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Lufthansa Cargo intensifies strategically important partnerships in China

Cooperation agreements signed with Shanghai Airport Authority, Air China Cargo and China Postal Express & Logistics Co., Ltd

China's rapid growth has transformed it into a global economic powerhouse and is now one of the most important growth markets in the airfreight industry. With production hubs specializing in high tech-commodities, the country has enormous potential for the airfreight sector. The booming Chinese e-commerce sector and the increasing importance of cross-border trade from China provide additional growth opportunities in the airfreight industry. Against this backdrop, Lufthansa Cargo is intensifying key strategic partnerships in China: Ashwin Bhat, CEO Lufthansa Cargo, signed cooperation

agreements with Shanghai Airport Authorities, Air China Cargo and China Postal Express & Logistics Co., Ltd during his recent trip.

Shanghai Airport Authority and Lufthansa Cargo intensify cooperation: Joint MoU signed / Municipal Government of Shanghai supports Lufthansa Cargo's plans in Shanghai

Shanghai Airport Authority and Lufthansa Cargo have taken a significant step towards strengthening their partnership with the signing of a Memorandum of Understanding (MOU). The MOU aims to establish a framework to further develop cooperation in focused areas, enhancing operational efficiencies, and improving customer experiences through innovative solutions and shared expertise. It also recognizes the strategic goal of jointly developing Shanghai Pudong Airport into the world's most competitive Asia-Pacific core hub and actively exploring ways to deepen the partnership.

"The last 25 years of partnership through our joint venture have yielded excellent results for both parties. The MOU marks the beginning of our cooperation journey, and we look forward to even closer collaboration in the years ahead", commented Feng Xin, CEO of Shanghai Airport Authority.

Both - the Shanghai Airport Authority and Lufthansa Cargo - are committed to leveraging their strengths and resources to drive the success of this partnership and achieve their shared objectives. "The MOU represents a significant milestone in our collaboration and sets the stage for a deeper and more fruitful partnership in the future." said Ashwin Bhat, CEO of Lufthansa Cargo. "Shanghai is the biggest freight hub for Lufthansa Cargo next to our hub in Frankfurt and the MOU gives us the confidence and commitment to further contribute to business excellence in this strategically important market."

The Shanghai Municipal Government supports Lufthansa Cargo

Ashwin Bhat, CEO of Lufthansa Cargo also met Shanghai Vice Mayor Hua Yuan together with delegation of Lufthansa Cargo to report on the industry status and strategic direction of Lufthansa Cargo in Shanghai and China. They discussed the sustainability and digital development of the aviation logistics, the development of cross-border e-commerce and the strengthening of further cooperation with local enterprises. During the meeting, the Shanghai government expressed very positive and supportive signals for the

cooperation with Lufthansa Cargo.

“Shanghai actively develops the sector of aviation logistics and attaches great importance to the development of cross-border e-commerce business. The Shanghai Municipal Government is willing to work together to promote Lufthansa Cargo’s deeper participation in the development of Shanghai, including closer cooperation between the Company and the Airports Group, facilitating cooperation among the enterprises and top e-commerce platforms, and jointly boosting the digital integration of China and Germany’s customs”, commented Vice Mayor Hua Yuan. “Lufthansa Cargo is encouraged to further increase investment and business layout in Shanghai, deepen transformation and cooperation with Chinese related enterprises in the fields of aviation digitization, intelligence and greening, and make contributions to promoting the development of Shanghai’s overseas logistics transportation and promoting Sino-German economic and trade exchanges.”

Lufthansa Cargo entered the Chinese market in the late 1990s and opened a freight service connecting Shanghai and Frankfurt in 1997. Since then, it has successively opened multiple cargo flight points in Beijing, Chengdu, Guangzhou, Hong Kong and Taipei. In 2024 it has added one new route to Frankfurt from Zhengzhou and Shenzhen respectively.

