

SIF HOTELURI SA ORADEA
BOARD OF DIRECTORS' REPORT
For 2018 H1 Financial Reports

Prepared in accordance with Law 24/2017 and Regulation 5/2018

MAIN FINANCIAL AND OPERATIONAL INFORMATION

MAIN BALANCE SHEET ENTRIES (lei)

	30.06.2017	30.06.2018
Total assets, of which	114.111.512	114.747.070
Non-current assets	104.747.378	103.467.802
Current assets	8.685.993	10.537.712
Prepayments	678.141	741.556
Equity	96.287.406	97.242.845
Total debts	17.824.106	17.504.225

FINANCIAL PERFORMANCE (lei)

	30.06.2017	30.06.2018
Turnover	9.247.460	9.934.730
Total income	9.397.579	10.451.617
Total expenses	10.955.342	12.599.380
Gross profit	-1.557.763	-2.147.763
Net profit	-1.685.689	-2.394.030

INDICATORS (%)

	30.06.2017	30.06.2018
ROE (net profit / equity)	-0,0175	-0,0246
ROA (net profit / total assets)	-0,0148	-0,0209
Current cash	1,56	1,85

SHARES AND NET ASSETS PERFORMANCE

	30.06.2017	30.06.2018
Result per share	-0,0524	-0,0745
Value of the share capital	80.356.103	80.356.103
Nominal value per share	2,50	2,50
Net assets / share	3,00	3,03
Number of shares	32.142.441	32.142.441

OPERATIONAL DATA

	30.06.2017	30.06.2018
Average number of employees	172	178
Number of business facilities	7	8

1. „SIF HOTELURI” ACTIVITY ANALYSIS

General information

During the financial year under review there were no significant mergers or reorganisations of the company.

General informations

Name	„SIF HOTELURI SA”
Type	Shared company
Adress	Piata Emanuil Gojdu nr 53 bloc A10
Phone / Fax	0259 413 939
Registration number at the Trade Registry Office	J05/126/1991
Unique registration code	56150
Fiscal Identification Code	RO 56150
Capital	80.356.102,50 lei
Nominal value of shares	2,50 lei/share
Number of shares	32.142.441

The company was established under the name of ”TRUSTUL ALIMENTATIEI PUBLICE LOCALE ORADEA” (T.A.P.L.) in 1952, as a legal entity, operating on the economic administration principle, having fixed funds and own current assets.

The company, set up in 1990 pursuant to Law 15/1990, started with a share capital of 15,582.20 lei. On 31 December 2015, subsequent to several events (splits, diminishings, successive share capital increases, merging), the share capital turned out to be 80,356,103 lei. The company’s shares are listed at Bucharest Stock Exchange, category standard, CAOR indicative, starting from 11 May 2012. On 31 December 2015, the company is 98,9997% owned by SIF Banat - Crisana SA (31,820,906 shares), a percentage of 0.0321% owned by State Authority, a percentage of 0,9410% owned by natural persons (302,455 shares) and a percentage of 0,0272% by legal persons (8,751 shares).

The number of the shares and shareholders is registered, according to law, with SC Depozitarul Central SA Bucharest.

SC CALIPSO SA (”The Company”) changed its name, according to Special General Meeting of Shareholders' Decision no. 2 / 19.5.2004 into SIF HOTELURI S.A. Subsequent to the Decision no. 618/14.8.2013 of the Local Council of Oradea Municipality, Calipso S.A. changed the address of the company's registered office, pursuant to the Special General Meeting of Shareholders' Decision no. 2 / 29.4.2014, from Piata Independentei no. 53 bloc A10 to Piata Emanuil Gojdu no. 53 bloc A10.

On 30 June 2018, The Company owned Doubletree by Hilton Hotel of Oradea, an another four hotels, carrying out tourism activity. On 15.10.2015 ended the merging operation according to the merging project 133/24/03/2015 and Bihor Court’s Decision no. 105/2015 dated 10.09.2015, whereby SIF Hoteluri SA absorbed other five companies that had the same majority shareholder: SC Beta Transport SA ClujNapoca, SC Transeuro Hotel SA Baia Mare, SC Hotel Mesesul SA Zalau, SC Rusca SA Hunedoara, SC Valy-Tim SA Timisoara. On 06.11.2015 they picked up the Resolution no. 11465 dated 03.07.2015 whereby the National Trade Register Office (NTRO) attached to Bihor Court admitted the registration of the submittal of the request

for finding the merging legality. Based on the merging project, SIF Hoteluri SA company increased its share capital from 51.462.327,50 lei to 80.356.102,50 lei. The registered office of the company is located in Oradea, Piata Emanuil Gojdu nr 53 bloc A10.

On 06.12.2016 ended the trading concerning the sale of the entire economic and commercial activity carried out at "Hotel Meses" business place of Zalau by Total AS Distribution Grup SRL Zalau. The sales intent, organization of the competitive outcry auction and the award price made the object of the current reports sent by the company on 05.10.2016 and on 20.10.2016 at the Bucharest Securities Exchange and at the Financial Supervision Authority as well.

On 30.06.2018 the company has the following points of work:

1. Headquarter, located in Oradea, Piata Emanuil Gojdu nr 53 bloc A10;
2. Hotelul Doubletree by Hilton, located in Oradea, Aleea Strandului nr 9;
3. Hotel si Autogara Beta, located in Cluj Napoca, str Giordano Bruno nr 1-3;
4. Hotel Rusca, located in Hunedoara, Bdul Dacia nr 10;
5. Cantina Rusca, located in Hunedoara, str. Traian nr 19, space for which a contract with SC DAR Draexlmaier Automotive SRL was concluded.
6. Eurohotel Baia Mare, located in Baia Mare, Bdul Bucuresti nr 23
7. Eurohotel Timisoara, located in Timisoara, str Mehadiei nr 5
8. Sediu secundar, located in Bucuresti Calea Floreasca nr 175

Presentation of the company's assets:

Doubletree by Hilton Oradea Hotel is located on AleeaStrandului nr 9, category: 4*, height regime: B(basement)+G(ground floor)+8, 12,660 square meters spread area.

The Hotel has 147 rooms, of which: 44 Standard Rooms with "King Size"bed, 42 Standard Rooms with 2 beds (Twin), 51 "Deluxe" rooms with balcony or terrace, 3 rooms for people with disabilities, 7 "One Bedroom Suite" apartments,

Laurus Restaurant and two lounges: 180 seats capacity

Cris Bar cafe: 65 seats capacity

300 sq.m. Conference center, made of 5 rooms of different capacities,

SPA: covered pool, wet and dry sauna, jacuzzi, fitness room, treatment center with 7 rooms

Beta ClujNapoca Hotel: is located on Giordano Bruno street, no. 1-3

Category 2*, height regime: G(ground floor)+5, 1,665 square meters spread area.

The Hotel has 30 rooms, of which: 2 master bedrooms, 23 Twin rooms. 1 single room, 4 triple rooms, 10 of the total number of rooms are classified as category 1*.

