

№	Question	Answer
1.	We understand that the operator accounts for significant "revenues from financing/grants". Please inform us whether this income stream has been considered for corporate tax and VAT purposes, and if so, what policies does the operator apply.	The revenues from financing/grants, reported in Sofia Airport EAD's financial statements do not affect in any way the corporate tax and VAT, since these are equal to the reported operating (not investment or financial) costs and expenditures, incurred, at the expense of airport charges.
2.	We understand that the operator may not have deducted input VAT credit on its purchases related to provision of airport services against airport charges. Please inform us about the reasons for this.	According to art. 120, para. 7, the airport services provided, against airport charges, by BULATSA and by the airport operator, authorized to collect airport charges, based on an international agreement or by the airport operator at the airport with the highest number of passengers served in the Republic of Bulgaria (Sofia Airport EAD), are not subject to taxation and therefore these do not fall into the scope of the Value Added Tax or the Income Taxation Act, respectively, and the costs and expenditures, funded through airport charges, are not subject to any VAT tax credit. Please note that according to art. 120, para. 7 of the Civil Aviation Act, an exception from the non-taxation are the cases, as per art. 120, para. 5, item. 2 of the Civil Aviation Act, i.e. if such airport charges are collected by a Concessionaire.
3.	Please provide copies, or information about, any registrations/permits under the excise & duties legislation, e.g. in relation to operating the duty-free shops, sold excise goods, etc.	This information is available in the Virtual Data Room – Appendix 13.25.
4.	The Lease Agreements with airlines, concluded on the grounds of Annex A, Section 1, paragraph 1.1.6 of the IATA Standart Ground Handling Agreement or Section 6, paragraph 6.1.1 of the IATA Standrat Ground Handling Agreement, are concluded in respect with the General Terms for Lease Agreements, accepted by the Board of Directors and approved by the Minister of Transport. According to the Article 19 of the General Terms, the Tenant have to provide collateral under the Lease Agreement. Please elaborate wether such collaterals are provided for the Lease Agreements concluded on the abovementioned grounds.	The lease agreements with airlines, concluded on the basis of the IATA Standard Ground Handling Agreement, do not require the provision of collaterals.

5.	Please provide copy of collective bargaining agreement on branch level signed on 13 June 2018 by the trade union of the Association of the employees in the transport industry.	A collective bargaining agreement on branch level was signed on 13.06.2018. This information is available in the Virtual Data Room – Appendix 7.2.1.1.
6.	Please provide the agreement for purchase/licensing of the cargo system (EFACEC).	Terminal 2's baggage system at the Sofia Airport was installed at the time of construction of the terminal and it was commissioned in 2006. EFACEC – the manufacturer of the baggage system, was a sub-contractor of STRABAG. The contract between STRABAG and its sub-contractor EFACEC is not available to the Sofia Airport EAD. STRABAG have only provided the operating and maintenance manuals for the baggage system.
7.	Please provide the agreement for purchase/licencing of air navigation light system.	The air navigation light system /ANLS/ was provided by the Ministry of Transport Information Technologies and Communications to be managed by the Sofia Airport EAD, by Decision of the Council of Ministers (DCM) No. 662/06.08.2012. DCM No. 662/06.08.2012 is available in the Virtual Data Room since 23.08.2018 – Appendix 23.