

Governance

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Members of the Executive Board



J.M.A. (Alexander) Van Der Lof MBA
Chairman of the Executive Board, CEO

Dutch nationality, male, 1958
Term 2001-present

Alexander van der Lof started his career in 1985 at TKH subsidiary B.V. Twentsche Kabelfabriek (TKF), where he held various management positions, including Commercial Director. In addition to his career at TKF, Mr. Van der Lof was Company Secretary of TKH Group for a number of years. In 1998, Mr. Van der Lof became a member of the Executive Board of TKH Group and Chief Financial Officer (CFO). Since 2001, he has been Chairman of the Executive Board and Chief Executive Officer (CEO) of TKH Group.



E.D.H. (Elling) De Lange MBA
Member of the Executive Board, CFO

Dutch nationality, male, 1965
Term 2008-present

Elling de Lange joined TKH in 1998, having previously been a member of the Board of C&C Partners in Poland. In 2002, he was appointed Financial Director of the Chinese cable production companies TFO and ZTC, and in 2003 he took the position of CEO. Since 2006, Mr. De Lange has also been responsible for the Dutch and Chinese cable production companies. Mr. De Lange has been a member of the Executive Board and Chief Financial Officer (CFO) of TKH Group since 2008. Prior to joining TKH Group, he held various international management positions at Ballast Nedam.



H.J. (Harm) Voortman Msc
Member of the Executive Board

Dutch nationality, male, 1966
Term 2022-2026

Harm Voortman joined TKH's subsidiary, VMI Holland B.V. in 2004, where he held various management positions, including Commercial Director. In 2010, Mr. Voortman was appointed CEO of the VMI Group, and in 2015 he also joined the Management Board of TKH. In 2018, Mr. Voortman was appointed member of the Executive Board of TKH Group. Prior to his career at TKH Group, Mr. Voortman worked in various R&D and management positions at, among others, Shell and Stork.

Members of the Supervisory Board

P.W.B. (Peter) Oosterveer Chairman	J.M. (Mel) Kroon Vice-chairman	C.W. (Carin) Gorter Member	A.M.H. (Marieke) Schöningh Member	W.A.A. (Jeannine) Peek Member
Dutch nationality, male, 1957 <ul style="list-style-type: none"> • 2022 first appointment • 2026 end of term 	Dutch nationality, male, 1957 <ul style="list-style-type: none"> • 2017 first appointment • 2025 end of term 	Dutch nationality, female, 1963 <ul style="list-style-type: none"> • 2017 first appointment • 2025 end of term 	Dutch nationality, female, 1963 <ul style="list-style-type: none"> • 2020 first appointment • 2028 end of term 	Dutch nationality, female, 1969 <ul style="list-style-type: none"> • 2024 first appointment • 2028 end of term
Chairman of the Selection and Nomination Committee Member of the Audit Committee	Member of the Audit Committee Member of the Remuneration Committee	Chairman of the Audit Committee Member of the Remuneration Committee	Chairman of the Remuneration Committee	Member of the Selection and Nomination Committee
Current other non-Executive Board positions: <ul style="list-style-type: none"> • Chairman of the Board, Treysta • Member of the Board, Statera • Member of the Board, van Oord 	Current other non-Executive Board positions: <ul style="list-style-type: none"> • Chairman of the Supervisory Board, Attero B.V. • Chairman of the Supervisory Board, Eneco Groep N.V. 	Current other non-Executive Board positions: <ul style="list-style-type: none"> • Vice-Chairman of the Supervisory Board, Basic-Fit N.V., Chairman of the Audit and Risk Committee (2016) • Member of the Supervisory Board, Coöperatie TVM U.A., Chairman of the Audit and Risk Committee (until May) • Member of the Supervisory Board, DAS, Chairman of the Audit and Risk Committee (2019) • Member of the Supervisory Board, NTS (Nederlandse Transplantatie Stichting) (2020) • Member of the Supervisory Board, Ebusco Holding N.V., Chairman of the Audit Committee (2021) 	Current positions: <ul style="list-style-type: none"> • Member of the Executive Board and COO, ProRail 	Current positions: <ul style="list-style-type: none"> • Managing Director Capgemini, the Netherlands
Current other positions: <ul style="list-style-type: none"> • Chairman of the Supervisory Board, kankeer.nl • Advisor Goldman Sachs Asset Management International 	Current other positions: <ul style="list-style-type: none"> • Non-Executive Board Member, Urenco Ltd & UCN B.V. • Member of the Supervisory Board, LVNL (until 31 December) • Member of the Supervisory Board, KVSA B.V. • Advisor, Mitsubishi Corporation • Board Member, German-Dutch Chamber of Commerce DNHK (until 26 June) • Advisor, Improved • Member of the Supervisory Board, Montel SA • Chairman of the Supervisory Board, GIGA Storage B.V. 	Current other positions: <ul style="list-style-type: none"> • Owner, Carin Gorter Advies & Toezicht 	Current other non-Executive Board positions: <ul style="list-style-type: none"> • Member of the Board of Directors (independent director) and Member of the Audit Committee, DEME Group 	Current other positions: <ul style="list-style-type: none"> • Member of Sociaal Economische Raad (SER) • Figurehead Topsector ICT • Supervisory Board Member SIDN • Member of VNO/NCW
Previous positions: <ul style="list-style-type: none"> • CEO and Chairman of the Executive Board, Arcadis N.V. 	Previous positions: <ul style="list-style-type: none"> • Chairman of the Executive Board, TenneT Holding B.V. 	Previous positions: <ul style="list-style-type: none"> • Senior Executive Vice President & Head of Group Compliance, Security & Legal, ABN AMRO 	Current other positions: <ul style="list-style-type: none"> • Chairman of the Advisory Board of the Erasmus School of Economics 	
			Previous positions: <ul style="list-style-type: none"> • Member of the Management Board and COO, SHV Energy • COO and Member of the Management Board, DSM Sinochem Pharmaceuticals 	

Report of the Supervisory Board

The Supervisory Board oversees the way the Executive Board defines and implements TKH's strategy to achieve the identified objectives of the company and its affiliated companies. In doing so, the Supervisory Board is provided with financial, commercial, operational, sustainability, and governance information, thereby focusing on the interests of all the company's stakeholders.

The Supervisory Board advises the Executive Board and oversees the Executive Board's relationship with all stakeholders, including shareholders. The members of the Executive Board are appointed by the General Meeting of Shareholders on a binding recommendation drawn up by the Supervisory Board. The Supervisory Board is governed by by-laws, which include rules covering such matters as its working method, tasks, decision-making, and competencies.

Composition and diversity

The Supervisory Board is composed in such a way that the knowledge, experience, and understanding of current and anticipated future developments at TKH including financial and sustainability, as well as the markets, products/technologies and activities relevant to the company, are well represented by its members. Each member of the Supervisory Board possesses specific

expertise required to fulfill his or her supervisory role. The Board's effectiveness is determined by the team's composition in terms of knowledge, experience and competencies, as well as the cooperation between its members. In addition to contributing to the regular plenary discussions, each member of the Supervisory Board has his or her specific own focus area related to TKH's activities and end markets. Continuity in the composition and operation of the Supervisory Board is invaluable, given its overall responsibility for the governance of the various strategic interests aimed at sustainable long-term value creation. In accordance with the Dutch Corporate Governance Code (the "Code"), the Supervisory Board applies a maximum term of office of 12 years. In addition, as part of the annual (self-) evaluation and prior to each reappointment, an assessment is made to determine whether the profile of the overall composition of the Supervisory Board is "up-to-date," and whether the expertise, competencies, and contribution of the member in question are still suitable. An introduction program is being used for new members of the Supervisory Board, which considers the expertise and knowledge that the member brings to the Supervisory Board. The introduction program focuses on the general strategy, financial and sustainability reporting, and the organizational structure and activities of TKH, supported by site visits at selected operating companies.

The Supervisory Board values diversity in its composition in terms of age, gender, background, expertise, professional experience, and nationality, considering statutory requirements. These elements are also included in the profile drawn up by the Supervisory Board for any new members. In terms of composition, the Supervisory Board



Supervisory Board members

from the top left to the right

Mr. Oosterveer

Mrs. Gorter

Mr. Kroon

Mrs. Schönningh

Mrs. Peek

exceeds the quota stipulated in Dutch company law of a balanced distribution of seats of at least 1/3 female and 1/3 male members, insofar as these seats are allocated to natural persons. The Board strongly supports the view that diversity contributes to objective and sound decision-making, whereby diversity is not only considered important in terms of gender but also in terms of expertise, competencies, and background. The composition of the Supervisory Board is such that its members can act critically and independently of one another, of the Executive Board, and of any individual interests. In the opinion of the Supervisory Board, all members meet the independence requirements stipulated in best-practice provisions 2.1.7 up to 2.1.9 of the Code.

The composition of the Board and its committees have changed in the past year. At the AGM 2024, Mrs. Schöningh was reappointed for a further period of four years. In addition, Mrs. W.A.A. Peek was appointed as a new member of the Supervisory Board for a period of four years.

Meetings during the year under review

In 2024, five regular meetings were held and three additional meetings, which were all also attended by the Executive Board. The Supervisory Board meetings were well attended in 2024. In addition to the regular meetings,

five closed meetings took place, attended only by the Supervisory Board members. During the year under review, there were no subjects on the agenda that could have potentially given rise to conflicts of interest. The 2023 annual financial statements were discussed in the presence of the external auditor. In preparation for the Supervisory Board meetings, as well as to discuss other relevant matters during the year, the chairman of the Supervisory Board maintained regular contact with the chairman of the Executive Board.

Company visits

At least one regular meeting annually is held at the location of a TKH operating company. Such visit allows the Supervisory Board to meet with local management and employees and to gain a better understanding on the status and progress of TKH's activities, technological developments, and organizational capacity. The Board is updated on local developments and possible challenges and opportunities faced by local management. These visits include presentations and guided tours of the facility, whereby particular attention is paid to the local company and safety culture.

In 2024, the Supervisory Board has visited the TKH operating company VMI in Epe, the Netherlands. During

the company visit, the Supervisory Board was informed about technological and project developments, market and customer developments, operational challenges and opportunities, and other company-specific developments. Specific attention was paid to Artificial Intelligence (AI) and the opportunities of applying AI to further innovate the existing product portfolio. This was demonstrated during the tour of the facility by showing the value of the AI application 'Foreign Object Detection' on the VMI MAXX tire building machine. This in-line, high speed detection system utilizes a high-resolution camera to detect foreign objects in tread material which subsequently allows an AI algorithm to analyze the images in real-time ensuring extremely high levels of accuracy and minimizing the number of false-positive alarms, resulting in optimized levels of productivity, lower scrap rates, and minimized usage of energy and raw materials. This innovative solution is the result of successful cooperation between the operating companies VMI, Chromasens, LMI, TKH AI and TKH Technology Poland.

During the tour, special attention was also paid to other important topics such as health and safety. The Supervisory Board greatly values these company visits and the opportunity to meet with local management and employees, to provide a deeper and more comprehensive understanding of local capabilities and culture.

Regular meetings

Recurring agenda items include topics such as business review and financial results and developments, the progress of the Accelerate 2025 strategic program including the valuation of TKH, investments and divestments, technological, organizational, and market developments, as well as sustainability, which are discussed at each regular meeting. In 2024, specific attention was paid to the implementation of the CSRD, the divestments of EKB Groep and HE System Electronic, and the acquisi-

Supervisory Board competences and skills

Supervisory Board member	Strategy and business	International	TKH products and technologies	Human Capital	Financial and internal controls	Governance (incl. business ethics, legal)	Sustainability (incl. CSRD reporting)
Mr. Oosterveer	V	V	*	*	*	*	*
Mr. Kroon	V	V	*	*	*	*	*
Mrs. Gorter	*	*	*	*	V	V	*
Mrs. Schöningh	*	*	V	V	*	*	*
Mrs. Peek	V	*	*	*	*	*	*

* Has sufficient/advanced knowledge, skills and experience in the area and can make a balanced judgement on the matter.

V Is in addition considered an expert in relation to previous or current roles.

tions of JCAI, Liberty Robotics and Comark, to the safety performance, cybersecurity, digitalization, and management development and succession. In addition, developments were discussed related to supply chain management, cost inflation of (raw) materials and labor, the impact of increasing interest rates and a possible recession, as well as the impact of global economic and geopolitical developments on the implementation of TKH's strategy, financial position, and results. Specific attention was paid to the opportunity for expanding TKH's scope in projects by providing engineering, installation, termination and testing services, in addition to the traditional supply of the cables only. The content of the press releases concerning the annual and half-year results, and the Q1 and Q3 Market Update was discussed with the full Supervisory Board prior to publication. Finally, during several meetings specific attention was paid to the valuation of TKH and the opportunities to further unlock the full potential of the company.

Each regular meeting was used to discuss the progress of strategic initiatives and business developments, including the order book, the competitive environment in which TKH operates, potential business risks, and how these risks are managed. The Board was furthermore also frequently updated on the progress of specific innovation projects as well as the progress on large capital investments. This strategic capital expenditure program of approximately €200 million will increase TKH's production capacity to respond to the higher market demand for automation, digitalization, and electrification. In September 2024, the state-of-the-art production facility to produce inter-array offshore cables in Eemshaven, the Netherlands, was opened. Throughout the year, a "deep dive" presentation was provided by the Executive Board regarding TKH's approach to digitalization whereby more insight was gained into the proposition of digitalization within TKH's portfolio, as well as to digitalization opportunities related to

internal processes including ERP systems, knowledge sharing, and shared infrastructure to further enhance collaboration within the TKH group.

In the year under review, three additional meetings were held. In one of the meetings the press release concerning the Market Update Q3 was discussed. Another meeting was fully dedicated to the sustainability strategy. The third additional meeting was fully focused on an assessment and validation of the Company's strategy. With the strategic investment program completed, and a large part of our commodity-based portfolio divested, the strategy has been discussed in light of further value creation. More information is included in the section Strategy update: Focus and Optimization.

