

The independent auditor's report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2019

- Auditor's report presented on pages 167-174 in the annual report
- Signed February 17, 2020
- Other information included in the annual report

AREAS OF FOCUS

Key audit matters:

- Valuation of goodwill – management key assumptions
- General IT controls

Other attention areas:

- Remuneration report
- Fraud and compliance
- COVID-19

Consolidated and company financial statements of Kendrion N.V.

CSR REPORT

- Presented on pages 175-177 in the annual report
- Integrated report with limited assurance report on defined KPI's

MATERIALITY

- Materiality for the financial statements as a whole € 1.2 million (2018: € 1.9 million), reassessment (page 168) based on 2019 results
- Reporting threshold 5% - > € 60 thousand
- Materiality at component level < 60% of group materiality, often statutory requirements
- Qualitative considerations for selected areas

SCOPE / GROUP AUDIT

- Full scope audits on 13 entities
- Revenue audit scope coverage of 88%
- NL Team: Holding Entities, US Component, Specified Audit Procedures at Group Level and Desktop Reviews on non-significant entities