Other information

6

Profit appropriation

Since no protection preference and financing preference shares were outstanding or issued, within the meaning of Articles 33.1, 3, 4, 5, 6, paragraphs b and c, 8, 9 and, 12 below, only the articles governing the profit appropriation in relation to the outstanding shares are included here.

Article 33 of the articles of association reads as follows:

2. The company may make distributions to the shareholders and other persons entitled to distributable profits only to the extent that its shareholders' equity exceeds the sum of the paid-up and called-up part of the capital, plus the reserves that must be maintained pursuant to the law or the articles of association.

6a. From any profit remaining after application of the previous paragraphs, five percent (5%) of the nominal amount of the priority shares shall, if possible, be distributed on such priority shares. No further distribution shall be made on the priority shares.

7. If in any year the profit does not suffice to make the distributions referred to above in paragraph 6 of this article, the provisions in paragraph 6 and in paragraph 10 shall not apply in the subsequent financial years until the deficit has been made up. Subject to the approval of the Supervisory Board, the Executive Board is authorised to resolve to distribute an amount equal to the deficit referred to in the previous sentence charged to the reserves.

10. Of the profit remaining thereafter, the Executive Board shall, subject to the approval of the Supervisory Board, reserve as much as it deems necessary. In so far as the profit is not reserved under application of the previous sentence, it shall be at the disposal of the general meeting, either fully or partially for reservation, or fully or partially for distribution to holders of ordinary shares proportionately to their holding of ordinary shares.

For other provisions of the articles of association, please refer to TKH's website: www.tkhgroup.com.

Proposal for profit appropriation

in thousands of euros

Net profit attributable to shareholders €99,561.

In accordance with Article 33 of the articles of association, we propose paying the holders of (depositary receipts of) ordinary shares a dividend of €1.50 per (depositary receipt of) ordinary share.

The dividend will be made available for payment on May 23, 2025.

The dividend for 4,000 priority shares has been set at €0.05 per share of €1.00.

Consolidated entities

A list of all subsidiaries is available at the Chamber of Commerce (the Netherlands). TKH Group N.V. is registered in the Trade Register under No. 06045666.

The most important (group of) entities included in the consolidated financial statements of TKH are listed below, including the segment in which they operate. All of the subsidiaries are 100% owned, unless indicated otherwise.

The hereafter mentioned German subsidiaries included in TKH's consolidated financial statements make use of the exemption in § 264 (3), § 264 (b) HGB to prepare, audit and publish individual annual accounts. TKH Deutschland GmbH is not required to draw up consolidated annual accounts pursuant to § 291 HGB.

TKH Security GmbH, Allied Vision Technologies GmbH, TKF GmbH (former ASP GmbH), Chromasens GmbH, Dewetron Deutschland GmbH, EEB Kabeltechnik GmbH, EFB Elektronik GmbH, EFB Elektronik Real Estate B.V. & Co KG, Ernst & Engbring GmbH, Lakesight Technologies Holding GmbH, Lakesight Technologies German Holding GmbH, LMI Technologies GmbH, New Electronic Technology GmbH, Profipatch GmbH, Schneider Intercom GmbH, Sensor to Image GmbH, SVS-Vistek GmbH, Texim Europe GmbH, TKD Immobilien GmbH, TKH Airport Solutions GmbH, TKH Deutschland GmbH, TKH Deutschland Verwaltungs GmbH, TKH Grundstücksverwaltungs B.V. & Co KG, TKH Deutschland Service GmbH, TKH Technologie Deutschland AG.

The listed subsidiaries below based in the UK are controlled and consolidated by the group, where the Directors have taken the exemption from having an audit of its financial statements for the year ended December 31, 2024. This exemption is taken in accordance with the UK Companies Act, S479A.

Commend UK Ltd., TKH Security Ltd.

Smart Connectivity Systems		Smart Manufacturing Systems		Smart Vision Systems		TKH Group Support
E&E	TFO	Dewetron	VMI	Alphatronics	Allied Vision	TKH Group
EFB	TKF	Texim Europe		C&C Partners	Chromasens	TKH Finance
Intronics	TKH Airport Solutions			Commend	LMI Technologies	TKH Logistics
Isolectra				Mextal	SVS-Vistek	TKH Artifical Intelligence
				TKH Security	NET	
				Techno Specials	Euresys	
				Tattile		

Independent auditor's report

To: the shareholders and supervisory board of TKH Group N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2024 of TKH Group N.V. based in Haaksbergen, the Netherlands.
The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The consolidated financial statements give a true and fair view of the financial position of TKH Group N.V. as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The company financial statements give a true and fair view of the financial position of TKH Group N.V. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated balance sheet as at 31 December 2024
- The following statements for 2024: the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in group equity and consolidated cash flow statement
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2024
- The company statement of profit and loss for 2024
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of TKH Group N.V. (hereinafter also referred to as the company or the group) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

TKH Group N.V. is an internationally operating technology company and heads a group of operating companies and we have tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.
We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality	
Materiality	EUR 8.0 million (2023: EUR 9.5 million)
Benchmark applied	4% of earnings before interest, taxes, impairments and amortization (EBITA) (2023: 4% of EBITA)
Explanation	We applied earnings before interest, taxes, impairments and amortization (EBITA) as benchmark as in our perception, it is an important and stable performance indicator for the company and the users of the financial statements. We determined materiality consistent with prior financial year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of EUR 400,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

TKH Group N.V. is at the head of a group of entities. The financial information of this group is included in the financial statements.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report. Based on our understanding of the group and its environment, the applicable financial framework and the group's system of internal control, we identified and assessed risks of material misstatement of the financial statements and the significant accounts and disclosures.

