

ANNEX A
ADDITIONAL INFORMATION
to the CYPRUS PERFORMANCE PLAN for Reference Period 4 (2025-2029)
(En-route Charging Zone <Nicosia FIR>)

ADDITIONAL INFORMATION TO REPORTING TABLES 1 – TOTAL COSTS AND UNIT COSTS

1. Determined costs and unit costs

a) Description of the methodology used for allocating costs of facilities or services between different air navigation services, based on the list of facilities and services listed in ICAO Regional Air Navigation Plan, European Region (Doc 7754) as last amended, and a description of the methodology used for allocating those costs between different charging zones;

Costs are distinguished in three broad categories:

- 1. ATS+CNS+AIS costs** which are associated with the Department of Civil Aviation of Cyprus (DCAC)-ANS Section. The DCAC is a State entity under the jurisdiction of the Ministry of Transport, Communications and Works. It is a certified ANSP, providing a bundle of services (ATS, and AIS) within Nicosia Flight Information Region (FIR). CNS are subcontracted by Cyta (the major telecoms provider in Cyprus). For the purposes of the RP4 Performance Plan, DCAC is accountable for the CNS services as well.

These costs are reflected in the reporting tables as “ANSP” costs. It should be noted that these costs include also the costs of various State entities supporting the ATS provider’s functions. Supporting costs include the provision of administrative services from several Public Sector Departments (e.g. HR department, Treasury, Legal Services etc.). These costs are included in the ANSP’s operating costs.

The ANSP’s costs are allocated to the different Air Navigation Services (ATM, CNS and AIS), based on the following criteria:

- functions, activities or tasks performed;
- the personnel employed;
- the assets allocated or belonging to the various Air Navigation Services.

- 2. MET costs** which are associated with the Department of Meteorological Services of Cyprus. This is a State entity, under the jurisdiction of the Ministry of Agriculture, Natural Resources and Environment. It provides MET services as a certified ANSP. The methodology used by the Meteorological Service for allocating costs of its services is based on the % of MET staff (FTEs) assigned to ANS tasks. This is reflected also in the Service Level Agreement (SLA) between the DCAC and the Department of Meteorological Services. See point (c) for further details.

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- 3. State costs** which are associated with a number of State entities associated mainly with the **oversight of ANS** as well as the provision of **Search and Rescue services**. The oversight function is performed by the **NSA**, which is a Unit established within DCAC. The NSA costs are reported as “Supervisory Costs”. It should be noted that, although the NSA operates under the DCAC, it is functionally independent from the ANSP.

The Search and Rescue Coordination Centre which provides SAR services is under the jurisdiction Ministry of Defence and 50% of its costs are allocated to the ANS costs (albeit, not entirely to the en-route service). This is considered a fair allocation since the Nicosia FIR is mostly high seas and is covering an area much larger than the national airspace.

These costs are reflected in the reporting tables as “NSA” costs. It should be noted that EUROCONTROL costs are also included within the “NSA” tab.

Finally, it is clarified that Nicosia FIR is one single charging zone.

The information in section (a) above is considered to also be the required content of Annex M of the Performance Plan.

b) Description of the methodology and assumptions used to establish the costs of air navigation services provided to VFR flights, when exemptions are granted for VFR flights in accordance with Article 31(3), 31(4) and 31(5);

VFR flights are not exempted from ANS charges.

However, in the en-route sector, such flights are negligible in volume (less than 10 per year) and their effect on en-route costs is negligible. Hence, such costs are not precisely calculated so as to exclude them from the cost base. *(note: this information is based on 2023 statistics – the policy will be reevaluated before the official submission of the PP)*

