

№	Question	Answer
1.	<p>Referring to Clause 13.2.4: Currently, the drafting provides that any transfer of shares by the Airport Operator Shareholder following the expiry of the lock-in period is subject to Grantor consent. We believe that only transfers that would take the Airport Operator Shareholder below 10% (being the minimum hold level applicable at the end of the lock-in period) should be subject to Grantor consent. Otherwise if the Airport Operator Shareholder has not sold down to the minimum hold level before the lock-in period expires it will be in a more onerous position after the lock-in period expires which is surely not the intention."</p>	We will review and consider your request.
2.	<p>Pursuant to footnote (*) in Form G (of the Application) "Currency Exchange Rates" inputs must be in the currency of the relevant Bidder's consolidated financial statements. They will be converted to EUR based on the foreign exchange calculated as the ECB Reference rate on the 29th December 2017. When the currencies of the Consortium Members' financial statements are different, should the amounts in Form G be converted into the Leading Member's currency OR we can provide the amounts in their original currency – the one of the Consortium Member? Alternatively, could be present them directly in Euro? Is it possible to provide the financial statements of the different Consortium Members in their original currency or we need to convert them in Euro?</p>	Please refer to Appendix 1.22 Form G of the virtual data room, which should be filled. All inputs must be in the original currency of the Bidders and the file will automatically convert them in Euro.
	<p>The structure of Concession requires the selected bidder to pay concession price through a high upfront premium coupled with Annual Concession Fee. In such a scenario, the Concessionaire should be given flexibility to optimise returns on investments without capping his abilities to do so. There are several critical issues in the Tender Documents which are highly onerous, impacting the bid viability and the ability to bid for the project - We request your urgent intervention in resolving these queries -</p>	
3.	<p>Restriction on Outsourcing - Clause 3.8.3 of the Draft Concession Agreement  i. The Clause requires that the Concessionaire should obtain the approval from the Grantor to outsource any Airport Contract in excess of EUR 100,000 per annum to an Affiliate or a Third Party.  ii. This amounts to micro-management by the Grantor</p>	<p>Please see our previous responses to this request.  We understand your approach, but the present draft agreement is the conclusion reached from various considerations.</p>

	<p>in the day to day operations of the airport, given that a substantial proportion of Airport Contracts would exceed this threshold.</p> <p>iii. a) the limit for a contract with Affiliate should be increased to a more reasonable amount of EUR 1 mn per annum and b) the reference to Third Party should be changed to Airport Operator Third Party.</p>	
4.	<p>Termination in case of Concessionaire default</p> <p>i. Clause 40.6.1 of the Draft Concession Agreement specifies the “Concessionaire Default Compensation Sum” wherein the NPV of the projected future Distributions is deducted from the Termination Date Debt and Equity.</p> <p>ii. As per the present clause, it is likely that significant portion of Debt on the Termination Date will not be recovered.</p> <p>iii. This makes the project non-bankable, with lenders seeing this as a major risk.</p> <p>iv. We request that in this event of default, the Termination Date Debt should be protected irrespective of the projected future Distributions</p>	<p>We understand your approach and will consider this request.</p>
5.	<p>Rebalancing:</p> <p>i. Clause 34.13 requires that in case actual equity IRR exceeds by 30% than what has been stated in the initial financial model for more than two years, the Annual Concession Fee is to be increased by 30%.</p> <p>ii. This is a highly onerous requirement making the concession a capped return contract. This creates a lopsided situation where the operator who has paid a large upfront amount is not protected on the downside, but the upside is capped.</p> <p>iii. We request that this provision is removed. Alternatively, the Concessionaire should be protected on the downside also, i.e. if the actual equity IRR reduces below 20% from the IRR stated in the initial financial model, the Concession Fee should also be reduced.</p>	<p>We understand your approach, but the present draft agreement is the conclusion reached from various considerations.</p>
6.	<p>Refinancing:</p> <p>i. Clause 15.1.2 requires that 50% share of the gains from any Refinancing shall be passed on to the Concessionaire</p> <p>ii. This provision takes away the incentive of Concessionaire for the efforts undertaken to reduce financing costs by leveraging any improvements in the financial market situation as well as undertaking any innovative financing.</p> <p>iii. we request that this provision should be removed.</p>	<p>We understand your approach, but the present draft agreement is the conclusion reached from various considerations.</p>
7.	<p>Ordinance on Airport Charges</p> <p>i. In a private concessioned airport like this the Grantor is taking a large value upfront but there is a high degree of uncertainty with respect to the fixation</p>	<p>The charges are determined in accordance with the methodology attached as Appendix 1 to the Ordinance on the charges for use of airports for</p>

