

GRU AIRPORT AEROPORTO
INTERNACIONAL
DE SÃO PAULO

ESTABLISHING THE FIRST TRUE SOUTH AMERICAN CARGO HUB AIRPORT AT GRU

October 25th

COLFAC 2022
Guarulhos



GRU CARGO: SUMMARY

UNDISPUTABLE LEADER IN BRAZIL WITH 44% SHARE FOR INTERNATIONAL CARGO AND LEADER AT ALL



GRU AIRPORT



GRU CARGO WAREHOUSE

1

#1 rank airport in Brazil with 40% imports, 58% exports (first 7 months 2022) and 35% e-commerce market share in 2021*.

2

GRU concentrates over 60% of the pharma industry and is growing in electronics and machinery from Asian countries.

3

The electronics and machinery markets from Asian countries have grow with more freighter capacity.

4

GRU to be used as the platform to feed Low S.A. combining freighter and belly - operational procedures at GRU allow it.

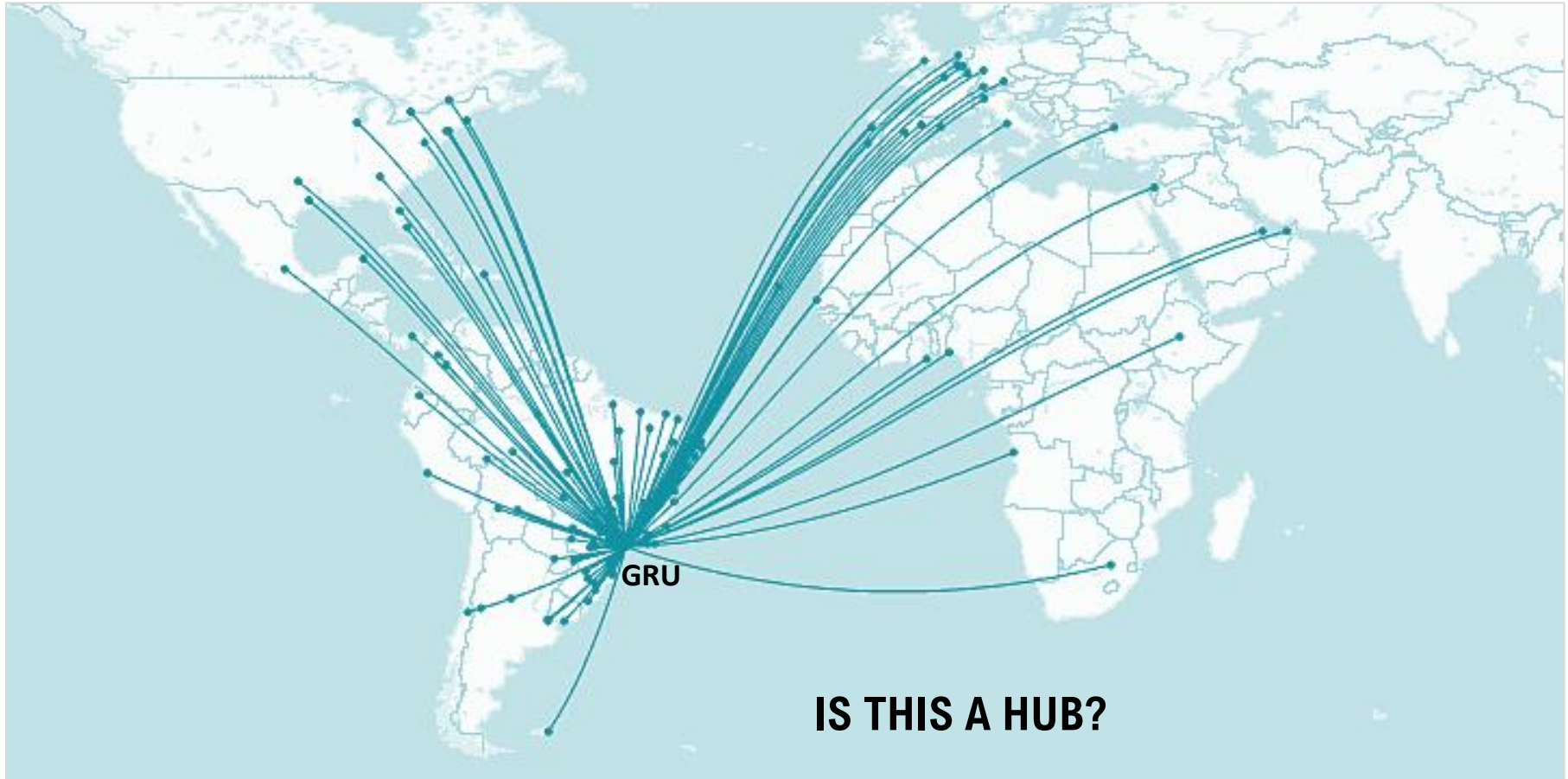
5

Incentives for airlines, cargo agents and importers/exporters based on volumes and CIF value.

