

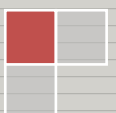
**2021**

**S.C. Turism Felix S.A.  
Ordinary General Meeting of Shareholders of  
19/20 April 2021**

Income and expenditure project for the year 2021 and 2021 investment program



Băile Felix  
S.C.TURISM FELIX S.A.  
13.03.2021



**S.C. TURISM FELIX S.A.**

**INCOMES AND EXPENDITURES BUDGET  
for the year 2021**

**INVESTMENTS PROGRAM  
for the year 2021**

## **Cuprins:**

- 1. Substantiation of the Income and Expenditure Budget for 2021**
- 2. Substantiation of the investments program for the year 2021**

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## **Cuprins:**

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S.C. Turism Felix S.A. Băile Felix  
417500, Băile Felix, com. Sânmartin, jud. Bihor, România  
Nr. Reg. Com.: J05/132/1991  
C.U.I.: RO 108526  
Capital social subscris și vărsat: 49.614.945,60 lei



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## 1. Substantiation of the Income and Expenditure Budget for 2021 - proposal

When substantiating the Income and Expenditure Budget proposed for 2021, the following were taken into account:

- the estimated economic and financial achievements for 2020, as well as the achievements of previous years
- the relative maintenance of the average number of staff and its efficient use;
- increasing labor productivity;
- investment plan, endowments, financing sources;
- developing the technological level of society;
- increasing the efficiency of the company's activity;
- inflation forecasted for 2021;
- applicable legal regulations.

The proposed Income and Expenditure Budget for 2021 is based on the perspectives on tourist traffic, the investment and repair plan, as well as the strategic objectives, in an atypical economic environment, marked by the influences of the pandemic.

### GENERAL ASPECTS

Taking into account the working hypothesis that were at the base of the Incomes and Expenditure Budget estimations proposed for 2021, the following can be concluded:

- ✓ The gross profit of 7.51 million lei possible to be achieved, in the conditions of the current economic environment and the economic premises of 2021
- ✓ The proposed investment program amounting to 8.45 million lei, is dimensioned, taking into account the efficiency / profitability priorities, the level of loans committed / employee (account overdraft 9 million lei).

### HYPOTHESIS

In order to substantiate the Income and Expenditure Budget for 2021, the following were taken into account:

1. General aspects
  - ✓ The construction of the B.V.C. for 2021 includes the opening of the Felix

swimming pool leisure unit from June 1st to September 12th

✓ Between January 1 and April 20, 2021, we estimate that only the profit centers will operate: International, Termal and Apollo Lido

✓ The first estimated day of entry of tourists arriving through the N.H.P.P. around May 31, 2021.

✓ Relative maintenance of the average income per tourist day.

✓ Decreasing the negative influences generated by the pandemic.

## 2. Number of tourist days

✓ achieving 352 thousand tourist days in the conditions of gradual relaxation of travel and tourism restrictions

✓ maintaining the increasing trend of the period of stay on the agency relationship, especially on the 4 \* segment

✓ the realization of 80 thousand tourist days of tourists arriving through the N.H.P.P. from 112 thousand tourist days- maximum possible contracted for 2021, under the conditions of a state budget constrained by fiscal-budgetary responsibility and the sustainability of public finances.

✓ a slight increase in the number of tourists based on agency relationship in the 3 \* and 4 \* segment

✓ maintaining the tendency of increasing the number of tourists based on the relation of conventions and direct contracts

✓ maintaining the number of tourists in the leisure units at the level of the previous year the

## 3. The turnover

✓ the increase of the turnover to 81,00 mil. lei

– maintaining the interest of tourists for the tourist services settled with holiday vouchers

✓ incomes estimated to be derived from hotel activity benefits :

– estimated for 2021 – 32,18 mil. lei

✓ revenues estimated to be realized from public catering activity benefits:

– estimated 2021 – 30,16 mil. lei,

– changing the structure of the clientele by increasing the number of tourist days based on the relationship with the agencies and especially conventions, to the detriment of the relationship with N.H.P.P. during the season.

✓ Incomes estimated to be realized from services and services in the treatment bases:

– estimated 2021 – 4,81 mil. lei,

– there is an increase in treatment services on the relationship tourists - agencies, a trend possible to be achieved in 2021, on the segments of 3 and 4 stars.

