

INDEPENDENT REGISTERED AUDITOR'S OPINION

For the Shareholders of **Przedsiębiorstwo Przemysłu Spożywczego „PEPEES” Spółka Akcyjna**

The Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of „PEPEES” S.A. Group, with its registered office in Łomża, at ul. Poznańska 121, which comprise: the consolidated statement of comprehensive income for the financial year 2016; the consolidated statement of cash flows for the financial year 2016; the consolidated statement of financial position as at 31 December 2016; the consolidated statement of changes in equity for the financial year 2016; and a summary of adopted accounting policies and other explanatory notes.

The responsibility of the parent company's Board of Directors and of persons supervising the consolidated financial statements

The parent company's Board of Directors is responsible for the preparation of the consolidated financial statements and for their fair presentation in accordance with the International Accounting Standards, the International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission, and other applicable laws. The parent company's Board of Directors is also responsible for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. According to the Polish Accounting Act, the parent company's Board of Directors and members of the parent company's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Polish Accounting Act.

The Auditor's responsibility

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit.

We conducted our audit in accordance with chapter 7 of the Polish Accounting Act and in accordance with the National Standards of Auditing in the version of the International Standards on Auditing as adopted by Resolution No. 2783/52/2015 of the National Council of Statutory Auditors dated 10 February 2015 with subsequent amendments. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control system relevant to the parent company's preparation and fair presentation of the consolidated financial statements in order to design audit

Mazars Audyt Sp. z o. o.

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District Court for the Capital City of Warsaw, XII Economic Division of the National Court Register No. 0000086577, Share capital: PLN 1,268,000.00,
NIP [Tax ID No.]: 526-021-54-09, REGON [Comp. Stat. No.]: 011110970
Account in Société Générale: 71 1840 0007 2210 0070 0810 1219

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procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the parent company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the financial standing and of assets of the group as at 31 December 2016 and of its financial results and its cash flows for the financial year from 1 January 2016 to 31 December 2016 in accordance with the International Accounting Standards, the International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission, and the accounting policies adopted by the parent company;
- comply, in respect of their form and content, with the laws applicable to the group, including the Decree of the Polish Minister of Finance dated 19 February 2009 on Current and Periodic Information Published by Issuers of Securities and Conditions for Recognition as Equivalent the Information Required by Laws of Non-EU Member States (Journal of Laws [*Dziennik Ustaw*] of 2014 item 133) and the provisions of the parent company's Articles of Association.

Report on other legal and regulatory requirements

Opinion on the Directors' Report

Our opinion on the consolidated financial statements does not include the Directors' Report.

The parent company's Board of Directors is responsible for the preparation of the Directors' Report in accordance with the Polish Accounting Act and other applicable laws. In addition the parent company's Board of Directors and members of the parent company's Supervisory Board are required to ensure that the Directors' Report meets the requirements of the Polish Accounting Act.

In connection with the audit of the consolidated financial statements, our responsibility was to read the content of the Directors' Report and indicate whether the information contained in it complies with Article 49 of the Polish Accounting Act and whether it is consistent with the information contained in the accompanying consolidated financial statements. Our responsibility was also to make a statement whether, based on our knowledge about the group and its environment gained during the audit of the consolidated financial statements, the Directors' Report does not include material misstatements. In our opinion, the information included in the Directors' Report complies with Article 49 of the Polish Accounting Act and with the Decree of the Polish Minister of Finance dated 19 February 2009 on Current and Periodic Information Published by Issuers of Securities and Conditions for Recognition as Equivalent the Information Required by Laws of Non-EU Member States (Journal of Laws [*Dziennik Ustaw*] of 2014 item 133 as amended) and is consistent with the information contained in the accompanying consolidated financial statements. In addition, based on our knowledge about the group and its environment gained during the audit of the consolidated financial statements, we have not identified material misstatements in the Directors' Report.

In connection with the conducted audit of the consolidated financial statements, our responsibility was also to read the parent company's declaration on the compliance with corporate governance principles which constitutes a separate part of the Directors' Report. In our opinion, in this declaration the parent company included the

information required according to the scope defined in implementing provisions issued under Article 60 Clause 2 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Journal of Laws [*Dziennik Ustaw*] of 2016 item 1639 as amended) or in rules issued pursuant to Article 61 of the said Act. This information complies with applicable laws and with the information disclosed in the consolidated financial statements.

On behalf of
Mazars Audyt Sp. z o.o. No. 186
Warsaw, ul. Piękna 18

Dominik BORKOWSKI

[signature]

Key Registered Auditor
No. 12 183

Warsaw, 17 March 2017

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Olivier DEGAND



Partner