WHAT DOES IT TAKE TO BE A HUB



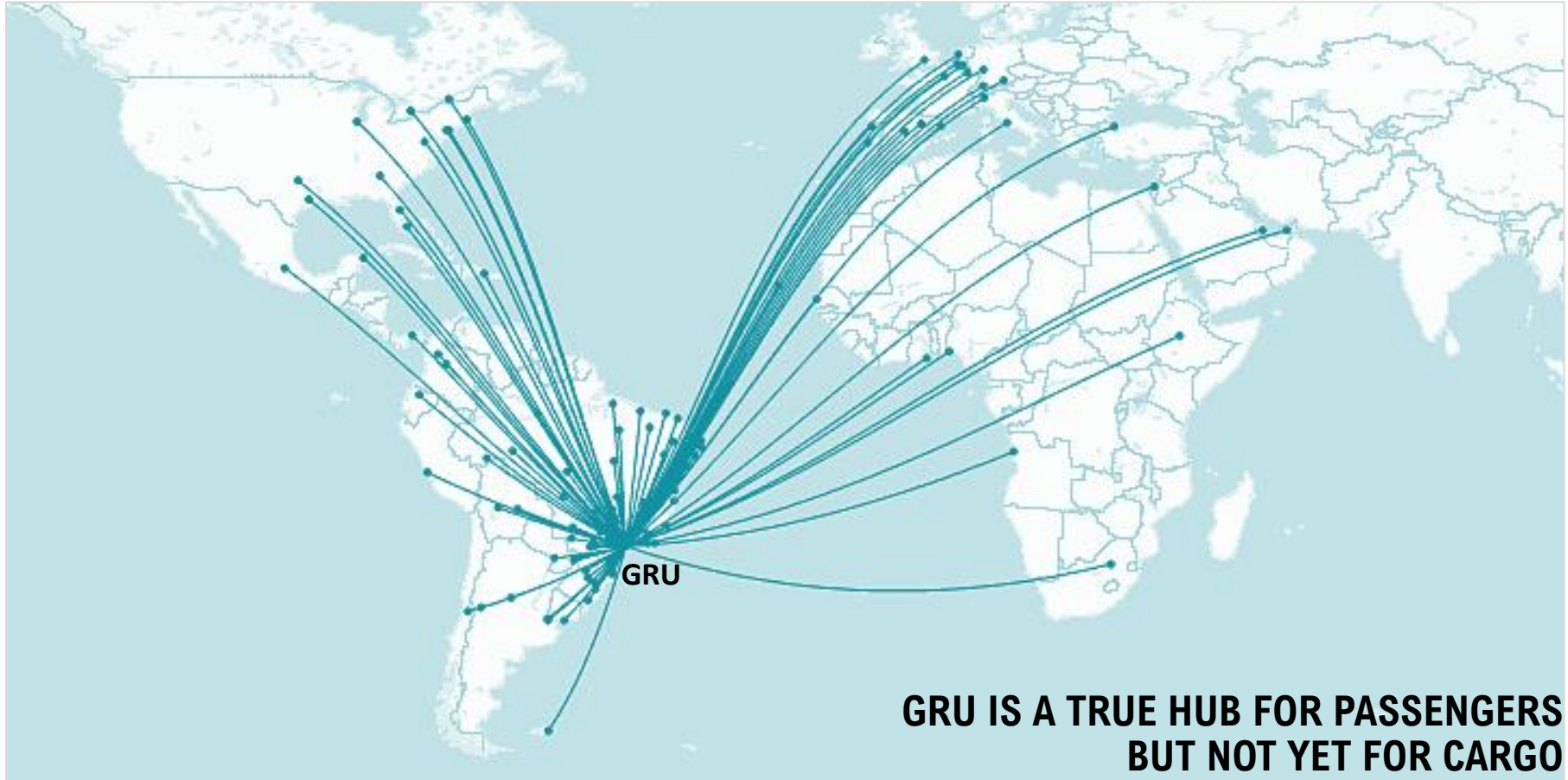
58 REGULAR INTERNATIONAL CITY DESTINATIONS, 61 REGULAR DOMESTIC DESTINATIONS, 35 REGULAR COUNTRY DESTINATIONS



WHAT DOES IT TAKE TO BE A HUB



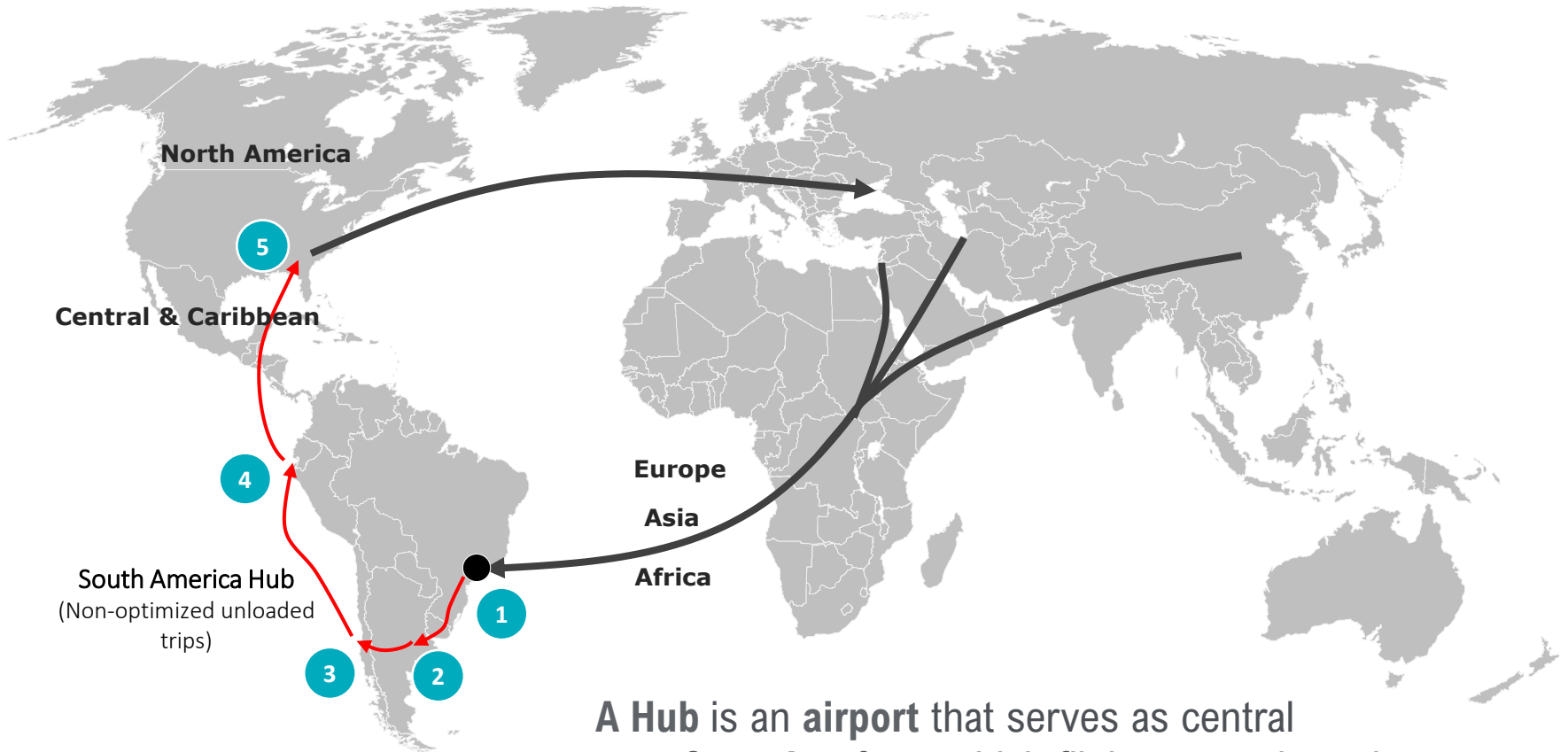
CONNECTIVITY IS ESSENCIAL BUT NOT ENOUGH



