



TKH Group Annual Report 2025





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European single electronic reporting format (ESEF) and PDF version

This document is the PDF version of the Annual Report 2025 of TKH Group N.V. and has been prepared for ease of use. The Annual Report 2025 was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), and was filed with Netherlands Authority for the Financial Markets (AFM) in European single electronic reporting format (the ESEF package). The ESEF package is available on the company's website at www.tkhgroup.com/investors/results-centre/annual-reports and includes a human readable XHTML version of the Annual Report 2025. In case of discrepancies between this PDF version and the ESEF package, the latter prevails.



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The paragraphs marked with a * belong to the Management Report as defined in Title 9, Dutch Civil Code 2.



We create innovative leading technologies for high growth markets

Profile

TKH is a leading technology company specializing in the creation of innovative, customer-centric systems that drive success within Automation and Electrification.

With a workforce of more than 7,000 people, 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.

Listed on Euronext Amsterdam (TICKER: TWEKA), we operate globally and focus our growth across Europe, North America, and Asia.

Message from the CEO

Over the past decades, our disciplined focus on two core megatrends - Automation and Electrification - has enabled us to build strong, technologically advanced business segments. Building on this foundation, we announced a new strategic phase at our 2025 Capital Markets Day. As part of this phase, we will separate the Automation and Electrification activities and execute a €250 million divestment program of non-core activities. These steps will further sharpen our strategic profile and enhance long-term value creation.

We also introduced new financial targets and launched our Capitalize & Execute 2028 program. Fully leveraging prior investments in capex and R&D is central and is expected to deliver a significant improvement in ROS and ROCE in the coming years. The strength and relevance of our core technologies are reflected in consistently high gross margins of more than 50%, fueled by differentiation, innovation, and a strong customer-centric approach. The economic environment in 2025 presented numerous complexities, including significant geopolitical developments, wars, import duties as well as (persistent) inflation. The resulting uncertainties impacted some of our end markets. Nevertheless, our strong foundation and market positions enable us to enter the next phase with confidence. With solid market positions and increased production capacity, we have established a robust foundation for future growth. In the coming period, execution excellence will be decisive, supported by our presence in structurally growing end-markets.

Within Automation, Vision Technologies performed strongly throughout the year, benefiting from our differentiated and innovative technologies, our focus on providing integrated solutions and our global footprint. In 2025, turnover in Vision Technologies increased by 6.7% organically and the operating leverage from higher turnover resulted in strong organic growth of 19.6% in Adjusted EBITA. Growth was realized in factory automation, consumer electronics, parking, and defense, whereas our focus on customer-centricity, technology differentiation, and supply-chain performance translated into new business opportunities.

Within Automated Machinery, we continued to refine our portfolio through the divestment of Dewetron's non-core test & measurement systems activities. Turnover in Automated Machinery declined organically by 8.6% and was impacted by softer order intake, albeit with lesser impact than initially expected. Our market share remained high, underscoring the strength of our technology and our global leadership position in this segment.



“Our technology leadership in Automation and Electrification, combined with our focus on attractive growth markets, continues to drive long-term value creation and supports our ambition to unlock further value for all stakeholders.”

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.

Within Electrification, we have solved the main challenges related to the ramp-up of our new subsea cable facility in Eemshaven. While our results in 2025 were significantly impacted, the production output of offshore inter-array cables gradually increased throughout the year. The 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 operational output of larger dimensions, a necessary upgrade to a key production line has recently been successfully implemented. The advanced design and production technology of our subsea cables has resulted in a win rate of over 80% and a solid order book, underlining the competitiveness of our proposition. In addition, the onshore energy market continues to show strong structural demand, with a large framework contract recently awarded to TKH.

Throughout 2025, we continued to strengthen our sustainability performance. We made further progress on our ESG agenda, including reducing our carbon footprint

in scopes 1 and 2 to 76.3% compared to 2019. The CDP ESG-rating of TKH has been improved from B to A-, confirming our environmental leadership. We achieved the EcoVadis Gold award for our largest operations in Automation and Electrification, which means a top-5% position of all globally participating companies. The share of turnover linked to United Nations Sustainable Development Goals (SDGs) increased from 71.6% to 75.3%. We also set a new target to reduce our water-intensity ratio by an average of 5% per year from 2026 to 2030. As part of our Capital Markets Day 2028 targets, we raised our employee and customer satisfaction targets after outperforming the previous benchmark in 2024.

Although there is not yet a formal statutory requirement to report in accordance with the CSRD, due to the delayed implementation, TKH prepared its 2025 sustainability statements based on the CSRD on a voluntary basis, as we did for 2024. In addition, we obtained a voluntary assurance on the sustainability statements. This again demonstrates our commitment to transparency, accountability, and responsible value creation throughout our value chains.

2025 marked the 80th anniversary of TKH's tire building subsidiary VMI and the 95th anniversary of TKH's

electrification subsidiary TKF. VMI has grown to be a global player, with operations on almost every continent, and playing a key role in driving growth and quality improvement across the Tire, Rubber and other industries worldwide, with an unwavering commitment to innovation. TKF has grown into a leading Dutch company in cable technology, playing a major role in the energy transition with the offering of innovative and sustainable cable solutions for various markets and industries.

The commitment and passion of our employees remain instrumental in our progress. They provide a strong basis for future growth and underline our confidence in the strategic direction we have chosen.

We thank all our stakeholders for their continued trust and collaboration, which have supported our development and helped lay the foundation for long-term value creation.

On behalf of the Executive Board,
Alexander van der Lof, *Chairman*



Highlights 2025

Turnover

(in € million)

1,761

2024: 1,713

Return on sales (ROS)

(in %)

10.8

2024: 11.9

Adjusted EBITA

(in € million)

189.5

2024: 203.9

Added value

(in %)

51.0

2024: 51.9

Return on capital employed (ROCE)

(in %)

13.8

2024: 15.2

Dividend proposal per share

(in €)

1.35

2024: 1.50

Carbon footprint reduction

(in %)

76.3

2024: 70.3

Turnover linked to SDGs

(in %)

75.3

2024: 71.6

Diversity

(in %)

20.5

2024: 21.6

Customer satisfaction score

(scale 1 - 10)

8.6

2024: 8.6

Employee satisfaction score

(scale 1 - 10)

7.8

2024: 7.8

Accident rate (LTIFR)

2024: 0.7

0.41

Key messages

Highlights

- Turnover increased by 4.9% organically to €1,761.2 million with a strong Q4 2025, driven by a substantial improvement in Electrification and continued solid performance in Automation
- Launching of Capitalize & Execute 2028 strategy program, with sharpened strategic focus on core activities
- Future focus on Automation; separation of Electrification in progress
- Divestment of Dewetron, generating a one-off profit contribution of €35.8 million
- Our technology leadership was supported by a record high expenditure in R&D of €88.3m
- Order intake of €1,661.4 million, resulting in order book of €1,027.8 million
- Innovations at 17.0% of turnover
- Dividend proposal of €1.35 per (depository receipt for a) share

Developments per segment

- Vision Technologies performed strongly throughout the year with a strong organic growth of 19.6% in Adjusted EBITA and a ROS of 17.9%, benefiting from our global footprint, differentiated innovations and solutions, while expanding into new end markets
- Automated Machinery turnover declined organically by 8.6% and was impacted by softer order intake, albeit with lesser impact than initially expected; the structural drivers for tire building systems remain very strong, as the need for greater production flexibility, increased sustainability demands, and demand for automated hands- off, eyes- off production will fuel the increasing need for advanced tire building systems
- Within Electrification, turnover increased organically by 15.5%; we have solved the main challenges related to the ramp-up of our new subsea cable facility in Eemshaven; while our results in 2025 were significantly impacted; new contracts were signed for the supply of offshore inter-array cables

Sustainability

- Sustainability statements aligned with CSRD on voluntary basis, including voluntary assurance on the sustainability statements
- High-priority investments resulted in 76.3% reduction of CO₂e footprint (scopes 1 and 2)
- Diversity ratio at 20.5% (females in executive and senior management teams)
- Employee satisfaction rate all-time high at 7.8
- 75.3% of turnover linked to SDGs
- ESG-rating by CDP improved from B to A- (environmental leadership)
- We achieved the EcoVadis Gold award for our largest operations in Automation and Electrification, which means a top-5% position of all globally participating companies
- New target on water reduction, and updated Capital Markets Day 2028 targets and ambitious on safety performance, and employee and customer satisfaction

Capitalize & Execute 2028 program

- TKH's future is Automation
- Capitalize & Execute on Automation & Electrification
 - Capitalize on strong building blocks in Automation & Electrification
 - Execute on separation of Electrification
 - Portfolio optimization and bolt-on acquisition in Automation
 - Utilize expanded capacity and yield improvements in operations Electrification
- Disciplined capital allocation with clear priorities and focus on cash flow generation
 - Guidelines in cash flow usage
 - Disciplined capex spend
 - Working capital management
- Organic turnover growth (CAGR), EBITA margin and ROCE 2028 targets per segment
- Non-core divestment program of €250m turnover



Strategy and performance

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Technology company TKH

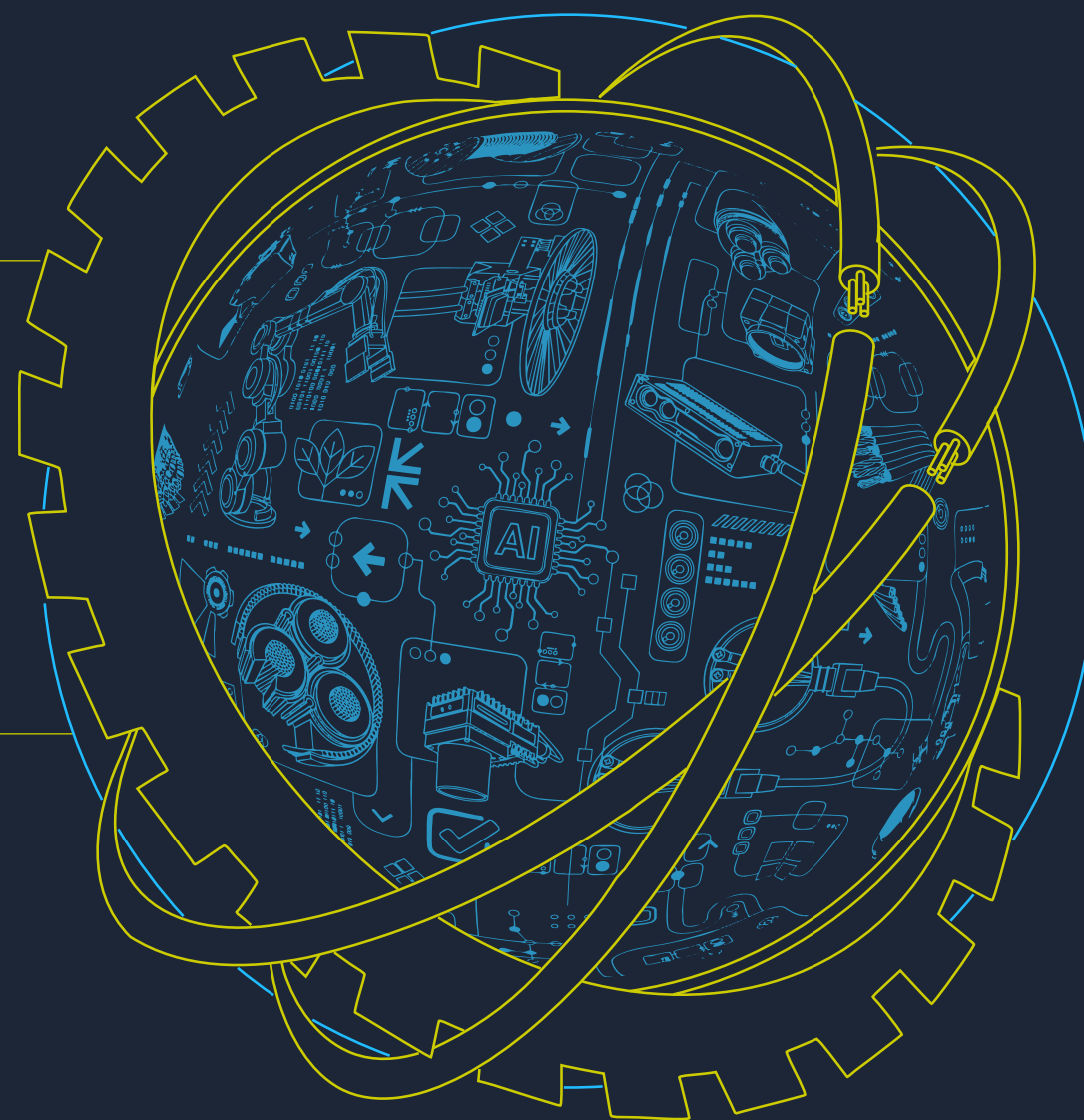
Mission

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.

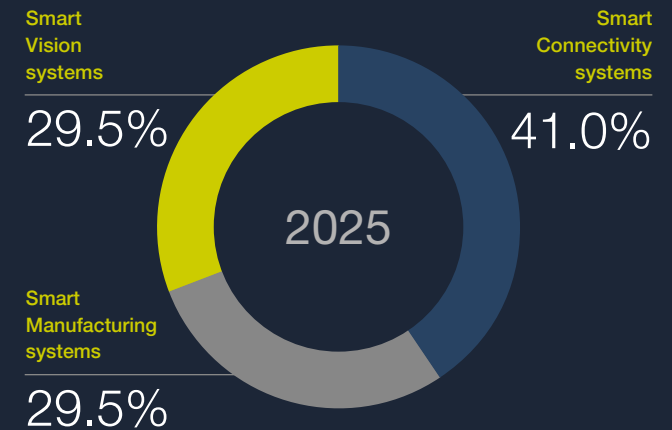
We pursue sustainable growth in a culture of entrepreneurship, working closely with customers to create one-stop-shop, plug-and-play innovations. By integrating hardware, software and AI with customer-focused insight, our highly differentiated technologies provide unique answers to real-world challenges. 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.

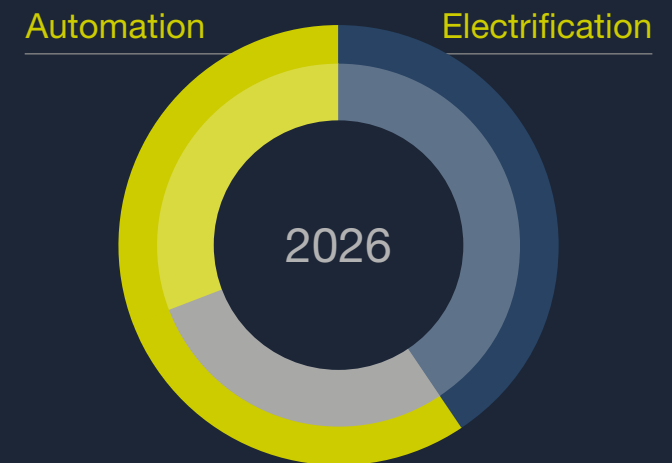
We operate mainly in growth markets, where our differentiated technologies, integrated one-stop-shop, plug-and-play systems or high-quality service levels enable us to build leading positions. We operate globally, with our growth primarily focused in Europe, North America, and Asia.

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



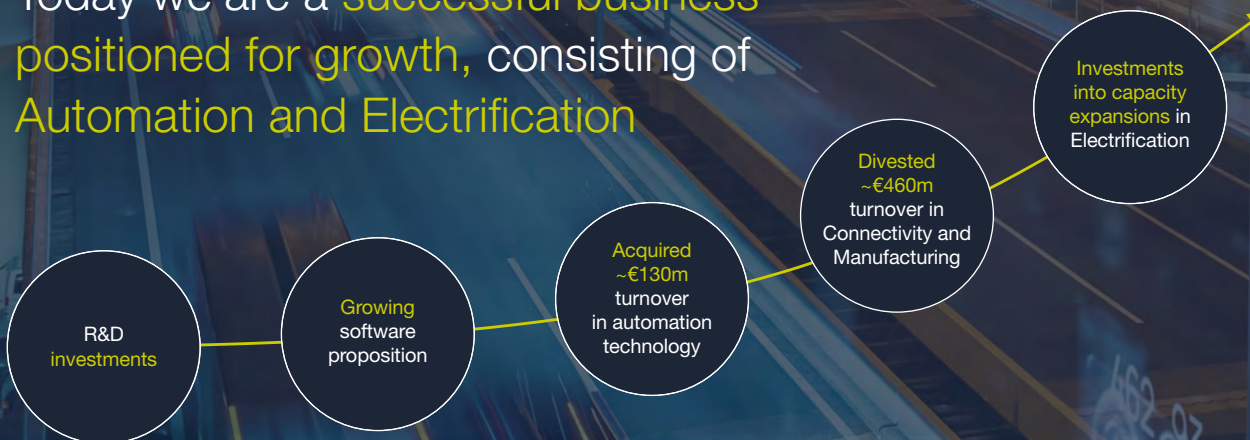
We maintain healthy balance sheet ratios, operate asset light, aim to achieve an annual increase in earnings per share, and seek to generate a strong cash flow from our operating activities. We want to have a debt leverage ratio of no more than 2.0. This allows us to invest in growth, R&D, and innovation 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

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.

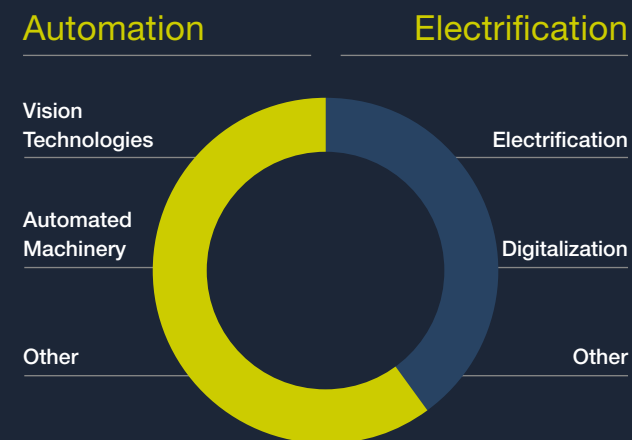
Medium-term targets (2028)

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 ¹	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.

TKH's future is Automation



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



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

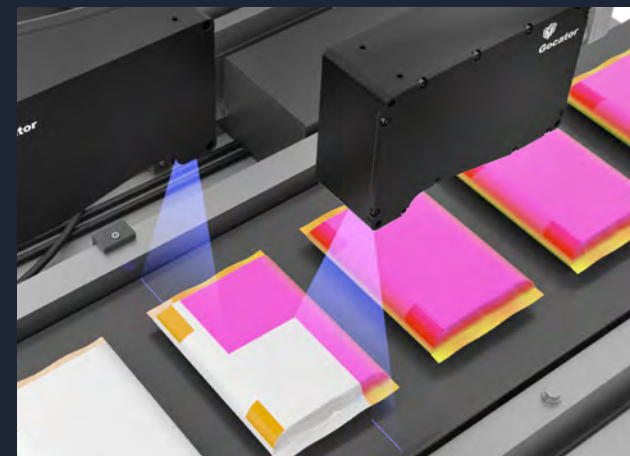
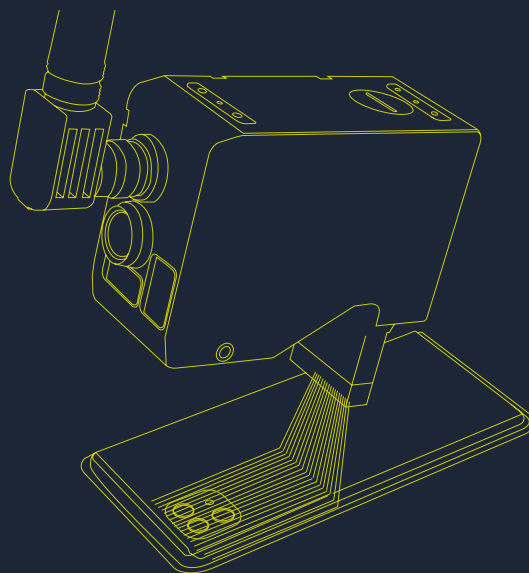
We aim for

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.

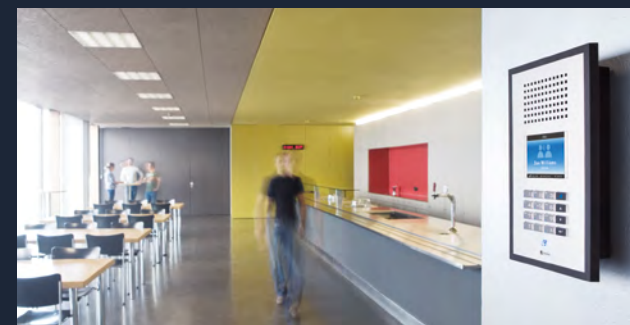
3D vision

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.

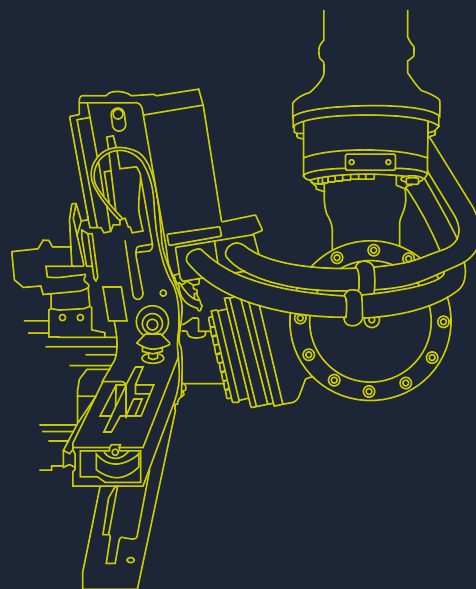
Security Vision

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



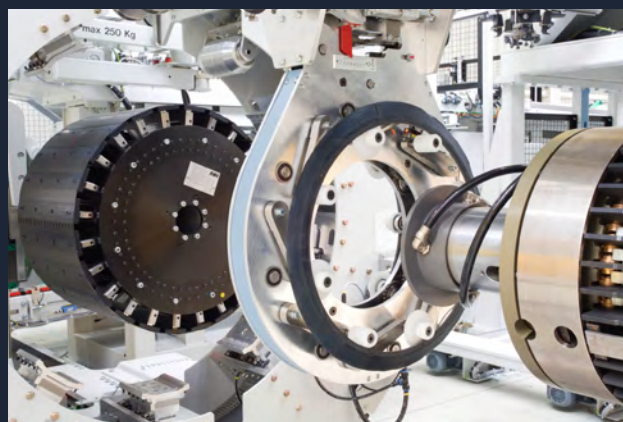
We are world leaders in next-generation, class-leading smart manufacturing systems. We create value for our customers by empowering them to optimize and further automate processes, reduce inventories, and increase flexibility. Combining engineering expertise, advanced in-house software, proprietary technologies, 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.

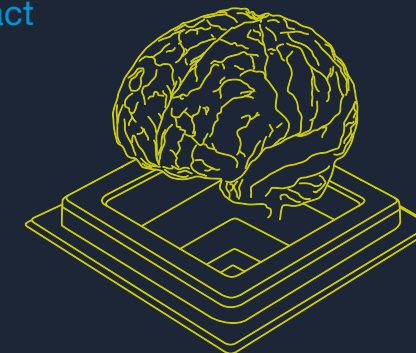
Other (14%)

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

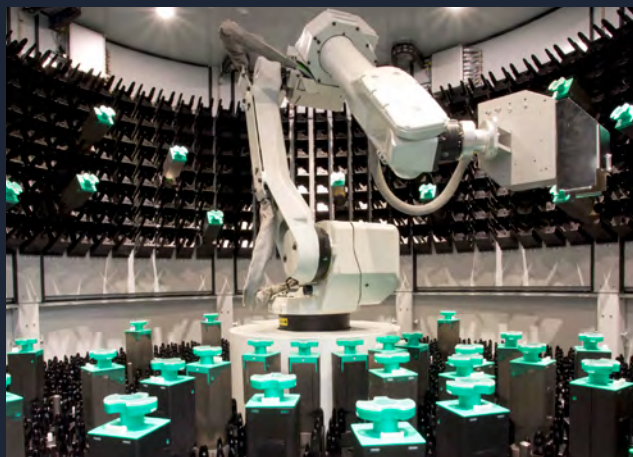
We engineer the minds that allow our systems to act



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
Setting new limits	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.
Machine Vision: Targeted technologies	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.
Machine Vision: Growth through innovation	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.
Automated Machinery: Remaining at the forefront of tire building	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.
United by efficiency	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.
Optimizing our portfolio	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

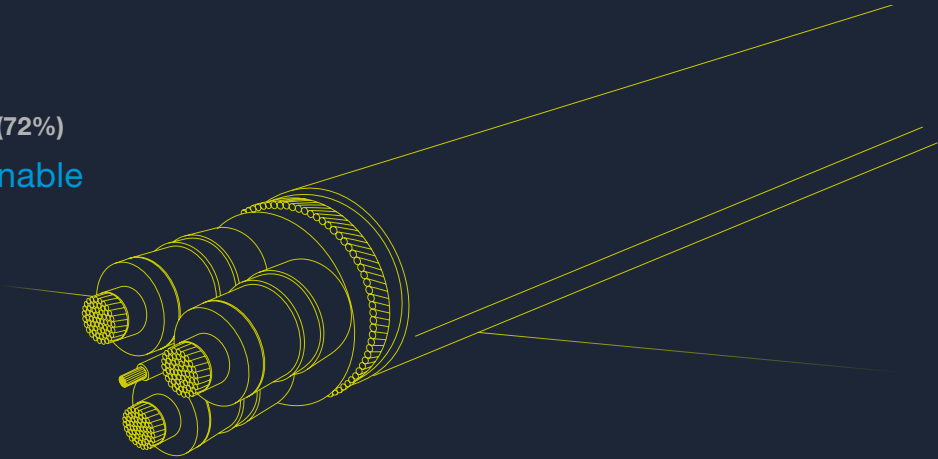
18% - 23%

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
Utilization and optimization	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.
Capture growth in medium voltage cables	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.
Capture growth in high voltage cables	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 ₂ e emissions)	100% carbon neutrality in own operations by 2030 (scopes 1 and 2) – reduction of CO ₂ 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.

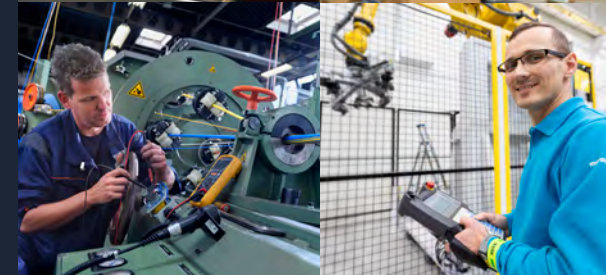
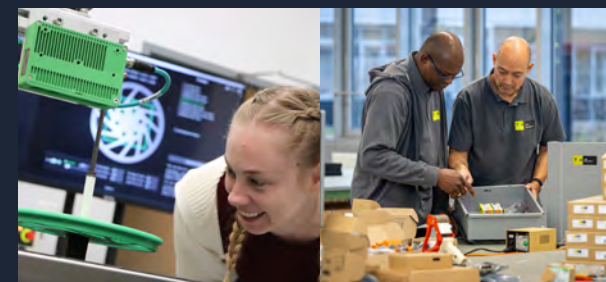
Market position

- 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.

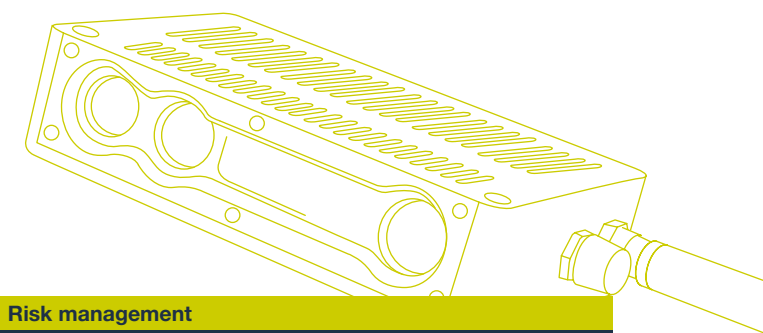
Threats we face

- 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						
Social and Relations <ul style="list-style-type: none"> Customer and end-users Capitals markets (banks, investors, analysts) Works council Code of Supply Society 	Purpose Make the world better by creating more efficient and more sustainable systems.	Social and Relations <ul style="list-style-type: none"> Customer satisfaction score 8.6 95.9% strategic suppliers signed Code of Supply 54.9% tier-1 copper suppliers The Copper Mark certified 	Social and Relations <ul style="list-style-type: none"> Responsible supply chains Reduce potential negative impact health and wellbeing workers in value chain Long-term customer relationships Strong reputation and brands Compliance 	Social and Relations <ul style="list-style-type: none"> Workers in the value chain Corporate culture Corruption and bribery Management of relationships with suppliers AI and algorithm ethics 	124 133 138 136 140						
Human <ul style="list-style-type: none"> Talented and skilled (production) employees Diverse workforce Training programs Code of Conduct 	Mission Making the world a better place by unlocking the potential of our highly differentiated, customer-centric technologies.	Human <ul style="list-style-type: none"> Safe work environment; LTIFR 0.41 and 0 fatalities Diversity 20.5% (management) Educated employees: 39 training hours per FTE Illness rate 4.11% Employee satisfaction 7.8 99.3% employees signed Code of Conduct 	Human <ul style="list-style-type: none"> Strong, diverse workforce of talented people, with passion and drive Safe and healthy work environment Employee engagement – committed people TKH is an attractive employer Innovation power 	Human <ul style="list-style-type: none"> Diversity Health and safety 	119 122						
Intellectual <ul style="list-style-type: none"> R&D investments Engineering expertise Digital technology and software Systems and standardized processes 	Vision 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>	Intellectual <ul style="list-style-type: none"> 1,591 patents 17.0% innovations of turnover 75.3% turnover connected to SDGs ISO 9001, 14001, 45001, and 27001 certifications 0 cybersecurity incidents with direct impact >€100k 	Intellectual <ul style="list-style-type: none"> Differentiated technologies to provide unique answers to real-world challenges Innovations that contributes to a more sustainable world Leadership positions in several end markets and segments 	Intellectual <ul style="list-style-type: none"> Privacy (cybersecurity) Sustainable innovation 	128 111						
Manufactured <ul style="list-style-type: none"> Buildings and vehicles Machinery and production facilities (Electrification) 		Manufactured <ul style="list-style-type: none"> Machine Vision and Security Vision systems Tire Building machines On- and offshore energy cables Fibre optic, other cable and connectivity systems 	Manufactured <ul style="list-style-type: none"> Contribution to energy transition Reliable infrastructure Efficient production facilities by automated processes at lower TCO Safe environments through technologies for autonomous production and security vision 	Manufactured <ul style="list-style-type: none"> Sustainable innovation 	111						
Environment <ul style="list-style-type: none"> Natural gas, fuels, electricity, water Automation: steel, aluminum, electronic components Electrification: copper, aluminum, plastics 		Environment <ul style="list-style-type: none"> GHG emissions 2,963,274 ton Pollution - below thresholds Water consumption 114,242 m³ Waste 14,181 ton 	Environment <ul style="list-style-type: none"> CO₂ footprint reduction of 76.3% (scope 1-2) Material efficiency: 21% copper from recycled sources Improved sustainability performance at customers 	Environment <ul style="list-style-type: none"> Climate change mitigation Pollution of air, soil, and water Water consumption Resource inflows, waste, and waste recycling 	96 104 106 108						
Financial <ul style="list-style-type: none"> Equity Debt 		The fundamentals that guide us	Financial <ul style="list-style-type: none"> Turnover €1,761 million ROS 10.8% ROCE 13.8% Debt-leverage ratio 1.9 Dividend per share over 2025 of €1.35 Net financial expenses €28.4 million 	Financial <ul style="list-style-type: none"> Sustainable long-term value creation Solld financial position with a robust balance sheet 							
		<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			
Leading positions in attractive end markets		Strong focus on innovation	Customer-first philosophy								
Differentiated technologies	Combined hardware, AI and software	Solid financial foundations									

MILESTONES 2025 - COMMEND

Winning 4 Awards in 1 year

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

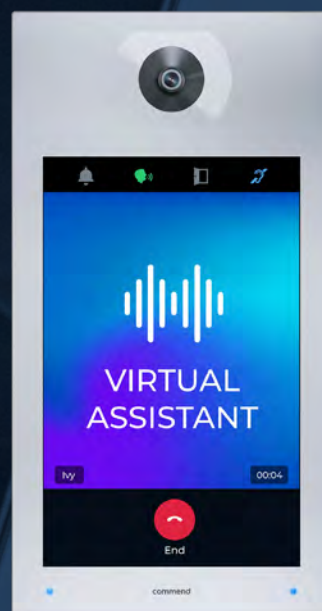
At the center of this success is Ivy Conversational AI, the world's first voice assistant designed specifically for intercom systems in safety-critical environments. Ivy enables natural, intuitive interaction at intercom points in airports, railway stations, public buildings, and infrastructure facilities,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

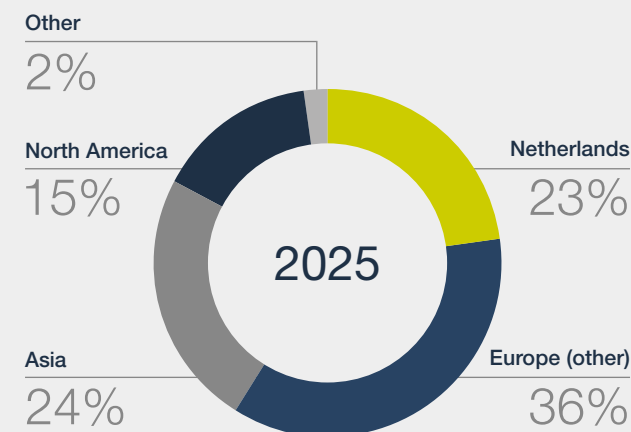
The order intake in 2025 amounted to €1,661.4 million (2024: €1,911.4 million), resulting in an order book of €1,027.8 million at year-end (2024: €1,135.0 million). As expected, the order book at Automated Machinery declined to €380.9 million at year-end 2025 (2024: €501.5 million), reflecting lower 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.

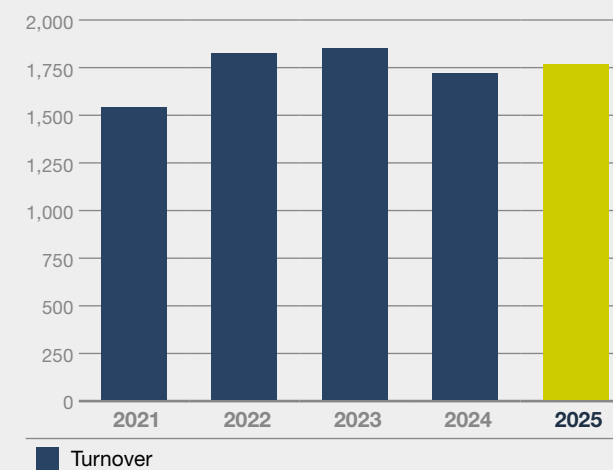
In 2025, one-off expenses at EBITA level amounted to €16.8 million (2024: €4.0 million), related to acquisitions and divestments, one-off transportation costs due to the delayed ramp-up of Eemshaven, and restructuring costs, primarily within the Telecom activities.

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).

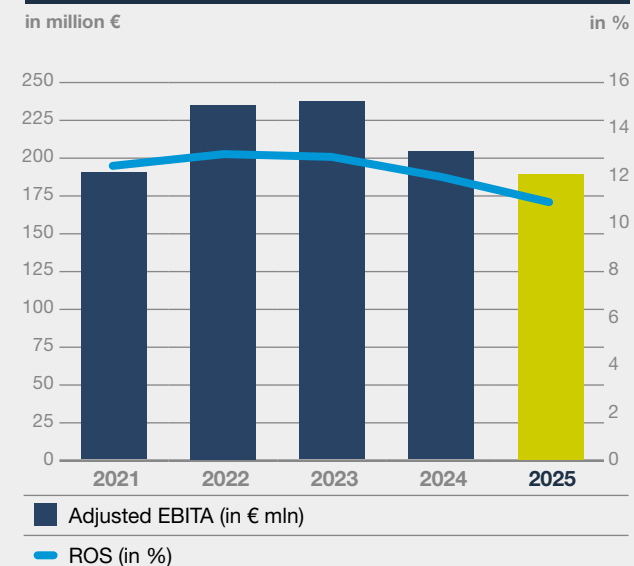
The normalized effective tax rate decreased to 22.1% in 2025 (2024: 24.4%) partly due to R&D tax facilities in several countries.

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).

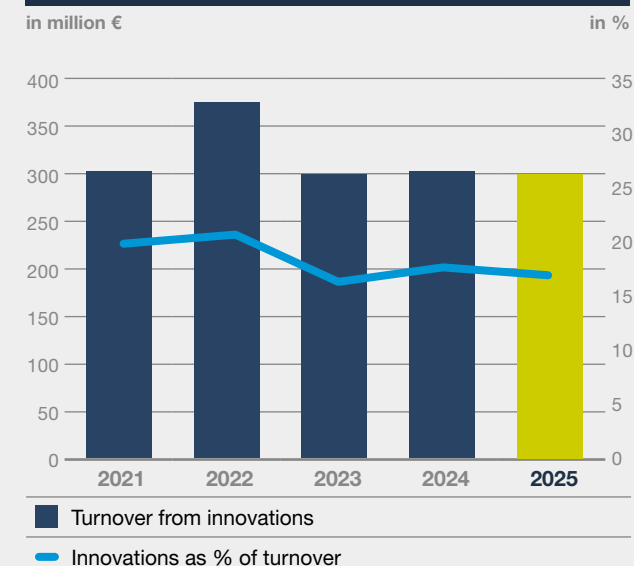
Net bank debt according to bank covenants decreased from €496.0 million at year-end 2024 to €461.4 million at year-end 2025. The main items affecting the debt level include net investments in property, plant, and equipment of €69.0 million (2024: €98.7 million, including €49.0 million related to the 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

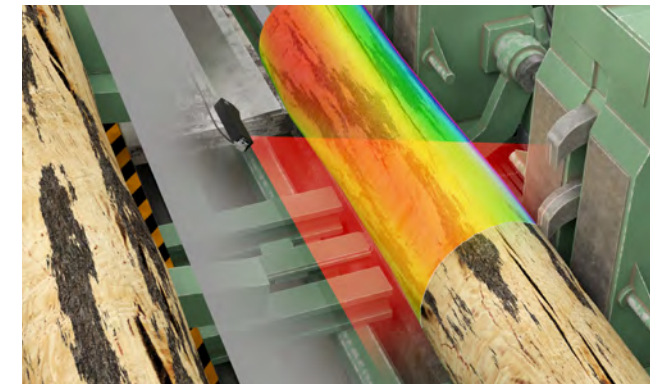
Vision Technologies - Smart Vision systems

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 ¹	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%		

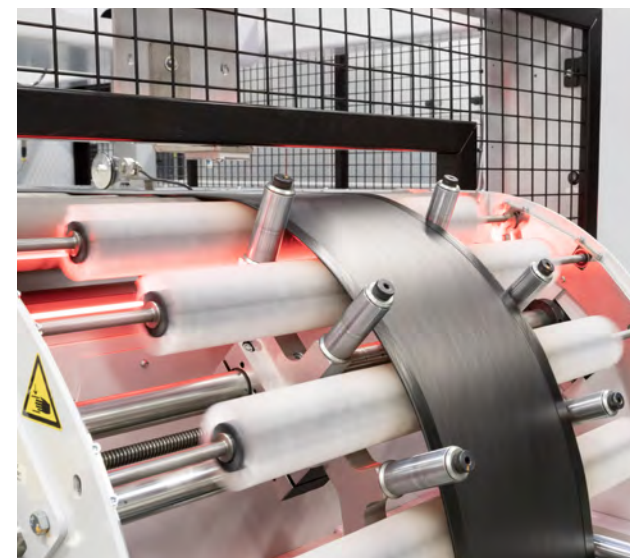
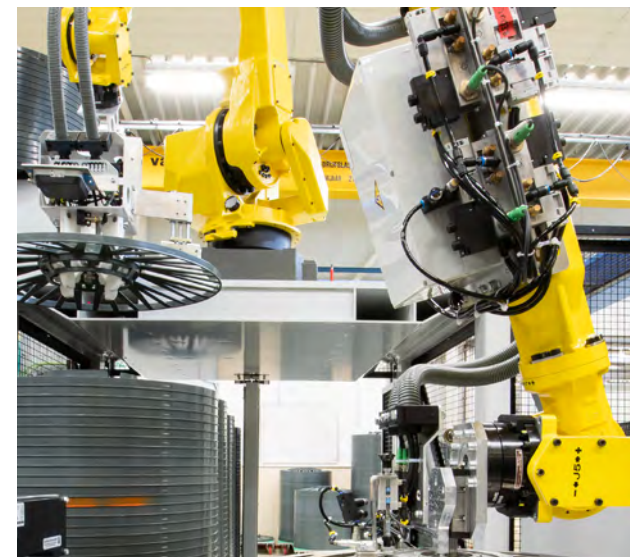
1. One-off net expenses for Vision Technologies amounted to €1.0 million in 2025 (2024: €2.6 million).

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 ¹	101.2	116.1	-12.8%	-12.5%
ROS	19.4%	19.1%		
Order book ²	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 ¹	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:

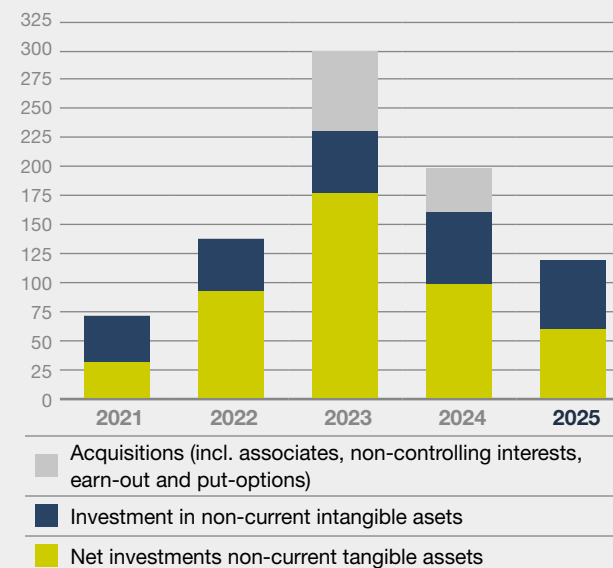
- 2D and 3D Machine Vision portfolio.
- (Vision) security and communication systems.
- New generation of Tire Building systems, like the UNIXX, UNIXX Beltmaker, and Revolute.
- Portfolio and production technology for connectivity systems focused on electrification.

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

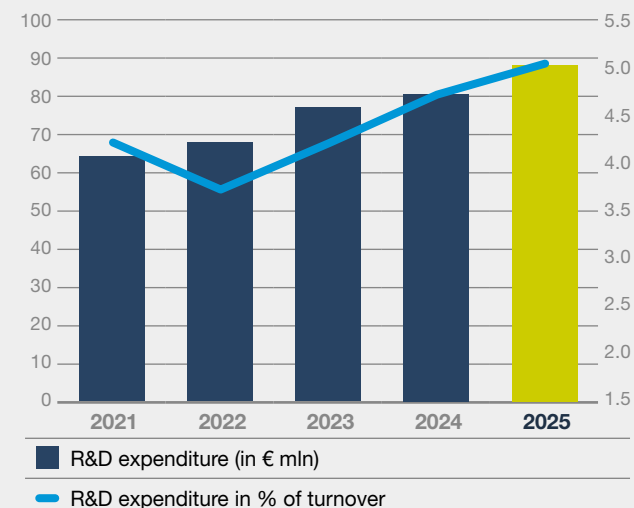
in million €



R&D expenditure

in million €

in %



Outlook

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

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

MILESTONES 2025 - LMI

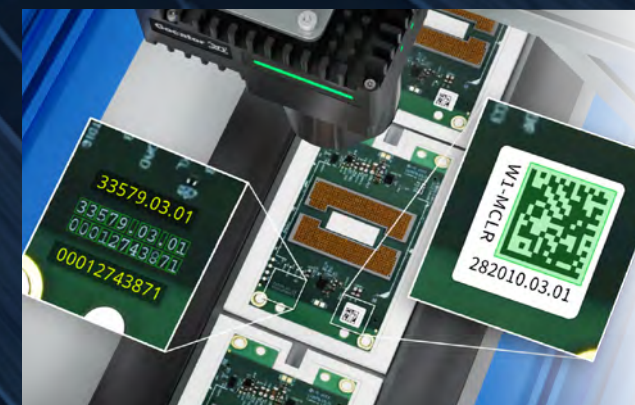
Gocator 2D Smart Cameras

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.



MILESTONES 2025 - VMI

VMI Around the World in 80 Years

2025 marked the 80th 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.



MILESTONES 2025 - TKF

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.





Governance

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Members of the Executive Board



J.M.A. (Alexander) van der Lof MBA
Chairman of the Executive Board, CEO
 Dutch nationality, male, 1958
 Term 2001-present

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



E.D.H. (Elling) de Lange MBA
Member of the Executive Board, CFO
 Dutch nationality, male, 1965
 Term 2008-present

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



H.J. (Harm) Voortman Msc
Member of the Executive Board
 Dutch nationality, male, 1966
 Term 2022-2026

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

Members of the Supervisory Board

P.W.B. (Peter) Oosterveer Chairman	J.M. (Mel) Kroon Vice-chairman	C.W. (Carin) Gorter Member	A.M.H. (Marieke) Schöningh Member	W.A.A. (Jeannine) Peek Member
Dutch nationality, male, 1957 <ul style="list-style-type: none"> 2022 first appointment 2026 end of term 	Dutch nationality, male, 1957 <ul style="list-style-type: none"> 2017 first appointment 2027 end of term 	Dutch nationality, female, 1963 <ul style="list-style-type: none"> 2017 first appointment 2027 end of term 	Dutch nationality, female, 1963 <ul style="list-style-type: none"> 2020 first appointment 2028 end of term 	Dutch nationality, female, 1969 <ul style="list-style-type: none"> 2024 first appointment 2028 end of term
Chairman of the Selection and Nomination Committee Member of the Audit Committee	Member of the Audit Committee Member of the Remuneration Committee	Chairman of the Audit Committee Member of the Remuneration Committee	Chairman of the Remuneration Committee	Member of the Selection and Nomination Committee
Current other non-Executive Board positions: <ul style="list-style-type: none"> Chairman of the Board, Treysta Member of the Board, Statera Chairman of the Board, van Oord 	Current other non-Executive Board positions: <ul style="list-style-type: none"> Chairman of the Supervisory Board, Attero B.V. Chairman of the Supervisory Board, Eneco Groep N.V. 	Current other non-Executive Board positions: <ul style="list-style-type: none"> Vice-Chairman of the Supervisory Board, Basic-Fit N.V., Chairman of the Audit and Risk Committee (2016) Member of the Supervisory Board, Coöperatie TVM U.A., Chairman of the Audit and Risk Committee (until May) Member of the Supervisory Board, DAS, Chairman of the Audit and Risk Committee (2019) Chairman of the Supervisory Board, Ebusco Holding N.V. (as of December 17, 2025) 	Current positions: <ul style="list-style-type: none"> Operating Partner, Morgan Stanley Infrastructure Partners 	Current positions: <ul style="list-style-type: none"> Managing Director Capgemini, the Netherlands
Current other positions: <ul style="list-style-type: none"> Chairman of the Supervisory Board, kanker.nl Advisor Goldman Sachs Asset Management International 	Current other positions: <ul style="list-style-type: none"> Non-Executive Board Member, Urenco Ltd & UCN B.V. Member of the Supervisory Board, KVSA B.V. Advisor, Mitsubishi Corporation Advisor, Improved Member of the Supervisory Board, Montel SA Chairman of the Supervisory Board, GIGA Storage B.V. 	Current other positions: <ul style="list-style-type: none"> Owner, Carin Gorter Advies & Toezicht 	Current other non-Executive Board positions: <ul style="list-style-type: none"> Member of the Board of Directors (independent director) and Member of the Audit Committee, DEME Group 	Current other positions: <ul style="list-style-type: none"> Member of Sociaal Economische Raad (SER) Chairman Digital Holland (former Topsector ICT) Member of Board VNO/NCW Member of Board NL Digital
Previous positions: <ul style="list-style-type: none"> CEO and Chairman of the Executive Board, Arcadis N.V. 	Previous positions: <ul style="list-style-type: none"> Chairman of the Executive Board, TenneT Holding B.V. 	Previous positions: <ul style="list-style-type: none"> Senior Executive Vice President & Head of Group Compliance, Security & Legal, ABN AMRO 	Current other positions: <ul style="list-style-type: none"> Chairman of the Advisory Board of the Erasmus School of Economics 	
			Previous positions: <ul style="list-style-type: none"> Member of the Executive Board and COO, ProRail Member of the Management Board and COO, SHV Energy COO and Member of the Management Board, DSM Sinochem Pharmaceuticals 	

Report of the Supervisory Board

The Supervisory Board oversees the way the Executive Board defines and implements TKH's strategy to achieve the identified objectives of the company and its affiliated companies. In doing so, the Supervisory Board is provided with financial, commercial, operational, sustainability, and governance information, thereby focusing on the interests of all the company's stakeholders. The Supervisory Board advises the Executive Board and oversees the Executive Board's relationship with all stakeholders, including shareholders. The members of the Executive Board are appointed by the General Meeting of Shareholders on a binding recommendation drawn up by the Supervisory Board. The Supervisory Board is governed by by-laws, which include rules covering such matters as its working method, tasks, decision-making, and competencies.

Dilemmas and challenges 2025

Uncertainty and volatility

The economic environment in 2025 presented numerous complexities, including significant geopolitical developments, wars, import duties as well as (persistent) inflation. The resulting uncertainties impacted some of our end markets such as Tire Building systems where we have seen a much lower order intake. To mitigate the impact, cost savings have been implemented, including staff layoffs. It was challenging to find a good balance between aligning costs with turnover level and ensuring that the organization is prepared for a future situation where order intake will be at a higher level.

Eemshaven

Operationally, 2025 witnessed output issues in the new Eemshaven plant. The optimization of the facility com-

bined with the necessity to obtain type approval for cable types which were produced for the first time, unfortunately impacted the total production in the year which in turn had a negative impact on the 2025 EBITA performance. During the year, the Supervisory Board decided to introduce a new temporary sub-committee to ensure appropriate oversight of the challenges related to the new Eemshaven plant. This committee consists of Mr. Oosterveer (chairman), Mr. Kroon and Ms. Schönigh. The committee held three meetings in 2025, including one site visit. Attention points were the organization, progress on technical and operational challenges, operational efficiency including yield improvements, employees and (safety) performance, and work in progress regarding current projects. At each meeting, the progress of defined actions was discussed and new actions for further improvement were identified where applicable. As a result, the Supervisory Board



Supervisory Board members

from the top left to the right

- Mr. Oosterveer
- Mrs. Gorter
- Mr. Kroon
- Mrs. Schönigh
- Mrs. Peek

obtained continuous insight in the progress towards creating predictable and stable production of the facility.

Capitalize & Execute 2028 strategy

In 2025, we also frequently discussed TKH's strategy going forward as the strategy program "Accelerate 2025" is concluded by the end of 2025. The decision presented during the Capital Markets Day for TKH's future to be focused on Automation has been based on the inherent strength of both the Manufacturing and the Vision businesses, whereby additional value will be unlocked through a different ownership structure for the Electrification segment. In this process, we will monitor that the interests of all stakeholders, including our customers and employees, will be safeguarded.

Composition and diversity

The Supervisory Board is composed in such a way that the knowledge, experience, and understanding of current and anticipated future developments at TKH including financial and sustainability, as well as the markets, products/technologies and activities relevant to the company, are well represented by its members. Each member of the Supervisory Board possesses specific expertise required to fulfill his or her supervisory role. The Board's effectiveness is determined by the team's composition in terms of knowledge, experience and competencies, as well as the cooperation between its members. In addition to contributing to the regular plenary discussions, each member of the Supervisory Board has his or her specific own focus area related to TKH's activities and end markets. Diversity of and continuity in the composition and operation of the Supervisory Board is invaluable, given its overall responsibility for the governance of the various strategic interests aimed at sustainable long-term value creation. In accordance with the Dutch Corporate Governance Code (the "Code"), the Supervisory Board applies a maximum term

of office of 12 years. In addition, as part of the annual (self-)evaluation and prior to each reappointment, an assessment is made to determine whether the profile of the overall composition of the Supervisory Board is "up-to-date," and whether the expertise, competencies, and contribution of the member in question are still suitable. An introduction program is being used for new members of the Supervisory Board, which considers the expertise and knowledge that the member brings to the Supervisory Board. The introduction program focuses on the general strategy, financial and sustainability reporting, and the organizational structure and activities of TKH, supported by site visits at selected operating companies.

The Supervisory Board values diversity in its composition in terms of age, gender, background, expertise, professional experience, and nationality, considering statutory requirements. These elements are also included in the profile drawn up by the Supervisory Board for any new members. In terms of composition, the Supervisory Board exceeds the quota stipulated in Dutch company law of a balanced distribution of seats of at least 1/3 female and 1/3 male members, insofar as these seats are allocated to natural persons. The Board strongly supports the view that diversity contributes to objective and sound decision-making, whereby diversity is not only considered

important in terms of gender but also in terms of expertise, competencies, thought and background. The composition of the Supervisory Board is such that its members can act critically and independently of one another, of the Executive Board, and of any individual interests. In the opinion of the Supervisory Board, all members meet the independence requirements stipulated in best-practice provisions 2.1.7 up to 2.1.9 of the Code.

Meetings during the year under review

In 2025, five regular meetings were held and four additional meetings, which were all also attended by the Executive Board. The Supervisory Board meetings were well attended in 2025. During the year under review, there were no subjects on the agenda that could have potentially given rise to conflicts of interest. The annual financial statements were discussed in the presence of the external auditor. In preparation for the Supervisory Board meetings, as well as to discuss other relevant matters during the year, the chairman of the Supervisory Board maintained regular contact with the chairman of the Executive Board. In addition, the Supervisory Board had frequent (virtual) contact and meetings regarding the progress of the strategic program including the valuation of TKH, and the new Capitalize & Execute 2028 strategy.

Supervisory Board competences and skills

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

* Has sufficient/advanced knowledge, skills and experience in the area and can make a balanced judgement on the matter.
V Is in addition considered an expert in relation to previous or current roles.

Company visits

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

In 2025, the Supervisory Board visited the operating company TKH Security in Zoetermeer, the Netherlands. During the company visit, the Supervisory Board was informed about technological and project developments, market and customer developments, operational challenges and opportunities, and other company-specific developments. Specific attention was paid to the integration of security-related companies and relocation of the Dutch offices to a new building in Zoetermeer, and the technological aspects and opportunities of TKH Security's portfolio. This was also demonstrated during the tour of the facility by showcasing the different technologies and their practical application. In addition, the Supervisory Board visited the new TKH Experience Center located in the same building. The Supervisory Board greatly values these company visits and the opportunity to meet with local management and employees, to provide a deeper and more comprehensive understanding of local capabilities and culture.

Regular meetings

Recurring agenda items include topics such as business review and financial results and developments, investments and divestments, technological, organizational, and market developments, which are discussed at each

regular meeting. During the discussions specific attention has been paid to the developments related to the new Eemshaven facility, including the operational performance and challenges. In 2025, specific attention was paid to the divestment of Dewetron, safety performance, and management development and succession. In addition, developments were discussed related to supply chain management, cost inflation of (raw) materials and labor, the impact of increasing interest rates and a possible recession, as well as the impact of global economic and geopolitical developments on the implementation of TKH's strategy, financial position, and results. The content of the press releases concerning the annual and half-year results, and the Q1 and Q3 Market Update was discussed with the full Supervisory Board prior to publication. Finally, during several meetings specific attention was paid to the valuation of TKH and the opportunities to further unlock the full potential of the company.

In the year under review, four additional meetings were held. These meetings were fully focused on the assessment and validation of TKH's strategy including preparations for the Capital Markets Day held on September 25, 2025. More information about the announced strategy program Capitalize & Execute 2028 is included in the section Strategy and performance.

Closed meetings

In addition to the regular meetings, six closed meetings took place, attended only by the Supervisory Board members. The most important topics of discussion were:

- Explanation by the Remuneration Committee of the Remuneration Policy for the Executive Board and Supervisory Board and the remuneration proposal for the Executive Board.
- Assessment, validation, and update of the strategy in light of further value creation and the Capital Markets Day on September 25, 2025.

Supervisory Board visit to TKH Security, the Netherlands





- Evaluation of the performance of the Supervisory Board, its committees, and its individual members.
- Evaluation of the performance of the Executive Board, and its individual members.
- Composition of the Executive Board and the Supervisory Board and its committees, including the formal nominations for reappointments to the 2026 AGM.

Topics of Supervisory Board meetings in 2025

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

Culture and organization

TKH has an entrepreneurial culture with a focus on technological development and a proactive approach to the market. Given its decentralized organizational structure, responsibilities are delegated deep within the

organization but governed by centralized oversight and a general (compliance) framework. The Executive Board leads by example and provides guidance on norms and values, including rules and other guidance. To validate the effectiveness of both the structure and the culture, the Supervisory Board uses annual as well as individual company visits to gain insights through discussions with and presentations by local management. Consultation with the Central Works Council is another important part of the assessment of the company culture.

HR and safety

HR developments are discussed at least once a year with the Executive Board, with particular emphasis on management development (programs) and succession, employee satisfaction, employer branding, and diversity. In 2025, attention was paid to female/male diversity in executive and senior management teams. In addition, the safety performance and actions for further improvements were discussed to ensure that safety will continue to be

seen as one of the organization's top priorities, demonstrated through increased safety awareness in the organization and enabling employees to take personal responsibility for safety.

Sustainability (ESG)

The Supervisory Board is regularly updated on the progress of sustainability initiatives and developments. In 2025, the Supervisory Board was updated on relevant developments such as the EU Omnibus proposals and draft amended ESRS. Specific attention was paid to the double materiality assessment and the outcome with material sub-topics and related impacts, risks and opportunities. At the start of the year, the transition plan for climate mitigation was discussed including the most important decarbonization levers and related actions. The focus in the next reporting year will be on expanding the targets to a scope 3 GHG emissions target, which requires the involvement and commitment of the value chain TKH in which TKH operates.

Topics of Supervisory Board meetings in 2025

Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • Business review • Financial results and press release • Progress of strategic program – valuation of TKH • Investments and divestments • Transition plan for climate change mitigation • Supervisory Board committees • Explanation of audit report • AGM preparation and dividend proposal • Remuneration Policy and application 2025 • Status and progress update Eemshaven • Divestment of Dewetron 	<ul style="list-style-type: none"> • Business review • Financial results and press release • Progress of strategic program – valuation of TKH • Investments and divestments • Supervisory Board committees • Preparation for AGM • Divestment of Dewetron • Status and progress update Eemshaven • Capital Markets Day preparations incl. strategy assessment 	<ul style="list-style-type: none"> • Business review • Financial results and press release • Investments and divestments • Supervisory Board committees • Company visit to TKH Security, Zoetermeer, the Netherlands • Visit to TKH Experience Center, Zoetermeer, the Netherlands • Divestment of Dewetron • Status and progress update Eemshaven • Capital Markets Day preparations incl. strategy assessment 	<ul style="list-style-type: none"> • Business review • Financial results and press release • Investments and divestments • Sustainability update • CSRD reporting 2025 • Supervisory Board committees • Budget and Investment Plan 2026 • Interim Update letter external auditor • HR topics including management development and succession • Status and progress update Eemshaven • Separation Electrification • Capital Markets Day evaluation • Strategy assessment and validation

Contact with the Central Works Council

The Supervisory Board maintains annual contact with the Central Works Council about TKH's strategy and topics of interest to the individual Works Councils. These topics include staff continuity and employability, safety, and cooperation between operating companies. In the context of the Central Works Council's (strengthened) right of recommendation, when there are vacancies in the Supervisory Board, a dialogue is initiated with a view to obtain input for reappointment of existing members or appointing new members. The members of the Supervisory Board have great respect for the professionalism with which the Central Works Council deals with important issues and offers sound advice. The Board regards consultation with the Central Works Council as being open, constructive, and valuable. For the Supervisory Board, consultation with the Central Works Council is also an important element in assessing and validating the culture within TKH's organizations.

Regular Committees

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

Selection and Nomination Committee

The Selection and Nomination Committee consists of Mr. P.W.B. Oosterveer (chairman) and Ms. W.A.A. Peek. The Selection and Nomination Committee held three formal meetings in 2025. The committee also had frequent (virtual) contact on current topics, regarding the composition of the Supervisory Board and the retirement schedule to ensure that the knowledge and expertise within the Supervisory Board remains appropriate. Management development and succession planning is also an important topic of discussion within the TKH organization. The CEO and chairman

of the Executive Board, Mr. Van der Lof, was previously appointed as board member for an indefinite period. Mr. Van der Lof reached the retirement age, as defined by the Metaal en Techniek pension fund (PME), in 2026. The existing employment contract was amended to facilitate continuation past this age, for the duration of Mr. Van der Lof serving as a member of the Executive Board.