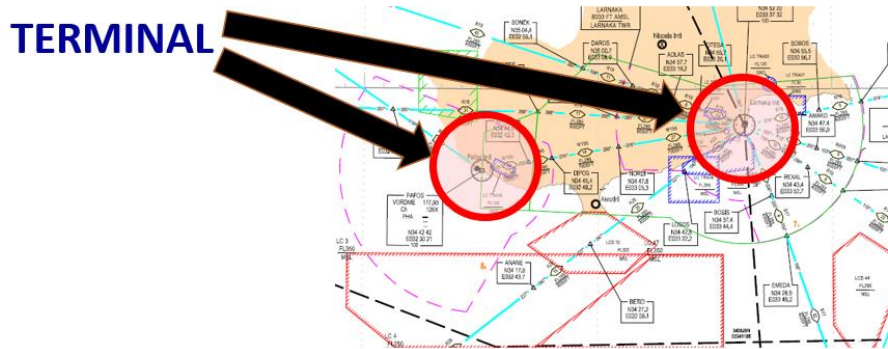
c) Criteria used to allocate costs between terminal and en route services, in accordance with Article 22(5);

Cost allocation criteria are in conformance with the requirements of (EU) 2019/317 - Article 22(5):

- The nature and volume of staff/assets/infrastructure allocated to en-route or terminal services.
- The time period for which each type of service is provided to the airspace users.
- The airspace structure and classification.

In Cyprus, most instrument approaches commence at 16 NM miles from each airport. Therefore, terminal service is considered to be provided in the areas marked in red, as shown in the map below:

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Considering the geography of Cyprus and the delineation of the Nicosia FIR, the cost allocation has been defined as: **80% en-route and 20% terminal.**

The table below provides additional details of the allocation principles applied to the various types of costs:

COST CENTER		EN-ROUTE %	TERMINAL %
NSA (supervision costs)		80%	20%
ATS provider allocation			
ACC	70%	100%	
LARNACA TOWER	20%	67%	33%
PAFOS TOWER	10%	67%	33%
80% of the MET Dept. costs		80%	20%
50% of total SEARCH & RESCUE costs		80%	20%
1% of the costs of OTHER GOVERNMENTAL ENTITIES supporting ANS		90%	10%

It is noted that the table above applies to staff and operating costs only. Cost allocation of the various investments is calculated on a case-by-case basis depending on their type and location.

With regards to MET Services, **80% of the MET provider's costs are considered as Air Navigation Services.** The % allocation to aviation has been decided after considering the percentage of staff working in support of ANS versus the total number of staff in the MET Department (see table on next page).

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In RP4, the MET Department is planning to employ 78 (71 full time MET employees + 7 seconded from other government departments). These employees are sub-divided in sections, as follows:

Section	Employed	Vacancies	Support to ANS	FTE
MET ANS section (Synoptic and Aeronautical Meteorology)	30	10	100%	40
Seconded support staff	5	0	100%	5
Climatology (CLI)	8	5	40%	5,2
Instruments and support (tech) (IS)	7	1	80%	6,4
IT staff	5	0	90%	3,6
Administration and Logistics (AL)	7	0	70%	4,9

Full time equivalent staff in MET ANS section		65,1
Percentage of the MET ANS personnel Vs total MET personnel	83,5%	
Total MET ANS personnel contributing to en-route costs (78 * 80% contribution to ANS * 80% (en-route/terminal) (as in PP, tab 3.4.4)	50	

The analysis above indicates that 83,5% of staff costs are allocated to ANS. It is acknowledged however, that the analysis is based on expert judgement rather than precise quantitative calculations. Therefore, for RP4, the State will retain the 80-20 allocation.

d) Breakdown of the meteorological costs between direct costs and the costs of supporting meteorological facilities and services that also serve meteorological requirements in general ('MET core costs'). MET core costs include general analysis and forecasting, surface and upper-air observation networks, meteorological communication systems, data processing centres and supporting core research, training and administration;

80% of the MET provider's costs are considered as "direct costs" and the remaining 20% are "core costs". Core costs include supporting services provided by other State entities (e.g. General Accountant's office or the State's Legal Services).

e) Description of the methodology used for allocating total meteorological costs and MET core costs referred to in point (d) to civil aviation and between charging zones;

This does not apply to Cyprus – there is no allocation of meteorological costs to different charging zones.