WHAT DOES IT TAKE TO BE A HUB



AS IS: MOST FREIGHTERS PERFORM A NON-OPTIMIZED CIRCLE ROUTE IN SOUTH AMERICA AS THERE IS NO AIRPORT SERVING AS HUB

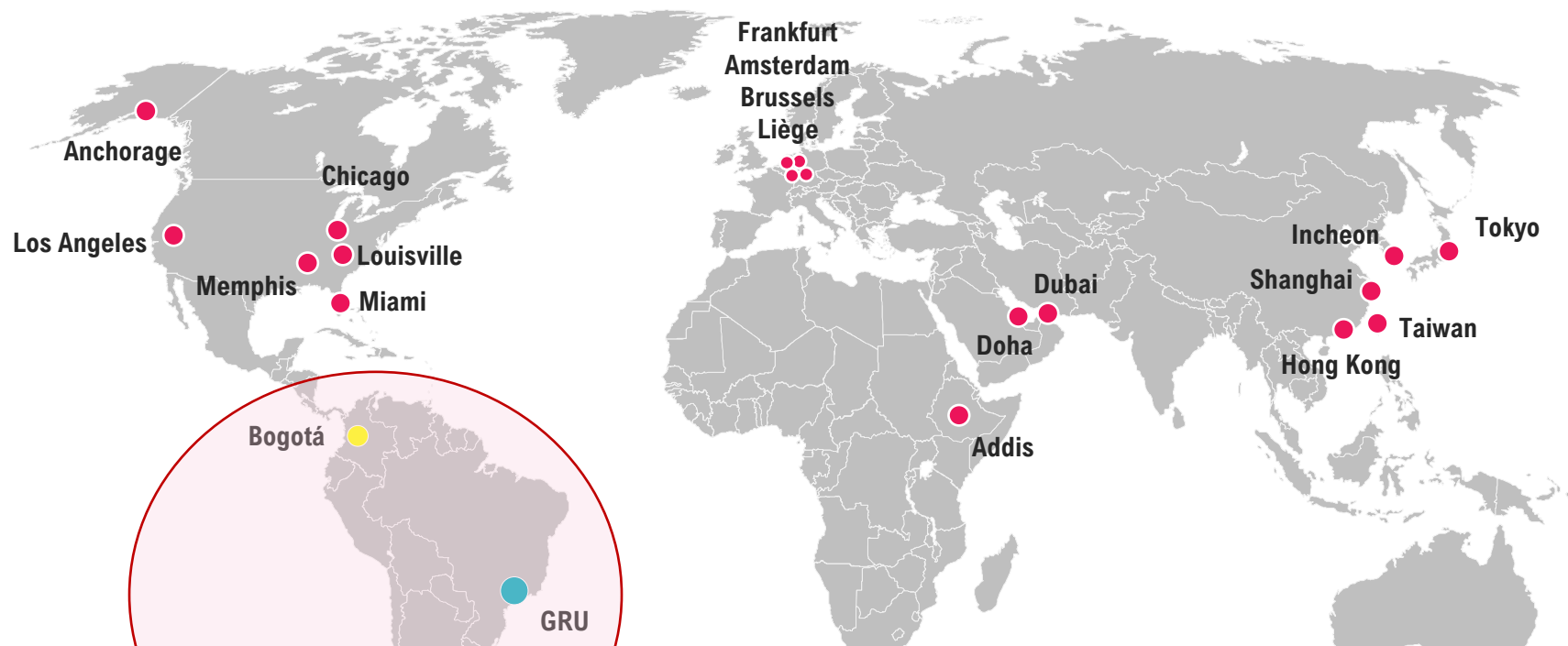


South America Hub
(Non-optimized unloaded trips)

A **Hub** is an **airport** that serves as central **transfer point**, from which flights come in and go out to other cities

CARGO HUB AIRPORTS WORLDWIDE

SOUTH AMERICA IS THE ONLY CONTINENT WITHOUT A CARGO CONSOLIDATION CENTER. CARGO IS DISTRIBUTED MAINLY WITH DIRECT FLIGHTS FROM USA, EU AND MIDDLE EAST



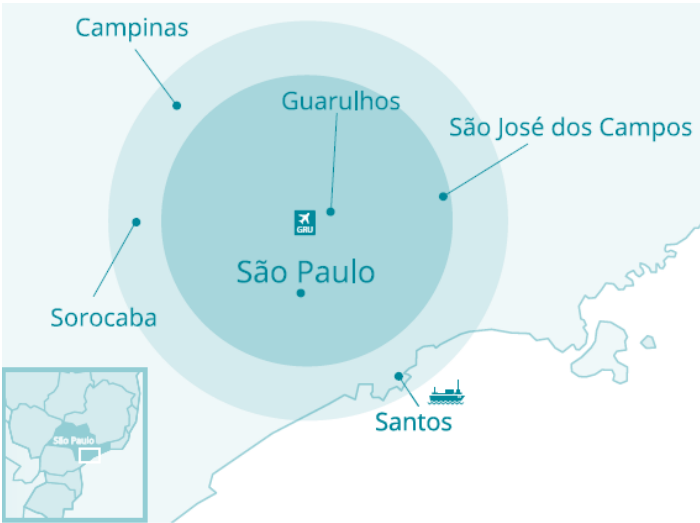
**There is no
Cargo Hub in SA**

GRU AIRPORT AEROPORTO INTERNACIONAL DE SÃO PAULO

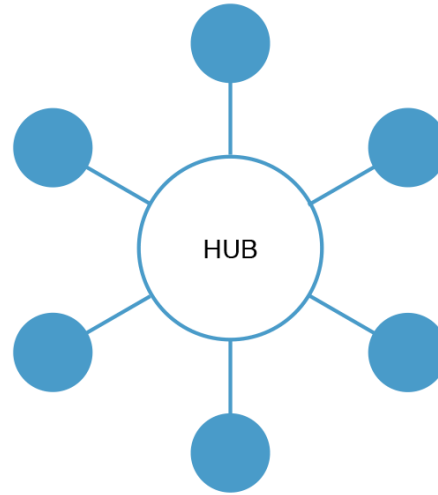
- South America does not have yet any Airport Cargo Hub.
- Cargo arriving from Asia uses mainly Anchorage then LA or Miami as hubs or it flight through Dubai, Doha or Addis.
- Bogotá and Santiago have expressive cargo movements, but they cannot take the Hub role. Bogotá is too close to Miami and Santiago is not reachable directly from Europe, Asia or the middle east.
- GRU can easily occupy that position.

WHAT DOES IT TAKE TO BE A HUB?

