

	Commercial	Answer												
	General													
1	Please provide terminal layout plans for Sofia Airport and level showing the non-aeronautical units with a brief description of the concept (category, contract partner, unit size). Please also include passenger flows (arrival, departing, transfer) in the terminal layout plans.	<p>The terminal layout plans of the Sofia Airport are provided in the Electronic Section of the Data Room, item 5.7.1.</p> <p>New retail units have been developed and the relevant information is available in the Electronic Section of the Data Room – appendix 5.10. – files “Appendix 1.1, Appendix 1.2, Appendix 1.3“</p> <table border="1"> <thead> <tr> <th>Y2017</th> <th>TERMINAL 1</th> <th>TERMINAL 2</th> </tr> </thead> <tbody> <tr> <td>Dep pax</td> <td>1 179 732</td> <td>2 103 675</td> </tr> <tr> <td>Arr pax</td> <td>1 148 157</td> <td>2 055 319</td> </tr> <tr> <td>Transit</td> <td colspan="2">3 213</td> </tr> </tbody> </table>	Y2017	TERMINAL 1	TERMINAL 2	Dep pax	1 179 732	2 103 675	Arr pax	1 148 157	2 055 319	Transit	3 213	
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2	Please provide an organizational chart of your commercial department, inclusive functional descriptions and number of staff (for administrative and operative staff: duty free, lounges etc.).	This information is available in the Electronic Section of the Data Room – Appendix 5.11. – File “Appendix 2“												
3	Please provide the standard contract for non-aeronautical activities for the airport.	This information is available in the Electronic Section of the Data Room – Appendix 3.7. – File “Appendix 3“												
4	Please also provide all current contracts for all non-aeronautical activities: contract copies and a contract list with the following details: contract category, contract party, contract duration (start / end date), montly fees (per sqm, per pax, percentage of sales), upfront fee, MAG, unit location, termination rights.	This information is available in the Electronic Section of the Data Room – Appendix 3.8. – Files “Appendix 4.1, Appendix 4.2, Appendix 4.3“												
5	Please provide an overview with all rented and empty commercial units/outlets for Terminal 1 and 2, incl. respective sizes (sqm).	This information is available in the Electronic Section of the Data Room – Appendix 5.12. – File “Appendix 5“												
6	Please provide a breakdown (for category and store) of historic and planned commercial sales and revenues (Retail, Duty Free, Services, Food & Beverage, Advertisement, Car parking, Car rental , VIP / CIP Lounge, Offices, Land and Building Leases, etc.)	See the answers to Questions No. 8 and No. 18.												
7	What kind of price policy do you have for Duty Free and for the Restaurants?	This information is available in the Electronic Section of the Data Room – Appendix 5.13. – File “Appendix 7“												

8	Please provide the historic revenues (2014-2017) for all non-aviation categories split by Terminal 1 and 2.	This information is available in the Electronic Section of the Data Room – Appendix 2.10. – File “Appendix 8“
9	Please provide the net sales (in absolute amounts, not in %) of each store in Terminal 1 and 2.	This information is available in the Electronic Section of the Data Room – Appendix 2.11. – File “Appendix 9“
10	Please provide the approved commercial plans and budgets for Sofia Airport for the next year.	Currently, there is no Business Plan prepared for the next year.
11	Please provide spend per passenger with split by nationality (or destination).	The statistics of the Sofia Airport does not contain any information on the nationality of the passengers and the spend per passenger data at the retail units. The average value of the purchases per passenger in 2017 (total of the duty-free and domestic trade) was BGN 8.84 or EUR 4.52. The average value of passenger’s purchases in the period January – July 2018 (total of the duty-free and domestic trade) was BGN 9.91 or EUR 5.07.
12	Please describe the tender process of new units.	The retail areas and premises are leased in accordance with the provisions of the State Property Act and the Rules on its implementation – through tenders with secret bidding.
13	Please describe the reporting and billing process with your concessionaires. In those cases where contracts are on a variable concession fee (percentage of sales), do you have access to the cashier systems of the concessionaires? If not, how are the reported sales data verified?	According to art. 15 of the General Terms and Conditions of the Real Estate Lease Agreements (available in the Data Room), the Lessee is obliged to submit the fiscal financial statement, issued by the cash register/fiscal device, by the 5 th day of every month. The reporting and invoicing of Sofia Airport EAD’s retail concessionaires is carried out in conformity with the agreements, signed with them. Currently, the company has no access to the fiscal systems of the concessionaires and for each individual period, the information on the sales data, under variable price contracts (percentage of the sales) is obtained through the submission of the summary statements of the fiscal memory of each fiscal device (cash register), operated in the respective units of the concessionaires, which are printed in accordance with the provisions of art. 41 of <i>Ordinance No. H-18 of 13.12.2006 on the registration and reporting of the sales at the retail units, using fiscal devices</i>
14	Please describe your budgeting process.	Sofia Airport EAD’s business plan is prepared, based on the estimations of natural indicators (aircraft traffic, passengers and cargo товари) stated by the airlines; the macroeconomic framework, set out in the Budgeting Forecast of the Council of Ministers (inflation, currency exchange rates etc.); effective service contracts; staff, based on the payroll list and the estimated ongoing maintenance, allowances and investments costs.

