

## Report of Factual Findings

To the Board of Directors of La Lorraine Bakery Group  
To Mr. Luc Verhasselt, CFO  
La Lorraine Bakery Group NV  
Elisabethlaan 143  
9400 Ninove

Dear Sirs,

### La Lorraine Bakery Group Compliance Certificate

We refer to our engagement letter dated 26 April 2019 with respect to the compliance on the financial covenants of La Lorraine Bakery Group NV ("the Company") as described in clause 23 'Financial Covenants' of the 'EUR 350.000.000 Facilities Agreement' (the 'Facilities Agreement') dated 22 December 2017 with BNP Paribas Fortis SA/NV, ING Belgium N.V. and KBC Bank NV. We have performed the following procedures, agreed with you, on the La Lorraine Bakery Group Compliance Certificate ("the Certificate") as included in appendix 1 and prepared by management, in order to report to you in respect of the calculation of the financial covenants disclosed in the Certificate. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements.

The procedures were performed solely to assist you to comply with clause 23 'Financial Covenants' of the Facilities Agreement and are summarized as follows:

1. We have recomputed the "Consolidated Tangible Net Worth" as disclosed in the Certificate and based on the definition "Consolidated Tangible Net Worth" as set forth in clause 23.1 "Definitions" of the Facilities Agreement. We have agreed the elements of that definition to data included in the audited consolidated financial statements of the Company as of 31 December 2018 and for the year then ended, prepared in conformity with Belgian accounting standards. We do not express any assurance on the appropriateness of the definition of "Consolidated Tangible Net Worth", a non-accounting term.
2. We have recomputed the "Senior Leverage" as disclosed in the Certificate and based on the definition "Consolidated EBITDA" and "Consolidated Net Senior Debt" as set forth in clause 23.1 "Definitions" of the Facilities Agreement. We have agreed the elements of that definition to data from the audited consolidated financial statements as of 31 December 2018 and for the year then ended, prepared in conformity with Belgian accounting standards. We do not express any assurance on the appropriateness of the definition of "Consolidated EBITDA" and "Consolidated Net Senior Debt", non-accounting terms.
3. We have recomputed the "Guarantor Cover" as disclosed in the Certificate and based on the "Consolidated Turnover" and the "Turnover of the Guarantors" as set forth in clause 23.7 "Guarantor Cover" of the Facilities Agreement. We have agreed the elements of the Guarantor Cover to data from the audited consolidated financial statements and underlying accounting records as of 31 December 2018 and for the year then ended, prepared in conformity with Belgian accounting standards. We do not express any assurance on the appropriateness of the definition of the "Guarantor Cover", a non-accounting term.



We report our findings below:

1. With respect to procedure 1, we found the amounts compared to be in agreement, and to be arithmetically correct. For the purpose of calculating the "Consolidated Tangible Net Worth", the net amount standing to the credit (or debit) of the consolidated reserves of the Company includes the following captions: (i) the consolidated reserves (€ 145.059.000) and (ii) the negative consolidation differences (€ 15.329.000).
2. With respect to procedure 2, we found the amounts compared to be in agreement, and to be arithmetically correct;
3. With respect to procedure 3, we found the amounts compared to be in agreement, and to be arithmetically correct.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on Consolidated Tangible Net Worth, Senior Leverage and Guarantor Cover.

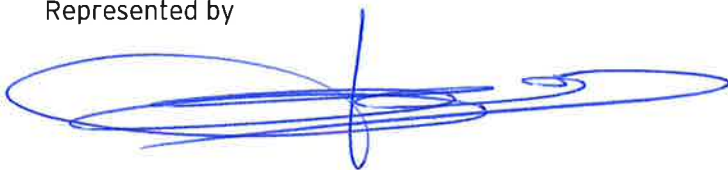
We have not undertaken any further work other than set out above. We therefore do not express an opinion on any other potential undertakings included in the above mentioned Facilities Agreement. Had we performed additional procedures or had we performed an audit or review of the financial information in accordance with International Standards on Auditing or International Standards on Review engagements, other matters might have come to our attention that would be reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties without our prior written consent. This report relates only to the financial data and items specified above and does not extend to any financial statements of La Lorraine Bakery Group NV, taken as a whole.

