

Annex 1 to Resolution No. 4/2017 of BEST S.A.'s Supervisory Board of 11 April 2017 on adopting a written report on the assessment of BEST S.A.'s financial statements for FY 2016, the consolidated financial statements of BEST S.A. Capital Group for FY 2016, the management report of BEST S.A. Capital Group and of BEST S.A. for 2016 and the Management Board's proposed distribution of the profit for previous years, as disclosed in the Company's financial statements for 2016, and on the coverage of the Company's loss in 2016

Gdynia, 11 April 2017

REPORT OF THE SUPERVISORY BOARD OF BEST S.A. ON THE ASSESSMENT OF:

- 1) SEPARATE FINANCIAL STATEMENTS OF BEST S.A. FOR 2016**
- 2) CONSOLIDATED FINANCIAL STATEMENTS OF BEST S.A. CAPITAL GROUP FOR 2016**
- 3) MANAGEMENT REPORT OF THE CAPITAL GROUP AND OF BEST S.A. FOR 2016**
- 4) MANAGEMENT BOARD'S PROPOSALS CONCERNING THE DISTRIBUTION OF THE PROFIT FROM PREVIOUS YEARS, AS DISCLOSED IN THE COMPANY'S FINANCIAL STATEMENTS FOR 2016, AND THE COVERAGE OF THE COMPANY'S LOSS IN 2016**

With this report, the Supervisory Board's obligations under Article 382 § 3 of the Commercial Companies Code, in connection with Article 395 § 2 of the Commercial Companies Code, are fulfilled.

I. At the Supervisory Board's meeting, which was held on 11 April 2017, after examining the following documents:

1. Separate financial statements of BEST S.A. for 2016, including:
 - separate statement of financial position as of 31 December 2016, with total assets, equity and liabilities amounting to PLN 624,760 thousand (in words: six hundred twenty-four million seven hundred sixty thousand zlotys 00/100);
 - separate statement of comprehensive income for the 12-month period ended 31 December 2016, with a net loss amounting to PLN 54,994 thousand (in words: fifty-four million nine hundred ninety-four thousand zlotys 00/100) and a negative net comprehensive income amounting to PLN 55,021 thousand (in words: fifty-five million twenty-one thousand zlotys 00/100);
 - separate statement of changes in equity for the 12-month period ended 31 December 2016, presenting a decrease in equity by PLN 17,193 thousand (in words: seventeen million one hundred ninety-three thousand zlotys 00/100);
 - separate cash flow statement for the 12-month period ended 31 December 2016, presenting a decrease in cash by PLN 10,643 thousand (in words: ten million six hundred forty-three thousand zlotys 00/100);
 - notes, including information on the adopted accounting policy and other explanatory information;
2. Consolidated financial statements of BEST S.A. Capital Group for 2016, including:
 - consolidated statement of financial position as of 31 December 2016, with total assets, equity and liabilities amounting to PLN 904,865 thousand (in words: nine hundred four million eight hundred sixty-five thousand zlotys 00/100);
 - consolidated statement of comprehensive income for the 12-month period ended 31 December 2016, with a net profit amounting to PLN 38,771 thousand (in words: thirty-eight million seven hundred seventy-one thousand zlotys

- 00/100) and a net comprehensive income amounting to PLN 38,726 thousand (in words: thirty-eight million seven hundred twenty-six thousand zlotys 00/100);
- consolidated statement of changes in equity for the 12-month period ended 31 December 2016, presenting an increase in equity by PLN 73,266 thousand (in words: seventy-three million two hundred sixty-six thousand zlotys 00/100);
 - consolidated cash flow statement for the 12-month period ended 31 December 2016, presenting a decrease in cash by PLN 21,149 thousand (in words: twenty-one million one hundred forty-nine thousand zlotys 00/100);
 - notes, including information on the adopted accounting policy and other explanatory information;
3. Management report of the Capital Group and of BEST S.A. for 2016;
 4. Management Board's proposal on the distribution of the profit from previous years disclosed in the Company's financial statements for 2016 and on the coverage of the loss incurred by BEST S.A. in 2016;
 5. Opinions and reports from the audit of the above statements, prepared by KPMG AUDYT spółka z ograniczoną odpowiedzialnością s.k., with its registered office in Warsaw, an entity authorised to audit the above financial statements;

The Supervisory Board confirms that the above documents have been prepared in accordance with the books and documents of BEST S.A., and of other members of BEST S.A. Capital Group, and that they are consistent with the factual status.

According to the opinions of the statutory auditor, the audited separate financial statements of BEST S.A. and the consolidated financial statements of BEST S.A. Capital Group, including figures and explanations in plain text, have been prepared, in all material aspects, in accordance with the accounting principles which result from the International Financial Reporting Standards, as approved by the European Union.

The separate financial statements of BEST S.A. for 2016 and the consolidated financial statements of BEST S.A. Capital Group for 2016 are consistent with the laws and provisions of the Company's Statute affecting their contents, and give a true and fair view of all information material for assessing the economic and financial standing of BEST S.A. and of BEST S.A. Capital Group as of 31 December 2016 as well as their financial results for the 12-month period ended 31 December 2016. The auditor issued positive, unqualified opinions on those statements.

The Supervisory Board of BEST S.A. proposes that the Ordinary General Meeting of BEST S.A. approve the separate financial statements of BEST S.A. and the consolidated financial statements of BEST S.A. Capital Group for 2016.

Having examined the proposal of BEST S.A.'s Management Board of 11 April 2017 concerning the distribution of the profit from previous years disclosed in the Company's financial statements for 2016 and the coverage of the loss incurred by BEST S.A. in 2016, the Supervisory Board expresses a positive opinion and recommends to the Ordinary General Meeting of BEST S.A. to adopt a resolution on fully allocating the disclosed profit from previous years in the amount of PLN 1,575,737.94 (in words: one million five hundred seventy-

five thousand seven hundred thirty-seven zlotys 94/100) to the supplementary capital, and on covering the loss for 2016 in the amount of PLN 54,993,686.48 (in words: fifty-four million nine hundred ninety-three thousand six hundred eighty-six zlotys 48/100) from the Company's supplementary capital.

The management report of the Capital Group and of BEST S.A. for 2016 gives an accurate and reliable account of all material events in the Company and in BEST S.A. Capital Group in 2016. Therefore, the Supervisory Board proposes that the Ordinary General Meeting approve the above-mentioned reports.

Sławomir Lachowski
Chairman of the Supervisory Board

Prof. Leszek Pawłowicz
Vice-Chairman of the Supervisory Board

Prof. Dariusz Filar
Member of the Supervisory Board

Prof. Pasquale Policastro
Member of the Supervisory Board

Krzysztof Kaczmarczyk
Member of the Supervisory Board

Mirosław Gronicki
Member of the Supervisory Board

Andrzej Klesyk
Member of the Supervisory Board