	<p>of Airport charges based on the mechanism as defined in the Ordinance and due to the requirement of annual consultation for the same.</p> <p>ii. In order to address the above, we request that the airport charges which are defined in the first year, should be guaranteed as the minimum level of charges after inflation indexation, for the Concession Period.</p>	<p>public use and air navigation services in the Republic of Bulgaria and the ICAO documents specified therein. In addition, the determination of airport charges is done subsequent to negotiations between the airport operator and the users (airlines). Therefore, the Grantor could not commit to such guarantees.</p>
<p><b>8.</b></p>	<p>Employees</p> <p>i. Article 9 of the Concession Agreement states the principles of employment, wherein the Concessionaire is mandated to retain all employees (around 2,300) on the same terms and conditions as their existing contracts.</p> <p>ii. Going by the global benchmarks this is a large number as compared to airports with similar passenger numbers, leading to operational inefficiencies</p> <p>iii. We request that the Concessionaire be allowed to have the flexibility in manpower optimization and to pick and choose from the pool of existing employees based on business requirements, efficiency and restructuring requirements.</p> <p>iv. The concessionaire should be allowed to evaluate the existing employees during the Transition Period and give a list of selected employees to the grantor before Concession Commencement date and only such employees should be transferred to the Concessionaire.</p> <p>v. We would like to submit, for example, that in light of recent developments, market share of Ground Handling of Sofia airport is expected to go down from present 40% to 10%, which would make it difficult to justify the retention of excess manpower in this segment.</p>	<p>We note your approach, but this is required under the Bulgarian legal framework due to implementation of EU directives. Please refer to Art. 123 of the Labor Code.</p>
<p><b>9.</b></p>	<p>Application and Offers Submission Deadline</p> <p>i. Currently, the Application Deadline is 22nd November 2018. There are still a lot of queries and open points on which Grantors' final response is awaited. Further, there is a huge quantum of documents and requirements of translation, legalization and apostilling of documents.</p> <p>ii. There are a lot of responses which are not only clarificatory but alter provisions of CA. We request that a revised draft of CA is issued once all the queries are answered.</p> <p>iii. We request that a clear window of at least 4 weeks is provided for bid submission once the final draft of CA is issued.</p>	<p>Please refer to Notice of Amendment № 2018/S 216-495082 published in the Official Journal of the European Union which extends the deadline for the submission of Applications and Offers is extended to 29 January 2019.</p>

	<b>Clauses in Concession Agreement</b>	
<b>10.</b>	Definition - Lenders: Definition of Lenders are subject to being Acceptable Banks. Please remove the addition “subject to being Acceptable Banks” and restore this definition to original position. Also remove clause 14.1.4 to align this.	The present draft agreement is the conclusion reached from various considerations.
<b>11.</b>	Clause 14.1.4: Please remove this clause in line with modification requested under definition of Lenders.	The present draft agreement is the conclusion reached from various considerations.
<b>12.</b>	Definition - Commercial Revenues – Please confirm that whether payment received capital gain arising out of sale of investments/ assets is also included in this definition since operation and maintenance of the Airport.	According to the definition of Commercial Revenues, it covers any revenues, other than revenues from Airport Charges.
<b>13.</b>	Definitions: Financing Agreements - Please include Performance Guarantees in this definition. Without security it would be very difficult to arrange these limits by concessionaire.	We deem that this is a misunderstanding. The fact that performance guarantees are not included in the definition of financing agreements does not mean that no collateral may be attached thereto.
<b>14.</b>	Definition - Financial Close – Definition is now linked with actual drawdown of Senior Debt under Financing Agreements. As per clause 14.1.2 Financial Close has to be completed before Concession Commencement Date. Thus, in order to complete Financial Close it is essential to take actual drawdown before Concession Commencement Date. While as clause 14.2 Permitted Encumbrances become effective on the Concession Commencement Date. It is highlighted that it would not be possible for lenders to disburse before Permitted Encumbrances become effective for lenders. In view of above, It is requested to allow to extend security over Permitted Encumbrances at the time of drawdown or Concession Commencement Date whichever is earlier.	We deem that there is a certain misunderstanding as more or less Financial Close will occur quite simultaneously with the Concession Commencement.
<b>15.</b>	Definitions: Refinancing – Clause a and b to be removed. It would be difficult to take prior Grantor approval for minor/ small approvals from Lenders during ordinary course of business and for approvals which does not impact Grantor position. These clauses can be linked to Refinancing Gain definition,	The present draft agreement is the conclusion reached from various considerations.

