3 ESRS S2-5
Information on the Human Rights Policy	4.3.1.2 ESRS S1-1 4.3.3.2 ESRS S3-1 4.4.1.2 ESRS G1-1	4.3.2.2 ESRS S2-1
Information on the Code of Ethics and Conduct	4.3.1.2 ESRS S1-1 4.4.1.2 ESRS G1-1	4.3.2.2 ESRS S2-1
Information on the Ethical Conduct Channel Policy	4.3.1.2 ESRS S1-1 4.4.1.2 ESRS G1-1	4.3.2.2 ESRS S2-1
Information on the Ethics and Conduct Channel	4.3.3.2 ESRS S3-3 4.4.1.2 ESRS G1-1	4.3.2.2 ESRS S2-3
Information on the Supplier Code of Conduct	4.4.1.2 ESRS G1-2	4.3.2.2 ESRS S2-1
Information on actions related to supplier evaluation	4.4.1.2 ESRS G1-2	4.3.2.2 ESRS S2-4



5. Consolidated financial statements

5.1. Consolidated statement of financial position

5.2. Consolidated income statement

5.3. Consolidated comprehensive income statement

5.4. Consolidated statement of changes in equity

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5.6. Notes to the consolidated financial statements

5.1. Consolidated statement of financial position

Amounts stated in euros	Notes	2025	2024 Restated
ASSETS			
Non-current assets			
Tangible fixed assets	4	3,339,265,575	3,153,399,157
Investment properties	5	1,198,000	1,198,000
Intagible assets	6	28,302,209	31,088,687
Goodwill	7	183,250,285	180,135,637
Other financial assets	8	680,947	680,937
Other non current assets	13	74,227,382	57,288,668
Deferred tax assets	9	398,887,447	471,047,253
Other receivables	10	138,788,463	151,525,928
		4,164,600,308	**4,046,364,267**
Current Assets			
Inventories	11	122,193,880	97,524,652
Other receivables	10	660,540,024	876,762,279
Income tax receivable	12	18,170,020	13,027,371
Other financial assets	8	13,178,431	-
Other current assets	13	130,127,394	111,584,604
Cash and cash equivalents	14	765,329,360	651,642,530
		1,709,539,109	**1,750,541,436**
Non-current assets held for sale	7	28,869,179	-
Total Assets		**5,903,008,596**	**5,796,905,703**
EQUITY AND LIABILITIES			
Equity			
Share Capital	15	656,600,000	313,600,000
Supplementary capital contributions	15	-	343,000,000
Legal reserves	16	8,300,000	8,300,000
Hedge reserves	16	(3,678,937)	(1,343,925)
Other reserves	16	37,503,592	(108,853,600)
Other variations in equity	16	(24,990,000)	-
Retained earnings	16	34,717,558	(23,075,867)
Net income/(loss) for the year		4,149,874	53,721,980
Total equity of the Group		**712,602,087**	**585,348,588**
Non-controlling interests	16	4,404,334	-
Total equity		**717,006,421**	**585,348,588**
Non-current liabilities			
Deferred tax liabilities	9	147,202,140	84,240,222
Post-employment benefits obligations	17	173,153,669	186,458,338
Provisions	18	414,902,016	472,792,114
Restructuring provision	18	182,792	182,792
Borrowings	19	702,554,408	513,045,714
Lease liabilities with purchase option	19	742,539,672	760,801,016
Lease liabilities without purchase option	19	1,033,575,276	1,295,428,780
Other payables	20	4,683,006	2,008,837
		3,218,792,979	**3,314,957,813**
Current Liabilities			
Borrowings	19	19,990,796	20,007,773
Lease liabilities with purchase option	19	117,102,021	108,125,497
Lease liabilities without purchase option	19	265,084,936	303,795,617
Other payables	20	727,646,558	680,369,532
Income tax payable	12	3,873,215	31,607
Other current liabilities	21	103,489,177	85,267,840
Liabilities from unused flight documents	22	710,602,333	699,001,436
		1,947,789,036	**1,896,599,302**
Liabilites related with non-current assets held for sale	7	19,420,160	-
Total liabilities		**5,186,002,175**	**5,211,557,115**
Total equity and liabilities		**5,903,008,596**	**5,796,905,703**

These notes are an integral part of the consolidated statement of financial position as of 31 December 2025.

5.2. Consolidated income statement

Amounts stated in euros	Notes	2025	2024
Revenue			
Passenger	24	3,849,317,194	3,820,622,937
Maintenance	24	261,544,603	236,766,190
Cargo and mail	24	160,087,049	162,730,935
Gains and losses in associates	7	-	(2,490,020)
Other operating income	24 and 25	42,542,172	24,803,978
		4,313,491,018	**4,242,434,020**
Aircraft fuel	26	(989,776,481)	(1,045,805,428)
Traffic operating costs	26	(884,442,310)	(870,145,352)
Aircraft maintenance costs	26	(76,927,011)	(60,797,940)
Cost of materials consumed	26	(217,428,121)	(171,630,953)
Comercial, communication and marketing costs	26	(216,391,690)	(217,366,433)
Employee costs	27	(972,120,680)	(817,129,659)
Impairment losses in receivables	28	(2,561,816)	10,588,508
Impairment losses in inventories	28	355,135	(1,232,465)
Provisions	28	500,105	(32,276,746)
Other operating expenses	29	(211,766,018)	(161,310,299)
Restructuring	30	(307,170)	934,997
Other non recurrent items	31	(16,814,330)	(69,191,977)
Depreciation, amortisation and impairment losses	32	(499,503,187)	(492,676,021)
Operating income/(loss)		**226,307,444**	**314,394,252**
Interests and similar income	33	70,611,116	79,892,564
Interests and similar expenses	33	(195,726,548)	(249,758,672)
Net currency exchange	33	(32,997,528)	(48,948,504)
Net income/(loss) before income tax		**68,194,484**	**95,579,640**
Income tax for the year	34	(66,079,412)	(41,857,660)
Net income/(loss) for the year		**2,115,072**	**53,721,980**
Net income/(loss) attributable to owners of TAP S.A.		**4,149,874**	**53,721,980**
Net income/(loss) attributable to non-controlling interests	16	(2,034,802)	-
Results per share			
Basic and diluted earnings per share	35	0.0	0.3

The notes are an integral part of the consolidated income statement as of 31 December 2025..

5.3. Consolidated comprehensive income statement

Amounts stated in euros	Notes	2025	2024
Net income/(loss) for the year		**4,149,874**	**53,721,980**
Items that may be reclassified to income statement:			
Gains and losses in derivate financial instruments - cash flow hedge	10, 16 and 20	199,377,110	(114,716,885)
Deferred tax on derivative financial instruments - cash flow hedge	9	(55,354,930)	32,303,062
Items that will not be reclassified to income statement:			
Remeasurements of defined benefit plans	17	13,560,315	(10,411,629)
Deferred tax on remeasurements	9	(9,488,870)	1,068,613
Other comprehensive income/(loss) net of tax		**148,093,625**	**(91,756,839)**
Comprehensive income/(loss) for the year		**152,243,499**	**(38,034,859)**
Attributable to:			
Owners of TAP S.A.		152,243,499	(38,034,859)
Non-controlling interests	16	(2,034,802)	-
		150,208,697	**(38,034,859)**

The notes are an integral part of the consolidated comprehensive income statement as of 31 December 2025.

5.4. Consolidated statement of changes in equity

Amounts stated in euros	Notes	Share Capital	Supplementary capital contributions	Legal reserves	Hedge reserves	Other reserves	Other variations in equity	Retained earnings	Net income/ (loss) for the year	Subtotal	Non-controlling interests	Total
Equity as of 1 January 2024		**980,000,000**	**-**	**8,300,000**	**(450,915)**	**(27,332,786)**	**(9,459,912)**	**(514,393,395)**	**177,260,543**	**613,923,535**	**-**	**613,923,535**
Application of net income/(loss) of the year 2023		-	-	-	-	-	-	177,260,543	(177,260,543)	-	-	-
Capital increases and decreases	16	(666,400,000)	343,000,000	-	-	-	9,459,912	323,400,000	-	9,459,912	-	9,459,912
Remeasurement*	9 and 17	-	-	-	-	-	-	(9,343,015)	-	(9,343,015)	-	(9,343,015)
Fair value of derivative financial instruments*	9 and 23	-	-	-	(893,010)	-	-	-	-	(893,010)	-	(893,010)
Derivatives of foreing exchange risk hedging*	9 and 33	-	-	-	-	(81,520,814)	-	-	-	(81,520,814)	-	(81,520,814)
Net income/(loss) for the year		-	-	-	-	-	-	-	53,721,980	53,721,980	-	53,721,980
Equity as of 31 December 2024		**313,600,000**	**343,000,000**	**8,300,000**	**(1,343,925)**	**(108,853,600)**	**-**	**(23,075,867)**	**53,721,980**	**585,348,588**	**-**	**585,348,588**
Application of net income/(loss) of the year 2024		-	-	-	-	-	-	53,721,980	(53,721,980)	-	-	-
Capital and supplementary capital contributions increases and decreases	15 and 16	343,000,000	(343,000,000)	-	-	-	-	-	-	-	-	-
Other transactions with the shareholder	16	-	-	-	-	-	(24,990,000)	-	-	(24,990,000)	-	(24,990,000)
Remeasurement*	9 and 17	-	-	-	-	-	-	4,071,445	-	4,071,445	-	4,071,445
Fair value of derivative financial instruments*	9 and 23	-	-	-	(2,335,012)	-	-	-	-	(2,335,012)	-	(2,335,012)
Derivatives of foreing exchange risk hedging*	9 and 33	-	-	-	-	146,357,192	-	-	-	146,357,192	-	146,357,192
Changes in the consolidation perimeter	7 and 16	-	-	-	-	-	-	-	-	-	6,439,136	6,439,136
Net income/(loss) for the year		-	-	-	-	-	-	-	4,149,874	4,149,874	(2,034,802)	2,115,072
Equity as of 31 December 2025		**656,600,000**	**-**	**8,300,000**	**(3,678,937)**	**37,503,592**	**(24,990,000)**	**34,717,558**	**4,149,874**	**712,602,087**	**4,404,334**	**717,006,421**

*Net deferred tax amounts, where applicable.

These notes are an integral part of the consolidated statement of changes in equity as of 31 December 2025.

5.5. Consolidated cash flow statement

Amounts stated in euros	Notes	2025	2024
OPERATING ACTIVITIES			
Receipts from customers		4,612,061,627	4,591,003,754
Payments to suppliers		(3,139,691,756)	(3,070,786,181)
Payments to employees		(892,989,992)	(844,462,744)
Payments of low value and short-term leases		(23,369,879)	(15,719,526)
Cash generated from operations		**556,010,000**	**660,035,303**
Income tax (payment)/receipt		8,795,095	(4,222,046)
Other receipts/payments relating to operating activities		39,259,849	(6,477,609)
Cash flow from operating activities (1)		**604,064,944**	**649,335,648**
INVESTMENT ACTIVITIES			
Receipts from:			
Other financial assets	4, 8, 10 and 18	11,356,078	3,948,717
Tangible fixed assets	4	26,256,656	15,737,076
Loans granted		111,493,344	1,014,647,100
Interests and similar income		31,340,367	64,320,119
		180,446,445	**1,098,653,012**
Payments relating to:			
Financial investments	7 e 2.4	(5,652,708)	(3,303,319)
Other financial assets	4, 8, 10 and 18	(69,958,454)	(53,379,583)
Tangible fixed assets	4	(434,351,669)	(351,416,679)
Intangible assets		(4,183,628)	(15,825,327)
Loans granted		(116,202,991)	(1,063,049,438)
		(630,349,450)	**(1,486,974,346)**
Cash flow from investment activities (2)		**(449,903,005)**	**(388,321,334)**
FINANCING ACTIVITIES			
Receipts from:			
Borrowings	19	200,000,000	400,000,000
Capital increases	15	343,000,000	343,000,000
		543,000,000	**743,000,000**
Payments relating to:			
Borrowings	19	(15,271,922)	(516,757,627)
Lease liabilities with purchase option	19	(152,176,161)	(138,004,580)
Lease liabilities without purchase option	19	(311,641,797)	(430,946,569)
Interests and similar costs	19	(29,438,767)	(37,363,897)
		(508,528,647)	**(1,123,072,673)**
Cash flow from financing activities (3)		**34,471,353**	**(380,072,673)**
Net increase (decrease) in cash and cash equivalents (1)+(2)+(3)		**188,633,292**	**(119,058,359)**
Effects of currency exchange differences		(58,859,245)	(18,686,809)
Cash and cash equivalents at the beginning of the year	14	**651,642,530**	**789,387,698**
Non-current assets held for sale	7	(16,087,217)	-
Cash and cash equivalents at the end of the year	14	**765,329,360**	**651,642,530**

These notes are an integral part of the consolidated cash flow statement as of 31 December 2025.

5.6. Notes to the consolidated financial statements

1. Introduction

Transportes Aéreos Portugueses, S.A. ("TAP S.A." or "Company") is essentially dedicated to the operation of public air transportation of passenger, cargo, and mail transport services, as well as the provision of services and the carrying out of commercial, industrial, and financial operations directly or indirectly related to such operations.

TAP S.A. and its subsidiaries, collectively referred to as "TAP S.A. Group" or "Group", provide services in Portugal (Mainland and Autonomous Regions), Europe, Africa, North America, South America, and the Middle East. The Group has 20 representations in foreign countries.

Headquarters	Edifício 25, Lisbon Airport, 1700-008 Lisbon
Share Capital	EUR 656,600,000
Tax identification number	500 278 725

The Company is affiliated with IATA - International Air Transport Association, among other associations in the industry.

Following the outbreak of the COVID-19 pandemic, and like most companies operating in the aviation sector, all companies within the TAP Group as of that date (for this purpose, "TAP Group" refers to TAP S.A. and its subsidiaries, as well as SIAVILO – SGPS, S.A. ("SIAVILO") (formerly known as TAP – Transportes Aéreos Portugueses, SGPS, S.A. ("TAP SGPS") and its subsidiaries) have, since March 2020, suffered a significant reduction in its activity as a result of a sharp drop in demand, resulting in large operating losses. These losses were mainly due to travel restrictions imposed by Portuguese State and many other TAP S.A. destination countries to limit the spread of COVID-19.

To address the impact of COVID-19, the TAP Group adopted a set of measures in 2020 to control and reduce costs, including the suspension or postponement of non-critical investments, renegotiation of contracts and payment deadlines, reduction of incidental expenses, the suspension hiring new workers and promotions, and the implementation of temporary unpaid leave programmes.

On 9 June 2020, the Portuguese State notified the European Commission of its intention to grant a state aid in the form of a loan to TAP S.A.'s sole shareholder, SIAVILO, amounting to EUR 1.2 billion. The aim of this support was to provide sufficient resources so that SIAVILO could meet the immediate liquidity needs of the TAP Group, and particularly TAP S.A., in order to implement a long-term business viability plan.

On 10 June 2020, the European Commission announced its decision to approve the state aid to the TAP Group, as it understood that it was compatible with European Union rules on state aid.

Pursuant to the aforementioned decision of the European Commission, the Portuguese State granted an interest-bearing loan in favour of the TAP Group in the amount of EUR 1.2 billion, formalized through the signing, on 17 July 2020, of a financing agreement between the Portuguese Republic, TAP S.A., SIAVILO and Portugália - Companhia Portuguesa de Transportes Aéreos, S.A. ("Portugália"), as well as a complementary agreement thereto between the aforementioned parties to the financing agreement, Atlantic Gateway and Parpública – Participações Públicas, SGPS, S.A. ("Parpública") – ("Financing Agreement").

Regarding the above mentioned remunerated loan by the Portuguese State in the amount of EUR 1.2 billion, the first tranche (in the amount of EUR 250 million) was carried out on 17 July 2020; the second tranche (in the amount of EUR 224 million) was carried out on 30 July 2020; the third tranche (in the amount of EUR 25 million) was carried out on 31 August 2020; the fourth tranche (in the amount of EUR 79.6 million) was carried out received on 30 September 2020; the fifth tranche (in the amount of EUR 92 million) was carried out on 5 November 2020; the sixth tranche (in the amount of EUR 171.4 million) was carried out on 21 December 2020; and the last tranche (in the amount of EUR 358 million) was carried out on 30 December 2020.

On 24 May 2021 the Portuguese State, through the ETF, carried out a capital increase in TAP S.A. in the amount of EUR 462 million.

Following that capital increase, the shareholder structure of TAP S.A. (which until that date was 100% owned by SIAVILO) changed to the following:

- The Portuguese Republic, through the ETF, holding 91.8% of the shares representing the share capital and voting rights; and
- SIAVILO holding 8.2% of the shares representing the share capital and voting rights of TAP S.A.

On 31 August 2021, the repayment date of the Financing Agreement was extended from 1 September 2021 to 31 December 2021, in the event of non-adoption of a final decision by the European Commission on the restructuring aid to the TAP Group until that date.

In the wake of the approvals by the European Commission on 21 December 2021 of State aid for (i) the restructuring of TAP Group and (ii) for the compensation of losses suffered by TAP S.A. as a result of the COVID-19 pandemic, on 30 December 2021, the following corporate transactions ("2021 Operations") were approved at the Extraordinary General Meeting of TAP S.A. and submitted to the Lisbon Commercial Registry Office for registration:

a) The increase in the share capital of TAP S.A. from EUR 503,500,000 to EUR 657,853,400, fully subscribed by SIAVILO, through the conversion of supplementary contributions, in the total amount of EUR 154,353,400;
b) The reduction of its share capital to EUR 0.00, for partial coverage of losses;
c) The increase in its share capital from EUR 0.00 to EUR 1,794,544,230, fully subscribed by the Portuguese Republic, through the ETF, with the amount of EUR 1,258,544,230 being paid exclusively through contributions in kind, by converting credits from the Portuguese Republic over TAP S.A. arising from the Financing Agreement (which represented the value of the remunerated loan plus interest accrued up to the date of conversion), and the amount of EUR 536,000,000 (resulting from compensation for losses suffered as a result of the COVID-19 pandemic), realized through cash entries;
d) The reduction of its share capital from EUR 1,794,544,230 to EUR 904,327,865, to partially cover losses.

As a result of the 2021 Operations, the share capital of TAP S.A. increased to EUR 904,327,865, represented by 180,865,573 shares, with a nominal unit value of EUR 5.00, with the Portuguese Republic now as its sole and direct shareholder, through the ETF, without materially changing the control exercised over TAP S.A., insofar as the Portuguese Republic was already the beneficial owner of TAP S.A.

Additionally, following the European Commission's decision dated 21 December 2021, approving the Restructuring Plan of the TAP Group and the granting of restructuring aid, which provided for the disbursement of a tranche of said aid by the end of the fiscal year 2022, on 27 December 2022, the following corporate transactions ("2022 Operations") were approved through a written decision by the sole shareholder of TAP S.A.:

a) The reduction of the share capital of TAP S.A. from EUR 904,327,865 to EUR 0.00, for partial coverage of losses;
b) The increase in its share capital from EUR 0.00 to EUR 980,000,000, fully subscribed by the Portuguese Republic, through the ETF, to be carried out by new contributions in cash, as follows:

i) EUR 294,000,000 on 27 December 2022;
ii) EUR 343,000,000 on 20 December 2023;
iii) EUR 343,000,000 on 20 December 2024.

In consequence of the aforementioned Operations in 2022, the share capital of TAP S.A. became EUR 980,000,000, represented by 196,000,000 shares, with a unit nominal value of EUR 5.00.

On 22 December 2023 it was resolved, through unanimous written resolution, to change the date of the second tranche to 3 January 2024.

On 18 October 2024 it was resolved, through unanimous written resolution, to reduce TAP S.A.'s share capital from EUR 980,000,000 to EUR 313,600,000 by decreasing the nominal value of shares from EUR 5 per share to EUR 1.60. From this reduction, EUR 323,400,000 were allocated to absorbing losses, and EUR 343,000,000 were designated for the specific purpose of extinguishing the obligation of the Portuguese Republic to pay the final tranche of the share capital it had subscribed on 27 December 2022 (amounting to EUR 343,000,000, as mentioned above in (iii)), in exchange for the assumption by the Portuguese Republic of an obligation to make an equivalent payment of ancillary contributions, subject to the regime of supplementary capital contributions, by 18 December 2024.

On 18 December 2024 it was resolved, through unanimous written resolution, to postpone the execution of the ancillary capital contribution of EUR 343,000,000, initially scheduled for December 2024, to January 2025.

On 17 January 2025 it was resolved, through unanimous written resolution, to increase TAP S.A.'s share capital through new cash contributions by its sole shareholder, the Portuguese Republic, via the ETF, in the amount of EUR 343,000,000, replacing its obligation to make a single ancillary contribution of the same amount. As a result, TAP S.A.'s share capital increased to EUR 656,600,000, represented by 410,375,000 ordinary shares, each with a nominal value of EUR 1.60.

TAP S.A. continues to have the Portuguese Republic, through the ETF, as its sole direct shareholder and ultimate beneficial owner.

On 7 November 2024, the company issued a 5-year bond offering with a fixed annual interest rate of 5.125%, amounting to EUR 400 million, named "TAP 2024-2029 Bonds", targeted to European and American institutional investors. On 7 March 2025, the Company issued new bonds under the issuance agreement governing the "TAP 2024–2029 Bonds", in the amount of EUR 200 million, with maturity on the same date, at a final acquisition price of 102.75%, and consequently at a yield to maturity of 4.467% for this additional amount. The total amount of the issuance thus reached EUR 600 million.

In 2025, the Portuguese Government formally initiated the privatization process of TAP S.A.

On 10 July 2025, the Council of Ministers approved the legal instrument that launched the first phase of the process, providing for the disposal of up to 49.9% of the Company's share capital, of which 44.9% is intended for a strategic investor and 5% is reserved for employees, in accordance with the legislation applicable to the privatization process.

Subsequently, Decree-Law No. 92/2025 of 14 August was published, establishing the legal framework for the first phase of the privatization. This decree reaffirms the core objectives of the process, namely the need to identify a strategic partner capable of strengthening the Group's competitiveness, enhancing its operational assets, ensuring financial sustainability, and complying with the requirements set out under national and European regulations.

In September 2025, the terms and conditions governing the competitive procedure were published, formally marking the commencement of the structured privatization process and defining its stages and selection criteria. As at the date of approval of these financial statements, the privatization process was ongoing.

The consolidated financial statements for the year ended 31 December 2025 (hereinafter referred to as the financial statements or consolidated financial statements) were approved at the Board of Directors' meeting on 8 April 2026 and will remain subject to approval at the General Meeting to be convened in accordance with the law and the articles of association. Shareholders retain the power to amend the financial statements approved by the Board of Directors.

The members of the Board of Directors signing this report declare that, to the best of their knowledge, the information contained herein has been prepared in accordance with the applicable Accounting Standards, providing a true and fair view of the assets and liabilities, financial position, and results of the Group.

Ongoing Restructuring Plan for the TAP Group - State Aid

Following the European Commission's decision of 10 June 2020 that authorized the granting of a State Aid to the sole shareholder of TAP S.A. as of that date - SIAVILO - in the form of a loan, in the amount of EUR 1.2 billion ("Decision of the European Commission"), and the Financing Contract which concluded the granting of the State aid to the TAP Group, it was foreseen the repayment date of the loan granted to the TAP Group, initially set at 10 December 2020, to be extended if the Portuguese State submitted a Restructuring Plan for the TAP Group ("Restructuring Plan" or "Plan") to the European Commission by that date, within 6 (six) months from the date of the European Commission Decision.

In this context, on 10 December 2020, the Portuguese State submitted to the European Commission a draft Restructuring Plan for discussion and approval.

As part of the preparation of the Restructuring Plan that involves the key areas of the TAP Group, a steering committee was created, and a strategic consultant was hired to assist the TAP Group in the elaboration of the Plan.

The Restructuring Plan incorporated a significant transformation of TAP S.A. operation in order to guarantee economic viability in 2023 and sustainability in 2025. This restructuring includes measures to improve operational efficiency, a resizing of the fleet and a reduction in payroll expenses.

The Restructuring Plan project presented to the European Commission had the purpose of ensuring the survival and sustainability of the TAP Group, the maintenance of approximately 7 (seven) thousand direct jobs, as well as the preservation of the whole eco-system of TAP Group suppliers, ensuring that it continues to contribute to the Portuguese economy.

This Restructuring Plan project is based on four pillars: (i) focus on the core business, (ii) capacity adjustment (fleet dimensioning and network optimization); (iii) optimization of operating costs (lease negotiation, review of third-party costs and adjustment of labor costs); and (iv) revenue improvement (passenger revenues and other revenues). All these initiatives seek to achieve a balanced cash flow and, consequently, to balance the Group's capital structure.

In terms of the optimization of operational costs, EUR 1.3 billion were expected to arise from fleet-related negotiations, as well as EUR 200 million to EUR 225 million per year in negotiations with other operational suppliers of the TAP Group. From the labor costs perspective, it was foreseen to redimension the TAP Group's operations, through, among others, the

implementation of voluntary measures, such as rescissions by mutual agreement, part-time work and long-term unpaid leave, without prejudice to other additional mechanisms, besides a reduction in the salaries of the Group's employees.

These adjustments to capacity, fleet and the workforce would ensure that the TAP Group, and in particular TAP S.A., would be large enough to respond to the activity resumption, while preserving its leadership of the Lisbon hub and its strategy of connecting Europe, the Americas and Africa.

As a part of the work related to the process of preparing the Restructuring Plan, a Resolution of the Council of Ministers was approved on 22 December 2020 declaring TAP S.A. (as well as Portugália and Cateringpor - Catering de Portugal, S.A. ("Cateringpor")) in a difficult economic situation, attributing to that declaration the effects provided for in the applicable legislation, specifically the reduction of working conditions and the non-application or suspension, total or partial, of the clauses of the applicable company agreements or collective regulatory instruments, with the establishment of the respective substitute regime (Resolution of the Council of Ministers no. 3/2021, of 22 December 2020, regulated by Order no. 818-A/2021, of 14 January 2021). The status of difficult economic situation attributed to TAP S.A. (as well as Portugália and Cateringpor) was renewed by Council of Ministers Resolution No. 185/2021, of December 29, effective until 31 December 2022, and again renewed by Council of Ministers nº 138/2022, of December 28, with effect until 31 December 2023, with no renewal for the year 2024.

In accordance with this determination, a joint negotiation process was developed in December 2020 among unions, the Administration, and the Portuguese Government, aiming at reaching agreements known as "Emergency Agreements," seeking to find a consensual solution regarding the path to enable the restructuring and recovery of TAP S.A. This process concluded favorably, with all unions representing a vast majority of TAP S.A. employees ratifying the negotiated Emergency Agreements. The Emergency Agreements came into effect on 1 March 2021, allowing, without prejudice to the metrics proposed under the Restructuring Plan, the protection of a greater number of jobs compared to the substitute regime. Non-unionized employees of TAP S.A. benefited from a substitute regime identical to the Emergency Agreements in force within their professional group.

In parallel, between February and June 2021, TAP S.A. implemented a set of voluntary labor measures for its employees, which included mutual terminations, early retirements, pre-retirements, part-time work, and unpaid leaves. As a result of these voluntary measures, the initial resizing target of the Restructuring Plan could be lowered, and it allowed the number of workers eligible for unilateral measures to be reduced to 124 workers (about 94% less than the initial number forecasted and imposed by the Restructuring Plan). The continuation of the Restructuring Plan's execution led TAP S.A. to initiate a collective dismissal procedure involving these 124 workers on 8 July 2021, following its indicative schedule.

With these measures, TAP S.A. obtained the commitment of several unions in the Emergency Agreements, meeting the labor cost objectives included in the Restructuring Plan.

TAP S.A. continued to offer similar conditions to the ones in the voluntary phases for those targeted workers who chose to reconsider their previous decision not to adhere to the voluntary measures. It also maintained the possibility of applying for remaining vacancies at Portugália and other vacancies at TAP S.A. that emerged according to the company's needs. These initiatives reduced the number of workers with unilateral exits in the collective dismissal process to 62.

At the beginning of 2023, considering the Group's operational performance exceeded the expectations outlined in the Approved Restructuring Plan, the salary cuts previously applied to employees were reduced. The Company concluded negotiations on the Collective Labor Agreements applicable to Technical Flight Crew, Cabin Crew, and Ground Staff, which, in addition to introducing new working conditions, resulted in the full reinstatement of salary cuts for these groups, effective in the second half of 2023. The implementation of the newly agreed conditions for the Technical Flight Crew took place in 2023, while for most of the remaining professional categories, the processing and payment of the agreed monetary adjustments occurred in 2024.

In the context of State aid to TAP S.A., approved by the European Commission by decision of 23 April 2021, as compensation for COVID-19 damage verified during the period from 19 March to 30 June 2020, as already mentioned , a capital increase of TAP S.A. was carried out on 24 May 2021, through a cash contribution in the amount of EUR 462,000,000, by the Portuguese Republic, through the ETF, and the subscription, by it, of 92,400,000 new ordinary shares representing the Company's share capital, with a nominal unit value of EUR 5.00. Following the aforementioned capital increase, the Portuguese Republic, through the ETF, came to hold a shareholding representing approximately 92% of TAP S.A., while the remaining approximately 8.2% of TAP S.A.'s share capital continued to be directly held by SIAVILO. As mentioned above, this shareholder structure remained unchanged until 30 December 2021, when the Portuguese Republic became the sole shareholder of TAP S.A.

Following interactions with the European Commission, on 10 June 2021, the Portuguese State updated the Restructuring Plan initially submitted on 10 December 2020, having notified the European Commission of a EUR 3.2 billion restructuring aid, with the objective of financing a restructuring plan of TAP Group, which establishes a package of measures to rationalize TAP S.A.'s operations and to reduce costs.

On 16 July 2021, the European Commission approved the following two autonomous decisions:

(i) Re-approval of EUR 1.2 billion rescue aid

The European Commission decided to re-approve the EUR 1.2 billion emergency loan to SIAVILO, which it had previously approved by decision of 10 June 2020, specifying the rationale for the approval of the aid (related to the situation of the TAP Group and its shareholders in June 2020), as required under the judgment of the General Court of the European Union of 19 May 2021 (case T465/20), which annulled the initial emergency aid decision, while suspending the effects of the cancellation until the adoption of a new decision by the European Commission.

Therefore, this new decision of the European Commission confirmed the previous decision of this authority of 10 June 2020, which considered that the said rescue aid of EUR 1.2 billion was compatible with the internal market under item c) of paragraph 3 of article 107 of the Treaty on the Functioning of the European Union and in accordance with the requirements of the European Commission Guidelines on State aid for rescuing and restructuring non-financial firms in difficulty.

(ii) TAP Group Restructuring Plan

The European Commission has decided to initiate an in-depth investigation procedure to further assess the compliance of the proposed Restructuring Plan and the corresponding aid with the conditions set out in the European Commission's Guidelines on State aid for rescuing and restructuring non-financial companies in difficulty.

Following the interactions with the European Commission that took place after the date of the aforementioned decision of the European Commission, namely with regard to obtaining additional information, on 16 November 2021, the Portuguese State updated the Restructuring Plan submitted on 10 June 2021, which presented an update of the financial projections / sensitivity analysis for the restructuring period (until the year 2025), as well as the inclusion of the years 2026 and 2027, which incorporated the most recent perspectives of the air transport flow, as well as the price of jet fuel and the inflation rate, which generated an estimated increase in revenues and costs for the restructuring period until 2025, with no significant variations in terms of operating results. This update of the TAP Group Restructuring Plan, including additionally the years 2026 and 2027, was approved by the Board of Directors of SIAVILO and TAP S.A. on 3 November 2021.

Based on an in-depth investigation by the European Commission and the observations of interested parties and the Portuguese State, the European Commission approved the TAP Group Restructuring Plan on 21 December 2021 ("Approved Restructuring Plan"), within the framework of the European Union rules on state aids, which is intended to be in force until 31 December 2025 and is currently being implemented.

More specifically, the European Commission evaluated the Restructuring Plan, which sets out a package of measures to rationalize the operations of the TAP Group and reduce costs. The plan provides for a division of activities in i) airlines TAP S.A. and Portugália (which will be supported and restructured) and ii) perimeter of non-core assets to be sold or liquidated during the restructuring, namely SPdH – Serviços Portugueses de Handling, S.A. ("SPdH") and TAP ME Brazil. In addition, TAP S.A. made available 18 slots per day at Lisbon airport to a competing company. The European Commission considered to be relevant that the transfer of the slots did not compromise the viability of TAP S.A.

From the perspective of adjusting its capacity, the Restructuring Plan presented to the European Commission aims to adjust the TAP Group fleet to 99 aircraft.

Based on the above, the European Commission concluded that the restructuring aid complies with the rules of the European Union, having considered that the Approved Restructuring Plan presents itself as realistic, coherent and credible, in order to achieve the objective of ensuring the viability medium/long term and solve the TAP Group's liquidity and insolvency problems.

State support approved by the European Commission amounts to a total value of EUR 3.2 billion, detailed as follows:

- EUR 2.55 billion related to restructuring support measures to allow the return to viability of TAP S.A. Group, including the conversion of the emergency loan of EUR 1.2 billion into equity;
- EUR 640 million aid as compensation for COVID-19 damage incurred during the years 2020 and 2021 between 19 March 2020 and 30 June 2021.

As of this date, with the latest capital injection into TAP S.A. occurred on 17 January 2025, the state aid foreseen in the Approved Restructuring Plan has been fully executed.

The Approved Restructuring Plan assumed as one of its key premises the corporate restructuring of the TAP Group, aiming to centralize within TAP S.A. all assets directly related to the air transport business.

Among the air transport related assets identified in the Restructuring Plan are Portugália, UCS - Cuidados Integrados de Saúde, S.A. ("UCS") and Cateringpor – Catering de Portugal, S.A. ("Cateringpor") (note 2.4) even though, temporarily, since, under the European Commission's Decision of 21 December 2021, the TAP Group must divest from Cateringpor by the end of the implementation period of the Restructuring Plan, that is, the end of 2025.

Thus, to comply with the provisions of the Restructuring Plan, it became necessary to carry out a series of corporate restructuring operations, including the following:

- On 8 November 2024, TAP S.A., as the buyer, and SIAVILO, as the seller, entered into a share purchase agreement under which TAP S.A. acquired from SIAVILO the shares representing 100% of the share capital of Portugália for a consideration of EUR 4,484,000 (Note 7);

- On 21 January 2025, TAP S.A., as the buyer, and TAPGER – Sociedade de Gestão e Serviços, S.A. ("TAPGER"), as the seller, entered into a share purchase agreement under which TAP S.A. acquired from TAPGER the shares representing 100% of the share capital of UCS for a consideration of EUR 4,338,000 (Note 7);

- On 21 January 2025, TAP S.A., as the buyer, and TAPGER, as the seller, entered into a share purchase agreement for TAP S.A. to acquire from TAPGER the shares representing 51% of the share capital of Cateringpor for a consideration of EUR 11,685,000, which was subject to the fulfilment of suspensive conditions. The effective transfer of the shares occurred on 9 April 2025, when the suspensive conditions were verified (Note 7).

Under the Approved Restructuring Plan, the Portuguese Republic undertook, before the European Commission, to ensure that the TAP Group divested its shareholdings in SPdH and Cateringpor by 31 December 2025.

On 23 December 2025, the European Commission approved the request submitted by the Portuguese Republic to extend the deadline for the divestment of TAP S.A.'s shareholdings in SPdH and Cateringpor from 31 December 2025 to 30 June 2026, granting an additional six months for the completion of these disposals under the Approved Restructuring Plan. As part of this approval, until 30 June 2026 (i) TAP S.A. is required to reimburse EUR 24.99 million of State aid to the Portuguese Republic (Note 16), (ii) TAP S.A.'s fleet is subject to a fleet cap, and (iii) TAP S.A. is prevented from operating new routes. The acquisition ban and advertisement ban previously set out in the Approved Restructuring Plan also remain in force.

1.1. Going concern

It is the Board of Directors' understanding that the preparation of the consolidated financial statements of TAP S.A. as of 31 December 2025, should be based on the principle of going concern, based on the financial projections approved by the Board of Directors in the end of 2025 for the period 2026–2030 ("Financial Projections 2026/2030") (Note 2.35).

In addition, as of 31 December 2025, the Group reported cash and cash equivalents of EUR 765.3 million, resulting (EUR 651.6 million as of 31 December 2024), among other factors, from the State-aid measures approved and from positive operating cash flows for the year ended 31 December 2025 amounting to EUR 604.1 million (EUR 649.3 million as of 31 December 2024).

Moreover, as of 31 December 2025, the Group reported a positive working capital position of EUR 472.4 million (EUR 552.9 million as of 31 December 2024), representing current assets less current monetary liabilities, excluding outstanding flight documents.

Considering the above, it is the Board of Directors' understanding that the Group's operations continuity and liquidity are assured, based on the financing of estimated treasury needs for the next twelve months as of this date.

2. Material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are described below.

2.1. Preparation Base

These financial statements relate to the year ended 31 December 2025 and were prepared in accordance with International Financial Reporting Standards adopted by the European Union ("IFRS" – previously called International Accounting Standards – "IAS") issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), effective on 1 January 2025. From now on, all of those standards and interpretations will be generically called "IFRS".

The consolidated financial statements have been prepared on a going concern basis (Note 1.1), from the books and accounting records of the Group, and under the historical cost convention, except for derivative financial instruments and investment properties, which are stated at fair value.

In the preparation of the financial statements in accordance with IFRS, the Board of Directors has used critical estimates, assumptions, and judgments that impact on the value of assets and liabilities and the recognition of income and expenses for each reporting period. Although these estimates are based on the best information available at the time of preparing the financial statements, the current and future outcomes may differ from these estimates. The key assertions involving a higher level of judgment or complexity, or the most significant assumptions and estimates for the preparation of such financial statements, are published in Note 2.35.