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f) For each entity, description of the composition of each item of the determined costs by nature and by service (points 1 and 2 of Table 1), including a description of the main factors explaining the planned variations over the reference period;

Entity: DCAC													
1. Detail by nature (in nominal terms)													
1.1 Staff costs	<p>This includes: Staff Salaries, Allowances, Overtime and employer’s contributions.</p> <p>The year-to-year variation is as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="background-color: #f4a460;">Cost details</th> <th style="background-color: #f4a460;">2025</th> <th style="background-color: #f4a460;">2026</th> <th style="background-color: #f4a460;">2027</th> <th style="background-color: #f4a460;">2028</th> <th style="background-color: #f4a460;">2029</th> </tr> </thead> <tbody> <tr> <td>Staff</td> <td>9%</td> <td>9%</td> <td>4%</td> <td>6%</td> <td>3%</td> </tr> </tbody> </table> <p>En-route ATCOs will increase in numbers, as indicated in tab. 3.3.3 of the PP. Additional support/managerial staff will be recruited between the years 2025 to 2027 to undertake essential tasks and/or functions which are mandated by the SES regulations.</p> <p>Higher overtime costs are expected due to the involvement of operational ATCOs in major investment projects (e.g. for training or for endurance testing).</p>	Cost details	2025	2026	2027	2028	2029	Staff	9%	9%	4%	6%	3%
Cost details	2025	2026	2027	2028	2029								
Staff	9%	9%	4%	6%	3%								
of which, pension costs	See main body of the PP tabs 3.4.6 and 3.4.7.												
1.2 Other operating costs.	<p>These include: operating costs of other State entities which support the ATS provider (e.g. legal services, accounting services etc), office expenses, maintenance expenses, participation in trainings and conferences and contributions. Also, they include the CNS costs subcontracted by another ANSP (CYTA - all costs, except investments). Finally, they include student ATCO related costs.</p> <p>All costs are included also in the State’s public sector budget.</p> <p>The year-to-year variation is as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="background-color: #f4a460;">Cost details</th> <th style="background-color: #f4a460;">2025</th> <th style="background-color: #f4a460;">2026</th> <th style="background-color: #f4a460;">2027</th> <th style="background-color: #f4a460;">2028</th> <th style="background-color: #f4a460;">2029</th> </tr> </thead> <tbody> <tr> <td>Operating costs</td> <td>12%</td> <td>9%</td> <td>10%</td> <td>5%</td> <td>5%</td> </tr> </tbody> </table>	Cost details	2025	2026	2027	2028	2029	Operating costs	12%	9%	10%	5%	5%
Cost details	2025	2026	2027	2028	2029								
Operating costs	12%	9%	10%	5%	5%								

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	The variations are mainly due to the enhancement of the CNS provider with additional human resources (note: the CNS provider is sub-contracted by the main ANSP and its costs (including staff costs) are considered as “other operating costs” of the main ANSP).													
1.3 Depreciation	<p>The year-to-year variation is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Cost details</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> </tr> </thead> <tbody> <tr> <td>Depreciation</td> <td>9%</td> <td>7%</td> <td>27%</td> <td>14%</td> <td>35%</td> </tr> </tbody> </table> <p>The ANSPs’ investment plans are associated mainly with operational needs (e.g. to have adequate capacity or to replace end-of-life systems) and the obligation to comply with regulatory requirements (e.g. SESAR – CP1 related projects). The marked increase between 2027 to 2029 is associated with the procurement of SESAR related ATM system upgrades which are charged by system manufacturers at a very high price.</p> <p>It should be noted that, as soon as the asset is in operation, it is depreciated in accordance with its expected operating life, using the straight-line method. In this respect, the variation is directly related to the timeframes of implementation of each investment.</p>		Cost details	2025	2026	2027	2028	2029	Depreciation	9%	7%	27%	14%	35%
Cost details	2025	2026	2027	2028	2029									
Depreciation	9%	7%	27%	14%	35%									
1.4 Cost of capital	<p>The year-to-year variation is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Cost details</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> </tr> </thead> <tbody> <tr> <td>Cost of capital</td> <td>36%</td> <td>33%</td> <td>26%</td> <td>19%</td> <td>-3%</td> </tr> </tbody> </table> <p>The variations are due to the same reasons mentioned in para. 1.3 above.</p>		Cost details	2025	2026	2027	2028	2029	Cost of capital	36%	33%	26%	19%	-3%
Cost details	2025	2026	2027	2028	2029									
Cost of capital	36%	33%	26%	19%	-3%									
1.5 Exceptional items	N/A													
2. Detail by service (in nominal terms)														
2.1 Air Traffic Management	Costs are borne by entity “DCAC”	40% of total costs is allocated to this service.												
2.2 Communication	Service is provided by a certified CNSp (Cyta) however its costs are counted as DCAC (ATSp/AISp) operating costs, in accordance with a formal agreement between the two entities.	14% of total costs is allocated to this service.												
2.3 Navigation		5% of total costs is allocated to this service.												
2.4 Surveillance		30% of total costs is allocated to this service.												