Closed meetings

The Supervisory Board met five times in the absence of the Executive Board. The most important topics of discussion were:

- Explanation by the Remuneration Committee of the Remuneration Policy for the Executive Board and Supervisory Board and the remuneration proposal for the Executive Board.
- Assessment and validation of the strategy in light of further value creation.
- Evaluation of the performance of the Supervisory Board, its committees, and its individual members.
- Composition of the Executive Board and the Supervisory Board and its committees – formal nominations for reappointments to the Supervisory Board to the 2025 AGM.

The Supervisory Board supervises and advises the Executive Board based on agenda items that recur at every meeting, and on specific subjects relevant for discussion at any given time.

Topics of Supervisory Board meetings in 2024			
Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • Business review • Financial results and press release • Progress of strategic program – valuation of TKH • Investments and divestments • Sustainability • Supervisory Board committees • Explanation of audit report • AGM preparation/dividend proposal • Remuneration Policy • Acquisition of JCAI • Acquisition of Comark • Acquisition of Liberty Robotics • Divestment of HE System Electronic • Divestment of EKB Groep 	<ul style="list-style-type: none"> • Business review • Financial results and press release • Progress of strategic program – valuation of TKH • Investments and divestments • Sustainability • Supervisory Board committees • Preparation for AGM • Acquisition of Comark • Acquisition of Liberty Robotics • Divestment of HE System Electronic • Divestment of EKB Groep 	<ul style="list-style-type: none"> • Business review • Financial results and press release • Progress of strategic program – valuation of TKH • Investments and divestments • Sustainability • Cybersecurity • Supervisory Board committees • Company visit to VMI Epe, the Netherlands • Opening of Eemshaven factory • Strategy assessment and validation 	<ul style="list-style-type: none"> • Business review • Financial results and press release • Progress of strategic program – valuation of TKH • Investments and divestments • Sustainability • Supervisory Board committees • Budget and Investment Plan 2025 • Outlook 2025-2027 • Interim Update letter external auditor • HR topics including management development and succession • Deep dive digitalization • Strategy assessment and validation

Culture and organization

TKH has an entrepreneurial culture with a focus on technological development and a proactive approach to the market. Given its decentralized organizational structure, responsibilities are delegated deep within the organization but governed by centralized oversight and a general (compliance) framework. The Executive Board leads by example and provides guidance on norms and values, including rules and other guidance. To validate the effectiveness of both the structure and the culture, the Supervisory Board uses annual as well as individual company visits to gain insights through discussions with and presentations by local management. Consultation with the Central Works Council is another important part of the assessment of the company culture.

HR and safety

HR developments are discussed at least once a year with the Executive Board, with particular emphasis on management development (programs) and succession, employee satisfaction, employer branding, and diversity. In 2024, special attention was paid to the implementation of action plans to increase the proportion of females in

executive and senior management teams. In addition, the safety performance and actions for further improvements were discussed to ensure that safety will continue to be seen as one of the organization's top priorities, demonstrated through increased safety awareness in the organization and enabling employees to take personal responsibility for safety.

Sustainability (ESG)

The Supervisory Board is regularly updated on the progress of sustainability initiatives and developments. Last year, considerable attention was paid to the implementation of the EU Corporate Sustainability Reporting Directive (CSRD), including several deep dive sessions discussing the implementation of the CSRD, the challenges and opportunities for TKH, as well as the importance of the double materiality assessment. It is anticipated that the further implementation will include additional in-depth discussions with the Executive Board regarding the impacts, risks and opportunities as well as the challenges and ambitions related to reducing negative impacts of the material topics.

Progress on the defined key non-financial KPIs was discussed, including the progress made toward the target of CO₂e neutrality (scopes 1 and 2) by 2030 and diversity of the own workforce. The Supervisory Board is convinced that ESG has become more relevant strategically and needs to be further integrated within TKH's processes and structures and its therefore commendable that TKH made the choice to adhere to the ESRS reporting requirements earlier than being required by Dutch legislation, starting with this year's annual report.

Contact with the Central Works Council

The Supervisory Board maintains annual contact with the Central Works Council about TKH's strategy and topics of interest to the individual Works Councils. These topics include staff continuity and employability, safety, and cooperation between operating companies. In the context of the Central Works Council's (strengthened) right of recommendation, when there are vacancies in the Supervisory Board, a dialogue is initiated with a view to obtain input for reappointment of existing members or appointing new members. The members of the Supervisory Board have great respect for the professionalism



Supervisory Board visit to VMI, the Netherlands



with which the Central Works Council deals with important issues and offers sound advice. The Board regards consultation with the Central Works Council as being open, constructive, and valuable. For the Supervisory Board, consultation with the Central Works Council is also an important element in assessing and validating the culture within TKH's organizations.

Committees

The Supervisory Board of TKH has three committees: the Selection and Nomination Committee, the Remuneration Committee, and the Audit Committee. The committees all have their own set of rules governing their conduct.

Selection and nomination Committee

The Selection and Nomination Committee consists of Mr. P.W.B. Oosterveer (chairman) and Ms. W.A.A. Peek (as from the AGM 2024). The Selection and Nomination Committee held two formal meetings in 2024. The committee also had frequent (virtual) contact on current topics, in particular regarding the composition of the Supervisory Board and the retirement schedule and ensuring that the knowledge and expertise within the Supervisory Board remains appropriate. Management development and succession planning is also an important topic of discussion within the TKH organization.

The Supervisory Board nominates Mr. Kroon and Mrs. Gorter as candidates for re-appointment to the Supervisory Board – based in part on the profile specified for the Supervisory Board – on the condition that, at the AGM 2025, the general meeting does not invoke its right of recommendation. The Supervisory Board has discussed the re-appointments, and its members unanimously agree that the knowledge and experience of Mr. Kroon and Mrs. Gorter bring great value to TKH, and match the expertise required in the Supervisory Board's profile. The members of the Supervisory Board consider

the re-appointments to be in the best interests of TKH, given their extensive knowledge of TKH and their excellent performance as a Supervisory Board member.

The Selection and Nomination Committee reported to the Supervisory Board on the most important results of each of its meetings and consultations.

Remuneration Committee

The Remuneration Committee consists of Mrs. A.M.H. Schöningh (chairman), Mrs. C.W. Gorter, and Mr. J.M. Kroon (as from the AGM 2024). The Remuneration Committee held two formal meetings in 2024. The Remuneration Committee also had frequent (virtual) contact during the past year. The achievement of the Executive Board's targets was assessed, based on which the committee presented a proposal for a decision on the remuneration of the Executive Board to the Supervisory Board during a closed meeting. The targets for the Executive Board for the financial year 2025 have also been discussed and defined.

In 2023, the Remuneration Committee conducted a thorough review of the Remuneration Policy. The review focused, among other things, on the remuneration structure, KPIs, long-term value creation including sustainability, and the composition of the reference group. In addition, relevant legislative and regulatory developments such as the CSRD and the (in 2022) revised Dutch Corporate Governance Code was assessed. The review also included current market practice, societal trends and expectations, and developments in corporate governance. Based on the outcome of this review, the Remuneration Committee developed a draft Remuneration Policy 2024, which was submitted to the AGM 2024 for approval. The 2024 Remuneration Policy for the members of the Executive Board and the Supervisory Board were adopted by the AGM with 98.8%

and 100.0% respectively. More information can be found in the Remuneration report section.

The Remuneration Committee reported the most important findings of each of its meetings and consultations to the Supervisory Board.

Audit Committee

The Audit Committee consists of Mrs. C.W. Gorter (chairman), Mr. J.M. Kroon, and Mr. P.W.B. Oosterveer. Mrs. Gorter also chairs the committee as an expert in the preparation and audit of the financial statements.

The Audit Committee held four regular meetings in 2024, and two additional meetings. The Audit Committee meetings were held in the presence of the external auditor EY, as well as the CFO, the Director Internal Audit, the Manager Internal Audit, and the Director of Finance & Control of TKH. The newly appointed external auditor for the financial year 2025 (Deloitte) was also present as an observer, in the context of the transition. TKH's Tax Director was present at two meetings to explain national and international tax developments and specific tax matters of importance to TKH, such as the application of the Dutch innovation box scheme, Pillar Two, tax compliance including the Tax Control Framework and risk management issues. The Audit Committee discussed the audit plan, on the basis of which the audit activities have been carried out, with the external auditor. The scope and materiality of the audit plan, as well as the key risks in the annual reporting that the external auditor has identified in the audit plan, were also discussed. During the year under review, the external auditor's audit approach and performance was reevaluated in consultation with the Audit Committee.

In addition, at each meeting, the Director Internal Audit provided an explanation of the findings concerning the

internal audit activities. The company's internal risk management and control system is an ongoing point of attention for the Audit Committee. Other topics discussed within the committee's remit included impairment analyses and the impact of changes in the International Financial Reporting Standards (IFRS) on the income statement and balance sheet including disclosures (financial statements). Due to the relevance of IT & Security to both the day-to-day operations and TKH's business model in the context of software development and R&D, this topic is given high priority at every Audit Committee meeting.

During one of the additional meetings, a deep dive presentation was delivered on the implementation of the CSRD and related ESRS, including the outcome of the double materiality assessment, timing, and challenges. The relevant upcoming laws and regulations were also discussed and included topics such as sustainability (CSRD and CSDDD), cybersecurity (NIS2), and the risk management statement (VOR) which is likely to be required for Dutch stock listed companies in 2025 after being embedded in the Dutch Corporate Governance Code. The other additional meeting was devoted to the audit transition plan of the external audit for the 2025 financial year (Deloitte).

In the year under review, there was a discussion of the key audit matters identified by the external auditor as having the greatest impact on the audit approach and activities during the audit. The key audit matters identified include the recognition of revenue over time and the related valuation of contract assets and contract liabilities, and the valuation of capitalized development costs related to innovation projects in development. Specific accounting issues in the audit include the valuation of goodwill, non-compliance with laws and regulations, specifically (commission) payments to third-party agents and

non-routine transactions in high-risk countries, the valuation and disclosure of acquisitions and divestments, the valuation of a specific right of use asset, and the valuation of inventory at one of the operating companies. In addition, the audit by the external auditor included other areas of audit emphasis related to the CSRD reporting, tax assessments, tax pillar II, and assets held for sale.

In the year under review, increased attention was devoted to developments in non-financial information, including the implementation of the CSRD and related ESRS. The outcome of the double materiality assessment was discussed, as well as the structure and content of the sustainability statements and risk management chapter 2024. Internal Audit developed and conducted review activities focusing on selected non-financial KPIs. This was also in preparation for the audit of non-financial KPIs by the external auditor. TKH has received limited assurance on the sustainability statements 2024. During the reporting year, further attention was also paid to supply chain management, cost inflation of (raw) materials and labor, the impact of interest rate volatility and a possible recession, and the influence of global economic and geopolitical developments on the execution of TKH's strategy, financial position, and results.

Forensic expertise is used in the development of the audit plan as well as in performing audit activities to gain a clearer picture of the possible risks of fraud and review internal control measures, also given the increased attention being paid to fraud and corruption in society. The Audit Committee discussed the company's fraud risk assessment, including inherent fraud risks, identified significant risks, and other risks and attention areas. The risk mitigating measures were also discussed, both at TKH group level and at operating company level.

The external auditor explained the interim update letter with findings in reporting, and administrative organization and internal control, where relevant to the audit of the financial statements. The main topics discussed were the valuation of development costs concerning two specific assets, a tax assessment received at one of the operating companies, tax pillar II legislation, the (completion of the) capital expenditures related to the new factory in Eemshaven, the acquisition and processing of the acquisitions of JCAI, Liberty Robotics and Comark, the divestment and processing of HE System Electronic, Shin-Etsu (Jiangsu) Optical Preform Co. Ltd. and EKB Groep, and the valuation of inventories at one of the subsidiaries. In addition, IT control measures and cybersecurity, fraud and non-compliance management, the financial statements filing process related to ESEF reporting, and findings at operating companies that needed to be followed up were discussed. The external auditor also updated its audit plan to reflect recent developments, including the reassessment of materiality levels and scoping. Finally, relevant observations concerning the sustainability reporting were discussed.

The Audit Committee evaluates the performance of the external auditor annually, regarding the quality of the audit activities, the adequacy and implementation of the audit engagement, and the quality and depth of the reports, as well as any additional contributions. The committee discusses its findings with the external auditor and with the Executive Board and Supervisory Board. The Audit Committee also evaluates the internal audit function. The input for the evaluations includes the follow-up on the points of attention and improvement of the audit activities as formulated by the external auditor and TKH regarding the previous financial year. The Audit Committee also advises the Supervisory Board on the nomination for the (re)appointment of the external auditor and prepares the selection of the external auditor. In

doing so, it considers the Executive Board's observations. The Audit Committee then submits a proposal to the Supervisory Board for commissioning and the Supervisory Board subsequently proposes appointment of the external by the general meeting to audit TKH's financial statements.

In accordance with best practice provision 1.7.4 of the Code, the Audit Committee held a meeting with the external auditor in 2024 without the presence of the Executive Board. It was established that the external auditor was independent of TKH.

The Audit Committee reported the most important findings of its meetings to the Supervisory Board.

Evaluation

The Supervisory Board also convened a closed meeting to discuss its own performance and that of its committees and individual members. An evaluation by each individual member of the Supervisory Board is carried out by an external advisor. The outcome of this evaluation is reported to the Supervisory Board. The evaluation covered the Board's composition, independence, expertise, and team effectiveness, as well as the quality of information provision, the role of the chairman, and relations with the Executive Board. Based on the evaluation, it was concluded that the Supervisory Board as a whole, as well as its individual members, functioned well. This honest and open relationship is characterized by mutual respect. The members complement each other sufficiently in their advisory and supervisory role toward the company and cover a wide range of relevant expertise. The available and desired expertise and knowledge within the Board was also discussed. It was established that there is a good working relationship between the Supervisory Board and the Executive Board, and that they are also sufficiently critical of each another.