	so that if there is any benefit to Concessionaire due to above said approval, that can be passed on the Grantor.	
<b>16.</b>	Definitions: "Senior Debt to EBITDA Ratio" – Currently Senior Debt is allowed to be reduced by all credit balances on any banking accounts held by or on behalf of the Concessionaire. Please also allow cash in hand and liquid investments (eg liquid Mutual Funds etc) to also be reduced from Senior Debt.	Please see our previous responses to this request for clarification.
<b>17.</b>	Termination Date Debt – Please confirm working capital lenders and Hedging Lenders are also covered under definition of “X”.	Please see our previous responses to this request for clarification.
<b>18.</b>	Clause 4.1.7: As per this clause at the date of signing of Concession Agreement, concessionaire should is allowed to incur liabilities toward Senior Debt and the Shareholder Debt. Please allow to avail any bridge loan, as on the date of signing of Concession Agreement, which shall be refinanced through Senior Debt at the time of Concession Commencement Date.	Please see our previous responses to this request for clarification.
<b>19.</b>	Clause 4.4.2: Please confirm subleasing/ renting of space in ordinary course of business to third party is allowed under this clause.	Please see the respective provisions relating to Airport Contracts.
<b>20.</b>	Clause 4.4.6: Please confirm investment in JVs / subsidiaries incorporated to perform nonaero business is allowed.	Please see the respective provisions relating to Airport Contracts as well as Clause 11.
<b>21.</b>	Clause 14.1.6: Please remove calculation of average ratio over the last three (3) years at end of 10th year. Otherwise it is effectively giving relaxation till 6th year only.	The present draft agreement is the conclusion reached from various considerations.
<b>22.</b>	Clause 15.1.8: Please remove this clause. As per 15.1.1 it is already liability of Concessionaire to take prior approval from Grantor.	The present draft agreement is the conclusion reached from various considerations.
<b>23.</b>	Clause 15.2 – To be removed and left to the discretion of the Concessionaire, if it is within the permissible ambit defined under concession agreement.	Please see our previous responses to the questions.

