

3.3 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2022

Séché Environnement S.A.

A French public limited company (société anonyme)

Registered in the Laval Trade and Companies register under number 306 917 535

For the year ended 31 December 2022

To the Shareholders,

Opinion

In compliance with the assignment entrusted to us, we have audited the accompanying consolidated financial statements of Séché Environnement S.A. for the year ended 31 December 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2022 and of the results of its operations for the year then ended in accordance with the International Financial Reporting Standards adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5.1 of Regulation (EU) 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon expressed in the first part of this report. We do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill

Risk identified

As part of its development, the Group has carried out acquisitions and has recognised goodwill in several cases.

Goodwill, which is the difference between the price paid and the fair value of the assets acquired or liabilities assumed, appears under assets in the consolidated statement of financial position for a total amount of €395,992 thousand. It is allocated to the cash-generating units (CGUs) of the business lines into which acquired companies are incorporated, as described in the notes the consolidated financial statements in the section on accounting policies, 3.2.1.7.a. Goodwill and 3.2.1.7.d. Recoverable amount of intangible assets and property, plant and equipment.

At each annual reporting date and whenever there is an indication of impairment, Management ensures that the carrying amount of goodwill is not higher than the recoverable amount of the underlying assets. The recoverable amount is the higher of value in use and fair value less costs to sell.

Value in use is calculated using discounted cash flows, determined from the consolidated business plan of each CGU covering three financial years (years 4 and 5 are forecast as identical to year 3) as examined by the Board of Directors, and assumptions regarding the discount rate and perpetual growth rate as described in Note 3.2.1.7.d. to the consolidated financial statements. Any adverse change in expected returns from the business lines to which goodwill is allocated (from either internal or external factors such as the economic and financial environment in which the business line operates) may significantly affect the recoverable amount and require recognition of impairment. A change of this type would involve reassessing the appropriateness of all assumptions used to determine the

recoverable amount, and the reasonableness and consistency of the calculation parameters.

The determination of the recoverable value of goodwill depends on Management's judgment, particularly with regard to cash flow forecasts, discount rates, the business' growth rate over the first three years of the business plan and the perpetual growth rates used to determine value in use. We have therefore considered the measurement of goodwill to be a key audit matter.

Our response

We examined the methodology applied by the Company to ensure its compliance with the accounting standards in force.

We also conducted a critical audit of how the methodology is implemented. We:

- corroborated the main business assumptions in the Business Plans used for impairment testing prepared by the Finance Department and validated by the Group's Management, by conducting interviews and comparing with following year forecast examined by the Board of Directors;
- analysed differences between actual performance at 31 December 2022 and the 2022 Business Plans;
- corroborated the actuarial assumptions, including the calculation of discount rates applied to expected cash flows, by assessing the discount parameters used for the weighted average cost of capital of the CGUs;
- tested the mathematical accuracy of measurements performed by Management.

Finally, we assessed the appropriateness of the information provided in the Notes to the consolidated financial statements on accounting policies.

Specific Verifications

As required by law, we have also verified the information pertaining to the Group presented in the management report of the Board of Directors, in accordance with professional standards applicable in France.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the statement on non-financial performance required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) has been included in the Group disclosures provided in the management report. We specify that, in accordance with Article L. 823-10 of the French Commercial Code, we have not verified whether the information contained in the statement gives a true and fair view or that it is consistent with the consolidated financial statements. The information must be audited by an independent third party.

Information and verifications required by other laws or regulations

Format of presentation of the financial statements to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditors relating to annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the CEO, complies with the single electronic format defined in the European Delegated Regulation (EU) N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on our work, we have concluded that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European Single Electronic Format.

Due to the technical limits inherent in the macro-tagging of the consolidated financial statements according to the single European electronic information format, it is possible that the content of certain tags in the appendix notes may not be reproduced identically to the consolidated financial statements attached to this report.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the French Markets Authority (AMF) are in agreement with those on which we have performed our work.

Appointment of Statutory Auditors

We were appointed statutory auditors of Séché Environnement S.A. by your annual general meetings: Mazars in 2018 and KPMG S.A. in 1997.

As at 31 December 2022, KPMG S.A. was in its twenty-sixth year of its total uninterrupted audit engagement and Mazars in its fifth year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Audit objectives and process

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 the consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the audit committee presenting our audit, the schedule of work conducted, and our conclusions. If applicable, we also point out material weaknesses identified in internal control, as regards the procedures for preparing and processing accounting and financial data.

Our report to the audit committee includes the risks of material misstatement that we deemed the most significant for the audit of the consolidated financial statements for the year ended and which constitute the key audit matters we describe in this report.

We also provide the audit committee with confirmation of independence as required by Article 6 of Regulation (EU) 537-2014, and defined by the rules applicable in France stipulated in Articles L.822-10 to L.822-14 of the French Commercial Code and the French code of ethics for statutory auditors. If needed, we discuss risks affecting our independence with the audit committee and present the safeguards applied.

The Statutory Auditors

Mazars

Rennes, March 3, 2023

Ludovic Sevestre

Partner

KPMG S.A.

Nantes, March 3, 2023

Gwenaël Chédaleux

Partner