

**Independent statutory auditor's report
of annual audit of financial statements
for the period 01/01/2017-31/12/2017**

Global Colors Polska S.A.

HLBM2 Spółka z ograniczoną odpowiedzialnością Tax & Audit Sp. k.

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District Court for the Capital City of Warsaw, 13th Commercial Division;

KRS (National Court Register) No: 0000380052

REGON No.: 142839770, NIP (tax identification number): 521-359-69-82,

General Partner: HLB M2 Sp. z o.o.

Auditing company number 3697

General Partner's Management Board: Maciej Czapiewski -- President of the Management Board,

Marek Dobek -- Vice-President of the Management Board, Aleksandra Motławska -- Management Board Member.



For Shareholders, Supervisory Board and Management Board of **Global Colors Polska S.A.**

Report of the annual financial statements audit

We have conducted an audit of the attached annual financial statements of Global Colors Polska S.A. (hereinafter: Company) with its registered office in Kędzierzyn-Koźle at ul. Szkolna 15 (postcode: 47-225, Kędzierzyn-Koźle), which consisted of balance sheet as at 31 December 2017, profit and loss account, statement of changes in equity (fund), cash flow statement for the financial year from 1 January 2017 to 31 December 2017 and additional notes involving introduction to the financial statements, and additional notes and explanations (hereinafter "financial statements").

Liability of entity's executives and persons supervising financial statements

Entity's Manager is responsible for drafting financial statements based on correctly maintained accounting books and for the reliable presentation of these statements in accordance with the Accounting Act of 29 September 1994 (Dz. U. [Journal of Laws] of 2016, item 1047, as amended), hereinafter: "Accounting Act", secondary legislation issued based on the Act as well as other applicable provisions of law, and entity's statutes. Entity's Manager is also responsible for internal control, which is deemed necessary for drafting the financial statements without any material misstatement caused by fraud or error.

In accordance with the Accounting Act, Entity's Manager and Supervisory Board Members are obliged to ensure that financial statements meet the requirements of the Accounting Act.

Liability of statutory auditor

We were appointed to present an opinion on whether the financial statements present the assets standing and financial condition as well as the financial result of the audited entity truly and fairly, in accordance with the applicable provisions of the Accounting Act and the adopted accounting principles (policy).

The financial statement audit was conducted in accordance with the provisions of:

- Act on Statutory Auditors, Auditing Companies and Public Supervision of 11 May 2017 (Dz. U. [Journal of Laws] of 2017 item 1089), hereinafter: "Act on Statutory Auditors."
- National Auditing Standards in the wording of International Standards on Auditing IAASB adopted by way of resolution of the National Chamber of Statutory Auditors No. 2783/52/2015 of 10 February 2015 as amended,

These regulations impose an obligation to meet ethical requirements as well as plan and conduct the audit in a manner which ensures sufficient certainty that the financial statements do not contain any considerable misstatement.

The audit involves procedures aimed at obtaining proof of the examination of amounts and disclosures in financial statements. The selection of procedures depends on the judgement of statutory auditor, including assessment of the risk of the financial statements containing significant misstatements as a result of fraud or error. When assessing such risk, statutory

auditor takes into account internal control in the scope of the drawing up of financial statements and their reliable presentation by the entity in order to design audit procedures relevant in the given circumstances rather than express an opinion on the effectiveness of entity's internal control. The audit also involves the evaluation of the accuracy of the accounting principles (policy) used and reasonability of estimates made by executives, and the overall evaluation of the presentation of financial statements.

The scope of the audit does not encompass assurance as to future profitability of the audited entity or the effective and efficient conduct of entity's matters by the manager of the entity (or any other managing body) at present or in future.

We believe that the audit proofs obtained by us are sufficient and proper grounds for expressing our opinion on the audit.

Substantiation of the qualified opinion on the financial statements

During the audit of the financial statements of the Company, we detected formal defects in the scope of the description of the implemented data processing system - SAP ECC6 system. When it comes to the detected irregularities, the company which implemented software failed to supply the relevant documentation in the Polish language, compliant with the Accounting Act and used to diagnose the method of processing accounting data and assessing the correctness of this data. What is particularly important, there is no documentation of the procedures of cost accounting. Therefore, it is impossible to verify independently (beyond the system) if the valuation of ready goods is correct and complete.

Qualified opinion on the financial statements

In our opinion, except for the above reservation, the enclosed annual financial statements:

- present truly and fairly the assets standing and financial condition of the audited entity as at 31 December 2017 as well as its financial result for the financial year from 1 January to 31 December 2017, in accordance with applicable provisions of the Accounting Act and the adopted accounting principles (policy),
- have been prepared on the basis of the correctly maintained accounting books, in accordance with chapter 2 of the Accounting Act, and books of account,
- as to the form and content comply with the legal regulations and provisions of the Company's statutes.

Report on other requirements of law and regulations

Opinion on the report on operations

Our opinion drafted based on the financial statements audit does not include the report on operations.

The Entity's Manager and Supervisory Board Members are responsible for drafting the report on operations in accordance with the provisions of law.

In accordance with the requirements of the Act on Statutory Auditors, we were obliged to issue an opinion on whether the report on operations was drafted in accordance with the provisions of law and that it complied with information included in the annual financial

statements. We were also obliged to make a statement on whether in the light of our knowledge on the entity and its environment gained during the audit of financial statements we detected material misstatements in the report on operations and to state what such a significant misstatement consisted in.

In our opinion, the report on operations has been drafted in accordance with applicable regulations and complies with information included in the enclosed annual financial statements. Furthermore, we declare that in the light of knowledge on the entity and its environment gained during the audit of the financial statements, we detected no material misstatements in the report on operations.

Monika Szymczyk

A handwritten signature in blue ink that reads 'Monika Szymczyk'.

Key Statutory Auditor
conducting the audit
on behalf of HLB M2 Spółka
z ograniczoną odpowiedzialnością Tax &
Audit Sp. k. entered in the list of statutory
auditors with the number 11662

Aleksandra Motławska

A handwritten signature in blue ink that reads 'Aleksandra Motławska'.

Management Board Member of General
Partner
HLB M2 Spółka z ograniczoną
odpowiedzialnością Tax & Audit Sp. k.
Auditing company entered in the list of
auditing companies with the number 3697

Warsaw, 14 February 2018

The Independent Statutory Auditor's Report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version the Polish version shall prevail.