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Pursuant to Article 71 of the Law on Tourism ("Official Gazette of Sarajevo Canton", Nos. 19/16, 31/17, 34/17 and 13/21), Article 30 of the Articles of Incorporation ("Official Gazette of Sarajevo Canton", No. 32/17), Conclusion of the Government of Sarajevo Canton No. 02-04-35505-42/26 of 30 July 2026, the Tourism and Air Transport Development Incentive Programme in Sarajevo Canton No. 02-04-9183-39.1/26 of 19 March 2026, the Decision of the Tourism Council of the Tourism Association of Sarajevo Canton on the adoption of the Tourism and Air Transport Development Incentive Programme in Sarajevo Canton for 2027–2029 No. 1762-4/26 of 01 October 2026, and the Decision on announcing the Public Call for Tourism and Air Transport Development Incentives in Sarajevo Canton No. 1786/26 of 06 October 2026, the President of the Tourism Association of Sarajevo Canton hereby announces the

PUBLIC CALL

FOR TOURISM AND AIR TRANSPORT DEVELOPMENT INCENTIVES IN SARAJEVO CANTON

I SUBJECT OF THE PUBLIC CALL

The subject of the Public Call is the promotion of the tourism development and air transport in Sarajevo Canton for the purpose of tourism development.

This Public Call for the Tourism and Air Transport Development Incentives in Sarajevo Canton (hereinafter: the "Public Call") sets out the goal, the funds, the implementation method, the beneficiaries and the selection criteria.

The implementation period for the activities is determined by the Conclusion of the Government of Sarajevo Canton No. 02-04-35505-42/26 of 30 July 2026, with the implementation planned for a period 2027–2029.

The Public Call is going to be implemented in 2027.

II GOAL OF THE PUBLIC CALL

The goal of the Public Call is to further develop tourism in Sarajevo Canton by providing incentives to airlines for the establishment of new destinations, keeping the existing strategic destinations, increasing the number of passengers in air transport and strengthening the tourism sector.

III AMOUNT OF FUNDS

Funds for the Public Calls shall be planned in accordance with the Conclusion of the Government of Sarajevo Canton No. 02-04-35505-42/26 of 30 July 2026 in the Budget of the Sarajevo Canton – "Current Transfer to the Tourism Association of Sarajevo Canton for Co-financing Projects of Importance for Tourism Development", within the funds allocated for this purpose in the Budget of the Sarajevo Canton for 2027, as well as in the Financial Plan of the Tourism Association of Sarajevo Canton for 2027.

IV ELIGIBILITY TO PARTICIPATE IN THE PUBLIC CALL FOR THE SELECTION OF AIRLINES

Individual airlines that are registered for the provision of air transport services and that meet the criteria for the selection of applications and the allocation of funds are eligible to participate in the Public Call:

1. airlines that reach a decision to establish a base at Sarajevo International Airport;
2. airlines that launch new destinations to Sarajevo (destinations for which there have been no scheduled flights by airlines from Sarajevo International Airport during the twelve months preceding the intended date of the inaugural flight);
3. airlines that introduce one or more strategic routes to Sarajevo, in accordance with the list of strategic routes defined by Sarajevo International Airport;
4. airlines that introduce or keep the flights on existing new/strategic routes to/from Sarajevo on which, at the time of the submission of the application under the Public Call, there are five or fewer weekly flight frequencies, provided that incentives may only be granted for destinations that have not received support for more than three years in the previous period, except for airlines that at the same time apply for five or more routes;
5. airlines that introduce long-haul flights to Sarajevo with a flight time of more than six hours.

V CRITERIA FOR THE SELECTION OF APPLICATIONS AND ALLOCATION OF FUNDS

Individual airlines applying under the Public Call must meet the following criteria:

1. number of destinations, at least one of which must be new and/or strategic;
2. weekly frequency for each destination (a minimum of 2 flights per week for scheduled flight operations, or 1 flight per week for charter flight operations);
3. aircraft type and capacity (minimum 100 seats);
4. operating period, provided that it cannot be shorter than 8 consecutive weeks.

