

Report on the activities for the financial year 2019 Ark Royal SA made on February 27, 2020.

a. Company data.

Company: Ark Royal Spółka Akcyjna

Headquarters: Warsaw

Registered office address: ul. Świeradowska 47, 02-662 Warsaw

NIP: 1132197112

REGON Code: 016238500

KRS: 0000113924

Chairman of the Board: Lóránt Tókos

Email address: hello@arkroyal.eu

Website: www.arkroyal.eu

b. Events significantly affecting operations that took place during the financial year, as well as after its end, until the date of approval of the financial statements.

In the first half of the year, the Company provided consultancy services to a related entity, commenced in December 2017. Revenue of PLN 64,500.00 allowed to cover costs and end the first half of the year with a net profit of PLN 13,034.99. The company ceased to provide consulting services to an entity related to the end of the first half of the year, and the relationship ceased a month later in connection with the change of the main shareholder.

On July 31, 2019, Mr. Bilal Noor, the main shareholder and President of the Management Board of Ark Royal SA, announced his intention to sell his shares and resign from the Management Board. The transaction took place on August 1, 2019, Dr. Gergely Bárdos became the main shareholder, who was also appointed to the Company's Supervisory Board. Mr. Lóránt Tókos took the position of Chairman of the Board.

On October 1, 2019, the Company announced the start of operations in the IT sector at the first stage in the form of consulting in the field of technology. An intention to take over a selected entity from the IT industry was also announced in exchange for a new issue of shares. Dr Gergely Bárdos also undertook to sell the majority of his shares to other persons who will be able to support the development of the Company.

On October 24, 2019, the Company concluded an agreement with the British company United Dots Ltd. for technology consulting services. The contract was fully implemented in 2019 and brought revenues of EUR 46,000.

On November 4, 2019, Dr. Gergely Bárdos sold the majority of his shares to three new shareholders.

On December 3, 2019, the Company announced that it was working on the acquisition of a selected entity, but it will not be completed in 2019, as the Management Board wants to negotiate the terms of acquisition favorable to shareholders of Ark Royal SA. The Company also provided information on its intention to operate in Poland.

On December 16, 2019, the Company concluded a second agreement with the British company United Dots Ltd. for technology consulting services. The contract amounts to EUR 70,000, of which EUR 20,000 was invoiced in 2019, and the company received payment in January 2020. The contract will be completed in full by the end of the first quarter of 2020. Ark Royal intends to continue working for United Dots Ltd.

On December 30, 2019, the General Meeting of the Company was held, which made decisions related to the approval of the 2018 report, selected new members of the Supervisory Board and decided to reduce the share capital to cover losses from previous years. The General Meeting of Shareholders also decided to amend the statute, including a new amount of target capital, and to change the name (company) of the Company to Polaris IT Group SA. Until the date of this report, the changes have not been registered. According to the information obtained by phone in court, the company's application is pending.

c. Expected development.

In 2020, the Company intends to continue to provide consulting services in the field of technology, to take over a selected entity from the industry and to prepare and start operations in Poland.

d. Major achievements in research and development.

The company was not active in the field of research and development in 2019. Along with the development of operations, the Company will take initiatives in this area.

e. The Company's financial standing.

Sales revenues for 2019 amounted to PLN 347,209.90, including PLN 64,500.00 from a related entity, and PLN 282,709.90 from consultancy services in the field of technology for United Dots Ltd.

Net profit in 2019 was PLN 160,173.12. At the end of the year, the Company did not have any liabilities, except for the reserve of PLN 51,342.30, created in 2018. The company's bank account had PLN 112,024.25, and trade receivables in the amount of EUR 20,000 (disclosed in the balance sheet by PLN 85,170.00) were fully paid in January 2020, the Company also applied for a refund of overpaid VAT in December 2019 (receivables in this respect amounted to PLN 33,955.48 at the end of 2019).

Operating expenses increased significantly in the second half of the year (PLN 142,048.50 against PLN 31,828.85), but were successfully covered by current revenues. Revenues in the first quarter of 2020

should reach at least EUR 50,000. The company has sufficient funds to operate and implement development plans.

f. Own shares.

In the financial year 2019, the company sold 147,511 own shares, which constituted 0.95% of the share capital. The company has no own shares.

g. Branches and plants owned.

The company has no branches and plants.

h. Financial instruments.

The company has no financial instruments.

i. Basic risks and threats.

The Company's operations are based on services provided to one entity - United Dots Ltd. The cooperation is going well and the contractor pays its liabilities in a timely manner, but there is a risk that it will give up the Company's services or its financial situation will deteriorate. The company intends to offer services to other entities, however, it cannot be ruled out that acquiring new clients will be delayed in time, will result in the need to incur costs, and that the profitability of acquired contracts will be much lower.

The planned acquisition is also exposed to the risk of failure. While ongoing negotiations do not give cause for concern, however, until the in-kind contribution is made, there is a risk that the final terms of the takeover will not be accepted and negotiations will be broken.

j. Description of the rules for preparation of the annual financial statements

Description of the principles of preparing the annual financial statement is included in the financial statement.

k. The level of the Company's equity.

The share capital of Ark Royal SA is PLN 1,560,000.00 and was created as a result of many share issues over many years of operation. At the same time, the Company incurred losses, which ultimately led to a decrease in equity to negative values, most recently in 2017. The issue of series M shares, carried out at the beginning of 2018, allowed the equity value to be restored above zero. In 2018, the General

Meeting of Shareholders of Ark Royal SA adopted a resolution regarding the continued existence of the Company.

The equity at the end of 2018 was PLN 20,100.17, therefore the General Meeting of Shareholders of Ark Royal SA adopted a resolution in 2019 regarding the continued existence of the Company. The General Meeting of Shareholders also decided to reduce the share capital from PLN 1,560,000.00 to PLN 312,000.00 by merging (consolidating) the Company's shares in a ratio of 5:1. The new amount of share capital has not yet been registered by the court, according to information obtained by phone in court, the company's application is pending.

Equity at the end of 2019 increased to PLN 180,273.29. This means that the General Meeting will have to pass a resolution regarding the further existence of the Company, because despite the increase, it is too low, both in relation to the value of the share capital before (PLN 1,560,000) and after reduction (PLN 312,000).

The company intends to increase the share capital in exchange for in-kind shares of the acquired entity. After this operation, the equity will exceed the amount of the share capital, as the shares will be issued at a price exceeding their nominal value.

In addition, the Management Board is authorized to increase the share capital as part of the target capital, while the issue price of one new share may not be lower than PLN 1 (after merge), which means that in this case it will be at least ten times higher than the nominal value of one share. Conducting a possible new issue of shares will also cause that equity reaches the appropriate level in relation to the share capital.

Notwithstanding the above, the Company's equity will increase in the event of a net profit.

I. Profit for 2019.

The Management Board proposes to allocate the net profit for 2019 to cover losses from previous years.

Lóránt Tókos

Chairman of the Board of Ark Royal SA