

№	Question	Answer
1	<p>"Please provide schedule of liabilities related to personnel as of 31.07.2018 relating only to employees to be transferred (i.e. excluding VIP A, Cosmos, Balchik):</p> <ul style="list-style-type: none"> - Salaries - Unused paid leave - Social security - Retirement benefit (short term) - Retirement benefit (long term)" 	<p>This information is available in the Virtual Data Room – Appendix 7.6.3.</p>
2	<p>Please provide schedule of personnel expenses and number of employees for the entire 2017 and for the period January-July.2018 by department (similar to file 7.4.1). Please include information on the amount of expenses and number of staff by department allocated to regulated activity and to non-regulated activity.</p>	<p>This information is available in the Virtual Data Room – Appendix 7.4.1.1.</p>
3	<p>In folder Answers from 17.08.18_4 point 16 b (answer 3) you present main balance sheet items related to assets outside of the concession perimeter Please provide the schedule also as of 31.07.2018. Are there any amounts of inventory, other receivables or assets, other payables or liabilities, related to these activities that were not presented in the schedule? If so please provide the amounts as of 31.12.2015, 31.12.2016. 31.12.2017 and 31.07.2018.</p>	<p>We have made this information available for review in the Physical Data Room in accordance with the rules and conditions, set out in clause 5.1. of the Tender Documents – updated data as of 31.07.2018 - Appendix 30.2.</p>
4	<p>In schedule 1.10.2 you have presented total allocated (indirect) expenses amounting to BGN 5505ths for 2015, 5624ths for 2016 and 5777ths for 2017. Please provide a breakdown of these expenses and provide details on principles of allocating these costs among the different business lines.</p>	<p>This information is available in the Virtual Data Room – Appendix 1.10.2.1. As for the principles of allocating these costs among the different business lines, see the answer to question 5 below.</p>
5	<p>Please provide detailed policy for accounting and allocating operating expenses of the company by business activity (regulated and non-regulated). What is the principle for allocating costs between regulated and non-regulated activities? Which costs are directly attributable to a particular activity and which costs are allocated - please provide detailed information (e.g. by account number similar to the accounts in file 1.10.2)? For cost items which are allocated please explain what is the basis for allocation.</p>	<p>The data, regarding the regulated activity expenses, that are subject to allocation in the Virtual Data Room – Appendix 1.10.2.2. The expenses are allocated per user (reporting premises and project) of the respective asset, subject to depreciation. Personnel costs For each employee of the company, depending on the respective reporting unit, where he is employed, the activity (project) to which all the expenses,</p>

related to such person, refer, are specified, including remuneration, leaves, sick leaves, social security and health insurance contributions, food stubs, urban traffic cards, social security etc.

Considering the large share of this type of expenses and the employee dynamics, the information, regarding the allocation of the persons is updated on a monthly basis.

Other expenses

These are allocated, based on the type and nature of the costs and expenses: based on the personnel (business trips, trainings and professional qualification, antidotes), based on the unit – beneficiary of the expenses (free consumption for passengers served, impairment of receivables, litigation expenses, business risk) and based on other criteria, on a case-by-case basis.

The structure of the expenses to be allocated, includes several key expense items, related to all the activities and fees, as follows:

- General costs, subject to allocation, including any and all costs and expenses of the structural units, directly involved in the administrative services to the personnel of the Sofia Airport EAD: HR, Administration and Social Activities” Directorate, Salaries Sector, Finance Directorate, the expenses of the structural units, responsible for providing administrative and technical services, including costs and expenses for the management, preparation and conducting of public procurement procedures, legal services, financial and management accounting, corporate supervision, marketing, planning and analysis, contracting, clerks, secretariat, procurement, technical maintenance etc.;
- Costs and expenses for the technical maintenance of motor vehicles, including the expenses of the structural units, directly responsible for the repairs and maintenance of the available equipment;
- Heating, electricity and water-supply costs

The reporting and allocation of the costs for allocation, takes place, based on a developed and approved methodology of the principles, rules and