The figures shown, unless otherwise indicated, are expressed in Euro.

New standards, changes to standards and interpretations as mandated on 31 December 2025

The new standards, interpretations, and changes to existing standards identified below, which became effective on 1 January 2025, are as follows:

Description	Changes	Effective date
1. New standards, changes to standards effective 1 January 2025		
IAS 21 – The effects of changes in foreign exchange rates: Lack of exchangeability	Requirements for determining whether a currency is capable of being exchanged for another currency and, when exchange is not possible for a long period, the options for calculating the spot exchange rate to be used. Disclosure of the impacts of this situation on the liquidity, financial performance and financial position of the entity, as well as the spot exchange rate used on the reporting date	1 January 2025

New standards, changes to standards and interpretations mandatory in future periods

Description	Changes	Effective date
2. Standards (new and changes) that become effective on or 1 January 2026, already endorsed by the EU		
IFRS 9 and IFRS 7 – Changes to the Classification and Measurement of Financial Instruments	Introduction of a new exception to the definition of derecognition date when the settlement of financial liabilities is made through an electronic payment system. Additional guidance for assessing if contractual cash flows of a financial asset are solely payments of principal and interest. Requirement of new disclosures for certain instruments with contractual terms that may change cash flows. Updated disclosures for fair value gains or losses recognised in Equity in relation to equity instruments designated at fair value through other comprehensive income.	1 January 2026
IFRS 7 and IFRS 9 – Contracts referencing nature-dependent electricity	Refers to the accounting of Power Purchase Agreements for nature-dependent electricity in relation to: i) clarifying the application of the 'own-use' requirements; ii) allowing hedge accounting if nature-dependent electricity contracts are designated as hedging instruments; and iii) adding new disclosure requirements on entity's financial performance and cash flows.	1 January 2026
Annual Improvements – Volume 11	Various clarifications to the standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 e IAS 7	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	Presentation and disclosure requirements in financial statements, focusing on the income statement, by determining a structure-model, with the classification of income and expenses into operational, investing and financing categories, and the introduction of relevant subtotals. Improvements to the disclosure of management performance measures and enhanced guidance on the principles of aggregation and disaggregation of information.	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	Disclosure-only standard, with reduced disclosures requirements, that works alongside other IFRS Accounting Standards for recognition, measurement, and presentation requirements. Can only be applied by "Eligible" subsidiaries that have no public accountability and have a parent that prepares consolidated financial statements available for public use that comply with IFRS.	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	Changes that defines the reduction of disclosure requirements for new standards and changes to standards issued between February 2021 and May 2024, applicable to entities within the scope of IFRS 19.	1 January 2027

The Group is currently assessing the potential impacts of IFRS 18, particularly with respect to the presentation of certain line items in the consolidated income statement.

The new standards and changes to standards referred to in point 1 above, which became effective on 1 January 2025, did not impact the Group's financial statements for the year ended 31 December 2025. With regard to the remaining new standards and changes referred to in points 2 and 3, with the exception of IFRS 18, they are not expected to have a significant impact on the Group's financial statements.

2.2. Change in accounting policies

During the 2025 financial year, the Group changed the accounting policy applicable to carbon dioxide ("CO_2") emission allowances, with retrospective effect, in accordance with the requirements of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Until 31 December 2024, the Group recognised, in the consolidated income statement, the expenses associated with the acquisition of CO_2 emission allowances at the cost of the allowances acquired. The difference between CO_2 emissions and the allowances purchased was recorded as an accrual or deferral of expenses, measured at fair value or at cost, respectively.

The new accounting policy determines that:

- At the time CO_2 emission allowances are acquired, they are recognised at cost in the consolidated statement of financial position, under other assets (Note 13). These assets are classified as current or non-current depending on the expected delivery date;
- The liability corresponding to CO_2 emissions is recognised under other accounts payable (Note 20), measured at the acquisition cost of the allowances already held and at the estimated acquisition cost of the allowances to be acquired;
- As the obligation is recognised, the corresponding amount is recorded in the income statement under aircraft fuel;
- The assets related to CO_2 emission allowances are derecognised upon delivery of the allowances to the respective regulatory bodies, at which point the associated CO_2 emission liabilities are settled.

This change results from a reassessment of the economic substance of the transactions and is aligned with practices observed in the industry.

Restatement impacts

In accordance with IAS 8, the comparative financial statements have been restated retrospectively.

The effects of the restatement on the consolidated statement of financial position as of 1 January 2024 are detailed as follows:

Amounts stated in euros	1 January 2024 reported	Restatement impacts	1 January 2024 restated
Non-current assets			
Other non current assets	15,080,108	13,685,631	28,765,739
	15,080,108	**13,685,631**	**28,765,739**
Current Assets			
Other current assets	63,964,685	84,684,773	111,584,604
	63,964,685	**84,684,773**	**111,584,604**
Total Assets	**79,044,793**	**98,370,404**	**140,350,343**
Current Liabilities			
Other payables	624,810,080	98,370,404	723,180,484
	624,810,080	**98,370,404**	**723,180,484**
Total liabilities	**624,810,080**	**98,370,404**	**723,180,484**

The effects of the restatement on the consolidated statement of financial position as of 31 December 2024 are detailed as follows:

Amounts stated in euros	31 December 2024 reported	Restatement impacts	31 December 2024 restated
Non-current assets			
Other non current assets	14,259,503	43,029,165	57,288,668
	14,259,503	**43,029,165**	**57,288,668**
Current Assets			
Other current assets	97,045,480	14,539,124	111,584,604
	97,045,480	**14,539,124**	**111,584,604**
Total Assets	**111,304,983**	**57,568,289**	**168,873,272**
Passivo não corrente			
Outras contas a pagar	-	2,008,837	2,008,837
	-	**2,008,837**	**2,008,837**
Current Liabilities			
Other payables	624,810,080	55,559,452	680,369,532
	624,810,080	**55,559,452**	**680,369,532**
Total liabilities	**624,810,080**	**57,568,289**	**682,378,369**

As of 31 December 2024, the Group held CO_2 emission allowances amounting to EUR 100.6 million, of which EUR 57.6 million represented a liability arising from the emissions for the 2024 financial year.

Accordingly, the remaining EUR 43.0 million was recognised as a prepaid expense under other current assets.

Additionally, following the restatement, the consolidated statement of financial position as of 31 December 2024 reflects the recognition of liabilities relating to CO_2 emissions incurred in that financial year, recorded in other accounts payable, current or non-current, depending on the expected date for the surrender of allowances to the regulatory authorities under the applicable emissions trading scheme. In the case of the obligations under the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"), the delivery of allowances occurs every three years, with the first delivery for the 2024–2026 period expected to take place in 2028.

The change in accounting policy had no impact on the consolidated income statement.

2.3. Comparability of financial statements

The financial statements of 31 December 2024, presented for comparative purposes, are fully comparable.

2.4. Consolidation perimeter

As mentioned in the Introductory Note, on 8 November 2024, TAP S.A. acquired from SIAVILO the shares representing 100% of the share capital of Portugália. The Group's consolidation perimeter was further modified on 21 January 2025 and on 9 April 2025, with the acquisition from TAPGER of 100% and 51% of the share capital of UCS and Cateringpor, for EUR 4,338,000 and EUR 11,685,000, respectively. These changes to the Group's consolidation perimeter resulted in significant impacts on the consolidated financial statements.

Unlike the consolidated statement of financial position as of 31 December 2024, the statement of financial position as of 31 December 2025 includes the full consolidation of the assets and liabilities of UCS and Cateringpor. In addition, the consolidated income statement and the consolidated cash flow statement for the year ended 31 December 2025, unlike the corresponding period, include the impact of the operations of (i) Portugália, from January 2025 to December 2025, (ii) UCS, from February 2025 to December 2025, and (iii) Cateringpor, from April 2025 to December 2025.

The entities included in the consolidation perimeter, in addition to TAP S.A., are detailed below:

Name	Head office	Core business	Shareholders	% share capital held	
				2025	2024
Tap Logistics Solutions, S.A.	Lisbon	Postal services	TAP S.A.	100.00%	100.00%
Portugália - Companhia Portuguesa de Transportes Aéreos, S.A.	Lisbon	Aeronautical activities	TAP S.A.	100.00%	100.00%
Cateringpor - Catering de Portugal, S.A.	Lisbon	*Catering*	TAP S.A.	51.00%	0.00%
UCS - Cuidados Integrados de Saúde, S.A.	Lisbon	Health care services	TAP S.A.	100.00%	0.00%

The impacts of the entries of UCS and Cateringpor into the consolidation perimeter of TAP S.A. Group on 21 January 2025 and 9 April 2025, respectively, are detailed as follows:

Amounts stated in euros	UCS	Cateringpor	Total
ASSETS			
Non-current assets			
Tangible fixed assets	7,332,830	11,367,592	18,700,421
Intagible assets	14,623	-	14,623
Goodwill	3,114,648	4,983,043	8,097,691
Other financial assets	-	85,876	85,876
Deferred tax assets	245,649	-	245,649
Other receivables	131,076	-	131,076
	10,838,826	**16,436,511**	**27,275,336**
Current Assets			
Inventories	110,134	1,783,449	1,893,583
Other receivables	975,768	4,216,330	5,192,098
Other current assets	54,268	1,697,003	1,751,271
Cash and cash equivalents	501,312	9,868,980	10,370,292
	1,641,482	**17,565,762**	**19,207,244**
Total Assets	**12,480,308**	**34,002,273**	**46,482,581**
EQUITY AND LIABILITIES			
Equity			
Non-controlling interests	-	6,439,136	6,439,136
Total equity	**-**	**6,439,136**	**6,439,136**
Non-current liabilities			
Provisions	319,044	815,221	1,134,265
Lease liabilities with purchase option	-	227,816	227,816
Lease liabilities without purchase option	5,939,871	6,152,659	12,092,531
	6,258,915	**7,195,696**	**13,454,612**
Current Liabilities			
Lease liabilities with purchase option	-	201,746	201,746
Lease liabilities without purchase option	616,461	1,319,302	1,935,763
Other payables	5,381,635	18,050,972	23,432,607
Income tax payable	15,597	439,338	454,935
Other current liabilities	207,700	356,083	563,783
	6,221,392	**20,367,441**	**26,588,834**
Total liabilities	**12,480,308**	**27,563,138**	**40,043,446**
Total equity and liabilities	**12,480,308**	**34,002,273**	**46,482,581**

In order to calculate the goodwill, the financial statements of UCS and Cateringpor as of 31 January 2025 and 31 March 2025, respectively, were used, considering the necessary adjustments to reflect the standardization of accounting policies and the fair value of their assets and liabilities:

Amounts stated in euros	UCS	Cateringpor	Total
Subsidiary's equity	1,223,352	6,701,957	7,925,309
Goodwill	3,114,648	4,983,043	8,097,691
	4,338,000	**11,685,000**	**16,023,000**

Under the terms of the Approved Restructuring Plan, on 30 December 2025, TAP S.A. launched the public tender for the disposal of 51% of the share capital of Cateringpor, corresponding to the entire shareholding it holds in the subsidiary. As a result of this process, the assets and liabilities of this subsidiary were classified as non-current assets held for sale and liabilities associated with non-current assets held for sale, respectively, in the Group's consolidated statement of financial position as of 31 December 2025 (Note 7).

2.5. Segment reporting

As recommended in IFRS 8, the Group presents operating segments based on internally produced management information. In fact, operating segments are reported consistently with the internal management information model, provided to the Group's chief operational decision maker, who is responsible for allocating resources to the segment and evaluating its performance, as well as for strategic decision-making. The Group does not present segmental assets and liabilities, since this information is not presented to the chief operational decision maker.

Two operational segments were identified: air transportation and maintenance and engineering. The activities aggregated in "Others" do not qualify to be reported separately.

Segment reporting accounting policies are consistently used in the Group. All inter-segment revenues are priced at market prices and eliminated in consolidation. Information regarding identified segments is provided in Note 24.

2.6. Currency conversion

Functional and presentation currency

The details included in the financial statements of each of the entities in the Group are measured using the currency of the economic environment in which the entity operates (functional currency). Consolidated financial statements are presented in EUR, with the EUR being the functional currency of TAP S.A. and the Group's display currency.

Balances and transactions in foreign currency

Transactions in currencies other than the EUR are translated into the functional currency using the exchange rates at the date of transactions. Foreign exchange gains or losses resulting from the payment/receipt of transactions, and the conversion, by the exchange rate, at the reporting date, of monetary assets and liabilities denominated in foreign currency, are recognised in the consolidated income statement under the net exchange rate financial differences item.

The exchange rates used to translate consolidated financial statements expressed in a currency other than the EUR or to update balances expressed in foreign currency on 31 December 2025 and 2024 were as follows:

Currency	2025	2024	Average Rate	
			2025	2024
USD	1.175	1.039	1.122	1.085
CHF	0.931	0.941	0.937	0.955
GBP	0.873	0.829	0.854	0.849
BRL	6.436	6.425	6.307	5.742
AOA	1071.936	947.477	1062.293	971.720
MZN	74.340	65.730	72.381	66.988

2.7. Tangible fixed assets

Tangible fixed assets, namely buildings and land, acquired until 1 January 2004 (date of transition to IFRS), are recorded at cost, or cost reassessed in accordance with generally accepted accounting principles in Portugal up to that date, minus accumulated depreciation and impairment losses.

Thus, effective January 1, 2004, the assets belonging to the building category of TAP S.A. were revalued to their corresponding fair value on that date. The fair value of these tangible fixed assets was determined by an asset valuation study carried out by an independent specialized entity, which also determined the remaining useful life of these assets at the transition date.

Tangible fixed assets, acquired after the transition date, are presented at cost minus depreciation and impairment losses. Land is not subject to depreciation. Acquisition cost includes all expenditure directly attributable to the acquisition of the assets.

Subsequent costs, including fleet renewals and structural maintenance, are included in the cost of acquiring the asset whenever it is likely that future economic benefits will flow to the Group. Other current maintenance charges are recognised as an expense for the period in which they are incurred.

Depreciation is calculated on the acquisition cost, using the straight-line method by twelfths, at rates that best reflect their estimated useful life, as follows:

	Years of useful life	Residual value
Buildings and other constructions	20-50	-
Basic equipment:		
Flight equipment:		
Airbus		
Aircraft	20	0-5%
Aircraft under financial leasing	20	0-5%
Spare engines and spare parts	20	5%
Spare engines under financial leasing	20	5%
Other flight equipment		
Aircraft	16	10%
Aircraft under financial leasing	16	10%
Spare engines and spare parts	16	10%
Spare engines under financial leasing	16	10%
Other basic equipment	7-20	0-10%
Transport equipment	4-10	-
Tools	8-20	0-10%
Administrative equipment	5-16	-
Other tangible fixed assets	10	-

Residual asset values and their useful lives are reviewed and adjusted prospectively, if necessary, on the reporting date (Note 4). If the carrying amount is greater than the recoverable value of the asset, it is readjusted to the estimated recoverable value by recording impairment losses (Note 2.12).

Gains or losses arising from write-downs or disposals are determined by the difference between the proceeds of disposals less transaction costs and the carrying amount of the assets and are recognised in the consolidated income statement as other operating income or costs.

For right-of-use assets please refer to Note 2.27.

2.8. Investment properties

Investment properties are properties (land, buildings or parts of buildings) held for the purpose of increasing capital, earning rent, or both. Investment properties were valued at fair value at the date of transition to IFRS and then valued according to the fair value model, which is applied to all assets classified as investment property.

The fair value of investment properties is determined on the basis of assessments by external appraisers taking into account the conditions of use or best use, depending on whether they are rented or not.

2.9. Intangible assets

Intangible assets essentially include software to support the activity, recorded at acquisition cost minus amortisations and impairment losses, according to the straight-line method, for a period ranging from 3 to 10 years.

The amounts capitalized under the caption "Computer programs" refer to the development and parameterization of information systems to support the activity.

2.10. CO_2 Emission Allowances

The Group is subject to three regulatory CO_2 emission-mitigation schemes applicable to the aviation sector:

- European Union Emissions Trading System ("EU ETS");
- UK Emissions Trading Scheme ("UK ETS");
- Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") – applicable to international air transport.

Allowances allocated or acquired under these schemes constitute instruments intended to ensure compliance with obligations arising from greenhouse gas emissions.

Initial recognition and measurement

Emission allowances are recognised as assets when controlled by the Group. Initial recognition follows the criteria below:

- Purchased allowances: recognised at acquisition cost, including directly attributable costs;
- Allowances allocated free of charge: recognised at a nominal value of zero.

Allowances are presented under "Other assets", as current or non-current, depending on the expected settlement date.

The assets are derecognised upon delivery of the CO_2 emission allowances to the respective regulatory authorities, at which point the liabilities associated with CO_2 emissions are settled.

Liability for emissions

The liability and the related expense for CO_2 emissions are recognised when the emissions occur, regardless of whether sufficient allowances are held in the portfolio.

The liability is measured at the acquisition cost of the allowances already held and at the estimated acquisition cost of the allowances to be acquired. The liability is recognised as an accrual under other accounts payable, with a corresponding charge to aircraft fuel expenses.

2.11. Non-current assets held for sale and related liabilities

Non-current assets are classified as non-current assets held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use and there is a decision by the Board of Directors with the consequent definition of the price and buyer demand, which allows classifying the sale transaction as highly probable, within a period of up to 12 months.

These assets are measured at the lower of their net book value and fair value less costs to sell on the date of classification as held for sale. Assets with a finite useful life are no longer depreciated/amortized from the date of classification as held for sale, until the date of sale.

2.12. Non-financial asset impairment

Non-financial assets, which have no defined useful life, are not subject to depreciation or amortisation, but are subject to annual impairment tests. Assets subject to amortisation/depreciation are revised for impairment whenever events or changes in circumstances indicate that the value at which they are carried may not be recoverable.

Where the recoverable value determined is less than the book value of the assets, the Group records the respective loss due to impairment.

An impairment loss is recognised by the amount of excess of the asset's carrying amount over its recoverable value. The recoverable amount is the greater of the fair value of an asset, less costs for sale, and its value in use.

For impairment testing, assets are grouped at the lowest level at which cash flows (units that generate cash flows to which the asset belongs) can be identified separately, when it cannot be identified individually for each asset.

The reversal of impairment losses, recognised in previous years, is recorded when it is concluded that recognised impairment losses no longer exist or have decreased.

The reversal of impairment losses is recognised in the consolidated income statement under the heading "Depreciations, amortisations and impairment losses". However, the impairment loss is reversed up to the limit of the amount that would have been recognised (net of amortisation or depreciation) had the impairment loss not been recorded in previous years.

2.13. Financial assets

Classification

The Group classifies its financial assets according to their characteristics and business model that it has defined to manage the receipt of contractual cash flows. Classification is determined at the time of initial recognition of financial assets.

Financial assets and liabilities are offset, their amounts being reported as net in the consolidated statement of financial position, only when: i) there is a legally enforceable and non-opposable right to offset such amounts, and ii) when there is an intention to settle on a net basis, or when the asset is realised at the same time as the liability is settled. The legal right to offset exists when it is exercised at all times, during the normal course of the activity, and is not contingent upon the occurrence of future events or cases of default, insolvency or bankruptcy of the entity.

All purchases and disposals of these investments are recognised at the time of signing their purchase and sale contracts, regardless of the date of financial settlement.

Debt instruments

A financial asset is measured at amortised cost if (i) it is held to receive the contractual cash flows; and (ii) the underlying contractual cash flows represent only the payment of principal and interest. The assets in this category are initially recognised at their fair value and subsequently measured at their amortised cost.

A financial asset is measured at fair value by other comprehensive income if (i) the purpose inherent in the business model used is achieved either by receiving the contractual cash flows or by selling the financial assets; and (ii) the underlying contractual cash flows represent only principal and interest payments. The assets in this category are initial and subsequently measured at their fair value, with changes in fair value recorded in other comprehensive income except for the recognition of impairment losses, interest and exchange rate gains or losses, values that are recorded directly in the consolidated income statement. When the financial asset is derecognised, the cumulative gain or loss on another comprehensive income is reclassified to a result of the period.

Financial assets that do not qualify for the above-mentioned situations are classified and measured at fair value through profit or loss, a residual category under IFRS 9.

Equity instruments

Equity instruments are always measured at fair value. Equity instruments held for trading are measured at fair value by profit or loss. For all other equity instruments, the Group may choose to show changes in their fair value in other comprehensive income on initial recognition, instrument by instrument.

When the Group opts to do so, all changes in fair value except dividends that configure return on investment are recognised in other comprehensive income. In this case, on the date of derecognition of the asset, the cumulative gain or loss is not recognised in income for the period and is then transferred to retained earnings.

Impairment of financial assets

IFRS 9 establishes an impairment model based on "expected losses", according to which the estimate of impairment is assessed from the initial recognition, taking into account the assessment of credit risk.

Other accounts receivable

The Group uses the simplified approach set out in IFRS 9 to calculate and recognise impairment losses on client contract assets. Expected losses up to maturity are recorded, based on experience of actual losses over a period that has been considered statistically relevant and representative of the specific characteristics of the underlying credit risk, adjusted for forward-looking information.

The adjustment for impairment losses is posted against income for the period, under "Impairment losses in receivables".

Other financial assets

The Group considers that all debt instruments measured at amortised cost have zero credit risk.

If a financial instrument's credit risk has not increased significantly since its initial recognition, the Group recognises a cumulative impairment equal to the loss expectation estimated to occur within the next 12 months.

If credit risk has risen significantly, the Group recognises an accumulated impairment equal to the expected loss that is estimated to occur until the respective maturity of the asset.

Any impairment loss on these financial assets is recognised in the income statement for the period under impairment losses in receivables.

Derecognition of financial assets and financial liabilities

The Group only derecognises financial assets when the contractual rights to cash flows have expired or have been transferred, and the Group has substantially transferred all risks and benefits arising from the ownership of the asset.

Financial liabilities (or part of financial liabilities) are derecognised when, and only when, the obligations specified in the contracts are satisfied, canceled or expired. A substantial modification to the terms of an existing financial liability, or part thereof, should be accounted for as extinguishing the original financial liability and recognizing a new financial liability.

2.14. Instrumentos Financeiros derivados

The Group uses derivatives to manage the financial and operational risks to which it is exposed. Whenever expectations regarding the evolution of jet fuel prices, interest rates or exchange rates justify it, the Group endeavours to enter into hedging transactions against adverse movements through derivative instruments such as swaps, forwards and options (simple or structured).

In selecting derivative financial instruments, their economic characteristics are primarily considered. Derivative financial instruments are recorded in the consolidated statement of financial position at their fair value.

To the extent that they are considered effective hedges, changes in the fair value of cash flow hedges are initially recorded in other comprehensive income for the period to which they relate and subsequently reclassified to profit or loss upon settlement—under operating results (aircraft fuel) for jet fuel instruments, and under net finance income/(costs) (interest and similar income/expenses) for interest rate instruments. The ineffective portion of the hedge is recognised in operating results or net finance income/(costs), depending on the nature of the derivative financial instrument, when it occurs.

Accordingly, on a net basis, the expenses associated with the hedged financings are recognised over time at the rate implicit in the related hedging arrangement. Gains or losses arising from the early termination of such instruments - which is permitted only under specific circumstances - are recognised in profit or loss when the hedged transaction also affects profit or loss.

Whenever possible, the fair value of derivatives is estimated based on quoted instruments. In the absence of market prices, the fair value of derivatives is estimated using discounted cash flow methods and option valuation models, based on assumptions commonly used in the market. The fair value of derivative financial instruments is included mainly under other accounts receivable and other accounts payable.

Hedge accounting

Derivatives, used for hedging purposes, may be classified as hedging if they meet all the following conditions:

- At the start date of the transaction the hedging relationship is identified and formally documented, including the identification of the hedged item, the hedging instrument and the assessment of the hedging effectiveness;
- The hedging relationship is aligned with the risk management strategy and management goals;
- The hedging effectiveness can be measured reliably at the start date of the transaction and throughout the life of the operation;
- There is an economic relationship (50%) between the hedged item and the hedging instrument; and
- Variation risk is not primarily a function of credit risk.

The Group continuously monitors its exposure to foreign exchange risk, particularly with respect to USD denominated cash flows arising from operating costs, aircraft investments and payments associated with lease contracts. Monitoring is performed through internal models that incorporate projections of operating and investment cash flows, with the aim of minimizing volatility arising from exogenous factors affecting the Group.

As from 1 January 2022, the Group designated in a hedging relationship the foreign exchange risk associated with highly probable forecast sales whose fare is determined in USD, using as hedging instruments a portion of the USD denominated aircraft lease liabilities, in accordance with the amounts and timing of the future cash flows of the forecast sales and the lease liabilities. An economic relationship is expected to exist between (i) the hedging instrument, which is exposed to EUR/USD, namely the lease payments in USD, and (ii) the hedged item, which is also exposed to EUR/USD, namely sales which fare is determined in USD. Thus, when the hedged item moves in one direction, the hedging instrument is expected to move in the opposite direction.

Taking into account the Group's continuous monitoring of its foreign exchange exposure, particularly regarding the expected increase in volatility in the U.S. financial markets affecting the EUR/USD exchange rate, as from 1 January 2025 the Group implemented a specific strategy to mitigate the risk associated with EUR/USD exposure and designated in a hedging relationship the foreign exchange risk associated with pre delivery payments to be settled in USD through 2027, under the aircraft purchase agreement with Airbus (Note 36). As hedging instruments, the Group designated a portion of its surplus USD cash balances in term deposits, permanent and recurring, in accordance with the amounts and timing of the future cash flows of the pre delivery payments and the corresponding term deposit amounts. An economic relationship is expected to exist between (i) the hedging instrument, which is exposed to EUR/USD, namely the USD term deposit balances, and (ii) the hedged item, which is exposed to EUR/USD, namely the USD denominated pre delivery payments. Thus, when the hedged item moves in one direction, the hedging instrument is expected to move in the opposite direction.

2.15. Assets and liabilities at fair value

Fair value measurements and related disclosures are based on a fair value hierarchy. The hierarchy categorises entries used in evaluation techniques into three levels.

Level 1 inputs are prices quoted in active markets for identical assets or liabilities, which the Group can access on the balance sheet date.

Level 2 inputs are inputs other than the listed market prices included in level 1, which are directly or indirectly observable for the asset or liability.

Level 3 inputs are not observable for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, allowing for situations where there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which may include the entity's own data.

2.16. Income tax

Income tax includes current tax and deferred tax. Current income tax is determined on the basis of net income, adjusted in accordance with the tax legislation in force at the reporting date.

Deferred tax liabilities are recorded based on the temporary differences between the book values of assets and liabilities and their tax base. Deferred tax assets are recognised whenever there is a reasonable probability that future tax will be generated, or if there are deferred tax liabilities they can be offset against. Deferred tax assets are reviewed periodically and diminished whenever they are likely not to be used. Deferred tax liabilities should be recognized for all taxable temporary differences, except if they result from: a) initial recognition of goodwill, or b) initial recognition of an asset or liability in a transaction that: i) is not a business combination, ii) at the time of the transaction, does not affect accounting profit or taxable profit (tax loss), and iii) at the time of the transaction, does not give rise to equivalent taxable and deductible temporary differences.

The income tax rate expected to be in force in the period in which the temporary differences will be reversed is used in calculating the deferred tax.

Deferred tax is recorded as an expense or income for the fiscal year, unless it is due to amounts recorded directly in equity, in which case deferred tax is also recorded under the same heading, i.e. amounts to be included in current and deferred tax, resulting from transactions and events recognised in reserves, are recorded directly under those same headings, not affecting the net profit for the financial year. Thus, the impact of tax rate changes is also recognised in net income, except for items recognised directly in equity, in which case that impact is also recognised directly in equity.

The recording of the tax impacts of the transactions carried out by the Group corresponds to management's understanding of the tax treatment applicable in the light of the legislation issued. In situations where there is an interpretation and this is questioned by the Tax Authorities, management reviews the interpretation, evaluating the probability (above or below 50%) that the adopted tax treatment will be accepted and consequently determines the most probable or expected value of tax assets or liabilities to be recorded.

2.17. Inventories

Goods and raw, subsidiary and consumable materials are valued at the lower of the acquisition cost and the net realisable value. Acquisition cost includes expenses incurred up to the arrival of the goods at the warehouse, using the weighted average cost as a cost method.

The inventories held relate essentially to parts for maintaining engines and aircraft components. Recovered material refers essentially to equipment and spare parts to be used in aircraft and engines and is valued at cost.

The net realisable value is the estimated sales price minus the estimated finishing and marketing costs. The difference between cost and net realisable value, if lower, is recorded under "Impairment in inventories".

2.18. Customers and other accounts receivable

Customer balances and other current accounts receivable are initially accounted for at the agreed consideration value unless they have a significant financing component, in which case they are accounted for at fair value. The Group holds current customer and other receivable balances for the purpose of recovering them, so that they are subsequently measured at amortised cost deducted by impairment losses (Note 10).

Impairment losses are recorded based on the experience of actual losses over a period that has been considered statistically relevant and representative of the specific characteristics of the underlying credit risk, adjusted for forward-looking information.

2.19. Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other short-term investments with an initial maturity of up to 3 months that can be immediately mobilised without significant risk of value fluctuations. For the purposes of the consolidated cash flow statement, this item also includes bank overdrafts, which are shown in the consolidated statement of financial position under current liabilities under the heading of interest-bearing liabilities.

2.20. Share capital

Ordinary shares are classified in shareholder equity (Note 15).

Expenses directly attributable to the issuance of new shares or other equity instruments are presented as a deduction, after tax, from the amount received following the issue.

Expenses directly attributable to the issuance of new shares or options for the purchase of a business are included in the acquisition cost as part of the purchase amount.

2.21. Interest-bearing liabilities

Interest-bearing liabilities and lease liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently presented at amortised cost. Any difference between receipts (net of transaction costs) and the amount refunded is recognised in the consolidated income statement over the debt period using the effective interest rate method.

Interest-bearing liabilities and lease liabilities with option to purchase are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the consolidated financial position (Note 19).

2.22. Borrowing costs on loans

Borrowing costs for generic and specific loans, directly related to the acquisition, construction (if the construction or development period exceeds one year) or production of fixed assets that take a substantial period of time to be completed, are capitalised, and form part of the cost of the asset.

Capitalization of these costs begins after the start of the preparation for constructing or developing the asset and is terminated after the start of use or when the execution of the project in question is suspended or substantially completed.

Other financial charges are recognised as expenses when incurred.

2.23. Provisions

Provisions are recognised where the Group has a legal, contractual or constructive obligation as a result of past events, and it is likely that outflows and/or resources will become necessary to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions for ongoing legal proceedings are made according to the risk assessments by the Group and its legal advisers, based on historical success rates, by nature of the case and the likelihood of an unfavourable outcome for the Group.

The Group recognises a provision for restructuring costs when the general criteria for recognising provisions are met, in particular when there is a detailed formal plan for restructuring and a valid expectation has been created for those affected that it will carry out the restructuring by beginning to implement that plan or by announcing its main characteristics to those affected by it. Underlying expenses are recognised in the consolidated income statement under "Restructuring".

Provisions for future operating losses are not recognised. Provisions are revised at the reporting date and adjusted to reflect the best estimate at that date (Note 18).

The costs of aircraft restorations performed immediately prior to return to the lessor at the end of the lease (defined as redelivery for the purposes of IFRS 16) are recognised as a provision, provided that they can be reliably estimated. Additionally, an asset component is recognised in the right-of-use asset that is depreciated by the linear method across the lease term.

2.24. Post-employment employee benefits

The Group has committed to paying its employees cash benefits in the form of supplementary pensions, early retirement benefits, health care and retirement bonuses. The Group has set up autonomous pension funds as a way of financing some of its liabilities for these payments.

In order to estimate its liability for the benefit plans defined above, the Group periodically obtains actuarial calculations of the liabilities determined according to the "Projected Unit Credit Method".

Remeasurements resulting from differences in assumptions used for calculating liabilities and what actually occurred (as well as changes made to them and the difference between the expected return on fund assets and the actual return) are recognised when incurred directly in the consolidated statement of the entire income.

Liabilities, recognised under the heading "Pensions and other post-employment benefits" in the consolidated statement of financial position, represent the present value of bonds with defined benefit plans, minus the fair value of the fund assets.

Plans that are overfinanced are recorded as an asset when there is express permission for their compensation with future employers' contributions, or if the repayment of that financial surplus is expressly authorised or permitted.

Gains and losses, generated by cutting or settling a defined benefit pension plan, are recognised in income for the year when the cut or settlement occurs. A cut occurs when there is a material reduction in the number of employees.

Expenses for past liabilities resulting from the implementation of a new plan or accruals of assigned benefits are immediately recognised in Group results. The increase in spending on past services resulting from early retirement (retirement before the employee reaches the retirement age) or plan changes is recognised in the income statement when it is incurred.

Contributions made under the defined contribution plans are recorded as expenses in the consolidated income statement at the time they are due. According to these plans, in the event that the fund does not have sufficient assets to pay all employees the benefits related to the services provided this year and in previous years, the sponsor does not have a legal or constructive obligation to make additional contributions.

2.25. Other accounts payable

Trade payables and other current payables are initially recognised at fair value and subsequently measured at amortised cost (Note 20). Other accounts payable also include the liability corresponding to CO_2 emissions, which is recognised as an accrual and measured at the acquisition cost of the allowances already held and at the estimated acquisition cost of the allowances to be acquired.

2.26. Grants

State grants are only recognised after there is certainty that the Group will meet the conditions for them and that the grants will be received.

Operating grants, received for the purpose of compensating the Group for costs incurred, are recorded systematically in the consolidated income statement during the periods when the expenses that those grants are intended to offset are recognised.

Investment grants, received with the purpose of compensating the Group for investments made in tangible/intangible assets, are recorded as a reduction to the value of the respective subsidized assets and are recognised in the Income statement, over the estimated useful life, by deducting from the amount of depreciations/amortizations.

2.27. Leases

The Group evaluates whether a contract is or contains a lease at the start of the contract. The Group recognises a right-of-use asset and its lease liability for all lease contracts under which it is a lessee, except for short-term leases (defined as leases of 12 months or less) and low-value asset leases (such as tablets and personal computers, small office furniture and telephones).

For such leases, the Group recognises lease payments as an operating expense linearly over the lease term, unless another systematic basis is more representative of the pattern of time during which the economic benefits of the leased assets are generated.

Lease liabilities are initially measured by the present value of payments not made on the date each lease takes effect, discounted based on the implicit rate of the lease. If that rate cannot be readily determined, the Group uses its incremental financing rate.

Lease payments included in the measurement of lease liabilities include:

- Fixed lease payments (including in-substance fixed payments), minus any receivable incentives associated with the lease;
- Variable payments that depend on an index or rate, measured initially based on the index or rate at the start date of the contract;
- Amounts relating to residual value guarantees that are expected to be paid;
- The price of exercising any purchase options, if the lessee reasonably believes that its exercise is certain; and
- Payments for early cancellation of the lease if the contract term reflects the exercise of an option to terminate the contract early.

Lease liabilities are shown on two separate lines in the consolidated statement of financial position under the headings "Lease liabilities with option to purchase" and "Lease liabilities without option to purchase".

Lease liability is measured subsequently with increases that reflect past due interest on the liability and reductions that reflect payments made.

The Group remeasures the leasing liability (and makes an adjustment corresponding to the related right-of-use asset) whenever:

i) The lease term changes or a significant event or change in circumstances occurs, resulting in a change in the evaluation of exercising a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments, using a revised discount rate.

ii) Lease payments are changed due to changes in an index or rate or there is a change in the expectation of payment of a guaranteed residual value. In such cases the lease liability is remeasured, discounting revised lease payments using an unchanged discount rate (unless in circumstances where changes in payments result from a change in the variable interest rate, in which case a revised discount rate is used).

A lease contract is modified and the modification of the lease is not accounted for as a separate lease, in which case the lease liability is remeasured based on the modified term of the modified lease, discounting the revised lease payments using a revised discount rate on the effective date of the modification. As a result of renegotiations on lease contracts without option to purchase, the Group has reviewed the discount rate applicable to these leases.

Right-of-use assets include initial measurement of the corresponding liabilities, payments made before or on the day of the start of the lease, minus the incentives received, plus any initial direct costs. They are subsequently measured at cost, minus accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation to spend on dismantling and removing a leased asset, restoring its location, or restoring the underlying asset to the condition required by the lease terms and conditions, a provision is recognised and measured in accordance with IAS 37. To the extent that expenses are related to a right-of-use asset, expenses will be included in the related right-of-use asset.

Right-of-use assets are depreciated for the shortest period between the lease term and the life of the underlying asset. If a lease transfers the underlying asset's ownership or the right-of-use asset's value reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the life of the underlying asset. Depreciation starts on the start date of the lease. Right-of-use assets are shown in the statement of financial position under "Tangible fixed assets".

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Tangible fixed assets" policy.

Variable-value leases that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. Their payments are recognised as being spent in the period in which the event or condition that determines the occurrence of such payments occurs and are included under the heading "Other expenses" (Note 29) in the consolidated income statement.

IFRS 16 allows the lessee to not separate non-lease components and to account for any associated lease and non-lease components as a single contract. The Group did not use this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the contractual consideration for each lease component based on the price, independent of the lease component, and on the price independent of the non-lease components.

2.28. Revenue

The Group recognises revenue in accordance with the core principle introduced by IFRS 15, i.e. to reflect the transfer of contracted goods and services to customers, in an amount corresponding to the consideration that the entity expects to receive in return for the delivery of those goods or services, based on a 5-stage model, namely: (i) identifying a contract with a customer; (ii) identifying performance obligations; (iii) determining a transaction price; (iv) allocating the transaction price to performance obligations and (v) recognising revenue when or as the entity meets a performance obligation.

