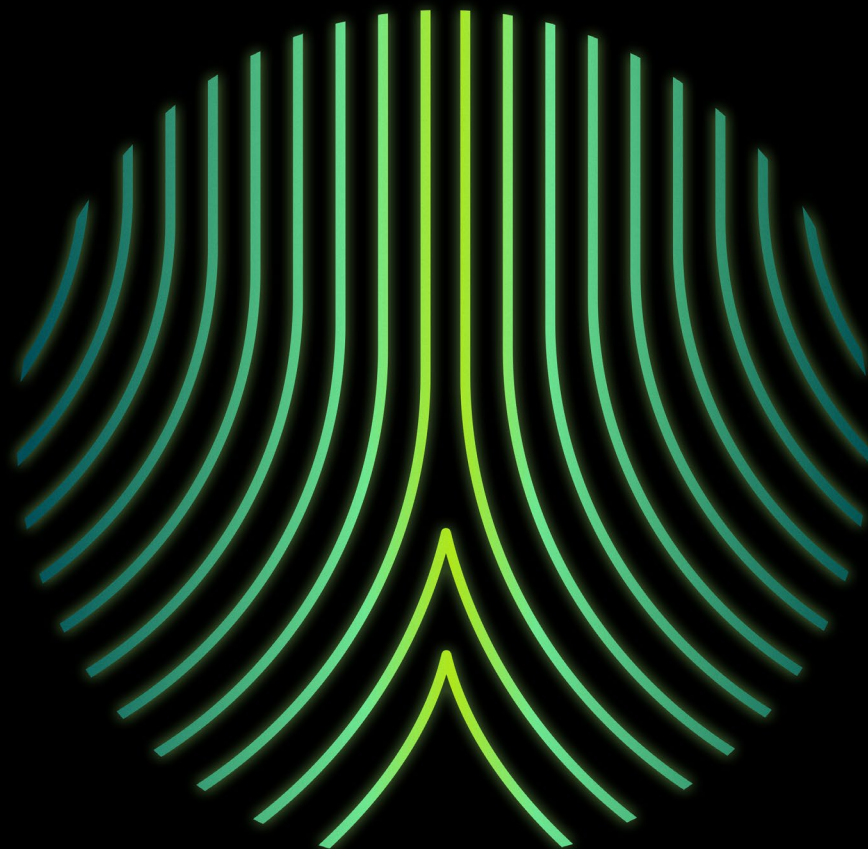


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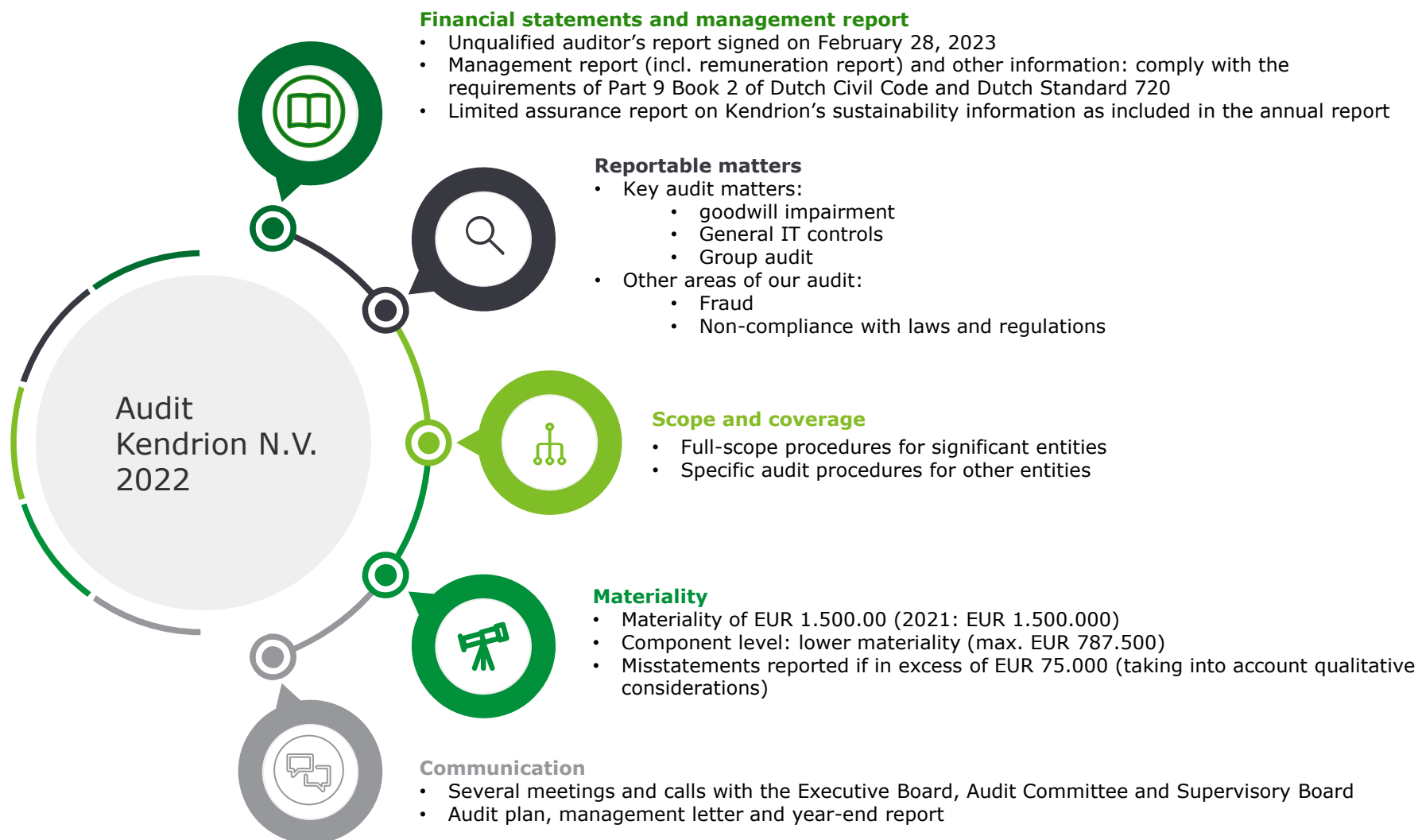