Communication from the Executive Board to the Supervisory Board takes place in an open, professional, and constructive manner so Supervisory Board members have a strong understanding of strategic and operational issues. It was also established that no member of the Executive Board has more than two "demanding" supervisory positions as defined in the Dutch Management and Supervision Act. The Supervisory Board has no indication of any kind of conflict of interest between the company and members of the Executive Board. The chairman of the Supervisory Board discussed the findings with the chairman of the Executive Board.

During the closed meetings, the points in the Code's best-practice provision regarding the independence of the Supervisory Board (2.1.7), its individual members (2.1.8), and the chairman (2.1.9) were also assessed. It was concluded that all members of the Supervisory Board are independent.

Financial statements 2024

The report of the Executive Board and the 2024 financial statements were submitted to the Supervisory Board in accordance with the provisions in Article 31 of the Articles of Association. The financial statements were submitted

for audit to EY Accountants B.V., which subsequently issued an unqualified auditor's report on the financial statements based on the audit.

The Supervisory Board discussed the financial statements with the Executive Board in the presence of the external auditor, and subsequently approved the financial statements on March 3, 2025. The Supervisory Board submits the financial statements for the 2024 financial year to the AGM and recommends adopting the financial statements. The Supervisory Board believes that the financial statements constitute a sound basis for the account given by the Executive Board of its management and by the Supervisory Board of its supervision of the management. The Supervisory Board also proposes that the proposed appropriation of profits be approved and that the Executive Board be discharged in respect of the policies pursued and the Supervisory Board in respect of the supervision exercised.

Haaksbergen, March 3, 2025

On behalf of the Supervisory Board,
P.W.B. Oosterveer, *chairman*

Attendance at meetings of the supervisory board and its committees

Meeting	Supervisory Board	Audit Committee	Remuneration Committee	Selection and Nomination Committee
P.W.B. Oosterveer (chairman)	8/8	6/6	2/2	2/2
J.M. Kroon ¹	7/8	6/6		2/2
C.W. Gorter	8/8	6/6	2/2	
A.M.H. Schönigh	8/8		2/2	
W.A.A. Peek ²	5/5			
R.L. van Iperen ²	3/3			

¹ Mr. Kroon was member of the Selection and Nomination Committee until September 30th.

² Mrs. Peek has been appointed as member of the Supervisory Board at the AGM 2024 (May 7, 2024).
Mr. Van Iperen was member of the Supervisory Board until the AGM 2024.

Remuneration report

This Remuneration Report describes the implementation of the Remuneration Policy for the members of the Executive Board and the Supervisory Board.

Letter from the Remuneration Chair

On behalf of the Remuneration Committee, I am pleased to present the 2024 Remuneration Report, which provides a summary of the remuneration policies for the Executive Board and the Supervisory Board and an explanation about how they were applied in 2024. The aim of the Remuneration Policy is to provide remuneration in line with the market in order to attract, motivate, and retain qualified Executive Board members of the publicly listed company, taking into account the Company's size, strategy, and unique characteristics. TKH aims to be an attractive employer and a sound investment for its Shareholders, with a focus on sustainable long-term value creation.

During (part of) 2023 and 2024, the Remuneration Committee conducted a thorough review of the Remuneration Policy for the Executive Board in line with the Dutch law, the Dutch Corporate Governance Code, and other relevant national and international developments. The Remuneration Committee was assisted by an external consultant. This process was guided by the following principles:

- Remuneration focused on the achievement of the Company's strategy.
- A competitive Remuneration Policy to attract and retain the right talent.
- Taking into account stakeholder perspectives and societal developments.

- Adherence to good corporate governance practices.
- Performance criteria that are measurable, transparent, and verifiable.

We have engaged in active dialogue with the Workers Council as well as with governance organizations, proxy advisors and major shareholders on the envisaged changes, all supported by an external advisor. The feedback received has been taken into account in the 2024 Remuneration Policy. The key changes in the 2024 Remuneration Policy compared to the 2020 Remuneration Policy, in addition to general textual improvements, are as follows:

- Updated reference group. The new reference group now includes an equal mix of Dutch publicly listed companies and international (largely European) sector-specific companies that are comparable to the Company in terms of size, complexity, and international scope.
- Addition of a range of 20%-30% sustainability performance criteria as part of the Short-Term Incentive (STI).
- Addition of 20% sustainability performance criteria as part of the Long-Term Incentive (LTI).
- Removal of the minimum guaranteed Long-Term Incentive (LTI) award, allowing for a threshold level of performance for each of the performance criteria. If the actual performance is below the threshold, the award for the relevant performance measure will be 0%. In addition, the minimum guaranteed total LTI award of



- 0.25 has been removed so that if the performance criteria are below the threshold performance level, no LTI will be awarded.
- Inclusion of a minimum share ownership guideline of four times the base salary (total regular income, TRI).

The revised Remuneration Policies were proposed by the Supervisory Board for adoption by the 2024 General Meeting of Shareholders, with effect from January 1, 2024. The Remuneration Policy for the members of the Executive Board and the Supervisory Board were adopted by the AGM with 98.8% and 100.0% respectively.

I would like to thank our shareholders and other stakeholders for their engagement and for sharing their views on the executive remuneration.

A.M.H. Schöningh
Chair of the Remuneration Committee

Remuneration Policy of the Executive Board

The remuneration payable to the members of the Executive Board consist of the following:

Total remuneration	
Basic salary (TRI)	Total regular income. Attracts, engages, and retains Executive Board members to deliver on TKH's strategic objectives.
Short-Term Incentive (STI)	An annual performance bonus. Contributes to TKH's short-term financial and non-financial performance objectives of TKH.
Long-Term incentive (LTI)	Incentive in the form of a share plan aligning the objectives of the Executive Board member with the long-term growth strategy and stakeholders' interests of TKH.
Pension	A pension commitment including the right to benefits in the event of poor health or disability, and a widows' and orphans' pension in the event of death.
Other compensation elements	Business allowances in accordance with what is generally accepted within the TKH organization.

Long-Term incentive (LTI)	
Share Plan	Members of the Executive Board receive shares based on the achievement of targets, on the condition that they personally invest in the same number of shares as they receive under the LTI plan.
Personal Investment	Members of the Executive Board receive shares on the condition that they personally invest in the same number of shares as they receive under the LTI plan. By personally investing in the same number of shares as they are awarded under the LTI, each member of the Executive Board invests a significant amount of money in a way that prudently manages risk but still encourages an entrepreneurial spirit to create long-term value. As a result, the interests of the Executive Board and the shareholders remain aligned.

The Remuneration Policy aims to provide remuneration in line with the market to attract, motivate, and retain qualified executives for the publicly listed company, taking into account the Company's size, strategy, and unique characteristics. TKH aims to be an attractive employer and a sound investment for its Shareholders, with a focus on sustainable long-term value creation. The Remuneration Policy aims to create sustainable long-term value for the Company and the sustainability of the Company as a whole in order to achieve its strategic, financial, and operational objectives. The Remuneration Policy is aligned with the business strategy through the establishment of specific short-term and long-term objectives that link the

remuneration of each Executive Board member to the success of the Company. The size of the LTI (Long-Term Incentive) in the total compensation package and the fact that the members of the Executive Board must invest for their own account in the same number of shares as are granted to them within the framework of the LTI including a holding period of three years are important factors in ensuring the long-term value creation and continuity of the Company. Furthermore, personal objectives under the Short-Term Incentive (STI) are linked to and aligned with the identity, values, and mission of the Company.

The Remuneration Policy was designed in the context of national and international market trends, statutory requirements, corporate governance best practice, the societal context around remuneration, and the interests of the Company's Shareholders and other stakeholders. The compensation package is periodically reviewed against market trends using information provided by external experts. The compensation package is designed to support both the short-term and long-term objectives of the company. Based on the objectives set, the Remuneration Committee performs scenario analyses regarding the Short-Term Incentive (STI) and Long-Term Incentive (LTI) to be awarded. The Company believes it is important to reward the achievement of growth targets, and the remuneration structure is designed to ensure that Executive Board members are not encouraged to take inappropriate risks.

Reference group

To attract qualified individuals to the Executive Board and retain the current members of the Executive Board for the long term, TKH Group takes into account external reference data when determining appropriate levels of remuneration. A specific reference group (peer group) for the employment market has been defined for this purpose. The reference group consists of an equal mix of Dutch publicly listed companies and international (largely European) sector-specific companies that are comparable to the Company in terms of size, complexity, and international scope. The Remuneration Committee, supported by external experts, regularly reviews this reference group to ensure that the composition remains appropriate.

AMX	International sector peers
Aalberts Industries	Barco
Arcadis	Basler
ASM International	Cognex
Basic-Fit	Huber+Suhner
Corbion	Jenoptik
Fugro	Mersen
Royal Vopak	NKT
SBM Offshore	SGL Carbon

Although the external market data provides a reference point, it is ultimately the responsibility of the Remuneration Committee and the Supervisory Board to determine and propose to the General Meeting a remuneration package at an appropriate level that reflects the specific context and requirements of the Company and the skills and capabilities of the individual Executive Board members. As such, external market data will be used to support rather than drive decision-making. The Remuneration Committee evaluates the external market data and recommends adjustments, if necessary, to the Supervisory Board for approval. The reference point is the median of total direct remuneration compared to the peer group.

Targets for STI and LTI

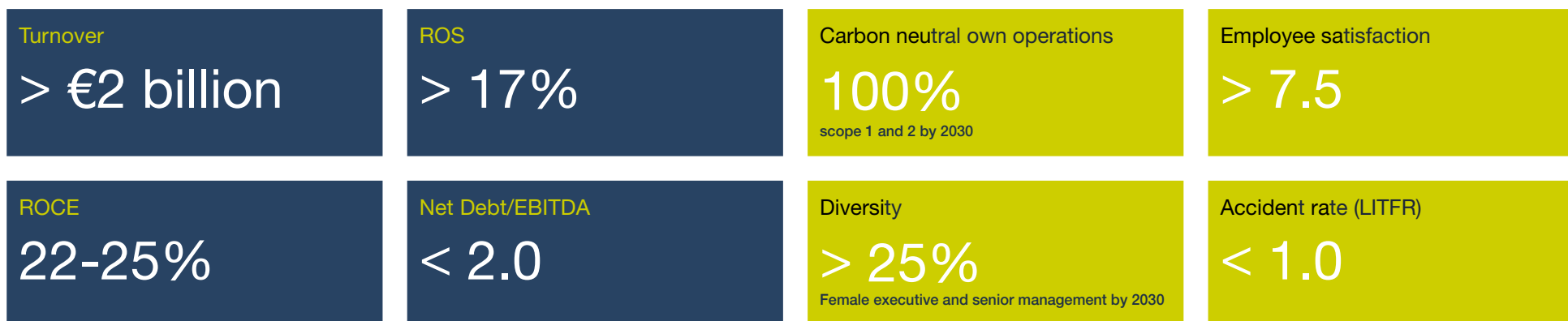
The annual targets for the STI and LTI relate to TKH's business plan as reflected in the financial and non-financial targets of the Accelerate 2025 strategic program.

Each year, the Supervisory Board sets the performance criteria, their respective weightings and specific targets for the year in question in line with the TKH Group's strategy, taking into account both financial and non-financial factors as well as personal objectives. This enables the Supervisory Board to respond in an agile way to changing business needs and/or strategy adjustments in a changing environment. In doing so, the Supervisory Board takes the following into account:

- Performance criteria must be derived from TKH Group's strategy;
- The focus should be on criteria that are essential for creating long-term value creation;
- Past performance, business prospects, and conditions; and
- Stakeholder expectations.

While financial and non-financial objectives focus on the achievement of overall strategic business objectives and sustainability ambitions, personal targets should relate to the individual member's specific role within the Executive Board. The above ensures that the STI contributes to TKH Group's strategy, long-term interests and sustainability. The full Remuneration Policy is available on the TKH website.

Financial and non-financial targets of the Accelerate 2025 strategic program



Application of the Policy in 2024

1 Basic salary (TRI)

The Remuneration Committee regularly reviews the base salaries of the members of the Executive Board. Based on the recommendation of the Remuneration Committee, the Supervisory Board determines the adjustment (if any), taking into account, among other things, the collective labor agreement for the large metal industry (FME) and the development of base salaries within the reference group. As a result, the base salaries have been increased by 3.5% with effect from January 1, 2024.

2 Performance bonus (STI)

Short-term variable pay is an important part of the remuneration package for members of the Executive Board. Each year, the Supervisory Board sets the targets and criteria on which the performance bonus is based in advance. The Supervisory Board, acting on a recommendation from the Remuneration Committee, determines the amount of the performance bonus on the basis of the achievement of the targets and criteria. An 'at target' performance results in a bonus of 40% of base salary (TRI). The performance bonus is capped at 60% of the base salary (TRI). Achievement of threshold will result in a

bonus of 8% of the base salary (TRI). For below threshold performance, the bonus is 0% of the base salary (TRI).

STI performance of the Executive Board in 2024

The performance bonus is based on the following performance criteria:

- 70% financial performance criteria
- 20% sustainability performance criteria
- 10% personal performance criteria

The STI for members of the Executive Board based on achievement of the 2024 targets is presented in the table below. Payment of the variable remuneration to members of the Executive Board is subject to the condition that the targets upon which the performance bonus is based or the circumstances under which the bonus was originally determined, are accurate.

Financial performance (70%)

Turnover (20% weighting) and EBITA (50% weighting) have been defined as financial performance criteria for 2024. The calculated turnover and EBITA are normalized for acquisitions and divestments, for both target and

performance. TKH achieved a normalized turnover of €1,675.3 million and a normalized EBITA of €205.3 million in 2024. The performance, normalized for acquisition and divestments, resulted in a performance pay-out of 7.6% for turnover and 5.3% for EBITA.

Sustainability performance (20%)

For 2024, the following two sustainability targets have been defined:

- LTIFR 0.7 (10% weighting): To make safety demonstrable, emphasis is placed on specific, measurable performance targets for safety measures, including LTIFR (Lost Time Injury Frequency Rate). Further action was taken on health and safety programs at the production facilities. The LTIFR figure for 2024 of 0.7 was at target.
- Employee satisfaction 7.8 (10% weighting): The employee satisfaction score in 2024 of 7.8 was at target and similar to last year's score (7.8). In addition, in 2024 more companies were included in the employee satisfaction survey.

