

IBERIA AIRPORT SERVICES AT A GLANCE



JUNE 2020

**THIS HAS BEEN OUR OPERATION
COVID 19 ENVIRONMENT
WHAT ARE WE DOING?
BRIEF NEWS**



IBERIA
AIRPORT SERVICES

ÁNGEL MARCOS

Chief Airport Services Officer
Iberia Airport Services



Hello everyone

I want to begin with a few words of support and encouragement to everyone who, one way or another, has seen family or close friends affected by the COVID-19 pandemic.

As **director of Iberia Airport Services**, I also want to take this opportunity to tell you that **we are continuing to do everything we can to be able to see you again**, and to use this publication (launched last January) **to provide you with first-hand information about what we have been doing these last few months since the coronavirus outbreak** and how we are preparing to gradually recover higher levels of activity and, moreover, to do so safely.

As you are all aware and suffering, the COVID19 has transformed what we all considered to be normal and disrupted all our personal and professional plans. **The forecasts have exceeded all expectations.** However, as a handling provider, **we have been here**, in the worst circumstances, supporting for our clients, adapting with flexibility to the demands that society and the air transport industry have demanded.

As a handling company, we have carried out a detailed review of our costs, reducing office and desk rentals, renegotiating and terminating contracts, preserving our fleet of ground equipment, and above all placing nearly 90% of our workforce on furlough, we have had to reinvent ourselves to learn from this critical situation (to give you an idea, **the volume of flights we handle every week plummeted from nearly 6.500 to just 250, most of them cargo aircraft and repatriation flights**).

But more importantly, **we're ready. Prepared to give the best service, adapted to your needs and also applying all the necessary measures to preserve the health of everyone**, employees, customers, suppliers, which is now the priority. Our staff is ready to return to work in the safest way possible.

In the meantime, we have implemented a **Comprehensive Health and Safety Plan** in partnership with the Quironsalud group which includes the implementation of information, cleaning, prevention, protection and organisation measures to ensure that we can conduct our business in an environment that is safe for everyone.

ÁNGEL MARCOS

Chief Airport Services Officer
Iberia Airport Services

Within this plan, one of the measures has been **to carry out rapid antibody tests for our workforce** as they join the activity.

Thank you for reading this publication, but above all **thank you for your efforts and cooperation in these challenging times.**

To sum up, the current situation is extremely difficult, the worst we have ever experienced. But we have lived it **TOGETHER** and together we will continue to fight to get through it.

We remain at your disposal and we are looking forward to coordinating your needs with your teams.



See you soon!

IBAS AT A GLANCE | GoUp!



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Aircraft assisted
67.901



Baggage handled
9.434.671



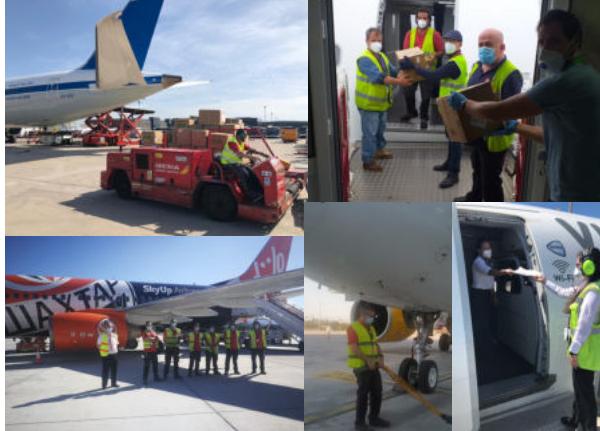
Passengers serviced
16.625.322

1

**THIS HAS
BEEN OUR
OPERATION**



Operations



At Iberia Airport Services, we have reduced our operations to figures that speak for themselves, comparing them with the same period in 2019: **around 50% until 31 May and 95% less only in April and May.**

However, **we have not stopped working** to adapt to the needs that our society is demanding at the moment, and **we continue to learn** by leaps and bounds to handle large volumes of **humanitarian aid cargo aircraft owned by different airlines, many with supplies at passengers cabin and numerous repatriation flights** (more about that later).



Our HUB Madrid-Barajas

Enrique Robledo, Director of Madrid-Barajas Airport, sums up these moments at Madrid-Barajas Airport perfectly: "during the month of May our operation **was 93% less** than the operation in May 2019 and totally different from the type of operations we

usually perform, because more than half consisted in handling cargo aircraft, many of them with supplies on board.