15	Please describe the day-to-day tenant management and quality management system.	Sofia Airport EAD's employees ("Leases" Department) carry out daily inspections of the leased retail units, auditing the compliance with the provisions of the respective lease contract clauses.
16	Please compile a list of outstanding incoming payments (per tenant, per location). What was the amount initially? What is the current invoice balance? Are there any delays, if so how many days?	The information, referred to in this question, is not related to the concession and is protected by law – art. 37 of the Competition Act.
Duty Free		
17	Please describe the logistics for the duty free shops.	<p>The logistics of the products, to be sold in shops, operated at the Sofia Airport EAD, function, as follows:</p> <p>A. Supplier - Sofia Airport EAD's warehouse The first link in the logistic chain is the physical transfer of the goods from supplier's warehouse to a warehouse of the Sofia Airport EAD. At this stage, the following elements are of utmost significance: the proper coordination of the supplies, according to the preliminarily drafted and continuously updated weekly schedule of deliveries, indicating the date and time of arrival of each individual delivery; Coordination of the process of acceptance of goods with external organizations (Bulgarkontrola, Heinemann Bulgaria) and internal units (Warehouses and Technological Information Processing); Generation in the ERP system of SATIS of the revenue documents, used to debit the facility, where the products have been transferred upon unloading; Processing of the individual types of goods, in accordance with the rules, established by the company and the applicable regulatory framework.</p> <p>Sofia Airport EAD has 6 warehouses, where the products, intended for sale in company's shops, is kept with strict monitoring and reporting of the available quantities: Warehouse C01 /Foods and DF cigarettes/ Warehouse C02 /Alcohol/ Warehouse C03 /Bulgarian beverages/ Warehouse C04 /Accessories and toys / Warehouse C05 /Foods/Cigarettes DP/ Warehouse C06 /Perfumes and cosmetics /</p> <p>B. Sofia Airport EAD's Warehouse - Shops, operated by Sofia Airport EAD The second link in the logistic chain consists of the physical movement of the goods from the Sofia Airport EAD's warehouses to the retail units, operated by the company. At this stage, the elements</p>

		<p>of utmost significance include: observation of the approved weekly schedule for replenishing the stocks of the shops, prepared taking into consideration various specificities, such as product categories and location of the supplied units; coordination of the transfers, removal of stocks and extraordinary supply of units, if and when necessary; coordination of the process of sending information on the availabilities by the warehouses to the shops, entry of the necessary quantities for replenishments and timely generation of documents for supplying the shops and the respective allocation of the relevant products at the warehouses.</p> <p>The following personnel and units are involved in the logistics of Sofia Airport EAD’s retail units: Administrative personnel from the “Procurement, Marketing and TIP /Technological Information Processing/“; Computer operators (various levels) from “Warehouses, Customs Clearance and TIP “; Dispatchers, goods and cargo (various levels) from “Warehouses, Customs Clearance and TIP “; Personnel at the retail units (various levels) from the “Commercial” Directorate Specialized warehouse equipment.</p>
18	<p>The annual reports for 2017, 2016, 2015 and 2014 provide the revenues from shops and Duty free in one row. Please provide the revenues data for the duty free stores separately for the period 2014-2017. In addition, please indicate the share of sales by product category (perfumes & cosmetics, liquor, tobacco, sweets/confectionary, accessories, residual categories).</p>	<p>This information is available in the Electronic Section of the Data Room – Appendix 2.12. – File “Appendix 18“</p>
19	<p>Please describe which are your most important customer groups. Which measures do you take to improve the duty free sales?</p>	<p>Most passengers at the Sofia Airport are of Bulgarian nationality. The most significant foreign group is that of the passenger from the UK. The second largest group of passengers, using the Sofia Airport, after those from Bulgaria, are residents of England. Such residence is another indicator of the potential of the seasonal services to England.</p> <p>The large number of Bulgarians, living abroad (approximately 18%), defines the significant share of travels as visitors. Approximately 40% of the passengers travel on Business. The users of the low-cost airlines buy and spend more at the shops.</p> <p>The measures, undertaken for improving the sales, include:</p>