The performance in 2024 against sustainability targets results in an overall performance ratio of 20.0%.

STI 2024	Bandwidth payout level				Targets			Performance					
	Weight	Threshold 0%	On-target 100%	Maximum 150%	Threshold 0%	On-target 100%	Maximum 150%	Performance	Performance payout	Actual payout % of TRI	Threshold	On-target	Maximum
Turnover (in millions)	20%	0%	20%	30%	€ 1,538	€ 1,810	€ 1,900	€ 1,675	7.6%	3.0%			
EBITA (in millions)	50%	0%	50%	75%	€ 199.1	€ 234.0	€ 245.9	€ 205.3	5.3%	2.1%			
Financial performance ¹	70%	0%	70%	105%					12.9%	5.2%			
Sustainability performance	20%	0%	20%	30%	See commentary				20.0%	8.0%			
Personal performance	10%	0%	10%	15%	See commentary				3.3%	1.3%			
Total performance	100%	0%	100%	150%					36.2%	14.5%			

¹ The calculated turnover and EBITA are normalized for acquisitions and divestments, for both target and performance.

Personal performance (10%)

The personal targets defined for 2024 are related to specific business issues and are not disclosed in detail due to (commercially) sensitive information. The achievement of the personal targets in 2024 results in an overall average performance ratio of 3.3%, consisting of the following performance ratios for each member of the Executive Board:

- 10.0% for J.M.A. van der Lof MBA
- 0.0% for E.D.H. de Lange MBA
- 0.0% for H.J. Voortman MSc

Total performance 2024

The performance percentages times 40% generates the actual payout percentage of TRI. This resulted in award payouts in €1,000 (STI) of the following values for:

J.M.A. van der Lof MBA:	$42.8\% \times 40\% \times \text{TRI} = 135$
E.D.H. de Lange MBA:	$32.8\% \times 40\% \times \text{TRI} = 78$
H.J. Voortman MSc:	$32.8\% \times 40\% \times \text{TRI} = 75$

3 Share plan (LTI)

An annual long-term variable compensation plan is in place that provides for share awards linked to long-term targets. This aligns the interests of the members of the Executive Board with those of the Shareholders.

The share plan has two components:

- 1 Acquisition of shares based on the achievement of long-term targets;
- 2 Purchase of shares by members of the Executive Board, for their own account, for an amount equal to the number of shares received free of charge (1).

Subject to the determination of the Remuneration Committee and approval of the Supervisory Board, the share plan enables members of the Executive Board to acquire shares free of charge in return for which the members of the Executive Board are required to invest for their own account in the same number of shares for the

price quoted on the stock exchange at that moment. It is also important that the interests of the Executive Board of TKH Group are aligned with those of long-term Shareholders. As members of the Executive Board are required to purchase the same number of shares under the LTI as they have been granted free shares, each member of the Executive Board invests a substantial amount in TKH Group shares. This ensures that risks are carefully managed and that the entrepreneurial spirit for long-term value creation is maintained. The shares in question are to be held as a long-term investment and may not be transferred for a period of three years after their respective allocation. This applies both to shares purchased for no consideration and to shares purchased by members of the Executive Board. The Supervisory Board has adopted share ownership guidelines that specify the minimum ownership requirements for members of the Executive Board. The share ownership requirement is at least four times the base salary (TRI). Newly appointed members of the Executive Board are subject to a “phase-in” rule, whereby the minimum share ownership is reached after a maximum of eight years.

The Long-Term Incentive is based on the following targets:

- 40% Financial targets (multiplier A)
- 20% Sustainability targets (multiplier B)
- 40% Share price performance (multiplier C)

The financial targets (40%) are set annually and are based on long-term strategic objectives such as ROS (Return on Sales) and ROCE (Return On Capital Employed) and other relevant financial objectives. The sustainability targets (20%) are also set annually and are based on strategic sustainability targets. The performance of the share price (40%) over the last three years compared to the AMX index, which is relevant for the company, may lead to an allocation of shares.

The amount of the long-term bonus is based on the achievement of targets and is determined by a system of multipliers:

- Multiplier A (40%): The applicable performance range for the financial targets is 0.5 to 1.5, with an “at target” level of 1.0.
- Multiplier B (20%): The applicable performance range for the sustainability targets is 0.5 to 1.5, with an “at target” level of 1.0.
- Multiplier C (40%): The performance of the share price (40%) over the last three years compared to the AMX index relevant to the Company results in an index with a performance range of 0.75 to 1.5 with an “at target” level of 1.0. This index is converted into a multiplier ranging from 0.5 to 1.8, with an 'at target' level of 1.0.

The amount of the long-term bonus is calculated by multiplying the multipliers (multiplier A*B*C). The total of the multipliers multiplied by the standard award of 50% results in the net LTI award. A threshold performance level is used for each of the multipliers. If the actual performance for a KPI falls below this threshold, the relevant multiplier and therefore the portion of the LTI based on the weighting of the relevant multiplier is forfeited. For example, if the achievement of the financial targets (multiplier A) is below the threshold performance, 40% of the LTI award is forfeited and the remaining LTI award is calculated using the multiplier B*C. There is no minimum (total) multiplier; if performance is below threshold for all of the multipliers, the LTI will be 0%. The share scheme is capped at a total multiplier factor of 2.7 of base salary (TVI). After the publication of the audited annual figures, the number of shares awarded is determined based on the average closing price over the three trading days following the publication of the annual figures. The shares vest shortly thereafter.

Targets and performance 2024

TKH Group's strategy is to increase the ROS and ROCE through growth in activities related to high-end technologies where relatively high margins can be achieved. The ROS and ROCE are important criteria for monitoring TKH Group's differentiation power based on the group's technology base and the ongoing transformation towards achieving the ROS and ROCE targets. In addition, the development of TKH Group's share price against the AMX index of Euronext Amsterdam is an important confirmation of the Shareholders' appreciation of the strategy. The sustainability objectives focus on the achievement of sustainability ambitions as part of the Accelerate 2025 strategic program with targets on carbon footprint reduction and diversity in terms of percentage of females in executive and senior management positions.

The following multipliers were achieved for each KPI based on actual overall performance against the performance ranges.

- TKH achieved a ROS of 12.3% in 2024, resulting in a multiplier for ROS (A) of 0.78. The calculated ROS is

normalized for acquisitions and divestments, for both target and performance.

- The ROCE in 2024 was 15.0%, and below the threshold. The calculated ROCE is normalized for acquisitions and divestments, for both target and performance. The relevant multiplier and therefore the portion of the LTI based on the weighting of the relevant multiplier is forfeited (20%).
- In 2024, a further reduction in the CO₂e footprint was achieved, resulting in a CO₂e footprint reduction of 70.3% compared to the reference year 2019 (2023: 64.3%), and is well on track towards the target of 100% carbon neutrality for scope 1 and 2 by 2030. The share of women in executive and senior management teams increased in 2024 from 19.2% to 21.6% and is well on track to meet the target of 25% by 2030. The performance on sustainability targets resulted in a multiplier of 1.50.
- The multiplier for the relative stock price developments (C) was 0.56 based on the stock price development of TKH shares compared to the AMX index of Euronext Amsterdam over the last three years (index of 78%).

These multipliers for each KPI resulted in a total multiplier

for the LTI of 0.65 (A*B*C), based on a weight of 80%, which meant that 0.65 x 80% x the standard award of 50% was granted.

This resulted in award payouts in €1,000 of the following net values for:

J.M.A. van der Lof MBA:	0.65 x 80% x 50% x TRI = 206
E.D.H. de Lange MBA:	0.65 x 80% x 50% x TRI = 155
H.J. Voortman MSc:	0.65 x 80% x 50% x TRI = 149

The corresponding gross values are listed in the table showing "total remuneration" in section 6 of this Remuneration Report. The number of certificates of shares associated with the net award will be calculated based on the average closing price over the three trading days following the time of publication of the annual figures. The awarded shares as well as the individually purchased shares in accordance with the LTI plan are included in the Executive Board share ownership table.

Members of the Executive Board receive shares on the condition that they personally invest in the same number of shares as they receive under the LTI plan.

LTI 2024	Bandwidth payout level				Targets			Performance						
	KPI	Weight	Threshold multiplier	On-target multiplier	Maximum multiplier	Threshold 0%	On-target 100%	Maximum 150%	Performance	Weight	Multiplier/payout %	Threshold	On-target	Maximum
A Financial ¹	40%	0.50	1.00	1.50						20%	0.78			
ROS	20%				11.7%	12.7%	13.7%	12.3%	20%	0.78				
ROCE	20%				17.4%	18.4%	19.4%	15.0%	0%	0.00				
B Sustainability	20%	0.50	1.00	1.50					20%	1.50				
CO ₂ footprint reduction	10%				64.3%	67.3%	70.3%	70.3%	10%	1.50				
Diversity	10%				19.2%	20.0%	20.8%	21.6%	10%	1.50				
C Relative stock price development	40%	0.50	1.00	1.80	0.50	1.00	1.80	index 0.78	40%	0.56				
Overall performance ratio	100%	Performance multiplier: A*B*C								80%	0.65			
Actual payout % of TRI										26%				

¹ The calculated ROS and ROCE are normalized for acquisitions and divestments, for both target and performance.

Executive Board share ownership

	Balance at 1/1	Awarded shares	Individually purchased shares	Disposal (at least 3 years in portfolio)	Balance at 31/12
J.M.A. van der Lof MBA					
2023 ¹	118,147	6,547	6,547	-18,594	112,647
2024 ¹	112,647	17,388	17,388	-17,388	130,035
E.D.H. de Lange MBA					
2023 ¹	85,009	4,910	4,910	-14,730	80,099
2024 ¹	80,099	13,053	13,053	-26,106	80,099
H.J. Voortman MSc					
2023 ¹	35,935	4,456	4,456	-4,456	40,391
2024 ¹	40,391	12,575	12,575	-11,915	53,626

¹ Achieved in the previous financial year and paid out in the following financial year.

4 Pensions

The Remuneration Committee ensures that the pensions of Executive Board members are in line with generally accepted standards and ensures that they are consistent with the pension plans offered for similar positions. In addition, the pension provisions include a right to benefits in case of ill health or disability and a widow's and orphan's pension in case of death on terms similar to those applicable to members of the collective pension fund. The associated costs, up to the maximum allowed under tax law, are included in pension costs. The pension compensation refers to any portion exceeding the maximum allowed under tax law (2024: €137,800).

5 Other employee benefits

The members of the Executive Board are entitled to certain business allowances in accordance with what is generally customary and accepted within the TKH organization, which are limited to an expense allowance, car, (mobile) phone, and insurance. Additional governance-related activities are not subject to any additional conditions or remuneration. No option rights are awarded to members of the Executive Board.

6 Total remuneration

The table below lists the various gross remuneration components and relative percentages of fixed and variable remuneration of the members of the Executive Board.

7 Pay ratio

In formulating the Remuneration Policy for the Executive Board, one of the factors the Supervisory Board takes into account is the organization's pay ratio. The Supervisory Board believes that there should always be a reasonable balance between the remuneration of the members of the Executive Board and the remuneration of the other employees. The internal pay ratio is understood to mean the ratio between the total annual remuneration of the CEO on the one hand, and, on the other hand, the average annual remuneration of the employees of the company and group companies whose financial data are consolidated by the company, where:

- The total annual remuneration of the CEO includes all the remuneration components (such as fixed remuneration, variable cash remuneration (bonus), the share-based part of the remuneration, social contributions, pension, expense allowance, etc.) included in the consolidated annual accounts on an IFRS basis.
- The average annual remuneration of the employees is determined by dividing the total wage costs for the financial year (as included in the consolidated annual accounts on an IFRS basis) by the average number of FTEs during the financial year. The labor mix had an important impact on the average total remuneration of employees in 2024, in addition to inflation effects.
- The value of the share-based component of the remuneration is determined at the grant date in accordance with the applicable rules under IFRS.

Total remuneration Executive Board

(in €1,000 unless stated otherwise)	Basic salary (TRI)		Variable income (STI) ¹		Share plan (LTI) ¹		Pension		Pension compensation		Total		Variable share in the total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
J.M.A. van der Lof MBA	789	763	135	317	353	1,135	57	50	251	222	1,585	2,487	30.8%	58.4%
E.D.H. de Lange MBA	593	573	78	238	265	852	27	23	80	79	1,043	1,764	32.9%	61.8%
H.J. Voortman MSc	571	552	75	230	256	821	27	23	77	75	1,006	1,700	32.9%	61.8%
Total remuneration	1,953	1,887	288	785	874	2,808	111	95	408	376	3,634	5,951	32.0%	60.4%

¹ Achieved in the previous financial year and paid out in the following financial year.

The pay ratio for 2020 is significantly lower due to the lower value of STI and LTI as part of the remuneration. This led to a significant reduction in remuneration in 2020 and, consequently, to a relatively low pay ratio for 2020. The pay ratio for 2022 is lower compared to 2021 due to the lower value of LTI, mainly as a result of a lower multiplier for the relative stock price development. The pay ratio for 2024 is 26.6 and significantly lower compared to 2023, due to the lower value of STI and LTI as part of the remuneration.

8 Comparative information on remuneration and company performance

The table below shows a five-year comparison of the changes in the remuneration of the Executive Board and the company's performance.

9 Personal loans

No loans, advances, or guarantees are granted to members of the Executive Board.

10 Change of control

There is no "change of control" clause in the employment contracts of the members of the Executive Board. This will be decided by the Supervisory Board taking into account customary practices for this type of situation as well as applicable laws and corporate governance requirements.

11 Severance pay

The maximum severance payment in the event of dismissal is one year's salary (TRI), including the notice period. No severance payment shall be made if the employment contract is terminated prematurely at the initiative of the member of the Executive Board or if the member is guilty of gross misconduct or negligence.