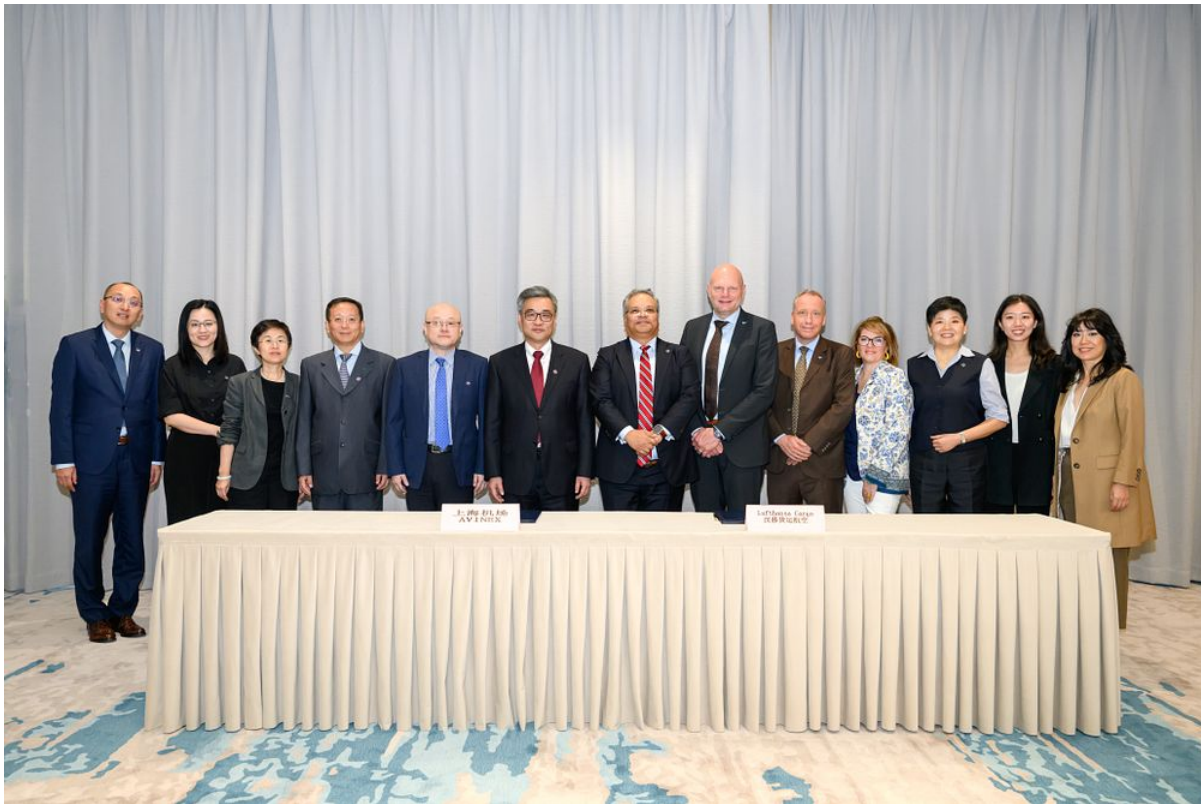
Over the years, Lufthansa Cargo’s contribution to Shanghai’s economy mainly reflects in providing professional and extensive air cargo services, including but not limited to the transportation of hazardous cargo, complete vehicles, refrigerated containers, precision instruments and other commodities. For automotive parts and high-tech products, Lufthansa Cargo provides advanced digital tools, selects optimized routes, and customizes personalized solutions subject to demand to ensure fast and reliable delivery of goods.

In 1999, Lufthansa Cargo established a joint venture with Shanghai Airport Group, known as Shanghai Pudong International Airport Cargo Terminal Co., Ltd. (PACTL). During the last 25 years, PACTL has provided services including warehousing, customs clearance, consolidation, loading and unloading services covering the entire logistics chain. PACTL’s cumulative cargo disposal tonnage in 2023 was approximately 1.6 million tons.

About Shanghai Airport Authority

Shanghai Airport Authority is a state-owned enterprise of the Shanghai

Municipal Government and operates both Pudong (PVG) and Hongqiao (SHA) airports in Shanghai, China. Shanghai Airport Authority was established in 1998 and aims to manage Shanghai airports to be the core airport hub in the Asia-Pacific region.



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Ashwin Bhat, CEO Lufthansa Cargo, talking to Mr. Feng Xin, CEO of Shanghai Airport Group

Air China Cargo and Lufthansa Cargo announce closer cooperation with a Memorandum of Understanding

Air China Cargo and Lufthansa Cargo signed a Memorandum of Understanding (MoU) that will take the long-lasting partnership of both carriers to the next level. The MoU was signed during a ceremony in Shanghai by Air China Cargo CEO Jun Li and Lufthansa Cargo CEO Ashwin Bhat.

Under the terms of the MoU, Air China Cargo and Lufthansa Cargo will work closely on a number of aspects. "Lufthansa Cargo is pleased to manifest the long-standing relationship with Air China Cargo with this MoU. The relationship will improve our service offerings to our customers since we share a common commitment to take the cooperation to the next level." said Ashwin Bhat, CEO of Lufthansa Cargo.