Restaurant: 80 seats capacity - rented.

Conference room: capacity: 30 seats

Bus stop platform: 13 places capacity (for buses)

RuscaHunedoara Hotel: is located on Dacia Ave., no. 10, the main road artery of the city.

Category: 3*, height regime: G(ground floor)+4, 6163.44 square meters spread area.

The Hotel has 103 rooms, of which: 53 master bedrooms, 8 single rooms, 40 twin rooms, 2 apartments

Restaurant: category 3*, capacity: 220 seats.

Day bar: category: 3 stars, area: capacity: 40 seats

Conference room: capacity: 70 seats

Baia Mare Eurohotel: is located on București Ave., no. 23, the main road artery of the city.

Category: 3*, height regime: G(ground floor), useful surface: 3418 m²,

The Hotel has 64 rooms, of which: 21 master bedrooms, 5 single rooms, 35 double rooms, 3 studios. 22 of the total number of rooms are classified as category 2*.

Restaurant: category: 3*, area: 274 sq.m., capacity: 180 seats. The hotel restaurant, arranged on 2 levels, with a capacity of 180 seats and an interior stair which completes the special interior design, offers a rich variety of traditional and international cuisine, special beverages and desserts.

Day bar: category: 3 stars, area: 70 sq.m., capacity: 46 seats

Terrace: area: 60 sq.m., capacity: 44 seats

Conference rooms: Red Lounge: area: 136 sq.m., capacity: 170 seats

Multipurpose hall: area: 49 sq.m., capacity: 50 seats

Leisure time: fitness and body building halls (95 sq.m.), pool (80 sq.m.), sauna

Other services: massage, hairdresser and cosmetic salon, washing room, phone / fax

Timisoara Eurohotel: is located on Mehadia street, no. 5

3* category, area: 1,905sq.m., height regime: G+4

The Hotel has 47 rooms, of which:33 single rooms (king size bed), 11 double rooms (two beds), 3 apartments

Conference hall with a capacity of 15 persons

Breakfast room with a capacity of 58 seats

Bar.

SIF Hoteluri SA does not carry out activities that imply a significant impact on the environment. There are no and no disputes concerning the violation of the environmental legislation, the company having environmental permits for all work points.

The company does not carry out research and development activities.

Legal status:

The company, being the successor of ICSAP, has acquired, by means of law, the property right on the assets (law 15/1990 and Gov. Decision 834/1994). The constructions and lands are

registered in cadastral books. The hotel investment which was made and completed in 2012 is also registered with the cadastral office.

Issues related to the company's employees / personnel

The average number of personnel registered in 2018 was 178 people and the effective number of personal on 30.06.2018 is 181. The company's employees do not have a union.

The relations between manager and employees are relations of collaboration and mutual understanding. There was no major incident between the executive management and employees during the concluded financial year.

The short term obligations and benefits granted to employees are not up dated and they are recognized in case of the global result as the respective service is carried out.

The short term benefits of the employees include salaries, bonuses and contributions to social security. The short term benefits of the employees are recognized as expense when the services are carried out.

The company makes payments in the name of its employees to the pension system of the Romanian state, social security and unemployment fund, in the course of its normal activity.

All Company employees are members and they also have the legal obligation to make contributions (my means of social contributions) to the pension system of the Romanian state (a plan of established contributions of the Romanian state). All due contributions are acknowledged in the profit or loss account of the period when they are made. The company has no additional obligations.

The company is not engaged in any private pension system and, therefore, it has no other obligations in this sense. The company is not engaged in any post pension benefits system. The company has no obligations to perform further services to its former and current employees.

The company has no obligation to pay benefits to employees upon retirement.

Investment activity

In 2018 there were bought fixed assets for the amount of 104 thousand lei, representing:

- a. 3 convection ovens necessary for the kitchens at Eurohotel Baia Mare, Hotel Rusca and Eurohotel Timisoara
- b. Air conditioning at Eurohotel Baia Mare (3 exterior units afferent to 9 interior splitters), Rusca Hotel (2 air-conditioning units installed at the restaurant)
- c. Reader chips (reception), Samsung smart led TV (terrace), epon videoprojector (2 pcs) at the Doubletree by Hilton Hotel Oradea
- d. Server at Eurohotel Timisoara

2. COMPANY'S TANGIBLE ASSETS

The net value of the tangible assets of the unit at 30.06.2018 at the reevaluated value is 103.467.802 lei decreasing by 3,47 millions lei compared to the value at the beginning of the year. This decreasing is due to the reimbursement of 800 thousand lei by the loan of 1.5 million lei to the company Napomar SA, adjusting the value of the fund units Fii Optim Invest (negative adjustment of 396 thousand lei, being registered in the profit and loss account according to IFRS 9), while the depreciation related to the fixed assets for the first semester ROL 2,52 million. The buildings and land are presented at the reevaluated values, the latest reevaluation being made on 31.12.2017 by Darian SRL. At the end of 2017, the company reevaluated the non-current assets like lands and buildings, by an independent valuator, ANEVAR member. The other tangible assets are evaluated at historic cost, less the cumulated depreciation. The reevaluation report was made in order to establish all real estate properties of SIF Hoteluri SA, in order to register the fair value in the accounting books. The fair value is the amount for which an asset could be changed or a debt could be deducted, willingly, between two interested parties, having the necessary information, within a trading carried out in objective conditions, with the objectively determined price (IAS 16). The reevaluated value is the fair value of an asset on the date of reevaluation, minus any previously accumulated depreciation and any losses accumulated out of depreciation (IAS 16).

The lands owned by the company are presented at the reevaluated value on 31.12.2017. The buildings in the company's patrimony are presented at the reevaluated value, less the accumulated depreciation, according to the alternative accounting treatment accepted by Order 2844/2016.

Given that the financial statements were made according to the Order 881/2012, the tangible assets were divided in two major groups: directly managed tangible assets and investment property. The investment property is made of fixed assets (buildings, lands, equipment, furniture ...) given for rent.

Therefore, the tangible assets and real estate investments show like this:

Tangible assets and investment property	Net accounting value (lei)			Weight
	Own activity	Investment property	Total	%
Land	13.717.220	0	13.717.220	14,08%
Constructions	76.595.797	3.887	76.599.684	78,64%
Technical installations and means of transport Furniture, office appliances, other tangible assets	2.312.970	-	2.312.970	2,37%
Prepayments and fixed assets in course of construction	4.596.582	-	4.596.582	4,72%
	182.933	-	182.933	0,19%
Tangible assets and investment property - total	97.405.502	3.887	97.409.389	100,00%

Constructions have the greatest weight from the total of tangible assets (78%).

3. THE MARKET OF ISSUED TRANSFERABLE SECURITIES

3.1 The Romanian market and the market from other countries where the transferable securities issued by the company are negotiated

Starting with May 2012, the shares of SIF HOTELURI S.A. Oradea have been traded at Bucharest Stock Exchange.

The number of the shares and shareholders is registered, according to law, with SC Depozitarul Central SA Bucharest.

