

2022



# REPORT ON THE DETERMINATION OF THE REGULATED REVENUE PRICE CAP

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## 1. Introduction

In accordance with applicable legislation, ANA – Aeroportos de Portugal, SA, hereinafter called ANA, now submits this report on the determination of revenues from regulatory charges and terminal passengers in ANA Group airports, for the year 2022, pursuant to the economic regulatory scheme established by Decree Law no. 254/2012 of 28 November, as amended by Decree Law no. 108/2013 of 31 July, and by the Concession Contract (CC) signed between the Portuguese State and ANA. The publication of this report allows the regulatory authority and users to monitor compliance with the obligations established, namely the calculation of 2022 Estimation Error Adjustments and the updating of the 2023 Regulated Revenue Price Cap (RRPC) of the Lisbon Group.

This report includes information describing the revenue from regulatory charges and terminal passengers<sup>1</sup> recorded in 2022 at ANA airports. The information shown was subject to a limited reliability assurance report done by Deloitte & Associados, SROC S.A., pursuant to and for the purposes of complying with point 10.1 of Annex 12 to the CC .

The unit regulated revenue equals the quotient between the total revenue from the activities and services referred to in Appendix A of Annex 12 and the number of terminal passengers at each airport or group of airports referred to in point 2 of Annex 12 to the CC:

- Lisbon Group (including the airports of Lisbon, Azores, Madeira and Beja Civil Terminal)
- Porto Airport
- Faro Airport

The revenues included in determining the regulated revenue of each airport or group of airports are those originating from the activities and fees subject to economic regulation under applicable legislation (Decree Law no. 254/2012) and Annex 12 to the CC, as shown below:

- Traffic (Decree Law no. 254/2012, articles 26 through 30 and Annex 12 Appendix A)
  - Take-off and landing of aircraft
  - Parking of aircraft (includes Bridges and GPS)
  - Aircraft hangar
  - Passenger service
  - Airfield opening
- Ground handling (Decree Law no. 254/2012, article 32 b) and c) and Annex 12 CC, Appendix A)
  - Passenger assistance
  - Baggage handling
- Security Charge (Decree Law no. 254/2012, articles 48 through 56 and Annex 12, Appendix A)
- PRM Charge (Decree Law no. 254/2012, articles 57 through 64 and Annex 12, Appendix A)
- CUPPS, CUSS and BRS usage charge (does not include consumables) (Annex 12, Appendix A)

Revenues from flights operated by cargo-only carriers are excluded from revenues for calculating regulated revenue, as stated in point 2.6 of Annex 12 to the CC. This information will be published at ANA's website to allow the regulatory authority, airlines and other stakeholders to monitor compliance with the obligations established in Annex 12 to the CC.

<sup>1</sup> "Terminal Passengers" are defined as *all departing or arriving passengers, including destination and transfer passengers, excluding passengers in direct transit*, per the definition in Clause no. 1 of the CC.

## 2. Executive Summary

The calculated amounts to be included in estimation error adjustments in 2022 are shown in the following summary table.

2022	Lisbon Group	Porto	Faro
<b>Revenue Price Cap (RPC)</b>	<b>13.57€</b>	<b>8.92€</b>	<b>9.65€</b>
Airside Retail Revenue Contribution (ARRC)	38 575 671€	6 775 770€	9,922 753€
Actual Terminal Passengers	34 842 265	12 575 922	8 154 635
<b>RRPC</b>	<b>12.47€</b>	<b>8.38€</b>	<b>8.43€</b>
Actual Regulated Revenue	<b>416 097 843€</b>	<b>100 545 726€</b>	<b>66 162 300€</b>
<b>Actual Regulated Revenue per Terminal Passenger</b>	<b>11.94€</b>	<b>8.00€</b>	<b>8.11€</b>
<b>Surplus (-)/Deficit (+) per Terminal Passenger</b>	<b>+ 0.53€</b>	<b>+ 0.38€</b>	<b>+0.32€</b>
<b>Estimation Error <sup>(1)</sup></b>	<b>+ 18 466 401€</b>	<b>+ 4 778 850€</b>	<b>+ 2 609 483€</b>

(1) positive amounts: to be recuperated; negative amounts: to be returned

The estimation of the 2023 RRPC for the Lisbon Group, is revised considering the actual 2022 RRPC and the limitation established by the CC that its amount cannot exceed the 2022 RPC.

