

# Strategy and performance

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# Technology company TKH

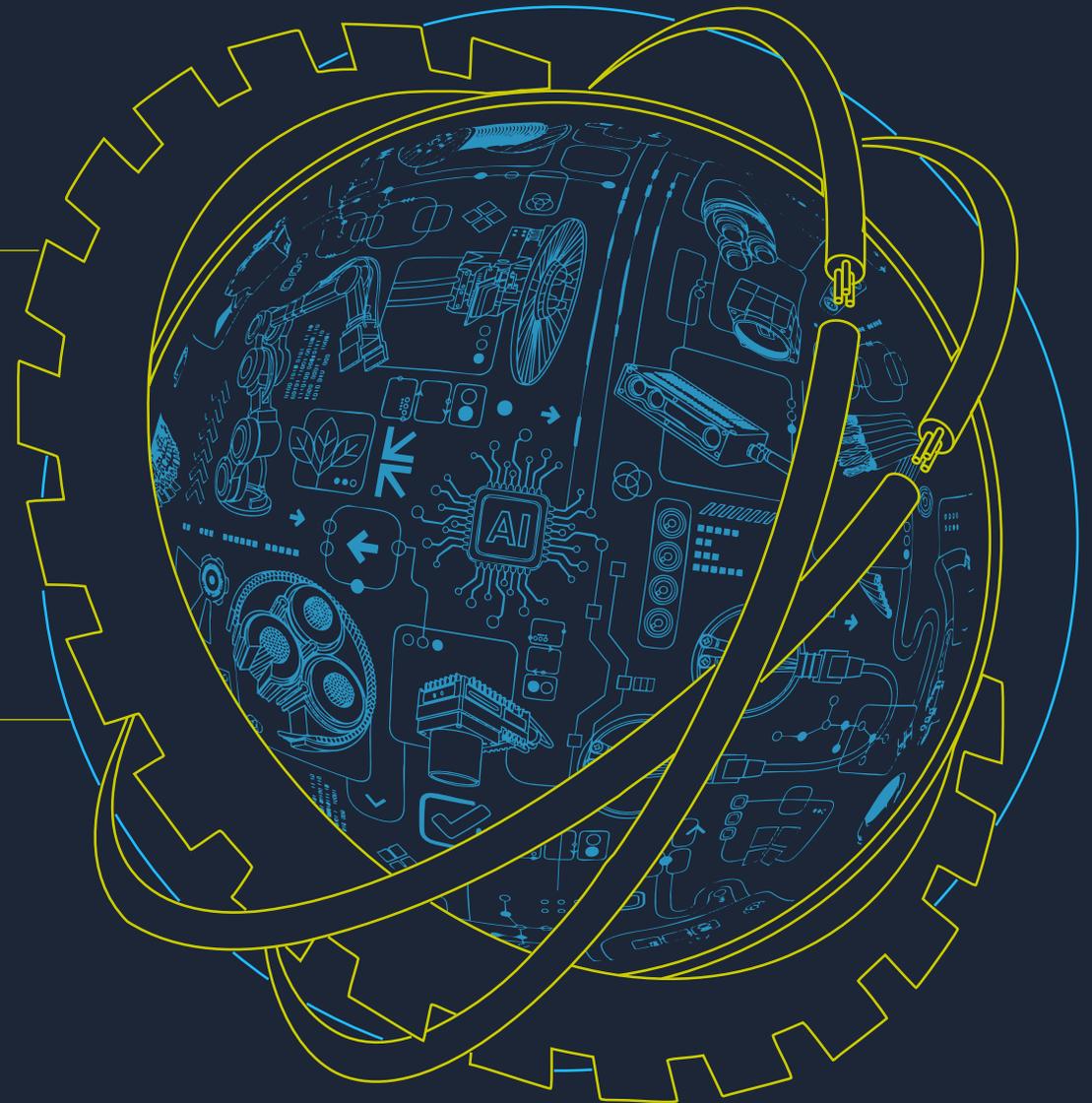
## Mission

Making the world a better place by unlocking the potential of our highly differentiated, customer-centric technologies.

## Vision

We develop world-class leading technologies tailored to the needs of our customers.

*By making their operations ever more efficient, we aspire to be the strategic partner they trust to deliver long-term value that benefits people, the planet, and future generations.*



# Who we are and what we do

TKH is a leading technology company specializing in the creation of innovative, customer centric systems that drive success through automation and electrification. Through constant innovation, we develop leading positions across our chosen markets. We aim to maintain and expand our share in these markets by leveraging and scaling up innovation, investing in our differentiating technologies, accelerating AI and software development, and actively optimizing our portfolio.

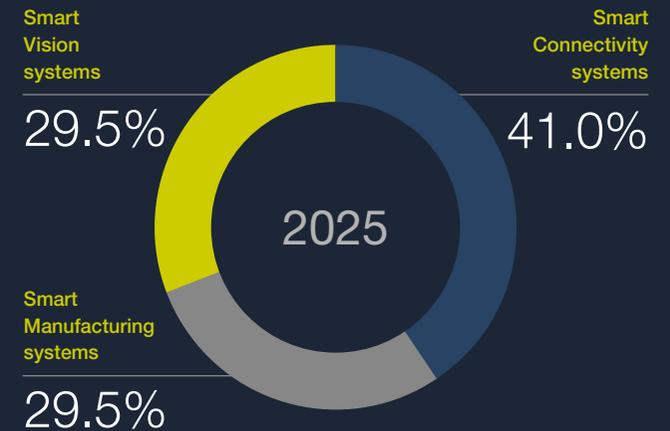
We pursue sustainable growth in a culture of entrepreneurship, working closely with customers to create one-stop-shop, plug-and-play innovations. By integrating hardware, software and AI with customer-focused insight, our highly differentiated technologies provide unique answers to real-world challenges. In doing so, we work to make the world better by creating ever more efficient and more sustainable systems.

Sustainability is embedded in how we create value. Our technologies help customers operate more efficiently while reducing environmental impact. We have a clear focus on our six UN Sustainable Development Goals. We pursue profitable growth that benefits all stakeholders: customers, employees, shareholders and the communities where we operate. Through responsible innovation and disciplined execution, we build businesses that deliver long-term value for people, the planet and future generations.

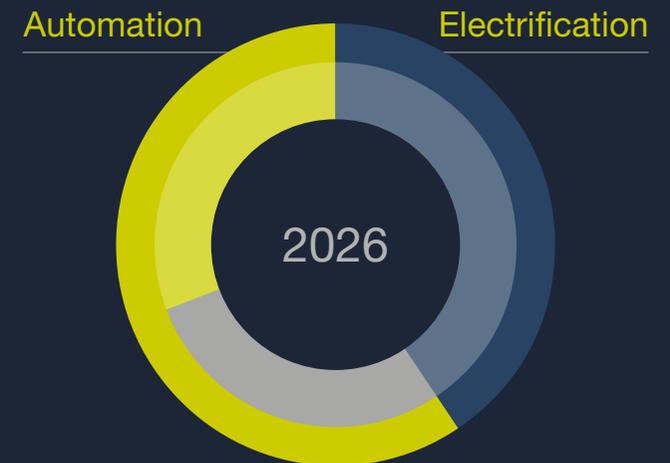
We operate mainly in growth markets, where our differentiated technologies, integrated one-stop-shop, plug-and-play systems or high-quality service levels enable us to build leading positions. We operate globally, with our growth primarily focused in Europe, North America, and Asia.

We work with a decentralized business model, coupled with our entrepreneurial, customer-focused culture. Our short lines of communication enabling our operating companies to respond swiftly and effectively to geopolitical and social developments that affect the challenges our customers face.

## Turnover per segment



## New segmentation



The new segmentation Automation and Electrification is the intended segmentation for 2026 onwards. The 2025 reporting was still based on the segments Smart Vision systems, Smart Manufacturing systems, and Smart Connectivity systems.

# Strategy program Capitalize & Execute 2028

## Automation

### Capitalize

#### Our leading technologies

- Vision technologies
- Advanced manufacturing systems
- AI and software

#### Our leading positions

- Close customer partnerships/relationships
- Market leadership in most segments
- Global presence

### Execute

#### Organization

Integrations, synergies, and portfolio rationalizations

#### Autonomous decision making

Enlarge solution offering by taking full advantage of our building blocks

### Key targets Automation

Organic turnover growth (CAGR)

5% - 7%

EBITA margin

17% - 19%

Return on Capital Employed (ROCE)

25% - 30%

## Business model



### The fundamentals that guide us

Leading positions in attractive end markets

Strong focus on innovation

Customer-first philosophy

Differentiated technologies

Combined hardware, AI and software

Solid financial foundations

## Electrification

### Capitalize

#### Our leading capabilities

- Onshore: unmatched services
- Offshore: unique dry design
- Sustainability proposition

#### Our strong positioning

- Onshore: dominating position in Benelux with local footprint, long-term contract
- Offshore: market leader Western Europe
- Customer-specific industrial cable systems

### Execute

#### High utilization

Utilize expanded capacity

#### Optimization

Yield improvements in operations

### Key targets Electrification

Organic turnover growth (CAGR)

>7%

EBITA margin

12% - 15%

Return on Capital Employed (ROCE)

18% - 23%

# Our values

At TKH, we develop our technologies in a sustainable and socially responsible manner, using the expertise of our talented people. We conduct our business with honesty, integrity, accountability, and transparency. Our values shape our culture, ensuring sustainable long-term value creation.



## We are aspirational

*The commitment to go beyond the norm*

We are focused on driving success, with the vision to open new possibilities and unlock sustainable value for our stakeholders.



## We empower

*The freedom to make great things happen*

We encourage an entrepreneurial mindset, trusting the talent and the passion of our people to take the initiative and deliver the innovation that sets us and our customers apart.



## We are motivated

*The ambition to deliver sustainable success*

More than an innovator, we are a long-term partner. We are motivated by and committed to the best interests of our customers, our planet, and our future generations.



## We are customer-focused

*The vision to help our customers thrive*

Our close partnerships set us apart, helping us deliver the technology that helps our customers to boost efficiency, achieve ambitions, and maintain success.



## We are innovative

*The drive to pioneer new solutions*

We constantly push the boundaries of technology, developing proprietary hardware and software that create differentiated value and transform how our customers operate.

# The fundamentals that guide us

We defined six fundamentals as our core foundation, to drive sustainable long-term value creation.

## Leading positions in attractive end markets



We focus on markets driven by powerful secular trends in automation and electrification. Through decades of focused innovation and consistent execution, we have established market leadership in most segments where we operate, with a global presence that spans key regions across Europe, North America, and Asia.

## Strong focus on innovation



Innovation is at the heart of everything we do. We continuously push the boundaries of what's possible, developing state-of-the-art technologies that differentiate us from our competitors. With over 750 employees active within R&D and software development, we have registered 1,591 active patents at the end of 2025. TKH generated €299 million turnover in 2025 from innovations (17.0%), generated by portfolio introduced in the prior two years (10% objective). As a result, an important share of our technology portfolio is constantly in the early stages of the product life-cycle, an essential strategic foundation for securing future growth. In 2025, we spent €88.3 million on R&D activities.

