

№	Question	Answers
1	<p>Please confirm that the BGN 133 thousands specified in the audited report for 2017 as revenue from sale of non-current assets represents net gain from the transactions related to the sale (Invoiced amount minus book value of the respective assets). Please present the net book value of the respective sold assets.</p>	<p>We confirm that the amount of BGN 133 thousand specified in the audited report for 2017 as revenue from sale of non-current assets represents net gain from the transactions related to the sale (Invoiced amount minus book value of the respective assets). The net book value of the respective sold assets amounts to BGN 0 thousand.</p>
2	<p>With respect to file 1.1.7 "Consolidated EBITDA 2016, 2017" of the VDR:</p> <p>2.1 Would you provide us with an analogous file for year 2015 as well?</p> <p>2.2 What is the value of rent revenue for 2015 transferred to the state budget?</p> <p>2.3 What constitutes the differences related to VAT in the calculation of materials expense and hired services expense accumulated by SA as an Airport Operator: - Materials expense: BGN 1,301 ths.(2017) and BGN 1,104 ths. (2016); - Hired services expense: BGN 1,453 ths.(2017) and BGN 1,803 ths.(2016)?</p> <p>2.4 What would be the reason for the difference in the summation of total revenues for year 2016 - BGN 141,877 ths., instead of BGN 140,604 ths.(difference of BGN 1,272 ths.)?</p> <p>2.5 In Revenue from VIP A and Kosmos revenue (not in concession) amounting to BGN 26 ths.(2017) and BGN 21 ths.(2016) what are the shares of VIP A and of Kosmos in BGN ths., for years 2015, 2016 and 2017?</p> <p>2.6 Aside from Espresso VIP A, what other revenues and expenses are included in the share of VIP A and are not part of the concession?</p> <p>2.7 Please allocate the excluded expenses, i.e. the difference between expenses in the annual report and the breakdown in the file in question</p> <p>2.8 From the excluded revenues and expenses related to Kosmos, VIP A, Balchik, it appears that these activities are loss making for the company. Please confirm that this is so and explain the reasons for this.</p> <p>2.9 Are personnel vacations in hotel Kosmos subsidized and would the Concessionaire be expected to cover such future expenses?</p>	<p>2.1. Bidders should make themselves their calculations for 2015, based on the annual financial statement and the additional information, provided by the Sofia Airport.</p> <p>2.2 The answer was published on 17.08.2018, file Q&amp;A_17.08.18_4, answer No. 7 – The rent revenue for 2015 transferred to the state budget of the Republic of Bulgaria amounted to BGN 2 351 thousand.</p> <p>2.3. The expenses of the business company specified, are exclusive of VAT and if you want to add the VAT, it may only refer to expenses, funded by airport charges. Bidders are responsible for making their own taxation analyses.</p> <p>2.4. The correct number is BGN 140,604 thousand.</p> <p>2.5. The revenues are based on those, provided in the table.</p> <p>2.6. The government VIP A is not Espresso VIP B.</p> <p>2.7. The table does not included the expenses of VIP A, Balchik Flight Site and the Kosmos Holiday Facility, which are not part of the concession site.</p> <p>2.8. VIP A, Balchik Flight Site and the Kosmos Holiday Facility are not part of the concession site.</p>

		2.9. The Kosmos Holiday Facility is used free of charge by the employees, as the respective costs and expenses are covered by Sofia Airport EAD. It is up to the Concessionaire to decide whether or not to cover such future expenses for the vacations of the employees.
3	What constitutes the revenues from VIP services and the revenues from Guest lounges? Do they relate in any way to VIP A? Would it be possible to provide us with a more detailed breakdown of VIP services and Guest lounges revenue components?	This information is available in the Virtual Data Room – <b>Appendix 2.3.9.</b> – Statement of the revenues from VIP services and guest lounges. The said revenues are not related to VIP A.
4	In relation to answer of question 5 of Q&A_29.08.18_3 : 4.1 For 2017, 2016, 2015 have there been any similar expenses incurred (Benefits to personnel of MOI) and were they presented in the Income statement of SA. If so, please present the exact amounts for the respective years. 4.2 In 2018 have there been incurred any expenses for the respective item (Benefits to personnel of MOI). If yes, what is the amount of the accumulated year to date expenses and what amount are they expected to reach at end of 2018?	In 2015, 2016, 2017 and so far in 2018, no expenses have been incurred for benefits to personnel of the MoI and no such expenses are expected by the end of 2018. As indicated in Answer No. 5 in Q&A_29.08.18_3 the amount of BGN 2 780 thousand is an <b>estimation</b> of the annual expensed for these activities.
