

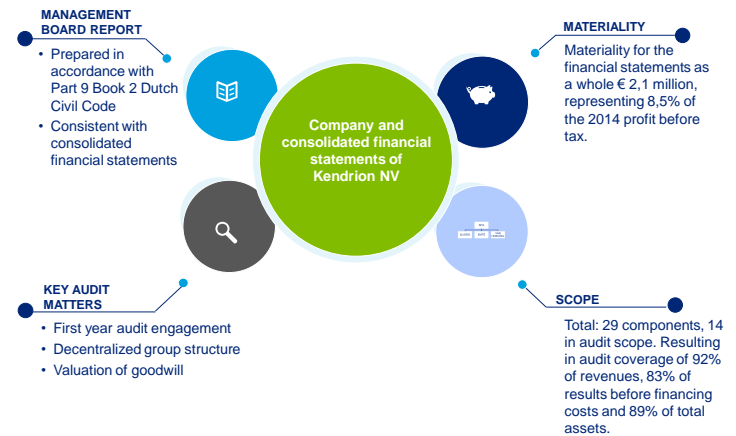


Kendrion N.V. Annual General Meeting of Shareholders

Audit of the Financial Statements for the year ended December 31, 2015.



Report Deloitte



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Overview of our audit (1)

Our auditor's report	<p>Unqualified auditor's report for the period ended December 31, 2015:</p> <ul style="list-style-type: none"> • Three key audit matters included in the audit opinion: <ul style="list-style-type: none"> – First year audit – Decentralized group structure – Valuation of goodwill • Key audit matters represent areas of our audit that required additional attention from the group audit team and/or that relate to accounting areas that are subject to higher level of management estimate • No unadjusted audit differences in excess of € 105 thousand (reporting threshold)
Specialists involved in our group audit	<p>We have involved specialists in the area of:</p> <ul style="list-style-type: none"> • Goodwill impairment analyses (valuation models, WACC) • IFRS accounting and reporting (Q&A, accounting position papers) • Accounting for current and deferred taxes • Assessment of the IT environment and IT controls
Involvement in the audit procedures of foreign entities	<p>Involvement in procedures performed by local audit teams:</p> <ul style="list-style-type: none"> • Robust coverage based on full scope audits and audit of specified account balances • Scoping based on both quantitative and qualitative considerations • Visits to significant components such as Germany and United States (both site visits and review of local working papers) • Visits to selected entities that are not subject to audit scope, on a rotation basis (2015: Mexico and Brazil)

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Overview of our audit (2)

Our communication with the Supervisory Board	<p>Our communication with the Supervisory Board:</p> <ul style="list-style-type: none"> • Several meetings and calls during the year, also because of team changes • Audit plan (including transition plan) covers approach, risk assessment, materiality and scoping • Reporting on the most important audit conclusions (including key audit matters) • Internal control observations reported in our management letter • Communication about fraud risks and risks of non-compliance with law and regulations • Other communication to the Supervisory Board, including confirming our independence
Hours spent on the audit engagement	<p>Engagement hours:</p> <ul style="list-style-type: none"> • Deloitte Netherlands incurred approximately 1800 hours for the 2015 financial statement audit, including 380 hours on partner level

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