IT TAKES CONNECTIVITY, LOCAL STRONG MARKET, OFFERING A COMPLETE PACKAGE OF CARGO SERVICES AND ADEQUATE INFRASTRUCTURE



1 BE A BIG CONSUMING AND PRODUCING CENTER



2 POSSESS HIGH LEVEL OF CONNECTIVITY AND HUB TO HUB AND HUB TO SPOKE CONNECTIONS



3 WIDE RANGE OF LOGISTIC SERVICES AND OPERATIONAL EXCELLENCE

4 DEPLOY ADEQUATE CARGO INFRASTRUCTURE

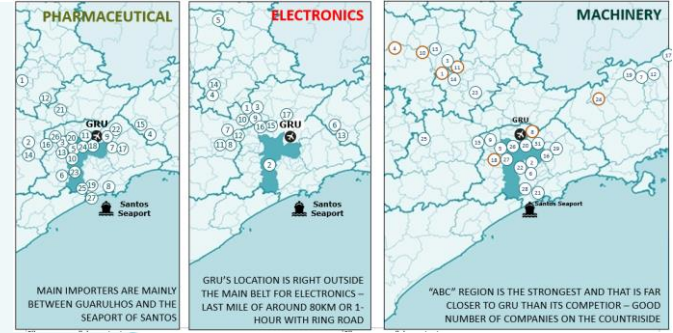
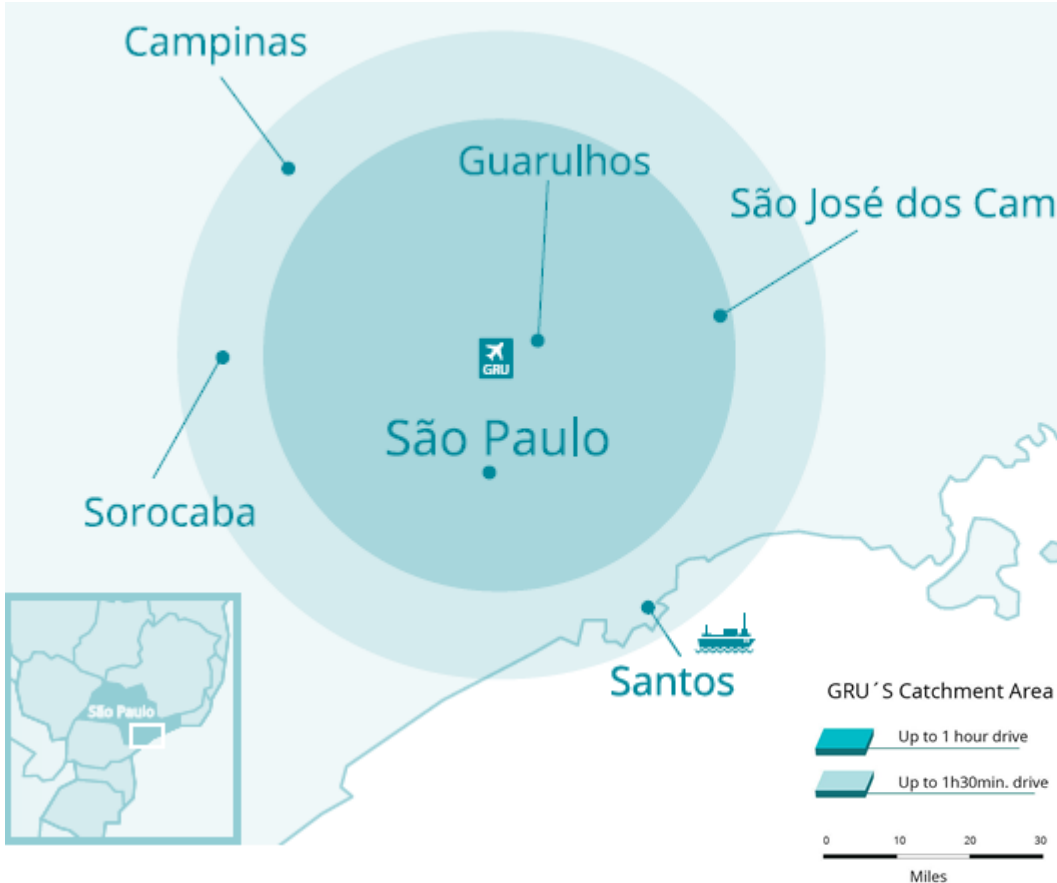


GRU AIRPORT AEROPORTO INTERNACIONAL DE SÃO PAULO

CONSUMING/PRODUCING CENTER



25% OF BRAZILIAN GDP IS IN AREA THAT CAN BE REACHED WITHIN A 90' DRIVE, MORE THAN THE GDP OF SWEDEN OR BELGIUM



Key Facts:

Home to **14%** of all **Brazilians**.

Provides access to **98 cities** in a **90min drive**, including **São Paulo**

Excellent connection to the main cities in Brazil (by car or plane) and S. America's largest **seaport (Santos)**.

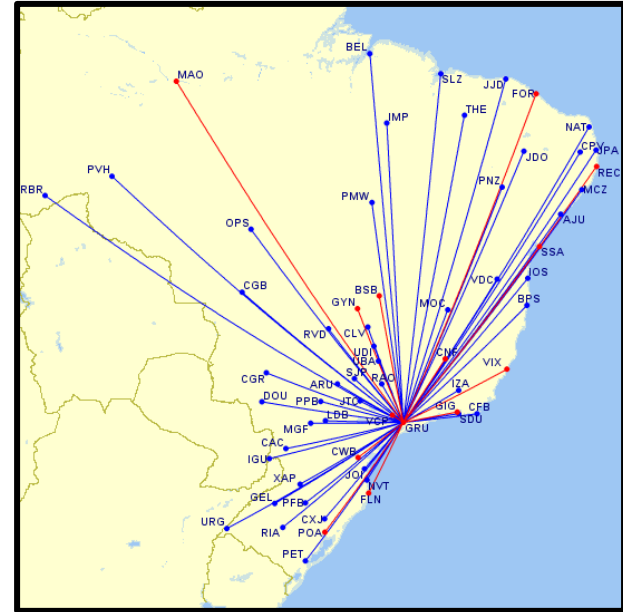
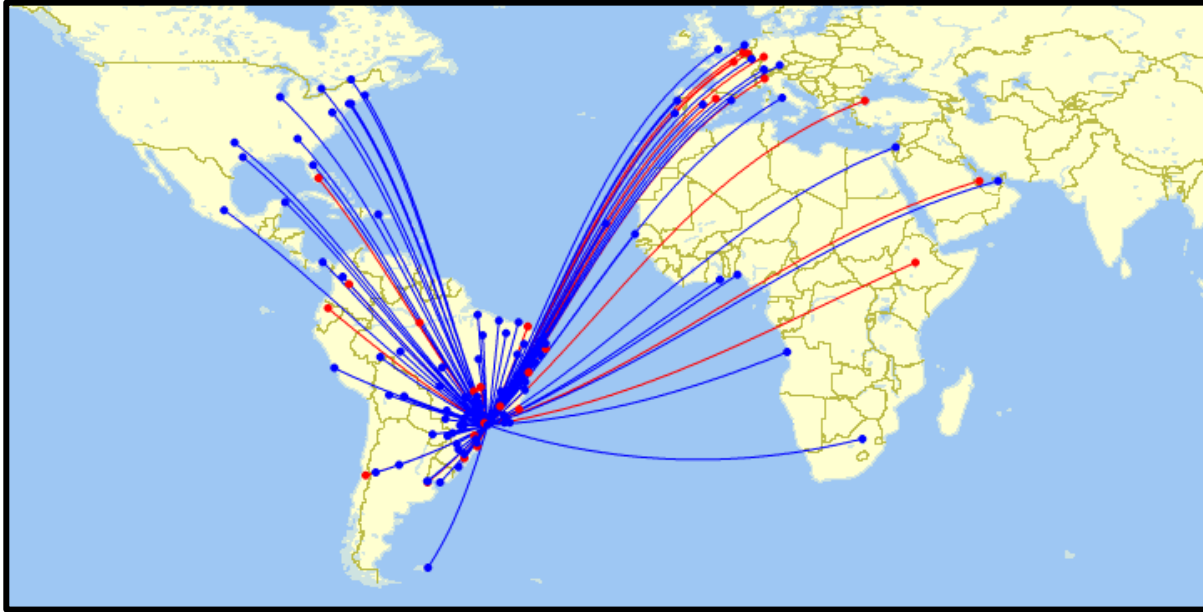
São Paulo is the **2nd largest city by population outside the Asian continent.**