12 Claw-back

The Supervisory Board has the discretionary authority to claw back variable remuneration awarded to members of the Executive Board if it is based on inaccurate (financial) data. In line with claw-back legislation, the payment of variable remuneration to the members of the Executive Board is made on the condition that the relevant (financial) data are correct. For 2024, there was no full or partial recovery of a bonus.

Comparative information on Remuneration and Company performance

(in €1,000 unless stated otherwise)	2024	2023	2022	2021	2020
Remuneration Executive Board ¹					
J.M.A. van der Lof MBA	1,278	2,215	1,658	2,237	902
E.D.H. de Lange MBA	936	1,663	1,244	1,678	676
H.J. Voortman MSc	902	1,603	1,127	1,523	614
Company performance					
ROS	12.7%	12.8%	12.9%	12.4%	10.5%
EBITA	204	237	235	190	129
CO ² e reduction (vs. 2019)	70.3%	64.3%	42.7%	29.8%	
CO ² e reduction (vs. 2015)					5.8%
Illness rate of employees	3.97%	3.85%	4.04%	3.56%	3.51%
Average remuneration per FTE	60	58	57	55	50
CEO pay ratio	26.6	43.0	33.7	45.3	22.4

¹ Based on TRI, STI, and LTI.

Remuneration Policy of the Supervisory Board

The policy aims to provide a competitive compensation package to attract, motivate, and retain qualified Supervisory Board members for a publicly listed company, taking into account the Company's size, strategy, and unique characteristics. The policy was designed in the context of national and international market trends, statutory requirements, corporate governance best practice, the societal context around remuneration, and the interests of the Company's Shareholders and other stakeholders. The compensation package is periodically reviewed against market trends using information provided by external experts.

The overriding principle of the Company's Remuneration Policy is to ensure fairness and transparency. The remuneration structure is designed to encourage Supervisory Board members to perform their role adequately and does not depend on the financial results of the Company. The Supervisory Board acknowledges its responsibility to be aligned with the identity, mission, and core values of the Company. In this context, it has been decided to have only a fixed remuneration income and no variable remuneration to be able to have an independent and objective role regarding the implementation of the Company's strategy, targets, long-term value creation, and sustainability.

In order to attract qualified persons to the Supervisory Board and retain current members of the Supervisory Board over the long term, the Company takes into account external reference data when determining appropriate levels of remuneration. A specific reference group (peer group) for the labor market has been defined for this purpose. The reference group consists of an equal mix of

Dutch publicly listed companies and international (largely European) sector-specific companies that are comparable to the Company in terms of size, complexity, and international scope. The Remuneration Committee, supported by external experts, regularly reviews this reference group to ensure that its composition remains appropriate.

Although the external market data provides a useful reference point, it is ultimately the responsibility of the Remuneration Committee and the Supervisory Board to determine and propose to the Annual General Meeting a remuneration package at an appropriate level that reflects the specific context and requirements of the Company and the skills and capabilities of the individual Supervisory Board members. As such, external market data will be used to support rather than drive decision-making. The Remuneration Committee evaluates the external market data and recommends adjustments, if necessary, to the Supervisory Board for approval.

The General Meeting of Shareholders adopted the remuneration of the Supervisory Board in 2024 with 100.0%, with effect from January 1, 2024. The full Remuneration Policy is available on the TKH website.

Application of the Policy in 2024

1 Remuneration

The individual remuneration of the members of the Supervisory Board is determined by the General Meeting on a recommendation by the Supervisory Board. The remuneration for the members of the Supervisory Board is set at a level which is considered appropriate to attract individuals with the necessary international experience and the ability to make an important contribution to the Company's affairs. The remuneration is determined taking into account the level of responsibility of each Supervisory Board member and the remuneration paid by other companies of similar size and complexity. Indexation of the remuneration for the Supervisory Board takes place annually.

The remuneration of Supervisory Board members needs to be at a reasonable level compared to the terms of employment and average income of the employees in the company, as well as in relation to the pay ratios that apply within the company. The compensation of a member of the Supervisory Board does not depend on the Company's results and reflects the time spent and the responsibilities of the position. All Supervisory Board members receive a fixed base remuneration to compensate them for the services they provide as members of the Supervisory Board. The Chairman of the Supervisory Board receives a higher remuneration for his services. Additional remuneration is also paid for membership of Supervisory Board committees. If circumstances require members of the Supervisory Board to perform substantially more than their normal activities, they will receive a remuneration of €1,000 for each part of a day, up to a maximum of €2,000 per day.

Supervisory Board members do not receive any performance or equity-related compensation. Supervisory Board members do not accrue any pension rights with the Company.

The 2024 remuneration of the Supervisory Board is based on the following amounts:

Chairman of the Supervisory Board	€67,481
Member of the Supervisory Board	€50,611
Chairman of the Audit Committee	€11,247
Member of the Audit Committee	€7,873
Chairman of the Remuneration Committee / Selection and Appointment Committee	€8,998
Member of the Remuneration Committee / Selection and Appointment Committee	€6,748

2 Total remuneration

The table on the right lists the total remuneration paid to individual members of the Supervisory Board.

3 Share ownership of the Supervisory Board

The current members of the Supervisory Board do not own any (depository receipts for) shares in TKH.

4 Comparative information on remuneration

The table on the right shows a five-year comparison of the changes in the remuneration of members of the Supervisory Board.

Total remuneration Supervisory Board				
(x €1,000)	Regular remuneration	Remuneration membership committees	Total 2024	Total 2023
P.W.B. Oosterveer, chairman	67	21	88	62
J.M. Kroon	51	14	65	63
C.W. Gorter	51	19	70	68
A.M.H. Schöningh	51	7	58	56
W.A.A. Peek ¹	34	3	37	
R.L. van Iperen ²	17		17	75
Total remuneration	270	65	335	324

¹ As of May 2024.

² Up to and including May 2024.

As amounts are expressed in thousands of euros, totals may not add up precisely due to rounding.

Comparative information on remuneration					
(x €1,000)	2024	2023	2022	2021	2020
P.W.B. Oosterveer, chairman ¹	88	62	36		
J.M. Kroon MBA	65	63	60	58	58
C.W. Gorter	70	68	64	60	58
A.M.H. Schöningh ²	58	56	52	51	34
W.A.A. Peek ³	37				
R.L. van Iperen ⁴	17	75	69	53	53
A.J.P. De Proft ⁵			23	68	68
P.P.F.C. Houben ⁶				23	55
Total remuneration	335	324	304	313	326

¹ As of May 2022.

² As of May 2020.

³ As of May 2024.

⁴ Up to and including May 2024.

⁵ Up to and including May 2022.

⁶ Up to and including May 2021.

Corporate Governance

TKH Group N.V., a public limited liability company under Dutch law, applies the two-tier board regime. The management of the company is delegated to the Executive Board under the supervision of the Supervisory Board. The general powers of the Executive Board derive from legislation and regulations, and are laid down in TKH's articles of association. The Executive Board and the Supervisory Board are responsible for the Corporate Governance structure of TKH and compliance with the Dutch Corporate Governance Code (“Code”). TKH applies the principles and best practice provisions of the Code and attaches great value to the Code. In a few cases, TKH deviates from the Code; the reasons for each of these deviations are described below.

Term of appointment of the Executive Board

The terms of appointment for the current CEO and CFO are not limited to the four-year term prescribed by the Code. TKH takes the position that contractual agreements made in the past cannot be modified, that existing employment contracts should be respected, and that the limitation of the appointment is not appropriate. It should be noted, however, that performance is assessed annually and the term of appointment is evaluated on an ongoing basis. However, the maximum four-year term of appointment does apply to the third member of the Executive Board. A maximum term of four years also applies to newly appointed members of the Executive Board, and the best practice provision is applied in such cases.

Share plan

There is a share plan for the Executive Board, but no share option scheme. The share plan involves a financial contribution by the Executive Board as the individual members have to purchase the same number of shares at their own costs as they are awarded within the framework of the share plan. Because this involves a financial contribution from Executive Board members, it has been determined that the shares must be held for at least three years. Additionally, as this scheme requires a private investment obligation of the individual members of the Executive Board, the Supervisory Board believes that it is reasonable and fair to adhere to a term of three years, and not a term of five years.

Internal Audit function

TKH has an Internal Audit function, but the position of this department has not been fulfilled completely independently in accordance with the Code. The Internal Audit team has been expanded in early 2024, which will further strengthen its independent position. According to best practice provision 1.3.2 of the Code, the functioning of the internal audit function should be assessed at least every five years by an independent third party. The evaluation of the Internal Audit function is conducted internally on a yearly basis. The external evaluation is scheduled for 2025.

General Meeting of Shareholders

A General Meeting of Shareholders is held annually. Extraordinary General Meetings are held as often as the Executive Board or Supervisory Board deems desirable and also as often as shareholders and/or holders of depositary receipts, representing at least 10% of the

issued capital, request the Executive Board or Supervisory Board in writing to do so, specifying the items to be discussed. With regard to invoking a response time concerning proposals for fundamental strategy changes, TKH has applied the legal provision in Article 2:114b of the Dutch Civil Code with regard to a 250-day reflection period, above the 180 days specified in the Code. The basic principle here is to ensure that the operation and effectiveness of the measures that companies can take to respond adequately to proposals for fundamental strategy changes are safeguarded.

Depository receipts of shares

Stichting Administratiekantoor TKH Group (“TKH Trust Foundation Office”) holds ordinary shares in the company. In exchange for these shares, TKH Trust Foundation Office issues depository receipts for those shares. The voting rights to the shares are vested in TKH Trust Foundation Office. Upon request, TKH Trust Foundation Office will authorize the holders of depository receipts to vote for the shares for which the holder holds depository receipts at a General Meeting specified in the proxy, to the exclusion of TKH Trust Foundation Office. The authorization is unrestricted and is therefore not subject to any exchangeability limit. TKH Trust Foundation Office is not required by law (article 2:118a of the Dutch Civil Code) to grant the proxy, and may withdraw a proxy that has been given if a) a hostile public offer is announced or made (or is expected to be made), b) one or more persons possess at least 25% of the depository receipts and/or shares, or c) in the opinion of TKH Trust Foundation Office, the voting right of a holder of a depository receipt is fundamentally in conflict with the interest of the company. In the event of one of these scenarios, TKH Trust

Foundation Office must notify the holders of depository receipts and explain the reasons behind their actions. The company considers the issue of depository receipts for shares as an important measure to protect the interests of shareholders, holders of depository receipts and other stakeholders. This means that the company’s intellectual property and its commercial interests are protected, which is also important for sustainable long-term value creation for our stakeholders. Although the Code states that the issue of depository receipts is not intended to be used as a protective measure, TKH expressly chooses to take this form of protective measure and acts in accordance with the applicable law in Article 2:118a of the Dutch Civil Code. This is in derogation of the principle of the Code.

TKH Trust Foundation Office exercises the rights attached to the shares in such a way that the interests of the company, its associated businesses, and all its stakeholders are protected to the greatest extent possible, instead of focusing primarily on the interests of the holders of depository receipts, as defined in best-practice provision 4.5.5 of the Code. The TKH Trust Foundation Office thus exercises its voting right in line with legal provision Article 2:118a of the Dutch Civil Code. In the General Meeting of Shareholders, the Board of TKH Trust Foundation Office may, on request, issue a statement of its intended voting conduct. A detailed explanation of TKH’s Corporate Governance structure can be found on the TKH website.

Risk management

The Executive Board is responsible for complying with all relevant primary and secondary legislation and for managing the risks associated with the company’s activities through the implementation of appropriate internal risk management, control, and auditing systems. This involves surveying and analyzing the risks related to the company’s strategy and activities, establishing the risk appetite, and defining the necessary measures to manage and monitor the risks. The Executive Board is accountable to the Supervisory Board for setting up effective and well-functioning internal risk management and control systems.

Risk Management structure

TKH has embedded its risk management policy in all levels of the organization. This involves using risk management and control systems that contain the following key components:

- An Internal Control Framework (ICF) based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2017). TKH uses this framework to analyze and evaluate the strategic, operational, financial, and compliance risks for its operating companies.
- The TKH Manual containing:
 - regulations and guidelines for decision-making procedures and authorization levels for the management of our operating companies;
 - guidelines on the treasury policy (cash and foreign exchange management), as well as various rules of conduct, such as policy approval procedures, a Code of Conduct for staff members, a whistleblower procedure, and a privacy policy; and
 - guidelines for internal management and control measures including IT controls, internal and external financial and non-financial reporting, insurance, and how to deal with claims.
- A “strategic scorecard”, which is issued every quarter or more frequently if necessary. It features “high-lights” and “low-lights”, and (potential) risks per business segment. It also contains related short- and medium-term action points for discussion between the Executive Board and management of the operating companies.

TKH’s risk management policy reflects the organization’s size and decentralized structure. The components of this risk management policy are assessed by Internal Audit, focusing only on continuing operations. The main risks of

Risk Management structure



each operating company are identified and analyzed, and their potential impact on the operating company is determined. For specific issues, including IT & Security and sustainability, external specialists are engaged on a project basis. The results of these assessments are discussed with the Executive Board. The most important findings of the assessments conducted by Internal Audit are discussed with the Audit Committee of the Supervisory Board. We follow the guidelines of the Institute of Internal Auditors (IIA) to ensure the internal audit function meets the IIA standards as closely as possible.

The Executive Board, internal Legal Advisor, Director Finance & Control, Tax Director, and Compliance Officer also evaluate the risk management system. The design and operation of the risk management and control systems for financial reporting are also assessed by the external auditor in the context of the audit of the financial statements. The outcome and impact on the external auditor's audit strategy are discussed with the Executive Board and the Audit Committee.

Risk culture

An open, transparent culture with sufficient critical capacity is a prerequisite for an organization to properly manage risks, responsibilities, and competencies. TKH considers a suitable risk management model to be an important tool for creating sustainable long-term value. A continuous focus on risk awareness is a key element of TKH's culture. The pursuit of a balanced risk profile is embedded in this culture through short lines of communication and is supported by closely monitoring agreed objectives through a comprehensive Key Performance Indicator (KPI) dashboard.