On 21.01.2013 there took place the Special General Meeting of Shareholders of SC Calipso SA. By the SGMS Decision no. 1 / 21.1.2013, in order to cover the risk of decapitalization of the company as a consequence of the increase of hotel investment, it was approved the increase of company's share capital with 6.741,50 lei, the new share capital value being 51.688.100 lei. The share capital increase was made by cash contribution and issuance of new shares offered for sale to the shareholders existent at the registration date, based on the preferential right on the percentage owned in the share capital, each shareholder having the possibility to subscribe for 20 owned shares a number of 3 new shares.

On 29.03.2013 the majority shareholder of SIF Hoteluri SA Oradea, SIF Banat Crisana subscribed a number of 2.606.462 shares at a nominal value of 2,50 lei/share.

On 28.04.2013, the last day for the exertion of the subscription right, 2.606.462 shares out of 2.686.771 shares offered for sale, were subscribed, shares representing 96,65% of the shares offered for subscription, with preferential right.

Pursuant to SGMS decision no. 1 / 21.1.2013, a number of 90,309 shares of 2,50 lei/share representing the amount of 225,772.50 lei were canceled by SIF Hoteluri SA Oradea Decision no. 626/29.4.2013.

The new value of the subscribed share capital on 31.12.2014 was 51,462,327,50 lei. Subsequent to the full payment of the issued share capital, the Certificate for Registration of Transferable Securities no. AC-2177-8 was obtained on 20.02.2014.

On 15.10.2015 ended the merging operation according to the merging project 133/24.03.2015 and Bihor Court's Decision no. 105/2015 dated 10.09.2015, whereby SIF Hoteluri SA absorbed other five companies that had the same majority shareholder: Beta Transport SA ClujNapoca, Transeuro Hotel SA Baia Mare, Hotel Mesesul SA Zalau, Rusca SA Hunedoara, Valy-Tim SA Timisoara. On 06.11.2015 they picked up the Resolution no. 11465 dated 03.07.2015 whereby the National Trade Register Office (NTRO) attached to Bihor Court admitted the registration of the submittal of the request for finding the merging legality. Based on the merging project, SIF Hoteluri SA company increased its share capital from 51,462,327.50 lei to 80,356,102.50 lei, the nominal value of a share being 2.50 lei

Subsequent to the merging, there were undertaken from the absorbed companies shares bought back from shareholders in the amount of 6.558 lei.

During the financial year 2018 the company did not buy back shares.

At 30.06.2018, the status of SIF Hoteluri SA is as follows:

Total number of issued shares (30.06.2018)	32,142,441
Nominal value	2.50 lei / share
Type of shares	common, ordinary, nominative, dematerialized, indivisible
Trading market	The open regulated market of Bucharest Stock Exchange (BVB), category standard - of 11 May 2012
BVB symbol	CAOR

3.2 Company's policy on dividends

The dividends approved in the last three years are as follows:

Year	Total dividend (lei)	Dividend per share (lei)
2014	-	-
2015	-	-
2016	-	-

3.3 The activity of buying its own shares

The company did not buy its own shares during the financial year 2018.

3.4 Company's subsidiaries

The company does not have any subsidiaries.

3.5. Debentures and other type of receivables

SIF Hoteluri S.A. has undertaken by merging some shares held in other companies, according to the table below:

Issuing company	No. of shares
BIO - Biofarm	19,432
PPL - Prodplast	451
PRSN - Prospectiuni	20,000
TLV - BancaTransilvania	7,110
TOTAL	46,993

4. CORPORATE GOVERNANCE

The compliance with the Corporate Governance Code of Bucharest Stock Exchange (CGC)

The Board of Directors decided to voluntarily comply with the Corporate Governance Code of Bucharest Stock Exchange (CGC), decision taken by the Board of Directors, occasion on which it was approved the Corporate Governance Regulation of SIF Hoteluri SA Oradea.

SIF Hoteluri, as issuer, listed under BVB category II, considers the observance of the corporate governance principles from the Corporate Governance Code of Bucharest Stock Exchange.

The company has documents and regulations specific to corporate governance which are found in the company's "Articles of Incorporation", in the Organization and Operation Regulation (R.O.F.), in internal regulations and decisions, where are listed the functions and described the competences and responsibilities of the Board of Directors and of the executive management.

On the company's web-site, that is www.sif-hoteluri.ro, there are disseminated informations concerning the corporate governance policy of SIF Hoteluri:

- the list of members of the Board of Directors and of the executive management;
- the updated Articles of Incorporation;
- the Corporative Governance Code

Pursuant to "Apply or Explain" Declaration, SIF Hoteluri certified that it has complied with the set up principles. The non-compliance cases refer to:

(1) The management system, which in the case of SIF Hoteluri is a unitary, not dualist system, as recommended by CGC and which complies with the company's statute, specific to Romanian companies.

(2) As concerns the consultative committees and commissions stipulated by BVB's CGC, the Board of Directors analyses the setting up of these committees and commissions related to the present structure of the Board of Directors.

Company's management

The Board of Directors

According to the provisions of the Articles of Incorporation, SIF Hoteluri is managed by a board of directors (BD) made of 3 members, chosen by the General Meeting of Shareholders for a period of 4 years, with the possibility of being re-elected.

The Board of Directors has decisional competences regarding the company's administration in the interval between general meetings, except for decisions stipulated by law or by The Articles of Incorporation exclusively for the General Meeting of Shareholders.

The Board of Directors choses a president from its members. The president has the position of General Manager and actual manager of the company.

In the present mandate of the Board of Directors, chosen by the General Meeting of Shareholders in 30.03.2016, the structure of the Board of Directors ensures an equilibrium between executive and non-executive members, the rate being 1/3.

Pursuant to the provisions of Law 31/1990, annually, the General Meeting of Shareholders approves the remuneration policy for the managers and members of the executive management.

Pursuant to the statutory provisions, the Board of Directors has a meeting at least once in 3 months to monitor the company's activity.

SIF Hoteluri SA observes the rules concerning the behaviour and obligation of reporting the trades with shares issued by the company, made on personal account by managers and other natural persons involved, these rules being observed by the people involved, according to ASF

regulations. The exact, specific rules are found in the Corporate Governance Regulation of SIF Hoteluri SA which came into force during 2013.

The list of people who have access to privileged information is constantly updated and sent to ASF. The trades made by initiated people shall be notified both by the people themselves and by intermediaries and the information is disseminated by means of Bucharest Stock Exchange website.

ADMINISTRATORS IN OFFICE on 31 december 2017

Surname and first name	Position	Expiration of the current mandate
Ion Alexandru Sorin	President, General manager	2020
Sferdian Teodora	Member of the board	2020
Avramoiu Octavian	Member of the board	2020

In the meeting of 09.02.2018 SIF HOTELURI S.A. through the Board of Directors took note of the resignation of Mr. Ion Alexandru-Sorin from the position of general manager of the company starting with 09.02.2018, for personal reasons. At the same meeting, the Board of Directors appointed Mr. Bîrlea Radu-Vasile as General Manager of SIF HOTELURI S.A. and approved the delegation of the management of the company to it for a term of office from 12.02.2018-12.02.2019.