This has meant that we have had to reinvent ourselves and adapt each day to this new environment".

Our NETWORK airports

José Luis de Luna, Airport Network Director, describes the situation at the airports in the Network: "**with zero operations in some of them** and **with a reduction in activity compared to the forecast of up to 96.3% in the rest**".

We have come up with ingenious solutions to handle to our clients, once again providing tailor-made handling".



2

COVID 19 ENVIRONMENT

AVIATION HEALTH AND SAFETY PROTOCOL

Passengers who do not adhere to the measures in place will be refused access to the airport and aircraft.

SAFE FLIGHT

EASA (European Aviation Safety Agency) and the **ECDC** (European Centre for Disease Prevention and Control) have published an aviation health and safety protocol in relation to Covid-19.

These are recommendations to ensure safe air transport both at airports and on planes.

IBAS, as a handling services, will follow these instructions in all matters relating to our activity and we are at the disposal of our clients to adapt them to their operations.

These recommendations include:

- extensive information on prevention and hygiene measures, both before and during the trip,
- facilitating the physical distance of 1.5 metres between individuals in the airport,
- the use of face masks by both customers and employees,
- the implementation of special procedures for boarding and disembarkation to ensure the safe distance, among others.



COMPREHENSIVE HEALTH AND SAFETY PLAN

Safety first. It has always been, is and will be our objective and a **differentiating pillar as a handling agent.**

If this situation has taught us anything, it is that we must take a step forward in safety measures and, if possible, one step forward, because it is life what is at stake.

That is why **at IBAS, safety begins with ensuring the safety of our employees and, therefore, that of our customers and suppliers.**

To this end, the Iberia group has defined, with advice of the Quirón Group, a

Comprehensive Health and Safety Plan, which covers all its groups and the different environments in which it carries out its activity.

This plan is divided into different phases, as our employees return to their jobs according to the demand for activity

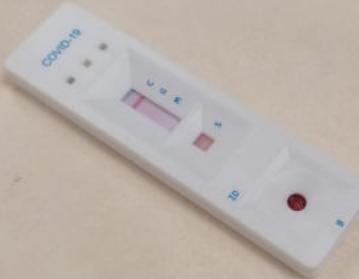
One of the initiatives is to **carry out voluntary antibody tests on our employees**, to identify possible cases carrying the virus and prevent its contagion and spread. But also information and awareness campaigns, organizational measures to reduce build-up of passengers , means of protection, reinforcement of cleaning and disinfection, among others.

The final objective is that we all conclude, that the experience of travelling or working in the world of aviation is safe.

More than **5.700** antibody tests performed within **Comprehensive Health and Safety Plan**

Antibody tests reveal in the space of barely 15 minutes whether a person is infected and therefore at risk of spreading the disease (IgM), but also whether they have already had the disease, even asymptotically, and have therefore developed antibodies (IgG).

Organisational measures and preventive actions at airports.

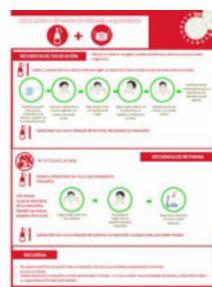


As the **Airport Services Division**, we are following all the health protocols and recommendations at all times. We have implemented a set of **organisation measures (homeworking, video conferences, etc.)** and are reinforcing our preventive actions. For example, we are ensuring the safety distance through:

- installation of physical barriers** (screens, tensabarriers, etc.)
- horizontal and vertical signs** to ensure a minimum distance between people
- distribution of single-use face masks to all employees**
- provision of **hand sanitiser dispensers** in areas without hand-washing facilities
- reducing the capacity on airside transfer buses** in the interests of public health to ensure that passengers can keep a safe distance

And in relation to cleaning:

- reinforced cleaning and disinfection of facilities and equipment
- provision of disposable materials and disinfection products** before using radios and keyboards, etc...



"CASH IS KING, COLLABORATION IS QUEEN"

In a recent webinar hosted by GHI ("GHI Big Debate Webinar: Your survival kit for Covid-19"), we received the above quoted message from one key manager of an airline.

All the air transport stakeholders have been kept locked down for more than 3 months now and in some cases almost dismantled with the lack of demand and compulsory ruling to control and relief the impact of the COVID-19 pandemic.

