

Translation from Romanian

**TURISM, HOTELURI, RESTAURANTE
MAREA NEAGRA S.A.**

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No. registration at Trade Register Constanta: J13/696/1991, CIF: RO2980547,

IBAN account: RO71 RNCB 0117 0151 6314 0001, Romanian Trade Bank- Mangalia subsidiary

Social subscribed and paid up capital: 57.894.993,9 lei

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MATERIAL AFFERENT TO AGAO AT THE DATE OF 14/15 DECEMBER 2020

Investment budget 2021

Proposal

The total value of the Investment Program approved by Shareholders' General Meeting (SGM) for the year 2020 is of 20,828,243 lei + VAT, of which we estimate that there will be realized until the end of the year 7,694,706 lei + VAT.

During the year 2020 there have been realized or are in realization the following investment objectives:

- Rehabilitation Aida hotel (Saturn resort);
- Rehabilitations of Hora, Balada, Sirena hotels (Saturn resort);
- Rehabilitation Narcis restaurant (Saturn resort);
- Rehabilitation Cleopatra hotel (Saturn resort);
- modernization Diana hotel- increasing the category comfort from 2 stars to 3 stars (Eforie Nord resort);
- Rehabilitation Venus hotel (Eforie Nord resort);
- Modernization pool Raluca hotel (Venus resort);

For the year 2021, we propose that the total value of the investment budget to be of 13,482,950 lei + VAT, according to the details in the amount annex.

Depending on the legal enforced measures, in the context of Covid-19 pandemic, and the evolution of reservations for 2021 season, the proposed investment budget will adapt to them.

The main objectives afferent to the year 2021 are:

1. The development of Cleopatra-Narcis resort, in amount of 3,916,850 Ron + VAT, consisting of:

- a. Extension- union of parking lots of Cleopatra and Narcis hotels, the implementation of an automatic barriers system (650 sm), asphaltting the parking lot of Narcis hotel;
- b. Surrounding the property with fence, introduction of controlled access, restoring of alleys, ambiental illumination;
- c. Restoring the pool area/ beach/ bar/ interior yard (over 1,5 ha total space)- including restoring the grass, irrigation systems, landscape, children playground;
- d. Restoring windows joinery, climatization system, sanitary installations, restoring thermic hot water duct between the thermic point Cleopatra and hotel;
- e. Repairs of hydro-insulations, doors, gaskets for balcony windows;
- f. Implementation of the indicated measures in the control reports of ISU, Tourism Ministry, other institutions with control attributions;
- g. Modernization of Narcis buffet- restoring the toilets, polycarbonate roofs, access platform for disables persons;

2. The reintroduction in the tourism circuit of 102 rooms afferent to Aida hotel/ modernization of Aida restaurant, in amount of 1,801,000 + VAT;

- a. Complete renovation of 51 rooms & offices situated at the ground floor& hotel reception, reintroducing the rooms from the ground floor in the tourism circuit;
- b. Repairs for 55 rooms & offices situated at the 5th floor, in view of obtaining the classification certificate of 3 stars;
- c. Repairs of sanitary installations, remaking common spaces of the hotel;

d. Modernization of Aida restaurant- replacement of fixed windows with coulisse joinery, repairs of pavement, sanitary installations, hydroinsulation;

3.Extension of terrace Cerna & repairs hotel in amount of 525,000 Ron + VAT:

a. Extension with 400 sm of Cerna terrace, remaking the bar, sanitary group + project for foundation execution, construction wood, roof, electric and sanitary installations, paved with tiles;

b. The acquisition of equipment for gas kitchen for increasing the production capacity;

c. Replacement of moquette for hotel hallways, with tiles;

d. Painting 130 rooms;

4.Rehabilitation Hora Hotel and Restaurant, in amount of 226,000 Ron + VAT:

a. Replacement of access door to the beach and building a platform for disabled people;

b. Arrangement of donut/ pancake shop in the space of children yard;

c. Remaking the thermic duct, modernization of garbage bin, arrangement of outside tap for cleaning out the sand;

d. Replacement of 1 person 50 beds;

e. Replacement of exterior pavement for restaurant;

f. Replacement of the used sanitary installation at the restaurant, of the wardrobe doors, sanitary group and cold rooms;

g. Interior paintings for the saloon, kitchen sheds, annexes;

h. Realization of environment illumination of the area between the hallways, remaking of signage;

5. Rehabilitation of Balada Restort, in amount of 1,159,000 Ron + VAT:

a. Rehabilitation of reception area through the modernization of sanitary groups reception, replacement of illumination devices in the reception area, elimination of infiltrations under the joinery;

