



VÁCLAV HAVEL AIRPORT PRAGUE

Naše značka/Our Ref 2494/24/LP ŘSP/LOP Vyřizuje/Responsible: eva.stepanova@prg.aero Dne/Date: 13th December 2024

PRAGUE AIRPORT'S DECISION ON AIRPORT CHARGES FOR THE PERIOD FROM 30th MARCH 2025 TO 28th MARCH 2026

Prague Airport (PA), the airport operator of the international civil aviation airport of Prague/Ruzyně (Václav Havel Airport Prague), has published the final version of its Price List for the period commencing on 30th March 2025 and ending on 28th March 2026 (2025 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 2024 Price List include the introduction of a new Emission charge, a change to the Charge for the Use of Check-in Desks, and the introduction of a new incentive programme for the Use of SBDs.

SUMMARY

The consultation process regarding the airport charges proposal was commenced by PA on 12th June 2024. At the airport operator's invitation, thirteen 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 21st August 2024. On 4th September 2024, a formal consultation meeting was held in Prague in 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 as well as the additional information requested by the participants during the formal consultation meeting. During the set period, which PA had outlined at the consultation meeting, PA received formal written responses to the Price List proposal from two qualified participants. PA had carefully reviewed the feedback received during the consultation meeting and took note of the written comments submitted by the participants, prior to making the final decision which contains the following adjustments compared to the previous period of validity:

- Adjustment to Parking Charges and the related Incentive Programme
- Introduction of a new Emission Charge
- Charges for the Use of Check-in Desks increase by 15%
- Modification to Incentive Scheme:
 - introduction of a new 3.16 Incentive Programme for the Use of Self Bag Drop (SBD)

All participants have received the annual overview of collected charges and expenses connected with the PRM service in 2023, audited by TPA Audit s.r.o.

During the consultation meeting, PA introduced the participants to the intention to set new noise abatement measures for 2026+ nighttime operations, focusing on adhering to scheduled slots by the airlines, in order to prevent exceeding the noise limits and avoid potential operational restrictions imposed by regulatory authorities.

The attached PA's 2025 Price List is valid as of 30th March 2025. Please note that the 2025 Price List has been uploaded under the B2B/ Aviation Business/ Charges & Incentives section of the PA's website www.prg.aero.

Participants of the 2025 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. Adjustment to Parking Charges and Related Incentive Programme

Final Decision

Apron South Parking Stands V71, V72, V74 to V76, AHA, AHC, located in close proximity to the hangars of PA, are excluded from 2.4 Parking Charges. Consequently, they are also excluded from the 3.15 Aircraft Parking Incentive Programme. PA has decided not to exclude Apron South Parking Stand KOM from 2.4 Parking Charges.

Reasoning

PA's reason for this change is to include these apron areas into areas leased together with the hangars.



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Position of Airport Users

The proposal for changes in the category of Parking Charges and related Incentive Programme 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.

2. Implementation of New Emission Charges

Final Decision

New 2.6 **Emission Charges** for aircraft exceeding 8,618 kg based on NOx (nitrogen oxides) emissions is introduced in the amount of **CZK25** per kg of NOx. Calculation is based on NOx emissions emitted per engine during the LTO-cycle (landing/take-off), according to the emission certificates supplied by the airlines.

Reasoning

The collected charge will be used for mitigation and prevention of emissions affecting local air quality to comply with:

- ESG commitments and CSRD Corporate Sustainability Reporting Directive (EU) 2022/2464 and connected ESRS Standards (ESRS 2 – Pollution Prevention and Control) according to which the airports are not only required to disclose their impact on air quality, but also demonstrate how they manage and mitigate airborne pollutants like NOx, and
- the EU Action Plan: "Towards a Zero Pollution for Air, Water, and Soil" which outlines the anticipated tightening of air pollutant limits. This Plan set ambitious goals to significantly reduce pollutant emissions, including NOx, by 2030, and
- proposed new wording of Czech Accounting Act which is already being passed through the legislative process as a consequence of the implementation of the CSRD into Czech legislation and which is bringing new sustainability reporting obligations to all accounting entities in the Czech Republic, and
- the National Emission Reduction Plan of the Czech Republic which reflects the requirements of European legislation aimed at reducing air pollution.



