

## 3.5 REPORT OF THE STATUTORY AUDITORS ON THE PARENT COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2022

### Séché Environnement S.A.

Registered office: Les Hêtres – 53811 Changé

Share Capital: €1,571,544

For the year ended 31 December 2022

To the Shareholders,

### Opinion

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

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 audit opinion.

Our responsibilities under those standards are further described in the “Statutory Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report.

#### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie), for statutory auditors 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.

### 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 annual 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 annual 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 annual financial statements.

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## Measurement of equity securities, related receivables and advances to subsidiaries

### Risks identified

Equity securities are one of the largest items on the balance sheet, totalling €405.9 million net at 31 December 2022. They are recognised at acquisition cost when acquired and are impaired based on their value in use.

Receivables relating to equity investments and advances to subsidiaries amounted to a net total of € 65.1 million and €280.7 million respectively at 31 December 2022.

As stated in the “Financial assets” note in the accounting policies section, Management determines value in use based on several criteria, including the share of net assets of the subsidiary or discounted expected future cash flows net of debt.

As stated in the “Financial assets” and “Receivables” notes in the accounting policies section, impairment is recognised if the value in use of receivables from equity investments or advances to subsidiaries falls below their carrying amount.

Management’s judgment is required to determine the value in use of equity securities and receivables, in terms of the choice of historical or forward-looking information depending on the equity interests concerned.

We believe that the measurement of equity securities, related receivables and advances to subsidiaries is a key audit matter, due to potentially material impairment of these items and to the extent of estimates and judgment required by Management to determine value in use. For instance, judgment is required when making assumptions of expected future cash flows from equity interests, and when determining the appropriate discount rate and perpetual growth rates applicable to these cash flows.

### Audit procedures used to address identified risks

To assess the reasonableness of the estimated value in use of equity securities, related receivables and current account advances, on the basis of information shared with us, our work mainly involved verifying that Management’s estimate of these amounts was made using an appropriately justified measurement method and quantitative data, and depending on the type of equity securities:

For measurements based on historical data:

- We verified that the equity used corresponded to amounts reported in the financial statements of the entities that were audited or subject to analytical procedures.

For measurements based on forward-looking information, we also conducted a critical review of how the methodology was implemented. We:

- Corroborated the main business assumptions in the Business Plans used for impairment testing, which were prepared by the Finance Department and validated by Group General Management, by interviewing Management and comparing them to the following year budget examined by the Board of Directors;
- Analysed differences between actual performance at 31 December 2022 and the budgets in the 2022 Business Plans;
- Verified that the assumptions used were consistent with the economic environment at the reporting date and at the date of the financial statements;
- Tested the mathematical accuracy of measurements performed by Management;
- Verified that the value calculated from expected future cash flows was adjusted for the amount of debt of the entity in question.

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

## Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

### Information in the management report and other documents provided to the Shareholders with respect to financial position and financial statements

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information in the management report and other documents provided to the Shareholders with respect to financial position and financial statements.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-6 of the French Commercial Code (Code de commerce).

We attest that the statement on non-financial performance required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information related to the Group disclosures provided in the management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. The information must be audited by an independent third party.

### Disclosures relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (Code de commerce).

Concerning information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made on their favour, we have verified the consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

## Other Disclosures

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights, has been properly disclosed in the management report.

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## Information and verifications required by other laws and 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 standards applicable in France relating to the procedures performed by the statutory auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the annual statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, 1 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) 2019/815 of 17 December 2018.

Based on our work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the 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 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 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 Annual Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French generally accepted accounting principles 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 annual financial statements have been approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### Audit objective and process

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 annual 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 annual financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the annual 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 annual financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the annual financial statements and for the opinion expressed on these annual 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 annual 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) n° 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. Where appropriate, we discuss risks affecting our independence with the audit committee and present the safeguards applied.

The Statutory Auditors

Nantes and Rennes, March 3, 2023

#### **Mazars**

Ludovic Sevestre  
*Partner*

#### **KPMG S.A.**

Gwenaël Chedaleux  
*Partner*