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2.5 Search and rescue	N/A																
2.6 Aeronautical Information	Service is provided by a certified CNSp (Cyta) however its costs are counted as DCAC (ATSp/AISp) operating costs, in accordance with a formal agreement between the two entities.	5% of total costs is allocated to this service.															
2.7 Meteorological services	N/A																
2.8 Supervision costs	N/A																
2.9 Other State costs	The costs are associated with various State entities which provide supporting services to the ANSP.	6% of total costs is allocated to this service.															
Adjustments beyond the provisions of the International Financial Reporting Standards adopted by the Union pursuant to Regulation (EC) No 1126/2008																	
None																	
Entity: MET																	
1. Detail by nature (in nominal terms)																	
1.1 Staff costs	This includes staff Salaries, allowances, overtime and employer's contributions.																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f4a460;">Cost details</th> <th style="background-color: #f4a460;">2025</th> <th style="background-color: #f4a460;">2026</th> <th style="background-color: #f4a460;">2027</th> <th style="background-color: #f4a460;">2028</th> <th style="background-color: #f4a460;">2029</th> </tr> </thead> <tbody> <tr> <td>Staff</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">3%</td> <td style="text-align: center;">4%</td> <td style="text-align: center;">4%</td> </tr> </tbody> </table>					Cost details	2025	2026	2027	2028	2029	Staff	10%	10%	3%	4%	4%
Cost details	2025	2026	2027	2028	2029												
Staff	10%	10%	3%	4%	4%												
	Staff costs in general are expected to increase in each year of RP4, mainly due to anticipated increases in gross salaries (e.g. due to promotions) and higher employer contributions (e.g. new National Health System).																
of which, pension costs	See main body of the PP, tab 3.4.6.																
1.2 Other operating costs	Operating costs comprise rental expenses, maintenance expenses for MET equipment (currently outsourced), participation in trainings and meetings, procurement of MET radar data.																
	The year-to-year variation is as follows:																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f4a460;">Cost details</th> <th style="background-color: #f4a460;">2025</th> <th style="background-color: #f4a460;">2026</th> <th style="background-color: #f4a460;">2027</th> <th style="background-color: #f4a460;">2028</th> <th style="background-color: #f4a460;">2029</th> </tr> </thead> <tbody> <tr> <td>Other operating costs</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">10%</td> </tr> </tbody> </table>					Cost details	2025	2026	2027	2028	2029	Other operating costs	10%	10%	10%	10%	10%
Cost details	2025	2026	2027	2028	2029												
Other operating costs	10%	10%	10%	10%	10%												