At the 2025 AGM, Mr. J.M. Kroon and Mrs. C.W. Gorter were reappointed for a further period of two years. The members of the Supervisory Board considered the re-appointment to be in the best interests of TKH, given their extensive knowledge of TKH and their excellent performance as a Supervisory Board member. The Supervisory Board nominates Mr. Oosterveer as candidate for re-appointment to the Supervisory Board at the 2026 AGM – based in part on the profile specified for the Supervisory Board – on the condition that the general meeting does not invoke its right of recommendation. The Supervisory Board has discussed the re-appointment, and its members unanimously agree that the knowledge and experience of Mr. Oosterveer bring great value to TKH, and match the expertise required in the Supervisory Board's profile. The members of the Supervisory Board consider the re-appointment to be in the best interests of TKH, given the extensive knowledge of TKH and the excellent performance as a Supervisory Board member. Furthermore, the Supervisory Board proposes the reappointment of Mr. Voortman to the Executive Board at the 2026 AGM, citing his proven track record and extensive experience. Mr. Voortman has indicated that he is prepared to serve another term. This appointment is for a period of four years from the close of the 2026 AGM, until the end of the AGM in 2030.

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

Remuneration Committee

The Remuneration Committee consists of Mrs. A.M.H. Schöningh (chairman), Mrs. C.W. Gorter, and Mr. J.M. Kroon. The Remuneration Committee held one formal meeting in 2025. The Remuneration Committee also had frequent (virtual) contact during the past year. The achievement of the Executive Board's targets was assessed, based on which the committee presented a proposal for a decision on the remuneration of the Executive Board to the Supervisory Board during a closed meeting. The targets for the Executive Board for the financial year 2025 have also been discussed and defined. More information can be found in the Remuneration report section. The Remuneration Committee reported the most important findings of each of its meetings and consultations to the Supervisory Board.

Audit Committee

The Audit Committee consists of Mrs. C.W. Gorter (chairman), Mr. J.M. Kroon, and Mr. P.W.B. Oosterveer. Mrs. Gorter also chairs the committee as an expert in the preparation and audit of the financial statements. The Audit Committee held four regular meetings in 2025, and one additional meeting. The Audit Committee meetings were held in the presence of the external auditor, as well as the CFO, the Director Internal Audit, the Manager Internal Audit, and the Director of Finance & Control of TKH. TKH's Tax Director was present at two meetings to explain national and international tax developments and specific tax matters of importance to TKH, such as the application of the Dutch innovation box scheme, Pillar Two, earning stripping rules, DAC 6, transfer pricing, tax compliance including the Tax Control Framework and risk management issues. The Audit Committee discussed the audit (transition) plan, on the basis of which the audit activities have been carried out, with the external auditor. The scope and materiality of the audit plan, as well as the significant risks in the audit and annual reporting that the

external auditor has identified in the audit plan, were also discussed. The significant risk identified include the recognition of revenue over time and the management override of controls (presumed risk). Specific audit attention areas in the audit 2025 include amongst others the valuation of development costs of assets related to new innovation projects and/or business activities, valuation of goodwill and other intangible assets related to acquired companies, valuation of a specific right-of-use asset, valuation of inventory at one of the operating companies, acquisitions, divestments and assets held for sale, the Eemshaven facility, deferred tax assets for net operating losses and interest deductibility, corporate income tax complex components, including transfer pricing, innovation box regime and earning stripping rules, revenue recognition concerning subsea contracts, and the new Risk Management Statement (Verklaring Omtrent Risicobeheersing, VOR) effective from 2025 onwards. In addition, the audit by the external auditor included the limited assurance engagement on the sustainability statements. During the year under review, the external auditor's audit approach and performance was reevaluated in consultation with the Audit Committee.

In addition, at each meeting, the Director Internal Audit provided an explanation of the findings concerning the internal audit activities. The company's internal risk management and control system is an ongoing point of attention for the Audit Committee. Throughout the year, the Audit Committee has been involved in the used risk management systems and internal control framework. The items mentioned in the Risk management section under developments have been actively discussed within the Audit Committee. Due to the relevance of IT & Security to both the day-to-day operations and TKH's business model in the context of software development and R&D, this topic is given high priority at every Audit Committee meeting. The relevant upcoming laws and regulations were also

discussed and included topics such as NIS2 and CRA. Specific attention has been paid to the Risk Management Statement (Verklaring Omtrent Risicobeheersing, VOR), introduced as part of the revised 2025 Dutch Corporate Governance Code. During each meeting the progress of the audit transition plan of the external audit for the 2025 financial year (Deloitte) was discussed.

During one of the meetings, a deep dive presentation was delivered on the current finance structure, the required finance structure in view of the separation of the Electrification segment, and debt finance options. Also, the impact of upcoming changes in the International Financial Reporting Standards (IFRS 18) on the income statement and balance sheet including disclosures (financial statements) was discussed by means of an impact assessment. During the additional meeting, the sustainability statements, including the outcome of the double materiality assessment, and the risk management disclosure were discussed. Additionally, the transition plan for climate mitigation was discussed and on recommendation of the committee approved by the Supervisory Board. During the reporting year, further attention was also paid to relevant (global) developments including supply chain management, cost inflation of (raw) materials and labor, the impact of interest rate volatility and a possible recession, and the influence of global economic and geopolitical developments on the execution of TKH's strategy, financial position, and results. Specific attention has been paid to the accounting of a subsea-related contract and related outsourced services (revenue recognition) and the accounting of the completion of the launching inter-array cable project at the Eemshaven facility.

The external auditor explained the interim update letter. The main topics discussed were general IT controls, manual journal entries, identification of related party transactions, authorization limits for payments on group

level, and segregation-of-duties risks. Also, an update was given on the identified audit attention areas including the accounting of a subsea contract and on divestments. In addition, IT control measures, cybersecurity, and fraud and non-compliance management were discussed. The external auditor also updated its audit plan to reflect recent developments, including the reassessment of materiality levels and scoping. Finally, relevant observations concerning the sustainability reporting were discussed.

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

The Audit Committee evaluates the performance of the external auditor annually, regarding the quality of the audit activities, the adequacy and implementation of the audit engagement, and the quality and depth of the reports, as well as any additional contributions. The committee discusses its findings with the external auditor and with the Executive Board and the full Supervisory Board. The Audit Committee also evaluates the internal audit function. The input for the evaluations includes the follow-up on the points of attention and improvement of the audit activities as formulated by the external auditor and TKH regarding the previous financial year. 2024 was the last financial year in which EY was the external auditor. As from 2025, Deloitte is appointed as external auditor to audit the financial statements of TKH. The Audit Committee also advises the Supervisory Board on the

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

In accordance with best practice provision 1.7.4 of the Code, the Audit Committee held a meeting with the external auditor in 2025 without the presence of the Executive Board. It was established that the external auditor was independent of TKH.

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

Evaluation

The Supervisory Board also convened a closed meeting to discuss its own performance and that of its committees and individual members. In addition, the performance of the Executive Board and its individual members were discussed. On a regular basis, an external advisor and expert is used to evaluate the Executive and Supervisory Board (lastly in 2024). In 2025, each individual member of the Supervisory Board completed a self-assessment form, which was used for discussion with the chairman of the Supervisory Board. The outcome of the evaluation is

discussed within the Supervisory Board. The evaluation covered the Board's composition, independence, expertise, and team effectiveness, as well as the quality of information provision, the role of the chairman, and relations with the Executive Board. Based on the evaluation, it was concluded that the Supervisory Board as a whole, as well as its individual members, functioned well. This honest and open relationship is characterized by mutual respect. The members complement each other sufficiently in their advisory and supervisory role toward the company and cover a wide range of relevant expertise. The available and desired expertise and knowledge within the Board was also discussed. It was established that there is a good working relationship between the Supervisory Board and the Executive Board, and that they are also sufficiently critical of each another. Communication from the Executive Board to the Supervisory Board takes place in an open, professional, and constructive manner so Supervisory Board members have a strong understanding of strategic and operational issues. It was also established that no member of the Executive Board has more than two "demanding" supervisory positions as defined in the Dutch Management and Supervision Act. The Supervisory Board has no indication of any kind of conflict of interest between the company and members of the Executive Board. The chairman of the Supervisory Board discussed the findings with the chairman of the Executive Board. During the closed meetings, the points in the Code's best-practice provision regarding the independence of the

Supervisory Board (2.1.7), its individual members (2.1.8), and the chairman (2.1.9) were also assessed. It was concluded that all members of the Supervisory Board are independent.

Financial Statements 2025

The report of the Executive Board and the 2025 financial statements were submitted to the Supervisory Board in accordance with the provisions in Article 31 of the Articles of Association. The financial statements were submitted for audit to Deloitte Accountants, which subsequently issued an unqualified auditor's report on the financial statements based on the audit.

The Supervisory Board discussed the financial statements with the Executive Board in the presence of the external auditor and subsequently approved the financial statements on March 4, 2026. The Supervisory Board submits the financial statements for the 2025 financial year to the AGM and recommends adopting the financial statements. The Supervisory Board believes that the financial statements constitute a sound basis for the account given by the Executive Board of its management and by the Supervisory Board of its supervision of the management. The Supervisory Board also proposes that the proposed appropriation of profits be approved and that the Executive Board be discharged in respect of the policies pursued and the Supervisory Board in respect of the supervision exercised.

Haaksbergen, March 4, 2026

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

Attendance at meetings of the Supervisory Board and its committees in 2025

Meeting	Supervisory Board	Audit Committee	Remuneration Committee	Selection and Nomination Committee
P.W.B. Oosterveer (chairman)	9/9	5/5		3/3
J.M. Kroon	9/9	4/5	1/1	
C.W. Gorter	9/9	5/5	1/1	
A.M.H. Schöningh	9/9		1/1	
W.A.A. Peek	8/9			3/3

The temporary Eemshaven Committee held three meetings in 2025, all of which were attended by all members (Mr. Oosterveer, Mr. Kroon, and Mrs. Schöningh).

Remuneration Chair



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

On behalf of the Remuneration Committee, I'm pleased to introduce TKH's 2025 Remuneration report. In this report, the company outlines the implementation of its remuneration policies in 2025. The 2025 Remuneration report will be subject to an advisory vote at our 2026 AGM.

Remuneration report

Remuneration 2025

For determining an increase in the basic salary, the Remuneration Committee is taking into account, among other things, the collective labor agreement for the large metal industry (Metalektro) and the development of base salaries within the reference group. The total salary increase under the collective labor agreement for the large metal industry (Metalektro) was 6.25% in 2025. In 2025, the basic salary of the Executive Board members has been increased by 3.25%.

The economic and geopolitical environment in 2025 presented numerous complexities, resulting in higher volatility and uncertainty in certain end markets we operate. Despite these challenges, the company achieved a 19.6% Adjusted EBITA growth in Smart Vision systems. While 2025 EBITA for Smart Manufacturing systems was projected to fall below 2024 levels, actual performance slightly exceeded budget. Operationally, 2025 witnessed output issues in the new Eemshaven plant. The main challenges have been resolved, but unfortunately, output of offshore inter-array cables was limited in 2025 as a result. Output was also impacted by the focus on the release of new cable types and type approval tests, which were successfully completed. The higher cost base, due to the Eemshaven plant being fully operational, combined with lower production output significantly impacted the 2025 EBITA performance of the Smart Connectivity

segment. As a result, the total group EBITA performance 2025 was below the defined remuneration threshold for EBITA, resulting in a performance payout of 0% related to the EBITA-target (STI weight of 50%). As a result of the lower output, the turnover 2025 was below the target and resulted in a performance payout of 8.4% compared to a STI-target of 20%. The sustainability performance 2025 related to safety was above target, and the employee satisfaction score was at target, resulting in a performance payout of 25.0%. The total 2025 performance resulted in a bonus payout (STI) for the members of the Executive Board between 13.4% and 16.6% of basic salary (14.5% on average).

For the shares granted under our long-term incentive plan (LTI), the TKH share performance compared to the AMX-index resulted in a multiplier of 0.98, close to the target of 1.0. However, for the financial targets ROS and ROCE there was a below-threshold performance, meaning that 40% of the LTI is forfeited. The carbon footprint in own operations reduced further in 2025, resulting in the maximum performance for the 10% share in the LTI (multiplier of 1.50). The diversity performance related to females in executive and senior management teams was below the minimum threshold, meaning 10% of the LTI is forfeited. The total performance resulted in a net LTI award of 36.8% of basic salary.

Remuneration summary 2025

	Target 2025	Remuneration 2025		
		CEO J.M.A. van der Lof	CFO E.D.H. de Lange	Board member H.J. Voortman
Basic salary (TRI) in 1,000		€815	€612	€590
Short-Term Incentive (STI) – bonus payout % of TRI	40.0%	13.4%	13.4%	16.6%
Long-Term incentive (LTI) – share plan payout % of TRI	50.0%	36.8%	36.8%	36.8%

Remuneration Policy of the Executive Board

The Supervisory Board did not use the option to deviate (temporarily) from the remuneration policy on the recommendation of the Remuneration Committee if exceptional circumstances warrant it. Although scenario analyses are used, they were not taken into account in the decision on the final remuneration for 2025.

Stakeholder engagement

In 2025, we continued to focus on engaging with our key stakeholders, to help broaden our understanding of their needs and concerns and ultimately help us deliver our strategy and be a responsible business. Our key stakeholders remain the same as last year: our employees, customers, investors, analysts, banks, suppliers, and other stakeholders including sectorial organizations and NGOs. The engagement and dialogues with stakeholders did not result in any changes in the Remuneration Policy.

Outlook 2026

Looking ahead, the Remuneration Committee will continue to monitor the effectiveness of our policies and adjust as necessary to ensure that we remain competitive in attracting and retaining talent. Like many other companies, we are seeing highly competitive labor markets and are laser focused on ensuring we have the people we need on board to sustain our performance and growth. For 2026, the remuneration targets are based on the strategy program Capitalize & Execute 2028, as presented at the Capital Markets Day in September 2025. As we continue to evolve our remuneration strategy, I want to extend my gratitude to our stakeholders for their ongoing support and for sharing their views on the executive remuneration.

A.M.H. Schöningh

Chair of the Remuneration Committee

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

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

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

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

Policy is aligned with the business strategy through the establishment of specific short-term and long-term objectives that link the remuneration of each Executive Board member to the success of the Company. The size of the LTI (Long-Term Incentive) in the total compensation package and the fact that the members of the Executive Board must invest for their own account in the same number of shares as are granted to them within the framework of the LTI including a holding period of three years are important factors in ensuring the long-term value creation and continuity of the Company.

Furthermore, personal objectives under the Short-Term Incentive (STI) are linked to and aligned with the identity, values, and mission of the Company.

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

The General Meeting of Shareholders adopted the Remuneration Policy of the Executive Board in 2024 with 98.8%, with effect from January 1, 2024. The full Remuneration Policy is available on the TKH website.

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

Reference group

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

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

Targets for STI and LTI

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

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

While financial and non-financial objectives focus on the achievement of overall strategic business objectives and sustainability ambitions, personal targets should relate to the individual member's specific role within the Executive Board. The above ensures that the STI contributes to TKH Group's strategy, long-term interests and sustainability. The annual targets for the STI and LTI relate to TKH's strategic plan and annual business plan derived from it. For 2025, the financial and non-financial targets for the STI and LTI relate to TKH's Accelerate 2025 strategic program and the 2025 business plan derived from it.

Application of the Policy in 2025

1 Basic salary (TRI)

The Remuneration Committee regularly reviews the base salaries of the members of the Executive Board. Based on the recommendation of the Remuneration Committee, the Supervisory Board determines the adjustment (if any), taking into account, among other things, the collective labor agreement for the large metal industry (Metalektro) and the development of base salaries within the reference group. The collective labor agreement for the large metal industry (Metalektro) includes a 3.25% wage adjustment effective January 1, 2025, as well as an additional 3.00% increase effective July 1, 2025. It has been decided to increase the salaries of the Executive Board members by 3.25%, effective January 1, 2025.

2 Performance bonus (STI)

Short-term variable pay is an important part of the remuneration package for members of the Executive Board. Each year, the Supervisory Board sets the targets and criteria on which the performance bonus is based in advance. The Supervisory Board, acting on a recommendation from the Remuneration Committee, determines the

amount of the performance bonus on the basis of the achievement of the targets and criteria. An 'at target' performance results in a bonus of 40% of base salary (TRI). The performance bonus is capped at 60% of the base salary (TRI). Achievement of threshold will result in a bonus of 8% of the base salary (TRI). For below threshold performance, the bonus is 0% of the base salary (TRI).

STI performance of the Executive Board in 2025

The performance bonus is based on the following performance criteria:

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

The STI for members of the Executive Board based on achievement of the 2025 targets is presented in the table below. Payment of the variable remuneration to members of the Executive Board is subject to the condition that the targets upon which the performance bonus is based or the circumstances under which the bonus was originally determined, are accurate.

Financial performance (70%)

Turnover (20% weighting) and EBITA (50% weighting) have been defined as financial performance criteria for 2025. The EBITA performance 2025 was below the threshold, resulting in a performance payout of 0%. The realized turnover 2025 resulted in a performance pay-out of 8.4%.

Sustainability performance (20%)

For 2025, the following two sustainability targets have been defined:

- Safety performance, LTIFR target of 0.70 (10% weighting): The LTIFR figure for 2025 of 0.41 was better than the target and above the maximum threshold (Lost Time Injury Frequency Rate).
- Employee satisfaction score target of 7.8 (10% weighting): The employee satisfaction score in 2025 was 7.8, at target.

The performance in 2025 against sustainability targets results in an overall performance ratio of 25.0%.

STI 2025	Bandwidth payout level				Targets			Performance						
	KPI	Weight	Threshold 0%	On-target 100%	Maximum 150%	Threshold 0%	On-target 100%	Maximum 150%	Performance	Performance payout	Threshold	On-target	Maximum	Actual payout % of TRI
Turnover (in millions)	20%	0%	20%	30%	€1,581	€1,860	€1,953	€1,738	8.4%	●	●			3.4%
EBITA (in millions)	50%	0%	50%	75%	€200.6	€236.0	€247.9	€189.2	0.0%	●				0.0%
Financial performance ¹	70%	0%	70%	105%					8.4%	●				3.4%
Sustainability performance	20%	0%	20%	30%	See commentary				25.0%			●		10.0%
Personal performance	10%	0%	10%	15%	See commentary				2.7%	●				1.1%
Total performance	100%	0%	100%	150%					36.1%	●				14.4%

1. The turnover and EBITA are adjusted figures (normalized for one-offs, acquisitions, and divestments).

Personal performance (10%)

The personal targets defined for 2025 are related to specific business issues and are not disclosed in detail due to (commercially) sensitive information. The achievement of the personal targets in 2025 results in an overall average performance ratio of 2.7%, consisting of the following performance ratios for each member of the Executive Board:

- 0.0% for J.M.A. van der Lof MBA
- 0.0% for E.D.H. de Lange MBA
- 8.1% for H.J. Voortman MSc

Total performance 2025

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

J.M.A. van der Lof MBA:	$33.4\% \times 40\% \times \text{TRI} = 109$
E.D.H. de Lange MBA:	$33.4\% \times 40\% \times \text{TRI} = 82$
H.J. Voortman MSc:	$41.5\% \times 40\% \times \text{TRI} = 98$

3 Share plan (LTI)

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

The share plan has two components:

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

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

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

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

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

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

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

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

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

Targets and performance 2025

TKH Group's strategy is to increase the ROS and ROCE through growth in activities related to high-end technologies where relatively high margins can be achieved. The ROS and ROCE are important criteria for monitoring TKH Group's differentiation power based on the group's technology base and the ongoing transformation towards achieving the ROS and ROCE targets. In addition, the development of TKH Group's share price against the AMX index of Euronext Amsterdam is an important confirmation of the Shareholders' appreciation of the strategy. The sustainability objectives focus on the achievement of long-term sustainability ambitions as part of the Accelerate 2025 strategic program with 2030 targets on carbon footprint reduction and diversity in terms of percentage of females in executive and senior management positions.

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

- The financial performance in 2025 was below the thresholds set, for both ROS and ROCE. The relevant multiplier A and therefore the portion of the LTI based on the weighting of the relevant multiplier is forfeited (40%).
- The 2025 sustainability performance regarding the CO₂e footprint, resulted in a CO₂e footprint reduction of 76.3% compared to the reference year 2019 (2024: 70.3%), and is well on track towards the target of 100% carbon neutrality for scope 1 and 2 by 2030. The share of women in executive and senior management teams decreased from 21.6% in 2024 to 20.5% in 2025, below the minimum threshold target. The performance on sustainability targets resulted in a multiplier of 1.50 with a weight of 10%, and 10% of the STI is forfeited.
- The multiplier for the relative stock price developments (C) was 0.98 based on the stock price development of TKH shares compared to the AMX index of Euronext Amsterdam over the last three years (index of 99%).

These multipliers for each KPI resulted in a total multiplier for the LTI of 1.47 (B*C), based on a weight of 50%, which

meant that 1.47 x 50% x the standard award of 50% was granted.

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

J.M.A. van der Lof MBA:	1.47 x 50% x 50% x TRI = 300
E.D.H. de Lange MBA:	1.47 x 50% x 50% x TRI = 225
H.J. Voortman MSc:	1.47 x 50% x 50% x TRI = 217

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

LTI 2025	Bandwidth payout level				Targets			Performance						
	KPI	Weight	Threshold multiplier	On-target multiplier	Maximum multiplier	Threshold 0%	On-target 100%	Maximum 150%	Performance	Weight	Multiplier/payout %	Threshold	On-target	Maximum
A Financial ¹	40%	0.50	1.00	1.50						0%	0.00	●		
ROS	20%				11.7%	12.7%	13.7%	10.9%	0%	0.00	●			
ROCE	20%				16.0%	17.0%	18.0%	15.0%	0%	0.00	●			
B Sustainability	20%	0.50	1.00	1.50					10%	1.50				●
CO ₂ footprint reduction	10%				70.3%	73.3%	76.3%	76.3%	10%	1.50				●
Diversity	10%				21.6%	22.2%	22.7%	20.5%	0%	0.00	●			
C Relative stock price development	40%	0.50	1.00	1.80	0.50	1.00	1.80	index 0.99	40%	0.98		●		
Overall performance ratio	100%	Performance multiplier: B*C							50%	1.47				●
Actual payout % of TRI 36.8%												●		

1. The ROS and ROCE are adjusted figures (normalized for one-offs, acquisitions, and divestments).

Executive Board share ownership

	Balance at 1/1	Awarded shares	Individually purchased shares	Disposal (at least 3 years in portfolio)	Balance at 31/12
J.M.A. van der Lof MBA					
2024 ¹	112,647	17,388	17,388	-17,388	130,035
2025 ¹	130,035	5,444	5,444	-10,888	130,035
E.D.H. de Lange MBA					
2024 ¹	80,099	13,053	13,053	-26,106	80,099
2025 ¹	80,099	4,087	4,087	-8,174	80,099
H.J. Voortman MSc					
2024 ¹	40,391	12,575	12,575	-11,915	53,626
2025 ¹	53,626	3,937	3,937	-7,874	53,626

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

4 Pensions

The Remuneration Committee ensures that the pensions of Executive Board members are in line with generally accepted standards and ensures that they are consistent with the pension plans offered for similar positions. In addition, the pension provisions include a right to benefits in case of ill health or disability and a widow's and orphan's pension in case of death on terms similar to those applicable to members of the collective pension fund. The associated costs, up to the maximum allowed under tax law, are included in pension costs. The pension compensation refers to any portion exceeding the maximum allowed under tax law (2025: €137,800).

5 Total remuneration

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

6 Other employee benefits not included in total remuneration

Other employee benefits consist mainly of social security premiums paid by the company, and certain business allowances in accordance with what is generally customary and accepted within the TKH organization, which are limited to an expense allowance, private use of

company cars provided to the Executive Board, (mobile) phone, and insurances. Additional governance-related activities are not subject to any additional conditions or remuneration. No option rights are awarded to members of the Executive Board.

7 Pay ratio

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

- The total annual remuneration of the CEO includes all the remuneration components (such as fixed remuneration, variable cash remuneration (bonus), the share-based part of the remuneration, social contributions, pension, expense allowance, etc.) included in the consolidated annual accounts on an IFRS basis.
- The average annual remuneration of the employees is determined by dividing the total wage costs for the financial year (as included in the consolidated annual

Total remuneration Executive Board

(in €1,000 unless stated otherwise)	Basic salary (TRI)		Variable income (STI) ¹		Share plan (LTI) ¹		Pension		Pension compensation		Total		Variable share in the total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
J.M.A. van der Lof MBA	815	789	109	135	514	353	54	57	260	251	1,752	1,585	35.6%	30.8%
E.D.H. de Lange MBA	612	593	82	78	386	265	27	27	98	80	1,205	1,043	38.8%	32.9%
H.J. Voortman MSc	590	571	98	75	372	256	27	27	80	77	1,166	1,006	40.3%	32.9%
Total remuneration	2,017	1,953	289	288	1,272	874	108	111	438	408	4,122	3,634	37.8%	32.0%

1. Achieved in the previous financial year and paid out in the following financial year. As amounts are expressed in thousands of euros, totals may not add up precisely due to rounding.

Comparative information on Remuneration and Company performance

(in €1,000 unless stated otherwise)	2025	2024	2023	2022	2021
Remuneration Executive Board ¹					
J.M.A. van der Lof MBA	1,438	1,278	2,215	1,658	2,237
E.D.H. de Lange MBA	1,080	936	1,663	1,244	1,678
H.J. Voortman MSc	1,059	902	1,603	1,127	1,523
Company performance					
ROS	10.8%	12.7%	12.8%	12.9%	12.4%
Adjusted EBITA	189	204	237	235	190
CO ₂ e reduction (vs. 2019)	76.3%	70.3%	64.3%	42.7%	29.8%
Illness rate of employees	4.11%	3.97%	3.85%	4.04%	3.56%
Average remuneration per FTE	62	60	58	57	55
CEO pay ratio	28.2	26.6	43.0	33.7	45.3

1. Based on TRI, STI, and LTI.

accounts on an IFRS basis) by the average number of FTEs during the financial year.

- The value of the share-based component of the remuneration is determined at the grant date in accordance with the applicable rules under IFRS.

The pay ratio for 2022 and 2024 is lower compared to 2021 and 2023, due to the lower value of STI and LTI as part of the remuneration mainly as a result of a lower STI and a lower multiplier for the relative stock price development. The pay ratio for 2025 is 28.2 and slightly higher compared to 2024, due to a better relative stock price development combined with a lower STI over 2025.

8 Comparative information on remuneration and company performance

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

9 Personal loans

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

10 Change of control

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

11 Severance pay

The maximum severance payment in the event of dismissal is one year's salary (TRI), including the notice period. Pursuant to Mr. Van der Lof's (CEO) employment contract, which was entered into and pre-dates the aforementioned one-year's salary maximum restriction, upon termination of his agreement he may be entitled to

up to 18 months of salary and other emoluments. No severance payment shall be made if the employment contract is terminated prematurely at the initiative of the member of the Executive Board or if the member is guilty of gross misconduct or negligence.

12 Claw-back

The Supervisory Board has the discretionary authority to claw back variable remuneration awarded to members of the Executive Board if it is based on inaccurate (financial) data. In line with claw-back legislation, the payment of variable remuneration to the members of the Executive Board is made on the condition that the relevant (financial) data are correct. For 2025, there was no full or partial recovery of a bonus.

Remuneration Policy of the Supervisory Board

The policy aims to provide a competitive compensation package to attract, motivate, and retain qualified Supervisory Board members for a publicly listed company, taking into account the Company's size, strategy, and unique characteristics. The policy was designed in the context of national and international market trends, statutory requirements, corporate governance best practice, the societal context around remuneration, and the interests of the Company's Shareholders and other stakeholders. The compensation package is periodically reviewed against market trends using information provided by external experts. The overriding principle of the Company's Remuneration Policy is to ensure fairness and transparency. The remuneration structure is designed to encourage Supervisory Board members to perform their role adequately and does not depend on the financial results of the Company. The Supervisory Board acknowledges its responsibility to be aligned with the identity, mission, and core values of the Company. In this context, it has been decided to have only a fixed remuneration income and no variable remuneration to be able to have an independent and objective role regarding the implementation of the Company's strategy, targets, long-term value creation, and sustainability.

In order to attract qualified persons to the Supervisory Board and retain current members of the Supervisory Board over the long term, the Company takes into

account external reference data when determining appropriate levels of remuneration. A specific reference group (peer group) for the labor market has been defined for this purpose. The reference group consists of an equal mix of Dutch publicly listed companies and international (largely European) sector-specific companies that are comparable to the Company in terms of size, complexity, and international scope. The Remuneration Committee, supported by external experts, regularly reviews this reference group to ensure that its composition remains appropriate. Although the external market data provides a useful reference point, it is ultimately the responsibility of the Remuneration Committee and the Supervisory Board to determine and propose to the Annual General Meeting a remuneration package at an appropriate level that reflects the specific context and requirements of the Company and the skills and capabilities of the individual Supervisory Board members. As such, external market data will be used to support rather than drive decision-making. The Remuneration Committee evaluates the external market data and recommends adjustments, if necessary, to the Supervisory Board for approval.

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

The 2025 remuneration of the Supervisory Board is based on the following amounts:

Chairman of the Supervisory Board	€69,674
Member of the Supervisory Board	€52,256
Chairman of the Audit Committee	€11,612
Member of the Audit Committee	€8,129
Chairman of the Remuneration Committee / Selection and Appointment Committee	€9,290
Member of the Remuneration Committee / Selection and Appointment Committee	€6,968

The remuneration of the Supervisory Board has been increased by 3.25% with effect from January 1, 2025.

Application of the Policy in 2025

1 Remuneration

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

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

2 Total remuneration

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

Total remuneration Supervisory Board				
(x €1,000)	Regular remuneration	Remuneration membership committees	Total 2025	Total 2024
P.W.B. Oosterveer, <i>Chairman</i>	70	17	87	88
J.M. Kroon	52	15	67	65
C.W. Gorter	52	19	71	70
A.M.H. Schöningh	52	9	61	58
W.A.A. Peek ¹	52	7	59	37
R.L. van Iperen ²				17
Total remuneration	278	67	345	335

1. As of May 2024.

2. Up to and including May 2024.

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

3 Share ownership of the Supervisory Board

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

4 Comparative information on remuneration

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

Comparative information on remuneration					
(x €1,000)	2025	2024	2023	2022	2021
P.W.B. Oosterveer, <i>Chairman</i> ¹	87	88	62	36	
J.M. Kroon MBA	67	65	63	60	58
C.W. Gorter	71	70	68	64	60
A.M.H. Schöningh ²	61	58	56	52	51
W.A.A. Peek ³	59	37			
R.L. van Iperen ⁴		17	75	69	53
A.J.P. De Proft ⁵				23	68
P.P.F.C. Houben ⁶					23
Total remuneration	345	335	324	304	313

1. As of May 2022.

2. As of May 2020.

3. As of May 2024.

4. Up to and including May 2024.

5. Up to and including May 2022.

6. Up to and including May 2021.

Corporate Governance

TKH Group N.V., a public limited liability company under Dutch law, applies the two-tier board regime. The management of the company is delegated to the Executive Board under the supervision of the Supervisory Board. The general powers of the Executive Board derive from legislation and regulations, and are laid down in TKH's articles of association. The Executive Board and the Supervisory Board are responsible for the Corporate Governance structure of TKH and compliance with the Dutch Corporate Governance Code (“Code”).

TKH applies the principles and best practice provisions of the Code and attaches great value to the Code. In a few cases, TKH deviates from the Code; the reasons for each of these deviations are described hereafter. In the year under review, specific attention was paid to the new Risk Management Statement (Verklaring Omtrent Risicobeheersing, VOR) for Dutch listed companies, introduced as part of the revised 2025 Dutch Corporate Governance Code.

Term of appointment of the Executive Board

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

Severance payments

The employment contract of CEO Mr. Van der Lof provides for a termination payment of up to 18 months of salary and other emoluments. This agreement pre-dates the Corporate Governance Code and our restrictions in this respect in our remuneration policy, and is therefore respected.

Share plan

There is a share plan for the Executive Board, but no share option scheme. The share plan involves a financial contribution by the Executive Board as the individual members have to purchase the same number of shares at their own costs as they are awarded within the framework of the share plan. Because this involves a financial contribution from Executive Board members, it has been determined that the shares must be held for at least three years. Additionally, as this scheme requires a private investment obligation of the individual members of the

Executive Board, the Supervisory Board believes that it is reasonable and fair to adhere to a term of three years, and not a term of five years.

Internal Audit function

TKH has an Internal Audit function. The Internal Audit team has been expanded in early 2024, which will further strengthen its independent position. According to best practice provision 1.3.2 of the Code, the functioning of the internal audit function should be assessed at least every five years by an independent third party. The evaluation of the Internal Audit function is conducted internally on a yearly basis.

Conflicts of interest

In 2025, there are no transactions in which there are conflicts of interest with Executive Board Members or Supervisory Board Members that are of material significance to the company and/or to the relevant Executive Board Members or Supervisory Board Members.

General Meeting of Shareholders

A General Meeting of Shareholders is held annually. Extraordinary General Meetings are held as often as the Executive Board or Supervisory Board deems desirable and also as often as shareholders and/or holders of depositary receipts, representing at least 10% of the issued capital, request the Executive Board or Supervisory Board in writing to do so, specifying the items to be discussed. With regard to invoking a response time concerning proposals for fundamental strategy changes, TKH has applied the legal provision in Article 2:114b of the Dutch Civil Code with regard to a 250-day reflection period, above the 180 days specified in the

Code. The basic principle here is to ensure that the operation and effectiveness of the measures that companies can take to respond adequately to proposals for fundamental strategy changes are safeguarded.

Depositary receipts of shares

Stichting Administratiekantoor TKH Group (“TKH Trust Foundation Office”) holds ordinary shares in the company. In exchange for these shares, TKH Trust Foundation Office issues depositary receipts for those shares. The voting rights to the shares are vested in TKH Trust Foundation Office. Upon request, TKH Trust Foundation Office will authorize the holders of depositary receipts to vote for the shares for which the holder holds depositary receipts at a General Meeting specified in the proxy, to the exclusion of TKH Trust Foundation Office. The authorization is unrestricted and is therefore not subject to any exchangeability limit. TKH Trust Foundation Office is not required by law (article 2:118a of the Dutch Civil Code) to grant the proxy, and may withdraw a proxy that has been given if a) a hostile public offer is announced or made (or is expected to be made), b) one or more persons possess at least 25% of the depositary receipts and/or shares, or c) in the opinion of TKH Trust Foundation Office, the voting right of a holder of a depositary receipt is fundamentally in conflict with the interest of the company. In the event of one of these scenarios, TKH Trust Foundation Office must notify the holders of depositary receipts and explain the reasons behind their actions. The company considers the issue of depositary receipts for shares as an important measure to protect the interests of shareholders, holders of depositary receipts and other stakeholders. This means that the company’s intellectual property and its commercial interests are

protected, which is also important for sustainable long-term value creation for our stakeholders. Although the Code states that the issue of depositary receipts is not intended to be used as a protective measure, TKH expressly chooses to take this form of protective measure and acts in accordance with the applicable law in Article 2:118a of the Dutch Civil Code. This is in derogation of the principle of the Code.

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

Risk management

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

Risk management structure

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

- An Internal Control Framework (ICF) based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2017). TKH uses this framework to analyze and evaluate the strategic, financial, operational, compliance, and reporting risks for its operating companies. At operating company level, several standards like ISO standards or the safety culture ladder have been implemented to serve as a framework for the related processes and activities (e.g., ISO 14001, 27001, 45001, 9001).
- The TKH Manual containing:
 - regulations and guidelines for decision-making procedures and authorization levels for the management of our operating companies;
 - guidelines on the treasury policy (cash and foreign exchange management), as well as various rules of

conduct, such as policy approval procedures, a Code of Conduct for staff members, a whistleblower procedure, and a privacy policy; and

- guidelines for internal management and control measures including IT controls, internal and external financial and sustainability reporting, insurance, and how to deal with claims.
- A “strategic scorecard”, which is issued every quarter or more frequently if necessary. It features “high-lights” and “low-lights”, and (potential) risks per business segment. It also contains related short- and medium-term action points for discussion between the Executive Board and management of the operating companies.

TKH’s risk management policy reflects the organization’s size and decentralized structure. Components of this risk management policy are assessed by Internal Audit, focusing only on continuing operations and based on a certain scope which is yearly defined (selection of risks, entities, processes and/or themes). The main risks of each operating company are identified and analyzed, and

Risk management overview



their potential impact on the operating company is determined. For specific issues, including IT & Security and sustainability, external specialists are engaged on a project basis. The results of these assessments are discussed with the Executive Board. The most important findings of the assessments conducted by Internal Audit are discussed with the Audit Committee of the Supervisory Board. We follow the guidelines of the Institute of Internal Auditors (IIA) to ensure the internal audit function meets the IIA standards as closely as possible. The Executive Board, internal Legal Advisor, Director Finance & Control, Tax Director, and Compliance Officer also evaluate components of the risk management system. The design and operation of the risk management and control systems for financial reporting are also assessed by the external auditor in the context of the audit of the financial statements. The outcome and impact on the external auditor's audit strategy are discussed with the Executive Board and the Audit Committee.

Risk culture

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

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

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

Developments In 2025

In the year under review, specific attention was paid to the new Risk Management Statement (Verklaring Omtrent Risicobeheersing, VOR) for Dutch listed companies, introduced as part of the revised 2025 Dutch Corporate Governance Code. We reassessed the COSO framework we use to analyze and evaluate the strategic, financial, operational, compliance, and reporting risks. During the year under review, Internal Audit assessed the administrative organization and internal control systems of TKH and its affiliated companies, with a focus on selected risks, processes and themes, and companies. The 2025 review focused on the sales, procurement and payment process including the usage of credit cards and management declarations. These activities did not result in any material findings at the group level regarding the administrative organization and the level of internal control of companies in scope. Improvements identified were related to non-material shortcomings at some operating companies. The 2025 findings included payment authorization levels, supplier master data management, purchase management, and findings related to reconciliation differences, reclassifications and potential valuation issues in the financial reporting. For operating companies whose size,

Risk culture



technology, and risks, such as privacy and reputation, are important in the context of implementing the TKH strategy, IT & Security risks have been identified and recommendations have been made to further mitigate these risks. These risks and their follow-up are frequently discussed with the Executive Board and the Audit Committee. In 2025, we continued specific assessments on the implementation of the EU NIS2 Directive, and started preparations for the implementation of the EU Cyber Resilience Act (CRA). Internal Audit updated its working programs related to audits on sustainability reporting, to align with the datapoints reported under the CSRD. The internal audits performed on the sustainability reporting of selected companies did not result in material findings at group level. Improvements have been identified related to documentation and consistency in way of working regarding sustainability reporting, and some minor reconciliation differences. Finally, we also performed specific internal audits on the implementation of the Tax Control Framework related to VAT and payroll tax at selected operating companies in the Netherlands.

Risk overview

The risk matrix shows the most important risks for TKH. We divided them into six categories: strategic risks, financial risks, operational risks, compliance risks, financial reporting risks and sustainability reporting risks. For each risk, we then assess its potential impact on the organization and the probability that this risk will occur. The impact includes financial and non-financial factors such as reputation. The table also includes the risk trend and risk appetite. The risk trend is the risk development compared to the previous year. The risk appetite represents the risk (amount) we are willing to accept, pursue, or retain in order to achieve our strategic objectives. It acts as a guide for decision-making, setting boundaries for risk-taking while balancing potential rewards with potential losses.

In addition, a link has been made with the material sustainability topics as identified through the double materiality assessment performed under the CSRD. More detailed information on the material sustainability-related impacts, risks and opportunities is included in the Sustainability statements section.

It is the duty of the Executive Board to weigh the business opportunities against the expectations and interests of stakeholders. Decisions to change or refine our business models are made by the Executive Board in accordance with TKH's risk appetite. A balance is explicitly sought between acceptable risk, on the one hand, and entrepreneurship conducted in the context of long-term value creation, on the other hand. The Executive Board recognizes the inherent limitations of internal risk management and control systems. Whilst the company continuously works towards improving its processes and procedures, these systems cannot provide absolute certainty that all risks have been identified or are effectively managed. The level of certainty that they provide is influenced by, among other things, inherent limitations to risk management, business considerations such as the company's risk appetite, the complexity of the company's operations, the decentralized operating model of TKH, and the dynamic nature of the business environment. Certain risks remain outside the company's direct control, as they depend on third parties or external circumstances beyond the company's influence.

Risk appetite level

- High** The company is willing to accept significant uncertainty, volatility, and potential for losses in exchange for higher potential returns or growth. It indicates a proactive, growth-oriented mindset, seeking to maximize gains. It signifies a risk-seeking posture that favors long-term, high-reward opportunities over short-term stability.
- Medium** The company is willing to accept a balanced level of risk to achieve moderate, steady growth, without risking significant capital. It involves taking calculated risks, combining stable investments with some growth-oriented assets, and avoiding excessive volatility.
- Low** The company prefers safety, stability, and predictability over high returns, actively seeking to avoid significant losses or uncertainty. It represents a "risk-averse" approach where the company prioritizes capital preservation, low-impact investments, and compliance. This strategy limits potential growth to minimize volatility.
- Avoiding** The company intentionally acts to eliminate or significantly reduce exposure to uncertainty and potential losses ("averse" risk appetite). It prioritizes safety, compliance, and stability over high returns, choosing only low-risk, secure options.



Our main risks

Risk area	Risk category and topics	Risk description	Material sustainability topic	Trend	Appetite
Strategic	1. Market <ul style="list-style-type: none"> Market developments Recession 	Influence of global economic and market developments on the execution of the strategy and financial position and results of TKH.	<ul style="list-style-type: none"> Management of relationships with suppliers 	=	●
	2. Geopolitics <ul style="list-style-type: none"> Geopolitics developments Conflicts / wars Protectionism / import duties 	Influence of geopolitical developments on the execution of the strategy and financial position and results of TKH.	<ul style="list-style-type: none"> Management of relationships with suppliers 	▲	●
	3. Climate Change & Resource Efficiency <ul style="list-style-type: none"> Climate change CO₂ footprint Resource use and waste management 	Possible impact of climate change on our strategy and business model. Unsustainable business operations can have an adverse effect on the environment as well as on the (future) business. Future implementation of CO ₂ tax/pricing could mean an increase in operational and compliance costs. Non-compliance with ESG and material CSRD topics, including pollution and water management, and not meeting ESG and defined CSRD targets and ambitions, can impact our operations and reputation.	<ul style="list-style-type: none"> GHG emissions, energy efficiency and consumption (climate change mitigation) Resource inflows, waste, and waste recycling Pollution of air, soil, and water Water consumption 	▲	●
	4. Sustainable Innovation <ul style="list-style-type: none"> Business model and sustainable innovations AI 	Threat to TKH's long-term value creation due to insufficient technology development, innovation and application of Artificial Intelligence (AI). Sustainable innovation and technology including AI are actually making a positive contribution to the achievement of the SDGs by promoting sustainable production and consumption, and addressing environmental challenges at customers. This can help create a more sustainable world.	<ul style="list-style-type: none"> Sustainable innovation AI and algorithm ethics 	*	●
	5. M&A agenda and Portfolio Management <ul style="list-style-type: none"> Acquisitions Divestments Integration Separation Electrification 	Failure to successfully execute our Capitalize & Execute 2028 strategy program, integrate (acquired) and/or divest companies can result in lower than expected profit contribution and the risk of impairment. Changing M&A market circumstances (e.g. interest developments) can impact (the timing of) our divestment and strategy program.		▲	●
Financial	6. Funding	Inadequate funding to finance future opportunities or the misallocation of capital, potentially limiting future growth and opportunities. Insufficient future funding could potentially impact the intended standalone continuation of the Automation and Electrification business segments.		*	●
	7. Currencies	Volatility of currencies, which can put pressure on profit margins.		=	●
	8. Interest	Volatility of interest rates, which can put pressure on net result.		=	●
	9. Cost inflation <ul style="list-style-type: none"> Raw materials Components Labor costs Energy costs 	Inflation of costs, including (volatility of) raw material prices, components and labor costs, which can put pressure on profit margins.		=	●

▲ increased = equal ▼ decreased * added in risk matrix in 2025 ● avoiding ● low ● medium ● high



Risk area	Risk category and topics	Risk description	Material sustainability topic	Trend	Appetite
Operational	10. Product output & quality <ul style="list-style-type: none"> Operational performance Production yields Raw material consumption Waste management 	Product failures and quality issues may cause injuries, damage or non-compliance with regulations or contracts, resulting in legal proceedings, financial loss and reputation damage. Failures during production process may cause increased raw material consumption, increased waste, other additional costs and may result in financial loss.	<ul style="list-style-type: none"> Resource inflows Waste and waste recycling 	*	●
	11. Information and Cyber security <ul style="list-style-type: none"> IP protection Business sensitive information protection Continuity of operations Cyber security Privacy and GDPR 	Risk of breach of data availability, confidentiality, and integrity (including IP), resulting in damage for the organization or customers.	<ul style="list-style-type: none"> Privacy (cybersecurity) 	▲	●
	12. Personnel <ul style="list-style-type: none"> Scarcity Development opportunities Diversity Healthy and safe work environment 	Scarcity of well-qualified personnel and inability to retain qualified personnel. Health and safety incidents can cause risks for employees and lead to business stagnation. Inability to reach (young) potential employees can result in shortage of staff. A non-diverse workforce can result in limited perspectives, skills, and experiences, which can lead to decreased creativity, innovation, and problem-solving within TKH.	<ul style="list-style-type: none"> Diversity Health and safety 	=	●
	13. Supply Chain <ul style="list-style-type: none"> Raw materials Components Energy Working conditions in value chain (Connectivity) 	Important raw materials such as copper, aluminum and plastics, and technical (electronical) components have long delivery times or are unavailable or only available in limited quantities. Limited availability of (green) energy or disruptions could result in (potential) shortages of energy and higher price levels. Failing to address relevant human rights related risks in the value chain (Smart Connectivity systems) can result in regulatory fines, legal penalties, and reputational damage.	<ul style="list-style-type: none"> Resource inflows Management of relationships with suppliers Child / forced labor, health and safety (workers in the value chain) 	=	●
	14. Project Management	Risk of projects not being delivered according to specification, agreements, time schedule, and planned margins. Expanded scope in projects towards turnkey structures increases contract value and risk exposure due to the extension of scope, for example by including besides the supply the engineering, termination and testing, and installation (e.g. inter-array cable contracts).		▲	●
Compliance	15. Legal & Regulatory <ul style="list-style-type: none"> Sanctions Fraud, corruption, bribery Use of agents Non-compliance with law and regulations (incl. AI) 	Damage (including reputation) due to violation of legislation and regulations including export and sanction regulations, unfair competition, fraud, corruption, bribery, and AI-related regulations.	<ul style="list-style-type: none"> Corporate culture Corruption and bribery AI and algorithm ethics 	=	●
	16. Tax	Damage (including reputation) due to violation of tax legislation and regulations.		=	●
Financial Reporting	17. Financial Reporting <ul style="list-style-type: none"> Financial reporting (IFRS) 	Risk that TKH's financial reporting contains material errors, and that new reporting requirements cannot be met timely and accurately. Inadequate disclosure of financial data in accordance with IFRS may lead to reputational damage and regulatory scrutiny. These can impact stakeholder trust and business resilience.		=	●
Sustainability Reporting	18. Sustainability Reporting <ul style="list-style-type: none"> Sustainability reporting (CSRD) 	Risk that TKH's sustainability statements contains material errors, and that new reporting requirements cannot be met timely and accurately. Inadequate disclosure of environmental, social, and governance (ESG) factors in accordance with the CSRD may lead to reputational damage and regulatory scrutiny. These can impact stakeholder trust and business resilience.		▲	●

▲ increased = equal ▼ decreased * added in risk matrix in 2025 ● avoiding ● low ● medium ● high

Other relevant risks

In addition to the key risks included in the risk matrix, we have identified other risks that are also included in TKH's internal risk management system. These include, among other things, the following risks:

- Natural disasters or incidents in production facilities e.g. accidents in production facilities that threaten business continuity.
- Infringement of intellectual property (IP) rights of and by third parties.
- Impact of a (global) pandemic on the world economy, the (end) markets in which TKH is active, and its business operations.
- Other financial (reporting) risks such as valuation of goodwill and other assets and liabilities.
- Claims from third parties.
- Green washing; presentation of the company or its products as more environmentally friendly than they actually are, for example resulting from new regulations.

Strategic

1. Market

The impact of global economic developments on the implementation of the strategy and the financial position and results of TKH. The impact of (global) inflation as well as a potential recession may impact TKH's turnover and results.

Our specific risk mitigation measures:

- Diversification of activities across multiple product/market combinations.
- Internal efficiency programs and cost reduction programs.
- Flexible shell by making use of temporary staff and by outsourcing the production of mainly commodity products and product modules.
- Geographical spread across Europe, North America, and Asia with multiple production sites, with a tendency to bring production capacity closer to end markets where possible.
- Solid financial balance sheet and position.
- Ongoing attention to risk analysis in the implementation of our strategic program.

2. Geopolitics

The impact of global geopolitical developments and conflicts (such as the Russia-Ukraine war) on the implementation of the strategy and the financial position and results of TKH. Political confrontations between world powers (trade tariffs/barriers, protectionism, availability and price of energy) and the erosion of trade agreement may impact TKH's turnover and results.

Our specific risk mitigation measures:

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

3. Climate change & Resource efficiency

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

Strategic

Our specific risk mitigation measures:

- Based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we are carrying out a comprehensive analysis of potential climate change risks and how these risks can be converted into opportunities.
- Continue to optimize our production processes via our operational excellence program.
- Deliver a strong performance on our sustainability targets, in particular CO₂ neutrality by 2030 (scopes 1 and 2), and further develop a sustainable portfolio based on SDG criteria.
- Engage with suppliers and customers on topics related to decarbonization in the value chain.
- Continue to improve relevant ESG ratings by external rating agencies.
- Measurement program to monitor pollutions to air, water and soil, in collaboration with external experts.
- Implement water policy including commitment to reduce water consumption.
- Continue to increase share of recycled content as part of our resource inflows.
- Continue to work towards achieving our waste reduction and recycling target so we can make a responsible and demonstrable contribution to the circular economy.
- Health and safety, and diversity programs and targets.
- ISO certifications at relevant (production) locations (ISO 9001, 14001, and 45001).
- More information can be found in the sustainability statements section.

4. Sustainable Innovation

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

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

Our specific risk mitigation measures:

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

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

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

5. M&A Agenda and Portfolio Management

Failure to successfully execute our Capitalize & Execute 2028 strategy program, integrate acquired companies or execute divestments of business activities can result in lower-than-expected profit contributions and the risk of impairment. Changing M&A market circumstances (e.g. interest rate developments) may impact (the timing of) our divestment and strategy program.

Our specific risk mitigation measures:

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

Financial

6. Funding

Inadequate funding to finance future opportunities or the misallocation of capital, potentially limiting future growth and opportunities. Insufficient future funding could potentially impact the intended standalone continuation of the Automation and Electrification business segments.

Our specific risk mitigation measures:

- Ensure flexibility in finance structure. TKH's loan portfolio has been entrusted to several banks, thereby ensuring that its continuity does not depend on one bank. Current finance structure contains of a RCF of €500m (ending 13 February 2030) and a term loan of €200m (ending 13 February 2027 with an option to extend with 1 year) with a banking group of six banks. In addition, the company has bilateral uncommitted credit facilities including guarantees, non-recourse factoring, and supply chain finance.
- TKH's policy includes specific objectives regarding the use of financial instruments for risk management, also in the context of hedging risks associated with all major types of transactions to which TKH is exposed, related to capital, liquidity, interest, currency, credit, and price risks. See financial statements note 20 for more information.
- Ensure compliance with covenants, by frequently assessing whether TKH is still in compliance, calculating the impact of various forecast scenarios. Net interest-bearing debt / EBITDA (debt leverage ratio) shall not exceed 3.0, measured on a quarterly basis. Internally, TKH strives for a maximum debt leverage below 2.0.
- Maintain relations with multiple lenders in order to secure competitive rates and to limit dependence on any lender.
- TKH's subsidiaries may not obtain or provide loans themselves without the TKH Executive Board's consent.

- No specific security is provided to third parties. A negative pledge and pari passu clause is applied with banks.
- Funds may only be raised for the purposes of acquisitions, investments, financing working capital or replacing existing financing.
- As far as possible, operating companies will be financed with TKH's internally available funds, unless local finance is preferable for foreign currency or tax-related reasons.
- Internal cashflow reporting including forecasts on a frequent basis.

7. Currencies

Currency volatility, which can put pressure on profit margins.

Our specific risk mitigation measures:

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

8. Interest

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

Our specific risk mitigation measures:

- The interest rate policy is determined at corporate level.
- A treasury statute that establishes a interest risk management approach, including responsibilities, authorizations, and reporting.
- Balances with credit institutions are compensated to minimize interest charges.
- Long-term financing is obtained at variable rates, where appropriate, fixed by means of interest rate swaps.
- Reduce our working capital where applicable by means of working capital reduction programs per operating company.
- We have prepared a budget that includes projections of cash flows and liquidity requirements for the coming year. This forecast takes into account current market conditions, possible changes in results based on these conditions, and interest and currency volatility.

9. Cost Inflation

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

Our specific risk mitigation measures:

- Periodically analyze the impact of price changes per operating company based on a standard template.
- Frequently adjust market price lists where applicable.
- Redesign products to use alternative materials and components with better prices.
- Optimize (regional) portfolio and local manufacturing footprint in line with labor cost developments.

Financial

- Introduce operational excellence programs to improve (labor) efficiency.
- Develop energy saving and efficiency programs and eliminate (part of) price risks through medium-term energy contracts.
- Use alternative modes of transportation to optimize transport efficiency, costs, and sustainability impact.

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

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

Operational

10. Product Output & quality

Product failures and quality issues may cause injuries, damage or non-compliance with regulations or contracts, resulting in legal proceedings, financial loss and reputation damage. Failures during production process may cause increased raw material consumption, increased waste, other additional costs and may result in financial loss.

Our specific risk mitigation measures:

- Implementation and certification of ISO standards, ensuring quality, safety, and efficiency across organizations (e.g., ISO 9001).
- Embedding QHSE functions in production-related operating companies.
- Quality testing during production process and of finished products to ensure quality and meeting the product specification.
- Type testing of new products, before actual production starts (e.g., subsea cable portfolio).
- Hiring of external expertise and involvement of important suppliers for critical and complex (technical) issues.
- Specific training and education programs for production-related positions (e.g., machine operator).
- Development of alternative scenarios to mitigate certain risks, if occurs (e.g., relocate production capacity, purchase of semi-finished products instead of raw materials, etc.).
- Ensure high level of customer participation.

In addition, the Supervisory Board decided to introduce a new temporary Supervisory Board committee to oversee the challenges related to the new Eemshaven plant. Attention points were the organization, progress on

technical and operational challenges, operational efficiency including yield improvements, employees and (safety) performance, and work in progress regarding current projects.

11. Information and Cyber Security

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

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

Our specific risk mitigation measures:

- TKH has issued an IT & Security Policy containing guidelines outlining the requirements for an ICT infrastructure, including key IT controls, partly within the context of cybercrime risks.
- Companies in the same region or cluster are encouraged to achieve economies of scale in the field of ICT.
- IT managers from key operating companies discuss important IT developments, trends, and risks.
- The internal and external (IT) security environment is tested by a specialized external agency.
- Internal expertise is used to assess security environments of operating companies.
- Internal guidelines on data protection are established.
- ISO 27001 certification at relevant companies.

Operational

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

12. Personnel

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

Our specific risk mitigation measures:

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

13. Supply Chain

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

Our specific risk mitigation measures:

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

14. Project Management

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

Operational

Our specific risk mitigation measures:

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

Compliance

15. Legal & Regulatory

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

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

Our specific risk mitigation measures:

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

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

16. tax

TKH is exposed to tax risks that could result in double taxation, penalties, and interest payments. The source of the risks could arise from local tax rules and regulations as well as international and EU regulatory frameworks (amongst others European ATAD directives, DAC initiatives, country-by-country reporting and Pillar Two). These include, but are not limited to, transfer pricing risks on

Compliance

internal cross-border deliveries of goods and services, tax risks related to acquisitions and divestments, tax risks related to permanent establishments, tax risks related to tax loss, interest and tax credits carried forward, and potential changes in tax laws that could result in higher tax expenses and payments. These risks can have an impact on (local) financial tax results, which, in turn, could adversely affect TKH’s financial position and results.

Our specific risk mitigation measures:

- Centralized monitoring of compliance in relation to developments in (new) legislation and regulations in the area of tax laws (both national and international), sanctions regimes, and general tax and legal developments, with a focus on specific risks in the areas of transfer pricing, compliance with international standards such as Pillar Two, permanent establishment, and VAT.
- Availability and development of transfer pricing documentation in accordance with OECD Guidelines and compliance with local regulations.
- Periodic monitoring of the financial performance of operating companies in accordance with the transfer pricing documentation.
- Maintaining good relations with tax authorities based on mutual respect, transparency, and trust.
- Making use of external (tax) advisors for specialized subjects.
- Further rollout, monitoring and continuous update of the Tax Control Framework.
- Tax reporting, including standardized tax reporting packages for determining the tax position, which are also used for determining the tax position in the financial statements, as well as “country-by-country” reporting.
- The use of theory and case studies during internal training activities to address a broad spectrum of tax issues (including customs) and tax dilemmas.

Financial Reporting

17. Financial Reporting

Risk that TKH’s financial reporting contains material errors, and that new reporting requirements cannot be met timely and accurately. Inadequate disclosure of financial data in accordance with IFRS may lead to reputational damage and regulatory scrutiny. These can impact stakeholder trust and business resilience.

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

- Turnover – timing of turnover recognition.
- Goodwill and purchase price allocation – valuation and impairment testing.
- Development costs – valuation and impairment testing.
- Inventory – valuation.
- Contract assets and liabilities – valuation.
- Business combinations / held for sale – recognition and valuation of acquisitions and divestments.

Our specific risk mitigation measures:

- Internal procedures and guidelines for internal and external financial reporting and assurance.
- TKH has developed internal guidelines in accordance with IFRS, including requirements for the capitalization of development costs.
- Regular controller meetings are organized to discuss important reporting topics.
- Training and education of (financial) staff.
- Regular impairment testing, including the annual strategic planning.
- Use of business intelligence tools to gain early insight into risks.
- Representation letter and in-control statement for each operating company.
- Internal Audit performs financial audits.
- Assurance by the external auditor on the financial statements.

Sustainability Reporting

18. Sustainability Reporting

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

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

- value chain information;
- expected developments to reach 2030 targets;
- scope 3 emissions;
- estimations used to calculate quantitative datapoints.

Our specific risk mitigation measures:

- Availability of a Sustainability Reporting Manual, aligned with CSRD and ESRS.
- Regular controller meetings are organized to discuss important reporting topics.
- Training and education of (financial) staff.
- Deep dive sessions to discuss CSRD reporting and other sustainability topics.
- Involvement of external (topical) experts on certain complex sustainability topics.
- Engage with suppliers and customers related to decarbonization in the value chain, obtain supplier and customer specific (carbon) data.
- Representation letter and in-control statement for each operating company.
- Internal Audit performs audits on non-financial information.
- Limited assurance by the external auditor on the sustainability statements.
- More information can be found in the Sustainability statements section.

Risk quantification and sensitivity analysis

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

Going concern and outlook

We have prepared a budget that includes projections of cash flows and liquidity requirements for the period of 12 months after the date of this report. This forecast takes into account current market conditions, possible changes in results based on these conditions, as well as our ability to adjust our cost structure in response to changing economic conditions and turnover levels. Our budget also takes into account the total amount of cash and cash equivalents and credit facilities available as at December 31, 2025, the possibility of renewing financing agreements and attracting additional financing, and whether we are operating within the financial ratio agreed with the banks in the covenant. On this basis, we believe that our available funds at the end of 2025 will be sufficient to finance our activities, investments, and existing contractual obligations for at least the period of 12 months after the date of this report.

Risk quantification and sensitivity analysis					
	change	impact	on	assumptions	relates to risk
Turnover	1%	€8.9 million	EBITA	No adjustment of operating costs.	Strategic and financial risks
Raw material price copper	10%	€1.9 million	EBITA	No derivatives to hedge price risks.	Financial risks
Gross margin	1%	€17.6 million	EBITA	No adjustments of operating costs.	Strategic, financial, and operational risks
Operating costs	1%	€7.8 million	EBITA	No adjustment of turnover/gross margin.	Financial and operational risks
Currencies – financial instruments	10%	€8.3 million	Result before tax	All other variables remain constant.	Financial risks
Currencies – financial instruments	10%	€32.2 million	Group equity	All other variables remain constant.	Financial risks
Interest	1%	€4.7 million	Result before tax	Net bank debt including deduction of interest rate swaps held at variable interest rates.	Financial risks
Interest – financial instruments	1%	€2.2 million	Group equity	Based on concluded interest rate swaps.	Financial risks

Management statement

Introduction

The Executive Board is responsible for establishing and maintaining adequate internal risk management and control systems. During the financial year, the Executive Board has assessed the design and effectiveness of these systems, and the results have been discussed with the Audit Committee, the Supervisory Board, and the external auditor. During the year under review, Internal Audit assessed the administrative organization and internal control systems of TKH and its affiliated companies, with a focus on selected risks, processes and themes, and companies. These activities did not result in any material findings at the group level regarding the administrative organization and the level of internal control of companies in scope. Improvements identified were related to non-material shortcomings. The Director of Internal Audit discussed the results of these audits with the Executive Board and reported the main findings to the Audit Committee.

The Executive Board recognizes the inherent limitations of internal risk management and control systems. Whilst the Company continuously works towards improving its processes and procedures, these systems cannot provide absolute certainty that all risks have been identified or are effectively managed.

The level of certainty that they provide is influenced by, among other things, inherent limitations to risk management, business considerations such as the company's risk appetite, the complexity of the company's operations, the decentralized operating model of TKH, and the dynamic nature of the business environment. Certain risks remain outside the company's direct control, as they depend on third parties or external circumstances beyond the Company's influence.