On 28.02.2018, Mr. Ion Alexandru-Sorin was notified of his resignation from the position of administrator and Chairman of the Board of Directors of the company starting with 01.03.2018, for personal reasons.

On April 16, 2018, the Ordinary General Assembly of Shareholders (AGOA) took place at the first convocation. The adopted decisions were communicated to ASF, BVB and investors through the current report of April 16, 2018, available for consultation on the company's website www.sif-hoteluri.ro, where it was approved:

- the revocation of Mr. ION Alexandru-Sorin from the Board of Directors of SIF HOTELURI S.A. starting with March 1, 2018, following the waiver of the mandate;
- the election of Mr. ȚIC-CHILIMENT Valentin as a member of the Board of Directors to the vacant position, for a term equal to the remaining period until the expiry of the term of office of the administrators (30.03.2020);

In the meeting of the Board of Directors dated 07.05.2018 was appointed the new Chairman of the Board of Directors in the person of Mr. Tic-Chiliment Valentin.

ADMINISTRATORS IN OFFICE on 30 June 2018

Surname and first name	Position	Expiration of the current mandate
Tic-Chiliment Valentin	President, General manager	2020
SferdianTeodora	Member of the board	2020
Avramoiu Octavian	Member of the board	2020

Board of Directors' Activity on 2018

During 2018, The Board of Directors of SIF Hoteluri SA had meetings according to the statutory provisions, the administrators' presence at the meeting being within the legal provisions.

The President of the Board of Directors presided over all meetings in 2018.

Administrators' participation to the share capital of SIF Hoteluri SA

Administrator	Number of shares	% of the share capital
Tic-Chiliment Valentin - president of the BD - non-executive, non-independent administrator	0	0
Avramoiu Octavian - member of the BD - non-executive, non-independent administrator	0	0
SferdianTeodora - member of the BD - non-executive, non-independent administrator	0	0

Executive's management:

BIRLEA VASILE RADU - General Manager - term: 12.02.2019
SAVA CRISTINA - Chief Accountant - term: 31.12.2018

Observance of shareholders' rights

SIF Hoteluri SA observes the shareholders' rights, providing them a fair treatment. For the General Meetings of Shareholders that took place on 08.02.2018 and 16.04.2018 details about the meetings were published in a section dedicated to the company's website www.sif-hoteluri.ro, details concerning the meeting: notice of the GMS, materials afferent to the agenda as well as any other information concerning the agenda, forms for vote casting by means of a proxy and ballot paper for vote by mail, the participation and voting procedures which ensure the orderly and efficient procedure of the GMS works and which confers the right to every shareholder to freely express his opinion on the issues in debate, the decisions taken at the GMS and information concerning the vote result.

For the financial year 2018 it was posted on the site, within the legal term, information regarding the financial calendar, current reports, annual, half-yearly and quarterly reports.

At SIF Hoteluri SA there are three people trained in the field of relations with investors, this activity does not require for the time being the existence of a specialized department for this purpose within the company.

Transparency in communication

SIF Hoteluri SA gives a special importance to transparency in communication, and there are made continuous and periodical reports including all important aspects of the company's activity, its performance etc.

On the company's site, there is a presentation about the company and all its activities and also its relations with shareholders and investors. In "Notices" section there is disseminated information of interest for shareholders and investors and are presented current and periodical reports about the company's activity, in Romanian language.

Financial reporting

The 2018 H1 financial report were made based on International Financial Reporting Standards (IFRS) (Order no. 2844/2016 sub subsequent completions and amendments) and it offers a fair image, according to the reality, about the state of the assets, debentures, financial position, profit and loss account of SIF Hoteluri SA.

Pursuant to the legal provisions, the financial accounting statements were not audited.

Internal control and risk management

The internal control monitors and verifies regularly the application of the new legal provisions concerning the company's activity, verifies the observance of the company's internal regulations that were established by internal decisions and regulations, the completion of existent regulations or introduction of new regulations, specific to the company's activity, setting up or improvement of company's internal procedures.

SIF Hoteluri SA has concluded a contract for an Internal Audit with Dumitrescu Mariana practice, who performs periodic audits of the company's activity in order to provide relevant information about these activities, she makes recommendations for the improvement of activities, procedures, controls. The internal audit activity takes place based on the company's plan for the annual audit procedure.

Inside the company, there are people authorized to perform an internal control. Therefore, all documents entering the company are registered at the secretariat and submitted for endorsement to the general manager, who divides them on departments. The invoices for services and investments are endorsed by the administrative office and afterwards by the economic manager, who verifies them from the contractual point of view (quantity, value...). The acquisitions of goods and raw materials needed for the public food-service activity are made by the employees in the supply department, only based on orders priorly approved by the general manager. The acceptance of the raw materials and goods from the point of view of quantity and value is made at every business facility in part. All documents present at the business facilities are registered in the local information system and they are transferred to the company's server via internet. The invoices for the acquisition of goods and materials are sent daily to the company's registered office where the head of the accounting office checks the physical

documents against the accounting entries made at the respective business facility. At the end of the month, the head of accounting office compares the registered invoices with the sale purchase registers.

Monthly, the economic manager presents to the general manager, who, in his turn analyses, the results of the concluded month together with the members of the board. The results presented by the economic manager for the ended month are: the status of accomplished activities, of the financial position, of the global result, cash-flow. Investments approved by the General Meeting, receivables and debts status based on maturity date.

The business facilities will conclude agreements concerning the income and expenses budgets for the next periods, paying attention every month not to exceed the initially set budget.

The conflict of interests and trades with the people involved

For the purpose of accurate identification and settlement of the conflict of interest cases which stipulate that all investments or sales of transferable securities shall be made only in the shareholders' interest and not for any other reasons, the Board of Directors adopted a standard settlement procedure for such cases in its Corporate Governance Regulation. In the event of a conflict of interest between the company's interest and the personal interest of a decision-making person (a member of the Board of Directors) or decision-making employee (executive management) the solution is the retirement of the person involved from the decision-making process.

The internal regulations impose the employees the interdiction of engaging in associated trades that might violate the A.S.F. regulations.

When a conflict of interests appear among managers, they inform the Board of Directors of this issue and refrain from debates and vote on the respective issue, according to the relevant legal provisions; these cases are recorded in the Minutes of the Board of Directors' meeting.

Corporate information regimen

The standard procedure concerning the internal circuit and dissemination to third parties of documents and information on the issuer, that might influence the market price of the transferable securities issued by the latter, was regulated by means of the Corporate Governance Regulation.

The persons vested with competences for this purpose draw up regularly notifications on the implications of the regulatory provisions concerning the management of privileged information (defined in art. 244 of Law 297/2004) within SIF Hoteluri SA, as well as concerning the obligations of initiated persons. The information is submitted to the Board of Directors for analysis and approval.