The value of the sale of passenger and cargo transport ls, at the time of sale, recorded as a liability under the heading "Unused flight documents". When the transport takes place or the ticket expires, the value of the sale is transferred from this line to income for the financial year or to an account payable depending on whether the transport was: (i) by the Group or the ticket expired without right to refund; (ii) by another air carrier or the ticket expired with right to refund, respectively, for an amount generally different from that recorded at the time of the sale. Periodic checks are carried out on the balance of the unused flight documents item in order to correct the balances of tickets sold in order to verify those which have already been used or whose coupons have lost their validity and cannot therefore be used or refunded.

Commitments, allocated to third parties by the Group on the sale of tickets, are deferred and recorded as expenses in the financial year according to the year-to-year accruals of their respective transport revenues.

The Group recognises revenue from maintenance contracts according to the cost-to-cost method (also called the percentage of completion method), which is defined as the ratio of spending on each contract to a given date to the estimated spending to complete it. Differences obtained between the amounts resulting from applying the percentage of completion method to the total estimated revenue and the amounts already invoiced are recorded in the accounts receivable as creditor accruals (Note 10). In addition, the Group Board of Directors believes that the cost-to-cost method is the most appropriate method for measuring the degree to which performance obligations are met in maintenance contracts.

When total spending for an agreement is likely to exceed total revenue, the expected loss is recognised immediately as an expense. Please note that maintenance contracts typically have a duration of less than 3 months.

In the frequent flyer programme "TAP Miles&Go", the Group follows the procedure of allocating miles to customers participating in the loyalty programme under defined conditions and on the basis of the flights taken, which can then be used to book flights under preferential conditions, in particular at reduced rates.

At the time of ticket sale, the Group considers it has a separate performance obligation corresponding to the points from the "TAP Miles&Go" program awarded. Based on the historical number of awarded miles not used or expired at the end of each reporting period and the assigned unit valuation, adjusted for the estimate of unused miles to expire, the Group recognizes deferred revenue estimated to correspond to the miles allocation. The valuation of miles is determined using the stand-alone price, which is based on the average equivalent ticket value considering the historical redemption of miles. Revenue is thus recognised when miles are used or expire.

Revenue is recognised net of indirect taxes, discounts and other costs incurred in delivering it.

2.29. Contingent assets and liabilities

Contingent liabilities, in which the possibility of an outflow of funds affecting future economic benefits is only possible, are not recognised in the consolidated financial statements and are disclosed in the Notes unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not disclosed.

Provisions are recognised for liabilities that meet the conditions in Note 2.23.

Contingent assets are not recognised in the consolidated financial statements but are disclosed in the annex when a future economic benefit is likely to exist.

2.30. Non-recurring items

In accordance with the provisions of paragraphs 85 and 86 in IAS 1, non-recurring items reflect unusual income and expenses that should be reported separately from the usual income statement lines, given their magnitude and relevance to understanding Group operations. The Group seeks to display an underlying performance measure that is not impacted by relevant non-recurring items. Items classified as non-recurring include significant or unusual events not directly related to the operating activity, in particular events intrinsic to its business, aviation activity, as described in Notes 30 and 31.

2.31. Subsidiaries

Subsidiaries are the entities controlled by the Group.

The Board of Directors considers that there is control over an entity when the Group is exposed and/or has the right, as a result of its involvement, to the return of the entity's activities and is able to affect that return through existing control over that entity, in particular when it directly or indirectly holds more than half of the voting rights.

The existence and effect of possible voting rights that are currently exercisable or convertible are taken into consideration when the Group evaluates whether it has control over another entity.

The compensation transferred does not include amounts related to the adjustment of pre-existing relationships. Such amounts are generally recognized in the consolidated income statement.

The participation of third parties in their equity and net income is shown separately in the consolidated statement of financial position and in the consolidated statement of income, respectively, under the heading non-controlling interests.

Costs directly associated with acquisitions (consulting services, legal advice, administrative expenses, etc.) are recorded in the Group's consolidated financial statements as expenses for the year in which the acquisition took place, as recognised in the consolidated income statement.

Identifiable assets acquired, liabilities, and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date, regardless of uncontrolled interests. The excess of acquisition cost over the fair value of the Group's share, the identifiable assets and liabilities acquired, is recorded as goodwill.

Any contingent amount to be transferred by the Group is recognised at fair value on the acquisition date. In accordance with IFRS 3 – Business Combinations, if the initial acquisition price of the acquired assets and liabilities ("Purchase Price Allocation") is considered provisional, the acquiring entity must, within 12 months after the business combination, allocate the acquisition price to the fair values of the acquired assets and liabilities. Adjustments affecting the amounts of goodwill previously recognised require the restatement of comparative information, reflecting the corresponding impact on the items of the statement of financial position, with reference to the date of the business combination.

Investments in subsidiaries where the Group has control are fully consolidated from the date the Group takes control of its financial and operational activities until the moment the control no longer exists.

If the acquisition cost is less than the fair value of the acquired subsidiary's net assets (negative goodwill), the difference is recognised directly in the consolidated income statement.

Internal transactions, balances, unrealised gains on transactions, and dividends distributed among Group companies are discarded. Unrealized losses are also eliminated, unless the transaction reveals evidence of impairment on a transferred asset.

When, at the time of acquisition of control, the Group already has a previously acquired share, the fair value of that share goes to determining goodwill or negative goodwill.

When the acquisition of control is less than 100%, in applying the purchase method, non-controlling interests can be measured at fair value or in the proportion of the fair value of the assets and liabilities acquired, and that option is defined for each transaction.

Subsequent transactions in the sale or acquisition of non-controlling interest, which do not imply change in control, do not result in the recognition of gains, losses, or goodwill, and any difference is determined between the transaction value and the book value of the traded equity recognised.

The equity and net income corresponding to the participation of third parties in the subsidiary companies are shown separately in the consolidated statement of financial position and in the of consolidated profit statement, respectively, under the heading of uncontrolled interests. The losses and gains applicable to the interests they do not control are attributable to them.

Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.32. Associates

Associates are all entities over which the Group exercises significant influence through participation in decisions related to their financial and operational policies, but does not have control or joint control, typically representing between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

Under the equity method, financial interests are recorded at their acquisition cost, adjusted by the Group's share of changes in the equity (including net income) of the associates and by dividends received.

When the share of losses attributable to the Group is equivalent to, or exceeds, the value of the financial interest in the associates, the Group recognizes additional losses if it has assumed obligations or made payments on behalf of the associate. Otherwise, the value of the interest is reduced to zero. If the associate later reports profits, the entity only resumes recognizing its share in those profits once the share equals the previously unrecognised portion of the losses.

The differences between the acquisition cost and the fair value of the identifiable assets, liabilities, and contingent liabilities of the associate at the acquisition date, if positive, are recognised as goodwill and maintained under the respective item. If these differences are negative, they are recorded as a gain in the period under the item "Gains and losses on associates".

An assessment of investments in associates is made when there are indications that the asset may be impaired, with impairment losses being recorded as an expense in that item. When previously recognised impairment losses no longer exist, they are reversed.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's share in the associates. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the transferred asset.

When necessary, the accounting policies of associates are adjusted to ensure consistency with the practices adopted by the Group.

The entity qualifying as an associate is as follows:

Name	Head office	Core business	Shareholders	% share capital held	
				2025	2024
SPdH – Serviços Portugueses de Handling, S.A. ("SPdH")	Lisbon	Handling	TAP S.A.	49.90%	49.90%

The details of the investments in associates are presented in note 7.

2.33. Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the identifiable assets, liabilities, and contingent liabilities of subsidiaries at the acquisition date, in accordance with IFRS 3 – Business Combinations, and is presented net of accumulated impairment losses, if any.

Goodwill is not subject to amortization but is tested for impairment at least annually, or whenever there are indications of impairment. Impairment losses related to goodwill are recognised in the income statement and cannot be reversed. Gains or losses from the sale of control of an entity include the corresponding amount of goodwill.

For impairment testing purposes, goodwill is allocated to the lowest cash-generating units to which it belongs, limited to the operational segment determined based on IFRS 8 – Operating Segments. This means that cash-generating units cannot be at a level higher than the operational segments defined by The Board of Directors, where benefits from synergies created by the acquisition of investments or business combinations are expected. Cash-generating units represent the Group's investment in each business area. If the recoverable amount of the operating segment is lower than its carrying amount, the difference is first allocated to goodwill, and then to the carrying amount of the remaining assets of the segment, proportionally to their respective value in the total assets of the operational segment to which they are allocated.

2.34. Consolidated cash flow statement

The consolidated cash flow statement is prepared in accordance with IAS 7 using the direct method. The Group classifies under cash and cash equivalents those investments maturing in less than three months and for which the risk of changing value is insignificant. For the purposes of the consolidated cash flow statement, the cash and cash equivalents item also includes bank overdrafts included in the consolidated statement of financial position under current borrowings.

Cash flows are classified in the consolidated cash flow statement, depending on their nature, in (1) operating activities, (2) investment activities, and (3) financing activities.

Operating activities mainly include customer receipts and payments to suppliers and staff. They also include net indirect tax payments, income tax payments and payments relating to retirement benefits.

Cash flows covered in investment activities include, but are not limited to, the acquisition and disposal of financial investments, dividends received from associated companies, and receipts and payments from the purchase and sale of intangible and tangible assets, including prepayments for assets under right-of-use and payments for subcontracts, materials and personnel related to major fleet maintenance.

Cash flows related to financing activities include, but are not limited to, payments and receipts in respect of loans obtained, lease contracts, interest and related expenses, the acquisition of own shares and payment of dividends.

Lease payments are shown in the cash flow statement as follows:

i) Lease payments representing cash payments from the principal and interest portions of the lease liabilities are shown as cash flows arising from financing activities; and
ii) Lease payments that have not been included in the measurement of lease liabilities, including variable payments, short-term leases, and low-value asset leases, are displayed as operating cash flows.

2.35. Estimates and judgements

The preparation of the consolidated financial statements requires the Board of Directors to make judgments and estimates that affect the amounts of income, expenses, assets, liabilities, and disclosures as of the reporting date.

These estimates are determined by the judgments of the Board of Directors, based (i) on the best information and knowledge of current events and, in some cases, on reports from independent experts, and (ii) on the actions that the Group considers it may undertake in the future. However, at the time the transactions are realized, their actual results may differ from these estimates. As provided for in IAS 8, changes to these estimates that occur after the date of the financial statements are corrected on a prospective basis.

The projections and assumptions included in the 2025–2030 Business Plan, approved in early 2025 by both the Executive Committee and the Board of Directors of TAP S.A., were considered the best estimate for the purposes of the financial statements for the year ended 31 December 2024, taking into account the various changes that occurred in the Group's operations between May 2021 and December 2024 and the projection period of the Restructuring Plan. The projections were updated at the end of 2025 in light of the outlook at that date, particularly considering the ongoing privatization process of the Group. Accordingly, the Financial Projections 2026/2030, included within the projections for the 10 year period from 2026 to 2035 approved by the Executive Committee and the Board of Directors of TAP S.A. on 9 December 2025, were considered the best estimate at that date for the purpose of preparing the Group's financial statements as of 31 December 2025.

Estimates and assumptions that present a significant risk of material adjustment to the book value of assets and liabilities for the following period are shown below:

Deferred taxes (Note 9)

The Group recognises net income tax on the basis of the results of transactions settled in accordance with the tax legislation in force. In accordance with IAS 12, the Group recognises deferred tax assets and liabilities based on the difference between the book value and the tax bases of the assets and liabilities. The Group periodically analyses the recoverability of deferred tax assets based on the projection of the future taxable profit and the estimated period to roll back the time differences.

It is important to emphasize that any future unfavorable deviations between actual results and those estimated in the Financial Projections 2026/2030 may significantly impact the value of the Group's recognised deferred tax assets.

Post-employment benefits (Note 17)

The present value of liabilities on retirement benefits is calculated on the basis of actuarial methodologies, which use certain assumptions. Any changes to those assumptions will have an impact on the book value of these liabilities. The main demographic and financial assumptions used in calculating retirement benefit liabilities are described in Note 17. The Group's policy is to periodically review the main demographic and financial assumptions.

Recognition of provisions and impairments (Notes 7, 10, 11 and 18)

The Group has a number of ongoing legal cases for which, based on the opinion of its legal advisers, it makes a judgment as to whether provision should be made for such contingencies.

Impaired accounts receivable (Note 10) are calculated based on the estimated credit risk for each customer profile and their financial situation.

Inventory impairments are calculated based on criteria considering the nature, purpose of use, age, and rotation of materials.

In the context of the winding down process of TAP ME Brasil, initiated in 2022 and still ongoing, in 2025 TAP ME Brasil entered into an agreement to settle liabilities with the Brazilian tax authorities. Given TAP ME Brasil's lack of financial resources and considering as well the insolvency situation of SIAVILO (shareholder of TAP ME Brasil), TAP S.A. granted TAP ME Brasil a loan in the amount of EUR 3.0 million, against which an impairment loss was recognised due to the low expectation of recovery (Note 10). Additionally, considering that TAP ME Brasil remains subject to other contingencies until its liquidation, the Group recognised, in December 2025, a provision in the amount of EUR 4.7 million corresponding to the estimated remaining liabilities (Note 18).

In October 2025, ANAC released the preliminary report on the tender for the award of new ground handling service licenses at the Lisbon, Porto and Faro airports, in which the Clece/South consortium was ranked first, achieving a higher score than the proposal submitted by SPdH. This report prompted SPdH to challenge the preliminary assessment by filing an appeal requesting its review. On 16 January 2026, after analysing the appeal, ANAC issued its final decision, maintaining the award of the licenses to the Clece/South consortium. Following this decision, SPdH filed, on 19 January 2026, an injunction seeking to suspend the effects of ANAC's resolution. In parallel, the licenses for ground handling activities at the Lisbon, Porto and Faro airports, initially due to expire at the end of 2025, were extended by government decision, namely through the extension of their validity until 19 May 2026.

Under the existing shareholders' agreement, TAP S.A. exercised its put option over all of the shares it held in SPdH on 29 December 2025. However, the sale has not yet been completed, as the public tender for the selection of a third-party ground handling service provider has not yet been concluded. TAP S.A. and Menzies Aviation are currently negotiating the terms and conditions of the exercise of the put option.

As of 31 December 2025, the Board of Directors evaluated these circumstances and concluded that they do not affect the recoverability of the receivables from SPdH, based on TAP S.A.'s existing sell option over the associate as well as the planned passenger handling operating model for Lisbon airport.

Customer loyalty programme (Notes 2.28 and 21)

The performance obligations associated with the attribution of miles to members of the "TAP Miles&Go" program are measured, based on historical information on the number of miles awarded and not used or expired at the end of each financial year, adjusted by the estimated number of miles to expire without use, and the "stand-alone price", corresponding to the equivalent average value of the ticket, considering the mileage redemption history. Changes in the assumptions used by the Group, in calculating this estimate, may have a significant impact on the financial statements.

Changing the percentage of miles to expire by 10% would result in an impact on results of EUR 11,923 thousand and changing the stand-alone price by 10% would result in an impact on results of EUR 6,319 thousand.

Unused flight documents (Note 22)

This item reflects the tickets sold to customers which flight have not taken place as of the reporting date and issued vouchers that have not been used as of the reporting date.

The Group carries out a periodic analysis of the balance of this caption, in order to correct the values of tickets sold and issued vouchers which coupons are no longer valid. Estimating the amount of these coupons, which cannot be exchanged or refunded, requires judgment by the Board of Directors, therefore, changes in the assumptions used by the Group, in calculating this estimate, may have a significant impact on the Group's consolidated financial statements.

Useful life and residual value of tangible fixed assets (Note 4)

The determination of the useful lives of assets, the determination of the residual value and the depreciation method to be applied, are essential in determining the depreciations to be recognised in the consolidated income statement for each period.

These parameters are defined according to the Board of Directors' best judgment for the assets in question and also taking into account practices adopted by industry companies at international level.

Lease liabilities with and without purchase option (Notes 4 and 19)

The Group recognises the right to use lease assets and liabilities with and without a purchase option (rent falling due on lease contracts) where the contract provides the right to control the use of an identifiable asset for a certain period in exchange for a consideration. To check whether there is control over the use of an identifiable asset, the Group evaluates whether: (i) the contract involves the use of an identifiable asset; (ii) it is entitled to substantially obtain all economic benefits from the use of the asset during the lease period; and (iii) has the right to control the use of the asset. The analysis of the lease contracts, in particular the cancellation and renewal options provided for in the contracts and the determination of the incremental rate of funding to be applied for each portfolio of leases identified, requires that the Group use judgements.

The Group determines the useful life of these assets based on the non-cancellable lease period and reviews their periods of use whenever there are changes to the lease contracts that modify the non-cancellable lease period.

Redelivery provision (Notes 4 and 18)

The Group incurs maintenance cost obligations relating to aircraft operated under lease agreements without a purchase option. These obligations arise from contractual, legal and constructive requirements regarding the condition of the aircraft upon redelivery to the lessor. To meet these obligations, the Group will generally be required to carry out structural maintenance events during the lease term. The Group accrues this obligation based on the aircraft's actual usage, namely flight hours or cycles flown. Several assumptions are considered in measuring this obligation, the most relevant being:

(i) aircraft utilization (flight hours, cycles, etc.) and condition, (ii) the aircraft's operational efficiency, (iii) the expected costs of structural maintenance events at the time they are anticipated to occur, and (iv) the discount rate applied.

The key assumptions are reviewed periodically, taking into account the information available. Circumstances may arise that significantly change this estimate, such as renegotiation of aircraft redelivery conditions, material changes in aircraft utilization and airworthiness, renegotiation of lease contracts, as well as changes in the cost of such structural maintenance events. Estimating the future cost of structural maintenance requires judgement by the Board of Directors, and changes in the assumptions used by the Group in calculating this estimate may have a significant impact on the consolidated financial statements.

In the case of the Airbus NEO fleet, given the high degree of uncertainty and technical specificity, for the purpose of measuring the provision arising from the factors mentioned above relating to the engines of this fleet type, the Group only recognizes redelivery provisions for the engine component in contracts where it is possible to reliably estimate the amount. It is the Board of Directors' understanding that, as of 31 December 2025, only the operational information and maintenance plans available for NEO aircraft whose lease agreements without a purchase option expire in the medium term are sufficiently robust and reliable to support a consistent estimate of the related engine redelivery costs.

Exchange rate hedging (Notes 16 and 33)

In accordance with the financial risk management policy, as from 1 January 2022, the Group designated in a hedging relationship the foreign exchange risk associated with highly probable forecast sales whose fare is determined in USD, using as hedging instruments a portion of the USD denominated aircraft lease liabilities, in accordance with the amounts and timing of the future cash flows of the forecast sales and the lease liabilities.

A future transaction is considered highly probable as the Group aims to hedge the variability in cash flows related to ticket sales whose fare is determined in USD, arising from the development of its activity. Historically, except during the pandemic period, more than 50 percent of sales have been made in geographies where the fare currency is USD.

For the purpose of determining the estimate of highly probable forecast sales, a time horizon of six years was considered, based on the Financial Projections 2026/2030.

As of 31 December 2025, the foreign exchange variation of the hedged item (future forecast sales which fare is determined in USD) was fully offset by the foreign exchange variation of the hedging instrument (lease liabilities). The foreign exchange variation of the portion of the lease liability not designated in the hedging relationship amounted to approximately 5 percent of the total foreign exchange variation. A change of 5 percent in this percentage would have an impact of approximately EUR 3.3 million on the Group's financial results.

Additionally, with regard to the firm commitments to settle USD denominated pre delivery payments (Note 36), the Group began applying, as from 1 January 2025, a hedging relationship for the corresponding foreign exchange risk, using for this purpose the surplus USD cash balances held in permanent and recurring term deposits.

Impairment of goodwill (Note 7) and non-current assets related to the cash-generating unit of air transportation (Notes 4 and 6)

The Group tests annually, for impairment analysis purposes, the goodwill recognised in the consolidated statement of financial position, in accordance with the accounting policy outlined in Note 2.33.

As of 31 December 2025, the total consolidated non current assets related to the air transport cash generating unit amount to EUR 3,429 million (EUR 180 million relating to goodwill, EUR 3,221 million relating to property, plant and equipment and EUR 28 million relating to intangible assets). As of 31 December 2024, this amount totaled EUR 3,249 million.

The recoverable amount of these assets was determined based on discounted cash flow models, which required the use of estimates and assumptions by the Board of Directors. These estimates depend on economic and market projections, namely with respect to cash flows associated with the Group's operating activities, exchange rates, perpetuity growth rates and discount rates applied in the respective model.

The projections approved by the Board of Directors, as outlined in the Financial Projections 2026/2030, were considered for the purpose of this test.

It is important to note that any unfavorable variations in future periods between actual cash flows and those estimated in the Financial Projections 2026/2030 may lead to significant impacts on the calculation of the recoverable amount of these assets and, consequently, significantly affect the Group's financial and economic position.

For additional information, refer to Note 7 regarding the assumptions and estimates incorporated in the impairment test of goodwill.

3. Financial risk management policies

The management of financial risk is conducted at a strategic level by the Group and is subject to continuous monitoring by its governance and management bodies. The strategic guidelines and decisions adopted in this area constitute key elements of the Group's positioning in relation to the risks inherent to the markets and the economic and financial environment in which it operates. Considering the diversity of scenarios and the dynamic nature of these risks, the Group's risk management policy incorporates principles of flexibility and discretion, allowing for timely adaptation to changes in market conditions.

The Group's activities are exposed to various financial risks, namely those arising from market price volatility, including the risk associated with fuel prices and CO_2 emissions allowances, as well as foreign exchange risk, interest rate risk, credit risk, and liquidity risk.

The management of these risks is defined and supervised by the Executive Committee and the Board of Directors, with implementation carried out by the competent functional areas of the Group. The systematic mitigation of financial risks — through a disciplined, prudent approach aligned with the Group's strategic objectives, and using derivative financial instruments whenever appropriate — constitutes one of the fundamental pillars of the Group's financial risk management policy.

Market risk

The year 2025 was marked by a slowdown in the growth pace of RPK and ASK indicators, following several years of post COVID 19 recovery. RPK increased by 5.2% globally and 5.0% in Europe, which was significantly below the 10.6% and 8.7% recorded in 2024, respectively. Nevertheless, these results confirm the consolidation of activity levels above pre pandemic values. For 2026, IATA anticipates a further slowdown, with global RPK growth of 4.9% and European growth of 3.8% (source: IATA, Global Outlook for Air Transport, December 2025).

Within this global context, TAP S.A. has maintained its presence in its usual markets, except for the Middle East (given the suspension of its Tel Aviv route). The Group continued to strengthen its operations in the North American market, in addition to Brazil, which remains its main international market. The South Atlantic and North Atlantic markets together accounted for approximately 49% of passenger air transport revenue, compared with around 50% in 2024.

In the European market, competition is based on: (i) price, depending on the route and type of customer (leisure or business), and (ii) business models and route networks that airlines use to tailor their services to customer needs. This differentiated product includes elements such as reliability, regularity, punctuality, schedule diversity, flight frequency, equipment comfort, product quality, and quality of the flight experience.

The Group has been improving these services as well as adapting its network and capacity across different routes in order to increase profitability, while maintaining certain seasonal destinations.

With regard to aircraft characteristics - namely comfort levels, modernity, technological advancements, operating efficiency, low fuel consumption and low noise, reduced emissions, and flexibility in flight range - the renewal of the Group's fleet has been a key competitive advantage. During 2025, two new generation aircraft entered operation (an Airbus A320 NEO and an Airbus A321 NEO), while two other aircraft from the A320 family were placed in Long Term Storage; these aircraft are currently non operational and not expected to return to service before the end of the IATA summer 2026 season. As such, the Group's total fleet may differ from the fleet in operation, as it may include aircraft undergoing phase in/phase out processes or aircraft in a non airworthy condition.

Fuel price risk

Fuel is one of the main components of the Group's cost structure and is, by nature, exposed to the volatility of jet fuel prices in international markets. In order to mitigate the potential impact of such volatility on results and cash flows, the Group systematically and disciplinarily uses derivative financial instruments to hedge jet fuel price risk.

Jet fuel, referenced to the Jet CIF NWE Cargo – Platts index, after closing 2024 at 715.00 USD/mT, reached a high of 843.75 USD/mT in June and a low of 622.25 USD/mT in April, ultimately settling at 690.75 USD/mT at the end of 2025, representing a decrease of 3.39% (or 24.25 USD/mT) compared with the closing price on 31 December 2024.

These price developments were largely driven by global energy market dynamics. Jet fuel prices showed strong correlation with crude oil prices, which in turn were influenced by expectations regarding supply–demand balance. Throughout the year, markets continued to anticipate a medium term oversupply scenario, largely due to major producers maintaining high output levels and concerns over a slowdown in global demand. Conversely, energy markets remained highly sensitive to geopolitical shocks. Events such as the continuation of the conflict between Russia and Ukraine, as well as tensions in the Middle East, contributed to intermittent disruptions in the oil supply chain, reinforcing episodes of price volatility in crude oil and, by extension, jet fuel. This combination of medium term oversupply expectations and heightened geopolitical risk shaped fuel price dynamics throughout 2025, directly impacting the Group's operating costs and the context in which its jet fuel price hedging strategies are assessed.

As of 31 December 2025, the fair value of jet fuel derivatives was in an unfavourable position of EUR 5.1 million, and, at that date, there were no derivatives in an overhedge position (Note 23). During the year ended 31 December 2025, the use of jet fuel derivatives resulted in an increase in fuel expenses amounting to EUR 0.4 million (EUR 26.2 million in the year ended 31 December 2024) (Note 26).

Based on the jet fuel price hedging positions in place as of 12 March 2026, and assuming (i) an EUR/USD exchange rate of 1.14 and (ii) the Jet CIF NWE forward curve as of 12 March 2026 as the baseline scenario, a 10 percent increase in the price of jet fuel would increase the expected amount of the fuel cost line item for the year 2026 by 5.7 percent.

Significant fluctuations in the price of jet fuel after 31 December 2025 may have a material impact on the Group's results, namely, those arising from the military conflict that began in February 2026 in Iran (Note 41).

In addition to fuel price risk, the Group is exposed to volatility in the price of CO_2 emission allowances, arising from the regulatory obligations applicable to its operations. Specifically, the Group is subject to the EU ETS and, following the United Kingdom's withdrawal from the European Union, to the UK ETS. To comply with the regulatory obligations under these schemes, the Group regularly and proactively purchases CO_2 emission allowances.

During 2025, the prices of EU ETS eligible allowances increased by 20.1% (or 14.29 EUR/tCO_2eq), from 70.95 EUR/tCO_2eq on 31 December 2024 to 85.24 EUR/tCO_2eq on 31 December 2025. UK ETS eligible allowances rose by 88.0% (or 30.11 GBP/tCO_2eq), from 34.21 GBP/tCO_2eq to 64.32 GBP/tCO_2eq, reflecting the high volatility observed in these markets.

Additionally, the Group has been covered by CORSIA since its inception, namely since the Pilot Phase initiated in 2021, during which the associated obligations mainly consisted of monitoring, reporting, and verification ("MRV") requirements. With the start of CORSIA Phase 1 in 2024, the Group's obligations came to include, in addition to MRV requirements, the offsetting of its emissions through the purchase and cancellation of eligible emission units ("CEEUs") in accordance with the rules defined under the mechanism. In this context, the estimated cost for the year 2025 associated with the acquisition of CEEUs for emission offsetting amounts to EUR 3.0 million (EUR 2.0 million for the year ended 31 December 2024) (Note 26).

In the long term, the industry's environmental commitment to achieving carbon neutrality in its activities by 2050, the first industry wide commitment of this kind, represents a significant challenge, as it requires a global economic model that is sustainable, inclusive and prosperous, and will certainly entail additional investment efforts and/or an increase in operating expenses. As such, until real progress can be observed toward the objectives of the Paris Agreement, climate change and its multiple consequences will very likely weigh on the global potential growth rate of the aviation industry.

Exchange rate risk

The Group is exposed to foreign exchange risk as a result of the mismatch between assets and liabilities denominated in foreign currencies, arising from the international nature of its activity and from the structure of its operating, financing, and investment cash flows. This exposure is structurally reflected in a net deficit position in U.S. dollars (USD) and a surplus position in Brazilian reais (BRL), mirroring the asymmetry between the Group's foreign currency denominated obligations and assets. From a liabilities perspective, the USD plays a central role as the reference currency of the aviation sector. A significant portion of the Group's operating costs and contractual commitments is denominated in, or economically indexed to, USD, including aircraft lease and wet lease agreements, fuel supply, maintenance services, aircraft materials, aviation insurance, airport and air navigation charges, as well as certain financings denominated in USD. In the specific case of fuel, although some contracts are invoiced and settled in EUR, the underlying prices are mostly indexed to the USD/EUR exchange rate, resulting in an almost full economic exposure to USD, except for certain fees and commercial components.

From a strictly financial standpoint, since part of the Group's financial debt are denominated in USD, the corresponding interest and principal repayments also represent liabilities and additional exposure to the U.S. currency. As of 31 December 2025, approximately 57% of the Group's financial debt was denominated in USD (68% as of 31 December 2024).

In addition, the Group faces significant medium and long term exposure to USD arising from commitments under its fleet investment plan, particularly through aircraft purchase orders placed with Airbus (Note 36). These contracts involve substantial USD payments, both in the form of short term pre delivery payments and in settlement amounts associated with future aircraft deliveries, requiring active and forward looking liquidity management in this currency.

From an assets perspective, the Group has a significant exposure to BRL denominated cash flows, mainly related to short

term trade receivables arising from the sale of airline tickets in the Brazilian market. This exposure is amplified by the local practice of installment payments, which creates a time lag between the issuance of the ticket (originally priced in USD and converted into BRL) and the effective receipt of the corresponding amounts, thereby increasing the foreign exchange risk during this period.

Overall, the combination of a cost base largely exposed to USD and a significant share of revenue generated in other currencies - particularly BRL - creates a structural imbalance in the Group's foreign exchange position.

The mitigation of this risk is ensured through an integrated foreign exchange risk management approach, which combines natural hedging mechanisms with the selective and disciplined use of financial derivative instruments, in accordance with the Group's financial risk management policy and with the objectives of preserving financial stability and predictability of cash flows. In the year ended 31 December 2025, the entering into derivatives on the foreign exchange rate of BRL denominated receivables had a negative impact on net foreign exchange differences of EUR 15.1 million (Note 33).

Regarding the performance of these currencies, in 2025, compared with the closing rates as of 31 December 2024, the EUR appreciated by 13.1% and 0.2% against the USD and BRL, respectively. For the EUR/USD pair, after ending 2024 at 1.0389, it reached a high of 1.1837 in September and a low of 1.0198 in January, ultimately settling at 1.1750 at the end of 2025. With respect to the EUR/BRL pair, after closing 2024 at 6.4253, it reached a high of 6.6875 in April and a low of 5.9526 in February, closing at 6.4364 on 31 December 2025. The exchange rate dynamics observed throughout 2025 reflected a combination of macroeconomic and financial factors, including the relative performance of the underlying economies, the monetary policy stances adopted by their respective central banks, and broader international financial market conditions. Additionally, uncertainty linked to geopolitical developments, as well as external and trade policy decisions with systemic impact, contributed to increased currency volatility, generating both direct and indirect effects on the main currencies relevant to the Group's operations.

Regarding the USD, the significant appreciation of the EUR against the USD in 2025 reflects a combination of macroeconomic and financial factors. The European currency benefited from positive capital flows driven by the resilience of the euro area economy and comparatively more stable monetary policy expectations from the European Central Bank (ECB), in contrast with the stance of the U.S. Federal Reserve (Fed) and market expectations of rate cuts in the United States, which exerted downward pressure on the USD throughout the year. Furthermore, the relative weakening of the USD was amplified by global market uncertainty, divergences in monetary policy guidance, and a gradual shift in global reserve diversification towards the EUR, contributing to the structural strengthening of the European currency over the year.

With respect to the BRL, exchange rate developments in 2025 were influenced by both domestic and international dynamics. The currency reflected the typical sensitivity of an emerging market currency to internal macroeconomic conditions, particularly the monetary policy stance of the Central Bank of Brazil (BCB), which maintained the Selic rate at elevated levels for an extended period in order to control inflation, temporarily reinforcing the attractiveness of the Brazilian real. In parallel, the EUR maintained a broadly stable appreciation trend against the BRL, supported by the relative robustness of the euro area economy and international capital flows, although temporary fluctuations occurred in connection with global macroeconomic developments, monetary policy expectations, and geopolitical events affecting investor risk perception.

Another market with relevant foreign exchange exposure within the Group's revenue base is the Angolan market, although only a portion of the revenue in this market is denominated in Angolan kwanza (AOA). At the end of 2025, cash and cash equivalents denominated in AOA represented approximately 3% of total cash and cash equivalents.

In 2025, compared with the closing rate as of 31 December 2024, the EUR appreciated by 13.1% against the AOA, increasing from 947.48 to 1,071.94, having reached a high of 1,071.94 in December and a low of 947.84 in January.

Throughout 2025, the EUR consolidated the appreciation trend against the AOA that has been observed in recent years. This exchange rate movement remained closely linked to both structural and cyclical factors in the Angolan economy, including persistently high inflation and a relatively tight monetary policy stance, with interest rates kept at elevated levels by the National Bank of Angola in an effort to contain inflationary pressures. Additionally, domestic foreign exchange markets continued to be influenced by ongoing economic reforms and fiscal adjustments, which impose regulatory constraints on the repatriation of funds and, in turn, limit the free conversion of revenue into foreign currency and affect the availability of foreign exchange liquidity for commercial and financial operations, creating additional pressure on the AOA. Finally, Angola's sensitivity to oil price shocks—given that oil revenues represent a critical component of export earnings and international reserves—contributed to additional pressure on the AOA, reflecting the interconnectedness between external financial conditions and the value of the domestic currency against the EUR.

The Group's exposure to exchange rate risk, as of 31 December 2025 and 2024, based on the Group's financial position, financial assets and liabilities in currencies converted to Euros at the reporting date, is as follows:

	2025						
	USD	BRL	AOA	GBP	MZN	OUTRAS	TOTAL
ASSETS							
Cash and cash equivalents (Note 14)	361,209,635	5,140,083	22,579,939	1,264,805	13,354,677	3,950,332	407,499,471
Other financial assets (Note 8)	648,089	-	-	-	-	13,178,431	13,826,520
Receivables - customers (Note 10)	80,778,646	157,560,600	1,170,440	2,197,311	793,388	10,485,230	252,985,615
Receivables - other (Note 10)	309,292,118	12,513,538	231,575	2,920,195	265,808	6,689,004	331,912,238
	751,928,488	**175,214,221**	**23,981,954**	**6,382,311**	**14,413,873**	**34,302,997**	**1,006,223,844**
LIABILITIES							
Borrowing (Note 19)	340,647,992	-	-	(390,585)	-	11,665,295	351,922,702
Liabilities with contractual obligations (Note 19)	1,288,346,190	-	-	-	-	-	1,288,346,190
Payables - suppliers (Note 20)	72,861,999	5,668,564	1,734,843	2,872,236	542,527	7,037,201	90,717,370
Payables - other (Note 20)	7,568,313	12,726,739	4,560,316	1,908,352	154,530	2,580,358	29,498,608
	1,709,424,494	**18,395,303**	**6,295,159**	**4,390,003**	**697,057**	**21,282,854**	**1,760,484,870**

	2024 Restated						
	USD	BRL	AOA	GBP	MZN	OUTRAS	TOTAL
ASSETS							
Cash and cash equivalents (Note 14)	345,972,150	60,612,253	10,317,816	2,292,075	10,433,970	4,930,033	434,558,297
Other financial assets (Note 8)	648,089	-	-	-	-	-	648,089
Receivables - customers (Note 10)	51,764,454	113,906,086	2,465,260	1,128,607	1,076,046	11,210,555	181,551,008
Receivables - other (Note 10)	292,290,839	8,012,609	205,275	4,197,113	187,262	10,058,453	314,951,551
	690,675,532	**182,530,948**	**12,988,351**	**7,617,795**	**11,697,278**	**26,199,041**	**931,708,945**
LIABILITIES							
Borrowing (Note 19)	441,094,442	-	-	(480,934)	-	-	440,613,508
Liabilities with contractual obligations (Note 19)	1,597,121,248	-	-	-	-	-	1,597,121,248
Payables - suppliers (Note 20)	55,580,088	3,507,123	1,869,876	311,128	1,918,788	7,164,083	70,351,086
Payables - other (Note 20)	23,379,154	13,658,925	3,770,320	638,558	86,048	3,532,350	45,065,355
	2,117,174,932	**17,166,048**	**5,640,196**	**468,752**	**2,004,836**	**10,696,433**	**2,153,151,197**

In the 2025 financial year, net foreign exchange gains of EUR 162.0 million were recorded, which relate to EUR 33.0 million of losses recognised in the consolidated income statement (Note 33), EUR 7.6 million of losses recognised in tangible fixed assets (Note 4), and EUR 202.6 million of gains recognised in other comprehensive income (Note 16), mainly reflecting the positive impact of the USD depreciation on the liabilities recorded, namely on future lease payments relating to aircraft leases, and the negative impact of the USD depreciation on USD denominated deposits and trade receivables.