## 4. Leisure activities

✓ incomes estimated to be generated from the sale of entrance tickets to leisure facilities (Apollo lido, Felix lido, International Complex swimming pool, etc.), as

well as from other related services (football field rentals, ping-pong table, swimming pool rentals, etc. .):

- estimated 2021 – 10,45 mil. lei,
- important to mention is the keeping of the entrance fees in the leisure units during the season,
- the estimated period of operation of the leisure units in 2021: Apollo lido - the whole period of the year; Felix lido - June 1 - September 12.

#### 5. Other turnover incomes

✓ the incomes estimated to be realized are, in particular, on account of the activity of resale of utilities and of the activity of renting spaces - other than those from the lido:

- estimated 2021 – 3,41 mil. lei
- the estimation of incomes from the resale of utilities is positively influenced by the increase of supply tariffs and negatively influenced by the reduction of the economic activities of third parties during the off-season
- the estimation of the incomes from renting commercial spaces is influenced during the off-season by the reduction of the economic activity of the third parties.

#### 6. Other operating incomes

✓ the incomes estimated to be realized are, in particular, on account of the production obtained under own management, of the production of fixed assets, commercial discounts received, revenues from sales of goods at auctions, revenues from inventory imputations and other operating operations:

- estimated 2021: 0,25 mil. lei
- the estimation is largely influenced by the value of own production

#### 7. Financial incomes

✓ financial incomes include interest income related to cash held in deposits, income from exchange rate differences and income from dividends related to short-term financial instruments held.

- estimated 2021: 0,04 mil. lei

#### 8. Operating expenditures

✓ the expenses regarding the goods are directly proportional to the incomes from the sale of the goods, the share of 99.8% is achieved through the public food service activity:

- estimated expenditures in 2021: 10,08 mil. lei
- the addition rate is maintained relatively at the level of 2020, respectively the share of expenditures on goods in total incomes from public food service is 33.51%

✓ expenditure on materials, raw materials and consumables :

- estimated expenditures in 2021: 2,58 mil. lei



✓ the expenditures regarding the inventory objects are influenced especially by the necessity of the endowments in the hotel units:

– estimated expenditures in 2021: 1,00 mil. lei

✓ energy and water expenditures were dimensioned based on the estimation of physical consumption, in correlation with the prices forecasted for 2021, to ensure the temperature and comfort conditions at the parameters provided by the law:

– estimated expenditures in 2021: 6,64 mil. lei

✓ expenditures related to third parties, include repairs, management locations, insurance premiums, other services and works performed by third parties.

– estimated expenditures in 2021: 5,18 mil. lei

✓ expenditures on taxes and duties, include local taxes and fees, pro-rate VAT, other taxes and similar funds .:

– estimated expenditures in 2021: 2,85 mil. lei, they will remain relatively at the level of the previous year, if there are no legislative changes in this respect

✓ expenditures related to salaries of staff and collaborators, include salary expenditures, related employer contributions, meal vouchers, gift vouchers, bonuses and other social expenditures. The sizing was done taking into account the legislative changes and having as objective the preservation of the permanent core existing at the end of 2020 and the supplementation of the operating staff during the season:

– estimated expenditures in 2021: 36,91 mil. lei, these being adjusted for state subsidies for employees in the first quarter of 2021

✓ expenditures related to depreciation and provisions:

– estimated expenditures in 2021: 8,39 mil. lei

– depreciation expenditures are influenced by the valuations recorded on 31.12.2020

– the provisioning expenditures are constituted, to a large extent, on account of the rest leave of the employed personnel.

✓ other operating expenditures:

– the estimated expenditures of other operating elements in 2021 are of 0.10 million lei.

## 9. Financial expenditures

✓ financial expenditures are influenced by the transfer to expenses of the costs for committed loans and exchange rate differences

– estimated expenditures in 2021: 0,08 mil. lei

– in 2021 it was considered to increase the limit of the credit line (overdraft) from 4.5 to 9 million lei and to extend the contract for the credit line by another year

– the costs of loans used for ongoing investments are capitalized.

## 10. Gross result

✓ the estimated gross result to be achieved in 2021 is 7.51 million lei

– Negative influences: increase in costs compared to the previous year, mainly due to staff and utilities costs

– Positive influences: in an atypical economic environment, there are prerequisites for the gradual return of the tourism market, starting with July 2021.