- b. Paintings in the interior, hallways and rooms;
 - c. Repair of the ventilation installation of bathrooms, on a column;
 - d. Acquisition of furniture: chairs, small tables, televisions, minibars, mattresses;
 - e. Acquisition for the restaurant of plates, bowls and pots;
 - f. Rehabilitation of Aqua Park by restoring the interior pool pavement and pool beach, remaking the stairs;
 - g. Replacement of filters and the installation of recirculation of pool water;
 - h. Replacement of wall, repair of bar arch and pool bar arcade;
 - i. Acquisition of equipment pool bar: expressor, ice cubes machine, juice blender, different glasses;
6. Rehabilitation of Sirena Hotel and Restaurant, in amount of 294,400 Ron + VAT:
- a. Repairs and paintings at interior, rooms, bathrooms of hallways;
 - b. Replacement of used moquette in 101 rooms and 6 apartments;
 - c. Rehabilitation of the ventilation installation in bathrooms;
 - d. Replacement of joinery access door beach and hallway windows at floors for eliminating the infiltrations;
 - e. Replacement of deteriorated pavement at the main entry;
 - f. Rehabilitation of hydro-insulation terrace and replacement of pluvial drains;
 - g. Replacement of fridge doors at the restaurant;
 - h. Replacement of terraces: access stairs, attachment of tiles, replacement of decorating rock;
7. Rehabilitation of Siret resort, in value of 175,000 Ron + VAT:
- a. Renovation of deteriorated facade;

- b. Rehabilitation of reception area;
 - c. Acquisition of gas equipment for kitchen to increase the production capacity;
8. Renovation of Raluca-Orion Resort, in amount of 204,000 Ron + VAT:
- a. Replacement of deteriorated tiles;
 - b. Modernization of 132 bathrooms by replacing sanitary objects;
 - c. Interior paintings in rooms and hallways;
 - d. Landscape works in the interior yard and exterior of the hotel;
 - e. Rehabilitation of sanitary and electric installation in the restaurant kitchen;
 - f. Acquisition of equipment, plates, bowls, pots for restaurant;
9. Rehabilitation of Venus Hotel and Restaurant, in amount of 423,800 ron + VAT:
- a. Renovation of deteriorated facades, balcony repair, exterior painting;
 - b. interior paintings, joinery repairs;
 - c. Installing moquette/ tiles on the hallways of floors, stairs, reception;
 - d. Assembly of air conditioned in the rooms from the 3rd floor- 30 pieces;
 - e. Renovation of locker rooms for the restaurant employees;
 - f. Acquisition of plates, bowls, pots;
10. Finalization of modernization Diana Hotel, in amount of 425,000 Ron + VAT:
- a. Assembly of elevators;
 - b. Extension of parking lots with approximately 15 lots, arrangement of concrete slab alleys;

- c. Realization of drain grate, water meter grate;
 - d. Electric works- assembly and connection generator, completing the Wi-Fi installation;
 - e. Moving the thermic plant in the new arranged space and extension of gas installation, evacuation of fuel reservoir;
 - f. Replacement of fixed windows with sliding ones at the breakfast saloon, for using it as terrace;
 - g. Acquisition of equipment for breakfast saloon: smoke flue, 2 cold buffets and 1 hot buffet, equipment: plates, bowls, pots;
11. Rehabilitation Bran Brad Bega Resort, in amount of 478,000 Ron + VAT:
- a. Repairs for bathrooms: replacement deteriorated tiles, bathtubs fixation batons, sanitary objects;
 - b. Partial replacement of deteriorated moquette on the hallways;
 - c. Repairment works of the sewage collector at the hotel basement;
 - d. Checking works and rehabilitation of the climatization installation: Chillers, convection valves, condensation collection;
 - e. Sealing the balcony attics, in view of eliminating the water intrusion at the upper floor;
 - f. Acquisition of equipment: towel racks, soap racks, safe deposits, curtains, mattresses, PVC chairs;
 - g. Replacing pool mosaic, in isolated points;
 - h. Construction of a terrace in the exterior of Brad Restaurant- projection, obtaining authorization and execution;
 - i. Painting the interior and exterior of Brad restaurant;
 - j. Replacement of tile in the kitchen, hallways, annexes, fixing marble plates in the saloon of Brad Restaurant;
 - k. Acquisition of equipment Brad Restaurant: curtains, table napkins, plates, bowls, pots, trenchers, frying pans;
 - l. Repairs at the basement of Bega Restaurant;
 - m. Verification of kitchen equipment, the acquisition of an expressor at Bega Restaurant;