24.	Clause 16.1.4 – Please change to the issuance of Performance Guarantee can be within 60 days from the upon becoming aware of such by Concessionaire. This is in line with clause 16.4.	The present draft agreement is the conclusion reached from various considerations.
25.	Definition - Financial Close - We may propose to take short term bridge loan facility for the purpose of payment of upfront fee which shall be repaid from long term loan. Kindly confirm whether this short term facility qualifies as financial close for the purpose of this agreement.	The Concession Agreement does not restrict the type of financing, so a bridge facility would not be excluded. In any case, a bridge loan facility solely may not be qualified as Financial Close – please note the definition in the draft Concession Agreement.
26.	Annual concession fees payable to the grantor is higher of a) Amount offered in bidder's offer which is like a Minimum Annual Guarantee (MAG) b) Amount determined as a percentage of the total amount of the aggregate concession revenue proposed in the bidder's offer. Additionally given that Tender Document mentions that Annual concession fees has to be calculated based on previous year's aggregate Concession revenue. In light of this can you please provide clarifications on the following: (i) How will MAG be calculated for a truncated year, lets say if a concession starts in the middle of calendar year, how will it be calculated for Concession year 1. (ii) Since we do not have previous year's Annual concession revenue for first Concession year, how would annual concession fees as per point b be calculated? Additionally, in case last concession year ends in June, will the calculation be based on full annual concession revenue of last year or just 50% of it.	We refer to the provisions of Clause 30 and note that currently no proportional adjustment is provided for a shortened concession year. We will review and assess this request. As concerns your question in paragraph (ii), please note that calculations will be made proportionally, based on the current year revenues, and the higher of the two amounts will be due: a) the one proposed in Bidder's Offer (calculated proportionally for the respective period) or b) the amount, described in Bidder's offer as percentage of the total Concession revenue for the respective period.
27.	As part of response to the query please also clarify the following calculations associated with the main query: Let's say that concession commencement date is 1-July-2019 and hence scheduled end of concession will be in June 2054. Additionally, Amount offered in the bid is Euro 8.415 million and offered percentage is 11%. Also, Aggregate concession revenue applicable for CY 54 (last year of concession) is Euro 200 million (which is essentially Similar to revenues of CY 53). Please confirm the correct methodology from the below options : a) for 1st concession year which is from 1-July-2019 to 31-December 2019, annual concession fees will be Euro 8.415 million (based on point a of the methodology and point b will not be applicable since	Please refer also to our previous response.  The Annual Concession Fee payment shall be carried out after the expiration of the respective period – first and second half of the year in question. If the Concession Commencement Date is 1 July 2019, the first installment of the Annual Concession Fee for the period from 01.07.2019 to 31.12.2019 will be due until 31.03.2020, calculated on the basis of the revenue for the period from 01.07.2019 until 31.12.2019.

	<p>we do not have last year's revenues) and for last year (which is 6 months of CY 54) it will be Euro 200*11% (22 million)</p> <p>b) a) for 1st concession year which is from 1-July-2019 to 31-December 2019, annual concession fees will be 50% of Euro 8.415 million (4.2 million) and for last year of concession (which is 6 months of CY 54) it will be Euro 50%*200*11% (11 million)</p>	
<p><b>28.</b></p>	<p>Thank you for your answer to question #50 of file No. 27.09.18_1, submitted on 27 September. We highly appreciate your input and would like to kindly ask you for further clarifications. We understand that the Concessionaire should obtain the ground handling licences and directly provide the ground handling services specified in Art. 48д, para. 3, items 2-7 of the Civil Aviation Act. For the purposes of obtaining these ground handling licences, the Concessionaire should comply with, among others, the requirements applicable to its key personnel. In this relation, please confirm the following:</p> <ol style="list-style-type: none"> <li>1. Whether in accordance with Ordinance No 20 of 2006, the Concessionaire should submit only a list (together with the necessary documents certifying the qualification and experience) of the <b>key personnel</b> to be appointed, and to confirm that none other information or documents regarding other employees should be specified for the purposes of obtaining and keeping of the ground handling operator licences.</li> <li>2. Whether in accordance with the Tender Documentation, a Bidder should specify five (5) managers as a minimum <b>in total</b>, i.e. there is no need to provide a list of five (5) managers as a minimum for each of the aeronautical, non-aeronautical (commercial) activities, maintenance and development, and each of the ground handling services;</li> <li>3. Whether it is acceptable <b><u>one or more than one of the members of the key personnel to cover more than one area</u></b>, for example: to have management functions in relation to the maintenance and development <b>and</b> in relation to the ground handling services;</li> <li>4. Whether the key personnel may be employed by the Concessionaire under a labour contract or could be engaged by the Concessionaire under a civil management services agreement, as posted employees or leased under an agreement for lease of employees.</li> </ol>	<ol style="list-style-type: none"> <li>1. Each participant should comply with the requirements set out in Ordinance No 20 of 24 November 2006 on the certification of operational suitability at civil airports, flight stations, ground handling systems and facilities, for licensing of airport operators and groundhandling operators and for access to the groundhandling market at airports;</li> </ol> <p>We confirm your understanding on points 2, 3 and 4.</p>