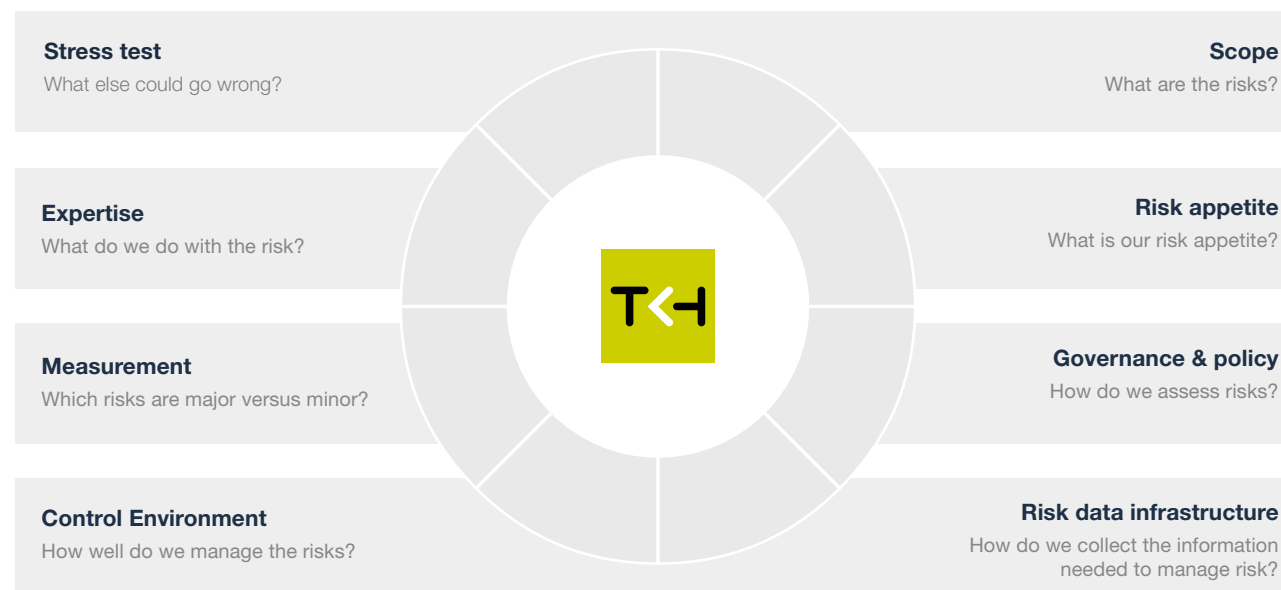
Employees are expected to be aware of the core values underlying our actions and our risk profile and to feel responsible for the (potential) risks they take. They are also

expected to adhere to the principles of TKH's culture and to act in accordance with TKH's Code of Conduct. At the same time, we are committed to ensuring a safe work environment in which our employees can excel, regardless of their background, gender, or position. The Code of Conduct is fundamental to everything we do and describes how we act as a company and within the company, how we make decisions, and how we deal with different dilemmas. We have established a procedure that enables employees to report any suspicion of conduct that is unlawful or violates the Code of Conduct, including behavior related to sexual harassment, gender inequality, and abuse of power. Reports are reviewed and investigated by the local Confidential Officer and/or the Group Compliance Officer. If deemed necessary, disciplinary and mitigating measures are taken. External parties can also report to the Group Compliance Officer.

Developments in 2024

In 2024, we evaluated our internal risk management system and made several improvements. The activities carried out by Internal Audit did not lead to any material findings at group level with regard to the administrative organization and internal control. When deficiencies in the administrative organization and internal control are observed, areas for improvement are identified. The 2024 findings included the payment process, supplier master data management, purchase management, minor reconciliation differences in financial and sustainability reporting and internal controls carried out including documentation and consistency in way of working regarding sustainability reporting. Continuous monitoring enables us to adapt the internal risk management and control system to changing internal and external conditions as necessary. In 2024, we continued our focus on further

Risk culture



embedding the Internal Control Framework in our operating companies and on further standardizing controls within the operating companies.

For operating companies whose size, technology, and risks, such as privacy and reputation, are important in the context of implementing the TKH strategy, IT & Security risks have been identified and recommendations have been made to further mitigate these risks. These risks and their follow-up are frequently discussed with the Executive Board and the Audit Committee. In 2024, we have carried out specific assessments on the implementation of the EU NIS2 Directive.

Several small and non-material security incidents occurred during the year under review. However, we experienced one larger incident due to a successful ransomware attack at one of our operating companies, which impacted access to operating systems for two weeks but without material impact. The incidents reinforce the need to remain vigilant to IT Security risks.

In 2024, we focused on the implementation of the CSRD (Corporate Sustainability Reporting Directive) and the related ESRS (European Sustainability Reporting Standards). Although there is not yet a formal statutory requirement to report in accordance with the CSRD due to the delayed transposition, TKH prepared its sustainability statements 2024 based on the CSRD on a voluntary basis. At the same time, we obtained a voluntary assurance on the sustainability statements. The CSRD requires companies to report on quantitative and qualitative datapoints on sustainability topics assessed as material. This led to the extension of the existing non-financial KPIs and reporting through our reporting system Cognos. In addition, information has been collected manually, for example related to certain scope 3 emission categories. Because this is the first year of CSRD reporting and data collection for

certain datapoints, partly manually, and due to the complexity and higher degree of judgements and estimations, changes in the assumptions and estimates could result in for example different GHG emissions than those recorded in the sustainability statements in this annual report 2024. In the year under review, Internal Audit performed reviews on selected non-financial reporting KPIs and operating companies and identified areas for improvement and optimization. No material deficiencies were identified. In 2025, we will continue to develop the review activities related to non-financial information, with the ambition to include all CSRD-related quantitative datapoints in the scope of internal audit over time.

In the year under review, we started the implementation of the risk management statement (VOR) which is required for Dutch stock listed companies in 2025 as part of the Dutch Corporate Governance Code. We also performed specific internal audits on the implementation of the Tax Control Framework related to VAT at selected operating companies in the Netherlands. Finally, we also paid specific attention to the application of the sanction regulation.

Risk overview

The risk connectivity matrix shows the most important risks for TKH. We divided them into four categories: strategic risks, operational risks, financial and reporting risks, and compliance risks. For each risk, we then assess its potential impact on the organization and the probability that this risk will occur. The impact includes financial and non-financial factors such as reputation. The table also includes the risk trend and risk appetite. The risk trend is the risk development compared to the previous year. The risk appetite represents the risk (amount) we are willing to accept in pursuit of our strategic objectives. In addition, a link has been made with the material sustainability topics as identified through the double materiality assessment performed under the CSRD. More detailed information on

the material sustainability-related impacts, risks and opportunities is included in the sustainability statements.

It is the duty of the Executive Board to weigh the business opportunities against the expectations and interests of stakeholders. Decisions to change or refine our business models are made by the Executive Board in accordance with TKH's risk appetite. A balance is explicitly sought between acceptable risk, on the one hand, and entrepreneurship conducted in the context of long-term value creation, on the other hand.

Other relevant risks

In addition to the key risks included in the risk connectivity matrix, we have identified other risks that are also included in TKH's internal risk management system.

These include, among other things, the following risks:

- Natural disasters or incidents in production facilities e.g. accidents in production facilities that threaten business continuity.
- Infringement of intellectual property (IP) rights of and by third parties.
- Inadequate funding.
- Impact of a (global) pandemic on the world economy, the (end) markets in which TKH is active, and its business operations.

Risk matrix – Our main risk

Risk area	Risk category and topics	Risk description	Material sustainability topic (CSRD)	Risk trend	Risk appetite
Strategic	1. Market & Geopolitics <ul style="list-style-type: none"> Market / geopolitical developments Conflicts / wars Protectionism / import duties Recession 	Influence of global economic, market and geopolitical developments on the execution of the strategy and financial position and results of TKH.	<ul style="list-style-type: none"> Management of relationships with suppliers 	▲	●
	2. Portfolio <ul style="list-style-type: none"> Innovation Technology development AI 	Threat to TKH's long-term value creation due to insufficient technology development, innovation and application of AI.	<ul style="list-style-type: none"> Sustainable innovation 	=	●
	3. M&A agenda <ul style="list-style-type: none"> Acquisitions Integration Divestments 	Failure to successfully integrate (acquired) and/or divest companies can result in lower than expected profit contribution and the risk of impairment. Changing M&A market circumstances (e.g. interest developments) can impact (the timing of) our divestment and growth strategy program.		=	●
Operational	4. Sustainability <ul style="list-style-type: none"> CO₂ footprint, climate change Resource use and waste management Pollution Water consumption 	Possible impact of climate change on our strategy and business model. Unsustainable business operations can have an adverse effect on the environment as well as on the (future) business. Future implementation of CO2 tax/pricing could mean an increase in operational and compliance costs. Non-compliance with ESG and material CSRD topics, including pollution and water management, and not meeting ESG and defined CSRD targets and ambitions, can impact our operations and reputation.	<ul style="list-style-type: none"> GHG emissions, energy efficiency and consumption (climate change mitigation) Resource inflows, waste, and waste recycling Pollution of air, soil, and water Water consumption 	▲	●
	5. IT & Security <ul style="list-style-type: none"> IP protection Continuity of operations Cybersecurity Privacy and GDPR 	Risk of breach of data availability, confidentiality, and integrity (including IP), resulting in damage for the organization or customers.	<ul style="list-style-type: none"> Privacy (cybersecurity) 	▲	●
	6. Personnel <ul style="list-style-type: none"> Scarcity Development opportunities Diversity Healthy and safe work environment 	Scarcity of well-qualified personnel and inability to retain qualified personnel. Health and safety incidents can cause risks for employees and lead to business stagnation. Inability to reach (young) potential employees can result in shortage of staff. A non-diverse workforce can result in limited perspectives, skills, and experiences, which can lead to decreased creativity, innovation, and problemsolving within TKH.	<ul style="list-style-type: none"> Diversity Health and safety 	=	●
	7. Supply Chain <ul style="list-style-type: none"> Raw materials Components Energy Working conditions in value chain (Connectivity) 	Important raw materials such as copper, aluminum and plastics, and technical (electrical) components have long delivery times or are unavailable or only available in limited quantities. Limited availability of (green) energy could result in (potential) shortages of energy and higher price levels. Failing to address relevant human rights related risks in the value chain (Smart Connectivity systems) can result in regulatory fines, legal penalties, and reputational damage.	<ul style="list-style-type: none"> Management of relationships with suppliers Child / forced labor, health and safety (workers in the value chain) 	▼	●
	8. Project Management	Risk of projects not being delivered according to specification, agreements, time schedule, and planned margins. Expanded scope in projects towards turnkey structures increases contract value and risk exposure due to the extension of scope, for example by including besides the supply the engineering, termination and testing, and installation (e.g. inter-array cable contracts).		▲	●
Financial and reporting	9. Currencies	Volatility of currencies, which can put pressure on profit margins.		=	●
	10. Interest	Volatility of interest rates, which can put pressure on net result.		=	●
	11. Cost inflation <ul style="list-style-type: none"> Raw materials Components Labor costs Energy costs 	Inflation of costs, including (volatility of) raw material prices, components and labor costs, which can put pressure on profit margins.		=	●
	12. Reporting <ul style="list-style-type: none"> Financial reporting Non-financial reporting (CSRD) 	Risk that TKH's financial reporting contains material errors, and that new reporting requirements cannot be met timely and accurately. Inadequate disclosure of environmental, social, and governance (ESG) factors in accordance with the CSRD may lead to reputational damage and regulatory scrutiny. These can impact stakeholder trust and business resilience.		▲	●
Compliance	13. Legal & Regulatory <ul style="list-style-type: none"> Sanctions Fraud, corruption, bribery Use of agents Non-compliance with law and regulations (incl. AI) 	Damage (including reputation) due to violation of legislation and regulations including export and sanction regulations, unfair competition, fraud, corruption, and bribery.	<ul style="list-style-type: none"> Corporate culture Corruption and bribery AI and algorithm ethics 	=	●
	14. Tax	Damage (including reputation) due to violation of tax legislation and regulations.		=	●

▲ increased = equal ▼ decreased ● avoiding ● low ● medium ● high

Strategic

1 Market & Geopolitics

The impact of global economic and geopolitical developments and conflicts (such as the Russia-Ukraine war) on the implementation of the strategy and the financial position and results of TKH. Economic and political confrontations between world powers (trade tariffs/barriers, protectionism, availability and price of energy), the erosion of trade agreements, and the impact of (global) inflation as well as a potential recession may impact TKH's turnover and results.

Our specific risk mitigation measures:

- Diversification of activities across multiple product/market combinations.
- Internal efficiency programs and cost reduction programs (of at least €15 million announced in 2024).
- Expansion of fibre optic cable production capacity in Europe, partially replacing production capacity in China.
- Relocation of fibre optic cable production capacity from the Netherlands to Poland.
- Energy reduction programs and conversion to alternative energy sources.
- Flexible shell by making use of temporary staff and by outsourcing the production of mainly commodity products and product modules.
- Geographical spread across Europe, North America, and Asia with multiple production sites, with a tendency to bring production capacity closer to end markets where possible.
- Solid financial balance sheet and position.
- Ongoing attention to risk analysis in the implementation of the strategy and Accelerate 2025 strategic program.

2 Portfolio

Insufficient technological development, innovation and application of AI can threaten TKH's long-term value creation. These risks may emerge in the following areas:

- The pace of technological development.
- The application of Artificial Intelligence in (new) portfolio.
- Conservatism in certain end markets to embrace our new disruptive technologies.
- The execution of the R&D roadmap.
- The contribution of our innovations to the sustainability performance of our customers.
- Our competitor's new technologies.
- Our payback capacity.
- The harmonization of niche specifications into standardized commodity products and technologies.