## Customer-first philosophy



We believe in the power of partnership. We work exceptionally closely with our customers, creating detailed R&D road maps that result in technologies that answer their challenges, and even accelerating the time-to-market for selected systems. We measure, monitor, and evaluate customer loyalty and appreciation through customer satisfaction surveys. Based on the outcomes, we can take specific actions to better serve our customers. Our average customer satisfaction survey score for 2025 is 8.6, which is slightly above the (new) target of >8.5. Through training and skills management, standardization of processes, and further improvement of our availability, information systems, and 24-hour service, we aim to provide an even better customer experience.

## Differentiated technologies



Our proprietary hardware and in-house developed software create solutions that competitors cannot easily replicate. From our unique dry design for offshore cables to our integrated vision and tire building systems, our technologies deliver distinctive value that sets us and our customers apart.

## Combined hardware, AI and software



We integrate best-in-class hardware with sophisticated, in-house developed software to create complete, plug-and-play solutions. This unified approach enables us to deliver one-stop-shop systems with seamless functionality, from our vision platforms with shared algorithms to our AI-integrated autonomous production ecosystems.

## Solid financial foundations



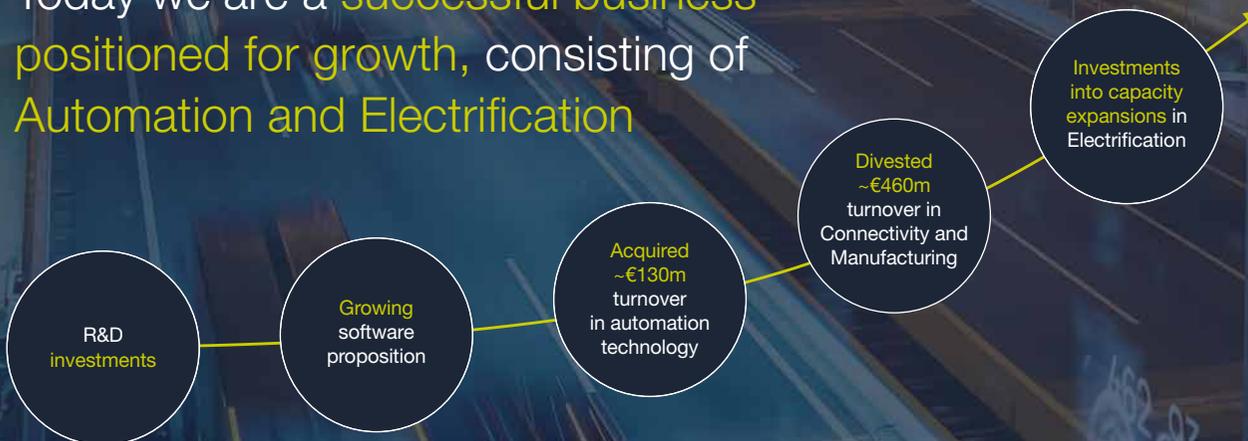
We maintain healthy balance sheet ratios, operate asset light, aim to achieve an annual increase in earnings per share, and seek to generate a strong cash flow from our operating activities. We want to have a debt leverage ratio of no more than 2.0. This allows us to invest in growth, R&D, and innovation in a sustainable way. We have a disciplined capital allocation with clear priorities. Generated cash will be used for capital expenditures and bolt-on acquisitions in Automation. Surpluses of cash can be used for dividend, aiming at a pay-out ratio of 40% - 70% of normalized net profit, and a dividend yield of 3% (between 2.5% and 4.5%). Any remaining cash can be used for share buyback programs, subject to a debt leverage of <2.0.

# Capitalize & Execute 2028

In the last years of our Accelerate 2025 strategy, we improved our position towards the global trends of automation and electrification, on the back of our innovations, R&D roadmap, and completed strategic capex program. At our Capital Markets Day at September 25, 2025, we announced the next phase for the company.

In this next phase, TKH will focus on capitalizing on the realized building blocks in Automation and Electrification. Growth will be realized both by capturing market growth, as well as by growing the addressable markets. Focus will be on execution, in Automation and Electrification, and also on disciplined capital allocation. We also want to further increase our focus: the future of TKH will be in Automation.

Today we are a **successful business positioned for growth**, consisting of **Automation and Electrification**



During the past years, TKH has created market leading positions based on its proprietary technologies in Automation, which accounts for approximately 60% of TKH's turnover. We see many opportunities in long-term value creation based on our unique technologies. We offer innovative, customized, one-stop-shop integrated hardware and software solutions that build long-term customer partnerships, maximize efficiency, and monitor safety. Our strategy for Automation is to be a global market leader by improving customers' operations and products through state-of-the-art technologies.

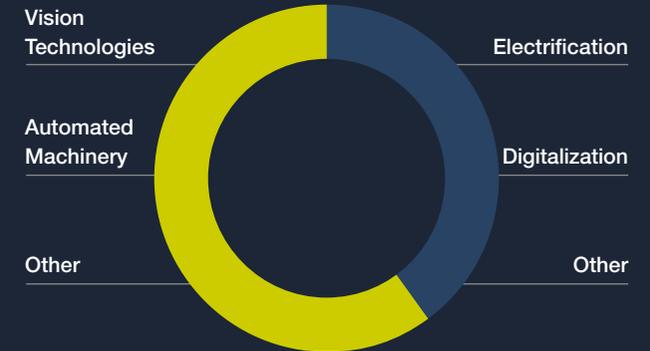
TKH's Electrification business' is a market leader, focused on electrification of the on- and offshore energy network infrastructure with cable solutions. We have invested significantly in the Electrification activities over the last years. With the completion of our strategic investment program of €150 million, and the operational start-up complexities in the Eemshaven plant largely resolved, the activities are well positioned to capitalize on the realized capacity expansions, with a healthy financial outlook.

For their next phase of growth, TKH is limited to support both activities in their performances and long term capital requirements. Based on the size and asset light structure of Automation, TKH has decided to accelerate its transition towards becoming a leading Automation company. With this TKH expects to maximize shareholder value, taking into account the interests of all stakeholders. Given the capital requirements and market dynamics of Electrification, an alternative ownership for the Electrification activities is beneficial. TKH expects to make material steps in the separation process in 12 to 18 months as from the Capital Markets Day, starting with the

# TKH's future is Automation

## Automation

## Electrification



## Limited synergies - Different valuations

### Automation

- Asset light, technology driven
- Multiple end-markets
- Global
- Scalability
- Strong organic value creation potential

### Electrification

- Capital intensive, capacity driven
- Offshore market dynamics
- Regional
- Investment for future scaling

legal structuring. Following the intended separation of the Electrification activities, a focused Automation business will lead to increased opportunities and unrivalled performance.

Previously, we have segmented our Smart Technologies into three core market segments, Smart Vision, Smart Manufacturing, and Smart Connectivity systems. By entering the next phase for the company, we transition to the new segments Automation and Electrification.

### Automation

In Automation we strive to be a global market leader, with smart vision and manufacturing technologies, enhancing automation through state-of-the-art AI-integrated technologies. We will continue to grow our total addressable market through new applications that leverage our long-term customer partnerships, our customized one-stop-shop hardware and software offering, and our global scale. Our capex and M&A strategy will be focused on capturing the continued market growth in vision based automation solutions. The operations will be further optimized through integrations, synergies and portfolio rationalizations.

### Electrification

The Electrification segment, consisting of on- and offshore activities, benefits from strong underlying secular

trends and leading market positions in their respective segments. Our unique technologies, strong sustainability and service offering are evidenced by a strong orderbook. Our strategic capex program, which increased our capacity significantly, will allow the Electrification activities to further capture the market potential. The higher utilization of our offshore inter-array capacity and onshore activities, will lead to significant growth and increased profitability.

### Disciplined capital allocation

In our execution, we will focus on cash flow generation through disciplined capex spending and working capital management. We will continue with the divestment of non-core activities with a total planned turnover of about €250 million, which includes the earlier communicated plan for divestment of the Digitalization activities. Generated cash, including proceeds from the divestment of non-core activities, will be used for (1) organic capex in our asset-light Automation activities, (2) bolt-on acquisitions in Automation, (3) dividends to shareholders and (4) share buybacks. We aim for a debt leverage ratio of <2.0.

### Medium-term targets (2028)

TKH expects to continue its organic growth, with a strict focus on profitability and cash flow conversion. We have established distinct 2028 targets for the Automation and Electrification segments to drive focused growth.

Segment <sup>1</sup>	Organic turnover growth	Adjusted EBITA margin	ROCE
Automation	5% - 7%	17% - 19%	25% - 30%
Electrification	>7%	12% - 15%	18% - 23%

1. The segments and targets ratios are excluding the unallocated support and head office costs. The possible impact of the intended divestments of non-core activities have been incorporated in the targets. The targets are excluding the effects of the intended separation of Electrification.

# Automation segment

We support industries in the era of autonomous decision making

TKH equips customers to succeed in a world that demands more consistent output more efficiently, with less waste and fewer hands. Our vision, manufacturing and AI technologies combine eyes, hands and brains of a system into a seamless ecosystem that is autonomous, scalable and sustainable. In doing so, we are not merely automating production. We are revolutionizing it.



## Automation targets 2028

We aim for

5% - 7%

Organic turnover growth (CAGR)

We aim for

17% - 19%

Adjusted EBITA margin

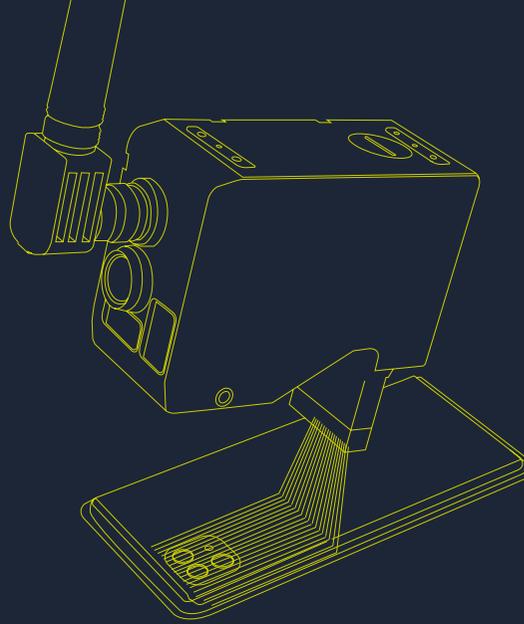
We aim for

25% - 30%

ROCE

## Vision: the eyes

We develop cutting-edge innovative vision systems that drive efficiency and enhance security



We develop customized, one-stop-shop hardware and software Machine Vision systems that maximize efficiency, detect errors and monitor quality. Our Security Vision systems, combined with advanced communication technologies, support the effective monitoring, management, and control of urban environments and infrastructure. Vision Technologies accounts for about 88% of the turnover of the vision business.

