Circular of
TKH Group N.V.

Relating to the proposed separation of the Electrification business of TKH Group N.V.

To be voted on at the Extraordinary General Meeting of Shareholders:	
Date:	Thursday 3 September 2026
Time:	10:00 a.m. (CEST)
Location:	‘t Hagen, Scholtenhagenweg 36, Haaksbergen, the Netherlands

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LETTER TO SHAREHOLDERS

Dear Shareholder,

On 25 September 2025, TKH Group N.V. ("TKH") announced its accelerated transition towards becoming a leading Automation company and the intended separation of its Electrification business as part of its Capitalize & Execute 2028 strategy.

TKH is a leading technology company specializing in innovative, customer-centric systems within Automation and Electrification. In the last years of its Accelerate 2025 strategy, TKH strengthened its position towards the global trends of Automation and Electrification, on the back of its innovations, R&D roadmap and its M&A strategy.

As announced at the Capital Markets Day on 25 September 2025, TKH intends to focus on its Automation activities and separate its Electrification activities. The Executive Board and Supervisory Board believe that this separation represents the most compelling path to sharpening TKH's strategic profile and enhancing long-term value for TKH's shareholders and other stakeholders as a whole.

This circular (the "Circular") has been prepared to provide you with information regarding the proposed separation and to enable you to make an informed decision when exercising your voting rights at the Extraordinary General Meeting of Shareholders (the "EGM") to be held on Thursday 3 September 2026 at 't Hagen, Scholtenhagenweg 36, Haaksbergen, the Netherlands, at 10:00 a.m. (CEST).

We recommend that you read this Circular carefully in its entirety. Having considered the strategic considerations, the financial and non-financial aspects and consequences of the proposed separation, the Executive Board and Supervisory Board believe the separation to be in the best interests of TKH and its shareholders and other stakeholders as a whole, and unanimously recommend that you vote in favor of the relevant proposal at the EGM.

All votes are important to us, and we would urge you to cast your vote.

Yours sincerely,

Alexander van der Lof
Chief Executive Officer
TKH Group N.V.

Peter Oosterveer
Chairman of the Supervisory Board
TKH Group N.V.

1. STRATEGIC APPROACH: TWO INDEPENDENT COMPANIES

1.1 Strategic rationale

This Circular relates to the proposal made to the Shareholders, included as item 3 of the agenda for the EGM, which reads:

"Proposal to approve the separation of the Electrification business from the TKH Group, on conditions to be determined by the Executive Board with the prior approval of the Supervisory Board (vote)"

The proposal follows the announcement, made at the Capital Markets Day on 25 September 2025, of TKH's Capitalize & Execute 2028 strategy and accelerated transition towards becoming a leading Automation company and the intended separation of its Electrification business.

The Executive Board and Supervisory Board have considered TKH's strategic position in depth and have concluded that the Automation and Electrification businesses have distinct capital requirements, end-markets, customer needs, value drivers, market trends, and competitive dynamics. These differences are such that they are best addressed through two focused and independent companies, each with their own dedicated management team, capital allocation framework and strategy.

1.2 Electrification business – activities

TKH's Electrification activities provide onshore and offshore energy transmission and distribution cabling solutions, as well as specialty cables. The activities are established market players with leadership positions in their targeted markets. A strong track record, a rich 90-year legacy and recognized reliability have led to deep customer relationships and high customer satisfaction.

The Electrification activities can be divided into three main business areas: Offshore, Energy and Specialty cables.

The main activities within Offshore consist of inter-array cables for the offshore wind parks. TKH's inter-array cables have enjoyed a leading position in the tenders participated in since 2024, due amongst others to a proprietary dry design cable concept. This innovative, sustainable dry cable design allows for ease of installation at lower costs and an environmentally friendly profile. We have recently completed a new manufacturing facility for the inter-array cables in Eemshaven, expanding our capacity to match the anticipated market growth at a site strategically located close to the North and Baltic Sea. This segment has high visibility from a locked-in orderbook.