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	Operating costs are expected to increase in RP4 mainly due to increases in rental, maintenance and travel expenses. The trend shown above is based on historical data.												
1.3 Depreciation	<p>The year-to-year variation is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Cost details</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> </tr> </thead> <tbody> <tr> <td>Depreciation</td> <td>155%</td> <td>43%</td> <td>9%</td> <td>-2%</td> <td>-12%</td> </tr> </tbody> </table> <p>The MET provider’s investment plans are associated mainly with operational needs (e.g. to replace end-of-life systems and maintain a high level of service) and the obligation to comply with regulatory requirements (e.g. SESAR – CP1 related projects). As soon as the asset is in operation, it is depreciated in accordance with its expected operating life, using the straight-line method. In this respect, the variation is directly related to the timeframes of implementation of each investment. The marked increase in depreciation costs in years 2025 and 2026 is due to the combination of two factors: (a) very low level of investment costs in the last year of RP3 and (b) new investments are expected to be put in operation in 2025 and 2026.</p>	Cost details	2025	2026	2027	2028	2029	Depreciation	155%	43%	9%	-2%	-12%
Cost details	2025	2026	2027	2028	2029								
Depreciation	155%	43%	9%	-2%	-12%								
1.4 Cost of capital	<p>The year-to-year variation is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Cost details</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> </tr> </thead> <tbody> <tr> <td>Cost of capital</td> <td>125%</td> <td>57%</td> <td>4%</td> <td>-6%</td> <td>-7%</td> </tr> </tbody> </table> <p>The variations are due to the same reasons mentioned in para. 1.3 above.</p>	Cost details	2025	2026	2027	2028	2029	Cost of capital	125%	57%	4%	-6%	-7%
Cost details	2025	2026	2027	2028	2029								
Cost of capital	125%	57%	4%	-6%	-7%								
1.5 Exceptional items	N/A												
2. Detail by service (in nominal terms)													
2.1 Air Traffic Management	N/A												
2.2 Communication	N/A												
2.3 Navigation													
2.4 Surveillance													
2.5 Search and rescue	N/A												
2.6 Aeronautical Information	N/A												

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2.7 Meteorological services	MET costs cover the provision of meteorological forecasts and observations as well as any other meteorological information and data provided to airspace users.												
2.8 Supervision costs	N/A												
2.9 Other State costs	N/A												
Adjustments beyond the provisions of the International Financial Reporting Standards adopted by the Union pursuant to Regulation (EC) No 1126/2008													
None													
Entity: NSA (includes also SAR costs + International Agreements)													
1. Detail by nature (in nominal terms)													
1.1 Staff costs	<p>This includes: Staff Salaries, Allowances, Overtime and employer’s contributions.</p> <p>The year-to-year variation is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Cost details</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> </tr> </thead> <tbody> <tr> <td>Staff</td> <td>12%</td> <td>13%</td> <td>5%</td> <td>13%</td> <td>8%</td> </tr> </tbody> </table> <p>The modest increases in each year of RP4 are mainly due to foreseen increases in gross salaries (e.g. due to promotions) and higher employer contributions (e.g. new National Health System).</p>	Cost details	2025	2026	2027	2028	2029	Staff	12%	13%	5%	13%	8%
Cost details	2025	2026	2027	2028	2029								
Staff	12%	13%	5%	13%	8%								
of which, pension costs	See PP Annex A (Reporting Tables).												
1.2 Other operating costs	<p>These include operating costs of other State entities supporting SAR and the NSA, office expenses, maintenance expenses, participation in trainings and conferences.</p> <p>The year-to-year variation is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Cost details</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> </tr> </thead> <tbody> <tr> <td>Other Operating Costs</td> <td>5%</td> <td>4%</td> <td>2%</td> <td>2%</td> <td>3%</td> </tr> </tbody> </table>	Cost details	2025	2026	2027	2028	2029	Other Operating Costs	5%	4%	2%	2%	3%
Cost details	2025	2026	2027	2028	2029								
Other Operating Costs	5%	4%	2%	2%	3%								
1.3 Depreciation	<p>These are associated with the investments planned for RP4 (mainly in the SAR domain).</p> <p>The year-to-year variation is as follows:</p>												