The principal risks the company faces, the company's risk management framework and the company's risk appetite are described in section Risk management of this management report.

Statement by the Executive Board

Based on its assessment and with reference to Best Practice Provision 1.4.3 of the 2025 Dutch Corporate Governance Code, the Executive Board confirms to the best of its knowledge:

- i that the management report provides sufficient insights into failings in the effectiveness of the internal risk management and control systems;
- ii that these systems provide reasonable assurance that the financial reporting does not contain material inaccuracies;
- iii that these systems provide at least limited assurance that the sustainability reporting in section Sustainability statements of this report does not contain material inaccuracies;
- iv that the Executive Board at 31 December 2025 is not aware that the internal risk management and control systems do not provide sufficient comfort that the operational and compliance risks identified in section Risk management of this management report are effectively managed considering the Company's risk appetite, where "sufficient comfort" is to be read as: comfort considering our risk appetite, the complexity of the Company's operations, the decentralized operating model of TKH, and the dynamic nature of the business environment, inherent limitations to these systems and other disclosures on these systems in our management report;
- v that, based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and

- vi that the management report states the material risks associated with the strategy and activities of the company and its affiliated enterprise, as referred to in best practice provision 1.2.1 of the 2025 Dutch Corporate Governance Code, and the uncertainties, to the extent that they are relevant to the expectation of the Company's continuity for a period of twelve months after the preparation of the management report.

Due to inherent limitations to risk management and control systems, the above does not imply that these systems and procedures provide certainty as to the realization of strategic, operations, compliance and reporting objectives, nor that they can prevent all misstatements, inaccuracies, errors or losses, incidents, operational issues, fraud, and/or non-compliance with laws and regulations.

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

- the financial statements, prepared in line with applicable accounting standards, provide a true and fair view of the assets, liabilities, financial position, and profit of TKH and the companies included in the consolidation;
- the management report gives a true and fair view of the state of affairs on December 31, 2025, and the developments and performance during 2025 of TKH and the companies included in the consolidation (the details of which are presented in the financial statements), and that the management report describes the fundamental risks the company faces;
- the sustainability statement in section Sustainability statements is prepared in line with the sustainability reporting standards referred to in Article 29b of Directive 2013/34/EU and the specifications adopted under Article 8(4) of Regulation (EU) 2020/852 (Taxonomy Regulation).

Haaksbergen, the Netherlands, March 4, 2026

Executive Board

TKH shares

Listing on the stock exchange

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

TKH's shares issued and outstanding

	2025	2024
Ordinary shares (nominal value €0.25 each)	42,198,429	42,198,429
of which depository receipts	42,072,696	42,069,736
of which registered shares	125,733	128,693
Priority shares (nominal value €1.00 each)	4,000	4,000
Total shares issued	42,202,429	42,202,429
of which held by the company	2,318,415	2,325,349

The number of depository receipts of shares has increased by 2,960 compared to December 31, 2024 due to the conversion of on balance 2,960 ordinary shares into depository receipts of shares. At the end of 2025, the company held 2,318,415 of its own depository receipts of shares. The company may acquire depository receipts of shares in its own capital for purposes such as employee share and option plans, and share buyback programs.

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

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

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

cancellation option lapses, which will occur if and when the Executive Board of the company so decides and files a declaration to that effect with the Chamber of Commerce. Stichting Continuïteit TKH has not acquired any cumulative preference shares in TKH in 2025.

Further information on the capital structure of TKH is included in note 8 to the company's financial statements. This information is incorporated by reference in the management report.

Trading information

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

Trading information	2025	2024
Annual turnover of shares	25,314,298	21,030,162
Highest price	€40.40	€44.78
Lowest price	€30.56	€30.18
Closing price	€36.56	€33.32
Net earnings per share	€2.37	€2.50
Dividend	€1.35	€1.50
Dividend yield on closing price	3.7%	4.5%
Market capitalization at end of financial year (in millions)	€1,458	€1,329

Shareholders

Under the Dutch Financial Supervision Act, shareholdings of 3% or more must be disclosed to the Dutch Authority for the Financial Markets ("AFM"). Based on the AFM register until the beginning of 2026, the following shareholders hold a stake of 3% or more in TKH.

Our major shareholders

Mandatory disclosing party	Interest	Date of last disclosure
BlackRock Inc.	3.00%	February 9, 2026
Janus Henderson Group plc	5.00%	November 13, 2025
HAL Trust (HAL Investments B.V.)	5.17%	February 3, 2025
TKH Group N.V.	5.00%	November 24, 2023
Vinke Amsterdam B.V. (Navitas B.V.)	5.84%	May 28, 2020
Teslin Participaties Coöperatief U.A.	5.01%	July 6, 2017
ASR Nederland NV	5.11%	October 6, 2008

Dividend policy

TKH aims for an attractive return for its shareholders, which is reflected in an appropriate dividend policy. Healthy balance sheet ratios are very important for the company's continuity. When determining distributable dividends, TKH balances profit retention for medium- to long-term growth — including capex programs and acquisitions — with a commitment to maintaining a solvency ratio of at least 35%. TKH targets a pay-out ratio of 40% to 70% of normalized net profit (before amortization and one-off items), while aiming for a dividend yield of 3% (between 2.5% and 4.5%).

The total dividend paid in 2025 of €59.9 million amounted to a dividend payout ratio of 60.5% of the 2024 net profit before amortization and one-off income and expenses attributable to shareholders. The dividends were issued to the holders of (depository receipts of) shares in cash.

Investor relations

TKH's investor relation activities are designed to ensure that current and potential shareholders, analysts, and other stakeholders are provided with timely, complete, and consistent information. TKH's investor relations activities focus on helping the market understand our business, our strategy, our markets, and our financial and sustainability performance. TKH is committed to transparent reporting. We communicate through our half-year and full-year earnings releases and presentations, market updates, quarterly analyst calls, the annual report, and other information published on our investor relations website. We host live webcast presentations of our half-year and full-year results, conference call of our third quarter market update, hold the Annual General Meeting of Shareholders, and have frequent contact with major and other shareholders, interested institutional investors, and analysts through roadshows, conferences, company visits, investor days and one-on-one discussions. In 2025, we held a Capital Markets Day where we provided an update on the strategy and targets. TKH's activities comply with the applicable regulations and guidelines of Euronext Amsterdam and the Dutch Authority for the Financial Markets ("AFM"), the Dutch financial markets regulator.

Contact

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

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

Financial Calendar

May 12, 2026	Market Update Q1 2026
May 13, 2026	General Meeting of Shareholders
May 15, 2026	Ex-dividend date
May 18, 2026	Dividend record date
June 2, 2026	Payment of dividend
August 11, 2026	Publication interim results 2026
November 10, 2026	Market Update Q3 2026



Sustainability statements

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Introduction

Looking back on 2025

The past year was characterized by change and uncertainty for EU legislation regarding ESG, with major legislative developments finalized at the end of 2025 (e.g., Omnibus proposals). At the same time, we worked on various sustainability topics to improve our sustainability performance and reporting.

In 2025, we continued to improve the quality of our sustainability data. We also improved our assessment on possible pollutants, with more measurements reports from third parties confirming our pollutions are below the set thresholds. In addition, we started to further assess our value chain related to copper in collaboration with one of our customers. In this copper value chain we see higher risks compared to other value chains we are active in, for example related to the workers in the value chain (copper mines).

In terms of target setting, we defined a target on water reduction. We have the ambition to reduce our water intensity ratio by 5% annually, on average over the 5-years period 2026-2030. Furthermore, as part of our Capital Markets Day 2028 targets, we raised our target score for employee satisfaction from >7.8 to >8.0 as we see potential to further improve the score and believe that it is an essential pillar for the success of our strategy. The increased score compared to previous years demonstrates the effectiveness of the measures and action plans we have implemented. We measure, monitor, and evaluate customer satisfaction through surveys. As part of our Capital Markets Day 2028 targets, we also adjusted

our customer satisfaction survey score target from >7.8 to >8.5 because our performance in 2024 exceeded the original target, and also because this score is essential for our success and focus on customer-centricity as major strategic pillar.

The year 2025 was also a year of operational challenges, especially related to our new subsea cable production facility in Eemshaven, the Netherlands. The start-up and ramp-up of the production facility resulted in additional usage of materials and related waste, needed for the commissioning of the machines, testing, type approval tests of different portfolio of subsea cables, and due to operational inefficiencies as a result of (technical) unforeseen disturbances. This resulted in relatively more material usage and waste in 2025.

Finally, we also paid attention to the presentation of the sustainability information by, among other things, integrating information and making more use of graphics to increase readability.



Our ESG ratings

We are committed to continuous improvement in sustainability and its deeper integration throughout our operations and value chains. In 2025, this resulted in improved score for the CDP rating (from B to A-), reflecting our sustainability performance and organizational momentum.

The following ESG ratings are available for TKH Group:

score

23.7

medium risk level



score

AA

industry leader



climate score

A-

environmental leadership



In addition, a number of other ESG ratings are used by the operating companies because these ESG ratings are better suited to their activities or because they are used within the value chain. In 2025 and early 2026, our operating companies VMI and TKF received a gold EcoVadis medal in recognition of their sustainability achievements.



New strategy program Capitalize & Execute 2028

At our Capital Markets Day (CMD) in September 2025, we announced our new strategy program Capitalize & Execute 2028. In the past period, a strong focus on the megatrends Automation and Electrification created a strong foundation of technology and market leadership in these two segments. Today we are a successful business positioned for growth, consisting of Automation and Electrification. TKH will use these new Automation and Electrification segments from 2026 onwards.

At the same time, we announced that TKH's future is Automation – with a separation of Electrification. Furthermore, for the next phase of value creation, a focus on cash flow generation, disciplined capital allocation, execution on portfolio optimization including bolt on acquisition in Automation and continuation of the non-core divestment program (~€250m turnover), and separate targets for the Automation and Electrification segment. More information is included in the Strategy and performance section.

Outlook 2026

In 2026, we will continue to improve in sustainability and its deeper integration throughout our operations. Depending on EU legislation regarding ESG, we also will adjust our sustainability reporting towards the amended ESRS and other relevant sustainability legislation. A European integrated framework for climate resilience is expected by the end of 2026.

The new strategic program also includes new and updated (annual) sustainability targets and goals. These targets are ambitious and present challenges. We reconfirmed our existing target on the reduction of carbon emissions from our own operations (scopes 1 and 2) by 100% by 2030. In addition, we committed ourselves to be net-zero carbon by 2050. The safety-related target have been further sharpened to a LTIFR below 0.7 (from <1.0), confirming it is our key priority to make sure that all our employees return home safe and sound at the end of each workday. As part of the Capital Markets Day 2028 targets, we also increased our target on employee satisfaction (from >7.8 to >8.0) and on customer satisfaction (from >7.8 to >8.5). We reconfirmed our target of >25% female executive and senior management employees by 2030.

For several sub-topics we defined actions in this 2025 sustainability statements, which requires follow up in 2026. This includes for example the implementation of various updated policies. An important focus area will be a target setting on scope 3 emissions and related SBTi-alignment. This also requires a further engagement with suppliers and customers.

Key sustainability targets

Realization 2025	Objective
Carbon footprint reduction (CO ₂ e emissions)	100% by 2030
Scope 1 and 2 – reduction compared to reference year 2019	
76.3%	
Turnover linked to SDGs	>70%
75.3%	
Diversity	>25% by 2030
Female members in executive and senior management teams	
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	



General information

Basis for preparation

Under the CSRD (Corporate Sustainability Reporting Directive), companies in scope will be required to report on sustainability issues in their management report for the 2024 financial year onward and to obtain an assurance conclusion on this report. However, the implementation of CSRD in Dutch law has been delayed. Although there is not yet a formal statutory requirement to report in accordance with the CSRD, due to the delayed implementation, TKH prepared its 2025 sustainability statements based on the CSRD on a voluntary basis, as we did for 2024. In addition, we obtained a voluntary assurance on the sustainability statements.

The CSRD requires companies to report their sustainability statements based on the ESRS (European Sustainability Reporting Standards), providing the framework and methodology for reporting. All material datapoints are reported on, other than those that are voluntary or subject to phase-in. Disclosures relating to the EU Taxonomy are also included.

The sustainability statements are reported on TKH Group N.V. level and are prepared on a consolidated basis. The scope of the consolidation is equal to the scope of consolidation for the financial statements. Acquired companies are reported from the date of acquisition in accordance with the CSRD. In 2025, no companies were acquired. We divested the company Dewetron as per October 22, 2025. The sustainability data of Dewetron has been consolidated until Q3 2025.

The sustainability statements contain value chain information related to scope 3 GHG emissions (ESRS E1 climate change), ESRS S2 workers in the value chain, and ESRS S4 customers and end-users.

No relevant pieces of information were omitted for reasons related to classified and sensitive information and information on intellectual property. TKH did not use any exemptions provided under Article 19a and 29a of Directive 2013/34 of the European Parliament and of the Council of the European Union in the preparation of its sustainability statements. The basis of preparation, the resulting level of accuracy, the estimation of outcome uncertainty and, where applicable, planned actions to improve the accuracy and outcome uncertainty of sustainability information in future annual reports are disclosed for each material topic in the relevant section of the sustainability statements.

Time horizons

The time horizons considered in these sustainability statements align with those applied in the financial statements. Short-term is the reporting period in our financial statements, one year; medium-term is from the end of the short-term up to five years; long-term is defined as more than five years.

Value chain and sources of estimation, and outcome uncertainty

All sustainability data from our operating companies, except for scope 3 GHG emissions, are reported on a quarterly basis in our reporting tool, Cognos, according to our Sustainability Reporting Manual, which includes definitions, (reporting) procedures, and calculation

methods. The sustainability data from our operating companies are tracked and reported to measure progress against our sustainability targets. The KPIs are based on activity data as much as possible, which, in turn, are based mostly on meter readings, invoices, and data provided by suppliers. However, the preparation of the sustainability statements requires management to make judgments, estimates, and assumptions that affect amounts reported. The estimates and underlying assumptions are reviewed on a frequent basis.

The calculation of the scope 3 emissions has a higher degree of judgement and complexity, for which changes in the assumptions and estimates could result in different results than those recorded in the sustainability statements. Data on GHG emissions are based on measurements and estimates at both TKH Group and operating company level. The emissions figures reported are TKH's best estimate. The basis of preparation is data submitted by our operating companies, which is validated and consolidated by TKH Group's sustainability team.

For the calculations of our scope 3 emissions, we make use of a high-level of estimations. The following estimations are most relevant:

- Emission factors are partly based on industry averages. The database used to retrieve the industry averages is the Ecoinvent database.
- The lifetime of our sold products is partly estimated and based on the average portfolio of the operating company in question (scope 3 category 11 emissions).
- The energy consumption of our sold products is partly estimated based on the average portfolio of the operating company in question (scope 3 category 11 emissions).

- In case the exact treatment of our products at their end of life (scope 3 category 12) is unknown, we assume the most conservative and/or polluting outcome of a treatment (in most cases, incineration).

Replacing industry average data to calculate the scope 3 emissions attributed to our suppliers and customers with supplier- and customer-specific carbon footprint data is a key driver to improve our data quality. The use of estimations is disclosed in more detail in the respective paragraphs. For the estimations used for the GHG emissions, reference is made to the Climate change section.

Other metrics containing estimates are disclosed in more detail in the respective paragraphs. Part of the inventory of pollution to air, soil, and water, based on the list of pollutants and related threshold values specified in Annex II of Regulation (EC) No 166/2006, is based on estimates and own calculations, resulting in uncertainty about the outcome. More information is included in chapter Pollution E2.

Changes in preparation or presentation of sustainability information

We are continuously working on improving the quality of our sustainability data. In 2025, we updated our location-based and market-based scope 2 emissions calculations by adopting a new Ecoinvent dataset and applying country-specific emission factors. Simultaneously, we refined our scope 1 and scope 2 methodology. To ensure comparability, we recalculated the 2024 scope 2 location-based emissions using this new approach. However, 2024 scope 1 and scope 2 market-based emissions

remain unadjusted, as the methodological differences make recalculation impracticable.

Reporting errors in prior periods

Reporting errors in prior periods are restated in the current reporting period. Where this is the case, we indicate this through an explanatory footnote. For 2025, we did not identify any material reporting errors which resulted in a restatement.

Incorporation by reference

Some disclosures are incorporated by reference. Wherever we incorporate information by reference (to other parts of the management report), this is clearly indicated. The following table is a list of the ESRS disclosure requirements and specific datapoints incorporated by reference to other parts of the annual report.

#	Datapoint	Incorporation by reference
ESRS2.GOV-1	The role of the administrative, management, and supervisory bodies, composition of the Executive and Supervisory Board	<ul style="list-style-type: none"> • Members of the Executive Board, page 41 • Members of the Supervisory Board, page 42
ESRS2.GOV-3	Integration of Sustainability-related performance in incentive schemes	<p>Sustainability performance described in Remuneration Report, pages 53 and 55</p> <ul style="list-style-type: none"> • Page 53: Sustainability performance (20%) paragraph with LTIFR and employee satisfaction performance • Page 53: Sustainability performance in STI 2025 table • Page 55: Targets and performance 2025 paragraph with performance multiplier B on CO₂ footprint reduction and diversity • Page 55: B Sustainability in LTI 2025 table
ESRS2.21	Information about members' experience relevant to sectors, products, and geographic locations of undertaking	<ul style="list-style-type: none"> • Members of the Executive Board, page 41 • Members of the Supervisory Board, page 42 • Report of the Supervisory Board, page 44 table Supervisory Board competences and skills
ESRS2.23	Sustainability-related expertise that the bodies directly possess or can leverage, and how those skills and expertise relate to material IROs	<ul style="list-style-type: none"> • Members of the Executive Board, page 41 • Members of the Supervisory Board, page 42 • Report of the Supervisory Board, page 44 table Supervisory Board competencies and skills
ESRS2.38	Elements of strategy that relate to or impact sustainability matters, the undertaking's business model and its value chain	For background information on our value chain, refer to Long-term value creation, pages 28-29

Governance of sustainability issues

Administrative, management, and supervisory bodies

The Supervisory Board oversees the process the Executive Board implements TKH’s policies and strategy to achieve the identified objectives of the company and its affiliated companies. The Supervisory Board also monitors whether the interests of the various stakeholders have been sufficiently considered. In doing so, the Supervisory Board is provided with financial, commercial, operational, sustainability, and governance information, thereby focusing on the interests of the company’s stakeholders. Sustainability is frequently on the agenda of the Supervisory Board meetings. The Audit Committee of the Supervisory Board is responsible for overseeing sustainability reporting. The responsibilities are formalized in the rules of procedure for the Supervisory Board and its committees.

The overall ownership of sustainability is with the CEO. The Executive Board is responsible for strategic risk management and for identifying the impacts, risks, and opportunities using double materiality analysis. The Executive Board is responsible for all assessments of and changes to sustainability aspects in the company strategy and business model. The Executive Board is also responsible for approving targets and sustainability-related policies. This also includes the monitoring of the performance of each operating company through the quarterly reporting cycle.

The Executive Board is informed about relevant sustainability matters during each Management Board meeting, and quarterly through our internal sustainability reporting. This includes communication regarding our annual reporting, impact, risk, and opportunity (IRO) identification

from the double materiality assessment (DMA), reporting requirements based on IROs, and our quarterly sustainability performance. The Executive Board discusses the sustainability strategy, implementation of policies, KPIs, and progress with the various operating companies at least once a quarter. This is based on financial and non-financial reports, with the latter covering all material sustainability matters. Thus, sustainability management is integrated into our regular risk management processes and controls.

The responsibilities for sustainability-related IROs are reflected in the Supervisory and Executive Board’s mandates as part of the overall ownership and supervision of sustainability-related topics. The members have sufficient/advanced knowledge, skills, and experience in the area of sustainability, and can make a balanced judgement on the matter. Members of the Executive and Supervisory Board follow internal sustainability training programs. Since 2023, various deep-dive sessions on sustainability topics have been organized, for example, on the CSRD, the double materiality assessment process and outcomes – including material impact, risk, and

opportunity management, other upcoming sustainability laws and regulations, cyber-security, and bribery and corruption. The Supervisory Board has been further informed about developments in the field of sustainability and TKH’s position in this regard, including the sustainability strategy. The outcome of the DMA, including the material sustainability-related IROs, is discussed and approved by the boards. The KPIs connected to the IROs are part of the quarterly sustainability reporting, and are discussed within the Executive and Supervisory Board.

The role and composition of the Executive Board and Supervisory Board are described in more detail in the Governance section.

The Executive Board is supported by the Director Sustainability in the implementation of the sustainability strategy. The Director Sustainability, who reports to the CEO, is responsible for setting targets, monitoring and reporting on sustainability performance and progress, identifying and managing sustainability-related IROs, and developing sustainability-related policies. Sustainability is a standard item on the agenda at TKH’s monthly

Diversity of administrative, management, and supervisory bodies

	2025			2024		
	Male	Female	Total	Male	Female	Total
Supervisory Board (non-executive members)	2	3	5	2	3	5
Diversity percentage	40.0%	60.0%	100.0%	40.0%	60.0%	100.0%
Diversity target Supervisory Board	33.3%	33.3%		33.3%	33.3%	
Independent board members percentage	100%	100%	100%	100%	100%	100%
Executive Board (executive members)	3	0	3	3	0	3
Diversity percentage	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%
Diversity target Executive Board	33.3%	33.3%		33.3%	33.3%	

Management Board meetings. The Director Sustainability is a member of the Management Board. Each month, the Executive Board receives an update from the Director Sustainability and evaluates the progress made within the sustainability program. Each quarter, the Executive Board receives a performance update on sustainability-related KPIs.

The Director Sustainability works in close cooperation with other functions, such as Finance & Control, and with TKH's Internal Audit department in relation to the auditing of sustainability matters during internal audits. TKH's Internal Audit Department carries out sustainability internal audits on the processes and the accuracy of the data as a permanent part of its work program. All internal audit reports are shared with the Executive Board once they are completed, and the material findings are reported to and discussed with the Audit Committee during the Audit Committee meetings. New sustainability initiatives are preferably developed in work groups, in collaboration with (topic experts from) operating companies. This expedites the building of support within TKH Group and makes the implementation of the sustainability strategy and related operational processes more efficient and effective.

Information about the representation of employees and other workers is included in the section Engaging with our workforce.

Sustainability-related performance in incentive schemes

Members of the Supervisory Board do not receive variable remuneration or incentives based on the financial or sustainability-related performance of TKH. The variable remuneration for the Executive Board members consists of a short-term incentive (STI) in the form of a bonus, and a long-term incentive (LTI) in the form of a share plan.

STI

Variable remuneration is an essential part of the remuneration package for Executive Board members in terms of rewarding short-term results in line with strategic objectives. The STI is based on annual financial and sustainability-related performance measures, including personal targets. On the recommendation of the Remuneration Committee, the Supervisory Board sets the targets and criteria for earning a performance bonus in advance of the reporting year. Once the reporting year has ended, the size of the performance bonus is determined by the Supervisory Board, based on the results achieved and the criteria set.

In 2025, the following sustainability topics were part of the STI targets:

- Employee satisfaction (weight of 10% in STI): target of 7.8
- LTIFR – safety performance (weight of 10% in STI): target of 0.70

LTI

The long-term variable remuneration aims to align the interests of the Executive Board members with the long-term interests of TKH's shareholders. For that purpose, a share plan was enacted that provides for a long-term incentive. Under the share plan, members of the Executive Board receive shares based on the achievement of targets. Members of the Executive Board receive shares on the condition that they personally invest

Management Board

- Alexander van der Lof (*Executive Board member*)
- Elling de Lange (*Executive Board member*)
- Harm Voortman (*Executive Board member*)
- Jacqueline Lenterman
- Gertjan Sleeking
- Derk Postma

in the same number of shares as they receive under the LTI plan. By personally investing in the same number of shares as they are awarded under the LTI, each member of the Executive Board invests a significant amount of money in a way that prudently manages risk but still encourages an entrepreneurial spirit to create long-term value. As a result, the interests of the Executive Board and the shareholders remain aligned. In 2025, the following sustainability topics were part of the LTI targets:

- Diversity (weight of 10% in LTI): target of 22.2%
- CO₂ reduction (weight of 10% in LTI): target of 73.3% CO₂ reduction scope 1 and 2

A more detailed description of the key characteristics of the incentive schemes is included in the section Remuneration report, on pages 53-56.

Policy name	Key contents
Remuneration policy	<ul style="list-style-type: none"> • Aims to provide remuneration in line with the market to attract, motivate, and retain qualified executives for the publicly listed company, taking into account the company's size, strategy, and unique characteristics. • Remuneration policy for Executive Board and Supervisory Board. • Remuneration Committee is responsible for implementation. • Based on good practices, Dutch Corporate Governance Code, and regulations. • Published on the website.



Policies, action plans, metrics, and targets

The following sections (Environmental, Social, and Governance information) indicate the policies and action plans we have in place to manage each material topic. Overall, we have policies and action plans in place for the material topics of our own operations.

We currently have limited detailed policies and action plans in place for topics related to the value chain. We are preparing an action plan to determine ambitions, set up policies and action plans, allocate resources, set targets, and track effectiveness in relation to these topics.

The ambitions and annual targets set are also included in the respective sections. Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability reporting, including metrics. In cases where no quantitative measures are available, we report on progress based on qualitative information. The metrics included in the sustainability statements are not validated by an external body other than our assurance provider. The targets are applicable to all operating companies, unless stated otherwise in the specific disclosure.

At least once a year, the Executive Board and the Supervisory Board will be informed by the Director Sustainability about the material IROs, the implementation of due diligence, and the results and effectiveness of policies, action plans, and the adopted targets. The Executive Board and the Supervisory Board will then evaluate and determine how they will oversee the strategy, risk management process, and important decisions that need to be made, based on the defined material IROs.

Due diligence process

The due diligence process performed to determine our material impacts, risks, and opportunities is included in the section Impact, risks, and opportunities.

Reference to the information provided in our sustainability statements about our current sustainability due diligence process and performance is included in the table below.

Core elements of due diligence	Paragraphs
Embedding due diligence in governance, strategy, and business model	<ul style="list-style-type: none"> Administrative, management, and supervisory bodies Policies, action plans, metrics, and targets Risk management and internal controls over sustainability reporting Strategy, business model, and value chain Process to identify, assess, and prioritize material impacts, risks, and opportunities Material impacts, risks, and opportunities
Engaging with affected stakeholders in all key steps of the due diligence process	<ul style="list-style-type: none"> Interests and views of stakeholders Administrative, management, and supervisory bodies Process to identify, assess, and prioritize material impacts, risks, and opportunities Policies, action plans, metrics, and targets
Identifying and assessing adverse impacts	<ul style="list-style-type: none"> Process to identify, assess, and prioritize material impacts, risks, and opportunities Material impacts, risks, and opportunities
Taking actions to address those adverse impacts	<ul style="list-style-type: none"> E1 Climate change action plans E2 Pollution – Actions E3 Water – Actions E5 Circular economy – Actions Sustainable innovation – Actions S1 Diversity – Actions S1 Health and safety – Actions S2 Workers in the value chain – Actions S4 Consumers and end-users – Actions G1 Business conduct AI and algorithm ethics – Actions
Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none"> Environmental, Social, and Governance information



Risk management and internal controls over sustainability reporting

Controls are in place to ensure reliable reporting on sustainability-related metrics. Where relevant ISO standards (e.g., 9001, 14001, 27001, 45001) are implemented, ensuring quality, safety, and efficiency across organizations. The sustainability reporting processes and definitions used by TKH have been formalized in our Sustainability Reporting Manual, which provides guidance on how to collect, consolidate, and report data. The data has been reviewed for validity and progress by the responsible company officers using the financial reporting model. The data has been validated by TKH’s sustainability department on the group level, and analyses have been carried out. For most of the reported datapoints, differences greater than 10% compared with the previous year have been investigated. As the sustainability reporting scope has broadened since 2024, we have established a wider range of internal controls, deemed appropriate and adequate, following an ongoing evaluation of the risks related to data accuracy and completeness.

In addition,TKH’s Internal Audit Department carries out internal audits on the processes and the accuracy of the data as a permanent part of its work program. All internal audit reports are shared with the Executive Board, and the material findings are reported to and discussed with the Audit Committee. External expertise is sought for specific and complex sustainability issues, for example, related to the calculation of scope 3 emissions. In the year under review, Internal Audit performed reviews on selected non-financial reporting KPIs and operating companies and identified areas for improvement and optimization. Identified risks are prioritized based on impact and likelihood, among others, following TKH’s risk management approach. No material deficiencies or findings were identified. The 2025 findings included topics such as completeness of waste reporting and classification of waste treatment, minor reconciliation differences in sustainability reporting, including documentation, and consistency in ways of working regarding sustainability reporting, partly as a result of the decentralized organizational structure. In 2026, we will continue to develop the review activities related to non-financial information, with the ambition of including all CSRD-related quantitative datapoints in the scope of internal audit over time.

Main policies

- Sustainability Reporting Manual
- Health, safety and environmental (HSE) policy (at operating company level)
- Water policy
- Code of Conduct
- Whistleblower procedure
- Code of Supply
- IT and security policy
- Privacy policy
- Internal Control Framework (ICF)
- Internal control procedures
- Financial Reporting Manual
- AI Tools policy

Policy name	Key contents
Sustainability Reporting Manual	<ul style="list-style-type: none"> • Guidance on non-financial (sustainability) reporting, addressing accounting principles and estimation methods for defined KPIs connected to the identified material sustainability topics, including guidance on reporting through our reporting system Cognos. • Applicable for all operating companies. • Operating company managing directors are responsible for implementation. • Based on the CSRD and ESRS. • Provided to managing directors, the sustainability lead of each operating company, and available for all functions with access to the Cognos reporting system.

Strategy, business model, and value chain

Our sustainable business model

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. We have a clear focus on our six UN Sustainable Development Goals. 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 production 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. 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. We also 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, aluminum 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.

Our strategy, business model, and value chain

For a general description of our strategy, business model, and key markets served, see the Strategy and performance section. Details of the business model and value chain, including the inputs and approach to gathering,

developing, and securing those inputs, the outputs, and the outcomes in terms of current and expected benefits for customers, investors, and other stakeholders, are included in the Long-term value creation section. TKH manufactures computer, electronic and optical products, as well as electrical equipment and machinery, which are classified under the NACE Code C26 Manufacture of computer, electronic and optical products, C27 Manufacture of electrical equipment, and C28 Manufacture of machinery and equipment. These activities are activities in high climate impact sectors, based on the sectors that are listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022/1288).

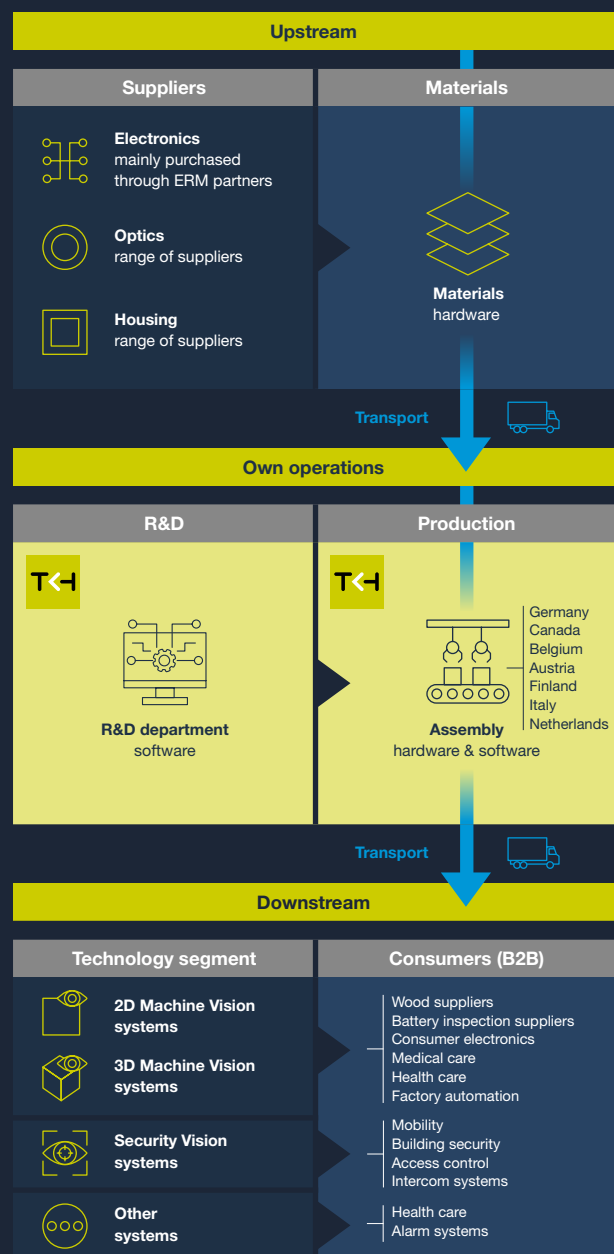
TKH has offices and production sites in 34 countries and serves customers in over 90 countries. TKH's operations are grouped (until 2025) into three business segments: Smart Vision systems, Smart Manufacturing systems, and Smart Connectivity systems.

More information per business segment is included in note 22 Information by segment in the consolidated financial statements.

Employees		
in headcount	2025	2024
Smart Vision systems	2,219	2,241
Smart Manufacturing systems	1,713	1,822
Smart Connectivity systems	2,436	2,438
Other	170	164
Total employees	6,538	6,665

Turnover per business segment			
in million	NACE	2025	2024
Smart Vision systems	C26	€522.6	€489.6
Smart Manufacturing systems	C28	€522.6	€608.8
Smart Connectivity systems	C27	€728.8	€631.9
Other and eliminations	others	€-12.8	€-17.6
Total turnover		€1,761.2	€1,712.7

Value chain Vision Technologies



Smart Vision systems

TKH's Smart Vision systems segment operates through a coherent, vertically integrated business model combining hardware, software, and service focused on delivering end-to-end 2D/3D vision and security solutions. Through advanced in-house software, recurring service contracts, and global sales infrastructure, it provides a scalable, integrated business model targeting broad industrial and urban security markets.

TKH Vision Technologies accounts for about 88% of the turnover of the Smart Vision systems segment. This technology includes 2D and 3D Machine Vision and Security Vision systems. TKH's 2D and 3D Machine Vision technology systems are used to improve quality inspections, operations, and object monitoring in numerous industries, such as consumer electronics, factory automation, logistics, the wood industry, intelligent transport systems (ITS), and medical and life sciences. Meanwhile, our Security Vision systems, combined with advanced communication technologies, enable customers to efficiently manage and control the urban environment. They also improve efficiency, safety and security in various markets, such as infrastructure and building security. Within this segment, there is no significant dependency on key-suppliers or customers, as there are diverse material inputs and substitutable suppliers, and different market segments and customers served.

Integrated value proposition

Hardware: Delivers state-of-the-art 2D and 3D machine vision cameras, sensors, and security vision systems - including area scan, line scan, SWIR, UV, and polarized imaging for production automation and security infrastructure. The primary raw materials we use are steel, aluminum, and electronic components. Other materials mainly used are packaging materials, such as wood, paper, board, and plastic foils.

Software & AI: Develops in-house software - including AI and machine learning capabilities - to offer plug-and-play, turnkey systems that enhance inspection accuracy and process automation.

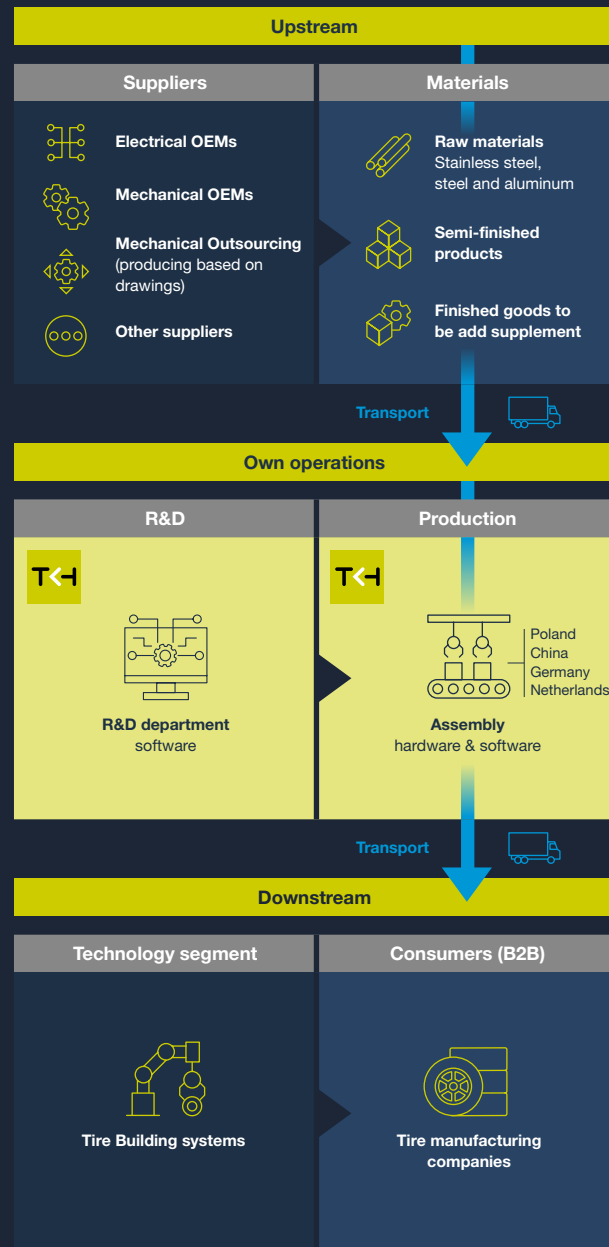
One-stop-shop & ecosystem approach

TKH Vision comprises specialized technology brands (e.g. Allied Vision, Chromasens, SVS-Vistek, Euresys, etc.), acquired and aggregated into a unified global Allied Vision brand since early 2026. This structure allows customers access to a full stack of vision solutions - from hardware selection, software integration, implementation, maintenance, and support - through a single point of contact.

Markets, applications & customer segments

The end markets are primarily factory automation, automotive/battery production, consumer electronics, wood processing, solar, logistics, life sciences, and intelligent traffic/security systems. Use cases include automated quality control (pass/fail inspection), sorting/grading, object monitoring, parking guidance, and security/surveillance in urban environments. Direct sales through OEMs, system integrators, end users, and distributors - ensuring diversified and recurring turnover streams. Geographical footprint spans Europe (largest), North America, Asia, and other regions, with local sales and service hubs for customer intimacy.

Value chain Tire Building



Smart Manufacturing systems

TKH's Smart Manufacturing systems segment focuses on delivering advanced, highly automated, software-driven production systems for specialized industrial markets. The business model combines hardware, proprietary software, vision technology, and deep process knowledge to create turnkey automation solutions. They focus on niche, high-tech industrial markets where automated processes significantly improve efficiency and sustainability. Turnover comes from tire building systems sales, software, and long-term services - supported by a strong innovation ecosystem and global specialized expertise. Our Tire Building systems represent the majority of the turnover within the Smart Manufacturing systems segment. Within this segment there is no major dependency on specific key customers, as a wide range of customers are served. There is a dependency on one particular supplier, because customers prescribe this supplier as their factory automation system.

Value proposition: high-efficiency, fully automated production systems

TKH develops and markets superior, highly efficient manufacturing systems, leveraging deep knowledge of production automation. These systems reduce inventories, increase flexibility, improve process efficiency and sustainability performance at our customers. Our operating company VMI is the global leader in fully automated tire production machinery, integrating TKH's vision systems into automated tire-building equipment.

Integrated technology stack: hardware + software + vision

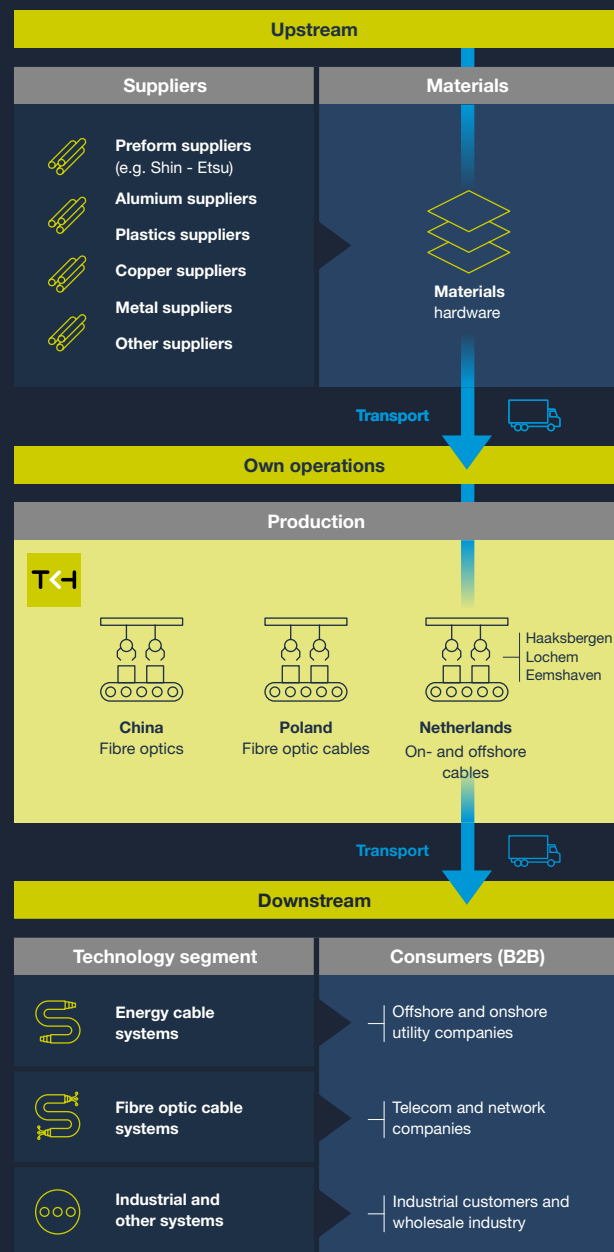
Smart Manufacturing's business model is built on four technology building blocks: system & assembly engineering expertise, in-house software development, integration of vision technologies, and advanced control and analytical functions. This integration allows TKH to deliver plug-and-play, one-stop-shop manufacturing systems tailored to customer workflows.

Markets, applications & customer segments

Smart Manufacturing systems is active in specialized, high-growth industrial markets and serve industries such as automotive (tire production), and medical/pharma distribution automation. Customers look for automation due to reshoring, labor shortages, supply chain pressures, and the need for higher throughput. TKH positions itself as a solution provider to these macro trends.

TKH differentiates itself through decentralized R&D hubs working closely with a centralized AI/software core team to develop tailored automation solutions, the ability to combine Vision + Manufacturing into unique, integrated systems, and a strong global market leadership in niche segments (e.g., tire-building automation). This cross-company integration of technologies creates a unified ecosystem. Operating mainly in high-growth global markets (Europe, North America, Asia), TKH aims to scale innovation and strengthen market share through continuous portfolio optimization and investment in manufacturing technologies.

Value chain Electrification and Digitalization



Smart Connectivity systems

TKH's Smart Connectivity systems segment operates as a technology-driven provider of specialized connectivity solutions. Its business model centers on designing, producing, and delivering high-value cable and connectivity systems combined with integrated smart technologies and supporting services across energy, digital infrastructure, and industrial markets. Electrification and Digitalization represent a share of about 72% and 24% of turnover of the Smart Connectivity systems segment respectively. Within this segment there is no major dependency on specific key customers, as a wide range of market segments and customers are served. There is a dependency on suppliers of raw materials (copper and aluminum), due to the limited numbers of global suppliers.

Value proposition

Energy Connectivity (On-shore & Off-shore)

TKH supplies low-, medium- and high-voltage cables for energy transmission and distribution. These are used for utilities, industrial applications, and renewable energy infrastructures such as wind farms - including specialized offshore inter-array cables.

Digitalization & Fiber Optic Connectivity

The segment provides fiber optic systems, including Fiber-to-the-Home (FttH) solutions, supported by robotics and software engineering. These reduce project costs and public disruption for large-scale digital infrastructure projects.

Specialty & Industrial Cables

TKH develops customer-specific specialty cables for high-tech, automation, robotics, medical, and industrial environments. These cables are engineered for demanding, mission-critical applications.

Contactless Energy & Data Distribution (CEDD)

This is a proprietary system combining hardware and intelligent software for airfield ground lighting - a niche but high-value offering improving safety and efficiency.

Markets, applications & customer segments

Key markets & customers are energy utilities (grid operators, renewable developers), telecom and data network operators, industrial automation sectors (tech, robotics, marine, medical), and airports (CEDD airfield systems). These markets demand reliability, long lifecycle performance, and compliance with strict safety standards, supporting TKH's high-value positioning.

TKH differentiates itself through high-performance and sustainable cable technologies (robust, long-life, low-maintenance), integrated systems combining hardware + software, enabling "smart" monitoring and control, customization for complex environments, and efficient project delivery (reduced installation time, lower total cost of ownership).



Interests and views of stakeholders

TKH recognizes and acknowledges the importance of meaningful dialogue with its stakeholders about sustainability and the company's strategy. TKH's Stakeholder Engagement Policy, published on our website, outlines how we include the interests of relevant stakeholders in the definition and further development of the sustainability strategy. This requires effective consultation and engagement with our stakeholders. In this context, we strive to optimally serve their interests and build lasting relationships with them. The policy provides guidelines and principles to maintain and strengthen these relationships. The CEO is responsible for the implementation of the policy. The policy defines our key stakeholders as: our employees, shareholders, customers, suppliers, analysts, banks, public bodies, and other stakeholders, including sectoral organizations and NGOs. If the (central) works council of the company is considered a participant in a stakeholder dialogue, the chair of the works council will be invited to participate in such a dialogue in case the stakeholder dialogue is held in groups. This is also the case when the stakeholder dialogue with the works council has already taken place through regular contact between the Executive Board and the works council (and the Supervisory Board).

TKH uses various methods and channels to engage in dialogue with its stakeholders, depending on the nature, purpose, and frequency of the interaction, which are listed in the table on the right. The Executive Board decides whether a stakeholder dialogue will be held with more stakeholders at the same time (collectively) or through (one or more) year-round bilateral contacts between the company and a specific stakeholder/representative of a group of stakeholders (individually). The main outcomes of the stakeholder dialogues are discussed with the Executive and Supervisory Board.

Representatives from these key stakeholder groups have been consulted on sustainability-related impacts, risks, and opportunities. We prioritize the input from stakeholders based on frequency (how often specific issues are mentioned by multiple stakeholders), severity (the potential magnitude of the impact on our stakeholders or business), and alignment (how these issues align with our long-term strategic goals and regulatory requirements). The views of these stakeholders shape our strategic decision-making process. We incorporate feedback on specific areas of our business into our planning, actions, targets, policies, and disclosures.

Our main stakeholders

- Employees
- Shareholders
- Customers
- Suppliers
- Analysts
- Banks
- Public bodies
- Education and knowledge institutions
- Community and sectoral organizations (including NGOs)



Table with stakeholders, channels of engagement and key engagement topics

Stakeholder	Relevance and purpose	Engagement channels	Key engagement topics	Relevant strategy elements
Employees	<ul style="list-style-type: none"> Crucially important for the success of TKH. The company's ambassadors. Most important "authorized capital". Good employment practices. Development opportunities and a good package of primary and secondary employment benefits. A safe and healthy working environment. 	<ul style="list-style-type: none"> Internet and intranet. Staff magazine. Employee satisfaction survey. Staff meetings. Conferences and seminars. Webinars. Performance reviews. Survey on material IROs. 	<ul style="list-style-type: none"> Health and safety. Diversity. Climate change. Sustainable employability. SDGs. IT & Security / Privacy. Strategic program. Defining material IROs. 	<ul style="list-style-type: none"> Commitment to the diversity of the workforce. Learning organization. Boost innovative capacity. Leadership and entrepreneurship. Integrity & zero tolerance.
Shareholders	<ul style="list-style-type: none"> Investment through a shareholding in TKH, thereby strengthening our capital position. Good return on investment with good dividend policy and long-term value creation. 	<ul style="list-style-type: none"> Internet. Financial reporting and annual reports. General meeting of shareholders. Investor days. Capital Markets Day. Survey on material IROs. 	<ul style="list-style-type: none"> Financial reporting and annual reports. Sustainability. SDGs. Diversity. Climate change. Strategic program. Defining material IROs. 	<ul style="list-style-type: none"> Long-term shareholdings.
Customers	<ul style="list-style-type: none"> Buy products and services. Develop sustainable package of products and services through collaboration. Offer innovative, high-tech technologies and comprehensive solutions. Good ROI for customers. 	<ul style="list-style-type: none"> Internet. Events, symposia, and trade fairs. Customer satisfaction survey. Survey on material IROs. 	<ul style="list-style-type: none"> Sustainable product portfolio. SDGs. Customer satisfaction. Climate change. Defining material IROs. 	<ul style="list-style-type: none"> Technological developments. Growth targets.
Suppliers	<ul style="list-style-type: none"> Supply of services and products for our business operations. Fair business practices and doing good business at market rates. 	<ul style="list-style-type: none"> Business associates. Negotiations. Code of supply and site visits. Survey on material IROs. 	<ul style="list-style-type: none"> Sustainable product portfolio. SDGs. Defining material IROs. 	<ul style="list-style-type: none"> Technological developments. Sustainable procurement.
Analysts	<ul style="list-style-type: none"> With the aid of analysis and research, prepare profiles and ratings on the basis of which investors can make a selection for their investments. Honest and transparent communication about developments. 	<ul style="list-style-type: none"> Internet. Financial reporting and annual reports. IR meetings. Capital Markets Day. Reporting. Survey on material IROs. 	<ul style="list-style-type: none"> Financial reporting and annual reports. Financial ratios. Sectoral developments. Strategic program. Defining material IROs. 	<ul style="list-style-type: none"> Long-term value creation and transparency.
Banks	<ul style="list-style-type: none"> Financial service providers with the aid of which TKH is able to achieve its growth targets. Creditworthy enterprise that is appropriately balancing risks against returns and complies with contractual agreements. 	<ul style="list-style-type: none"> Internet. Financial reporting and annual reports. Half-yearly discussions. Survey on material IROs. 	<ul style="list-style-type: none"> Financial reporting and annual reports. Financial ratios. Risk analysis. Defining material IROs. 	<ul style="list-style-type: none"> Sustainable funding policy.
Public bodies	<ul style="list-style-type: none"> Act as initiator, facilitator of supply chain and other projects, and driver of sustainable initiatives. Boost the economic appeal in the region with respect to business office location and employment. Supply chain initiatives with a significant contribution to sustainability. 	<ul style="list-style-type: none"> Internet. Network and thematic meetings. Survey on material IROs. 	<ul style="list-style-type: none"> Sustainable and other developments in the region. Defining material IROs. 	<ul style="list-style-type: none"> Strategic investment decisions.
Education and knowledge institutions	<ul style="list-style-type: none"> Influx of new talent in order to compensate for such things as a shortage of technical personnel. Providing a challenging work environment with ample development opportunities. Providing traineeships – work experience. 	<ul style="list-style-type: none"> Internet. Trade fairs and seminars. Social media. 	<ul style="list-style-type: none"> Relevance of education (in relation to the relevant discipline). Profiling TKH as an interesting employer. 	<ul style="list-style-type: none"> Sustainable workforce. Learning organization.
Community and sectoral organizations (including NGOs)	<ul style="list-style-type: none"> Possess an extensive network and knowledge of the positions in the supply chain. Expertise in specific sectors. Contribute ideas to and start up joint ventures. 	<ul style="list-style-type: none"> Internet. Reporting and reports. Annual reports. Survey on material IROs. 	<ul style="list-style-type: none"> SDGs. Climate change. Defining material IROs. 	<ul style="list-style-type: none"> Sustainable business operations. Consolidate social initiatives.



Material impacts, risks, and opportunities

Topics	IRO	Upstream	Own operations	Downstream	Time horizon	Page
Environmental						
E1-Climate change	- !	GHG emissions, energy efficiency and consumption (climate change mitigation)			S M L	98
E2-Pollution	- !		Pollution of air, soil, and water		S M L	104
E3-Water and marine resources	- !		Water consumption		S M L	106
E5-Resource use and circular economy	- !		Resource inflows, waste, and waste recycling		S M L	108
Entity-specific	+ ! ✓		Sustainable innovation		S M L	111
Social						
S1-Own workforce	- !		Diversity		S M L	119
	- !		Health and safety		S M L	122
S2-Workers in the value chain	- !	Child / forced labor, and health and safety			M L	124
S4-Consumers and/or end-users	- !		Privacy (cybersecurity)		S M	128
Governance						
G1-Business conduct	- !		Corporate culture		S M L	133
	- !	Management of relationships with suppliers			S M L	136
	- !		Corruption and bribery		S M L	138
Entity-specific	- !		AI and algorithm ethics		S M L	140

Positive impact
 Negative impact
 Opportunity
 Risk

Short-term
 Medium-term
 Long-term

Process to identify, assess, and prioritize material impacts, risks, and opportunities

In 2024, TKH identified material sustainability topics by following the double materiality assessment (DMA) approach. In performing this DMA, we used the list of sustainability matters covered in the topical ESRS provided in application requirement 16 of ESRS 1 (including biodiversity and ecosystem-related impacts, risks, dependencies, and opportunities). Based on these sustainability matters, we defined a comprehensive longlist of 131 potentially relevant sustainability topics. This longlist was narrowed down to a shortlist of 67 sustainability topics by scoping out sustainability topics that are not relevant due to the nature of our business and value chain. For each of the 67 sustainability topics on the shortlist, we assessed the impacts, risks, and opportunities (IROs) in the short (<1 year), medium (1-5 years), and long term (>5 years), as well as their respective materiality. The IRO assessment was enriched by including the perspectives from across business segments and the value chain, alongside experiences from across TKH Group. These 67 sustainability topics and the related IROs were evaluated and prioritized according to their respective nature (impact, risk, or opportunity) by considering both the impact and financial materiality.

Impact materiality is evaluated based on the following characteristics:

- Positive impact materiality: scale and scope of the impact
- Negative impact materiality: scale, scope, and irremediable character of the impact

Positive and negative impacts have been assessed for actual and potential impacts; for potential impacts, the likelihood is assessed.

Financial materiality is evaluated based on the following characteristics:

- Risks and opportunities: financial magnitude, likelihood

The outcome of the DMA has been validated at the group level by leveraging internal expertise, industry reports, and specialist insights. This was followed by an assessment at the business segment level to ensure that key value chain topics are adequately addressed in the respective segments. In addition, we asked our external stakeholders to prioritize the material sustainability topics and to provide input if sustainability topics were missing or were of less importance from their perspective. The engagement with external stakeholders did not result in additional sustainability topics. More information on stakeholder engagement is included in the Interests and views of stakeholders section. Finally, the material topics were signed off on by the Executive Board and Supervisory Board.

For 2025, we did not identify changed material facts and circumstances (i.e., triggers). There were no material changes in our organizational and operational structure, and there have been no material changes in the external factors that could generate new or modify existing IROs, or that could impact the relevance of a specific disclosure. Based on this, we concluded that the outcome of the prior reporting period's materiality assessment is still relevant at the reporting date. We performed a validation assessment on the existing identified IROs, including benchmark analysis. This resulted in the conclusion that the preparation of the 2025 sustainability statements is based on the conclusions previously reached. We will update the DMA again in 2026, especially in view of the intended separation of our Electrification segment. We will also assess how we can improve the DMA process further to mitigate the risk that certain sustainability topics are wrongly classified as non-material.

In determining the financial magnitude and likelihood, we used our existing risk management model, based on a five-point scale. The EBITA used to determine the financial size is based on the EBITA of the most recent full reporting year at the time of the execution of the DMA.

Size	
Potential size category	Financial size in % of EBITA
1. Very low	<5%
2. Low	between 5% and 10%
3. Medium	between 10% and 20%
4. High	between 20% and 40%
5. Critical	>40%

Likelihood	
Potential size category	Likelihood in %
1. Rare	<20%
2. Unlikely	between 20% and 40%
3. Possible	between 40% and 60%
4. Likely	between 60% and 80%
5. Almost certain	>80%

The scale, scope, and irremediable character are also defined based on a five-point scale:

Scale, scope, and irremediable character		
Scale	Scope	Irremediable character
1. Very low	1. Operating company	1. Very low (immediately)
2. Low	2. Local	2. Low (0-1 year)
3. Medium	3. Country	3. Medium (1-5 years)
4. High	4. Regional	4. High (5-20 years)
5. Critical	5. Global	5. Critical (>20 years)

Environmental information

Climate change (E1)

Introduction

TKH's production processes rely on energy and material inputs, and therefore generate GHG emissions that contribute to climate change. At the same time, our technologies and systems play an essential role in enabling the transition to a net-zero economy. For instance, our cable portfolio is a critical component of renewable energy infrastructure, while our vision and tire-building systems, help our customers improve their own sustainability performance. By reducing the energy consumption of our products during their use phase, improving the recyclability of our products, and increasing production output at customers' sites, our technologies contribute to reducing environmental impacts across the value chain.

As we continue to expand our activities, we are integrating sustainability into our operations to minimize energy use and GHG emissions. Our operating production companies have implemented internationally recognized ISO standards that support our sustainability goals, including the ISO 14001 environmental management system and the EN-16247 energy audit system, the latter of which is related to the European Energy Efficiency Directive.

Climate-related risks and opportunities

Since 2024, the potential impact of climate change on our strategy and our business model has received a great deal of attention. We analyzed potential climate-related transition risks to our operations, and explored how these risks could be turned into opportunities through innovation. Our climate risk and opportunity assessment follows the TCFD framework, integrating key risk categories into our sustainability strategy. This high-level assessment primarily focuses on physical (acute) risks and transition risks. The assessment performed is based on TKH's current situation, and does not yet include a climate scenario analysis. In the coming years, we will formally identify and assess transition risks as part of an expanded scenario analysis. We are planning to conduct a comprehensive resilience analysis in accordance with the full requirements of the CSRD. These include defining time horizons for climate-related risks and opportunities, evaluating exposure of assets and business activities to transition risks (likelihood, magnitude, and duration), and integrating scenario analysis.

While our general time horizons for sustainability align with our financial reporting (short-term: one year, medium-term: two to five years, and long-term: greater than 5 years), we have not yet explicitly defined these time horizons for specific climate-related risks and opportunities. We recognize the importance of such an analysis and plan to expand our assessment in the coming years to align with best practices and regulatory expectations. A European integrated framework for climate resilience is expected by the end of 2026.

Due to the locations of our production facilities, the physical (acute) risk is considered to be low. However, we consider physical (acute) climate change risks when making business decisions, for example when changing locations, expanding our facilities, or increasing activities.

We have also assessed the exposure of our strategic suppliers (suppliers with an annual purchase volume above €1 million) to any material first- and second-order physical climate change impacts. This assessment includes impacts indirectly caused by the physical effects of climate change, such as significant economic crises resulting from physical damage to businesses or human migration due to flooding.

Our strategy already integrates climate-related considerations through our transition plan, decarbonization roadmap, and sustainability-linked incentive schemes for executives. While we have not yet conducted a full resilience analysis, we are actively implementing mitigation strategies such as electrification, energy efficiency improvements, and supplier engagement.

Future scenario analyses will help refine our adaptation strategies to ensure resilience against climate risks.

Our analysis identified four potential climate-related transition risk areas that could impact our company's strategy and operations, which are presented in the table below.

In addition to managing risks, we have identified four key opportunity areas to drive climate adaptation and mitigation, which are presented in the table below. The climate-related risks and opportunities are also part of the DMA process.

Risk area	Climate-related transitions risks
Regulatory risks	Future implementation of CO ₂ taxation/pricing may mean higher operational and compliance costs
Technology risks	High investment costs to bring technology up to a level where it can meet the demand for products and services that can offer reduced emissions
Market demand and market change risks	Failure to meet the expectations of key stakeholders, including customers and investors, in relation to reporting information on how we are addressing the challenges of climate change
Resource scarcity	Increasing volatility in the price and availability of (raw) materials/resources

Opportunity area	Climate-related opportunities
Efficient production	Further implementing more efficient production processes via our Operational Excellence Program
Renewable energy use	Further implementing carbon neutral operations by purchasing green energy, self-generated energy through solar panels, green certificates, etc.
R&D and innovation	<ul style="list-style-type: none"> • Accessing markets with our climate-related innovations • Increasing turnover through demand for our innovations that result in lower emissions for our customers • Differentiating ourselves from the competition through climate-related innovations
Renewable energy programs in the value chain	Contributing to the achievement of internationally agreed climate mitigation targets, and acquiring and leveraging our knowledge by participating in initiatives for renewable energy

Environmental information

Climate change (E1)

- GHG emissions, energy efficiency and consumption (climate change mitigation)

Pollution (E2)

- Pollution of air, soil, and water

Water and marine resources (E3)

- Water consumption

Resource use and circular economy (E5)

- Resource inflows, waste, and waste recycling

Entity-specific

- Sustainable innovation

Our approach and policies

We have integrated environmental policies per operating company as part of the health, safety, and environmental (HSE) policy (Health and safety (S1-14) section), focusing on various environmental-related topics such as climate and energy, waste, transportation, and supply chain. These policies also address our local compliance with environmental laws and continuous improvement of our practices.

We do not currently have a group-level environmental policy. However, we are considering an environmental policy that would involve the whole group.

TKH is not excluded from any EU Paris-aligned benchmarks because we do not meet any of the exclusion criteria stated in Articles 12.1 (d) through (g) of Commission Delegated Regulation (EU) 2020/1818.