In our Energy segment we provide project- and customer-specific low-, medium- and high-voltage cables up to 220kV. We supply 30-35% of the medium voltage cables to the Dutch Distribution System Operators ("DSO"). Our market share is secured by multi-year framework contracts. Over the past years, TKH has invested in capacity to match the anticipated market growth. Within high voltage, we supply the Dutch DSOs, as well as Dutch Transmission System Operator ("TSO") TenneT. We are making inroads into supplying other selected European TSOs, in order to capture the strong investments foreseen in the Dutch and broader European grid investments. Additionally, TKH has a strong position in the Dutch building and infrastructure market and supplies innovative pluggable solutions.

The Offshore and Energy activities are conducted from three major production sites in the Netherlands, with an integrated operations set-up allowing for manufacturing flexibility and scalability.

Our Specialty cables are highly customized cabling solutions for high-end and complex applications across multiple end markets, including medical, industry, automation, robotics and measurement technologies. The co-development of the Specialty cables with our customers ensures we are the sole supplier for the majority of our customers, with high switching costs. The main production site for the Specialty cables is located in Germany.

As per 31 December 2025, the Electrification business is conducted primarily through TKF Energy, TKF Subsea, E&E Group, and Isolectra.

1.3 Electrification business – key financial and other information

The financial information relating to the Electrification business as set out in this Circular has been derived from TKH's historical consolidated financial records and has not previously been separately reported as a standalone segment in TKH's historical financial statements. Accordingly, it should be noted that the Electrification segment as reported on in TKH's Annual Report 2025 and previous annual reports is not directly comparable to the Electrification business described in the Circular. The Electrification segment as reported on in TKH's previous annual reports consists of the Electrification business described in the Circular, but also the Digitalization business and other connectivity systems including the CEDD portfolio (Contactless Energy and Data Distribution).

The key financial information and other information relating to the Electrification business in this Circular have been prepared solely for this Circular and are unaudited. It should be noted that the financial information may not be indicative of the future financial position or results of operations of the Electrification business on a standalone basis, as such results will be affected by, among other things, the separation structure ultimately selected, standalone operating costs, and the terms of any transitional arrangements between TKH and the Electrification business.

Certain financial measures included in this Circular constitute alternative performance measures. These are defined in the section "Alternative Performance Measures" included in this Circular.

Key financial information for the Electrification business

The key financial information for the Electrification business provided below relates to the financial year 2025. Balance sheet positions are presented as at 31 December 2025.

- Turnover €522.2 million.
- Total assets of €626.7 million.
- Order book of €478.2 million.

For the purposes of the presentation of the total assets, intercompany cash balances have been netted against intercompany financial liabilities. The total assets include several balance sheet items, including but not limited to intangible assets, property, plant and equipment, right-of-use assets, and inventories.

TKH expects to publish its interim results for the first half (H1) of 2026 on 11 August 2026. That publication will contain H1 2026 financial information on the Electrification business on a standalone basis. In addition, the publication will provide for historic financial information on a standalone basis in respect of the Electrification business for the financial years as at 31 December 2024 and 2025.

Other information

- Employees representing 1,371 FTE are expected to transfer with the Electrification business.

- It is expected that, for a limited period following the separation, certain transitional arrangements will remain in place between TKH and the Electrification business. These are expected to include, among other things, consolidation software, software licenses, payroll applications, lease accounting applications, insurances, lease cars, energy, logistics services, and certain finance and corporate guarantees. These transitional agreements are expected to be phased out over time.

- The separation is expected to result in certain one-off separation costs. As the two businesses will operate as independent companies following the separation, separate governance structures will need to be established, likely resulting in costs in relation to, among others, IT, legal, rebranding and other stranded costs.

2. APPROACH TO THE SEPARATION

2.1 Background

At the EGM, Shareholder approval is requested for the separation of the Electrification business of the TKH Group, on such conditions to be determined by the Executive Board with the prior approval of the Supervisory Board. TKH submits the proposed separation for Shareholder approval on a voluntary, and therefore ultimately non-binding, basis, as it considers the views and support of its Shareholders of significant importance in this process.