Everyone in this market has reacted as quickly as possible to mitigate the impact of cash-burn that the lack of activity has inflicted in airlines, airports owners, service providers and of course ground handlers.

Reaction time was paramount in the early stages of the decline in activity, but even the most prestigious consultant firms were not able to predict what would be the extent of the harm in the sector. Week after

week, we have seen how forecasts of the downturn effects were shifting from a V-type to U-Type or even U-Type delayed in time, more similar to L-Type at least for 2020 timeframe.

In this context, risk estimation has become uncontrollable for any of the players.

Airlines were forced to drastically reduce capacity mainly without notice to their providers, while flight programs and schedules, the basis for manpower and GSE resources allocation still were showing flights that never were flown. **These flights disappeared in front of ground handlers who in turn, had to struggle to design and develop plans to cut costs dramatically with the measures available at each country:** staff furloughs, government temporary subsidies, requests to airport authorities to waive or reduce non operating fees, GSE in preservation, etc.

Clearly, in very few days the aviation industry realized that "**Cash is King**".

Aftermath is today astonishing and still not completely evaluable. Nevertheless, as soon as pandemic has started to reduce the pressure of the deadly statistics **everyone is aware that if demand flow spikes there is no time to waste.**

And here is where "**Collaboration is Queen**". Airlines and their regular service providers need to weave their restart operations plans. **In the case of ground handlers, collaboration with their customer airlines is the main driver to allow the outcome to be**

feasible, cost effective and within the new safety standards frame derived from the current situation.

The ramp-up of flights seems to be quite unstable, mainly for the different pace the COVID-19 is evolving in different parts of the world. Additionally, any second wave outbreaks may defer demand growth again, generating further oscillations to the approved flight schedules.

In this context, advanced communications between partners become a must. It is a tough call since competing airlines will be reluctant to unveil which markets are more prone to reopen first according to own intel

data. But it is crucial to keep in mind that with **passengers post COVID19**, not that much engaged into flying again, **a seamless and now also “touchless” experience from home to destination may be the perfect lure for a “next” flight.**

Any effort to coordinate resources and make a robust reentry to the flying thing will pay off for a smooth transition to the new air transport world.

Reflections on COVID19 by **Adolfo Gordo**

Senior Manager Comercial
Iberia Airport Services

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**WHAT ARE
WE DOING?**

Humanitarian aid cargo aircraft

Did you know...?

We made these pouches by recycling hundreds of metres of obsolete fabric that was languishing in our Technical Division warehouses, and our Iberia Airport Services colleagues fit out the cabins (it takes 10 people approximately three hours).).



The demand for these types of flights continued to grow in May, both at Madrid-Barajas and other airports in the network. For the first time ever, cargo aircraft reached Vitoria and Palma de Mallorca, as well as Barcelona and Tenerife Norte.

We have seized this **opportunity** to position ourselves on **the front line of air cargo**. We have not only serviced the "usual" airlines like **Avianca, Emirates, El Al, Evelop, Air Europa, Qatar** and, of course, **Iberia**, which has operated approximately 80 flights since the beginning of the pandemic, but have started providing assistance to new airlines such as **Electra Airways, Aerotrans Cargo, Tianjin Airlines, Juneyao Airlines, KlasJet and Vietnam Airlines** ... the majority with relief consignments in the passenger cabin.

This new challenge has involved, and continues to involve, **constant learning, the definition and continual review of procedures, the adaptation of our ground equipment** to optimise the unloading of up to **1.500 items on average in the cabin**, such as the use of canvas for stairs, and, naturally, the **delivery of specific training to the workforce** to handle these aircraft.

At **Madrid-Barajas** airport, we also fitted out the cabins of the **Iberia aircraft (six A340-600s and one A330-200)**, initially with nets and now with a **novel system of "pouches"** to optimise installation in the cabin and improve the loading, transit and unloading processes.

The characteristics of these pouches are as follows:

- made out of flame-retardant fabric
- anchored to the seat belt and legs
- covering the entire seat and part of the space underneath
- top-opening flap

This is yet another example of our **enormous flexibility as a leading handling company** in Spain and our ability to constantly reinvent ourselves, even in the worst crisis we have ever experienced.