2023	Lisbon Group
<b>Actual RRPC 2022</b>	<b>12,47€</b>
Updating factor applied for 2023: HIPC 08/2022 + 2% (F 2022)	9,10% =(7,10%+2%)
RRPC 2023 = RRPC 2022 * (1 + F 2022)	13,60€
<b>RRPC 2023 &lt;= RPC 2022</b>	<b>13,57€</b>

### 3. Terminal Passengers

Terminal passengers are calculated based on recorded traffic data. This data is collected in the “Business Intelligence” traffic statistics reporting system used at ANA.

The origin of traffic data collected at the airports is based on traffic forms (official ANAC document), which must be completed, on a mandatory basis, for each aircraft movement by ground handling agents or airlines at each domestic airport. These data provide the basis for billing and for traffic information. The following table shows terminal passengers processed at ANA airports:

Airport	Terminal Passengers
Lisbon	28,258,775
Ponta Delgada	2,052,106
Santa Maria	108,951
Horta	249,205
Flores	89,299
Beja	2,906
Madeira	3,869,888
Porto Santo	211,135
<b>Lisbon Group</b>	<b>34,842,265</b>
Porto	12,575,922
Faro	8,154,635
<b>TOTAL</b>	<b>55,572,822</b>

## 4. Income

The financial information found in the document was based on ANA's accounting records in the SAP R3 invoicing system in relation to 2022 regulatory activities. The following table shows income amounts per regulatory charge, in 2022, at the ANA Group airports.

Unit Euros							
	Lisbon Group					Porto	Faro
Regulatory Charges	Lisbon	Azores	Madeira	Beja	Total	-	-
Airfield Opening	-	511,193	-	-	511,193	-	200,783
Hangar	-	-	-	-	-	-	-
Take-off/Landing	67,860,154	2,836,199	11,252,156	-	81,948,509	19,611,498	11,146,235
Parking	15,659,243	308,418	182,234	718,710	16,868,605	1,888,477	838,470
Bridges and GPS	21,028,054	582,074	-	-	21,610,128	2,234,294	1,662,151
Passengers	185,781,207	8,404,713	27,773,043	10,816	221,969,779	52,376,332	35,079,424
Passenger Assistance	3,264,859	163,982	239,628	237	3,668,706	673,973	587,424
Baggage Handling	3,376,711	349,896	347,271	420	4,074,298	847,296	846,759
CUPPS, CUSS and BRS	3,303,056	192,710	416,978	-	3,912,744	1,256,457	808,681
Security	42,843,734	3,557,931	6,178,520	4,263	52,584,448	19,095,059	12,422,081
PRM Assistance	8,888,071	741,553	1,288,024	266	10,917,914	3,966,886	2,570,292
<b>Sub-Total</b>	<b>352,005,089</b>	<b>17,648,669</b>	<b>47,677,854</b>	<b>734,712</b>	<b>418,066,324</b>	<b>101,950,272</b>	<b>66,162,300</b>
<b>Cargo-only</b>	<b>1,902,017</b>	<b>11,759</b>	<b>54,705</b>	<b>-</b>	<b>1,968,481</b>	<b>1,404,546</b>	<b>-</b>
Take-off/Landing	1,024,546	10,606	54,572	-	1,089,724	1,231,069	-
Parking	669,850	919	133	-	670,902	173,338	-
GPS	207,621	234	-	-	207,855	139	-
<b>Total</b>	<b>350,103,072</b>	<b>17,636,910</b>	<b>47,623,149</b>	<b>734,712</b>	<b>416,097,843</b>	<b>100,545,726</b>	<b>66,162,300</b>
2020 estimation error adjustment	-	-	-	-	-	-	-
<b>Adjusted Regulated Revenue</b>	<b>350,103,072</b>	<b>17,636,910</b>	<b>47,623,149</b>	<b>734,712</b>	<b>416,097,843</b>	<b>100 545 726</b>	<b>66 162 300</b>
<b>Terminal Passengers</b>	<b>28,258,775</b>	<b>2,499,561</b>	<b>4,081,023</b>	<b>2,906</b>	<b>34,842,265</b>	<b>12,575,922</b>	<b>8 154 635</b>
<b>Adjusted Regulated Revenue per Terminal Passenger</b>	<b>12.39</b>	<b>7.06</b>	<b>11.67</b>	<b>252.83</b>	<b>11.94</b>	<b>8.00</b>	<b>8.11</b>

## 5. Determination of “Estimation Error” Adjustments

In accordance with point 5 of Annex 12 to the CC, two types of estimation error adjustments are allowed:

- a) volume of annual passenger traffic with an impact on calculating the ARRC per terminal passenger (TP);
- b) traffic mix and/or breakdown of services and activities provided.