Kendrion N.V.

Presentation of the independent auditor

April 17, 2023

Summary of the audit 2022



Materiality, scoping & ISA 600



- Materiality at EUR 1.500.000 (2021: EUR 1.500.000)
- Component level: lower materiality (max. EUR 787.500)
- Misstatements reported if in excess of EUR 75.000 (taking into account qualitative considerations)

Materiality



- Group audit in accordance with ISA 600
- Online (status) update meetings with other components
- Visited several components in Germany, United States and the Netherlands
- Online file reviews

ISA 600

Key audit matters

Key audit matter: General IT Controls

We have performed the following procedures related to Goodwill:

- We have evaluated the Group's relevant general IT controls, including standard processes and procedures
- IT audit specialists have been deployed to assist us with testing the group's general IT controls

Key audit matter: Group audit

- We performed audit procedures at group level in a number of areas
- At group level, we have performed audit procedures regarding the corporate entities and Kendrion (Shelby) Inc.
- For all other relevant foreign components, the group audit team provided detailed written instructions
- Furthermore, we developed a plan for overseeing each component audit team based on its relative significance to the Company and certain other risk characteristics
- As part of the interaction with the components we paid specific attention to the consistent application of the group accounting policies
- As part of our audit of the consolidation, we tested the relevant controls around the elimination of all intercompany transactions and positions and performed detailed substantive procedures

Key audit matters

Key audit matter: Goodwill

We have performed the following procedures related to Goodwill:

- Testing design and implementation of relevant controls
- Evaluating the impairment model used by the Company and verifying the mathematical accuracy of this model
- Obtaining and evaluating independent market research reports and compared the general growth data to Kendrion's expectations
- Obtaining and evaluating the budget of 2023 and the midterm plan that are approved by the Supervisory Board
- Assessment of the key assumptions in the impairment model
- Assessment of the management estimate in relation to the budget of prior years based on the actual financial results (back-testing)
- Assessment of the methodologies, calculated WACC and the long-term growth percentage, using internal valuation experts
- Reconciling the revenue that was already contracted to underlying source documents (like signed contracts) and evaluated the Assessment of the allocation of the goodwill and other assets from the former Kendrion Automotive CGU to the carrying amounts of the Core and E CGU
- expected pipeline
- Performing sensitivity analysis
- The accuracy and completeness of the related disclosures in the annual report

Quality of internal control and administrative organization:

- The maturity level of the most important financial processes are stable
- The most important findings include the IT environment and improving the IT controls which is also a separate key audit matter

Fraud risk

General legal framework

- Laws and regulations require the auditor to pay specific attention to fraud risks during performing the audit.

What procedures did we perform at Kendrion about the fraud risk of management override of controls?

- Evaluated the design and implementation of relevant internal controls (incl. tone at the top)
- Further specific attention within the audit for the following elements:
 - We incorporated elements of unpredictability in our audit
 - We made enquiries with management, those charged with governance and with others within the company
 - We tested the appropriateness of journal entries
 - Our Forensic Specialists were involved in the oversight of several components and were present during a number of file reviews
 - We evaluated the selection and application of accounting policies
 - We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud

Compliance with laws and regulations & Going concern

Compliance with laws and regulations

- Obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that directly affect the financial statements
- Attentive to indications of (suspected) non-compliance with laws and regulations
- Conducted interviews with, amongst other, Chief Financial Officer, General and Legal Counsel and Global Internal Audit & Risk Manager
- Reading minutes of the Executive Board and Supervisory Board, and the reports of internal audit

Going concern

- The financial statements have been prepared on a going concern basis
- Procedures performed regarding the evaluation of management's use of the going concern basis, such as:
 - Evaluate the reasonableness of the assumptions used by management
 - Evaluate whether all relevant information of which we are aware has been included in the management's assessment (including debt covenants)
 - Reviewing the board's future outlook as part of procedures on the annual report

Sustainability

- Limited assurance report on Kendrion's sustainability information included in the annual report
- Limited scope, as explained in the limited assurance report

Audit fiscal year 2023



Audit fiscal year 2023

- The audit approach for 2023 is expected to be largely consistent with 2022.