Transition plan

Since 2024, we further developed our existing transition plan, including by further developing the scope 3 GHG emissions inventory and targets. We provided a framework for all our companies to calculate their scope 1, 2, and 3 emissions according to the GHG protocol, and identified emissions hotspots, which highlighted the operating companies and business segments with the highest emissions. Due to their size and global footprint, these are Smart Manufacturing systems (VMI – tire building machines) and Smart Connectivity systems (TKF - cable production company). In our roadmap for achieving our reduction targets, we are prioritizing these operating

companies. Next, we identified mitigation levers, including through assessment of potential portfolio shifts, technological options, and peer benchmarking. We also developed business cases for prioritized decarbonization initiatives. Finally, we agreed on set targets for scope 1 and 2 in alignment with the Science Based Targets initiative (SBTi), and designed mechanisms to enable or accelerate the organization and implementation of the transition plan. These mechanisms include awareness campaigns and the integration of sustainability into our annual strategic plan and budget process. The transition plan has been approved by the Executive and Supervisory Board, and the CEO is responsible for its implementation, with support from the Director of Sustainability.

GHG emissions reduction targets and ambitions

In 2021, as part of our CMD targets, we announced our ambition to reduce our carbon emissions for our own operations (scopes 1 and 2) by 100% by 2030. This is a carbon-neutral, market-based target which also takes into consideration GHG removals or carbon credits. We use 2019 as our baseline year, which represents TKH's activities prior to the COVID-19 pandemic. As these CMD targets are more ambitious than the SBTi-aligned targets, they are also aligned with the Paris Agreement and the 1.5°C scenario. At our CMD at September 25, 2025 we reconfirmed this 2030 target.

In 2024, we aligned our near-term reduction targets with the SBTi, resulting in a 2030 carbon reduction target for scope 1 and 2 of 42.0%. These SBTi-aligned net-term

Environmental information

GHG emissions, energy efficiency and consumption (climate change mitigation)

Value chain	Time horizon
U Upstream	S Short-term
O Own operations	M Medium-term
D Downstream	L Long-term

Negative impact

- Emissions contributes to global warming and climate change, and have an actual negative impact on the environment.

Risks

- Inability to reduce our carbon footprint through energy efficiency improvements and renewable energy sources, leading to missed reduction targets or increased costs to meet targets.
- GHG emissions may be subject to carbon pricing mechanisms, which can increase operating costs and reduce profitability.

GHG emissions reduction targets scope 1 and 2

	Reduction target	Target year	Base year
Scope 1 and 2 – SBTi-aligned	42.0%	2030	2023
Scope 1 and 2 – CMD carbon neutral market-based target	100.0%	2030	2019

The reduction targets values are in absolute terms as % of the base year. CMD: Capital Markets Day.

carbon reduction targets by 2030 are based on net-zero science-based targets, meaning they exclude carbon credits and include neutralization. These carbon reduction targets are calculated based on the SBTi's cross-sector absolute contraction methodology, using 2023 as a base year. The near-term reduction target includes a forward-looking ambition (FLA) adjustment, which enables companies to count early emission reductions towards achieving their near-term science-based targets, while at the same time preventing companies from setting targets that have already been achieved.

We expect future developments, such as changes in sales volumes, growth in the demand for autonomous systems, shifts in customer preferences, and new technologies, to have an effect on GHG emissions in the coming years. We have assumed that these developments will result in a 2.5% yearly increase in our scope 1 and 2 GHG emissions.

The impact of acquisitions and divestments on the 2023 base year emissions inventory is considered non-significant because they relate to non-production sites. Influences from external factors in the base year, such as temperature anomalies, are considered nonmaterial. In 2024, we completed our scope 3 emissions inventory and started assessing our ambitions and identifying levers for scope 3. As of 2025, we are initiating comprehensive implementation plans for the coming years. In 2025, we updated our location-based and market-based scope 2 emissions calculations by adopting a new Ecoinvent dataset and applying country-specific emission factors. Simultaneously, we refined our scope 1 and scope 2 methodology. To ensure comparability, we recalculated the 2024 scope 2 location-based emissions using this new approach. However, 2024 scope 1 and scope 2 market-based emissions remain unadjusted, as the methodological differences make recalculation impracticable.

Decarbonization levers

We evaluated the potential for reducing emissions through taken or planned actions, based on information collected in the reported carbon footprint and sustainability-related plans for the period from 2025 to 2029. These plans were submitted by each operating company. This includes both identified emission reduction initiatives related to our own operations, as well as the feasible options to reduce emissions in our value chain. The table on the next page provides an overview of the most relevant decarbonization levers, including the scope of their application.

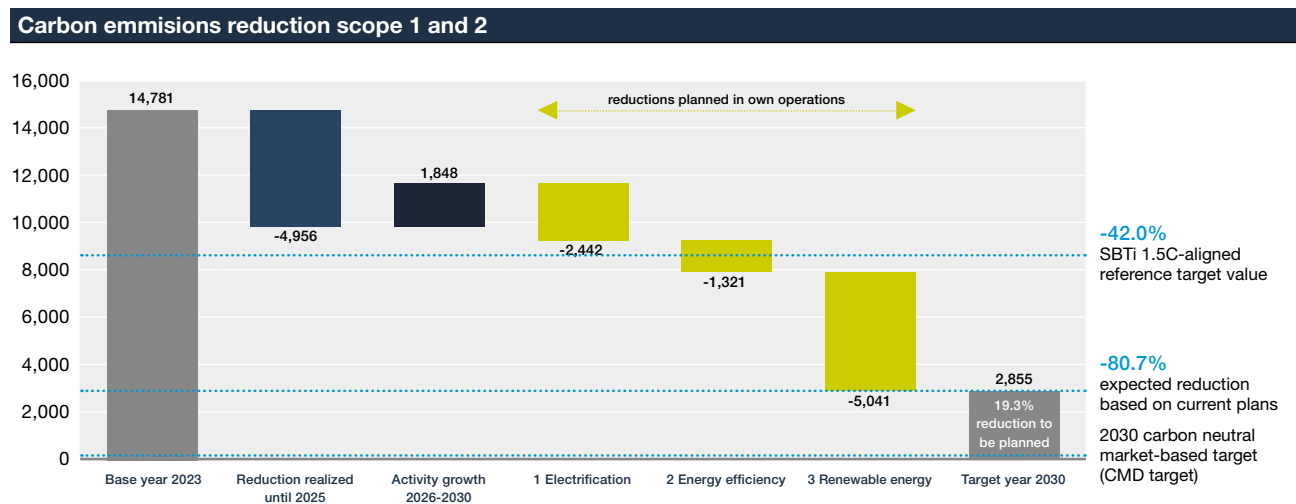
Scope 1 and 2

We have developed a decarbonization strategy (see waterfall chart below) to align our actions with our ambition of reducing our carbon footprint in our own operations by 100% by 2030 (achieving carbon neutrality). In developing this decarbonization strategy, we assumed a 2.5% yearly increase in our scope 1 and 2 emissions due to increased activity.

The first key decarbonization lever is electrification. It represents 16.5% of the overall reduction. To help achieve this, we aim to replace 100% our fleet with electric cars by 2030. In the coming years, we have also scheduled the replacement of several gas-powered heating systems with electric heat pumps. The second key decarbonization lever is improving energy efficiency to reduce our energy consumption. This represents 8.9% of the overall reduction.

The third key decarbonization lever is renewable energy, which represents 34.1% of the overall reduction. The share of self-generated renewable electricity will increase in the coming years due to investments done and planned related to solar panels on our buildings and parking areas. In addition, we will increase our use of renewable energy by purchasing renewable energy and green certificates.

We expect the planned actions to further reduce our scope 1 and 2 emissions by 59.6% between 2026 and 2030. Compared to the 2023 base year, we expect to decarbonize our scope 1 and 2 emissions by 80.7%



(period 2023-2030), which is above the SBTi-aligned reduction target of 42.0%. The remaining expected reduction of 19.3% needed to achieve carbon neutrality by 2030 will be further investigated in the coming years and included in our decarbonization strategy. The realization of the target is partly dependent on available and affordable low-carbon technologies and green certificates until 2030. This may pose a challenge for some of the countries in which we operate. Replacing gas-based systems with electric heat pumps in older buildings is challenging, and may lead to locked-in emissions if replacements cannot be made. Green certificates for gas will be used where possible, and any residual emissions in 2030 will be offset by carbon credits.

Scope 3

The boundaries and definitions for scope 3 emissions are aligned with the GHG protocol. The main contributors in our scope 3 emissions are the emissions resulting from the purchase of raw materials and products used to manufacture and assembly our products (category 1), and the emissions occurring during the use phase of our products (category 11).

The other scope 3 categories are considered as not-applicable for TKH, because we have limited activities connected to these categories.

- Category 8 upstream leased assets: we do not have any leased assets that are not in our control.
- Category 10 processing of goods sold: we do not sell physical products that require further processing by our clients.
- Category 13 downstream leased assets: we do not act as a lessor.
- Category 14 franchises: we do not operate with franchises.
- Category 15 investments is designed primarily for private financial institutions (e.g., commercial banks),

Decarbonization levers	Key actions
1 Electrification	<ul style="list-style-type: none"> • Phase out gas installations. • Phase out petrol and diesel cars from our fleet. • New purchased or leased forklifts are electric, resulting in increasing percentage of electric forklifts.
2 Energy efficiency	<ul style="list-style-type: none"> • Develop smart buildings solutions, e.g. using LED lights, intelligent thermostats and other building automation (light sensors, automatic switch on/off). • Reduce unnecessary space in office facilities to reduce energy usage.
3 Renewable energy	<ul style="list-style-type: none"> • Increase percentage of renewable electricity. • Increase percentage of self-generated renewable electricity. • Add renewable electricity requirements in rental contracts.
4 Business model innovation	<ul style="list-style-type: none"> • Develop and implement new service programs, and extend existing service programs.
5 Product and service design	<ul style="list-style-type: none"> • Implement development principles based on EcoDesign. • Improve energy efficiency of products during use phase. • Improve recyclability of materials part of sold products.
6 Supply chain and circularity (supplier engagement)	<ul style="list-style-type: none"> • Increase the share of recycled content part of copper purchased. • Prioritize sourcing from suppliers with lower carbon footprints and choose sustainable materials and products by incorporating carbon reduction criteria into procurement decisions. • Engaging with strategic suppliers to stimulate them to reduce their carbon footprint. • Setting joint emission reduction targets. • Providing training and resources, and establishing supplier sustainability programs.
7 Customer engagement	<ul style="list-style-type: none"> • Educate and involve customers to encourage the sustainable use of sold products. • Offering recycling incentives. • Providing training and guidance on reducing carbon footprints.
8 Waste management	<ul style="list-style-type: none"> • Implementing waste reduction programs. • Implementing recycling programs.
9 Transportation	<ul style="list-style-type: none"> • Reduce/eliminate use of air freight. • Implement green transport procurement strategy.
10 Travel	<ul style="list-style-type: none"> • Promote online meetings and remote work. • Encouraging the use of public transport. • Bicycle purchase and repair plans for employees as part of their employee benefit budget.

but is also relevant to entities with investments not included in scope 1 and scope 2. Our business activities do not involve significant financial investments that lead to indirect GHG emission.

When it comes to reducing carbon emissions across our value chain (scope 3), we have identified seven key levers that should help us achieve our ambition. Collaborating

with our value chain partners is key to collectively decarbonizing. These collaborative projects are grouped under the categories of supply chain and circularity (supplier engagement) and customer engagement. Business model and product innovations help to reduce the emissions during a product's use phase. Lastly, we identified decarbonization opportunities related to waste management, upstream and downstream transportation,

and travel. However, the contribution of these categories is of less impact compared to the other decarbonization levers. In 2025, we started to work on the implementation of our scope 3 decarbonization strategy and expected decarbonization opportunities by developing detailed plans for each decarbonization lever. Our aim is to set a target for the reduction of scope 3 emissions by 2026.

Key actions planned

The key actions per decarbonization lever are included in the table on the previous page.

Transition plan related investments

No capital expenditures (capex) have been made related to coal-, oil-, or gas-related economic activities. Based on our assessment as of the end of 2025, there have not been any site-related investments with locked-in GHG emissions that might impede our emission-related targets. However, locked-in GHG emissions of our products could inhibit our scope 3 GHG emissions reduction. For a quantitative assessment of our potential locked-in GHG emissions associated with purchased goods and the use of sold products, please refer to the GHG metrics section hereafter.

For climate mitigation and adaption, the current expenditures are included in the EU taxonomy reporting (see Appendix). Over the next five years, we plan to invest in projects that support the implementation of our transition plan with regard to scope 1 and 2 GHG emissions. The identified investments related to environmental topics, in the form of capital expenditure (capex), amount to €7.8 million for the coming five years and are mainly related to replacements of gas systems with electric heat pumps, installation of solar and photovoltaic panels, and other investments to reduce energy consumption. We have identified €8.3 million in operating expenses (opex) in the coming five years to implement sustainability-related

programs for environmental, social, and governance topics. These operating expenses are related to sustainability functions at operating companies, supply chain programs, trainings, replacement of cars, purchase of green certificates, implementation of a leadership and development program for women, and other programs. The capex and opex amounts are based on the plans and estimations submitted by our operating companies for the period 2026-2030, and will be examined again in 2026 to determine whether additional investments and expenditures are necessary to meet our targets and ambitions. These investments are not planned to align our economic activities (turnover, capex, and opex) with the criteria established in Commission Delegated Regulation.

GHG metrics

Our GHG emissions are prepared on a consolidated basis. The scope of the consolidation is equal to the scope of consolidation for the financial statements. The companies in which TKH has a minority ownership stake are not included in the sustainability statements, because we have no operational control over them. The GHG inventory boundaries for scope 1, 2, and 3 are based on the GHG protocol. The turnover used to calculate the

energy and GHG emission intensity rates is reconciled with the total turnover included in note 22 of the consolidated financial statements. The total turnover included in the consolidated financial statements is based on the requirements of accounting standard IFRS 15. We have not used contractual instruments for the sale and purchase of energy bundled with attributes about the energy generation. Approximately 71% of the electricity consumption is covered by green certificates (unbundled energy attribute claim). The percentage of scope 1 GHG emissions from regulated emission trading schemes is zero. Detailed information about the calculation of the GHG emissions scope 1, 2 and 3 is included in the Appendices section.

Scope 1 and 2

Scope 1 emissions decreased by 2.1% compared to previous year, mainly driven by a small reduction of our gas consumption and further electrification of our fleet. The share of electric cars in the total fleet increased from 34.8% in 2024 to 44.3% in 2025. Scope 2 location-based emissions decreased by 2.3%. Scope 2 market-based emissions decreased by 32.8% as a result of green certificates, purchased renewable energy (14.4% of

GHG emissions scope 1 and 2

in ton CO ₂ -equivalent unless otherwise stated	Retrospective					Milestones and target years	
	2025	2024	2023 base year	movement	%	2030 target year	% target / base year
Scope 1 GHG emissions							
Gross scope 1	4,943	5,049	6,285	-105	-2.1%	3,645	42.0%
Scope 2 GHG emissions							
Gross scope 2 (location-based)	30,302	31,009	55,677	-707	-2.3%		
Gross scope 2 (market-based)	4,869	7,245	8,496	-2,376	-32.8%	4,928	42.0%
Total scope 1 and 2 GHG emissions (location-based)	35,245	36,058	61,962	-813	-2.3%		
Total scope 1 and 2 GHG emissions (market-based)	9,812	12,294	14,781	-2,482	-20.2%	8,573	42.0%

consumption), and self-generated renewable energy (2.9% of consumption). 71.3% of the electricity consumption is covered by green certificates. Scope 1 and 2 market-based emissions decreased by 20.2% compared to 2024. The reduction compared to base year 2019 is 76.3% and well on track towards our 100% reduction target by 2030.

Scope 3

Scope 3 emission decreased by 7.8% compared to previous year, mainly due to lower emissions in category 11 use of sold products. This is the result of a combination of factors, including lower grid emission factors, the product sales mix, and improved data and estimations.

GHG emissions scope 3

in ton CO ₂ -equivalent unless otherwise stated	2025	% of total	2024 base year	movement	%
Significant scope 3 GHG emissions					
Cat. 1 – purchased goods and services	462,276	15.8%	420,168	42,108	10.0%
Cat. 2 – capital goods	15,464	0.5%	19,843	-4,379	-22.1%
Cat. 3 - fuel- and energy-related activities	8,485	0.3%	11,330	-2,845	-25.1%
Cat. 4 - upstream transportation and distribution	10,199	0.3%	4,805	5,394	112.3%
Cat. 5 - waste generated in operations	5,247	0.2%	5,246	1	0.0%
Cat. 6 - business travel	5,719	0.2%	4,941	778	15.7%
Cat. 7 - employee commuting	12,223	0.4%	10,237	1,985	19.4%
Cat. 9 - downstream transportation	3,360	0.1%	4,282	-923	-21.5%
Cat. 11 - use of sold products	2,330,240	79.6%	2,620,159	-289,919	-11.1%
Cat. 12 - end-of-life treatment of sold products	74,818	2.6%	74,436	382	0.5%
Total gross scope 3 GHG emissions	2,928,029	100.0%	3,175,447	-247,417	-7.8%

GHG emissions total

in ton CO ₂ -equivalent unless otherwise stated	2025	2024	movement	%
Total GHG emissions				
Total GHG emissions (location-based)	2,963,274	3,211,504	-248,230	-7.7%
Total GHG emissions (market-based)	2,937,841	3,187,741	-249,899	-7.8%
GHG emissions intensity (location-based)	1,683	1,875	-193	-10.3%
GHG emissions intensity (market-based)	1,668	1,861	-193	-10.4%

GHG emissions scope 1 and 2 – progress towards CMD targets

in ton CO ₂ -equivalent unless otherwise stated	2025	2024	2019 base year
Gross scope 1 GHG emissions	4,943	5,049	8,642
Gross scope 2 GHG emissions (market-based)	4,869	7,245	32,773
Total scope 1 and 2 GHG emissions (market-based)	9,812	12,294	41,415
Carbon footprint reduction scope 1 and 2 compared to base year (market-based)	-76.3%	-70.3%	

Energy consumption metrics

Energy consumption and mix

in MWh unless otherwise stated	2025	2024	movement	%
Fuel consumption from crude oil and petroleum products ¹	7,894	9,799	-1,905	-19.4%
Fuel consumption from natural gas	16,629	16,710	-81	-0.5%
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	7,650	15,837	-8,187	-51.7%
Total fossil energy consumption	32,173	42,346	-10,173	-24.0%
Share of fossil energy consumption in total energy consumption (%)	34.0%	43.1%		-9.2%
Consumption from nuclear sources	340	336	5	1.4%
Share of consumption from nuclear sources in total energy consumption (%)	0.4%	0.3%		0.1%
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	60,169	53,852	6,317	11.7%
Consumption of self-generated non-fuel renewable energy	2,016	1,658	358	21.6%
Total renewable energy consumption	62,185	55,510	6,675	12.0%
Share of renewable energy consumption in total energy consumption (%)	65.7%	56.5%		9.1%
Total energy consumption	94,698	98,192	-3,495	-3.6%
Energy intensity rate (for high climate impact sectors) in MWh/turnover in million €	53.8	57.3	-3.6	-6.2%

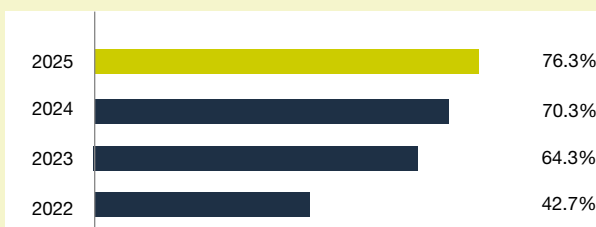
1. The 2024 crude oil and petroleum products consumption has been adjusted by including fleet consumption.

GHG emissions scope 1 and 2 market-based

We aim for

100%

Carbon neutrality by 2030 (scope 1 and 2)
compared to reference year 2019



Pollution (E2)

Introduction

Pollution risks exist across various parts of our supply chain, including our own cable production sites as part of the Electrification business segment. The pollution topic is material to our own cable production sites, as part of our Electrification business segment. Since a proportion of the raw materials is delivered to us in the form of pellets, TKH actively recognizes the potential risks of environmental pollution and contamination by pellet loss. In addition, pollution could occur by spills of toxic/polluting materials in the soil as a result of accidents during cable production. Furthermore, cable production results in emissions into the atmosphere, for example, nitrogen oxides (NOx) and sulfur oxides (SOx). Pollution of water in the proximity of TKH cable production sites could also occur as a result of the release of pollutants into process water. Across business segments, our products, including parts and materials from suppliers, are subject to regulation by various government and regulatory agencies, e.g., Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), and other (local) regulations regarding pollution. Our policies and systems are set up to ensure holistic monitoring and effective mitigation measures.

Our approach and policies

We manage our impact on pollution using our Health, Safety & Environment (HSE) policy. All operating companies to whom the HSE policy is relevant have established and implemented it, incorporating a clear commitment to preventing pollution and minimizing health risks. Stakeholders are not directly involved in policy and target setting.

To proactively identify and mitigate pollution-related risks, we conduct structured screenings of our site locations and business activities. These assessments evaluate both actual and potential pollution-related impacts within our operations. The methodologies, assumptions, and tools used in this process include ISO 14001-certified environmental management systems at all production locations. Each relevant cable production company has established internal awareness programs and procedural safeguards designed to minimize pellet loss and prevent contamination. Our cable production companies demonstrate a strong commitment to pollution mitigation by implementing specific measures, including filtering dust from the factories' chimneys and purifying the chimney gases.

Environmental matters are managed by the local Health, Safety, & Environment (HSE) function. In the performance of the local HSE functions, systems are adopted with the intention of guaranteeing strict compliance with applicable regulations in accordance with best practices. The systems are set up to ensure the collection and analysis of environmental data, the monitoring of risk exposure (using specific indicators), the organization of specific training, and the conducting of audit work at the production locations. The HSE policy of operating companies includes explicit commitments to preventing incidents and managing emergency situations through structured risk assessments, proactive control measures, and targeted employee training. Additionally, it defines clear response procedures to minimize the impact of incidents on people and the environment. This approach aligns with our broader risk management framework and reinforces our commitment to safety, sustainability, and operational resilience.

Environmental information

Pollution of air, soil, and water

Value chain	Time horizon
○ Own operations (Electrification)	○ S Short-term
	○ M Medium-term
	○ L Long-term

Negative impacts

- Potential negative impacts related to our cable production sites:
- Pollution caused by spills in the soil of toxic/polluting materials as a result of accidents during cable production.
 - Emissions into the atmosphere of as a result of cable production activities (e.g. nitrogen oxides (NOx), sulphur oxides (SOx)).
 - Pollution of water in the proximity of TKH cable production sites, as a result of release of pollutants into process water.

Risks

- Environmental pollution leading to remediation costs, sanctions, fines and reputational damages.

Policy name	Key contents
Health, safety and environmental (HSE) policy (at operating company level)	<ul style="list-style-type: none"> • Describes how the operating company deals with health and safety issues, including safety instructions and procedures. • Applicable for all production sites and, if relevant, for other locations. • The managing director of the operating company is responsible for implementation. • Based on the ISO 14001 standard. • Published on the intranet of the operating companies, and part of local procedures/handbooks.

In 2025, we reviewed whether it is necessary to develop a group-wide pollution policy to ensure a consistent approach across all operations. We concluded that this topic is sufficiently incorporated into the existing Health, safety and environmental (HSE) policy (at the operating company level).

Pollution metrics

In line with the commitment within the HSE policy to preventing pollution and minimizing health risks, we monitor emissions from our cable production processes. In this way, we can measure the effectiveness of emission reduction measures, such as the gradual introduction of new methods and/or products, particularly for cable degassing, isolation, and printing operations.

The inventory of pollution to air, soil, and water is based on the list of pollutants and related threshold values specified in Annex II of Regulation (EC) No 166/2006. In 2025, we further expanded the number of measurements of pollutants. For most of the pollutants, we have determined, on the basis of (laboratory) measurement reports and reports from external sources, that the listed threshold values were not exceeded in 2025. For the pollutants that are not measured through (laboratory) measurements, we used estimates based on reports provided by external parties. These estimates are calculated by internal technical engineers and the health, safety, and environmental department. Information used in the calculations is based on available internal information, e.g., details of chemicals used in the production process, the internal registration of

pollution and losses of pollutants, the impact of filter systems used, and the impact of suspended particles, among others. Due to the use of estimates and own calculations, there is a degree of uncertainty in the outcome of the assessment. We will further optimize the process in 2026, including by having more measurements carried out by external experts for the remaining relevant pollutants. This will further substantiate the assertion that the listed thresholds for the relevant pollutants have not been exceeded. Our target is that the listed thresholds for the relevant pollutants should not be exceeded.

We record all environmental incidents, breaches, and fines, with voluntary targets of zero environmental breaches and fines related to our own operations. The target is based on compliance with regulatory requirements. An environmental incident is an incident that has an environmental impact. An environmental breach occurs when there is a failure to comply with an environmental legislative obligation, e.g., breaches or non-compliance events (which can result in fines). The number of environmental incidents, breaches, and fines provides an indication of how well we control air pollutants, emissions to water, and pollution to soil.

Environmental compliance			
	Annual target	2025	2024
Number of environmental incidents	0	10	5
Fines for environmental breaches	€0	€0	€0
Number of environmental breaches	0	1	0

In 2025, one environmental breach was reported (no fines). The reported breach is the result of several findings notified during an onsite environmental audit at one of our cable production sites by the local regional environmental agency. The audit resulted in six observations, which we will follow up in 2026. Also, ten environmental incidents were reported, compared with five in 2024. Each incident is assessed to determine if additional internal control measures or other actions are needed to prevent recurrence. Depending on the topic, an external researcher may be appointed to ensure independence and objectivity. If deemed necessary, disciplinary and corrective measures are taken. The reported 2025 environmental incidents are related to minor incidents, for example small oil leakages from machines or during transportation. Therefore, we concluded that no further action was deemed necessary, as all remediation actions were addressed directly upon detection.

Actions

In 2026, we plan to complete the inventory of relevant emissions at our cable production sites, supported by (laboratory) measurement reports where relevant. Specific actions related to pollution are revisited every year and integrated into the activities at the operating company level. Also, we will follow up on the environmental breach reported at the end of 2025. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex-related resources are also not additional, since these initiatives are embedded into ongoing environmental management efforts.

Water (E3)

Introduction

While water use directly affects operational expenditures, its true significance resides in its contribution to wider environmental pressures. Careful and deliberate management of water usage is therefore necessary to ensure sustainable operations.

At TKH, we acknowledge that water usage is an inherent part of our operations. As a company that is active in the cable production industry, our manufacturing activities rely on water for various production processes. Water is essential for cooling and is also used for drinking and sanitary purposes at our factories and offices.

Our approach and policies

At TKH, our water policy focuses on reducing our operational impact on water consumption and quality. The interests of key stakeholders are not specifically considered when we set our policy. Our primary focus is on operational water efficiency, compliance with environmental standards, and responsible water management within our production facilities. In line with global reporting standards, including CDP Water and ISO 14001 Environmental Management, we commit to transparently disclosing relevant water management indicators. We

measure and monitor water-related risks and stress, using internationally accepted methodologies, and we mitigate risks through efficient water management, conservation, and protection. Our established processes are integrated into the functions that are responsible for daily adherence to our policies. We also hold ISO 14001 certifications, reflecting our commitment to a high standard of environmental management.

We ensure that all our workplaces globally have adequate water, sanitation, and hygiene facilities. We raise awareness of the environmental impacts of water use and the possible actions that can be taken to reduce them. We reduce water consumption by using efficient equipment or technology and minimize water consumption by reusing water. We also promote industrial closed-loop water processes. We concentrate our efforts at our sites in water-scarce areas. ISO standards, such as 14001 – which are already established in our production companies – help us better understand and manage these valuable resources. We also perform an annual assessment of our operational sites to address potential water-related risks. We use publicly accessible tools, such as the Aqueduct Water Risk Atlas by WRI and WWF Water Risk Filter, to define and respond to these risks.

Policy name	Key contents
Water policy	<ul style="list-style-type: none"> • Describes how we strive to reduce our impact related to water, defining goals, implementing actions, and monitoring results. • Applicable for all operating companies. • Not based on a specific framework or set of guidelines. • Managing director of the operating company is responsible for implementation. • Provided to managing directors and available for all functions having access to the reporting system Cognos.

Environmental information

Water consumption

Value chain

○ Own operations

Time horizon

Ⓢ Short-term

Ⓜ Medium-term

Ⓛ Long-term

Negative impact

- The consumption and quality of water resources have an actual negative impact on the environment, as well as on communities that depend on those resources.

Risks

- Interruption of production sites due to unavailability of water.

Water metrics

The total water consumption in 2025 is 114,242 m³, a 2.2% decrease compared to 2024. This decrease is a combination of relocating production activities to other locations, divestment, and less water consumption at some locations. The 2025 water intensity ratio was 64.9 (m³/€m turnover). This figure is 4.9% lower than the previous year and close to the average yearly reduction target of 5.0% (2026-2030), which we defined in 2025.

In our cable production activities, water is reused in a closed system for the cooling of our extrusion lines. At our largest cable production company, water circulates around 154 times before it completely evaporates. In 2025, 14,438 m³ of water was recycled and reused in this way.

The water intensity ratio is calculated by dividing total water consumption (in m³) by the total turnover, with the total turnover included in note 22 of the consolidated financial statements. Reported water consumption is based on measurements taken directly from water meters and water invoices, both of which are stored locally at the operating companies.

Actions

Among our production sites, one location has been identified as being exposed to substantive financial and strategic risks related to water. This site is situated in China, in an area with extremely high water stress. In response, we assessed and defined our risk exposure, anticipated potential losses, and implemented proactive measures to mitigate business interruption. Important production sites are flexible, allowing us to shift production capacity from areas with high water stress to other locations. Additionally, we have offices in areas with high water stress. We assessed these locations and concluded that the anticipated potential losses and business interruption are limited.

Moving forward, we will continue our efforts to maintain our ISO 14001 certification and promote responsible environmental behavior. In 2026, we will investigate whether diversified water sourcing could be a solution to further reduce our water risk. In addition, we will continue to reassess our operational resilience on a yearly basis by analyzing potential scenarios for adjusting production planning, including shifting production to other sites in the event of severe water scarcity. The implementation of defined actions may result in limited investments in research and technical assessments, such as collaboration with environmental experts or water resource specialists. These measures will be integrated into our broader sustainability strategy to ensure transparency, effective financial planning, and long-term water resilience across our operations.

Water metrics

	Target	2025	2024
Water consumption (in m ³)		114,242	116,821
Water consumption in areas of high-water stress (in m ³)		21,610	27,021
Water recycled and reused (in m ³)		14,438	10,840
Water stored (in m ³)		0	0
Changes in water storage (in m ³)		0	0
Water intensity ratio		64.9	68.2
Water intensity ratio average yearly reduction target (2026-2030)	5.0%		

Circular economy (E5)

Introduction

Raw materials are becoming increasingly scarce due to a rise in demand. Companies that generate waste without implementing effective waste management practices risk facing regulatory fines, legal liabilities, and reputational damage. On the other hand, companies that adopt sustainable waste management practices, such as reducing waste production, recycling, and repurposing materials, can enhance resource efficiency, reduce operational costs, and strengthen their reputation.

Recognizing that waste is a potential source of financial risk, TKH has adopted more sustainable waste practices to reduce environmental impact and mitigate financial risk. At TKH, sustainability is a strategic priority, and we are actively integrating sustainability initiatives throughout our organization. As a result, sustainability is firmly embedded in our day-to-day operations.

At TKH, the primary raw materials we use are copper, aluminum, and plastics, which are essential parts of our Smart Connectivity systems supply chain. Within Smart Manufacturing and Smart Vision systems, the primary raw materials we use are steel, aluminum, and electronic components. Other materials mainly used are packaging materials, such as wood, paper, board, and plastic foils. Most of the waste we produce is classified as non-hazardous, which accounts for 98.8% of our total waste.

Our approach and policies

Sustainable business practices include the sustainable management of resources. Through our operational excellence program, we focus on production efficiency while maintaining close attention to key issues, such as reducing our energy consumption and the use of raw materials.

From the design stage onward, we aim to select raw materials and other input materials that have a minimal environmental impact. We do this at all our manufacturing sites. Efficient management of these materials is important because valuable metals – such as copper and aluminum – are essential components in cable production. It is also crucial to manage and minimize the waste that is inevitably generated during this production process. Our ultimate ambition is to eliminate waste and completely minimize its environment impact. This will also help us to avoid unnecessary costs. With this goal in mind, we have adopted the following two approaches:

- **Reducing waste at source:** We aim to use raw materials as efficiently as possible and therefore increase material efficiency. Our operational excellence programs focus on right-first-time production to minimize waste in our own operations. We also reduce waste through process improvement and innovation.
- **Minimizing the impact of waste:** We aim to maximize the use of recycled materials and optimize waste treatment through greater cooperation across the value chain.

At TKH, we integrate globally recognized environmental management and sustainability standards into our operations to ensure alignment with industry best practices and regulatory requirements. These include:

- **ISO 14001 certification:** All TKH production sites comply with ISO 14001 environmental standards, ensuring responsible disposal and recycling of electronic waste. This promotes circular economy principles.
- **Industry initiatives and ESG ratings:** TKH and parts of certain operating companies participate in relevant third-party sustainability assessments to track environmental performance and identify improvement opportunities. This includes assessments conducted by

Environmental information

Resource inflows, waste, and waste recycling

Value chain

○ Own operations

Time horizon

○ Short-term

○ Medium-term

○ Long-term

Negative impact

- Sourcing resources unsustainably and waste have an actual negative impact on the environment, including greenhouse gas emissions

Risks

- TKH is dependent on resource inflows, limited availability of resource inflows such as copper and other (raw) materials could affect the company in a negative way.
- Waste can pose financial risks due to its impact on resource efficiency, operational costs, and environmental compliance.

Policy name	Key contents
Health, safety, and environmental (HSE) policy (at operating company level)	<ul style="list-style-type: none"> • Describes how the operating company deals with environmental, health, and safety issues, including safety instructions and procedures. • Applicable for all production sites, and if relevant for other locations. • Managing director of the operating company is responsible for implementation. • Based on ISO 14001 standard. • Published on the intranet of the operating companies, and part of local procedures/handbooks.

organizations such as EcoVadis, CDP, Sustainalitics, and others. These standards form the basis of our efforts to reduce waste, increase resource efficiency, and procure materials more sustainably, ensuring regulatory compliance and adherence to industry best practices.

We actively incorporate stakeholder perspectives into the development of policies related to resource use and the circular economy. Our key methods of stakeholder engagement include:

- Regular sustainability meetings to align with evolving environmental and business expectations.
- Supplier dialogue to ensure responsible sourcing and compliance with sustainability criteria.
- ESG reporting to address investor and regulatory concerns regarding our sustainability performance.
- Regulatory updates and participation in industry working groups to stay aligned with global best practices and emerging standards.

We ensure that practices and policies related to resource use and the circular economy are accessible and communicated effectively to both internal and external stakeholders. We do this via multiple channels:

- **Internal distribution:** Policies are published on the TKH intranet and included in both operating company handbooks and employee training programs.
- **Supplier engagement:** Sustainability criteria and environmental expectations are embedded in supplier contracts, procurement guidelines, and the Code of Supply.

- **Public transparency:** Policy commitments are disclosed in our sustainability report, on our website, and in investor ESG presentations.
- **Regulatory compliance and audits:** Policies are subject to internal audits, external assessments, and compliance reviews to ensure proper implementation and accountability.

Our approach to this topic is guided by health, safety, and environmental (HSE) policies at operating company level.

Resource inflows metrics

In addition to price and quality, we consider sustainability criteria when selecting both our raw materials and packaging materials. We engage in discussions throughout the value chain on how to make processes and products more sustainable, so that we can use our resources more effectively. For example, approximately 21% of the copper we purchase comes from secondary reused or recycled sources, meaning that 21% of the copper we purchase contains recycled content. This percentage is calculated

based on information provided to us by our suppliers as well as publicly available information on recycled content.

We calculate our resource inflow based on recorded purchases during the reporting year. We determine the weight of our materials using the weights recorded on purchase orders, purchase invoices, or transportation documents. If weight data cannot be obtained, the weight is estimated based on the estimated proportion of the material in the total product weight. To avoid double counting, we exclude intercompany shipments, ensuring only external material purchases are accounted for.

Waste metrics

Given the importance of materials and their contribution to total waste from our own operations, our primary focus is on the raw materials copper, aluminum, and plastics used in our cable production activities. Total waste from the most relevant raw materials used in cable production, compared to total relevant material consumption, was 12.2% of total material volume consumed in the year under review. This is higher compared with the previous year – which was 5.4% – and also higher than our target for a maximum of 5% waste. The increase is mainly the result of our start-up activities, in particular related to our new subsea cable production facility in Eemshaven and our new fibre optic cable production facility in Poland. Establishing new activities and production sites results in more waste, for example, from testing and commissioning

Resource inflows unless otherwise stated

in ton unless otherwise stated	2025	2024
Overall total weight of materials used	85,181	84,022
Percentage of biological materials that is sustainably sourced	0%	0%
Weight of secondary reused or recycled components, secondary intermediary products, and secondary materials	2,818	3,488
Percentage of secondary reused or recycled components, secondary intermediary products, and secondary materials	3.3%	4.2%

machines and cable type approvals. Although the waste percentage is relatively high, the recycling percentage in 2025 was 75% (recycling of copper, aluminum, and plastics related to our cable production activities), with copper being fully recycled.

Our waste figures are calculated based on the amount of waste recorded within the reporting year. We determine the weight and treatment method of the waste using data recorded and reported by external recycling and waste processing companies. In case weight data cannot be obtained, the weight is estimated based on the proportion

of the material in the total product weight. If the treatment method cannot be obtained, we assume that the waste has been incinerated. To avoid double counting, we exclude intercompany shipments.

Approximately 58% of waste is related to our main raw materials copper, aluminum, steel, and plastics. TKH does not produce any radioactive waste.

Our copper suppliers re-process pure copper waste into fully usable copper. This means that our copper waste is 100% recycled. This also applies to aluminum and steel.

Plastics that become unusable during the cable production process but are suitable for recycling are offered to waste processing companies to be converted into new raw materials. Due mainly to the product mix, we increased our use of plastics, which resulted in more plastic waste. As a result, the total percentage of recycled plastics decreased. Cables – particularly those with odd lengths – are sorted as much as possible, and we are exploring the possibility of completely recycling these cables. We are considering the same approach for plastics used in insulation and sheathing material.

Actions

In 2025, TKF made more than 200 self-declared environmental product declarations (SD-EPDs) available to customers. An EPD is a transparent, standardized profile of a product's environmental impact throughout its entire life cycle: from raw material sourcing and production to transportation, use, and end-of-life disposal. The results are based on a life cycle assessment (LCA). TKF's LCA and EPD tool, ALCAS, was critically examined and successfully verified by independent third parties. This ensures that customers receive consistent, verifiable data for specifications, tenders, procurement, and project documentation, including a strong substantiation of sustainable material choices.

In 2026, we will continue to assess the need for a group-wide procurement policy, aimed at reducing the use of virgin material, increasing recycled content, and promoting sustainable sourcing. We revisit actions related to the circular economy every year and these actions are integrated into activities at the operating company level. Due to the nature of these actions, the required resources are primarily operating expenditure (opex)-related and do not require any significant capital expenditure (capex). The opex costs are also not additional, since these initiatives are an integral part of our day-to-day expenses and procurement activities.

Waste from own operations				
<i>in ton unless otherwise stated</i>	2025	<i>% of total</i>	2024	<i>% of total</i>
Total waste generated	14,181	100.0%	11,509	100.0%
Copper	2,180	15.4%	2,265	19.7%
Aluminum	2,364	16.7%	1,339	11.6%
Steel	676	4.8%	479	4.2%
Plastics (e.g., PVC, XLPE, PE)	2,999	21.1%	2,235	19.4%
Wood	2,094	14.8%	2,122	18.4%
Paper and board	649	4.6%	824	7.2%
Electronics	9	0.1%	9	0.1%
Other plastics (e.g., foils, packaging)	179	1.3%	161	1.4%
Hazardous materials	166	1.2%	394	3.4%
Other materials	2,865	20.0%	1,682	14.6%
Hazardous waste disposal	166	100.0%	394	100.0%
Incineration	160	96.5%	381	96.7%
Landfill	1	0.4%	1	0.3%
Recycling	4	2.3%	8	2.0%
Other disposal operations	1	0.8%	4	1.0%
Non-hazardous waste disposal	14,015	100.0%	11,115	100.0%
Incineration	2,523	18.0%	2,279	20.5%
Landfill	2,367	16.9%	951	8.6%
Recycling	8,137	58.1%	6,839	61.5%
Other disposal operations	987	7.0%	1,046	9.4%
Total weight of non-recycled waste	6,039		4,663	
Total percentage of non-recycled waste in relation to total waste	42.6%		40.5%	

Sustainable innovation (entity-specific material topic)

Introduction

Sustainable innovation is an entity-specific material topic for TKH because innovation is key to our success and long-term value creation. Our sustainable innovations and technologies promote sustainable production and consumption, enabling our customers to address key environmental challenges. By doing so, we contribute to achieving of the UN's Sustainable Development Goals (SDGs) and help create a more sustainable world.

Investing in innovative technologies is vital for us to maintain our position as a leading technology company. These investments also maximize sustainable value for our stakeholders and the world around us. A strong combined emphasis on both innovation and customer focus keeps us at the forefront of our industry. As a result, we create best-in-class, innovative technologies and respond quickly and effectively to changing market trends.

Insufficient technological development and innovation could pose a risk to our long-term value creation.

These risks may arise in the following areas:

- The pace of technological development.
- Reluctance in certain end markets to adopt our new disruptive technologies.
- Execution of the R&D roadmap.
- Introduction of new technologies by our competitor's.
- Our payback capacity.

Our approach and policies

Through our sustainable innovation policy, we drive continuous innovation and execute our strategic roadmap, ensuring timely market entry. The Executive Board and local management frequently discuss the latest

technology- and innovation-related developments. We leverage our technology leadership to accelerate growth from innovations and utilize the R&D pipeline. We bring key innovations to maturity with targeted profitability, while limiting the number of large, new “start-up” projects. Additionally, we focus on expanding our market share by unlocking the full potential of our innovations and disruptive technologies, as well as by aligning our innovation strategy with relevant megatrends that drive long-term industry growth.

The UN's Sustainable Development Goals (SDGs) are a blueprint for achieving a better and more sustainable future. At TKH, we recognize their importance and aim to positively contribute to the SDGs through our business operations and innovative product portfolio, in line with our long-term value creation process.

To effectively support the SDGs, we focus on areas where we believe we can have the greatest impact and make the most direct contribution. Sustainability is a key element of our product portfolio and enables our customers to improve their own sustainability performance.

In this context, we are focusing on four SDGs (3, 7, 9, and 11) that are related to our external business lines. Meanwhile, sustainability is also being integrated into our operations and supply chain. Therefore, we are considering two additional SDGs (8 and 12), which we can impact through our internal operations and business practices.

Environmental information

Sustainable innovation

Value chain

- Own operations

Time horizon

- S Short-term
- M Medium-term
- L Long-term

Negative impact

- Sustainable innovation and technology are actually making a positive contribution to the achievement of the SDGs by promoting sustainable production and consumption, and addressing environmental challenges at customers. This can help create a more sustainable world.

Risks

- Insufficient technological development and innovation can threaten TKH's long-term value creation.

Opportunities

- Customer's need for sustainable innovation and technology offers TKH opportunities for growth and value creation.



SDG 3: good health and well-being

TKH's technologies and solutions support the healthcare sector, making it more efficient and reliable for home care, professional care, and pharmaceutical companies.

Impact

We believe that care can become more efficient and reliable by tailoring technology more closely to each client. In fact, "tailor made" is at the heart of TKH's care solutions for both extramural and intra-mural care. Our care technology platform, which includes customized alarm scenarios and smart sensors, facilitates the rapid and flexible connection of care systems to a comprehensive range of functions and applications for care needs. It also helps to make care delivery more user-friendly and accessible. Our Smart Manufacturing technology helps meet the pharmaceutical industry's increasingly stringent quality standards for packaging different medicines with the highest precision. In addition, it eliminates the risk of contamination.

Examples of our innovative SDG solutions

- Care technology platform
- Mission critical communications systems
- Medication distribution and inspection system
- Special cable systems for medical equipment
- 2D Vision systems for medical endoscopy equipment
- Thermal camera systems

SDG 7: affordable and clean energy

With our Connectivity technologies, we are developing innovative cable systems that contribute to the energy transition and the use of sustainable energy sources, including offshore wind farms. In this way, we contribute to Europe's energy reduction targets.

Impact

TKH's Connectivity technology plays a fundamental role in the distribution of green energy, such as wind power. For example, our innovative subsea cable concept connects wind turbines in offshore wind farms and is characterized by high performance, risk reduction, installation efficiency, and sustainable composition. With the trend towards electrification, there is a considerable need to upgrade and expand power grids. Our power cable systems offer a solution to meet this demand.

Examples of our innovative SDG solutions

- Energy cable systems for the energy transition
- Sustainable power cable systems for onshore applications
- Dry-design inter-array subsea cables for offshore wind farms

SDG 9: industry, innovation and infrastructure

At TKH, we have a strong reputation as an innovator in the tire building, robotics, and mechanical engineering industries. We pioneer technologies and innovations that capitalize on the pillars of "Industry 4.0," and the demand for increased productivity, improved product quality, and better production processes. Our technology also makes infrastructure safer and more accessible.

Impact

Our Connectivity, Vision, and Security technologies make it possible to build sustainable infrastructure that meets strict safety and efficiency standards. Our innovative vision and manufacturing systems also enable our customers to make products more efficiently, reliably, and flexibly. Our Vision technology is used for inspection, quality control, and process control in industrial automation, battery inspection, consumer electronics, scientific research, and many other applications. We leverage our unique expertise and deep understanding of the automation of production processes for controlling and monitoring industrial processes, as well as comprehensive manufacturing systems for car and truck tire production.

Examples of our innovative SDG solutions

- Fiber-optic cable systems
- Access control and security systems
- CEDD/Airfield Ground Lighting system
- Industrial 2D and 3D Vision systems
- Tire building systems
- Special cable systems for robotics and mechanical engineering

SDG 11: sustainable cities and communities

We help improve the efficiency, safety, and security of the systems used in and around cities. We do this by combining our

Connectivity and Security technologies to develop innovative, comprehensive solutions for the built environment.

Impact

Our technologies and resulting solutions contribute to making cities safer. Our Security technology enables the built environment to be monitored and controlled with alarm systems, mission-critical communication systems, access and recording systems, and evacuation systems. Our mobility security solutions focus on vehicle tracking, video analytics for public transport, and security solutions on toll roads. In addition, TKH technologies improve efficiency, safety, and security in multi-story car parks, football stadiums, schools, and financial institutions.

Examples of our innovative SDG solutions

- Mobility inspection systems and security solutions
- Mission-critical communication systems
- Parking guidance and security systems
- Connectivity systems

SDGs 8 and 12 focus on our internal operations and business practices**SDG 8: decent work and economic growth**

Thanks to our strong focus on R&D and knowledge sharing, we offer a distinctive and innovative portfolio of value-adding products. Healthy balance sheet ratios and a solid operating cash flows also support our overall company-wide growth strategy. We offer our employees a vibrant and safe working environment with ample development opportunities by employing good employment practices. We have set KPIs and targets on health and safety as well as employee satisfaction.

Impact

TKH is committed to providing a safe and inspiring work environment for all. We offer our employees the training and resources they need to perform their activities and develop their skills effectively. By sharing knowledge, we further develop our sustainable portfolio in response to market needs. Through our operational excellence programs – which systematically focus on both customer value and on making the best possible use of our people’s knowledge and skills – we excel in our business operations.

SDG 12: responsible consumption and production

Through our business operations, we focus on responsible operations and production, and on reducing our negative impact on the environment. All our production companies are certified in accordance with the ISO 14001 environmental management system and work according to the LEAN principle to eliminate waste in the production process.

Impact

Our sustainability policy is designed to ensure that we continuously improve our environmental performance and minimize the negative impact of our operations on the environment. From the initial design stage, TKH production companies select raw materials that have little or no harmful effect on the environment, to the greatest extent possible. TKH’s production environment focuses on eliminating waste as much as possible, and sets targets for reducing waste and recycling raw materials. We regularly discuss sustainability opportunities and our Code of Supply with our suppliers.

Sustainable innovation metrics

To measure the effectiveness of our practices in improving environmental outcomes and related financial effects, we established a turnover target based on our innovations. Our target is to generate more than 10% of our turnover from products introduced within the past two years. As a result, a significant portion of our technology portfolio is consistently in the early stages of the product life cycle, forming an essential strategic foundation for future growth.

In 2025, we generated €299 million in turnover from innovations across our business segments. The percentage of turnover generated from innovations was 17.0%, which is well above our target. Investing in R&D and accelerating and scaling innovations are vital for future growth, and for maintaining and expanding our leadership positions in the niche markets in which we operate. In 2025, we spent €88.3 million on R&D activities, compared to €80.7 million in 2024. These R&D-related expenses are included in note 29 of the consolidated financial statements.

As described above, our innovative products make a significant contribution to the SDGs. Our target is to be able to link at least 70% of our total turnover to the SDGs. In 2025, 75.3% of our portfolio's total turnover was linked to the SDGs that we had previously defined as relevant. This allows us to support our customers in achieving their sustainability goals while simultaneously providing clear direction for our company's own sustainable development.

We measure the result of our innovations by monitoring the number of live patents we have. We also use these patents to help secure our value proposition. In addition to investing in the development of our own technology, we also invest in partnerships that provide us with

specific expertise and accelerate the time-to-market for selected technology systems. Lastly, we aim to strengthen our market position and/or our product portfolio via acquisitions. In 2025, we had 1,591 live patents, compared to 1,422 in 2024. To maintain our market-leading position and drive continued growth, it is essential that we continue to accelerate and scale our innovations.

Turnover from innovations is based on turnover from new products launched in the current and previous two reporting years. The percentage of turnover from innovations is calculated by dividing the turnover from innovations by the total turnover. The total turnover is included in note 22 of the consolidated financial statements.

Turnover linked to the SDGs is calculated by taking the TKH portfolio based on the internal reporting of turnover in each end market during the reporting year and combining it with the portfolio information included in the operating companies' quarterly reports. This value is then divided by total turnover, which is included in note 22 of the consolidated financial statements.

Actions

In 2025, we explored industry benchmarks and standardized measurement methodologies to identify ways to make reported metrics more comparable. Because innovation and contributing to the SDGs are key focuses for our company, we kept the metrics we currently use. Our core principles are now incorporated into our sustainable innovation policy.

In 2026, we will continue to further develop and integrate our technologies by executing our R&D roadmap. At the same time, we aim to also work more efficiently. To this end, we will more closely monitor R&D expenditure and the selection of development projects in 2026, including the consolidation of R&D knowledge within 2D Vision. We annually review specific actions related to sustainable innovation and integrate them into operating company activities. More information on differentiation through innovation can be found in the Strategy and performance section of this report. Due to the nature of these actions, they require significant capital expenditure (capex). In 2026, we aim for a slightly lower level of R&D expenditure and a lower percentage of R&D capitalized expenditure than in 2025. Other operating expenditure (opex) is not additional, since such initiatives are an integral part of our day-to-day expenses and R&D activities.

Sustainable innovation

	Annual target	2025	2024
Turnover from innovations (in million)		€299.3	€301.4
Innovation as percentage of turnover	>10%	17.0%	17.6%
Turnover linked to SDGs (percentage)	>70%	75.3%	71.6%
Number of live patents		1,591	1,422
Total R&D spend (in million)		€88.3	€80.7
R&D capitalized (in million)		€45.6	€46.5
R&D capitalized as percentage of total R&D spend		51.6%	57.5%

Social information

Our workforce (S1)

Introduction

Working together with talented and qualified people is vital to achieving our mission of developing best-in-class Smart Technologies. We strongly believe that a diverse workforce will strengthen our defined strategy and further our success. Therefore, promoting and safeguarding the diversity of our organization is one of our key priorities.

TKH has a decentralized structure, an open business culture, and a high level of entrepreneurship, tied together by short lines of communication. Our organization is also characterized by delegated authority, trust, and transparency. A key component of our strategy is our strong, diverse workforce of talented people, with the passion and drive to make things happen.

We also want to ensure that we have a safe workplace that attracts top talent to our organization. Being a responsible employer is an important commitment that we take seriously. TKH offers an inspiring, safe, and healthy work environment for our workforce, and we are constantly striving to improve it. Our priority is always to make sure that all our employees return home safely at the end of each workday.

Both diversity and safety also contribute to our financial performance. A lack of diversity can result in employees not feeling valued, respected, and supported. In turn, this can lead to a negative reputation, which impacts employee and organizational performance, and therefore costs. Health and safety incidents can negatively impact employees by increasing their risk of illness, injury, and death. This can lead to lower morale, increased absenteeism, and decreased productivity.

Our people

Our own workforce consists of both employees and non-employees. Non-employees are not on the payroll, and include interns, trainees, stagiaires, and other temporary workers hired for short periods of time. Most of these workers are recruited from employment agencies and are considered self-employed. In Dutch, they are known as “uitzendkrachten.”

We have identified potential material negative impacts on the overall health and wellbeing of our own workforce. These impacts apply to all members of our own workforce and are not related to individual incidents. Therefore, our policies to manage material impacts, risks, and opportunities apply to all members of our own workforce. We have no operations that are at significant risk of forced, child, or compulsory labor, whether due to the nature of our activities or the countries and geographic areas in which we operate. However, production activities may be at greater risk due to health and safety issues. TKH employs people with disabilities and/or who are disadvantaged in the labor market. We acknowledge that these people are particularly vulnerable. We did not identify any material impacts on workers that could result from transition plans aimed at reducing negative environmental impacts and achieving climate-neutral operations. There are no material positive impacts.



Our policies

Code of Conduct

We have included provisions regarding the respect and protection of human rights in our Code of Conduct for our employees. Our policy is based on the UN Guiding Principles on Business and Human Rights and we do not tolerate any human rights violations. We use the OECD Guidelines and ILO Declaration on Fundamental Principles and Rights at Work as a reference framework to enable us to quickly identify potential risks. Since 2024, we have endorsed the guidelines provided in the UN Global Compact. In the event of human rights violations, we investigate and implement ways to remediate impacts. We also review our existing policies and consider additional measures to prevent such violations from happening again in the future.

Discrimination

At TKH, we have a strict policy of equal treatment for all our employees, regardless of race, nationality, ethnic background, color, age, religion, gender, sexual orientation, political opinion, or disability. Through our Code of Conduct, we aim to prevent, mitigate, and address discrimination once it is detected. Violations can be reported through our internal procedures. We have established a recruitment process for new employees that focuses on identifying potential candidates who possess the necessary skills and profile for a given job function. We do not differentiate between the base salaries of male and female employees and apply market-based remuneration. However, there may be differences between countries, depending on local market practices, as well as tax and social security structures. Our remuneration policy is based on job requirements and the individual's skills and experience.

Enhancing inclusion

In our recruitment process, we are committed to providing a suitable work environment for people with disabilities

and/or those facing disadvantages in the labor market. TKH also creates work experience opportunities for those who are long-term unemployed or returning to the labor market.

Engaging with our workforce

Engaging with employees

We gain insight into the perspectives of our own workforce – including those who may be particularly vulnerable – via direct engagements, meetings with Works Councils, employee satisfaction surveys, and annual performance reviews. The Executive Board maintains direct contact with employees throughout the organization by attending employee presentations, participating in project meetings, or taking part in informal gatherings. In addition, at least one regular Supervisory Board meeting is held annually at the location of a TKH operating company. These company visits allow the Supervisory Board to meet with local management and employees and gain a better understanding of TKH's activities, technological developments, and organizational capacity. The Supervisory Board is updated on local developments and possible challenges faced by local management. Company visits, presentations, demonstrations, and guided tours are always part of the program. Particular attention is also paid to the local company culture.

Employee interests are represented at the operating company level by the local Works Councils, and at the TKH group level by the Central Works Council. These councils ensure ongoing employee representation under the terms of the Works Councils Act (or “Wet op de Ondernemings-raden” in Dutch). This year, the Executive Board and the Central Works Council held four informal meetings. The CEO attended on behalf of the Executive Board, as the most senior TKH executive with operational responsibility for ensuring engagement and incorporating the outcomes of these meetings into TKH's approach.

Social information

Our workforce (S1)

- Diversity (S1-9)
- Health and safety (S1-14)

Workers in the value chain (S2)

- Child forced labor, and health and safety

Consumers and/or end-users (S4)

- Privacy (cybersecurity)

Topics discussed included performance on non-financial KPIs compared to the targets. These KPIs include sustainability-related matters such as diversity and health and safety. To strengthen the ties between the various Works Councils of our Dutch operating companies and to promote the exchange of knowledge and experience, we hold an annual Works Council day. TKH considers consultation with the Central Works Council and other Works Councils to be important and values an open dialogue. We believe that an active approach to employee representation helps us remain vigilant.

Process for remediating negative impacts and channels to raise concerns

We believe in the importance of measuring good employment practices and the effectiveness of engaging with our own workforce. We assess important aspects through employee satisfaction surveys and performance reviews. These surveys and review meetings provide valuable insights into our employees' motivation, satisfaction, and expectations. We identify areas for improvement through these surveys and meetings, and these areas are included in the relevant operating company's HR plans. We also conduct follow-up surveys which measure the effects of improvements made in response to initial findings. Some operating companies have conducted satisfaction surveys focusing on company-specific topics. Based on the results of these surveys, we evaluate where our working methods and policies need to be amended and develop a robust action plan.

In 2025, as part of our CMD 2028 targets, we raised our target score for the employee satisfaction survey from >7.8 to >8.0 because our performance in 2024 equaled the original target. Our 2025 employee satisfaction score was 7.8, based on surveys conducted from 2022 to 2025 among 3,713 employees. This represents 57% of our total employee headcount as of December 31, 2025. Although

this employee satisfaction score is equal to that of 2024, it has increased compared to previous years, demonstrating the effectiveness of the measures and action plans we have implemented.

We conduct annual performance interviews to discuss employee performance, opportunities for further development, possible organizational improvements, and employee expectations. In 2025, 74% of all employees received a performance review, compared to 63% in 2024. The remaining employees who did not undergo a performance review were not eligible for various reasons, such as having recently been hired or not yet completing a one-year period of employment with TKH.

At TKH, we are committed to an open culture in which employees can discuss any concerns, problems, or abuses openly. We encourage our employees to report such matters to their direct manager or supervisor. Employees can report matters confidentially, and they will not suffer any detriment for doing so. We have also established a whistleblower procedure to provide employees with a clear course of action when they wish to raise issues or concerns. This procedure is for reporting possible criminal offenses or violations of the law, such as bribery, disclosure of confidential information, dishonesty, and unethical behavior, including discrimination, sexual harassment, and bullying. It also covers tax-related issues.

TKH has implemented specific measures to prevent any form of retaliation, and remains vigilant in safeguarding the anonymity and protection of whistleblowers. Reports are reviewed and investigated by the local confidential officer and/or the Group Compliance Officer. Depending on the topic, an external researcher may be appointed to ensure independence and objectivity. If deemed necessary, disciplinary and corrective measures are taken. We track and monitor the issues raised by ensuring that all

Central Works Council

- Olaf Karsten (VMI), *Chairman*
- Gerard Roolvink (TKF), *Secretary*
- Jan Jaap Derksen (VMI)
- Maurice Fliescher (Intronics)
- Onno Verkerk (TKH Security)
- Huseyin Ilhan (TKF Telecom)
- Sebastiaan Dijkman (TKF Subsea)
- Louis Scholten (TKF Energy)

received reports are recorded, investigated, and closed. We evaluate the effectiveness of the procedure by engaging with our own workforce through employee surveys and performance reviews. TKH promotes awareness of the whistleblower procedure through internal training and various communication channels, such as shared folders. In the event of violations or incidents, we investigate and implement possibilities to remediate the impact on own workforce. We also review existing policies and other measures to prevent this from happening again.

More information can be found in Business conduct policies and corporate culture.

Our people: key figures

The total number of employees (head count) as of December 31, 2025, was 6,538. The total average number of employees (head count), during 2025 was 6,615. The total number of full-time equivalent (FTE) employees was 6,304 and aligns with the FTE number in note 22 of the consolidated financial statements. A total of 853 employees left TKH in 2025. The employee turnover rate was 12.8%. We calculate this based on the number of employees who left TKH in 2025 divided by the number

of employees as of December 31, 2024. Employees who left the company includes stagiaires and interns which were on the payroll. In the year under review, 111 FTEs were employees with disadvantages in the labor market, compared to 125 FTEs in 2024.

The tables include head count of employees at the end of the reporting period (December 31, 2025). HR data is obtained every quarter. This data is derived from the HR accounts held by TKH's operating companies. The table showing employees per country (>10% of employees) and region is based on the location of the operating company with which the employee is contracted. An employee's nationality or actual place of work or residence is irrelevant for this breakdown.

Employees by region		
	2025	2024
Netherlands	2,390	2,375
Germany	1,074	1,153
Europe (other)	1,455	1,475
China	717	762
Asia (other)	89	86
North America	546	565
Other	267	249
Total	6,538	6,665

Employees by gender		
	2025	2024
Male	4,938	5,095
Female	1,600	1,569
Other	0	1
Total	6,538	6,665

Policy name	Key contents
Code of Conduct	<ul style="list-style-type: none"> • Describes how we act as a company, how we make ethical decisions, and how we deal with different dilemmas within our company. • Applicable for all operating companies. • Managing directors of operating companies are responsible for implementation. • OECD Guidelines used as a reference framework, in addition to the guidelines provided in the UN Global Compact. • Published on our website and should be read and signed by each employee.
Whistleblower procedure	<ul style="list-style-type: none"> • Procedure for raising issues or concerns, such as a possible criminal offenses or violations of the law, violations of TKH's internal policies and/or procedures, bribery, disclosure of confidential information, dishonesty, unethical behavior, etc. • Applicable for all employees and third parties. • Managing directors of operating companies are responsible for implementation. • Based on the EU Whistleblower Directive 2019/1937. • Provided to managing directors, confidential officers, and available to all functions with access to the Cognos reporting system.