GRU AIRPORT AEROPORTO INTERNACIONAL DE SÃO PAULO

GRU'S CONNECTIVITY



GRU'S EXCELLENT DOMESTIC AND S. AMERICAN CONNECTIVITY MAKES IT THE PERFECT SPOT TO BECOME SOUTH AMERICA CARGO HUB



58
REGULAR
INTERNATIONAL
CITY DESTINATIONS

15 FREIGHTER

35
REGULAR
INTERNATIONAL
COUNTRY DESTINATIONS

14 FREIGHTER

61
REGULAR
DOMESTIC
DESTINATIONS

13 FREIGHTER

GRU'S VISION

BE FOR CARGO WHAT WE ARE FOR PASSENGERS!

Expand cargo infrastructure to be able to increase import, export and domestic capacity, fix airline operations and e-commerce platforms, and promote cargo consolidation through transit such that hub to hub freighters services and hub to spoke belly services become feasible and cost effective!

GRU is authorized to operate Freighters and Charters evenly and has no restrictions regarding Cargo slot schedules.

GOAL: BECOMING S.AMERICA HUB

STRATEGY BASED IN FOUR ELEMENTS TO CREATE A TRUE CARGO HUB IN S. AMERICA
REDUCING AIRLINES COSTS AND IMPROVING CONNECTIVITY

WAREHOUSE CAPACITY

- Double GRU's warehouse capacity until 1Q24 (300.000 sqm).
- Investment above USD 100 million for 40-year lease contracts.
- New Domestic, Courier and Transit Warehouses
- Expand Export and Import areas

DEDICATED OPERATIONS CUSTOMIZED BUSINESS MODELS

- Dedicated warehouses & business models for large operators*
- Special agreements with E-commerce platforms
- Engagement with official authorities to establish bonded warehouse to consolidate cargo to/from S. America.

TRANSIT / CROSS BORDER

- Consolidate dry and perishable cargo coming from S. America
- Reduce airline costs: prevent Airlines the need to make long routing to collect cargo from Argentina, Chile, Colombia, Peru
- Higher frequencies by combining Belly & Freighters & NB/WB
- Faster international and domestic distribution connectivity

OPERATIONAL EFFICIENCY

- Improve services in general.
- Offer dedicated operations with specific SLA.