### Machine Vision

Our cutting edge machine vision systems sit at the heart of modern automation. In addition to providing premium hardware, our solutions include advanced integrated software with artificial intelligence based machine learning capabilities, to address the most difficult processing and automation challenges. Working in close partnership with customers across numerous industries, we deliver the capabilities that result in faster and more effective measurement, inspection, and process automation: eliminating errors, maximizing efficiency, and optimizing throughput to allow for fully automated hands-off, eyes-off production and movement of goods. We serve numerous

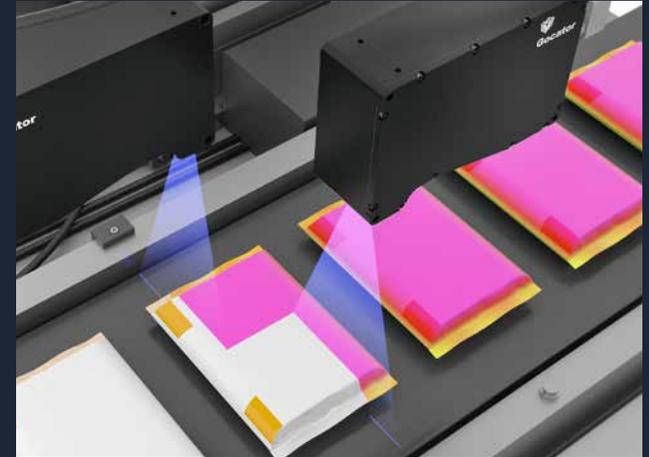
industrial sectors as varied as consumer electronics, factory automation, automotive, wood, battery, defense, material handling and logistics, and life sciences.

### 2D vision

Our industry-leading 2D vision technologies optimize a wide range of processes and systems across a variety of applications including quality inspection, operation, and object monitoring. We offer systems that cover the full breadth of 2D vision technologies, including area scan, line scan, high-speed, SWIR, UV and polarized imaging, while the addition of embedded and PC based software enable turnkey vision solutions.

### 3D vision

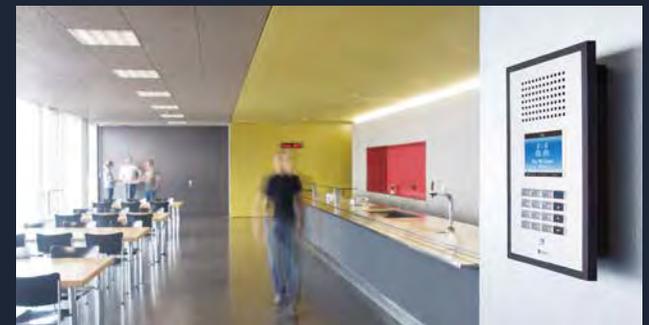
TKH is the global leader in 3D scanning and inspection. 3D machine vision sensors directly digitize the shape of objects, without the need for additional lighting or calibration, allowing for increased accuracy, repeatability, and robustness of the application. Our 3D smart sensor technologies help factories to achieve 100% inspection, reduce waste by optimizing processes, and improve



efficiency by simplifying automation. Our standalone smart sensors offer advanced plug-and-play vision inspection solutions out-of-the-box.

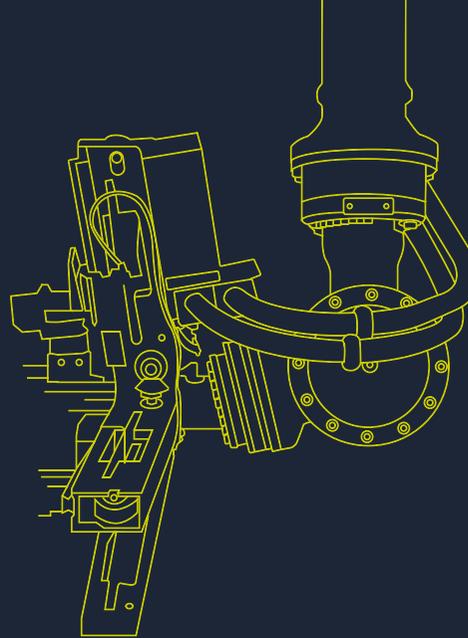
### Security Vision

Our Security Vision systems, combined with advanced communication technologies, help customers to effectively manage and control urban infrastructure; implement intelligent traffic systems; maintain the highest levels of cybersecurity; and support mission critical security and communication systems.



## Automated Machinery: the hands

Bringing the factory of the future into the here and now



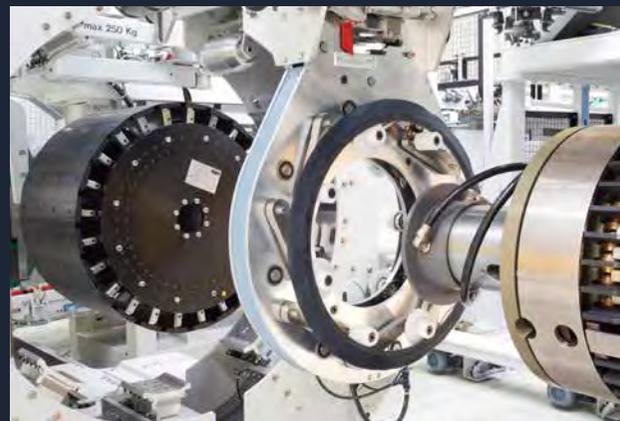
We are world leaders in next-generation, class-leading smart manufacturing systems. We create value for our customers by empowering them to optimize and further automate processes, reduce inventories, and increase flexibility. Combining engineering expertise, advanced in-house software, proprietary technologies, and innovative control and analytical functions, our advanced automated manufacturing systems help the world to work more safely and more efficiently.

### Tire Building systems (86%)

TKH is the leading global supplier of smart technology for the manufacture of superior radial tires for passenger vehicles, light trucks, all-steel trucks, and buses. With a vast, in-depth knowledge of the tire building market, our pioneering technologies have led the way to single stage tire building.

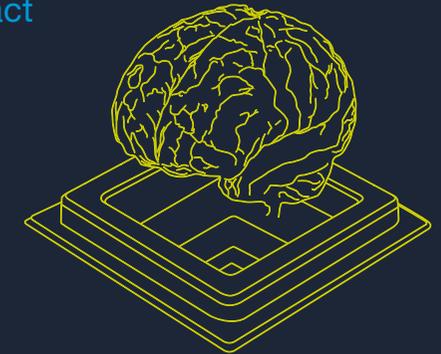
### Other (14%)

Our proprietary care system, Indivion, is an innovative, highly automated, pouch-based medicine packing machine. It significantly boosts efficiency and reduces waste in the medicine distribution sector. Our industrial automation systems, meanwhile, increase automation and efficiency across industries as varied as food, metal and chemistry, and pharmaceuticals.



## Artificial Intelligence: the brain

We engineer the minds that allow our systems to act



We utilize Artificial Intelligence to innovate sustainable, safe, and efficient systems for the future. Beyond accelerating and scaling purposeful innovation, AI supports the integration of real-time data that allows us to continuously monitor, adapt, and optimize our systems. AI expertise represents the golden thread that reaches across every level of our organization. Exploring the potential of AI for new products and use cases. Powering group-wide tools such as Conversational AI. And preparing for upcoming AI legal frameworks, such as the EU AI Act.

TKH Artificial Intelligence acts as an AI center of excellence, developing state of the art algorithms and applying them to group-wide, real-world R&D challenges across the group. We are not simply exploring the potential of AI. We are applying it in ways that make a positive difference to the way our industrial partners work.

We focus on Computer Vision, Audio AI, Natural Language Processing (NLP), and Machine Optimization.



## Strategic objectives

Our ambition is to become a global Automation market leader by delivering the state-of-the-art technologies that improve customer operations and products. Our growth is based on aligning a defined set of targets with clear strategic objectives as we continue to shape the future of autonomous production.

### Capitalizing on the building blocks of success

Our Automation business is built on powerful foundations that position us for accelerated growth. Our innovative technologies in vision, advanced manufacturing and AI set us apart in the market. Our proprietary innovations

enable us to deliver complete automation solutions that move customers beyond the barriers of human limitation. We hold leading positions across our target markets, with market leadership in most segments where we operate. Our global presence spans key manufacturing regions, allowing us to serve customers wherever they need us. These strong market positions reflect decades of focused innovation and consistent execution.

We have built our success on close partnerships. We work alongside customers to understand their specific challenges and develop tailored solutions that deliver measurable value. These deep, long-term relationships create both customer loyalty and invaluable insights that drive continuous innovation.

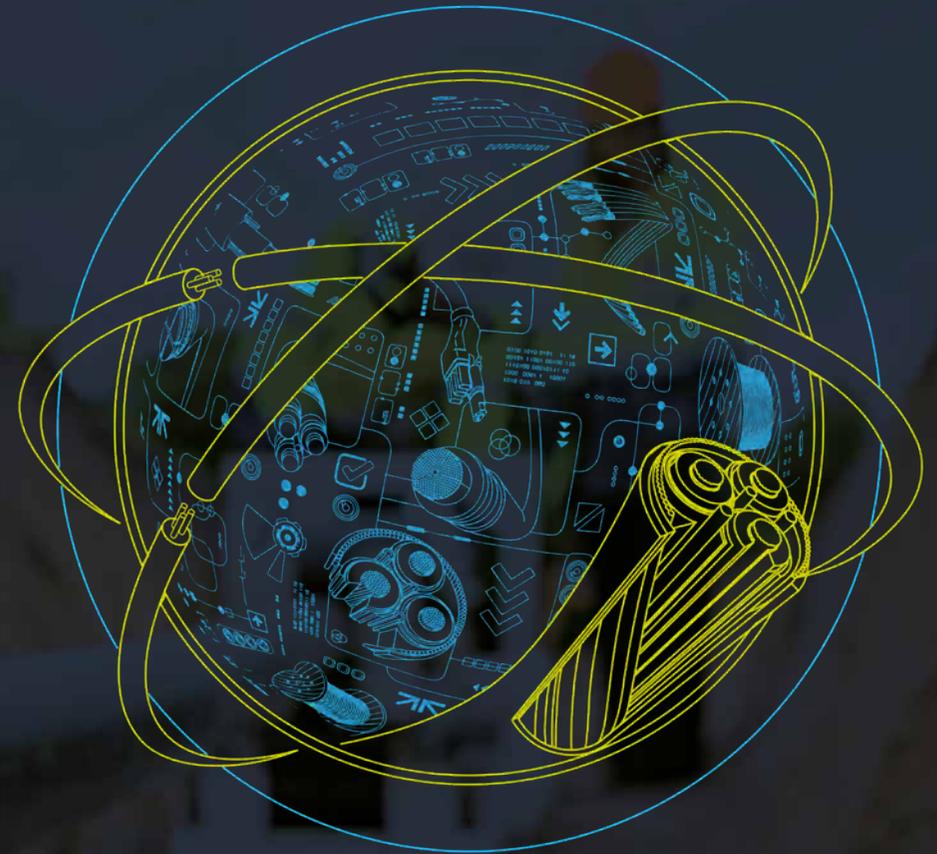
## Execute strategic objectives

Execute area	Strategic objective
<b>Setting new limits</b>	We combine vision (the eyes), manufacturing systems (the hands), and AI (the brains) into fully integrated autonomous production ecosystems. This unique combination enables us to deliver end-to-end solutions that move customers beyond the barriers of human limitation, making production faster, more consistent and more sustainable.
<b>Machine Vision: Targeted technologies</b>	We focus on innovative solutions for specific applications and segments with minimal integration requirements. Our unified software ecosystem with platform-based products and shared algorithms enables fully autonomous production. It's a solutions-oriented approach proven to accelerate customer adoption.
<b>Machine Vision: Growth through innovation</b>	We are introducing new technologies such as Smart Cameras and entering new end markets including security & defense and 3D vision-guided robotics. These innovations leverage our core vision expertise while opening substantial new growth opportunities.
<b>Automated Machinery: Remaining at the forefront of tire building</b>	Our revolutionary UNIXX platform delivers new added value for tire builders and allows expansion into tire component manufacturing. This next-generation platform extends our market leadership and creates new revenue streams in adjacent segments.
<b>United by efficiency</b>	We are driving operational excellence through systematic integration and synergies across our Automation business. Merging both sales approaches and sales offices allows us to extend customer reach and unlock cross-selling opportunities. At the same time, we are reducing our cost structure and increasing operating efficiency by streamlining our stable of brands, combining production sites, and collaborating to enhance our joint purchasing power. Our advanced product development benefits from a shared platform that delivers high scalability, platform-based products, shared algorithms and a unique competence center offering.
<b>Optimizing our portfolio</b>	We will pursue bolt-on acquisitions in vision-based automation solutions that strengthen our technology portfolio, expand our customer relationships, and accelerate innovation in strategic areas.