Based on this risk assessment, we determined the nature, timing and extent of audit work performed, including the entities within the group (components) at which to perform audit work. For this determination we considered the nature of the relevant events and conditions underlying the identified risks of material misstatements for the financial statements, the association of these risks to components and the materiality or financial size of the components relative to the group.

We communicated the audit work to be performed and identified risks through instructions for component auditors as well as requesting component auditors to communicate matters related to the financial information of the component that is relevant to identifying and assessing risks.

We have performed the audit work for the Dutch operating companies within the scope of the group audit ourselves, as well as centralized audit work, such as goodwill and other intangibles of acquired companies, business combinations, interest bearing loans and valuation of deferred tax assets arising from unused tax losses. Furthermore, we selected 22 components to perform audit work for group reporting purposes. With the exception of four operating companies in Germany, the audit work for the foreign operating companies in scope of our group audit were performed by teams of EY Global member firms.

This resulted in a coverage of 73% of the EBITA, 89% of the over-time revenue and 81% of capitalized development cost.

For the other components, we performed selected other procedures, including analytical procedures and to corroborate that our risk assessment and scoping remained appropriate throughout the audit.

We performed site visits to meet with local management and component teams, observe the component operations, discuss the group risk assessment and the risks of material misstatements for several components assigned a scope. We reviewed and evaluated the adequacy of the deliverables from component auditors and reviewed key working papers for selected components to address the risks of material misstatement. We held planning meetings, key meetings required based on circumstances and we attended closing meetings with local management and component teams for components assigned a scope. During these meetings and calls, amongst others, the planning, procedures performed based on risk assessments, findings and observations were discussed and any further work deemed necessary by the primary or component team was then performed.

By performing the audit work mentioned above at the entities or business units within the group, together with additional work at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client like TKH Group N.V. We included specialists in the areas of IT audit (including cybersecurity), corporate governance (including remuneration), IFRS accounting, valuation of goodwill and intangible assets of acquired companies, real estate, share based payments, income taxes and forensics.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO_2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets (stranded assets) and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO_2 footprint. The executive board summarized the TKH Group N.V.'s commitments and obligations, and reported in the section 'Sustainability Statements' of the management report how TKH is addressing climate-related and environmental risks.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the TKH Group N.V.'s commitments and (constructive) obligations, are taken i nto account in estimates and significant assumptions. Furthermore, we read the management report and considered whether there is any material inconsistency between the non-financial information in section 'Sustainability Statements' and 'Risk Management' and the financial statements. Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 31 December 2024.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We refer to section 'Risk Management' of the management report for the executive board's (fraud) risk assessment and section 'Report of the Supervisory Board' in which the supervisory board reflects on this (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in note 1 'Material accounting principles' to the financial statements.

We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

The following fraud risk identified required significant attention during our audit.

We considered available information and made enquiries of relevant executives, directors (including internal audit, head legal affairs, and compliance officer) and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Presumed risk of fraud in revenue recognition	
Fraud risk	We presumed that there are risks of fraud in revenue recognition. We evaluated the pressure and incentive from quantitative targets and expectations from shareholders as revenue is considered one of the key performance indicators. We evaluated that a material misstatement may result from the over-time revenue recognition from contracts with customers in particular, through inappropriate estimations around the percentage of completion, including the cost to come and the expected result of the projects.
Our audit approach	We describe the audit procedures responsive to the presumed risk of fraud in revenue recognition in the description of our audit approach for the key audit matter "Over-time revenue recognition, and related valuation of contract assets and contract liabilities".

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the executive board, reading minutes, inspection of internal audit and compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

Given the company is a global organization, operating in multiple jurisdictions, in our assessment of the risk of non-compliance with laws and regulations, we also considered the potential risk from TKH Group N.V.'s interactions with third-party distributors. We refer to section 'Risk Management' in the management board report. Our audit approach included the following steps:

- Obtain an understanding of the environment and the company to enable the detection of non-compliance with laws and regulations related to bribery and corruption;
- Obtain an understanding of the internal control environment and the measures for mitigating those risks (by the company) in the light of applicable anti-corruption laws and regulations;
- Executed substantive audit procedures in order to obtain adequate evidence for the mitigation of the risk of non-compliance with laws and regulations related to bribery and corruption.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Over-time revenue recognition, and related valuation of contract assets and contract liabilities	
Risk	Revenue is one of the key performance indicators of the company's performance and considered a focus of the users of the financial statements. TKH Group N.V. manufactures products, which vary from special cable systems to integrated systems for the manufacturing of car and truck tires, whereby revenues have a fixed contract price and are recognized over-time. This results in the recognition of contract assets and liabilities per reporting date and prompting management to make estimates of the percentage of completion of the projects, as well as the cost to come and the expected result of the projects. This process involves relative complex estimations and requires judgment. Over-time revenue is recognized in all three segments, being Smart Vision systems, Smart Connectivity systems and Smart Manufacturing systems. As mentioned in the section 'Our audit response related to fraud risks' above we identified a fraud risk of accelerating revenues through inappropriate estimations around the percentage of completion, including the cost to come and the expected result of the projects. Given the focus of users of the financial statements and the identified fraud risk, we consider improper revenue recognition a key audit matter. Further reference is made to section 'Turnover' in the notes to the consolidated financial statements, and note 22, 'Information by segment', to the consolidated financial statements.
Our audit approach	Our procedures included, among others, auditing the application of the revenue recognition standard IFRS 15 'Revenue from Contracts with Customers', and whether the accounting policies have been applied consistently. We have obtained and updated our understanding of the revenue recognition process within the different segments and evaluated the company's controls relevant to revenue recognition. Furthermore, we have conducted the following substantive audit procedures with respect to the identified risks: • We evaluated management's assessment in relation to revenue recognition of projects recorded over-time, by challenging the assumptions, performing back-testing procedures on previous assessments, evaluating the percentage of completion and auditing the adequacy of capitalized costs on projects; • We performed margin analyses per significant revenue stream and product line; • We performed test of details on individual revenue transactions in which we tested the proper identification of contractual arrangements, allocation of revenue to the specific arrangements and cut-off; • We evaluated management's estimate of the cost to come, including discussion with project managers and reconciliations to supporting evidence; • We evaluated the adequacy of revenue-related disclosures, including the disclosures related to contract assets and contract liabilities.
Key observations	We consider management's assumptions relating to determine the percentage of completion of the projects, including the cost to come and the expected result of the projects to be within an acceptable range.

