

The independent auditor's report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2020

- Auditor's report presented on pages 181-191 in the annual report
- Signed February 18, 2021
- Other information included in the annual report

AREAS OF FOCUS

Key audit matters:

- Valuation of goodwill – focus on CGU Automotive
- General IT controls
- Purchase price allocation INTORQ acquisition
- Bank Covenants

Other attention areas:

- Remuneration report
- Fraud and compliance
- COVID-19

CSR REPORT

- Presented on pages 192-194 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 (2019: € 1.2 million),
- Reporting threshold 5% - > € 60 thousand
- Materiality at component level < € 540k of group materiality, often statutory requirements
- Qualitative considerations for selected areas

SCOPE / GROUP AUDIT

- Full scope audits on 15 entities
- Revenue audit scope coverage of 96%
- NL Team: Holding Entities, US Component, Specified Audit Procedures at Group Level and Desktop Reviews on non-significant entities

Consolidated and company financial statements of Kendrion N.V.