# Electrification segment

## Connecting the world of today to the generations of tomorrow

The world is becoming ever more connected, ever more electrified, ever more quickly. As a leading supplier of highly innovative, purpose-specific connectivity solutions, TKH focuses on energy generation and distribution applications - including high-tech industrial environments.



## Electrification targets 2028

We aim for

>7%

Organic turnover growth (CAGR)

We aim for

12% - 15%

Adjusted EBITA margin

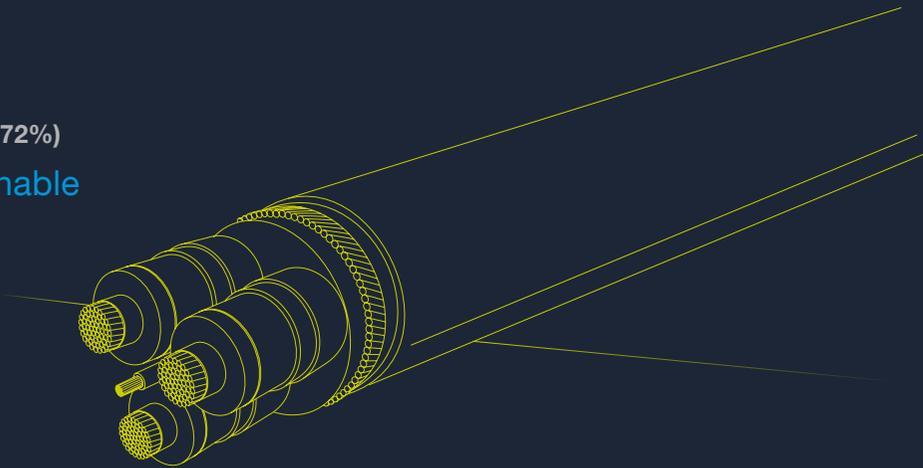
We aim for

18% - 23%

ROCE

## Electrification (72%)

Powering the sustainable future of energy



TKH supplies low, medium, and high voltage cables for the transmission and distribution of on-shore and off-shore energy and building infrastructure. We provide affordable, efficient, and sustainable cable solutions to network operators, utilities, industry, and energy companies, as well as the building and construction sector. And our high-quality cables connect (bio) power plants, wind farms, and substations to the grid. We also offer a complete range of value adding services covering every step from the engineering process to the operational phase.

### Onshore

We supply project- and customer-specific low, medium, and high voltage cables. Our advanced cable technologies enhance the reliability of energy grids even under extreme conditions, reducing maintenance expenses and malfunctions. As a European leader, our electrical cables power the majority of Dutch households.

### Offshore

Our unique dry-design inter-array cables connect the windmills in a windfarm on sea. Our robust, environmentally-friendly and dry designs incorporate the latest proven technologies, maximizing lifetime while reducing both installation and termination times.

### Specialized industrial cable systems

We are a leader in the market for customer-specific industrial cable systems. We are known for our high-quality and innovative products, which are used in the most demanding applications including all areas of moving cables. Among various fields, we manufacture special cables for medical technology, industry, automation, robotics and measurement technology.



## Digitalization (25%)

We connect our customers to powerful possibilities

We lead the way in fiber optic connectivity for data and communication networks. Our advanced robotics and software engineering in fiber-to-the home (FttH) solutions differentiate us from the competition. Our solution-focused approach provides customers with a full range of flexible, compatible innovative products, reducing overall project costs and public disruption.

## Other (3%)

We also offer a broad range of other connectivity systems, including CEDD. Contactless Energy and Data Distribution (CEDD) is our unique specialist connectivity technology for airfield ground lighting systems. Designed to improve the efficiency and safety of specific airfield applications, CEDD combines hardware components with intelligent software.



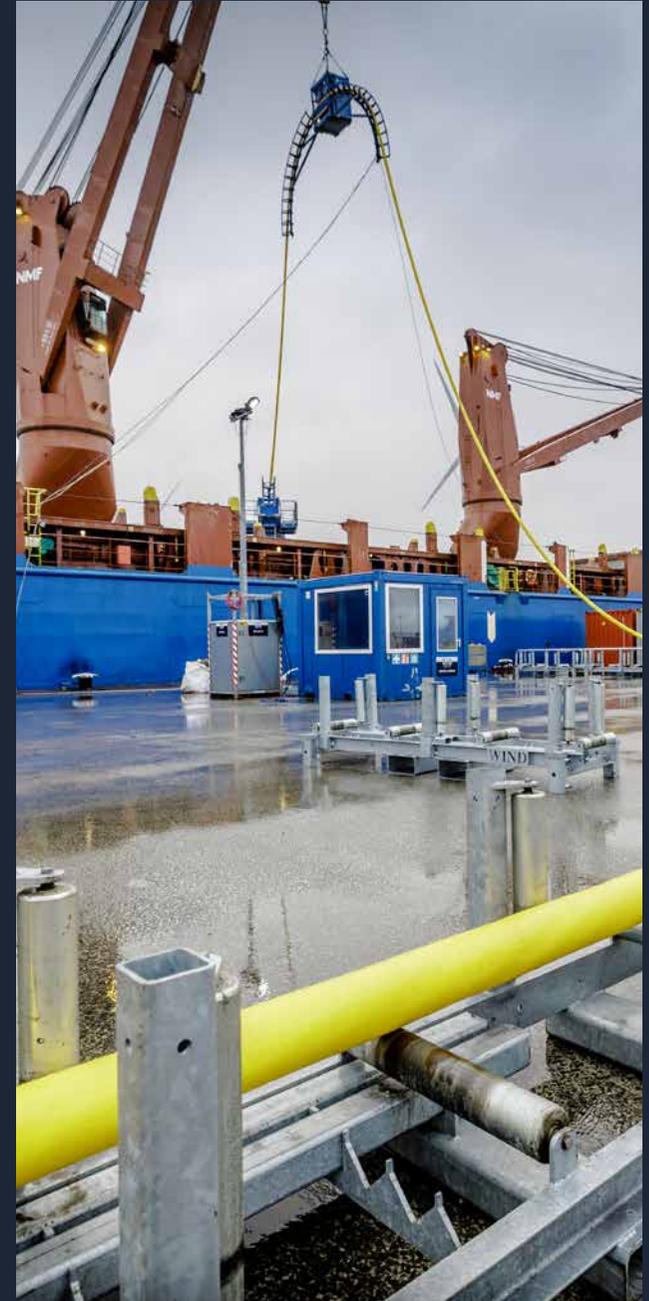
# Strategic objectives

Our Electrification business has developed leading capabilities that differentiate us in the market. In our onshore portfolio, we deliver unmatched services backed by 95 years of expertise. Our offshore portfolio is built around a unique dry design that is environmentally friendly and enables easy, efficient installation. Our strong sustainability proposition, including green design and green production facilities, positions us to capture growth as the energy transition accelerates.

## Capitalizing on the building blocks of success

We have invested significantly in Electrification over recent years, building a strong asset base and a healthy pipeline that positions us for growth. Our clear strategic objectives focus on fully utilizing our expanded capacity to capture the opportunities presented by the energy transition, with a defined path to achieve our ambitious targets.

We have established strong market positions that provide a solid foundation for growth. Our onshore business holds a dominating position in the Benelux region with strategic positions at all Dutch distribution system operators. In offshore, we are the market leader in Western Europe, capitalizing on the rapid expansion of offshore wind generation.



## Execute strategic objectives

Execute area	Strategic objective
<b>Utilization and optimization</b>	We focus on the fully utilizing our expanded capacity to capture the opportunities presented by the energy transition. Yield improvements and the execution of operational excellence programs enable us to secure our strong market position.
<b>Capture growth in medium voltage cables</b>	As an established Dutch player with 95 years of expertise and market leadership within the Netherlands, we hold a strategic position with all Dutch distribution system operators (DSOs). Our sustainable solutions, green production facilities, and proven unmatched services differentiate us in the market. We are building an international foundation to capture high-value opportunities beyond our home market.
<b>Capture growth in high voltage cables</b>	Our sweet spot in high voltage – cables between 50kV and 220kV – positions us excellently to capitalize on high-value niche opportunities. We are the #1 high voltage supplier to Dutch DSOs and a selected supplier to the Dutch transmission system operator (TSO), qualified according to European standards.

# Sustainability

Sustainability is embedded in how we create value. Our technologies help customers operate more efficiently while reducing environmental impact. We pursue profitable growth that benefits all stakeholders: customers, employees, shareholders and the communities where we operate. Through responsible innovation and disciplined execution, we build businesses that deliver long-term value for people, the planet and future generations.

## An innovative approach to ESG

TKH operates in a socially responsible manner, and we continuously seek to increase the contribution we make to a sustainable society. We integrate sustainability throughout our business and our supply chain, with a clear focus on our six UN Sustainable Development Goals, with over 70% of our total turnover linked to at least one of them. Our commitment to ESG guides us by setting a clear direction, while also helping to support our customers in driving meaningful change and achieving their own sustainability targets.

## Environmental mindset

Sustainability is a strategic priority. Our operating companies have implemented all relevant ISO environmental standards, for example ISO14001. By integrating sustainability into every relevant aspect of our business, we are aiming to minimize energy use, greenhouse gas emissions, waste, and raw materials.

## Climate change

Our ambitious plans for mitigating our impact on the environment include becoming carbon neutral for Scope 1 & 2 emissions by 2030. We will also set our goals in line

with the latest climate science, which aims to restrict global warming to no more than 1.5°C above preindustrial levels.

## Circular economy

We focus on maximizing resource efficiency and minimizing waste by re-using and recycling resources. Our concrete goals include limiting waste of key production raw materials such as copper, aluminium and plastics to no more than 5%, while recycling at least 80% of most relevant production raw material waste.

## Socially responsible

We have a duty to be a socially-responsible employer. We firmly believe that a culture of diversity, and belonging creates a better performing company. We maintain an inclusive workplace that values every individual, providing all the support required to help employees work safely and reach their full potential by developing inspiring and rewarding careers. We also want to ensure that we have a safe workplace that attracts top talent to our organization. Our priority is always to make sure that all our employees return home safely at the end of each workday.

## Good governance

Good governance is the cornerstone of any strong organization. We conduct our business with integrity, accountability, and transparency. We engage stakeholders and share our performance through dedicated events, publications, and channels. And we are fully committed to complying with all relevant governance laws and regulations.

More information about our sustainability approach and performance is included in the Sustainability statements section.

