



Reinventing risk management for air travel

Skytra Price Indices Service Description

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1 Document Scope and Intended Audience

This service description document (“**Service Description**”) is intended to provide an overview of Skytra Ltd’s (“**Skytra**”) Benchmark index offering (“**Skytra Price Indices**” or “**Indices**”) operating under its Benchmark Administrator registration, including: a summary of the Indices; how they are licensed; and how Skytra delivers access to the index data files. Where appropriate, this Service Description will reference other supporting documents where more detail is provided.

This document is intended to be read by any entity evaluating the Skytra Indices, including but not limited to airline revenue management, travel agents, aircraft lessors, financial brokerage firms, banks etc.

2 Introduction to Skytra

Skytra, a wholly owned subsidiary of Airbus, was established in London, in May 2019 to create the financial infrastructure necessary for the air travel industry to help risk manage its revenue volatility.

Skytra has worked in collaboration with the aviation industry since 2018 and processed billions of ticket transactions, to create Skytra Price Indices. These Indices represent the ticket price revenue generated across major geographical air travel markets worldwide. The ultimate goal for Skytra is to have derivative contracts based on the Skytra Price Indices in order for actors in the air travel industry to hedge exposure to air travel price volatility.

Skytra Ltd. is an authorised Benchmark Administrator regulated by the UK FCA.

3 The Skytra Price Indices

3.1 Introduction

The Skytra Price Indices are constructed and managed to reflect the wholesale price of air travel per km flown by an individual passenger at a global, regional & interregional market level, for economy class tickets (collectively, the “Skytra Price Indices” and individually a “Skytra Price Index”).

3.2 Units of Value

Yield: \$/RPK, this represents the average price (revenue) for transporting one passenger 1 km in each region represented by a Skytra Price Index.

Volume: RPK = Revenue Passenger Kilometre, or in other words, the number of paying passengers and the total number of kilometres travelled. This represents volume.

3.3 Frequency

Skytra will publish a daily \$/RPK value for each Skytra Price Index.

3.4 Geographic coverage

The Skytra Price Indices Series will initially consist of the following 6 indices:

1. Europe - Europe,
2. Asia Pacific - Asia Pacific,
3. North America - North America,
4. Europe - North America,
5. Europe - Asia Pacific
6. North America - Asia Pacific.

Each of the Indices listed above will have two values, a “daily” version and a “28 day moving average” value. The data and methodology are identical in both cases, simply the average of the previous 28 days daily values will be published alongside the daily value.

Skytra will consider expanding the index offering with subsets & supersets capturing prices for specific market segments as required by the industry.

3.5 Oversight and Governance

Skytra manages its index calculation and operational framework within the EU Benchmark Regulation. As such it has established a Rules and Methodology document detailing the various facets of its operation and governance. The “*Skytra BA – Rules and Methodology*” document is available here: <https://skytra.airbus.com/documents/BA-document-library>.

4 Skytra’s Index Licencing Framework

Skytra operates a standardised commercial framework for its Indices. Several documents comprise the framework and are outlined below:

- **The Skytra Index Data Policy** – this defines the various licences available and their specific rights and are agnostic as to the Index or the Index Data licensed
- **The Skytra Index Data Standard Terms** – this defines the contractual basis under which Skytra and the licensee engage.
- **The Skytra Index Data Order Form** – this provides a full menu of all the standard Skytra indices from which the licensee can select: the Index, the Index Data and the Term.
- **The Skytra Index Price List** – this maps each available licence with each available Index Data option and provides a price for each combination.

Links to these documents are accessible via the Documentation link in section 7.

5 Index Data files

5.1 Overview

Skytra makes the relevant daily index data files available to licensees of the Skytra Price Indices via the Skytra Data Distribution service which is a public cloud based platform, offering both web UI and SFTP access methods. The web UI is intended for those users wanting to access the files via the convenience of a web browser. The SFTP service is intended for those wishing to setup a server to server connection with Skytra for those wanting to automate the file retrieval process. Skytra is also working with market data vendors to provide an alternative mechanism to licensees to access the Indices. For more details on the status of these conversations please contact Skytra.

5.2 Technical Onboarding Process

Access to the Skytra Data Distribution service is requested via the Data Access Form, a copy of which can be found on the link provided in section 7. Once the completed form is returned to Skytra, it is internally reviewed and approved before being actioned.

As part of the review process, the customer's nominated Data Manager will be contacted to verify the requested access (note: the details of the Data Management contact are captured as part of the key contacts listed in the Skytra Index Data Order Form).

The service is accessible via standard internet connectivity, however in order to protect the Skytra Data Distribution service and limit inappropriate access attempts, Skytra will only accept access from preauthorised sources. The customer is therefore required to provide their organisation's fixed public facing IP addresses or a defined IP address range (assigned to their organisation)

5.3 Service Hours

Skytra's core service hours for its Data Distribution service are Monday to Friday, 08:00 to 17:30 (UK local time).

5.4 File Generation Schedule

Skytra will, in a standard week (i.e. not one containing UK Public Holiday/s), generate and publish index data files Monday to Friday. The generation and publication of files relating to Saturday and Sunday will occur on Monday. Index data files will be published, under normal operating circumstances, by 14:00 (UK local time).

For full information regarding the file creation schedule in all scenarios please review the File Specification document available at the "Technical Documentation" page link in section 7.

5.5 Overview of index file structure

Skytra will publish a file per index as per the schedule outlined above. Each file follows a consistent structure and is specified in full in the File Specification document. However it should be noted that:

- the index files are csv files
- the filenames will embed an index identifier and "Index Date" within them
- the file content will contain full identification of each index including ISIN codes and long name
- the file will contain the calculated value for the index for the specified Index Date

5.6 Notices

Skytra will publish service related notices via its website and via email to Skytra index customers. Please see the link to the Notices page in section 7.

6 Customer Due Diligence Onboarding Process

Access to the indices is subject to successful passing of Skytra's customer due diligence process, which includes checks for sanctions, as well as other KYC checks. Depending on if you are a legal or natural person, you will be asked to complete the relevant form and submit the required evidence. Skytra may ask additional questions as appropriate to ensure that they have a clear and accurate understanding of the potential customer.

7 Online Resources and Contacts at Skytra

All Governance, Commercial and Technical documentation referenced in this Service Description is available on Skytra's website here:

<https://skytra.airbus.com/documents/BA-document-library>

Historic and current Notices relating to Skytra's Indices are here:

<https://skytra.airbus.com/notices>

To contact Skytra please contact our Sales Team via sales@skytra.com or Ph: +44 (0) 20 8059 7700.

Revision History

| Date and Version | Notes |
|------------------|------------------------|
| 01/12/20 v1.0 | Initial version issued |
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