

PRAGUE AIRPORT'S DECISION ON AIRPORT CHARGES FOR THE PERIOD FROM 31st MARCH 2024 TO 29th MARCH 2025

Prague Airport (PA), the airport operator of the international civil aviation airport Prague/Ruzyně (Václav Havel Airport Prague), has published the final version of its Price List for the period commencing on 31st March 2024 and ending on 29th March 2025 (2024 Price List). Following the airport Price List review with air carriers enrolled in the consultation process, PA has decided to set the airport charges and incentive scheme as described in the text below. The adjustments made to airport charges when compared to the current 2023 Price List include changes to the Passenger Service Charge for Terminals (T1, T2, T3), the Transfer Passenger Service Charge (T1, T2, T3), the PRM Charge, Parking Charges, a change in the structure of Noise Charges, Charges for the Use of Airport Infrastructure, and changes in the Incentive Scheme.

SUMMARY

The consultation process regarding the airport charges proposal was commenced by PA on 16th June 2023. At the airport operator's invitation, eleven air carriers had confirmed their participation in writing prior to the consultation meeting and complied with the requirements set as per the provisions of Article 42f of Act No. 49/1997 Coll., on Civil Aviation, as amended.

The proposed Price List and all related documents were distributed to all qualified participants on 22nd August 2023. On 5th September 2023, a formal consultation meeting was held in Prague in a distant form via MS Teams. As a follow up, all participants received Meeting Minutes with supporting documentation where the basis for the price model and proposed changes were described. During the set period, which PA had outlined at the consultation meeting, PA has not received any formal written responses to the Price List proposal from any qualified participant. We had carefully reviewed the feedback received during the consultation meeting and took note of the written comments submitted by the observers, prior to making

the final decision which contains the following adjustments compared to the previous period of validity:

- Departing Passenger Service Charge (T1, T2) increase from CZK 649 to CZK 682
- Transfer Passenger Service Charge (T1, T2) increase from CZK 324 to CZK 341
- Departing Passenger Service Charge (T3) increase from CZK 749 to CZK 1,100
- Transfer Passenger Service Charge (T3) increase from CZK 374 to CZK 550
- PRM Charge increase from CZK 10 to CZK 15
- Parking Charges adjustments – change in the structure
- Noise Charges adjustments – change in the structure
- Charges for the Use of Check-in Desks increase of the charged amount by 15%
- Charges for the Use of Buses and Boarding Bridges increase of the charged amount by 15%
- Change in the Incentive Programme qualification criterion: Change in the definition of the minimum distance between two airports from 30 nautical miles to 50 kilometres
- Changes in Incentive Programmes:
 - 3.5 New Cargo Destination – higher Landing Charge discounts in the first two years of operation
 - 3.6 Incremental Frequencies and Increased Capacity – new conditions have been set to support speedy capacity resumptions
 - 3.14 Passenger Transfer Charge Incentive has been cancelled
 - Route-based programmes 3.2 to 3.4, 3.7, 3.8, 3.10, and 3.11 are now to include the number of transfer passengers on departure in the Passenger Service Charge discount calculations
 - 3.15 Aircraft Parking Incentive – new incentive programme has been introduced

All participants have received the annual overview of collected charges and expenses connected with the PRM service in 2022, audited by PricewaterhouseCoopers Audit, s.r.o.

The attached PA's 2024 Price List is valid as of 31st March 2024. Please note that the 2024 Price List has been uploaded under the B2B/ Aviation Business/ Charges & Incentives section of the PA's website www.prg.aero.

Participants of the 2024 Price List consultation process may request materials and supporting documentation from the consultation meeting by writing to eva.stepanova@prg.aero.

ADJUSTMENTS TO INDIVIDUAL CHARGE CATEGORIES AND INCENTIVE PROGRAMMES

1. Increase in Passenger Service Charges

Final Decision

The PA's charge 2.1 **Passenger Service Charge** has been increased for **T1 and T2** to **CZK682** from the original CZK649 per every departing passenger and to **CZK341** per every transfer passenger. The **Passenger Service Charge** has been increased for **T3** to **CZK1,100** from the original CZK749 per every departing passenger and to **CZK550** from the original CZK 374 per every transfer passenger.

Passenger Service Charge per Every:	Current Pricing	from 31/03/2024
Departing Passenger Charge (T1, T2)	CZK649	CZK682
Transfer Passenger Charge (T1, T2)	CZK324	CZK341
Departing Passenger Charge (T3)	CZK749	CZK1,100
Transfer Passenger Charge (T3)	CZK374	CZK550

Reasoning

After a thorough analysis, PA has set out to increase airport charges for several reasons:

- Alignment of pricing with the cost base, namely:
 - High energy costs and pressure on personnel costs increase (inflation, vacancy) - details requested during the consultation meeting were shared with all meeting participants
 - New capacity and technology development projects (T3)
 - WACC increase from 6.8% to 10.5%

Position of Airport Users

Some users argued increased charges due to investments, although the increase in traffic was not sufficient. Some users further inquired about the division of the energy costs, causing the increase in airport charges, per dual till.