Employees by type and region									
	2025				2024				
	Permanent employees	Temporary employees	Non-guaranteed	Total	Permanent employees	Temporary employees	Non-guaranteed	Total	
Netherlands	2,059	248	83	2,390	2,014	266	95	2,375	
Germany	1,022	46	6	1,074	1,069	73	11	1,153	
Europe (other)	1,378	77	0	1,455	1,371	95	9	1,475	
China	525	192	0	717	524	238	0	762	
Asia (other)	86	3	0	89	82	4	0	86	
North America	537	9	0	546	559	4	2	565	
Other	252	9	6	267	215	25	9	249	
Total	5,859	584	95	6,538	5,834	705	126	6,665	

Employees by type and gender									
	2025				2024				
	Male	Female	Other	Total	Male	Female	Other	Total	
Permanent employees	4,466	1,393		5,859	4,476	1,358		5,834	
Temporary employees	411	173		584	535	170		705	
Non-guaranteed hours	61	34		95	84	41	1	126	
Total	4,938	1,600	0	6,538	5,095	1,569	1	6,665	

Diversity (S1-9)

Our approach and policies

A diverse workforce can contribute a variety of perspectives, skills, and experiences, that can lead to increased creativity, innovation, and problem-solving at TKH. Diversity can also contribute to a more inclusive and equitable workplace, where all employees feel valued, respected, and supported. However, if the topic of diversity is not managed properly, there could be a potential negative impact on the overall health and wellbeing of our own workforce. To advance the positive impacts and mitigate the potential negative ones, we aim to ensure an open culture whereby employees can openly discuss any concerns, problems, or instances of abuse. We have also integrated diversity into our HR policies, including those concerning recruitment, development, and retention of women in our workforce. TKH is an international group of companies with a workforce that consists of employees from many different nationalities. In such an international environment, we take a broad view of diversity. Our diversity practices focus on a variety of abilities, skills, and nationalities. We employ a mix of men and women of different ages. The current age structure results in a manageable level of staff turnover due to retirement.

We developed targeted programs to raise awareness of diversity and better integrate it into our organization. For example, we have programs for middle and senior management that aim to achieve gender parity in job roles and consultation structures.

Diversity metrics

We monitor KPIs to measure the effectiveness of our diversity initiatives. We set an ambitious diversity target in 2021 to increase the proportion of female employees in

executive and senior management roles to at least 25% by 2030. This target was determined based on the 2020 figure of 16.8%, as well as through benchmarking with other technical companies and engagement with various stakeholders. Operating companies are responsible for improving the gender balance within their own organizations, and the Executive Board closely monitors progress.

The executive and senior management positions (top management) are defined as follows:

- Executive management: statutory management director level (reporting directly to the Executive Board).
- Senior management: includes managers who are members of the operating company's management team and are responsible for specific business units or departments (e.g., finance, human resources, sales, marketing, legal, R&D, QHSE, supply chain, and operations).

In 2025, the proportion of women in our total workforce increased slightly, from 23.6% in 2024 to 24.5%. The male-to-female ratio remained relatively high, reflecting the gender composition of the available labor market. However, more women are now choosing technical and technology-related careers, so we can continue to target and recruit more women for positions in our organization. The proportion of female executive and senior management employees decreased from 21.6% in 2024 to 20.5% in 2025.

The Executive Board, Management Board, and Supervisory Board aim to be diverse in terms of age, gender, background, expertise, occupational experience, and nationality, while accounting for the statutory requirements. In terms of gender diversity, the Supervisory Board

Social information

Diversity

Value chain

○ Own operations

Time horizon

○ S Short-term

○ M Medium-term

○ L Long-term

Negative impact

- A lack of diversity could have a potential negative impact on the overall health, wellbeing, and performance of our own workforce.

Risks

- A lack of diversity can result in employees feeling not valued, respected, and supported, resulting in negative reputation, impacting performance of employees and organization and therefore costs.

is composed of at least one-third female members and one-third male members. The Executive Board consists of three members, all of whom are male. The Management Board consists of six members, five of whom are male and one of whom is female. TKH will strive to ensure that new appointments to the Executive Board, Management Board, and Supervisory Board are made with the aim of having of at least one-third female and one-third male members.

Actions

In the year under review, we expanded our diversity program, and we will continue to do so in the coming years in order to meet our ambitious target of achieving 25% female representation in executive and senior management roles by 2030. To this end, we have initiated specific programs to recruit women, including a trainee program for young women. Through this program, female employees have the opportunity to work in different technical and technological positions, combined with a specific development program to develop their other skills, including management and personal development skills. We have also established specific working groups to promote women within our organizations. Through these efforts, we aim to increase the inflow and through-put of female employees at TKH.

In order to recruit new female talent, TKH maintains close contact with business schools and universities. We are in contact with educational institutions that provide job-specific or management training courses. We offer internships, graduation projects, and short courses to attract potential talent at an early stage. In addition, we use targeted programs to attract more female students with limited or lower levels of education – such as those in vocational training – to give them an opportunity to improve their skills in practice, and to spark their interest in a possible job in our organization.

Employees by function and gender

	2025				2024			
	Male	Female	Other	Total	Male	Female	Other	Total
Supervisory Board	2	3		5	2	3		5
Percentage	40.0%	60.0%		100.0%	40.0%	60.0%		100.0%
Target % Supervisory Board		33.3%				33.3%		
Executive Board	3	0		3	3	0		3
Percentage	100.0%	0.0%		100.0%	100.0%	0.0%		100.0%
Target % Executive Board		33.3%				33.3%		
Management Board	5	1		6	5	1		6
Percentage	83.3%	16.7%		100.0%	83.3%	16.7%		100.0%
Target % Management Board		33.3%				33.3%		
Executive and senior management	295	76		371	279	77		356
Percentage	79.5%	20.5%		100.0%	78.4%	21.6%		100.0%
Target % executive/senior management by 2030		25.0%				25.0%		
Total	4,938	1,600	0	6,538	5,095	1,569	1	6,665
Percentage	75.5%	24.5%	0.0%	100.0%	76.4%	23.6%	0.0%	100.0%

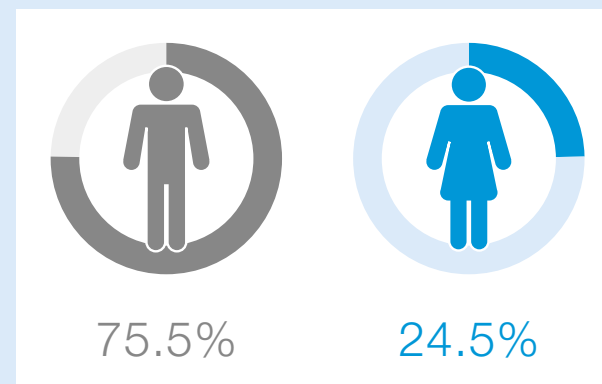
Number of employees by age

	2025				2024			
	Male	Female	Other	Total	Male	Female	Other	Total
Under 30 years old	776	222		998	820	232	1	1,053
Percentage of employees under 30 years old	15.7%	13.9%		15.3%	16.1%	14.8%	100.0%	15.8%
Between 30 and 50 years old	2,612	911		3,523	2,730	894		3,624
Percentage of employees 30 and 50 years old	52.9%	56.9%		53.9%	53.6%	57.0%		54.4%
Over 50 years old	1,550	467		2,017	1,545	443		1,988
Percentage of employees over 50 years old	31.4%	29.2%		30.8%	30.3%	28.2%		29.8%
Total	4,938	1,600	0	6,538	5,095	1,569	1	6,665

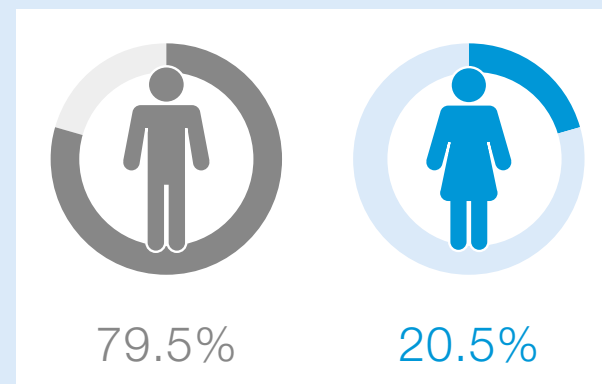
This kind of recruitment is a high-priority area for TKH. There is an increasing shortage of qualified female personnel, particularly in technical and technological positions. It will become more challenging to fill such positions in the coming years. However, we have seen that the positioning of our operating companies under the TKH brand has positively impacted our ability to attract new employees. Employer branding is increasingly being used to reach and interest future talent. When recruiting external (female) candidates, we increasingly use referral recruitment, i.e., we ask our current employees to recommend new colleagues. This method increases our chances of finding a good match because our employees can accurately assess a potential candidate's suitability for the position and their fit with the organization. When capacity became available due to reduced demand or other constraints, employees were (in some cases temporarily) reassigned to fill other positions, where possible.

In 2026, we will continue with targeted programs to attract more female students. Also, we will strengthen our development programs to improve skills – including management and personal development skills – to enable women to be promoted to senior and executive positions. We review measures on an annual basis to remedy any negative impact on our own workforce related to diversity. These actions are revisited every year and integrated in our activities at operating company level. Due to the nature of these actions, the resources needed are opex-related and do not require any significant capex. These operating expenses are also not additional, since these initiatives are an integral part of our day-to-day expenses and HR activities.

Employees by gender 2025



Executive and senior management by gender 2025



Health and safety (S1-14)

Our approach and policies

Inadequate health and safety measures can negatively impact employees, increasing their risk of illness, injury, and death. These potential consequences can also affect our organization, resulting in lower morale, increased absenteeism, and decreased productivity. For these reasons, safety management – encompassing awareness and performance – is a top priority at TKH. Our efforts in this area include preventing accidents and ensuring a professional safety culture exists at all our work locations and sites. We aim to promote transparency around accidents and near-misses to help our employees recognize potentially hazardous situations and can respond quickly and effectively.

We have implemented a health and safety policy, a safety management system, and health and safety awareness programs within all of our operating companies. In addition, we measure the effectiveness of these initiatives through targets and KPIs to manage actual negative impacts. Through our health and safety policies at our manufacturing companies, we acknowledge our responsibility for protecting the health and safety of our employees. It covers all aspects of the work environment, including physical conditions, working hours, workload, ergonomics, psychosocial factors, and clear work

instructions on machine safety. We take strict measures to ensure that employees comply with requirements such as wearing safety shoes and protective clothing. We also encourage employees to alert each other to situations that could lead to dangerous incidents. The primary goal of our health and safety policy is to prevent health problems and work-related accidents.

Safety is crucial for our operating production companies. Due to the nature of their work, our manufacturing companies are certified under the ISO 45001 standard. This ISO standard covers requirements for an occupational health and safety (OH&S) management system, enabling the management of OH&S risks and the improvement of performance. To demonstrate our commitment to safety, we establish specific, measurable performance targets for safety indicators, including work-related injuries that result in lost time and ill health. We aim to identify, assess, and take appropriate preventive measures against risks. We continued to focus on health and safety awareness programs at our production facilities. We conduct regular risk assessments to identify potential safety risks. In some cases, this has resulted in the relocation of machinery or material storage to eliminate the risk. Employees performing activities with a higher safety risk must first complete a special safety

Policy name	Key contents
Health, safety, and environmental (HSE) policy (at operating company level)	<ul style="list-style-type: none"> • Describes how the operating company deals with health and safety issues, including safety instructions and procedures. • Applicable for all production sites, and if relevant for other locations. • Managing director of the operating company is responsible for implementation. • Based on ISO 14001/45001 standard. • Published on the intranet of the operating companies, and part of local procedures/handbooks.

Social information

Health and safety

Value chain	Time horizon
<input checked="" type="radio"/> Own operations	<input checked="" type="radio"/> Short-term
	<input type="radio"/> Medium-term
	<input type="radio"/> Long-term

Negative impact

- Health and safety incidents have an actual negative impact on the health and safety of our own workforce.

Risks

- Health and safety incidents can increase the risk of illness, injury and death, leading to lower morale, increased absenteeism and decreased productivity.

course. As part of an ongoing safety learning program, we ask our employees safety-related questions on a weekly basis. The goal is to raise awareness of important health and safety topics.

Health and safety metrics

We are firmly committed to achieving zero recordable accidents, and our goal is to create a culture of safety that is ingrained in everything we do. For this reason, we thoroughly analyze each accident and share the lessons learned across the group to avoid similar incidents from happening in other locations. Additionally, we encourage every employee to speak up if they see or experience something unsafe or that could be improved.

52.8% of our own workers are covered by our health and safety management system, which is based on recognized standards. This percentage is calculated based on the total number of our own workers and includes both production sites and office locations. In 2025, 100% of our own workforce at our production sites was covered by the ISO 45001 standard, the international standard for occupational health and safety (OH&S) management systems.

In 2025, there were 102 recordable work-related accidents for our own workforce. The Lost Time Injury Frequency Rate (LTIFR) improved significantly in 2025 to 0.41, compared to 0.67 in 2024, and is below the newly set target of 0.70. In 2025, we adjusted our LTIFR target from <1.0 to <0.7, to demonstrate the importance of safety and our commitment to improving it. TKH defines its Lost Time Injury Frequency Rate (LTIFR) as the number of incidents resulting in at least one day's absence from work, with no possibility of any replacement, per million hours worked. Reportable incidents are based on actual occurrences and are never extrapolated or estimated. Despite a range of measures and an open safety culture, there is an inherent risk of under-reporting accidents, because accidents are self-reported in most cases.

Reported hours are measured, calculated, or estimated. The absolute number of serious accidents reported includes all employees on TKH's payroll, excluding third-party contractor employees. Our LTIFR is reported at the group level and is not specified by region or gender.

The occurrence of accidents confirms the need for continuous training and focus on safety issues within our organization and among our suppliers. Since 2024, our

cable production company has obtained the Safety Culture Ladder certification (level 3), in addition to ISO 45001 certification. This will further support the implementation and monitoring of health and safety measurements to mitigate the risk of incidents resulting in work-related injuries. In 2025, the illness rate was 4.11%, slightly above the previous year's rate of 3.97% and slightly above the maximum target rate of 4.0%. Flu-related illnesses had the greatest impact on the small increase of the illness rate.

Actions

In 2026, we will continue implementing safety awareness programs to reduce the number of incidents that occur. We review our existing health and safety program annually, as well as measures to remedy any negative health and safety-related impact on our own workforce. Actions related to our own workforce are revisited every year and integrated into activities at operating company level. Due to the nature of these actions, the necessary resources are opex related and do not require significant capex. These expenses are not additional, as these initiatives are an integral part of our day-to-day expenses and HR activities.

Health and safety metrics (own employees)

	Annual target	2025	2024
Percentage of own workers who are covered by health and safety management system		52.8%	51.6%
Number of fatalities as result of work-related injuries and work-related ill health	0	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0	0
Number of recordable work-related accidents		102	114
Rate of recordable work-related accidents		9.2	9.6
Lost time injury frequency rate (LTIFR) – no replacement work possible (TKH KPI)	<0.70	0.41	0.67

Workers in the value chain (S2)

Introduction

At TKH, we have a diverse technology portfolio spanning various business segments and geographical areas. With suppliers located around the world, we indirectly impact workers throughout our value chain.

Based on our double materiality assessment, we have identified health and safety (working conditions) and child/forced labor (work-related rights) as material topics. Our business may have a potential negative impact on workers in copper mines, which form part of the value chain of our Smart Connectivity systems business segment. Neglecting health and safety can negatively impact workers in the value chain by exposing them to dangerous conditions and increasing the risk of injury or illness. Suppliers in the upstream copper value chain that do not uphold high standards of working conditions and labor rights can pose a reputational risk to TKH, which could lead to financial losses. There are no material positive impacts.

Our approach and policies

To manage potential negative impacts, we have implemented a Code of Supply. We perform desktop reviews and on-site assessments of our strategic tier-1 suppliers (with an annual purchase volume of more than €1 million) and measure effectiveness through targets and KPIs. By signing our Code of Supply, our strategic tier-1 suppliers agree to respect and comply with the fundamental rights granted to all employees under applicable national statutes. Furthermore, we expect our strategic tier-1 suppliers to fully recognize the labor standards issued by the International Labour Organization (ILO), and to take into account the applicable laws and regulations in different countries and at different sites.

This includes, but is not limited to, the following subjects:

- Employment should be freely chosen in accordance with the Universal Declaration of Human Rights of the United Nations.
- We expect our suppliers to prohibit and refrain from any kind of human trafficking, forced labor, compulsory labor, or child labor within their organization.
- We expect that our suppliers promote equal opportunities and equal treatment.
- We expect our suppliers to prohibit any form of discrimination when recruiting, promoting, or selecting employees for basic or advanced training programs. No employee within our suppliers' organizations may be discriminated against based on gender, age, ethnicity, nationality, sexual orientation, disability, union membership, political affiliation, or religious conviction.
- We expect our suppliers to respect employee's rights with regard to collective bargaining and freedom of association.
- We expect our suppliers to fully comply with applicable national statutes on working time.
- We expect our suppliers' employees to receive compensation in line with applicable national statutes.
- We expect our suppliers to ensure a safe working environment and therefore to fully comply with applicable national statutes governing health and safety at work.
- Our suppliers are expected to establish and maintain an appropriate occupational health and safety management system that meets the requirements of ISO 45001 or the national equivalent.
- We expect our suppliers to protect the health and safety of employees and contract labor and minimize any adverse work conditions.
- We expect our suppliers to take all necessary actions to ensure the safety of consumers. They will ensure that

Social information

Child forced labor, and health and safety

Value chain

U Upstream

Time horizon

M Medium-term

L Long-term

Negative impact

- Bad working conditions, incidents, and violations of work-related rights, could have a potential negative impact on the overall health and wellbeing of workers in the value chain (copper mines).

Risks

- Suppliers in the upstream copper value chain who do not respect working conditions and labor rights, can pose a reputational risk, which could lead to financial losses.

Policy name	Key contents
Code of Supply	<ul style="list-style-type: none"> • Describes how we expect our strategic suppliers to act, including criteria on environmental, social, and governance (ESG) topics. • Applicable for all suppliers. • Managing directors of operating companies are responsible for implementation. • Based on labor standards issued by the International Labour Organization (ILO). • Published on our website and should be read and signed by each strategic supplier (those with an annual purchase volume >€1 million).

their products are not made with hazardous substances as defined in the EU Directive on the Restriction of Hazardous Substances.

Value chain of copper

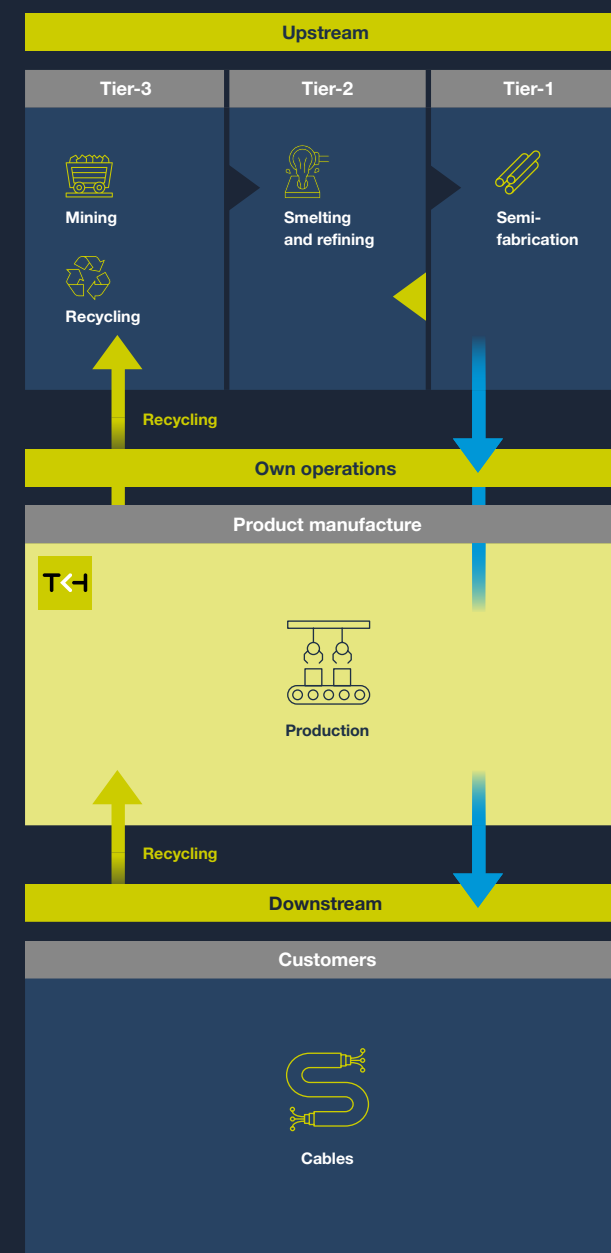
Copper is an important raw material for our cable production companies, which are part of the our Smart Connectivity systems business segment. The copper industry is global, spanning from mines in South America to refineries in Asia. The copper supply chain has several inherent risks, including health and safety (working conditions) and child/forced labor (work-related rights). We are at the end of the value chain, with tier 1, 2, and 3 suppliers in the upstream value chain. We purchase semi-fabricated copper products, such as copper wire, from our tier-1 suppliers. Our tier-2 suppliers are companies that smelt and refine copper purchased from tier-3 suppliers, which are copper mining companies.

Since 2023, our largest cable production company TKF participates in the International Responsible Business Conduct (IRBC) agreement for the Renewable Energy Sector. While the renewable energy sector has achieved great progress on environmental and societal issues, including climate change, there are still numerous obstacles to overcome. As a prominent player in the cable production and telecom industry in the Netherlands, TKF understands the vital importance of sustainable practices and responsible behavior in an ever-evolving world. TKF

has a responsibility as a supplier of subsea cables for offshore wind energy to bring the industry expertise to the forefront and acknowledge the hurdles faced by our company and many others involved in the renewable energy value chain. By participating in this agreement, TKF is committed to collaborating with our stakeholders, as well as all others participating in the renewable energy agreement. We aim to identify and mitigate our own (including suppliers) risks and impacts on both society and the environment. We are also in continuous conversation with our main copper suppliers regarding a responsible supply chain. Our largest supplier in terms of purchase volume is part of The Copper Mark industry initiative. The Copper Mark is an initiative that requires a review of the sustainability standards at copper production sites including mines, smelters, and refineries. The Copper Mark covers the 32 sustainability criteria set out in the Responsible Minerals Initiative's (RMI) Risk Readiness Assessment and incorporates all major environmental, social and governance issues, such as child labor and occupational safety. The Copper Mark is also aligned with the United Nations Sustainable Development Goals (SDGs).

In 2025, we performed a value chain assessment at our largest cable production company TKF in collaboration with one of our customers. Jointly conducting value chain research offers short- and long-term value for all parties involved. Early identification and management of risks helps avoid future liabilities, legal issues, and disruptions

Value chain of copper



to the value chain. Taking responsibility seriously and acting ethically will have a positive impact on people, society and the environment. The risk assessment includes social-related risk per county, focusing on forced labor & human trafficking, discrimination & gender, child labor, corruption, and government influence. Furthermore the environmental, health & safety risks per raw material and value chain position is included. This part of the assessment is focused on climate & energy, biodiversity & deforestation, air pollution soil & groundwater contamination. Through this assessment we covered 71.1% of our copper usage in 2025 (based on weight). In 2026, we will further enhance and extend the risk assessment. We will also engage with suppliers classified as high risk to manage the identified potential risks, and to discuss the mitigation actions. In addition, we monitor whether our suppliers are certified by the Copper Mark, the internationally recognized assurance framework for responsible copper production supply chains.

Engaging with workers in the value chain

We do not engage directly with workers in the value chain. Consequently, they are not directly involved in setting targets either. We manage relationships with suppliers via meetings. We also perform desktop and on-site supplier assessments of our strategic suppliers to obtain information on the working conditions of value chain workers. Purchase departments within our operating companies are responsible for ensuring that engagement takes place, under the managing director's supervision. A full description of how we manage supplier relationships can be found in the Management of relationship with suppliers section and in the Due diligence process paragraph below. The human rights section of these supplier assessments includes questions on child labor, forced and compulsory labor, working hours, minimum wages, freedom of association, discrimination, and harassment. TKH is committed to an open culture in which people can

Code of Supply

	Annual target	2025	2024
% of strategic suppliers that signed the Code of Supply	>90%	95.9%	89.4%
% of strategic suppliers that signed the Code of Supply and received a desktop assessment		69.3%	54.7%
% of strategic suppliers that signed the Code of Supply and received an on-site assessment		46.4%	31.7%

openly discuss any concerns, problems, or abuses. External parties, such as suppliers or workers in the value chain, can report issues, either directly to the operating company via a complaint procedure, or directly to TKH. The whistleblower procedure establishes a clear course of action for employees or third parties who wish to raise issues or concerns, such as a possible criminal offense or violation of the law, bribery, disclosure of confidential information, dishonesty, or unethical behavior, such as discrimination, sexual harassment, or bullying.

At TKH we are committed to protecting workers in the value chain from retaliation. Reports made in accordance with the established procedure will not negatively affect workers in the value chain. Every complaint or report is investigated through the local complaint procedures. Reports received by TKH are reviewed and investigated by the Group Compliance Officer. If violations are found, ways to mitigate their impact on workers in the value chain will be investigated and implemented. If a supplier does not respond adequately, the business relationship with that supplier will be reevaluated. Existing policies and other measures to prevent this in the future will also be reviewed. In 2025, no severe human rights issues and incidents have been reported.

We are also in continuous conversation with our main copper suppliers regarding a responsible supply chain. This is important because through our tier-1 suppliers we source raw materials from around the world. The countries of origin for the copper supply includes regions that could pose risks regarding compliance with human rights related sustainability standards. Therefore, TKH values long-term business relationships with companies in the copper supply chain. This strategy is crucial for fulfilling the growing global demand for responsibly produced copper. Primary raw materials such as copper will also be needed in the future to satisfy the growing needs for metals for the green transition.

Due diligence process

We have implemented proactive measures to mitigate harm to workers in the value chain. As part of the onboarding process for new suppliers, we conduct a high-level preliminary screening, followed by direct engagement with suppliers via our Code of Supply and assessments. We expect our strategic suppliers to sign the Code of Supply, after which they undergo desktop and on-site assessments based on our self-assessment checklist. Strategic suppliers are suppliers with an annual purchase volume exceeding €1 million in the reporting year.

Tier-1 copper suppliers

	Target 2030	2025	2024
% of tier-1 copper suppliers certified by The Copper Mark (based on purchased kg)	>80%	54.9%	59.0%
% of tier-1 copper supplier assessed (2025 risk management assessment – based on purchased kg)	100%	71.1%	78.2%



The assessments we have conducted with our suppliers have not revealed any material violations of human rights in our value chain. If violations are found, the business relationship with the supplier concerned will be reevaluated.

More information is included in the Management of relationship with suppliers section.

In 2025, we assessed 71.1% of the tier-1 copper suppliers of our largest cable production site using our newly developed, comprehensive risk assessment (see value chain of copper, based on purchased kilograms). Our largest supplier in terms of purchase volume is part of “The Copper Mark” industry initiative. The Copper Mark is the leading, internationally recognized assurance framework for responsible copper production supply chains. The Copper Mark covers the 32 sustainability criteria set out in the Responsible Minerals Initiative (RMI)’s Risk Readiness Assessment, and incorporates all major environmental, social, and governance (ESG) issues, such as child labor and occupational safety. The Copper Mark is also aligned with the United Nations Sustainable Development Goals (SDGs). Our target is to have at least 80% of our copper suppliers certified by The Copper Mark by 2030. In 2025, 54.9% of our tier-1 suppliers (based on purchased kilograms) were certified by The Copper Mark.

Actions

In 2025, we reviewed whether it is necessary to develop a supplemental policy for workers in the value chain, in addition to existing policies. We decided to first complete the new 2025 risk assessment, to identify all relevant risks in the value chain. In 2026, we will further enhance and extend the risk assessment. We will also engage with suppliers classified as high risk to manage the identified potential risks, and to discuss the mitigation actions. Actions related to workers in the value chain are reviewed every year and incorporated into activities at operating company level. The necessary resources are opex-related and do not require significant capex. These operating expenses are not additional, since these initiatives are an integral part of our day-to-day expenses and procurement activities.

Code of Supply

We aim for

>90%

Signing of Code of Supply by our strategic suppliers



Consumers and/or end-users (S4)

Introduction

At TKH, we possess a wide range of technologies in our portfolio, and we operate in different business segments and geographical areas with customers worldwide. All our sales transactions are business-to-business (B2B), and as a result, we have an indirect impact on consumers and end users.

Based on our double materiality assessment, we identified privacy (cybersecurity) as a material topic for our business. Data leaks, cyber incidents involving GDPR-sensitive data, and the loss of business-sensitive information could have a potential negative impact on consumers' rights to data protection. Perceived risks of data leaks could lead to decreased sales, contract terminations, or reputational damage for TKH.

Data protection is also relevant for our products that store customer data, such as portfolio and customer production data stored in our tire building machines and vision systems. Therefore, this topic covers the privacy and security of the products and services we sell as well as the cybersecurity of our organization. Inadequate protection of customer data could lead to legal violations, fines, penalties, and a loss of trust in TKH. There are no material positive impacts.

Our approach and policies

We do not have a specific policy for consumers and/or end-users, nor are they directly involved in target setting. Our current policies do not include mechanisms or processes for monitoring compliance with the UNGC, ILO Declaration, or OECD Guidelines, nor do they include measures for remedying any negative impact on human rights. We will review the necessity of developing a

specific policy for consumers and/or end users. We have included provisions regarding respect for and protection of human rights in our Code of Conduct. Based on the UN Guiding Principles on Business and Human Rights, our Code of Conduct does not tolerate any human rights violations. We use the OECD Guidelines and ILO Declaration on Fundamental Principles and Rights at Work as reference frameworks.

Cybersecurity relates to the risk of breaching the availability, confidentiality, and integrity of data (including IP). It also includes cyberattacks that compromise data (including IP) to disrupt business operations and infrastructure. Important elements of our approach to managing this issue include our decentralized IT landscape, use of multiple enterprise resource planning (ERP) systems, continuity of production sites, protection of developed technologies (IP protection), and adherence to data protection legislation, including the GDPR. To mitigate potential negative impacts, we have implemented an IT and security policy, and perform IT audits and penetration testing. We measure effectiveness through targets and KPIs, and we guide our operating companies to implement effective cybersecurity measures.

The IT and security policy covers important topics such as business continuity, operational IT controls, and guidelines on secure software development. IT audits are conducted at operating company level, and action plans are implemented to address identified vulnerabilities in IT systems. As a result, cybersecurity and cyber risks are treated as high-priority topics, and awareness of potential risks has increased throughout the organization. We communicate with our workforce about important cybersecurity issues through a regular newsletter.

Social information

Privacy (cybersecurity)

Value chain	Time horizon
O Own operations	S Short-term
D Downstream	M Medium-term

Negative impact

- Data leaks or cyber incidents involving GDPR-sensitive data, and loss of business sensitive information, could have a potential negative impact on the right of data protection.

Risks

- Privacy can be a financial risk. If customer data is not adequately protected it could lead to violation of laws, fines and penalties and loss of trust.



We perform penetration tests at select operating companies to evaluate their resilience against digital attacks, identify potential vulnerabilities, and assess their potential impact. These tests aim to help us identify potential vulnerabilities in our IT infrastructure, implement secure processes and effective controls, and enable a culture of safety and integrity, without material incidents.

In 2025, we placed more emphasis on the EU NIS2 Directive, which EU member states are partly transposing into national law. In addition, we began conducting assessments to implement the EU Cyber Resilience Act (CRA), which will impose reporting obligations regarding vulnerabilities and incidents starting in late 2026 and require full product compliance beginning in 2027. Cybersecurity is a recurring agenda item in Executive Board and Audit Committee meetings, and IT & Security is one of the Internal Audit team’s immediate focus areas.

The General Data Protection Regulation (GDPR) is the primary European legislation concerning the protection of private data, and it imposes strict rules on the use and storage of personal data. One of the GDPR’s requirements is to establish a processing register that shows what personal data is used or stored, where it is stored, and its purpose. The establishment of this register aims to provide insight into and control over an organization’s data processing and related privacy controls. In response, we have drawn up and implemented an internal privacy policy within TKH. In collaboration with the internal Legal Advisor (who is also the Data Privacy Officer), the Internal Audit team ensures the proper application of GDPR legislation within our organization.

These policies and procedures collectively reflect our strong commitment to respecting the human rights of consumers and end users.

Policy name	Key contents
IT and security policy	<ul style="list-style-type: none"> • Guidance on IT controls and information security, including security breach/incident reporting and intellectual property protection, amongst other things. • Applicable for all operating companies. • Managing directors of our operating companies are responsible for implementation. • Based on ISO 27001:2022 controls. • Provided to managing directors and the teams responsible for each operating company’s IT and security.
Privacy policy	<ul style="list-style-type: none"> • Describes how we act as a company on privacy-related topics and how we want to protect personal employee data within our company. • Applicable for all operating companies. • Managing directors of our operating companies are responsible for implementation. • Based on the EU’s GDPR. • Provided to managing directors and available to all business functions that have access to the Cognos reporting system.

Engaging with consumers and end-users

We measure, monitor, and evaluate customer satisfaction by conducting comprehensive surveys every four years. These surveys cover predefined topics and provide the opportunity for customers to voice other concerns, such as those related to privacy or data protection. Based on the survey results, we can take specific action to address any data privacy issues that arise. The operating company’s managing director is responsible for executing the survey and the implementing defined actions.

At TKH, we are committed to fostering an open culture in which people can discuss concerns, problems, or abuses without fear of retaliation. Customers and other external parties can report issues to a particular operating company via the complaint procedure, or directly to TKH. We have established a whistleblower procedure to provide a clear course of action for employees or third parties who wish to raise issues or concerns. We fully investigate every complaint or report that we receive. Complaints reported to operating companies are investigated through the relevant local complaint procedures. We report on two KPIs related to this topic as part of our sustainability

reporting: the number of received complaints and the number of complaints settled within five working days. Reports received by TKH are reviewed and investigated by the Group Compliance Officer. Depending on the topic, we may appoint an external researcher to ensure independence and objectivity. If deemed necessary, disciplinary and corrective measures are taken. We do not specifically assess whether our consumers and/or end-users are aware of or trust these structures or processes for raising their concerns or needs. More information is included in the section Business conduct section.

Data leaks and cyber incidents require immediate corrective action to prevent escalation. Where an incident involves a GDPR breach that presents a risk to the affected individuals, we immediately inform the customer, and the incident is reported to the relevant local authority and the affected individuals. The perspectives of affected individuals do not influence the management of actual GDPR incidents. However, with respect to potential impacts, individuals may contact the data controller (our customers) to exercise their GDPR rights and we will comply with such requests where applicable.

We have established procedures to manage and mitigate system failure or downtime if a project experiences such issues. We act immediately to stop the incident and communicate with the affected customer, keeping them updated on the restoration of normal operations.

The engagements have not revealed any material human rights violations. If violations do occur, the business relationship will be reconsidered. In addition, we will investigate and implement ways to remediate the impact on consumers and end users. Existing policies and other measures will be reviewed to prevent this from happening again.

More information is included in the Business conduct policies and corporate culture section.

Consumers and/or end-users metrics

We continuously train our employees to detect phishing attempts via email. To raise awareness and train detection skills, we regularly send fake phishing emails to employees. If they miss the signs of phishing and make a mistake, we inform them of the signs they should have noticed in the fake email.

Several minor and non-material security incidents occurred within our own operations during the year under review. These incidents reinforce the need to remain vigilant to IT security risks. In 2025, TKH experienced no cybersecurity incidents within its own operations that had a direct financial impact exceeding €100k. We address consumer and end-user topics continuously through ISO 27001 because part of our operating companies are ISO 27001 certified. The ISO 27001 standard provides security requirements that mitigate the risk of cybersecurity incidents and their potential impact. At the end of 2025, we updated our IT and security policy, which will be implemented in 2026. We will also continue conducting

Customers and end-users			
	Target	2025	2024
Number of reported cybersecurity incidents within our own operations with direct financial impact on TKH of >€100k	0	0	1
Customer satisfaction survey score (CMD 2028 target)	>8.5	8.6	8.6

internal audits to identify areas for improvement. Further information about IT security can be found in the Risk management section.

We measure, monitor, and evaluate customer satisfaction through surveys conducted every four years. In 2025, as part of our CMD 2028 targets, we adjusted our customer satisfaction survey score target from >7.8 to >8.5 because our performance in 2024 exceeded the original target. Our average customer satisfaction survey score for 2025 was 8.6, compared to 8.6 in 2024. The reported customer satisfaction score (on a scale of one to ten) is based on the outcome of the most recent surveys, conducted by an external research company. Each year, several operating companies conduct the survey. Each survey reflects the customer base of the respective operating company. The 2025 customer satisfaction score reflects survey results from the period 2022-2025 and is based on the weighted average of all responses from customers of selected operating companies during this period. For project-driven operating companies, we employ qualitative surveys and interviews to gain deeper insights.

We aim to provide an even better customer experience through training and skills management and process standardization, as well as by improving our availability, information systems, and 24-hour service.

Actions

In 2025, we reviewed whether it is necessary to develop a supplemental policy for consumers and/or end-users in addition to the existing policies. We concluded that an additional policy is not necessary, because the existing policies including (updated) grieving mechanism will sufficiently cover the relevant aspects. At the end of 2025, we updated our IT and security policy, which will be implemented in 2026. In the next year, we will focus on the implementation of the EU Cyber Resilience Act (CRA), which could impact our business operations and processes towards our end customers.

We did not identify any specific actions related to our own practices regarding product design, marketing, or sales. We also did not identify whether collaborative action with other relevant industry parties is required. We review actions related to consumers annually and integrate findings into our activities at operating company level. Due to the nature of these actions, the necessary resources are opex-related and do not require any significant capex. These operating expenditures are also not additional, since these initiatives are an integral part of our day-to-day expenses and sales activities.



Governance information

Business conduct (G1)

Introduction

As a global technology company with decentralized operations in 34 countries, which interacts with a large number of business partners and suppliers, TKH depends on transparency, trust, ethical business conduct, and compliance throughout its organization and value chains. Compliance with applicable laws and regulations and TKH's policies, procedures, and guidelines can help mitigate a range of risks, including those associated with fraud, corruption, bribery, unfair competition, export violations, and sanctions.

Failure to comply with applicable regulations and expectations for responsible business conduct can result in loss of license to operate and could expose TKH to investigations and criminal and civil sanctions such as fines and penalties. It can also materially impact financial results. Since the defined targets are derived from compliance requirements, key stakeholders are not directly involved in the target-setting process. The company has procedures in place related to fraud, bribery, or material non-compliance issues, specifically related to accounting, internal controls, and auditing matters. Fraud and non-compliance are also key areas of focus during Audit Committee meetings and the audit by the external auditor.

Inadequate management of supplier relationships could jeopardize the adequate inflow of important (raw) materials. Global economic, market, and geopolitical developments could influence the execution of the strategy and the financial position and results of TKH. Examples are the Russia-Ukraine war and economic and political confrontations between world powers (such as trade tariffs and the availability and price of energy), the erosion of trade agreements, and the impact of (global) inflation. In this context, the monitoring of supplier dependency is also important.

More information on human rights in the value chain can be found in the Social information section.

Role of administrative, management, and supervisory bodies

The Executive Board, led by the CEO, holds ultimate responsibility for defining, implementing, and monitoring business conduct policies across the organization. This includes ensuring governance policies are aligned with strategic objectives, regulatory requirements, and ethical business practices.

To ensure effective oversight of business conduct, TKH has established clear procedures and accountability mechanisms, covering the following areas:

- Policy development: Governance policies are developed by the Executive Board, reviewed by the Supervisory Board, and formalized in internal procedures.
- Implementation and monitoring: The Director of Sustainability, reporting to the CEO, is responsible for operational enforcement of compliance beyond reporting obligations.
- Risk management and internal controls: The Internal Audit Department assesses governance risks related to business conduct, ensuring controls are in place to mitigate potential ethical and compliance risks.
- Training & awareness: Board members and senior management undergo training on corporate ethics, business conduct, and compliance. Where no formal program exists, action plans will be developed to address this gap.

The Supervisory Board ensures that the Executive Board not only monitors governance and sustainability but also actively enforces ethical business practices and compliance frameworks, intervening when necessary to uphold integrity standards. Beyond overseeing sustainability reporting, the Audit Committee ensures continuous improvement of governance policies, monitors the effectiveness of governance policies and internal controls, and assesses compliance with business conduct requirements to safeguard ethical integrity. Both boards have expertise in corporate governance, risk management, compliance, and sustainability, ensuring effective oversight of business conduct. Members have backgrounds in finance, law, ESG compliance, and general business ethics, supporting informed decision-making and strategic alignment with regulatory and ethical standards.

Governance information

Business conduct (G1)

- Corporate culture (G1-1)
- Management of relationship with suppliers (G1-2)
- Corruption and bribery (G1-3 and G1-4)

Entity-specific

- AI and algorithm ethics



Corporate culture (G1-1)

TKH conducts its business according to the principles of honesty, integrity, accountability, and transparency. We are committed to complying with relevant laws and regulations. These core values define the culture and behaviors that we strive to uphold and continuously embed throughout TKH. All employees are expected to be aware of the core values that underpin our actions and our risk profile, and to take responsibility for any potential risks. They are also expected to act in accordance with TKH's Code of Conduct. This Code of Conduct is fundamental to everything we do and describes how we act as a company, how we make ethical decisions, and how we deal with different dilemmas within our company. Additional policies have been implemented in relation to the principles included in the Code of Conduct, including:

- rules and guidelines for decision-making, and approval procedures and authorization levels for the management of our operating companies;
- an Internal Control Framework (ICF), which is used to analyze and evaluate the strategic, operational (including sustainability), financial, and compliance risks for its operating companies;
- various rules of conduct for employees, customers, and suppliers, including a whistleblower procedure; and
- guidelines for internal control procedures, an IT security policy, a treasury policy, and a financial and non-financial (including sustainability) reporting manual.

More information can be found in the Risk management section.

Code of Conduct

We have a Code of Conduct in place to ensure that every employee acts in accordance with TKH's guidelines. The Code of Conduct uses the OECD Guidelines as a reference framework, in addition to the guidelines provided in the UN Global Compact, which is endorsed by TKH. Our Code of Conduct defines the way we live our core principles every day. It covers various topics related to the principles of honesty, integrity, and transparency, including anti-bribery and anti-corruption, honest business conduct, conflicts of interest, health and safety, and human rights. Clear guidelines, operational control, and a zero-tolerance policy regarding matters of principle, such as fraud, bribery, and corruption, ensure that all work is carried out in accordance with the appropriate principles and agreements.

Each employee working for TKH receives the Code of Conduct and needs to sign the Code of Conduct as proof of having read and understood what it requires from them. The managers of our operating companies are responsible for implementing the Code of Conduct in their organizations. The content of the Code of Conduct is included in internal training programs. The Code of Conduct has been signed by 99.3% (2024: 98.9%) of all employees. The annual target of 100% has not been achieved, partly due to a longer-than-expected lead time for new employees to sign the Code. We are in close contact with the operating companies, and we are establishing clear rules to eliminate such delays as soon as possible. The Internal Audit team plays an important

Code of Conduct			
	Annual target	2025	2024
% of total employees that signed the Code of Conduct	100.0%	99.3%	98.9%

Governance information

Corporate culture

Value chain	Time horizon
<input type="radio"/> Own operations	<input checked="" type="radio"/> Short-term
	<input type="radio"/> Medium-term
	<input type="radio"/> Long-term

Negative impact

- Absence of good corporate culture can potentially have a negative impact as a result of a lack of accountability, unethical behavior, and inadequate response to environmental and social challenges.

Risks

- Failing to address the potential negative impact can result in regulatory fines, legal penalties, and reputational damage.

role in monitoring the effectiveness of the Code of Conduct. It works closely with TKH's Compliance Officer and Legal Advisor.

Policy name	Key contents
Code of Conduct	<ul style="list-style-type: none"> • Describes how we act as a company, how we make ethical decisions, and how we deal with different dilemmas within our company. • Applicable for all operating companies. • Operating company managing directors are responsible for implementation. • The OECD Guidelines are used as a reference framework, in addition to the UN Global Compact guidelines. • Published on our website, and should be read and signed by all employees.
Whistleblower procedure	<ul style="list-style-type: none"> • Procedure to raise issues or concerns, such as a possible criminal offense or violation of the law, a violation of TKH's internal policies and/or procedures, the giving or receiving of a bribe, the disclosure of confidential information, and dishonesty or unethical behavior, among others. • Applicable for all employees and third parties. • Operating company managing directors are responsible for implementation. • Based on the EU Whistleblower Directive 2019/1937. • Provided to managing directors and confidential officers, and available for all functions that have access to the Cognos reporting system.
Internal Control Framework	<ul style="list-style-type: none"> • Describes how we act as a company, how we make ethical decisions, and how we deal with different potential dilemmas within our company. • Applicable for all operating companies, except for companies classified as small (<20 FTEs). • Operating company managing directors are responsible for implementation. • Based on the COSO 2017 framework. • An ICF per process (e.g., sales, procurement) is included in reporting forms in the Cognos reporting system, and is available for all functions that have access to the system.
Code of Supply	<ul style="list-style-type: none"> • Describes how we expect our strategic suppliers to act, including criteria on ESG topics. • Applicable for all suppliers. • Operating company managing directors are responsible for implementation. • Based on labor standards issued by the International Labor Organization (ILO). • Published on our website and should be read and signed by each strategic supplier (annual purchase volume >€1 million).
Internal control procedures	<ul style="list-style-type: none"> • Guidance on specific internal control procedures, addressing adequate segregation of duties, adequate security of valuable and movable assets, monthly reviews of operating performance, and reporting to TKH, among others. • Applicable for all operating companies. • Operating company managing directors are responsible for implementation. • Based on general internal control standards and the COSO 2017 framework. • Provided to managing directors and available for all functions having access to the Cognos reporting system.

Internal reports and whistleblower procedure

TKH is committed to a culture where employees can openly discuss any concerns, problems, or (suspected) violations of the Code of Conduct. Employees can report any misconduct or (suspected) violations through an internal reporting procedure. Depending on the situation, the report can be made to the direct supervisor, HR, or local management.

In addition, a whistleblower procedure provides a clear course of action for employees who wish to raise issues or concerns related to ethical conduct. Our whistleblower policy is described in detail in previous chapters.

In 2025, no reports were received through the whistleblower procedure. Also, no violations of the Code of Conduct were reported through the internal reporting procedure. There are no incidents reported related to bribery, corruption, discrimination or harassment. We believe it is important to promote an open and transparent culture and to assess matters in employee satisfaction surveys.

Actions related to the procedures are part of our annual business plan and are revisited every year. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex-related resources are also not additional, since these initiatives are an integral part of our day-to-day expenses and HR activities.

Policy name	Key contents
IT and security policy	<ul style="list-style-type: none"> • Guidance on IT controls and information security, including security breach/incident reporting and intellectual property protection, among others. • Applicable for all operating companies. • Operating company managing directors are responsible for implementation. • Based on ISO 27001:2022 controls. • Provided to the managing directors and IT/security leads of each operating company.
Financial Reporting Manual	<ul style="list-style-type: none"> • Guidance on financial reporting, addressing accounting principles and valuation methods for balance sheet and profit and loss accounts, including guidance on reporting through our Cognos financial reporting system. • Applicable for all operating companies. • Operating company managing directors are responsible for implementation. • Based on the IFRS Standards. • Provided to managing directors and available for all functions with access to the Cognos reporting system.

Actions

In 2025, we updated the whistleblower procedure. The updated procedure will be implemented in early 2026, together with a new online platform through which (anonymous) reports can be submitted. Once the implementation has been completed, a new training program for staff receiving and managing whistleblower reports (confidential officers) will be introduced. Actions related to business conduct are revisited annually and integrated into the activities at the operating company level. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex-related resources are also not additional, since these initiatives are an integral part of our day-to-day expenses and (HR) activities.

Internal reports and whistleblower

	Annual target	2025	2024
Number of reports through internal reporting procedure	all	0	3
Number of reports through whistleblower procedure	all	0	0

Code of Conduct

We aim for

100%

Signing of Code of Conduct by our employees



Management of relationship with suppliers (G1-2)

We expect our suppliers to adopt a zero-tolerance policy on issues that are material to us. Our principles and requirements are set out in our Code of Supply, which covers environmental, social, and governance topics such as human rights, environmental impact (such as policies, environmental management systems, and pollution prevention), occupational health and safety, compliance with law and regulations (including related to corruption and bribery), and ethical behavior. This set of environmental, social, and governance topics is part of our supplier selection criteria. In the case that the criteria are not met by the supplier, the business relationship will be reconsidered. We expect our strategic suppliers (suppliers with an annual purchase volume of more than €1 million) to sign the Code of Supply. This is followed by a desktop assessment and an on-site assessment.

The Code of Supply has been signed by 95.9% (2024: 89.4%) of all suppliers in scope. The annual target of 90% has been achieved, despite a longer lead time for new suppliers to sign the Code. We are in close contact with the suppliers, and we are establishing clear rules to eliminate such delays as soon as possible. To verify the items stipulated in the Code of Supply, our ambition and goal is to conduct a desktop assessment of the supplier in question within two years of signing the Code of Supply and the on-site assessment within five years after signing the Code of Supply. Internal Audit has included the

auditing of processes related to the Code of Supply in its work program.

We have included provisions regarding the respect and protection of human rights in both our Code of Conduct and our Code of Supply. Our policy does not tolerate any violation of human rights. We use the OECD Guidelines as a reference framework to enable us to adequately identify potential risks. The OECD Guidelines refer to the Universal Declaration of Human Rights, which states that all parties in society, including companies, have an obligation to respect and protect human rights. In addition, the guidelines provided in the UN Global Compact are endorsed by TKH.

As part of the assessment process that we carry out with suppliers as part of our Code of Supply, we ask suppliers about their human rights record and discuss potential risk areas such as discrimination, the right to social security, and the risk of child labor in the value chain. The assessments carried out with suppliers have not revealed any violations of human rights. In the case of violations, the business relationship will be reconsidered. Privacy is an important human rights principle. People must be able to live in freedom without excessive surveillance or disclosure of their private lives. The Dutch Privacy Act, including the EU General Data Protection Regulation (GDPR), gives people more rights – and organizations more obligations

Governance information

Management of relationship with suppliers

Value chain

- U Upstream
- O Own operations

Time horizon

- S Short-term
- M Medium-term
- L Long-term

Negative impact

- Conflicts, for example as a result of geopolitical developments (such as the Russia-Ukraine war, trade tariffs, availability and price of energy), could have a potential negative impact on people and the environment.

Risks

- Reputational risks, as well as legal and financial liabilities. TKH may also face risks from political instability, including expropriation or nationalization of assets of suppliers (based on their location).
- Inadequate management of relationships with suppliers can result in non-productive relationships with suppliers, leading to inadequate inflow of (raw) materials and thus, discontinued production and operations.

Code of Supply

	Annual target	2025	2024
% of strategic suppliers that signed the Code of Supply	>90%	95.9%	89.4%
% of strategic suppliers that signed the Code of Supply and received a desktop assessment		69.3%	54.7%
% of strategic suppliers that signed the Code of Supply and received an on-site assessment		46.4%	31.7%



– meaning the careful handling of personal data is essential. Internal Audit covers human rights as part of its auditing activities and asks our managers about their compliance with human rights and whether any potential human rights conflicts could arise, especially in the value chains in which we operate.

The optimization of our (regional) portfolio and local manufacturing footprint also contributes to the mitigation of supplier risks. Situations where important raw materials such as copper, aluminum, steel, plastics, and technical (electronic) components have long delivery times, are unavailable, or are only available in limited quantities can put pressure on our profit margins. The same is true of price increases related to raw materials. To mitigate these risks, we increase our inventory of critical raw materials and components where applicable. At the same time, we try to redesign products as much as possible to increase the use of alternative materials and components with better availability/pricing, in addition to the use of alternative suppliers. Finally, we have developed cooperation programs between operating companies to discuss developments, trends, and risks, and to leverage buying power and knowledge within the group and business segments.

Actions

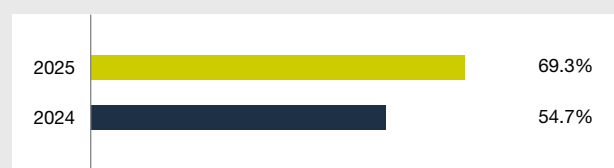
On an annual basis, we review our existing policies related to the management of suppliers, including the Code of Supply and connected self-assessment. We will also evaluate whether additional programs are required to further increase the number of suppliers that must sign the Code of Supply and receive a desktop assessment or an on-site assessment. Actions related to the management of relationships with suppliers are revisited every year and integrated into activities at the operating company level. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex-related resources are also not additional, since these initiatives are an integral part of our day-to-day expenses and procurement activities.

Dektop assessment strategic suppliers

We aim to conduct a desktop assessment

<2 years

We aim to conduct a desktop assessment of the strategic supplier within 2 years of signing the Code of Supply

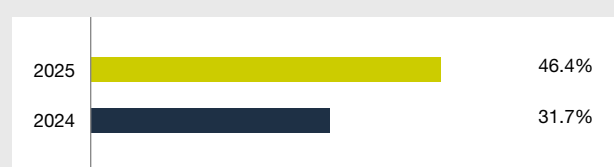


On-site assessment strategic suppliers

We aim to conduct an on-site assessment

<5 years

We aim to conduct an on-site assessment of the strategic supplier within 5 years of signing the Code of Supply



Corruption and bribery (G1-3 and G1-4)

We are committed to conducting our business fairly, transparently, and with integrity, while applying high ethical and legal standards. We do not approve of any form of corruption and bribery, or of any other form of unethical business practice. We have a Code of Conduct in place, covering various topics, including anti-corruption and anti-bribery. TKH has endorsed the ten principles of the United Nations Global Compact in the areas of human rights, labor, environment, and anti-corruption, which are aligned with the United Nations Convention against Corruption. We are committed to not only avoiding bribery, extortion, and other forms of corruption but also to proactively developing policies and concrete programs to address corruption internally and within our most important supply chains.

As part of our TKH Manual, we have a set of internal guidelines and procedures related to anti-corruption or anti-bribery, focusing on internal control measures, management responsibilities, and authorization requirements. In addition, we have internal guidelines and checklists on compliance with sanctions and export regulations for transactions with customers. Through the TKH Code of Supply, we make our strategic suppliers aware of our expectations for them to follow our business ethics and confirm this by signing the Code of Supply. Compliance with this code is verified during supplier audits. As described under Business conduct policies, any violation of our anti-corruption or anti-bribery rules and procedures can be reported through our whistleblower or internal reporting procedure and is investigated by the Group Compliance Officer and/or an independent team, separate from the chain of management. Each report is submitted to the Executive Board and Supervisory Board through the Audit Committee.

TKH has embedded its risk management policy at all levels of the organization. This involves an Internal Control Framework (ICF), which is used to analyze and evaluate the strategic, operational (including sustainability), financial, and compliance risks for its operating companies (including potential corruption and bribery risks). TKH's risk management policy reflects the organization's size and decentralized structure. The implementation of the components of this risk management policy is assessed and monitored by Internal Audit. An open, transparent culture with sufficient critical capacity is a prerequisite for an organization to properly manage risks, responsibilities, and competencies. TKH considers a suitable risk management model to be an important tool for creating sustainable long-term value, and a continuous focus on risk awareness is a key element of TKH's culture. The pursuit of a balanced risk profile is embedded in this culture through short lines of communication and is supported through the close monitoring of agreed-upon objectives using a comprehensive key performance indicator (KPI) dashboard.

More information can be found in the Risk management and the Management of relationship with suppliers sections.

The company's internal risk management and control system is also an ongoing focus for the Audit Committee of the Supervisory Board. Topics such as non-compliance with laws and regulations, specifically (commission) payments to third-party agents and non-routine transactions in high-risk countries, are frequently discussed. At least once a year, the Audit Committee discusses the company's fraud risk assessment, including inherent fraud risks, identified significant risks, and other risks and focus

Governance information

Corruption and bribery

Value chain

Own operations

Time horizon

Short-term

Medium-term

Long-term

Negative impact

- Not preventing the spread of unethical and illegal practice could have a potential negative impact on societal well-being.

Risks

- Corruption and bribery can result in a lack of transparency and accountability, leading to erosion of public trust and damage to TKH's reputation.

areas, including corruption and bribery. Internal Audit performs audit activities to gain a clearer picture of the potential risks of fraud, non-compliance, corruption, and bribery, and reviews internal control measures related to these risks. Fraud and non-compliance are also areas of attention during the audit of our financial statements by the external auditor. Based on the internal fraud risk assessments performed, we have identified a potential and inherent corruption/fraud risk in the value chain of our business segment Smart Manufacturing systems due to the use of third-party agents in serving a proportion of our end customers. We have implemented various measures to mitigate the risk, such as guidelines and template contracts to govern the working relationships with agents and intermediaries. We also provide training to our third-party agents to ensure that every agent acts in accordance with TKH's guidelines.

As part of our internal training program, we organized several physical and online meetings to address important topics related to fraud, corruption, and bribery. Our efforts specifically focus on functions at risk of corruption and bribery, which include procurement, sales, legal, financial administration, and senior and executive management. In addition, our operating companies have implemented company-specific training programs focusing on the most relevant corruption and bribery risks for their business, for example, related to commission payments to third-party agents. In 2025, we launched a group-wide e-learning platform for training programs. The new training program for functions at risk of corruption and bribery will be launched in 2026 to help our employees act in accordance with our anti-corruption and anti-bribery rules and procedures. To enhance governance competencies, board members participate in regular training sessions on various

topics. Several topics have been covered across the in-depth sessions, including double materiality, cybersecurity, and sustainability regulations. This helps ensure continuous learning and adaptation to evolving governance challenges. Members of the Executive Board and Supervisory Board will also participate in the new training program for functions at risk of corruption and bribery.

In 2025, no confirmed incidents of corruption or bribery were reported, and there were no convictions for the breach of such laws (annual target: no incidents or fines). In addition, there were no instances of employees being dismissed or disciplined for corrupt practices during the year. Any incident of corruption or bribery is assessed to determine if additional internal control measures or other actions are needed. Each incident is investigated by the Group Compliance Officer. Depending on the topic, an external researcher may be appointed to ensure independence and objectivity in the investigation. If deemed necessary, disciplinary and corrective measures are taken. Each incident is reported to the Executive Board and Supervisory Board through the Audit Committee.

Actions

In 2025, we completed the introduction of a group-wide e-learning platform for all employees. In 2026, we will introduce a new training program for functions at risk of corruption and bribery, including members of supervisory bodies. Actions related to anti-corruption and anti-bribery are revisited every year and integrated into the activities at the operating company level. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex-related resources are also not additional, since these initiatives are an integral part of our day-to-day expenses and (HR) activities.

Anti-corruption and anti-bribery training

	Annual target	2025	2024
% of at risk employees covered by anti-corruption and anti-bribery training	>90%	36.7%	27.5%

Incidents of corruption and bribery

	Annual target	2025	2024
Number of convictions for breach of anti-corruption and anti-bribery laws	0	0	0
Total fines for convictions for breach of anti-corruption and anti-bribery laws	€0	€0	€0

AI and algorithm ethics (entity-specific material topic)

Introduction

In line with the outcomes of the DMA process, artificial intelligence (AI) and algorithm ethics has been identified as an entity-specific material topic because AI is an important part of TKH's business strategy and R&D roadmap.

Implementing AI is not just a question of efficiency and streamlining laborious tasks. Thanks to machine learning and deep learning, AI applications can learn from data and results in near real-time, analyzing new information from many sources and adapting accordingly, with a level of accuracy that is invaluable to business. This ability to self-learn and self-optimize means AI continually compounds the business benefits it generates. In this way, AI helps our businesses to adapt at speed, with a regular stream of insights to drive innovation and competitive advantage – a major asset in a business landscape defined by near-constant disruption. When scaled, AI can become a key enabler of our strategic priorities.

At the same time, the use of AI systems must not go beyond what is necessary to achieve a legitimate aim. Therefore, risk assessment should be used to classify AI algorithm systems to prevent harms that may result from such uses, such as unjustified actions, bias, discrimination, or breach of privacy (AI ethics). Non-compliance with AI algorithm ethics could lead to the breach of laws, fines and penalties, reputational damage, and loss of trust. In addition, the use of AI tools within our own operations could lead to leakage of business-sensitive information such as intellectual property.

Use of AI tools

The input of confidential or sensitive information into an AI tool could result in the disclosure of such information to third parties. Similarly, the input of personal identifiable information can lead to breaches of privacy laws. Therefore, in order to mitigate these risks, we developed an AI Tools policy in 2024. The purpose of this policy is to establish guidelines for the appropriate and ethical use of AI within TKH, including the use of generative AI and algorithmic AI tools, to ensure that AI technology is used to enhance productivity, efficiency, and decision-making while complying with applicable laws and respecting

Policy name	Key contents
AI Tools policy	<ul style="list-style-type: none"> Provides guidelines for the appropriate and ethical use of AI within TKH, including the use of Generative AI and Algorithmic AI tools. Applicable for all employees and contractors. Operating company managing directors are responsible for implementation. Based on the EU AI Act 2024/1689 and the TKH IT security policy. Published on our intranet and distributed to all operating company managing directors, and their management teams.