As mentioned in Note 2.35, as from 1 January 2022 the Group designated, in a hedging relationship, the foreign exchange risk associated with highly probable forecast sales whose fare is denominated in USD, using as hedging instruments a portion of the USD denominated aircraft lease liabilities, in accordance with the amounts and timing of the future cash flows of the forecast sales and respective liabilities. As of 31 December 2025, the accumulated net gains arising from the foreign exchange revaluation of the hedged sales, amounting to EUR 66.8 million, are recorded under other reserves (losses of EUR 152.0 million as of 31 December 2024) (Note 16). Additionally, with regard to the firm commitments for USD denominated pre delivery payments (Note 36), the Group began applying, as from 1 January 2025, a hedging relationship for the corresponding foreign exchange risk, using for this purpose the surplus USD cash balances held in permanent and recurring term deposits. As of 31 December 2025, the accumulated losses associated with the foreign exchange revaluation of these future commitments, amounting to EUR 16.2 million, are likewise recognised under other reserves (Note 16).

The volatility of foreign exchange markets could significantly affect the measurement of the Group's assets and liabilities and significantly impact the amounts of receipts and payments in foreign currency.

As of 31 December 2025, a variation (positive or negative) of 10% in all exchange rates with reference to the EUR would result in an impact on equity of approximately EUR 75.4 million (2024: EUR 111.0 million).

Interest rate risk

In 2025, it was already witnessed a downward movement in these rates, although in a prudent manner and with several postponements. The European Central Bank decided to reduce base rates by 100 basis points over four instances in the first half of 2025, ending the deposit facility rate at around 2%. The United States Federal Reserve System chose to keep rates unchanged during the first half of 2025, subsequently making three cuts and closing the year within the 3.50%–3.75% range.

At the end of December 2025, the 3 month EURIBOR stood at 2.0% (2.7% at the end of 2024).

The Group maintained two fixed rate bond issues, and in March 2025 increased the EUR 400 million issue (maturing in 2029) by an additional EUR 200 million, also at a fixed rate, resulting in a very significant portion of its debt not being exposed to interest rate fluctuations. On the other hand, part of the debt associated with finance lease contracts has been contracted at variable rates. Even so, the potential impacts of a future rise in the general level of interest rates may be relevant for the Group, mainly with respect to debt that may be contracted in the future and an increase in leasing costs, as the level of long term interest rates is reflected in the aircraft lease payments.

Regarding its credit risk, TAP S.A. maintained its long term credit rating assigned by S&P Global Ratings Europe Limited ("S&P") at BB- (Stable Outlook) and by Moody's at Ba3 (Positive Outlook).

As of 31 December 2025 and 2024, financial liabilities subject to the risk of interest rate variation are summarised as follows:

2025

	< 1 year	1 - 2 years	3 - 5 years	6 - 10 years	> 10 years	Total
Variable Rate						
Borrowings	9,855,019	9,618,948	28,988,910	5,488,652	-	53,951,529
Lease liabilities with purchase option	64,076,376	36,605,657	113,017,686	200,316,276	17,854,286	431,870,281
	73,931,395	**46,224,605**	**142,006,596**	**205,804,928**	**17,854,286**	**485,821,810**
Fixed Rate						
Borrowings	10,135,777	2,721,312	607,388,649	48,347,940	-	668,593,678
Lease liabilities with purchase option	53,025,644	48,129,153	207,842,393	118,774,219	-	427,771,409
	63,161,421	**50,850,465**	**815,231,042**	**167,122,159**	**-**	**1,096,365,087**
Total	**137,092,816**	**97,075,070**	**957,237,638**	**372,927,087**	**17,854,286**	**1,582,186,897**
% fixed rate	**46%**	**52%**	**85%**	**45%**	**0%**	**69%**

2024

	< 1 year	1 - 2 years	3 - 5 years	6 - 10 years	> 10 years	Total
Variable Rate						
Borrowings	10,140,444	9,591,096	28,937,091	15,159,418	-	63,828,049
Lease liabilities with purchase option	47,668,512	56,173,639	92,207,572	160,388,211	33,637,185	390,075,119
	57,808,956	**65,764,735**	**121,144,663**	**175,547,629**	**33,637,185**	**453,903,168**
Fixed Rate						
Borrowings	9,867,328	3,061,862	405,333,006	50,963,241	-	469,225,437
Lease liabilities with purchase option	60,456,985	55,139,122	221,277,706	141,977,583	-	478,851,396
	70,324,313	**58,200,984**	**626,610,712**	**192,940,824**	**-**	**948,076,833**
Total	**128,133,269**	**123,965,719**	**747,755,375**	**368,488,453**	**33,637,185**	**1,401,980,001**
% fixed rate	**55%**	**47%**	**84%**	**52%**	**0%**	**68%**

It should be noted that the disclosure of financial liabilities traded at fixed interest rates is only presented in the tables above for the purposes of reconciliation with the financial statements, as they are not subject to change. The Group uses the sensitivity analysis technique which measures estimated changes in output, an immediate increase or decrease in market interest rates, and all other constant variables. This analysis is for illustrative purposes only, since in practice market rates rarely change in isolation.

Sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expenses of variable financial instruments;
- Changes in market interest rates only affect interest income or expenses, in relation to financial instruments with fixed interest rates, if they are recognised at fair value.

Under these assumptions and also considering: (i) theoretical assumptions of interest rate and EUR/USD exchange rate and (ii) that the intra-annual amortization rhythm is linear for the purpose of calculating future interest (simplifying assumption), a 1% increase or decrease in market interest rates, for all currencies in which the Group has variable rate loans, as of 31 December 2025, would result in a decrease or increase in the amount of interest due by approximately , EUR 23.7 million (2024: EUR 22.4 million).

Note 19 presents the detail of the interest-bearing debt.

Liquidity risk

The Group's liquidity risk is a confluence of factors arising from operations, existing financing and the respective debt-servicing requirements, the conditions negotiated for new transactions, foreign-exchange gains or losses, and investment activities when significant. The Group must annually ensure debt service which, although properly planned and spread over time, places pressure on cash flow and must be regularly reassessed in light of developments occurring during the year. Any dysfunctions in the financial markets, such as those that occurred during the sovereign debt crisis, or market shocks affecting current expenses or revenues, like those resulting from the COVID-19 pandemic, may constrain cash flow, liquidity, the economic-financial balance, and the Group's overall performance.

Following the State aid measures and COVID-19 damage-compensation approvals, and the related capital injections made between 2020 and 2025, as well as the recovery in business activity over recent years, the Group maintained reasonable liquidity levels throughout 2025, ending the year with EUR 765.3 million. It should be noted that the last tranche of EUR 343 million of capital under the Restructuring Plan was received in January 2025.

In the table below, covering capital and interest, theoretical assumptions were made for market interest rates and EUR/USD exchange rates. The liabilities are the amounts payable within the specified time limits, including the estimate of all contractual cash flows with amortisation and undiscounted interest, until the end of the life of the loans. A simplifying assumption for the straight-line intra-annual depreciation rate for future interest calculation was considered:

2025

	< 1 ano	1 - 2 anos	3 - 5 anos	6 - 10 anos	> 10 anos	Total
Other payables	727,646,558	4,683,006	-	-	-	732,329,564
Borrowings	52,881,895	51,184,607	697,872,938	60,072,516	-	862,011,956
Lease liabilities with purchase option	155,059,749	120,436,375	394,461,459	357,725,423	18,448,751	1,046,131,757
Lease liabilities without purchase option	286,934,862	274,965,294	904,161,819	185,479,680	-	1,651,541,655
Total	**1,222,523,064**	**451,269,282**	**1,996,496,216**	**603,277,619**	**18,448,751**	**4,292,014,932**

2024 Restated

	< 1 ano	1 - 2 anos	3 - 5 anos	6 - 10 anos	> 10 anos	Total
Other payables	680,369,532	-	2,008,837	-	-	682,378,369
Borrowings	44,490,269	41,782,755	505,895,060	75,001,598	-	667,169,682
Lease liabilities with purchase option	148,403,489	149,336,040	395,635,034	343,993,908	35,088,765	1,072,457,236
Lease liabilities without purchase option	328,163,872	308,997,811	1,078,507,990	390,688,843	-	2,106,358,516
Total	**1,201,427,162**	**500,116,606**	**1,982,046,921**	**809,684,349**	**35,088,765**	**4,528,363,803**

Credit risk

The following table shows items relating to the Group's assets as of 31 December 2025 and 2024, as well as accounts receivable balances, which reflect the maximum credit risk on those same dates:

	2025	2024
Non-current assets		
Other financial assets (Note 8)	2,397,986	2,523,898
Other receivables (Note 10)	143,668,913	153,447,316
Current assets		
Cash and cash equivalents (Note 14)	765,329,360	651,642,530
Other financial assets (Note 8)	13,178,431	-
Other receivables (Note 10)	1,876,751,462	2,066,735,291
	2,801,326,152	**2,874,349,035**

The Group applies the simplified approach in IFRS 9 to measure expected credit losses, which uses an expected loss expectation for all accounts receivable. To measure expected credit losses, the accounts receivable have been grouped based on common credit risk characteristics and maturity. Expected loss rates are based on the payment profiles of the sales and services provided over a period of 36 months prior to 31 December 2025 and the corresponding historical credit losses incurred during this period. As a result of the analysis carried out and given that a substantial part of the Group's revenue is received in advance, the expected rate of credit loss is very low, and thus the resulting impacts are immaterial. As of 31 December 2025, the Group had recognised impairment losses amounting to EUR 1,222.8 million regarding the balances presented in the table above (EUR 1,193.7 million as of 31 December 2024).

Airline and travel agent balances customer accounts receivable, as mentioned in Note 10, are settled mainly through the IATA Billing and Settlement Plan ("BSP") and IATA Clearing House ("ICH") systems, which substantially minimises the Group's credit risk.

Regarding the balances receivable from related entities, the credit impairment is assessed against the following criteria: (i) whether the receivable balance is due immediately ("on demand"); (ii) whether the receivable balance is low-risk; or (iii) whether the term is less than 12 months. In cases where the receivable value is due immediately and the related entity is able to pay, the probability of default is close to 0% and therefore the impairment is considered to be zero. In cases where the receivable balance is not due immediately, the related entity's credit risk is assessed, and if this is "low" or if the term is less than 12 months, then the Group only evaluates the likelihood of a default occurring for the cash flows due in the next 12 months.

In 2021, an impairment loss on receivables from related parties amounting to EUR 902 million was recognised, which related mainly to the receivable balance from SIAVILO in the amount of EUR 884.7 million. During the following financial years, this impairment was reinforced, reaching EUR 1,111.9 million as of 31 December 2025. The additional impairment loss recognised in the year ended 31 December 2025, in the amount of EUR 29.2 million (Note 31), relates mainly to accrued interest. Additionally, during the year ended 31 December 2025, an impairment loss in the amount of EUR 3.0 million was recognised on loans granted to TAP ME Brasil (Note 31). For all other situations and types of receivables, the Group applies the general approach of the impairment model.

As part of its operations, the Group made pre-delivery payments to Airbus for the acquisition of new aircraft and entered into lease agreements for the acquisition of those aircraft, under which it pays maintenance reserves and security deposits to the lessors. In assessing the credit losses associated with these amounts, the Group considers the financial position of the counterparties, as well as all transactions it has in progress with them.

In addition to short- and long-term financial and cash management, strict monitoring of customer positions and the impact of the economic crisis on their credit quality has also been adopted in the context of managing current assets, for example, it has been possible to limit the worsening of adjustments to a value that is not significant for the size of the activity.

As of 31 December 2025 and 2024, the Group's exposure by credit rating to cash and cash equivalents, whose counterparties are financial institutions, is detailed as follows:

Rating notation (*)	2025	2024
Aa1	-	24,154
Aa2	99,331	-
Aa3	109,435,268	62,082,289
A1	85,127,689	19,037
A2	7,962,198	1,421,405
A3	527,265,241	515,722,500
Baa1	50,393	43,944
Baa2	-	22,094
Ba1	5,146,924	60,615,712
Ba2	-	2,383,471
B3	59,286	-
Caa1	-	241,073
No rating	30,122,812	8,996,089
	765,269,142	**651,571,767**

(*) Moodys

Capital management

In general terms, the Group's objective in relation to capital management, which is a broader concept than the capital revealed on the face of the consolidated statement of financial position, is to maintain a balanced capital structure, with the contracting of debt being analysed periodically through the weighting of factors such as the cost of financing, the maturity profile of the financing and the existing debt and cash needs.

As a result of the COVID-19 pandemic and the Restructuring Plan, capital management has been significantly altered, relying largely on the State Aid obtained. Changes to the equity items made in this context aimed to strengthen the capital structure.

Regarding borrowings, both current and non current, there was an increase of approximately 36 percent compared with 2024, mainly due to the issuance of new bonds under the bond issuance agreement governing the "TAP 2024–2029 Bonds", in the amount of EUR 200 million.

In addition to financing agreements, the Group's debt also includes lease contracts under IFRS 16. The obligations related to aircraft under lease agreements without purchase option represent significant future liabilities, as these are medium and long term contracts that resemble instalment payments of debt, although without any residual value risk of the asset at the end of the lease term. The lease liabilities for aircraft without purchase option decreased by approximately 19 percent as of 31 December 2025 compared with 31 December 2024, mainly due to periodic lease payments and the depreciation of the USD against the EUR, as most of these liabilities are denominated in USD.

In addition to fleet renewal under lease arrangements, the future increase in debt that may occur in the coming years, whether in the form of financing or lease agreements, will be relevant for risk management and in terms of return on invested capital.

4. Tangible fixed assets

During the years ended 31 December 2025 and 2024, the movement under the item Tangible assets, as well as the respective accumulated depreciations and impairment losses, was as follows:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools and utensils	Administrative equipment	Other tangible fixed assets	Other assets in progress	Advances to suppliers of tangible assets	Right-of-use assets	Total
Acquisition Cost											
Balance as of 1 January 2024	**41,110,528**	**160,042,775**	**1,628,623,920**	**1,941,607**	**34,947,347**	**55,150,339**	**13,859,978**	**19,691,148**	**117,904,290**	**4,007,258,650**	**6,080,530,582**
Change in consolidation perimeter	-	2,800,356	7,843,360	61,230	2,320,259	1,323,064	107,361	-	-	(597,363,382)	(582,907,752)
Acquisitions	-	584,248	160,340,760	74,371	3,972,413	1,358,580	949,653	8,412,444	126,097,378	243,755,959	545,545,806
Disposals	-	-	(9,507,185)	(146,615)	-	-	-	-	-	-	(9,653,800)
Renegotiations	-	-	-	-	-	-	-	-	-	95,483,653	95,483,653
Regularisation, transfer and write-off	-	652,619	42,232,823	(62,397)	3,136,069	(767,981)	(646,513)	(9,147,456)	(37,307,221)	(575,642,403)	(577,552,460)
Balance as of 31 December 2024	**41,110,528**	**164,079,998**	**1,829,533,678**	**1,868,196**	**44,376,088**	**57,064,002**	**14,270,479**	**18,956,136**	**206,694,447**	**3,173,492,477**	**5,551,446,029**
Change in consolidation perimeter	-	6,140,531	10,081,131	4,118,360	23,679	4,168,311	773,161	-	-	14,743,867	40,049,040
Acquisitions	-	9,609,963	171,381,841	402,213	6,817,037	3,990,431	981,312	19,134,864	95,900,665	307,807,610	616,025,936
Disposals	-	-	(5,923,906)	(258,106)	(4,571)	(4,053)	-	-	-	-	(6,190,636)
Currency hedge (Notes 2.35 and 33)	-	-	-	-	-	-	-	-	7,647,807	-	7,647,807
Renegotiations	-	-	-	-	-	-	-	-	-	62,895,641	62,895,641
Regularisation, transfer and write-off	-	6,043,503	29,602,285	(438,433)	131,349	(509,708)	(92,867)	(8,472,346)	(25,910,073)	(60,256,562)	(59,902,852)
Transfers to non-current assets held for sale (Note 7)	-	(4,547,797)	(8,403,876)	(4,468,044)	-	(2,436,290)	(773,493)	-	-	(7,334,551)	(27,964,051)
Balance as of 31 December 2025	**41,110,528**	**181,326,198**	**2,026,271,153**	**1,224,186**	**51,343,582**	**62,272,693**	**15,158,592**	**29,618,654**	**284,332,846**	**3,491,348,482**	**6,184,006,914**
Accumulated deprec. and impairment losses											
Balance as of 1 January 2024	-	**106,633,596**	**632,411,937**	**1,892,317**	**21,687,176**	**53,115,646**	**12,229,463**	-	-	**2,071,392,179**	**2,899,362,314**
Change in consolidation perimeter	-	2,660,876	2,114,092	61,230	1,479,017	1,282,757	79,197	-	-	(446,714,083)	(439,036,914)
Depreciations (Note 32)	-	5,384,680	76,676,247	14,517	1,195,279	1,174,069	387,743	-	-	396,092,027	480,924,562
Impairment losses (Note 32)	-	-	64,119	-	(99,598)	-	-	521,386	-	-	485,907
Disposals	-	-	(8,600,981)	(146,615)	-	-	-	-	-	-	(8,747,596)
Regularisation, transfer and write-off	-	(108,313)	(2,510,650)	(62,397)	(44,045)	(873,237)	(671,404)	-	-	(530,671,355)	(534,941,401)
Balance as of 31 December 2024	-	**114,570,839**	**700,154,764**	**1,759,052**	**24,217,829**	**54,699,235**	**12,024,999**	**521,386**	-	**1,490,098,768**	**2,398,046,872**
Change in consolidation perimeter	-	3,187,119	8,532,724	3,690,240	23,679	3,763,228	426,805	-	-	1,724,747	21,348,542
Depreciations (Note 32)	-	6,014,881	91,093,736	239,266	1,631,891	2,580,741	476,190	-	-	376,949,905	478,986,610
Impairment losses (Note 32)	-	-	(157,667)	-	(44,772)	-	-	-	-	-	(202,439)
Disposals	-	-	(5,765,662)	(258,106)	(493)	(4,004)	-	-	-	-	(6,028,265)
Regularisation, transfer and write-off	-	(573,881)	(4,306,640)	(439,268)	(82,069)	(539,169)	(50,240)	-	-	(24,099,627)	(30,090,894)
Transfers to non-current assets held for sale (Note 7)	-	(3,017,509)	(7,001,105)	(3,900,385)	-	(2,136,719)	(422,563)	-	-	(840,806)	(17,319,087)
Balance as of 31 December 2025	-	**120,181,449**	**782,550,150**	**1,090,799**	**25,746,065**	**58,363,312**	**12,455,191**	**521,386**	-	**1,843,832,987**	**2,844,741,339**
Carrying amount as of 31 December 2024	**41,110,528**	**49,509,159**	**1,129,378,914**	**109,144**	**20,158,259**	**2,364,767**	**2,245,480**	**18,434,750**	**206,694,447**	**1,683,393,709**	**3,153,399,157**
Carrying amount as of 31 December 2025	**41,110,528**	**61,144,749**	**1,243,721,003**	**133,387**	**25,597,517**	**3,909,381**	**2,703,401**	**29,097,268**	**284,332,846**	**1,647,515,495**	**3,339,265,575**

During the years ended 31 December 2025 and 2024, the movement in the Right-of-use assets is detailed as follows:

	Buildings and other constructions	Aircraft and engine leases	ACMI	Redelivery and Maintenance	Transport equipment	Other assets	Total
Assets							
Balance as of 1 January 2024	**1,832,381**	**2,371,660,257**	**819,541,421**	**813,449,235**	**775,356**	**-**	**4,007,258,650**
Change in consolidation perimeter	-	129,028,201	(896,763,015)	170,371,432	-	-	(597,363,382)
Acquisitions	-	186,061	157,450	240,342,055	-	3,070,393	243,755,959
Renegotiations	-	13,175,867	82,307,786	-	-	-	95,483,653
Transfer and write-off	-	(198,572,440)	(5,243,642)	(326,855,273)	-	-	(530,671,355)
Regularisation	-	-	-	(44,971,048)	-	-	(44,971,048)
Balance as of 31 December 2024	**1,832,381**	**2,315,477,946**	**-**	**852,336,401**	**775,356**	**3,070,393**	**3,173,492,477**
Change in consolidation perimeter	9,541,262	-	-	-	5,181,364	21,241	14,743,867
Acquisitions	-	1,303,636	-	303,263,422	3,240,552	-	307,807,610
Renegotiations	-	62,895,641	-	-	-	-	62,895,641
Regularisation, transfer and write-off	(1,832,380)	(24,292,651)	-	(33,218,765)	(912,766)	-	(60,256,562)
Transfers to non-current assets held for sale (Note 7)	(2,269,356)	-	-	-	(5,043,954)	(21,241)	(7,334,551)
Balance as of 31 December 2025	**7,271,907**	**2,355,384,572**	**-**	**1,122,381,058**	**3,240,552**	**3,070,393**	**3,491,348,482**
Accumulated depreciations							
Balance as of 1 January 2024	**1,832,381**	**1,015,375,550**	**583,658,253**	**469,750,639**	**775,356**	**-**	**2,071,392,179**
Change in consolidation perimeter	-	91,707,043	(664,666,450)	126,245,324	-	-	(446,714,083)
Depreciations (Note 32)	-	190,060,340	81,008,197	124,379,884	-	643,606	396,092,027
Regularisation, transfer and write-off	-	(203,816,083)	-	(326,855,272)	-	-	(530,671,355)
Balance as of 31 December 2024	**1,832,381**	**1,093,326,850**	**-**	**393,520,575**	**775,356**	**643,606**	**1,490,098,768**
Change in consolidation perimeter	1,724,747	-	-	-	-	-	1,724,747
Depreciations (Note 32)	847,461	199,318,689	-	174,867,614	1,126,785	789,356	376,949,905
Regularisation, transfer and write-off	(1,832,381)	(22,371,024)	-	882,568	(778,790)	-	(24,099,627)
Transfers to non-current assets held for sale (Note 7)	(334,699)	-	-	-	(484,866)	(21,241)	(840,806)
Balance as of 31 December 2025	**2,237,509**	**1,270,274,515**	**-**	**569,270,757**	**638,485**	**1,411,721**	**1,843,832,987**
Carrying amount as of 31 December 2024	**-**	**1,222,151,096**	**-**	**458,815,826**	**-**	**2,426,787**	**1,683,393,709**
Carrying amount as of 31 December 2025	**5,034,398**	**1,085,110,057**	**-**	**553,110,301**	**2,602,067**	**1,658,672**	**1,647,515,495**

Land and buildings and other constructions of the headquarters were transferred to TAP S.A.'s property under Decree-Law 351/89 of 13 October.

To guarantee payment of the amounts due under a loan agreement with a national institution in the amount of EUR 75 million, a mortgage was placed on one of the TAP S.A. urban properties, consisting of twenty-nine office buildings, construction material workshops and others, located at Lisbon Airport. In addition, a second mortgage for funding in the amount of EUR 25 million was contracted in February 2020. As of 31 December 2025, the amount of the borrowing was approximately EUR 53.8 million.

The main movements during the financial year ended 31 December 2025 were as follows:

- Additions to basic equipment amounting to EUR 171,382 thousand mainly relate to: (i) one A320 NEO aircraft and one A321 NEO aircraft amounting to EUR 90,055 thousand, under finance lease agreements with purchase option; (ii) one A330 CEO aircraft amounting to EUR 15,400 thousand, under a lease agreement with purchase option, which had previously belonged to the fleet under a lease without purchase option; (iii) capitalization of structural aircraft maintenance costs amounting to EUR 28,453 thousand; (iv) one engine amounting to EUR 23,323 thousand, under a finance lease agreement with purchase option; and (v) acquisition of spare parts amounting to EUR 9,483 thousand;

- The additions of advances to suppliers of tangible assets amounting to EUR 95,901 thousand relate to pre-delivery payments concerning: (i) seven A320 NEO aircraft, five A321 NEO aircraft and one A330 NEO aircraft, amounting to EUR 47,770 thousand, EUR 28,949 thousand and EUR 16,751 thousand, respectively; and (ii) one LEAP engine for the A320/A321 fleet amounting to EUR 2,430 thousand;

- The amount of EUR 7,648 thousand was added to the cost of pre-delivery payments made in 2025, corresponding to the impact of the foreign exchange hedging of these payments with USD-denominated term deposits, resulting from the depreciation of the USD between 1 January 2025 and the date of payment of the pre-delivery payments. This amount arises from the application of the designated hedging relationship between the aforementioned deposits and the firm commitments to pay the pre-delivery payments, as described in Notes 2.35 and 33;

- Additions of other assets in progress in the amount of EUR 19,135 thousand mainly relate to: (i) costs incurred with major maintenance work in progress amounting to EUR 14,006 thousand; and (ii) a simulator amounting to EUR 3,960 thousand;

- The regularisations, transfers and write-offs in the advances to suppliers of tangible assets category include: (i) the transfer of pre-delivery payments to basic equipment, amounting to EUR 32,387 thousand, upon the acquisition of two aircraft under lease agreements with purchase option; and (ii) the impact of capitalization of interest associated with pre-delivery payments, amounting to EUR 6,649 thousand;

- The additions to the Right-of-use assets caption mainly include: (i) capitalization of major maintenance expenses in the amount of EUR 236,544 thousand; and (ii) the increase in the redelivery provision and capitalization of non-recoverable maintenance reserves in the amount of EUR 66,720 thousand;

- Additionally, the regularizations, transfers and write-offs within right-of-use assets related to redelivery and maintenance mainly include: (i) a reduction amounting to EUR 21,845 thousand resulting from the review of the redelivery provision, of which EUR 6,411 thousand concerns the entry of an A330 CEO aircraft under a lease agreement with purchase option, which had previously belonged to the fleet under a lease without purchase option; and (ii) EUR 5,651 thousand relating to adjustments to maintenance costs capitalized in previous years;

- Renegotiation of lease contracts without purchase option resulted in an increase in the caption of EUR 62,896 thousand;

- The regularisations recorded in the right-of-use asset line item relating to aircraft and engine leases refer to the entry of the A330 CEO aircraft under a lease with purchase option, which was transferred to basic equipment, as it had previously already been part of the fleet under a lease without purchase option, for a net amount of EUR 1.922 million;

- The inclusion of UCS and Cateringpor in the Group's consolidation perimeter led to a net increase in tangible fixed assets amounting to EUR 18,700 thousand, related to the recognition of the tangible fixed assets of these companies;

- As of 31 December 2025, the assets allocated to Cateringpor were reclassified to non-current assets held for sale (Note 7).

The main movements during the financial year ended 31 December 2024 were as follows:

- The additions of basic equipment amounting to EUR 160,341 thousand mainly relate to: (i) the acquisition of three aircraft amounting to EUR 133,749 thousand (to which pre-delivery payments transferred from the advances for tangible fixed assets caption in the amount of EUR 43,477 thousand were added); (ii) the capitalization of structural aircraft maintenance expenses amounting to EUR 16,108 thousand; (iii) the acquisition of spare equipment amounting to EUR 4,582 thousand; and (iv) the acquisition of reactor equipment amounting to EUR 3,950 thousand;

- The additions of advances to suppliers of tangible assets amounting to EUR 126,097 thousand refer to pre-delivery payments for three A330 NEO aircraft, five A321 NEO aircraft, and ten A320 NEO aircraft in the amounts of EUR 58,562 thousand, EUR 28,268 thousand, and EUR 39,268 thousand, respectively;

- Additions of other assets in progress in the amount of EUR 8,412 thousand refer essentially to: i) building works at the TAP S.A. Campus amounting to EUR 5,368 thousand; ii) Leap engine capacity project amounting to EUR 1,987 thousand; and iii) capitalization of structural aircraft maintenance expenses amounting to EUR 530 thousand;

- The regularisations, transfers and write-offs in the Advances to suppliers of tangible assets category include the refund of pre-delivery payments amounting to EUR 43,477 thousand upon the acquisition of three aircraft through lease contracts with purchase option;

- The transfers and write-offs in the Right-of-use assets caption relate to the derecognition of fully depreciated assets amounting to EUR 530,671 thousand;

- The additions to the Right-of-use assets caption include, essentially: (i) capitalization of major maintenance expenses in the amount of EUR 185,973 thousand; and (ii) the increase in the redelivery provision and capitalization of non-recoverable maintenance reserves in the amount of EUR 54,369 thousand;

- Additionally, the regularizations, transfers and write-offs under the caption Right-of-use assets include a reduction of EUR 44,971 thousand resulting from the revision of the redelivery provision;

- Renegotiation of lease contracts without purchase option resulted in an increase in the caption of EUR 95,484 thousand;

- The inclusion of Portugália in the Group's consolidation perimeter led to a net reduction in tangible fixed assets amounting to EUR 150,649 thousand, mainly related to the cancellation of pre-existing relationships with Portugália (ACMI contracts) and, on the other hand, the recognition of Portugália's tangible fixed assets.

Depreciation of property, plant and equipment is recognised in full under the item "Depreciations, amortisations and impairment losses" in the income statement (Note 32).

As of 31 December 2025 and 2024, the "Basic equipment" (own assets) item had the following composition:

	2025			2024		
	Acquisition cost	Accumulated depreciation and impairment	Carrying amount	Acquisition cost	Accumulated depreciation and impairment	Carrying amount
Flight equipment						
Aircraft	220,417,323	(158,405,334)	62,011,989	194,030,788	(139,544,659)	54,486,129
Reserve engines	32,471,830	(3,387,350)	29,084,480	9,148,525	(1,961,153)	7,187,372
Spare parts	101,487,979	(56,403,960)	45,084,019	95,109,480	(54,283,751)	40,825,729
	354,377,131	(218,196,644)	136,180,488	298,288,793	(195,789,563)	102,499,230
Flight equipment under						
Leases with purcahse option						
Aircraft	1,426,996,726	(443,377,806)	983,618,920	1,288,775,861	(388,915,291)	899,860,570
Reserve engines	141,280,151	(43,145,648)	98,134,503	141,280,151	(36,458,454)	104,821,697
	1,568,276,877	(486,523,454)	1,081,753,423	1,430,056,012	(425,373,745)	1,004,682,267
Machinery and equipment	103,617,145	(77,830,052)	25,787,093	101,188,873	(78,991,456)	22,197,417
	2,026,271,153	**(782,550,150)**	**1,243,721,003**	**1,829,533,678**	**(700,154,764)**	**1,129,378,914**

As of 31 December 2025 and 2024, the breakdown of pre-delivery payments by aircraft type is as follows:

	2025				
	Number of aircraft	Pre-delivery payments	Currency hedge (Note 33)	Capitalized interest	Total
Airbus A320 NEO	9	95,120,600	3,477,507	8,375,201	**106,973,308**
Airbus A321 NEO	9	68,461,285	2,772,513	8,984,589	**80,218,387**
Airbus A330 NEO	2	81,084,782	1,397,787	7,291,781	**89,774,349**
	20	**244,666,667**	**7,647,807**	**24,651,571**	**276,966,045**

	2024				
	Number of aircraft	Pre-delivery payments	Currency hedge (Note 33)	Capitalized interest	Total
Airbus A320 NEO	10	61,878,176	-	5,766,641	**67,644,817**
Airbus A321 NEO	10	57,371,073	-	8,830,855	**66,201,927**
Airbus A330 NEO	2	64,333,586	-	3,405,230	**67,738,816**
	22	**183,582,836**	**-**	**18,002,725**	**201,585,561**

In addition to the amounts presented in the table above, the advances to suppliers of tangible assets include an amount of EUR 7.0 million related to advances for the acquisition of other assets to be incorporated into the fleet.

As of 31 December 2025 and 2024, the Group's operating air fleet is broken down as follows:

	2025			2024		
	Lease with purchase option	Lease without purchase option	Total	Lease with purchase option	Lease without purchase option	Total
Airbus A330	1	2	**3**	-	3	**3**
Airbus A330 NEO	3	16	**19**	3	16	**19**
Airbus A319	3	-	**3**	3	-	**3**
Airbus A320	3	11	**14**	3	11	**14**
Airbus A320 NEO	5	10	**15**	4	11	**15**
Airbus A321	2	1	**3**	2	1	**3**
Airbus A321 NEO	1	9	**10**	-	10	**10**
Airbus A321 NEO LR	7	6	**13**	7	6	**13**
Embraer 190	-	12	**12**	-	12	**12**
Embraer 195	-	7	**7**	-	7	**7**
	25	**74**	**99**	**22**	**77**	**99**

The Group ended 2025 with an active fleet of 99 aircraft, the same as at 31 December 2024. During the year ended 31 December 2025, the Group acquired one A330 aircraft under a lease agreement with purchase option; this aircraft had previously been part of the Group's fleet under a lease without purchase option. Additionally, in 2025, the Group acquired one A320 NEO and one A321 NEO under lease agreements with purchase options. Conversely, following the entry into service of these two aircraft, the operation of two aircraft of the same types (one A320 NEO and one A321 NEO) has been suspended, as they are not currently in airworthy condition. In 2025, the phase-out processes of two aircraft, one A319 and one A320, which had commenced in 2024, were also completed.

At the end of 2025, 71% of the operational medium- and long-haul fleet consisted of NEO family aircraft.

5. Investment properties

During the years ended 31 December 2025 and 2024, the movement in the investment properties caption was as follows:

	2025	2024
Opening Value	**1,198,000**	**1,903,882**
Disposals	-	(705,882)
Closing Balance	**1,198,000**	**1,198,000**

The amounts recognised in profit or loss for the year, associated with rental income and direct operating expenses, are immaterial in the context of the Group's financial statements.

During the year ended 31 December 2024, the Group disposed of two properties located in Argentina, with a net carrying amount of EUR 706 thousand, resulting in a loss on disposal of EUR 25 thousand.

6. Intangible assets

During the years ended 31 December 2025 and 2024, the intangible assets roll-forward was as follows:

	Industrial property and other rights	Computer programmes	Assets in progress	Total
Acquisition cost				
Balance as of 1 January 2024	**11,951,704**	**76,132,130**	**11,382,438**	**99,466,272**
Change in consolidation perimeter	-	716,944	-	716,944
Acquisitions	-	15,463,633	4,254,090	19,717,723
Regularization, transfer and write-off	-	11,260,476	(11,235,580)	24,896
Balance as of 31 December 2024	**11,951,704**	**103,573,183**	**4,400,948**	**119,925,835**
Change in consolidation perimeter	-	1,731,362	-	1,731,362
Acquisitions	-	9,624,532	45,000	9,669,532
Regularization, transfer and write-off	-	4,009,369	(4,276,578)	(267,209)
Balance as of 31 December 2025	**11,951,704**	**118,938,446**	**169,370**	**131,059,520**
Accumulated amort. and impairment losses				
Balance as of 1 January 2024	**11,951,704**	**65,024,821**	**-**	**76,976,525**
Change in consolidation perimeter	-	595,070	-	595,070
Amortisations and impairment losses (Note 32)	-	11,265,553	-	11,265,553
Balance as of 31 December 2024	**11,951,704**	**76,885,444**	**-**	**88,837,148**
Change in consolidation perimeter	-	1,716,739	-	1,716,739
Amortisations and impairment losses (Note 32)	-	12,203,424	-	12,203,424
Balance as of 31 December 2025	**11,951,704**	**90,805,607**	**-**	**102,757,311**
Carrying amount as of 31 December 2024	**-**	**26,687,739**	**4,400,948**	**31,088,687**
Carrying amount as of 31 December 2025	**-**	**28,132,839**	**169,370**	**28,302,209**

The main movements during the financial year ended 31 December 2025 were as follows:

- The increase in the item computer programs in the amount of EUR 9,625 thousand essentially refers to software licensing contracts;
- The regularizations, transfers, and write-offs amounting to EUR 4,277 thousand mainly refer to several software projects and implementations supporting the operations and sales areas, which were completed during the year ended 31 December 2025;

The main movements during the financial year ended 31 December 2024 were as follows:

- The increase in the item computer programs in the amount of EUR 15,464 thousand essentially refers to software licensing contracts and a support solution for the maintenance area;
- The regularizations, transfers, and write-offs amounting to EUR 11,260 thousand mainly refer to the completion of a project for the implementation of a support solution for the maintenance area;
- The increase in the item assets in progress in the amount of EUR 4,254 thousand refers to several development and implementation projects in progress, concerning support software in the areas of operations, sales and maintenance.

The amounts presented related to industrial property and other rights mainly refer to the entry of TAP S.A. into the Star Alliance.

7. Financial interests, goodwill and non-current assets held for sale

Financial interests in associates

The movement of financial interests during the years ended 31 December 2025 and 2024 is detailed as follows:

	2025				
	% Owned	Opening balance	Acquisition	Increases/ Decreases	Closing balance
SPdH	49.9%	-	-	-	-
		-	-	-	-

	2024				
	% Owned	Opening balance	Acquisition	Increases/ Decreases	Closing balance
SPdH	49.9%	-	2,490,020	(2,490,020)	-
		-	2,490,020	(2,490,020)	-

In early June 2024, the approval of SPdH's Insolvency Plan ("Insolvency Plan") became final, which includes the strategy for its recovery. The Insolvency Plan establishes, among other aspects, a change in SPdH's shareholder structure, with its capital now being held by Menzies Aviation (50.1%) and TAP S.A. (49.9%). The capital contribution by TAP S.A., amounting to EUR 2,490,020, was made through the conversion of credits into capital under the provisions of Articles 28 and 89 of the Portuguese Commercial Companies Code.

Additionally, the Insolvency Plan stipulates that, in order to finance SPdH, its shareholders are obliged to make contributions in the form of shareholder loans, subject to certain conditions, with TAP S.A. making contributions up to the amount of the credits claimed and recognised by TAP S.A. against SPdH, by converting those credits into shareholder loans (Notes 10 and 36).

Since TAP S.A. had no control over SPdH, as of 31 December 2025 and 2024, the investment in this associate is recorded using the equity method. The decrease in the year ended 31 December 2024, amounting to EUR 2,490 thousand, relates to the recognition of the negative net result of this associate during the period, limited to the investment's acquisition cost, which reduced its carrying amount to zero.