In view of the number of terminal passengers and actual revenues resulting from regulatory charges, the following adjustments have been calculated for the Lisbon Group, Porto Airport and Faro Airport.

### 5.1 Adjustment for Traffic Volume Estimation Error

The difference between the actual number of terminal passengers in 2022 and the number of terminal passengers estimated in the charge schedule proposal results in a change to the amount of the ARRC per terminal passenger and, as a result, to the Regulated Revenue Price Cap authorized for 2022 (RRPC<sub>2022</sub>). The adjustment amount results from the change in RRPC<sub>2022</sub> multiplied by the number of actual terminal passengers<sub>2022</sub>:

$$[(ARRC_{2022} / \text{proposed TP}_{2022}) - (ARRC_{2022} / \text{actual TP}_{2022})] = \Delta \text{ authorized RRPC}_{2022}$$

$$\text{Traffic volume adjustment} = \Delta \text{ authorized RRPC}_{2022} * \text{actual TP}_{2022}$$

	Unit Euros		
	Lisbon Group	Porto	Faro
2022 ARRC (I)	38,575,671	6,775,770	9,922,753
Terminal passengers of 2022 proposal (II)	24,465,696	10,442,709	7,012,442
2022 actual terminal passengers (III)	34,842,265	12,575,922	8,154,635
Authorized 2022 RRPC variation (IV = (I / II) - (I / III))	0.47	0.11	0.20
<b>Adjustment (IV) * (III)</b>	<b>16,375,865</b>	<b>1,383,351</b>	<b>1,630,927</b>

## 5.2 Adjustment for Estimation Error in the Traffic Mix and/or Breakdown of Services and Activities Provided

The changes in the traffic mix and profile of demand affecting the breakdown of services and resulting in a fluctuation in regulatory income per terminal passenger result in a change to the actual regulatory income obtained in 2022 (actual RI<sub>2022</sub>) compared to the authorized RRPC<sub>2022</sub>.

$$\text{Adjustment} = (\text{Authorized RRPC}_{2022} \text{ Actual Adjusted} - \text{RI}_{2022}^2) * \text{Actual TP}_{2022}$$

	Unit Euros		
	Lisbon Group	Porto	Faro
Authorized RRPC <sub>2022</sub> (I)	12.00	8.27	8.23
Actual total regulated revenue <sub>2022</sub> (II)	416 097 843	100 545 726	66 162 300
Estimation error <sub>2020</sub> (III)	0	0	0
Actual terminal passengers <sub>2022</sub> (IV)	34 842 265	12 575 922	8 154 635
Actual regulated revenue <sub>2022</sub> adjusted (V = (II - III) / IV)	11.94	8.00	8.11
Authorized RRPC <sub>2022</sub> – Actual regulated revenue <sub>2022</sub> adjusted (VI)	0.06	0.27	0.12
<b>Adjustment (VI * IV)</b>	<b>2 090 536</b>	<b>3,395,499</b>	<b>978,556</b>

In total terms, estimation error adjustments for the year 2022 are as follows:

	Unit Euros		
	Lisbon Group	Porto	Faro
Traffic volume	16,375,865	1,383,351	1,630,927
Traffic mix and/or breakdown of services and activities provided	2,090,536	3,395,499	978,556
<b>Total</b>	<b>18,466,401</b>	<b>4,778,850</b>	<b>2,609,483</b>

The positive deviations in the three regulatory groups result in a revenue shortfall to be recovered two years later, i.e. in 2024, pursuant to point 5.1 b) of Annex 12 to the CC.

<sup>2</sup> Actual RI<sub>2022</sub> minus income for the 2020 estimation error adjustment which, since it does not exist (since only adjustments reimbursable to customers occurred in 2020), makes the actual revenue equivalent to the adjusted revenue.



