Other information

Profit appropriation

As 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 the 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 is not sufficient 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 authorized to resolve to distribute an amount equal to the deficit referred to in the previous sentence against the reserves.

10. The Executive Board shall, with the approval of the Supervisory Board, set aside as much of the remaining profit as it deems necessary. To the extent that the profit has not been retained in accordance with the previous sentence, it shall be at the disposal of the General Meeting, either in whole or in part appropriation to the reserves or in whole or in part for distribution to the holders of ordinary shares in proportion to their holdings 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 € 165,704.

In accordance with Article 33 of the Articles of Association, we propose paying the holders of (depositary receipts of) ordinary shares a dividend of € 1.70 per (depositary receipt of) ordinary share.

The dividend will be made available for payment on May 14, 2024.

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 wholly owned, unless indicated otherwise. The following 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 prepare consolidated annual accounts pursuant to § 291 HGB.

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

The following UK subsidiaries are controlled and consolidated by the group, where the Directors have taken the exemption from having an audit of their financial statements for the year ended December 31, 2023. This exemption is made in accordance with the UK Companies Act, S479A.

Commend UK Ltd., TKH Security UK Ltd., TKH Security Ltd.

Smart Vision systems		Smart Manufacturing systems		Smart Connectivity systems		TKH Group Support
Alphatronics	Allied Vision	Dewetron	Texim Europe	E&E	Isolectra	TKH Group
C&C Partners	Chromasens	EKB	VMI	EFB	TFO	TKH Finance
Commend Group	LMI Technologies	HE System Electronic		Intronics	TKF	TKH Logistics
Mextal	Net GmbH			TKH Airport Solutions	CAE [2]	TKH Artifical Intelligence
TKH Security	SVS-Vistek					
Techno Specials	Euresys [1]					
Tattile						

1 Consolidated as from May 2023.
2 Consolidated up to and including September 2023.

Independent auditor's report

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

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of TKH Group N.V. based in Haaksbergen, the Netherlands. 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 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of TKH Group N.V. as at 31 December 2023 and of its result for 2023 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 2023
- The following statements for 2023: the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in group equity and consolidated cash flow statement
- The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

- The company balance sheet as at 31 December 2023
- The company statement of profit and loss for 2023
- The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

Information in support of our opinion

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

Our understanding of the business

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

Materiality

Materiality	EUR 9.5 million (2022: EUR 9.3 million)
Benchmark applied	4% of earnings before interest, taxes, impairments and amortization (EBITA) (2022: 4% of EBITA)
Explanation	We applied earnings before interest, taxes, impairments and amortization (EBITA) as benchmark as in our perception, it is an important and stable performance indicator for the company and the users of the financial statements.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons. We agreed with the supervisory board that misstatements in excess of EUR 440,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

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

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Following our assessment of the risk of material misstatement to the consolidated financial statements, we have selected sixteen components which required an audit of the complete set of financial information (full scope components). Furthermore, we selected nine components requiring audit procedures on specific account balances that we considered had the potential for the greatest impact on the group financial statements, either because of the size of these accounts or their risk profile (specific scope components). The audit of the Dutch operating companies within the scope of the group audit was performed by ourselves. With the exception of four operating companies in Germany and one in Finland, the audit of the foreign operating companies in scope of our audit were performed by teams of EY Global member firms. We provided the foreign component teams with detailed instructions and the component teams performed their audit procedures on the basis of those instructions and reported the results of their audit procedures to us.

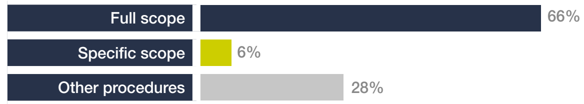
Component performance materiality was determined using professional judgment, based on the relative size of the component and our risk assessment. Component performance materiality did not exceed EUR 2.6 million and the majority of our component auditors applied a performance materiality that is significantly less than this threshold. We performed audit procedures ourselves on certain accounting areas managed centrally, such as goodwill and other intangibles of acquired companies, business combinations and valuation of deferred tax assets arising from unused tax losses.

We have performed physical site visits to components in Belgium, Germany, and Poland, where we have had sessions with local management and/or the component auditors. We discussed the business activities, the identified significant risks and performed a review on relevant parts of the component auditor's key audit documentation. Furthermore we reviewed key working papers of EY component auditors in Canada and Germany using the EY electronic audit file platform. We have had regular conferencing calls with the all the component auditors and evaluated their reporting.

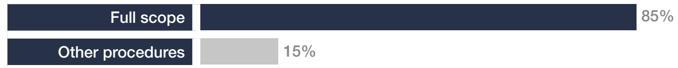
For the remaining components, we performed selected other procedures, including analytical reviews and test of details to respond to potential risks of material misstatements to the financial statements that we identified.
As a result of our scoping of the consolidated financial statement, specific account balances and the performance of audit procedures at different levels in the organization, our actual coverage varies per financial statement account balance and the depth of our audit procedures per account balance varies depending on our risk assessment.