Our specific risk mitigation measures:

- Generate at least 10% of our turnover from innovations that have been introduced in the last two years.
- Acquisitions to strengthen market position and/or product portfolio.
- Spend approximately 4% of our turnover on R&D in the last few years.
- Focus continuously on innovation and executing the roadmap, including time-to-market.
- Creation of an AI center of excellence, developing state of the art algorithms and applying them to real-world R&D challenges across the TKH Group.
- Ensure that the Executive Board and local management frequently discuss technology and innovation developments.
- Capitalize on technology leadership by leveraging and accelerating growth from innovations and by utilizing the R&D pipeline. Bring key innovations to maturity with

targeted profitability and limit the number of new and large "start-up" projects.

- Increase our market share by unlocking the full potential of our innovations and disruptive technologies by capitalizing on market growth driven by relevant megatrends.

3 M&A Agenda

Failure to successfully integrate acquired companies or execute divestments of business activities can result in lower-than-expected profit contributions and the risk of impairment. Changing M&A market circumstances (e.g. interest rate developments) may impact (the timing of) our divestment and growth strategy program.

Our specific risk mitigation measures:

- Apply necessary procedures and guidelines and organize sufficient expertise for valuations and due diligence.
- Ensure rapid integration of acquired companies into TKH's reporting and control systems.
- Harmonize business processes and systems where necessary and desirable.
- Continue to focus on identifying, creating and exploiting synergies.
- Ensure continued focus on portfolio management. Restructure or exit activities with limited potential for value creation or strategic overlap: limited strategic fit, low return on sales, and organic growth potential.

Operational

4 Sustainability

The potential impact of climate change and other material sustainability topics such as CO2 emissions, climate change, availability of resources and waste management, pollution, and water consumption/availability on our strategy, business model, and reputation. Unsustainable business operations have an adverse effect on the environment and on the (future) business. Future implementation of CO2 tax/pricing could mean an increase in operational and compliance costs. Non-compliance with ESG and material CSRD topics, including pollution and water management, and not meeting ESG and defined CSRD targets and ambitions, can impact our operations, access to markets/customers, and reputation.

Our specific risk mitigation measures:

- Based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we are carrying out a comprehensive analysis of potential climate change risks and how these risks can be converted into opportunities.
- Continue to optimize our production processes via our operational excellence program.
- Deliver a strong performance on our sustainability targets, in particular CO2 neutrality by 2030 (scopes 1 and 2), and further develop a sustainable portfolio based on SDG criteria.
- Engage with suppliers and customers on topics related to decarbonization in the value chain.
- Continue to improve relevant ESG ratings by external rating agencies.
- Measurement program to monitor pollutions to air, water and soil, in collaboration with external experts.
- Implement water policy including commitment to reduce water consumption.

- Continue to increase share of recycled content as part of our resource inflows.
- Continue to work towards achieving our waste reduction and recycling target so we can make a responsible and demonstrable contribution to the circular economy.
- Health and safety, and diversity programs and targets.
- More information can be found in the sustainability statements section.

5 IT & SECURITY

IT & Security concerns the risk of a breach of data availability, confidentiality, and integrity (including IP). This also includes cyberattacks that compromise data (including IP) to disrupt business operations and infrastructure. This could lead to damage for the organization and/or customers. The following elements are important in this respect:

- A decentralized IT landscape.
- The use of multiple ERP systems.
- The continuity of production sites.
- The protection of developed technologies (IP protection).
- Data protection legislation, including GDPR.

Our specific risk mitigation measures:

- TKH has issued an IT & Security Policy containing guidelines outlining the requirements for an ICT infrastructure, including key IT controls, partly within the context of cybercrime risks.
- Companies in the same region or cluster are encouraged to achieve economies of scale in the field of ICT.
- IT managers from key operating companies discuss important IT developments, trends, and risks.
- The internal and external (IT) security environment is tested by a specialized external agency.

- Internal expertise is used to assess security environments of operating companies.
- Internal guidelines on data protection are established.
- Awareness of the need for information security is raised through ongoing training and frequent newsletters on relevant (cyber) topics (Security Awareness Program).
- Cyber insurance to cover costs from major incidents and secure external expertise in the field of IT (recovery), cybersecurity, legal and other expertise depending on the incident.
- Internal Audit oversees the implementation of data protection guidelines.
- Implementation of a AI Tools Policy in 2024 to establish guidelines for the appropriate use of AI within TKH, including the use of Generative AI and Algorithmic AI tools, to ensure that AI technology is used to enhance productivity, efficiency, and decision-making while complying with applicable law and respecting privacy, confidentiality, and data security.
- The risks are identified for operating companies with a high and medium risk in this area, based on size, technology, and reputation, and recommendations were made to further mitigate these risks. These risks and the monitoring of risk management are regularly discussed with the Executive Board and the Audit Committee.
- Specific assessments of the risk of ransomware and our resilience should such an event occur.

6 Personnel

A shortage of highly qualified personnel and the inability to retain qualified personnel can impact the (progress of the) of TKH's strategy. Health and safety incidents can create risks for employees and cause business to stagnate. Inability to reach young potential employees can lead to staff shortages. A non-diverse workforce can result in limited perspectives, skills, and experiences, which can lead to decreased creativity, innovation, and problem-solving within TKH.

Our specific risk mitigation measures:

- Performance/talent management programs in each operating company.
- Management Development Programs, partly in collaboration with Nyenrode University.
- Conduct regular employee satisfaction surveys.
- Use our good reputation as an attractive employer to recruit talented employees.
- Set up cooperation programs between operating companies and training institutes.
- Health and safety, and diversity programs and targets.
- Use employer branding and referral recruitment to reach and engage future talent.
- Increase attention on safety by tightening safety standards and creating even greater safety awareness, and by implementing ISO 45001.
- Creation of engineering centrum In India for tire building systems.
- Facilitate healthy and safe home-working practices.
- Communicate frequently with our employees through various channels about relevant general and business developments, and our impact on sustainability topics.

7 Supply chain

A situation where important raw materials such as copper, aluminum, steel and plastics, and technical (electronic) components have long delivery times, are unavailable or only available in limited quantities, as well as the limited availability of energy and price increases related to raw materials and energy can put pressure on profit margins. Failing to address relevant human rights related risks in the value chain (Smart Connectivity systems) can result in regulatory fines, legal penalties, and reputational damage.

Our specific risk mitigation measures:

- Maintain high level of inventory of critical raw materials and components where applicable.
- Redesign products to increase the use of alternative materials and components with better availability/pricing.
- Use alternative suppliers.
- Adapt terms and conditions in purchase and sales contracts.
- Optimize (regional) portfolio and local manufacturing footprint.
- Introduce energy reduction programs, targets, and switch to alternative energy sources.
- Perform risk assessments on suppliers to identify high risks related to environmental and human rights aspects, followed by an action plan and monitoring of implementation of the planned actions.
- Develop cooperation programs between operating companies to discuss developments, trends, and risks and to leverage buying power and knowledge within the group and business segments.
- Ensure that developments, including inventory positions and purchasing conditions concerning important raw materials and components are discussed frequently between the Executive Board and local management.

8 Project management

Inadequate project management can result in the risk that projects will not be delivered to specification, on time, to budget and within agreed margins. Expanded scope in projects towards turnkey structures increases contract value and risk exposure due to the extension of scope, for example by including besides the supply the engineering, termination and testing, and installation (e.g. inter-array cable contracts).

Our specific risk mitigation measures:

- Higher investment in qualified staff, training, and education. Ensure sufficient knowledge and professional competence, also related to turnkey (inter-array cable) contracts.
- Involve external experts to limit project risks related to complex and technical topics.
- Develop/team-up with competent partners in back-to-back structures.
- Back-to-back arrangements with subcontractors.
- Use generally accepted project management approaches and tools to limit project risks, define project milestones, and monitor development of projects and risk exposures.
- Ensure that guidelines and procedures are in place for the approval of projects with an above-average risk, project management, and adequate project administration.
- Make sure important projects are discussed at quarterly meetings between the Executive Board and local management.
- Monitor large projects with an above-average risk on a regular basis, if necessary with increased involvement of the Executive Board and/or Management Board and legal counsel.
- Align insurances with the risk exposure on large projects.
- Constantly evaluate lessons learned and incorporate them into the risk model, which may lead to strict acceptance criteria.

Financial and reporting

9 Currencies

Currency volatility, which can put pressure on profit margins.

Our specific risk mitigation measures:

- Treasury Statute that establishes a currency risk management approach, including responsibilities, authorizations, and reporting.
- Material exchange rate risks are hedged in accordance with the Treasury Statute if these risks cannot be passed on in the market.
- Exchange rate risk arising from the translation of net investments into currencies other than the euro is generally not hedged. Monetary assets and liabilities in the same currency are netted as much as possible to reduce exposure.
- Time differences between the settlement of forward transactions and sales and purchase contracts are managed by using foreign currency bank accounts or by rolling over forward contracts.

10 Interest

Interest rate volatility, which can put pressure on the net result.

Our specific risk mitigation measures:

- The interest rate policy is determined at corporate level.
- A treasury statute that establishes a interest risk management approach, including responsibilities, authorizations, and reporting.
- Balances with credit institutions are compensated to minimize interest charges.
- Long-term financing is obtained at variable rates, where appropriate, fixed by means of interest rate swaps.

- Reduce our working capital where applicable by means of working capital reduction programs per operating company.
- We have prepared a budget that includes projections of cash flows and liquidity requirements for the coming year. This forecast takes into account current market conditions, possible changes in results based on these conditions, and interest and currency volatility.

11 Cost Inflation

Cost inflation including (volatility of) raw material prices, components, energy, and labor costs can put pressure on profit margins.

Our specific risk mitigation measures:

- Periodically analyze the impact of price changes per operating company based on a standard template.
- Frequently adjust market price lists where applicable.
- Redesign products to use alternative materials and components with better prices.
- Optimize (regional) portfolio and local manufacturing footprint in line with labor cost developments.
- Introduce operational excellence programs to improve (labor) efficiency.
- Develop energy saving and efficiency programs and eliminate (part of) price risks through medium-term energy contracts.
- Use alternative modes of transportation to optimize transport efficiency, costs, and sustainability impact.

Specific risk-mitigating measures for raw material prices related to copper and aluminum:

- The copper and aluminum positions of each operating company are monitored for the economic stock levels,

stock prices, rate of turnover, and the expected relationship between copper prices and selling prices (price elasticity).

- Copper and aluminum price developments are factored into the selling price of products and/or services where possible, or temporarily hedged on the futures market.
- Raw material purchases for larger projects are hedged to eliminate price risks for customers.
- Copper and aluminum price developments, economic stock positions, and hedges are reviewed every month and discussed with TKH's CFO.
- Derivatives can be used to a limited extent to hedge the price risk on free inventories.
- Important raw materials, such as copper, are purchased forward to eliminate price risks on the sale of finished products, if:
 - a sales contract is concluded at a fixed price;
 - delivery does not take place within one month; and
 - a significant amount of the raw material is needed for production.

12 Reporting

Risk that TKH's financial reporting contains material errors, and that new reporting requirements cannot be met timely and accurately. Inadequate disclosure of environmental, social, and governance (ESG) factors in accordance with the CSRD may lead to reputational damage and regulatory scrutiny. These can impact stakeholder trust and business resilience.

These reporting risks mainly relate to the following material items in the financial and sustainability statements:

- Turnover – timing of turnover recognition.
- Goodwill and purchase price allocation – valuation and impairment testing.
- Development costs – valuation and impairment testing.
- Inventory – valuation.
- Contract assets and liabilities – valuation.
- Business combinations / held for sale – recognition and valuation of acquisitions and divestments.
- Sustainability statements and KPIs including:
 - value chain information;
 - expected developments to reach 2030 targets;
 - scope 3 emissions;
 - estimations used to calculate quantitative datapoints; and
- 2024 is the first reporting year and the framework and implementation guidance are still in development. Different interpretations of the CSRD and ESRS requirements could result in different outcomes and reporting.

Our specific risk mitigation measures:

- Internal procedures and guidelines for internal and external financial reporting and assurance.
- Availability of a Sustainability Reporting Manual.
- TKH has developed internal guidelines in accordance with IFRS, including requirements for the capitalization of development costs.
- Regular controller meetings are organized to discuss important reporting topics.
- Training and education of (financial) staff.
- Deep dive sessions to discuss CSRD reporting and other sustainability topics.
- Involvement of external (topical) experts on certain complex sustainability topics.
- Engage with suppliers and customers related to decarbonization in the value chain, obtain supplier and customer specific (carbon) data.
- Regular impairment testing, including the annual strategic planning.
- Use of business intelligence tools to gain early insight into risks.
- Representation letter and in-control statement for each operating company.
- Internal Audit performs financial audits and internal audits on non-financial information.
- Assurance by the external auditor on the financial statements.
- Limited assurance by the external auditor on the sustainability statements.
- More information can be found in the sustainability statements section.

13 Legal & Regulatory

Failure to comply with laws and regulations – including internal guidelines – can result in damage. Examples include:

- Unfair competition, export violations, and sanctions programs that can result in significant penalties and reputational damage.
- Global operations and the use of agents who may expose TKH to local bribery and corruption risks.
- Undesirable or unethical conduct by employees that results in unacceptable behavior towards other employees or fraud-related issues.
- AI algorithm could result in harms which may result from the use of AI algorithm, such as unjustified actions, bias, discrimination or breach of privacy (AI ethics).

Our specific risk mitigation measures:

- Internal guidelines include internal control measures, management responsibilities, and authorization requirements.
- Internal guidelines on compliance with sanctions and export regulations, including a checklist.
- Monitoring of financial flows by TKH, including by:
 - monitoring transactions through the central treasury system;
 - establishing banking authorizations; and
 - setting credit limits for each operating company, with no local credits allowed with banks outside of TKH's banking group, unless approved by TKH.
- The use of banks prescribed by TKH unless another bank is required locally because only a local bank can provide the required service.
- Controller meetings and the international management meeting will address the issues of sanctions, fraud, corruption, payment frameworks, and bribery by means of theory and case studies.