REPATRIATION OPERATION



Thousands of people around the world, of all nationalities, were surprised and trapped in other cities and countries by the arrival of the coronavirus. During these last months, **IBAS has provided handling services to the request of multiple airlines for repatriation flights**, chartered by governments and large international companies.



We are pleased to have participated in the deployment of this repatriation operation in multiple airports in our geography, either to bring Spaniards home from remote locations such as **Manila Bangkok, Sydney or Banjul**, among others, or to take home passengers who were in our country. In Malaga, Barcelona, Palma de Mallorca, Vigo, Las Palmas de Gran Canaria, Alicante and Madrid for companies like **Iberia, Avianca, Privilege, Evelop, Ukrainian, Etiophian, Air Vietnam, Turkish, Neos, Pullmantur, Tarom, Finnair, Cubana...**

Our ground staff, at the foot of the canyon, is dedicated to attending to this type of flight with their characteristic professionalism.



Preservation of ground equipment

IBAS and our maintenance provider have developed **a plan to prolong the useful life of our ground equipment**. We want to make sure that when normal activity resumes, our equipment is in the best possible condition, so following the manufacturers' recommendations these are **the steps** we have carried out:

- **Draw up a technical bulletin of tasks** to carry out to move equipment from Operative to Preserved.
- **Configure the IT system** to track the implementation of the plan and keep a maintenance log for every item of equipment preserved.

• **Decide with each airport** the quantity of equipment to preserve, based on a needs estimate for each airport.

Between **35% and 80% of the fleet** have currently been preserved, depending on the airport.

In **motorised industrial vehicles** alone more than **1.100 units** have been halted.

This allows us to focus our attention on the equipment that is currently operative, although we have already drawn up a **plan to retrieve preserved equipment and put it back into operation**.

We have also reached agreements with several suppliers to postpone the first deliveries of equipment related to the GoUp! efficiency projects. The next batch of extensible tapes and remote-controlled electric tractors will not reach our airports until after the summer. The aim is none other than to preserve the company's cash flow by postponing the payment of invoices.



WE'RE READY TO START OUR ENGINES "RUNNING AGAIN"!



Operational restoration plan

A considerable number of **customer airlines** are getting in touch with us to tell us that they **planning to gradually resume their operations.**

As the ground handling agent, we are therefore putting together a set of **measures to ensure that they can safely recommence** their activities in line with all the legislative requirements and **IATA recommendations and guidelines.**

The focus of these measures is our own operations, with an emphasis on areas like **occupational health and safety, human resources, training, operational and airport safety, ground handling equipment, operations and technological support.**



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BRIEF NEWS

Over 100 million passengers handled in 2019

Iberia Airport Services (IBAS) set a new record in 2019 by handling over 100 million passengers in a single year.

The exact figure, **101.32 million**, represents a **4.79% increase on 2018**.

This is a milestone in our own history as well as a handling record in Spain and we had originally planned to celebrate in style with you, but the present circumstances have dashed our hopes in that respect. In any case, we still want to share this important fact with you.

According to our director, **Ángel Marcos**, passing the 100 million mark of passengers handled in a single year is all down to "*the excellent team of professionals that work at Iberia's network of airports*".

It is only by being flexible and having the capacity to offer airlines the service they demand that we have been able to build a customer base that brings in such high figures. My thanks to everyone, to our customer airlines for trusting in us and to our employees for their efforts every day."



We are leaders, providers of airport services to more than **170 airlines across Spain**. Because we have shown that to be able to handle **100 million passengers**, all "the gears" need to work smoothly

We are relying on you to continue being the best and exceeding this figure when we get back to normal after the pandemic.

THANK YOU once again!



A different life for our ground equipment

Just like aircrafts and, as we have told you, many of the ground equipment in the airports is preserved and unused.

At the beginning of April, the opportunity arose **to lend 4 tractors and 16 baggage carts in Barcelona**, which were first used to transport and install beds at the **FIRA field hospital** but now that it's up and after they were used inside the facility to transport food, medicines and linen.



With this support, we could contribute our bit of help in difficult times for our society, giving a very different use to tractors from the one we are used to.

We are very proud of our collaboration in this action.



IBAS in the media



TV crews filming us unloading medical supplies from one of a flight.

Flights in the medical air corridor as well as the ones to bring people back home received enormous coverage in the media.