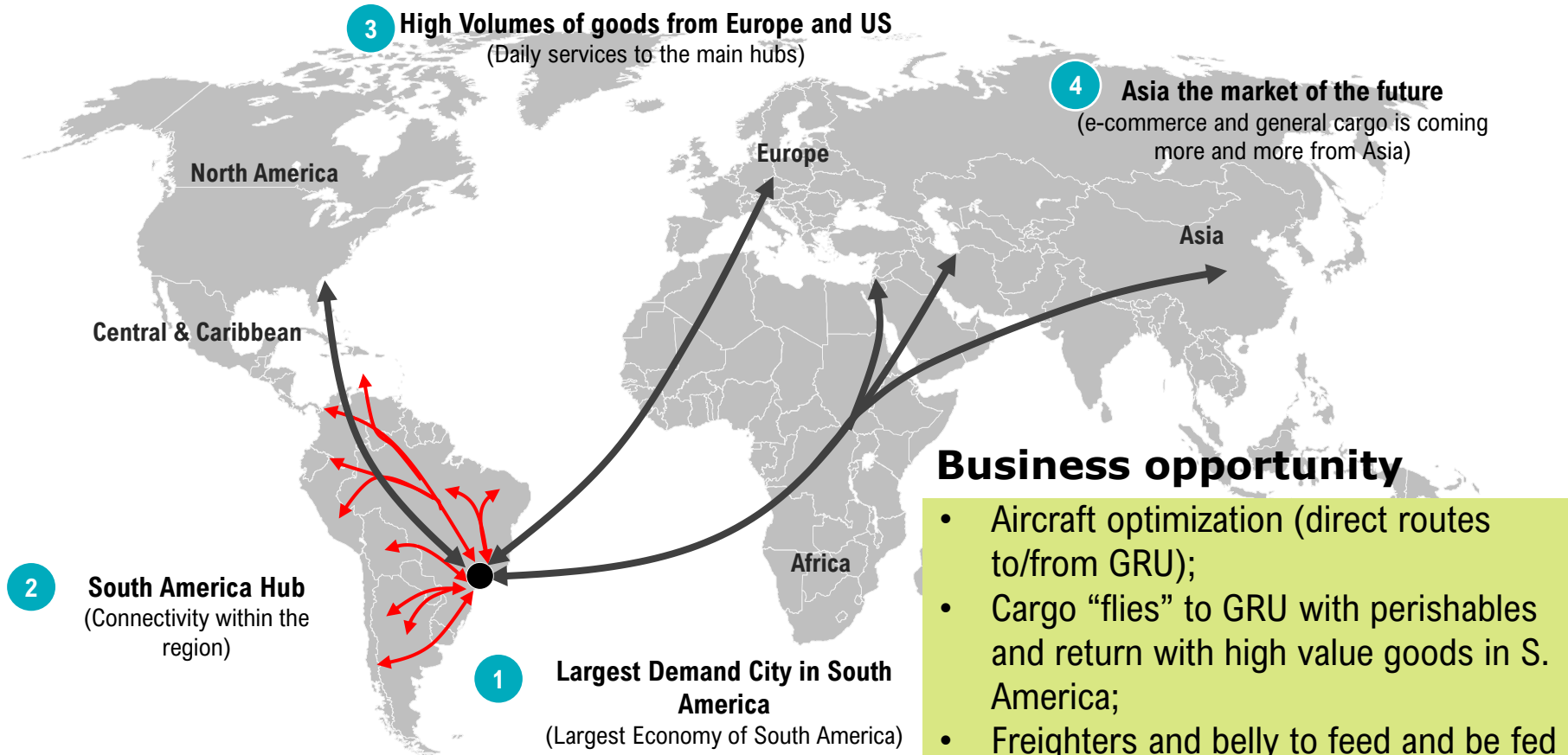
COMMERCIAL AGREEMENTS WITH CLIENTS

*Airlines, Handlers, Freight-forwarders, E-commerce Platforms, Importers

STRATEGY: EXPLORING THE HUB



UNIQUE OPPORTUNITY TO BRING NEW BUSINESS TO BRAZIL AND ASSUME A CENTRAL ROLE IN SOUTH AMERICA



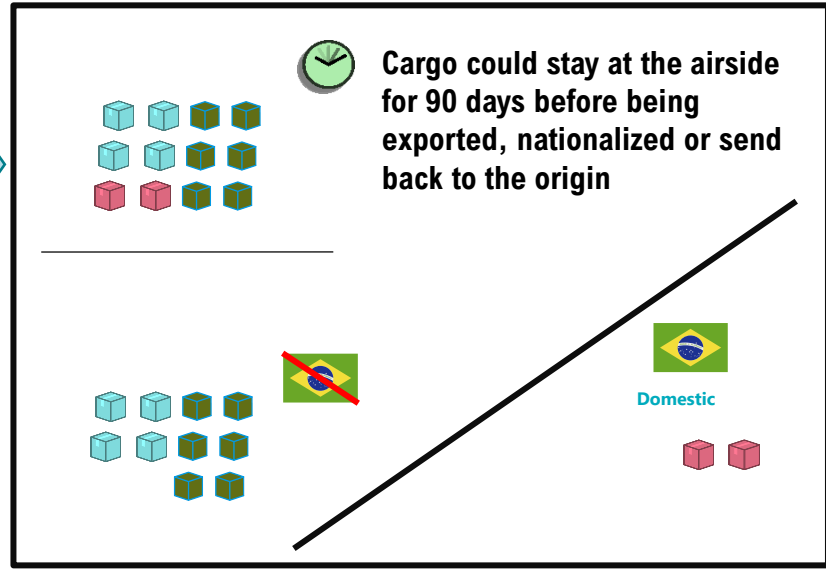
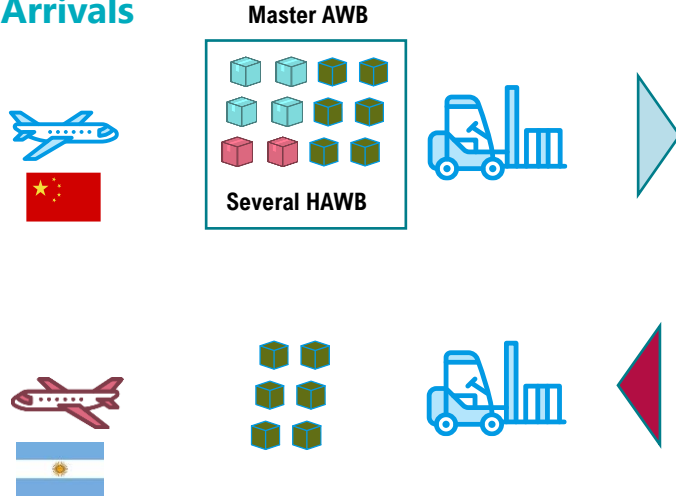
Business opportunity

- Aircraft optimization (direct routes to/from GRU);
- Cargo “flies” to GRU with perishables and return with high value goods in S. America;
- Freighters and belly to feed and be fed by long-haul operations;
- Increase Customer Service Levels (true express deliveries)