### Structure of the Income and Expenditure Budget for 2021

- lei

No.	INDICATOR NAME	Total year 2021
<b>A</b>	<b>TOTAL INCOMES, FROM WHICH:</b>	<b>81.295.000</b>
<b>1</b>	<b>Operating incomes</b>	<b>81.255.000</b>
a	Incomes from basic act. From which:	81.005.000
a.1	- hotel	32.175.000
a.2	- public food service	30.160.000
a.3	- treatment	4.810.000
a.4	- leisure	10.450.000
a.5	- household group, rents, other	3.410.000
b	Other operating incomes	250.000
<b>2</b>	<b>Financial incomes</b>	<b>40.000</b>
<b>B</b>	<b>TOTAL EXPENDITURES, from which:</b>	<b>73.785.000</b>
<b>1</b>	<b>Operating expenditures</b>	<b>73.705.000</b>
a	- Merchandise expenditures	10.075.000
b	- materials expenditures	10.210.000
c	- third parties expenditures	5.175.000
d	- taxes and duties expenditures	2.850.000
e	- personnel expenditures	36.905.000
f	- depreciation and provisions	8.390.000
g	- other operating expenditures	100.000
<b>2</b>	<b>Financial expenditures</b>	<b>80.000</b>
<b>C</b>	<b>GROSS RESULT</b>	<b>7.510.000</b>

In the context of the current economic environment, atypical and influenced by the pandemic, the Revenue and Expenditure Budget proposed for 2021 is mobilizing and is based on the implementation of development policies and strategies, as well as the fiscal measures expected to be implemented.

**Managing director,  
ec. Serac Florian**

**Chief accountant  
ec. Popa Marcel**



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## SUBSTANTIATION OF THE INVESTMENTS PROGRAM for the year 2021

In 2021, the works started in 2020 will continue, some of them will be completed until the opening of the 2021 summer season.

### Internațional Complex

In order to improve the environment and the conditions of leisure and treatment among the modernization works of the International Complex, the following works were provided:

- • modernization of 20 bathrooms in the rooms (ceramic wall and floor tiles, shower cabin)
- purchase of 10 beds and 200/160 mattresses in 10 single rooms
- modernization of beach showers
- purchase of 200 sqm carpet for replacement in rooms
- renovation of the fountain in front of the hotel
- purchase and installation of a car charging station with two sockets
- modernization of room fan coil units
- purchase of kitchen equipment
- modernization of carpentry in the treatment base
- purchase of shortwave device
- purchase and installation of an air conditioner at the medical reception
- purchase and installation of a dehumidifier for indoor pools
- changing the underwater traction system

The estimated value of these works is **840.000 lei**.

### Termal Complex

In order to improve the degree of comfort, among the modernization works of the Thermal Complex are provided construction works - assembly and endowments, consisting of:

- modernization of interior finishes in 30 accommodation rooms
- purchase and installation of a car charging station with two sockets
- modernization of electrical panels and electrical installations
- modernization of floor doors and duplex elevator cabin
- renovation of the inner courtyard facade
- modernization of restaurant waterproofing

- purchase of kitchen equipment
  - purchase of medical equipment
- The estimated value of these works and fittings is **775.000** lei.

### **Nufărul Complex**

In order to improve the atmosphere at Complex Nufărul, the following works are necessary:

- modernization of exterior finishes at the hotel entrance, the alley under building B, the Bar terrace and the passage to the terrace
- closing terrace restaurant with foil
- modernization of thermal and electrical installations
- purchase and installation of a car charging station with two sockets
- purchase of kitchen equipment

The estimated value of these works is **201.000** lei.

### **Poienița Complex**

In order to improve the environment and the treatment conditions, among the modernization works of the Poienița Complex, the following works were considered as necessary:

- modernization of hotel facade
- modernization of interior finishes halls I and II floor
- replacement of hydrant access protection doors, floor I-V
- modernization of hotel roof insulation
- modernization of interior finishes of the main staircase, tourist access from the ground floor to the restaurant
- modernization of interior finishes in bathrooms at the reception and restaurant
- acquisition and installation of central hood and wall hood
- modernization of interior finishes in the hydrotherapy locker room and rest room at the men's pool in the treatment base
- purchase and installation of a ventilation system for the paraffin kitchen
- purchase of medical equipment

The estimated value of these works is **755.000** lei.

