

## Connectivity Scheme for Airlines based on Load Factor

To encourage the restart of airlines operations to Larnaka and Pafos airports after the suspension of flights due to Covid 19, a new connectivity support scheme has been introduced. The scheme will take effect from July 1<sup>st</sup> 2020 and will be offered to all airlines enlisted in the program for the flights that would operate to /from Cyprus between the period June 10 to December 31, 2020.

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 receive 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 a specific period as in the tables below.

The amount that each eligible airline will be entitled to receive for each route will be from €7 to €17 per departing passenger during the period June-September 2020 and from €5 to €15 per departing passenger during the period October-December 2020 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 €17 per departing passenger during the period June-September 2020 and €15 per departing passenger during the period October-December 2020.

2) For the number of passengers between 51%-60% load factor, eligible airlines will receive €12 per departing passenger during the period June-September 2020 and €10 per departing passenger during the period October-December 2020.

γ) For the number of passengers between 61%-70% load factor, eligible airlines will receive €7 per departing passenger during the period June-September 2020 and €5 per departing passenger during the period October-December 2020.

It is noted that the maximum amount that an airline can receive based on this scheme is €800,000.

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**. For obtaining the registration forms, please refer to the corporate section in [www.hermesairports.com](http://www.hermesairports.com)

### Examples of how the incentive amounts will be calculated

An airline started operation of route A on the 20 June 2020 and is operating with an aircraft with 180 seats. For the period June 20 – September 30 it has achieved an average load factor of 70%. The table below shows how much it will receive for the specific route.

Example A	Load Factor Scheme				
	Jun-Sep 2020				
Flight "A"	0%-40%	41%-50%	51%-60%	61%-70%	Total
<b>Total Number of Seats (30 Flights)</b>					<b>5,400</b>
<b>Average Load Factor</b>					<b>70%</b>
<b>Departing passengers</b>	2,160	540	540	540	<b>3,780</b>
<b>Incentive</b>	€0.00	€17.00	€12.00	€7.00	
<b>Total Incentive</b>	€0	€9,180	€6,480	€3,780	<b>€19,440</b>



Republic of Cyprus



The same airline continues to operate during the period October-December 2020 with an aircraft with 180 seats and achieves an average load factor 70%. The table below shows the amount that will be granted based on the scheme

**Example B**

	<b>Load Factor Scheme</b>				<b>Total</b>
	<i>Oct-Dec 2020</i>				
<i>Flight "B"</i>	<b>0%-40%</b>	<b>41%-50%</b>	<b>51%-60%</b>	<b>61%-70%</b>	
<b>Total Number of Seats (30 Flights)</b>					<b>5,400</b>
<b>Average Load Factor</b>					<b>70%</b>
<b>Departing passengers</b>	2,160	540	540	540	<b>3,780</b>
<b>Incentive</b>	€0.00	€15.00	€10.00	€5.00	
<b>Total Incentive</b>	€0	€8,100	€5,400	€2,700	<b>€16,200</b>