

Connectivity Scheme for Airlines based on Load Factor

To encourage and support the active interest of airlines to restart / continue operations to Larnaka and Pafos airports after the suspension of flights due to Covid 19, the connectivity support scheme period is extended until the end of December 2021.

The scheme, which was initially introduced in summer 2020 is being offered to all airlines for the flights that operated to /from Cyprus between the period June 10, 2020 to June 30, 2021, and will now be extended for the period July 1 to December 31, 2021.

The philosophy of the scheme is based on a risk sharing approach in relation to the load factor performance of each route. More specifically, the airlines will continue receiving a blended support for load factor performance between 41% -70%. The load factors will be calculated using the total passengers on a route divided by total capacity (seats offered) on the same route for the specific period as in the table below.

The amount that each eligible airline will be entitled to receive for each route will be from €5 to €15 per departing passenger during the period July-December 2021 for flights with load factors greater or equal to 41% as follows:

- 1) For the number of passengers between 41%-50% load factor, eligible airlines will receive €15 per departing passenger
- 2) For the number of passengers between 51%-60% load factor, eligible airlines will receive €10 per departing passenger.
- 3) For the number of passengers between 61%-70% load factor, eligible airlines will receive €5 per departing passenger.

It is noted that the maximum amount that an airline can receive between the period 10 June, 2020, and 31 December 2021 based on this scheme is €1.8m.

It is also clarified that an airline can exceed the load factor performance above 70% and will still receive support for the delivery of passengers between 41%-70% load factor.

The managing authority of the scheme is Hermes Airports Ltd. Applications from interested airlines will be accepted only through the prescribed **registration forms submitted for each route. Airlines that have already applied do not need to reapply for the same routes.** For obtaining the registration forms, please refer to the corporate section in www.hermesairports.com

Calculation of the incentive amounts

Example

An airline started operation of route A in July 2021 and is operating with an aircraft with 180 seats. For the period July-December 2021 it has achieved an average load factor of 74%. The table below shows how much it will receive for the specific route.

<u>Example</u>	Load Factor Scheme					
	<i>July-December 2021</i>					
<i>Flight "A"</i>	<i>0%-40%</i>	<i>41%-50%</i>	<i>51%-60%</i>	<i>61%-70%</i>	<i>71%-74%</i>	<i>Total</i>
Total Number of Seats (30 Flights)						5,400
Average Load Factor						74%
Departing passengers	2,160	540	540	540	216	3,996
Incentive	€0.00	€15.00	€10.00	€5.00		
Total Incentive	€0	€8,100	€5,400	€2,700		€16,200