

## TRANSLATION FROM ROMANIAN INTO ENGLISH

Siglă: THR Marea Neagră

CERT. IND. ISO 9001

ISO 14001

ISO 22000

**S.C. TURISM, HOTELURI, RESTAURANTE**

**MAREA NEAGRĂ S.A.**

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1991, CIF: RO2980547, IBAN Account: RO71 RNCB 0117

0151 6314 0001, Banca Comercială Română – Mangalia

Agency subscribed and paid-up share capital: 57.894.933,9 lei.

Dualist-managed company

Website: [www.thrmareaneagra.ro](http://www.thrmareaneagra.ro)

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To,

**SHAREHOLDERS' ORDINARY GENERAL ASSEMBLY**

**PROJECT FOR THE INVESTMENT PROGRAM 2019**

The proposal for the Investment Program for the year 2019 is composed on three directions:

***I. Modernization works and enhancement of the degree of comfort at the objectives:***

***Diana Hotel, Raluca-Orion Complex, Cleopatra-Narcis Complex;***

***II. Works to improve the quality of services and to meet the requirements of the supervisory bodies at all the functional objectives of the company.***

***III. Pre-feasibility study for the construction of a 4\* hotel for treatment and SPA in the Băi Reci Eforie Sud location.***

***I. Modernization and comfort improvement works at the following investment objectives:***

***Diana Hotel, Raluca-Orion Complex, Cleopatra-Narcis Complex***

***I.1) Diana Hotel of Eforie Nord:*** category 2\*, built in the year 1959, has 117 accommodation rooms 234 places, the surface built 936,10 mp, the land surface 5.460,80 mp. Being located on the cliff of the resort Eforie Nord, having an ownership on a generous land surface, is timely and necessary to achieve an investment of lifting the comfort category from 2 to 3 stars.

**I.2) RALUCA-ORION Complex from the Venus Resort** is composed by:

\* **Raluca Hotel:** category 3\*, built in the year 1970, has 132 accommodation rooms, 264 places.

Surface built 1.820,42 mp, land surface 9.432,89 mp.

\* **Orion Restaurant:** category 2\*, built in the year 1969, capacity 860 places, the surface built 1994,40 mp, land surface 4513,75 mp. Located in a resort being in full development, with a special constructive shape, swimming pool and restaurant, is opportune to modernize the complex by making use of all existing and unused spaces.

**I.3) CLEOPATRA-NARCIS Complex from Saturn resort** is composed of:

\* **Cleopatra Complex**, classified in category 4 stars located to 20 meters from the beach, has 253 double rooms and 24 apartments. The hotel has a conference room, a day bar hotel, an Aqua Park, an Aqua Park day bar, a SPA center and an own restaurant.

\* **Narcis Complex**, has a number of 320 double rooms classified at 3 stars. The hotel has also a day bar and an own restaurant, currently not working. Starting with the year 2018, we own a beach area located in front of the two hotels. For these units, it is proposed to carry out a mini resort.

***II. Works to improve the quality of service and to meet the requirements of the control bodies at all the functional objectives of the company.***

To this chapter there are needed:

- mandatory works for the observance of the current legislation and the ones required by the control reports drawn up by the representatives of the Inspectorate for Emergency Situations, the representatives of the Ministry of Tourism and of the National Authority for Consumer Protection;

- works necessary to remedy situations that endanger the safety of tourists;

- works required to comply with tax legislation (fiscal cash register equipment according to OG 20/2017);

- works required to operate in the parameters of some air conditioning systems (whose malfunctioning leads to diminishing the comfort of tourists and implicitly to complaints);

- works necessary to increase the production capacity of their own laundry, in order to optimize the costs, by giving up the contracts with third parties;

- connection to the gas distribution system, for some thermal power plants, leading to the lowering of the utilities costs;

- completion of defective equipment from the accommodation and public catering inventory, taking into account their degree of wear and the inoperability of equipment in the public catering establishments.

***III. Pre-feasibility study for the construction of a 4\* hotel for treatment and SPA in the Băi Reci Eforie Sud location***

**Băi Reci Nămol** from Eforie Sud: located on the shore of Techirghiol Lake, a location with a great potential, which could be exploited throughout the year. To this end, the procedures for obtaining the land

title are begun and we propose a project-based preparation of a pre-feasibility study for a four-star hotel equipped with SPA and SPA treatment functions. *The total value of the investment program proposed for 2019 is of 24.289.000 lei including VAT, respectively 20.410.924 lei without VAT and and is broadly included in the value appendix.*

*The sources identified for financing the Investment Program for 2019 are the following:*

<b>Sources</b>	<b>BVC 2019</b>
Sources of unused funds from the previous year	19.566.875
Amortization	7.131.000
Cash Flow from the asset sales	4.700.000
Funding content 2018	7.268.450
<b>Total own funding sources</b>	<b>38.666.325</b>
Guarantees to be repaid in respect of investment works of previous years	-300
<b>Total sources of financing with VAT</b>	<b>38.366.325</b>
<b>Total sources of financing without VAT</b>	<b>32.240.609</b>

**GENERAL MANAGER/MANAGING DIRECTOR**

**Narcisa Moşoiu**

**HUMAN RESOURCES MANAGER/VICE-CHAIRMAN**

**Doina Pârcalabu**

**TECHNICAL MANAGER/DIRECTOR MEMBER**

**Constantin Stănescu**

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*The undersigned, **Vig Corina-Luiza**, interpret and translator authorized for the foreign languages **English** and **French**, under license no. **32809** awarded by the Romanian Ministry of Justice on **27.10.2011**, do hereby certify that the foregoing is a true and correct **ENGLISH** translation of the original **ROMANIAN** document, that the text shown to me has been translated with no omissions and that, through translation, the content and meaning of the document have not been corrupted.*

**INTERPRETER AND TRANSLATOR AUTHORIZED,  
VIG CORINA-LUIZA**