Governance information

AI and algorithm ethics

Value chain

- Own operations
- Downstream

Time horizon

- Short-term
- Medium-term
- Long-term

Negative impact

- Unjustified actions, bias, discrimination or breach of privacy due to the use of AI systems could have a potential negative impact on people.

Risks

- Insufficient adequate use of AI tools can lead to leakage of business sensitive information such as intellectual property.
- Non-compliance with AI algorithm could lead to violation of laws, fines and penalties, reputational damage, and loss of trust.

privacy, confidentiality, and data security. This Policy applies to all employees and to all (independent) contractors who perform services for TKH. Interests of key stakeholders in setting the policy are not considered specifically, as the policy is based on the EU AI Act 2024/1689 and the TKH IT security policy.

As a general principle, it is not permitted to use any AI tools unless they have been approved for use by the internal AI Tooling Committee. It is never allowed to use TKH-AI tools for non-work-related purposes, illegal activities, spamming, or any other unsolicited advertising. No AI user may use AI tools for the selection or recruitment of employees or job candidates, for placing targeted job advertisements, or for screening or filtering applications. All users must at all times comply with the Code of Conduct and the IT & Security Policy issued by the relevant operating company when using AI tools. A (suspected) violation can be reported through the internal reporting procedure. Implementation at the operating company level will also be monitored by internal audit. Violations of the policy may result in disciplinary action for employees or, in the case of a contractor (independent or not), termination of the contract.

Classification of AI systems

It is important to define AI ethics as a set of guiding principles that stakeholders (from engineers to government officials) use to ensure AI technology is developed and used responsibly. This means taking a safe, secure,

humane, and environmentally responsible approach to AI. To ensure this, we follow the European Union's AI Act as a guiding principle. The Act divides applications of AI into three risk categories. First, applications and systems that create an unacceptable risk, such as government-run social scoring of a certain type, are banned. Second, high-risk applications, such as CV-scanning tools that rank job applicants, are subject to specific legal requirements. Finally, applications that are not explicitly banned or listed as high-risk are largely left unregulated.

The AI Act entered into force on August 1, 2024. The law has a phased entry into force across a number of milestone dates, starting in February 2025 (Prohibited Systems), with full and final applicability in August 2026. TKH started the process of implementation by establishing an AI Ethics committee in the second half of 2024. The committee includes members with legal, AI, and compliance knowledge and is responsible for developing policies and supervising the risk assessments performed by the operating companies. A self-assessment procedure has been developed, under which each AI system needs to be assessed by, among others, the classification of the AI system, its scope, and its general purpose. Our target is to have no AI systems classified as unacceptable and to have a complete register of algorithms in H1 2026. The classification of AI systems contributes to providing the necessary level of insight in compliance with the AI Act, and can also be compared with other companies using AI systems.

Actions

In 2025, we implemented a training program to ensure employees and contractors have sufficient knowledge about AI systems and the AI Act. We also updated our IT security policy to reflect the most recent developments, e.g., related to new laws and regulations. This amended policy will be implemented in 2026. As an ongoing action we review mechanisms and processes for monitoring compliance with the AI Tools Policy. In H1 2026, we want to complete the classification of AI systems.

Actions related to AI are revisited every year and integrated into activities at the operating company level, where the operating company has AI tools or is developing AI systems. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex-related resources are also not additional, since these initiatives are an integral part of our day-to-day expenses and AI activities.

Appendices

GHG metrics details

Scope 1

Our scope 1 emissions derive from fuel for leased and owned cars, fuel for buildings, and gas for building heating. The basis for scope 1 emissions is activity data, which in turn are based mostly on meter readings, invoices, and data provided by suppliers. All emission factors are reviewed annually and updated if necessary. For scope 1, TKH calculates the energy use and the related CO₂ emissions, using emission factors from co2emissiefactoren.nl. TKH uses tank-to-wheel emission factors.

Scope 2

Our scope 2 accounts for electricity consumption at our production sites and offices.

Location-based emissions

Emissions are calculated by using a country-specific emission factor for electricity for the energy grid. This method reflects the energy mix within the specific country of consumption and does not consider any purchase of renewable energy or credits. To calculate GHG emissions, the Ecoinvent 3.11 dataset market for electricity, medium voltage has been used.

Market-based emissions

Emissions are calculated by taking a specific emission factor which an organization uses for its purchased electricity. Renewable energy purchases and green certificates are considered when accounting for indirect GHG emissions using the market-based approach. To calculate the residual GHG emissions, a country-specific emission factors for electricity (residual mix) has been

used. The Ecoinvent 3.11 dataset electricity, medium voltage, residual mix has been used. For the countries where this dataset is not available, the location-based dataset market for electricity, medium voltage of Ecoinvent has been used.

Scope 3

Scope 3 emissions are the indirect GHG emissions attributed to an organization's value chain. Our scope 3 calculation includes our material operations, covering approximately 97% of turnover.

1 purchased goods

The GHG emissions associated with the purchase of goods are calculated based on the average-data method, using material weight per material type, multiplied by a matching emission factor from the Ecoinvent 3.11 database (LCIA method IPCC 2021 GWP100). In 2024, 56.2% of reported emissions were calculated using CE Delft's asset tool 2024v2.2 and Ecoinvent 3.9.1. As of 2025, this has been replaced by the average-data method to ensure consistency in calculation methodology. 7.5% of the reported emissions is based on the spend-based method. The costs per material per operating company has been corrected for inflation in the relevant country of spend using inflation rates from IMF2025, and converted from local currency to EUR, multiplied by the corresponding spend-based emission factor from Exiobase (2019). In 2025, approximately 91% of total materials are covered in the scope 3 category 1 calculation (purchased goods).

1 purchased services

GHG emissions associated with the purchase of services are calculated based on the spend-based method, using the direct cost associated with a specific type, multiplied by a matching emission factor from Exiobase (2019) adjusted for inflation and currency.

2 capital goods

GHG emissions associated with the additions to tangible assets, are calculated as the amount of capitalized cost per type of investment (land, buildings, machinery installations, and other equipment), multiplied by a matching spend-based emission factor from Exiobase (2019) adjusted for inflation and currency.

3 fuel- and energy-related activities

GHG emissions related to fuel- and energy-related activities not accounted for in scope 1 or scope 2, comprise indirect emissions associated with the production of purchased fuels, gas and electricity. The GHG scope 3 emissions from electricity consumption are calculated using the scope 3 country emission factors from the Ecoinvent 3.11 dataset market for electricity, medium voltage. For the other energy sources, the WTT emission factors from co2emissiefactoren.nl are used.

4 upstream transportation and distribution

The GHG emissions are calculated based on the average-data (distance-based) method, using distance, weight, and method of transportation per shipment (road, rail, water, and air), multiplied by a matching emission factor from the Defra 2025 database. In case the exact

distance cannot be derived from our systems, we have assumed the distance between the capitals of the countries or regions. In case the exact weight cannot be derived from our systems, we have assumed an estimated weight per material based on the total weight. 16.6% of the reported emissions is based on the spend-based method. The transportation costs per operating company has been corrected for inflation in the relevant country of spend using inflation rates from IMF2025, and converted from local currency to EUR, multiplied by the corresponding spend-based emission factor from Exiobase (2019).

5 waste generated in operations

GHG emissions of waste generated in own operations refers to the emissions resulting from the disposal and treatment of waste produced by a company's operations. The GHG emissions are calculated using actual waste data per operating company. The following material categories are used: copper, plastics (PVC, XLPE, PE), other plastics, steel, aluminum, wood, paper and board, electronics, hazardous materials, and other materials. For each category the waste treatment has been reported being recycling, incineration, landfill or unknown. In case the waste treatment is uncertain, the treatment is reported under unknown. This means that highest waste treatment emission factor is used for that particular material category. We applied the assumption that the majority of copper, aluminum, and steel waste will be recycled. The GHG emissions are calculated using the material-specific waste emission factors from the Ecoinvent 3.11 database multiplied by the weight of waste per material (LCIA

method IPCC 2021 GWP100). For the category other materials we used the median of the emission factors applied for the other material categories.

6 business travel

GHG emissions associated with the business travel activities are calculated as the amount of kms per travel category (air short-haul, air medium-haul, air long-haul, rail, bus, and car) multiplied by the travel-specific emission factors from the Ecoinvent 3.11 database.

7 employee commuting

GHG emissions related to employee commuting are linked to the indirect emissions generated from the transportation of employees between their homes and their place of work. The emissions are calculated as the amount of kms per commuting category (car, public transport, and other) multiplied by the commuting-specific emission factors from the Ecoinvent 3.11 database. Emissions have been calculated based on a combination of activity data and estimations. Estimations are for example based on answers to a survey with questions regarding the means of transportation and type, and average weekly days spent working in the office. These average commuting weeks have then been multiplied by the number of employees of the particular operating company.

9 downstream transportation

The GHG emissions are calculated based on the average-data (distance-based) method, using distance, weight, and method of transportation per shipment (road,

rail, water, and air), multiplied by a matching emission factor from the Defra 2025 database. In case the exact distance cannot be derived from our systems, we have assumed the distance between the capitals of the countries. In case the exact weight cannot be derived from our systems, we have assumed an estimated weight per material based on the total weight. 2.2% of the reported emissions is based on the spend-based method. The transportation costs per operating company has been corrected for inflation in the relevant country of spend using inflation rates from IMF2025, and converted from local currency to EUR, multiplied by the corresponding spend-based emission factor from Exiobase (2019).

11 use of sold products

GHG emissions of the use of sold products refers to the direct and indirect emissions resulting from the use of our products during their life time. Direct emissions are resulting from products that directly consume energy (electricity) during use, for example our vision systems or tire building machines. Our cables, for example energy and communication cables, together with accessories, transport electricity between two locations. During this transport, part of the energy is lost, as the passage of the electric current through the conductor produces heat, known as Joule effect. This energy loss is not related to a direct consumption of energy by the cable, but due to the inherent resistivity of the conductive material when electricity is transmitted through the conductor. Therefore, these emissions resulting from energy losses are considered as indirect emissions within category 11 of scope 3.

The GHG emissions are calculated based on the average-data method, using the number of products sold, the estimated energy use per product or group of products, and the expected lifetime, multiplied by the country-specific emission factors from the Ecoinvent 3.11 database (LCIA method IPCC 2021 GWP100). We assumed that the area in which the use phase takes place is equal to our customer's location. In case the exact energy usage of our product cannot be derived from our systems or other sources, we used estimates or general available sources. In 2024, 75% of reported emissions were calculated using CE Delft's asset tool 2024v2.2 and Ecoinvent 3.9.1. As of 2025, this has been replaced by the average-data method to ensure consistency in calculation methodology. For this part, representing 77% of reported 2025 emissions, we used the emission factor from co2emissiefactoren.nl to align with CE Delft's methodology, which is industry standard for cable production-related companies.

12 end-of-life treatment of sold products

GHG emissions of end-of-life treatment of sold products refers to the emissions resulting from the disposal and treatment of our product at the end of their lifetime. The GHG emissions are calculated using material weight waste data per operating company. The following material

categories are used: copper, plastics, other plastics, steel, aluminum, wood, paper and board, electronics, lenses, fibre, hazardous materials, and other materials. For each category the waste treatment has been reported being recycling, incineration, landfill or unknown. In case the waste treatment is uncertain, the treatment is reported under unknow. This means that that highest waste treatment emission factor is used for that particular material category. We applied the assumption that copper, aluminum, and steel waste will be 100% recycled. The GHG emissions are calculated using the material-specific waste emission factors from the Ecoinvent 3.11 database multiplied by the weight per material (LCIA method IPCC 2021 GWP100). For the category other materials we used the median of the emission factors applied for the other material categories.

Other sustainability-related topics (not material)

The general, environmental, social, and governance sections of the sustainability statements contain the disclosures of the most significant sustainability topics, based on the ESRS materiality approach. The paragraph below contains other sustainability-related topics that are considered to be relevant but not material.

Facilitating training and education

Education and training are an indispensable part of maintaining our knowledge base, and our employees are encouraged to develop in the direction of their choice. We provide training budgets to further develop our employees' skills and enhance their employability. We organize internal training, with the help of external experts, so that it is as close as possible to TKH's normal practice. New employees go through introduction programs, including product training. In collaboration with Nyenrode Business University in Breukelen, the Netherlands, a Management Development (MD) program has been developed for those identified as having high potential for accelerated career advancement.

Candidates are nominated by the management teams of the operating companies based on predetermined selection criteria. The Executive Board plays a proactive role in the MD program. Through this MD program, selected candidates gain in-depth knowledge of topics such as strategy and leadership, business development and value creation, business processes and sustainability, and also work on business cases to put this into practice. In 2025, significantly more hours were spent on training and other courses than in the years before 2024. The number of FTEs increased in 2024 and 2025, resulting in more training hours. Our new production facilities, in particular, require training and education before operators can begin work. In 2025, we spent an

average of 39 hours per FTE on training (2024: 42 hours per FTE), well above our target of 16 hours per FTE.

Collective bargaining and social protection

Depending on the sector, for the majority of Dutch employees, we adhere to the social conditions of employment as set out in a collective labor agreement (28.1% of total employees). Agreement-related rules are implemented in those operating companies where there is no collective labor agreement. We apply a similar policy to foreign operating companies, in line with local laws and regulations. TKH ensures that such agreements are correctly drafted and observed, particularly regarding periods of notice, restraint-of-trade and non-compete clauses, and profit-sharing arrangements, and that the statutory notice periods and other provisions are observed. In the case of acquisition opportunities, the salary structure of the target company is one of the subjects examined during the due diligence process.

Political influence and lobbying activities

TKH and its companies are neither involved in political activities in the respective countries or regions where they operate, nor do they try to influence political decision-making by paying financial or in-kind political contributions to any potential beneficiary, nor do they undertake direct lobbying activities. Some operating companies are members of local industry or trade associations, business coalitions, and other organizations that are dedicated to important industry-related topics or work on standardization.

TKH has a global policy in place around corporate gifts and sponsorships. It states that we should not promise, offer, give, or authorize anything of value, directly or

through others, with the intent to improperly influence or reward a business decision. Any corporate gifts that are given or received must therefore remain within reasonable limits, but their value must in any case not exceed €100 and may never be accepted in the form of money. All business transactions entered into on behalf of TKH must be properly recorded in accordance with the appropriate procedures and will be available for inspection and verification.

Taxes

Tax is an integral part of our business strategy. The tax strategy is regularly discussed with and signed off by the Executive Board. Bodies such as the OECD provide guidelines on international tax matters, which TKH follows. This is reflected, for example, in TKH's tax position, which shows that taxes are paid where there is significant economic activity and value creation. For TKH, this is one of the relevant elements in the context of a fair-share tax contribution. Our tax policy is aligned with our organizational values. TKH focuses on compliance with applicable tax laws, regulations, and ethical standards in the countries in which we operate, and we pay our taxes in accordance with the letter and the spirit of tax laws and regulations. TKH's tax department is guided by TKH's values, does not engage in aggressive tax planning (including tax havens as defined by the OECD), and seeks to limit tax risks. The tax department has global responsibility for the tax position of TKH Group, particularly in relation to corporate income tax, restructuring, transfer pricing and international tax matters. In carrying out this task, the long-term considerations and interests of TKH's various stakeholders are taken into account.

Tax systems around the world and their application are becoming increasingly complex. To keep abreast of these developments and comply with them, we provide our tax department with continuous training, and internal training modules are regularly organized for selected departments of the various TKH operating companies, focusing on technical and other tax issues, including tax dilemmas. We continuously invest in technologies to improve data management, and thus the overall quality of direct and indirect tax compliance, control, and reporting. We strongly believe in the benefits that technology can offer in providing earlier access to tax-relevant data, particularly as the legal and regulatory environment is rapidly evolving and tax authorities are increasingly embracing digitalization. In recent years, the Tax Function has evolved from a manually oriented function to a more data-driven, digitally-enabled one and this evolution continues year on year.

Working together with tax authorities

We strive to build strong, mutually respectful relationships with the tax authorities based on transparency and trust. We therefore believe in an open and constructive dialogue, both with the Dutch tax authorities and those in other countries. Our relationship with the authorities is based on trust, mutual understanding, and transparency. It provides an opportunity to discuss potential tax uncertainties and keep each other informed of developments and their tax implications, thereby giving companies more certainty about their tax position, improving the quality of tax returns and ensuring that double taxation is avoided.

As of 2024, TKH has been selected for Individual Customer Management, which is being applied to the

hundred largest and most complex organizations in the Netherlands, such as multinationals and listed companies. In this respect, TKH actively cooperates with the Dutch Tax and Customs Administration to share the potential tax impact of new initiatives with them, and, if necessary, to embed them in a ruling. This ensures that the tax classification of new initiatives is in line with TKH's tax policy and meets the expectations of the Dutch Tax authorities. It also ensures that activities are taxed only once at a generally accepted tax rate where the business is conducted.

International tax developments

TKH submits an annual Country-by-Country (CbC) report to the Dutch Tax and Customs Administration. This report is made available through the appropriate channels to the tax authorities of the countries in which TKH operates. As from financial year 2025, TKH will also publish a public Country-by-Country report, following the EU directive on this topic. This report will be published separately in 2026 on TKH's website. In addition, TKH is subject to the so-called Mandatory Disclosure Rules (DAC6), which require TKH, and its advisors involved, to report selected cross-border tax arrangements. During the period under review, two reportable arrangements were disclosed. TKH is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted in the Netherlands effective as from 31 December 2023 for financial years starting on or after this date (e.g. financial year 2024). Under the legislation, the group is liable to pay a top-up tax for the difference between their (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. In this context, the group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

TKH has assessed the impact of Pillar Two on its financial position, whereby the initial focus is on the Transitional CbCR Safe Harbour rules. The Transitional CbCR Safe Harbour rules are a short-term measure to exclude a group's operations in lower-risk countries from the compliance obligation of preparing full Pillar Two calculations. Last year, based on the safe harbour assessment, two jurisdictions had an effective tax rate lower than 15% and consequently fell out of the Transitional CbCR Safe Harbour rules. Based on a more detailed assessment it was determined that this will not lead to any top-up tax under the full Pillar Two computations.

For the current year, three additional countries are expected to fall out of the Transitional CbCR Safe Harbour rules. Together with the jurisdictions that fell out last year, which are not able to invoke the Transitional CbCR Safe Harbour anymore due to the so-called "once-out-always-out" approach, there are in total five jurisdictions that are not able to invoke the Transitional CbCR Safe Harbour in 2025. These jurisdictions have been assessed in more detail. Pursuant to the assessment performed, these jurisdictions are not expected to result in any (material) impact on the financial position of the group.

EU taxonomy disclosure

TKH's reporting on EU taxonomy activities follows Regulation EU 2020/852 of the European Parliament and of the Council supplemented with Commission Delegated Regulation (EU) 2021/2139, Commission Delegated Regulation (EU) 2023/2485, Commission Delegated Regulation (EU) 2023/2486 and Commission Delegated Regulation (EU) 2022/1214. The EU Taxonomy Regulation is intended to serve as a standardized and mandatory classification system to determine which economic activities can be considered environmentally sustainable, and it requires companies to report on how and to what extent their activities are associated with such taxonomy-eligible activities. There are still uncertainties about the interpretation of the Taxonomy Regulation and the comprehensive and detailed framework is still in development. The Commission Delegated Regulation (EU) 2026/73 has not been used, and is applicable from January 1, 2026. This Regulation is amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives.

The EU Taxonomy Regulation provides certain conditions for taxonomy alignment. The relevant activity must substantially contribute to one or more of the following six environmental objectives, while not significantly harming any of the others.

There are six environmental objectives under the EU Taxonomy:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

The Delegated Acts adopted under the EU Taxonomy Regulation provide technical screening criteria that must also be met to conclude on taxonomy alignment, while also doing no significant harm to the remaining objectives and meeting minimum standards on human rights and labor standards. For an economic activity to be considered environmentally sustainable under the EU Taxonomy, it must be determined whether it is taxonomy eligible and whether it is taxonomy aligned, and the proportion in the total turnover, capex and opex.

EU Taxonomy turnover

Based on our assessment we concluded that only a very limited proportion of our turnover-generating activities should be included. The Taxonomy-eligible but not Taxonomy-aligned turnover was 0.3% in 2025 and related to 8.1 data processing, hosting, and related activities. Because we do not meet the requirements of the EU Directive on Data Centre Energy Efficiency the technical screening criteria are not met. As a result this activity is considered to be eligible but not aligned. The remaining turnover is non-eligible (99.7%). The turnover is calculated based on the "total turnover" according to the consolidated statement of profit and loss (refer to note 22 of the consolidated financial statements). The total value of TKH's turnover amounts to €1,761.2 million.

EU Taxonomy capex

We also assessed our capital expenditure. The reportable Taxonomy-eligible but not aligned capital expenditures in 2025 were 2.9% of the total capital expenditure in 2025 and related to 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (1.6%), 7.7 Acquisition and ownership of buildings (1.0%), and 8.1 data processing, hosting, and related activities (0.3%). Because we do not meet the requirements, the technical screening criteria are not met. As a result, this activity is considered to be eligible but not aligned. The remaining capex is non-eligible (97.1%). The capital expenditure was determined based on the 2025 additions to property, plant and equipment, intangible assets, and additions to right-of-use assets, excluding any re-assessments and excluding goodwill (refer to note 3 intangible assets and goodwill, note 4 property, plant and equipment, and note 5 right-of-use assets of the consolidated financial statements). The total value of TKH's capex amounts to €144.6 million.

EU Taxonomy opex

The Taxonomy-eligible but not aligned operational expenditures in 2025 were 9.0% and related to 7.7 Acquisition and ownership of buildings (8.2%) and 8.1 data processing, hosting, and related activities (0.8%). Not eligible operational expenditures were 91.0%. Operating expenses per the EU Taxonomy definition covers direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plants, and equipment. This differs from the definition of operating expenses in our financial statements. We used the following general ledger accounts in the operational expenditures assessment: R&D expenses,

building maintenance, repair/maintenance, short-term leases, low-value leases, cost of machinery, cost of warehousing and furniture, and cost of manufacturing and housing. These costs are included in the other operating expenses (refer to note 25 of the consolidated financial

statements). The total value of TKH's opex amounts to €62.9 million. Our EU taxonomy accounting policy includes references to the related line items in the consolidated financial statements, to avoid double counting between the various

reporting categories and objectives. We will continue to monitor legislative developments and adapt our disclosures as necessary. We have no economic activities related to nuclear energy and fossil gas.

EU Taxonomy turnover table			Substantial contribution criteria						Do no significant harm criteria										
Economic activities	Code	Absolute turnover	Proportion of turnover, 2025	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2024	Category enabling activity	Category transitional activity
		€ million	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
• Data processing, hosting and related activities	8.1	5	0.3%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5	0.3%														0.3%		
Turnover of Taxonomy-eligible activities (A.1 + A.2)		5	0.3%														0.3%		
B. Taxonomy non-eligible activities																			
Turnover of Taxonomy non-eligible activities (B)		1,756	99.7%														99.7%		
Total (A+B)		1,761	100.0%														100.0%		

Nuclear and fossil gas related activities		YES/NO
Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

EU Taxonomy capex table				Substantial contribution criteria						Do no significant harm criteria									
Economic activities	Code	Absolute capex	Proportion of capex, 2025	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) capex, 2024	Category enabling activity	Category transitional activity
	€ million	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
• Transport by motorbikes, passenger cars and light commercial vehicles	6.5	2	1.6%	N	N/EL	N/EL	N/EL	N/EL	N/EL								1.2%		
• Acquisition and ownership of buildings	7.7	1	1.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								4.4%		
• Data processing, hosting and related activities	8.1	1	0.3%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	4		2.9%														6.4%		
Capex of Taxonomy-eligible activities (A.1 + A.2)	4		2.9%														6.4%		
B. Taxonomy non-eligible activities																			
Capex of Taxonomy non-eligible activities (B)		141	97.1%														93.6%		
Total (A+B)		145	100.0%														100.0%		

EU Taxonomy opex table				Substantial contribution criteria						Do no significant harm criteria									
Economic activities	Code	Absolute opex	Proportion of opex, 2025	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) opex, 2024	Category enabling activity	Category transitional activity
	€ million	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
• Acquisition and ownership of buildings	7.7	5	8.2%	N	N/EL	N/EL	N/EL	N/EL	N/EL								8.4%		
• Data processing, hosting and related activities	8.1	1	0.8%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	6		9.0%														0.0%		
Opex of Taxonomy-eligible activities (A.1 + A.2)	6		9.0%														8.4%		
B. Taxonomy non-eligible activities																			
Opex of Taxonomy non-eligible activities (B)		57	91.0%														91.6%		
Total (A+B)		63	100.0%														100.0%		

Datapoints derived from other EU regulation

The table below outlines the datapoints derived from other EU legislation as listed in ESRS 2 Appendix B. It indicates where these datapoints can be found in our

report and identifies which data points are assessed as not-material or not-relevant.

not-material: information not material to reporting
not-relevant: information not relevant to our own operations or value chain

Datapoints derived from other EU regulation					
Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		84
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		84
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				86
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	98-103
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		98
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		98



Datapoints derived from other EU regulation

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				103
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				103
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				103
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		102
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		102
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	not-relevant
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453			not-relevant
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			not-relevant
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			not-relevant
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		not-relevant



Datapoints derived from other EU regulation

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				104-105
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				106-107
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				106
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				not-relevant
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				107
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				107
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				not-relevant
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				not-relevant
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				not-relevant
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				not-relevant
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				not-relevant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				not-relevant
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				110
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				110
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				not-relevant
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				not-relevant



Datapoints derived from other EU regulation

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				115-118
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		115-118
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				115-118
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				122-123
SRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				116-117
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		123
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				phased-in
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		not-material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				not-material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				not-material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		not-material
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				124-127
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				124-127
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				124-127
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		124-127



Datapoints derived from other EU regulation

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		124-127
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				124-127
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				not-material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not-material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				not-material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				128-130
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		128-130
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				130
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				131-135
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				135
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		139
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				138-139

1 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

2 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).

3 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and

financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

4 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

5 Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how

environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

6 Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

7 Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).



Financial statements

5

Consolidated financial statements

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Consolidated statement of profit and loss

in thousands of euros	Notes	2025	2024
Total turnover	22	1,761,167	1,712,735
Raw materials, consumables, trade products and subcontracted work		873,818	824,229
Personnel expenses	23	487,393	477,618
Other operating expenses	25	166,620	158,965
Depreciation and result on divestment of property, plant and equipment	26	60,654	52,003
Amortization	27	60,994	60,808
Impairments	28	8,659	8,504
Total operating expenses		1,658,138	1,582,127
Operating result		103,029	130,608
Financial income	30	1,307	1,351
Financial expenses	30	-29,723	-30,669
Exchange differences	30	1,385	-2,962
Share in result of associates	6	-1,571	249
Result on sale of associates and subsidiaries	34	35,774	24,221
Fair value changes of financial liability for earn-out and put options of shareholders of non-controlling interests	14	868	733
Result before tax		111,069	123,531
Tax on result	31	16,770	24,000
Net result		94,299	99,531
Attributable to:			
Shareholders of the company		94,372	99,561
Non-controlling interests		-73	-30
		94,299	99,531
Earnings per share attributable to shareholders	32		
Basic earnings per share (in €)		2.37	2.50
Diluted earnings per share (in €)		2.37	2.50

Consolidated statement of comprehensive income

in thousands of euros	Notes	2025	2024
Net result		94,299	99,531
Items that may be reclassified subsequently to profit or loss (net of tax)			
Currency translation differences		-25,782	12,587
Currency translation differences in associates		-78	19
Effective part of changes in fair value of cash flow hedges (after tax) ¹		5,491	-1,391
		-20,369	11,215
Items that will not be reclassified subsequently to profit or loss (net of tax)			
Actuarial gains/(losses) ¹	16	-103	-234
		-103	-234
Other comprehensive income (net of tax)		-20,472	10,981
Comprehensive income for the period (net of tax)		73,827	110,512
Attributable to:			
Shareholders of the company		73,917	110,552
Non-controlling interests		-90	-40
Total comprehensive income for the period (net of tax)		73,827	110,512

1. For the impact of taxes is referred to note 31.

Consolidated balance sheet

in thousands of euros	Notes	31-12-2025	31-12-2024
Assets			
Non-current assets			
Intangible assets and goodwill	3	597,686	611,082
Property, plant and equipment	4	501,105	486,166
Right-of-use assets	5	77,783	78,006
Associates	6	27,664	29,738
Other receivables	8	628	842
Deferred tax assets	15	16,797	16,949
Total non-current assets		1,221,663	1,222,783
Current assets			
Inventories	7	342,316	398,563
Trade and other receivables	8	253,496	250,044
Contract assets	9	198,467	165,861
Contract costs	9	5,549	10,325
Current income tax		5,554	12,939
Cash and cash equivalents	10	125,325	125,629
Total current assets		930,707	963,361
Assets held for sale	34	0	27,197
Total assets		2,152,370	2,213,341

in thousands of euros	Notes	31-12-2025	31-12-2024
Equity and liabilities			
Group Equity			
Shareholders' equity	11	899,830	882,979
Non-controlling interests	12	83	108
Total group equity		899,913	883,087
Non-current liabilities			
Interest-bearing loans and borrowings	17	565,599	620,085
Deferred tax liabilities	15	53,798	58,985
Retirement benefit obligation	16	2,630	3,070
Other non-current financial liabilities	14	3,001	3,825
Provisions	13	11,816	13,093
Total non-current liabilities		636,844	699,058
Current liabilities			
Interest-bearing loans and borrowings	18	109,894	90,270
Trade payables and other payables	19	341,863	327,684
Contract liabilities	9	137,632	176,645
Current income tax liabilities		8,197	5,815
Other financial liabilities	14	1,839	1,939
Provisions	13	16,188	19,824
Total current liabilities		615,613	622,177
Liabilities directly associated with assets held for sale	34	0	9,019
Total equity and liabilities		2,152,370	2,213,341

Consolidated statement of changes in group equity

in thousands of euros	Share capital	Share premium	Legal reserve	Translation reserve	Cash flow hedge reserve	Retained earnings	Unappropriated profit	Total shareholders' equity	Non-controlling interests	Total group equity
Balance at 1 January 2024	10,554	85,021	115,161	9,968	-525	449,682	165,704	835,565	148	835,713
Net result							99,561	99,561	-30	99,531
Other comprehensive income				12,616	-1,391	-234		10,991	-10	10,981
Total comprehensive income	0	0	0	12,616	-1,391	-234	99,561	110,552	-40	110,512
Appropriation profit last year						165,704	-165,704	0		0
Capital contribution								0		0
Dividends						-67,884		-67,884		-67,884
Share and option schemes						3,827		3,827		3,827
Purchased shares for share and option schemes						-2,108		-2,108		-2,108
Sold shares for share and option schemes						3,027		3,027		3,027
Change in legal reserve for participations			-2,046			2,046		0		0
Capitalized development costs			7,283			-7,283		0		0
Balance at 31 December 2024	10,554	85,021	120,398	22,584	-1,916	546,777	99,561	882,979	108	883,087
Net result							94,372	94,372	-73	94,299
Other comprehensive income				-25,843	5,491	-103		-20,455	-17	-20,472
Total comprehensive income	0	0	0	-25,843	5,491	-103	94,372	73,917	-90	73,827
Appropriation profit last year						99,561	-99,561	0		0
Capital contribution								0	65	65
Dividends						-59,932		-59,932		-59,932
Share and option schemes						3,792		3,792		3,792
Purchased shares for share and option schemes						-1,019		-1,019		-1,019
Sold shares for share and option schemes						93		93		93
Change in legal reserve for participations			-3,464			3,464		0		0
Capitalized development costs			6,569			-6,569		0		0
Balance at 31 December 2025	10,554	85,021	123,503	-3,259	3,575	586,064	94,372	899,830	83	899,913

Consolidated cash flow statement

in thousands of euros	Notes	2025	2024	in thousands of euros	Notes	2025	2024
Cash flow from operating activities				Cash flow from financing activities			
Operating result		103,029	130,608	Dividends paid		-59,932	-67,884
Depreciation, amortization and impairment	26, 27, 28	130,415	121,652	Settlement of financial liabilities regarding put options of non-controlling interests and earn-out	14	-56	-447
Share and option schemes not resulting in a cash flow		3,792	3,827	Purchased shares for share and option schemes		-1,019	-2,108
Result on disposals	26	-157	-337	Sold shares for share and option schemes		93	3,027
Changes in provisions		-2,809	-14	Payment of lease liabilities	18	-17,198	-16,005
Changes in working capital		-32	13,910	Proceeds from long term debts	18	75,000	44,086
Cash flow from operations		234,238	269,646	Repayments on long-term debts	18	-130,791	0
Interest received		1,307	1,351	(Repayments)/proceeds from other long-term debts		-965	-631
Interest paid		-30,175	-29,490	Change in short-term borrowings	18	21,597	15,849
Income taxes paid		-12,989	-45,296	Net cash flow from financing activities (C)		-113,271	-24,113
Net cash flow from operating activities (A)		192,381	196,211	Net increase/(decrease) in cash and cash equivalents (A+B+C)		4,443	33,269
Cash flow from investing activities				Exchange differences		-6,397	256
Investments in intangible assets	3	-60,191	-61,696	Change in cash and cash equivalents		-1,954	33,525
Divestments in intangible assets	3	116	0	Cash and cash equivalents at 1 January	10	127,279	93,754
Purchases of property, plant and equipment	4	-70,129	-100,714	Cash and cash equivalents at 31 December	10	125,325	127,279
Disposals of property, plant and equipment	4	1,132	1,992				
Dividends received from associates	6	30	60				
Repayments on loans		214	-90				
Acquisition of subsidiaries less cash and cash equivalents acquired	34	0	-38,640				
Divestment of associates and subsidiaries classified as held-for-sale less transferred cash	34	54,161	60,259				
Net cash flow from investing activities (B)		-74,667	-138,829				

Notes to the Consolidated financial statements

1

MATERIAL ACCOUNTING PRINCIPLES

General

TKH Group N.V. (hereafter 'TKH') operates as a technology company, which specializes in the creation of innovative, client-centric technology systems that drive success in automation, digitalization and electrification. TKH operates globally and focusses on growth across Europe, North America and Asia. TKH Group N.V. has been incorporated and domiciled in Haaksbergen, the Netherlands. TKH Group N.V. has its registered office and factual seat at Spinnerstraat 15, 7481 KJ in Haaksbergen in the Netherlands and is registered in the trade register under number 06045666. The consolidated financial statements of TKH have been drawn up in accordance with the International Financial Reporting Standards ('IFRS') adopted by the European Commission and applicable on the accounting period that begun on 1 January 2025. The company financial statements are part of the financial statements of TKH. The financial statements have been prepared based on the historical cost basis, except for the valuation at fair value of derivatives and share-based payments. All transactions in financial instruments are recognized at transaction date. To the extent that alternative performance measures are used these are explained in the glossary, which is included in the 'Other information'.

Going concern

TKH has prepared the financial statements on the basis that it will continue to operate as a going concern.

Comparative figures

Comparative figures may have been reclassified for comparability purposes. If considered to be material, the relevant disclosure has been added to the applicable note. Specific reference is made to note 10 Cash and cash equivalents.

New accounting principles and interpretations

As from 1 January 2025 the following amendments of standards and new interpretations are effective:

- Lack of Exchangeability – Amendments to IAS 21 (starting 1 January 2025)

The adoption of the amendments and improvements did not have material impact on the financial statements. TKH has not opted for an early adoption of the following new standards, amendments to standards and new IFRIC interpretations, which are mandatory for accounting periods that begin on or after 1 January 2026:

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (starting 1 January 2026)
- Annual Improvements to IFRS Accounting Standards—Volume 11 (starting 1 January 2026)
- Contracts referencing nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 (starting 1 January 2026)
- IFRS 18 – Presentation and Disclosure in Financial Statements (starting 1 January 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (starting 1 January 2027)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (starting 1 January 2026)

IFRS 18 will have implications regarding the presentation, classification and disclosures relating to the statement of profit and loss. The items which are now presented below the operating results will have to be reclassified towards either operating, investing or financing result, based on their nature. The largest impact will come from the reclassification of the incidental result on divestment of subsidiaries towards operating result. Further impact comes from the split of the exchange differences into operating, investing and financing result based on their nature. This will be further assessed in detail in the upcoming period.

TKH expects that the adoption of the other new standards and amendments in future periods will not have a material impact on its financial statements.

Consolidation

The consolidated financial statements include the annual accounts of all subsidiaries over which TKH has or can exercise control. Control is achieved when TKH is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. An overview of consolidated entities is included in the 'Other information'. If facts and circumstances indicate that there are changes to one or more of the three elements of control, TKH re-assesses whether or not it controls a subsidiary. Consolidation of a subsidiary begins when TKH obtains control over the subsidiary and ceases when TKH loses control of the subsidiary.

Profit or loss and each component of other comprehensive income (hereafter 'OCI') are attributed to the shareholders of TKH and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting principles in line with

TKH's accounting principles. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between subsidiaries are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If TKH loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resulting gain or loss is recognized in the statement profit and loss.

Segment reporting

TKH is organized along the lines of our three technologies: Smart Vision systems, Smart Manufacturing systems and Smart Connectivity systems. The internal and external segment reporting as follows this structure. For these segments, discrete financial information is available that the Executive Board, the highest operational decision-makers, evaluates regularly. The Executive Board decides on the allocation of resources and reviews the performance of the three segments. These performances are reviewed and reported to the level of operating result. The accounting principles that are applied to these consolidated financial statements also apply to the business segments. The transaction prices for deliveries between segments are determined on an arm's length basis. The results, assets and liabilities of a segment include both items directly linked to that segment as items that can reasonably and consistently be allocated to that segment. Besides the information about the operating segments, selective information by geographic region is disclosed. In the overview of 'Consolidated entities', as part of the 'Other information', is shown in which of the segments the different subsidiaries operate.

Foreign currencies

The consolidated financial statements are presented in euros, which is also the functional currency of the holding. Transactions in foreign currencies are translated into the respective functional currencies of the entities of the group, at the prevailing exchange rate at transaction date. In foreign currency denominated monetary assets and liabilities at the balance sheet date are translated at the exchange rate prevailing at that date. The result of the conversion occurring exchange differences on monetary items, are recorded in the statement of profit and loss. Assets and liabilities of foreign subsidiaries with a functional currency other than the euro are translated at the exchange rates prevailing at the balance sheet date. The profit and loss accounts of foreign subsidiaries are translated using the weighted average monthly exchange rates over the year under review. Goodwill and fair value adjustments related to the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rates at the balance sheet date. The exchange differences arising from the translation are recognized through OCI as a separate item in equity. Exchange differences recorded through OCI are reclassified to the statement of profit and loss as part of the result on disposal in the period in which the related entities are disposed of.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date at fair value and the amount of any non-controlling interests in the acquiree, in exchange for control of the acquiree. Acquisition related costs are recognized in the statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of TKH entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the net amounts of the identifiable assets acquired and the liabilities assumed at acquisition date. If the amount is negative, a badwill (bargain purchase gain) is recognized immediately as benefit in the statement of profit and loss.

Non-controlling interests are reported separately from the group result and group equity. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognized in equity of the parent in transactions where the non-controlling interests are acquired or sold without loss of control. TKH has elected to recognize this effect in retained earnings. When a non-controlling shareholder has an unconditional right to sell its shares to TKH according to a contractual agreed formula ('put option'), a liability is recognized by TKH for the shares to be purchased. The liability is recognized at the present value of the estimated future cash outflow. A legal reserve is accounted for the interest in the equity of the subsidiary of which the economic ownership has been obtained, but not yet the legal ownership. Adjustments after the first recognition on the value of the financial liability for put options and earn-out payments are recognized directly into the statement of profit and loss.

Intangible assets and goodwill

Goodwill

Goodwill is capitalized and allocated to cash-generating units. Goodwill is not amortized. Instead, it is tested at least annually for impairment. Any impairment loss is recognized in the statement of profit and loss as soon as it occurs and is not reversed in subsequent periods. On sale of a subsidiary, the goodwill is included in the determination of the profit or loss on a disposal.

Other intangible assets

Expenditure for research is charged to the profit and loss when incurred. Expenditure for development is capitalized if the following conditions are met:

- An asset is created that can be identified;
- It is probable that the asset created will generate future economic benefits; and
- The development costs can be measured reliably.

Development costs are not capitalized if they are directly reimbursed by third parties and TKH does not obtain the property rights. Other intangible non-current assets are valued at historical cost less amortization. The amortization is on a straight-line basis over their expected useful life. The expected useful life is as follows:

- Capitalized development costs: 3-7 years
- Patents, licenses and trademarks: 3-10 years
- Acquired customer relationships: 7-17 years
- Acquired brand names: 10-15 years
- Acquired intellectual property: 5-10 years

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment are depreciated from the date they are ready for their intended use. Depending on the type of asset, a residual value of 0 to 10% is taken into account. The expected useful life is as follows:

- Buildings: 30-33 years
- Machinery and installations: 5-15 years
- Other equipment: 3-10 years

Land is not depreciated. Other equipment includes furniture, IT-hardware and transport equipment. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Right-of-use assets

For new agreements, TKH considers whether the contract is or contains a lease. A lease is defined as a contract or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. To apply this definition, TKH assesses whether the contract meets three important criteria, namely:

- The contract contains an identified asset that is explicitly or implicitly identified in the contract;
- TKH has the right to obtain substantially all economic benefits from the use of the identified asset during the period of use, given its rights within the defined scope of the contract; and
- TKH has the right to use the identified asset throughout the period of use. TKH assesses whether it has the right to determine how and for what purpose the asset is used during the term of the lease.

At commencement date of the lease, TKH recognizes an asset and a lease liability in the balance sheet. The right of use is valued at cost, which consists of the initial valuation of the lease obligation, any initial direct costs incurred by TKH, an estimate of any costs for dismantling and removing the asset at the end of the lease, and all lease payments made before the commencement date of the lease (after deduction of received incentives). The Right-of-use assets are amortized on a straight-line basis from the commencement date of the lease to the first of the end of the useful life of the right of use or the end of the lease period or over the useful life if the underlying asset is (expected) to be acquired. TKH assesses the asset for impairment when such indicators exist.

On the commencement date, TKH values the lease obligation at the present value of the lease payments unpaid on that date, discounted using the interest rate implicit in the lease if it is readily available or the incremental borrowing rate. Lease payments that are included in the measurement of the lease obligation consist of fixed payments, variable payments based on changes in an index or price, amounts that are expected to be paid under a residual value guarantee and payments that arise from extension options that are reasonably certain to be exercised. After the initial valuation, the obligation is lowered for payments and increased for interest. The obligation is determined again in the event of changes in underlying provisions. When the lease obligation is remeasured, the corresponding adjustment is reflected in the asset or in the result if the asset has already been reduced to zero.

TKH has chosen to apply the exemption for short-term leases and for leasing assets with a low value. Instead of including a right of use and lease obligation, the payments related to these are recognized as a charge in the income statement on a straight-line basis over the lease period.

Impairment

At least annually, the company reviews its tangible and intangible non-current assets to determine whether there are indications that those assets have suffered an impairment loss. If there is any such indication the recoverable value of the asset is estimated to determine the extent of the impairment loss. If the asset does not generate cash itself, the company determines the recoverable value of the smallest cash-generating unit to which the asset belongs. The recoverable amount is the fair value less cost of disposal or the value in use, whichever is higher. The value in use is based on the estimated future cash flows that are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is less than its carrying amount, the asset is written down to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, with the exception of goodwill, but never higher than the carrying amount that would have been determined when no impairment loss has been recognized. The increase is recognized immediately in the statement of profit and loss.

Associates

The associates in which TKH has significant influence in the financial and operating policy decisions, but no control or joint control, are valued according to the equity method. Under the equity method, the share in the profit or loss of the associate is recognized in the statement of profit and loss, provided that it would not result in negative carrying value of the associate, unless TKH is obliged to partially or completely compensate losses. The share in the associate is determined based on TKH's share in the net assets of the associate, including the paid goodwill at acquisition and less any impairment loss. Dividend from associates is recognized when the shareholders' right to receive payments has been established. Receipt of dividends reduces investments in associates.

Inventories

Inventories are stated at the lower of cost and net realisable amount. The net realisable amount is the estimated sales price in normal course of business less estimated cost of completion and selling expenses. The cost of raw materials and consumables is based on the average purchase price and cost incurred in bringing the inventories to their present location and condition. The cost of semi-manufactured and finished products comprise the direct materials and direct labor costs as well as a surcharge for the attributable production costs.

Contract assets

A contract asset is the right to consideration in exchange for products or services transferred to the customer. If TKH performs by transferring products or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration. Upon completion of the performance obligation and acceptance by the customer, the amount recognized as contract assets is reclassified to trade receivables.

Contract costs

Capitalized contract costs are systematically amortized over the transfer period of the related products or services to the customer.

Contract liabilities

A contract liability is the obligation to deliver products or services to a customer for which TKH has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before products or services are delivered to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when TKH performs under the contract.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset for an entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognized in the balance sheet when TKH becomes a party in a contract. Financial assets and financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value with recognition of changes in value in the profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities upon initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value with recognition of value changes in the profit and loss are recognized immediately in the profit and loss. An exception to this relates to trade receivables, which are valued at the transaction price determined under IFRS 15.

Financial assets

Financial assets are at initial recognition classified in one of three groups for the subsequent measurement:

- amortized cost,
- fair value with change in value through OCI or
- fair value with change in value through profit or loss.

The classification of a financial asset on initial recognition depends on the contractual cash flow characteristics and the business model of TKH to manage it. A financial asset can only be classified and valued at amortized cost or fair value through OCI if it generates cash flows that consist solely of repayment of principal and interest ('SPPI') on the outstanding principal. This assessment is called the SPPI test and is performed at instrument level. The business model refers to the way in which TKH manages its financial assets to generate cash flows. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets or both. Purchases or sales of financial assets that require delivery of assets established by regulation or convention in the market place (regular way trades) are recognized on the trade date, the date that TKH commits to purchase or sell the asset. Financial assets at amortized cost are then measured using the effective interest method ("EIR") and tested for impairment. Gains and losses are recognized in the income statement when the asset is no longer recognized, adjusted or written off. The financial assets at amortized cost mainly comprise trade receivables.

Derecognition of financial assets

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired, or;
- TKH has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) TKH has transferred substantially all the risks and rewards of the asset, or (b) TKH has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When TKH has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, TKH continues to recognize the transferred asset to the extent of its continuing involvement. In that case, TKH also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that TKH has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that TKH could be required to repay.

Impairment of financial assets

TKH recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that TKH

expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. A financial asset is written off when there is no reasonable expectation to recover the contractual cash flows.

For trade receivables and contract assets, TKH applies a simplified approach in calculating ECLs. Therefore, TKH does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. TKH has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A further explanation is included in note 20.

Financial liabilities

Financial liabilities are classified, at initial recognition, as

- financial liabilities at fair value through profit or loss,
- loans and borrowings,
- other payables, or
- derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. TKH's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments. The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through profit or loss

This category include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by TKH that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. TKH has no designated financial liabilities at the balance sheet date at fair value with the recognition of changes in value in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to TKH. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. The EIR method is a method for calculating the amortized cost of a financial liability and for allocating interest expenses over the relevant period. The effective interest rate is the rate that discounts the estimated future cash payments (including any fees paid or received that are an integral part of the effective interest rate and transaction costs) over the expected life of the financial liability to the amortized cost of a financial liability. Gains and losses are recognized in the statement of profit and loss when the liabilities are no longer recognized. In addition, the EIR amortization is included in the statement of profit and loss as financing costs.

Other payables

The other current liabilities are initially recognized at fair value and subsequently at amortized cost, which is generally equal to the nominal value.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivatives

Derivative financial assets and financial liabilities ('derivatives') are recognized in the balance sheet when TKH concludes a contract for such an instrument. Derivatives are stated at fair value on the contract date and are then measured at the prevailing fair value at subsequent reporting dates. Changes in the fair value of derivatives that are designated and effective as hedges of future cash flows are recognized directly in the OCI and accounted for as a separate item in equity. The ineffective portion is recognized immediately in the statement of profit and loss. If the cash flow from an existing commitment or an expected future transaction results in the recognition of an asset or liability, at the time the asset or liability is

recognized the associated gains or losses on the hedging instrument that had previously been recognized in the OCI are included in the valuation of the asset or the liability. For hedges that do not result in the recognition of an asset or a liability, the gains or losses recognized in the OCI are recognized in the statement of profit and loss in the same period as the underlying hedged transaction is recognized in the statement of profit and loss. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized immediately in the statement of profit and loss. Hedge accounting is discontinued when the hedge instrument expires, is sold, exercised or no longer qualifies for hedging. The cumulative gains or losses on that hedging instrument recognized up to that time in equity are recognized in the statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the cumulative gains or losses recognized in the OCI are transferred to the statement of profit and loss.

Assets and directly associated liabilities held for sale and discontinued operations

Assets held for sale

Assets and liabilities are classified as held for sale if their carrying amount will be realized primarily through a sales transaction rather than through continued use. The reclassification takes place when the assets and liabilities are available for immediate sale and the sale is within one year. Assets and liabilities held for sale are stated at book value or lower fair value less costs to sell. Non-current assets held for sale are not depreciated. Selling costs are the incremental costs that can be directly attributed to the sale of an asset, excluding any financing costs and income tax. Said classification only takes place if the sale is very likely, in its current condition the assets are immediately available for sale and the sale is expected to be completed within one year. When these criteria are no longer met, TKH ceases to classify the assets and liabilities as held for sale. These assets and liabilities will then be measured at the lower of (a) its carrying amount before the asset was classified as held for sale or for distribution, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been so classified and (b) its recoverable amount at the date of the subsequent decision not to sell or distribute.

Discontinued operations

A group of assets being disposed of qualifies as a 'discontinued operation' if it is (part of) an entity that is either disposed of or classified as held for sale, and:

- represents a separate major line of business or geographical business area;
- is part of a coordinated plan to dispose of a separately important business activity or geographical area; or
- is a subsidiary, which has been taken over solely for the purpose of resale.

Discontinued operations are excluded from the results from continuing operations and are presented as a single amount in the line 'Result after tax from discontinued operations' in the profit and loss account. All other notes to the financial statements include amounts for continuing operations, unless otherwise indicated.

Provisions

General

Provisions are recognized when (a) TKH has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (c) a reliable estimate can be made of the amount of the obligation. Provisions are recognized based on the expected expenditure required to settle the obligation. Long-term provisions, with the exception of the provision for deferred tax, are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, an increase in the provision as a finance cost is recognized due to the passage of time.

Pensions

Premiums for defined contribution plans are recognized as expense in the period to which they relate. For defined benefit pension plans, which relate to foreign plans, the net liability is calculated per scheme by estimating the defined benefit obligation that employees are entitled to in exchange for their services rendered during the financial year and previous years. The defined benefit obligations are discounted. The defined benefit obligations and the costs of the defined benefit plans are calculated according to the 'Projected Unit Credit Method', with actuarial calculations being made at balance sheet date. This method takes into account future salary increases as a result of the career opportunities of employees and general wage developments including inflation adjustment. The discount rate is the yield rate at the balance sheet date on high quality corporate bonds with a term that approaches the term of the obligations of TKH. Actuarial gains and losses are directly accounted for in the OCI, which will not be reclassified subsequently to the statement of profit and loss. If the calculation results in a potential asset, the recognition of the asset is limited to the present value of any economic benefits available in the form of future refunds from the plans or reduced future pension contributions ('asset ceiling'). This is evaluated per pension scheme. In the calculation of the present value of economic benefits any minimum funding obligations that apply are taken into account. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Net interest on defined benefit obligations are accounted for as interest expense as part of the financial expenses. When pension entitlements are changed under a pension plan, the change in pension entitlements related to past service or the gain or loss on that change is recognized directly in the statement of

profit and loss. Pension costs, including pension costs on past service and the impact of settlements and curtailments are recognized as personnel costs.

Jubilee bonuses

The net liability for jubilee bonuses is the amount of future benefits that relate to services from employees during the financial year or previous periods. The liabilities are discounted to its present value taking into account estimated dismissal chances and salary increases.

Provision warranty obligations

The provision warranty obligations is recognized for the estimated costs that are expected to arise from active warranty obligations in respect of goods and services at balance sheet date. The costs arising from warranty claims are charged against the provision.

Onerous contracts

A loss-making contract is a contract in which the unavoidable costs (i.e., the costs that TKH can not avoid because it has the contract) to meet the obligations under the contract exceed the economic benefits that are expected to be received. The unavoidable costs under a contract reflect the lowest net costs of terminating the contract, the performance of the contract and any compensation or penalties arising from non-compliance. For a loss-making contract with customers, a provision is recognized and valued insofar as the unavoidable costs for completing the contracts are higher than the contract price.

Restructuring liability

This provision relates to costs in connection with the restructuring of operations and is formed if effectively or legally a commitment for TKH has arisen. A provision is formed if a plan has been formalized as at balance sheet date and either the legitimate expectation has arisen with the people involved that the restructuring will be implemented, or that a start has been made with implementing the restructuring plan.

Other provisions

Unless stated otherwise, the other provisions are valued at the nominal value of the expenditure that are estimated to be necessary to settle the respective obligations.

Deferred tax

Deferred tax relates to temporary differences between the value in the financial statements and the value for tax purposes. No deferred tax is recognized for non-deductible goodwill and subsidiaries and associates included in the participation exemption. Deferred tax assets are only recognized to the extent that it is probable that they can be realized. The carrying amount

of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. In assessing the recoverability of deferred tax assets, TKH relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Changes in deferred tax are recognized immediately in the statement of profit and loss, with the exception of deferred tax that relates to items that are recognized in the OCI or directly in equity. TKH offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover

The turnover includes the net turnover, as well as other revenues. Net turnover is the revenue from products and services delivered to third parties during the year under the deduction of

discounts, bonuses and stock returns. Revenue is measured on the basis of the consideration set out in a contract with a customer. Products are regularly sold with volume discounts based on total sales over a period of one year. Revenues from these sales are recognized on the basis of the price specified in the contract, after deduction of the estimated volume discounts. Revenue is only recognized to the extent that it is highly probable that a reversal will not take place. A refund liability, included in the other current liabilities, is recognized for expected volume discounts payable to customers in connection with sales made until the end of the reporting period. There is no financing element applicable because the sales take place with a relatively short credit term, which is consistent with market practice.

The obligation to repair or replace defective products under the standard warranty conditions is recognized as a warranty provision. In addition, TKH offers to a limited extent an extended warranty that is sold together with products and systems. Two performance obligations can be distinguished in such contracts, namely the delivery of products and services and the service-type warranty. Using the relative stand-alone sales price method, a portion of the transaction price is allocated to the service-type warranty and recognized as a contract liability. Revenue is recognized on a straight-line basis over the period in which the service-type warranty is granted based on the time elapsed.

The revenue of TKH consists of products and services within the business segments Smart Vision systems, Smart Manufacturing systems and Smart Connectivity systems that are delivered to customers as a separate product/service or as a total solution. TKH recognizes revenue when control of a product or service is transferred to a customer. In the following overview the revenue recognition per segment is further elaborated.



Segment	Products and services	Nature and timing of fulfillment of performance obligations
Smart Vision systems	<p>Vision Technologies represents about 88% of the turnover of the Smart Vision systems segment and consists of 2D & 3D Machine Vision and Security Vision technology. The technologies are combined with software to create smart technologies and one-stop-shop solutions with plug-and-play integrated systems. Our Machine Vision technology systems improve quality inspection, operation, and object monitoring within various industries such as consumer electronics, factory automation, ITS, medical and life sciences.</p> <p>Our Security Vision systems, combined with advanced communication technologies, enable the customers to manage and control the urban environment efficiently. Simultaneously, the technologies improve sustainability factors, safety and security in various markets such as Infrastructure, Parking and Building security.</p>	<p>A large part of the revenue in Smart Vision systems is accounted for when the products are transferred to the customer in accordance with the delivery conditions of the sales contract and there is no unfulfilled obligation that could affect the customer's acceptance. A receivable is recognized at that moment because the consideration has become unconditional and only the passage of time is required before the payment is due. To a lesser degree also the following revenue streams exist:</p> <ul style="list-style-type: none"> Customer-specific products and systems (including software products): Customer-specific products and systems: A number of products and systems are designed or adapted to customer-specific requirements. TKH recognizes turnover over a period if (i) the customer has control during the creation or improvement of the product / system or (ii) a product/system is created without alternative use and TKH has an enforceable right to payment for the work performed. Examples of (i) include parking guidance that are built up and commissioned on-site. Examples of (ii) are amongst others machine vision cameras constructed for a specific customer application and by TKH integrated security and communication systems. If the two conditions mentioned above are not met, revenue is only recognized at transfer date. For customer-specific systems, installation can be part of the transaction price. A distinction is made between configuration and the physical installation. The configuration is an integral part of the system sold, while the installation is often regarded as a separate service that is usually outsourced to third parties. The installation services to be delivered are separately identifiable and accordingly the transaction price is attributed to the system and the installation based on the relative stand-alone selling prices. Installation is a performance obligation that is fulfilled over time. If revenue is recognized over a period, this is based on the stage of completion of the contract. The progress is determined on the basis of the input method based on a cost price method. Which means, the part of the contract costs incurred for the work that has been carried out to date in relation to the estimated total contract costs. For the payments due by the customer, which according to the contract cannot yet be invoiced, a contract asset is recognized for the period in which the work has been carried out. This contract asset reflects the right to compensation for work performed to date. If more is invoiced than has been performed to date, a contract liability is recorded. Contract liabilities are recognized as revenue when TKH performs under the contract. Maintenance and licenses: Maintenance and licenses are part of the transaction price for a number of products and systems. These relate to activities that may have to be carried out during a certain period after sale. This period can thereafter be extended by the customer at then applicable prices. Maintenance and licenses are considered as a separate service. A part of the transaction price is therefore allocated to these services based on their stand-alone selling price. The transaction price allocated to these services is recognized as a contract liability at the time of the initial sale transaction and is subsequently recognized as revenue on a straight-line basis over the contract period.



Segment	Products and services	Nature and timing of fulfillment of performance obligations
Smart Manufacturing systems	<p>TKH engineers complete manufacturing systems and machines that contribute to super-efficient manufacturing and processing. Systems engineering and assembly, control and analysis software, as well as connectivity and vision technology, are the basic building blocks for the distinctive Smart Manufacturing systems supplied to various industries such as car and truck tire production, factory automation, and care solution by providing medicine distribution machines. Tire Building systems represents about 86% turnover share of Smart Manufacturing systems segment.</p>	<p>The majority of the revenue within Smart Manufacturing systems qualifies as Customer-specific products and systems for which recognition is already described at Smart Vision systems. Examples are tire building, medicine distribution and industrial automation systems.</p> <p>In contrast to Smart Vision systems, for the tire building activities the installation is regarded as an integral part of the performance obligation to the customer, because on-site systems are constructed, configured and tested by employees.</p> <p>The remainder of the revenue relates to standardized products and is accounted for when the products are transferred to the customer in accordance with the delivery conditions of the sales contract and there is no unfulfilled obligation that could affect the customer's acceptance.</p> <p>Sales commissions: Agents are used, who earn a sales commission on the revenue collected. These incremental costs for obtaining a contract are directly related to the sales that were realized in a certain period. The sales commissions, mostly paid before start of the contract, are capitalized as contract costs and amortized over the expected contract period.</p>
Smart Connectivity systems	<p>TKH makes advanced Connectivity systems and engineers complete Smart Connectivity systems with a unique integrated system approach and sustainability proposition. Electrification and Digitalization represent about 72% and 25% turnover share of the Smart Connectivity systems segment.</p> <p>Our connectivity systems are developed for on-shore and off-shore energy distribution. In addition, TKH produces specialized cable systems for diverse industrial automation applications in high-tech environments, such as the industrial, marine & offshore and medical sectors. Our Fibre Optic connectivity systems are manufactured for data and communication networks. Our advanced connectivity technology for contactless energy and data distribution (CEDD) for airfield ground lighting systems is a connectivity system consisting of both hardware components and software, to further improve the efficiency and safety of specific airfield applications.</p>	<p>The majority of revenue relates to standardized products and are accounted for in a similar way as described above. Customer-specific products and systems for which there is no enforceable right to payment for the work that has already been performed, are also recognized as revenue in the same way.</p> <p>Customer-specific products and systems are accounted for in the same way in Smart Vision systems. Examples are special cable and cable systems for machines, robots, medical applications and subsea cable systems. For subsea cable systems, surveys, installation and laying can be part of the contract scope. Per contract it is determined whether these services are separately identifiable and accordingly if the transaction price is to be attributed separately.</p>

Operating expenses

General

The cost of production and other expenses directly related to ordinary operational activities, which underlie the turnover, are stated as operating expenses.

Government subsidies

Government subsidies are recognized when there is reasonable assurance that the grant will be received and all conditions will be met. Government subsidies are recognized in the statement of profit and loss in the same period as the expenses to which they relate. The subsidy is deducted from the related costs. Grants related to fixed assets are deducted from these assets and credited to the profit and loss account over the expected useful life of the asset concerned.

Share-based payments

TKH has a stock option and a share scheme, which both qualify as share-based payments:

- The stock options are settled in equity instruments. They are valued at fair value at the date they were granted. The fair value is calculated by using an option pricing model that takes into account market related vesting conditions attached to the granting of the options. The fair value is charged to the profit and loss account over the period between the granting of the options and the time that the share options vest, adjusted for the expected number of share options to be exercised.
- The shares issued free of charge are also settled in equity instruments and are measured at the grant date at fair value. The fair value is determined based on the prevailing share price at the time of grant. The fair value is charged to the profit and loss account in the year to which the grant relates.