## 6. 2023 Regulated Revenue Price Cap

In accordance with the decision from ANAC on the consultation file for 2023 regulatory charges, the 2023 Regulated Revenue Price Cap of the Lisbon Group should be revised as a result of the calculation of the actual 2022 RRPC<sup>3</sup>:

$$\text{RRPC}_{2023} = \text{RRPC}_{2022} * (1 + F_{2022})$$

- $F_{2022}$  is the updating factor applied in the 2023 rate consultation process, taking into account the HICP<sub>08/2022</sub>, i.e. 9.10% (7.10% + 2<sup>4</sup>%)
- Actual RRPC<sub>2022</sub> = €12.47<sup>5</sup>
- RRPC<sub>2023</sub> = €12.47 \* (1 + 9.10%) = €13.60

In accordance with point 8.6 a) of Annex 12 to the CC, the RRPC<sub>2023</sub> cannot exceed the amount of the RPC 2022, i.e. €13.57. Therefore, the RRPC<sub>2023</sub> of the Lisbon Group will be €13.57. The RRPC<sub>2023</sub> will provide the basis for calculating, for the Lisbon Group, the 2023 estimation error adjustment and the RRPC<sub>2024</sub> using the following formula:

$$\text{RRPC}_{2024} = \text{RRPC}_{2023} * (1 + \text{HICP}_{08/2023} +/- R\%)$$

- R = Ratio according to point 8.6 of Annex 12 to the CC.

Lisbon, 23 May 2023

<sup>3</sup> Letter no. 93/PCA/2022; Letter no. 3777/2022/VCA/DRE - Technical Note – Public Consultation Process on 2023 regulatory charges – Analysis of clarification request from ANA.

<sup>4</sup> The result of the 2022 benchmark test does not fall anywhere within point 8.10 a) and b) of Annex 12 to the CC. Based on the interpretation submitted by ANAC with regard to point 8.10:

a) “The RRPC model for 2023 onward will always be modified after the comparative test”;

b) “in a situation of average competitiveness, as in the case at hand, it will never be possible to exceed the reference HICP+2P.P.”

ANAC has determined that the proposed charges for 2023 regulatory activities must ensure that the 2023 RRPC does not increase more than 9.10% (HICP + 2%) in order to comply with the framework of the RRPC’s evolution per the ceiling established in sub-paragraph a) of point 8.10 of Annex 12 to the Concession Contract.

<sup>5</sup> Per summary table in point 1

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**Francisco Vieira Pita**

Member of the Executive Committee

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**Thierry Ligonnière**

Chairman of the Executive Committee

# ANNEX

## 2022 REGULATED REVENUE

					Unit Euros
ITEMS	1st QUARTER	2nd QUARTER	3rd QUARTER	4th QUARTER	TOTAL
<b>Lisbon Airport</b>	<b>58,640,222</b>	<b>91,656,859</b>	<b>105,708,735</b>	<b>94,097,256</b>	<b>350,103,072</b>
Bridges and GPS	4,234,256	5,249,314	5,756,070	5,580,793	20,820,433
Parking	4,135,895	3,709,761	3,507,629	3,636,109	14,989,394
Baggage Handling	523,574	891,512	1,088,132	873,493	3,376,711
BRS	119,351	144,770	174,764	151,579	590,463
CUPPS and CUSS	503,702	703,801	814,962	690,127	2,712,593
Take-off/Landing	12,349,939	17,611,117	19,508,925	17,365,626	66,835,608
Passenger Assistance	591,342	771,756	1,038,288	863,474	3,264,859
Passengers	29,048,148	49,235,333	57,904,274	49,593,451	185,781,207
PRM Assistance	1,411,840	2,377,387	2,750,400	2,348,444	8,888,071
Security	5,722,175	10,962,109	13,165,291	12,994,159	42,843,734
<b>Porto Airport</b>	<b>15,313,601</b>	<b>27,858,820</b>	<b>31,845,597</b>	<b>25,527,708</b>	<b>100,545,726</b>
Bridges and GPS	332,156	601,508	703,086	597,405	2,234,155
Parking	395,705	432,603	461,787	425,043	1,715,139
Baggage Handling	118,879	224,807	309,289	194,321	847,296
BRS	11,326	21,488	27,315	20,840	80,970
CUPPS and CUSS	184,145	329,362	370,171	291,810	1,175,487
Take-off/Landing	3,033,210	5,125,981	5,720,636	4,500,602	18,380,429
Passenger Assistance	132,082	181,349	217,480	143,061	673,973
Passengers	7,954,334	14,699,566	16,803,040	12,919,393	52,376,333
PRM Assistance	620,887	1,112,291	1,248,903	984,805	3,966,886
Security	2,530,877	5,129,864	5,983,889	5,450,429	19,095,059