5	In relation to answer of question 8 from Q&A_29.08.18_3, which party paid for the sums specified as paid for property tax and waste collection tax (part of the concession) amounting to for 2016 - BGN 659 ths., for 2017 - BGN 692 ths, SA or the state(CAA/MTITC)? What part was expensed through the Income statement of SA? What is the respective amount for year 2015?	The specified amounts were paid by Sofia Airport EAD, using revenues from airport charges, pursuant to art. 120 of the CAA. These were reported as expenses in the income statement, however these were declared as resulting from revenues from airport charges, i.e. the expenses did not take part in the formation of the financial result for the respective years. In 2015 the amount paid as property tax and waste collection fee for the assets, part of the concession, amounted to BGN 620 thousand.
6	With respect to file 2.3.1 Commercial revenue - CUTE, PRM, VIP from the VDR, please explain the difference between the sums for "Other commercial activities" with those in section 2.1 of the Annual management report of BGN 200 ths.(2017), BGN 49 ths.(2016), BGN 28 ths.(2015).	In file 2.3.1 Commercial revenue in the Virtual Data Room, when it was decided to include or exclude revenues from the statements on operations submitted, as certain sites and facilities, which are not part of the concession were not included, the sale of a fixed asset for BGN 133 thousand in 2017 was also included.
7	Based on file 1.1.7 "Consolidated EBITDA 2016, 2017" from the VDR, the total COGS for fuel and de-icing liquid relating to the activity Sale, transportation, storage and laboratory analysis for fuel and de-icing liquid is BGN 2,150 ths. for 2017. Based on file 12.1.1 Answers of questions (10.08.2018 Q&A_1) № 1, 3.2, 4, 5, 7 - Accounts from the VDR the total COGS for fuel and de-icing liquid relating to the activity Sale,	We confirm that the total COGS, relating to the activity Sale, transportation, storage and laboratory analysis for fuel and de-icing liquid is BGN 2,234 thousand. There is a technical mistake in the file 1.1.7 Consolidated EBITDA 2016-2017 in the VDR.

	transportation, storage and laboratory analysis for fuel and de-icing liquid is BGN 2,234 ths. for 2017. Please elaborate on the difference in these values	
8	<p>Analogously to files 1.13, 1.14, 1.15 etc. from the VDR, please provide us with detailed excel breakdown of the OPEX and COGS for 2015, 2016, 2017 split by every revenue generating item from commercial activities, including:</p> <ul style="list-style-type: none"> <li>- Ground handling</li> <li>- Retail trade in stores</li> <li>- Rent and commissions</li> <li>- Advertising</li> <li>- Sale, transportation, storage and laboratory analysis for fuel and de-icing liquid</li> <li>- Cargo</li> <li>- VIP Services</li> <li>- Guest lounges</li> <li>- Parking</li> <li>- Sale of airplane tickets</li> <li>- Servicing of passengers with reduced mobility</li> <li>- CUTE</li> <li>- Espresso VIP A and B</li> <li>- Other commercial activities</li> <li>- Balchik airport</li> </ul> <p>This breakdown should be equal to the commercial OPEX of each year from the annual report(2015 - BGN 62,943 ths., 2016 - BGN 71,840 ths., 2017 -BGN 81,177 ths.)</p>	This information is available in the Virtual Data Room – <b>Appendix 1.10.2.</b>
9	In relation with files 12.1.1 Answers of questions (10.08.2018 Q&A_1) № 1, 3.2, 4, 5, 7 and 12.1.2 Answers of questions (10.08.2018 Q&A_1) № 2, 3.1 from the VDR, please provide us with the respective information for Other revenues (file Accounts.xlsx) and Revenues and expenses for Sale, transportation, storage and laboratory analysis for fuel and de-icing liquid (file Breakdown revenues.xlsx) also for 2015 and 2016.	This information is available in the Virtual Data Room – <b>Appendix 2.3.9.1.</b>
10	In relation to file 1.15 Expenses related to the operation of the business / VIP salons from the VDR, please explain if the expenses at a total amount of BGN 1,019 ths. as well as COGS of BGN 51 ths. for 2017 are related to only Espresso VIP B or also to VIP services(revenue - BGN 1,328 ths.)	The specified expenses at a total amount of BGN 1,019 thousand as well as COGS of BGN 51 thousand for 2017 are related to the revenues from Espresso VIP B (BGN 85 thousand) and the revenues from VIP services (BGN 1,328 thousand).
