Press release

APRIL 26TH , 2019

Very good results in the 1st quarter 2019

- Solid operating indicators in the EE region (+6% RevPAR like-for-like growth in total)
- Outstanding growth of revenue by 7.8% like-for-like up to EUR 63.2 million
- 7 new asset light hotels signed (almost 1,000 rooms)
- Aon certifies Orbis "Best Employer in Poland" for the second year in a row
- Cooperation agreement signed with Accor for analyzing business model development and organization

"Our results have been clearly improving year after year. For the first time since the recent years Orbis had positive net income result in 1Q, which is naturally a low season in hospitality in the Eastern Europe region."- said Gilles Clavie, President and CEO of Orbis.

In the first quarter the Company benefited from both: increase in occupancy rate (+1.2 pp) and average price (+4.0%), capitalizing on stable macroeconomic environment and market growth. Positive operational results of the Orbis Group are confirmed by 6.0% RevPAR growth which amounted to EUR 33.2. Rising operating indicators drove the increase in the revenue up to EUR 63.2 million (+7.8%). Operating EBITDA amounted to EUR 13.2 million, which represented 52.8% growth comparing to last year, which was partially positive impacted by the IFRS change regarding leases. Despite challenging situation on labour market the EBITDA margin was increasing on a like-for-like basis to the level of 20%. Orbis keep concentrating on the top line growth together with strong management of the expenditures, demonstrating the robustness of organization.

Orbis focus its efforts on developing the network and empowering Accor brands in the region. In 1Q 2019 the company already signed 7 asset-light agreements for new hotels, which will add almost 1,000 rooms to the network in coming years. Orbis pipeline is very strong with 48 hotels (over 6,600) including 7 own development projects. In 1Q the company added to its network luxury hotel – MGallery Collection (64 apartments) in the centre of Cracow in the franchise model. All in all, at the end of the 1Q Orbis had in total 134 hotels with over 21,600 rooms with the 54%/46% balance between asset heavy and asset light. Benefiting from lower season Orbis have been keeping renovating its hotels in key destinations: Sofitel Warsaw Victoria, Mercure Budapest Buda, Mercure Budapest Korona and ibis & Novotel Poznań Center. To support these projects Orbis invested in 1Q 2019 EUR 9 million in Capex, which will already deliver high return on the next quarters 2019.

"I would like to confirm that Orbis is on the good path to realize its medium-term targets in all aspects of our strategy: People, Portfolio & Performance. Looking into the future, we are analyzing different scenarios to ensure further growth of the Company and the best use of our know-how and Accor's experience on the hospitality market in the frame of cooperation agreement." - summarized Gilles Clavie.

Orbis Hotel Group	1Q 2019	1Q 2018	change
Operating like-for-like			
Occupancy rate %	**62,7%**	**61,5%**	**1,2 p.p.**
Average Room Rate without VAT in EUR	**52,9**	**50,9**	**4,0%**
Revenue per Available Room in EUR	**33,2**	**31,3**	**6,0%**
Financial m EUR			
Revenue like-for-like	**63,2**	**58,6**	**7,8%**
EBITDAR	**13,8**	**12,5**	**10,8%**
EBITDA operating like-for-like	**13,2**	**8,6**	**52,8%**
Income before tax	**9,9**	**-1,1**	**-**

ORBIS GROUP

The Orbis Hotel Group is the largest network of hotels in Poland and in Eastern Europe. Orbis comprises more than 130 hotels and is the sole licensor of all Accor brands in 16 countries including Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia. It offers a total of more than 21,000 rooms. The hotels operate under the brand names Sofitel, Pullman, MGallery by Sofitel, Novotel, Mercure, ibis, ibis Styles and ibis budget. These brands, recognized throughout the world, provide a quality of service to various standards, ranging from luxury 5-star to budget 1-star hotels.

Orbis' strategic partner is Accor.

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