Our audit response related to going concern

As disclosed in section Going concern in note 1 'Material accounting principles' to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the executive board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the executive board exercising professional judgment and maintaining professional skepticism. We considered whether the executive board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed. In comparison with previous year, the nature of our key audit matters did not change.

Valuation of capitalized development costs related to new innovation projects in development	
Risk	TKH Group N.V. is investing in the development of new technologies. At 31 December 2024, the total carrying value of capitalized product development cost amounted to EUR 143 million. As such, TKH Group N.V. has capitalized a significant amount of product development costs, in accordance with IAS 38 'Intangible assets'. Management is required, for projects which are in development, to test these capitalized development costs for impairment at least annually, or more frequently if there is an indication for impairment. We focused on the development projects related to new innovation projects which are in development as these do not yet generate sales and as such there is a higher level of judgment involved in setting the significant assumptions in determining the value in use to support the carrying value. We identified a higher risk of overstatement of the capitalized development costs, specifically related to new innovation projects which are in development phase, and given the amounts involved, we consider this a key audit matter. Further reference is made to section 'Intangibles assets and goodwill' in the notes to the consolidated financial statements , and note 3, 'Intangible assets and goodwill', to the consolidated financial statements.
Our audit approach	Our procedures included, among others, auditing the application of the intangible assets standard IAS 38 'Intangible assets', and whether the accounting policies have been applied consistently. We have obtained and updated our understanding of the impairment process, and evaluated the company's controls relevant to the impairment process. Furthermore, we have conducted the following substantive audit procedures with respect to the identified risks : • We assessed and tested the assumptions, methodology (discounted cash flow model) and data used by the company in calculating the value in use of the investments in new innovation projects in development; • We performed a sensitivity analysis by stress testing key assumptions, among others, discount rate and expected growth rates, to consider the degree to which the assumptions would need to change before an impairment would have to be recognized. Based on these sensitivity analysis, our main focus was on those development projects in new innovations with limited headroom; • We gained a more in-depth understanding of the development stage of these projects in new innovations as well as the projected financial information used in management's assessment of whether the value in use exceeds the carrying value; • We assessed and tested the key assumptions with our main focus on discount rate, market size and share and expected development costs by comparing to historical or market information; • We performed backtesting procedures on previous impairment analysis on the key assumptions in management's forecast; • We evaluated the adequacy of the company's disclosures relating to capitalized development costs.
Key observations	We consider management's assumptions to be within a reasonable range. We agree with management's conclusion that the carrying value of the development costs related to new innovation projects in development is reasonable.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report (excluding the sustainability statement) and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145sub-section2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The executive board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part9 of Book 2 of the Dutch Civil Code. The executive board and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections2:135b and 2:145sub-section2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the general meeting as auditor of TKH Group N.V. on 14 May 2014, as of the audit for the year 2015 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

TKH Group N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by TKH Group N.V., complies in all material respects with the RTS on ESEF.

The executive board is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the executive board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, ”Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument” (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the executive board and the supervisory board for the financial statements
The executive board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the executive board is responsible for such internal control as the executive board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the executive board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the executive board should prepare the financial statements using the going concern basis of accounting unless the executive board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The executive board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:
- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication
We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the supervisory board in accordance with Article11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 3 March 2025

EY Accountants B.V.
Signed by W.M. Braakman

Limited assurance report of the independent auditor on the sustainability statement

To: the shareholders and the supervisory board of TKH Group N.V.

Our conclusion

We have performed a limited assurance engagement on the consolidated sustainability statement for 2024 of TKH Group N.V. based in Haaksbergen, the Netherlands in section Sustainability statements of the accompanying management report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and compliant with the double materiality assessment process carried out by TKH Group N.V. to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Our conclusion has been formed on the basis of the matters outlined in this limited assurance report.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, “Assurance-opdrachten inzake duurzaamheidsverslaggeving” (Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), “Assurance engagements other than audits or reviews of historical financial information”.

Our assurance engagement was aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities in this regard are further described in the section ‘Our responsibilities for the limited assurance engagement on the sustainability statement’ of our report.

We are independent of TKH Group N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement and we are not involved in the preparation of the sustainability statement, as doing so may compromise our independence. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants). The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code) as relevant to limited assurance engagements on sustainability statements of public interest entities in the European Union.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

The sustainability statement has been prepared in a context of new sustainability reporting standards, requiring entity-specific interpretations and addressing inherent measurement or evaluation uncertainties. In this context, we want to emphasize the following matters:

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section Value chain and sources of estimation, and outcome uncertainty in the sustainability statement that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements TKH Group N.V. has made in measuring these in compliance with the ESRS. The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the double materiality assessment process

We draw attention to section Process to identify, assess, and prioritize material impacts, risks, and opportunities in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in TKH Group N.V.'s strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process requires TKH Group N.V. to make key judgments and use thresholds and may also be impacted in time by sector-specific standards to be adopted. Therefore, the sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.
Our conclusion is not modified in respect of these matters.