<p>29.</p>	<p>Thank you for answer to question #1 of 22.10.18_1, submitted on 22 October. We highly appreciate your input and would like to kindly ask you for further clarifications. Please confirm whether our understating is correct: We understand that the Bidder is not obliged to specify in its Offer either the technical equipment that will be used for the provision of ground handling services, or any plans for acquisition/ensuring of such technical equipment. Such obligations will arise at a later stage, during the Transition Period, when the Concessionaire will apply for the mandatory ground handling licences (i.e. specified in Art. 48д, para. 3, items 2-7 of the Civil Aviation Act).</p>	<p>Your understanding is correct. Please see also Q&amp;A of 22.10.2018 (#2304 in the Summary Table). Bidders shall be aware in any case of the content of Article 43b(4) of the Civil Aviation Act (i.e. bidders are expected to "...make proposals about the organization, technique and technology..."); accordingly, in order to make such proposals, the Bidders shall have carried out their own evaluations on the current availability and status of technical equipment.</p>
<p>30.</p>	<p>Thank you for your answers in relation to the Works and Mandatory Capital Expenditures Performance Guarantee (the "<b>Performance Guarantee</b>"), submitted on 6 August, 16 October, and on 23 October, respectively. Based on your answer to question #10 of file No. 23.10.18_1, submitted through the Q&amp;A session on 23 October, we understand that each Performance Guarantee, including the first Performance Guarantee which should be provided during the Transition Period, should cover a five year period. In that regard, could you please confirm whether this will be also required in the following cases: - In case an Approved Five-year Investment Plan envisages Works and Mandatory Capital Expenditures ("<b>CAPEX</b>") in the amount of EUR 10,000,000 for each of the first three years from the said five years, covered under the respective Approved Five-year Plan (i.e. there are no Works and CAPEX planned in the fourth and in the fifth year) or EUR 30,000,000 in total during the term of the said plan, we understand that the Performance Guarantee should be for a maximum amount of 10% of EUR 30,000,000 (i.e. EUR 3,000,000) and it should be provided in the beginning of the five year period, but in any case not later than 30 days before the actual commencement of the planned Works and CAPEX. <b>In that regard could you please confirm whether the Performance Guarantee should be valid for a five year period.</b>- In case an Approved Five-year Investment Plan envisages Works and CAPEX in the amount of EUR 10,000,000 for each of the fourth and the fifth year (i.e. there are no Works and CAPEX planned during the first three years) or EUR 20,000,000 in total during the term of the said plan, we understand that the Performance Guarantee should be for a maximum amount of 10% of EUR</p>	<p>We will review and consider this request.</p>

	<p>20,000,000 (i.e. EUR 2,000,000). <b>In that regard could you please confirm whether the Performance Guarantee should be provided in the beginning of the five year period or in the beginning of the fourth year. If it is to be provided in the beginning of the fourth year, but in any case not later than 30 days before the actual commencement of the planned Works and CAPEX, could you please confirm what will be the term of validity of the Performance Guarantee.-</b> In case an Approved Five-year Investment Plan envisages Works and CAPEX in the amount of EUR 10,000,000 for each of the first and fifth year (i.e. there are no Works and CAPEX planned for the second, third and fourth year) or EUR 20,000,000 in total during the term of such plan, we understand that the Concessionaire should provide a Performance Guarantee for a maximum amount of 10% of the planned Works and CAPEX (i.e. EUR 1,000,000). <b>In that regard could you please confirm whether the Performance Guarantee should be provided in the beginning of the five year period and be valid for five years, or the Concessionaire could provide two separate annual Performance Guarantees before the first year and before the fifth year, in relation to the Works and CAPEX, envisaged in the first and in the fifth year of the Approved Five-year Investment Plan, respectively.</b></p>	
<p><b>31.</b></p>	<p>Thank you very much for the clarifications regarding the subcontracting regime provided with answer #12 of 18.10.18_2. We highly appreciate your answers and kindly ask you for further information in relation to the questions specified below.</p> <p><b>QUESTION 1:</b> We understand that a Bidder is entitled to designate certain concession activities that will be performed by a subcontractor without specifying the name of the subcontractor(s) in the Offer. In this scenario, we kindly ask you for guidelines in which part and in which section of the application the relevant information about the concession activities should be included.</p> <p><b>QUESTION 2:</b> We established a discrepancy between the Bulgarian and English version of Clause 3.8 of the Draft Concession Agreement – the English version explicitly states that Clause 3.8 is applicable to using subcontractors at all, and Clause 29 is applicable only upon using subcontractors for Works. The Bulgarian version, on the other hand, does not include such a</p>	<p><b>To Question 1:</b> The relevant section where the types of concession activities to be subcontracted must be indicated is paragraph 15 of Section 1 of Form A (<i>Application</i>), before Table 2.</p> <p><b>To Question 2:</b> We will review and consider if there are any discrepancies.</p>

