

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 27 April 2018 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 2017 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 2017 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 2017 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 (€ 130.670.000) 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, 2 May 2018

Ernst & Young Bedrijfsrevisoren BCVBA
Represented by



Marnix Van Dooren
Partner*

* Acting on behalf of a BVBA/SPRL

Ref: 18MVD0146

Appendix 1 : La Lorraine Bakery Group Compliance certificate - 31 December 2017



SCHEDULE 1

FORM OF COMPLIANCE CERTIFICATE

To: KBC Bank NV as Agent

From: La Lorraine Bakery Group NV

Dated: April 26th 2018

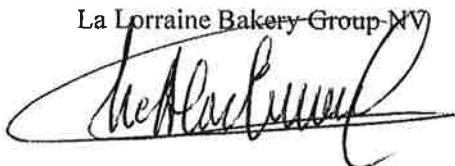
Dear Sirs

**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



.....
for and on behalf of
Ernst & Young Bedrijfsrevisoren CVBA
Represented by Marnix Van Dooren

ERNST & YOUNG Bedrijfsrevisoren
For identification purposes only

a) Consolidated tangible net worth
Minimum required level is

LLBG Calculation
31/12/2017
194.790.000
140.000.000
OK

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

228.307.000
107.672.000

Minimum required level is

2,12
no exceed 3.50 to 1
OK

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

90,2%
OK



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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:

L.L.B.G Calculation		31/12/2017
# 100		62.876 0
#9910		130.670
#9911		15.329
		<hr/>
		208.875
		<hr/>
		0
#20		-187
#21		-5.115
#9920		-8.969
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
		186
		<hr/>
		194.790

- (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.


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 Vertegenwoordigd door Luc Verhasselt

"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	244.223
			#42	3.630
			#43	6.092
(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	3.223
(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.

	#50-54-58	-28.861
		128.307

"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:

(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	
				107.672


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LA LORRAINE BAKERY GROUP NV - 31/12/2017

Société #700000	Social	EML	IC Eliminaties	Contribution	Guaranter
3PF	1.387.738		-1.387.738	-	
ABS	2.004.810	140.000	-140.000	2.004.810	
LL Antwerpen	25.811.821	-2.390.000	-23.209.790	212.031	212.031
Paniflower	119.881.094		-24.814.96	95.066.898	95.066.898
LL Barchon	81.266.948		-80.988.035	278.913	278.913
LL Morlanwelz	27.170.940		-27.127.656	43.284	
DELEYE	2.647.737		-879.317	1.768.420	
LL CZ	127.788.551	-757.649	-14.319.509	112.711.393	112.711.393
LL SK	412.062		-412.062	-	
Deli	40.183		-40.183	-	
LL Oostende	29.763.776	-809.000	-28.783.835	170.941	170.941
FRANZ	410.358			410.358	
Ganda Molens	614.430		-614.430		
LL Ninove	405.276.992	82.240	-33.782.709	371.576.523	371.576.523
LLDK	6.135.275		-1.668	6.133.607	
LL ROM	12.202.722		-394.263	11.808.459	
LLTR	17.376.348	2.404.018		19.780.366	
LL Middle East	290.304	380.000	-380.000	290.304	
LL Alken	30.331.336	293.000	-30.561.445	62.891	62.891
NB Sweden	16.123.742		-101.577	16.022.165	
LL PL	91.244.917		-17.506.348	73.738.569	73.738.569
PANIB	3.610.473			3.610.473	
FBS	2.588.572	548.000		3.136.572	
UBA	2.257.212	-151.000		2.106.212	
LL Erpe Mere	95.773.421	6.669.117	-101.374.735	1.067.803	1.067.803
Woush	3.775.482			3.775.482	
Total	1.106.187.244	6.408.726	-386.819.496	725.776.474	654.885.962
					90,2%

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