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The Emission Charge is proposed as non-profit, and all collected charges will be reinvested in projects related to air protection.

Position of Airport Users

The introduction of new Emission Charges was negatively perceived by several participants and disagreement and rejection of the charge was expressed by them. Users objected that there is a trade-off between NO_x and CO₂ emissions and the charge does not comply with ICAO's Policies on Charges for Airports and Air Navigation Services. Airport users also objected that the Emission Charges will not affect the amount of emissions produced by the airlines at the airport and that revenue from this charge will be used to support the airport's own air pollution reduction initiatives. The users claimed that airport charges should only be related to airport infrastructure or services, and that PA failed to present which projects were going to be financed with this new charge. The users further claimed that PA has not identified a current local air quality problem at the airport, nor has PA demonstrated how this NO_x charge will address this problem, and also that PA failed to provide any current legal requirement to reduce scope 3 NO_x emissions and/or levy a NO_x charge on airport users. Further, the users objected that the charge is not revenue neutral in 2025, and the proposed projects are not related to NO_x emissions and branded them as greenwashing.

PA's Final Decision Motivation

PA has provided the participants with a comprehensive explanation of the reasons for implementing the Emission Charges, supported by both European and Czech legislation, as well as details on how the charge was calculated and on its allocation to specific projects.

PA disagrees that trade-offs between CO₂ and NO_x emissions would exclude a NO_x modulation. Thessaloniki Forum on Airport Charges and Environmental Variations draws attention to the necessity of a full internalisation of all the externalities, since "*it could be the case that stronger incentives to lower one negative external effect can lead to an increase of another negative external effect*". The inverse relationship between CO₂ and NO_x does not mean that PA should choose one or the other.

PA has conducted a comprehensive local air quality assessment, identifying NO_x emissions as a significant concern. Emissions from aircraft occur throughout the entire LTO cycle, i.e., also when taxiing on the airport infrastructure or when standing at a remote stand/pier. The introduction of the Emission Charges gives PA opportunities for several investments, including investments into infrastructure such as Ground Power Units (GPU) and Preconditioned Air Units (PCA), helping PA to reduce these emissions produced by aircraft when taxiing to or standing at remote stands/piers. The proposed projects are exactly the projects which will reduce NO_x emissions from the aircraft, alongside projects helping to reduce emissions produced by inherently associated ground operations as they also contribute to local air quality, especially within an airside area. It should be also noted that PA operates air quality monitoring

and relevant data gathering. PA disagrees with the claim that the projects mentioned are not related to NOx emissions and to branding them as greenwashing.

The list of projects was sent to all participants by e-mail on 17 September 2024 together with other additional information, following up from the consultation meeting.

The proposed Emission Charge is introduced on the basis of:

- Czech (Act No. 49/1997 Coll., on Civil Aviation) and European legislation (Directive 2009/12/EC, on Airport Charges) which both recognise the modulation of airport charges for issues of public interest and general interest, including environmental issues – on the basis of relevant, accurate and objectively measurable criteria related to the operation of the airport as states provision 42e of Civil Aviation Act, and
- ICAO's Guidance on Emissions Charges Related To Local Air Quality and the Doc 9082 ICAO's Policies on Charges for Airports and Air Navigation Services which both recognise the introduction of the Emission charge in the way of mitigating or preventing the environmental impact of aircraft engine emissions, based on the mitigation or prevention costs – *such measures may include air quality data gathering, monitoring and reporting systems for aircraft emissions, installation of fixed ground power and ventilation for aircraft at piers etc., to the extent that they address aircraft contribution to a local air quality concerns.*

Although current NOx emissions are within hygienic limits at the local monitoring station, it is PA's responsibility to mitigate and prevent the environmental impact of aircraft engine emissions and to prepare for the planned tightening of these limits starting in 2030. The forecasted revenues and costs associated with the NOx charge have been transparently communicated. The Emission Charge is revenue neutral with regards to the two years affected by the charge for 2025/2026.

Aircraft emissions constitute the majority of NOx emissions – 98% of NOx emissions at PRG airport come overall from the aircraft. Aircraft in the area emitted a total of 500 tons of NOx in 2023 which affected the local air quality near the airport. PA firmly believes that the “polluter pays” principle is in place in this case.