Accordingly, our audit coverage, for selected account balances included in the key audit matters stated below and the measurement basis of our materiality, are summarized as follows:

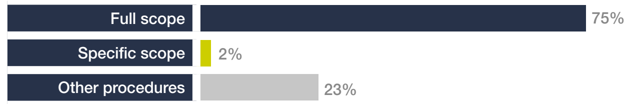
EBITA



Over-time revenue



Capitalized development cost



By performing the procedures mentioned above at components of the group, 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 consolidated financial statements.

Teaming and use of specialists

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

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO_2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets (stranded assets) and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO_2 footprint.

Management summarized the TKH Group N.V.'s commitments and obligations, and reported in the section 'Sustainability statements' of the management report how TKH is addressing climate-related and environmental risks.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the TKH Group N.V.'s commitments and (constructive) obligations, are taken into account in estimates and significant assumptions. Furthermore, we read the management report and considered whether there is any material inconsistency between the non-financial information in section 'Sustainability statements' and 'Risk Management' and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 31 December 2023.

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

Our responsibility

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

Our audit response related to fraud risks

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

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

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

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

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

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in note 1 'Accounting principles' to the financial statements.
We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

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

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

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

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

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

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

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

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

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

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

Our audit response related to going concern

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

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

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

Our key audit matters

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

In comparison with previous year, our key audit matters did not change.

Valuation of capitalized development costs related to new innovation projects in development	
Risk	TKH Group N.V. is investing in the development of new technologies. At 31 December 2023, the total carrying value of capitalized product development cost amounted to EUR 137 million. As such, TKH Group N.V. has capitalized a significant amount of product development costs, in accordance with IAS 38 'Intangible assets'. Management is required, for projects which are in development, to test these capitalized development costs for impairment at least annually, or more frequently if there is an indication for impairment. We focused on the development projects related to new innovation projects which are in development as these do not yet generate sales and as such there is a higher level of judgment involved in setting the significant assumptions in determining the value in use to support the carrying value. We identified a higher risk of overstatement of the capitalized development costs, specifically related to new innovation projects which are in development phase, and given the amounts involved, we consider this a key audit matter. Further reference is made to section 'Intangibles assets and goodwill' in the notes to the consolidated financial statements , and note 3, 'Intangible assets and goodwill', to the consolidated financial statements.
Our audit approach	Our procedures included, among others, auditing the application of the intangible assets standard IAS 38 'Intangible assets', and whether the accounting policies have been applied consistently. We have obtained and updated our understanding of the impairment process, and evaluated the company's controls relevant to the impairment process. Furthermore, we have conducted the following substantive audit procedures with respect to the identified risks : • We assessed and tested the assumptions, methodology (discounted cash flow model) and data used by the company in calculating the value in use of the investments in new innovation projects in development; • We performed a sensitivity analysis by stress testing key assumptions, among others, discount rate and expected growth rates, to consider the degree to which the assumptions would need to change before an impairment would have to be recognized. Based on these sensitivity analysis, our main focus was on those development projects in new innovations with limited headroom; • We gained a more in-depth understanding of the development stage of these projects in new innovations as well as the projected financial information used in management's assessment of whether the value in use exceeds the carrying value; • We assessed and tested the key assumptions with our main focus on discount rate, market size and share and expected development costs by comparing to historical or market information; • We performed backtesting procedures on previous impairment analysis on the key assumptions in management's forecast; • We evaluated the adequacy of the company's disclosures relating to capitalized development costs.
Key observations	We consider management's assumptions to be within a reasonable range. We agree with management's conclusion that the carrying value of the development costs related to new innovation projects in development is reasonable.

Report on other information included in the annual report

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

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report.

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

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

Report on other legal and regulatory requirements and ESEF

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

No prohibited non-audit services
We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

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

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

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

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.
We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:
- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF.
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the executive board and the supervisory board for the financial statements

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

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

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

Our responsibilities for the audit of the financial statements

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

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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

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

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

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the supervisory board in accordance with 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 the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 4 March 2024
Ernst & Young Accountants LLP
Signed by W.M. Braakman

Limited assurance report of the independent auditor on selected non-financial key performance indicators

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

Our conclusion

We have performed a limited assurance engagement on selected non-financial key performance indicators (hereinafter: the selected indicators) in the annual report for the year 2023 of TKH Group N.V. at Haaksbergen.

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the selected indicators are not prepared, in all material respects, in accordance with the applicable criteria as included in the section "Criteria".

The selected indicators consist of the following as included in the table on page 42 of the annual report:

- Carbon Footprint (CO_2e emissions)
- Percentage waste of most relevant raw materials, compared to total relevant material consumption
- Recycling most relevant raw materials
- Percentage of female members in executive and senior management teams
- Accident Rate (LTIFR)
- Illness rate
- Employee satisfaction score
- Number of employees with disabilities and/or disadvantages on the labor market
- Customer satisfaction score
- Employees acting in accordance with Code of Conduct
- Code of Supply signed by suppliers

Basis for our conclusion

We have performed our limited assurance engagement on the selected indicators in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)' (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)). Our responsibilities in this regard are further described in the section 'Our responsibilities for the assurance engagement on the selected indicators' of our report.

We are independent of TKH Group N.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. 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.