Comparative information not assured

Sustainability information for Financial Year 2019 up to Financial Year 2023 included in the sustainability statement, has not been part of this limited assurance engagement. Consequently, we do not provide any assurance on the comparative information and thereto related disclosures in the sustainability statement for Financial Year 2019 up to Financial Year 2023.
Our conclusion is not modified in respect of this matter.

Limitation to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the executive board describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that the forward-looking information reflects the actual plans or decisions made by TKH Group N.V. (actions). Forward-looking information relates to events and actions that have not yet occurred and may never occur. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. We do not provide assurance on the achievability of forward-looking information.
Our conclusion is not modified in respect of this matter.

Responsibilities of the executive board and the supervisory board for the sustainability statement

The executive board is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by TKH Group N.V. as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, the executive board is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The executive board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand TKH Group N.V.'s sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the executive board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by TKH Group N.V.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

We apply the applicable quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included amongst others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of TKH Group N.V., its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by TKH Group N.V. as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS
- Obtaining through inquiries a general understanding of the internal control environment, TKH Group N.V.'s processes for gathering and reporting entity-related and value chain information, the information systems and TKH Group N.V.'s risk assessment process relevant to the preparation of the sustainability statement and for identifying TKH Group N.V.'s activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation or testing the operating effectiveness of controls
- Assessing the double materiality assessment process carried out by TKH Group N.V. and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article8 of Regulation (EU) 2020/852 (Taxonomy Regulation), where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). Designing and performing further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the executive board appears consistent with the process carried out by TKH Group N.V.
- Determining the nature and extent of the procedures to be performed to confirm our understanding of the reporting process at corporate and local level. For this, the nature, extent and/or risk profile of these sites are decisive. Based thereon, we selected the operating companies VMI Holland B.V. (Smart Manufacturing systems), EFB Elektronik (Smart Connectivity systems) and LMI Technologies (Smart Vision systems). The visits (physical or virtual) are aimed at, on a local level, obtaining an understanding of the control environment and reporting processes to corporate level related to sustainability information
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends
- Assessing whether TKH Group N.V.'s methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the executive board's estimates
- Analyzing, on a limited sample basis, relevant internal and external documentation available to TKH Group N.V. (including publicly available information or information from actors throughout its value chain) for selected disclosures
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement
- Considering whether the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of TKH Group N.V. and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met, and whether the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework, and comply with the reporting requirements provided for in Article 8 of

Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented
- Considering the overall presentation, structure and fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
- Considering, based on our limited assurance procedures and evaluation of the evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS

Communication
We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Amsterdam, 3 March 2025

EY Accountants B.V.
Signed by J. Niewold

Stichting Administratiekantoor TKH Group

The purpose of Stichting Administratiekantoor TKH Group ("TKH Trust Foundation Office") is to acquire and hold in trust ordinary shares in TKH Group N.V. ("TKH"), a public company with its registered office in Haaksbergen (the Netherlands), in exchange for the allocation of convertible, registered depositary receipts for shares. In accordance with the provisions of article 7.1.3 of the Terms and Conditions of TKH Trust Foundation Office governing the shares of TKH, TKH Trust Foundation Office reports on the activities during the year under review (2024) exclusively in relation to the administration of shares for which depositary receipts were issued. The total nominal value of the ordinary shares of TKH held in administration amounted to €10,517,434.00 on December 31, 2024, in exchange for which 42,069,736 depositary receipts for shares[1], with a nominal value of €0.25 each, were issued.

Meetings of the Board

The Board of TKH Trust Foundation Office met three times during the financial year. The topics discussed in the meeting on March 21 were the Annual General Meeting of Shareholders ("AGM") 2024 and the TKH Annual Report 2023. The annual accounts 2023 of TKH Trust Foundation Office have been discussed, approved, and adopted. The retirement schedule was also discussed, which showed that none of the Board members is eligible to resign in 2024.
During the meeting on May 7, the agenda items of the AGM 2024 were discussed. The Board decided on its preliminary voting intentions prior to the actual deliberations of the meeting. Holders of depositary receipts for shares in the capital of the company were given the opportunity to vote independently on the agenda items voted on at the AGM in respect of the shares represented by their depositary receipts and subject to the relevant statutory provisions. Holders of depositary receipts of shares collectively representing 54.8% of the capital entitled to vote requested a proxy from TKH Trust Foundation Office to vote independently on the shares in question by giving voting instructions to TKH Trust Foundation Office. TKH Trust Foundation Office voted for the remaining 37.0% of the capital entitled to vote. The Board of TKH Trust Foundation Office decided to vote in favor of all agenda items for those shares for which no voting instructions were received.

In the meeting of September 20, 2024, the Executive Board of TKH gave an explanation of the published interim figures for 2024. The budget for the next financial year of TKH Trust Foundation Office was also discussed and approved.

The Board of TKH Trust Foundation Office

The Board of TKH Trust Foundation Office currently consists of three independent members:

- Mr. G.W.Ch. Visser, Chairman
- Mr. J.S.T. Tiemstra
- Mr. C.M. Jaski

The personal details of the members of the Board and the retirement schedule can be found on the TKH Trust Foundation Office website.

Contact details

Address: Spinnerstraat 15, 7481 KJ Haaksbergen (the Netherlands)
Website: www.stichtingadministratiekantoortkh.com
Email: stak@tkhgroup.com

Haaksbergen, March 31, 2025
TKH Trust Foundation Office
The Board

Statement of independence

The Executive Board of TKH Group N.V. and the Board of TKH Trust Foundation Office, jointly and severally, state that they are of the opinion that TKH Trust Foundation Office is a legal entity that is independent of TKH Group N.V. within the meaning of Section 5.71(1)(d) of the Financial Supervision Act.