Note: An airline that meets the requirements of the Public Call may operate from any airport at a particular destination in the period the same is the incentive beneficiary, if that destination has multiple airports. Any change of the airport within the same destination during the incentive period is permitted and does not affect the approved incentives.

VI INCENTIVE CALCULATION METHOD

Once it has been established that an application meets the requirements of the Public Call, the value of the incentive shall be calculated. The incentive consists of a fixed monthly component and a variable component per arriving passenger. Each airline is calculated separately. Routes operated by airlines belonging to the same group cannot be combined.

The proposed model is a hybrid model intended primarily to support airlines introducing strategic or new routes and to incentivize airlines to operate the maximum number of routes over the longest possible period.

1. Calculation of the fixed component of the incentive

The calculation is divided into a fixed and a variable component. For the calculation of the fixed component, the primary criterion is the number of destinations/routes, and the beneficiary airlines are divided into different "tiers" depending on the number of routes they operate. The fixed amount is paid in equal monthly instalments, retrospectively for the preceding month of operations. Thus, for example, an airline operating only during the summer flight schedule shall receive the amount in 7 equal monthly instalments, while airlines operating throughout the year shall receive payments every month. It should be noted that the model is flexible, meaning that an airline may move from one calculation tier to another depending on whether the number of routes increased or decreased in the preceding month (e.g. if an airline "X n" launches Oslo and Stockholm routes in April and the Copenhagen route in June).

Table – fixed component of the calculation:

Number of routes	Fixed monthly support amount (€)
1 - 2 routes	5,000
3 - 4 routes	15,000
5 - 7 routes	20,000
8 - 10 routes	35,000
10+ routes	50,000
Long-haul flights	50,000
Base airline	75,000

2. Calculation of the variable component of the incentive

As with the fixed component, the primary criterion for calculating the monthly variable component is the number of routes operated by the airline (strategic, new or existing routes with five or fewer weekly frequencies). As the number of routes increases, the incentive amount per arriving passenger also increases, with the aim of encouraging airlines to introduce a wider range of routes. The first part of the monthly variable incentive per passenger is calculated by determining the number of destinations (taking into account whether a destination is strategic, new or existing with five or fewer weekly frequencies). This amount is paid retrospectively for the preceding month, based on official data on the number of arriving passengers provided by PC Sarajevo International Airport LLC Sarajevo. The second part of the variable component depends on whether the airline operates throughout the year. If this criterion is met, a fixed amount ("Loyalty Bonus") of €1.00 per arriving passenger is added to the applicable amount based on the number of routes. For airlines operating seasonally, this amount is €0.50 per arriving passenger. For airlines introducing flights on the existing routes, even where such routes are defined as strategic, no weight shall be applied.

An additional bonus is the "Performance Bonus", for which the primary parameter is the number of arriving passengers. The Loyalty Bonus and the Performance Bonus are calculated at the end of the year, up to and including the 31st of December, and the payment shall be settled in the first half of the following year.

2.1 Table of the variable component (monthly calculation and payment)

Number of routes	Strategic, new or existing route with ≤5 frequencies (per arriving passenger)
1 - 2 routes	€1.00
3 - 4 routes	€1.50

5 - 7 routes	€2.00
8 - 10 routes	€2.50
10+ routes	€3.00
Long-haul flights	€3.00
Base airline	€4.00

Annual/seasonal calculation

2.2 Loyalty Bonus

Loyalty Bonus – year-round operations (per arriving passenger)	Seasonal routes (per arriving passenger)
€1.00	€0.50

** The calculation and payment of the Loyalty Bonus for year-round operations shall be made after the expiry of 12 months.*

2.3 Performance Bonus

For all airlines that achieve more than 50,000 arriving passengers, the Performance Bonus of **€0.50 per arriving passenger** shall be calculated at the end of the year or operating season.

For the purpose of calculating the value of an application, the number of seats stated in the application form and a projected passenger load factor of 85% unique for all applications, shall be used.

