

№	Question	Answer
1.	<p>Following the clarification provided in QA_18.10.2018_1 (Q1-3) regarding the actual regulatory WACC figure determining the value of the cost element “Cost of Capital” for the airport charges in 2019, could you please indicate:</p> <p>a.) Whether the provided “beta coefficient of sectorial risk of 0.69“ is levered or unlevered and what is the source of this number?</p> <p>b.) Was the calculation of weights <math>D/(D+E)</math> and <math>E/(D+E)</math> based on accounting values and if so should this approach be used when determining WACC for future regulatory periods</p>	<p>a) Information on “beta coefficient” is provided in the answer to question No 2202 of the Summary Table of Questions and Answers.</p> <p>b) The data on the value of the assets (E) and debt (D) for the calculation of WACC is based on a forecast of the accounting value of these elements at the beginning and at the end of the period for which the charges are determined.</p>
2.	<p>Please confirm whether the assignment, in whole or in part, of the following activities by the Concessionaire to external companies shall be regarded by the Grantor as subcontracting within the meaning of the Concession Agreement and the Tender documentation:</p> <p>a) Construction works  b) Ground handling services  c) Duty free operations  d) Fuelling  e) Retail  f) Food &amp; Beverage  g) Security  h) Maintenance  i) Cleaning</p>	<p>Yes, the listed subcontracting is fine within the ambits of the laws and the Concession agreement.</p>
3.	<p>Considering the diverse nature and specifics of the activities which could be assigned to subcontractors (e.g. ground handling, construction works, duty free operations, maintenance etc.), and with regard to the correct calculation of their share as a percentage from the total Value of the Concession (specified in Concessionaire's Offer and respectively in Clause 30.2 of the Concession Agreement), there is currently a lack of clarity as to the basis for calculation of this percentage for the different types of activities. More particularly, some activities are currently generating revenues for the Concessionaire (e.g. ground handling services), whereas others generate only costs (as would be the case of construction works or maintenance). Additionally, the outsourcing of some activities could</p>	<p>The MTITC requested a methodological guidance on the implementation of Art. 86, paragraph 1, item 3b. of the Concessions Act. It will be published on the official website of the Concession upon receipt.</p>

	<p>reduce the revenue or increase it (at least the net income if not the revenue).</p> <p>In view of the foregoing, we kindly ask for clarifications and express instructions from the Grantor how and on what basis should be established the value of the below specified categories of activities, in order to correctly determine their share of the total Value of the Concession:</p> <p>a) Subcontracting of activities which generate revenues for the Concessionaire and will stop to do it;</p> <p>b) Subcontracting of activities which generate revenues for the Concessionaire and will continue to do this;</p> <p>c) Subcontracting of activities which generate only costs for the Concessionaire</p>	
4.	<p>Assuming the Concession Agreement is terminated by the Grantor, will the corporate guarantee/Appendix 11b survive this termination, respectively will the Acceding Party, Airport Operator Third Party, be obliged to operate and manage the airport of Sofia after the termination of the Concession Agreement by the Grantor? If yes, only for the period until a new Concessionaire is selected, or beyond? If yes, what would be the maximum period of operation and management of the airport of Sofia by the Airport Operator Third Party following such a termination of the Concession Agreement by the Grantor, i.e. how many months/years?</p>	<p>No, it is not intended that this undertaking applies after the termination. A step-in to the extent feasible is covered by the Direct Agreement.</p>
5.	<p>In the case where the Concession Agreement is terminated by the Grantor, will the Airport Operator Third Party be obliged by the Grantor to assume the Concessionaire's obligations under the Concession Agreement? If yes, which?</p>	<p>Eventual step-in to the extent feasible is covered by the Direct Agreement.</p>
6.	<p>Where the Concession Agreement is terminated by the Grantor for reasons of Concessionaire's default with e.g. financial (concession fee payment default) or labor obligations (non-performance with labor law), will the Airport Operator Third Party's issued corporate guarantee be drawn by the Grantor, given the Airport Operator Third Party is not in default with its functions?</p>	<p>No, in such a case, it shall not be drawn.</p>

7.	For which maximum amount is the corporate guarantee acc. to Appendix 11b and acc. to Appendix 11c to be issued, considering the verbiage of clause 13.2.5. of the Concession Agreement – for 40m BGN or for 200m BGN? Also, do the Acceding Parties assume any additional obligations other than the payment of the amount under the corporate guarantee?	This will be clarified as part of the revised version of the Concession agreement.
8.	Given “Third Party Resources” is yet not defined pursuant to clause 2.1 of Appendix 11b, would the Grantor mind to suggest an unequivocal wording by replacing the current language “specification of resources” in said clause 2.1?	This will be clarified as part of the revised version of the Concession agreement.
9.	Is there any definition existing or envisaged for “Airport Operator Shareholder’s Resources”?	This will be clarified as part of the revised version of the Concession agreement.