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	<table border="1"> <thead> <tr> <th>Cost details</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> </tr> </thead> <tbody> <tr> <td>Depreciation</td> <td>0%</td> <td>0%</td> <td>3%</td> <td>0%</td> <td>-3%</td> </tr> </tbody> </table> <p>Most procurements in RP4 are expected to be financed by State or EU funds. Therefore, very few new procurements will be included in the RP4 cost base.</p>	Cost details	2025	2026	2027	2028	2029	Depreciation	0%	0%	3%	0%	-3%
Cost details	2025	2026	2027	2028	2029								
Depreciation	0%	0%	3%	0%	-3%								
1.4 Cost of capital	<p>The year-to-year variation is as follows:</p> <table border="1"> <thead> <tr> <th>Cost details</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> </tr> </thead> <tbody> <tr> <td>Cost of Capital</td> <td>3%</td> <td>2%</td> <td>-1%</td> <td>-2%</td> <td>-3%</td> </tr> </tbody> </table> <p>The variations are due to the same reasons mentioned in para. 1.3 above.</p>	Cost details	2025	2026	2027	2028	2029	Cost of Capital	3%	2%	-1%	-2%	-3%
Cost details	2025	2026	2027	2028	2029								
Cost of Capital	3%	2%	-1%	-2%	-3%								
1.5 Exceptional items	N/A												
2. Detail by service (in nominal terms)													
2.1 Air Traffic Management	N/A												
2.2 Communication	N/A												
2.3 Navigation													
2.4 Surveillance													
2.5 Search and rescue	<p>These costs are associated with a State entity (Joint Rescue Coordination Centre - JRCC). In order for the Joint Rescue Coordination Centre to achieve its mission and fulfil its obligations in accordance with ICAO Annex 12, and more specifically, to meet the minimum response time requirements, it relies on the availability of ancillary services provided by other Governmental Departments and Services, included in the National Search and Rescue Plans “Nearchos” and “Tefkros”. The SAR and the ancillary services should be available on a 24hr basis and should cover the whole of Nicosia FIR, which comprises mainly of high seas. These 24-hour availability costs are charged to the SAR Service as outsourcing services and are allocated to Aviation and Maritime at 50% each.</p> <p>Details of the SAR plans referred to in the RP4 PP can be found here: http://www.mod.gov.cy/mod/cjrcc.nsf/cjrcc24_en/cjrcc24_en?opendocument</p> <p>Considering the level and nature of involvement of each entity participating in these Plans, the 50-50 allocation between Aviation and Maritime is considered fair.</p>												
2.6 Aeronautical Information	N/A												

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2.7 Meteorological services	N/A
2.8 Supervision costs	All costs are associated with the NSA, a supervisory section within DCAC.
2.9 Other State costs	These refer to Eurocontrol costs.
Adjustments beyond the provisions of the International Financial Reporting Standards adopted by the Union pursuant to Regulation (EC) No 1126/2008	
None	

g) For each entity, a description and justification of the method adopted for the calculation of depreciation costs (point 1.3 of Table 1): historical costs or current costs referred to in the fourth subparagraph of Article 22(4), and, where current cost accounting is used, provision of comparable historical cost data;

Assets are depreciated in accordance with their expected operating life, using the straight-line method. The expected operating life of assets complies with the EUROCONTROL Principles and the European Union Regulation.

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h) For each entity, description and underlying assumptions of each item of complementary information (point 3 of Table 1), including a description of the main factors explaining the variations over the reference period;

Entity: DCAC	
Costs of new and existing investments	
3.10 Depreciation	See performance plan Tabs 2.1 ANSP #1 and 3.4.6 ANSP #1, point 3.4.6.2.
3.11 Cost of capital	See performance plan Tabs 2.1 ANSP #1 and 3.4.6 ANSP #1, point 3.4.6.2.
3.12 Cost of leasing	N/A
Entity: MET	
Costs of new and existing investments	
3.10 Depreciation	See performance plan Tabs 2.2 ANSP #2 and 3.4.6 ANSP #2, point 3.4.6.2.
3.11 Cost of capital	See performance plan Tabs 2.2 ANSP #2 and 3.4.6 ANSP #2, point 3.4.6.2.
3.12 Cost of leasing	N/A
Entity: NSA + JRCC	
Costs of new and existing investments	
3.10 Depreciation	Covered in item f) above.
3.11 Cost of capital	Covered in item f) above
3.12 Cost of leasing	N/A
Eurocontrol costs	
3.13 Eurocontrol costs (Euro)	The amount used is taken from the Information paper SCF/24/42 of the EUROCONTROL Standing Committee on Finance dated 23/5/2024.
3.14 Exchange rate (if applicable)	N/A

It is not considered necessary to provide any complementary information (to any of the above) in Annex E to the performance plan for RP4.