12. Rehabilitation of Vraja Marii hotel, in amount of 143,500 Ron +VAT:

- a. Modernization of 24 bathrooms;
- b. Replacement of interior doors of accommodation rooms and baths;
- c. Consolidation of ground floor balcony parapets, replacement of balcony balustrades;
- d. Acquisition of equipment: TVs, minibars, pillows, pilot lights, PVC chairs;

13. Rehabilitation Treatment Base, in amount of 202,000 Ron + VAT:

- a. Repairs and cabinet painting;
- b. Replacement of deteriorated tiles in cabinets and bathrooms;
- c. Modernization of bathrooms, replacement of sanitary objects, rehabilitation of electric installations, replacement of nozzles, sockets;
- d. Re-operationalization of air conditioned installation;
- e. Acquisition of equipment and furniture: massage bed, galvanic baths, bathtubs, chairs, curtains;

14. Socket sea water, in amount of 60,000 Ron + VAT:

- a. The projection of a new sea water socket, in the area of the dike in front of Cerna terrace, obtaining authorization from Apele Romane(Romanian Waters), execution of works;

15. Works at the Thermic Plants Saturn: Celopatra, Sirena, Hora, Cerna, Spalatorie, Head office, in amount of 120,000 Ron + VAT:

- a. Replacement of CLU torches with gas torches at all ducts;

16. Increasing the Laundry production capacity, in amount of 225,000 Ron + VAT:

- a. Rehabilitation of Leo calender, by putting a special cloth on the rollers and putting in functioning the packaging module;
- b. The acquisition of a 125 kg washing machine;

17. Acquisitions of parking lots, in amount of 150,000 Ron + VAT:

a. Acquisition of 3 vehicles in leasing and a van with a 3.5 tones dipper

18. Remaking the parking lots, asphalt, in amount of 600,000 Ron + VAT:

a. Restoring of 10.000 sm parking lots adjacent to hotels by asphaltting them with bitum and replacement of ridges, where the case may be;

19. Restoring parking lots- access control, in amount 280,000 Ron + VAT:

a. Installation of access barriers at the units where the parking lots will be asphalted;

20. Installation of video surveillance systems, in amount of 120,000 Ron + VAT:

a. Installation of video surveillance systems, at the units where the human surveillance will be replaced with intervention and monitoring services;

21. IT acquisitions, in amount of 150,000 Ron + VAT:

a. Acquisition of 52 terminals at the operational hotels and restaurants;

22. Installation of access control hotel rooms, in amount of 300,000 Ron + VAT:

a. Assembly of access control system at rooms in Aida and Siret hotels;

23. Other unforeseen investments, in amount of 1,500,000 Ron + VAT;

The sources identified for financing the Investment Program on the year 2021 are the following:

Sources	BVC 2021
Financing sources not used from the previous year	13,133,537
Credit line Banca Comerciala Romana (Romanian Trade Bank)	7,500,000
Mortgage on 5 years	6,000,000

Guarantees to return afferent to the investment works on the previous years	-263,100
Total financing sources without VAT	26,370,437

Investment Plan 2021- PROPOSAL

No.	Asset	Location	Description		Amount (lei without VAT)	
					Works	Equipment
1	Cleopatra-Narcis resort	Saturn	Pool & parking lots, interior yard (1,5 ha)- Works of rehabilitation pool, adjacent spaces, alleys, fencing, environment illumination, parking lots, access	3,916,850	2,077,500	0
			Cleopatra Hotel- façade repairs, making operational climatization installation, bathroom modernization, replacement of moquette, restoring thermic duct, modernization installation of fire detection, completion of equipment		1,090,000	124,650
			Narcis hotel-access control rooms, repairs hydroinsulation and fire stairs, parking lot asphalt, restoring sewage		513,700	0
			Cleopatra Restaurant- restoring terrace, hydroinsulation, entry stairs and pool access		71,000	0
			Narcis Hotel- rehabilitation terrace roof and exterior pavement, restoring sanitary groups		40,000	0

2	Aida Hotel & Restaurant	Saturn	Aida hotel rehabilitation rooms ground floor, reception, bar, restoring access to beach, furniture, equipment bar	1,801,000	1,294,500	245,000
			Aida restaurant- terrace arrangement, exterior pavement, exterior and interior joinery, completing equipment		256,500	5,000
3	Cerna Hotel & Restaurant	Saturn	Cerna hotel- replacement moquette on hallways elevator with tiles, interior painting	525,000	80,000	0
			Cerna Restaurant / Terrace- terrace extension, replacement AC devices, acquisition gas kitchen equipment		405,000	40,000
4	Hora Hotel & Restaurant	Saturn	Hora Hotel, joinery replacement, restoring the thermic duct, furniture completion, equipment, arrangement of donut/ pancake shop in the children yard	226,000	51,000	20,000
			Hora Restautant- rehabilitation sanitary installations, exterior pavement, environment illumination, door replacement		155,000	0
5	Balada Resort	Saturn	Balada Hotel- rehabilitation sanitary groups reception, illumination reception, furniture completion	1,159,000	78,000	335,000
			Balada Restaurant- equipment completion		0	10,000
			Aqua Park BALADA- rehabilitation pool installations, pool and beach pool, fencing		721,000	15,000