PA's Final Decision Motivation

PA's situation is evaluated continuously. The calculations are reflected in the proposed 2024 Price List provided the traffic is as forecasted. Investments, including replacement investments, are planned to increase at a slower pace than forecasted traffic. PA applies dual till (divided per aviation and non-aviation business) in terms of P&L calculations.

PA will continue reviewing its performance and managing the airport charges and revenues in a way as to fit the reasonable level of EBIT (and rate of return / WACC). Even though, there is no price regulation of airports (including PA) in the Czech Republic, PA follows the best practice (in terms of price regulation) of airports in the region.

Ongoing and new global risk factors need to be factored in, namely the military conflict in Ukraine and the current and future prices of electricity, gas, and oil, as they may result in a slower than planned operational performance increase at the Airport.

More details requested during the consultation meeting were shared with all meeting participants.

Based on the reasons described above PA decided to change Passenger Service Charges as proposed.

2. Increase in PRM Charge

Final Decision

The PA's charge 2.2 **PRM Charge** has been increased to CZK15 from the original CZK10 per every departing and transfer passenger.

Reasoning

The PRM charge has been increased by PA to maintain the principle of deriving the charge from the cost for providing the service with regard to massive loss of income suffered in 2020 and 2021 as a result of the unprecedented reduction in traffic volumes and also with regard to PA's commitment to deliver high-quality standards, having impact on OPEX (incl. staff costs) and CAPEX (investment in equipment and software), as audited by PricewaterhouseCoopers Audit, s.r.o.

Position of Airport Users

The proposal for changes in the category of the PRM Charge has not been commented on by any qualified participant.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change the PRM Charge as proposed.

3. Adjustments in Parking Charges

Final Decision

The PA's charge 2.4 **Parking Charges** has been changed as follows:

1. Reclassification of parking stand categories
 - Former Apron North – Contact, Apron North – Remote, and Apron East – Cargo merged into one category of Category 1 Apron North / East with the prices listed in the table below
 - Former Category 6 (Apron South) is now Category 2, former Category 4 (TWY Q5) is now Category 3, former Category 5 (RWY22 Apron Areas) is now Category 4 - with the prices listed in the table below
2. Substitution of contractual / long-term parking (flat monthly rate) by a new incentive scheme
3. Cancellation of the Night Stop charge (related to the cancellation of time limitations per case under the use of PBB charges)

Parking Stand Type	Current Pricing	Pricing from 31/03/2024
Category 1		
Apron North – Contact (day rate)	CZK0.29	CZK0.29
Apron North – Remote (day rate)	CZK0.24	
Apron East – Cargo (day rate)	CZK0.21	
Apron North – Contact (night rate)	CZK0.18	CZK0.18
Apron North – Remote (night rate)	CZK0.15	
Apron East – Cargo (night rate)	CZK0.13	
Category 2		
Apron South	CZK0.24	CZK0.27
Category 3		
TWY Q5	CZK0.15	CZK0.17
Category 4		
Parking Areas South (ex RWY 22, ex TWY M&N, hangar areas)	CZK0.11	CZK0.13

Reasoning

PA introduces the unification of the parking charges for the purpose of more efficient parking stands allocation and utilization as well as for elimination of administration related to contractual/long-term parking. The reason for the charges increase is mainly the increasing OPEX, namely inflation and high energy costs. The fact that parking charges have not been adjusted since 3/2013 was also reflected.

Position of Airport Users

The proposal for changes in the category of Parking Charges has not been commented on by any qualified participant.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change Parking Charges as proposed.

4. Adjustment in Noise Charges

Final Decision

The PA's charge 2.5 **Noise Charges** has been changed as follows:

1. The daytime charge applies from 06:00 to 21:59 local time
2. Two categories for the night-time charges are introduced
 - Core Night charges apply from 00:00 to 05:29 local time
 - Shoulder Night charges apply from 22:00 to 23:59 local time and from 05:30 to 05:59 local time
3. Noise categories 1-4 are subject to no charges during the whole night-time operations
4. Noise categories 1-6 are exempt from daytime charges

