



Kendrion N.V.

Annual General Meeting of Shareholders – Overview of the audit 2018

The independent auditor's report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2018

- Auditor's report presented on pages 165-172 in the annual report
- Signed February 18, 2019
- Information included as required by Part 9 of Book 2 Dutch Civil Code
- Dutch Auditing Standard 720

KEY AUDIT MATTERS

- Valuation of goodwill – management key assumptions
- IFRS 16 – early adoption 2018
- General IT controls

CSR REPORT

- Presented on pages 173-175 in the annual report
- Integrated report with limited assurance report on defined KPI's

MATERIALITY

- Materiality for the financial statements as a whole € 1.9 million (2017: € 1.4 million), representing 7.5% of the 2017 profit before tax
- Reassessment (page 166) based on 2018 results
- Reporting threshold 5% - > € 95 thousand
- Materiality at component level < 60% of group materiality, often statutory requirements
- Qualitative considerations for selected areas

SCOPE

- Full scope audits on 13 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.