11	Please provide an excel file with a summarized report of the revenues and expenses on a <b>monthly basis</b> for the period starting January 2016 till the last closed	This information is available in the Virtual Data Room – <b>Appendix 1.1.11.</b>

	accounting month of 2018. At minimum the report should include regulated revenues, non-regulated revenues, expenses for materials, hired services, personnel, other, amortization as well as EBITDA and EBIT.	
12	In relation with file Breakdown revenues from 12.1.1 Answers of questions (10.08.2018 Q&A_1) № 1, 3.2, 4, 5, 7 from the VDR please explain the character of Revenues from airport operator (subject 10308 from the accounting software) and Revenues from department of security of aircrafts (subject 11704 in accounting software).	<p>Airport operator's revenues at subject/site 10308 refer to revenues at request for the aircraft/motor-vehicle marshalling on the apron; cleaning of fuel/oil spills from the aprons; fire safety during painting, conservation and welding of aircrafts or aircraft fuel loading, while passengers are on-board.</p> <p>The Revenues from department of security of aircrafts – Subject 011704 originate from services by accompanying security inspector/operator.</p>
13	Please confirm if the sums specified as "Total invoiced revenues from airport charges" in the report of the plan - the program of expenditures and the funds required for the performance of public services and administration /ongoing operation and maintenance, part of the annual management report of SA (example: BGN 99,888 ths. in 2017) include the amounts for the national supervisory authority?	The sums specified as "Total invoiced revenues from airport charges" in the report of the plan - the program of expenditures and the funds required for the performance of public services and administration /ongoing operation and maintenance, part of the annual management report of SA (example: BGN 99,888 thousand in 2017) do not include the sustention of the national supervisory authority.
14	Please provide schedule on a montly basis of balances of accounts for working capital for 2016, 2017 and as of last closed accounting period of 2018. The schedule should include: inventory, trade receivables, tax receivables, other current assets (excl. from Corporate Commercial Bank), airport charges receivables (part of accruls on reconstruction project and contract with the government), liabilities to personnel and social securitu (excl. pensions), pension liabilities, trade payables, tax payables, other current liabilities. . Additionally, please present the amounts of receivables from Bulgaria Air.	<p>This information is available in the Virtual Data Room – <b>Appendix 1.1.8.1.</b></p> <p>The amounts of the receivables from Bulgaria Air may not be provided, since these are information, protected by law – art. 37 of the Competition Protection Act. Also, we confirm our understanding that Sofia Airport EAD's receivables are not directly related to the concession site and the future concessionaire.</p>
15	Please present a detailed breakdown of the non-current assets including information on the year of acquisition, cost, amortization, book value and location of the asset. Please put the assets in the following categories: assets part of concession, assets subject to additional purchase/rent and other (assets neither provided to the concessionaire nor subject to purchase/rent).	<p>The assets, property of Sofia Airport EAD have been uploaded in the Virtual Data Room on 26.07.2018. We have provided updated information as of 31.08.2018– this information is available in the Virtual Data Room – <b>Appendix 5.9.1.3.</b></p> <p>The assets – public state property, which will be provided to the concessionaire, as part of the concession site are available as appendix App_Tender_doc_2A3_GVA.pdf and appendix App_Tender_doc_2A3_MTITC.pdf to the Concession Documentation.</p>

16	Please provide a file containing detail flight information for 2015 and 2016 including all aircraft movements for respective year, similarly to 2.1.2.5 Flight information for 2017 provided in VDR?	This information is available in the Virtual Data Room – <b>Appendix 2.1.2.5.1.</b>
17	We noted in FS of Sofia Airport that is stated increase of net litigation receivable from BG 81ths. for 2016 to BGN 2 502ths. for 2017. 18.1 Please explain the reasons for this increase in 2017? 18.2 Please provide a breakdown of amounts booked in 2016 and 2017 for litigation and argumentation for court cases? 18.3 Also please provide us with a breakdown of the respective accounting entries booked against these accruals? 18.4 What amount of these accruals is recognized in the income statement and on which line is presented?	The information in these questions is not related to the concession site – the concessionaire shall not be concerned with any litigation receivables of Sofia Airport EAD. Also, the litigation-related information is sensitive information, concerning the rights and legal interests of third parties, and therefore no such information is provided.