Yours faithfully,

Ghent, 30 April 2019

Ernst & Young Bedrijfsrevisoren BCVBA  
Represented by



Marnix Van Dooren  
Partner\*

\* Acting on behalf of a BVBA/SPRL

Ref: 19MVD0152

Appendix 1 : La Lorraine Bakery Group Compliance certificate - 31 December 2018

**SCHEDULE 1**

**FORM OF COMPLIANCE CERTIFICATE**

To: KBC Bank NV as Agent


From: La Lorraine Bakery Group NV


Dated: April 26'th 2019

Dear Sirs

**La Lorraine Bakery Group NV – EUR 350,000,000 Facilities Agreement  
dated 22 December 2017 (the Agreement)**

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that we comply with Clause 23.3 (Consolidated Tangible Net Worth), Clause 23.4 (Senior Leverage) and 23.7 (Guarantor cover). Please find calculation attached.
3. We confirm that no Default is applicable

Signed:  THE MARBLE BVBA  
Represented by Luc Van Nevel  
Director of  
La Lorraine Bakery Group NV

 GUIDO VANHERPE BVBA  
Represented by Guido Vanherpe  
Director of  
La Lorraine Bakery Group NV

Club Deal Covenants

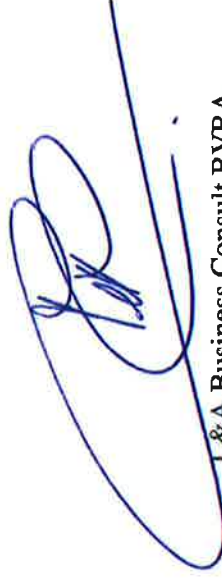
a) Consolidated tangible net worth  
Minimum required level is

b) Senior Leverage =  $\frac{\text{consolidated net senior debt}}{\text{consolidated EBITDA}}$

Minimum required level is

c) Consolidated turnover or assets or EBITDA realised by the 'Guarantor Companies' is a least 85% of consolidated assets, consolidated EBITDA or consolidated turnover of the Group at any time

<b>LLBG Calculation</b>	
<b>31/12/2018</b>	
210.046.000	
140.000.000	<b>OK</b>
<hr/>	
254.452.000	
111.734.000	
<hr/>	
no exceed 3.50 to 1	2,28
	<b>OK</b>
<hr/>	
	87,8%
	<b>OK</b>



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Vertegenwoordigd door Luc Verhasselt , CFO



"Consolidated Tangible Net Worth" means at any time the aggregate of:

- (a) the amount paid up or credited as paid up on the issued share capital of the Company; and
- (b) the net amount standing to the credit (or debit) of the consolidated reserves of the Company,

based on the latest published consolidated balance sheet of the Company being either the audited consolidated balance sheet per 31 December or the non-audited consolidated balance sheet per 30 June (the "Latest Balance Sheet") but adjusted by:

- (i) deducting any dividend or other distribution proposed, declared or made by the Company (except to the extent it has been taken into account in the Latest Balance Sheet);
- (ii) deducting any amount attributable to goodwill or any other intangible asset;
- (iii) deducting any amount attributable to an upward revaluation of assets (other than financial instruments) after the date of the Original Financial Statements or, in the case of assets of a company which becomes a member of the Group after that date, the date on which that company becomes a member of the Group;
- (iv) reflecting any variation in the amount of the issued share capital of the Company after the date of the Latest Balance Sheet (and any change in the consolidated reserves of the Group resulting from that variation);
- (v) reflecting any variation in the interest of the Company in any other member of the Group since the date of the Latest Balance Sheet (to be calculated on the assumption that the variation had occurred immediately before the Latest Balance Sheet date);
- (vi) excluding any amounts debited or credited to deferred tax which relates to the revaluation of any item which is excluded from the calculation;
- (vii) excluding any treasury shares of the Company;
- (viii) including the amount of any subordinated Financial Indebtedness owed by a member of the Group; and
- (ix) including any amount attributable to minority interests.