Financial income and expenses

Financial income and expenses comprise the interest received from or paid to third parties relating to the year under review. Interest is recognized according to the effective interest method. The interest income and the interest expenses on bank accounts that belong to one and the same interest compensation system are set off. The interest balance of the interest combination is stated under interest income or interest expenses. Financial expenses related to the construction of property, plant and equipment have been recognized as part of the asset. Translation differences on sale and purchase transactions are classified under financial income and expenses.

Tax

Tax is calculated on the result before tax, taking into account the prevailing tax rates and tax legislation in the different countries. Tax is accounted for in the statement of profit and loss, unless it relates to items directly recognized in the OCI, in which case taxes are also accounted for in the OCI. In addition to the tax directly payable or receivable for the reporting year, the item also includes the changes in the deferred tax assets and liabilities and adjustments to tax assessments from previous years.

Non-controlling interest

This item comprises the share of third parties in the results and equity of subsidiaries according to TKH's accounting principles.

Cash flow statement

The cash flow statement has been drawn up using the indirect method. With this method, the operating result is adjusted for items in the statement of profit and loss that have no impact on receipts and payments in the year under review and changes in items in the balance sheet and statement of profit and loss whose income and expenses are not considered to belong to the operational activities. The cash position in the cash flow statement consists of cash and cash equivalents less short-term borrowings included in cash pools as this is part of the daily cash management. Cash flows in foreign currencies are converted at an average exchange rate. Exchange differences with respect to cash and cash equivalents are presented separately in the cash flow statement. The changes in working capital relate to the cash flows from changes in current assets (less cash and cash equivalents and less derivatives) and current liabilities (excluding current interest-bearing loans and borrowings and less derivatives). Income taxes, paid and received interest are included in the cash flow from operating activities. This excludes the interest paid which qualify as borrowing costs, these are included in the cash flows from investing activities. Received dividends are included in the cash flow from investment activities, while paid dividends are included in the cash flow from financing activities. The purchase price of acquisitions is included in the cash flow from investing activities, to the extent that payment has taken place in cash or cash equivalents. Cash and cash equivalents that are present in the acquired subsidiaries are subtracted from the purchase price. Transactions, which do not involve a cash exchange, are not included in the cash flow statement. The payments of the lease terms are presented as repayments on loans for the repayment component of debt (cash flow from financing activities) and as paid interest for the interest component (cash flow from operating activities). Payment of lease installments that are not included in the lease obligation included in the balance sheet (including leases of assets with a low value or with a term of less than one year) are included under cash flow from operating activities. Payments and proceeds on borrowings are presented on a net basis due to the high flexibility and turnover in relation to utilizations and repayments.

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SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the consolidated financial statements management has made judgments, estimates and assumptions. These judgments, estimates and assumptions affect the reported amounts of assets and liabilities, revenues and expenses and disclosed contingent assets and liabilities at the date of the financial statements. The actual outcome can vary from these judgments, estimates and assumptions. All assumptions, expectations and forecasts used as a basis for judgments in the consolidated financial statements are as good as possible a reflection of the forecast of TKH. Management is of the opinion that a reasonable basis exists for the assumptions, expectations and forecasts. Judgments are related to known and unknown risks, uncertainties and other factors that can lead to future results and performances that significantly vary from those forecasted. Significant judgments, estimates and assumptions are described hereafter.

Fair values

TKH periodically reviews the significant fair value changes regarding specific positions in the financial statements. In case external information is used to determine the fair value, TKH reviews the evidence obtained from these third parties to verify if these valuations meet IFRS requirements, including the level of hierarchy of the fair values in which these valuations are classified. TKH applies the following hierarchy for determining the fair value of financial instruments:

- Level 1: Price quotations on active markets for identical assets and liabilities.
- Level 2: Other inputs than quoted prices included in level 1, that are either directly or indirectly observable for the asset or liability. TKH makes use of derivatives valuation reports of financial institutions. These valuations are checked with interest rates, interest curves and exchange rates that are regularly published.
- Level 3: Calculations that use input variables that have a significant effect on the fair value and that are not based on available market quotations. Here TKH may use valuations by independent appraisers.

The table on the right shows the hierarchy and carrying amounts of the assets and financial instruments that are recognized in the balance sheet at fair values.

The fair value of the financial assets measured at fair value with recognition of the change in value through the statement of profit and loss is calculated on the basis of expected cash flows discounted at the estimated market interest rate. Credit risks are taken into account in this market interest rate. TKH has concluded derivatives with various financial institutions with an investment grade rating. Interest rate swaps, forward exchange contracts and forward contracts on commodities are valued based on present value calculations using market data, such as the credit quality of counterparties, base spreads, spot and forward prices, yield curves and forward curves.

in thousands of euros	Notes	Hierarchy	2025	2024
Assets				
Financial assets at fair value through P&L		Level 3	162	407
Foreign currency forward contracts	20	Level 2	352	559
Commodities (derivatives)	20	Level 2	5,042	946
Total			5,556	1,912
Liabilities				
Interest rate swaps	20	Level 2	12	307
Foreign currency forward contracts	20	Level 2	154	3,366
Commodities (derivatives)	20	Level 2	15	617
Total			181	4,290

More information about the assumptions for the determination of the fair value is included in the relevant explanatory notes.

Price, credit, interest and currency risks

Note 20 contains information about these risks.

Intangible assets and goodwill related to acquisitions

In the financial statements a material amount has been reported for intangible non-current assets acquired in an acquisition. The first recognition of these assets at fair value has been determined on the basis of valuation models. The outcomes are largely dependent on management estimates with respect to the assumptions used (such as growth percentages, royalty fees, economic life) and future expectations. The difference between the purchase price and the acquired net fair value of the identifiable assets and liabilities is recognized as goodwill. Note 1 and 3 includes information about intangible assets and goodwill.

Impairments and valuation of tax-losses

Information about impairment testing is included in note 3. TKH regularly invests in R&D (capitalized development costs), production facilities and new, innovative processes with the aim of developing a distinctive product portfolio. Particularly where TKH still has a small market position, the degree of management estimates with regard to learning curve developments, capacity utilization and development of returns is higher. On the other hand, management involvement is larger. TKH has valued tax deductible losses, whereby the entity concerned has incurred a loss in the current and/or previous financial year. In these cases, the recognition and measurement of these deductible losses are based on financial forecasts supported by a profitable order book. It should be noted that these deductible losses often originate from the start-up period of new activities and/or innovations.

Contracts with customers

TKH develops, produces or configures products and systems on behalf of customers on which revenue is recognized over a period of time. As a result, profit is recognized over time based on the expected profit on the contract and the estimated level of progress. This estimate makes use of detailed calculations that are specified for each performance obligation in a contract. Based on the realization and estimates of project managers and controllers, new estimates are drawn up periodically for each contract. This can also include a change in the variable consideration due to a change in scope or penalties for late deliveries. These are reviewed by local management and then used as the basis for the costs and revenue to be recognized. In a new innovative portfolio and/or production process, the uncertainty in management estimates can be significantly higher than in other projects due to the lack of historical experience figures and the learning curve that needs to be going through.

Other provisions

The other provisions relate amongst others to onerous contracts, warranty liabilities, claims, jubilee arrangements and restructuring liability. These provisions are based on estimates and available information. With regard to onerous contracts with customers, reference is made to the previous paragraph 'contracts with customers'. With regard to the restructuring liability further reference is made to note 13.

Extension options of lease contracts

When TKH has the option of renewing a lease, management uses its judgment to determine whether it is reasonably certain that an option would be exercised. Management takes into account all the facts and circumstances, including their past experience and any costs that will be incurred to change the asset if no extension option is taken, to determine the lease term.

Geopolitical developments

Global economical and geopolitical developments and conflicts (such as the Russia-Ukraine war), economic and political confrontations between world powers (trade tariffs/barriers, protectionism, availability and price of energy), the erosion of trade agreements, climate change and (global) inflation as well as a potential recession may impact TKH's turnover and results. Reference is made to the paragraph 'Risk management' as included in the Management report for further disclosures on these risks. These risks have been weighed in making judgements and applying estimates, amongst other valuation of customer contracts, impairment analysis and determining the useful live of our assets.

Climate change

The potential impact of climate change on our strategy and our business model has received a great deal of attention in the year under review. We extensively analyzed the potential climate-related transition risks to our operations posed by climate change, and how these climate-related transition risks could be turned into opportunities, for instance through innovations in climate adaptation or climate-change mitigation. Our climate risk and opportunity assessment follows the TCFD framework, integrating key risk categories into our sustainability strategy. TKH has considered the impact of climate change on the estimates and judgements used in preparing the financial statements. The following items were considered:

- The impact on the residual values and useful lives of assets.
- Recognition and measurement of provisions and contingencies.
- Impairment indications and the forecast of cash flows used in the impairment testing of goodwill and non-current assets.

No material impact from climate change risks on the financial reporting was identified and as a result the valuation of assets and/or liabilities was not significantly impacted. Due to the locations of our (production) facilities and the nature of our activities, the risk is considered less relevant for TKH for the foreseeable future from a valuation and impairment perspective.

3 INTANGIBLE ASSETS AND GOODWILL

The impairments of development costs relate to discontinued R&D projects due to unfavorable technological and/or market developments.

in thousands of euros	Notes	Goodwill		Brand names, customer relations and intellectual property		Development costs		Patents, licenses, software and trademarks		Total	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Historical cost at 1 January		346,137	320,378	315,886	286,306	365,636	334,875	95,085	84,769	1,122,744	1,026,328
Accumulated amortization and impairment losses		1,948	2,323	221,582	199,633	223,037	197,861	65,095	60,815	511,662	460,632
Book value at 1 January		344,189	318,055	94,304	86,673	142,599	137,014	29,990	23,954	611,082	565,696
Purchases and capitalization					2,459	45,557	46,460	14,634	12,777	60,191	61,696
Acquisitions	34		25,918		22,631				361	0	48,910
Reclassification from property, plant and equipment	4					360		417	372	777	372
Reclassification to assets held for sale			-1,234				-5,222		-187	0	-6,643
Reclassifications			274			-157	-514	156	515	-1	275
Disposals						-53		-63		-116	0
Amortization	27			-17,738	-17,684	-36,218	-35,316	-7,038	-7,808	-60,994	-60,808
Impairment losses	28			-448		-1,579	-934			-2,027	-934
Adjustment goodwill		-1,471								-1,471	0
Exchange differences		-4,368	1,176	-2,188	225	-3,124	1,111	-75	6	-9,755	2,518
Book value at 31 December		338,350	344,189	73,930	94,304	147,385	142,599	38,021	29,990	597,686	611,082
Accumulated amortization and impairment losses		1,948	1,948	232,465	221,582	250,208	223,037	71,520	65,095	556,141	511,662
Historical cost at 31 December		340,298	346,137	306,395	315,886	397,593	365,636	109,541	95,085	1,153,827	1,122,744

Goodwill is allocated to reporting segments, which are considered as cash generating units ('CGU') for goodwill impairment testing purposes. Impairment is assessed at this level. The goodwill is allocated as follows:

in thousands of euros	Goodwill		Discount rate before tax		Functional currency
	2025	2024	2025	2024	
CGU					
Smart Vision systems	265,933	270,757	12.2%	10.8%	EUR/USD
Smart Manufacturing systems	8,643	8,644	12.8%	12.4%	EUR
Smart Connectivity systems	63,774	64,788	13.0%	11.3%	EUR
Total	338,350	344,189			

The recoverable amount of the cash generating units, in which goodwill has been reported, is based on the value in use. The value in use is based on estimated future cash flows. These forecasts are derived from the internal business plans, which are drawn up annually and

have a horizon of five years. These business plans contain financial budgets and have been prepared by local management and are approved by the Executive Board. Consolidated, the business plans contain a compound average turnover growth rate (CAGR) of 7.4% over the budget period. The Smart Connectivity systems segment has a CAGR above this percentage as a result of the opening and expected ramp-up of our new Eemshaven factory. Cash flows after the financial budget period have been extrapolated, taken into account an assumed annual growth of 2.0% (2024: 2.0%), derived from long-term inflation expectations. The future cash flows are discounted at the discount rate (WACC) shown in the table. The WACC is based on the cost of equity and cost of debt, and is further calculated based on market data and inputs to accurately capture changes to the time value of money, such as the risk-free interest rate the beta factor and country risk premium. In order to properly reflect the different risk-profiles of the different CGUs, a WACC is determined for each CGU. Based on the assumptions, the impairment test did not lead to impairments at year-end 2025. Inherent

to the applied calculation methodology, a change in the assumptions can lead to a different conclusion regarding impairment.

For all CGU's a sensitivity analysis was performed, in which:

- absolute EBITDA decreases by 10%, or
- the discount rate increases by 1%, or
- the annual growth rate after the financial budget period decreases by 0.5%.

Other parameters remain constant. The amounts relate to the impact on the recoverable amount based on the sensitivity analysis. This sensitivity analysis does not take any cost savings into account in order to maintain profitability.

in millions of euros	Decrease	Increase	Decrease	Combination
	EBITDA by 10%	discount rate by 1%	growth rate by 0.5%	of all assumptions
Smart Vision systems	-122.5	-103.6	-36.7	-233.4
Smart Manufacturing systems	-90.6	-82.2	-31.5	-183.3
Smart Connectivity systems	-154.8	-141.2	-49.7	-310.3

These scenarios do not lead to an impairment in any of the CGUs in connection with the available headroom between the recoverable amounts and the carrying amounts.

The market capitalization of TKH amounted to €1.458 million on December 31, 2025 and was significantly higher than the book value of the net assets of TKH.

4 PROPERTY, PLANT AND EQUIPMENT

in thousands of euros	Notes	Land and buildings		Machinery and installations		Other equipment		Operating assets in progress		Total	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Historical cost at 1 January		247,338	239,931	293,329	280,037	179,571	173,709	198,292	154,158	918,530	847,835
Accumulated depreciation and impairments		107,113	101,644	196,214	184,503	128,554	124,759	483	910	432,364	411,816
Book value at 1 January		140,225	138,287	97,115	95,534	51,017	48,950	197,809	153,248	486,166	436,019
Purchases		1,486	7,298	5,189	8,778	8,654	15,273	52,768	59,149	68,097	90,498
Acquisitions							302			0	302
Disposals		-21	-39	-415	-1,402	-471	-214	-68		-975	-1,655
Depreciation	26	-11,353	-7,960	-17,318	-13,348	-16,104	-14,638			-44,775	-35,946
Impairments	28			-3,445	-1,171	-429	-124			-3,874	-1,295
Reclassifications		-617	-169		169					-617	0
Reclassification from/to intangible assets	3			12				-789	-372	-777	-372
Reclassification to assets held for sale	34		-1,814		-8		-1,990		-4	0	-3,816
Exchange differences		-859	1,328	-840	876	-410	183	-31	44	-2,140	2,431
Commissioning of assets in progress		104,916	3,294	88,886	7,687	19,139	3,275	-212,941	-14,256	0	0
Book value at 31 December		233,777	140,225	169,184	97,115	61,396	51,017	36,748	197,809	501,105	486,166
Accumulated depreciation and impairments		117,005	107,113	193,012	196,214	134,892	128,554	413	483	445,322	432,364
Historical cost at 31 December		350,782	247,338	362,196	293,329	196,288	179,571	37,161	198,292	946,427	918,530

The 'Commissioning of assets in progress' relate for a large part to our new plant for inter-array cable in Eemshaven. In 2025, an amount of €1.6 million (2024: €8.4 million) was capitalized relating to borrowing costs. The capitalization rate used equals the interest rate

on bank borrowings as mentioned in note 18. The impairment of machinery and installations is mainly related to obsolescence due to relocation of production capacity in the Smart Connectivity systems segment.

5 RIGHT-OF-USE ASSETS

TKH has lease contracts for various land and buildings, vehicles and other equipment used in its activities. Land and building lease agreements generally have a duration of between 3 and 27 years, while vehicles and other equipment generally have a duration of between 3 and 5 years.

in thousands of euros	Notes	Land and buildings		Machinery and installations		Other equipment		Total	
		2025	2024	2025	2024	2025	2024	2025	2024
Book value at 1 January		69,454	76,125	82	128	8,470	7,759	78,006	84,012
Purchases		12,825	10,422	55	29	3,651	5,079	16,531	15,530
Acquisitions			403				13	0	416
Disposals		-239	-446		-10	-182		-421	-456
Reassessment		3,072	4,639				143	3,072	4,782
Depreciation	26	-12,006	-12,514	-45	-65	-3,985	-3,815	-16,036	-16,394
Impairments	28	-2,708	-6,275			-1		-2,709	-6,275
Exchange differences		-1,243	496			-34	10	-1,277	506
Reclassification from/to intangible assets	4	617						617	0
Reclassification to assets held for sale	34		-3,396				-719	0	-4,115
Book value at 31 December		69,772	69,454	92	82	7,919	8,470	77,783	78,006

The impairments relate to the vacancy of rented buildings in our Smart Vision systems segment, as a result of a too low occupancy and a slowdown in revenue growth from rented buildings. For the methodology applied, reference is made to the accounting policies and disclosures regarding impairment calculations. In 2025, the costs related to variable lease payments that were not included in the lease obligation amounted to €2.6 million (2024: €3.6 million). The costs of leasing assets with a low value amounted to €0.2 million (2024: €0.2 million) and the

costs of leases with a term of less than one year amounted to €2.6 million (2024: €2.2 million). There are no leases with a residual value guarantee and as at December 31, there are no significant obligations with regard to lease agreements that have not yet been started. See note 18 for the lease liability.

See note 30 for the interest charges on lease obligations. See the consolidated cash flow statement for the lease payments. The total cash outflow from leases in 2025 was €25.6 million.

6 ASSOCIATES

TKH owns direct or indirect the following relevant associates:

Name of associate	Place	Country	Ownership and control		Operating segment
			2025	2024	
Speed Elektronik Vertrieb GmbH	Schwelm	Germany	25.0%	25.0%	Smart Connectivity systems
Commend Australia Integrated Security and Communication Systems Pty Ltd.	Melbourne	Australia	49.0%	49.0%	Smart Vision systems
SCS Wagram Holding	Paris	France	39.1%	39.1%	Smart Connectivity systems

TKH has divested the activities of TKH France in 2023 to a private equity group. The activities have continued by the new established company SCS Wagram Holding in which TKH holds a minority interest. In 2025 there have no material transactions with SCS Wagram Holding. Reference is also made to note 33.

The overview below shows the summarized financial information of the associates on the basis of the most recent available information, where the financial data are included based on the share of interest in these companies.

in thousands of euros	Assets	Liabilities	Turnover	Net result	Other comprehensive income	Share in result of associates
Summarized financial information 2025 of SCS Wagram Holding	59,866	38,959	50,204	-1,663		-1,845
Summarized financial information 2025 other associates	6,815	412	2,401	286		274
Summarized financial information 2024 of SCS Wagram Holding	56,387	32,388	47,476	222		228
Summarized financial information 2024 other associates	6,425	449	2,115	10		21

Movements in the associates are as follows:

in thousands of euros	2025	Associates 2024
Balance at 1 January	29,738	35,987
Share in result of associates	-1,571	249
Change in cash flow hedge reserves	-360	
Dividend received	-30	-60
Sale of a share interest		-6,457
Actuarial gains/(losses) from defined benefit plans	-35	
Exchange differences	-78	19
Balance at 31 December	27,664	29,738

In 2024 the 12.5% interest in the associate Shin-Etsu (Jiangsu) Optical Preform Co. Ltd. has been divested.

7 INVENTORIES

in thousands of euros	2025	2024
Raw materials	132,494	168,298
Work in progress	65,261	84,845
Finished goods	144,561	145,420
Inventories	342,316	398,563

An amount of €736.7 million is reported in the statement of profit and loss for costs of raw materials, consumables and finished goods (2024: €665.5 million). A part of inventories is valued at lower net realisable amount. The book value of these written-down inventories is €50.2 million (2024: €62.7 million). The total write-down on inventories, based on aging analysis and sales statistics, in 2025 recognized in the statement of profit and loss is €8.1 million (2024: €3.7 million).

8 TRADE AND OTHER RECEIVABLES

in thousands of euros	Notes	2025	2024
Trade accounts receivable		224,412	223,654
Loss allowance	20	-5,159	-4,832
Derivatives	20	5,394	1,505
Receivables from related parties	33	402	463
Prepayments and accrued income		14,050	13,915
Other short-term receivables		14,397	15,339
Long-term receivables		628	842
Receivables		254,124	250,886

The amounts mentioned are expected to be settled within 12 months. The receivables are mainly held according to a 'held-to-collect' business model. For the other part TKH applies non-recourse factoring that transfers the ownership of the trade receivables and the associated risks to a factoring company. At the end of 2025 receivables with an amount of €43.8 million are sold to a factoring company (2024: €43.3 million) and were subsequently derecognized. The trade receivables are non-interest bearing and generally have a payment term between 14 and 90 days. Credit risk is further described in note 20.

9 CONTRACTS WITH CUSTOMERS

The following table provides information on receivables, capitalized contract costs, contract assets and contract liabilities from contracts with customers.

in thousands of euros	2025	2024
Trade accounts receivable	224,412	223,654
Contract assets	198,467	165,861
Contract liabilities	-137,632	-176,645
Refund liabilities from customer volume rebates	-15,998	-14,171
Contract costs	5,549	10,325

in thousands of euros	Contract assets		Contract liabilities	
	2025	2024	2025	2024
Revenue recognized that was included in the contract liability balance at the beginning of the period			176,645	176,130
Increases due to cash received, excluding amounts recognized as revenue during the period			-137,632	-176,645
Transfers from contract assets recognized at the beginning of the period to receivables	-165,861	-217,123		
Increases as a result of changes in the measure of progress	198,467	165,861		

The commissions paid to agents for obtaining the contracts are expected to be recovered and are therefore capitalized as contract costs. Capitalized commissions are amortized when the related revenue is recognized. In 2025, amortization amounted to €10.9 million (2024: €10.5 million), which is included in the statement of profit and loss under raw materials, consumables, trading products and outsourced work. There was no impairment in the financial year in respect of the capitalized contract costs.

The restitution obligations for agreed customer volume discounts are mostly annual bonuses based on revenue tables. The accrual is calculated based on historical figures, revenue already realized, and the outstanding order book.

The contract assets mainly relate to the rights of TKH to consideration for work performed, but which have not yet been invoiced on balance sheet date. The contract assets are reclassified to receivables when the rights become unconditional. The contract liabilities mainly relate to the advance payment received from customers, of which the revenues are recognized at the performance of the contracted work. A large part of the contract assets and liabilities relates to the segment Smart Manufacturing systems. The changes in the balance of contract assets and liabilities during the financial year are as follows:

in thousands of euros	2025	2024
Expected to be recognized as revenue within 1 year	825,100	840,121
Expected to be recognized as revenue between 1 and 2 years	169,832	208,961
Expected to be recognized as revenue after 2 years	32,913	85,922
Total	1,027,845	1,135,004

The table above shows the expected future revenue with respect to contractual performance obligations that have not yet (or partially) been satisfied at balance sheet date.

10 CASH AND CASH EQUIVALENTS

in thousands of euros	Notes	2025	2024
Cash and bank balances		125,325	125,629
Cash at companies assets held for sale			1,650
Cash and bank balances as included in the cash flow statement		125,325	127,279

Cash and cash equivalents consist of cash and bank balances and deposits that are direct available on demand. During 2025, TKH reassessed and refined the presentation of cash and current borrowings in the consolidated cash flow statement. It was assessed that in recent years our credit facilities have evolved from mostly cash pool related towards facilities with a strong financing component. Although a part of the credit facilities are still used as part of daily cash management, throughout the year the sum of the specific current borrowings does not fluctuate between positive and overdrawn balances anymore. These characteristics indicate that the borrowings should be presented as a component of financing activities in the cash flow statement. To facilitate comparability, the comparative cash flow statement for 2024 has been adjusted to classify movements in these current borrowings within financing activities. This includes an additional cash flow from financing activities related to proceeds from current borrowings for an amount of €38.8 million. This adjustment affects presentation only and has no impact on equity, profit for the year, total assets, or total liabilities.

11 EQUITY

The group equity is disclosed in the Consolidated statement of changes in group equity and in note 8 of the company financial statements.

12 NON-CONTROLLING INTERESTS THIRD PARTIES

Some subsidiaries are or were not fully owned by TKH during the year at any time. These third party non-controlling interests are not significant:

	Result non-controlling interests		Cumulative non-controlling interests	
	2025	2024	2025	2024
Various non-controlling interests	-73	-30	83	108

13 OTHER PROVISIONS

The long-term provisions have been discounted. The increase of the provision in the year as a result of expiration of time and adjustment of the discount rate is not significant. The short-term provisions have not been discounted since the effect is not material. The short-term part of the provision is mainly related to reorganizations and warranties. The term of the other provisions is as follows:

in thousands of euros	2025	2024
Other long-term provisions	11,816	13,093
Other short-term provisions	16,188	19,824
Other provisions	28,004	32,917

The breakdown and movement of the other provisions is as follows:

in thousands of euros	Warranty	Employee liabilities	Onerous contracts	Dismantling	Other	Total
Balance at 31 December 2024	10,645	3,933	4,539	4,911	8,889	32,917
Additions	5,353	167	2,756	244	2,139	10,659
Releases	-1,765	-503	-2,835		-1,974	-7,077
Utilized	-1,469	-78	-2,222		-3,662	-7,431
Other reclassifications					-450	-450
Exchange differences	-175	-13	-253	-12	-161	-614
Balance at 31 December 2025	12,589	3,506	1,985	5,143	4,781	28,004

Provision for warranties

The provision for warranties is related to warranties on delivered products and services under the standard warranty conditions. The purpose of the provision is to cover costs arising if products and services supplied do not meet the agreed specifications and quality requirements under normal conditions of use. The provision is based on judgments by using historical warranty data relating to comparable products and services and known warranty claims at balance sheet date. In general the recorded liabilities are expected to arise in the next one to three years.

Employee liabilities

The provision for employee liabilities mainly relates to defined jubilee arrangements and is in general long-term.

Onerous contracts

The provision for onerous contracts mainly relates to contracts with customers, from which the revenue is recognized over a period of time. This mainly concerns contracts in the segment Smart Manufacturing systems, which relate to new technologies and sometimes in combination with newly acquired customers. Because of the strategic importance of these contracts for the future revenue and profit development of TKH, these have been accepted with a negative or a limited margin at order acceptance. The duration of a project under such a contract is normally shorter than one year, but for larger framework agreements, subprojects can be executed and concluded in different years. Additions and releases to this provision are mostly presented as costs of 'Raw materials, consumables, trade products and subcontracted work'.

Dismantling obligation

The provision mainly relates to the costs to restore leased assets to its original condition as required by the terms and conditions of that specific lease. The provision is valued at the best estimate of the future expenditure that would be required to restore the assets. This is a long-term provision, which has been discounted at a rate of 4.66%.

Other items

The other items also relate to reorganizations, claims, matters of dispute, guarantees which are expected to be claimed and other contractual obligations. The restructuring provision relates mainly to the lay-off of employees and the remaining term is less than 1 year. The recognized provisions have been based on the best estimate, made on the basis of currently available information and will mainly have a term no longer than one year. There is no asset recognized for expected compensation fees from third parties in relation to the reported provisions.

14 OTHER FINANCIAL LIABILITIES

The movement of the financial liabilities is as follows:

in thousands of euros	Earn-out	Put options of holders of non-control- ling interests	Total
Balance at 31 December 2024	5,309	455	5,764
Payment settlements	-56		-56
Change in fair value through the profit and loss account	-713	-155	-868
Balance at 31 December 2025	4,540	300	4,840

The amount with a term shorter than 1 year is € 1.8 million (2024: € 1.9 million). The remainder has a term between 1 and 5 years.

Earn-out

For several acquisitions, contractual arrangements have been made about earn-out payments, when certain targets are realized. The liability for earn-out payments has been determined on the basis of fair value of the expected future cash outflows.

Put options of holders of non-controlling interests

TKH has option rights on several non-controlling interests held by local management of subsidiaries of TKH. Besides, TKH has a liability to buy these shares when local management decides to offer these shares. A financial liability has been recognized for this obligation.

On the balance sheet date, the following option rights and liabilities are outstanding:

Name of subsidiary	Percentage	Option exercisable as from
EFB Nordics A/S	10.0%	1 January 2014

The liability is based on the discounted value of the expected future cash outflows. The expected maturity of the above mentioned liabilities is equal to the period as from 31 December 2025 till the first possibility to exercise. The amount to be paid depends on the future results of the aforementioned subsidiaries. The year of the cash outflow is dependent on a decision to exercise by TKH or the option owner. An amount of €0.1 million has a maturity of shorter than 1 year.

15 DEFERRED TAX

The deferred tax assets and liabilities relate to the following items of which the movements are also shown:

in thousands of euros	Property, plant and equipment and leases	Intangible assets and goodwill	Inventories and construction contracts	Provisions	Unused tax losses and credits	Financial instruments	Undistributed intragroup profits	Other	Total
Balance at 1 January 2024	-1,779	-53,203	-4,786	339	14,007	170	-2,860	6,214	-41,898
(Charge)/credit to other comprehensive income				59		484			543
(Charge)/credit to profit or loss	-416	-2,649	-780	647	3,218	42	1,230	4,262	5,554
Reclassification to assets held for sale		1,342			-3,591			-101	-2,350
Reclassification to current income tax liabilities				-178					-178
Acquisitions		-3,707							-3,707
Balance at 31 December 2024	-2,195	-58,217	-5,566	867	13,634	696	-1,630	10,375	-42,036
(Charge)/credit to other comprehensive income				-89		-1,909			-1,998
(Charge)/credit to profit or loss	4,491	8,270	-614	232	-1,910	-90	623	-5,016	5,986
Reclassification to current income tax liabilities				-424					-424
Adjustment valuation through goodwill for prior year acquisition		1,471							1,471
Balance at 31 December 2025	2,296	-48,476	-6,180	586	11,724	-1,303	-1,007	5,359	-37,001

Certain deferred tax assets and liabilities have been offset in accordance with the applicable principles in IFRS. The deferred tax assets and liabilities are recognized in the balance sheet as follows:

in thousands of euros	2025	2024
Deferred tax assets stated under non-current assets	16,797	16,949
Deferred tax liabilities stated under non-current liabilities	-53,798	-58,985
Deferred taxes	-37,001	-42,036

TKH has unused tax losses and tax credits resulting from carry forward interest expenses (ATAD 1) for which no deferred tax assets have been recognized because realization is uncertain. These unused tax losses can be compensated with future profits. Based on current tax legislation, these unused and unrecognized tax losses have the following terms:

in thousands of euros	2025	2024
Term infinite	54,928	58,106
Term longer than 10 years	9,086	11,118
Term between the 5 and 10 years	0	0
Term shorter than 5 years	478	451
Unrecognized tax losses and credits	64,492	69,675

The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses and/or tax credits as deferred tax assets. On this basis, TKH has determined that it cannot recognize deferred tax assets on the tax losses and /or tax credits carried forward. The unrecognized unused tax losses and tax credits represent a value of €16.6 million at the end of 2025 (2024: €17.9 million) based on the applicable tax rates. TKH has valued tax deductible losses and/or tax credits, whereby the entity concerned has incurred a loss in the current and/or previous financial year. In these cases, the recognition and measurement of these deductible losses and/or tax credits are based on financial forecasts supported by a profitable order book. It should be noted that these deductible losses often originate from the start-up period of new activities and/or innovations.

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PENSIONS

Defined contribution plans

TKH's pension plans in the Netherlands differ per subsidiary. The pension scheme of a number of subsidiaries has been placed with the industry pension fund PME and PMT respectively. As of January 1, 2020, the employees of the other Dutch subsidiaries have a so-called individual defined contribution scheme, which is managed by Nationale-Nederlanden. The employees of the foreign subsidiaries are members of industry or state-managed pension plans. The subsidiaries are only required to pay a certain percentage of the salary costs to the concerning industry or state managed pension plans. These pension schemes classify as defined contribution plan. The pension schemes in the Netherlands, to the extent not already covered by the industry pension schemes, are recognized as a defined contribution scheme in the financial statements. The total pension expense recognized in 2025 related to the defined contribution plans amounts to €21.5 million (2024: €21.6 million). The industry pension plans are included in this pension expense. TKH expects for 2026 a pension expense of €21.7 million for all defined contribution plans, of which about €14.2 million relates to industry pension schemes.

Defined benefit plans**Multi-employer union plans**

In the Netherlands 1,935 employees of TKH participate in the multi-employer union plans of 'Pensioenfonds van de Metalektro' ('PME') and 'Pensioenfonds Metaal & Techniek' ('PMT') in accordance with the collective bargaining agreements applicable for the industry in which the TKH companies operate. These collective bargaining agreements have no expiration date. PME covers approximately 1,500 companies and 350,000 participants and PMT approximately 34,000 companies and 1,300,000 participants. The pension rights of each employee are based upon the employee's average salary during employment (depending on coverage ratio). TKH's contribution to the multi-employer union plans are far less than 5% of the total contribution to the plans. The pension funds are subject to regulation by Dutch governmental authorities. By law (the Dutch Pension Act), a multi-employer union plan must be monitored against specific criteria, including the coverage ratio of the plan assets to its obligations. The multi-employer union plans have reported the following coverage ratio at year-end:

	2025	2024
coverage ratio of PME	120.1%	112.7%
coverage ratio of PMT	115.3%	108.5%

The actual coverage ratio is calculated by dividing the plan assets by the total sum of pension liabilities. The coverage ratio is the average coverage ratio over the past 12 months. There are

no additional contribution requirements for participating companies to prevent indexation cuts or lowering of pensions. The schemes qualify as defined benefit plans because the companies bear the risk that in the negotiation of the level of pension contributions after 2025 the social partners take the amount of a surplus or a deficit in the industry pension fund as part of the negotiations. As a result, future premiums may be somewhat related to deficits or surpluses that relate to pension entitlements accrued in the past. This concerns shortages or surpluses of current and former employees of TKH but also of other companies. In addition, there is no consistent and reliable basis for allocating the pension liability, assets and costs to individual companies participating in the industry pension scheme. TKH therefore classifies the multi-employer plans as if it were defined contribution plans (in line with IAS19.34), reference is made to the paragraph above. TKH's net periodic pension cost for the multi-employer plan over a financial period is equal to the required contribution for that period.

Other pension schemes

There are some individual defined benefit plans abroad for a small number of participants. These defined benefits are accrued in the subsidiaries and are not covered by plan assets. The duration of the defined benefit obligations of these arrangements will be, on average, 8 years at December 31, 2025. Furthermore, there is legislation for the Austrian employees obligating to pay a onetime compensation at the end of the employment for employees working for the subsidiary before January 1, 2003. The amount of compensation depends on the years of service and the average salary in the last 3 years of service. The actuarial calculations for the pension schemes are performed by actuaries.

The following assumptions have been applied in the actuarial calculations:

	2025	2024
Discount rate before tax	3.7%-4.0%	3.2%-3.4%
General percentage salary increase	2.1%	2.5%

in thousands of euros	2025	2024
Present value of the defined benefit obligations	2,630	3,070
Fair value of the plan assets	0	0
Net pension obligation	2,630	3,070

The amounts above are recognized in the balance sheet with respect to all defined benefit plans.

17 NON-CURRENT LIABILITIES

in thousands of euros	Notes	2025	2024
Debts to credit institutions	18	487,607	542,965
To be amortized transaction costs for the credit facility		-1,117	-1,292
Long term lease liabilities (Right-of-use assets)		75,824	74,162
Other non-current liabilities		3,285	4,250
Interest-bearing loans and borrowings		565,599	620,085

The credit margin on the non-current debts to credit institutions is variable and dependent on the net-interest bearing debt/EBITDA, including the amount of the draw downs from the credit facility. On average the margin is 1.6%. The interest is variable and based on Euribor or SOFR. The material subsidiaries are guarantor for the obtained financing. No additional securities were provided. See note 20 more details on the capital and liquidity risk. The other non-current liabilities mainly relate to other external financing. The decrease in the year is due to repayments, there were no new financings.

18 NET INTEREST-BEARING DEBT

in thousands of euros	Notes	Term	Interest	Amount	2025	2024
Bank loans reported under non-current liabilities	17	1.1-3.1 years	Euribor + margin	487,607	542,965	
Long term lease liabilities (Right-of-use assets)	17	1-27 years	3.4%	75,824	74,162	
Short term lease liabilities (Right-of-use assets)		< 1 year	3.4%	13,225	13,563	
Borrowings reported under current liabilities		< 1 year	Euribor/SOFR + margin	96,669	76,707	
Cash and cash equivalents	10	< 1 year	Euribor/SOFR - margin	-125,325	-125,629	
Net interest-bearing debt				548,000	581,768	

The 'Short term lease liabilities' and 'Borrowings reported under current liabilities' are presented in the balance sheet under Current liabilities – Interest-bearing loans and borrowings. At year-end 2025, €70.4 million was deemed part of our daily cash management (2024: €63.3 million). The interest on the borrowings is variable and based on Euribor or SOFR. The credit margins differ per credit institution, duration and country and vary from 1.0% to

1.6% (2024: 1.0% to 1.7%). The material subsidiaries are guarantor for the obtained financing from credit institutions. No special securities were provided. The discount rate used for lease liabilities differ per right-of-use asset, duration and country with a weighted average of 3.4%. The obligations arising from leasing are guaranteed by the lessor's property right on the leased assets.

The overview below shows the changes in the interest-bearing liabilities arising from financing activities:

in thousands of euros	Borrowings reported under current liabilities		Bank loans reported under non-current liabilities		Total lease liabilities (Right-of-use assets)		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Balance at 1 January	76,707	61,810	541,673	497,060	87,725	87,154	706,105	646,024
Cash flows from financing activities	21,597	15,849	-55,791	44,086			-34,194	59,935
Payment of lease liabilities					-20,187	-18,480	-20,187	-18,480
Non-cash changes:								
- Acquisition of subsidiaries						414	0	414
- Reclassification to liabilities held for sale						-4,200	0	-4,200
- New leases and reassessments					19,182	19,856	19,182	19,856
- Amortized transaction costs			608	527			608	527
- Interest					2,989	2,475	2,989	2,475
- Effect of changes in exchange rates	-1,635	-952			-660	506	-2,295	-446
Balance at 31 December	96,669	76,707	486,490	541,673	89,049	87,725	672,208	706,105

See note 20 for more details on the capital and liquidity risk.

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TRADE AND OTHER PAYABLES

in thousands of euros	Notes	2025	2024
Trade creditors		180,471	177,145
Advance receipts		10,454	4,040
Other taxes and social insurance contributions		30,409	28,444
Derivatives	20	181	4,290
Refund liabilities from customer volume rebates	9	15,998	14,171
Amounts due to personnel		55,597	53,687
Other payables and accruals		48,753	45,907
Trade payables and other payables		341,863	327,684

The other payables and accruals relate to, among others, commissions, as well as accruals for invoices to be received. At the end of 2025, a number of suppliers (mainly copper and aluminium suppliers) made use of supply chain finance (reversed factoring) for a total of €35.5 million (2024: €39.4 million), which is recognized as trade payables and under the bank covenants with the banks not regarded as financial indebtedness. Of this amount about 79% was already paid by finance providers (mostly concentrated at one provider) towards suppliers at the end of 2025. The supply chain finance program enables included suppliers to collect their invoices at an earlier date than based on regular payment terms. The payment terms under this program are between 45 and 120 days, with a weighted average of about 105 days. This is in the upper (longest) range of the payment terms TKH has with non-included suppliers, although there are no material comparable amongst those. Reference is also made to note 20 regarding liquidity risk.

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FINANCIAL INSTRUMENTS AND RISKS

General

The main financial risks faced by TKH relate to the capital and liquidity risk, interest risk, currency risk, credit risk and price risk. TKH's financial policy is aimed at minimizing the effects of fluctuations in currency exchange and interest rates on its results in the short-term and following market rates in the long-term. TKH uses derivatives to manage the financial risks relating to the business operations and does not undertake speculative positions. Financial risks and the control by management of these risks are disclosed in the chapter 'Risk management' in the annual report.

Capital and liquidity risk

External financing is contracted by the holding for the entire TKH Group. On February 13, 2023, TKH signed a new sustainability-linked €625 million multicurrency committed credit facility, consisting of a revolving credit facility ("RCF") of €500 million and a term loan of €125 million. The revolving credit facility of €500 million has a remaining maturity of 4.1 years. In 2025 TKH has signed a new term loan of €200 million, which replaced the former term loan of €125 million. The term loan of €200 million has a maturity till mid-February 2027 with an extension option for 1 year. A sustainability-linked adjustment will provide for a maximum discount or premium of 2.5 basis points on the credit margin.

The following table provides an overview of the liquidity risk for the financial liabilities of TKH at the end of 2025 based on agreed repayment periods:

in thousands of euros	Average interest	Payable on demand	<3 months	>3 months <1 year	1-5 years	>5 years	Contractual cash flows	Book value
Bank loans reported under non-current liabilities	3.7%		4,559	13,677	522,917		541,153	487,607
Lease liabilities (Right-of-use assets)	3.4%		5,327	11,828	41,604	51,162	109,921	89,049
Financial liabilities	1.5%			1,839	3,251		5,090	4,840
Borrowings reported under current liabilities	3.7%	96,744					96,744	96,669
Trade creditors			162,424	18,047			180,471	180,471
Other payables excluding derivatives			64,751				64,751	64,751
Interest rate swaps (derivatives)			35	106	335		476	12
Foreign currency forward contracts (derivatives)			8,341	1,615	810		10,766	-198
Commodities (derivatives)			-3,483	-1,393	-152		-5,028	-5,028
Financial liabilities		96,744	241,954	45,719	568,765	51,162	1,004,344	918,173

Next to the committed facility, there are uncommitted facilities with several banks for a total of €457 million (2024: €304 million). TKH has per December 31, 2025 unused available committed credit facilities of €215 million (2024: €85 million) and unused available uncommitted credit facilities for a total of €204 million (2024: €93 million). The available credit facilities are reduced for the outstanding bank guarantees. The maximum credit facility per subsidiary is determined centrally.

In the credit facility the following financial covenant is agreed, which is tested on a quarterly basis:

	Covenant	Realization 31-12-2025	Realization 31-12-2024
Net debt compared to EBITDA (debt leverage ratio)	< 3.0	1.9	2.0

The debt leverage ratio is calculated excluding the impact of IFRS 16 Leases. Furthermore, it has been agreed with the banks that in the calculation of the debt leverage ratio acquisitions may be consolidated pro forma for 12 months. TKH uses internally a debt leverage ratio up to 2.0. TKH operates within the banks' required covenant at the end of 2025 and has no indication that it will have difficulty complying with this covenant in the 12 months after reporting date.

The following table provides an overview of the liquidity risk for the financial liabilities of TKH at the end of 2024 based on agreed repayment periods:

in thousands of euros	Average interest	Payable on demand	<3 months	>3 months <1 year	1-5 years	>5 years	Contractual cash flows	Book value
Bank loans reported under non-current liabilities	4.4%		5,973	17,918	602,118		626,009	542,965
Lease liabilities (Right-of-use assets)	3.3%		5,318	11,804	41,388	48,670	107,180	87,725
Financial liabilities	1.5%			1,939	4,075		6,014	5,764
Borrowings reported under current liabilities	4.4%	76,777					76,777	76,707
Trade creditors			177,145				177,145	177,145
Other payables excluding derivatives			113,765				113,765	113,765
Interest rate swaps (derivatives)			-97	-292	764		375	307
Foreign currency forward contracts (derivatives)			46,496	52,412	10,703		109,611	2,807
Commodities (derivatives)			-262	-19	-49		-330	-330
Financial liabilities		76,777	348,338	83,762	658,999	48,670	1,216,546	1,006,855

The cash flows in these statements are not discounted. The cash flows are based on the interest rates and the exchange rates at the end of the year. The cash flows for interest rate swaps are based on the contracted fixed interest rates compared to the variable interest rate at balance sheet date. The interest rate swap and commodity derivatives are net settled. Currency contracts are gross settled. The following table shows the corresponding reconciliation of these amounts and their book value at the end of 2025:

in thousands of euros	Payable on demand	<3 months	>3 months <1 year	1-5 years	>5 years	31-12-2025 Total
Incoming		8,496	1,615	841		10,952
Outgoing		-8,341	-1,615	-810		-10,766
Net	0	155	0	31	0	186
Discounted at contractual bank rates		172	-1	29	0	200

The following table shows the corresponding reconciliation of these amounts and their book value at the end of 2024:

in thousands of euros	Payable on demand	<3 months	>3 months <1 year	1-5 years	>5 years	31-12-2024 Total
Incoming		45,840	50,834	10,018		106,692
Outgoing		-46,496	-52,412	-10,703		-109,611
Net	0	-656	-1,578	-685	0	-2,919
Discounted at contractual bank rates		-756	-1,454	-598	0	-2,808

Interest risk

The interest risk policy aims at minimizing the interest rate risks associated with the financing of the company and thus at the same time optimizing the net interest costs. Long-term financing has been obtained with a floating-rate and will partly be fixed by means of interest rate swaps, whereby TKH aims to fix 40%-70% of the interest associated with the borrowing. During the past period of strong interest rates movements, TKH has chosen to hedge the interest rate risk below this mentioned bandwidth. The following table provides an overview of the, for hedging purposes, agreed interest rate swaps:

in thousands of euros (unless stated otherwise)	Average contracted interest rate		Nominal amount		Fair value	
	2025	2024	2025	2024	2025	2024
Maturity <1 year						
Maturity between 2 and 5 years	2.22%	2.22%	75,000	75,000	-12	-307

Cash flow hedge accounting has been applied to all interest rate swaps mentioned above.

There was no material ineffectiveness in relation to these hedges.

The following sensitivity analysis of borrowings, bank credits and cash and related interest rate swaps to interest rate movements assumes an immediate 1% change in interest rates for all currencies and maturities, with all other variables held constant. A raise of the interest rates with 1% would result in:

- Additional interest costs of about €4.7 million per year as a result of financing and cash with a floating interest rate (2024: €5.1 million). The impact is reduced by existing interest rate swaps.

- An increase of the fair value of the financial instruments with about €2.2 million (2024: €4.3 million) as a result of the contracted interest rate swap. This raise would be recognized in the hedging reserves of the equity through the consolidated statement of comprehensive income.

Currency risk

It is TKH's general policy to hedge currency risks on purchases if these risks cannot be charged to the market. Purchase transactions in foreign currencies are hedged when the sales prices are already fixed in case of material transactions. Sales transactions in foreign

currencies are fully hedged in case of material transactions. The main currencies that cause this exposure are the USD and CNY. Foreign currency forward contracts are applied to minimize the exposure of fluctuations in the currency rates. These contracts mainly have a term to maturity of less than one year. In addition to the currency risk on the purchase and sale transactions, there is a currency risk resulting from the translation of net investments in TKH subsidiaries denominated in functional currencies other than euros. The main currencies that cause this exposure are the USD and CNY. These risks are partially hedged by financing some of these investments in local currency. The remaining risk is not hedged. The carrying amounts of monetary assets and liabilities specified to currencies are as follows:

in thousands of euros	Euro		USD		CNY		Other currencies		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Receivables	329,711	293,959	86,233	87,654	14,424	11,648	21,595	22,643	451,963	415,904
Cash and cash equivalents	70,349	46,913	14,548	17,219	15,674	36,302	24,754	25,195	125,325	125,629
Non-current interest-bearing loans and borrowings	-562,716	-616,594	-414	-617			-2,469	-2,874	-565,599	-620,085
Current interest-bearing loans and borrowings	-74,230	-69,938	-15,475	-14,979	-15,574	-939	-4,615	-4,414	-109,894	-90,270
Trade payables and other payables	-334,114	-342,730	-84,877	-105,312	-18,108	-24,902	-42,395	-31,385	-479,494	-504,329
Total	-571,000	-688,390	15	-16,035	-3,584	22,109	-3,130	9,165	-577,699	-673,151

On balance sheet date, TKH has entered into foreign currency forward contracts:

in thousands of euros (unless stated otherwise)	Average contract rate		Nominal amount in foreign currency		Fair value	
	2025	2024	2025	2024	2025	2024
Cash flow hedges of balance positions						
Sell USD with settlement within 3 months	1.13	1.11	-1,022	-13,180	43	-800
Buy USD with settlement within 3 months		1.07		1,403		28
Buy CNY with settlement within 3 months	8.37	7.64	55,355	135,928	100	222
Cash flow hedges						
Sell USD with settlement within 3 months	1.15	1.12	-1,003	-4,560	29	-330
Sell USD with settlement between 3 months and 1 year	1.18	1.11	-1,898	-29,389	-1	-1,633
Sell USD with settlement after 1 year	1.13	1.11	-952	-11,120	29	-598
Buy USD with settlement within 3 months		1.10		582		29
Buy USD with settlement between 3 months and 1 year		1.10		1,186		61
Buy CNY with settlement within 3 months		7.61		74,441		95
Buy CNY with settlement between 3 months and 1 year		7.57		174,456		118
Total					200	-2,808

Time differences between the settlement of the forward contracts and the sale and purchase contracts are anticipated by the use of foreign currency bank accounts or the rollover of forward contracts. The translation risk on financial instruments, when the euro will decrease with 10% compared to all other currencies, with all other variables held constant, would be expected to have an influence of €8.3 million negative on the result before tax (2024: €14.4 million negative). The foreign currency forward contracts are taken into account in this calculation. The impact of a decrease of the euro on the shareholders' equity is larger because of the net investments in foreign subsidiaries with another functional currency. The impact of this is approximately €32.2 million positive (2024: €38.2 million positive). An increase of the euro with 10% will have the opposite influence, namely a positive influence of €8.3 million on the result before tax and a negative influence of €32.2 million on equity.

Price risk

An important raw material for TKH is copper and aluminium. The price risk of copper and aluminium is limited by a continuously monitoring of sales prices against the development of the purchase price where price changes are passed on to customers. Important raw materials such as copper, aluminum, steel and PVC are purchased with forward delivery contracts, to reduce the price risk on the sale of finished products, provided that:

- a sales contract with a fixed price has been entered into,
- delivery will not take place within one month, and
- an important quantity is required for production.

With physical purchases on long-term against a fixed price in advance, TKH made limited use of derivatives to hedge price risks on free inventories and to fix purchase prices of copper regarding large sales orders with delivery times exceeding one month, if not covered by a long-term purchase. On balance sheet date, TKH has entered into the following derivatives for raw materials:

in thousands of euros (unless stated otherwise)	Average contract rate		Quantity in metric tons		Fair value	
	2025	2024	2025	2024	2025	2024
Cash flow hedges						
Buy Copper with settlement within 3 months	9.02	6.28	1,658	1,175	2,744	-229
Buy Copper with settlement between 3 months and 1 year	8.81	6.71	705	1,237	864	3
Buy Copper with settlement between 1 and 3 years	8.80	7.97	107	92	152	49
Buy Aluminium with settlement within 3 months	2.37	1.17	4,517	2,422	737	491
Buy Aluminium with settlement between 3 months and 1 year	2.34	1.16	2,832	2,158	529	16
Total					5,026	330

A decrease of the copper price with 10% would have a negative impact of approximately €1.9 million on the result (2024: €1.8 million negative) if all other factors and conditions remain the same. This is caused by the free stock, for which price risk is not hedged, which will then be sold at a lower price.

Credit risk

The financial assets of the group mainly consist of cash and cash equivalents, trade receivables, contract assets and other receivables. The credit risk for cash and cash equivalents is outstanding at major international system banks. The credit risks mainly relate to trade receivables and contract assets. However, it concerns a risk that is spread over a large number of customers that operate in several countries and in different markets.

At balance sheet date there was no concentration of credit risk for material amounts. Part of the risk is insured at credit insurance companies. In addition, part of the risk is transferred to factoring companies. The credit risks insurances and factoring is in particular related to receivables on customers in the reporting segment Smart Connectivity systems. These customers are mainly located in the Netherlands and Germany. In addition, for large projects to foreign customers bank guarantees, advanced payments (towards a bank guarantee) or confirmed irrevocable 'Letter of Credit' are used. The maximum exposure to credit risk is represented by the carrying amounts of contract assets and financial assets that are recognized in the balance sheet, including derivatives with a positive market value.

An impairment analysis is performed at each balance sheet date, whereby the expected credit losses are calculated using a provision matrix. The percentages in the provision matrix are initially based on historical losses for various customer segments (geographic region, customer type, rating and coverage by, for example, credit insurance). The historical credit risk percentages in the matrix are then adjusted with forward-looking information. If the predicted economic conditions are expected to deteriorate, which may lead to an increase

in thousands of euros	Not overdue	Up to 30 days	31 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	Older than 365 days	31-12-2025 Total
Book value	325,191	67,255	9,721	8,736	10,588	5,659	6,976	434,126
Expected credit loss rate	0.1%	0.4%	1.4%	1.6%	3.7%	5.2%	51.0%	
Loss allowance	359	285	134	138	392	295	3,556	5,159

in thousands of euros	Not overdue	Up to 30 days	31 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	Older than 365 days	31-12-2024 Total
Book value	297,283	66,251	13,450	3,132	14,525	1,663	3,842	400,146
Expected credit loss rate	0.1%	0.5%	1.7%	6.7%	2.1%	18.9%	79.1%	
Loss allowance	434	315	223	210	298	314	3,038	4,832

The movement of the allowance for doubtful debts is as follows:

in thousands of euros	2025	2024
Balance at 1 January	4,832	5,997
Additions	1,735	978
Releases	-999	-459
Acquisitions	27	88
Reclassification to assets held for sale	0	-906
Utilized	-263	-812
Other reclassifications	-6	-180
Exchange differences	-167	126
Balance at 31 December	5,159	4,832

There are no significant overdue account receivables that are not largely covered by credit insurances or payment guarantees or for which no provision has been recognized.

in the number of defaults, the historical credit risk rates will be adjusted. On each reporting date, the historical observed credit risk percentages are updated and changes in estimates are analyzed. The assessment of the correlation between historical observed credit risk percentages, predicted economic conditions and expected credit losses is a management estimate. The actual future credit losses may differ. Below is shown the age of the trade receivables, contract assets and the expected credit losses.

21 CONTINGENT LIABILITIES

Framework agreements have been concluded with some suppliers for the availability of some important raw materials. There are no long-term purchase obligations.

in thousands of euros	2025	2024
Bank guarantees provided to third parties	199,489	162,010
Corporate guarantees provided to banks	29,698	11,958
Purchase obligations arising from orders for property plant and equipment	9,627	15,643

The majority of the outstanding bank guarantees relate to down payments and performance guarantees issued to customers relating to constructions contracts. The related advance payments received from customers are presented as part of contract liabilities.

Claims

TKH and its subsidiaries are involved in a number of legal proceedings. According to the information currently available and legal advice received, TKH expects any adverse effects from the outcome of these legal proceedings to be adequately covered by other provisions or insurance.

22

INFORMATION BY SEGMENT

As announced on our Capital Markets Day in September 2025, TKH intends to accelerate its transition towards becoming a leading Automation company to drive further growth and capture value creation opportunities in the asset light Automation activities. Consequently, TKH will evaluate future ownership alternatives for its Electrification activities. The management structure and segment reporting of TKH in 2025 is still organized along the lines of our three

technologies: Smart Vision systems, Smart Manufacturing systems and Smart Connectivity systems. In the overview of 'Consolidated entities', as part of the 'Other information', is shown in which of the segments the different subsidiaries operate. In the annual report, a detailed overview of the activities by business segment is shown. For 2026 onwards we intend to report along the lines of the Automation/Electrification segments.

Smart Technology segmentation

Operating segments

	Smart Vision systems		Smart Manufacturing systems		Smart Connectivity systems		Other and eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
in thousands of euros (unless stated otherwise)										
Geographic segments										
Netherlands	46,320	43,530	10,781	32,006	355,347	337,838	27	81	412,475	413,454
Europe (other)	199,582	207,128	137,154	160,358	292,820	226,229		32	629,556	593,747
Asia	129,454	106,852	240,378	227,147	46,718	34,729			416,550	368,728
North America	123,849	109,318	124,221	133,987	7,937	8,102	19	17	256,026	251,424
Other	18,121	15,044	8,508	51,849	19,931	18,488			46,560	85,382
External turnover	517,326	481,872	521,042	605,347	722,753	625,386	46	130	1,761,167	1,712,735
Inter-segment	5,320	7,725	1,580	3,496	6,078	6,514	-12,978	-17,735	0	0
Total turnover	522,646	489,597	522,622	608,843	728,831	631,900	-12,932	-17,605	1,761,167	1,712,735
Timing of revenue recognition										
Revenue at a point-in-time	457,711	439,313	83,189	95,412	507,846	491,405	18	18	1,048,764	1,026,148
Revenue over time	58,493	38,673	437,783	509,759	214,001	133,524	-1	-1	710,276	681,955
Inter-segment	5,320	7,725	1,580	3,496	6,078	6,514	-12,978	-17,735	0	0
Revenues from contracts with customers	521,524	485,711	522,552	608,667	727,925	631,443	-12,961	-17,718	1,759,040	1,708,103
Other revenues	1,122	3,886	70	176	906	457	29	113	2,127	4,632
Total turnover	522,646	489,597	522,622	608,843	728,831	631,900	-12,932	-17,605	1,761,167	1,712,735
Raw materials, consumables, trade products and subcontracted work	198,620	192,853	238,944	295,491	437,447	353,738	-12,793	-17,853	862,218	824,229
Added value	324,026	296,744	283,678	313,352	291,384	278,162	-139	248	898,949	888,506
<i>Added value in %</i>	<i>62.0%</i>	<i>60.6%</i>	<i>54.3%</i>	<i>51.5%</i>	<i>40.0%</i>	<i>44.0%</i>			<i>51.0%</i>	<i>51.9%</i>
Personnel expenses	164,667	155,036	139,605	153,206	159,275	146,406	21,514	19,577	485,061	474,225
Other operating expenses	48,552	47,438	33,686	34,731	81,196	75,953	-643	239	162,791	158,361
Adjusted EBITDA	110,807	94,270	110,387	125,415	50,913	55,803	-21,010	-19,569	251,097	255,919
Depreciation	17,103	16,538	9,145	9,302	33,922	24,883	1,446	1,280	61,616	52,003
Adjusted EBITA	93,704	77,732	101,242	116,113	16,991	30,920	-22,456	-20,849	189,481	203,916
<i>Return on Sales (ROS)</i>	<i>17.9%</i>	<i>15.9%</i>	<i>19.4%</i>	<i>19.1%</i>	<i>2.3%</i>	<i>4.9%</i>			<i>10.8%</i>	<i>11.9%</i>

Operating segments	Smart Vision systems		Smart Manufacturing systems		Smart Connectivity systems		Other and eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
in thousands of euros (unless stated otherwise)										
One-off income and expenses	1,047	2,639	-916		12,838	513	3,830	844	16,799	3,996
Amortization	43,900	42,951	10,794	11,593	6,098	6,251	202	13	60,994	60,808
Impairments	4,252	6,298	1,033	434	3,374	1,772			8,659	8,504
Segment operating result	44,505	25,844	90,331	104,086	-5,319	22,384	-26,488	-21,706	103,029	130,608
Other information										
Investments in intangible assets, property, plant and equipment, Right-of-use assets, including acquisitions	45,079	74,965	30,893	28,647	67,338	110,418	1,509	3,322	144,819	217,352
Employees (FTE)	2,103	2,122	1,770	1,751	2,312	2,297	119	119	6,304	6,289
Balance sheet										
Assets	767,165	822,900	433,407	404,627	888,048	895,093	36,086	33,786	2,124,706	2,156,406
Assets held for sale				27,197					0	27,197
Associates	2,691	2,671			24,970	27,065	3	2	27,664	29,738
Total assets	769,856	825,571	433,407	431,824	913,018	922,158	36,089	33,788	2,152,370	2,213,341
Total liabilities	197,605	194,929	269,570	317,436	228,254	208,686	557,111	609,311	1,252,540	1,330,362
Capital employed previous year	595,111	574,414	100,359	163,169	654,601	544,566	30,017	20,945	1,380,088	1,303,094
Capital employed current year	538,150	595,111	149,970	100,359	646,475	654,601	26,437	30,017	1,361,032	1,380,088
<i>Return on Capital Employed (ROCE)</i>	<i>16.5%</i>	<i>13.3%</i>	<i>80.9%</i>	<i>88.1%</i>	<i>2.6%</i>	<i>5.2%</i>			<i>13.8%</i>	<i>15.2%</i>

The executive board of TKH reviews segment profitability based on segment adjusted EBITDA and adjusted EBITA. From the €16.8 million one-off income and expenses, €11.6 million relates to Raw materials, consumables, trade products and subcontracted work, the remainder relates to other components of the operating expenses. Reference is also made to the 'Alternative performance measures' as included in the Other information. The geographic split of turnover is based on the customer-location. Added value is calculated by deducting 'Raw materials, consumables, trade products and subcontracted work' from 'Total turnover'.

TKH has no individual customers representing 10% or more of the consolidated turnover. Other revenues relate to other services provided to third parties, such as rental, insurance payments and charged costs.

in thousands of euros (unless stated otherwise)	Non-current assets ¹		Employees (FTE)	
	2025	2024	2025	2024
Geographic segments				
Netherlands	549,589	519,893	35%	37%
Europe (other)	505,873	528,399	40%	39%
Asia	30,635	38,065	14%	13%
North America	109,463	106,167	9%	9%
Other	9,306	13,310	2%	2%
Total	1,204,866	1,205,834	100%	100%

1. The non-current assets are shown excluding the deferred tax assets.

23 PERSONNEL EXPENSES

in thousands of euros	2025	2024
Wages and salaries	385,247	377,026
Share-based payments	4,419	4,425
Social insurance contributions	64,642	63,869
Pension costs	21,769	21,998
Temporary labor	30,979	29,812
Capitalized development costs	-38,926	-40,888
Other personnel expenses	19,263	21,376
Personnel expenses	487,393	477,618

The personnel expenses include an one-off expense related to restructurings of €2.3 million (2024: €3.2 million).

