

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 2 May 2017 with respect to the compliance on the financial covenants of La Lorraine Bakery Group NV ("the Company") as described in clause 21 'Financial Covenants' of the '*EUR 125.000.000 Facilities Agreement*' (the '*Facilities Agreement*') dated 23 December 2013 with BNP Paribas Fortis SA/NV, ING Bank 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 21 '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 21.1 "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 2016 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 21.1 "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 2016 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 21.6 "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 2016 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 (€107.135.000) 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.

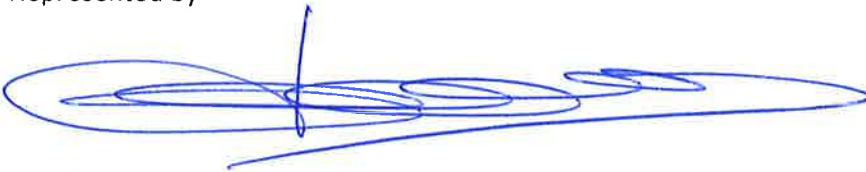
We have not undertaken any further work other than set out above. We therefore do not express an opinion on any other potential undertakings included in the above mentioned Facilities Agreement. Had we performed additional procedures or had we performed an audit or review of the financial information 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 2017

Ernst & Young Bedrijfsrevisoren BCVBA
Represented by



Marnix Van Dooren
Partner*

* Acting on behalf of a BVBA/SPRL

Ref: 17MVD0119

Appendix 1 : La Lorraine Bakery Group Compliance certificate - 31 December 2016

SCHEDULE 9

Form of Compliance Certificate

To: KBC Bank NV as Agent
From: La Lorraine Bakery Group NV

Dear Sirs

**La Lorraine Bakery Group NV – EUR 125,000,000 Facilities Agreement
dated [23] December 2013 (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 as at December 31st, 2016:

The Consolidated Tangible Net Worth is 168.799.000 euro (clause 21.3) ;

and

The Consolidated EBITDA was 101.967.000 euro and the Consolidated Net Senior Debt was 194.102.000 euro; therefore, the ratio of Consolidated Net Senior Debt to Consolidated EBITDA is 1,90 (clause 21.4)

and

The Consolidated sales realised by the 'Guarantor companies' is 91,5% of the Total Consolidated sales (clause 21.6)

3. We confirm that we comply with Clause 21.3 (*Consolidated Tangible Net Worth*), Clause 21.4 (*Senior Leverage*) and Clause 21.6 (*Guarantor cover*).

4. We confirm that as at 31/12/2016 no Default is outstanding.



Signed:



**Guido Vanherpe BVBA,
Represented by Guido Vanherpe
Managing Director of
La Lorraine Bakery Group NV**



**L&A Business Consult BVBA
Represented by Luc Verhasselt
CFO 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 90% of consolidated assets, consolidated EBITDA or consolidated turnover of the Group at any time

LLBG Calculation	
31/12/2016	
168.799.000	
95.000.000	
	OK
194.102.000	
101.967.000	
1,90	
no exceed 3.00 to 1	OK
91,5%	
	OK

Guido Vanherpe BVBA,
Vertegenwoordigd door Guido Vanherpe, CEO LLBG

La Lorraine Bakery Group NV
Represented by Guido Vanherpe BVBA
Represented by Guido Vanherpe
Managing Director



L&A Business Consult BVBA,
Vertegenwoordigd door Luc Verhassel

L&A Business Consult bvba
Vertegenwoordigd door Luc Verhassel

"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	211 287
			#42	3 170
			#43	2 704
(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	8 522
(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. #50-51-54-58 -31 581
194.182

"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: 101.967

- (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

101.967


 Le Corrairie Bakery Group NV
 Represented by Guido Vanherpe BVBA
 Represented by Guido Vanherpe
 Managing Director


 L&A Business Consult bvba
 Vertegenwoordigd door Luc Verhasselt

"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.

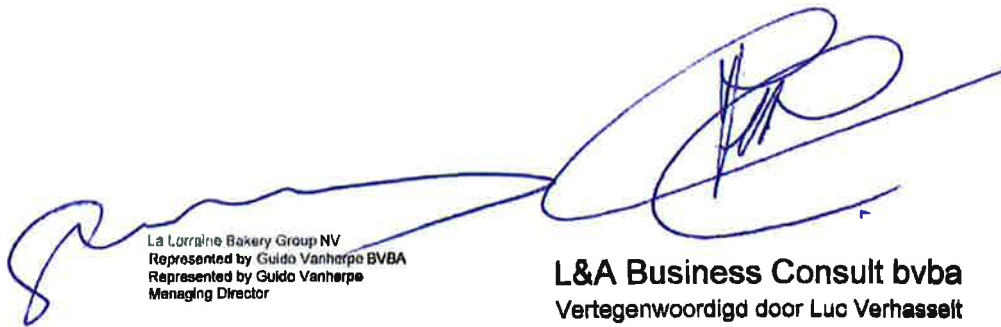
L&A Calculation	
	31122016
# 100	62.276 Geplaatst kapitaal 0 Uitsluitingen
#9910	107.133 Geconsolideerde reserves
#9911	15.329 Negatieve consolidatieverschillen
	185.340
	0
#20	-583
#21	-5.479
#9920	-10.556
N/A	
N/A	
N/A	
N/A	
N/A	
N/A	
N/A	
N/A	
N/A	
	77
	168.799


 Carbone Bakery Group NV
 Represented by Guido Vanherpe BVBA
 Represented by Guido Vanherpe
 Managing Director


 L&A Business Consult bvba
 Vertegenwoordigd door Luc Verhasselt

LA LORRAINE BAKERY GROUP NV - 31/12/2016

Société SALES	Totaal	Guarantor Test	
La Lorraine Ninove NV	361.649.603	361.649.603	
Paniflower NV	100.376.384	100.376.384	
La Lorraine AS	101.636.948	101.636.948	
La Lorraine Polen	66.838.339	66.838.339	
Nybergs	17.168.920		
La Lorraine Roemenië	9.034.673		
La Lorraine Turkije	12.873.560		
La Lorraine Barchon NV	16.315	16.315	
Woush	4.016.734		
PanESCO Ibercia	3.250.616		
Ukkelse Bakkerijen	2.886.573		
LLAB	1.260.001		
Flanders Bakery Shops	2.983.641		
Antwerp Bakery Shops	2.109.177		
Deleye Products	1.775.489		
La Lorraine Erpe Mere NV	573.755	573.755	
La Lorraine Slovakije	371.876		
Franz	366.067		
La Lorraine Antwerpen NV	149.818	149.818	
La Lorraine Oostende NV	124.796	124.796	
La Lorraine Transport NV	-		
La Lorraine Alken NV	22.004	22.004	
La Lorraine Fernelmont NV	1.103		
Ganda Molens	-		
La Lorraine Morlanwelz NV	197.337		
La Lorraine Duitsland	54.862		
Total	689.738.591	631.387.962	91,5%



 La Lorraine Bakery Group NV
 Represented by Guido Vanherpe BVBA
 Represented by Guido Vanherpe
 Managing Director

L&A Business Consult bvba
 Vertegenwoordigd door Luc Verhasselt

ERNST & YOUNG Bedrijfsrevisoren
 For identification purposes only