### **Mureș Complex**

In order to increase the level of comfort and quality of services among the modernization works of the Mureș Complex, the following were considered necessary:

- modernization of interior finishes bathrooms in the rooms floors II and VI, and the hallway floor II
- modernization of the name light-box
- modernization of electrical panels, small elevators

- modernization of radiators on the four halls for tourists in the treatment base
  - purchase of medical equipment
  - purchase of kitchen appliances and equipment
- The estimated value of these works is **670.000** lei.

### **Apollo Lido**

In order to increase the degree of attraction and comfort, the following works are necessary:

- modernization of Apollo buffet interior finishes
- modernization of the name light-box
- modernization of the waterproofing on the terraces of the Apollo II building
- modernization of the carpentry - Apollo buffet access doors and double exit doors to the rectangular basin
- purchase and installation of hot air curtain at the exit to the outdoor pool
- purchase of kitchen equipment

The estimated value of these works is **148.000** lei.

### **Felix Lido**

In order to improve the environment and the leisure conditions, among the modernization works of the Felix Swimming Pool, the following works were considered as necessary:

- modernization of the public toilet in front of Felix Lido
- fitting a car access barrier at the entrance to the supply area
- modernization of the waterproofing on the Self-service building
- arranging the cold room for vegetables
- purchase of recirculation and hydro-massage pumps
- purchase of kitchen equipment

The estimated value of these works is **150.000** lei.

### **Venus Băile 1 Mai Lido**

In 2021, the following works were considered as necessary:

- execution of the thermo-mineral water network from FP1 to Venus Lido
- execution of the electrical connection
- expenditures on the conservation of the executed works
- payment of the works actually executed by the constructor

The estimated value of these works is **3.200.000** lei.

### **Administrative**

In order to increase the degree of attraction of Băile Felix resort during the modernization works, the following works were considered as necessary:

- arrangement of a paid parking lot and a commercial alley in the area of the central park - former canteen, PT2 and old bathrooms
- modernization of the stone fence and lighting installations at the Lake with water lilies
- modernization of parking and road in the Termal Hotel area

The estimated value of these works is **515.000** lei.

### **Household group**

In order to ensure heating and domestic hot water (when they are not provided by Power Plants) as well as to improve the services provided by the Laundry, the following works are necessary:

- modernization of electrical installations (electrical panels)
- modernization of the warehouse building
- purchase of a heating system meter

The estimated value of these works is **60.000** lei.

### **Wells, boreholes and thermal substations**

In order to ensure a good working and operation of the wells, boreholes and thermal substations, it is necessary to execute the following construction works and fittings:

- modernization of electrical installations and electrical panel Izvor 4011 and 4012
- modernization of the 4012 borehole and the 4012 borehole network
- modernization of the FP1 pumping installation
- modernization of TS Termal - pumping station for fire installations and connection of a.c.m.

The estimated value of these works is **250.000** lei.

### **Exterior networks**

In order to ensure the places with thermomineral water and primary thermal agent, the following works are necessary:

- modernization of connections to the new sewerage network of the locality for all the profit centers of the company

The estimated value of these works is **80.000** lei.

### **Diverse amenities**

In order to modernize the information system within the company, it was planned to upgrade the information system on both the software and the hardware segment (including fiscal equipment) and other equipment.

The estimated value is **760.000** lei.

## Diverse projects

In order to execute the construction-assembly works and the modernization works of the installations within the company, design works worth 50,000 lei were estimated.

**TOTAL ESTIMATED INVESTMENTS: 8.454.000,00 lei**

The financing sources are from own sources and / or attracted sources depending on the results of 2021.

In order to carry out the works proposed in the investment plan, the epidemiological situation at national level will be taken into account, as well as the impact on the HORECA sector.

		- lei
no.	Profit center	Planned value
1.	Internațional	840.000
2.	Termal	775.000
3.	Nufărul	201.000
4.	Poienița	755.000
5.	Mureș	670.000
6.	Apollo Lido	148.000
7.	Felix Lido	150.000
8.	Venus 1 Mai Lido	3.200.000
9.	Administrative	515.000
10.	Household group	60.000
11.	Wells, boreholes and thermal substations	250.000
12.	Exterior networks	80.000
13.	Diverse amenities	760.000
14.	Diverse projects	50.000
<b>Total</b>		<b>8.454.000</b>

**MANAGING DIRECTOR**  
ec. Serac Florian

**CHEF ACCOUNTANT**  
ec. Popa Marcel

**HEAD OF TECHNICAL DEPARTMENT**  
sing. Popovici Teodor