NEW FLOW - TRANSHIPMENT

A LOCAL LAW IS ABOUT TO BE PUBLISHED ALLOWING A TRUE INTERNATIONAL TRANSIT CARGO FLOW

Arrivals



Available for all cargo agents certified by RFB

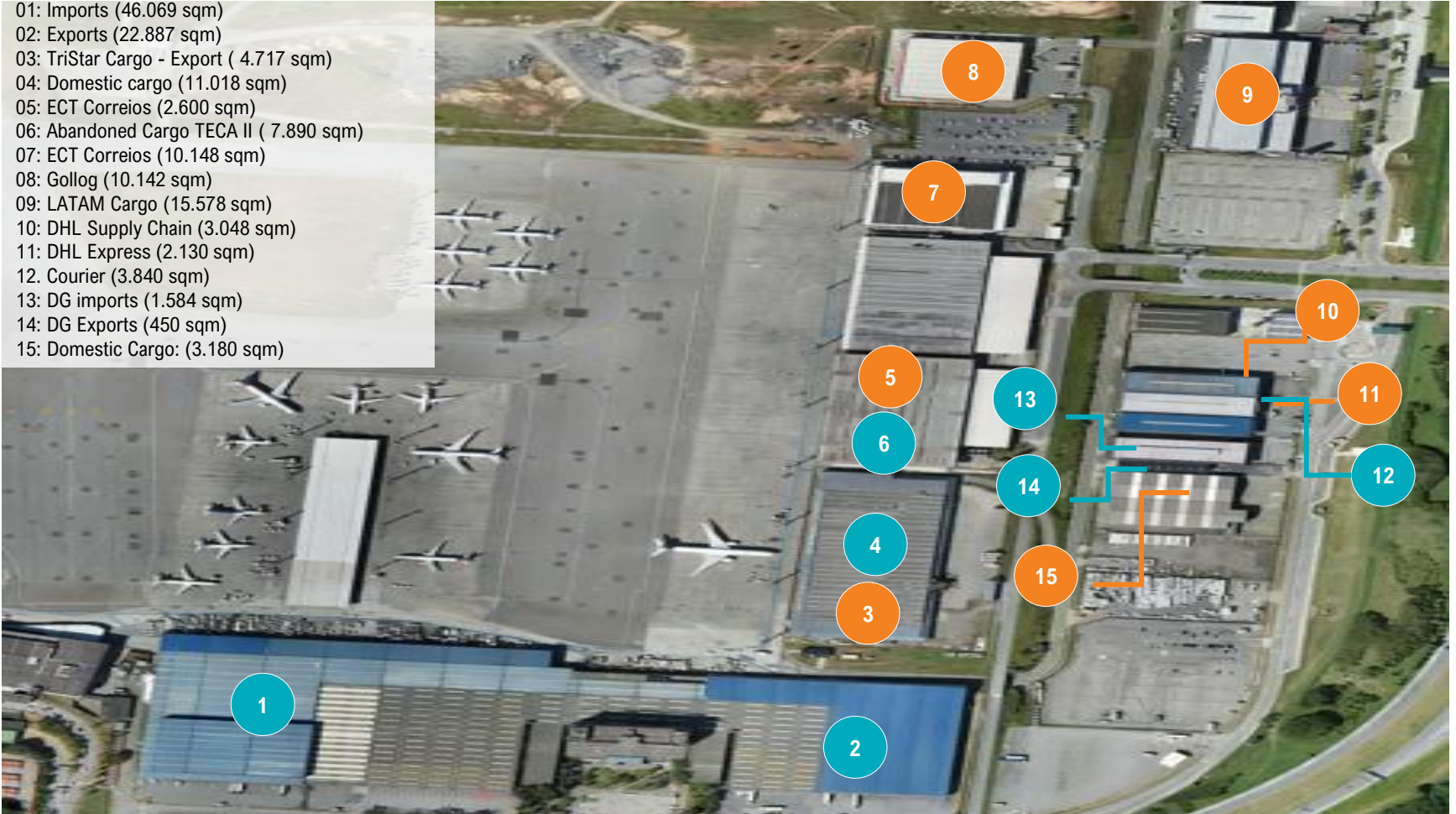


GRU'S CARGO FACILITIES: AS IS



CURRENT CARGO FACILITIES SUM 145.000 SQM OF WAREHOUSES, 100.000 SQM OPERATED BY GRU AND 45.000 SQM OUTSOURCED

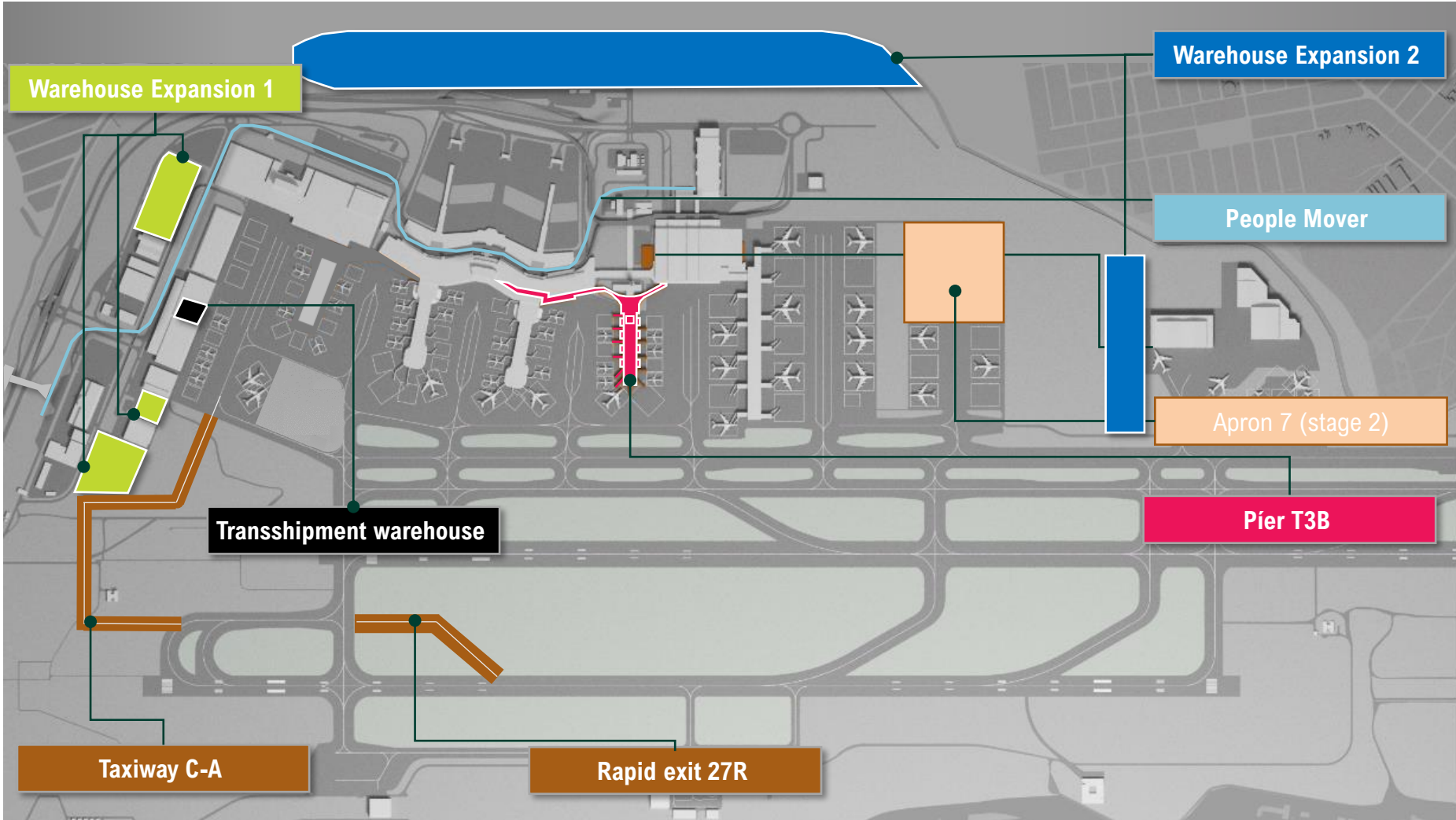
- 01: Imports (46.069 sqm)
- 02: Exports (22.887 sqm)
- 03: TriStar Cargo - Export (4.717 sqm)
- 04: Domestic cargo (11.018 sqm)
- 05: ECT Correios (2.600 sqm)
- 06: Abandoned Cargo TECA II (7.890 sqm)
- 07: ECT Correios (10.148 sqm)
- 08: Gollog (10.142 sqm)
- 09: LATAM Cargo (15.578 sqm)
- 10: DHL Supply Chain (3.048 sqm)
- 11: DHL Express (2.130 sqm)
- 12: Courier (3.840 sqm)
- 13: DG imports (1.584 sqm)
- 14: DG Exports (450 sqm)
- 15: Domestic Cargo: (3.180 sqm)



REAL ESTATE & CAPACITY



WAREHOUSE EXPANSION UP TO 330.000 SQM, ALONGSIDE WITH MORE RUNWAY CAPACITY
– GROW FROM 57 TO 65-70 MOV/HOUR UNTIL 2025



GRU AIRPORT INTERNACIONAL DE SÃO PAULO

The Investments presented in this slide are part of the projections predicted for the upcoming years and may not be fulfilled if adverse economical ou other conditions justify it.