Based on the reasons described above, PA decided to implement Emission Charges as proposed.

3. Increase in the Use of Check-in Desk Charges

Final Decision

The PA's charge 2.7 **Use of Check-in Desks** has been increased by 15% as follows:

Desk	Current Pricing	from 30/03/2025
Common Desk	20 min / CZK129	20 min / CZK148
Flight Check-in Desk	20 min / CZK129	20 min / CZK148
Mobile Desk	20 min / CZK64	20 min / CZK74
Fix Check-in Desk	CZK 112,585/month	CZK 129,473/month

Reasoning

PA's reasons for the charges increase are mainly expected capital expenditures – planned installation of new conveyor belts in T1 (end of life cycle) and planned replacement of FIDS screens above all check-in counters. The other reason is also the enhancement of the use of self-service check-in technologies by airlines and their passengers instead of conventional check-in desks. For this reason, PA has introduced new Incentive Scheme 3.16 Use of Self Bag Drop; see in greater detail below.

Position of Airport Users

One of the airport users stated that they do not agree with the increase in the charge as it is unjustified and asked for the list of Capex projects driving the charge increase.

PA's Final Decision Motivation

PA has provided the participants with a comprehensive explanation of the reasons for increasing the charges, supported by substantive capital expenditures driving the increase in the depreciation costs which results in the overall increase in cost connected to Check-in Desks. A list of relevant projects justifying the charge increase was provided to the participating airlines. On the other hand, as already presented, PA has introduced a new Incentive Scheme of the Use of Self Bag Drop, which provides discounts to airlines actively using SBDs.

4. Implementation of New Incentive Scheme Use of Self Bag Drop (SBD)

Final Decision

The new PA's Incentive Programme 3.16 **Use of Self Bag Drop** is provided to air carriers that reach the defined monthly shares of SBD checked in departure baggage (i.e. via Self Bag Drop). Discounts are provided as listed in the table below:

Monthly share of departing bags checked in on SBD	Applied discount on Charges for the Use of Check-In Desks from 30/03/2025 under below stated conditions
4.99% or less	n/a
5.00% -19.99%	20%
20.00% – 49.99%	30%
50.00% and more	50%

Reasoning

Following the proposed changes to the Use of Check-in Desk Charges and with the aim of supporting the growth of the Self Bag Drop (SBD) regime, a new incentive scheme is being implemented under 3.16 Use of Self Bag Drop in the form of Use of Check-in Desk Charges discounts. A discount will be provided automatically, monthly retrospectively, after completion of financial data from the previous calendar month as a monthly credit note.

Position of Airport Users

The proposed Incentive Programme 3.16 Use of Self Bag Drop was commented by one of the airport users, who has expressed a complaint about the missing payment method for overweight baggage.

PA's Final Decision Motivation

PA has provided the participants with a comprehensive explanation of the reasons for implementing the Incentive Programme 3.16 Use of Self Bag Drop which is the enhancement of the use of the SBD regime. This incentive programme is designed to compensate the airlines actively using the SBDs due to the increase in the Use of Check-in Desks Charges.

Other airlines using SBDs at PRG airport have a solution for collection of baggage charges in place and the usage of SBDs is continuously growing. Nevertheless, PA has offered full support in finding the most suitable payment method on Self Bag Drop for any airline.

OTHER AIRPORT USERS' VIEWS ON THE PRICE LIST PROPOSAL

1. Airport Users' Comments – on Reduction of Airport Charges

One of the airport users has claimed that the charge proposal is excessive, not relevant and not objective, and rejected PA's refusal to reduce airport charges for 2025. As the reasoning, they used the WACC decrease for 2025, energy cost fall, and an increased number of passengers for the upcoming period.

PA's Statement

All consultation participants have received financial information from which OPEX growth and RAB profitability lower than WACC can be clearly seen. The main driver for the OPEX increase is the ongoing pressure on personnel costs increase, as it represents a major part of OPEX. Despite the current return of inflation to the usual levels of around 2%, it still represents the increase in the general level of prices rather than its fall. Energy costs have fallen, and PA appreciates this positive signal, however this cost category represents only a minor part of OPEX and is the only cost category showing a declining trend and therefore can't reverse overall increase in the OPEX.