Air China Cargo CEO Jun Li also expressed optimism, saying, "The cooperation between the two parties will further stabilize the logistics corridor between

China and Germany and will provide customers with more choices and solutions.”

Air China Cargo and Lufthansa Cargo look back on a history of joint undertakings since more than three decades, including the joint warehouse facility PACTL West in Shanghai and various handling cooperations in China and Germany.



Copy: f.l.t.r.: Mr. Di WU (Deputy General Manager of Sales and Marketing, Air China Cargo), Ms. Elodie BERTHONNEAU (VP Asia Pacific, Lufthansa Cargo), Mr. ShiCheng GUO (VP Commercial, Air China Cargo), Mr. Jun LI (CEO, Air China Cargo), Mr. Ashwin BHAT (CEO, Lufthansa Cargo), Ms. Janet MI (Senior Director of Eastern & Western China, Chief Representative China, Lufthansa Cargo), Ms. Fan YU (Senior Manager of Industry Relations and Aviation Affairs China, Lufthansa Cargo)

Lufthansa Cargo and China Postal Express & Logistics Co., Ltd announce strategic cooperation: Innovation, digitalization and sustainability as areas of

collaboration

Lufthansa Cargo and China Postal Express & Logistics Co., Ltd. have recently announced a strategic cooperation framework aimed at deepening their partnership and promoting mutual development. Within a joint memorandum of understanding, the two parties have outlined their intentions to innovate and collaborate in various areas over the next five years.

The cooperation framework includes joint innovation and development, capacity and transport offer, improving settlement efficiency, digitalization, global cooperation, and environmentally sustainable development. Both parties are committed to enhancing their cooperation in these areas and are focused on achieving higher operational efficiency and transportation quality.

Lin Zejian Deputy General Manager, CPEL, said "China Postal Express & Logistics Co., Ltd. and Lufthansa Cargo Airlines have a history of more than ten years of cooperation. The new strategic cooperation is not only conducive to consolidating the existing business cooperation between the two sides, but also can develop more commercial value in new business fields. We look forward to the orderly and efficient development of various businesses under the new strategic cooperation framework."

"We are excited to continue and deepen our cooperation with China Postal Express & Logistics Co., Ltd. and look forward to achieving new levels of collaboration and innovation in the coming years," said Ashwin Bhat, CEO of Lufthansa Cargo. "This strategic cooperation framework represents our commitment to mutual development and growth in the industry."

The two parties are optimistic about the potential of this cooperation framework and are confident that it will lead to a new level of partnership and success in the air transport and logistics industry.

About China Postal Express & Logistics Co., Ltd

China Postal Express & Logistics Co., Ltd. is the only "national team" in China's express logistics industry, with the world-renowned "EMS" express delivery brand and the well-known "CNPL" logistics brand in China. With the advantages of rich international business resources, it can provide comprehensive logistics services for domestic villages and all over the globe.



f.l.t.r.: Lin Zejian, Deputy General Manager, CPEL, Zhang Zhanjun, Deputy General Manager, CPEL and Ashwin Bhat, CEO Lufthansa Cargo during the signing of a joint Memorandum of Understanding between China Postal Express & Logistics Co., Ltd and Lufthansa Cargo in Beijing.

Lufthansa Cargo AG

With revenue of 3.0 billion euros and a transport performance of 7.5 billion freight ton kilometers in 2023, Lufthansa Cargo is one of the world's leading companies in the transport of airfreight. The company currently employs around 4,150 people worldwide. Lufthansa Cargo's focus is on the airport-to-airport business. The route network covers around 300 destinations in more than 100 countries, using both freighter aircraft and cargo capacity from passenger aircraft operated by Lufthansa, Austrian Airlines, Brussels Airlines, Discover Airlines and SunExpress, as well as trucks. The majority of the cargo business is handled via Frankfurt Airport. Lufthansa Cargo is pursuing the goal of becoming the world's most environmentally friendly cargo airline. To achieve this, the company relies on state-of-the-art technologies and constant investments in the area of sustainability. In 2023, important milestones were reached, such as the investment in the continuous expansion of the B777F fleet, the expansion of short- and medium-haul networks with A321 freighters, and the continuation of the Sustainable Aviation Fuel program. In 2024, Lufthansa Cargo plans to successively equip

its B777F fleet with Sharkskin technology, implement further digital services and contribute to reducing CO2 emissions through sustainable logistics solutions. Lufthansa Cargo is a wholly owned subsidiary of Deutsche Lufthansa AG and the specialist for the logistics business of the Lufthansa Group.

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