

**OPINION OF THE SUPERVISORY BOARD OF ORBIS S.A.
RELATED TO THE QUALIFIED CONCLUSION RAISED BY THE AUDIT FIRM
IN THE REPORT ON THE REVIEW OF THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2019**

The report of the independent licensed auditor KPMG Audyt Spółka z ograniczoną odpowiedzialnością Sp. k. on the review of the condensed interim consolidated financial statements of the Orbis Group for the period from January 1, 2019, to June 30, 2019, contains a qualification relating to the classification of the perpetual usufruct of land in comparative periods, i.e. as at December 31, 2018, and as at June 30, 2018.

When evaluating the consolidated financial statements for the year 2018 and the consolidated financial statements for the first half of 2018, the Supervisory Board has given due consideration to the arguments of the Management Board as well as to the auditor's position on the issue in question. The Supervisory Board then accepted the Management Board's explanations that the treatment of the rights to perpetual usufruct of land as a form of an operating lease and their recognition off balance sheet did not reflect the economic nature of these rights and would lead to a distortion of the information on the actual value of assets held by the Company. The Supervisory Board gave opinions to both these financial statements in which it positively assessed the treatment of rights to perpetual usufruct of land adopted by the Management Board.

In connection with the foregoing, the Supervisory Board agrees with and gives its positive opinion on the accounting treatment of rights to perpetual usufruct of land adopted by the Management Board in the consolidated financial statements of the Orbis Group for the year 2018 and in the consolidated financial statements of the Orbis Group for the first half of 2018.

At the same time, the Supervisory Board highlights that in connection with the entry into force of IFRS 16 *Leases* standard as from January 1, 2019, the former treatment of the rights to perpetual usufruct of land by the Group has changed in accordance with the wording of the new standard and as at 30 June 2019 it no longer constitutes the basis for the audit firm to express a qualified conclusion.

On behalf of the Supervisory Board of Orbis S.A.:



Franck Genvalis

Chairman of the Supervisory Board of Orbis S.A.

Warsaw, July 29, 2019.