		<ul style="list-style-type: none"> - Continuous increasing of the product range, offered at the retail units, operated by Sofia Airport EAD. - Conducting monthly SPO promotions (price-off), organization and conducting of testing, promotions of the “purchase with a gift” type. - Conducting personnel trainings, regarding specific product categories, supported by the supplier. - Conducting promotions of the staff incentive type – providing incentives upon reaching a pre-set sales level for a certain brand. - Opening Last minute shops.
20	Please provide the supply contracts for the duty free stores.	<p><u>There are no supply contracts for the duty-free and travel retail shops, operated by Sofia Airport EAD</u></p> <p>The process of ordering products for the duty-free shops is as follows: The placing of orders for the supply of products, intended for sale at the shops, operated by Sofia Airport EAD, takes place according to: <u>“Internal rules on forecasting, planning assignment and control of public, mixed and private procurements at Sofia Airport EAD.</u> According to Chapter 11 of the said Internal Rules – “Rules and control, applicable to selection of an experienced supplier and placing orders for the supply of products for the duty-free and travel retail trade and trade of Bulgarian beverages and cigarettes, with excise stamps for the “domestic market”, Sofia Airport EAD places orders for the supply of products, based on the so-called “order drafts“, prepared, based on the expert evaluations by the specialists in the “MIJI“ Directorate, approved in accordance with the provisions of the Internal Rules and having the legal effect of a one-off products supply contract.</p> <p>This procedure applies to the placing of orders for the supply of products, with two types of contractors: Experience supplier of products for the performance of consolidated supplies (according to art. 101 of the Internal Rules) and Supplier, different from the said experienced supplier, pursuant to art. 101 (according to art. 102 of the Internal Rules);</p> <p>According to the organization, applied at Sofia Airport EAD, each individual order for the supply of goods, with the legal effect of a one-off supply contract, always incorporates general terms and conditions and a specification. The general terms and conditions are binding for both parties, and these specify: The total cost of the ordered products; The order fulfillment deadline; The commercial terms of delivery according to the currently effective INCOTERMS; Payment method and deadline;</p>

		Mandatory documents, to accompany the delivery; Claims and complaints settlements etc. The specification to each individual order contains: Product Barcode/Item No.; Short product description; Ordered quantity; Unit rate; Total price etc.;
21	Please indicate the cost structure for all self-operated commercial activities (duty free, intra-community sales, advertising, parking).	This information is available in the Electronic Section of the Data Room – Appendix 1.13. – File “Appendix 21“
22	Please provide a product list of bestsellers and flops (50 products each).	This information is available in the Electronic Section of the Data Room – Appendix 2.13. – File “Appendix 22“
23	What is the share of the duty free sales from all the sales in the duty free stores?	The share of the duty-free sales (extra-Community sales) in the total sales of the duty-free shops, was, as follows: in 2016 - 11,9% and in 2017 – 11,4%
24	How does the tax refund system work? Can this be perceived by every customer? How is this the process (also for shopping in the city and in other shops at the airport)?	An VAT Refund Office is rented to a registered VAT Refund agent, according to the Bulgarian legislation, and that agent provides these services – “E&S Watches and Jewellery“ OOD. Sofia Airport EAD does not provide any tax refund services. The VAT is refunded in accordance with the provisions of Ordinance No. H-9 of 16.12.2009 on the value added tax refunding to tax-payers, who are not residents of the Member State, where the tax refund is made, but are residents of another EU Member State, Ordinance No. H-10 of 24.08.2006 on the refunding of the paid value added tax to foreigners, who are not residents of the Community and Ordinance No. H-12 of 24.08.2006 on the refunding of the paid value added tax to foreign individuals, who are not residents of the European Union
	Food & Beverage	
25	Who operates the F&B units?	ZITA Consortium AD ZZD Consortium ALPHA Oldes EOOD NIYA 2016 OOD
26	How satisfied is the management with the current performance of the outlets?	All tenants of the food and drinks units strictly observe the clauses of their respective lease agreements.
27	Please provide the annual report of F&B revenues from 2015 to 2017 (2015, 2016 & 2017).	The reports on the sales of the tenants of the food and drinks retail units are subject to bilateral business agreements and the respective information cannot be provided without the other party’s express consent.
	Advertising	
28	Please provide an overview if the advertising of Sofia Airport is currently handled in-house or by an external agency.	The advertising within the territory of the Sofia Airport is performed by Sofia Airport EAD itself, in accordance with the Terms and Conditions for