		<p>specific methods of allocation of the expenses in the reporting units, which carry out such activities, as these are allocated, based on tables of percentage allocation, where the respective expenses are identified, based on their relevance to the business and airport activities by reporting units – (sources of revenues and expenses, including organization and management), and then these are allocated to the respective revenues, directly or indirectly – through their collection in the general production costs and subsequent allocation.</p> <p>Please note that the OPEX reporting and allocation methods, applied by the company by activities, including the expenses, subject to allocation, are subject to annual audits by BULATSA, focused also on the allocation of the bills and cash flows between regulated activities, SOFIA AIRPORT EAD’s activity as a ground handling operator and Company’s business activities.</p>
6	Will the current operator going to be liable for all liabilities to personnel existing as of concession start date? Will it compensate the concessionaire for any provisions - e.g. retirement benefit provision, unused paid leave - or for any accrued liabilities - salary, social benefits, social security, corporate tax on social benefits?	The current operator will be liable for all the liabilities to the personnel, occurring up to the concession start date.
7	What is the number of employees that have visited hotel Cosmos in 2015, 2016, 2017, 2018 and therefore were not entitle to receive the annual cash benefit of BGN 150?	This information is available in the Virtual Data Room – Appendix 7.27.
8	Please provide a list of flight types and the respective codes (file 2.1.2.5) that are exempt from paying airport charges.	This information is available in the Virtual Data Room – Appendix 2.1.2.5.2.
9	As provided in files 1.10 and 1.10.1, the expenses related to activities within the concession perimeter for 2015, 2016 and 2017 are BGN 108,965ths, BGN 117,433ths, and BGN 131,498 ths respectively. Considering the total expenses (excluding depreciation and amortization) presented in the audited annual financial statements for this period and subtracting the above costs, we arrive at the amount of expenses for activities outside of the concession perimeter amounting to EUR 534 th, EUR 631 ths and EUR 741 ths. Based on file Sofia Airport EBITDA BASE 2017 and confirmed in Q&A the	<p>The data, regarding the regulated activity expenses, that are subject to allocation in the Virtual Data Room – Appendix 1.10.2.2.</p> <p>The expenses are allocated per user (reporting premises and project) of the respective asset, subject to depreciation.</p> <p>Personnel costs</p> <p>For each employee of the company, depending on the respective reporting unit, where he is employed, the activity (project) to which all the expenses, related to such person, refer, are specified, including remuneration, leaves,</p>

