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AUDITORS'
REPORT ON THE
CONSOLIDATED
FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT TO THE GENERAL MEETING OF AKKA TECHNOLOGIES SE FOR THE YEAR ENDED 31 DECEMBER 2020

As required by law and the Company's articles of association, we report to you as statutory auditor of AKKA Technologies SE (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the statement of changes in consolidated equity for the year ended 31 December 2020 and the notes (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 3 May 2018, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2020. We performed the audit of the Consolidated Financial Statements of the Group during 3 consecutive years.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have audited the Consolidated Financial Statements of AKKA Technologies SE, that comprise of the consolidated balance sheet as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the statement of changes in consolidated equity of the year and the disclosures, which show a consolidated balance sheet total of € 1.975.152 thousand and of which the consolidated income statement shows a loss for the year of € 167.907 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2020, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Revenue recognition on fixed-price contracts

Description of the key audit matter

The Group executes amongst others fixed-price contracts and the contribution of those contracts to the total consolidated revenues for the year ended 31 December 2020 is significant.

As indicated in note 2.1 of the Consolidated Financial Statements, the revenues and the margins of such contracts are recognized based on the basis of work completed.

For fixed-price contracts, the services are recognised on the basis of work completed, taking into account an estimate of the amount remaining to complete the contract. For fixed-price contracts, where the work completed plus what remains to be done to fulfil the contract exceeds the total revenue from the contract, the excess amount is recognised as "provision for losses on completion" in liabilities, under the heading "current provisions".

The recognition of the revenues and margin of fixed-price contracts was considered to be a key audit matter due to their volume and significance on the Consolidated Financial Statements and due to the inherently judgmental estimations used on the determination of the progress et the expected costs to complete the contract, as indicated in note 1.3 of the Consolidated Financial Statements.

Summary of the procedures performed

- We have examined the internal control system, including management review controls, relating to the process of contract follow up, the revenue and margin recognition, and, when applicable, the provisions for losses on completion. We have performed tests, on a sample basis, on the key internal controls implemented in the main companies of the Group.
- We have tested, on a sample basis, the consistency between the accounting data and the analytical and management data on which contract management and follow-up are performed.
- For a selection of contracts, we have determined on the basis of multiple criteria deemed relevant in relation to the risks incurred, corroborated the main assumptions used for their recognition at the reporting date (percentage of completion, costs already incurred and costs yet to be incurred) with the information obtained during interviews with the teams in charge of contract management and follow-up, as well

as with the information and the technical and commercial documentation collected.

- We have also assessed the adequacy and completeness of the information disclosed in notes 2.1, 1.3 et 3.1 of the Consolidated Financial Statements.

Impairment test on goodwill

Description of the key audit matter Goodwill resulting from the Group's acquisitions was recognised as an asset in the consolidated balance sheet for a total amount of € 691,4 million, or 35% of total assets as of 31 December 2020.

It is allocated to 10 cash-generating units (CGU) corresponding to geographical areas. In conformity with IAS 36 "Impairment of Assets", the Group carries out impairment tests at least once a year, in accordance with the methods described in notes 2.9 and 4.2 of the Consolidated Financial Statements.

These tests are performed by CGU or group of CGUs, based on a 5 year projection of free cash flows related to the activity (operating cash flows, movements in working capital and investments) when applicable increased with related Research & Development grants. This projection is determined using the CGU's budget data and taking into account past experience and future prospects, considering the effect of Covid-19 on the budgets. Beyond this horizon, the Group calculates a terminal value of the CGU corresponding to the discounting of the net cash flows linked to the activity to infinity.

The discount rate is determined in accordance with IFRS and calculated taking into account a risk-free rate, a risk premium linked to the equity market and a sector beta. Based on the localization of CGUs or groupings of CGUs presenting goodwill, a country risk premium has been taken into account.

The determination of the recoverable amount of the CGUs is based on significant estimates and assumptions made by Management, relating in particular to the discount rate, 5-year projections and the perpetual growth rate, to which the valuation is sensitive.

These various factors led us to consider the valuation of goodwill as a key audit matter.

Summary of the procedures performed

- We examined the internal control environment and the compliance with prevailing accounting standards of the methods used by management to measure goodwill.
- We have compared the cash flow projections with the budgets and medium-term plans drawn up by management, and analysed their consistency with the Group's past performance and the economic environment in which it operates, considering the impacts of Covid-19 on the budgets;
- We have critically examined the methods and parameters used to determine the discount rates applied to projected cash flows, by recalculating them, comparing them with those used by leading financial analysts and comparing them with our internal databases, with the support of our valuation specialists;

- We have assessed the relevance of the sensitivity scenarios used by management and the relative information presented in the note 4.2 of the Consolidated Financial Statements.

- We also have assessed the adequacy and completeness of the information included in notes 2.9, 4.1 et 4.2 of the Consolidated Financial Statements.

Accounting for restructuring provisions

Description of the key audit matter

The Group's performance was strongly impacted by the Covid-19 pandemic and led the Group to initiate restructuring plans. As of 31 December 2020, a provision for restructuring is recognized for an amount of € 80 million. As described in Note 4.12 of the Consolidated Financial Statements, this provision mainly concerns restructuring actions undertaken in France and Germany.

As described in Note 2.18, obligations towards third parties resulting from past events, whether legal, regulatory, contractual or constructive, are subject to the recognition of a provision when the Group has a current obligation, legal or constructive, resulting from past events, existing independently of future actions of the Group, and that it is probable that they will give rise to an outflow of economic resources.

The measurement and disclosure of these restructuring plans are a key audit matter since they include significant judgment from management and because it has a significant impact on the Consolidated Financial Statements.

Summary of the procedures performed

- We obtained an understanding of the conditions and time-tables of the restructuring plans,
- We assessed whether the recognition criteria for the recognition of provisions as defined by IAS 37 were met at 31 December 2020,
- We reviewed the assumptions used by management to determine the provisions,
- We tested the accuracy of the calculations of the provisions and compared the base salary data used in the calculations with average annual salaries of the applicable categories of workers.
- We also have assessed the adequacy and completeness of the information included in notes 4.12 et 2.18 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements and the non-financial information attached to the Board of Directors' report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, as well as to report on these matters.

Aspects relating to Board of Directors' report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report contains any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non-financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on Global Reporting Initiative. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with Global Reporting Initiative.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 26 April 2021

EY Bedrijfsrevisoren BV Statutory auditor Represented by

Eric Van Hoof *

Partner

*Acting on behalf of a BV/SRL