Issuer's social responsibility

SIF Hoteluri SA carries out activities concerning the company's social responsibility all the time, supporting every year directly or by means of foundations / specialized associations, the socially disadvantaged people from the local community where it carries out its activity.

Other information

On 30.06.2018, the company is part of the following litigations:

Civil litigations:

The company is involved as defendant in the litigation that is on the the dockets of Bihor Court

- **file no. 2147/111/2014, plaintiff Hajdu Bau** Kivitelezó és Kereskedelmi Korlátolt Felelősségű Társaság "Felszámolásalatt", they claim the amount of 9.687.769 lei, of which:
 - 6.045.915 lei for performed and not accepted works;
 - 1.641.854 lei performance bond retained by the company;
 - and 2.000.000 lei moral damages.

The object of the litigation is the cancellation of the works contract (undertaking) by the defendant, cancellation that took place in 2011.

In this file, SIF Hoteluri requested the Court to dismiss all claims made by the plaintiff and made a counterclaim against the defendant, asking for a ruling to oblige the plaintiff HAJDU-BAU to pay the equivalent value of the prejudices caused by non-observing the contractual obligations and also to pay the amounts representing the equivalent value of certain works that have not been performed although they were paid, and also to pay default interest, provisionally estimated at the amount of 800.000 lei;

As evidence, the parties asked the documentary evidence, questioning, witnesses and technical expertise in constructions, evidence approved by the court.

At the deadline of 22.06.2017, the technical expertise report drawn up by the expert appointed by the court was submitted to the file and at the deadline of 12.10.2017 the court acknowledged the objections of the parties to the expert report.

Considering the predominantly technical nature of the issues discussed in the file, it is difficult to estimate at this moment the chances of winning / losing SIF Hoteluri S.A., depending on the final response of the expert to the fixed objectives.

At the last term of the file, due to the lack of the technical expert's response to the objections of the parties, the court ordered that the address would be returned to him for submission of the reply until the next term, namely 04.10.2018.

- **File of liquidation procedure - debtor Hajdu-Bau** company Epítőipari Kivitelezó és Kereskedelmi Korlátolt Felelősségű Társaság "Felszámolás Alatt" with headquarters in Hungary, Debrecen represented by liquidator Gazda-Pusztai Sándor.

File stage: The court in Debrecen at first instance rejected on 27.12.2017 the creditor company's request (SIF Hoteluri S.A.) for registration at the creditor table for the amount of 2,022,106.32 RON. The company appealed to the above-mentioned decision.

- **File 26808/211/2017 - Cluj-Napoca Court** - real estate claim

Parties: Bathori Stefan and Bathori Rozalia – Reclamanti

Sif Hoteluri S.A (former Beta Transport S.A. Cluj), Napoca S.A. and the city of Cluj - Parati.

File stage: At the time of 14.06.2018, the court accepted the exception of the material incompetence of the Cluj-Napoca Court, invoked and refused the competence to resolve the petition to the Court of Cluj. The first term was established by the Cluj Court on 07.09.2018.

- **File 16496/211/2017 - Court of Cluj-Napoca** - confirmation of criminal prosecution

Parti: Sif Hoteluri S.A - Petent;

Mustatea Lucian – Intimate

Stage file: The court settled the case on 09.02.2018 and accepted the request of the Prosecutor's Office attached to the Cluj-Napoca Court, confirming the ordinance ordering the waiver of prosecution of the Intimate prosecution for committing the offense of theft. The decision is final.

- **File no. 7768/182/2017 - Baia Mare Court of Law** - enforcement of forced execution

Partitions: Sif S.A. Creditors;

Vacantiorama S.R.L.- Debtor

Stage file: The court resolved the case on 08.08.2017 and allowed the enforcement request against the debtor Vacantiorama S.R.L.to pay the amount of 1173.2 lei representing the equivalent hotel services and the related court costs. The ending is final.

Until now, no money has been recovered since the debtor has no assets and no money in the account.

- **The file no. 9189/182/2016 on the dockets of Baia Mare Court** whereby the Company (as lender) request the Court to oblige the debtor Handbal Club Municipal Baia Mare to pay the amount of 81479,2 lei representing the equivalent value of the hotel services. The file was suspended but the debtor went into insolvency proceedings. After the closure of the insolvency procedure, it will be possible to deal fiscally with the unsecured claim.

- **The file no. 11511/182/2016** on the dockets of Baia Mare Court whereby the Company (as lender) request the Court to oblige the debtor **MAXIM EVENTS -INCENTIVE S.R.L.** to pay the amount of 10,224 lei representing the equivalent value of the hotel services, 1200 lei trial expenses.

On 09.02.2017 the Court admitted the creditor's request. There is an Execute Decision - A request for attachment and a new ANAF query has been sent to issue a new attachment

On November 1, 2017 Bucharest Tribunal (file 11394/3/2017) accepted the debtor's request Maxim Events & Incentives S.R.L. and ordered him to enter bankruptcy proceedings through the simplified procedure. The company filed a claim for admission of the claim within the prescribed time limit.

- **File 15349/3/2016 Bucharest Tribunal** - insolvency proceedings; Debtor: **PERFECT TOUR**;

Stage file: The court has set a new deadline on 06.11.2018 and has put the case back to court, with the prematurity of the request for bankruptcy proceedings to be discussed.

Outstanding Debit: 2,690 lei (DoubleTree by Hilton);

Outstanding debit: 3,729 lei and 500 lei legal costs (Baia Mare working area - the creditor was admitted to the payment order in file 8223/182/2016 of Baia Mare County on 29.11.2016).

- **File 4499/30/2017 Court of Appeal Timis** - claims (administrative and fiscal litigation - appeal)

Parties: **The Timis County Health Insurance House** and the National Health Insurance House - Parati

Sif Hoteluri S.A. - The applicant

Stage file: Primary debit of 24,915 was recovered. On the merits, the court (Timis Court) upheld the Company's request that the Timis County Health Insurance House be ordered to pay the legal interest on the debit calculated from the due date until the full payment.

The County Health Insurance House of Timis filed an appeal on 29.11.2017 on the payment of interest. The Court of Appeal of Timis dismissed the appeal filed by County Health Insurance House Timis on 20.03.2018. The decision is final.

After the court has communicated the judgment, the company will proceed to enforcement in the conditions in which the debtor does not voluntarily pay the payment obligations.

- **File 4839/271/2017 - Bihor Court** - contraventional complaint against P.V. of contravention prepared by **I.T.M. Bihor** ordering the application of the fine in the amount of 30,000 lei – call

Parti: I.T.M. Bihor - Intimate;

Sif Hoteluri S.A. – Petent

Stage file: finalized in the first instance on 04.12.2017. The Oradea Court partially upheld the contravention complaint filed by the Company and partially canceled P.V. of the contravention (the contravention sanction consisting of the application of the fine in the amount of 20,000 lei was removed). The provisions of P.V. of contravention regarding the sanctions applied to the Company in the amount of 10,000 lei.