Haaksbergen, March 31, 2025
TKH Group N.V.
The Executive Board

Haaksbergen, March 31, 2025
TKH Trust Foundation Office
The Board

1 The number of depositary receipts for shares has decreased by 8,148 compared to December 31, 2023, due to the conversion of 8,148 depositary receipts for shares into ordinary shares.

Stichting Continuïteit TKH

The purpose of Stichting Continuïteit TKH ("Continuity Foundation") is to serve the interests of TKH Group N.V. ("TKH") and all the businesses affiliated with TKH, in such a way that those interests are safeguarded to the greatest possible extent and that any influences which could undermine the independence, continuity, or identity of TKH and its affiliated companies in conflict with those interests are averted to the greatest possible extent, as well as to avoid any activities related to or conductive to the above.

By means of a call option, TKH has granted the Continuity Foundation the right to acquire cumulative protective preference shares in TKH, subject to a maximum of 50% of the amount of the other shares outstanding at the time of the placement of the protective shares, or 100% should the limitation on the conversion of depositary receipts cease to apply. The protective shares should not remain outstanding longer than is strictly necessary. In the event that TKH shareholders acquire a degree of control that is considered undesirable and is not in the interests of TKH and its affiliated companies, or there is a danger of them doing so, TKH's Executive and Supervisory Board will be at liberty – among other things – to determine their degree of control, to consider and explore possible alternatives, and to elaborate on these if necessary. The Continuity Foundation did not acquire any cumulative protective preference shares in TKH in 2024.

TKH has also granted the Continuity Foundation the right to initiate an inquiry procedure in the event that the Continuity Foundation believes there are grounds to doubt the policy pursued by TKH and the state of affairs prevailing in TKH, and that in invoking this right it would be acting in the interests of TKH and the businesses associated with it.

The Board of the Continuity Foundation

The Board of the Continuity Foundation consists of:

- Mr. M.P. Nieuwe Weme, Chairman
- Ms. S. Drion
- Mr. A. Nühn MBA
- Mr. A.J.M. van der Ven

Haaksbergen, March 31, 2025
Continuity Foundation
The Board

Statement of Independence

The Executive Board of TKH Group N.V. and the Board of the Continuity Foundation, jointly and severally, state that they are of the opinion that the Continuity Foundation is a legal entity that is independent of TKH Group N.V. within the meaning of Section 5.71(1)(c) of the Financial Supervision Act.

Haaksbergen, March 31, 2025
TKH Group N.V.
The Executive Board

Haaksbergen, March 31, 2025
Continuity Foundation
The Board

10 years overview

In millions of euros	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Consolidated statement of profit and loss										
Turnover	**1,713**	**1,847**	**1,817**	**1,524**	**1,289**	**1,490**	**1,458**	**1,485**	**1,341**	**1,375**
Raw materials, consumables, trade products and subcontracted work	824	928	959	787	655	771	768	817	710	743
Added value	**889**	**919**	**858**	**737**	**634**	**718**	**690**	**668**	**631**	**632**
Personnel expenses	474	476	435	378	345	369	352	347	331	326
Other operating expenses	159	156	140	124	108	133	137	147	131	133
EBITDA	**256**	**287**	**283**	**235**	**181**	**216**	**201**	**174**	**169**	**173**
Depreciation [3]	52	50	48	45	46	45	26	25	22	22
EBITA excluding one-off income and expenses	**204**	**237**	**235**	**190**	**136**	**171**	**175**	**149**	**147**	**151**
One-off income and expenses	4	2	-10		7	18	4	6		
EBITA	**200**	**235**	**245**	**190**	**129**	**154**	**171**	**143**	**147**	**151**
Impairments	8	4		2	4	5	2	2	1	1
Amortization	61	57	55	51	54	50	40	37	33	32
Operating result	**131**	**174**	**190**	**137**	**71**	**99**	**129**	**104**	**113**	**118**
Financial result	-8	29	-9	-6	-14	-10	-4		-7	-7
Fair value changes of financial liability for earn-out and put options of holders of non-controlling interests	1			-2				4	1	
Result on ordinary activities before taxes	**124**	**203**	**181**	**129**	**57**	**89**	**125**	**108**	**107**	**111**
Taxes	24	37	44	34	15	20	27	20	20	23
Net result for the period from continued operations	**100**	**166**	**137**	**95**	**42**	**69**	**98**	**88**	**87**	**88**
Result after tax from discontinued operations						45	11			
Non-controlling interests								1	1	2
Attributable to shareholders	**100**	**166**	**137**	**95**	**42**	**114**	**109**	**87**	**86**	**86**

Key figures	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EBITA/Turnover (ROS) [3,4]	11.9	12.8	12.9	12.4	10.5	11.6	12.0	10.1	10.9	11.0
Net result before amortization and one-off income and expenses/Group equity [3,4]	11.2	15.6	19.9	15.8	10.6	14.9	17.6	16.1	16.5	19.3
EBITA/Average capital employed (ROCE)	15.2	19.8	23.2	20.5	14.0	17.4	21.3	19.7	20.1	22.1
Net debt/EBITDA ratio [3,4]	2.0	1.8	1.1	0.9	1.6	1.5	1.4	0.9	1.0	0.9
Net result before amortization and one-off income and expenses/Turnover [3,4]	5.8	7.1	7.9	7.5	5.5	7.1	7.8	6.5	7.2	7.4

1 The comparative figures for 2018 have been restated due to discontnued operations.
2 The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 ‘Revenue from contracts with customers’.
3 After restatement as a result of change in accounting principles for land and buildings and prior period restatements for the years 2015 up to 2016.
4 Excluding one-off income and expenses. The one-off in 2023 and 2024 mainly concern restructuring, acquisition and divestment costs. The one-off income in 2022 mainly concern book profit on sale of buildings. The one-off income and expenses in 2020 mainly concern restructuring costs and integrations of €8.9 million, book profit and sale of buildings of €2.0 million and impairment losses of €4.0 million. The one-off income and expenses in 2019 were restructuring and acquisition costs of €18.3 million, impairments of €1.5 million and impairment losses of €5.0 million.