Compliance

- Through the TKH Code of Conduct, our employees are aware that they should adhere to our business ethics and confirm this by signing this Code of Conduct.
- Employees can report suspicions of misconduct internally and through a whistleblower policy. Such reports will not have any consequences for the position of whistleblowers, provided they follow the procedure established for this purpose. External parties can also report to the Group Compliance Officer.
- In all layers of our company, compliance with internal guidelines relating to integrity and behavior is strictly monitored (zero tolerance).
- Through the TKH Code of Supply, our strategic suppliers are aware that they should follow our business ethics and confirm this by signing this Code of Supply. Compliance with this code is verified during supplier audits.
- Strengthen internal legal skills and capacity.
- Internal Audit conducts internal audits on non-financial information focusing on the most important risks, including supplier assessments and internal policies (e.g. related to sanctions).
- AI algorithms are classified through internal risk assessments, using the EU AI Act as guiding principle.
- Establishment of an AI Ethics committee responsible for developing policies and supervising the risk assessments performed by the operating companies.

14 Tax

TKH is exposed to tax risks that could result in double taxation, penalties, and interest payments. The source of the risks could arise from local tax rules and regulations as well as international and EU regulatory frameworks (amongst others European ATAD directives, DAC initiatives, country-by-country reporting and Pillar Two). These include, but are not limited to, transfer pricing risks on internal cross-border deliveries of goods and services, tax risks related to acquisitions and divestments, tax risks related to permanent establishments, tax risks related to tax loss, interest and tax credits carried forward, and potential changes in tax laws that could result in higher tax expenses and payments. These risks can have a significant impact on (local) financial tax results, which, in turn, could adversely affect TKH's financial position and results.

Our specific risk mitigation measures:

- Centralized monitoring of compliance in relation to developments in (new) legislation and regulations in the area of tax laws (both national and international), sanctions regimes, and general tax and legal developments, with a focus on specific risks in the areas of transfer pricing, compliance with international standards such as Pillar Two, permanent establishment, and VAT.
- Availability and development of transfer pricing documentation in accordance with OECD Guidelines and compliance with local regulations.
- Periodic monitoring of the financial performance of operating companies in accordance with the transfer pricing documentation.
- Maintaining good relations with tax authorities based on mutual respect, transparency, and trust.
- Making use of external (tax) advisors for specialized subjects.

- Further rollout, monitoring and continuous update of the Tax Control Framework.
- Tax reporting, including standardized tax reporting packages for determining the tax position, which are also used for determining the tax position in the financial statements, as well as “country-by-country” reporting.
- The use of theory and case studies during internal training activities to address a broad spectrum of tax issues (including customs) and tax dilemmas.

Risk quantification and sensitivity analysis

For the most important risks, we have, where possible, quantified the impact on the result and financial position of TKH should these risks occur. A sensitivity analysis is also included. The financial statements, including note 20, outline TKH's objectives and policy regarding the use of financial instruments for risk management, also in the context of hedging risks associated with all major types of transactions to which TKH is exposed, related to capital, liquidity, interest, currency, credit, and price risks.

Going concern and outlook

We have prepared a budget that includes projections of cash flows and liquidity requirements for the coming year. This forecast takes into account current market conditions, possible changes in results based on these conditions, as well as our ability to adjust our cost structure in response to changing economic conditions and turnover levels. Our budget also takes into account the total amount of cash and cash equivalents and credit facilities available as at December 31, 2024, the possibility of renewing financing agreements and attracting additional financing, and whether we are operating within the financial ratio agreed with the banks in the covenant. On this basis, we believe that our available funds at the end of 2024 will be sufficient to finance our activities, investments, and existing contractual obligations for at least the next 12 months.

Risk quantification and sensitivity analysis					
	change	impact	on	assumptions	relates to risk
Turnover	1%	€8.9 million	EBITA	No adjustment of operating costs.	1, 2, 3, 9, 11
Raw material price copper	10%	€1.8 million	EBITA	No derivatives to hedge price risks.	11
Gross margin	1%	€17.1 million	EBITA	No adjustments of operating costs.	1, 2, 3, 8, 9, 11
Operating costs	1%	€7.6 million	EBITA	No adjustment of turnover/gross margin.	Operational and financial risks
Currencies – financial instruments	10%	€14.4 million	Result before tax	All other variables remain constant.	9
Currencies – financial instruments	10%	€38.2 million	Group equity	All other variables remain constant.	9
Interest	1%	€5.1 million	Result before tax	Net bank debt including deduction of interest rate swaps held at variable interest rates.	Financial risks
Interest – financial instruments	1%	€4.3 million	Group equity	Based on concluded interest rate swaps.	Financial risks

Management statement

The Executive Board is responsible for the design and effectiveness of the internal risk management and control systems. The purpose of these systems is to identify and effectively manage the most significant risks to which the company is exposed.

During the year under review, Internal Audit assessed the administrative organization and internal control systems of TKH and its associated businesses, with a focus on the most important risks and current themes. No material shortcomings were found in the administrative organization and internal control. Improvements identified were related to non-material shortcomings. The Director of Internal Audit discussed the results of these audits with the Executive Board and reported the main findings to the Audit Committee. These activities did not result in any material findings at the group level regarding the administrative organization and the level of internal control. Based on the financial results for the 2024 reporting year and the expectations for the 2025 reporting year, the Executive Board has assessed the company's going concern assumption. Current market conditions and business plans for 2025 have been taken into account. The Executive Board has also assessed the key strategic, operational, sustainability, financial, reporting, and compliance risks, as well as the design and effectiveness of the internal risk management and control systems, as described in the Risk Management and Sustainability Statements section of this annual report.

The effectiveness and performance of the internal risk management and control systems are discussed each year with the Audit Committee and the Supervisory Board. Taking into account the aforementioned risks and measures designed to manage them, and in accordance with the best practice provision 1.4.3 of the Dutch Corporate Governance Code, the Executive Board confirms that to the best of its knowledge:

- i. the management report (within the meaning of section 2:391 of the Dutch Civil Code) provides sufficient insight into any shortcomings in the operation of the internal risk management and control systems related to strategic, operational, reporting, and compliance risks;
- ii. the aforementioned systems provide reasonable assurance that the financial reporting does not contain any errors of material importance;
- iii. the current situation justifies financial reporting on a going concern basis; and
- iv. the report describes the material strategic, operational, reporting, and compliance risks and uncertainties that are relevant to the expectation of the company's continuity for a period of 12 months after the preparation of the report.

In view of the above, the Executive Board confirms that it is in compliance with best practice provision 1.4.2 of the Dutch Corporate Governance Code. It should be noted that the above does not imply that the internal risk management and control systems provide certainty as to the achievement of operational, sustainability, and financial business objectives, nor can they completely prevent all misstatements, inaccuracies, errors or losses, incidents, fraud, or non-compliance with rules and regulations.

With reference to Section 5.25c(2c) of the Financial Supervision Act (Wft), the Executive Board declares that to the best of its knowledge:

- the financial statements provide a true and fair view of the assets, liabilities, financial position, and profit of TKH and the companies included in the consolidation;
- the management report gives a true and fair view of the situation on December 31, 2024, the state of affairs at TKH and its affiliated companies during 2024 (the details of which are presented in the financial statements), and that the management report describes the fundamental risks facing the company.

Haaksbergen, the Netherlands, March 3, 2025

J.M.A. van der Lof MBA, *Chief Executive Officer*
E.D.H. de Lange MBA, *Chief Financial Officer*
H.J. Voortman MSc, *Member of the Executive Board*

TKH shares

Listing on the stock exchange

TKH's (depository receipts of) shares have been listed on the Euronext Amsterdam stock exchange since 1953, under the ticker symbol TWEKA and are included in the mid-cap index (AMX). Options on TKH shares are listed on NYSE Liffe, the European derivatives business of Euronext (ticker symbol: TKG). TKH shares are also included in the Euronext Next 150 Index, and the Euronext Tech Leaders segment.

TKH's shares issued and outstanding

	2024	2023
Ordinary shares (nominal value € 0.25 each)	42,198,429	42,198,429
of which depository receipts	42,069,736	42,077,884
of which registered shares	128,693	120,545
Priority shares (nominal value € 1.00 each)	4,000	4,000
Total shares issued	42,202,429	42,202,429
of which held by the company	2,325,349	2,400,483

The number of depository receipts of shares has decreased by 8,148 compared to December 31, 2023 due to the conversion of 8,148 depository receipts of shares into ordinary shares. At the end of 2024, the company held 2,325,349 of its own depository receipts of shares. The company may acquire depository receipts of shares in its own capital for purposes such as employee share, option plans, and share buyback programs.

The ordinary shares, with the exception of the registered shares of the company, have been transferred by notarial deed to Stichting Administratiekantoor TKH Group

("Stichting Administratiekantoor"), which issues depository receipts for the shares to the ultimate investors. Stichting Administratiekantoor is the party entitled to the ordinary shares and also exercises the voting right, unless it has granted power of attorney to the holders of the depository receipts. The holders of depository receipts are entitled to receive power of attorney to vote for the shares corresponding to the depository receipts they own. Stichting Administratiekantoor remains entitled to vote for the shares for which the holders of depository receipts are not present or represented at the Annual General Meeting of Shareholders. The aforementioned power of attorney may be limited, excluded or revoked by the Board of Stichting Administratiekantoor in various situations specified by law (see also Corporate Governance section). In such cases, Stichting Administratiekantoor may (again) decide to exercise the voting right for all shares for which depository receipts have been issued. The relationship between Stichting Administratiekantoor and the holders of depository receipts for shares is governed by administrative conditions. The depository receipts can be exchanged for ordinary shares for a maximum of 1% of the total issued capital in the form of ordinary shares. This total includes both indirectly and directly held shares. The 1% rule does not apply to the transfer of ordinary shares to the company itself. Except as described under "Other information", the 4,000 priority shares do not carry any special rights.

The company has granted Stichting Continuïteit TKH an option to acquire preference shares up to a maximum of 50% of the sum of the other outstanding shares at the time that the preference shares are issued or up to 100% of the sum of the other outstanding shares at the time the preference shares are issued if the restriction on the

cancellation option lapses, which will occur if and when the Executive Board of the company so decides and files a declaration to that effect with the Chamber of Commerce. Stichting Continuïteit TKH has not acquired any cumulative preference shares in TKH in 2024. Further information on the capital structure of TKH is included in note 7 to the company's financial statements. This information is incorporated by reference in the management report.

Trading information

The following key figures per (depository receipt of) share apply in relation to the listing on Euronext Amsterdam.

Trading information

	2024	2023
Annual turnover of shares	21,030,162	20,161,005
Highest price	€44.78	€49.10
Lowest price	€30.18	€33.64
Closing price	€33.32	€39.50
Net earnings per share	€2.50	€4.07
Dividend	€1.50	€1.70
Price-earnings ratio as at the end of the financial year	13.3	9.7
Dividend yield on closing price	4.5%	4.3%
Market capitalization at end of financial year (in millions)	€1,329	€1,572

Shareholders

Under the Dutch Financial Supervision Act, shareholdings of 3% or more must be disclosed to the Dutch Authority for the Financial Markets ("AFM"). Based on the AFM register until the beginning of 2025, the following shareholders hold a stake of 3% or more in TKH.

Our major shareholders		
Mandatory disclosing party	Interest	Date of last disclosure
HAL Trust (HAL Investments B.V.)	5.17%	February 3, 2025
Goldman Sachs Group Inc.	3.11%	January 28, 2025
Lucerne Capital Management, LLC	5.70%	January 25, 2025
FMR LLC	5.08%	May 31, 2024
Janus Henderson Group plc	5.01%	March 21, 2024
TKH Group N.V.	5.00%	November 24, 2023
AllianceBernstein L.P.	3.03%	January 20, 2022
Vinke Amsterdam B.V.	5.84%	May 28, 2020
Teslin Participaties Coöperatief U.A.	5.01%	July 6, 2017
ASR Nederland NV	5.11%	October 6, 2008

Dividend policy

TKH aims for an attractive return for its shareholders, which is reflected in an appropriate dividend policy. Healthy balance sheet ratios are very important for the company's continuity. In determining the distributable dividend, TKH takes into account the amount of profit the company needs to retain to carry out its medium- to long-term plans, while also ensuring a solvency ratio of at least 35%. Based on growth targets for the coming years, TKH will aim to pay out between 40% and 70% of the net profit before amortization and one-off income and expenses attributable to shareholders.

The total dividend paid in 2024 of €67.8 million amounted to a dividend payout ratio of 40.8% of the net profit before amortization and one-off income and expenses attributable to shareholders. The dividends were issued to the holders of (depository receipts of) shares in cash.

Investor relations

TKH's investor relation activities are designed to ensure that current and potential shareholders, analysts, and other stakeholders are provided with timely, complete, and consistent information. TKH's investor relations activities focus on helping the market understand our business, our strategy, our markets, and our financial and sustainability performance. TKH is committed to transparent reporting. We communicate through our half-year and full-year earnings releases and presentations, market updates, quarterly analyst calls, the annual report, and other information published on our investor relations website. We host live webcast presentations of our half-year and full-year results, conference call of our third quarter market update, hold the Annual General Meeting of Shareholders, and have frequent contact with major and other shareholders, interested institutional investors, and analysts through roadshows, conferences, company visits, investor days and one-on-one discussions. TKH's activities comply with the applicable regulations and guidelines of Euronext Amsterdam and the Dutch Authority for the Financial Markets ("AFM"), the Dutch financial markets regulator.

Contact

For further information, please contact Jacqueline Lenterman, Director of Investor Relations and Corporate Communications at +31(0)535732900, j.lenterman@tkhgroup.com.

More information about TKH and its operating companies is available on our website at www.tkhgroup.com.

Financial Calendar

May 13, 2025	Market Update Q1 2025
May 15, 2025	General Meeting of Shareholders
May 19, 2025	Ex-dividend date
May 20, 2025	Dividend record date
May 23, 2025	Payment of dividend
August 12, 2025	Publication interim results 2025
September 25, 2025	Capital Markets Day
November 11, 2025	Market Update Q3 2025