Noise Category	Current Pricing		Pricing from 31/03/2024		
	DayTime	Night-Time	DayTime	Shoulder Night	Core Night
1	CZK0.10	CZK0.30	CZK0	CZK0	CZK0
2	CZK0.20	CZK0.60	CZK0	CZK0	CZK0
3	CZK0.30	CZK0.90	CZK0	CZK0	CZK0
4	CZK0.50	CZK1.50	CZK0	CZK0	CZK0
5	CZK0.70	CZK2.10	CZK0	CZK1	CZK2
6	CZK1	CZK3	CZK0	CZK3	CZK6
7	CZK2	CZK6	CZK1	CZK6	CZK12
8	CZK4	CZK16	CZK2	CZK18	CZK36
9	CZK8	CZK32	CZK4	CZK36	CZK72
10	CZK16	n/a	CZK8	n/a	n/a
11	CZK22	n/a	CZK16	n/a	n/a
12	CZK28	n/a	CZK32	n/a	n/a
13	CZK36	n/a	CZK64	n/a	n/a
14	n/a	n/a	n/a	n/a	n/a

Reasoning

PA actively motivates airlines to use aircraft within noise categories 1-6 to lower the impact of

noise on the environment. With increasing traffic, the Airport noise situation at night is a crucial issue for the surrounding communities and public health authorities.

Position of Airport Users

Some users questioned whether the profit generated was shared with the community, which was confirmed by PA and support documentation was provided after the consultation meeting to all meeting participants.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change Noise Charges as proposed.

5. Increase in Charges for the Use of Check-in Desks

Final Decision

The PA's charge 2.6 **Use of Check-in Desks** has been increased by 15% as follows:

Desk	Current Pricing	from 31/03/2024
Common Desk	20 min / CZK112	20 min / CZK129
Flight Check-in Desk	20 min / CZK112	20 min / CZK129
Mobile Desk	20 min / CZK55	20 min / CZK64
Fix Check-in Desk	CZK 97,900/month	CZK 112,585/month
Self-service Bag Drop (SBD)	Free of Charge	Free of Charge

Reasoning

PA' reasons for the charges increase are mainly the increasing OPEX, especially inflation and high energy costs, as well as expected capital expenditures – planned installation of new SBDs in T1 and planned replacement of conveyor belts on all check-in islands in T1.

Position of Airport Users

Some users stated that they would like to have the option to use SBDs as well in T1.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change Charges for the Use of Check-in Desks as proposed. The plan is to have the SBD technology in T1 by summer 2024.

6. Increase in Charges for the Use of Buses

Final Decision

The PA's charge 2.7 **Bus Charges** has been increased by 15% from CZK578 to CZK665 for the first 30 min and for each additional 10 min interval after that.

Reasoning

PA's reasons for the charges increase are mainly the increasing OPEX, notably staff costs and high energy costs. The fact that Charges for the Use of Buses have not been adjusted since 3/2021 was also reflected.

Position of Airport Users

The proposal for changes in the category of Charges for the Use of Buses has not been commented on by any qualified participant.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change Charges for the Use of Buses as proposed.

7. Increases and Adjustments in Charges for the Use of Passenger Boarding Bridges

Final Decision

The PA's charge 2.8 **Use of Passenger Boarding Bridge Charges** has been increased by 15% as follows:

Case	Current Pricing	from 31/03/2024
PB Bridge for ACFT < 100 t MTOW / case	CZK2,530	CZK2,910
PB Bridge for ACFT ≥ 100 t MTOW / case incl. A/C Heating	CZK4,730	CZK5,440
A/C Heating Charge for ACFT < 100 t MTOW	CZK352	CZK405

Reasoning

PA's reasons for the charges increase are mainly the increasing OPEX, notably staff costs and high energy costs, as well as expected capital expenditures – planned installation of new boarding bridges on reconfigured stands and planned installation of PCA units on PBBs where

those are missing (D1-D6). The fact that Charges for the Use of Passenger Boarding Bridges have not been adjusted since 3/2021 was also reflected.

Additionally, time limits per cases (120 min for ACFT <100t MTOW and 180 min for ACFT ≥100t MTOW) are cancelled. One case of use of a Passenger Boarding Bridge (PBB) is now defined as the PBB connecting and subsequent disconnecting, while additional connecting/disconnecting due to reasons not caused by the carrier or handling company (e.g., reasons on the part of Prague Airport, meteorological conditions, etc.) is not to be considered as an additional case to eliminate non-essential PBB movements.

Position of Airport Users

The proposal for changes in the category of Charges for the Use of Passenger Boarding Bridges has not been commented on by any qualified participant.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change Charges for the Use of Passenger Boarding Bridges as proposed.

8. Changes in Incentive Scheme

Final Decision

The PA's Incentive Scheme General Terms and Condition 3.1.6 the definition of the **Minimum Distance between Two Airports** has been changed from 30 nautical miles to 50 kilometres.