<p>expenses related to activities outside of the concession scope are EUR 661k and EUR 825k (or EUR 782k after adjustment of the cost of sales of fuel from BGN 1,075ths to 1,159 ths) for 2016 and 2017, respectively. In addition, from file 1.10.2 we understand that total expenses (excluding depreciation and amortization) of Espresso VIP A and B, other commercial activities and Balchik , which in addition to all expenses outside of the concession perimeter include expenses for activities within the concession scope, and therefore should be of higher amount than the above mentioned costs, amount only to EUR 608ths, EUR 615ths and EUR 610ths. Please explain the differences in the expenses for activities outside of the concession scope as calculated using the above three sources of information. Please provide a schedule of the expenses related to Balchik, Cosmos and VIP separately.</p>	<p>sick leaves, social security and health insurance contributions, food stubs, urban traffic cards, social security etc.</p> <p>Considering the large share of this type of expenses and the employee dynamics, the information, regarding the allocation of the persons is updated on a monthly basis.</p> <p>Other expenses</p> <p>These are allocated, based on the type and nature of the costs and expenses: based on the personnel (business trips, trainings and professional qualification, antidotes), based on the unit – beneficiary of the expenses (free consumption for passengers served, impairment of receivables, litigation expenses, business risk) and based on other criteria, on a case-by-case basis.</p> <p>The structure of the expenses to be allocated, includes several key expense items, related to all the activities and fees, as follows:</p> <ul style="list-style-type: none"> • General costs, subject to allocation, including any and all costs and expenses of the structural units, directly involved in the administrative services to the personnel of the Sofia Airport EAD: HR, Administration and Social Activities” Directorate, Slaries Sector, Finance Directorate, the expenses of the structural units, responsible for providing administrative and technical services, including costs and expenses for the management, preparation and conducting of public procurement procedures, legal services, financial and management accounting, corporate supervision, marketing, planning and analysis, contracting, clerks, secretariat, procurement, technical maintenance etc.; • Costs and expenses for the technical maintenance of motor vehicles, including the expenses of the structural units, directly responsible for the repairs and maintenance of the available equipment; • Heating, electricity and water-supply costs <p>The reporting and allocation of the costs for allocation, takes place, based on a developed and approved methodology of the principles, rules and specific methods of allocation of the expenses in the reporting units, which</p>
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		<p>carry out such activities, as these are allocated, based on tables of percentage allocation, where the respective expenses are identified, based on their relevance to the business and airport activities by reporting units – (sources of revenues and expenses, including organization and management), and then these are allocated to the respective revenues, directly or indirectly – through their collection in the general production costs and subsequent allocation.</p> <p>Please note that the OPEX reporting and allocation methods, applied by the company by activities, including the expenses, subject to allocation, are subject to annual audits by BULATSA, focused also on the allocation of the bills and cash flows between regulated activities, SOFIA AIRPORT EAD’s activity as a ground handling operator and Company’s business activities.</p>
		<p>We confirm that the amounts you have calculated – BGN 1,045k (EUR 534k), BGN 1,235k (EUR 631k) and BGN 1,450k (EUR 741k), refer to the expenses of the premises, which are not part of the concession site..</p> <p>The differences between the annual financial statements and the data, provided in file 1.17 are due to the operating expenses for the premises, not included in the concession site, that have been excluded, i.e. VIP A, Cosmos Hotel and Balchik, as well as the depreciation amount.</p> <p>File 1.10.2 cannot be used to derive information on the expenses of the premises, outside the concession site, since the file also contains information, related to premises, within the concession site.</p>
10	The draft concession agreement states that the concessionaire may buy or lease the moveable assets of Sofia Airport EAD. Please explain which are these assets - PPE including 1. machinery and equipment , 2. vehicles, 3. fixtures and fittings, 4. other; inventory including goods for resale in shops, materials for maintenance, spare parts, fuels?	A list of the Sofia Airport EAD’s movable assets as at 31.08.2018 is provided in Appendix 5.9.1.3 in the Virtual Data Room
11	"1. Please explain the difference in fuel 2.2.1.3 - consultation for airport charges, Appendix 3 - Expenses related to airport charges (excluding supervising authority) - column Plan 2018 between ""existing assets"" and	1. The amount shown in Appendix 3 to the Notice of Consultations on Airport Charges for 2019 in the Consultation Plan 2018, row "Amortization of Existing Assets", represents the depreciation of the purchased assets until July 2017 when the plan was designed for 2018 and planned to be

	<p>""new assets"". When were the existing assets acquired and when were the new assets acquired?</p> <p>2. We presume that the depreciation and amortization of assets related only to assets on the balance sheet of CAA. Please confirm.</p> <p>3. Please provide a detailed schedule of the depreciation rates by type of asset as well as current fixed asset register for these assets (gross value, accumulated depreciation, net value, depreciation rate, residual value)"</p>	<p>purchased by the end of 2017. The same column on line "Amortization of newly purchased assets" shows the expected depreciation of assets that are planned to be purchased and put into operation in 2018.</p> <p>2. Recognized depreciation of assets relates to assets from the accounts of DG CAA and MTITC.</p> <p>3. When calculating the amount of airport charges, the airport operator shall apply depreciation rates for each asset as provided by DG CAA and MTITC.</p>
12	<p>Thank you for providing schedule 1.1.8.1. Please provide more details on item 6.other receivables - to include separate lines 6.1 advance payments, 6.2. payments on insurance contracts, 6.3. receivables for interest on deposits, 6.4 other receivables (as per note 12 of the audited financial statements), 6.5 Receivables related to the Project - airport charges receivable (as per note 26.1), 6.6 Receivables related to the Project - other assets excluding airport charges, 6.7 Receivables related to the contract with the Ministry - receivables for airport charges, 6.8 Receivables related to the contract with the Ministry - other assets excluding receivables for airport charges</p>	<p>This information is available in the Virtual Data Room – Appendix 1.1.8.1.1</p>
13	<p>Please explain the methodology and basis or preparing the annual budgets of Sofia Airport. Please provide documents describing the methodology if such are available. What is the basis for preparing the budgets for 2016, 2017, 2018? Is there a difference in the approach during these three years?</p>	<p>Please, refer to the answer to question 14, published on 23.08.2018 in the file Q&A_23.08.18_1.</p>