

№	Question	Answer
1	<p>Retirement indemnities – We understand that the business’ balance sheet liability in respect of retirement indemnity type benefits of BGN 1.6m at Dec17A is based on 243 employees and, in particular, specifically excludes any employees categorised as “civil aviation authority”. We understand that these civil aviation authority employees are inside the transaction perimeter. Please confirm:</p> <p>a. Whether these “civil aviation authority” employees are entitled to the same retirement indemnity benefits – if not, please specify what benefits they are entitled to</p> <p>b. Statistics - the number of such employees, their average age, their average years of eligible service and average monthly gross remuneration</p> <p>c. The liability at Dec17A and service cost for FY17 for these employees on an IFRS basis</p> <p>d. The actuarial assumptions used for the calculations in c. above</p>	<p>a) We confirm that all employees of ‘the Civil aviation authority’ (the costs for whom are financed from airport charges) are entitled to the same retirement indemnity benefits;</p> <p>b) We attach a file with the requested information on all employees of Sofia Airport EAD as of 31 December 2017, whose data serve as a basis for an actuarial valuation of the same date – available for review in the virtual data room - <b>Appendix 7.4.8.</b></p> <p>c) the Costs for length of service (a retirement indemnity benefit) amount to BGN 253 thousand as per the Actuarial Report of 2017, while the liability in respect of retirement indemnity type benefits as of 31 December 2017 is BGN 1,616 thousand. These amounts are for the total number of persons (243), and as you have mentioned in particular, excludes any employees categorized as ‘civil aviation authority’.</p> <p>d) The actuarial assumptions are included in the actuarial report which was provided on 21 August 2018 – Appendix 1.9 in the physical data room.</p>
2	<p>Retirement indemnities – We understand the actuarial calculations of the liabilities for retirement indemnities of BGN 1.6m at Dec17A only allows for the expected benefit payments in the next 10 years (ie, prior to 2028). What was the rationale for excluding expected benefit payments beyond 2027 in the actuarial calculations and what would the actuarial liability be if they were included?</p>	<p>The timeline of the actuarial valuation takes into account the employee turnover dynamics, remunerations, term of validity the collective labor agreements, the development of the market, changes to the retirement terms and other conditions specific for the operations of Sofia Airport EAD, and is in compliance with the applicable procedures of state-owned enterprises in this respect.</p> <p>We do not have actuarial calculations for the time beyond the presented 10-year period. In case they have the necessary tools available, potential bidders can, using the data provided in the file as an answer No. 1, letter ‘b’, arrive at their own estimates of the actuarial liability towards the employees beyond the year 2027.</p>
3	<p>Retirement indemnities – We understand the actuarial calculations of the liabilities for retirement indemnities of BGN 1.6m at Dec17A is based on</p>	<p>As specified in the reports of the actuary, the actuarial assumptions concerning the employee turnover rate are based on statistics provided</p>

	an assumed employee turnover rate of 9.5% pa where the corresponding rate at Dec16A was 7.0% pa. What was the rationale for the change in this assumption? What was the impact of this change on the reported liability?	by Sofia Airport EAD on the employee turnover for a 5-year period prior to the respective valuation.
4	Other pension / post-employment arrangements – Please confirm that apart from the retirement indemnity benefits that are reserved for on the balance sheet (liability of BGN 1.6m at FY17A), that the business has no other pension / post employment obligations that would be consider defined benefit plans under IFRS (IAS 19).	All liabilities towards employees that would be considered defined benefit plans under IFRS (IAS 19) are included in the annual financial reports of Sofia Airport EAD.
5	Please elaborate on the public and trade receivables from Bulgaria Air including on their nature and aging analysis as at 31 December 31, 2017. We understand that the concessionaire will not be affected by the trade receivables of "Sofia Airport" EAD and the receivables from airport charges of MTITC which will remain with Sofia Airport. At the same time and considering the share of Bulgaria Air in the airport's revenues, information Bulgaria Air's payment performance is key to the risk analysis and the financial model.	We confirm our position that no data in this respect should be provided, because such data are protected by law – Article 37 of the Competition Protection Act..
6	Revenue and cost breakdowns by terminal Please provide breakdowns of revenues (regulated and unregulated) and costs by terminal for FY16 and FY17.	Revenues and costs are not reported/accounted for by terminal. Please note that an answer has already been provided in relation to a similar question. In view of this, we would like to appeal to economic operators to familiarize themselves proactively with the questions asked and answers provided published in the Questions and Answers section. We further note that for convenience of the Economic operators there are regular updates also to the summary table of questions and answers, also available on the concession website.
7	Information regarding the amount of BGN 825 thousand in item "real estate tax and garbage collection fees" from AFS for 2017 Please confirm whether this amount includes local garbage collection fees only or if it includes other local taxes and fees as well. In case the amount includes other taxes/fees (except local garbage collection fees), please provide detailed breakdown of the amount by types of taxes/fees.	The amount of BGN 825 thousand includes real estate tax, garbage collection fees and tax on vehicles. Real estate tax – BGN 32 thousand Garbage collection fees - BGN 788 thousand Tax on vehicles – BGN 5 thousand

8	<p>Information regarding the amount of BGN 825 thousand in item "real estate tax and garbage collection fees" from AFS for 2017</p> <p>On the basis of answer to question 8 in Appendix 'Q &amp; A_29.08.18_3_4_bg,' we understand that the amount of BGN 692 thousand. refers to local garbage collection fees paid for 2017 for assets falling within the scope of the concession. Please confirm whether the difference between the amount in AFS for 2017 (BGN 825 thousand) and the amount provided in the abovementioned answer for 2017(namely BGN 692 thousand) relates to the paid local taxes and fees by "Sofia Airport EAD" for assets that are out of scope of the concession agreement.</p>	<p>We confirm the difference is for assets that are out of the scope of the concession.</p>
9	<p>Information regarding the paid real estate tax and local garbage collection fees for 2017 for the assets under the concession agreement</p> <p>On the basis of answer to question 8 in Appendix 'Q &amp; A_29.08.18_3_4_bg,' we understand that the amount of BGN 692 thousand refers to local garbage collection fees paid for 2017 for assets falling within the scope of the concession . Please confirm that this amount includes garbage collection fees only. In case that the amount includes real estate tax as well, please provide a breakdown of the separate items, namely: 1) real estate tax and 2) local garbage collection fees.</p>	<p>The amount of BGN 692 thousand includes real estate tax.  Real estate tax - BGN 9 thousand  Garbage collection fees – BGN 683 thousand</p>
10	<p>Information regarding the paid real estate tax and local garbage collection fees for 2017 for the assets under the concession agreement</p> <p>On the basis of answer to question 8 in Appendix 'Q &amp; A_29.08.18_3_4_bg,' we understand that the amount of BGN 692 thousand. refers to local garbage collection fees paid for assets falling within the scope of the concession for 2017. However, according to Appendix 1.2.1 "2017 airport fees and opex", available in the physical data room, the total amount of expenses in item "Real estate tax and local garbage collection fees" is BGN 678 thousand. What is the reason for the difference between the amount of BGN 692 thousand and BGN 678 thousand in the provided data?</p>	<p>The difference of BGN 14 thousand is for assets falling within the scope of the concession, but used by the commercial enterprise, and the costs for tax on real estate and waste collection fees are borne by the commercial enterprise (the company).</p>