AIR FRANCE-KLM SUBMITS A BINDING OFFER FOR AN UP TO 49.9% STAKE IN TAP AIR PORTUGAL

News / Airlines, Finance

Air France-KLM today has submitted a binding offer to Parpública?for the acquisition of a 44.9% to 49.9% stake in TAP Air Portugal, marking a decisive step in the airline's privatization process. This offer takes the form of a comprehensive strategic plan to strengthen TAP, with detailed projections of job and value creation throughout Portugal. The bid is welcomed by Air France-KLM joint venture partner and shareholder Delta Air Lines. Delta Air Lines' support and alignment reflects a shared ambition should TAP join Air France-KLM: to further strengthen Portugal's global connectivity, particularly on the North Atlantic.

Benjamin Smith, CEO of the Air France-KLM Group commented: "For the past three years, our teams have worked closely with Portuguese stakeholders to come up with our strongest proposal for TAP. What we have submitted today is not just a proposed price for an airline. It is a strategic, extensive, and comprehensive long-term plan for TAP and for Portugal as a whole. It is also a vision of where we would like to take this esteemed flag carrier, expanding on the legacy of what has been built by TAP's talented people over the past 81 years. Moreover, we are pleased to count on the support and alignment of our long-time partner Delta Air Lines. Our overarching goal to ensure long-term growth for TAP, not only in Lisbon but also in Porto and other cities in

Portugal, and to do so sustainably, as part of a robust and international group determined to bring value to its airlines' home countries. Through this offer, Air France-KLM reaffirms its commitment to create a European global aviation champion, actively supporting European sovereignty."

Ed Bastian, CEO of Delta Air Lines stated: "Delta supports?our joint venture partner Air France-KLM's proposed investment in TAP, which would enhance trans-Atlantic travel options and Portugal's role as an enhanced business and leisure destination. We're looking forward to seeing Air France-KLM and TAP grow across the Atlantic for years to come, providing more choice, better connectivity and a stronger network for travelers."

A long-term strategy for a stronger TAP and more connected Portugal

If selected, Air France-KLM would position Lisbon as its unique Southern European hub, reinforcing the Group's global network and expanding connectivity to key markets, particularly in the Americas and Africa. TAP's leading position on strategic routes to Brazil would be a strong complement to Air France-KLM's existing route portfolio, which is already connected to a dense domestic network in Brazil as part of a long-standing partnership with Brazilian carrier GOL.

Should it join Air France-KLM, TAP would enter into the Group's global commercial network, which covers Air France, KLM and Transavia. Following the confirmation of Air France-KLM as a successful bidder for the investment in TAP, Delta would promptly commence negotiations with TAP on a strategic commercial agreement involving, among other things, reciprocal codeshare and loyalty benefits. Delta would also share best practices to maximize customer experience for our joint customers. This enhanced level of commercial partnership would provide benefits to our joint customers by offering more options and a stronger network across the transatlantic.

Air France-KLM's unique approach to consolidation prioritizes cooperation within a clear framework designed to maximize economic and mutually beneficial operational synergies, with a strong focus on social dialogue. TAP would fully benefit from a smooth integration into a larger, robust group, with economies of scale and a global reach, thereby strengthening its competitive position. Such cooperation would extend to all business areas and include a focus on decarbonization, a key strategic priority for both Air France-KLM and TAP.

Fostering the development of MRO activities in Portugal alongside TAP Maintenance & Engineering

As part of the binding offer submitted today, Air France-KLM laid out its plan to develop new Maintenance, Repair and Overhaul (MRO) activities in Portugal, complementary to the continued development of the Group's own activities in France and Netherlands. This would be achieved in close cooperation between Air France-KLM and TAP's respective MRO divisions that have been partners for over 20 years.

The roadmap would include opening new MRO facilities in key areas of Portugal, dedicated to the maintenance of latest generation aircraft and engines, a core area of expertise for both partners. These projected investments would generate highly skilled jobs to the benefit of the Portuguese economy.

TAP would also gain access to new business opportunities and to the Air France-KLM Group's innovative technologies, notably covering digital initiatives and AI integration for MRO.

Air France Industries KLM Engineering Maintenance is one of the world's leading MRO providers, supporting more than 3,000 aircraft operated by over 200 customers worldwide. The Group continuously invests in next-generation capabilities to strengthen its position in this fast-growing market.

Safeguarding and strengthening TAP’s key assets

Air France-KLM's offer fully complies with the requirements set forth by the Portuguese government. It aims to maximize synergies in all areas of the business while maintaining and nurturing TAP’s key assets, including its management, brand, network and headquarters in Portugal, as well as its hub in Lisbon.

As part of the privatization process, representatives and senior management from Air France-KLM have met with key stakeholders in Portugal to better understand their needs and expectations. The Group brings extensive experience working alongside public shareholders and views air connectivity as being of vital and strategic importance to a nation, capable of stimulating economic development and international influence.

The binding offer was submitted to Parpública on July 29, 2026. It confirms the Group’s unwavering, strong and continued interest in TAP.

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