As of 31 December 2025 and 2024, the financial interest in SPdH is detailed as follows:

	2025	2024
Financial participation - equity method	(17,162,275)	(17,162,275)
Goodwill	17,162,275	17,162,275
	-	-

At the date of the acquisition of SPdH, the fair value assigned to its assets and liabilities (in the portion held by TAP S.A.) amounted to a negative amount of EUR 14.7 million, resulting in goodwill equal to the difference relative to the value of the credits converted into capital, which was included in the carrying amount of the financial interest presented.

Although SPdH presented negative equity both at the date on which TAP S.A. became its shareholder through the conversion of receivables into share capital and as at 31 December 2025, no additional provision was recognised, as TAP S.A. had not assumed any contractual obligation to (i) finance its subsidiary or (ii) assume liabilities arising from its financial position, taking into account the circumstances existing at those dates.

Goodwill

As of 31 December 2025 and 2024, the goodwill recognised by the Group is detailed as follows:

	2025	2024
Portugália	180,135,637	180,135,637
UCS	3,114,648	-
	183,250,285	180,135,637

On 21 January 2025, TAP S.A. acquired 100% of the share capital of UCS from TAPGER for the amount of EUR 4,338,000 and on 9 April 2025, it also acquired 51% of the share capital of Cateringpor from TAPGER for the amount of EUR 11,685,000.

The allocation of the acquisition price of UCS and Cateringpor to their assets and liabilities is detailed as follows:

Amounts stated in euros	UCS	Cateringpor	Purchase price allocation
ASSETS			
Non-current assets			
Tangible fixed assets	7,332,830	11,367,592	18,700,421
Intagible assets	14,623	-	14,623
Goodwill	3,114,648	4,983,043	8,097,691
Other financial assets	-	85,876	85,876
Deferred tax assets	245,649	-	245,649
Other receivables	131,076	-	131,076
	10,838,826	16,436,511	27,275,336
Current Assets			
Inventories	110,134	1,783,449	1,893,583
Other receivables	1,565,633	9,687,111	11,252,744
Other current assets	54,268	1,935,985	1,990,253
Cash and cash equivalents	501,312	9,868,980	10,370,292
	2,231,347	23,275,525	25,506,872
Total Assets	13,070,173	39,712,036	52,782,209
EQUITY AND LIABILITIES			
Equity			
Non-controlling interests	-	6,439,136	6,439,136
Total equity	-	6,439,136	6,439,136
Non-current liabilities			
Provisions	319,044	815,221	1,134,265
Lease liabilities with purchase option	-	227,816	227,816
Lease liabilities without purchase option	5,939,871	6,152,659	12,092,531
	6,258,915	7,195,696	13,454,612
Current Liabilities			
Lease liabilities with purchase option	-	201,746	201,746
Lease liabilities without purchase option	616,461	1,319,302	1,935,763
Other payables	1,633,500	11,836,753	13,470,253
Income tax payable	15,597	439,338	454,935
Other current liabilities	207,700	595,065	802,765
	2,473,258	14,392,204	16,865,462
Total liabilities	8,732,173	21,587,901	30,320,074
Total equity and liabilities	8,732,173	28,027,036	36,759,209

Following these transactions, the Group recognised goodwill in the amount of EUR 8,097,691, reflecting future economic benefits that could not be attributed to separately identifiable assets. This goodwill may be subject to reassessment during the 12-month measurement period from the acquisition date of the shares in UCS and Cateringpor, in accordance with IFRS 3. As of 31 December 2025, the goodwill arising from the acquisition of Cateringpor is presented under non-current assets held for sale (Note 2.4).

On 8 November 2024, TAP S.A., as the buyer, and SIAVILO, as the seller, entered into a share purchase agreement, under which TAP S.A. acquired from SIAVILO the shares representing 100% of the share capital of Portugália for an amount of EUR 4,484,000.

The change in the consolidation perimeter resulting from this acquisition generated a net gain, after deferred tax, of EUR 14.6 million, related to the settlement of pre-existing relationships with Portugália, which led to the derecognition of right-of-use assets and lease liabilities associated with the ACMI contract between TAP S.A. and Portugália. This impact was recognised under other non-recurring items (Note 31) and income tax (Note 34), in the amounts of EUR 20.7 million and EUR 6.1 million, respectively.

The allocation of the acquisition price of Portugália to its assets and liabilities is detailed as follows:

Amounts stated in euros	**Portugália**
ASSETS	
Non-current assets	
Tangible fixed assets	91,394,185
Goodwill	180,135,637
Other financial assets	192,177
Other non current assets	204,906
Deferred tax assets	619,794
Other receivables	45,949,548
	318,496,247
Current Assets	
Inventories	10,189,664
Other receivables	37,456,617
Income tax receivable	13
Other current assets	756,183
Cash and cash equivalents	1,180,681
	49,583,158
Total Assets	**368,079,405**
Non-current liabilities	
Deferred tax liabilities	15,866,176
Post-employment benefits obligations	184,102
Provisions	101,154,322
Lease liabilities without purchase option	24,249,579
Other payables	43,893,413
	185,347,592
Current Liabilities	
Lease liabilities without purchase option	15,713,505
Other payables	158,778,777
Other current liabilities	3,755,531
	178,247,813
Total liabilities	**363,595,405**
Total equity and liabilities	**363,595,405**

As part of this transaction, the Group recognised a goodwill amounting to EUR 180,135,637, reflecting the future economic benefits that were not allocated to separately identifiable assets.

For the purpose of determining goodwill, the financial statements of the investee as of 31 October 2024 were considered, taking into account the necessary adjustments to reflect the alignment of accounting policies and the fair value of its assets and liabilities:

Equity Portugália	(175,651,637)
Goodwill	180,135,637
	4,484,000

This goodwill mainly reflects the value attributed to Portugália's operational and human resources, allowing the Group to use these resources immediately and exclusively. This acquisition strengthens the Group's operational capacity, ensuring continuity and efficiency of operations while reducing the need to acquire new aircraft or recruit and train new professionals in the short term.

As stipulated by IAS 36, goodwill is subject to impairment tests, which are performed on an annual basis, as per the accounting policy described in Note 2.33.

Goodwill is allocated to the Group's cash-generating units ("CGUs"), identified according to the business segment. For impairment testing purposes, the recoverable amount of the CGUs is determined based on the value in use, using the discounted cash flow method.

The goodwill associated with the acquisition of Portugália is part of the Air Transport CGU, with its recoverable amount being assessed together with other non-current assets related to Air Transport, whose carrying amount as of 31 December 2025 amounts to EUR 3,429 million (EUR 3,249 million as of 31 December 2024). For this purpose, the recoverable value of these assets was determined using discounted cash flow models, based on the Financial Projections 2026/2030 approved by the Executive Committee and the Board of Directors. A perpetuity was considered for subsequent periods, and a discount rate aligned with the business's inherent risk as of 31 December 2025 was used.

The Board of Directors believes that the best estimate as of 31 December 2025 is reflected in the projections embedded in the impairment test performed.

The main assumptions used for the impairment test were as follows:

	2025
Discount rate (WACC)*	7.7%
Revenue CAGR**	5.7%
Operational costs CAGR**	4.6%
Growth in perpetuity (g)	2.0%
Income tax rate	25.5%

* Discount rate net of taxes
** Average growth rate

The Financial Projections 2026/2030 are based on assumptions related to the opportunity to capture additional traffic through capacity expansion during recovery time slots, taking into account the maximum capacity of Lisbon Airport, as well as fleet growth from 2026 onwards. The CAGR considered is aligned with the pre-pandemic period and with forecasts for European peers, supporting a balanced and efficient growth trajectory.

The Board of Directors, based on the discounted cash flows considered in the Financial Projections 2026/2030 and the applicable rate, concluded that, as of 31 December 2025, the carrying amount of assets related to air transport activities does not exceed their recoverable amount.

A change in the main assumptions used in the calculation of the recoverable amount would have the impacts shown in the tables below:

	Base Scenario	Increase on WACC by 1 pp	Decrease of g by 1 pp	Joint effect (WACC + g)
Discount rate (WACC)(*)	7.7%	8.7%	7.7%	8.7%
Growth in perpetuity (g)	2.0%	2.0%	1.0%	1.0%
Sensitivity analysis conclusions	No impairment	No impairment	No impairment	No impairment

* Discount rate net of taxes

Based on the assumptions considered in the Financial Projections 2026/2030, the following sensitivity analyses are additionally presented:

Scenario 1 – Slower recovery of demand (between -2% to -5% of passengers for the years 2026 to 2030)

Scenario 2 – Increase in jet fuel price (+5% to +10%)

Scenario 3 – Evolution of yield/operating profitability (-2% to -5%)

Scenario 4 – Worst case scenario, considering the occurrence of all three variables with the stressed parameters described above

	Base Scenario	Scenario 1 (Passengers)		Scenario 2 (Fuel)		Scenario 3 (Yield)		Scenario 4 (Worst case)	
		-2%	-5%	+5%	+10%	-2%	-5%	lower limit	upper limit
Discount rate (WACC)(*)	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%
Growth in perpetuity (g)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sensitivity analysis conclusions	No impairment	No impairment	Impairment	No impairment	No impairment	No impairment	Impairment	Impairment	Impairment

* Discount rate net of taxes

It should be noted that the sensitivity scenarios presented above were not considered by the Board of Directors as the base scenario of the Financial Projections 2026/2030, as the underlying assumptions are not considered to be probable, in light of the defined operating strategy and the market macroeconomic estimates available as of this date.

Any unfavorable variations in the coming periods between actual cash flows and those estimated in the Financial Projections 2026/2030 could result in significant impacts on the calculation of the recoverable amount of the related assets and, consequently, significantly affect the Group's financial and economic position.

Non-current assets held for sale

On 30 December 2025, TAP S.A. launched a public tender for the divestment of 51% of the share capital of Cateringpor, corresponding to the total shareholding held in the subsidiary. As a result of this process, the assets and liabilities of this subsidiary were classified as non-current assets held for sale and liabilities associated with non-current assets held for sale, respectively, in the Group's consolidated statement of financial position as of 31 December 2025 (Note 2.4), as detailed below:

Amounts stated in euros	2025
ASSETS	
Non-current assets	
Tangible fixed assets	10,644,966
Goodwill	4,983,043
Other financial assets	76,719
Deferred tax assets	34,592
	15,739,320
Current Assets	
Inventories	1,503,569
Other receivables	2,608,243
Other current assets	1,446,421
Cash and cash equivalents	16,087,217
	21,645,450
Impairment losses	**(8,515,591)**
Total Assets	**28,869,179**
Non-current liabilities	
Provisions	458,232
Lease liabilities with purchase option	69,567
Lease liabilities without purchase option	5,792,255
	6,320,054
Current Liabilities	
Lease liabilities with purchase option	208,929
Lease liabilities without purchase option	888,476
Other payables	11,245,429
Income tax payable	228,552
Other current liabilities	528,720
	13,100,106
Total liabilities	**19,420,160**
Total equity and liabilities	**19,420,160**

As a result of the valuation method applied to that financial investment, which took into account the ongoing sale process (Note 41) as well as the future commercial prospects of the related activity, an impairment loss amounting to EUR 8.5 million was recognised in the year ended 31 December 2025 (Note 32) on the non-current assets held for sale relating to Cateringpor, of which EUR 4.2 million relates to non-controlling interests (Note 16).

8. Other financial assets

As of 31 December 2025 and 2024, the other financial assets item had the following composition:

	2025		2024 Restated	
	Current	Non-current	Current	Non-current
Bank deposits in Guinea Bissau	-	1,702,481	-	1,828,402
SITA Group Foundation	-	648,089	-	648,089
Term deposits	13,178,431	-	-	-
Other	-	47,416	-	47,407
	13,178,431	**2,397,986**	**-**	**2,523,898**
Impairment losses	-	(1,717,039)	-	(1,842,961)
	13,178,431	**680,947**	**-**	**680,937**

As of 31 December 2025, term deposits amounting to EUR 13.2 million relate to deposits denominated in JPY, with an original maturity of more than three months and less than one year.

The amount presented for SITA Group Foundation mainly relates to certificates (unquoted shares) in that company, which was founded by the *Société International de Télécommunications Aéronautiques* (SITA).

9. Deferred tax assets and liabilities

As of 31 December 2025, the tax rate used to determine deferred tax assets relating to tax loss carry forwards was 17% (20% as of 31 December 2024). For the remaining temporary differences identified at TAP S.A., the tax rates applied in 2025 ranged between 17% and 25.5% (20% and 28.5% as of 31 December 2024), depending on the estimated year of their reversal.

Based on projected future taxable results, a tax rate of 21% was applied to the temporary differences identified at Portugália (24% as of 31 December 2024), while a tax rate of 18.5% was applied to the temporary differences regarding UCS.

The reduction in the tax rates used for the calculation of deferred taxes compared to 31 December 2024 results from Law No. 64/2025 of 7 November, which approved the progressive reduction of the Portuguese corporate income tax rate by one percentage point per year between 2026 and 2028, with the rate remaining at 17% from 2028 onwards.

Tax benefits are tax collection deductions, therefore are considered 100% recoverable. In some cases, its full acceptance is also subject to the approval of the authorities granting such tax benefits. The deferred taxes arising from tax benefits are recorded when the authorities granting these tax benefits have approved them.

The main natures of temporary differences between accounting and taxable amounts as of 31 December 2025 and 2024, the corresponding deferred tax assets and liabilities and the respective effect on the results for the years ended 31 December 2025 and 2024 are as follows:

2025	Opening balance	Change in consolidation perimeter	Effect in results (Note 34)		Effect in other comprehensive income		Non-current assets held for sale (Note 7)	Closing balance
			Impact of the period	Impact of the change of income tax rate	Impact of the period	Impact of the change of income tax rate		
Deferred tax assets								
Tax losses carried forward	129,424,187	-	16,297,933	(21,858,318)	-	-	-	123,863,802
Post-employment benefits obligations	52,375,201	-	361,089	455,515	(3,889,878)	(5,598,992)	-	43,702,935
Impairment losses in inventories	3,144,346	-	(871,829)	(244,711)	-	-	-	2,027,806
Impairment losses of receivables	230,360,507	28,677	5,418,390	(35,029,800)	-	-	-	200,777,774
Other provisions and adjustments not accepted for tax purposes	53,920,403	-	(36,065,816)	(1,256,588)	-	-	-	16,597,999
Incentive for the capitalisation of companies	-	-	5,072,865	442,321	-	-	-	5,515,186
Impairment losses in fixed assets	1,286,919	-	(294,665)	(104,540)	-	-	-	887,714
Foreign currency hedging of future commitments	-	-	-	-	4,603,331	(484,561)	-	4,118,770
Derivative financial instruments	535,690	-	-	-	910,513	(50,744)	-	1,395,459
	471,047,253	**28,677**	**(10,082,033)**	**(57,596,121)**	**1,623,966**	**(6,134,297)**	**-**	**398,887,447**
Deferred tax liabilities								
Revaluation of tangible fixed assets	10,958,996	-	(1,237,968)	(1,023,286)	-	-	-	8,697,742
Adjustments from IFRS 16 and IFRS 9	73,281,226	(216,971)	19,672,142	(14,600,060)	62,336,319	(2,002,850)	34,592	138,504,398
	84,240,222	**(216,971)**	**18,434,174**	**(15,623,346)**	**62,336,319**	**(2,002,850)**	**34,592**	**147,202,140**
	386,807,031	**245,648**	**(28,516,207)**	**(41,972,775)**	**(60,712,353)**	**(4,131,447)**	**(34,592)**	**251,685,307**

2024	Opening balance	Change in consolidation perimeter	Effect in results (Note 34)		Effect in other comprehensive income		Non-current assets held for sale (Note 7)	Closing balance
			Impact of the period	Impact of the change of income tax rate	Impact of the period	Impact of the change of income tax rate		
Deferred tax assets								
Tax losses carried forward	144,558,662	-	(8,663,266)	(6,471,209)	-	-	-	129,424,187
Post-employment benefits obligations	51,430,125	46,026	(334,395)	164,832	3,071,431	(2,002,818)	-	52,375,201
Impairment losses in inventories	4,419,042	488,700	(1,650,407)	(112,989)	-	-		3,144,346
Impairment losses of receivables	234,812,262	80,132	6,863,257	(11,395,144)	-	-	-	230,360,507
Other provisions and adjustments not accepted for tax purposes	49,709,784	-	6,102,563	(1,891,944)	-	-	-	53,920,403
Impairment losses in fixed assets	1,183,826	4,936	143,343	(45,186)	-	-	-	1,286,919
Derivative financial instruments	188,681	-	-	-	347,009	-	-	535,690
	486,302,382	**619,794**	**2,461,095**	**(19,751,640)**	**3,418,440**	**(2,002,818)**	**-**	**471,047,253**
Deferred tax liabilities								
Revaluation of tangible fixed assets	12,837,745	1,030	(1,495,246)	(384,533)	-	-	-	10,958,996
Adjustments from IFRS 16 and IFRS 9	70,075,940	15,865,146	20,768,242	(1,472,049)	(30,436,430)	(1,519,623)	-	73,281,226
	82,913,685	**15,866,176**	**19,272,996**	**(1,856,582)**	**(30,436,430)**	**(1,519,623)**	**-**	**84,240,222**
	403,388,697	**(15,246,382)**	**(16,811,901)**	**(17,895,058)**	**33,854,870**	**(483,195)**	**-**	**386,807,031**

Reportable tax losses

The State Budget for 2023, approved in 2022, removed the time limit for the carryforward of tax losses and reduced the annual deduction limit against taxable profit from 70% to 65%. These changes apply to the deduction of tax losses against taxable profits of tax periods beginning on or after 1 January 2023, as well as to tax losses generated in tax periods prior to 1 January 2023 whose deduction period was still ongoing.

The Economic and Social Stabilisation Programme published in 2020 established an increase of ten percentage points in the deduction limit applicable to tax losses generated in 2020 and 2021, which has been maintained in the State Budget for 2023 and in subsequent State Budgets.

The detail of the Group's tax losses as of 31 December 2025 is presented as follows:

Fiscal Year	TAP S.A.	Portugália	TAP Logistics	Total
2014	31,071,827	-	-	31,071,827
2015	90,648,930	-	-	90,648,930
2020	-	-	3,269	3,269
2021	537,131,938	-	4,798	537,136,736
2022	90,069,372	-	2,521	90,071,893
2023	-	-	2,432	2,432
2024	-	49,382,624	6,350	49,388,974
2025 (estimate)	77,352,709	-	2,708	77,355,417
	826,274,776	**49,382,624**	**22,078**	**875,679,478**

The change in the shareholder structure of Portugália in November 2024 and UCS in January 2025 led to the exit of these companies from the Special Tax Regime for Group Taxation ("RETGS") of SIAVILO. As a result, the tax losses accumulated by these entities prior to the years in which they exited the aforementioned RETGS are no longer eligible to be deducted against future taxable profits.

Due to the absence of recent recurring taxable profit history generated by Portugália and TAP Logistics, no deferred tax assets have been recognised for the reportable tax losses accumulated by these entities.

It is worth mentioning that, despite TAP S.A. exercising its legitimate right to contest, no deferred tax assets have been recognised for the reportable tax losses resulting from the securitization operation in the years 2014 and 2015, amounting to EUR 99 million, which are currently under discussion in the tax court.

The Group considers that the reportable tax losses generated by TAP S.A. in 2015, 2021, 2022 and 2025 are recoverable through their use in future taxable profit deductions (calculated based on the individual financial statements of TAP S.A., prepared in accordance with the SNC), considering the projections of taxable results as included in the Financial Projections 2026/2030 approved by the Executive Committee and the Board of Directors of the Group, with a linearization of the fiscal results for the remaining periods. An additional scenario was also performed for the purposes of the recoverability analysis of deferred tax assets, based on the Business Plan 2025/2030, which had been used as the base scenario in the year ended 31 December 2024.

Considering the assumptions mentioned, it is expected that the recovery of the deferred tax assets recorded as of 31 December 2025 will take between 9 and 11 years, depending on different sensitivity scenarios.

For the purposes of analysing the recoverability of the deferred taxes, a growing risk premium/haircut factor due to the time horizon (4.78% per year) was applied.

The detail of tax losses of TAP S.A. as of 31 December 2025 is as follows:

Fiscal Year	Without securitization	Securitized	Total
2014	-	31,071,827	31,071,827
2015	22,722,317	67,926,613	90,648,930
2021	537,131,938	-	537,131,938
2022	90,069,372	-	90,069,372
2025 (estimate)	77,352,709	-	77,352,709
	727,276,336	**98,998,440**	**826,274,776**

10. Other accounts receivable

As of 31 December 2025 and 2024, the detail of the other receivables item is as follows:

	2025		2024	
	Current	Non-current	Current	Non-current
Customers	372,247,352	-	305,984,780	-
Security deposits of lease contracts	4,430,574	37,240,716	4,826,681	41,685,545
Recoverable maintenance reserves	82,456,337	94,202,510	67,768,247	107,078,559
Swaps jet fuel (Note 23)	-	-	4,808,692	-
Advances to suppliers	13,621,170	-	22,077,780	-
Accrued income	133,816,039	-	99,439,133	-
Other debtors	1,270,179,990	12,225,687	1,561,829,978	4,683,212
	1,876,751,462	**143,668,913**	**2,066,735,291**	**153,447,316**
Receivables impairment losses	(1,216,211,438)	(4,880,450)	(1,189,973,012)	(1,921,388)
	660,540,024	**138,788,463**	**876,762,279**	**151,525,928**

There are no differences between the book values and fair value for the periods in question.

Customers

As of 31 December 2025 and 2024, customers item is detailed as follows:

	2025	2024
Private entities	228,147,023	156,703,476
Clients with doubtful payment	62,785,491	61,747,514
Travel agencies	32,059,299	44,020,573
Related parties (Note 38)	15,464,009	22,027,979
Airline companies	20,778,448	9,948,799
Other	13,013,082	11,536,439
	372,247,352	**305,984,780**
Impairment	(87,770,589)	(91,285,741)
	284,476,763	**214,699,039**

The receivable balances from travel agencies and airline companies are primarily settled through IATA Billing and Settlement Plan (BSP) and IATA Clearing House (ICH), which does not fully cover the bankruptcy risks of Travel Agencies and Aviation Companies.

Following the approval of the Restructuring Plan by the European Commission on 21 December 2021 and the change in the shareholding structure of TAP S.A. in 2021, the Board of Directors identified the need to recognise impairment losses on receivables from related parties. Accordingly, as a result of the wind-down process of TAP ME Brazil, as of 31 December 2025 the related parties caption includes an amount of EUR 15.2 million receivable from SIAVILO's Brazilian subsidiary (EUR 17.0 million as of 31 December 2024), for which an accumulated impairment of an equal amount has been recognised.

The increase in the balance of the trade receivables caption mainly relates to the Brazilian market and to Maintenance and Engineering customers.

Security deposits of lease contracts

Security deposits are provided under lease agreements without purchase options for aircraft and engines, which will be returned, without interest, as such aircraft and engines are redelivered to the lessors. In addition, as of 31 December 2025, the expenses to be recognised caption includes an amount of EUR 13.4 million related to the financial effect of these receivables (EUR 16.5 million as of 31 December 2024), to be recognised over the term of the related lease agreements (Note 13).

Recoverable maintenance reserves

The recoverable maintenance reserves item refers to maintenance reserves paid on lease contracts with no option to purchase, which will be carried out during the contract period.

Advances to suppliers

As of 31 December 2025 and 2024, the advances to suppliers item is detailed as follows:

	2025	2024
Related parties (Note 38)	504,620	510,772
Others	13,116,550	21,567,008
	13,621,170	**22,077,780**

The item others includes advances to suppliers of several natures, namely airport management entities and insurance companies.

Accrued income

As of 31 December 2025 and 2024, the accrued income item is detailed as follows:

	2025	2024
Works for aviation companies	116,786,844	80,007,810
Interests from bank deposits	7,266,026	3,847,993
Miles	2,065,432	1,951,699
Related parties (Note 38)	-	8,100,164
Insurance	3,209,813	1,800,000
Airport facilities - incentives	1,288,003	1,528,118
Other	3,199,921	2,203,349
	133,816,039	**99,439,133**

The increase in the balance of the work for aviation companies caption mainly relates to work in progress for third parties that had not been billed, as well as to the increase in operational activity compared to the prior year.

The increase in interests from bank deposits is mainly attributable to the balances of deposits and the respective interest-bearing maturity periods.

Other debtors

As of 31 December 2025 and 2024, the other debtors item is detailed as follows:

	2025		2024	
	Current	Non-current	Current	Non-current
Related parties (Note 38)	1,141,260,850	8,102,292	1,106,765,421	-
Unrealized supplementary contributions (Notes 15 and 38)	-	-	343,000,000	-
Deposits and guarantees	75,959,356	-	42,110,279	-
Employees	18,515,036	-	22,773,569	-
Interline and other invoicing	8,612,412	-	9,983,817	-
Insurance	4,855,355	-	7,662,816	-
Doubtful accounts	5,101,037	-	5,473,148	-
Representations VAT	5,109,980	-	5,222,508	-
Withholding tax - foreign markets	109,405	-	1,045,703	-
Post-employment benefits (Note 17)	-	2,138,082	-	2,659,743
Other	10,656,559	1,985,313	17,792,717	2,023,469
	1,270,179,990	**12,225,687**	**1,561,829,978**	**4,683,212**
Impairment	(1,128,440,849)	(4,880,450)	(1,098,687,271)	(1,921,388)
	141,739,141	**7,345,237**	**463,142,707**	**2,761,824**

As referred to in the Introductory Note, on 27 December 2022 the sole shareholder subscribed to a capital increase of EUR 980 million, of which EUR 637 million had been paid up as of 31 December 2024 (EUR 294 million in December 2022 and EUR 343 million in January 2024). The outstanding balance of the capital increase to be paid up, in the form of supplementary capital contributions, amounting to EUR 343.0 million as of 31 December 2024, was received in January 2025 (Note 15).

As of 31 December 2025, the related parties caption includes an amount of EUR 1,111.8 million receivable from SIAVILO, which mainly arises from its management of financial investments, namely TAP ME Brazil, for which an accumulated impairment of an equal amount has been recognised. TAP S.A., in its capacity as creditor of SIAVILO, filed on 10 July 2025 with the Lisbon Commercial Court of the Judicial District of Lisbon a petition for the declaration of insolvency of that company. The insolvency ruling was issued on 6 August 2025, and the proceedings are currently ongoing.

The related parties caption also includes an amount of EUR 13.2 million receivable from TAP ME Brazil, for which an accumulated impairment of the same amount has been recognised, following the wind-down process of the Brazilian subsidiary of SIAVILO.

In addition, as of 31 December 2025, the related parties caption includes receivables from SPdH amounting to EUR 24.4 million, detailed as follows:

i. Receivables included in the insolvency estate of SPdH under the insolvency proceedings initiated in 2021, amounting to EUR 12.5 million, of which EUR 10.9 million were converted into shareholder loans in accordance with the respective Insolvency Plan (Note 36);

ii. Scale gains and malus amounting to EUR 10.5 million arising from the ground handling services agreement, the settlement of which is contractually agreed for 2026 (EUR 5.5 million relating to the 2023 and 2024 financial years) and 2027 (an estimated EUR 5.0 million relating to the 2025 financial year). These amounts include the financial discount effect associated with the time value of money;

iii. Other receivables from SPdH amounting to EUR 1.4 million.

The increase in the balance of the deposits and guarantees caption is mainly due to the payment of collateral in connection with the contracting of jet fuel derivative instruments.

Impairment losses on current receivables

The movement that occurred under the impairment losses on receivables item during the years ended 31 December 2025 and 2024 was as follows:

	2025		2024	
	Clients	Others	Clients	Others
Opening balance	91,285,741	1,100,608,659	89,623,660	1,064,361,994
Change in consolidation perimeter	163,519	3,512	697,913	172,000
Increases (Note 28)	4,712,205	1,849,833	2,287,950	-
Increases - non-recurring items (Note 31)	-	32,212,001	-	49,403,518
Reversals (Note 28)	(3,937,460)	(62,762)	(1,556,243)	(11,320,215)
Utilization	(2,674,785)	(1,255,736)	(656,822)	(40,683)
Exchange (Note 33)	(1,778,631)	(34,208)	889,283	(1,967,955)
Closing balance	**87,770,589**	**1,133,321,299**	**91,285,741**	**1,100,608,659**

During the year ended 31 December 2025, impairment losses on receivables from SIAVILO were increased by EUR 29.2 million (Note 31). In addition, due to the lack of financial resources of TAP ME Brazil, also considering the insolvency situation of SIAVILO (the shareholder of TAP ME Brazil), TAP S.A. granted TAP ME Brazil a loan amounting to EUR 3.0 million, on which an impairment loss was recognised, given the low expectation of recovery (Note 31).

Following the approval and court confirmation of SPdH's Insolvency Plan, which provides, among other measures, a payment plan for TAP S.A.'s receivables or the conversion of such receivables into shareholder loans (Note 7), during the year ended 31 December 2024 the impairment loss amounting to EUR 10.8 million, which had been recognised as of 31 December 2023 on those receivables, was reversed.

Details of the accumulated impairment losses related to related parties are disclosed in Note 38.

11. Inventories

The caption inventories as of 31 December 2025 and 2024 is detailed as follows:

	2025	2024
Raw materials and consumables	130,350,932	108,823,588
Inventory impairment losses	(8,157,052)	(11,298,936)
	122,193,880	**97,524,652**

Raw materials and consumables refer to technical material for use in the maintenance and repair of own aircraft and in works for other airlines. The increase in the balance mainly relates to the acquisition of inventories during the year ended 31 December 2025, driven by the increase in maintenance activity.

The movement of the impairment losses on inventories item for the years ended 31 December 2025 and 2024 is detailed as follows:

	2025	2024
Opening balance	11,298,936	14,979,802
Change in consolidation perimeter	21,000	1,954,800
Increases (Note 28)	317,221	1,718,001
Decreases (Note 28)	(672,356)	(485,536)
Utilization	(2,786,749)	(6,868,131)
Transfers (note 7)	(21,000)	-
Closing balance	**8,157,052**	**11,298,936**

The amounts recorded as utilizations during the years ended 31 December 2025 and 2024, mainly concern materials sold and/or scrapped for which impairment losses had been recorded in previous years.

As of December 31, 2025, the transfers relate to the classification of the subsidiary Cateringpor as held for sale (Note 7).

12. Income tax receivables/payables

As of 31 December 2025 and 2024, the balance concerning income tax receivables or payables is detailed as follows:

	2025		2024	
	Current assets	Current liabilities	Current assets	Current liabilities
State and other public entities				
Other	-	-	-	(19,326)
Payments on account	1,965,991	-	4,155,481	-
Withholding taxes	2,770,232	3	12,917,016	13
Income tax previous years	13,521,250	-	3,434,953	-
Current income tax (Note 34)	(87,453)	(3,873,218)	(7,480,079)	(12,294)
	18,170,020	**(3,873,215)**	**13,027,371**	**(31,607)**

As of 31 December 2025, the balance of withholding taxes mainly pertains to withholdings made by SIAVILO on the year's interest related to the loans granted by TAP S.A. (Note 10). The change in the balance compared to 31 December 2024 is mainly due to the fact that, since March 2025, SIAVILO has ceased paying interest.

As of 31 December 2025, the corporate income tax from prior years caption includes an amount of EUR 13.5 million receivable relating to corporate income tax for the years 2010, 2013 and 2014, following the final and binding rulings of two judgments of the Portuguese Supreme Administrative Court, which ordered the refund to TAP S.A. of income tax unduly paid in respect of those years in the amount of EUR 9.0 million (Note 34), plus the corresponding indemnity interest amounting to EUR 4.5 million (Note 33).

The estimate of corporate income tax payable relating to UCS and Cateringpor (classified as held for sale as of 31 December 2025) refers to the full year ended 31 December 2025, however, only the amount corresponding to the period following the inclusion of these entities in the Group's consolidation perimeter is reflected in the consolidated income statement (Note 34).

13. Other current and non-current assets

Other current and non-current assets as of 31 December 2025 and 2024 are detailed as follows:

	2025		2024 Restated	
	Current	Non-Current	Current	Non-Current
CO_2 emission allowances	71,956,556	62,879,094	57,568,289	43,029,165
Deferred costs	46,778,091	11,348,288	45,067,962	14,259,503
State and other public entities	11,392,747	-	8,948,353	-
	130,127,394	**74,227,382**	**111,584,604**	**57,288,668**

CO_2 emission allowances

As of 31 December 2025 and 2024, the CO_2 emission allowances held in the Group's portfolio are detailed as follows:

	2025		2024 Restated	
	Current	Non-Current	Current	Non-Current
EU ETS	69,787,830	55,323,199	55,431,041	37,428,798
UK ETS	2,168,726	6,697,987	2,137,248	5,600,367
Corsia	-	857,908	-	-
	71,956,556	**62,879,094**	**57,568,289**	**43,029,165**

Deferred costs

As of 31 December 2025 and 2024, the deferred costs caption is detailed as follows:

	2025		2024 Restated	
	Current	Non-Current	Current	Non-Current
Security deposits (Note 10)	2,024,998	11,348,288	2,255,971	14,259,503
Related Parties (Note 38)	112,967	-	112,967	-
Commissions	26,757,887	-	29,128,530	-
Maintenance	6,287,522	-	6,913,375	-
Specialized works	1,663,346	-	1,564,556	-
Rental costs	3,313,115	-	1,302,428	-
Other	6,618,256	-	3,790,135	-
	46,778,091	**11,348,288**	**45,067,962**	**14,259,503**

As of 31 December 2025 and 2024, the deferred commissions relate to amounts paid to agents for tickets sold but not yet flown or expired.

State and other public entities

As of 31 December 2025 and 2024, the balances of this caption are detailed as follows:

	2025	2024
VAT	6,766,158	5,746,229
Other taxes	4,626,589	3,202,124
	11,392,747	**8,948,353**

As of 31 December 2025 and 2024, the VAT balance refers to refunds not yet received.

14. Cash and cash equivalents

As of 31 December 2025 and 2024, the detail of cash and cash equivalents is detailed as follows:

	2025	2024
Bank deposits available on demand	124,082,366	134,726,289
Term deposits	640,317,475	516,364,885
Other deposits	869,301	480,593
Cash	60,218	70,763
	765,329,360	**651,642,530**

15. Share capital and supplementary capital contributions

As stated in the Introductory Note, on 24 May 2021, the Portuguese State, through the Directorate-General of the Treasury and Finance, carried out a capital increase in TAP S.A. in the amount of EUR 462 million.

In this context, the shareholding structure of TAP S.A. was detailed as follows:

- The Portuguese Republic, through the Directorate-General of the Treasury and Finance, came to hold 91.8% of the shares representing the share capital and voting rights; and
- SIAVILO came to hold 8.2% of the shares representing the share capital and voting rights of TAP S.A.

Following the approvals by the European Commission of State aid for (i) the restructuring of the TAP Group and (ii) the compensation for losses suffered by TAP S.A. as a result of the COVID-19 pandemic, on 30 December 2021, the following corporate operations were approved at an Extraordinary General Meeting of TAP S.A. and submitted for registration with the Commercial Registry Office of Lisbon:

- The increase of TAP S.A.'s share capital from EUR 503,500,000 to EUR 657,853,400, fully subscribed by SIAVILO, through the conversion of supplementary contributions, in the total amount of EUR 154,353,400;
- The reduction of its share capital to EUR 0.00, to partially cover losses;
- The increase of its share capital from EUR 0.00 to EUR 1,794,544,230, fully subscribed by the Portuguese Republic, through the Directorate-General of the Treasury and Finance, with the amount of EUR 1,258,544,230 being exclusively realized by in-kind contributions, by conversion of credits from the Portuguese Republic against TAP S.A., and the amount of EUR 536,000,000, realized by cash contributions;
- The reduction of its share capital from EUR 1,794,544,230 to EUR 904,327,865, to partially cover losses.

As a result of the aforementioned operations, TAP S.A. became directly and solely owned by the Portuguese Republic, through the Directorate-General of the Treasury and Finance, with no material change in control exercised over TAP S.A., as the Portuguese Republic was already the effective beneficiary of TAP S.A.

Additionally, following the European Commission's decision dated 21 December 2021, which approved the TAP Group's Restructuring Plan and the granting of restructuring aid—including a tranche of said aid to be provided by the end of the 2022 financial year—the following corporate transactions were approved on 27 December 2022 by written resolution of TAP S.A.'s sole shareholder:

- The reduction of TAP S.A.'s share capital from EUR 904,327,865 to EUR 0.00, to partially cover losses;
- The increase of its share capital from EUR 0.00 to EUR 980,000,000, fully subscribed by the Portuguese Republic, through the Directorate-General of the Treasury and Finance, to be realized by new cash contributions.

Consequently, TAP S.A.'s share capital became EUR 980,000,000, represented by 196,000,000 shares, with a nominal unit value of EUR 5.00, of which EUR 294,000,000 was paid in as of 31 December 2023. In January 2024, the second tranche of EUR 343,000,000 was executed, leaving the final tranche of the same amount outstanding, scheduled for December 2024.

On 18 October 2024, it was approved, through unanimous written resolution, to reduce TAP S.A.'s share capital from EUR 980,000,000 to EUR 313,600,000 by decreasing the nominal value of shares from EUR 5.00 per share to EUR 1.60 per share. Of this reduction, EUR 323,400,000 was allocated to absorb losses, and EUR 343,000,000 was allocated for the specific purpose of extinguishing the Portuguese Republic's obligation to execute the final tranche of the subscribed share capital from 27 December 2022 (amounting to EUR 343,000,000, as mentioned above) in exchange for the Portuguese Republic's assumption of the obligation to make an equivalent payment of supplementary capital contributions by 18 December 2024.