Reasoning

PA decided to measure the relevant distance in kilometres, as this is the unit of length in the metric system used in the Czech Republic.

PA admits the existence of close airports with non-overlapping catchment areas, where the possibility of traffic cannibalisation is not significant. The incentive approval is subject to the carrier's request and provision of proof of the difference between the catchment area of the airport at the destination under consideration and the catchment area of the airport with an already existing connection to PA. Final decision regarding the incentive eligibility remains at PA's discretion.

Position of Airport Users

The proposal for changes in the Incentive Scheme General Terms and Condition 3.1.6 has not been commented on by any qualified participant.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change the General Terms and Condition 3.1.6 of the Incentive Scheme as proposed.

9. Change in Incentive Programme New Cargo Destination

Final Decision

The PA's Incentive Programme 3.5 **New Cargo Destination** has been changed as follows:

INCENTIVE PROGRAMME	Year of Discount Validity	Currently Applied		From 31/03/2024	
		1st	2nd	1st	2nd
3.5 NEW CARGO DESTINATION	Landing Charge (%)	50%	25%	100%	75%

Reasoning

Higher motivation of airlines to develop new cargo operation from/to Prague and extend the air cargo connectivity of PA, as well as maintain the competitiveness of the incentive programme.

Position of Airport Users

The proposal for changes in the Incentive Programme 3.5 New Cargo Destination has not been commented on by any qualified participant.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change the Incentive Programme 3.5 New Cargo Destination as proposed.

10. Change in Incentive Programme Incremental Frequencies and Increased Capacity

Final Decision

The PA's Incentive Programme 3.6 **Incremental Frequencies and Increased Capacity** has been changed to support speedy capacity resumptons. This programme will be provided upon entry of a new carrier on an already operated route where the recovery of traffic is lower than 80% of the 2019 seat capacity (Winter 2018/2019 and summer 2019 as a capacity bases) – provided that the operating carrier on the respective route has not announced further capacity increases.

Reasoning

Acceleration of recovery and frequency growth on approx. 40 routes from/to Prague that have not been fully recovered or resumed to the pre-pandemic level.

Position of Airport Users

The proposal for changes in the Incentive Programme 3.6 Incremental Frequencies and Increased Capacity has not been commented on by any qualified participant.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change the Incentive Programme 3.6 Incremental Frequencies and Increased Capacity as proposed.

11. Cancellation of Incentive Programme Transfer Incentive

Final Decision

The PA's Incentive Programme 3.14 **Transfer Incentive** has been cancelled in its full scope. Transfer passengers were included in the volume- based incentive programme 3.12 Number of Transport Passengers and route-based programmes (3.2, 3.3, 3.4, 3.7, 3.8, 3.10, and 3.11).

Reasoning

This incentive programme no longer fulfils its purpose as the ratio of transfer traffic is significantly decreased (2022 less than 1% of total airport traffic).

Position of Airport Users

The proposal for changes in the Incentive Programme 3.14 Transfer Incentive has not been commented on by any qualified participant.

PA's Final Decision Motivation

Based on the reasons described above PA decided to change the Incentive Programme 3.14 Transfer Incentive as proposed.

12. Incentive Programme Use of Aircraft Parking

Final Decision

The new PA's Incentive Programme 3.15 **Use of Aircraft Parking** is provided to air carriers that reach the defined yearly volume of aircraft parking at the Airport during the respective calendar year. Discounts are provided as listed in the table below:

Invoiced Volume of Aircraft Parking (in min*t MTOW) per year	Discount Applied
35,000,000 and less	n/a
35,000,001 – 70,000,000	6%
70,000,001 – 100,000,000	12%
100,000,001 and more	18%

Reasoning

This new incentive programme substitutes the contractual/long-term parking (flat monthly rate) with a more transparent solution allowing more efficient parking stands allocation and utilization.

Position of Airport Users

The proposed Incentive Programme 3.15 Use of Aircraft Parking has not been commented on by any qualified participant.

PA's Final Decision Motivation

Based on the reasons as described above PA decided to introduce the incentive scheme programme Use of Aircraft Parking as proposed.

Moreover, PA notes that in the 2024 Price List, the definition of aircraft MTOW has been refined for charges that are calculated on the basis of the MTOW value (charges 2.3, 2.4, 2.5) - the basis for the calculation of the relevant charge is the aircraft MTOW as stated in the noise certificate of the aircraft in question or the MTOW value stated in the FLEXI MTOW concept application of the carrier in question, see AIP GEN 4.1.1.1.2 for more details.

Yours sincerely,



Ing. Jiří Pos
Chairman of the Board of Directors
Prague Airport