In millions of euros	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Consolidated balance sheet										
Intangible assets and goodwill	611	566	534	537	577	596	544	392	395	400
Property, plant and equipment [3]	486	436	295	222	220	231	246	229	215	196
Right-of-use assets	78	84	75	69	77	81				
Financial non-current assets	48	53	26	45	42	52	31	28	46	34
Total non-current assets	**1,223**	**1,138**	**930**	**873**	**916**	**960**	**821**	**649**	**656**	**630**
Inventories	399	403	386	295	237	239	267	219	207	194
Trade and other receivables	439	471	459	341	286	300	356	327	295	248
Cash and Cash equivalents	126	94	185	100	122	79	83	88	88	179
Total current assets	**963**	**968**	**1,030**	**736**	**645**	**618**	**706**	**634**	**590**	**621**
Assets held for sale	27	21	109	88	5	39				
Total assets	**2,213**	**2,128**	**2,068**	**1,697**	**1,566**	**1,617**	**1,527**	**1,283**	**1,246**	**1,251**
Shareholders' equity [3]	883	836	787	722	662	705	647	594	574	521
Non-controlling interests							1	9	9	9
Group equity	**883**	**836**	**787**	**722**	**662**	**705**	**648**	**603**	**583**	**530**
Provisions [3]	95	93	84	90	86	97	86	69	74	71
Non-current interest-bearing loans and borrowings	620	572	503	334	410	416	239	187	214	223
Current interest-bearing loans and borrowings	90	76	70	48	57	58	171	57	52	126
Other financial liabilities	6	3	4	7	8	9	5	15	23	27
Other current liabilities	510	545	587	460	343	319	378	352	300	274
Liabilities directly associated with assets held for sale	9	3	33	37		13				
Total equity and liabilities	**2,213**	**2,128**	**2,068**	**1,697**	**1,566**	**1,617**	**1,527**	**1,283**	**1,246**	**1,251**

Other information in euros (unless stated otherwise)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Solvency (in %)	40	39	38	43	42	44	42	47	47	42
Investments in property, plant and equipment	89	179	105	30	28	32	42	41	46	38
Depreciations of property, plant and equipment	36	33	32	30	30	29	28	24	23	23
Cash flow from operating activities	196	153	116	199	188	182	127	160	103	182
Number of shares outstanding and held by third parties at year end (x 1,000)	39,873	39,798	41,001	41,178	41,487	41,999	42,003	42,045	42,161	41,724
Net result per ordinary share of €0.25	2.50	4.07	3.34	2.31	1.14	2.72	2.58	2.05	2.04	2.07
Net profit before amortization and one-off income and expenses from continued operations attributable to shareholders	2.48	3.21	3.50	2.77	1.69	2.51	2.72	2.27	2.25	2.40
Dividend per share	1.50	1.70	1.65	1.50	1.00	1.50	1.40	1.20	1.10	1.10
Highest share price	44.78	49.10	54.90	56.15	51.30	55.05	60.15	56.68	38.14	40.50
Lowest share price	30.18	33.64	31.24	37.88	23.42	38.82	38.36	36.45	28.47	25.35
Share price at year-end	33.32	39.50	37.16	55.50	39.54	49.90	40.70	52.93	37.59	37.44

1 The comparative figures for 2018 have been restated due to discontnued operations.
2 The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 ‘Revenue from contracts with customers’.
3 After restatement as a result of change in accounting principles for land and buildings and prior period restatements (see Accounting Principles) for the years 2015 up to 2016.

Alternative performance measures

TKH uses alternative performance measures to measure and monitor its financial and operational performance. These measures are used in this Annual Report but are not defined in any law or in the International Financial Reporting Standards (IFRS). As far as non-IFRS financial measures are not used in the financial statements they have not been audited or reviewed by our external auditors.

The measures TKH deems to be relevant and reliable alternative performance measures are included in this chapter of the Annual Report. We consider these measures important supplemental measures of TKHs' performance and believes that they are widely used in the industries in which TKH operates as a means of evaluating a company's performance. TKH believes that an understanding of its turnover development, profitability, financial strength and funding requirements is enhanced by reporting the following non-IFRS measures.

Added value

Total turnover less the cost of 'Raw materials, consumables, trade products and subcontracted work' for products sold and services delivered. Added value is presented as an absolute value, as well as a percentage from turnover.
Reference is made to note 22 of the consolidated financial statements for a reconciliation and calculation. TKH deems this a relevant performance measure as it is an indicator of the pricing power TKH has in its specific markets and the ability to create added value for its customers.

EBITA and EBITDA and ROS (return on sales)

EBITA: Earnings before interest, taxes, impairments, and amortization.
EBITDA: Earnings before interest, taxes, impairments, depreciation, and amortization.
ROS: EBITA excluding one-off income and expenses, divided by total turnover as a percentage.
Reference is made to note 22 of the consolidated financial statements for a reconciliation and calculation.
Measures as EBITA and EBITDA are broadly used by analysts, rating agencies and investors in their evaluations. One-off income and expenses are excluded when using a measure to improve insight in the underlying operational performance of our activities.