WAREHOUSE EXPANSION 1 (2023)

CONTRACT ALREADY SIGNED WITH INVESTOR. OPERATION STARTS 2ND SEMESTER 2023



The warehouses have both side and land access

Legend:

Warehouse 1: 24.000 sqm

Warehouse 2: 4.000 sqm

Warehouse 3: 13.000 sqm

Total Area: 41.000 sqm

ALREADY SIGNED

As is

Preliminary project



WAREHOUSE EXPANSION 1 (2023)

CONTRACT ALREADY SIGNED WITH INVESTOR. OPERATION STARTS 2ND SEMESTER 2023



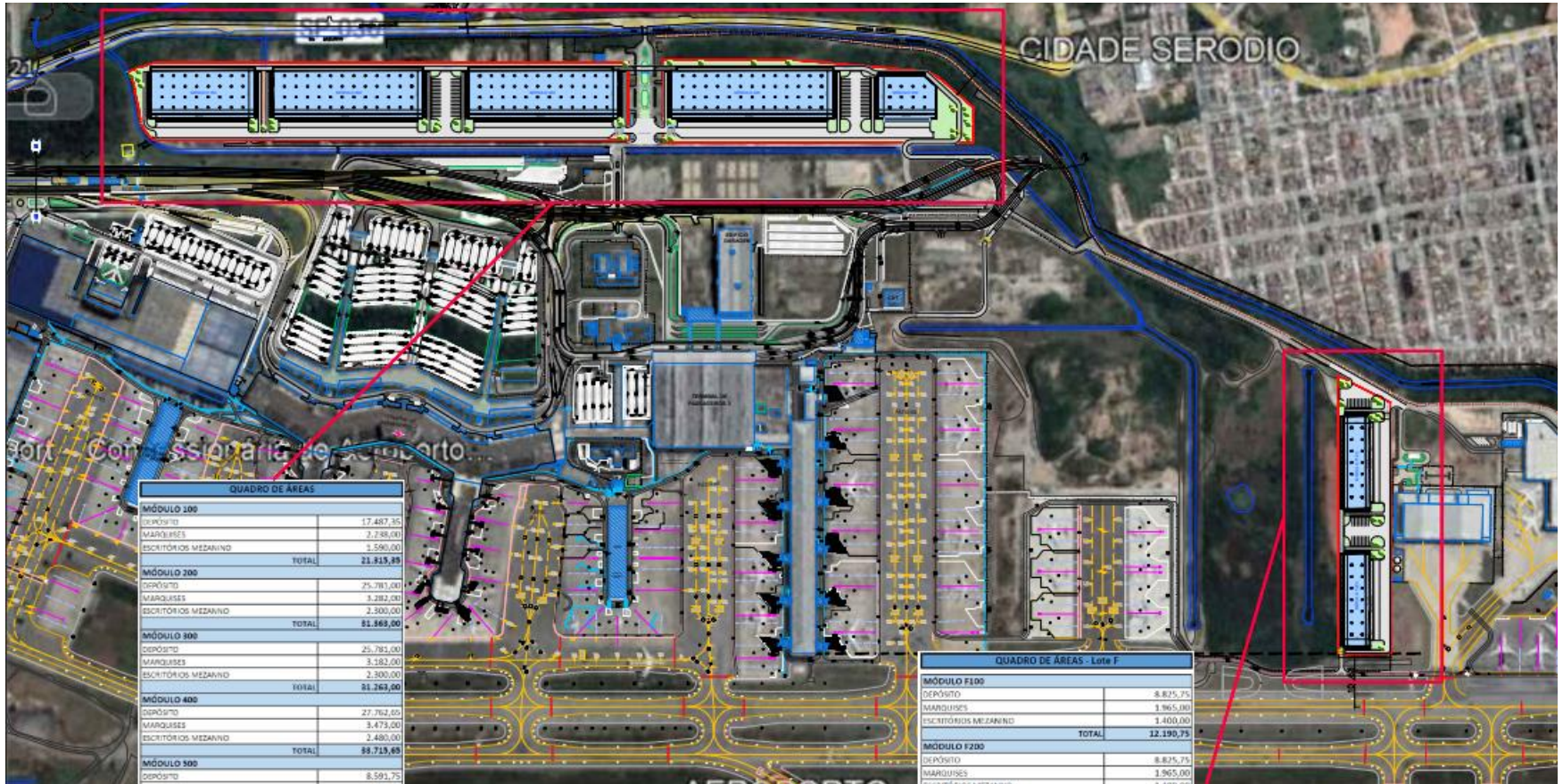
WAREHOUSE EXPANSION 1 (2023)

CONTRACT ALREADY SIGNED WITH INVESTOR. OPERATION STARTS 2ND SEMESTER 2023



WAREHOUSE EXPANSION 2 (2024)

150.000 sqm WAREHOUSES PROJECT ALREADY APPROVED BY SAC AND CONTRACT ALREADY SIGNED WITH THE INVESTOR



ALREADY SIGNED

KEY PARTNERS

DEPLOYING THIS STRATEGY IS A MULTIPLE HAND PARTNERSHIP BETWEEN SAC, ANAC, THIRD PARTY INVESTORS, CUSTOMS AND GRU

1 SAC – Secretaria Nacional de Aviação Civil



DIÁRIO OFICIAL DA UNIÃO

Publicado em: 21/07/2020 | Edição: 138 | Seção: 1 | Página: 23
Órgão: Ministério da Infraestrutura/Gabinete do Ministro

PORTARIA Nº 93, DE 20 DE JULHO DE 2020

- Allows third-party investments that can go up to 30 years after the end of the concession if assigned before reaching half of the present concession.

UP
TO
2062

GRUAIRPORT AEROPORTO INTERNACIONAL DE SÃO PAULO

2 THIRD-PARTY INVESTORS



- Allows to separate investing in infrastructure and warehouse operators
- Contracts endure after ending the Concession in 2032 – **long term planning**

3 CUSTOMS



Receita Federal

- Restructuring operations and flows together to enable the modernization of the airport business and attract business without compromising Safety and National Security

THANK YOU