On 18 December 2024, it was approved, through unanimous written resolution, to postpone the execution of the supplementary capital contribution of EUR 343,000,000, initially scheduled for December 2024, to January 2025.

On 17 January 2025, it was approved, through unanimous written resolution, to increase TAP S.A.'s share capital through new cash contributions to be made by its sole shareholder, the Portuguese Republic, through the Directorate-General of Treasury and Finance, in the amount of EUR 343,000,000, replacing its obligation to execute a single supplementary contribution of the same amount. As a result, TAP S.A.'s share capital increased to EUR 656,600,000, represented by 410,375,000 ordinary shares, each with a nominal unit value of EUR 1.60. The final tranche of EUR 343,000,000 was received on 20 January 2025.

16. Other equity captions

Reserves

Legal reserve

Commercial legislation provides that at least 5% of the annual net income must be earmarked for strengthening the legal reserve until it represents at least 20% of the capital.

This reserve is not distributable except in the event of the liquidation of the Group, however, it may be incorporated into the capital or used to absorb losses after the other reserves have been exhausted.

As of 31 December 2025 the legal reserve is not yet fully constituted.

Fair value reserves

As of 31 December 2025, the negative amount of EUR 3,678,937, presented under the fair value reserves item, is the fair value of financial instruments classified as hedging amounting to EUR 5,074,396, net of deferred taxes amounting to EUR 1,395,459 (Notes 9 and 20).

Other reserves

As of 31 December 2025, the other reserves caption includes an amount of EUR 66,761,676, net of deferred tax amounting to EUR 17,024,227 (Notes 9 and 33), relating to accumulated net foreign exchange gains arising from the foreign exchange remeasurement of USD denominated lease liabilities, for which a hedging relationship was designated with highly probable forecast sales whose fares are denominated in USD, with effect from 1 January 2022 (Note 2.35). In addition, this caption also includes an amount of EUR 16,152,038, net of deferred tax of EUR 4,118,770, relating to foreign exchange losses arising from the foreign exchange remeasurement of USD denominated term deposits, for which a hedging relationship was applied in connection with agreed future pre delivery payments, with effect from 1 January 2025 (Note 36).

This item also includes a reserve set up in 2010 resulting from the merger by incorporation of Air Portugal Tours, S.A. in the negative amount of EUR 200,588.

Other variations in equity

On 23 December 2025, the European Commission approved the request submitted by the Portuguese Republic to extend until 30 June 2026 the deadline for TAP S.A. to complete the divestment of its shareholdings in SPdH and Cateringpor, originally scheduled for 31 December 2025. This decision granted an additional six-month period to complete the divestment of the aforementioned financial investments, as provided for in the Approved Restructuring Plan.

As part of this approval, TAP S.A. is required to repay EUR 24.99 million to the Portuguese Republic from the State aid granted to TAP S.A. by 30 June 2026. As of 31 December 2025, this obligation is recognised under other payables captions (Notes 20 and 38), with a corresponding reduction in equity through the other changes in equity caption.

The Board of Directors intends to propose to the shareholder a reduction of TAP S.A.'s share capital in order to ensure compliance with the obligation arising from the aforementioned decision of the European Commission.

Retained earnings

The retained earnings caption corresponds to the net income of previous years, as per the decisions made at the General Meetings. In addition, changes resulting from the application of International Financial Reporting Standards for the first time, as well as gains or losses from remeasurements of post-employment benefits, net of tax and adjustments arising from the adoption of IFRS 16, are recorded under this item.

On 27 December 2022 and 30 December 2021, the Extraordinary General Meeting of TAP S.A. approved share capital reductions in the amounts of EUR 904,327,865 and EUR 1,548,069,765, respectively, to partially cover losses. On 18 October 2024, it was reduced TAP S.A.'s share capital to absorb negative retained earnings in the amount of EUR 323,400,000, by means of an unanimous written resolution.

Non-controlling interests

As of 31 December 2025, the amount recorded under the item non-controlling interests in the consolidated financial position refers in its entirety to the subsidiary Cateringpor, whose share capital has been 51% held by TAP S.A. since 9 April 2025 with the remaining 49% being held by Gate Gourmet Switzerland Holding GmbH (Note 2.4).

17. Pensions and other post-employment benefits

As mentioned in Note 2.24, TAP S.A. is responsible for paying post-employment benefits to retired, pre-retirement, and active employees.

Retirement pension supplements and early retirement instalments ("VIVA")

According to current rules at the Group, this guarantees employees hired before 31 May 1993 the difference between the pension, for age or disability, allocated by Social Security, and a minimum amount guaranteed by the Group. This amount corresponds to a fixed percentage of part of the salary (basic salary + annuities), at the retirement date, for each year in the Group's service, up to a maximum of 20 years, as follows:

- Flight deck crew (pilots and flight technicians) – 3.2% per year of service;
- Ground staff and cabin crew – 4% per year of service.

In addition, the Group has undertaken to pay early retirement pensions, whose value is fixed so that the respective net value receivable in situations of early retirement ranges from 75% to 100% of the net value that the employees received when active on the date of early retirement.

In October 2008, the Labour Agreement TAP S.A. with the Civil Aviation Pilots Union ("SPAC") was amended, with the following main changes:

- Pilots recruited before 31 May 2007: the pension plan includes the seniority bonus guaranteed by the State (of 15% or 10%, according to the start date of the contributory career) and the possibility of an additional bonus (up to 25% or 30%) as an option for the beneficiary upon retirement (this additional bonus will be paid by the Group);

- Pilots recruited after 1 June 2007: the pension plan consists of a defined contribution scheme of 7.5% of the base remuneration effectively earned (14 times a year), of which 80% is paid by the Group. This plan is guaranteed by contracts of participation in open pension funds managed by Banco Português de Investimento ("BPI"). The participation contracts and their management are optional to SPAC, as established in the collective regulations.

The Group has recorded all its liabilities related to past services for the payment of pension supplements and early retirement benefits relative to the defined benefit plan.

The measurement of liabilities took into consideration that, under the terms of the collective regulations establishing the aforementioned pension plan, the total pension guaranteed by the Group, i.e. the social security pension and pension supplement will never exceed the base monthly remuneration, net of personal income tax (IRS) and Social Security payments during employment. This requirement is not applicable because it is not enshrined in the collective regulations governing the technical flight crew, for which the limit does not exist and the pensionable salary is the basic salary of the salary scale, plus the financial year salary and seniority.

In order to cover the liabilities related to the defined benefit plan, the Group concluded a contract to join the VIVA open pension fund. As of 2011, the cost related to retirement pension supplements, constituted since 1998, is assumed by this participation. Annual expenditure on pensions is determined in accordance with the actuarial study, reviewed and adjusted annually according to the updating of salaries and the evolution of the participant group. Costs relating to retirement supplements constituted by December 1997, early retirement instalments and the portion of pilot retirement supplements, which exceeds the limit referred to in the preceding paragraph, are assumed directly by TAP S.A. and covered by a specific provision.

Retirement Bonus ("Jubileu")

The Company Agreement concluded between TAP S.A. and SPAC established that TAP S.A. undertakes to pay to pilots recruited before 31 May 2007, in addition to a pension scheme, a one-off retirement bonus to every pilot upon retirement due to old age, which is funded by the capital accumulated in a collective insurance policy constituted by TAP S.A. on behalf of the pilots. The main conditions of the collective retirement policy agreed with the insurance company, describing this Retirement Benefits Plan for Pilots, are as follows:

- Admission conditions: pilots who are still in active service;
- Standard retirement age: 65 years;
- Guarantees: each participant is entitled, upon the retirement date, to an amount equal to 16 times the last declared monthly wage.

The Benefit Plan is funded through an insurance policy that is reinforced by contributions (premiums) paid by the Group and by income obtained from investments made by the insurance company in an Autonomous Fund which supports this type of insurance.

In October 2008, the agreement between TAP S.A. and SPAC was amended, with the main changes being as follows:

- Pilots recruited before 31 May 2007: the one-off retirement bonus is maintained, but will only be paid if, on the retirement date, the person is entitled to the full pension, with the possibility of increasing the capital for every additional year of service after the full pension age has been reached;

- Pilots recruited after 1 June 2007: there is no entitlement to a retirement bonus.

Healthcare

The Group ensures that both pre-retired and early-retired employees, below the age of 65, are awarded with a healthcare plan providing access to medical care at reduced prices. In addition, the Group provides its retired employees with access to medical services from UCS, as a freely granted benefit, for which they pay a portion of the cost of each clinical service with the remainder being paid by TAP S.A.

The Group considers that although it provides its former employees with access to the health care services of UCS, this is not an obligation but rather a freely granted benefit that, therefore, does not constitute a liability to provide any healthcare for workers after they leave employment at the Group. Therefore, as of this date, the Company assumes no liability regarding the provision of health care services for pre-retired, early-retired and retired employees. As of 31 December 2025, the provision recorded covers all liabilities for medical acts with pre-retired, early-retired and retired persons, having the said liability been determined based on an actuarial study calculated by an independent entity.

Portugália

On 1 January 2010, Portugália established a defined contribution plan for pilots. This plan is managed by BPI Vida e Pensões, to which Portugália contributes monthly with 6.5% of the pilots' actual salaries, paid 14 times per year. Employees contribute 1% and may additionally make supplementary contributions between 1% and 5%.

Additionally, in August 2024, a defined contribution plan was established for cabin crew. This plan includes retroactive calculations from 1 September 2023 and is also managed by BPI Vida e Pensões, to which Portugália contributes monthly with 3.5% of the crew members' actual salaries, paid 14 times per year. Employees contribute 0.875% and may additionally make supplementary contributions between 1% and 5%. This plan also includes an annual top-up, borne solely by the company, relating to the seniority pay of the crew members.

In July 2018, Portugália launched an early retirement program, which was available to cabin crew and ground staff. Eight early retirement agreements were signed in 2018, which are still being paid to this day.

UCS

UCS is responsible, under its internal regulations, for granting, through a defined benefit plan, supplementary retirement pensions for the portion that exceeds those provided by Social Security. To cover this obligation, UCS subscribed to the Horizonte Valorização Pension Fund. The annual pension expense, which includes contributions to the fund, is determined based on the actuarial valuation, reviewed and adjusted according to salary updates and the evolution of the participant group.

Assumptions used in the evaluation of liabilities

The Group liabilities were calculated through actuarial studies reported as of 31 December 2025 and 2024, prepared by independent entities, using the "Projected Unit Credit Method" and essentially based on the following financial and demographic assumptions:

	2025		2024	
	Portugal VIVA	Portugal Jubileu	Portugal VIVA	Portugal Jubileu
Mortality table	TV 88/90	TPRV/93	TV 88/90	TPRV/93
Disability table	EKV1980	EKV1980	EKV1980	EKV1980
Discount rate	3.75%	3.75%	3.50%	3.50%
Fund yield rate	3.75%	2.10%	3.50%	2.00%
Growth rates:				
Wages	[4.67%(2026)-1.30%(2027+)]	[4.00%(2026)-1.90%(2027+)]	[3.25%(2025)-6.17%(2026)-1.83%(2027+)]	[3.75%(2025)-6.50%(2026)-3.50%(2027+)]
Pensions	1.00%	1.00%	1.00%	1.00%
Salaries (Social Security)	3.70%	--	3.70%	--
Trend of medical costs	1.50%	--	1.50%	--
Regular retirement age	65	65	65	65

The Group proceeds with the periodic review of actuarial assumptions whenever relevant events occur, based on information from financial markets and data from the universe of beneficiaries covered by the plans. The salary growth rate stems from the best estimate as of this date, taking into account the new collective labor agreements negotiated with some groups of workers.

Liabilities as of 31 December 2025 and 2024 are detailed as follows:

2025

	VIVA Fund	VIVA Pensions	Health care	Jubileu Bonus	Portugália	Sub-total Pensions	England Representation (Note 10)	Brazil Representation (Note 10)	UCS (Note 10)	Total
Liabilities from past services										
- Active employees	217,420	99,697,602	-	90,966,324	-	190,881,346	-	193,545	282,471	191,357,362
- Early retirement	50,355	1,205,240	57,322	-	123,083	1,436,000	-	-	-	1,436,000
- Retired	4,368,484	42,057,176	2,001,880	-	-	48,427,540	11,826,725	-	-	60,254,265
Fair value of the fund	(15,323,158)	-	-	(52,268,059)	-	(67,591,217)	(13,412,789)	(355,360)	(672,674)	(82,032,040)
Defit/(surplus)	**(10,686,899)**	**142,960,018**	**2,059,202**	**38,698,265**	**123,083**	**173,153,669**	**(1,586,064)**	**(161,815)**	**(390,203)**	**171,015,587**

2024

	VIVA Fund	VIVA Pensions	Health care	Jubileu Bonus	Portugália	Sub-total Pensions	England Representation (Note 10)	Brazil Representation (Note 10)	UCS (Note 10)	Total
Liabilities from past services										
- Active employees	201,087	99,292,914	-	104,832,069	-	204,326,070	-	193,879	-	204,519,949
- Early retirement	127,451	1,907,790	94,948	-	164,412	2,294,601	-	-	-	2,294,601
- Retired	8,550,775	31,082,386	2,077,353	-	-	41,710,514	20,643,286	-	-	62,353,800
Fair value of the fund	(14,155,044)	-	-	(47,717,803)	-	(61,872,847)	(23,140,934)	(355,974)	-	(85,369,755)
Defit/(surplus)	**(5,275,731)**	**132,283,090**	**2,172,301**	**57,114,266**	**164,412**	**186,458,338**	**(2,497,648)**	**(162,095)**	**-**	**183,798,595**

The best estimate of contributions for defined benefit pension plans for the subsequent fiscal year is approximately EUR 6 million.

As of 31 December 2025 and 2024, the Group's defined benefit plans in Portugal (excluding the UK and Brazil representations) covered 1,209 and 1,243 active beneficiaries, respectively. The total number of retired and pre-retired employees entitled to a supplementary retirement pension as of 31 December 2025 and 2024 amounted to 440 and 468 beneficiaries, respectively.

As of 31 December 2025, the average maturities of the obligations relating to the "VIVA Fund" and "Jubileu Bonus" defined benefit plans are 6 years and 12 years, respectively.

Sensitivity analyses

Annual discount rate

An increase (decrease) of 0.25% in the annual discount rate of the defined benefit plans "VIVA Plan" and "Jubileu Bonus" would correspond to the following impacts on the Group's liabilities as of 31 December 2025 and 2024:

2025	Rate	VIVA Plan*	Jubileu Bonus
Annual discount rate of pensions	3.75%	147,596,277	90,966,324
0.25% increase in the discount rate	4.00%	142,584,204	88,623,258
0.25% decrease in the discount rate	3.50%	152,804,712	93,394,202

* Includes "VIVA Pensions" and "VIVA Fund"

2024	Rate	VIVA Plan*	Jubileu Bonus
Annual discount rate of pensions	3.50%	141,162,403	104,832,069
0.25% increase in the discount rate	3,75%	136,146,197	101,783,089
0.25% decrease in the discount rate	3,25%	146,468,944	108,000,468

* Includes "VIVA Pensions" and "VIVA Fund"

Healthcare cost growth rate

If the growth rate of medical care costs increases or decreases by one percentage point, the respective impact on the Group's liabilities as of 31 December 2025 and 2024 is as follows:

	Rate	2025	2024
Annual growth rate of medical costs	1.50%	2,059,202	2,172,301
1% increase in the growth rate of medical costs	2.50%	2,193,982	2,312,247
1% decrease in the growth rate of medical costs	0.50%	1,937,789	2,046,256

Pension growth rate

If the pension growth rate of "Viva Plan" increases or decreases by 0.25 percentage points, the respective impact on the Group's liabilities as of 31 December 2025 and 2024 is as follows:

	Rate	2025	2024
Growth rate of VIVA Plan*	1.00%	147,596,277	141,162,403
0.25% increase in the pension growth rate	1.25%	151,778,356	144,997,358
0.25% decrease in the pension growth rate	0.75%	143,580,552	137,480,248

* Includes "VIVA Pensions" and "VIVA Fund"

Evolution of liabilities from past services

The evolution of liabilities for past services, reflected in the statement of financial position, during the years ended 31 December 2025 and 2024, is as follows:

2025

	VIVA Fund	VIVA Pensions	Health care	Jubileu Bonus	England Representation	Brazil Representation	Portugália	UCS	Total
Liabilities at the beginning of the year	8,879,313	132,283,090	2,172,301	104,832,069	193,879	20,643,286	164,412	-	269,168,350
Currency translation differences	-	-	-	-	(334)	(736,438)	-	-	(736,772)
Values recorded through profit or loss for the year:									
Current services	6,185	3,752,852	-	4,579,509	-	-	-	52,708	8,391,254
Net interest	310,776	4,629,908	76,031	3,702,153	-	203,483	3,981	7,427	8,933,759
Actuarial gain and losses	(3,951,508)	9,563,038	(189,130)	(19,728,289)	-	(385,922)	-	103,406	(14,588,405)
Other movements	-	(637,772)	-	-	-	(6,450,309)	-	-	(7,088,081)
Benefits paid	(608,507)	(6,631,098)	-	(2,419,118)	-	(1,447,375)	(45,310)	(40,566)	(11,191,974)
Changes in consolidation perimeter	-	-	-	-	-	-	-	159,496	159,496
Liabilities at the end of the year	**4,636,259**	**142,960,018**	**2,059,202**	**90,966,324**	**193,545**	**11,826,725**	**123,083**	**282,471**	**253,047,627**

2024

	VIVA Fund	VIVA Pensions	Health care	Jubileu Bonus	England Representation	Brazil Representation	Portugália	Total
Liabilities at the beginning of the year	9,163,707	132,622,521	2,369,678	92,120,187	552,845	19,696,220	-	256,525,158
Currency translation differences	-	-	-	-	(70,821)	947,066	-	876,245
Values recorded through profit or loss for the year:								
Current services	134,989	3,661,087	-	5,376,034	(284,034)	-	-	8,888,076
Net interest	325,196	4,630,321	82,939	3,204,070	-	-	(10,000)	8,232,526
Actuarial gain and losses	174,541	622,413	(280,316)	9,581,721	-	-	-	10,098,359
Other movements	-	(1,922,746)	-	-	-	-	-	(1,922,746)
Benefits paid	(919,120)	(7,330,506)	-	(5,449,943)	(4,111)	-	(9,689)	(13,713,369)
Changes in consolidation perimeter	-	-	-	-	-	-	184,101	184,101
Liabilities at the end of the year	**8,879,313**	**132,283,090**	**2,172,301**	**104,832,069**	**193,879**	**20,643,286**	**164,412**	**269,168,350**

The amount of EUR 6.5 million recorded as other movements in the year ended 31 December 2025 in the obligations relating to the England Representation relates to liabilities that were transferred to third parties, with the Group having also reduced the plan assets by the same amount.

Evolution of funds allocated to pensions benefit schemes

During the years ended 31 December 2025 and 2024, the evolution of the assets of the funds was as follows:

2025

	VIVA Fund	VIVA Pensions	Brazil Representation	England Representation	UCS	Total
Opening balance	14,155,044	47,717,803	355,974	23,140,934	-	85,369,755
Other movements	-	(60,000)	-	(6,450,309)	(5,509)	(6,515,818)
Contributions in the year	-	6,000,000	-	-	-	6,000,000
Net interest	495,426	1,670,123	-	40,399	23,797	2,229,745
Benefits paid	-	(2,419,118)	-	(1,447,375)	(40,566)	(3,907,059)
Return of plan assets	672,688	(640,749)	-	(1,075,062)	15,032	(1,028,091)
Exchange variation	-	-	(614)	(795,798)	-	(796,412)
Change in the consolidation perimeter	-	-	-	-	679,920	679,920
Closing Balance	**15,323,158**	**52,268,059**	**355,360**	**13,412,789**	**672,674**	**82,032,040**

2024

	VIVA Fund	VIVA Pensions	Brazil Representation	England Representation	Total
Opening balance	13,299,756	46,384,260	422,445	22,079,282	82,185,743
Transfers	-	(74,295)	-	-	(74,295)
Contributions in the year	-	5,940,000	-	-	5,940,000
Net interest	465,490	1,620,849	-	-	2,086,339
Benefits paid	-	(5,449,943)	(4,111)	-	(5,454,054)
Return of plan assets	389,798	(703,068)	-	-	(313,270)
Exchange variation	-	-	(62,360)	1,061,652	999,292
Closing Balance	**14,155,044**	**47,717,803**	**355,974**	**23,140,934**	**85,369,755**

The composition of the funds as of 31 December 2025 and 2024 is as follows:

2025

	VIVA Fund	Jubileu Bonus	England Representation	UCS	Total
Shares	5,381,380	-	670,639	185,790	6,237,809
Bonds	4,533,476	48,583,161	2,950,814	420,546	56,487,997
Public debt	4,279,029	-	2,280,174	-	6,559,203
Real estate	569,342	-	-	19,133	588,475
Liquidity	463,416	3,684,898	-	47,205	4,195,519
Other current investments	96,515	-	7,511,162	-	7,607,677
Closing Balance	**15,323,158**	**52,268,059**	**13,412,789**	**672,674**	**81,676,680**

2024

	VIVA Fund	Jubileu Bonus	England Representation	Total
Shares	5,388,587	-	4,419,919	9,808,506
Bonds	3,378,841	45,117,183	2,337,234	50,833,258
Public debt	4,510,935	-	-	4,510,935
Real estate	499,749	-	-	499,749
Liquidity	376,932	2,600,620	-	2,977,552
Other current investments	-	-	16,383,781	16,383,781
Closing Balance	**14,155,044**	**47,717,803**	**23,140,934**	**85,013,781**

Expenses related to pensions and other post-employment benefits

The expenses relating to pensions and other post-employment benefits are detailed as follows:

2025

	VIVA Fund	VIVA Pensions	Health Care	Jubileu Bonus	England Representation	Portugália	UCS	Total
Current services	6,185	3,752,852	-	4,579,509	-	-	52,708	8,391,254
Net interest	(184,650)	4,629,908	76,031	2,032,030	163,084	3,981	(16,370)	6,704,014
Total (Notes 27 and 33)	**(178,465)**	**8,382,760**	**76,031**	**6,611,539**	**163,084**	**3,981**	**36,338**	**15,095,268**

2024

	VIVA Fund	VIVA Pensions	Health Care	Jubileu Bonus	Brazil Representation	Portugália	Total
Current services	134,989	3,661,087	-	5,376,034	(284,034)	-	8,888,076
Net interest	(140,294)	4,630,321	82,939	1,583,221	-	(10,000)	6,146,187
Total (Notes 27 and 33)	**(5,305)**	**8,291,408**	**82,939**	**6,959,255**	**(284,034)**	**(10,000)**	**15,034,263**

As mentioned, TAP S.A.'s pilots admitted after 1 June 2007 benefit from a defined contribution plan. During the year ended 31 December 2025, an expense amounting to EUR 5,247 thousand was recognised (2024: EUR 4,844 thousand), relating to contributions made during the year on behalf of these employees (Note 27). In addition, pilots and cabin crew of Portugália benefit from defined contribution plans, for which the Group recognised an expense of EUR 2,671 thousand during the year ended 31 December 2025 (EUR 149 thousand in the year ended 31 December 2024) (Note 27).

Pension expenses and other post-employment benefits costs for the years ended 31 December 2025 and 2024 are recognised under employee costs (Note 27), interest expense and similar charges (Note 33), and interest income and similar income (Note 33).

Remeasurement gains/losses

The remeasurement gains/losses related to post-employment benefit plans are detailed as follows:

2025	VIVA Fund	VIVA Pensions	Health Care	Jubileu Bonus	England Representation	UCS	Total
Remeasurements							
Return of assets, excluding amounts included in net income	(672,688)	-	-	640,749	1,075,062	(15,032)	1,028,091
	(672,688)	**-**	**-**	**640,749**	**1,075,062**	**(15,032)**	**1,028,091**
(Gains)/losses due to changes in financial assumptions	(72,658)	(3,830,686)	-	(21,056,010)	(385,922)	103,406	(25,241,870)
(Gains)/losses due to experience	(3,878,850)	13,393,724	(189,130)	1,327,721	-	-	10,653,465
	(3,951,508)	**9,563,038**	**(189,130)**	**(19,728,289)**	**(385,922)**	**103,406**	**(14,588,405)**
Total remeasurements	**(4,624,196)**	**9,563,038**	**(189,130)**	**(19,087,540)**	**689,140**	**88,374**	**(13,560,314)**

2024	VIVA Fund	VIVA Pensions	Health Care	Jubileu Bonus	England Representation	Total
Remeasurements						
Return of assets, excluding amounts included in net income	(389,798)	-	-	703,068	-	313,270
	(389,798)	**-**	**-**	**703,068**	**-**	**313,270**
(Gains)/losses due to changes in financial assumptions	-	-	-	9,071,795	-	9,071,795
(Gains)/losses due to experience	174,541	622,413	(280,316)	509,926	-	1,026,564
	174,541	**622,413**	**(280,316)**	**9,581,721**	**-**	**10,098,359**
Total remeasurements	**(215,257)**	**622,413**	**(280,316)**	**10,284,789**	**-**	**10,411,629**

The actuarial gains recognised in the year ended 31 December 2025 arising from changes in financial assumptions, amounting to EUR 25,242 thousand, mainly result from changes in the assumptions regarding the estimated salary growth rates and from changes in the discount rate used in the measurement of the obligations.

The actuarial losses due to experience recognised in the year ended 31 December 2025, amounting to EUR 10,653 thousand, mainly result from the inclusion of the obligation relating to beneficiaries who provided proof of life during 2025.

The actuarial gains/losses were recognised directly in the Group's other comprehensive income.

18. Provisions

During the years ended 31 December 2025 and 2024, the provisions item had the following movement:

	Provision for legal claims (Notes 28 and 31)	Other (Notes 28 and 31)	Redelivery costs (Notes 4 and 28)	Sub-total Provisions	Restructuring provision (Note 30)	Total
1 January 2024	**61,828,866**	**43,720,293**	**199,685,619**	**305,234,778**	**2,108,784**	**307,343,562**
Changes in consolidation perimeter	-	-	101,154,322	101,154,322	-	101,154,322
Increases	8,972,180	70,272,409	49,943,190	129,187,779	-	129,187,779
Reversals	(3,031,438)	(248,091)	(22,240,988)	(25,520,517)	(1,176,003)	(26,696,520)
Utilization	(965,105)	(28,886,830)	(27,976,220)	(57,828,155)	(749,989)	(58,578,144)
Exchange and interests	-	-	20,563,907	20,563,907	-	20,563,907
31 December 2024	**66,804,503**	**84,857,781**	**321,129,830**	**472,792,114**	**182,792**	**472,974,906**
Changes in consolidation perimeter	319,044	815,221	-	1,134,265	-	1,134,265
Increases	14,566,247	10,000,985	64,256,146	88,823,378	-	88,823,378
Reversals	(1,379,222)	(26,733,207)	(35,575,964)	(63,688,393)	-	(63,688,393)
Utilization	(2,476,982)	(22,877,742)	(27,051,024)	(52,405,748)	-	(52,405,748)
Exchange and interests	-	-	(31,295,368)	(31,295,368)	-	(31,295,368)
Transfers (Note 7)	-	(458,232)	-	(458,232)	-	(458,232)
31 December 2025	**77,833,590**	**45,604,806**	**291,463,620**	**414,902,016**	**182,792**	**415,084,808**

Provision for ongoing legal processes

Provisions for ongoing legal processes are recorded in accordance with the risk assessments carried out by the Group and its legal advisors, based on historical success rates by nature of legal action and probability of unfavourable outcomes for the Group. As of 31 December 2025, the existing provision of EUR 77.8 million is intended to deal with various legal proceedings brought against the Group in Portugal and abroad.

Others

As of 31 December 2025, the balance of this item includes, among other estimates, a provision of EUR 14.3 million (EUR 28.0 million as of 31 December 2024 which were partially utilised in 2025) related to compensations to be paid to passengers.

On 11 December 2024, the Portuguese Supreme Court of Justice ("STJ") issued a unifying ruling regarding the reclassification of cabin crew following the nullity of fixed-term employment contracts, under the Collective Bargaining Agreement entered into with the National Union of Civil Aviation Flight Personnel ("SNPVAC") in 2006. TAP S.A. subsequently lodged a claim against this STJ decision and, on 12 March 2025, received a response dismissing the claim. On 11 July 2025, the Portuguese Constitutional Court rejected the appeal submitted by TAP S.A.

In the year ended 31 December 2024, and considering the potential impact of the unification of case law on similar legal proceedings, the Group recognised a provision amounting to EUR 40.6 million, recorded under other non-recurring items (Note 31).

This provision was reassessed in the year ended 31 December 2025 and reduced to EUR 21.7 million, mainly reflecting an updated assessment of the assumptions associated with the contingency, based on developments up to that date, as well as payments made. The impact of the provision's reduction was recognised under non-recurring items (Note 31).

In addition, as of 31 December 2025, the Group continues to recognise a specific provision for legal proceedings of this nature already filed, amounting to EUR 45.0 million, of which EUR 37.3 million had already been recognised as of 31 December 2024.

Within the context of the wind-down process of TAP ME Brasil, initiated in 2022 and still ongoing, in 2025 TAP ME Brasil entered into an agreement for the settlement of liabilities with the Brazilian tax authorities. In light of the lack of financial resources of TAP ME Brasil and the possibility that TAP S.A. could be held liable for the obligations of that entity, also considering the insolvency situation of SIAVILO (shareholder of TAP ME Brasil), TAP S.A. granted TAP ME Brasil a loan in the amount of EUR 3.0 million, in respect of which a full impairment was recognised, given the low expectation of recovery (Note 10).

Additionally, considering that TAP ME Brasil remains subject to other contingencies until its liquidation, the Group recognised, in December 2025, a provision in the amount of EUR 4.7 million, corresponding to the estimated remaining liabilities (Note 31).

Redelivery costs

Increases in the redelivery provision are recognised as a corresponding adjustment to the right-of-use asset and are subsequently subject to depreciation. The reduction recognised compared to 31 December 2024 relates to the effect of the update of the redelivery estimate performed as of 31 December 2025, based on the best information available at that date, to the positive foreign exchange effect resulting from the depreciation of the USD against the EUR, as well as to the utilisation of the provision during the year ended 31 December 2025.

During this year, a gain amounting to EUR 13.7 million was recognised in connection with the reversal of the redelivery provision relating to aircraft whose phase-out occurred in the year 2025 (Note 28), of which EUR 5.5 million relates to the entry of an A330 CEO aircraft into a lease with purchase option, which previously already belonged to the fleet under a lease agreement without purchase option.

Provision for restructuring

Within the scope of the ongoing Restructuring Plan, organizational restructuring and operational efficiency measures were defined, including a reduction in the number of employees, in order to guarantee the financial and economic sustainability of the Group.

As of 31 December 2025, and considering the payments already made, the balance of the provision for restructuring expenses amounts to EUR 183 thousand, which relates to future payments already agreed upon.

19. Borrowings and Lease liabilities with and without purchase option

As of 31 December 2025 and 2024, Borrowings and lease liabilities with and with no option to purchase are detailed as follows:

	2025		2024	
	Current	Non-Current	Current	Non-Current
Bank loans	10,976,972	44,171,717	11,148,090	55,319,807
Interest accrued	273,711	-	599,900	-
Initial expenses	(90,742)	(75,208)	(157,688)	(167,174)
Remunerated bank debt	**11,159,941**	**44,096,509**	**11,590,302**	**55,152,633**
Bonds	3,363,532	663,069,851	5,360,003	466,331,743
Interest accrued	6,300,896	-	4,853,466	-
Initial expenses	(833,573)	(4,611,952)	(1,795,998)	(8,438,662)
Bond issuance	**8,830,855**	**658,457,899**	**8,417,471**	**457,893,081**
Total borrowings	**19,990,796**	**702,554,408**	**20,007,773**	**513,045,714**
Lease liabilities with purchase option	114,362,662	743,068,555	104,808,614	761,544,313
Interest accrued	2,915,166	-	3,586,774	-
Initial expenses	(175,807)	(528,883)	(269,891)	(743,297)
Lease liabilities with purchase option	**117,102,021**	**742,539,672**	**108,125,497**	**760,801,016**
Lease liabilities without purchase option	**265,084,936**	**1,033,575,276**	**303,795,617**	**1,295,428,780**
Total borrowings and lease liabilities	**402,177,753**	**2,478,669,356**	**431,928,887**	**2,569,275,510**

Net debt

As of 31 December 2025 and 2024, net debt is detailed as follows:

	2025	2024
Borrowings except lease liabilities without purchase option		
Non-Current	1,445,094,080	1,273,846,730
Current	137,092,817	128,133,270
	1,582,186,897	**1,401,980,000**
Cash and Cash Equivalents (Note 14)		
Cash	60,218	70,763
Bank deposits available on demand	124,082,366	134,726,289
Other deposits	641,186,776	516,845,478
	765,329,360	**651,642,530**
Net debt	**816,857,537**	**750,337,470**

As of 31 December 2025 and 2024, the interest-bearing debt and leasing liabilities with a purchase option, by maturity and by type of interest rate, is broken down as follows:

	2025	2024
Variable rate		
Up to 1 year	73,931,396	57,808,957
1 to 2 years	46,224,605	65,764,734
2 to 3 years	46,761,577	40,057,171
Over 3 years	318,904,232	290,272,305
	485,821,810	**453,903,167**
Fixed rate		
Up to 1 year	63,161,421	70,324,313
1 to 2 years	50,850,465	58,200,984
2 to 3 years	64,769,345	52,760,972
Over 3 years	917,583,856	766,790,564
	1,096,365,087	**948,076,833**
	1,582,186,897	**1,401,980,000**

Bank loans

As of 31 December 2025, the bank loans heading includes two loans with a national credit institution, totalling EUR 53.8 million.

This heading also includes a loan obtained from a U.S. financial institution in the total amount of EUR 1.3 million.

Bond loans

TAP S.A. carried out a bond issue through a private placement, fully subscribed on 14 January 2019, in the amount of EUR 137.2 million and maturing in 2034. The fulfilment of the payment of the subscribed amount and the respective interest benefits from a guarantee provided by the depositary bank, established by the issuer for a specific purpose (presented in the consolidated statement of financial position as a deduction from gross financial debt), as well as from additional guarantees over contractual rights that do not affect any asset recognised in the Group's statement of financial position. As of 31 December 2025, the outstanding principal of this loan amounted to EUR 66.4 million.

On 7 November 2024, TAP S.A. issued a five-year bond offering, with a fixed annual interest rate of 5.125%, amounting to EUR 400 million, denominated "TAP 2024–2029 Bonds", targeted at European and American institutional investors. On 7 March 2025, TAP S.A. issued additional bonds under the same issuance agreement governing the "TAP 2024–2029 Bonds", in the amount of EUR 200 million, maturing on the same date, at a final issue price of 102.75% and, therefore, with an implied yield to maturity of 4.467% for this additional amount. The total amount of the bond issuance therefore reached EUR 600 million.

As of 31 December 2025 and 2024, all the bond loans are denominated in EUR.

Lease liabilities with purchase option

As of 31 December 2025 and 2024, leasing liabilities with option to purchase (plus interest expense minus initial charges) essentially relate to aircraft and engines.

Leases with purchase option are denominated in the following currencies:

	2025	2024
Lease liabilities in EUR	508,646,327	431,176,023
Lease liabilities in USD	339,330,080	437,750,490
Lease liabilities in JPY	11,665,286	-
	859,641,693	**868,926,513**

As of 31 December 2025 and 2024, lease liabilities with purchase option, by maturity, are broken down as follows:

	2025	2024
Up to 1 year	117,102,020	108,125,497
1 to 2 years	84,734,810	111,312,760
2 to 3 years	99,428,072	81,289,027
3 to 4 years	135,157,493	97,469,144
4 to 5 years	86,274,514	134,727,106
More than 5 years	336,944,784	336,002,979
	859,641,693	**868,926,513**

Lease liabilities without purchase option

The Lease liabilities without purchase option item refers essentially to the Company's non-cancellable payments under lease contracts, which vary in duration up to 14 years and may be extended at the express wish of the contracting parties, which are recognised in the statement of financial position.

As of 31 December 2025, there were 76 aircraft, of which 2 were not in an airworthy condition (Note 4), and 7 engines under lease agreements without purchase option.

As of 31 December 2025 and 2024, lease liabilities without purchase option per maturity are detailed as follows:

	2025	2024
Up to 1 year	265,084,936	303,795,617
1 to 2 years	247,750,618	277,201,947
2 to 3 years	221,388,784	239,278,641
3 to 4 years	188,959,369	214,274,686
4 to 5 years	160,326,385	188,102,939
More than 5 years	215,150,120	376,570,567
	1,298,660,212	**1,599,224,397**

Lease liabilities without purchase option regarding aircraft and engines are denominated in USD, while the remaining lease liabilities are denominated in EUR.

Financial Covenants

The financial covenants in the lease and financing contracts are typical for operations of this nature, including provisions such as the obligation to maintain activity as an air operator, commitments to provide periodic financial information, as well as, in the specific case of leases without purchase option, operational obligations related to records in official entities, information regarding leased aircraft, strict compliance with all regulations, procedures defined by authorities, among others.

Additionally, commitments were made to monitor the Group's financial performance through the analysis and compliance with certain ratios related to the Group's consolidated financial statements, namely Net Debt/EBITDAR and a minimum amount of unrestricted cash and cash equivalents.

As of 31 December 2025, there is no breach of covenants with reference to the financial statements as of that date.