It should be noted that there is no certainty as to the method, scope or timing of the separation of the Electrification business. In determining the definitive method, scope and timing of the separation, TKH will continue to carefully consider the interests of TKH, including its shareholders and other stakeholders, and the long-term objectives of TKH. In accordance with the requested approval TKH will be able to follow a flexible process for the separation, ensuring that the Executive Board, with the prior approval of the Supervisory Board, retains the ability to select the structure that it believes delivers the optimal result for TKH's shareholders and other stakeholders as a whole.

We currently intend to use the proceeds of the separation to invest in capital expenditure for Automation (capex), and acquisitions in automation solutions as part of the buy and build strategy of the Automation business. At this time it is envisaged that any remaining excess cash will be used for dividends and share buyback programs, subject to maintaining a net leverage ratio of below 2.0x. The intended use of the proceeds is in accordance with the capital allocation policy including dividend policy announced at the Capital Markets Day on 25 September 2025, and is part of TKH's Capitalize & Execute 2028 strategy. The appropriate use of any proceeds will be determined in due course, as such use depends on the amount and timing of such proceeds as well as other factors and future circumstances.

2.2 Dual-track process

The Executive Board has initiated a dual-track process to implement the contemplated separation of the Electrification business from TKH. The dual-track process comprises simultaneous preparations for a public track, including an initial public offering (IPO) and alternative public structures, and a private sale of the Electrification business, with the objective of ultimately selecting the structure that achieves the optimal outcome for both the Automation business and the Electrification business.

TKH will make a final decision as to the preferred separation structure, having regard to, amongst other things, prevailing market conditions, the interests of Shareholders and other stakeholders of both TKH and the Electrification business, and the requirements of applicable law and regulation. TKH will communicate the final structure in due course.

2.3 Public track

TKH is preparing for the separation of the Electrification business through an initial public offering (IPO) or alternative structure that would result in listing the Electrification business as a separate listed entity, such as a spin-off and direct listing.

Under an IPO structure, the Electrification business would be separated from TKH and the shares in the holding company for the Electrification business are expected to be admitted to trading on a regulated market or multilateral trading facility. The IPO may involve a primary offering of new shares or a secondary offering of existing shares in the holding company for the Electrification business, or a combination of both. Under an alternative structure, such as a spin-off or a direct listing, Shareholders would receive shares in the holding company for the Electrification business. TKH may decide to partially spin off the Electrification business and retain an ownership stake alongside the Shareholders.

An IPO or direct listing would require the publication of a prospectus approved by the AFM in accordance with the Prospectus Regulation. This prospectus would contain detailed financial and other information in respect of the Electrification business.

Under an IPO or alternative public transaction structure, TKH may retain an ownership stake in the Electrification business. Certain governance arrangements may be implemented to enable both TKH and the Electrification business to protect their respective interests. As part of these arrangements, TKH could, for example, be granted the right to nominate one or more supervisory board member(s), information rights and approval rights with respect to certain decisions to be made at the level of the Electrification business. If and when TKH's ownership stake is reduced through further divestments, such governance rights would be reduced or eliminated in accordance with the level of TKH's remaining ownership stake.

2.4 Private sale

In parallel to the public track, TKH is also preparing for a private sale of the Electrification business, which is managed by TKH together with its financial and legal advisors.

2.5 Governance in connection with separation of Electrification

Subject to the appointment of Mr. Grandi as a member of the Executive Board, the intention is for Mr. Van der Lof to become the CEO of the Electrification business and to lead the Electrification business. He will be joined by Mr. Van Cortenberghe, who joined as CFO of the Electrification business on 1 June

2026. Mr. Van der Lof will continue as CEO of TKH and will remain responsible for the day-to-day management of the TKH Group, including both the Automation and Electrification businesses, until 1 January 2027 (or such earlier date that the separation of the Electrification business becomes effective). As of 1 January 2027, Mr. Van der Lof will step down as CEO of TKH and will become CEO of the Electrification business. He will remain a member of the Executive Board of TKH until completion of the separation of the Electrification business.

