



*Press Release*

October 31<sup>st</sup>, 2019

***Orbis completes the sale of the hotel service activity and starts a new chapter in its history***

**Orbis completed today the sale process of the entire hotel service activity to Accor - proceeding with the company business model optimization.**

The transaction results from the Management Board decision to transform Orbis and it is in line with previous announcements on separation of its business lines into two distinct activities with focusing on the asset heavy part of the business. Orbis disposed the service activity i.e. franchise and management contracts for a total amount of PLN 1.2bn net. and entered into hotel management agreements under which Accor will manage all 73 hotels in the region currently owned and leased by Orbis. The sale was approved by Orbis shareholders at the Extraordinary General Meeting on October 18<sup>th</sup>.

The transaction enables Orbis to entirely focus its strategy and operations on the real estate part of its business which is being developed through a range of investment schemes: organic growth, acquisition of new properties and modernization of those already held, as well as development of new facilities as part of expansion of the hotel operations.

*„This transaction is a key milestone which opens up a new chapter of Orbis history. All the decisions we have been taken follow our analysis and as a consequence Orbis will focus its strategy and operations on the asset heavy activity. With its portfolio of 73 owned and leased hotels of which 45 located in Poland, Orbis is prepared to start a new era of growth. We want to reinforce our position as a hospitality investor in the region by developing new projects and increasing attractiveness of our asset heavy part. With further renovations, new developments, acquisitions and effective asset management we remain committed to deliver excellent product and value-added offer that our guests expect from us.” - said **Gilles Clavie**, President and CEO of Orbis.*



Following the transformation plan, companies wholly owned by Accor have been created in 3 countries: Poland, Hungary and Romania. On the 1<sup>st</sup> of November part of Orbis employees will be transferred to these new Accor subsidiaries in order to develop a service provider approach and to deliver upmost recognized quality of service to partners, hotels and guests in Eastern Europe.

Orbis can now strengthen its strategic cooperation with Accor, which has been its strategic partner and shareholder for the last 20 years, by opening the possibility to use all the 39 hotel brands in Accor portfolio.

With the current strategic changes, Orbis remains listed on the Warsaw Stock Exchange. The market capitalization of the company on 30<sup>th</sup> October 2019 amounted to almost PLN 5bn.

*"We believe that Orbis has all means to reach further record highs and is ready to focus its strategy and operations on the asset heavy business in hospitality and beyond."* – concludes **Gilles Clavie**.

## **ABOUT ORBIS**

Orbis SA is the largest group investing in hotel assets in Poland and Eastern Europe. It comprises 73 hotels, including 63 own and 10 in lease (total of over 14,000 rooms), in 6 countries of the region: in the Czech Republic, Lithuania, Poland, Romania, Slovakia and Hungary. Hotels operate under Accor brand names: Sofitel, MGallery by Sofitel, Novotel, Mercure, ibis, ibis Styles and ibis budget, soon also adagio and Tribe. Recognized brands guarantee the quality of services of various standards, from luxury 5-star to economy 1-star hotels.

Orbis SA is a leader in the EE hotel real estate market, invests in the construction and modernization of hotels. It is also active in the field of asset management.

Since 1997 Orbis SA has been listed on the Warsaw Stock Exchange. The strategic investor of Orbis is Accor SA.