Net profit before amortization of intangible non-current assets related to acquisitions (after tax) and one-off income and expenses attributable to shareholders (summarized as: 'Adjusted net profit')

Reference is made to note 32 of the consolidated financial statements for a reconciliation and calculation. TKH deems this measure useful in comparing the performance to other companies in comparable industries.

Capital employed and ROCE (return on capital employed)

Capital employed: Group equity plus Interest-bearing loans and borrowings current and non-current, less total lease liabilities and less cash and cash equivalents.
Return on capital employed: is the EBITA for the last 12 months divided by the average of capital employed at the beginning and at the end of the period.
The measure provides useful information to management and investors to evaluate our ability to allocate capital to generate returns.

in thousands of euros	Notes	2024	2023
Group equity		883,087	835,713
Add: Interest-bearing loans and borrowings, non-current		620,085	572,368
Add: Interest-bearing loans and borrowings, current		90,270	75,864
Less: Total lease liabilities	18	-87,725	-87,154
Less: Cash and cash equivalents		-125,629	-93,697
Capital employed current year		**1,380,088**	**1,303,094**
Capital employed previous year		1,303,094	1,093,732
Average capital employed		**1,341,591**	**1,198,413**
EBITA	22	203,916	237,033
ROCE		**15.2%**	**19.8%**

Net interest bearing debt and Debt leverage ratio (net interesting bearing debt/ EBITDA)

Net interest bearing debt: Bank loans reported under non-current liabilities plus lease liabilities plus borrowings reported under current liabilities less cash and cash equivalents.
Debt leverage ratio: Net interest bearing debt according to bank covenants, divided by EBITDA according to bank covenants.
This measure provides insight in the financial solidity of TKH and is a measure of our ability to operate within the covenants set by our banks.

in thousands of euros	Notes	2024	2023
Net interest bearing debt	18	581,768	554,146
Less: adjustment according to bank covenants		-85,741	-84,952
Net interest bearing debt according to bank covenants		**496,027**	**469,194**
EBITDA	22	255,919	285,861
adjustment according to bank covenants		-13,077	-23,516
EBITDA according to bank covenants		**242,842**	**262,345**
Debt leverage ratio		2.0	1.8

The 'adjustments according to bank covenants' mainly relate to the exclusion of lease liabilities from the calculation of the net interest bearing debt and some adjustments in determining EBITDA. All based on specific arrangements as included in the credit facilities with our banks.

Dividend payout ratio 'Adjusted net profit'

This ratio indicates the portion of net profit that is paid out to shareholders: (dividend/net profit before amortization and one-off income and expenses attributable to shareholders) times 100.

Dividend payout ratio 'Net profit'

This ratio indicates the portion of net result that is paid out to shareholders ((dividend/net result) times 100).
TKH deems this a useful measure for investors to compare our dividend yields and financial performance with peers.

	Notes	2024	2023
Proposed dividend per share	9 comp	1.50	1.70
Ordinary earnings per share before amortization and one-off income and expenses (in €)	32	2.48	3.21
Payout ratio 'Adjusted net profit'		**60.5%**	**53.0%**

	Notes	2024	2023
Proposed dividend per share	9 comp	1.50	1.70
Ordinary earnings per share (in €)	32	2.50	4.07
Payout ratio Net result		**60.0%**	**41.7%**

Innovations %

Last 12 months turnover from new products launched in the previous two years, divided by last 12 months turnover. TKH positions itself as an innovative technology company. This measure provides useful information of the ability of TKH to bring innovations to the market and translate these in turnover.

	Notes	2024	2023
Turnover from innovations		300,889	297,461
Total Turnover		1,712,735	1,847,532
Turnover from innovations %		**17.6%**	**16.1%**

Normalized effective tax rate

Tax on result divided by Result before tax less the impact of Share in result of associates, Result on sale of associates and subsidiaries and Fair value changes of financial liability for earn-out and put options of shareholders of non-controlling interests.
The mentioned elements can hinder the insight in the tax burden TKH incurs as those are non-taxable. Therefore the normalized effective tax rate is deemed an useful measure in reporting our tax burden.

	Notes	2024	2023
Result before tax		123,531	202,942
Less: Share in result of associates		-249	3,309
Less: Result on sale of associates and subsidiaries		-24,221	-54,802
Less: Fair value changes of financial liability for earn-out and put options of shareholders of non-controlling interests		-733	146
Normalized result before tax		**98,328**	**151,595**
Tax on result		24,000	37,180
Normalized effective tax rate		**24.4%**	**24.6%**

One-off income and expenses

Income and expense items of such nature, size and/or frequency of occurrence that their disclosure is relevant to explain TKH performance, including impairments, restructuring costs and gains and losses from acquisition and disposal. One-off income and expenses are identified both within the operating result, result of associates, result from divestments and fair value changes of financial liability for earn-out and put options of shareholders of non-controlling interests.One-off income and expenses are excluded when using as a measure to improve insight in the underlying performance of our activities.
Reference is made to note 32 of the consolidated financial statements for further details.

Operating expenses excluding one-off expenses, amortization and impairments

This relates to the operating expenses excluding one-off expenses, amortization and impairments. This is used when reconciling between Added value and EBITA excluding the one-off income and expenses.

	Notes	2024	2023
Total Operating expenses		1,582,127	1,673,063
Less: Raw materials, consumables, trade products and subcontracted work		-824,229	-928,220
Less: One-off income and expenses	22	-3,996	-1,983
Less: Amortization		-60,808	-56,860
Less: Impairments		-8,504	-3,720
Operating expenses (excluding one-off expenses, amortization and impairments)		**684,590**	**682,280**

Order book and Order intake

Expected future turnover with respect to contractual performance obligations that have not yet (or partially) been satisfied at balance sheet date.