The two parts of the file appealed against the Oradea Court's judgment. At the first term of appeal on 15.05.2018 the litigation was suspended until the final settlement of the file no. 4003/111/2017 by the Bihor Tribunal, file referred to below.

- **File 4003/111/2017 - Bihor Court** - annulment of the administrative act (control report issued by I.T. Bihor) - Administrative and fiscal dispute

Parts: I.T.M. Bihor-Parat

Sif Hoteluri S.A. - The applicant

Stage file: At the time of 07.06.2018, the Bihor Court resumed the pending case in order to specify by the plaintiff the law on the basis of which he requests the occurrence of the prescription. The next term of the trial was fixed by the court on the date of 06.09.2018.

- **File 7199/111/2017 - Bihor Court** - annulment of the administrative act (control report issued by I.T. Bihor) - Administrative and fiscal contentious

Parti: I.T.M. Bihor-Parat

Sif Hoteluri S.A. - The applicant

Stage file: completed in first instance on 05.04.2018. The appeal was filed by SIF Hoteluri S.A in contradiction with the I.T.M. Bihor and consequently ordered the partial annulment of the BH control series no. 2022086 / 26.09.2017 issued by Parata. I.T.M. Bihora appealed against the decision of the Bihor Court on 25.05.2018. The Bihor Court of Appeal did not fix the first term of appeal.

- **File 17702/271/2017 - Oradea Court of Law** - payment order

Parties: Transilvania Landof Art S.R.L.- Debtor;

SIF Hoteluri S.A. - Creditor.

Stage file: Completed in first instance on January 15, 2018. The court upheld the creditor's request by requiring the debtor to pay the sum of 7,612 lei for principal debits, the delay penalties of 0,1% / day of delay until the full payment of the debit and the stamp duty in the amount of 200 lei. Transilvania Land of Art S.R.L. did not file an appeal for annulment within 10 days of the communication, the decision of the first court being final.

- **File 6148/271/2018** - Oradea Court of Law - payment order - outstanding debit: 658 lei

Parti: **Mediamusic Events** S.R.L. - Debtor;

SIF Hoteluri S.A. - Creditor.

File stage: completed in first instance on 25.06.2018. The court upheld the request of the creditor by obliging the debtor to pay the sum of 658lei as principal debit, the legal penalty interest calculated from the date of invoice maturity to the actual payment of the debit and the stamp duty in the amount of 200 lei.

The decision of the Oradea Court is not final, the debtor having the possibility to file an application for annulment within 10 days from the communication.

- **File 6149/271/2018 - Oradea Court** - payment order - outstanding debit: 719.84 lei

Parties: **Olidan Media**S.R.L.- Debtor;

SIF Hoteluri S.A. - Creditor.

Stadiudosar: completed in first instance on 14.06.2018. The court partially upheld the creditor's request by requiring the debtor to pay the amount of 719.84 lei as principal debit, the legal

penalty interest calculated from the date of the invoice maturity until the actual payment of the debit and the stamp duty in the amount of 200 lei.

The decision of the Oradea Court is not final, the two parts of the file having the possibility to file an application for annulment within 10 days from the communication.

➤ **File 513/337/2018 - Zalau Court** - payment order

Parties: Marcus Niculina Enterprise Individuala- Debitor;
SIF Hoteluri S.A. - Creditor.

Stage file: completed in first instance on 05.04.2018. The court partially accepted the creditor's request by requiring the debtor to pay the amount of 5017.76 lei for the principal debit, the legal penalty interest calculated from the date of the invoices maturity until the actual payment of the debit and the stamp duty in the amount of 200 lei .

The decision of the Zalau Court is not final, the two parts of the file being able to file an application for annulment within 10 days of the communication.

➤ **File 945/111/2017 Oradea Court of Appeal** - Labor dispute (appeal against the decision of sanctioning and selling of the labor contract -apel).

Parties: Boje Nicoleta - Intimate plaintiff;
SIF Hoteluri S.A. - Caller.

Stage file: Completed in the first instance by the Bihor Tribunal, the Company being ordered to pay equal compensation with the indexed salaries starting with 18.01.2017 and until the applicant's reintegration on the previous post. The company filed an appeal with the Court of Appeal Oradea on 17/07/2017.

At the time of March 5, 2018, the Oradea Court of Appeal admitted the appeal filed by the company and rejected all the appeal filed by Mrs. Oradea. Nicoleta Roxana fights in contradiction with intimate SIF Hoteluri S.A. - Doubletree by Hilton Oradea.

➤ **File 1434/243/2016 High Court of Cassation and Justice** - litigation between professionals (claims - appeal)

Parties: **Romanian Television Company** - Applicant;
SIF Hoteluri S.A. - Intimate parat

Stage file: finalized in the first instance by the Hunedoara Court, which rejected the applicant's action requesting the petition to pay the sum of 28,967.4 lei representing the TV fee for the period July 2012-February 2016 for the tourist accommodation unit Rusca.

On 18.09.2017 the Hunedoara Court dismissed as unfounded the appeal filed by the Romanian Television Society against the sentence pronounced by the Hunedoara Court. On November 16, 2017, the Romanian Television Company appealed against the decision pronounced by the Hunedoara Court. The Alba-Iulia Court of Appeal admitted the exception of the material lack of jurisdiction and, as a consequence, declined the favor of the High Court of

Cassation and Justice competent to resolve the appeal declared by the Romanian Television Society. On 13.06.2018, the High Court of Cassation and Justice accepted the exception of the material lack of jurisdiction of the High Court of Cassation and Justice and declined jurisdiction to resolve the appeal brought by the appellant-plaintiff ROMANIAN TELEVISION SOCIETY against the decision of 18 September 2017 issued by the Court of First Instance Hunedoara, in favor of the Alba Iulia Court of Appeal. Alba Iulia Court of Appeal is to fix the first term of the appeal.

➤ **File 902/97/2018 - Hunedoara Court** - labor dispute (dismissal decision)

Parties: **Ticu Sorin** - Applicant;

SIF Hoteluri S.A – Parat

Stage file: At the time of June 14, 2018, the Hunedoara Court adjourned the cause for probation administration. The next deadline was set on 09.08.2018.

➤ **File 903/97/2018 - Hunedoara Court** - labor dispute (dismissal decision)

Parties: **Lipovan Sebastian Mihaita** - Applicant;

SIF Hoteluri S.A – Parat

Stage file: At the time of 11.07.2018, the Hunedoara Court adjourned the case for probation administration. The next deadline was set on 19.09.2018.

➤ **File 282/97/2018 - Hunedoara Tribunal** - labor dispute (contestation act)

Parties: **Lipovan Sebastian Mihaita** - Applicant;

SIF Hoteluri S.A – Parat

Stage file: At the time of 19.06.2018, the Hunedoara Court has postponed the cause for the study of the questionnaire response and the documents submitted and communicated. The next deadline was set on 03.10.2018.

