

Current report no. 30/2020

May 22, 2020

Subject: Recommendation of the Management Board concerning use of net profit for 2019

Legal grounds: Article 17.1 MAR – Confidential information.

The Management Board of "Orbis" S.A. hereby informs about the adoption on 22 May, 2020, of a decision to submit the motions to the General Meeting of "Orbis" S.A. for approval, the proposal to retain the entire net profit for 2019 amounting to PLN 778,676,161.47 in the "Orbis" S.A. as retained earnings appropriated for statutory purposes.

Statement of reasons for the recommendation concerning use of the net profit for 2019

The Management Board of "Orbis" S.A. indicates that the outbreak of the coronavirus epidemic in 2020 and the associated economic crisis and exceptional measures taken by the Polish government and governments of other countries to limit the spread of the epidemic, resulted in significant financial losses incurring by "Orbis" S.A. and its subsidiaries.

In addition, on June 26, 2020, "Orbis" S.A. will be obligated to repay the first tranche of bonds issued in 2015, which will require allocation for this purpose of PLN 300,000,000 (PLN three hundred million).

In addition, the Management Board indicates that in 2019, the company restructured its business by separation and disposal of all hotel service activities (the so-called light asset business) to subsidiaries of Accor S.A. As a result, "Orbis" S.A. focused its strategy and operations on hotels owned or leased by the company. Further development of this activity will require capital-intensive investments involving the acquisition and modernization of existing buildings and the construction of new hotel facilities.

Taking above into consideration, aiming at leaving in "Orbis" S.A. funds necessary for repayment of the first tranche of bonds, securing the financial situation of "Orbis" S.A. in the period of the coronavirus epidemic and gradual recovery from the crisis, as well as with a view to potential development investments at a later stage, the Management Board of "Orbis" S.A. recommends retaining in the company for statutory purposes of all profit earned in 2019 in the amount of PLN 778,676,161.47 (seven hundred and seventy-eight million, six hundred and seventy-six thousand, one hundred and sixty-one zlotys and forty-seven groszy).

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"Orbis" S.A., 59 Żłota Street, 00-120 Warsaw, registered in the District Court for the Capital City of Warsaw, XII Commercial Division, National Court Register [KRS], Register of Business Operators no. 0000022622, share capital of PLN 92,154,016 (paid-up in full), tax identification number NIP 526-025-04-69