

№	Question	Answer
1.	<p>In relation to your answer dated 03.09.2018, please clarify whether Sofia Airport EAD has signed a new agreement with BULATSA, and if yes - please provide it for review in the Data Room.</p>	<p>The information is available for review in the Virtual Data Room – <b>Appendix 13.28.</b></p>
2.	<p>Ordinance for calculating airport charges does not specifically mentions income tax as a cost. However, it should be allowed as eligible cost expenses. We would like to understand whether authority is currently considering this as a cost for calculating Eligible cost expense.</p> <p>Additionally, there are two possible ways of including income tax cost in airport charges:</p> <p>i) Grossing up tax in cost of equity and Debt in calculation of WACC</p> <p>ii) Separately allocate actual tax to each of the charges for calculating airport charges</p> <p>Request you to confirm the methodology which authority is using for including tax costs in the overall cost base.</p>	<p>For further clarity, we note that the answer, published on 07.12.2018, relates to the applicable model of operation of Sofia Airport EAD as an airport operator, where the airport charges are not subject to the Corporate Income Tax Act (CITA), and respectively, under Chapter two of the same Act, no tax shall be paid.</p> <p>Under Art. 120, paragraph (7) of the Civil Aviation Act (CAA), “ the fees of this Art. shall not be levied with taxes, <u>with exception of the cases under para 2 and 5, item 2.</u>” According to Art. 120, paragraph 5, item 2 of the CAA, when the airport charges are collected by the Concessionaire, they are not tax exempt.</p> <p>For the Concessionaire the levied airport charges will be revenue and will be included in the overall base for determining the financial results (loss/profit) and the taxes due under the CITA.</p>
3.	<p>Considering your answer dated 12.11.2018 that the share of concession of the activities, which shall be performed by subcontractors, is to be calculated as estimated percentage to the entire Value of the Concession as resulting from the relevant Offer, please clarify in more details how this percentage shall be calculated. Please provide an example for such calculation with random numbers. The Concession Agreement stipulates how the Value of Concession is determined, but we ask for clarifications how the value of the activities, which are going to be subcontracted, is to be calculated.</p> <p>We are asking this question again, since the answer posted on 30 November that the Grantor will review our proposal does not respond to our question (please note that we are not making a proposal but seeking for clarifications).</p>	<p>Your request for clarification is under consideration. An answer to your question will be provided in due time.</p>

4.	Please confirm that if the power of attorney is issued and certified by a notary in accordance with Form B of the Documentation, yet in a language other than English or Bulgarian, it is sufficient that an official translation in Bulgarian is submitted together with the original of such power of attorney. In the event that it is necessary to provide additional translation of the power of attorney in English, please clarify if this translation should be - official or unofficial.	We confirm that it is sufficient to submit an official translation in Bulgarian together with the original of the power of attorney under Form B.  English translation is not required for the documents submitted in Bulgarian.
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