The Executive Board and the Supervisory Board have made arrangements to implement an appropriate governance framework for the separation process.

2.6 Timing

The Executive Board and Supervisory Board remain confident that material steps will be made in the separation process within 12 to 18 months following the announcement made at the Capital Markets Day on 25 September 2025. It is noted that this timeline is indicative in nature only, does not restrict the validity of the approvals requested from shareholders, and is dependent on, and remains subject to, market conditions and other relevant circumstances.

2.7 Perimeter of the Electrification business

The Electrification business to be separated will comprise substantially all the activities and related assets and liabilities of the Electrification business as currently conducted within the TKH Group, as described in this Circular, subject to the final decision regarding the separation scope and structure.

3. RECOMMENDATION TO SHAREHOLDERS

The Executive Board and the Supervisory Board, having considered the strategic considerations and the financial and social aspects and consequences of the proposed separation, believe the separation to be in the best interests of TKH, including its Shareholders and other stakeholders as a whole.

As separate companies with dedicated and lean management structures, each entity will be able to make the investments appropriate for its business to boost growth and profitability, generating more value for all stakeholders.

Accordingly, the Executive Board and the Supervisory Board unanimously recommend that Shareholders vote **in favor** of the proposal to approve the separation of the Electrification business as set out in the agenda for the EGM.

4. DISCLAIMERS

General

The contents of this Circular have been prepared by and are the sole responsibility of TKH. The information contained in this Circular is provided for background purposes only and does not purport to be full or complete.

This Circular is not a prospectus and does not constitute an offer for the sale, or solicitation of an offer to buy, any securities. This Circular has not been reviewed or approved by the AFM.

Forward-looking statements

Statements included in this Circular that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may“, "will", "should", "expect", "could", "intend", "plan", "anticipate", "estimate", "believe", "continue", "predict", "potential" or the negative of such terms and other comparable terminology.

The forward-looking statements are based on current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond TKH's control. Although TKH believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, actual results and performance could differ materially from those set forth in the forward-looking statements.

Restrictions

The distribution of this Circular may be restricted by law in certain jurisdictions and persons into whose possession this Circular or any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Dutch law

This Circular is governed by Dutch law and must be read and interpreted in accordance therewith. Any dispute arising in connection with this Circular will be subject to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.

DEFINITIONS

The following definitions are used in this Agenda and Circular:

"**AFM**"	means The Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*);
"**Circular**"	means this Circular, which relates to the EGM;
"**EGM**"	means the extraordinary general meeting of shareholders of TKH to be held on 3 September 2026;
"**Executive Board**"	means the executive board of TKH;
"**Prospectus Regulation**"	means Regulation (EU) 2017/1129, as amended;
"**Shareholder**"	means a holder of issued and outstanding shares in the share capital of TKH from time to time;
"**Supervisory Board**"	means the supervisory board of TKH;
"**TKH**"	means TKH Group N.V. a public limited liability company (*naamloze vennootschap*) incorporated under Dutch law, with its registered office at Spinnerstraat 15, 7481 KJ Haaksbergen, the Netherlands, registered in the Dutch Trade Register under number 06045666; and
"**TKH Annual Report 2025**"	means TKH Group N.V.'s annual report for the financial year ended 31 December 2025.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

For a complete overview of our APMs, definitions, and reconciliations/calculations, please refer to the TKH Annual Report 2025 published on our website. The APM used in this Circular is stipulated below. It should be noted that the outcomes of APM reconciliations and calculations set out in the TKH Annual Report 2025 relate to the Electrification segment as reported therein, which differs in scope from the Electrification business as described in this Circular. Accordingly, the outcomes of such reconciliations and calculations are not directly applicable to the financial information presented herein.

Order book

Expected future turnover with respect to contractual performance obligations that have not yet (or partially) been satisfied at balance sheet date. Performance obligations are only included when contracts are signed or orders are received and there is a high degree of certainty that these assignments will be executed and therefore contribute to turnover for the group.