➤ **File 281/97/2018 - Hunedoara Court** - labor dispute (contestation act)

Parties: **Ticu Sorin** - Applicant;

SIF Hoteluri S.A – Parat

Stage file: At the time of 19.06.2018, the Hunedoara Court has postponed the cause for the study of the questionnaire response and the documents submitted and communicated. The next deadline was set on September 17, 2018.

➤ **File 26154/299/2017 - Sector 1 Bucharest Court of Appeal** - contestation of execution of execution file 1053/2017, suspension of execution

Partition file: Contestant - AAAS State Asset Management Authority

Intimate - Paltinis S.A.

Terti Popriti - SIF Hoteluri S.A. and other legal entities

Stage file: On the date of 22.02.2018 the court partly upheld the appeal for execution and canceled the seizure records of 04.08.2017 and canceled the address for the establishment of the attachment dated 21.07.2017 issued to all third parties to which the Romanian State is a

shareholder through AAAS, for the amounts of money representing the equivalent of shares, shares and dividends. Otherwise, the contestation of the execution is dismissed as unreasonable. On April 3, 2018, Paltinis S.A. appealed against the judgment of the District Court 1, the Bucharest Tribunal will set the first term of the appeal.

- **File 27885/299/2017 - Sector 1 District Court of Bucharest** - contestation of execution of execution file 1053/2017, suspension of execution

Partition file: Contestant - AAAS State Asset Management Authority

Intimate - Paltinis S.A.

Tert Poprit - SIF Hoteluri S.A.

Stage file: At the deadline of October 25, 2017, the court partly upheld the enforcement appeal and canceled the seizures of 04.08.2017. He dismissed the appeal against third-party lawsuits as being filed against persons without any procedural passive status.

On 16.01.2018, Paltinis S.A. appealed against the judgment of the District Court 1. By the deadline of 25.05.2018, the Bucharest Court dismissed the appeal as unfounded.

- **File 40459/299 / 2017 - Sector 1 District Court of Bucharest** - contestation of execution of enforcement files 90 / 2017-143 / 2017, 145 / 2017-207 / 2017, 228 / 2017-262 / 2017, 269 / 2017-296 / 2017, 302/2017, 330 / 2017-334 / 2017, suspension of execution

Partition file: Contestant - AAAS State Asset Management Authority

Indemnities - natural persons (FNI file No 24632/3/2006)

Terti Popriti - SIF Hoteluri S.A. and other legal entities

Stage file: At the time of 18.07.2018 the court postponed the cause for fulfilling certain obligations. The next deadline was set for 26.09.2018.

- **Other litigations** as plaintiff for non-bankruptcy claims. The company expects to obtain the amount of the uncollected and fully demanded receivables.
- **Other litigations concerning insolvency**, bankruptcy. The company expects to get some further modest benefits.

5. FINANCIAL-ACCOUNTING STATEMENTS

Pursuant to Ministry of Finances Order 881/2012 and the Methodological Norms issued by The Ministry of Finance no. 1286/2012, all companies publicly traded since 1 January 2013, have to draw up financial reports according to IFRS.

The Financial Statements on and for the 2018 H1 financial reports, drawn up according to the requirements of the Ministry of Public Finances' Order no. 2844/2016 for the approval of the accounting standards conform with The International Financial Reporting Standards, applicable to companies whose titles are traded on a regulated market and with further subsequent amendments with the requirements and full notes are attached to the present report.

Statement of financial position on 30.06.2018:

Explications (all amounts are presented in RON)		
	31.12.2017	30.06.2018
A	1	2
ASSETS - TOTAL, of which:	117.452.615	114.747.070
NON-CURRENT ASSETS - TOTAL, of which:	106.934.508	103.467.802
Intangible assets	109.060	116.735
Tangible assets managed in house	99.679.776	97.405.502
Real estate investments	7.775	3.887
Financial assets	5.347.795	4.951.527
Other non-current assets	1.790.102	990.151
CURRENT ASSETS - TOTAL, of which:	10.518.107	11.279.268
Stocks	265.405	263.709
Trade receivables	454.437	641.159
Other receivables	123.879	122.737
Cash and cash equivalents	9.620.488	9.510.107
Prepayments	53.898	741.556
DEBTS - TOTAL, of which:	18.031.397	17.504.225
CURRENTS DEBTS - TOTAL, of which:	5.664.715	5.710.790
Long term loans (credits below 1 year)	700.977	699.353
Short term debts	1.414.148	1.484.343
Other debts, including fiscal debts and social insurance debts	3.472.590	3.482.609
Provisions	77.000	44.485
NON-CURRENT LIABILITIES - TOTAL, of which:	12.366.682	11.793.435
Long term loans (credits below 1 year)	8.805.357	8.462.591
Other debts, including fiscal debts and social insurance debts	3.561.325	3.330.844
EQUITY - TOTAL, of which:	99.421.218	97.242.845
Subscribed share capital	80.356.103	80.356.103
Adjustments of the share capital	-3.411.602	-3.195.944
Merging bonuses	-7.167.078	-7.167.078
Reserves from the reevaluation of the tangible asset	19.974.650	19.974.650
Reserves from the reevaluation of the financial asset	1.347.861	0
Legal reserves	1.411.826	1.411.826
Other reserves	9.924.434	9.924.434
Carried forward result, except for the carried forwards result resulted from the adoption for the first time of IAS 29	-1.638.954	-1.452.095
Carried forward result resulted from the adoption for the first time of IAS 29	-215.021	-215.021
Profit or loss at the end of the reported period	-1.161.001	-2.394.030
TOTAL EQUITY AND DEBTS	117.452.615	114.747.070

The non-current assets register a 3,24%. This decreasing is due to the reimbursement of 800 thousand lei by the loan of 1.5 million lei to the company Napomar SA, adjusting the value of the fund units Fii Optim Invest (negative adjustment of 396 thousand lei, being registered in the profit and loss account according to IFRS 9), while the depreciation related to the fixed assets for the first semester ROL 2,52 million. Within the non-current assets, the tangible assets have a 90% rate.

The value of the current assets grows by RON 761 thousand lei as compared to the beginning of the year, due to the increase of the expenses registered in advance (increase by 687 thousand lei) but also of the cash outflows from the company, used for the investments approved in the investment plan.

Stocks analysis

	31.12.2017	30.06.2018
Other consumables	108.343	88.018
Inventory objects	-	7.136
Packaging	1.406	1.616
Raw materials and consumables	109.749	96.770
Goods and packaging	155.461	166.939
Shopping advance payments	195	-
Total stocks	265.405	263.709

The table above shows that stocks have remained relatively constant since the beginning of the year.

Receivables analysis

In the first six months of 2018, trade receivables increased by 41% as of the end of 2017. Their growth was due to the larger volume of activity carried out by the five hotels.