		Renting Advertising media at Sofia Airport, published on Company's website.
29	In case of an external agency providing advertising at the airport, please provide further details on the ongoing contract including details on the airport, contract party, contract duration, monthly fees, advertising locations, termination rights and investment obligations (does the airport or the agency invest into the implementation of new media).	No advertising at the Sofia Airport is provided by an external agency.
30	In case of in-house advertising, please provide further details on related cost e.g. staff, investment in media, maintenance, etc.	See the answer to Question 29. This information is available in the Electronic Section of the Data Room – Appendix 1.14. – File “Appendix 30“
31	What is the average rental period for advertising media?	The average rental period for advertising media is 7 months.
32	What is the average occupancy of the advertising media?	For a one-year period the average occupancy of the advertising media is 65%.
33	What is the annual cost for new media for the airport for the budget period?	No investments in new media have been made in the recent years.
34	What type of companies predominantly rent advertising space at the airport? (industry type, company name, average rental period, average rental fee)	The traditional advertisers at the Sofia Airport include: Mobile operators (Vivacom, Telenor, A1); Mobile technologies: (Samsung, Huawei); Financial sector: (VISA, Mastercard, E&G Finance); Restaurants: Happy Bar & Grill; Casinos: (Viva Casino, Royal Palms Casino, Casino Sofia, Casino Princess); Car manufacturers: Renault-Nissan. The most common advertising period among the key advertisers is twelve months, as the price of the contracts per client, varies between EUR 20 000 and EUR 52 000, excluding VAT, per annum.
35	Which advertising media are the most popular ones, e.g. static (posters, banners, etc.) or digital?	The most popular, and therefore providing the main share of the advertising revenues, are the traditional, static advertising media – illuminated boxes, large format advertising elements, banners, stickers etc. Digital media (the multimedia system at T2) have a negligible share in the revenues from the advertising.
	Parking	
36	Please provide the occupancy, parking duration and number of vehicles of the parking facilities for Terminal 1 and 2.	The capacity of the public paid parking at Terminal 1 is 400 vehicles. 40 of these spaces are intended for subscription use. The average occupancy of the parking is approximately 60%, and the peak occupancy reaches 90%. Short-term parking is dominant (up to three hours of stay). Terminal 1 also offers parking spaces,

		<p>used on a subscription basis by the rent-a-car companies and by airline employees.</p> <p>The capacity of this parking is 74 vehicles and its occupancy is 90%.</p> <p>The capacity of the public paid parking facility at Terminal 2 is 800 vehicles, situated at four levels of 200 parking spaces each. Approximately 365 parking spaces, or 35% of the total capacity, is rented for subscription use by rent-a-car companies, ground handling operator employees and companies. The average occupancy of the public parking facility, including the subscription use spaces, is approximately 80%, and at peak hours, there is a shortage of parking spaces. моменти съществува недостиг на места. Short-term parking is dominant (up to three hours of stay).</p>
37	Please provide the location, number and tariffs of employee parking.	<p>The capacity of the parking facility for employees at Terminal is approximately 100 vehicles. It is situated in the park, near the stadium and is fully occupied.</p> <p>Terminal 2 offers two parking facilities for employees. An outdoor parking facility, situated directly next to the public parking exits. The capacity of this parking facility is approximately 90 vehicles and it is fully occupied. Indoor parking at level B2, with an entrance from checkpoint No. 7 with a capacity approximately 50 vehicles, also fully occupied. The parking spaces, used by employees, are not paid.</p>
38	Which measures are you planning to make parking at the airport more attractive and to improve car park utilisation?	It is necessary to develop a new parking for Rent-a-Car companies at Terminal 2, which will free approximately 200 spaces for regular use at the public paid parking.
39	Please provide tailed information on staff numbers and cost involved in the car parking operations at the airport.	<p>This information is available in the Electronic Section of the Data Room – Appendix 7.13. – File “Appendix 39”.</p> <p>As for the information, regarding the airport car parking operating costs, see the answer to question No. 21.</p>
40	Please provide monthly sales data on parking per Terminal. Also the number of current rented parking spaces.	<p>This information is available in the Electronic Section of the Data Room – Appendix 2.14. – File “Appendix 40”</p> <p>Number of rented parking spaces. Terminal 1 – 106, Terminal 2 - 366</p>
41	What proportion do passengers and employees have in the use of the parking lot and the subway?	There is no clear proportion in the use of the public paid parking and the subway. A significant majority of the passengers use the subway, other public transport, taxi companies. Many passengers are driven to the airport by their friends and relatives, who do not use the public parking.