KPI	Objective	Realization 2025
Carbon footprint (CO <sub>2</sub> e emissions)	100% carbon neutrality in own operations by 2030 (scopes 1 and 2) – reduction of CO <sub>2</sub> footprint compared to reference year (2019)	76.3%
Turnover linked to SDGs (percentage)	>70%	75.3%
% of female members in executive /senior management teams	>25% by 2030	20.5%
Accident rate (LTIFR)	<0.7	0.41
Employee satisfaction score	>8.0 (CMD 2028 target)	7.8
Customer satisfaction score	>8.5 (CMD 2028 target)	8.6

# The world around us

## Megatrends

TKH operates in a dynamic environment. Trends and developments provide important input for defining our strategy. TKH has identified a number of relevant megatrends that are driving our growth and shaping our strategy and innovations.

### Automation

- Industry 4.0 is driving “hands-off, eyes-off” manufacturing – autonomous production.
- Technology systems are becoming increasingly complex, driving demand for customized integrated solutions by larger-scale technology partners.
- New technology systems to cope with advances in AI and Machine Learning (ML) including Internet of Things (IoT) advancement.
- Rising (cyber) security awareness.
- Reshoring/nearshoring of production locations closer to customers.
- Geopolitical developments such as import tariffs requires optimization of production footprint.
- Labor shortage: by 2050, the share of people of working age in developed economies will fall to 59% from 67% today.

### Electrification

- Global focus on reducing greenhouse gas emissions to accelerate the energy transition.
- Boost in power generation from renewable sources, with a REPowerEU binding target for 2030 of 42.5%.
- Public and private ESG ambitions drive investments, with net zero commitments from European corporates.
- Growth in demand for electricity with a power usage demand about to double by 2050.
- Power grid transformation with annual EU investments to raise to >€100 billion till 2050.

# Market drivers and position

## Vision Technologies

### Market drivers

- High demand for automation due to movement towards Industry 4.0 and hands-off, eyes-off manufacturing.
- Lack of human resources and rising labor costs drive demand for automation.
- De-globalization and geopolitical developments increases the need for supply chain and production flexibility.
- Regulatory increases in safety and traceability, sustainability/circularity, and supply chain security.
- Artificial Intelligence, deep learning, image sensors/cameras, collaborative/humanoid robotics, wireless communication, and edge/cloud computing leads to demand for new technology systems.
- Increased need for safe and secure buildings and infrastructures; automatic enforcement and monitoring of infrastructure.
- Demand for reduced inventory, waste, emissions, and energy consumption in production, driving the need for advanced technologies (e.g., collaborative/humanoid robotics).

### Market position

- Top 5 global player in Machine Vision.
- Leading position in high-end mission-critical communication technology.
- Strong market share in many key segments with high customer intimacy, superior Vision Technologies, and service model with SMART system approach.
- With our full range of Vision Technology and applications, including AI and ML, TKH is uniquely positioned to provide customized, one-stop-shop solutions, and integrated systems based on Smart Technologies.
- Mid to upper tier focus with high-value products.
- Broad technology base with many unique capabilities.
- One stop shop proposition with integrated solutions with focus on efficiency, safety, security, and sustainability.

## Automated Machinery

### Market drivers

- Reshoring/nearshoring of production locations closer to customers and import tariffs requires additional capacity, new factory openings, expansion of existing factories, modernization of current factories.
- Lack of human resources, need for operator independency, and rising labor costs drive demand for autonomous production (Industry 4.0 and “hands-off, eyes-off” manufacturing).
- Greater focus on road safety and security, driving demand for high-quality tires.
- Need for more sustainable tires; lower rolling resistance, longer lifetime/mileage, lower noise level, built from environmentally friendly materials, able to withstand higher force.
- Growing tire complexity results in a need for flexibility in production; passenger tire articles will continue to increase, with a focus on reduction of change-over time, enhancing product quality, and the need for smaller batch sizes.
- Evolving technology with new features add value for the customer in multiple ways, aged installed base to be replaced with latest technology.

### Market position

- Global market leader in Tire Building machines with >70% market share.
- Unique positioning; customers have access to the latest and best technology, with superior quality and best cost per tire, and superior machine performance.
- Integrated manufacturing systems with advanced control and analytical functions.
- Differentiation, innovation, and technology leadership in Tire Building systems are all ahead of the competition.
- Integrated proprietary Vision Technology is a key driver for success in Tire Building systems.

## Electrification

### Market drivers

- Electrification requires more renewable energy generation and large investments in the energy infrastructure.
- Public and private ESG ambitions, budgets, and targets, driving investments (renewable energy).
- Scarcity of natural resources, driving the growth in demand for electricity, both in general and as an alternative energy source to fossil fuels.
- Global demand for high-speed bandwidth and data traffic for cloud computing, big data, AI, ML, and Increased demand for connected assets (IoT).
- Need for advanced mobility, such as autonomous driving and ITS, leading to increased demand for data connectivity.
- Greater demand for monitoring of essential network components.
- Growth and increased speed of automation technology, requiring reliable connectivity systems.

### Market position

- Established onshore Dutch player with 95 years of expertise.
- Market-leader within the Netherlands for onshore cable with strategic position at all distribution system operator.
- Market leader in the Benelux and strong position in North and Western Europe in Fibre Optics technologies.
- Market leader in the high-end industrial automation market and high-end medical market.
- Unique and innovative offshore cable design meeting customer challenges, by increasing sustainability performance (no use of lead or bitumen), and accelerating installation performance by up to 50% (efficiency, cost savings and risk reduction), and unmatched cable performance (higher pulling forces allowing cable laying in extremer weather conditions).
- Sweet spot position with niche market focus on attractive inter array >66kV – <132kV cable solutions.
- Expanded production capacity to meet strong market demand.

# Stakeholder analysis

Our stakeholders are those groups and individuals who directly or indirectly influence the activities of TKH and our operating companies. TKH recognizes and acknowledges the importance of having a meaningful dialogue with its stakeholders about sustainability and the company's strategy including business model and value chain (stakeholder dialogue). Meaningful stakeholder dialogue is characterized by two-way communication and depends on the good faith of participants on the sides of both TKH and the stakeholders. TKH uses various methods and channels to engage in dialogue with its stakeholders, depending on the nature, purpose, and frequency of the interaction.

More information on stakeholder dialogues including channels of engagement and key engagement topics can be found in the section Interests and views of stakeholders in the sustainability statements.



# SWOT analysis

We continuously review our business model and adapt our resources and capabilities to address risks and create new opportunities. The overview below summarizes our main insights and positions in the environments in which we operate.

## Strengths that makes us stand out

- Leading positions in the growth markets in which we operate.
- Strong market presence in the Netherlands for Electrification, with production facility close to the North Sea and Baltic Sea.
- High pricing power through smart technologies, systems integration and solution approach, and services.
- Risk diversification through various product/market combinations.
- Decentralized, customer-focused organizational structure, providing a high level of customer intimacy leading to repeat customers with 'spec'd in' solutions.
- Entrepreneurship is integrated in our core values and fundaments.
- Engineering skills to build autonomous production systems.
- Sustainability proposition largely linked to SDGs.
- Strong brand, reputation, and sales network in active markets.
- Solid financial position with a robust balance sheet, capital-light operations in Automation.
- Unique design for inter-array subsea cable which provides a competitive edge in technical specification, cost price, and sustainability.

## Opportunities for growth

- Acceleration of Artificial Intelligence to boost differentiation in technologies.
- Fully utilizing our expanded capacity in Electrification.
- Global demand for high-speed bandwidth and data traffic for cloud computing, big data, AI, ML, and (IoT).
- Further improvement of operational excellence, resilient & cost efficient, focused on quality and lean operation.
- Extend recurring service turnover in Automated Machinery by enhancing service and product portfolio, extending service & sales hubs, and implement performance improvement and retrofit & upgrade packages.
- Usage of UNIXX technology as the base for new product development in tire components and tire building, to increase the addressable market.
- Benefit from the united Allied Vision brand, to further enhance TKH's one-stop-shop 2D and 3D Machine Vision offering, and focus on solutions.
- Growth in market share through under penetrated geographies (internationalization) and in new addressable end-markets (e.g., smart cameras, defense, warehousing/distribution, welding).

## Weaknesses to improve

- Brand awareness in some markets where TKH's presence is still limited.
- Increase of our presence, by using cross selling, synergies, local presence, network and know-how, in large geographical markets, like India, Japan, Brazil, US, and Mexico.
- Gender diversity, especially in executive and senior management positions.
- Dependence on worldwide supply chains for some of the raw materials and components.
- Shorten learning curves in new subsea cable plant in Eemshaven and optic fibre cable production in Rawicz.
- Increase outsourcing share by tier 1 customers in Tire Building systems market.
- Relatively high capex level in the past, in particular for Electrification and Digitalization.
- Increase share of software, artificial intelligence and recurring turnover (e.g., licenses).
- Operational and organizational consolidation in Machine Vision.
- Limited liquidity in trading of TKH shares.

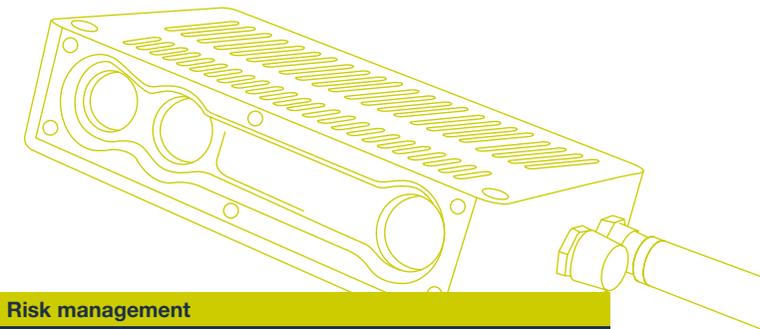
## Threats we face

- Shorter product life cycles due to higher level of innovation.
- Conservatism in certain end markets to embrace our new differentiating technologies.
- Disruption by new technologies from competitors.
- Global delay in electrification (e.g., USA).
- Protectionism of domestic markets by governments, other international geopolitical developments, and import duties impacting supply chains and investments.
- Shortage of qualified staff, challenging labor market, cost and wage inflation.
- Shorter time-to-market demand, increasing the need to focus on agile and accelerate market introduction of new technologies, and strategic partnering.
- Overcapacity of optic fibre cables, resulting in pressure on sales prices and margins.

# Long-term value creation

TKH's value creation process is dynamic and ongoing. It aims to use our business processes to respond to the needs of our stakeholders and to identify at an early stage any impacts, risks, and opportunities driven by economic, geopolitical, environmental, sustainability, social, and technological trends.

TKH creates long-term value by transforming high-end technology into solutions for global megatrends, focusing on markets with structural growth drivers, ensuring relevance for decades to come. We are using AI and Vision Technology to solve labor shortages and increase industrial efficiency (automation trend). Also, we provide essential subsea and high- and medium-voltage cables to modernize power grids and connect offshore wind farms (energy transition/electrification trend). We invest in innovation and proprietary software, and use sustainability as a competitive advantage.



## Our business operations and activities

### R&D and engineering

During the product development we use methods and processes which make allowances for environmental aspects, such as energy savings and recycling. Using detailed R&D road maps, we focus on our customers' developments and, by effectively integrating our technologies with software, we create unique, innovative, and comprehensive systems suitable for multiple applications that improve efficiency and connectivity.