Commercial receivables	31.12.2017	30.06.2018
Customers	395.637	569.894
Doubtful customers or customers involved in litigations	142.160	148.731
Customers – invoices to be issued	45.444	71.766
Advances given to service suppliers	13.356	-
Adjustments of impairment of receivables - customers	(142.160)	(149.232)
Total commercial receivables	454.437	641.159

Nota 23 Another Receivables

	31.12.2017	30.06.2018
Non-deductible VAT of non-billed suppliers	61.655	12.552
VAT on receipt	14.337	8.445
Medical leave to be recovered from the state	-	33.227
Other claims related to employees	-	9.814
Profit tax to be recovered	-	16.848
Different debtors	30.498	23.939
Advances to staff	3.509	-
Interests to be cashed	13.880	17.912
Total alte createante	123.879	122.737
Total Receivables	578.316	763.896

Liabilities analysis

- capital and funds;
- debts.

The equity decreased with 2,19% in 2018 compared to 2017. An important percentage in the equity (approx. 82%) has the share capital.

As a result of the various revaluations in the history of SIF HOTELURI, there were registered reserves of the revaluation of tangible assets, which as of 30.06.2018 amounted to 20 million ROL.

The legally reserve fund was made based on the legal regulations in force (5% from the accounting profit up to the competition of 20% of the share capital). The value of the legal reserve on 30.06.2017 was 1.411.826 lei.

The Company also has other reserves in the amount of 9,924,434 lei.

Debts analysis

a) Commercial debts	31.12.2017	30.06.2018
Suppliers	856.907	798.742
Non-current assets suppliers	34.374	53.358
Suppliers-invoices to be received	388.628	448.233
Customers in debt	134.239	184.010
Total commercial debts	1.414.148	1.484.343
bs		
b) Other short term debts	31.12.2017	30.06.2018
Debts towards employees	860.385	621.159
Debts towards the state budget and social security budget	324.477	254.869
VAT to be paid	54.074	110.559
Specified tax / tax on profit	142.467	288.223
Other taxes	4.639	30.185
Sundry creditors + in the process of clarification	69.580	161.854
Non-exigible VAT on customers not invoiced	273	264
Guarantees retained from constructors and tenants + concession 1	2.016.695	2.015.496
Total short term debts	3.472.590	3.482.609
Short term loans	31.12.2017	30.06.2018
Short term bank credits	700.977	699.353
Total short term loans	700.977	699.353
Deferred income and provisions	31.12.2017	30.06.2018
Accruals	-	-
Provisions	77.000	44.485
Total deferred income and provisions	77.000	44.485
c) Long term loans	31.12.2017	30.06.2018
Long term bank credits	8.805.357	8.462.591
Total long term loans	8.805.357	8.462.591

Other long term liabilities**31.12.2017 30.06.2018**

Future debts related to the contract for concession of the land for parking lot under the hotel	298.985	284.162
Delayed taxes	3.262.340	3.046.682
Total delayed taxes	3.561.325	3.330.844

Principal

30.06.2018

Loan account	Initial sold on 01.01.2018		Reimbursements 01.01-30.06.2018		Final sold on 30 iunie 2018		Balance due for a period of less than one year		Balance due for a period between 1 and 5 years		Balance due for a period more than five years	
	Eur	LEI	Eur	LEI	Eur	LEI	Eur	LEI	Eur	LEI	Eur	LEI
1621.01	2.037.894	9.495.973	74.105	342.558	1.963.789	9.153.415	148.210	690.824	741.052	3.454.118	1.074.526	5.008.473
TOTAL	2.037.894	9.495.973	74.105	342.558	1.963.789	9.153.415	148.210	690.824	741.052	3.454.118	1.074.526	5.008.473

Curs 31.12.2017 1 eur = 4,6597 lei

Curs 30.06.2018 1 eur = 4,6611 lei

Dobanda an 2018

Interest account	Interest rate	Initial sold		Expenses with interest 2018 - ian - iun		Payments ian-iun 2018		Final sold 30.06.2018	
		Eur	LEI	Eur	LEI	Eur	LEI	Eur	LEI
1682.01	euribor 3M +2,8%	2.224	10.361	23.167	107.772	23.561	109.603	1.830	8.530
TOTAL		2.224	10.361	23.167	107.772	23.561	109.603	1.830	8.530

THE PROFIT AND LOSS ACCOUNT

Indicators name	Reporting period	
	30.06.2017	30.06.2018
A	1	2
Net turnover (row 02 + 03 - 04 + 05)	9.247.460	9.934.730
Income from the sold production	6.460.481	6.828.981
Income from the sale of goods	2.786.979	3.105.749
Other operating income	41.064	21.432
OPERATING INCOME - TOTAL	9.288.524	9.956.162
Raw materials and consumables	1.106.245	1.320.141
Expenses with goods	791.116	993.919
Third parties services	2.402.391	2.407.071
Personnel expenses	3.452.704	3.901.216
Taxes expenses	449.007	487.642
Depreciation expenses	2.554.017	2.519.309
Other operating expenses	14.071	-7.553
Adjustments with provisions	13.500	17.485
OPERATING EXPENSES - TOTAL	10.783.051	11.639.230
OPERATING PROFIT OR LOSS:	1.494.527	1.683.068
Interest income	109.055	67.360
Other financial income	0	428.095
FINANCIAL INCOME - TOTAL	109.055	495.455
Interest expenses	153.582	142.534

Other financial expenses	22.244	817.616
FINANCIAL EXPENSES - TOTAL	175.826	960.150
FINANCIAL PROFIT OR LOSS:	66.771	464.695
GROSS PROFIT OR LOSS (A) (before taxation)	1.561.298	2.147.763
Tax on current profit (ct. 691)	0	102.152
Other taxes that were not presented at the before mentioned elements (ct. 6913)	124.391	144.115
NET PROFIT OR LOSS FOR THE REPORTED PERIOD	1.685.689	2.394.030

Turnover structure on the last two years, on income types is presented in the table below:

Turnover income (lei)	30.06.2017	30.06.2018
Rentals	169.330	212.664
Hotel activities - accomodation	5.832.093	6.305.895
Other turnover income	430.303	310.422
Total	6.431.726	6.828.981
Income from sale of goods	2.815.734	3.105.749
Total	9.247.460	9.934.730

The revenues of the company were made from accommodation (64%), rental (2%), food (31%) and other activities related to hotel activity (3%).

Within the structure of the total expenditures a very large share (over 92%) is the exploitation expenses. Raw materials and materials account for 2,52%, 7,77% for energy and water, 8,54% for goods, 33,52% for staff, 20,68% for third party services, 4,19% for taxes and charges, for depreciation 21,64%.

The financial expenses amount to 0.96 million lei, out of which the interest expenses related to the bank loan are of 0.14 million lei and the expenditures for the adjustment of the fund units are in the amount of 0.77 million lei.

Considering Law 170/2016 regarding the specific tax on certain activities, SIF Hoteluri SA recorded for the first six months of 2017 a specific tax in the amount of 144 thousand lei.

On 30.06.2018 the company recorded a loss of 2.394.030 lei.

We specify that no auditor's report has been prepared for the reported period.

Signatures:

PRESIDENT Tic-Chiliment Valentin

GENERAL MANAGER Birlea Vasile – Radu

CHIEF ACCOUTANT Sava Cristina