

MEDIA RELEASE

SWISSPORT LOSCH LOSES GROUND HANDLING LICENSE AT MUNICH AIRPORT

The Luftamt Südbayern has decided not to renew the license for Swissport Losch's ground handling services at Munich Airport. This decision may jeopardize the operational stability of Munich Airport and have negative economic consequences for the city of Munich, the region of Upper Bavaria and the Free State of Bavaria.

Swissport Losch takes note of the decision of Luftamt Südbayern – Regierung Oberbayern to not renew Swissport Losch's ground handling license at Munich Airport and is dismayed by this decision by the authorities who may underestimate the importance of operational safety at Munich Airport underestimate. Swissport Losch is currently handling more than 112,000 flights per year, which accounts for around 40% of aircraft movements in Munich.

Since 2010, Swissport Losch has made significant investments and made great efforts to establish reliable operations at Munich Airport and, in particular, Lufthansa's regional fleet at its Munich hub. In addition, we have undertaken major recruitment effort to ensure that the rapid increase in passenger and flight volumes following the covid pandemic over the past two years could be handled. We recruited and trained 200 new agents and employees for the 2023 summer season. Swissport was working to recruit another 300 new employees for 2024. This was despite extremely difficult conditions, such as an extremely tight labor market or the lengthy background check to obtain an airport ID card for new employees, which takes up to twelve weeks in Munich.

A change of license comes with the expectation that the new ground handling service provider will be able to recruit, train and deploy around 1,000 new employees in less than six months which requires operational knowledge in running the second largest hub in Germany after Frankfurt and experience in recruiting to manage the above-mentioned security clearance and training to ensure Munich can operate safely in an industry where safety is a number one priority. Additionally, around 1,000 pieces of specialized industry equipment currently globally short in supply must be ready by the effective date of the license on March 1, 2024. Given the prevailing staffing shortages alone, a change in ground handling providers is a high-risk gamble enforced onto a critical hub airport like Munich.

We see absolutely no reason for the decision by the Luftamt Südbayern. It not only harms Swissport Losch, it also puts hundreds of employees in a state of prolonged uncertainty and exposes the operational stability of

Munich Airport with a negative economic impact for the city of Munich, the Upper Bavarian region and the Free State of Bavaria. The decision does not mirror how we nor our customers experienced our service delivery and our long-standing and successful partnership with Munich Airport, which was always coined by strong operational performance and high-quality service.

Swissport Losch will request a review of the pertinent file and, after careful examination thereof, may consider legal means. Meanwhile during this time, we will continue to deliver our best possible for the airport and all our loyal airline customers whilst we stay very concerned of the operation as of March 2024, just days ahead of a busy spring and summer of 2024.

In 2022, Swissport International AG provided best-in-class airport ground services for some 186 million airline passengers (2021: 97 million) and handled roughly 4.8 million tons of air freight (2021: 5.1 million) at 117 air cargo centers worldwide. Several of its warehouses have been certified for pharmaceutical logistics by IATA's CEIV Pharma and by the British MHRA. At the end of June 2023, the world's leader in airport ground services and air cargo handling, with currently around 57,000 employees, was active at 294 airports in 44 countries on six continents.

The family-run Losch Airport Service is Germany-wide known and active as a service specialist for air traffic. The company is already 82 percent climate-neutral at its Stuttgart headquarters – by 2030 complete CO2 neutrality on the ground will be achieved. The company is industry-wide known for its demanding safety standards, the high quality of its technical equipment, its innovative strength, and dedicated employees. Munich Airport has also benefited from this experience and expertise since 2009 through the Swissport Losch joint venture.

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