6	Sirena Hotel & Restaurant	Saturn	Sirena Hotel partial replacement of moquette, rehabilitation terrace and pluvial duct, bathroom ventilation	294,400	273,600	0
			Sirena Restaurant- replacement door cold rooms, rehabilitation terrace		20,800	0
7	Siret Hotel & Restaurant	Saturn	Siret hotel- façade rehabilitation, reception	175,000	135,000	0
			Siret restaurant- acquisition of gas equipment		0	40,000
8	Raluca- Orion resort	Venus	Raluca hotel- bathroom modernization, interior paintings, exterior arrangement	204,000	134,000	0
			Orion Restaurant- modernization electric and sanitary installations, restaurant equipment		65,000	5,000
9	Venus Hotel & Restaurant	Venus	Venus Hotel- exterior painting, moquette montage, equipment completion	423,800	371,800	20,000
			Venus Restaurant- locker rooms arrangement, equipment completion		27,000	5,000
10	Diana Complex	Eforie Nord	Diana Hotel- elevator montage, moving the thermic plant, extension of parking lot, exterior arrangement, environment illumination	425,000	366,000	0
			Small salon breakfast Diana- acquisition of kitchen equipment, equipment completion		30,000	29,000

11	BBB Hotel & Restaurant	Eforie Nord	BBB Complex- bathroom modernization, making operational the climatization installation, replacement of moquette, rehabilitation hydroinsulation	478,000	262,000	25,000
			Brad Restaurant- terrace extensions, interior and exterior paintings, equipment completion		162,000	8,000
			Bega Restaurant- rehabilitation drain installation, equipment completion		16,000	5,000
12	Vraja Marii Hotel	Eforie Nord	Vraja Marii Hotel- bathroom modernization, door replacement, equipment completion	143,000	125,000	18,500
13	Treatment Base	Saturn, Eforie	TB Sirena- rehabilitation cabinets, furniture and equipment completion	202,000	39,500	10,000
			TB Balada- rehabilitation cabinets, furniture and equipment completion		36,000	10,000
			TB Hora- rehabilitation cabinets, furniture and equipment completion		37,500	10,000
			TB BBB- rehabilitation cabinets, furniture and equipment completion		44,000	15,000
14	Sea water socket	Saturn	Sea water socket- realization of a new sea water socket	60,000	60,000	0
15	TP Cleopatra, TP Sirena, TP Hora, TP Cerna, TP Laundry, TP Head office	Saturn	Thermic plants Saturn- modifications in view of functioning on gas	120,000	120,000	

16	Laundry	Saturn	Laundry- acquisition washing machine, reparation of calander	225,000	200,000	25,000
17	Acquisition car park	Saturn	Car park- Acquisition of van with bucket, 3 cars in leasing	150,000	150,000	
18	Restoring parking lots asphalt	Saturn	Parking lots- restoring area of adjacent parking lots accommodation units	600,000	600,000	
19	Restoring parking lots- access control	Saturn	Access control parking lots- installation access barriers parking lots	280,00	280,000	
20	Installation of video surveillance systems	Saturn	Video surveillance systems- installation of video surveillance systems	120,000	120,000	
21	IT		IT- Hardware and software acquisition	150,000	150,000	
22	Access control 2 hotels	Saturn	Installation access control 2 hotels	300,000	550,000	
23	Other investments	Saturn	Other investments- unforeseen investments that can occur	1,500,000	1,000,000	500,000
			TOTAL	13,478,550	11,958,400	1,520,150

**THE ADMINISTRATION COUNCIL
THROUGH VICEPRESIDENT
MR. RADUTA-GIB TONY-CRISTIAN**

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I, the undersigned **Cirlan Georgiana Andreea**, asworn translator for foreign languages English – Spanish, according to authorization no.30019/2010, issued by Ministry of Justice from Romania, hereby certify this to be a true and correct translation from Romanian to English, that the presented text was translated completely, without omissions, and that, by translation, the content and meaning of the document haven't been distorted.