24 SHARE-BASED PAYMENTS

Stock option scheme settled in equity instruments

Option rights to (depository receipts of) ordinary shares of TKH are granted to the management of the subsidiaries. The rights can never be exercised until after the publication of the company's annual results three calendar years following the year in which the rights were granted, and have an exercise period of two years. Partly to avoid abuse of inside knowledge, the conditions for participation have been laid down in an internal regulation and have been accepted in writing by the participants.

Year of allocation	Exercise price in €	Number at 01-01-2025	Granted during the year	Expired during the year	Elapsed during the year	Exercised during the year	Number at 31-12-2025	Exercise period
2020	32.28	115,979		-12,996		-102,983	0	2023-2025
2021	37.88	300,347			-1,848	-5,054	293,445	2024-2026
2022	44.52	341,042			-4,750		336,292	2025-2027
2023	45.16	356,729			-9,925		346,804	2026-2028
2024	37.12	386,549			-10,475		376,074	2027-2029
2025	36.56		383,899		-2,400		381,499	2028-2030
Total		1,500,646	383,899	-12,996	-29,398	-108,037	1,734,114	

Executive Board

No option rights are granted to the members of the Executive Board and the Supervisory Board.

Other option beneficiaries

The movement and balance of the outstanding option rights granted to the other option beneficiaries are as follows:

At the end of 2025, the company owns 1,079,972 (depository receipts of) shares to cover the option rights. These (depository receipt of) shares have been purchased against an average share price of €42.15. The total purchase value is €45,524,105. The average share price on the date at which the share options were exercised during the financial year was €37.58. The options were granted during the financial year on March 4, 2025. The estimated fair value of the options granted in 2025 is €2,611,371. The fair value was determined on the basis of a binomial valuation model with the following assumptions:

	2025	2024
Fair value at the date of allocation (in €)	6.82	7.63
Expected volatility	27.6%	29.3%
Expected dividend	3.0%	3.0%
Risk free rate	2.212%	2.762%
Expected period to expiry of the option (in years)	4.0	4.0

The current restrictions on the exercise of the options, the chances that employees will leave the company and possible personal considerations of option holders have been taken into account for the expected expiry period of the options. TKH has a reported total charge of €2,916,278 (2024: €3,284,237) for these share-based payments which will be settled in equity instruments.

Other share-based payments

Based on the share scheme, (depository receipts of) shares have been allotted to the members of the Executive Board. During 2025 Mr. J.M.A. van der Lof was allotted 5,444 (depository receipts of) shares, Mr. E.D.H. de Lange 4,087, and Mr. H.J. Voortman 3,937 (depository receipts of) shares related to the performance for the year 2024. At the same time, the Executive Board members purchased respectively 5,444, 4,087 and 3,937 (depository receipts of) shares at the actual share price of €37.84, all in accordance with the regulation of the share scheme. As a result of the share-based payments, TKH has recognized a total charge of €1,271,349 (2024: €874,253) in the statement of profit and loss.

25 OTHER OPERATING EXPENSES

Other operating expenses include overhead, selling, accommodation and manufacturing expenses.

26 DEPRECIATION

in thousands of euros	2025	2024
Depreciation of property, plant and equipment	44,775	35,946
Depreciation of Right-of-use assets	16,036	16,394
Result on disposal of property, plant and equipment	-157	-337
Depreciation	60,654	52,003

The increase in depreciation of property, plant and equipment is primarily the result of the commissioning of our Eemshaven factory.

27 AMORTIZATION

in thousands of euros	2025	2024
Amortization of intangible assets	43,256	43,124
Amortization of intangible assets from acquisitions as a result of 'Purchase Price Allocations'	17,738	17,684
Amortization	60,994	60,808

Reference is made to note 3 for further detail.

28 IMPAIRMENT

in thousands of euros	Notes	2025	2024
Impairment of intangible assets and goodwill	3	2,027	934
Impairment of property, plant and equipment	4	3,874	1,295
Impairment Right-of-use assets	5	2,709	6,275
Onerous contracts		49	0
Impairment		8,659	8,504

The impairments of development costs relate to discontinued R&D projects due to unfavorable technological and/or market developments.

The impairment of machinery and installations is mainly related to obsolescence due to relocation of production capacity in the Smart Connectivity systems segment.

29 RESEARCH AND DEVELOPMENT COSTS

The total operating expenses over the financial year include the following items:

in thousands of euros	2025	2024
Research and development expenditure	88,285	80,749
Less: Capitalized development costs	-45,557	-46,460
Add: Amortization of development costs	36,218	35,316
Add: Impairment on capitalized development costs	1,579	934
Research and development costs accounted for in the profit and loss account	80,525	70,539
Government subsidies for research and development costs	6,207	6,470

31 TAX

The taxes that are included directly in the statement of other comprehensive income are shown below.

in thousands of euros	Notes	2025	2024
Current tax		25,023	28,713
Adjustments for previous years		-2,267	841
Deferred tax	15	-5,986	-5,554
Total tax on result		16,770	24,000

in thousands of euros	Notes	2025	2024
Deferred taxes on revaluation of cash flow hedges	15	1,909	-484
Deferred taxes on actuarial gains and losses	15	89	-59
Total tax on other comprehensive income		1,998	-543

30 FINANCIAL INCOME AND EXPENSES

in thousands of euros	2025	2024
Exchange and translation differences, including the effect of realized cash flow hedges	1,385	-2,962
Amortized transaction costs	-608	-527
Interest costs in defined benefit plans	-47	-53
Interest expense on lease liabilities	-2,989	-2,475
Interest expenses	-26,079	-27,614
Interest income from debt instruments at fair value through P&L	70	79
Interest income	1,237	1,272
Financial income and expenses	-27,031	-32,280

The tax rate is calculated at the prevailing tax rates in each country. The tax rate over the year can be reconciled with the profit before tax as follows:

in thousands of euros (unless stated otherwise)	2025		2024	
Result before tax	111,068		123,531	
Tax calculated at the Dutch tax rate	28,656	25.8%	31,871	25.8%
Correction due to tax effect for:				
Tax participation exemption	-8,325	-7.5%	-4,748	-3.8%
Non-deductible expenses	2,355	2.1%	2,278	1.8%
Non-taxable income	-25	0.0%	-107	-0.1%
Advantages from tax facilities	-6,615	-6.0%	-6,989	-5.7%
Write off / recognition of deferred taxes	-613	-0.6%	-908	-0.7%
(Recognition)/derecognition of deferred tax asset for unused tax losses	485	0.4%	2,130	1.7%
Settlement of income tax returns for previous years	-2,267	-2.0%	841	0.7%
Differences in tax rates for foreign subsidiaries	3,163	2.8%	-214	-0.2%
Change in statutory tax rate	-15	0.0%	-131	-0.1%
Other tax benefits	-29	0.1%	-23	0.0%
Tax on result and effective tax rate	16,770	15.1%	24,000	19.4%

The effective tax rate decreased compared to last year. The following elements are worth noting:

- A significant decreasing effect of the effective tax rate is resulting from the application of the Dutch participation exemption on the divestment of the shareholding in the Dewetron group that took place during 2025. When this would be normalized for the divestment of the Dewetron group, the effective tax rate would be approx. 23.4%
- The non-deductible expenses include regular items such as non-deductible personnel expenses and share based payments, but also the non-deductible interest as a result of the earning stripping rules in the Netherlands is included in this amount.
- The benefits from tax R&D facilities decrease the effective tax rate and during 2025 these benefits decreased. The R&D facilities mainly relate to the Netherlands (innovation box), Austria, Belgium, Canada and China.
- The recognition of a deferred tax liability for withholding taxes had in 2025 a reducing impact on the effective tax rate.
- The settlement of income tax returns for previous years is reducing the effective tax rate, which includes amongst others prior year benefits in the Netherlands.
- Differences in tax rates for foreign subsidiaries caused on balance a higher effective tax rate. This applies to local taxation at the level of our subsidiaries in Germany, Italy, France and USA as well as to withholding taxes incurred as a result of dividend distributions.

TKH submits an annual Country-by-Country (CbC) report to the Dutch Tax and Customs Administration. This report is made available through the appropriate channels to the tax authorities of the countries in which TKH operates. As from financial year 2025, TKH will also publish a public Country-by-Country report, following the EU directive on this topic. This report will be made public separately in 2026 on TKH's website. In addition, TKH is subject to the so-called Mandatory Disclosure Rules (DAC6), which require TKH, and its advisors involved, to report selected cross-border tax arrangements. During the period under review, two reportable arrangements were disclosed.

TKH is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted in the Netherlands effective as from 31 December 2023 for financial years starting on or after this date (e.g. financial year 2024). Under the legislation, the group is liable to pay a top-up tax for the difference between their (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. In this context, the group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes (as provided in the amendments to IAS 12 issued in May 2023).

TKH has assessed the impact of Pillar Two on its financial position, whereby the initial focus is on the Transitional CbCR Safe Harbour rules. The Transitional CbCR Safe Harbour rules are a short-term measure to exclude a group's operations in lower-risk countries from the compliance obligation of preparing full Pillar Two calculations. Last year, based on the safe harbour assessment, two jurisdictions had an effective tax rate lower than 15% and consequently fell out of the Transitional CbCR Safe Harbour rules. Based on a more detailed assessment it was determined that this will not lead to any top-up tax under the full Pillar Two computations.

For the current year, three additional countries are expected to fall out of the Transitional CbCR Safe Harbour rules. Together with the jurisdictions that fell out last year, which are not able to invoke the Transitional CbCR Safe Harbour anymore due to the so-called "once-out-always-out" approach, there are in total five jurisdictions that are not able to invoke the Transitional CbCR Safe Harbour in 2025. These jurisdictions have been assessed in more detail. Pursuant to the assessment performed, these jurisdictions are not expected to result in any (material) impact on the financial position of the group.

32

EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS

in thousands of euros (unless stated otherwise)	Notes	2025	2024
Weighted average number of (depository receipts of) shares (x 1,000)		39,881	39,852
Effect of share options (x 1,000)		7	24
Weighted average number of (depository receipts of) shares diluted (x 1,000)		39,888	39,876
Net profit		94,299	99,531
Less: Non-controlling interests		73	30
Net profit attributable to the shareholders of the company		94,372	99,561
Amortization of intangible non-current assets from acquisitions	3	17,738	17,684
Taxes on amortization		-4,689	-4,565
Net profit before amortization attributable to the shareholders of the company		107,421	112,680
One-off income and expenses		16,799	3,996
Result from divestments, one-off expenses and purchase price allocations in the result of associates		-33,931	-22,454
Impairments		8,659	8,504
Fair value changes of financial liability for earn-out and put options of shareholders of non-controlling interests	14	-868	-733
Tax impact on one-off income, expenses and impairments		-6,364	-3,125
Net profit before amortization and one-off income and expenses attributable to the shareholders of the company		91,716	98,868
Earnings per share attributable to shareholders			
Basic earnings per share (in €)		2.37	2.50
Diluted earnings per share (in €)		2.37	2.50
Basic earnings per share before amortization (in €) ¹		2.69	2.83
Basic earnings per share before amortization and one-off income and expenses (in €) ¹		2.30	2.48

1. Non IFRS measure.

The number of (depository receipts of) shares outstanding with third parties as per December 31, 2025 was 39,884,014 (2024: 39,877,080). The amount of own shares held by TKH amounts to 2,318,415 per 31 December 2025, which represents 5.49% (2024: 5.51%) of the total outstanding shares.

The one-off income and expenses in 2025 mainly relates to restructuring, acquisition and divestment costs and one-off transportation costs due to the delayed ramp-up of the Eemshaven facility.

33 RELATED PARTIES

Trade transaction

in thousands of euros	Sold to		Bought from		Trade receivables		Trade payables	
	2025	2024	2025	2024	2025	2024	2025	2024
CAE Data SAS (part of SCS Wagram Holding)	2,315	2,089	623		242	287	38	27
Shin-Etsu (Jiangsu) Optical Preform Co. Ltd.								239
Speed Elektronik Vertrieb GmbH	253	684	159	84	4	49	13	9
Commend Australia Integrated Security and Communication Systems Pty Ltd.	689	658			156	127		
Total	3,257	3,431	782	84	402	463	51	275

The trade transactions with related parties were performed at arms length.

Shareholdings of members of the Executive Board and the Supervisory Board

During the financial year Mr. J.M.A. van der Lof sold in total 10,888 (depository receipts of) shares at an average stock price of €37.84, Mr. E.D.H. de Lange sold 8,174 (depository receipts of) shares at a stock price of €37.84 and Mr. H. Voortman sold 7,874 (depository receipts of) shares at a stock price of €37.84, in accordance with the share scheme. In addition, Messrs. J.M.A. van der Lof, E.D.H. de Lange and H.J. Voortman purchased under the share scheme respectively 5,444, 4,087 and 3,937 (depository receipts of) shares at a stock price of €37.84. Among the members of the Executive Board, Mr. J.M.A. van der Lof owned 130,035 (depository receipts of) shares, Mr. E.D.H. de Lange owned 80,099 (depository receipts of) shares and Mr. H.J. Voortman owned 53,626 (depository receipts of) shares at the end of 2025.

Remuneration of the Executive Board and the Supervisory Board

The Executive Board and the Supervisory Board are considered key management. Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group as a whole. The remuneration payable to the members of the Executive Board comprises a basic salary (TRI), pension and a variable element, comprising an annual performance bonus (STI) and a long-term bonus (LTI) scheme entailing a share scheme. The remuneration of the Supervisory Board consists of a fixed remuneration and a remuneration for participation in a committee. The various remuneration components are explained below, as well as the amount charged to the legal entity and its subsidiary or group companies. The breakdown of the remuneration per person and according to the various remuneration components is included in the remuneration report that is part of the annual report.

in thousands of euros	Basic salary (TRI)		Variable income (STI)		Share plan (LTI)		Pension		Pension compensation		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Executive Board	2,017	1,953	289	288	1,272	874	108	111	438	408	4,122	3,634
Supervisory Board	345	335									345	335
Total remuneration	2,362	2,288	289	288	1,272	874	108	111	438	408	4,467	3,969

34 BUSINESS COMBINATIONS

Divestments

In April 2025, TKH reached an agreement on the sale of its 100% share in Dewetron GmbH. The transaction was closed in October 2025, from which date Dewetron has no longer been consolidated in TKH Group's results. The turnover of Dewetron, part of TKH's Smart Manufacturing systems segment, totaled €29.4 million in 2024 with an EBITA of €3.0 million and 147 FTE. Dewetron operates mainly in Germany and China. The divestment of Dewetron has resulted in a one-off net profit contribution of €35.8 million.

The reconciliation between the result on divestment and the cash flow is as follows:

in thousands of euros	2025	2024
Net assets at the time of divestment	24,281	38,849
Result on sale of associates and subsidiaries	35,774	24,221
Cash and cash equivalents divested	-5,894	-2,811
Cash flow from divestments	54,161	60,259

35 NON-CASH TRANSACTIONS

There were no material non-cash transactions, besides lease transactions as mentioned in note 5.

36 EVENTS AFTER BALANCE SHEET DATE

No events of material significance for insight into the financial statements and the preceding period occurred after balance sheet date.

37 SERVICE FEES PAID TO EXTERNAL AUDITORS

The service fees paid to the external auditor, recognized as other operating expenses, can be specified as follows:

in thousands of euros	Deloitte Accountants B.V. / EY Accountants B.V. (Netherlands)		Other parts of Deloitte / EY		Total	
	2025	2024	2025	2024	2025	2024
Audit of the financial statements	1,611	1,405	610	614	2,221	2,019
Other assurance engagements	300	371	13	8	313	379
Tax fees				2	0	2
Other non-assurance engagements				6	0	6
Servicecosts external auditors	1,911	1,776	623	630	2,534	2,406

Deloitte Accountants B.V. was the external auditor of the financial statements 2025.

EY Accountants B.V. was the external auditor of the financial statements 2024.

The fees related to other assurance engagements includes the limited assurance engagement on the sustainability statement.



Financial statements

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Company financial statements

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Company statement of profit and loss

in thousands of euros	Notes	2025	2024
Net turnover	15	15,250	14,744
Total turnover	15	15,250	14,744
Wages and salaries	16	11,926	11,941
Social insurance contributions		1,815	1,765
Depreciation and result on divestment of property, plant and equipment		588	544
Other operating expenses		17,128	11,944
Total operating expenses		31,457	26,194
Operating result		-16,207	-11,450
Financial income		768	4,405
Financial expenses		-11,537	-20,840
Exchange differences		-136	-248
Change in value of financial liability for earn-out and put-options of holders of non-controlling interests		580	575
Result before tax		-26,532	-27,558
Tax on result	17	-7,643	-5,953
Company result		-18,889	-21,605
Share in result of participations		113,261	121,166
Net result		94,372	99,561

Company balance sheet

As of 31 December before profit appropriation

in thousands of euros	Notes	31-12-2025	31-12-2024	in thousands of euros	Notes	31-12-2025	31-12-2024
Assets				Equity and liabilities			
Non-current assets				Shareholders' equity			
Intangible assets and goodwill	2	232,032	232,793	Share capital		10,554	10,554
Property, plant and equipment	3	1,192	1,375	Share premium		85,021	85,021
Right-of-use assets	4	2,251	2,377	Legal reserve		123,503	120,398
Financial non-current assets	5	991,964	1,047,530	Translation reserve		-3,259	22,584
Deferred tax assets	6	2,275	907	Cash flow hedge reserve		3,575	-1,916
Total non-current assets		1,229,714	1,284,982	Retained earnings		586,064	546,777
				Unappropriated profit		94,372	99,561
Current assets				Total shareholders' equity	8	899,830	882,979
Receivables on subsidiaries		12,933	85,501	Provisions			
Other receivables	7	5,758	17,394	Deferred tax liabilities	6	615	981
Cash and cash equivalents	13	71	468	Other financial liabilities	12	2,422	3,106
Total current assets		18,762	103,363	Provisions	11	50,451	58,689
				Total provisions		53,488	62,776
Total assets		1,248,476	1,388,345	Non-current liabilities			
				Interest-bearing loans and borrowings	13	2,105	2,212
				Total non-current liabilities		2,105	2,212
				Current liabilities			
				Interest-bearing loans and borrowings	13	236	223
				Payables to group companies		284,587	431,981
				Other financial liabilities	12	1,818	1,660
				Other current liabilities		6,412	6,514
				Total current liabilities		293,053	440,378
				Total equity and liabilities		1,248,476	1,388,345

Notes to the company financial statements

1 ACCOUNTING PRINCIPLES

The company financial statements of TKH Group N.V. (hereafter 'TKH') are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its separate financial statements, TKH makes use of the option provided in Article 2:362 sub 8 of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result for the separate financial statements of TKH are the same as those for the consolidated financial statements. For a description of these accounting principles, reference is made to the accounting principles of the consolidated financial statements.

Investments in subsidiaries are valued at net asset value. The net asset value is determined on basis of the valuation principles, as described in note 1 of the consolidated financial statements. The net asset value of subsidiaries consists of cost price, exclusive goodwill, the share of TKH in the sum of the assets, liabilities and provisions of the subsidiary, plus the share in the result of the subsidiary since the takeover that is attributed to TKH, less the received dividends. In case of a negative net asset value, a provision is recognized to the extent TKH has incurred legal or constructive obligations.

The expected credit losses as prescribed in IFRS 9 Financial Instruments on receivables on group companies are included in the carrying amount of the participations.

2 INTANGIBLE ASSETS AND GOODWILL

in thousands of euros	Goodwill	
	2025	2024
Historical cost at 1 January	234,483	212,835
Accumulated impairment losses	1,690	1,690
Book value at 1 January	232,793	211,145
Acquisitions	-1,471	20,638
Transfer within the group	3,250	805
Exchange differences	-2,540	205
Book value at 31 December	232,032	232,793
Accumulated impairment losses	1,690	1,690
Historical cost at 31 December	233,722	234,483

The 'Transfer within the group' in 2025 relates to an internal goodwill reallocation following the divestment of the Dewetron activities.

3 PROPERTY, PLANT AND EQUIPMENT

in thousands of euros	Other equipment	
	2025	2024
Historical cost at 1 January	2,650	2,783
Accumulated depreciation and impairments	1,275	2,188
Book value at 1 January	1,375	595
Purchases	122	1,020
Disposals	-58	-11
Depreciation	-247	-229
Book value at 31 December	1,192	1,375
Accumulated depreciation and impairments	1,263	1,275
Historical cost at 31 December	2,455	2,650

4 RIGHT-OF-USE ASSETS

in thousands of euros	Buildings		Other equipment		Total	
	2025	2024	2025	2024	2025	2024
Historical cost at 1 January	2,457	2,461	524	353	2,981	2,814
Accumulated depreciation and impairments	331	83	273	206	604	289
Book value at 1 January	2,126	2,378	251	147	2,377	2,525
Purchases			215	171	215	171
Reassessment		-4			0	-4
Depreciation	-248	-248	-93	-67	-341	-315
Book value at 31 December	1,878	2,126	373	251	2,251	2,377
Accumulated depreciation and impairments	579	331	360	273	939	604
Historical cost at 31 December	2,457	2,457	733	524	3,190	2,981

5 FINANCIAL NON-CURRENT ASSETS

The difference between the below mentioned result on subsidiaries and associates and the result as included in the company statement of profit and loss relates to the result on divestment of subsidiaries as disclosed in note 34 of the consolidated financial statements.

in thousands of euros	Subsidiaries		Associates		Total	
	2025	2024	2025	2024	2025	2024
Balance at 1 January	1,018,666	910,460	28,864	35,217	1,047,530	945,677
Acquisition and/or incorporation of subsidiaries and associates		18,675			0	18,675
Disposals	-17,745	-10,909		-6,457	-17,745	-17,366
Capital contribution	121,171	26,919			121,171	26,919
Result	79,201	110,619	-1,745	174	77,456	110,793
Dividend received	-212,242	-63,064		-60	-212,242	-63,124
Change in cash flow hedge reserves	5,633	-1,279	-360		5,273	-1,279
Liquidation	-554				-554	0
Transfer within the group		-76			0	-76
Actuarial gains/(losses) from defined benefit plans	295	-234	-35		260	-234
Other changes	1,699				1,699	0
Reclassification provision subsidiaries and associates	-7,537	14,908			-7,537	14,908
Exchange differences	-23,327	12,647	-20	-10	-23,347	12,637
Balance at 31 December	965,260	1,018,666	26,704	28,864	991,964	1,047,530

6 DEFERRED TAX

The deferred tax assets and liabilities are related to the following items:

in thousands of euros	Undistributed intragroup profits	Tax write- down of loans	Financial instruments	Total
Balance at 1 January 2024	-879	883	-25	-21
(Charge)/credit to other comprehensive income			-54	-54
(Charge)/credit to profit or loss	-102	103		1
Balance at 31 December 2024	-981	986	-79	-74
(Charge)/credit to other comprehensive income			-38	-38
(Charge)/credit to profit or loss	1,772			1,772
Balance at 31 December 2025	791	986	-117	1,660

Certain deferred tax assets and liabilities are offset in accordance with the principles provided in IFRS. The deferred taxes are recognized in the balance sheet as follows:

in thousands of euros	2025	2024
Deferred tax assets stated under non-current assets	2,275	907
Deferred tax liabilities stated under non-current liabilities	-615	-981
Deferred taxes	1,660	-74

7 OTHER RECEIVABLES

in thousands of euros	2025	2024
Taxes and social security premiums	4,585	15,541
Other receivables	1,173	1,853
Other receivables	5,758	17,394

8 EQUITY

For the movement schedule is referred to the consolidated statement of changes in group equity. The company only movement schedule for equity, excluding the movement of the non-controlling interests, is the same.

		2025	2024
	x1,000	€'000	€'000
Authorized capital			
The authorized capital consists of:			
Ordinary shares	59,984		
Cumulative preference financing shares	10,000		
Convertible cumulative preference financing shares	10,000		
Cumulative preference protective shares	60,000		
Each nominal €0.25	139,984	34,996	34,996
Priority share	4		
Each nominal €1.00	4	4	4
Authorized capital		35,000	35,000
Of which not issued		24,446	24,446
Issued capital ¹		10,554	10,554

1. Concerns 4,000 priority and 42,198,429 (depository receipts of) shares.

The number of outstanding (depository receipts of) shares with third parties as per December 31, 2024 amounted to 39,877,080. Due to the exercise of options rights and share schemes, a balance of 6,934 (depository receipts of) shares were sold in 2025. As a result, the number of (depository receipts of) shares outstanding with third parties as per December 31, 2025 was 39,884,014. The amount of own shares held by TKH amounts to 2,318,415 per 31 December 2025, which represents 5.49% (2024: 5.51%) of the total outstanding shares.

The registered ordinary shares, with the exception of the register-shares in the company, have been transferred to Stichting Administratiekantoor TKH Group ('Trust Foundation'), which issues depository receipts of shares to the ultimate capital providers. Stichting Administratiekantoor is the party entitled to the shares and also exercises the voting right, unless it has granted power of attorney to the holders of the depository receipts. The holders of depository receipts are entitled to receive a power of attorney to cast a vote on the shares corresponding to the depository receipts they own. Stichting Administratiekantoor remains entitled to vote for the shares for which the holders of depository receipts are not present or represented at the meeting. The aforementioned power of attorney may be limited,

excluded or revoked by the executive committee of Stichting Administratiekantoor in various situations specified in the law (see also Corporate Governance). In that case Stichting Administratiekantoor may (again) exercise the voting right for all shares for which depositary receipts have been issued. The relationship between Stichting Administratiekantoor and the holders of depositary receipts of shares is governed by the administrative conditions. The protection afforded by the use of depositary receipts is based on the 1% rule. The depositary receipts may be exchanged for ordinary shares but not for more than 1% of the total issued capital in the form of ordinary shares. This total includes shares owned indirectly as well as directly. However, this does not apply to the transfer of ordinary shares to the company itself. Every transfer of preference financing shares, convertible preference financing shares and preference protective shares must be approved by the Executive Board. The Executive Board may only grant its approval with the approval of the Supervisory Board.

Besides from what is mentioned in the 'Other information', no special rights are attached to the priority shares.

The company has granted the Stichting Continuïteit TKH ('Continuity Foundation') an option to take preference protective shares for up to a maximum of 50% of the sum of the other outstanding shares at the time that the preference protective shares are issued or 100% of the sum of the other outstanding shares at the time that the preference protective shares are issued if the restriction on the cancellation option lapses, which will occur if and when the Executive Board of the company so decides and files a statement to that effect with the Chamber of Commerce.

Share premium reserve

The share premium reserve is fully exempt from Dutch taxes on distribution.

Legal reserve

The legal reserve relates to:

in thousands of euros	2025	2024
Capitalized development costs	114,298	107,730
Legal reserve for participations	9,205	12,668
Legal reserve	123,503	120,398

The legal reserve is not available for distribution to the company's shareholders. Both of the abovementioned legal reserves relate to participations. The legal reserve for Capitalized development costs is net of tax.

Revaluation reserves

The revaluation reserves are not available for distribution to the company's shareholders.

Hedging and translation reserve

The hedging and translation reserves are legal reserves and not available for distribution to the company's shareholders.

9 DIVIDEND

TKH recognizes a liability to pay a dividend when the distribution is no longer at the discretion of the company. A dividend payment is due under Dutch law if approved by the shareholders. At that moment, the amount is recognized directly in equity. At the General Meeting of shareholders in 2025 the dividend for the year 2024 was declared at €1.50 per (depositary receipt of) ordinary share. The dividend was paid in cash. The dividend on the priority shares was declared at €0.05 per share. The total amount of dividends paid in 2025 was €59,931,617 and this amount was charged to the retained earnings.

After December 31, 2025, the Executive Board has proposed a dividend. With regard to Article 33 of the Articles of Association, the Executive Board proposes to the holders of (depositary receipts of) ordinary shares a dividend of €1.35 per (depositary receipt of) ordinary share. The dividend proposal is subject to approval at the annual general meeting and has not been recognized in the balance sheet and does not impact the corporate income tax.

10 SHARE-BASED PAYMENTS

The share-based payments are disclosed in note 24 of the consolidated financial statements.

11 OTHER PROVISIONS

in thousands of euros	2025	2024
Liability for subsidiaries with negative equity	50,385	58,172
Other long-term provisions	66	517
Total of other long- and short-term provisions	50,451	58,689

For more background details about other long-term provisions see note 13 of the consolidated financial statements.

12 OTHER FINANCIAL LIABILITIES

in thousands of euros	Earn-out	Put options of holders of non-control- ling interests	Total
Balance at 1 January 2025	4,666	100	4,766
Change in value through the profit and loss account	-425	-155	-580
Other reclassifications	-1	55	54
Balance at 31 December 2025	4,240	0	4,240

For more details about the financial liabilities see note 14 of the consolidated financial statements.

13 NET INTEREST-BEARING DEBT

in thousands of euros	2025	2024
Bank loans reported under non-current liabilities	2,105	2,212
Borrowings reported under current liabilities	236	223
Cash and cash equivalents	-71	-468
Net interest-bearing debt	2,270	1,967

For more details about the facilities, conditions and securities see notes 10, 17, 18 and 20 of the consolidated financial statements.

14 CONTINGENT LIABILITIES

Under Article 2:403, paragraph 1 sub f of the Dutch Civil Code the company has assumed joint and several liability for debts arising from the legal actions for all Dutch subsidiaries of which TKH owns directly or indirectly 100% of the shares. The declarations to that effect have been deposited for inspection at the office of the Chamber of Commerce in the place where the legal entity for which the guarantee was given has its registered office.

The company is formally a guarantor for a total sum of €29.7 million (2024: €12.0 million) for bank credit and bank guarantee facilities provided to a number of foreign subsidiaries. This facility was called on for a sum of €2.0 million (2024: €nil) at the end of 2025. The company and the majority of its 100% owned Dutch subsidiaries form a tax group for the corporate income tax. Consequently, the company is liable for the income taxes of these subsidiaries.

15 TURNOVER

The turnover is related to the charged head office costs in the year for services provided to subsidiaries of the company.

16 WAGES AND SALARIES

The share-based payments and remuneration of key management (members of the Executive Board and Supervisory Board) are included in notes 24 and 33 of the consolidated financial statements. The number of employees amounted to FTE 28 end of 2025 (2024: 28).

17 TAX

in thousands of euros	Notes	2025	2024
Current tax		-4,169	-5,815
Adjustments for previous years		-1,702	-137
Deferred tax	6	-1,772	-1
Total tax on result		-7,643	-5,953

The reconciliation of the tax expense in the year with the result before tax is as follow:

in thousands of euros (unless stated otherwise)	2025		2024	
Result before tax	-26,532		-27,558	
Tax calculated at the Dutch tax rate	-6,845	25.8%	-7,110	25.8%
Correction due to tax effect for:				
Non-deductible expenses	749	-2.8%	865	-3.1%
Other non-deductible costs	520	-2.0%	327	-1.2%
Adjustments prior year other	-1,702	6.4%		
Settlement of income tax returns for previous years			-137	0.5%
Taxes on (un)distributed profits of foreign subsidiaries	-365	1.4%	102	-0.4%
Effective tax rate	-7,643	28.8%	-5,953	21.6%

18 EVENTS AFTER BALANCE SHEET DATE

No events of material significance for insight into the financial statements and the preceding period occurred after balance sheet date.

19 SIGNATURE OF THE FINANCIAL STATEMENTS

Haaksbergen, March 4, 2026

Executive Board

J.M.A. van der Lof MBA, *Chairman*

E.D.H. de Lange MBA

H.J. Voortman Msc

Supervisory Board

P.W.B. Oosterveer, *Chairman*

J.M. Kroon

C.W. Gorter

A.M.H. Schöningh

W.A.A. Peek



Other information

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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 €94,372.

In accordance with Article 33 of the articles of association, we propose paying the holders of (depository receipts of) ordinary shares a dividend of €1.35 per (depository receipt of) ordinary share.

The dividend will be made available for payment on June 2, 2026.

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, Allied Vision Konstanz 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,

Allied Vision Finning GmbH, Profipatch GmbH, Schneider Intercom GmbH, Allied Vision Schongau GmbH, Allied Vision Gilching 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 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, 2025. 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
TKF Energy	TKF Telecom	VMI	Texim Europe	Alphatronics	Allied Vision	TKH Group
TKF Subsea	EFB Elektronik	Dewetron (till Oct 31, 2025)		C&C Partners	Chromasens	TKH Finance
Isolectra	Intronics			Commend	LMI Technologies	TKH Logistics
E&E	TKH Airport Solutions			Mextal	SVS-Vistek	TKH Artificial Intelligence
				TKH Security	NET	
				Techno Specials	Euresys	
				Tattile		

Independent auditor's report

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

Report on the audit of the financial statements 2025 included in the annual report

Our opinion

We have audited the financial statements 2025 of TKH Group N.V., based in Haaksbergen. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of TKH Group N.V. as at 31 December 2025, and of its result and its cash flows for 2025 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of TKH Group N.V. as at 31 December 2025, and of its result for 2025 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 2025.
- The following statements for 2025: the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in group equity and the 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 2025.
- The company statement of profit and loss for 2025.
- 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. 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 was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 7,000,000 (2024: EUR 8,000,000). The materiality is based on 4.0% of operating profit before impairments and amortization, as it is considered an important performance indicator for the company and the users of the financial statements. 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. For the other group entities, the materiality levels are in the range of EUR 1,960,000 to EUR 4,410,000.

We agreed with supervisory board that misstatements in excess of EUR 350,000, 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 subsidiaries (components). The financial information of this group is included in the financial statements of TKH Group N.V. Based on our risk assessment, we determined the nature, timing and extent of audit procedures to be performed, including determining the components at which to perform audit procedures.

We are ultimately responsible for the audit opinion and for directing, supervising and performing the group audit. In planning the engagement we determined the nature and extent of procedures required across the group to obtain sufficient and appropriate audit evidence. Our group audit focused on entities or business units that are material by size, contribution to group results or because they present significant or complex risks, resulting in a targeted scope of account balances, classes of transactions and disclosures for group reporting purposes.

We performed audit procedures ourselves at TKH Group N.V., at corporate level and at selected Dutch operating entities, and carried out centralized audit work in areas that materially affect the consolidated statements, including but not limited to procedures that relate to the consolidation process, group taxation, acquisitions and disposals, management remuneration and impairment assessments for intangible assets (including goodwill). Where appropriate, we used the work of component auditors; for those components we issued detailed written instructions setting out the work to be performed, the centrally obtained information relevant to the component audit and the significant audit areas to be addressed, including the risk of management override of controls. The form and extent of our instructions and our level of involvement were tailored to each component's relative size and risk profile.

As part of our oversight we established a plan for directing, supervising and reviewing component teams. Our activities included virtual and in-person meetings with component auditors and management, review of working papers on site or remotely, and site visits where necessary to observe operations, discuss risk assessments and review key judgements and supporting evidence; when required we attended local closing meetings. For the component auditor of group entities in Canada, Germany, China and the Netherlands, we conducted on-site file

reviews during the year and remote follow-up review procedures to evaluate the work undertaken and to assess their findings. For account balances, classes of transactions and disclosures not selected for full testing we performed targeted procedures such as analytical review, enquiries of management and examination of selected supporting documentation to corroborate that our scoping and risk assessment remained appropriate.

We ensured that group and component teams had the skills and competencies required for a listed client and involved specialists where relevant, including in IT and cybersecurity; tax; forensic; valuation; and environmental, social and governance. The combination of procedures performed at component and group level provided sufficient coverage of the group's material balances, classes of transactions and disclosures and resulted in coverage of approximately 77% of the group's EBITA, 86% of over-time revenue and 76% of total revenues. We reported identified misstatements and other matters of qualitative importance to those charged with governance in line with our reporting arrangements.

By performing the procedures mentioned above at components, together with additional procedures 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.

Audit approach 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 evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the Code of Conduct and Whistleblower Policy. 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 have identified the presumed risk that management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records by overriding controls that otherwise appear to be operating effectively. This risk is pervasive and could result in material misstatement at the financial statement level arising from:

- Journal entries and other manual adjustments made during the preparation of the financial statements.
- The use of estimates, including high level of judgement and assumptions subject to management bias.
- Significant transactions outside the normal course of business for the group.

To address the risk of management override of controls we have performed procedures including, among others, the following:

- We considered available information and made enquiries with relevant key entity personnel, members of the executive board, management board and supervisory board.
- We evaluated the design and implementation of the relevant internal controls mitigating the risk of management override of controls.

- We performed journal entry testing procedures, using selected criteria of investigation, for journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- We evaluated whether the judgements and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2 of the financial statements.
- We performed a retrospective review of management judgements and assumptions related to significant estimates reflected in prior year financial statements.
- We evaluated whether the business rationale of the significant transactions suggest that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.
- 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 considered available information and made enquiries of relevant executive board and supervisory board members.
- We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

Based on our audit procedures performed, we did not identify instances or suspicions of fraud due to management override of controls.

We also identified a presumed fraud risk in respect of revenue recognized over time, relating to measurement of

progress and valuation of contract assets and liabilities. Specific audit responses to this risk are described in the Key Audit Matters section of this report.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the company through discussion with amongst others, the executive board, supervisory board and Group Legal Counsel, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax laws in the Netherlands, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its

business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the supervisory board, the executive board and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the executive board and the supervisory board, related to going concern under the prevailing standards are outlined in the "Description of responsibilities regarding the financial statements" section below.

The financial statements have been prepared in accordance with the going concern assumption. The appropriateness of the going concern assumption depends on management's assessment of the expected company's performance within its future economic environment. The executive board believes that no events or conditions, give rise to doubt the ability of the group to continue in

operation during at least twelve months after the date of the financial statements.

We have obtained management's assessment of the entity's ability to continue as a going concern, and have assessed the going concern assumption applied. As part of our procedures, we evaluated whether sufficient appropriate audit evidence has been obtained regarding, and have concluded on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements. Based on these procedures, we did not identify any reportable findings related to the entity's ability 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 supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

Revenue Recognition – Smart Connectivity systems - Customer-specific contracts

Risk

With the increased activities of subsea cable production in Smart Connectivity systems and the new production facility in Eemshaven, significant new revenue projects were closed in recent years involving specialized cable systems for off-shore energy distribution. These revenue projects involve specialized cable production as well as in some instances other project-related activities, including supplying installation-related materials and providing contract management, engineering, installation and testing services. Revenue arrangements require careful consideration and judgment in determining the correct revenue recognition in accordance with IFRS 15. Given the significance and customer-specific requirements of

these new and significant contracts, we have considered revenue recognition in Smart Connectivity systems a key audit matter.

Audit Approach

Our audit procedures included, among others, understanding the application of the revenue recognition standard IFRS 15 'Revenue from Contracts with Customers' and the company's controls relevant to revenue recognition of significant new revenue projects in Smart Connectivity systems. Furthermore, we have conducted the following substantive audit procedures with respect to the identified risk:

- We evaluated management's identification of performance obligations under IFRS 15 and whether such contractual performance obligations are distinct and satisfied over time or at a point in time, in accordance with the relevant criteria of IFRS 15.
- We evaluated other key contractual aspects, including the determination of transaction price, the allocation of the contractually agreed transaction prices to each performance obligation and the relevant payment schedule and contractual payment terms.
- We performed tests of details, including testing contractual details, production activity to date and other contract cost, with supporting evidence such as, but not limited to, invoices, contracts and detailed specifications, to validate management's cost-to-cost calculations.
- We evaluated the adequacy of revenue-related disclosures, including the disclosures related to contract assets and contract liabilities as included in note 9 of the financial statements.

Key Observations

The results of our audit procedures were discussed with management and the supervisory board. We believe the

scope and nature of our procedures were appropriate and sufficient to address the risks of material misstatement in relation to revenue recognition for Smart Connectivity systems.

Revenue Recognition – Smart Manufacturing systems – Customer-specific contracts

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. Within its Smart Manufacturing systems segment, TKH Group N.V. manufactures integrated systems for the production of car, truck, and motorcycle tires. For these projects, 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 requires 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 complex estimations and requires significant judgment. The key risk is that these complex judgments could result in inappropriate estimations.

For revenues, from customer-specific contracts, of the Smart Manufacturing Systems segment, our audit specifically focused on the risk that inappropriate estimates could lead to a misstatement of recognized revenue and profit. Given the significance of the judgments involved, we consider improper revenue recognition a key audit matter.

Audit Approach

Our procedures included, among others, auditing the application of the revenue recognition standard IFRS 15 'Revenue from Contracts with Customers'. We obtained an understanding of the revenue recognition process and evaluated the company's controls relevant to revenue

recognition. Furthermore, we have conducted the following substantive audit procedures with respect to the identified risk:

- 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, and evaluating the percentage of completion.
- We evaluated management's estimate of the cost to come, holding interviews with project managers and reconciling key assumptions to supporting evidence.
- We performed tests of details on individual revenue transactions in which we tested the proper identification of contractual arrangements, allocation of revenue, and cut-off.
- We evaluated the adequacy of revenue-related disclosures, including the disclosures related to contract assets and contract liabilities.

Key Observations

The results of our audit procedures were discussed with management and the supervisory board. We consider management's estimates assumptions to determine the percentage of completion of the projects, including the cost to come and the expected result of the projects, to be on the conservative side of the acceptable range.

Effect of announced separation of the electrification activities

Risk

On 25 September 2025, as part of Capital Markets Day, management announced its Capitalize & Execute 2028 strategy, including an intended change towards two segments: Automation and Electrification. Management also indicated to explore alternative future ownership for the Electrification activities. These announcements could have accounting implications for the 2025 financial statements, specifically for:

- The identification and presentation of reporting segments under IFRS 8 Operating Segments in the 2025 financial statements.
- The potential classification of the Electrification activities as held for sale under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Audit Approach

We performed procedures to evaluate the accounting implications of the announcements and the appropriateness of management's related judgements and disclosures. Our procedures included, among others:

- We have assessed management's determination of the entity's chief operating decision-maker during 2025 and the identification, aggregation and presentation of reportable segments in accordance with the requirements of IFRS 8.
- We have inspected supporting documentation considered by management (including internal segment reporting, budgets and forecasts, executive- and supervisory board meeting minutes during 2025) and made inquiries of key management and those charged with governance about the rationale for the 2025 segment structure.
- We have evaluated whether management's segment disclosures in the 2025 financial statements appropriately reflect the current structure and provide the information required by IFRS 8.
- We have assessed management's consideration of the IFRS 5 held-for-sale criteria for the Electrification activities.

Key Observations

We discussed the results of our procedures with management and the supervisory board. Based on the work performed, we consider the scope and nature of our procedures appropriate to address the risk of material misstatement arising from the Capital Markets Day

announcements. Our audit procedures provided sufficient appropriate evidence to conclude on the appropriateness of management's identification of reporting segments as disclosed in note 22 and its assessment of the potential classification of the segments in the 2025 financial statements.

Report on the 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.

The other information consists of:

- Management report;
- Report of the supervisory board;
- Remuneration report;
- Sustainability statements;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code;
- Other information as included in the annual report.

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 all the information regarding the Management Report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 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 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 the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the annual meeting of shareholders as auditor of TKH Group N.V. on 25 April 2023, as of the audit for the year 2025 and this was the first year that we operated as statutory auditor since our appointment.

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 Format (ESEF)

TKH Group N.V. has prepared its annual report in accordance with the requirements as 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 XHTML format, including the (partly) 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.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into one 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 company'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 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 executive board and the supervisory board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, executive board is responsible for such internal control as 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, executive board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, executive board should prepare the financial statements using the going concern basis of accounting unless executive board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The 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 responsibility is to plan and perform the audit engagement in a manner that allows us to obtain sufficient 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 scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 executive board.
- Concluding on the appropriateness of executive board's use of the going concern basis of accounting, and

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. 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. 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 the company to cease to continue as a going concern.

- 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.

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 and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with those charged with governance 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 identified during our audit. In this respect we also submit an additional report to the Audit Committee in accordance with Article 11 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 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 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.

Rotterdam, 4 March 2026

Deloitte Accountants B.V.

Signed on the original: B.E. Savert

Limited assurance report of the independent auditor on the sustainability statement

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

Our conclusion

We have performed a limited assurance engagement on the sustainability statement for the year ended 31 December 2025 of TKH Group N.V., based in Haaksbergen (hereinafter: the company) in the section ‘Sustainability statements’ of the accompanying annual report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the assurance 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 in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS.
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) as applicable until 31 December 2025.

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

Emphasis of 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 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 the company 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 prioritise 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 the company’s strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. 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.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the Executive Board of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.

Responsibilities of 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 the company 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) as applicable until 31 December 2025.

The Executive Board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company’s sustainability-related impacts, risks and 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 the company.

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 appropriate assurance evidence for our conclusion.

Our assurance engagement is 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.

We apply the applicable quality management requirements pursuant to the ‘Nadere voorschriften kwaliteitsmanagement’ (NV KM, regulations for quality management), 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 among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company 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, the company’s processes for gathering and reporting entity-related and value chain information, the information systems and the company’s risk assessment process relevant to the preparation of the sustainability statement and for identifying the company’s activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) as applicable until 31 December 2025, without obtaining assurance information about the implementation, or testing the operating effectiveness, of controls.

- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) as applicable until 31 December 2025 where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed 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 the company.
- Determining the nature and extent of the procedures to be performed for the group subsidiaries and locations. For this, the nature, extent and/or risk profile of these subsidiaries are decisive.
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends.

- Assessing whether the company'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.
- Analysing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors and experts 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 the company, are consistent or coherent with the sustainability statement and 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 in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering the overall presentation, structure and the 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) as applicable until 31 December 2025.
 - Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole is free from material misstatements and prepared in accordance with the ESRS.

Rotterdam, 4 March 2026

Deloitte Accountants B.V.

Signed on the original: B.E. Savert



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 (2025) 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 €10,518,174 on December 31, 2025, in exchange for which 42,072,696 depositary receipts for shares¹, 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 28 were the Annual General Meeting of Shareholders (“AGM”) 2025 and the TKH Annual Report 2024. The annual accounts 2024 of TKH Trust Foundation Office have been discussed, approved, and adopted. The Board reappointed Mr. Visser and Mr. Tiemstra as a member of the Board of TKH Trust Foundation Office for a period of two years commencing on July 1, 2025.

During the meeting on May 15, the agenda items of the AGM 2025 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 49.4% of the capital entitled to vote requested a proxy from TKH Trust Foundation Office to vote independently on the shares in question. 41.2% of the capital entitled to vote provided voting instructions to TKH Trust Foundation Office. The Board of TKH Trust Foundation Office decided to vote in favor of all agenda items, for the remaining 50.8% of the capital entitled to vote.

In the meeting of September 19, 2025, the Executive Board of TKH gave an explanation of the published interim figures for 2025 as well as other relevant developments. 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.

TKH Trust Foundation Office COSTS

The total costs of the TKH Trust Foundation Office amounted to €52,981 (2024: €51,274). The remuneration of the Board amounted to €38,200 (2024: €37,000). During the year under review, no external advice was obtained.

Contact details

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Website: www.stichtingadministratiekantoorstk.com

Email: stak@tkhgroup.com

Haaksbergen, March 31, 2026

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, 2026

TKH Group N.V.

The Executive Board

Haaksbergen, March 31, 2026

TKH Trust Foundation Office

The Board

¹ The number of depositary receipts for shares has increased by 2,960 compared to December 31, 2024, due to the conversion of on balance 2,960 ordinary shares into depositary receipts for shares.



Stichting Continuïteit TKH

The purpose of Stichting Continuïteit TKH (“Continuity Foundation”) is to serve the interests of TKH Group N.V. (“TKH”) and its affiliated companies, 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 conducive 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 will 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 2025.

TKH has also granted the Continuity Foundation the right to initiate an inquiry procedure in the event that the Continuity Foundation believes there are valid 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 its affiliated companies.

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, 2026
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, 2026
TKH Group N.V.

The Executive Board

Haaksbergen, March 31, 2026
Continuity Foundation

The Board

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.

Adjusted EBITA and EBITDA and ROS (return on sales)

Adjusted EBITA: Earnings before interest, taxes, impairments and amortization, excluding one-off income and expenses.

Adjusted EBITDA: Earnings before interest, taxes, impairments, depreciation and amortization, excluding one-off income and expenses.

ROS: Adjusted EBITA 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 adjusted EBITA, adjusted EBITDA and Return On Sales, 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 adjusted 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	2025	2024
Group equity		899,913	883,087
Add: Interest-bearing loans and borrowings, non-current		565,599	620,085
Add: Interest-bearing loans and borrowings, current		109,894	90,270
Less: Total lease liabilities	18	-89,049	-87,725
Less: Cash and cash equivalents		-125,325	-125,629
Capital employed current year		1,361,032	1,380,088
Capital employed previous year		1,380,088	1,303,094
Average capital employed		1,370,560	1,341,591
Adjusted EBITA	22	189,481	203,916
ROCE		13.8%	15.2%

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 (unless stated otherwise)	Notes	2025	2024
Net interest bearing debt	18	548,000	581,768
Adjustment according to bank covenants		-86,552	-85,741
Net interest bearing debt according to bank covenants		461,448	496,027
EBITDA	22	251,097	255,919
Adjustment according to bank covenants		-14,042	-13,077
EBITDA according to bank covenants		237,055	242,842
Debt leverage ratio		1.9	2.0

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.

in euros (unless stated otherwise)	Notes	2025	2024
Proposed dividend per share	9 comp	1.35	1.50
Basic earnings per share before amortization and one-off income and expenses (in €)	32	2.30	2.48
Payout ratio 'Adjusted net profit'		58.7%	60.5%

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.

in euros (unless stated otherwise)	Notes	2025	2024
Proposed dividend per share	9 comp	1.35	1.50
Basic earnings per share (in €)	32	2.37	2.50
Payout ratio Net result		57.1%	60.0%

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.

in thousands of euros (unless stated otherwise)	Notes	2025	2024
Turnover from innovations		299,292	300,889
Total Turnover		1,761,167	1,712,735
Turnover from innovations %		17.0%	17.6%

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.

in thousands of euros (unless stated otherwise)	Notes	2025	2024
Result before tax		111,069	123,531
Less: Share in result of associates		1,571	-249
Less: Result on sale of associates and subsidiaries		-35,774	-24,221
Less: Fair value changes of financial liability for earn-out and put options of shareholders of non-controlling interests		-868	-733
Normalized result before tax		75,998	98,328
Tax on result		16,770	24,000
Normalized effective tax rate		22.1%	24.4%

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, one-off transportation costs due to the delayed ramp-up of the Eemshaven facility 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.

The one-off income and expenses can be specified as follows:

Description	Notes	Segment	Category	2025	2024
Acquisitions and divestments		Other	Other operating expenses	3,828	844
One-off transportation costs due to the delayed ramp-up of Eemshaven		Smart Connectivity systems	Raw materials, consumables, trade products and subcontracted work	11,600	0
Restructuring costs	22	Smart Connectivity systems (mainly)	Personnel expenses	2,332	3,152
Cancellation of depreciation on 'held for sale'		Smart Manufacturing systems	Depreciation	-961	0
One-off income and expenses				16,799	3,996

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 adjusted EBITA.

	Notes	2025	2024
Total Operating expenses		1,658,138	1,582,127
Less: One-off income and expenses	22	-5,199	-3,996
Less: Raw materials, consumables, trade products and subcontracted work (adjusted for one-off expenses)		-873,818	-824,229
minus: Amortization		-60,994	-60,808
minus: Impairments		-8,659	-8,504
Operating expenses (excluding one-off expenses, amortization and impairments)		709,468	684,590

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. Performance obligations are only included when contracts are signed or orders are received and there is a high degree of certainty that these assignments will be executed and therefore contribute to turnover for the group.

Reference is made to note 9 and 22 of the consolidated financial statements for further detail. This information is included as it provides information about the durability of TKH's future revenue. The order intake is calculated as follows:

in thousands of euros	Smart Vision systems		Smart Manufacturing systems		Smart Connectivity systems		Other & eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Order book at 1 January	139,861	124,035	501,506	631,285	493,638	214,784	-1	1	1,135,004	970,105
Acquisitions and divestments		343	-7,353	-37,231		3,144		-1	-7,353	-33,745
Turnover	-522,646	-489,597	-522,622	-608,843	-728,831	-631,900	12,932	17,605	1,761,167	1,712,735
Order intake	513,288	505,080	409,328	516,295	751,676	907,611	-12,931	-17,607	1,661,361	1,911,379
Order book at 31 December	130,503	139,861	380,859	501,506	516,483	493,638	0	-2	1,027,845	1,135,004

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		Smart Manufacturing systems		Smart Connectivity systems		Other & eliminations		Total 2025	
		in %		in %		in %		in %		in %	
Turnover current year	22	522,646		522,622		728,831		-12,932	1,761,167		
Turnover previous year	22	489,597		608,843		631,900		-17,605	1,712,735		
Turnover growth		33,049	6.8%	-86,221	-14.2%	96,931	15.3%	4,673	48,432	2.8%	
Impact of acquisitions & divestments		-6,313	-1.3%	33,158	5.4%				26,845	1.6%	
Impact of foreign exchange effects		6,310	1.3%	866	0.1%	1,196	0.2%		8,372	0.5%	
Organic turnover growth		33,046	6.7%	-52,197	-8.6%	98,127	15.5%	4,673	83,649	4.9%	

Organic Adjusted EBITA growth

Growth of Adjusted EBITA corrected for the impact of acquisitions, divestments and foreign exchange effects from translating adjusted EBITA in foreign currencies. The correction for divestments is determined by adjusting 'adjusted EBITA growth' for the adjusted 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 'adjusted EBITA

growth' for the adjusted 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 adjusted 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		Smart Manufacturing systems		Smart Connectivity systems		Other & eliminations		Total 2025	
		in %		in %		in %		in %		in %	
Adjusted EBITA current year	22	93,704		101,242		16,991		-22,456	189,481		
Adjusted EBITA previous year	22	77,732		116,113		30,920		-20,849	203,916		
Adjusted EBITA growth		15,972	20.5%	-14,871	-12.8%	-13,929	-45.0%	-1,607	-14,435	-7.1%	
Impact of acquisitions & divestments		-1,835	-2.4%	-255	-0.2%				-2,090	-1.0%	
Impact of foreign exchange effects		1,094	1.4%	614	0.5%	124	0.4%		1,832	0.9%	
Organic adjusted EBITA growth		15,231	19.6%	-14,512	-12.5%	-13,805	-44.6%	-1,607	-14,693	-7.2%	

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.

in thousands of euros (unless stated otherwise)	2025	2024
Total group equity	899,913	883,087
Total equity and liabilities	2,152,370	2,213,341
Solvency	41.8%	39.9%

Turnover related to the sustainable development goals

Total of TKH's portfolio's turnover linked to one of the 17 SDGs (Sustainable Development 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'.

in thousands of euros (unless stated otherwise)	2025	2024
Turnover linked to SDGs	1,325,953	1,226,631
Total Turnover	1,761,167	1,712,735
Turnover linked to SDGs%	75.3%	71.6%

Working capital ratio

Working capital ratio is calculated by dividing working capital by turnover. The ratio is used to disclose the relative position of our working capital to our turnover. This adds additional information and perspective to the absolute amounts of working capital.

in thousands of euros (unless stated otherwise)	2025	2024
Current assets	930,707	963,361
Less: Cash and cash equivalents	-125,325	-125,629
Current liabilities	-615,613	-622,177
Add: Current interest-bearing loans and borrowings	109,894	90,270
Working capital	299,663	305,825
Turnover	1,761,167	1,712,735
Working capital ratio	17.0%	17.9%

10 years overview

In millions of euros	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Consolidated statement of profit and loss										
Turnover	1,761	1,713	1,847	1,817	1,524	1,289	1,490	1,458	1,485	1,341
Raw materials, consumables, trade products and subcontracted work	862	824	928	959	787	655	771	768	817	710
Added value	899	889	919	858	737	634	718	690	668	631
Personnel expenses	485	474	476	435	378	345	369	352	347	331
Other operating expenses	163	159	156	140	124	108	133	137	147	131
Adjusted EBITDA	251	256	287	283	235	181	216	201	174	169
Depreciation	62	52	50	48	45	46	45	26	25	22
Adjusted EBITA	189	204	237	235	190	136	171	175	149	147
One-off income and expenses	17	4	2	-10		7	18	4	6	
EBITA	173	200	235	245	190	129	154	171	143	147
Impairments	9	8	4	0	2	4	5	2	2	1
Amortization	61	61	57	55	51	54	50	40	37	33
Operating result	103	131	174	190	137	71	99	129	104	113
Financial result	7	-8	29	-9	-6	-14	-10	-4		-7
Fair value changes of financial liability for earn-out and put options of holders of non-controlling interests	1	1			-2				4	1
Result on ordinary activities before taxes	111	124	203	181	129	57	89	125	108	107
Taxes	17	24	37	44	34	15	20	27	20	20
Net result for the period from continued operations	94	100	166	137	95	42	69	98	88	87
Result after tax from discontinued operations							45	11		
Non-controlling interests									1	1
Attributable to shareholders	94	100	166	137	95	42	114	109	87	86
Key figures										
Adjusted EBITA/Turnover (ROS) ³	10.8	11.9	12.8	12.9	12.4	10.5	11.6	12.0	10.1	10.9
Net result before amortization and one-off income and expenses/Group equity ³	10.2	11.2	15.6	19.9	15.8	10.6	14.9	17.6	16.1	16.5
Adjusted EBITA/Average capital employed (ROCE)	13.8	15.2	19.8	23.2	20.5	14.0	17.4	21.3	19.7	20.1
Net debt/EBITDA ratio ³	1.9	2.0	1.8	1.1	0.9	1.6	1.5	1.4	0.9	1.0
Net result before amortization and one-off income and expenses/Turnover ³	5.2	5.8	7.1	7.9	7.5	5.5	7.1	7.8	6.5	7.2

1. The comparative figures for 2018 have been restated due to discontinued operations.

2. The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

3. Excluding one-off income and expenses. The one-off in 2025 concern restructuring costs €2.3 million, acquisition and divestment costs €3.8 million, one-off transportation costs €11.6 and correction on depreciation in assets held for sale of -/- €0.9. The one-off in 2024 mainly concerns restructuring, acquisition and divestment costs.



In millions of euros	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Consolidated balance sheet										
Intangible assets and goodwill	598	611	566	534	537	577	596	544	392	395
Property, plant and equipment	501	486	436	295	222	220	231	246	229	215
Right-of-use assets	78	78	84	75	69	77	81			
Financial non-current assets	45	48	53	26	45	42	52	31	28	46
Total non-current assets	1,222	1,223	1,138	930	873	916	960	821	649	656
Inventories	342	399	403	386	295	237	239	267	219	207
Trade and other receivables	463	439	471	459	341	286	300	356	327	295
Cash and Cash equivalents	125	126	94	185	100	122	79	83	88	88
Total current assets	931	963	968	1,030	736	645	618	706	634	590
Assets held for sale		27	21	109	88	5	39			
Total assets	2,152	2,213	2,128	2,068	1,697	1,566	1,617	1,527	1,283	1,246
Shareholders' equity	900	883	836	787	722	662	705	647	594	574
Non-controlling interests								1	9	9
Group equity	900	883	836	787	722	662	705	648	603	583
Provisions ³	84	95	93	84	90	86	97	86	69	74
Non-current interest-bearing loans and borrowings	566	620	572	503	334	410	416	239	187	214
Current interest-bearing loans and borrowings	110	90	76	70	48	57	58	171	57	52
Other financial liabilities	5	6	3	4	7	8	9	5	15	23
Other current liabilities	488	510	545	587	460	343	319	378	352	300
Liabilities directly associated with assets held for sale		9	3	33	37		13			
Total equity and liabilities	2,152	2,213	2,128	2,068	1,697	1,566	1,617	1,527	1,283	1,246
Other information in euros (unless stated otherwise)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Solvency (in %)	42	40	39	38	43	42	44	42	47	47
Investments in property, plant and equipment	67	89	179	105	30	28	32	42	41	46
Depreciations of property, plant and equipment	45	36	33	32	30	30	29	28	24	23
Cash flow from operating activities	192	196	153	116	199	188	182	127	160	103
Number of shares outstanding and held by third parties at year end (x 1,000)	39,880	39,873	39,798	41,001	41,178	41,487	41,999	42,003	42,045	42,161
Net result per ordinary share of €0.25	2.37	2.50	4.07	3.34	2.31	1.14	2.72	2.58	2.05	2.04
Net profit before amortization and one-off income and expenses from continued operations attributable to shareholders	2.30	2.48	3.21	3.50	2.77	1.69	2.51	2.72	2.27	2.25
Dividend per share	1.35	1.50	1.70	1.65	1.50	1.00	1.50	1.40	1.20	1.10
Highest share price	40.40	44.78	49.10	54.90	56.15	51.30	55.05	60.15	56.68	38.14
Lowest share price	30.56	30.18	33.64	31.24	37.88	23.42	38.82	38.36	36.45	28.47
Share price at year-end	36.56	33.32	39.50	37.16	55.50	39.54	49.90	40.70	52.93	37.59

1. The comparative figures for 2018 have been restated due to discontinued operations.

2. The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.



Editor and text

TKH Group NV, Haaksbergen

Design

Monter, Amsterdam

Photography

Maarten de Groot (page 4,41)

For actual information about TKH Group and our sustainability developments please visit our website: www.tkhgroup.com.



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