



Introduction of Stephan Nagel (CEO of PROLOGIS Strategy) and the founding of PROLOGIS Strategy

1. Please introduce yourself briefly and give us deeper insights into your previous professional career!

I was born in Münster, Germany, in 1966. Since September of this year, I have been responsible for setting up and further developing the consulting firm that specializes in airline strategy, network planning, joint ventures and strategic partnerships as CEO of PROLOGIS Strategy AG.

I have worked in the airline industry for more than 25 years. My professional career includes management positions at Deutsche Lufthansa AG, Star Alliance Services GmbH and Air Berlin.

During my career, I have developed and implemented comprehensive strategy concepts, international network planning projects as well as far-reaching joint ventures and partnerships. In this context, I was responsible for the successful expansion of Lufthansa's North Atlantic traffic in the 1990s and for the development of the global route network of the Star Alliance to become the world's leading alliance network from 2001 to 2006.

I joined Air Berlin as Senior Vice President in 2007 and successfully headed the development of long-haul traffic, the company's integration into the oneworld Alliance and the introduction and further development of the strategic partnership with Etihad Airways.

I am an aerospace engineer with a degree in commercial aviation. My wife and I live in the Frankfurt area.

2. What was the reason for founding PROLOGIS Strategy?

We are currently seeing a very dynamic change in the aviation industry. The traditional distinction between charter airlines, low cost carriers, hybrids and premium brands simply no longer applies. Basically, all players in the market are looking for new strategic and tactical approaches in order to be able to actively design the changes in the industry. This puts the current business models practically without exception under great pressure to innovate. Those players who can adapt to the new market conditions quickly and intelligently will survive in the long term and emerge even stronger from the structural changes.



This is where PROLOGIS Strategy comes into play. We advise and support the airlines on developing their strategies and accompany them with respect to operational implementation. Conclusive answers to complex questions ranging from strategy to designing and optimizing the route network, strategic partnership concepts and joint ventures are of key importance here. In my opinion, such tasks can only be answered properly if you have the appropriate industry expertise. This is why our team consists solely of experienced and successful airline managers who were all both strategically and operationally active. Or, to put it differently, we are experienced airliners and speak the language of the airlines. This clearly distinguishes us from our competitors.

3. Why did you choose PROLOGIS – Experts in Aviation Consultancy as your partner?

In PROLOGIS – Experts in Aviation Consultancy, we have found the ideal business partner for our company. PROLOGIS has been on the market successfully for more than 15 years and advises more than 50 airlines in over 20 countries of the world. PROLOGIS specializes in processes, systems and revenue management, revenue accounting and distribution. PROLOGIS Strategy complements this existing portfolio just perfectly. The cultural overlap of our companies – both organizations live and breathe aviation – is equally important and not to be underestimated. Together, we are now able to offer the market credible and highly competent 360° consulting services.

4. What exactly does your company have to offer and what are PROLOGIS Strategy's objectives?

As I mentioned earlier, we specialize in strategy development and its operational implementation.

However, we do not rely solely on our expertise as airliners. We also have the necessary data and custom designed models and calculation methods that allow us to generate additional value for our customers at any point in the process chain. On the other hand, we also place a great deal of importance on pragmatism.

Perhaps the following scenario can illustrate what I mean: to fly an airplane you must first and foremost have a clear view of the speed, altitude and flying conditions. Everything else, such as the temperature of the air conditioning system in the cabin, is of subordinate importance to start with. The goal is therefore to recognize what is important and to focus on this. We follow this maxim especially when it comes to strategy development.

We use our calculation models that produce plausible and traceable results in the



operational implementation of the strategy, and here especially in designing the network, with partnership issues and joint ventures. In my experience, any potentially successful implementation of the strategy will usually fail without this traceability and thus transparency.

5. Where do you feel your biggest current challenges lie in the industry and who are your services aimed at?

The challenge facing the industry clearly lies in the structural change I sketched out. If traditional mechanisms no longer prove to be effective, and we can assume this to be true, then all market participants are basically faced with the same question: how can the structural change be interpreted to suit one's own company, what options for action does the company have and how can the company be strategically and tactically positioned so that long-term success is ensured in a changing market. Not only airlines, but also airports are confronted with this question. At the same time, the structural change that is taking place represents a key issue for national and international organizations as well as political institutions. PROLOGIS Strategy will then be available as a competent contact partner. It is my goal for us to redefine the topic of 'advice,' and I am convinced that we can do this. Therefore, I am looking forward to an exciting future in every possible respect.