

Current report no. 21/2020

April 2, 2020

Subject: Impact of SARS-CoV-2 coronavirus epidemic on the Orbis S.A. and its subsidiaries situation.

Legal grounds: Article 17. 1 MAR – Confidential information.

The Management Board of Orbis S.A. (the "Issuer") informs that due to the current epidemic of SARS-CoV-2 coronavirus and measures taken in order to prevent its spread, the Issuer and Issuer's subsidiaries operate in exceptional conditions in which the hotel and tourist industries found themselves.

The ongoing crisis and special measures taken to prevent the spread of the epidemic (including, restrictions of air traffic, restrictions on border traffic, limitations in internal movement, prohibition of catering services at premises, ban on gatherings, and restrictions on hotel activities) by Polish and other countries' governments, have had significant operational and financial impact on situation of hotels operated by the Issuer and its subsidiaries.

In order to optimize and adapt scope and costs of the business to the above situation and to follow legal restrictions, the Issuer and Issuer's subsidiaries temporarily ceased or shortly will cease functioning of almost all hotels, with some minor single exceptions. The suspensions of operations are not permanent and in case there is a change of situation, the operations of each particular hotel can be quickly restored, including potential opportunity to rent the hotel's space for the purposes of activities related to fight against the epidemic and its consequences, such as quarantine or providing accommodation for medical staff.

The above factors had an impact on the total hotel revenues generated by the Issuer's Group hotels in 1 Q 2020, which according to first estimations of the Issuer, reached the level 208mPLN which indicates drop of 22% in comparison to the same period in 2019. The main impact was a decrease in occupancy in March by 50 pp vs last year while YTD February 2020 the respective ratio increased by +2.3 pp vs last year.

The Issuer emphasizes that its business operations / financial position is not currently at risk and it does not see the danger of losing financial liquidity or difficulties in settling financial liabilities. Nevertheless, the occurrence of the epidemic remains very dynamic and causes high possibility of reducing the revenues of the Issuer and Issuer's Group in the entire financial year 2020, however, as at the date of this current report, the Issuer is not able to estimate the full impact of the epidemic on its financial results.

The Issuer constantly monitors the development of the situation related the epidemic and measures taken by the authorities on national and European level, including various solutions offered for enterprises affected by the epidemic. It will accordingly adjust its further decisions, in order to minimize negative impact of epidemic on the financial and operational situation and to get ready for dynamic restoring of activity towards performance levels seen before the epidemic outbreak.