LLBG Calculation	
31/12/2018	
# 100	62.876 0
#9910 #9911	145.059 15.329
	<b>223.264</b>
	0
#20 #21 #9920	-124 -4.070 -9.054
N/A	
N/A	
N/A	
N/A	
N/A	
N/A	
N/A	
	30
	<b>210.046</b>

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**ERNST & YOUNG** Bedrijfsrevisoren  
For identification purposes only

**"Consolidated Senior Debt"** means, in respect of the Group, at any time, the aggregate of the following liabilities calculated at the nominal, principal or other amount at which the liabilities would be carried in a consolidated balance sheet of the Company drawn up at that time, to the extent not expressly subordinated at such time in payment of principal and interest to the Loans:

(a)	any moneys borrowed;	a)	# 17	293.901
			#42	3.044
			#43	4.202
(b)	any redeemable preference shares;			
(c)	any acceptance under any acceptance credit (including any dematerialised equivalent);	b)	N/A	
		c)	N/A	
		d)	included in nr #17	
(d)	any bond, note, debenture, loan stock or other similar instrument;			
(e)	any indebtedness under an agreement treated as an on balance finance or capital lease in accordance with GAAP, excluding for the avoidance of doubt any Operational Lease;	e)	included in nr #17	
(f)	any moneys owing in connection with the sale or discounting of receivables (except to the extent that there is no recourse);	f)	N/A	
(g)	any indebtedness owing to the shareholders of the Company on account of any current account; and	g)	#47-48	3.347
(h)	any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement whether or not related to a Permitted Acquisition) which has the commercial effect of a borrowing.	h)	N/A	

**"Consolidated Net Senior Debt"** means at any time Consolidated Senior Debt less Consolidated Eligible Cash and Cash Equivalents. #50-51-53-54-58 -50.042  
**154.452**

**"Consolidated EBITDA"** means in relation to a Measurement Period, Consolidated EBIT for that Measurement Period after adding back any depreciation and amortisation and taking no account of any charge for impairment or any reversal of any previous impairment charge made in the period, adjusted by: 111.734

(a)	including the operating profit before interest, tax, depreciation, amortisation and impairment charges (EBITDA) of a member of the Group or attributable to a business or assets acquired during the Measurement Period for that part of the Measurement Period when it was not a member of the Group and/or the business or assets were not owned by a member of the Group; and	a)	N/A	
(b)	excluding the EBITDA attributable to any member of the Group or to any business or assets sold during that Measurement Period.	b)	N/A	

  
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LA LORRAINE BAKERY GROUP NV - 31/12/2018

Société	Social	Eliminations	Contribution
#70000 Omszet			
La Lorraine Fernelmont	100%	1.534.678	-1.534.678
Antwerp Bakery Shops	100%	2.323.960	-143.980
La Lorraine Antwerpen	100%	24.218.362	-24.007.029
Paniflower	100%	116.464.699	-25.135.212
La Lorraine Barchon	100%	81.343.252	-82.023.810
La Lorraine Morlanwelz	100%	29.973.544	-29.920.644
Deleyme Products	50%	5.436.822	-719.038
La Lorraine Tsjechië	100%	139.890.272	-16.807.729
La Lorraine Slovakije	100%	635.222	635.222
La Lorraine Oostende	100%	30.679.056	-30.549.414
Franz	100%	423.931	423.931
Ganda Molens	100%	620.810	-620.810
La Lorraine Ninove	100%	416.668.977	-31.143.469
La Lorraine Denmark	100%	6.947.943	-3.267
La Lorraine Roemenië	50%	32.377.084	-502.088
La Lorraine Turkey	100%	38.270.215	38.270.215
La Lorraine Middle East	100%	1.391.181	-779.881
La Lorraine Alken	100%	31.198.662	-31.141.108
Nybergs Bageri La Lorraine Zweden	100%	15.748.695	-38.562
La Lorraine Polen	100%	96.021.034	-15.942.161
PanESCO Iberica	100%	4.670.015	4.670.015
Flanders Bakery Shops	100%	2.575.542	-311.683
Ukkelse Bakkerijen	100%	2.168.688	-36.192
La Lorraine Erpe Mere	100%	114.511.311	-114.114.005
Woush Belgique UK	100%	3.115.360	3.115.360
<b>Total</b>		<b>1.199.209.315</b>	<b>-405.474.760</b>
			<b>774.827.602</b>
			<b>680.131.687</b>
			<b>88%</b>

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