### Outsourced and in-house manufacturing and assembly

We employ operational management models that have been incorporated into an operational excellence program. In doing so, we aim to achieve optimal performance of our operational processes. The Electrification portfolio is primarily manufactured in-house, whereas for Automation, the production of key components is outsourced and subsequently assembled internally.

### Risk management

TKH considers a suitable risk management model to be an important tool for creating sustainable long-term value, and a continuous focus on risk awareness is a key element of TKH's culture. An open, transparent culture with sufficient critical capacity is a prerequisite for an organization to properly identify and manage material impacts, risks, and opportunities.

### Purchase and logistics

We focus on organizing efficient, just-in-time logistical services for our customers, supported by one-stop-shop solutions and strong inventories. The composition of products constitutes the basis for optimal recycling. The return of materials, components and products to the appropriate value chain gives rise to a sustainable business model. We also expect our suppliers to act in a sustainable way.

### Sales and marketing

Sales and marketing is crucial to translate technological innovation into turnover. Thanks to our technology platforms and contribution of specific product and market knowledge, we are able to provide our customers with the best possible systems solutions offering a favorable return on investment (ROI) and sustainable product portfolio.

### Stakeholder dialogues

TKH recognizes and acknowledges the importance of meaningful dialogue with its stakeholders about sustainability and the company's strategy. The views of these stakeholders shape our strategic decision-making process. We incorporate feedback on specific areas of our business including identified impact, risks, and opportunities into our planning, actions, targets, policies, and disclosures.

Input capital	Business model	Output	Outcome	Sustainability topic	Page						
<b>Social and Relations</b> <ul style="list-style-type: none"> <li>Customer and end-users</li> <li>Capitals markets (banks, investors, analysts)</li> <li>Works council</li> <li>Code of Supply</li> <li>Society</li> </ul>	<b>Purpose</b> Make the world better by creating more efficient and more sustainable systems.	<b>Social and Relations</b> <ul style="list-style-type: none"> <li>Customer satisfaction score 8.6</li> <li>95.9% strategic suppliers signed Code of Supply</li> <li>54.9% tier-1 copper suppliers The Copper Mark certified</li> </ul>	<b>Social and Relations</b> <ul style="list-style-type: none"> <li>Responsible supply chains</li> <li>Reduce potential negative impact health and wellbeing workers in value chain</li> <li>Long-term customer relationships</li> <li>Strong reputation and brands</li> <li>Compliance</li> </ul>	<b>Social and Relations</b> <ul style="list-style-type: none"> <li>Workers in the value chain</li> <li>Corporate culture</li> <li>Corruption and bribery</li> <li>Management of relationships with suppliers</li> <li>AI and algorithm ethics</li> </ul>	124 133 138 136 140						
<b>Human</b> <ul style="list-style-type: none"> <li>Talented and skilled (production) employees</li> <li>Diverse workforce</li> <li>Training programs</li> <li>Code of Conduct</li> </ul>	<b>Vision</b> We develop world-class leading technologies tailored to the needs of our customers. <i>By making their operations ever more efficient, we aspire to be the strategic partner they trust to deliver long-term value that benefits people, the planet, and future generations.</i>	<b>Human</b> <ul style="list-style-type: none"> <li>Safe work environment; LTIFR 0.41 and 0 fatalities</li> <li>Diversity 20.5% (management)</li> <li>Educated employees: 39 training hours per FTE</li> <li>Illness rate 4.11%</li> <li>Employee satisfaction 7.8</li> <li>99.3% employees signed Code of Conduct</li> </ul>	<b>Human</b> <ul style="list-style-type: none"> <li>Strong, diverse workforce of talented people, with passion and drive</li> <li>Safe and healthy work environment</li> <li>Employee engagement – committed people</li> <li>TKH is an attractive employer</li> <li>Innovation power</li> </ul>	<b>Human</b> <ul style="list-style-type: none"> <li>Diversity</li> <li>Health and safety</li> </ul>	119 122						
<b>Intellectual</b> <ul style="list-style-type: none"> <li>R&amp;D investments</li> <li>Engineering expertise</li> <li>Digital technology and software</li> <li>Systems and standardized processes</li> </ul>		<b>Intellectual</b> <ul style="list-style-type: none"> <li>1,591 patents</li> <li>17.0% innovations of turnover</li> <li>75.3% turnover connected to SDGs</li> <li>ISO 9001, 14001, 45001, and 27001 certifications</li> <li>0 cybersecurity incidents with direct impact &gt;€100k</li> </ul>	<b>Intellectual</b> <ul style="list-style-type: none"> <li>Differentiated technologies to provide unique answers to real-world challenges</li> <li>Innovations that contributes to a more sustainable world</li> <li>Leadership positions in several end markets and segments</li> </ul>	<b>Intellectual</b> <ul style="list-style-type: none"> <li>Privacy (cybersecurity)</li> <li>Sustainable innovation</li> </ul>	128 111						
<b>Manufactured</b> <ul style="list-style-type: none"> <li>Buildings and vehicles</li> <li>Machinery and production facilities (Electrification)</li> </ul>		<b>Manufactured</b> <ul style="list-style-type: none"> <li>Machine Vision and Security Vision systems</li> <li>Tire Building machines</li> <li>On- and offshore energy cables</li> <li>Fibre optic, other cable and connectivity systems</li> </ul>	<b>Manufactured</b> <ul style="list-style-type: none"> <li>Contribution to energy transition</li> <li>Reliable infrastructure</li> <li>Efficient production facilities by automated processes at lower TCO</li> <li>Safe environments through technologies for autonomous production and security vision</li> </ul>	<b>Manufactured</b> <ul style="list-style-type: none"> <li>Sustainable innovation</li> </ul>	111						
<b>Environment</b> <ul style="list-style-type: none"> <li>Natural gas, fuels, electricity, water</li> <li>Automation: steel, aluminum, electronic components</li> <li>Electrification: copper, aluminum, plastics</li> </ul>		<b>Environment</b> <ul style="list-style-type: none"> <li>GHG emissions 2,963,274 ton</li> <li>Pollution - below thresholds</li> <li>Water consumption 114,242 m<sup>3</sup></li> <li>Waste 14,181 ton</li> </ul>	<b>Environment</b> <ul style="list-style-type: none"> <li>CO<sub>2</sub> footprint reduction of 76.3% (scope 1-2)</li> <li>Material efficiency: 21% copper from recycled sources</li> <li>Improved sustainability performance at customers</li> </ul>	<b>Environment</b> <ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Pollution of air, soil, and water</li> <li>Water consumption</li> <li>Resource inflows, waste, and waste recycling</li> </ul>	96 104 106 108						
<b>Financial</b> <ul style="list-style-type: none"> <li>Equity</li> <li>Debt</li> </ul>		<b>The fundamentals that guide us</b> <table border="1"> <tr> <td>Leading positions in attractive end markets</td> <td>Strong focus on innovation</td> <td>Customer-first philosophy</td> </tr> <tr> <td>Differentiated technologies</td> <td>Combined hardware, AI and software</td> <td>Solid financial foundations</td> </tr> </table>	Leading positions in attractive end markets	Strong focus on innovation	Customer-first philosophy	Differentiated technologies	Combined hardware, AI and software	Solid financial foundations	<b>Financial</b> <ul style="list-style-type: none"> <li>Turnover €1,761 million</li> <li>ROS 10.8%</li> <li>ROCE 13.8%</li> <li>Debt-leverage ratio 1.9</li> <li>Dividend per share over 2025 of €1.35</li> <li>Net financial expenses €28.4 million</li> </ul>	<b>Financial</b> <ul style="list-style-type: none"> <li>Sustainable long-term value creation</li> <li>Solld financial position with a robust balance sheet</li> </ul>	
Leading positions in attractive end markets		Strong focus on innovation	Customer-first philosophy								
Differentiated technologies	Combined hardware, AI and software	Solid financial foundations									

# Winning 4 Awards in 1 year

TKH subsidiary Commend sets international benchmarks in AI-based security communication with multiple global awards in 2025.

At the center of this success is Ivy Conversational AI, the world's first voice assistant designed specifically for intercom systems in safety-critical environments. Ivy enables natural, intuitive interaction at intercom points in airports, railway stations, public buildings, and infrastructure facilities, even in noisy surroundings and across multiple languages.

## Las Vegas (ISC West)

Commend received the Security Industry Association (SIA) New Product Solutions Award for Ivy Live Translation for the third consecutive year, a rare achievement at the world's leading security trade fair. The solution enables real-time communication in the native languages of all participants, removing language barriers in critical situations.

## London

Commend UK was honored at the British Security Awards in the category Best Use of Technology for Ivy Conversational AI.



## Paris

Commend received the Gold Medal at La Nuit de la Sécurité Globale for Cleans Voice from Noise, an AI-based solution that removes disruptive background noise from emergency communications, significantly improving speech intelligibility.

## Singapore

The Merlion Award 2025 recognized Ivy Conversational AI as a breakthrough in intelligent, trusted communication for security applications.



# Group financial performance

Turnover reached €1,761.2 million in 2025, representing organic growth of 4.9% (2024: €1,712.7 million), with Electrification (Smart Connectivity systems) showing the highest organic growth rate at 15.5%. Vision Technologies (Smart Vision systems) recorded organic turnover growth of 6.7%, while Automated Machinery (Smart Manufacturing systems) declined by 8.6%. Acquisitions accounted for +0.4% and divestments accounted for -1.9% of total turnover.

The geographical distribution of turnover shifted slightly in favor of Asia and Europe Other. The turnover share in the Netherlands declined slightly to 23% of total turnover (2024: 24%), while the share in Europe Other -excluding the Netherlands- increased slightly to 36% (2024: 35%). In Asia, the turnover share grew to 24% (2024: 21%), while turnover in North America remained stable at 15% (2024: 15%). The turnover share of the other geographical regions declined to 2% (2024: 5%).

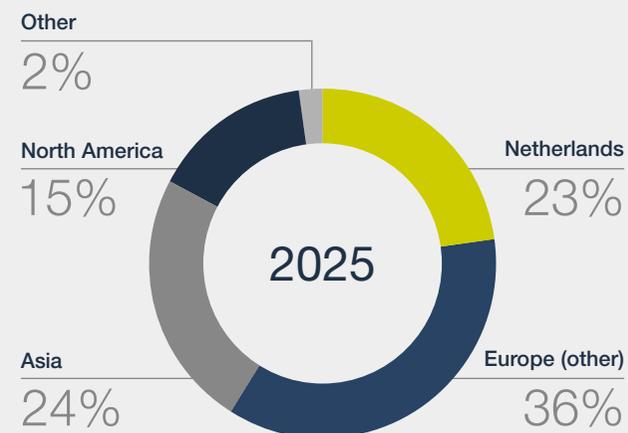
The order intake in 2025 amounted to €1,661.4 million (2024: €1,911.4 million), resulting in an order book of €1,027.8 million at year-end (2024: €1,135.0 million). As expected, the order book at Automated Machinery declined to €380.9 million at year-end 2025 (2024: €501.5 million), reflecting lower intake from Tier 1 customers and ongoing geopolitical uncertainty. Vision Technologies also reported declines in their order book of 6.7% partly due to the progress made on large projects. In Electrification, the order book grew with 4.6% due to the winning of new contracts for offshore inter-array cables.