	Lounge	
42	Please provide the number of visitors by month by Business/VIP lounges in the last 3 years.	This information is available in the Electronic Section of the Data Room – Appendix 2.1.10. – File “Appendixes 42, 43, 44, 46“
43	Please list all kind of arrangements with airlines, banks, travel agencies, etc. (incl. conditions for usage of Business/VIP lounges).	This information is available in the Electronic Section of the Data Room – Appendix 2.1.10. – File “Appendixes 42, 43, 44, 46“
44	How many registered members do you have for the NGLC Gold Card and the Silver Card and Priority Pass?	This information is available in the Electronic Section of the Data Room – Appendix 2.1.10. – File “Appendixes 42, 43, 44, 46“ 42, 43, 44, 46”.
45	The General Terms & Conditions for the New Generation Lounge Club Card states that only an "individual who is resident in the Republic of Bulgaria" can purchase the NGLC card. Please clarify if international travellers can purchase the NGLC card.	This information is available in the Electronic Section of the Data Room – Appendix 2.1.11. – File “Appendix 45“
46	Please provide information on cost related to the operation of the Business/VIP lounges.	This information is available in the Electronic Section of the Data Room – Appendix 2.1.10. – File “Appendixes 42, 43, 44, 46“ and appendix 1.15, file “Appendix 46”.
	Analysis of passenger structure	
47	Please provide any passenger survey reports.	This information is available in the Electronic Section of the Data Room – Appendix 2.1.12. – File “Appendixes 47.1 and 47.2“
48	Please provide passenger profiles with information about demographics (gender, age group, income, etc.), travel occasion (business, leisure) and nationality.	See the answer to question No. 47.
49	Please provide passenger dwell times by airside / landside.	Such statistical information is not available to Sofia Airport EAD.
	Other Retail	
50	Who operates the other retail units(out of the duty free stores)?	"Boryana - 2007" EOOD; ET "Krisi – Rayna Rangelova"; "Razprostranenie na pechata" AD /Press Distribution/; "Pautalia Pharma" EOOD; "Avioshop" OOD; "Ciela Norma" AD; "Polemi" EOOD; "Megalux 2013" EOOD; "Kaliman Karibe" EOOD; "LS Travel Retail Bulgaria" EOOD; "Buty Trade" EOOD; "M Poll Services " EOOD; AT "Penka Agontseva – Polemi "

51	Please provide the annual report of other retail revenues(out of the duty free stores) from 2015, 2016 & 2017.	The reports on the sales revenues of the tenants of retail units are the subject matter of bilateral business agreements and such information cannot be provided without the other party's consent. The sales revenues, outside the duty-free shops are related to the sales in shops for Bulgarian Food and Drinks and amount to a total of: In 2015 – BGN 1 319 thousand. In 2016 г. – BGN 1 932 thousand. In 2017 г. – BGN 1 850 thousand.
52	What are the top 10 products for each unit (out of the duty free stores)?	The retail shops are leased to external operators and Sofia Airport EAD does not have such information
	Services	
53	What kind of services are provided to passengers on the territory of the airport?	Bank services; Currency exchange; Taxi services; Rent-a-car services, Insurance services; Luggage packing equipment; Postal services; Massage chairs.
54	Who are the service operators at the airport?	The services, listed in the answer to Question No. 53, are leased to external operators. All the operators, providing the listed services, are specified in the Appendix to the answer to Question No. 4.
55	Please provide the annual report of service revenues from 2015, 2016 & 2017.	The reports on the sales revenues of the service providers are subject matter of bilateral business agreements and such information cannot be provided without the other party's consent. The sales revenues of the service providers are as follows: For 2015 – BGN 19 843 thousand For 2016 – BGN 24 074 thousand For 2017 – BGN 27 677 thousand