

№	Question	Answer
1	Could you please tell us the actual WACC figure that you use generally?	The calculated WACC figure for determining the value of the cost element Cost of Capital for the airport charges for 2019 is 5.51 %.
2	Could you please tell us the actual regulatory WACC figure used in the determination of the specific elements - ' Cost of Capital (WACC) ' = 11,156 (euros, thousands) , in the 2019 Plan for setting of airport charges	The calculated values of the elements for determining the WACC are: <ul style="list-style-type: none"> - average book value of the fixed assets: BGN 394 441 thousand.; - net working capital: BGN +1 393 thousand; - Debt – none; - Risk-free rate of return: 1.6%; - Market rate of return: 7.27%; - “beta“ coefficient of sectorial risk: 0.69; - cost of capital: BGN 21 820 thousand.
3	Can you advice if you have used a Cost of Capital (WACC) calculation prior to the 2019 Plan. Please identify what years and the actual WACC value used in all of these instances?	The Cost of Capital (WACC) indicator has not been used prior to the calculation for 2019.
4	If a Cost of capital (WACC) calculation was not used in every year, please explain why not?	No calculation of the Cost of capital (WACC) was performed in the previous years, since the Methods for Determining the Airport Charges, as per the Ordinance on the Airport Charges, effective until the end of 2017, did not refer the Cost of Capital (WACC) as a cost element, when calculating the airport charges.
5	If the actual WACC has changed across the periods in which it was used, can you please provide a breakdown summary of each and every one of the individual inputs you used to calculate the respective WACCs, to enable us to identify where the value change has come from.	See the answer to question 3 above.
6	Can you advise in the years that a Cost of Capital (WACC) calculation has been used, to what type of assets was it applied. Please answer in terms of existing assets and/or new assets and/or other (describe).	The types of assets, for which the Cost of Capital (WACC) indicator was calculated, are indicated in the answer to question 2 above.. The average book value of the fixed assets was calculated for existing assets – public state property of the Ministry of Transport, Information Technologies and Communications and the Directorate General “Civil Aviation Administration”, used by Sofia Airport EAD for airport charges and the new assets, planned to be acquired in 2019, which will be included with their book value in the balance sheet as at the end of 2019. The net working capital was calculated based on an estimation of the airport charges-related accruals in Sofia Airport EAD’s balance sheet.

7	Does the airport operator own the fixed assets of the business? Does the airport operator look to generate a Cost of Capital (WACC) return on existing assets? Why, why not?	In the current mode of operation of Sofia Airport EAD, as an airport operator, and considering the fact that the company determines its charges, based on the dual till method, the cost of capital (WACC) is calculated only with respect to assets - public state property of the Ministry of Transport, Information Technologies and Communications and the Directorate General “Civil Aviation Administration”, used for the airport charges.
8	Has the regulator ever predetermined what actual value of WACC the airport should use? Please elaborate?	Until now the Regulator has not determined the value of the WACC (see the answer to question 3 above).
9	If the airport does not wish to make an airport tariff price change , is it obligated to in anyway. Why?	According to Directive 2009/12/EC, art. 6(1) and the Civil Aviation Act, art. 122f /e/, Sofia Airport EAD, as the airport operator of an airport with annual traffic, exceeding 5 million passengers or the airport operator with the largest number of passengers within the Republic of Bulgaria is obliged to organize consultations with its users at least once per annum. At the same time, according to Directive 2009/12/EC, airport charges must be cost-orientated. In order to comply with the legal regulations, Sofia Airport recalculates its airport charges on an annual basis, in order to ensure that these are cost-orientated and consults the users in that respect at least 4 months prior to the effective date of the new charges.
10	Regarding insurance policies, please clarify who is the policyholder and what name are the insurances in?	<ul style="list-style-type: none"> - Regarding insurance contract ref. No. 100-Д-297/27.07.2018 /insurance policy No. 181000801K000003 – “Fire and Natural Disasters“/, Sofia Airport EAD is the policy-holder – insured, and insuring party for DG CAA at the MTITC and insuring party for the MTITC; - Regarding insurance contract ref. No. 100-Д-287/14.12.2017 /insurance policy No. 0610000751 – “Sofia Airport and Plovdiv Airport’s liability for any material and non-material damages suffered by third parties, through the activities of the said airports as airport operators and ground-handling operators“/, Sofia Airport EAD is the policy-holder – insured, and insuring party for the Plovdiv Airport; - Regarding insurance contract ref. No. 100-Д-180/20.04.2018 /mandatory “Occupational Accident” insurance/, Sofia Airport EAD is the policy-holder – insured, and insuring party for Company’s workers and employees; - With respect to the “Third-Party Liability” and the “Casco” Insurances, Sofia Airport EAD is the policy-holder – insured, and insuring party for DG CAA at the MTITC and insuring party for the MTITC.

11	What are the declared values under the property damage and business interruption policy?	The value of the assets of DG CAA is BGN 35 147 154.30; The value of the assets of the MTITC is BGN 404 053 643.40; The value of the assets of Sofia Airport EAD is BGN 32 055 674.16.
12	Are there any current of planned construction works and please provide details.	The answer to this question was provided in the file QA_19.09.18_2, answer to Question 2. Please note that this question has already been answered. We once again kindly invite the economic operators to actively track and review the questions asked and answered, as published in the “Q&A“ section. To assist the Economic Operators and to make references faster and easier, a Summary table of questions and answers , also published on the concession website, is updated on a regular basis.
13	Please can you advise if there are any outstanding insurer requested risk improvements that still need to be completed in relation to the property damage and business interruption insurance. If so, are you able to confirm what remains to be done and how much this may cost.	At present there are no outstanding risk improvements in relation to the property damage insurance.
14	Please provide a detailed schedule for each amount of discounts on aero fees paid during 2015 - latest available date of 2018. The schedule should include - date of payment, monetary amount and currency, airline, type of discount according to the incentive policy, applicable type of aero charge, period of the traffic for which the discount is applied, natural indicator in amount and measurement unit which forms the basis for aero discount (e.g. MTOW, departing PAX, etc.), for amounts relating to traffic spanning different calendar years indicate in separate columns the portion of the discount amount related to each year of realized traffic, other commentary (e.g. route, applicable category of volume discount, year of new route since inception date etc.).	Information, regarding the amount of the discounts on airport charges, paid in the period 2015 – 08.2018 is available in the Virtual Data Room – Appendix 2.2.5.6

15	Please provide also a schedule of aero charges for which traffic already has occurred and you expect to pay in the future including the same type of information where the data of payment should be replaced with expected time of payment.	Information on the outstanding discounts on airport charges as of 17.10.2018 is available in the Virtual Data Room – Appendix 2.2.5.7
16	Please provide a calculation for the discounts which would be realized under the assumption that the 2018 budget is met but which according to policy will be paid out in 2019.	Information on the amount of the discounts on airport charges, which would be realized under the assumption that the 2018 budget is met, is available in the Virtual Data Room – Appendix 2.2.5.8
17	Would the concessionaire have to pay the discounts under point 14. above? Would the grantor compensate the concessionaire for this amount?	The payment liabilities under the current discount schemes are entirely the responsibility of the Current Operator.