Added value reached 51.0% in 2025 (2024: 51.9%), with added value in both Automated Machinery and Vision Technologies increasing to 54.3% (2024: 51.5%) and 62.0% (2024: 60.6%), respectively. Added value at Electrification declined to 40.0% (2024: 44.0%), due to a higher share of outsourced services in the sales mix.

Operating expenses (excluding one-off income and expenses, amortization, and impairments) increased by 3.6% year over year, mainly due to higher depreciation costs resulting from the commissioning of the strategic capex program. As a result, Adjusted EBITA decreased organically by 7.2% to €189.5 million in 2025. ROS decreased to 10.8% (2024: 11.9%), impacted by lower yields, ramp-up and start-up costs at the Eemshaven facility, and lower turnover at Automated Machinery.

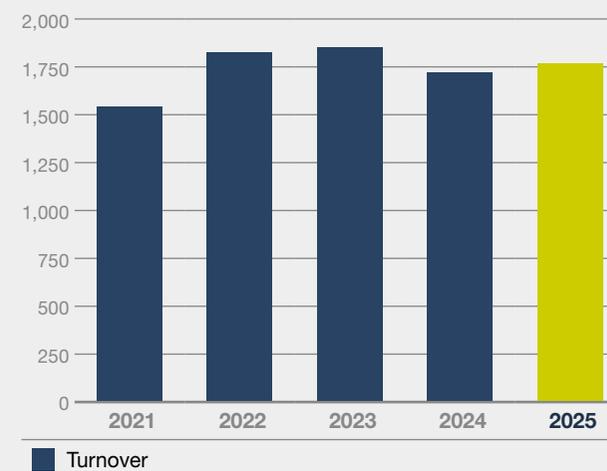
In 2025, one-off expenses at EBITA level amounted to €16.8 million (2024: €4.0 million), related to acquisitions and divestments, one-off transportation costs due to the delayed ramp-up of Eemshaven, and restructuring costs, primarily within the Telecom activities.

Geographical distribution of turnover



Turnover

in million €



Amortization increased slightly to €61.0 million (2024: €60.8 million) due to the higher amortization of capitalized R&D. Impairments amounted to €8.7 million (2024: €8.5 million), mainly related to underutilized right-of-use and fibre optic network assets.

Net financial expenses decreased to €28.4 million (2024: €29.3 million), reflecting lower average interest rates. The results from associates and subsidiaries amounted to €34.2 million (2024: €24.5 million) including the one-off profits from the divestment of Dewetron of €35.8 million (2024: divestment of HE System Electronic and EKB Groep of €24.6 million).

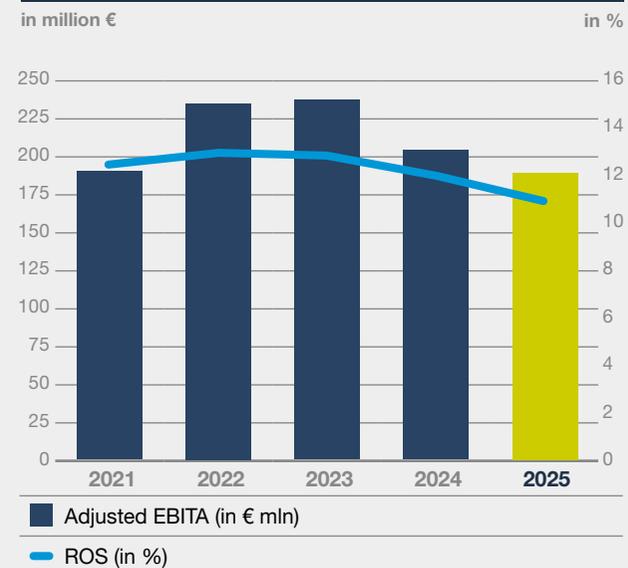
The normalized effective tax rate decreased to 22.1% in 2025 (2024: 24.4%) partly due to R&D tax facilities in several countries.

Net profit before amortization of intangible non-current assets related to acquisitions and one-off income and expenses attributable to shareholders decreased by 7.2% to €91.7 million (2024: €98.9 million). Net profit decreased to €94.3 million (2024: €99.5 million). Earnings per share before amortization, one-off income, and expenses amounted to €2.30 (2024: €2.48). Ordinary earnings per share were €2.37 (2024: €2.50).

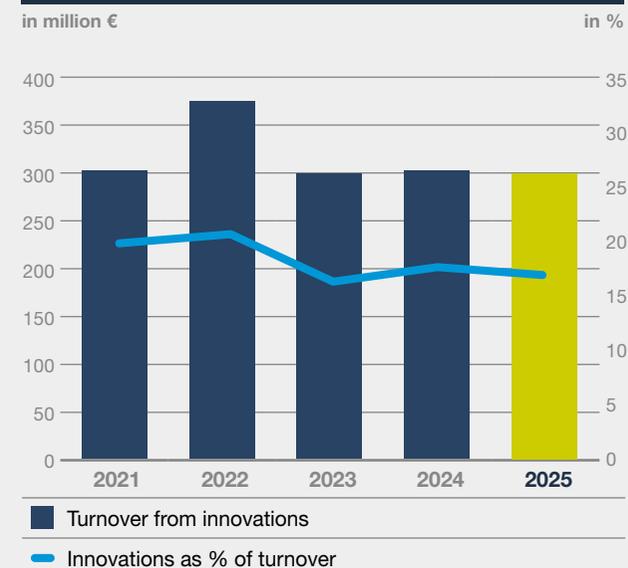
Net bank debt according to bank covenants decreased from €496.0 million at year-end 2024 to €461.4 million at year-end 2025. The main items affecting the debt level include net investments in property, plant, and equipment of €69.0 million (2024: €98.7 million, including €49.0 million related to the strategic investment program), investments in intangible assets (€60.1 million), and dividends paid (€59.9 million). Divestments amounted to €54.2 million in 2025, including the €35.8 million one-off profit. Cash flow from operating activities amounted to €192.4 million (2024: €196.2 million). Working capital improved to 17.0% of turnover (2024: 17.9%). The net debt/EBITDA ratio, calculated according to TKH's bank covenant, was 1.9, well within the financial ratio agreed with our banks. Solvency improved to 41.8% (2024: 39.9%).

At year-end 2025, TKH employed a total of 6,759 FTEs (2024: 6,640), including 455 temporary employees (2024: 351 FTEs).

### Adjusted EBITA and ROS Development



### Turnover from innovations



# Developments per segment

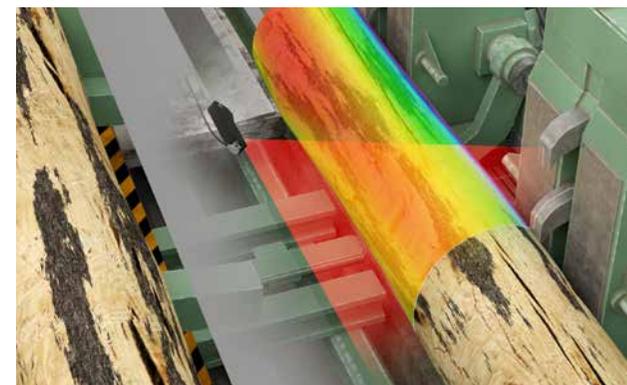
## Vision Technologies - Smart Vision systems

In 2025, turnover in Vision Technologies increased by 6.7% organically to €522.6 million. Added value improved to 62.0%, up from 60.6% in 2024, reflecting the differentiated and high-margin nature of our vision portfolio. Operating leverage from higher turnover, combined with realized cost savings, resulted in strong organic growth of 19.6% in Adjusted EBITA and a ROS of 17.9%

### Vision Technology (88% of segment turnover)

Growth in 2025 was mainly driven by Machine Vision. In 2D Machine Vision, growth was achieved in the United States and Asia-Pacific across most end markets, while Europe, in particular Germany, remained challenging. Further progress was made in the defense sector, in particular in situational awareness applications. During the year, we consolidated our 2D Vision brands under the Allied Vision brand. The unified brand structure supports increasing demand for integrated solutions and enhances our one-stop-shop proposition. With a strong focus on solutions and software, 3D Machine Vision secured project wins in battery manufacturing and consumer electronics, mainly in Asia, and achieved growth in factory automation and wood processing in the Americas. Vision solutions for vision-guided robotics in material handling and automotive applications also recorded continued growth.

Security Vision recorded modest growth, supported by the demand for high end mission critical systems. Furthermore, the delivery of automated parking guidance systems, with camera-based smart sensors in the United States, combining efficiency and security functionalities also contributed to the growth in turnover.



### Key figures Vision Technologies

in € million unless otherwise stated	FY 2025	FY 2024	Δ in %	Organic Δ in %
Turnover	522.6	498.6	6.8%	6.7%
Added value	62.0%	60.6%		
Adjusted EBITA <sup>1</sup>	93.7	77.7	20.5%	19.6%
ROS	17.9%	15.9%		
Order book	130.5	139.9	-6.7%	
ROCE	16.5%	13.3%		

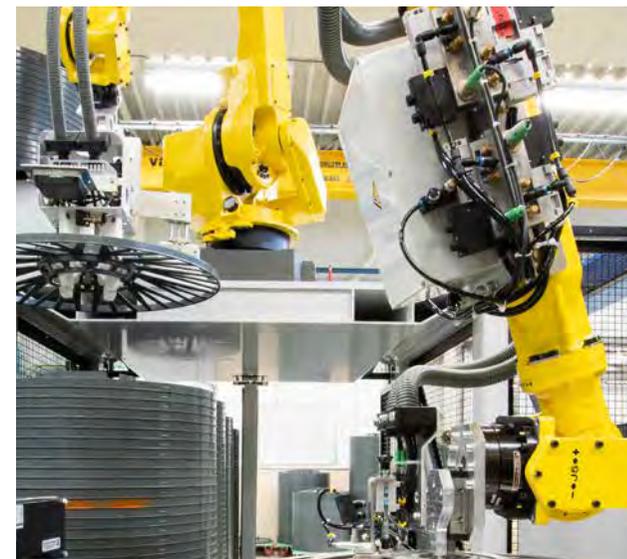
1. One-off net expenses for Vision Technologies amounted to €1.0 million in 2025 (2024: €2.6 million).

## Automated Machinery - Smart Manufacturing systems

In line with expectations, turnover at Automated Machinery declined organically by 8.6% in 2025, reflecting a strong comparison base with 2024 and lower order intake in tire building systems during the year.

The divestment of Dewetron (2024 turnover of €29.4 million) accounted for 5.4% of the reported turnover decline. The order book decreased organically by 23.5% year on year to €380.9 million, primarily due to lower order intake from Tier 1 customers. Ongoing geopolitical uncertainty also delayed order placements by Tier 2 and Tier 3 customers. Added value increased further to 54.3% (from 51.5% previously), driven by an improved product mix and continued efficiency improvements. The excellent operational performance on projects nearing completion in Tire Building systems had a positive impact in Q4 2025. Adjusted EBITA was down organically by 12.5% to €101.2 million, while ROS improved to 19.4%.

In 2025, the first full UNIXX platform was successfully delivered, with repeat orders subsequently secured. We also secured the first order for UNIXX Moto, expanding the platform into radial motorcycle tires assembly. Service revenues continued to grow, further supporting margin resilience. The structural drivers for tire building systems remain very strong, as the need for greater production flexibility, increased sustainability demands, and higher levels of automation will fuel future demand for more advanced tire building systems.