Reconciliation of finance cash flows

The evolution of borrowings and lease liabilities and their reconciliation to the consolidated statement of cash flows is as follows:

	Remunerated bank debt and bonds	Leases with purchase option	Leases without purchase option	Total
1 January 2024	**650,488,469**	**789,958,352**	**1,801,118,407**	**3,241,565,228**
Receipts	400,000,000	-	-	400,000,000
Payments	(554,121,524)	(138,004,580)	(430,946,569)	(1,123,072,673)
New lease agreements / renegotiations	-	143,881,905	98,554,047	242,435,952
Change in consolidation perimeter	-	-	(106,191,440)	(106,191,440)
Exchange variation	178,753	27,243,768	97,103,298	124,525,819
Interest cost (Note 33)	32,457,594	45,838,612	136,932,552	215,228,758
Other	4,050,195	8,456	2,654,102	6,712,753
31 December 2024	**533,053,487**	**868,926,513**	**1,599,224,397**	**3,001,204,397**
Receipts	200,000,000	-	-	200,000,000
Payments	(44,710,689)	(152,176,161)	(311,641,797)	(508,528,647)
New lease agreements / renegotiations	-	144,677,880	67,279,766	211,957,646
Change in consolidation perimeter	-	429,562	14,028,294	14,457,856
Transfers (Note 7)	-	(278,496)	(6,680,731)	(6,959,227)
Exchange variation	(221,886)	(49,349,499)	(176,384,486)	(225,955,871)
Interest cost (Note 33)	23,799,367	43,495,372	110,230,920	177,525,659
Other	10,624,925	3,916,522	2,603,849	17,145,296
31 December 2025	**722,545,204**	**859,641,693**	**1,298,660,212**	**2,880,847,109**

The inclusion of UCS and Cateringpor in the Group's consolidation perimeter during the year ended 31 December 2025 resulted in an increase in lease liabilities with and without purchase option amounting to EUR 14,458 thousand, mainly relating to building and vehicle leases.

As of 31 December 2025, transfers of lease liabilities with and without purchase option amounting to EUR 6,959 thousand relate to the classification of the subsidiary Cateringpor as held for sale (Note 7).

The inclusion of Portugália in the Group's consolidation perimeter on 8 November 2024 resulted in a net decrease in lease liabilities without purchase options amounting to EUR 106,191 thousand, related to the derecognition of liabilities associated with the ACMI agreement between TAP S.A. and Portugália.

The amounts considered as other refer essentially to the impact of the recognition of the effective interest rate.

20. Other accounts payable

As of 31 December 2025 and 2024 the detail of other accounts payable item is as follows:

	2025		2024 Restated	
	Current	Non-current	Current	Non-current
Accrued expenses	351,749,914	4,683,006	334,351,189	2,008,837
Suppliers	200,436,788	-	203,193,642	-
Jet fuel swaps (Note 23)	5,074,396	-	1,984,535	-
Advances from customers	499,345	-	410,838	-
Other	169,886,115	-	140,429,328	-
	727,646,558	**4,683,006**	**680,369,532**	**2,008,837**

Accrued expenses

As of 31 December 2025 and 2024, the accrued expenses item is broken down as follows:

	2025		2024 Restated	
	Current	Non-current	Current	Non-current
Remunerations to be settled	184,763,104	-	159,423,485	-
Aircraft fuel	16,077,442	-	24,259,196	-
CO_2 emissions allowances	71,956,556	4,683,006	57,568,289	2,008,837
Special sales charge	12,584,160	-	12,891,767	-
Navigation fees	16,189,668	-	19,652,366	-
Insurance to be settled	8,080,206	-	6,546,158	-
Commissions	4,549,573	-	5,076,368	-
Specialized work	8,916,790	-	9,059,051	-
Related parties (Note 38)	3,341,579	-	5,650,960	-
Handling services	1,577,391	-	2,827,405	-
Other accrued expenses	23,713,445	-	31,396,144	-
	351,749,914	**4,683,006**	**334,351,189**	**2,008,837**

The increase in the remunerations to be settled caption compared to 31 December 2024 mainly results from the accrual of compensation payable to technical flight crew, amounting to EUR 17.7 million, which was paid in January 2026.

The special charges for sales activities refer to commissions attributed to agents based on the revenue flown over the period obtained through this channel.

Suppliers

As of 31 December 2025 and 2024, the suppliers item presents the following composition:

	2025	2024
Suppliers - pending invoices	93,334,534	151,986,825
Suppliers - current account	101,923,086	42,936,744
Suppliers - related parties (Note 38)	5,179,168	8,270,073
	200,436,788	**203,193,642**

Others

As of 31 December 2025 and 2024, the others item is detailed as follows:e:

	2025	2024
Taxes and fees	120,548,309	123,991,493
Fixed assets suppliers	8,308,800	2,569,004
Compensation for accidents at work	1,608,515	-
Employees	2,376,686	1,046,048
Related Parties (Note 38)	25,019,888	427,005
Other accounts payable	12,023,917	12,395,778
	169,886,115	**140,429,328**

The item taxes and fees essentially refers to amounts payable to various entities, related to fees charged to customers on tickets issued.

As of 31 December 2025, the balance with related parties includes an amount of EUR 24,990 thousand payable to the Portuguese State, the repayment of which was determined by the European Commission under its decision of 23 December 2025, which extended the deadline for the divestment of the shareholdings in Cateringpor and SPdH until 30 June 2026 (Note 16).

21. Other current liabilities

As of 31 December 2025 and 2024, the other current liabilities item mainly relates to:

	2025	2024
Deferred income	74,199,409	57,562,101
State	29,289,768	27,705,739
	103,489,177	**85,267,840**

Deferred income

As of 31 December 2025 and 2024, the deferred income line is broken down as follows:

	2025	2024
Customer loyalty program	67,863,929	49,790,683
Related Parties (Note 38)	89,006	327,988
Other deferred income	6,246,474	7,443,430
	74,199,409	**57,562,101**

In the scope of the application of IFRS 15 – Revenue from contracts with customers, in the assignment of air miles to customers participating in the loyalty program called "TAP Miles&Go", a contractual obligation is recognised based on the unit value of the air mile.

The increase in the customer loyalty program heading is primarily due to the rise in the number of miles available for use and the revision of the estimate of miles that will expire unused (Note 2.35).

State

As of 31 December 2025 and 2024, this item's balances are detailed as follows:

	2025	2024
Personal income tax	13,134,162	12,569,513
Social Security	16,014,572	14,640,995
Others	141,034	495,231
	29,289,768	**27,705,739**

22. Unused flight tickets

As of 31 December 2025 and 2024, the item for the Group's liabilities relating to unused flight tickets issued and unused was as follows:

	2025	2024
Passengers	707,133,118	685,264,648
Voucher	2,004,539	12,064,075
Cargo	1,464,676	1,672,713
	710,602,333	699,001,436

23. Derivative financial instruments

As of 31 December 2025 and 2024, the Group had negotiated derivative financial instruments, which are detailed as follows:

	2025		2024	
	Current assets (Note 10)	Current liabilities (Note 20)	Current assets (Note 10)	Current liabilities (Note 20)
Jet fuel price	-	5,074,396	4,808,692	(1,984,535)
	-	5,074,396	4,808,692	(1,984,535)

Due to the international scope of its operations, the Group is exposed to significant financial risks, with a particular focus on jet fuel price volatility and foreign exchange fluctuations, especially with regard to its exposure to the USD and the BRL. The systematic mitigation of these risks, through a disciplined approach and the use of financial derivative instruments, constitutes one of the pillars of the Group's financial risk management policy.

With respect to fuel price risk, the current hedging policy is based on a dynamic and continuous approach, with a rolling horizon of up to 12 months, establishing a target hedge ratio of 50% of estimated consumption. This strategy aims to ensure an appropriate balance between the protection of operating margins and management flexibility, allowing the Group to adapt efficiently to significant changes in market conditions, as well as to unexpected variations in demand or operational capacity.

Regarding foreign exchange risk, the Group has a significant structural exposure, characterised by a net short position in USD and a net long position in BRL, reflecting the imbalance between its foreign currency-denominated obligations and assets. This asymmetry requires an integrated approach to the mitigation of the Group's foreign exchange risk, which combines natural hedging measures with the selective use of financial derivative instruments, as follows:

- On the one hand, with respect to USD exposure, (i) EUR-denominated sources of funding are prioritised as a means of reducing liability exposure, and (ii) the optimisation of USD liquidity is pursued, with priority given to the conversion of BRL into USD;
- On the other hand, with respect to BRL exposure, the Group adopts a de-risking approach to its receivables portfolio, under which an assessment is periodically carried out to determine the most effective risk mitigation instrument for a given portion and/or maturity of the projected BRL receivables portfolio, which may involve entering into financial derivative instruments (either against USD or EUR), adjusted to the timing profile of the expected cash inflows and to the hedging objectives defined in the internal policy.

Irrespective of the financial risk mitigated through the use of financial derivative instruments, the Group seeks to maintain a diversified portfolio by combining the allocation of hedged volumes and/or cash flows through swaps, forwards and options (plain vanilla or structured). Under no circumstances are derivative transactions entered into for speculative purposes.

For contracts that meet the requirements for hedge accounting, as of 31 December 2025 a negative amount of EUR 3.7 million is recognised under equity reserves (net of deferred tax amounting to EUR 1.4 million – Note 9), relating to the fair value of derivative instruments outstanding at that date (negative EUR 1.3 million as of 31 December 2024).

As of 31 December 2025, the Group had entered into derivative contracts covering 21% of the estimated jet fuel consumption for 2026, with a negative net market value of EUR 5.1 million at that date (Note 20), and maturities ranging from January to December 2026. No derivatives had been contracted in respect of the Group's foreign exchange exposure as at that date.

During the year ended 31 December 2025, derivative contracts entered into in respect of (i) jet fuel prices had a negative impact of EUR 0.4 million on aircraft fuel expenses (Note 26), while derivative contracts entered into in respect of the foreign exchange rate applicable to BRL-denominated receivables had a negative impact of EUR 15.1 million on net foreign exchange differences (Note 33).

24. Segment Reporting

The following operational segments have been identified: air transport and maintenance. The results of each segment correspond to those directly attributable to them and those that can be reasonably assigned to them. The activities aggregated in "Others" do not qualify to be reported separately.

Financial information by business segments for the years ended 31 December 2025 and 2024 is as follows:

	2025					2024			
	Air Transport	Maintenance and engeneering	Other	Intersegment eliminations	Total	Air Transport	Maintenance and engeneering	Other	Total
Operating Income	4,025,132,626	263,687,624	79,801,393	(55,130,625)	4,313,491,018	3,981,796,334	242,362,167	18,275,519	4,242,434,020
Operating loss	(3,799,157,459)	(231,784,302)	(111,372,438)	55,130,625	(4,087,183,574)	(3,657,217,125)	(195,264,652)	(75,557,991)	(3,928,039,768)
Operating results	225,975,167	31,903,322	(31,571,045)	-	226,307,444	324,579,209	47,097,515	(57,282,472)	314,394,252
External net financial results	(159,500,679)	1,986,751	(599,032)	-	(158,112,960)	(213,184,974)	(5,629,638)	-	(218,814,612)
Income tax	(50,311,559)	(23,553,084)	7,785,231	-	(66,079,412)	(45,872,660)	(10,931,851)	14,946,851	(41,857,660)
Net Income	**16,162,929**	**10,336,989**	**(24,384,846)**	**-**	**2,115,072**	**65,521,575**	**30,536,026**	**(42,335,621)**	**53,721,980**

The impacts of Portugália's operations have been included in the Air Transport segment since the subsidiary was included in the Group's consolidation perimeter on 8 November 2024.

The Group does not present segmental assets and liabilities, considering that this information is not disclosed to the primary decision-makers for operational decisions.

The operating income, excluding gains and losses in associates, for the years ended 31 December 2025 and 2024 is as follows:

	2025					2024				
	Passenger	Maintenance	Cargo and Mail	Other	Total	Passenger	Maintenance	Cargo and Mail	Other	Total
Revenue										
Sales	-	5,444,809	-	15,640,198	**21,085,007**	-	7,148,141	-	1,053,736	**8,201,877**
Services provided	3,849,317,194	256,099,794	160,087,049	14,774,720	**4,280,278,757**	3,820,622,937	229,618,049	162,730,935	10,160,333	**4,223,132,254**
Other income	-	-	-	12,127,254	**12,127,254**	-	-	-	13,589,909	**13,589,909**
	3,849,317,194	**261,544,603**	**160,087,049**	**42,542,172**	**4,313,491,018**	**3,820,622,937**	**236,766,190**	**162,730,935**	**24,803,978**	**4,244,924,040**

The sales and services provided by geographical area in the fiscal years ended 31 December 2025 and 2024 are as follows:

	2025					2024				
	Passenger	Maintenance	Cargo and Mail	Other	Total	Passenger	Maintenance	Cargo and Mail	Other	Total
Mainland and islands	247,101,512	23,095,877	11,098,169	24,970,067	306,265,625	254,754,346	21,333,185	9,195,166	6,625,502	291,908,199
Europe	1,288,519,027	232,522,157	9,517,590	1,945,903	1,532,504,677	1,280,517,904	206,588,430	10,258,145	2,968,855	1,500,333,334
South Atlantic	1,118,292,770	127,944	88,893,117	1,700,957	1,209,014,788	1,105,911,271	104,374	89,864,936	695,482	1,196,576,063
North Atlantic	781,947,670	1,181,014	26,698,385	1,175,496	811,002,565	788,312,411	4,827,563	28,456,728	523,460	822,120,162
Mid Atlantic	24,711,346	-	3,937,263	34,179	28,682,788	25,898,102	-	3,921,755	19,669	29,839,526
Africa	388,744,869	2,076,839	19,942,525	588,316	411,352,549	364,872,313	3,671,738	20,859,452	381,101	389,784,604
Other	-	2,540,772	-	-	2,540,772	356,590	240,900	174,753	-	772,243
	3,849,317,194	**261,544,603**	**160,087,049**	**30,414,918**	**4,301,363,764**	**3,820,622,937**	**236,766,190**	**162,730,935**	**11,214,069**	**4,231,334,131**

25. Other income

For the years ended 31 December 2025 and 2024, the other income caption is detailed as follows:

	2025	2024
Catering	16,874,150	-
Services provided	7,450,219	10,160,333
Heathcare	4,063,851	-
Sales	2,026,697	1,053,736
Rents and Subleases	1,604,607	2,742,872
Operating government grants	1,127,756	487,614
Gains from tangible fixed assets (Notes 4 and 5)	718,030	482,884
Publicity	586,438	345,488
Other supplementary income	8,090,424	9,531,051
	42,542,172	**24,803,978**

26. Expenses by nature

During the years ended 2025 and 2024, operational expenditures by nature were as follows:

	2025	2024
Traffic operating costs	884,442,310	870,145,352
Aircraft fuel allowaces	989,776,481	1,045,805,428
Comercial, marketing and communication costs	216,391,690	217,366,433
Cost of materials consumed	217,428,121	171,630,953
Aircraft maintenance costs	76,927,011	60,797,940
	2,384,965,613	**2,365,746,106**

Traffic operating costs

In the fiscal years ended 31 December 2025 and 2024, the traffic operating costs item is as follows:

	2025	2024
Handling services	228,118,214	218,002,619
Navigation fees	181,539,510	170,903,228
Landing charges	133,614,189	129,154,733
On-board expenses	74,614,768	112,304,801
Operational irregularities	65,468,910	59,558,097
Facilities at airports	47,761,980	47,019,453
Accommodation and meals during stopovers	44,847,348	39,173,302
Air traffic control charges	35,271,753	35,021,892
Aircraft charters	27,084,097	20,402,811
Baggage, cargo and mail charges	21,649,685	17,615,178
Ground costs related to executive class passengers	17,458,246	14,976,491
Insurance	2,589,065	2,729,659
Other traffic operating costs	4,424,545	3,283,088
	884,442,310	**870,145,352**

The increase in traffic operating costs mainly results from the growth in air transport activity.

The decrease in on-board expenses mainly reflects the inclusion of Cateringpor (TAP S.A.'s catering provider) in the Group's consolidation perimeter on 9 April 2025.

Aircraft fuel

For the years ended 31 December 2025 and 2024, the aircraft fuel item is detailed as follows:

	2025	2024
Aircraft fuel		
Consumption	914,651,208	963,600,226
Jet fuel hedge	(4,049,668)	26,209,270
Derivative contracts commissions	4,453,333	978,486
CO_2 emissions allowances	74,721,608	55,017,446
	989,776,481	**1,045,805,428**

The variation in the fuel consumption caption mainly results from the reduction in the average jet fuel price in 2025 compared to 2024 (Note 3).

Derivative commissions correspond to the premiums paid for option contracts entered into for the purpose of hedging the risk associated with fluctuations in jet fuel prices. These premiums are recognised in the consolidated income statement upon the maturity of the respective options.

The increase in expenses related to CO_2 emission allowances mainly results from the increase in allowance prices compared to the previous year (Note 3).

Commercial, marketing and communication costs

The commercial, marketing and communication costs item for the financial years ended 31 December 2025 and 2024 contains the following composition:

	2025	2024
Commissions	89,586,829	88,112,366
Booking fees	51,992,788	55,914,885
Publicity	28,871,494	28,602,638
Special sales charges - air transport	39,401,400	37,261,209
Specialized work	6,246,253	7,124,278
Other commercial, marketing and communication expenses	292,926	351,057
	216,391,690	**217,366,433**

Cost of materials consumed

In the fiscal years ended 31 December 2025 and 2024, the "Cost of materials consumed" item is as follows:

	2025	2024
Sold and consumed inventories	207,594,952	158,855,302
Maintenance subcontracting of third parties flight equipment	9,833,169	12,775,651
	217,428,121	**171,630,953**

The increase in the cost of materials consumed is mainly attributable to the growth in activity in the maintenance segment and to the higher cost of inventories acquired.

Aircraft maintenance costs

In the fiscal years ended 31 December 2025 and 2024, the aircraft maintenance costs item is detailed as follows:

	2025	2024
Maintenance subcontracting of TAP flight equipment	57,566,793	35,679,269
Consumed inventories	19,360,218	25,118,671
	76,927,011	**60,797,940**

The aircraft maintenance costs caption refers to recurring maintenance expenses, including line maintenance, of the Group's fleet. The increase in this caption compared to the year ended 31 December 2024 is mainly attributable to the inclusion of Portugália in the Group's consolidation perimeter on 8 November 2024.

27. Employee costs

The employee costs item for the years ended 31 December 2025 and 2024 has the following detail:

	2025	2024
Fixed remuneration	502,708,999	407,419,004
Variable remuneration	255,811,558	219,509,158
Social security contributions	150,192,113	127,934,858
Other insurance	20,084,185	19,901,451
Post-employment benefits (Note 17)	16,525,930	10,247,170
Meals allowance	8,304,720	14,033,145
Social action costs	7,320,260	7,239,544
Work accident insurance	4,863,906	6,954,180
Training and recruitment	2,763,118	1,557,718
Uniform and work clothes	1,745,286	1,453,179
Other expenses with employees	1,800,605	880,252
	972,120,680	**817,129,659**

The increase in employee costs recorded in 2025 compared to the previous year mainly results from: (i) the inclusion of Portugália, UCS and Cateringpor in the Group's consolidation perimeter (Note 2.4), (ii) the increase in the number of employees at TAP S.A., and (iii) the salary increases provided for in collective bargaining agreements.

The remuneration allocated to the Governing Bodies and other personnel expenses in 2025 and 2024 are detailed as follows:

	2025	2024
Remunerations		
Employees	969,346,877	814,708,955
Governing Bodies	2,773,803	2,420,704
	972,120,680	**817,129,659**

During fiscal years 2025 and 2024 the average number of employees serving the Group was 9,867 and 8,108, respectively:

	2025	2024
Portugal		
Cabin Crew employees	3,786	3,273
Maintenance and engineering employees	1,899	1,933
Ground employees	2,407	1,365
Technical flight employees	1,500	1,265
Representations		
Brazil	82	80
USA	32	33
Spain	28	29
Angola	19	20
Italy	18	18
France	16	15
UK/Ireland	12	11
Germany	12	12
Venezuela	6	6
Switzerland	4	4
Other	46	44
	9,867	**8,108**

28. Impairment losses in receivables, inventories and provisions

In the fiscal years ended 31 December 2025 and 2024, the impairment losses in receivables, inventories and provisions items had the following detail:

	2025	2024
Inventory impairment (Note 11)	(355,135)	1,232,465
Receivables impairment (Note 10)	2,561,816	(10,588,508)
Provisions (Nota 18)	(500,105)	32,276,746
	1,706,576	**22,920,703**

29. Other expenses

The caption other expenses in the financial years ended 31 December 2025 and 2024, had the following detail:

	2025	2024
Specialised work and subcontracts	95,437,554	81,139,844
Rents	44,450,374	21,853,898
Conservation and repair of other assets	11,932,581	13,609,418
Transportation	9,884,970	5,522,236
Insurance	8,702,584	11,222,606
Comunication	7,087,584	7,921,356
Cleaning, hygiene and comfort	5,203,709	1,922,236
Travel costs	3,217,531	2,220,773
Electricity	3,083,937	2,546,769
Surveillance and security	2,829,869	2,590,956
Losses in inventories	2,821,768	733,049
Taxes	2,682,694	2,825,321
Losses in fixed assets	2,065,914	2,454,218
Fees	1,596,664	31,159
Books and technical documentation	1,463,232	1,310,618
Licenses and fees	1,110,109	857,614
Other operating expenses	8,194,944	2,548,228
	211,766,018	**161,310,299**

The increase in the other expenses caption is mainly attributable to the inclusion of Portugália, UCS and Cateringpor in the Group's consolidation perimeter (Note 2.4).

In the year ended 31 December 2025, the rents caption includes short-term lease contracts relating to engines, properties and software amounting to EUR 21.4 million, EUR 5.8 million and EUR 14.3 million, respectively (EUR 6.6 million, EUR 4.5 million and EUR 8.8 million, respectively, in the year ended 31 December 2024).

30. Restructuring

The restructuring item for the financial years ended 31 December 2025 and 2024 had the following detail:

	2025	2024
Restructuring provision (Note 18)	-	1,176,003
Employee indemnities	(307,170)	(241,006)
	(307,170)	934,997

31. Other non-recurring items

The caption of other non-recurring items, for the years ended 31 December 2025 and 2024, presents the following details:

	2025	2024
TAP Group corporate restructuring	36,888,012	49,403,518
Annulation of pre-existing relationships Portugália – ACMI contracts	-	(20,704,253)
Labor contingencies	(9,466,779)	40,600,000
Other non-recurring costs	1,306,000	-
Other non-recurring gains	(11,912,903)	(107,288)
	16,814,330	69,191,977

TAP Group corporate restructuring

Based on the projections included in the Approved Restructuring Plan and the resulting ongoing corporate reorganisation of the TAP Group arising from that approval, since 2021 the Board of Directors has recognised impairment losses on receivables from SIAVILO.

During the year ended 31 December 2025, the Board of Directors increased the impairment losses recognised on receivables from SIAVILO by EUR 29.2 million (Note 10), mainly relating to interest income accrued and the corresponding stamp duty recognised in the year ended 31 December 2025 (Note 33).

Within the scope of the winding-down process of TAP ME Brazil, initiated in 2022 and still ongoing, TAP ME Brazil entered into an agreement in 2025 to settle liabilities with the Brazilian tax authorities. Given the lack of financial resources of TAP ME Brazil, and the potential exposure of TAP S.A. to obligations of that entity, also considering the insolvency situation of SIAVILO (the shareholder of TAP ME Brazil), TAP S.A. granted TAP ME Brazil a loan amounting to EUR 3.0 million, on which a full impairment was recognised due to the low expectation of recovery (Note 10). In addition, considering that TAP ME Brazil remains subject to other contingencies until its liquidation, the Group recognised, in December 2025, a provision amounting to EUR 4.7 million corresponding to the estimated remaining obligations (Note 18).

Annulation of pre-existing relationships Portugália – ACMI contracts

Following the entry of Portugália into the consolidation perimeter of the Group on 8 November 2024 (Note 2.4), the assets and liabilities related to the ACMI contract between TAP S.A. and Portugália that were recognised as of that date were de-recognised, generating a gain of EUR 20.7 million, recognised in other non-recurring items caption.

Labor contingencies

On 11 December 2024, the Portuguese Supreme Court of Justice issued a unifying ruling regarding the reclassification of cabin crew following the nullity of the fixed term employment contract, under the Collective Bargaining Agreement entered into with SNPVAC in 2006. TAP S.A. subsequently challenged this Supreme Court decision and, on 12 March 2025, received a ruling dismissing the challenge. TAP S.A. also filed an appeal with the Constitutional Court, which was rejected on 11 July 2025.
In view of the above, in the year ended 31 December 2024 a provision amounting to EUR 40.6 million was recognised under other non recurring items (Note 18), considered non usual, relating to potential legal proceedings of a similar nature associated with the aforementioned judgment. In the year ended 31 December 2025, this provision was reassessed, reflecting an updated evaluation of the contingency.

Other non-recurring costs

In the year ended 31 December 2025, the Group incurred in expenses related to work performed in connection with the ongoing privatization process, amounting to EUR 1.3 million, which were recognised under other non-recurring costs.

Other non-recurring gains

In the year ended 31 December 2025, the Group reversed a provision amounting to EUR 11.9 million, which had previously been recognised in connection with contingencies associated with a cyberattack that occurred in 2022 (Note 18). This reversal resulted from an updated assessment carried out with the Group's legal advisors, which indicated a significant reduction in the risk of materialisation of the contingencies initially identified.

Given their context and nature, these situations were considered by the Board of Directors as non-recurring in the context of these consolidated financial statements.

32. Depreciation, amortization and impairment losses

In the fiscal years ended 31 December 2025 and 2024, the item depreciation, amortisation and impairment losses is broken down as follows:

	2025	2024
Depreciation of tangible fixed assets (Note 4)		
Buildings and other constructions	6,014,881	5,384,680
Basic equipment	91,093,736	76,676,247
Transport equipment	239,266	14,517
Tools and utensils	1,631,891	1,195,279
Administrative equipment	2,580,741	1,174,069
Other tangible fixed assets	476,190	387,743
	102,036,705	**84,832,535**
Right-of-use (Note 4)		
Buildings and other constructions	847,461	-
Basic equipment	374,186,303	395,448,421
Transport equipment	1,126,785	-
Other assets	789,356	643,606
	376,949,905	**396,092,027**
Amortization of intangible assets (Note 6)		
Computer programs	12,203,424	11,265,553
	12,203,424	**11,265,553**
Impairment losses in tangible assets (Note 4)		
Basic equipment	(157,667)	64,119
Tools and utensils	(44,772)	(99,598)
Assets under construction	-	521,386
	(202,439)	**485,907**
Impairment losses in financial investments (Note 7)		
Cateringpor	8,515,591	-
	8,515,591	**-**
Total	**499,503,187**	**492,676,021**

33. Financial results

The financial results item for the year ended 31 December 2025 and 2024 is as follows:

	2025	2024
Interest expenses	(23,799,367)	(32,457,594)
Lease interests related with contracts with purchase option	(43,495,372)	(45,838,612)
Lease interests related with contracts without purchase option	(114,951,218)	(156,627,321)
Interests related with post-employment benefits (Note 17)	(8,933,759)	(8,232,526)
Other financial expenses	(4,546,832)	(6,602,619)
Interests and similar expenses	**(195,726,548)**	**(249,758,672)**
Interest income from related parties (Note 38)	28,756,600	40,073,520
Interests related with post-employment benefits (Note 17)	2,229,745	2,086,339
Interest income	39,624,771	37,732,705
Interests and similar income	**70,611,116**	**79,892,564**
Net foreign exchange differences	(32,997,528)	(48,948,504)
Net currency exchange	**(32,997,528)**	**(48,948,504)**
Total	**(158,112,960)**	**(218,814,612)**

Interest related to lease agreements without purchase options essentially includes the financial restatement of lease liabilities without purchase options, the financial restatement of recoverable maintenance reserves (Note 10), and the financial restatement of the provision for redelivery (Note 18).

The decrease in interests related to leases without purchase options is mainly attributable to the inclusion of Portugália in the Group's consolidation perimeter on 8 November 2024, which resulted in the derecognition of lease liabilities associated with the ACMI agreement between TAP S.A. and Portugália.

In the year ended 31 December 2025, interest income mainly relates to interest on bank deposits and to interest income arising from favourable outcomes of tax litigation processes, which resulted in the repayment of income tax unduly paid in prior years (Note 12).

The variation of the EUR against the USD during 2025 generated gains from the foreign exchange remeasurement of lease liabilities with and without purchase option amounting to EUR 226.9 million (losses amounting to EUR 125.4 million in 2024). However, the net foreign exchange losses and gains arising from the foreign exchange remeasurement, during the years ended 31 December 2025 and 2024, of USD-denominated lease liabilities for which a hedging relationship was designated from 1 January 2022 with highly probable forecast sales whose fares are denominated in USD, were recognised in other reserves within other comprehensive income in the amounts of EUR 218.7 million (gain) and EUR 113.5 million (loss), respectively (Notes 2.35 and 16). Accordingly, the amounts recognised in the consolidated income statement correspond to the portions not covered by foreign exchange hedging.

In addition, during the year ended 31 December 2025, the net foreign exchange differences caption includes the effect of the depreciation of the USD against the EUR during the period, which had a negative impact on USD-denominated trade receivables and bank deposits. However, the foreign exchange losses arising from the depreciation of the USD related to USD-denominated term deposits, for which a hedging relationship with firm commitments for the payment of pre-delivery payments in USD was designated from 1 January 2025, were recognised in other reserves within other comprehensive income (Note 16) and as part of the cost of pre-delivery payments settled in 2025 (Note 4), amounting to EUR 16.2 million and EUR 7.6 million, respectively.

34. Income tax

The income tax item for the years ended 31 December 2025 and 2024 is detailed as follows:

	2025	2024
Deferred taxes (Note 9)	(70,488,982)	(34,706,959)
Current taxes (Note 12)	(5,176,071)	(7,481,000)
Currente taxes from prior years	9,041,854	-
Differences from prior years tax estimates	543,787	330,299
	(66,079,412)	**(41,857,660)**

The tax assessment is calculated in the sphere of individual accounts of the entities included in the consolidation perimeter, prepared in accordance with Portuguese GAAP (SNC).

The income tax rate reconciliation in the fiscal years ended 31 December 2025 and 2024 is as follows:

	2025	2024
Net income/(loss) before income tax	68,194,484	95,579,640
Nominal tax rate	30.5%	31.5%
Expected tax	(20,799,318)	(30,107,587)
Change in nominal income tax rate	(41,972,775)	(17,895,058)
Deferred tax assets related with prior years	(21,037,235)	(258,476)
Income tax rate differences	(8,743,022)	2,015,937
Tax losses without deferred tax assets	9,041,854	-
Autonomous taxation	2,700,793	(656,611)
Differences from tax estimates for the previous year	(102,240)	(69,515)
Other differences	543,787	330,299
	14,288,744	4,783,351
	(66,079,412)	**(41,857,660)**
Effective tax rate	(97%)	(44%)

The progressive reduction of the corporate income tax (IRC) rate by one percentage point per year between 2026 and 2028, approved by Law No. 64/2025 of 7 November, resulted in a negative impact on deferred taxes recognised as of 31 December 2025 amounting to EUR 42.0 million.

In the year ended 31 December 2025, the Group recognised tax gains amounting to EUR 9.0 million, following the final and binding rulings of the Portuguese Supreme Administrative Court, which determined the refund to TAP S.A. of income tax unduly paid in respect of the 2010, 2013 and 2014 financial years.

In 2025, deferred taxes relating to prior years mainly concern the derecognition of the deferred tax asset associated with financial expenses that were not deductible for tax purposes in prior years, for which there is no longer an expectation that they will be deductible against future taxable profits, taking into account the applicable deduction periods and financial projections.

In addition, at the level of TAP S.A., based on the expected year of reversal of the temporary differences for which deferred taxes had previously been recognised, a tax rate of 25.5% was applied as of 31 December 2025, with the exception of deferred taxes relating to tax loss carryforwards and impairment of receivables from TAP ME Brazil and SIAVILO, for which a tax rate of 17% was applied, and of the provision for passenger compensation, for which a tax rate of 27.5% was applied. The impact of the differences in tax rates is presented in the tax rate reconciliation under the income tax rate differences line.

Tax losses with no associated deferred tax asset mainly relate to the utilisation of tax losses generated by the subsidiary Portugália in 2024, applied to offset estimated taxable profits for 2025, for which no deferred tax asset had been recognised (Note 9).

Other differences amounting to EUR 14.3 million include, among others, the impact of the application of the corporate capitalisation incentive tax regime under Article 43-D of the Portuguese Tax Benefits Statute and the reversal of a provision related to potential contingencies associated with a cyberattack (Note 31), for which no deferred tax asset had been recognised in prior years.

Pillar 2 Directive

On 8 November 2024, Law No. 41/2024 was published, transposing into domestic law Council Directive (EU) 2022/2523 of 15 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large scale domestic groups within the European Union, thereby approving the so called Global Minimum Tax Regime ("GMTR"), applicable to groups with consolidated annual revenues equal to or exceeding EUR 750 million.

This Directive, also known as the Pillar Two Directive, represents one of the most significant changes to the international tax landscape in recent decades, establishing a minimum effective tax rate of 15%, which may result in the payment of a top up tax. This minimum rate is applied through the implementation of domestic legislation in jurisdictions that adopt the Pillar Two rules or, in respect of entities located in jurisdictions that do not adopt such rules, at the level of the parent entity's jurisdiction (provided that such jurisdiction has implemented the Pillar Two rules) or at the level of other group entities located in jurisdictions that have implemented the Pillar Two rules. Portugal adopted these rules in 2024 through the enactment of Law No. 41/2024 of 8 November.

In this context, the Group has been undertaking efforts to identify the potential impacts associated with the implementation of the GMTR, as it meets the eligibility criteria and is therefore subject to the regime, having reported consolidated annual revenues in excess of EUR 750 million in at least two of the four fiscal years immediately preceding the year of application of the GMTR.

Accordingly, and following other tests previously performed, an assessment was carried out based on the most recent financial and tax information available as of the date of preparation of this report, in order to confirm that the Group benefits from the transitional safe harbour provision (for 2025), based on the country by country or jurisdictional financial and tax information return or equivalent information. This provision establishes that the top up tax due is equal to zero, provided that at least one of the three tests set out in the GMTR legislation is met.

The assessment carried out began with the identification of the perimeter of Group entities covered by the regime (constituent entities). In this context, 37 jurisdictions in which the Group had a presence during the year under analysis were identified, 36 of which relate to permanent establishments ("PEs") of the parent entity (TAP S.A.), all of which are dedicated to international air traffic operations.

In accordance with the Consolidated Commentary to the Global Anti Base Erosion Model Rules, as well as Article 14(2) (a) of the GMTR, the net results of PEs located in jurisdictions with which Portugal has entered into Double Taxation Agreements ("DTAs"), drafted in accordance with Article 7 of the OECD Model Convention, must be adjusted so as to reflect only the income and expense items attributable to them under the applicable DTAs. Since the DTAs in force provide that profits arising from international air traffic operations are taxable in the jurisdiction of TAP S.A., it was concluded that the results recorded by the PEs located in 28 jurisdictions are not relevant for the purposes of applying the Pillar Two Rules in those jurisdictions, and that the corresponding profits or losses should be considered in the Portuguese jurisdiction.

With respect to the remaining PEs, an analysis of the respective financial data was performed, as well as an assessment of the jurisdiction to which the related profits should be allocated. In these cases, and pursuant to paragraphs 5 and 6 of Article 14 of the GMTR, it was concluded that the qualifying net income of such PEs (located in jurisdictions without DTAs with Portugal) should be adjusted to zero, with the corresponding amounts (both positive and negative) being allocated to the parent entity, given that the negative results recorded by some PEs exceeded the positive results of others. In this context, for jurisdictions that do not have DTAs with Portugal, the entirety of the net results is allocated to Portugal for purposes of applying the Pillar Two rules, and the corresponding top up tax for those jurisdictions should therefore be considered equal to zero.

Taking into account the results obtained, Portugal was identified as the only jurisdiction in respect of which the safe harbour provisions based on the country by country or jurisdictional financial and tax information return were applied, in order to assess whether the top up tax would be equal to zero. The results of this exercise demonstrate that, in Portugal, the Group determines a simplified effective tax rate exceeding the transitional rate.

Accordingly, based on the above, and in light of the information currently available and the facts known as of this date, the Group does not anticipate being subject to any Complementary Tax.

35. Earnings per share

There are no convertible financial instruments on the shares of TAP S.A., therefore, there is no dilution of earnings. The detail of earnings per share for the fiscal years ended 31 December 2025 and 2024 is as follows:

	2025	2024
Net income/(loss) attributable to owners of TAP S.A.	4,149,874	53,721,980
Weighted average number of shares	400,977,740	196,000,000
Basic and diluted earnings per share	0.0	0.3

36. Commitments

Purchase commitments

The aircraft purchase agreement with Airbus S.A.S. ("Airbus") for the acquisition of 53 aircraft (39 A320 NEO Family and 14 A330 NEO aircraft), initially scheduled for delivery between 2018 and 2025, was renegotiated in order to defer the delivery of certain aircraft due to the impact of the COVID-19 pandemic on the commercial aviation sector. The two A330 NEO aircraft that had not yet been delivered were rescheduled from 2022 to 2024, and subsequently renegotiated once again to defer their delivery to the fourth quarter of 2025 (A339 #11) and the second quarter of 2026 (A339 #12). In April 2024, both A330 NEO aircraft were rescheduled again, with their deliveries deferred to the third and fourth quarters of 2026, respectively.