18	Please provide detailed information of the approach to invoicing and accounting of airport charges over time. How much time after a flight does it take to issue an invoice? What is its due date and when do payments usually get received? With regards to discounts, when are they recognized - with the issuance of the original invoice or are they deducted from future invoices at a later stage? Accounting wise, when are discounts recognized? How do you treat discounts that are applicable after achieving certain volume (for example number of passengers or aircraft movements)? Are there accruals based on forecasted volume or do you recognize volume based discounts only once the volume has been reached? How are discounts accrued which relate to volumes over a period different than the calendar year (e.g. from month 7 to month 6 of the following year)? Do discounts that apply for several years (for example for new routes)continue being applied in their original volume in spite of a change in the discount policy for next year?	The invoicing of the airport charges takes place in accordance with the provisions of the <i>Ordinance on the charges for using public-use airports and for aviation services in the Republic of Bulgaria.</i> The recognition of the discounts is governed by the rules, established in the respective Programme of discount incentives for the development of the air traffic at the Sofia Airport, related to the respective period of discounts.
19	22.1. Please provide data for 2015, 2016 and 2017 of the booked in the income statement of Sofia Airport amounts for impairment of receivables by type - trade, other, for airport charges? 22.2. What is the policy for booking of expenses for impairment of receivables? 22.3. Additionally, please provide information on how much could be the impairment expenses and impairment	22.1. In 2015, 2016 and 2017 the respective impairment amounts booked in the Income Statement, are as follows: For 2015 – BGN 301 thousand. For 2016 – BGN 25 516 thousand, impairment of a receivable from CCB(in bankruptcy) For 2017 r. – BGN 1 thousand All impairments booked concern trade receivables.

	<p>balance if 100% impairment is applied of all overdue receivables (separately as airport operator and commercial company) above 90 days and 180 days - for 2015, 2016 and 2017?</p>	<p>22.2. As specified in Sofia Airport EAD's annual financial statements, Company's Management assesses the adequacy of the impairment of problem and bad receivables from clients, according to an age(maturity)-based analysis of the receivables, the historical experience, regarding the levels of writing-off of bad receivables, as well as an analysis of the solvency of the respective clients, any changes in the contractual payment conditions etc.</p> <p>22.3. No such data is available to us. Sofia Airport EAD has not carried out any impairment audits, based only on the period, since the maturity date, since such practice is not in line with the impairments booking policy, as indicated in the preceding item 22.2.. Also, we confirm our understanding that the questions, regarding Sofia Airport EAD's receivables, including any impairments, are not directly related to the concession site and the future concessionaire, since every company has its own individual impairment policy.</p>
20	<p>Please explain the differences between the values in EUR for regulated expenses in the report of the plan - the program of expenditures and the funds required for the performance of public services and administration /ongoing operation and maintenance, part of the annual management report of SA (total of BGN 75,106 thousand or EUR 38,401 thousand excluding Capex and depreciation&amp;amortization) and the expenses specified in Attachment 3(column fact 2017 - 38,483 thousand euro excluding depreciation &amp; amortization of existing and new assets) of the Invitation for start of the consultations on airport charges of SA published in 2018 on the company website.</p>	<p>The difference between the total amount of the expenditures (excluding Capex and depreciation &amp; amortization) in the statement for 2017, as indicated in the Plan-Programme in the annual financial statement and appendix 3 in the package of documents for the announcement of the commencement of the consultations, regarding the airport charges for 2019 is due to one-off financial expenses, which are not an element of the expenditures, in the plan-programme, but have actually been incurred, and thus they are included in the statement.</p>
21	<p>Please provide a monthly breakdown for the period 2015, 2016, 2016 of accounting entries which relate to the accruals for Reconstruction contract and Contract with the government which correspond to recognition of revenue or expense. Apart from the financing revenues (regulated) is there any other effect on income statement from the movements in the accrual accounts for the project and the contract?</p>	<p>The Sofia Airport reconstruction and development project has ended and all the relevant assets are currently in operation. The information, regarding the project accruals is not related to the concession site and the concessionaire will not be concerned with it. Apart from the recognized financing revenues (Regulated) the income statement also reflects the expenses for ongoing support of the operations, funded with such revenues.</p>