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i) For each entity, description of the assumptions used to compute the cost of capital (point 1.4 of Table 1), including the composition of the asset base, the return on equity, the average interest on debts and the shares of financing of the asset base through debt and equity;

According to the article 22(4) of the Implementing Regulation (EU) No 2019/317 the cost of capital is equal to the product of the **regulated** asset base and the weighted average cost of capital (WACC).

a) The **regulated asset base** for any given year is defined as the sum of the average net book value of fixed assets (and possible adjustments determined by the NSA) used by the ANSP and of the average value of net current assets that are required for the provision of Air Navigation Services.

The asset base is composed of the following elements:

- (i) Both, assets in operation and under construction are taken into account when establishing the average net book value of fixed asset.
- (ii) Net current assets is the working capital of the ANSP (i.e. the operating liquidity used for day-to-day activities, and is calculated as the difference between current assets and current liabilities).

b) Cyprus has adopted the WACC rates based on the most recently updated PRB methodology (September 2021) and is computed according to the CAPM (Capital Asset Pricing Model).

Based on the above, Cyprus will apply the following WACC rates: *(Note: at the time of writing, the values below are still under review)*

YEAR/ ELEMENTS CONSIDERED	2025	2026	2027	2028	2029
WACC	6.2%	6.7%	7.2%	7.7%	8.2%
Risk Free	WIP	WIP	WIP	WIP	WIP
Return on the Market	WIP	WIP	WIP	WIP	WIP

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Country Risk Premium	WIP	WIP	WIP	WIP	WIP
Equity Risk Premium	WIP	WIP	WIP	WIP	WIP

The resulting calculations for the cost of capital are as follows:

DCAC					
Average asset base					
3.1 NBV fixed assets	2025: 31.768	2026: 40.325	2027: 48.291	2028: 54.099	2029: 47.787
3.2 Adjustments total assets	NIL				
3.3 Net current assets	2025: 7.843	2026: 8.549	2027: 9.118	2028: 9.623	2029: 10.006
Cost of capital %					
3.6 Return on equity	2025: 6.2%	2026: 6.7%	2027: 7.2%	2028: 7.7%	2029: 8.2%
3.7 Average interest on debts	NIL				
3.8 Share of financing through equity	NIL				

MET (not subject to risk sharing)					
Average asset base					
3.1 NBV fixed assets	2025: 2.727	2026: 4.228	2027: 4.015	2028: 3.383	2029: 2.795
3.2 Adjustments total assets	NIL				
3.3 Net current assets	2025: 717	2026: 786	2027: 824	2028: 867	2029: 914
Cost of capital %					
3.6 Return on equity	2025: 6.2%	2026: 6.7%	2027: 7.2%	2028: 7.7%	2029: 8.2%
3.7 Average interest on debts	NIL				
3.8 Share of financing through equity	NIL				

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NSA (not subject to risk sharing)					
Average asset base					
3.1 NBV fixed assets	2025: 8.711	2026: 7.885	2027: 6.947	2028: 5.997	2029: 5.061
3.2 Adjustments total assets	NIL				
3.3 Net current assets	2025: 3.015	2026: 3.162	2027: 3.252	2028: 3.384	2029: 3.501
Cost of capital %					
3.6 Return on equity	2025: 6.2%	2026: 6.7%	2027: 7.2%	2028: 7.7%	2029: 8.2%
3.7 Average interest on debts	NIL				
3.8 Share of financing through equity	NIL				

Complementary information on the components of the cost of capital appear also in section “3.4.6.2 b) Cost of capital” of the RP4 PP, for each ANSP#1 and ANSP#2.

j) Description of the determined costs of common projects (point 3.9 of Table 1).

See the main body of the RP4 PP, section “4.2 - Deployment of SESAR Common Projects (CP1)” (for all entities concerned).