PA would also like to point out that another airport user welcomed PA's charge freeze for 2025 in their written response.

PA believes that the current level of airport charges helps to cover the cost base increase and at the same time does not negatively affect the traffic recovery.

2. Airport Users' Comments – on Calculation of WACC

One of the airport users has expressed their concern about the lack of transparency in the calculation of WACC and breach of Thessaloniki Forum Guidance.

PA's Statement

PA presented to participants during the consultation meeting the Profit and Loss statement with EBIT and WACC percentage compared to Profitability of RAB (Regulated Asset Base) calculated on EBIT to express that Profitability of RAB is below the WACC %, indicating negative net profit (loss). PA provided parameters of the calculation of WACC together with other additionally requested information as part of the formal meeting minutes distributed to all registered participants and observers, following up from the consultation meeting.

The Civil Aviation Act neither provides methodology/regulation for WACC calculations nor requires the calculation to be approved by ISA. To ensure independent and bias-free calculation of WACC, PA uses the WACC parameters and methodology provided by independent third-party experts (usually PWC, Deloitte, KPMG, or E&Y). This WACC calculating methodology is also used for statutory purposes and as such it is subject to an external financial audit review (as part of audited financial statements). PA considers the provided information sufficient to ensure transparency as required by law.



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3. Airport Users' Comments – on Traffic Forecast Accuracy

One of the airport users has expressed their concern about the quality of traffic forecast planning by PA.

PA's Statement

PA presented to participants during the consultation meeting the traffic forecast development during past years and comprehensive methodology of traffic forecasting was provided in the materials sent to participants together with the meeting minutes.

PA continues to insist on the fact that the prepared Passenger Traffic forecasts (2012 – 2019) had a minimal deviation (1.75 %), and more noticeable deviations occurred especially during the pandemic and post-pandemic periods, which was mainly driven by the carriers' uncertainty in passenger demand and other external influences (fleet availability, engines issues, etc.).

PA's Traffic Forecasts are prepared based on the latest knowledge of planned seat capacity development of air carriers (business meetings and regular calls) and based on the traffic forecasts provided as part of the Airport Charges consultation process. The more accurate inputs from operating carriers PA receives, the more accurate PA's Traffic Forecasts are.

4. Airport Users' Comments – on Meeting Minutes

One of the airport users has asked to amend the meeting minutes sent to the participants after the consultation meeting.

PA's Statement

PA stands by its position that meeting minutes sent to the participants after the consultation meeting are correct and fulfil the requirements of meeting minutes – they summarise the key points discussed, decisions made, and any action items assigned to participants. Meeting minutes are not a verbatim transcription of the discussion. In light of the above, the meeting minutes will not be amended.

5. Airport Users' Comments – on Additional Consultation Meeting

Some airport users have expressed their interest in another round of Airport Charges consultation meeting to comment on additionally requested materials from PA.



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PA's Statement

PA has provided all participants with the additionally requested materials and information, together with the meeting minutes, following up the consultation meeting. The participants were given a reasonable period of 30 days from the date of circulation of the requested information to comment on the draft of PA's Price List. PA has carefully reviewed and answered all received written responses to the Price List proposal.

Neither the Civil Aviation Act, nor the Directive on Airport Charges, specify in what format the consultation process with air carriers should take place. It is therefore possible to conduct it in person, online, or in written form. Moreover, the Airports Council International (ACI) recommends the airports in its Europe Recommended Practice on Interpretation of Articles 6, 7 & 8 of the Airport Charges Directive to provide a clear mechanism to solicit airline feedback which allows sufficient time for the airport users to review and discuss internally. This feedback may be provided via another consultation meeting, or via written communication. The length of the consultation process, as well as the number of meetings, should be determined on a local basis.

After careful consideration, PA has concluded that there is no need to hold another consultation meeting as all additional questions from the participants were answered and requested information provided. The participants were given sufficient time to comment on the draft of PA's Price List and all the received comments were carefully reviewed and answered.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "J. Pos", written over a vertical line.

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