Reference is made to note 9 of the consolidated financial statements for further detail.

The order intake is calculated as follows:

in thousands of euros (unless stated otherwise)	Smart Vision Systems		Smart Manufacturing Systems		Smart Connectivity Systems		Other & eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Order book at 1 January	124,035	159,173	631,285	572,989	214,784	239,744	1	1	970,105	971,907
Acquisitions and divestments	343	10,896	-37,231		3,144		-1	0	-33,745	10,896
Turnover	-489,597	-500,526	-608,843	-573,563	-631,900	-800,540	17,605	27,097	-1,712,735	-1,847,532
Order intake	505,080	454,492	516,295	631,859	907,611	775,580	-17,607	-27,097	1,911,379	1,834,834
Order book at 31 December	**139,861**	**124,035**	**501,506**	**631,285**	**493,638**	**214,784**	**-2**	**1**	**1,135,004**	**970,105**

Organic turnover growth

Growth of turnover corrected for the impact of acquisitions, divestments and foreign exchange effects from translating turnover in foreign currencies. The correction for divestments is determined by adjusting 'Turnover growth' for the turnover of the previous year period for which the divested company was no longer part of the consolidation in the current year. The correction for acquisitions is determined by adjusting 'Turnover growth' for the turnover of the current year period for which the acquired company was not yet part of the consolidation in the previous year. This is used as a measure to improve insight in and comparability of our turnover development which can potentially be hindered by the effects of acquisitions, divestments and foreign exchange effects.

in thousands of euros (unless stated otherwise)	Notes	Smart Vision Systems	Δ in %	Smart Manufacturing Systems	Δ in %	Smart Connectivity Systems	Δ in %	Other & eliminations	Total 2024	Δ in %
Turnover current year	22	489,597		608,843		631,900		-17,605	1,712,735	
Turnover previous year	22	500,526		573,563		800,540		-27,097	1,847,532	
Turnover growth		**-10,929**	**-2.2%**	**35,280**	**6.2%**	**-168,640**	**-21.1%**	**9,492**	**-134,797**	**-7.3%**
Impact of acquisitions & divestments		-10,048	-2.0%	27,895	4.9%	93,514	11.7%	0	111,361	6.0%
Impact of foreign exchange effects		-1,117	-0.2%	506	0.1%	1,161	0.1%	0	550	0.0%
Organic turnover growth		**-22,094**	**-4.4%**	**63,681**	**11.1%**	**-73,965**	**-9.2%**	**9,492**	**-22,886**	**-1.2%**

Organic EBITA growth

Growth of EBITA corrected for the impact of acquisitions, divestments and foreign exchange effects from translating EBITA in foreign currencies. The correction for divestments is determined by adjusting 'EBITA growth' for the EBITA of the previous year period for which the divested company was no longer part of the consolidation in the current year. The correction for acquisitions is determined by adjusting 'EBITA growth' for the EBITA of the current year period for which the acquired company was not yet part of the consolidation in the previous year. This is used as a measure to improve insight in and comparability of our EBITA development which can potentially be hindered by the effects of acquisitions, divestments and foreign exchange effects.

in thousands of euros (unless stated otherwise)	Notes	Smart Vision Systems	Δ in %	Smart Manufacturing Systems	Δ in %	Smart Connectivity Systems	Δ in %	Other & eliminations	Total 2024	Δ in %
EBITA current year	22	77,732		116,113		30,920		-20,849	203,916	
EBITA previous year	22	85,886		90,636		81,132		-20,621	237,033	
EBITA growth		**-8,154**	**-9.5%**	**25,477**	**28.1%**	**-50,212**	**-61.9%**	**-228**	**-33,117**	**-14.0%**
Impact of acquisitions & divestments		-2,645	-3.1%	2,573	2.8%	15,014	18.5%	0	14,942	6.3%
Impact of foreign exchange effects		-170	-0.2%	131	0.1%	393	0.5%	0	354	0.1%
Organic EBITA growth		**-10,969**	**-12.8%**	**28,181**	**31.1%**	**-34,805**	**-42.9%**	**-228**	**-17,821**	**-7.5%**

Solvency

Percentage of the Total group equity relative to the Total equity and liabilities. This percentage is presented to express the financial strength of TKH.

	Notes	2024	2023
Total group equity		883,087	835,713
Total equity and liabilities		2,213,341	2,127,779
Solvency		39.9%	39.3%

Turnover related to the sustainable development goals

Total of TKH's portfolio's turnover linked to one of the 17 SDGs (Sustainable Developments Goals), adopted by all United Nations Member States in 2015. This is calculated by allocating TKH's portfolio based on internal reporting of turnover by end-market combined with portfolio information included in quarterly reports of operating companies. This measure provides useful information about the ability of TKH to bring portfolio to the market which is connected to one of the SDGs. Reference is also made to the chapter 'Sustainability Statements' which includes a paragraph 'Sustainable Development Goals'.

	Notes	2024	2023
Turnover linked to SDGs		1,226,631	1,296,403
Total Turnover		1,712,735	1,847,532
Turnover linked to SDGs %		**71.6%**	**70.2%**

Working capital ratio

Working capital ratio is calculated by dividing working capital by turnover.

in thousands of euros (unless stated otherwise)	2024	2023
Current assets	963,361	968,318
Less: Cash and cash equivalents	-125,629	-93,697
Current liabilities	-622,177	-641,377
Add: Current interest-bearing loans and borrowings	90,270	75,864
Working capital	**305,825**	**309,108**
Turnover	1,712,735	1,847,532
Working capital ratio	17.9%	16.7%