differentiation and considering the reference made to Clause 29, the regime described therein should be applied upon using subcontractors for any concession activities, including Works. To this end, please confirm how Clause 3.8 and Clause 29 should be interpreted, and the relations between these Clauses. For example, which of these Clauses should apply where (i) the Concessionaire wishes to enter into an agreement for ground handling services with an air carrier; and (ii) the Concessionaire wishes to subcontract its obligations under an agreement for ground handling services, concluded between the Concessionaire and an air carrier, to another ground handling operator.

**QUESTIONS 3 – 5**

The scenarios described below are under the assumption that Clause 29.2 of the Draft Concession Agreement is applicable to any concession activities that may be subject to subcontracting, including but not only to subcontracting Works. If this is not the case, we kindly ask you to still provide answers under the proper regulatory regime, considering the three different situations.

In the light of Article 133 and Article 134 of the Bulgarian Concessions Act (“CA”) and Clause 29.2 of the Draft Concession Agreement, we would like to ask you to confirm as follows:

**QUESTION 3:** Please confirm whether our understating in relation to this Scenario 1, described below, is correct:

**Scenario 1:** The Bidder has specified in its Offer the concession activities that will be subject to subcontracting and it has provided the required information about the already selected subcontractor(s).

In this case, provided that the subcontractor(s) comply with the requirements of the CA and the tender documentation, the Concessionaire would be required only to notify the Grantor in compliance with Article 134 CA. It will not need to obtain additional consent of the Grantor with respect to either the concession activities or the engaged subcontractor as designated in the Offer, regardless whether the subject-matter or the value of the subcontract falls within the scope of Clause 29.2 of the Draft Concession Agreement.

**QUESTION 4:**

Please confirm whether our understating in relation to this Scenario 2, described below, is correct:

**To Questions 3 to 5:**

We will review and consider if there are any discrepancies.

**To Question 3/Scenario 1: Confirmed.**

**Scenario 2:** The Bidder has specified in its Offer the concession activities that will be subject to subcontracting without providing information on any subcontractor(s).

In this case, the Concessionaire would need:

- a. to notify the Grantor in compliance with Article 134 CA, where the subject-matter or the value of the subcontract falls outside the scope of Clause 29.2 of the Draft Concession Agreement; or
- b. to obtain the prior consent of the Grantor **about the selected subcontractor**, which will perform the respective concession activities (as designated in the Offer), and to notify the Grantor in compliance with Article 134 CA, where the subject-matter or the value of the subcontract falls within the scope of Clause 29.2 of the Draft Concession Agreement.

In this scenario, the Concessionaire will not need to obtain the Grantor's consent with respect to those concession activities that have been designated in the Offer, regardless whether the subject-matter or the value of the subcontract falls within the scope of Clause 29.2 of the Draft Concession Agreement.

**QUESTION**

**5:**

Please confirm whether our understating in relation to this Scenario 3, described below, is correct:

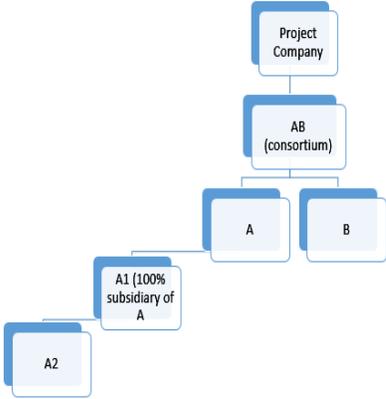
**Scenario 3:** The Bidder has specified in its Offer neither the concession activities which will be subject to subcontracting, nor any subcontractor(s). In this case, the Concessionaire **would still be entitled to subcontract concession activities** provided that in case the subject-matter or the value of the subcontract falls within the scope of Clause 29.2 of the Draft Concession Agreement, the Concessionaire should obtain:

- (i) the Grantor's prior consent in relation to the concession activities, it wishes to subcontract (which is not applicable in Scenario 2); and
- (ii) the Grantor's prior consent in relation to the subcontractor.