With regard to the A320 NEO Family aircraft, 13 aircraft initially scheduled for delivery in the 2021–2022 period were rescheduled to 2025–2027 during 2020, as part of measures to mitigate the impact of the COVID-19 pandemic. In 2022, an additional eight A320 NEO Family aircraft were subject to revisions of their scheduled delivery dates. Of these eight aircraft, two (A320 NEO #32 and #34) were deferred from 2024 to 2028, thereby extending TAP S.A.'s commitment to Airbus until 2028. This update to the delivery schedule of the eight aircraft was formalized through an agreement between TAP S.A. and Airbus in the form of Amendment #11 to the A320 NEO Family purchase agreement. Under this same amendment, the aircraft with ranking #30 was converted to an A320 NEO (having originally been scheduled as an A321 LR). In 2023, pursuant to Amendment #12 to the A320 NEO Family purchase agreement, the delivery dates of a total of 22 aircraft were rescheduled, with the delivery of all aircraft expected to occur by 2028. This purchase agreement results from the novation to TAP S.A. of the acquisition contract previously negotiated and executed between Airbus and DGN Corporation.

As a result of the commitments assumed under the Airbus purchase agreement relating to the future delivery of aircraft, a total amount of USD 53.3 million in pre-delivery payments ("PDPs") was paid in 2021. In 2022, PDPs amounting to USD 58.2 million were paid, and during 2023, a total amount of USD 15.2 million was paid. All amounts paid in 2022 and 2023 are already aligned with the revised delivery dates of the eight aircraft referred to above and are duly documented in Amendment #12 to the A320 NEO Family purchase agreement. In 2024, TAP S.A. paid USD 135.1 million in PDPs. In 2025, approximately USD 65.2 million was paid in the first half of the year and USD 39.8 million in the second half, totaling approximately USD 105.1 million in PDPs. These amounts relate to aircraft with expected delivery dates between 2026 and 2027. As of 31 December 2025, a total amount of USD 144.9 million in future PDPs was contractually agreed with Airbus.

In addition, a contract with Rolls-Royce is in force covering maintenance support for all TRENT 7000 engines powering the A330 NEO aircraft, which was restructured in the first half of 2023. As a result of this restructuring, a commitment was assumed for the acquisition of one TRENT 7000 engine during 2025, for which total pre-delivery payments amounting to USD 3.5 million were paid in March 2024. The engine was acquired from Rolls-Royce on 12 February 2025 and entered into a lease arrangement with a purchase option, with a term of 10 years.

A contract with CFM International Inc. ("CFM") is also in force for the acquisition of 83 LEAP-1A engines, including five spare engines, intended to equip and support the new A320 NEO Family aircraft fleet. It should be noted that these engines will be acquired directly by Airbus, with the exception of the spare engines. With respect to the spare engines, all five engines initially contracted have already been delivered, with the last one acquired in October 2022. Following the increase in the A320 NEO Family fleet, the Executive Committee approved in 2023 the acquisition of a sixth LEAP-1A spare engine in order to comply with the contractual obligations regarding the minimum number of spare engines to be maintained by TAP S.A.

The delivery of this sixth spare engine was initially scheduled for the second quarter of 2026; however, on 30 April 2025, Letter Agreement #1 to the General Terms Agreement ("GTA") between TAP S.A. and CFM was restructured through Amendment #8, which, among other changes, now provides for the acquisition of two additional spare engines rather than one. The seventh spare engine is scheduled for delivery in the second quarter of 2027. A payment of approximately USD 2.9 million in pre-delivery payments relating to the sixth spare engine was made in October 2025. As a result of this restructuring, TAP S.A. is expected to have a total of seven spare engines in 2027, instead of the five originally contracted.

Shareholder loans to SPdH

Following the approval of the Insolvency Plan of SPdH, in June 2024, TAP S.A. became a shareholder of that company, with a stake corresponding to 49.9% of its share capital (Note 7).

In addition, the aforementioned Insolvency Plan provides that, in order to finance SPdH, its shareholders undertake to make contributions in the form of shareholder loans, subject to certain conditions, and in the case of TAP S.A. the contributions will be made up to the limit of the amount of the credits claimed and recognised by TAP S.A. from SPdH, through the conversion of these credits into a shareholder loan (Note 10). As of 31 December 2025, the receivables from SPdH include an amount of EUR 10.9 million related to credits converted into loans (EUR 3.0 million as of 31 December 2024).

37. Contingencies

As of 31 December 2025 and 2024, the Group does not have contingent assets that are required to be disclosed. The contingent liabilities of a fiscal, civil and regulatory nature as of those dates were as follows:

	2025	2024
Tax contingencies	116,006	204,038
Civil contingencies	34,070,945	28,584,636
Regulatory contingencies	6,426,612	16,012,678
Total	**40,613,563**	**44,801,352**

Civil contingencies mainly include legal proceedings brought by customers in relation to operational irregularities, as well as a lawsuit filed by the former Chief Executive Officer of TAP S.A., Christine Ourmières Widener, concerning the termination of her duties.

Regulatory contingencies mainly include proceedings initiated by national regulatory authorities.

Based on the opinion of its legal advisors, the Group has considered that an unfavourable outcome of these proceedings is not probable.

Guarantees provided

As of 31 December 2025 and 2024, the Group's guarantees are broken down as follows:

	2025	2024
Bank guarantees provided by Head Office		
Aircraft	7,008,158	34,074,829
Airports	3,894,809	2,396,817
Labour Court	415,242	415,242
Other	4,415,532	4,402,821
Bank guarantees provided by Representations	3,018,320	3,444,575
Bank guarantees provided by other Group companies	215,349	7,349
	18,967,410	**44,741,633**

The decrease in guarantees provided in respect of aircraft is mainly due to the cancellation of guarantees following negotiations with the respective lessors.

In compliance with the TAP Group capitalization plan defined within the scope of the TAP Group Reprivatisation Process carried out in 2015, the General Shareholders' Meeting resolved on 8 March 2016 that SIAVILO would issue a 10-year convertible bond loan, convertible into up to 130,800 special shares with equity-related rights of SIAVILO, in the total amount of EUR 120 million. This bond issuance comprised two tranches: the first (Series A), amounting to EUR 90 million, subscribed by Azul Linhas Aéreas Brasileiras, S.A. ("Azul") on 16 March 2016, and the second (Series B), amounting to EUR 30 million, subscribed by Parpública on 14 June 2016. As of 6 August 2025, the date on which SIAVILO was declared insolvent by the Lisbon Commercial Court of the Judicial District of Lisbon, the outstanding amounts of these tranches amounted to EUR 181.1 million and EUR 59.7 million, respectively.

Following the memorandum of understanding entered into on 15 July 2020 between the Portuguese Republic, SIAVILO, Parpública, Azul S.A. and Azul Linhas Aéreas Brasileiras, S.A., Parpública and Azul waived their respective conversion rights attached to the bonds they had subscribed. Such waiver was approved through a unanimous written resolution of the bondholders adopted by Parpública and Azul on 26 August 2020, which amended the terms and conditions of the bond issuance to eliminate the conversion right, while maintaining the full constitution of the collateral package relating to TAP S.A.'s Miles&Go programme, in accordance with the bond documentation.

On 15 April 2025, following a request submitted by Azul to Bondholders, S.L. (the entity contractually appointed to act as the common representative of the bondholders, the "Bondholders"), an Extraordinary Bondholders' Meeting was held, during which, among other resolutions, the early maturity of the bonds was approved by a favourable vote of Azul and a dissenting vote of Parpública.

On 22 April 2025, following such Extraordinary Bondholders' Meeting, SIAVILO sent a letter to Azul and to the Bondholders, with a copy to TAP S.A., expressing its opposition to the resolutions adopted, stating, inter alia, that SIAVILO had not incurred any "Event of Default", that one of the resolutions was null and void, and that the limitation of liability of the Bondholders also approved at that meeting was not enforceable against SIAVILO.

In line with the position expressed by SIAVILO in that letter, TAP S.A. also considers that, as stated in various communications exchanged between SIAVILO, Azul and the Bondholders (of which TAP S.A. was informed), there are no grounds for the early maturity of the bonds, which would otherwise only mature in March 2026.

It should also be noted that on 13 November 2024, TAP S.A. and SIAVILO initiated legal proceedings against Azul, S.A., Azul Linhas Aéreas Brasileiras, S.A., and the Bondholders, which were contested by Azul, S.A. and Azul Linhas Aéreas Brasileiras, S.A. on 18 March 2025 (and by the defendant Bondholders on 13 May 2025). In these proceedings, TAP S.A. and SIAVILO seek: (i) a declaration that the bond loan issued by SIAVILO and subscribed by Azul constitutes, by mandatory legal provision, a shareholder loan ("suprimento"), and is therefore subject to the legal regime applicable to shareholder loans under the Portuguese Companies Code; and (ii) a declaration of nullity of the granting of the collateral package and, consequently, the nullity of the agreement governing such collateral, the Security Agreement. The case is currently at the preliminary procedural stage, pending further action by the court. On 13 March 2026, Azul brought legal proceedings against TAP S.A. (Note 41).

In parallel, on 3 November 2025, Azul submitted a request for the insolvency to be qualified as culpable, seeking that TAP S.A. be included among the entities affected by the consequences of such a classification. On 18 December 2025, the court issued an order initiating insolvency qualification proceedings, and the deadline for the Insolvency Administrators to submit their respective opinion is currently ongoing.

Based on the opinion of its legal advisors regarding the qualification of the aforementioned bond loans as shareholder loans and the consequent nullity of the guarantees granted under the applicable legal framework, (however, according to the contract, the maximum guaranteed amount would be EUR 90 million) the Board of Directors considers that this situation is not expected to result in material impacts for TAP S.A. that could affect the Group's financial position as of 31 December 2025.

38. Related parties

As of 31 December 2025, the related parties identified are the following:

TAP Group:	Shareholder:
Aeropar	Portuguese State
Cateringpor	
SIAVILO	**Associates:**
TAP ME Brazil	SPdH - Serviços Portugueses de Handling, S.A.
TAPGER	
UCS	

The inclusion of UCS and Cateringpor in the Group's consolidation perimeter on 21 January 2025 and 9 April 2025, respectively (Note 2.4), resulted in these entities no longer qualifying as related parties of the Group since those dates. Accordingly, as of 31 December 2025, no balances with these entities are presented as related party balances, and the transactions disclosed with these subsidiaries in the year ended 31 December 2025 relate to the period from 1 January 2025 up to the date of their acquisition. The transactions with Portugália presented for the year ended 31 December 2024 relate to the period from 1 January 2024 to 8 November 2024, the date of its acquisition.

In the context of the identification of related parties for financial reporting purposes, the members of the Board of Directors and other governing bodies were also assessed as related parties. See the Corporate Governance Report.

The balances and transactions with related entities as of 31 December 2025 and 2024 are as follows:

Balances

2025 - Assets

	Customers (Note 10)	Advances to suppliers (Note 10)	Other receivables non-current (Note 10)	Deferred expenses (Note 13)	Supplementary capital contributions (Note 10)	Other receivables current (Note 10)	Impairment on accounts receivable (Note 10)	Non-current assets held for sale (Note 7)	Total
SIAVILO	151,183	-	-	-	-	1,111,756,403	(1,111,907,243)	-	343
SPdH	150,450	-	5,143,230	-	-	19,267,696	-	2,942	24,564,318
TAP ME Brazil	15,162,376	504,620	2,959,062	112,967	-	10,236,751	(28,563,111)	-	412,665
	15,464,009	**504,620**	**8,102,292**	**112,967**	**-**	**1,141,260,850**	**(1,140,470,354)**	**2,942**	**24,977,326**

2024 - Assets

	Customers (Note 10)	Advances to suppliers (Note 10)	Accrued income (Note 10)	Deferred expenses (Note 13)	Supplementary capital contributions (Note 10)	Other receivables current (Note 10)	Impairment on accounts receivable (Note 10)	Non-current assets held for sale (Note 7)	Total
Portuguese State	-	-	-	-	343,000,000	-	-	-	343,000,000
SIAVILO	(67)	-	885	-	-	1,082,706,085	(1,082,705,989)	-	914
SPdH	4,806,447	-	6,081,872	-	-	13,266,363	-	-	24,154,682
TAP ME Brazil	17,009,173	510,772	-	112,967	-	10,508,038	(27,647,671)	-	493,279
Cateringpor	145,720	-	2,017,407	-	-	166,577	-	-	2,329,704
UCS	66,706	-	-	-	-	118,358	-	-	185,064
	22,027,979	**510,772**	**8,100,164**	**112,967**	**343,000,000**	**1,106,765,421**	**(1,110,353,660)**	**-**	**370,163,643**

2025 - Liabilities

	Suppliers (Note 20)	Accrued expenses (Note 20)	Deferred income (Note 21)	Other accounts payable current (Note 20)	Total
Portuguese State	-	-	-	(24,990,000)	(24,990,000)
SIAVILO	(1,891)	-	-	-	(1,891)
SPdH	(4,877,931)	(3,341,579)	(89,006)	(29,888)	(8,338,404)
TAP ME Brazil	(299,347)	-	-	-	(299,347)
	(5,179,168)	**(3,341,579)**	**(89,006)**	**(25,019,888)**	**(33,629,642)**

2024 - Liabilities

	Suppliers (Note 20)	Accrued expenses (Note 20)	Deferred income (Note 21)	Other accounts payable current (Note 20)	Total
SIAVILO	(30)	-	-	-	(30)
SPdH	(5,672,854)	(3,205,374)	(89,006)	-	(8,967,234)
TAP ME Brazil	(373,737)	-	-	-	(373,737)
Cateringpor	(2,207,692)	(2,374,943)	(238,982)	-	(4,821,617)
UCS	(15,760)	(70,643)	-	(427,005)	(513,408)
	(8,270,073)	**(5,650,960)**	**(327,988)**	**(427,005)**	**(14,676,026)**

Transactions

2025

	Operating income	Operating expenses	Depreciation right-of-use	Interest income	Interest expenses	Total
SIAVILO	-	(1,131)	-	27,703,683	-	27,702,552
SPdH	6,972,560	(111,243,023)	-	1,006,476	(216,469)	(103,480,456)
TAP ME Brazil	-	-	-	46,441	-	46,441
Cateringpor	494,432	(12,889,972)	-	-	-	(12,395,540)
UCS	51,567	(425,788)	-	-	-	(374,221)
	7,518,559	**(124,559,914)**	**-**	**28,756,600**	**(216,469)**	**(88,501,224)**

2024

	Operating income	Operating expenses	Depreciation right-of-use	Interest income	Interest expenses	Total
SIAVILO	-	(60)	-	40,073,520	-	40,073,460
Portugália	2,406,069	(1,152,889)	(74,588,999)	-	(16,220,638)	(89,556,457)
SPdH	6,762,599	(105,650,525)	-	-	(993,018)	(99,880,944)
Cateringpor	1,920,765	(56,827,057)	-	-	-	(54,906,292)
UCS	670,091	(5,401,448)	-	-	-	(4,731,357)
	11,759,524	**(169,031,979)**	**(74,588,999)**	**40,073,520**	**(17,213,656)**	**(209,001,590)**

Operating expenses with SPdH refer to ground handling services provided by SPdH to support aircraft, passengers, luggage, cargo and mail.

These transactions are carried out under terms and conditions similar to those practiced in commercial agreements usually celebrated with other airlines.

39. Financial assets and liabilities

The accounting policy described in Note 2.13 was applied according to the categories shown below:

2025	Financial assets and liabilities at amortised cost	Financial assets and liabilities at fair value through other comprehensive income	Financial assets and liabilities out of IFRS 9 scope	Total
Assets				
Other financial assets	13,859,378	-	-	13,859,378
Other receivables	785,707,317	-	13,621,170	799,328,487
Cash and cash equivalents	765,329,360	-	-	765,329,360
Total Assets	**1,564,896,055**	**-**	**13,621,170**	**1,578,517,225**
Liabilities				
Borrowings	(722,545,204)	-	-	(722,545,204)
Lease liabilities with purchase option	-	-	(859,641,693)	(859,641,693)
Lease liabilities without purchase option	-	-	(1,298,660,212)	(1,298,660,212)
Other payables	(650,116,261)	(5,074,396)	(77,138,907)	(732,329,564)
Total Liabilities	**(1,372,661,465)**	**(5,074,396)**	**(2,235,440,812)**	**(3,613,176,673)**

2024 Restated	Financial assets and liabilities at amortised cost	Financial assets and liabilities at fair value through other comprehensive income	Financial assets and liabilities out of IFRS 9 scope	Total
Assets				
Other financial assets	680,937	-	-	680,937
Other receivables	1,001,401,735	4,808,692	22,077,780	1,028,288,207
Cash and cash equivalents	651,642,530	-	-	651,642,530
Total Assets	**1,653,725,202**	**4,808,692**	**22,077,780**	**1,680,611,674**
Liabilities				
Borrowings	(533,053,487)	-	-	(533,053,487)
Lease liabilities with purchase option	-	-	(868,926,513)	(868,926,513)
Lease liabilities without purchase option	-	-	(1,599,224,397)	(1,599,224,397)
Other payables	(620,405,870)	(1,984,535)	(59,987,964)	(682,378,369)
Total Liabilities	**(1,153,459,357)**	**(1,984,535)**	**(2,528,138,874)**	**(3,683,582,766)**

The following tables present the assets and liabilities measured at fair value as of 31 December 2025 and 2024, according to the following fair value hierarchical levels established in IFRS 13:

2025	Level 1	Level 2	Level 3
Non-financial assets			
Investment Properties	-	1,198,000	-
Financial liability			
Derivate financial instruments	-	(5,074,396)	-

2024	Level 1	Level 2	Level 3
Non-financial assets			
Investment Properties	-	1,198,000	-
Financial assets			
Derivate financial instruments	-	4,808,692	-
Financial liability			
Derivate financial instruments	-	(1,984,535)	-

Level 1: the fair value of financial instruments is based on prices available on active, liquid markets at the date of the financial position;

Level 2: the fair value of financial instruments is not determined based on active market prices, but rather through valuation models. The main inputs of these models are observable on the market; and

Level 3: the fair value of financial instruments is not determined based on active market prices, but rather through valuation models, whose main inputs are not observable on the market.

Derivative financial instruments

The fair value of derivative financial instruments is recorded under the other accounts payable item when negative and under the other accounts receivable item when positive.

The breakdown of the derivative financial instruments fair value is detailed in Note 23.

40. Statutory audit fees

During the years ended 31 December 2025 and 2024, the fees for the services provided by the Statutory Auditor and by other entities belonging to the same network are detailed as follows:

	2025	2024
Audit and statutory audit	157,030	112,145
Limited Review Services	54,790	50,790
Other services	63,400	357,600
	275,220	520,535

The Limited Review services were performed with reference to the months of June 2025 and 2024.

During the year 2025, the Statutory Auditor and other entities belonging to the same network provided assurance services on financial ratios, opinions on prospective financial information required by law, and reviews of personal data processing activities, for a total amount of EUR 63,400.

41 Subsequent events

Iran / Middle East Conflict

In February 2026, the United States of America and Israel initiated a coordinated military action against Iran, targeting that country's nuclear and defense infrastructure, triggering a conflict of regional scale with significant and wide-ranging impacts. The macroeconomic repercussions of this conflict are reshaping global markets, industrial supply chains, financial conditions and geopolitical alignments, with potentially lasting consequences.

The conflict has since intensified and, as a result, has caused significant pressure on global financial and commodity markets, introducing extreme levels of volatility, with sharp increases in crude oil prices and, in particular, jet fuel prices, which have proven to be among the most affected petroleum derivatives.

The disruptions caused by this conflict are also evident in the supply chains of other energy commodities and goods, affecting a broad range of products and services and contributing to heightened inflationary pressures and a deterioration in global economic growth prospects.

In addition, the conflict has led to restrictions on air traffic in several areas of the Middle East, including the temporary closure of national airspaces, the need to adopt alternative flight routes and longer flight times on routes crossing the region.

The evolution of this conflict is characterized by a high level of uncertainty regarding its duration, scope and impact, making it impossible at this stage to predict the potential effects that may arise from it or their duration, including impacts on inflation, economic growth and fuel prices over the coming months.

Legal action by Azul

On 13 March 2026, Azul brought legal action against TAP S.A., seeking payment by TAP S.A. to Azul of a total amount of EUR 188,985,150 for the alleged breach of the obligations assumed under the Security Agreement (Note 37). The deadline for TAP S.A. to submit its statement of defence is currently running and will expire on 13 May 2026.

Disposal of Cateringpor

On 30 December 2025, TAP S.A. launched Public Tender No. 1/2025 for the disposal of an indivisible lot of 357,000 shares, with a par value of EUR 5.00 each, representing 51% of the share capital of Cateringpor, as well as for the definition of the contractual terms for the provision of catering services by Cateringpor following completion of the disposal.

In March 2026, the Board of Directors of TAP S.A. approved the award of the legal instruments of the transaction to the entity that submitted a proposal.

The remaining steps in the tender programme necessary for the conclusion of the procedure and the completion of the disposal of the shareholding in Cateringpor are currently underway.

42. Environmental matters

The strategies adopted with respect to environmental matters, as well as the level of achievement of the established targets, are disclosed in the Group's Sustainability Report.

43. Note added for translation

The accompanying consolidated financial statements are a translation of financial statements originally issued in Portuguese. In the event of any discrepancies, the Portuguese version prevails.

CERTIFIED ACCOUNTANT

Martinho Nazareth de Sousa

BOARD OF DIRECTORS

Carlos Nuno Alves de Oliveira
Chairman

Luís Manuel da Silva Rodrigues
Director and Chief Executive Officer

Ana Teresa C. P. Tavares Lehmann
Director

João Pedro Conceição Duarte
Director

José Mario Cruz Henriquez
Director

Maria João Santos Gomes Cardoso
Director

Mário Rogério Carvalho Chaves
Director

Patrício Ramos Castro
Director

Renato Teobaldo Rodrigues Inácio
Director

Sofia Norton dos Reis Lufinha de Mello Franco
Director



6. Appendix

6.1. Glossary

6.2. Statutory Audit Report

6.3. Report and Opinion on the Supervisory Board

6.1. Glossary

Acronyms

A4E	Airlines for Europe
ACP	Airline Coordination Platform
ACT	Autoridade para as Condições do Trabalho
AESA	Agência Estatal de Seguridad Aerea
AFMS	Automated Freight Measurement System
AGM	Annual General Meeting
ALTA	Latin American and Caribbean Air Transport Association
AMT	Aircraft Maintenance Technician
ANA	Aeroportos e Navegação Aérea
ANAC	Autoridade Nacional da Aviação Civil
APPACDM	Associação Portuguesa de Pais e Amigos do Cidadão Deficiente Mental
APREN	Associação Portuguesa de Energias Renováveis
AR	Application Requirement
ASASTAP	Associação de Solidariedade e Apoio Social do Pessoal da TAP
ASCA	Airline Sports and Cultural Association
ASK	Available Seat per Kilometre (total number of seats available for sale multiplied by the number of kilometres flown)
BP	Basis for preparation
BTL	Bolsa de Turismo de Lisboa
CASK	Costs per available seat kilometre
CASK ex-fuel	Costs excluding fuel costs per available seat kilometre
CapEx	Capital Expenditure
CCM	Climate Change Mitigation
CEO	Chief Executive Officer
CNS	Communications, Navigation and Surveillance
CoLAB BIOREF	Laboratório Colaborativo para as Biorrefinarias
COSTF	Cabin Operations Safety Task Force
c-PED	Controlled-Portable Electronic Device
CSAT	Customer Satisfaction Score (Customer satisfaction indicator measured by a survey conducted after a specific interaction)
CSDDD	Corporate Sustainability Due Diligence Directive
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
OHSC	Occupational Health and Safety Committee
CVP	Cruz Vermelha Portuguesa
D&I	Diversity and Inclusion
D10X	Destination 10X Together
DALI	Digital Addressable Lighting Interface
DGERT	Direção Geral do Emprego e das Relações de Trabalho
DGR	Dangerous Goods Regulations
DGS	Direção Geral de Saúde
DLK	Data Link
DOV	Direção de Operações de Voo
DSAG	Departmental Safety Action Groups
EASA	European Union Aviation Safety Agency
EATIN	EUROCONTROL Air Transport Innovation Network

e-AWB	Eletronic Air Waybill
EC	Executive Committee
EFB	Electronic Flight Bag
e-GAR	Guia Eletrónica de Acompanhamento de Resíduos
EOFDM	European Operators Flight Data Monitoring Forum
EPAL	Empresa Portuguesa de Águas Livres
ERP	Emergency Response Planning
e-SAF	synthetic Sustainable Aviation Fuel derived from renewable energy
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
ESRS 2	General Disclosures
ESRS E1	Climate Change
ESRS E2	Pollution
ESRS E3	Water and Marine Resources
ESRS E4	Biodiversity and Ecosystems
ESRS E5	Resource Use and Circular Economy
ESRS G1	Business Conduct
ESRS S1	Own Workforce
ESRS S2	Workers in the Value Chain
ESRS S3	Affected Communities
ESRS S4	Consumers and End-users
EU	European Union
EVPA	European Venture Philanthropy Association
FDX	Flight Data eXchange
GBAS	Ground Based Augmentation System
GDPR	General Data Protection Regulation
GDS	Global Distribution System
GHG	Greenhouse Gases

GLS	Ground Landing System
GOV	Governance
GPW	Great Place to Work
GRACE	Grupo de Reflexão e Apoio à Cidadania Empresarial
GRI	Global Reporting Initiative
GSOC	Global Safety & Operations Conference
HCIS	High Climate Impact Sectors
IATA	International Air Transport Association
IBAT	Integrated Biodiversity Assessment Tool
ICAO	International Civil Aviation Organization
IDX	Incident Data eXchange
IFE	Inflight Entertainment
ILO	International Labor Organization
IMA	International Medical Assistance
IOSA	IATA Operational Safety Audit
IPAC	Instituto Português de Acreditação
IPO	Instituto Português de Oncologia
IQSMS	Integrated Quality and Safety Management System
IRO	Impact, risk and opportunity
IRS	Imposto sobre os Rendimentos de Pessoas Singulares
ISO	International Organization for Standardization
IUCN	International Union for Conservation of Nature
JURG	Joint User Requirements Group
KBA	Key Biodiversity Areas
KPIs	Key Performance Indicators
LED	Light-Emitting Diode
LNF	Levantamento de Necessidades de Formação
MDR-A	Minimum Disclosure Requirements, Actions

MDR-M	Minimum Disclosure Requirements, Metrics
MDR-P	Minimum Disclosure Requirements, Policies
MDR-T	Minimum Disclosure Requirements, Targets
MIRR	Mapa Integrado de Registo de Resíduos
MFA	Multi-Factor Authentication
MoUs	Memorandum of Understanding
MTO	Maintenance Training Organization
NbS	Nature-Based Solutions
NDC	New Distribution Capability
NEO	New Engine Option
NEO LR	New Engine Option Long-Range variant
NPS	Net Promoter Score (Indicator of customer satisfaction and loyalty, measured based on the likelihood of recommendation)
OECD	Organisation for Economic Co-operation and Development
NGO	Non-Governmental Organization
OHS	Occupational Health and Safety
OpEx	Operational Expenditure
PALOP	Países Africanos de Língua Oficial Portuguesa
PET	Polyethylene Terephthalate
PM	Particulate Matter
PNT	Pessoal Navegante Técnico
PPE	Personal Protective Equipment
PPR	Risk Prevention Plan and Related Offences
PPS1	Produtos, Processos ou Serviços (Refinação de microalgas autotróficas em biojetfuel)
PPS2	Produtos, Processos ou Serviços (Produção de biomassa por fermentação para refinação em biojetfuel)
PRASK	Passenger Revenue per available seat kilometre
PSP	Polícia de Segurança Pública
RNP-AR APCH	Required Navigation Performance – Authorization Required

ROPS	Runway Overrun Prevention System
rPET	recycled Polyethylene Terephthalate
RPK	Revenue Passenger Kilometre (total number of passengers multiplied by the number of kilometres flown)
S&P Global	Standard and Poor's Global incorporated
SAF	Sustainable Aviation Fuel
SAGALEXPO	Feira de Exportação dos Sabores de Portugal
SBM	Strategy and Business Model
SCE	Societas Cooperativa Europaea
SDGs	Sustainable Development Goals
SeMS	Security Management System
SESAR	Single European Sky ATM Research
SILIAMB	Sistema Integrado de Licenciamento do Ambiente
SMS	Safety Management System
SPIs	Safety Performance Indicators
SSAG	Safety and Security Action Groups
SSRB	Safety and Security Review Board
TAP	Transportes Aéreos Portugueses
TTA	Terminal de Tripulações de Lisboa
TV	Television
UCO	Used Cooking Oil
UCS	Unidade de Cuidados de Saúde
UAPT	Ukrainian Refugees Portugal
UNICEF	United Nations Children`s Fund
UN	United Nations
USA	United States of America
WHO	World Health Organization
XR	Extended Reality
YoY	lear-over-year (variation compared with the same period of the previous year)

Abbreviations

F/M	Female/Male
nº	number
ref.	reference
Y/N/N.A.	Yes/No/Not applicable

Units of measure

%	percentage
CO_2	carbon dioxide
CO	carbon monoxide
e	equivalent
Eur (€)	euro
gCO_2/RPK	carbon dioxide emissions (in grams) per passenger transported
h	hour
kg	kilogram
MWh	Megawatt-hour
l	liters
l/100RPK	fuel consumption (in liters) per passenger transported
m^3	cubic meters
NOX	nitrogen oxides
pp	percentage point
SOx	sulfur oxides
PM10	Particles with a diameter less than 10 micrometers
t	tonne
tCO_2e	tones of CO_2 equivalent
USD ($)	United States Dollar

Definições e Indicadores

Chargeable weight	Weight used to calculate the price of air cargo transport, corresponding to the greater of the actual weight and the volumetric (dimensional) weigh
Hub	Term used to designate the operational base of an airline in which arrivals and departures are coordinated in order to reduce transit time to the maximum extent
Load Factor (Passenger)	Total number of revenue passenger-kilometres (RPK) divided by the total number of available seat-kilometres (ASK)
Load Factor (Cargo)	Percentage of the total available cargo capacity (in available tonne-kilometres) that was effectively used in the transport of paid cargo
OTP D15	Percentage of flights whose actual departure time occurs up to 15 minutes after the scheduled time
Regularity	Percentage of operated flights relative to scheduled flights
Yield (Passenger)	Passenger revenue divided by the total number of revenue passenger-kilometres (RPK)
Yield (Cargo)	Average revenue obtained per tonne-kilometre of cargo transported

Statutory Audit Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Transportes Aéreos Portugueses, S.A. (the Group), which comprise the consolidated statement of financial position as at December 31, 2025 (which shows total assets of Euros 5,903,008,596 and total shareholders' equity of Euros 717,006,421 including a net profit of Euros 4,149,874), the consolidated income statement, the consolidated comprehensive income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Transportes Aéreos Portugueses, S.A. as at December 31, 2025, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphases

a) We draw attention to the disclosure in Introduction note of the accompanying notes to the consolidated financial statements, namely regarding the approval of the TAP Group's Restructuring Plan by the European Commission, on December 21, 2021, within the scope of the State aid to the Group ("Approved Restructuring Plan"), and the consequent future monitoring until June 30, 2026 by the European Commission as to its compliance.

Considering the various changes that occurred in TAP S.A. Group between May 2021 and December 2025, as disclosed in note 2.35 of the accompanying notes to the consolidated financial statements, the Financial Projections 2026/2030 were approved by TAP S.A. Board of Directors in December 2025, which projections and assumptions were considered the best estimate, for the purposes of analysing the recoverability of non-current assets.

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As also disclosed in note 2.35 of the accompanying notes to the consolidated financial statements, it should be noted that unfavourable future variations between the actual cash flows and /or actual incomes and those estimated in the Financial Projections 2026/2030 may lead to relevant impacts on the calculation of the recoverable value of non-current assets related with air transport cash-generating unit and deferred tax assets and consequently significantly affect the Group's financial and economic position.

b) We draw attention to the disclosure in note 41 of the accompanying notes to the consolidated financial statements, namely regarding the current high uncertainty of the impacts of the conflict in the Middle East in the air transport industry and, consequently, on the Group's operational activity.

Our opinion is not modified in respect of these matters.

Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and the cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the consolidated Management' report in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion; and

g) communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility also includes verifying that the information included in the consolidated Management' report is consistent with the consolidated financial statements.

Report on other legal and regulatory requirements

Consolidated Management' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the consolidated Management' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the consolidated Management' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

April 9, 2026

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Hugo Miguel Patrício Dias, ROC no. 1432
Registered with the Portuguese Securities Market Commission under no. 20161042

REPORT AND OPINION OF THE SUPERVISORY BOARD

(CONSOLIDATED ACCOUNTS – Year 2025)

(Translation of a report originally issued in Portuguese)
(In case of discrepancies, the Portuguese version prevails)

To the shareholder of
Transportes Aéreos Portugueses, S.A.

In accordance with the legislation in force and the mandate we are entitled to, we submit to your appreciation our Report and Opinion, that covers the activity developed by us and about the statutory consolidated accounts of Transportes Aéreos Portugueses, S.A. ("Company" or "Group TAP"), related to the year ended 31 December 2025, that are the responsibility of the Board of Directors.

We monitored, with the periodicity and debt considered adequate, the evolution of the activity of the Group TAP, the regularity of its accounting records and the compliance of the legislation and statutory requirements in force, having obtained from the Board of Directors and from the various services of the Company and its subsidiaries, the information and the clarifications requested.

In the scope of our functions, we examined the consolidated financial statements, prepared in accordance with the International Financial and Reporting Standards (IFRS) as adopted in the European Community, that comprise the consolidated Statement of the Financial Position as of 31 December 2025, the consolidated Statement of Results, the consolidated Statement of the Integral Income, the consolidated Statement of the Changes in Equity and the consolidated Statement of Cash Flows, related to the year then eneded and the related Appendix.

In addition, we reviewed the consolidated Board of Director's Report of 2025, prepared by the Board of Directors, having verified that this document, as well as the Appendix of the consolidated financial statements, include relevant disclosures, namely the disclosures included in Note 1 of the Appendix, related with the approval of the Restructuring Plan of Group TAP, by the European Commission, which compliance, will be monitored by that entity.

We also reviewed the Legal Certification of Accounts and Audit Report about the consolidated financial statements, issued by the statutory auditors, dated 9 April 2026, that does not include any qualification, and includes two emphasis paragraph, i) one related with the Restructuring Plan of Group TAP approved by the European Comission as of 21 December 2021, in the scope of the State aid to Group TAP (Approved Restructuring Plan) and its subsequent monitoring by the European Comission of its Compliance, as well it refers that potential unfavorable future variations between actual and estimated cash flows and/or results in the 2026/2030 Financial Projections may have significant impacts on the recoverable value of non-current assets

related to the air transport cash-generating unit and deferred tax assets, and consequently significantly affect the financial and economic position of the TAP Group, and ii) another related to the current high uncertainty regarding the impacts of the conflict in the Middle East on the air transport sector and, consequently, on the operational activity of the TAP Group, these two paragraphs included in the Emphasis section of the Statutory Audit of the accounts, being considered to be fully reproduced in this document.

We have found that the provisions set out in Articles 35º and 171º of the Commercial Companies Code are applicable to the Company, noting that Note 42 of the Annex to the individual financial statements for the 2025 financial year mentions that the Board of Directors will submit to the General Meeting for consideration the consequent adoption of measures, specifically one of those provided for in that legal provision.

We assessed the compliance with the State shareholder's guidelines regarding the reporting of legally applicable information to the State Business Sector (SEE), and we also reviewed the Corporate Governance Report (which refers to individual reporting) prepared by the Company in accordance with Article 54 (nº1) of the RJSPE, which must be reported to its shareholder and published on its website. This Report includes a section with information submitted within the scope of the CSRD. Since the Company is not required to do so in the 2025 financial year, this information was not reviewed by a sustainability auditor.

Tanking all the above into consideration, and considering the matters described in the section "Emphasis" of the Legal Certification of Accounts and Audit Report, about the consolidated financial statements, it is our opinion that the consolidated financial statements, the Corporate Governance Report (presented from an individual perspective) and the Consolidated Board of Director's Report are in accordance with applicable accounting, legal and statutory provisions, and may therefore be approved at the General Shareholders' Meeting.

We thanks to the Company's Board of Directors and to the services of the Company and its subsidiaries, all collaboration and assistance provided, namely the availability of its key employees to clarify the questions raised during the monitoring activities of the Supervisory Board.

Lisbon, 9 April 2026

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André, Graça e Associados, SROC, Lda. (member firm of UHY International)
Represented by Paulo Jorge Duarte Gil Galvão André (President)

_____

José Manuel Fusco Gato (Effective member)

Lisbon, April 8, 2026

BOARD OF DIRECTORS

Carlos Nuno Alves de Oliveira
Chairman of the Board of Directors

Luís Manuel da Silva Rodrigues
Member of the Board of Directors and Chief Executive Officer

Ana Teresa Cunha de Pinho Tavares Lehmann
Member of the Board of Directors

João Pedro Conceição Duarte
Member of the Board of Directors

Jose Mario Cruz Henriquez
Member of the Board of Directors

Maria João Gomes Cardoso
Member of the Board of Directors

Mário Rogério de Carvalho Chaves
Member of the Board of Directors

Patrício Ramos Castro
Member of the Board of Directors

Renato Teobaldo Rodrigues Inácio
Member of the Board of Directors

Sofia Norton dos Reis Lufinha de Mello Franco
Member of the Board of Directors

Transportes Aéreos Portugueses, S.A.

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TAP AIR PORTUGAL

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