### Key figures Automated machinery

in € million unless otherwise stated	FY 2025	FY 2024	Δ in %	Organic Δ in %
Turnover	522.6	608.8	-14.2%	-8.6%
Added value	54.3%	51.5%		
Adjusted EBITA <sup>1</sup>	101.2	116.1	-12.8%	-12.5%
ROS	19.4%	19.1%		
Order book <sup>2</sup>	380.9	501.5	-24.1%	-23.5%
ROCE	80.9%	88.1%		

1. One-off net income for Automated Machinery amounted to €1.0 million in 2025 (2024: nil).

2. The order book as of December 31, 2024, includes the order book of the divested company, Dewetron, totaling €3.5 million.

## Electrification - Smart Connectivity systems

Turnover in this segment increased organically by 15.5% to €728.8 million in 2025. Added value as a percentage of turnover decreased from 44.0% to 40.0% in 2025, partly due to a higher share of outsourced services in offshore energy.

Adjusted EBITA decreased organically by 44.6% to €17.0 million, mainly due to lower production output and yields during the ramp-up of the Eemshaven facility, as well as continued weakness in Digitalization. In Q4 2025, there was a marked improvement in Electrification results, with turnover growing by 29.0% and a very strong growth of Adjusted EBITA. ROS amounted to 2.3% for 2025. The order book increased to €516.5 million due to the winning of new contracts for offshore inter-array cables.

### Electrification (72% of segment turnover)

In Q4 2025, Electrification delivered strong turnover growth. Offshore energy benefited from the contribution from outsourced services and accessories. The ramp-up of the new subsea cable facility in Eemshaven encountered output challenges, impacting results in 2025. These technical issues were gradually resolved during the year, with production output of offshore inter-array cables increasing. Significant upgrades to production processes were made and type approval tests for larger dimensions were successfully completed during the year. The ramp-up of the larger dimensions in Q4 took longer than anticipated, limiting output. To improve the operational output of larger dimensions, a further necessary upgrade to a key production line has recently been successfully implemented, with continued optimization steps planned for 2026. During the year, new offshore wind contracts were signed for the supply of inter-array cables in the coming years. The sales funnel remains strong.

Onshore energy recorded turnover growth, supported by strong structural higher demand that is expected to

continue in the coming years. A large, multi-year framework contract was recently signed with Distribution System Operator ('DSO') Alliander with a value of approximately €650 million for the coming 8 years. There are framework agreements with various DSO's in place but not reflected in the order book. These framework agreements provide a basis for substantial growth in the years ahead.

Industrial specialty cables showed solid performance during the year, although lower than in 2024, due to the ongoing challenges in the German industrial market.

### Digitalization (25% of segment turnover)

Turnover at Digitalization dropped in 2025, impacted by a significant decline in demand due to the continued low levels of investment in the rollout of fibre optic networks in Europe. Pricing pressure, combined with ramp-up costs, significantly impacted results in 2025. The consolidation of fibre optic cable manufacturing at the Polish facility has been completed, resulting in lower operating expenses from 2026 onwards.



Key figures Electrification				
in € million unless otherwise stated	FY 2025	FY 2024	Δ in %	Organic Δ in %
Turnover	728.8	631.9	+15.3%	15.5%
Added value	40.0%	44.0%		
Adjusted EBITA <sup>1</sup>	17.0	30.9	-45.0%	-44.6%
ROS	2.3%	4.9%		
Order book	516.5	493.6	4.6%	
ROCE	2.6%	5.2%		

1. One-off net expenses for Electrification amounted to €12.8 million in 2025 (2024: €0.5 million).

# Acquisitions, divestments, and investments

Acquisitions are an important part of TKH's strategy and contributes to our long-term value creation by strengthening our business proposition.

We focus on acquiring structurally healthy companies that allow us to further build our portfolio, or expand our geographic sales network within Europe, North America, and Asia. At the same time we manage our portfolio to reduce activities with lower value creation potential, or limited strategic overlap that do not contribute toward our long-term targets.

## Acquisitions and divestments

In 2025, we have not completed any acquisitions, but we made further progress with our divestment program. The divestment of Dewetron GmbH was closed end of October 2025 and resulted in an one-off net profit of €35.8 million. As announced at our Capital Markets Day in September 2025, we will evaluate future ownership alternatives for our Electrification activities. Besides, we will also continue with the divestment of non-core activities that represents a turnover of about €250 million in total.

## Investments in property, plant and equipment

In 2025, the net investment in property, plant and equipment, excluding right-of-use assets, totaled €67.1 million (2024: €88.8 million). As our Strategic Investment Program concluded with the commissioning of our Eemshaven factory in H1 2025, investment levels for the year were lower. Depreciation of property, plant and equipment totaled €44.8 million in 2025 (2024: €35.9

million), and increased due to the commissioning of our Eemshaven factory.

## Investments in intangible assets and goodwill

In 2025, €60.2 million was invested in intangible assets (2024: €61.7 million). The most important investments related to the ongoing development of our technologies:

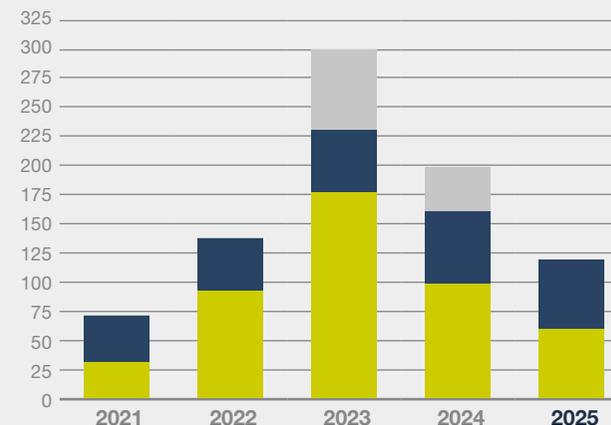
- 2D and 3D Machine Vision portfolio.
- (Vision) security and communication systems.
- New generation of Tire Building systems, like the UNIXX, UNIXX Beltmaker, and Revolute.
- Portfolio and production technology for connectivity systems focused on electrification.

The investments above do not only relate to hardware development, but more and more to the development of smart software based on artificial intelligence.

Furthermore, total investments comprise €8.0 million in software, specifically ERP systems, and €2.1 million in patents and licenses.

## Investments

in million €



Acquisitions (incl. associates, non-controlling interests, earn-out and put-options)

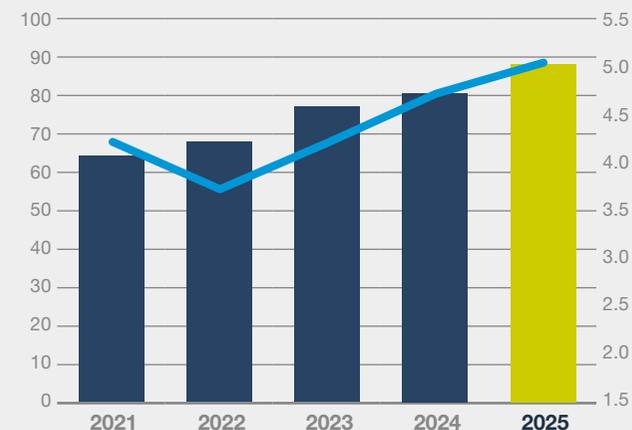
Investment in non-current intangible assets

Net investments non-current tangible assets

## R&D expenditure

in million €

in %



R&D expenditure (in € mln)

R&D expenditure in % of turnover

# Outlook

TKH's strong building blocks with leading technologies and strong market positions, forms a strong foundation for 2026.

Barring unforeseen circumstances, we expect on balance organic growth in turnover and Adjusted EBITA in 2026, albeit with a weak first quarter.

## MILESTONES 2025 - LMI

# Gocator 2D Smart Cameras

In 2025, TKH advanced its strategy to expand beyond traditional 3D Machine Vision by introducing Gocator 2D Smart Cameras as a core growth initiative.

Rather than positioning 2D as a standalone offering, the proven smart sensor architecture was deliberately extended into 2D inspection—expanding application coverage while remaining tightly integrated with the GoPXL software ecosystem.

The introduction of Smart 2D Cameras marked a strategic move to meaningfully increase addressable markets while reinforcing TKH's 3D Machine Vision position as a comprehensive industrial vision solutions provider.

By maintaining a unified hardware and software approach, LMI enabled customers to deploy 2D and 3D inspection within a common platform framework, reducing system complexity and accelerating adoption across mixed-inspection environments.



# VMI Around the World in 80 Years

2025 marked the 80<sup>th</sup> anniversary of TKH's tire building subsidiary VMI. On August 13th 1945, Mr. Jan de Lange founded the Veluwe Machine Industrie. For eight decades, VMI has been at the forefront of technology, driving progress and pushing boundaries. From a small workshop in the rural peace and quiet of Gelderland, in the Netherlands, VMI has grown to be a global player, with operations on almost every continent, and a key role in driving growth and quality improvement across the Tire, Rubber and other industries worldwide. VMI's commitment to innovation and customer satisfaction remains steadfast.

## Around the World in 80 Years

Between the start of April and the end of November 2025, VMI celebrated this extraordinary milestone: 80 years of successful innovation, service and growth- all round the world. This was the theme for the year, with celebrations in every major location, attended by country management, members of the Board and the company's employees. The celebrations began on April 1st, when every part of the company came together online, before moving into large-scale events and parties in Yantai (China), Stow (US), Itatiaia (Brazil), Leszno (Poland) and Vadodara (India), with a special highlight of the campaign being an epic Family Day in Epe, in which over 3,000 people took part.

## Innovation is now and always the key

Around the World in 80 Years, above all, celebrated decade after decade of continuous, relentless innovation. VMI has been built on a strong foundation of exceptional ideas, great insights, original thinking, an uncompromising commitment to R&D and a constant stream of great products, designed to enhance and support the markets and customers we work with.

As we look to the future, we remain proud of our heritage and are excited for what is to come as we continue to shape the future with our cutting-edge solutions.



# Celebrating 95 years of TKF

It's been 95 years since TKF first opened its doors in Haaksbergen, where it began producing paper-insulated cables. A milestone we share and can be proud of. What began on February 15, 1930, as a family business in Haaksbergen, in the heart of Twente, has since grown into a leading Dutch company in cable technology. Over the years, we have continually adapted to an ever-changing market, and we remain committed to innovation with a dedicated team of over 1,000 colleagues. In 2024, TKF opened a new innovative production facility in Eemshaven for the production of inter-array subsea cables for wind farms.

## 95 years the foundation of TKF

A moment to reflect on everyone who has contributed to TKF's success. From the pioneers who founded it to the employees who contribute to our international success today.

What makes us proud of our 95-year journey? It is our courage to take bold steps and our drive to connect with society, both now and in the future.

After 95 years of innovation and growth, we are confidently working on the energy transition. In 2025, TKF

once again plays a major role in the energy transition, offering cables for various markets and industries. Our portfolio and production capacity have since expanded considerably, from low-voltage, medium-voltage, and high-voltage, to communication and signal cables.

TKF is committed to a sustainable future, we see collaboration, innovation, and shared responsibility as the pillars of success. We invest in innovative technologies and expand our capacity to support the growing demand for renewable energy. We are here for the next generations.