Example calculation for an airline

Airline: ALFA

Number of routes: 2 (A – strategic, B – new route)

Year-round operations

Estimated number of arriving passengers = 31,000

Fixed component = €5,000 per month, €60,000 per year

Monthly calculation = 2,580 arriving passengers × €1.00 = €2,580; €31,000 per year

Loyalty Bonus = annual number of passengers 31,000 × €1.00 = €31,000

Performance Bonus = the requirement of 50,000 passengers has not been = €0

TOTAL = €122,000; €3.93 per passenger

All stated criteria and calculations are aligned with the aim of supporting the development of air traffic for the purpose of tourism development in Sarajevo Canton.

Based on applications that meet the stipulated criteria, the airlines shall be selected for the allocation of co-financing funds, subject to the available budget.

VII MANDATORY DOCUMENTATION

1. Application Form for the Public Call, completed electronically, printed and signed by hand by an authorised person;
2. proof of registration for the provision of air carrier operations;
3. proof that they possess operating licences for air carrier services for the duration period of the Programme;
4. list of destinations with frequencies;
5. aircraft to be used and their capacity;
6. period of flight operations from Sarajevo International Airport;
7. brief description and profile of the airline, including the number of passengers carried during the previous 12 months.

The application form for the Public Call may be downloaded from the official website of the Tourism Association of Sarajevo Canton, www.visitsarajevo.ba, and the website of PC Sarajevo International Airport LLC, www.sarajevo-airport.ba.

Airlines are responsible for the accuracy and completeness of the submitted documentation and for ensuring that all submitted documents are valid and relevant for the evaluation of their application.

VIII OBLIGATIONS OF BENEFICIARIES OF APPROVED FUNDS

Beneficiaries are required to use the approved funds for their intended purpose, in accordance with the agreement concluded with the Tourism Association of Sarajevo Canton.

IX SUBMISSION OF APPLICATIONS

Applications under the Public Call must be submitted exclusively by registered mail in a sealed envelope to:

TOURISM ASSOCIATION OF SARAJEVO CANTON

2/III Dalmatinska Street

71000 SARAJEVO, Bosnia and Herzegovina

marked:

**APPLICATION UNDER THE PUBLIC CALL FOR TOURISM AND AIR TRANSPORT
DEVELOPMENT INCENTIVES IN SARAJEVO CANTON – DO NOT OPEN**

X DEADLINE FOR SUBMISSION OF APPLICATIONS

The Public Call shall remain open until the 7th of November 2026.

The deadline for submitting applications is 30 days from the date of publication of the Public Call on the website of the Tourism Association of Sarajevo Canton, www.visitsarajevo.ba, and the website of PC Sarajevo International Airport LLC, www.sarajevo-airport.ba.

XI RESULTS OF THE PUBLIC CALL

The results of the Public Call shall be published on the official website of the Tourism Association of Sarajevo Canton and the website of PC Sarajevo International Airport LLC, www.sarajevo-airport.ba.

XII METHOD OF DISBURSEMENT

The Tourism Association of Sarajevo Canton shall disburse the incentives to the airlines on the basis of the monthly data on the actual number of flights and the total number of passengers, categorized by destinations, including information on the number of frequencies and a financial summary of the amount the airline accomplished. These data shall be provided to the Tourism Association of Sarajevo Canton by PC Sarajevo International Airport LLC.

XIII IMPORTANT NOTE

During the implementation and execution of the Public Call, the Tourism Association of Sarajevo Canton has the sole discretion to amend or supplement the Public Call in the event of any objective circumstances in Sarajevo Canton.

During the implementation of the Public Call and prior to the conclusion of agreements with the selected beneficiaries, the Tourism Association of Sarajevo Canton reserves the right to amend or supplement the Public Call, temporarily suspend the procedure, or cancel the Public Call in whole or in part if objective circumstances arise that may affect its implementation, particularly in the event of changes in available financial resources, relevant regulations, decisions of competent authorities or market conditions. Participation in the procedure under the Public Call does not constitute a basis for acquiring a right to an incentive and does not create any financial obligation for the Tourism Association of Sarajevo Canton until an agreement has been concluded with the selected beneficiary.

XIV INFORMATION AND CONTACT

For any additional information and clarifications, interested airlines may contact the Tourism Association of Sarajevo Canton via e-mail: info@visitsarajevo.ba.

President

Tourism Association of Sarajevo Canton

Dr. sc. Halis Fazladić