Unit Euros

ITEMS	1st QUARTER	2nd QUARTER	3rd QUARTER	4th QUARTER	TOTAL
<b>Faro Airport</b>	<b>4,802,806</b>	<b>22,145,082</b>	<b>26,663,458</b>	<b>12,550,953</b>	<b>66,162,300</b>
Bridges and GPS	213,013	541,961	576,780	330,397	1,662,151
Parking	119,415	262,574	288,450	168,032	838,470
Airfield Opening	6,431	82,171	63,593	48,588	200,783
Baggage Handling	73,744	280,349	329,570	163,096	846,759
BRS	4,189	14,203	16,312	8,609	43,312
CUPPS and CUSS	68,365	248,449	294,716	153,840	765,369
Take-off/Landing	258,603	4,253,873	5,124,581	1,509,178	11,146,235
Passenger Assistance	60,803	184,434	223,639	118,548	587,424
Passengers	2,797,923	11,601,860	14,012,913	6,666,728	35,079,424
PRM Assistance	230,354	832,374	990,097	517,467	2,570,292
Security	969,967	3,842,835	4,742,809	2,866,470	12,422,081
<b>Madeira Airport</b>	<b>7,276,141</b>	<b>12,565,228</b>	<b>13,661,889</b>	<b>11,742,191</b>	<b>45,245,448</b>
Parking	23,572	52,174	52,712	49,348	177,806
Baggage Handling	57,444	90,777	99,517	74,036	321,773
BRS	6,621	9,390	10,847	7,941	34,799
CUPPS and CUSS	58,127	101,472	111,612	90,828	362,040
Take-off/Landing	1,832,620	2,891,765	2,988,763	2,829,187	10,542,336
Passenger Assistance	46,063	60,231	62,639	58,043	226,976
Passengers	4,266,929	7,433,057	8,155,214	6,634,846	26,490,047
PRM Assistance	196,557	343,381	377,009	305,866	1,222,813
Security	788,207	1,582,979	1,803,576	1,692,095	5,866,858

					Unit Euros
ITEMS	1st QUARTER	2nd QUARTER	3rd QUARTER	4th QUARTER	TOTAL
<b>João Paulo II Airport</b>	<b>1 918 298</b>	<b>3 757 872</b>	<b>5 481 106</b>	<b>3 334 814</b>	<b>14 492 090</b>
Bridges and GPS	101,462	153,796	187,963	138,619	581,840
Parking	74,325	73,322	71,818	80,370	299,834
Airfield Opening	2,031	51,697	62,580	44,895	161,203
Baggage Handling	35,343	74,357	117,863	61,812	289,375
CUPPS and CUSS	25,511	50,949	73,953	42,298	192,710
Take-off/Landing	365,894	618,411	796,004	528,504	2,308,812
Passenger Assistance	27,696	29,657	34,310	26,380	118,044
Passengers	884,695	1,807,347	2,798,091	1,537,721	7,027,854
PRM Assistance	79,665	160,106	232,004	133,828	605,604
Security	321,675	738 232	1,106,520	740,387	2,906,815
<b>Other Airports</b>	<b>773,465</b>	<b>1,634,407</b>	<b>2,643,227</b>	<b>1,206,133</b>	<b>6,257,232</b>
Parking	153,550	191,581	228,788	156,751	730,670
Hangar	0	0	0	0	0
Airfield Opening	61,587	125,685	116,661	46,058	349,991
Baggage Handling	10,723	21,509	37,497	16,710	86,439
BRS	0	0	442	111	553
CUPPS and CUSS	1,872	4,589	9,295	3,828	19,585
Take-off/Landing	142,405	310,812	517,503	201,309	1,172,029
Passenger Assistance	11,787	15,046	18,804	13,190	58,827
Passengers	278,127	675,871	1,207,559	509,115	2,670,671
PRM Assistance	22,593	51,455	87,841	39,537	201,426
Security	90,821	237,859	418,838	219,524	967,041
<b>Total</b>	<b>88,724,534</b>	<b>159,618,268</b>	<b>186,004,012</b>	<b>148,459,056</b>	<b>582,805,869</b>

