



**Kendrion N.V.**

Annual General Meeting of Shareholders – Overview of the audit 2017

# The independent auditor's report

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2017

- Presented on pages 148-154 in the annual report
- Signed February 20, 2018
- Information included as required by Part 9 of Book 2 Dutch Civil Code
- Dutch Auditing Standard 720
- Revised Corporate Governance Code

## KEY AUDIT MATTERS

- Consistent with previous year
- Decentralized group structure and reliance on audit procedures performed by component auditors
- Valuation of goodwill
- Procedures assessed to be appropriate to address the risks identified

## Consolidated and company financial statements of Kendrion N.V.

## CSR REPORT

- Presented on pages 155-157 in the annual report
- Integrated report with limited assurance report on defined KPI's

## MATERIALITY

- Materiality for the financial statements as a whole € 1.4 million (2016: € 1.4 million), representing 7.5% of the 2016 profit before tax
- Reporting threshold 5% -> € 70 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 95%
- NL Team: Holding Entities, US Component, Specified Audit Procedures at Group Level and Desktop Reviews on non-significant entities