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2. Actual costs and unit costs

a) For each entity and for each cost item, a description of the reported actual costs and the difference between those costs and the determined costs, for each year of the reference period;

Not applicable for this submission.

b) Description of the reported actual service units and a description of any differences between those units and the figures provided by the entity that is billing and collecting charges as well as any differences between those units and the forecast set in the performance plan, for each year of the reference period;

Not applicable for this submission.

c) Breakdown of the actual costs of common projects per individual project;

Not applicable for this submission.

d) Justification of the difference between the determined and the actual costs of new and existing investments of the air navigation service providers, as well as the difference between the planned and the actual date of entry into operation of the fixed assets financed by those investments for each year of the reference period;

Not applicable for this submission.

e) Description of the investment projects added, cancelled or replaced during the reference period with respect to the major investment projects identified in the performance plan, and approved by the national supervisory authority in accordance with Article 28(4).

Not applicable for this submission.

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ADDITIONAL INFORMATION TO REPORTING TABLES 2 – UNIT RATE CALCULATION

a) Description and rationale for establishment of the different charging zones, in particular with regard to terminal charging zones and potential cross-subsidies between charging zones;

There is only one en-route charging zone in Cyprus (Nicosia FIR).

As far as terminal charging zone is concerned, the Commission has already been notified that, *given the fact that there are no airports in Cyprus with 80 000 IFR air transport movements (or more) per year, the Republic of Cyprus will not be applying the RP3 performance and charging regulation (EU) 2019/317 to the terminal Air Navigation Services.*

b) Description of the policy on exemptions and description of the financing means to cover the related costs;

Policy on exemptions from en route charges in the charging zone:

Cyprus policy on exemptions is in line with the provisions of (EU) 2019/317 Article 31 and it is published in the AIP Section GEN 4.2, para. 2.2:

No charge shall be payable in respect of:

- a. State aircraft as they are determined by EUROCONTROL;
- b. Military aircraft exempted by the Republic of Cyprus;
- c. Training aircraft;
- d. Aircraft used for the purpose of search and rescue;
- e. Circular flights i.e. aircraft departing and landing at same airport without intermediate landing.

Description of the financing means to cover the related costs:

The related costs are covered by the State in the framework of the Public Sector budget.

c) Description of adjustments resulting from the traffic risk sharing mechanism in accordance with Article 27;

Not applicable for this submission.

d) Description of the differences between determined costs and actual costs of year n as a result of the changes in costs referred to in Article 28(3) including description of the changes referred to in that Article;

Not applicable for this submission.

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e) Description of adjustments resulting from unforeseen changes in costs in accordance with Article 28(3) to (6);

Not applicable for this submission.

f) Description of the other revenues, if any, broken down between the different categories indicated in Article 25(3);

Not applicable for this submission.

g) Description of the application of the financial incentive schemes referred to in Article 11(3) and 11(4) in year n and the resulting financial advantages and disadvantages; description and explanation of the modulation of air navigation charges applied in year n under Article 32 where applicable, and resulting adjustments;

The description and justification of the parameters of the incentive scheme defined in accordance with Article 11(3) and 11(4) are provided in the body of the performance plan for RP4 (in section "5.2.1 - Capacity incentives - En route").

It is not deemed necessary to provide complementary information in any PP Annex.

h) Description of adjustments relating to the temporary application of a unit rate under Article 29(5);

Not applicable for this submission.

i) Description of the cross-financing between en route charging zones, or between terminal charging zones, in accordance with point (e) of Article 15(2) of Regulation (EC) 550/2004;

Not applicable

j) Information on the application of a lower unit rate under Article 29(6) than the unit rate calculated in accordance with Article 25(2) and the means to finance the difference in revenue;

Not applicable

k) Information and breakdown of the adjustments relating to previous reference periods impacting the unit rate calculation;

Adjustments relating to previous reference periods impacting the unit rate calculation appear in tab T2 of the Reporting Tables.

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**ADDITIONAL INFORMATION TO REPORTING TABLE 3 – COMPLEMENTARY INFORMATION
ON COMMON PROJECTS AND ON UNION ASSISTANCE PROGRAMME**

I) Information on the costs of common projects and other funded projects broken down per individual project, as well as of public funds obtained from public authorities for these projects.

Not applicable for this submission.