In addition, the Concessionaire should notify the Grantor in compliance with Article 134 CA.

**To Question 4/Scenario 2:** both compliance with Articles 133, 134 CA and with Clause 29.2 of the Concession Agreement will be necessary. Therefore, the right answer for Scenario 2 would be (b), i.e., where the value of the subcontract falls within the scope of Clause 29.2, prior consent of the Grantor will be required and subsequent notification to the Grantor of the signed subcontracting agreement, with the content required by Article 134 CA.

**To Question 5/Scenario 3:** Both compliance with Articles 133, 134 and with Clause 29.2 of the Concession Agreement will be necessary. However, please note the Q&As published on 18.10.2018 (# 2272 of the Summary Table): According to Article

		<p>133 (3) of the Concessions Act, the Concessionaire may use subcontractors only for such share of the concession and for such types of activities falling within its subject matter, which have been indicated in the Application. Please also note the answer to your Question 1 above.</p>
<p>32.</p>	<p>Please confirm whether the fund raising experience requirement would be satisfied by a member (A) of the Consortium (AB), if that member of the Consortium presents Form H, according to which the said member was <b>not a direct shareholder</b> in the project company (A2) that fulfilled the respective infrastructure project (used by the Consortium through its member (A) as proof for fund-raising experience), <b>but in fact</b> the member (A) of the Consortium has personally provided equity and debt financing, the aggregate of which exceeds EUR 400,000,000, to a 100% subsidiary (A1) of the said member, which was a direct shareholder in the project company (A2), which fulfilled the respective infrastructure project. For your ease, we provide an organizational chart below.</p>  <pre> graph TD     PC[Project Company] --- AB["AB (consortium)"]     AB --- A[A]     AB --- B[B]     A --- A1["A1 (100% subsidiary of A)"]     A1 --- A2[A2]   </pre>	<p>In the scenario proposed, the subsidiary A1 looks as a special purpose vehicle used in the context of the transaction, therefore A seems to be the effective shareholder (even if indirectly). We would suggest that the above be stated in the Form H to be submitted. In such an event A would have satisfied the relevant requirement.</p>
<p>33.</p>	<p>The Financial Statement 2017 provides the revenues for “Other Commercial Activities” as 935 Thousand BGN for 2017. File 2.3.9 provides the same breakdown. Here the revenues for “Other Commercial” are 1,135 Thousand BGN for 2017. Could you please explain the difference?</p>	<p>The difference of BGN 200 000 is due to the fact that the amount of BGN 1 135 000 <u>includes</u>:  BGN 133 000 - Revenue from sale of non-current assets (shown in a separate line in the financial report for 2017);  BGN 3 000 – Revenue from commissions (included in the amount of BGN 3 367 000, shown in the financial statement for 2017 as "Rents, commissions");  BGN 78 000 - Revenue from consumables loaded on board of aircrafts</p>

		<p>(included in the amount of BGN 10 414 000 shown in the financial report for 2017 as "Ground Handling Service") and <u>does not include</u>:  BGN 14 000 - Revenue from an object, which is not included in the scope of the concession (included in the amount of BGN 935 000, shown in the financial statement for 2017 as "Other commercial revenue").</p>
<p><b>34.</b></p>	<p>Please explain the reason for the significant reduction in security charges as part of the 2019 tariff setting. Has the reduction in security charges been based on a reduction in cost? Please explain rationale for reduction.</p>	<p>The reason for this is the reported 2017 excess of revenue over expenditures (positive result) for security fee, which is included in the base for determining of the amount of airport charges, as introduced by the last amendments (of the end of 2017) to the Ordinance on airport charges, principles for correction of the cost base with reported data (last paragraph of the Preamble of the Ordinance).</p>