



SEA GROUP POST COVID-19 POLICY FOR THE DEVELOPMENT OF TRAFFIC AT MILAN MALPENSA AIRPORT

Introduction

The Covid-19 pandemic has generated a serious economic impact on the air transport supply chain and in particular on the airport infrastructure system.

The nature of public service and the rigid cost structure characterizing this sector, combined with the almost total loss of revenues during the Covid-19 pandemic, require the definition of a particularly incisive commercial policy for the restart of Malpensa airport, with the aim of promoting the rapid recovery of traffic demand and the restoration of connectivity at 2019 levels.

The adopted commercial tools pay special attention to the sustainability of the strategies to be pursued, favouring the supply of passenger transport on high traffic volume network sectors, compatibly with the respect of a maximum environmental impact threshold to be measured on the capacity offered. Precisely, with reference to short and medium-haul traffic, in consideration of associated large traffic volumes, the use of a fleet generating a low environmental impact, producing noise emission values lower than DB 1.6 per seat offered at Malpensa, on yearly weighted base, is indicated as an essential requirement to take advantage of this scheme.

The policy in question, which cannot be cumulated with other commercial agreements already in place, is consistent with the indications of the more general Commercial Policy of the SEA Group on this subject and does not replace it, but rather represents a qualification and an update referring to specific cases, according to the particular period of application.

The commercial policy will consequently be aimed at rewarding individual carriers determined to substantially accelerate the offer of scheduled flights at Malpensa airport.

The priority objectives of SEA aviation policy are therefore defined as follows:

- Long Haul

- Recovery of the capacity operated in 2019 levels and increase of frequencies on the routes operated in 2019 (USA and India)
- Development of new direct routes
- Extension of the period of the seasonal routes operation (beyond a full IATA season)
- Structural development of short and medium-haul links supporting traffic flows in systematic connection with long-haul flights, within the framework of partnership and network agreements on Malpensa.



New route means a service operated on a metropolitan airport system not connected to Malpensa by another carrier for at least two consecutive IATA seasons. The incentive policy excludes routes with C/S agreements in force between new operating carriers and marketing carriers that suspended or reduced capacity on the same route in the last 4 consecutive IATA seasons.

- **Short medium haul**

- Fleet positioning of at least 3 incremental narrow body aircrafts based in Malpensa with prevalent use on the airport
- Multi-year development plans at the airport generating at least 1 million additional seats offered (two-way/year), with planned YoY growth rates

With the aim of encouraging the development of direct long-haul links and not incentivizing the development of indirect traffic on long-haul destinations, all short and medium-haul services operated with scheduled flights on Hubs handling more than 20 million passengers per year (measured as of 31.12.2019) and/or routes falling within the context of Joint Venture agreements on long-haul sectors are excluded (both in terms of capacity offered and passengers carried) from the scope of the incentive plans.

Carriers which, as part of the short and medium-haul incentive plans, market and transport only point-to-point traffic on the routes are excluded from this limitation.

- **All cargo services**

- Creation of new operating bases at Malpensa (*) or expansion of the activity of existing bases
- For non-based carriers, increase of frequencies operated at the airport with long-haul flights on strategic markets
- New carriers performing long-haul flights in strategic markets

(*) An operating base is considered as such when the carrier operates at Malpensa at least 1,000 movements per year with all-cargo aircrafts based at the airport.

For the purposes of determining the parameters described, SEA will make use of methodologies and tools commonly used by the industry and where not expressly indicated, the initial reference period will be the year 2019.

SEA Aeroporti di Milano reserves the right to update and review this policy in relation to the evolution of the pandemic and of both national and international government measures that may affect the mobility of passengers.