Criteria

The criteria applied for the preparation of the selected indicators are the criteria developed by TKH Group N.V. and are disclosed in the "Non-financial Reporting Process and Methods" section of the annual report. The comparability of selected indicators between entities and over time may be affected 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.

Consequently, the selected indicators need to be read and understood together with the criteria applied.

Corresponding information not assured

The selected indicators for the period up to and including 2020 have not been part of an assurance engagement. Consequently, the corresponding selected indicators and thereto related disclosures for the period up to and including 2020 are not assured. Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

Our assurance engagement is restricted to the selected indicators. We have not performed assurance procedures on any other information as included in the annual report in light of this engagement.

The selected indicators include prospective information such as ambitions, strategy, plans, expectations and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the assumptions and achievability of this prospective information.

The references to external sources or websites are not part of our assurance engagement on the selected indicators. We therefore do not provide assurance on this information. Our conclusion is not modified in respect of these matters.

Responsibilities of the executive board and the supervisory board for the selected indicators

The executive board is responsible for the preparation of the selected indicators in accordance with the criteria as included in the section "Criteria" of our report. The executive board is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of the intended users, considering applicable law and regulations related to reporting. The choices made by the executive board regarding the scope of the selected indicators and the reporting policy are summarized in section "Non-financial Reporting Process and Methods" of the annual report.

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

The supervisory board is responsible for overseeing the reporting process of the selected indicators of TKH Group N.V.

Our responsibilities for the assurance engagement on the selected indicators

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

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of the selected indicators. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems) 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 assurance engagement included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant sustainability themes and issues and the characteristics of the company as far as relevant to the selected indicators
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures on the selected indicators. This includes the evaluation of the reasonableness of estimates made by the executive board
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the selected indicators, without testing the operating effectiveness of controls
- Identifying areas of the selected indicators where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the selected indicators responsive to this risk analysis. These procedures consisted amongst others of:
  - Making inquiries of management and relevant staff at corporate and business level responsible for the sustainability strategy, policy and results relating to the selected indicators
  - Interviewing relevant staff responsible for providing the information for, carrying out controls on, and consolidating the data in the selected indicators
  - Obtaining assurance evidence that the selected indicators reconcile with underlying records of TKH Group N.V.
  - Reviewing, on a limited sample basis, relevant internal and external documentation
  - Considering the data and trends in the information submitted for consolidation at corporate level
- Reading the information in the annual report that is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the selected indicators
- Considering whether the selected indicators are presented and disclosed free from material misstatement in accordance with the criteria applied.

Amsterdam, 4 March 2024
Ernst & Young Accountants LLP
Signed by J. Niewold

Stichting Administratiekantoor TKH Group

The purpose of Stichting Administratiekantoor TKH Group ("TKH Trust Foundation Office") is to acquire and hold in trust ordinary shares in TKH Group N.V. ("TKH"), a public company with its registered office in Haaksbergen (the Netherlands), in exchange for the allocation of convertible, registered depositary receipts for shares. In accordance with the provisions of article 7.1.3 of the Terms and Conditions of TKH Trust Foundation Office governing the shares of TKH, TKH Trust Foundation Office reports on the activities during the year under review (2023) 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 € 10,519,471.00 on December 31, 2023, in exchange for which 42,077,884 depositary receipts for shares[1], with a nominal value of € 0.25 each, were issued.

Meetings of the Board

The Board of TKH Trust Foundation Office met three times during the financial year. The topics discussed in the meeting on March 23 were the Annual General Meeting of Shareholders ("AGM") 2023 and the TKH Annual Report 2022. The annual accounts 2022 of TKH Trust Foundation Office have been discussed, approved, and adopted. The retirement schedule was also discussed. During the meeting, the procedure was confirmed for the vacancy due to arise in mid-2023, following Mr. J.S.T. Tiemstra's end of term (who is available for reappointment). The Board reappointed Mr. Tiemstra as a member of the Board of TKH Trust Foundation Office for a period of two years commencing on July 1, 2023.

During the meeting on April 25, the agenda items of the AGM 2023 were discussed. The Board decided on its preliminary voting intentions prior to the actual deliberations of the meeting. Holders of depositary receipts for shares in the capital of the company were given the opportunity to vote independently on the agenda items voted on at the AGM in respect of the shares represented by their depositary receipts and subject to the relevant statutory provisions. Holders of depositary receipts of shares collectively representing 54.5% of the capital entitled to vote requested a proxy from TKH Trust Foundation Office to vote independently on the shares in question by giving voting instructions to TKH Trust Foundation Office. TKH Trust Foundation Office voted for the remaining 31.6% of the capital entitled to vote. The Board of TKH Trust Foundation Office decided to vote in favor of all agenda items for those shares for which no voting instructions were received.

In the meeting of October 4, 2023, the Executive Board of TKH gave an explanation of the published interim figures for 2023. The budget for the next financial year of TKH Trust Foundation Office was also discussed and approved.

The Board of TKH Trust Foundation Office

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

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

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

Contact details

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

Haaksbergen, March 25, 2024

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 25, 2024
TKH Group N.V.
The Executive Board

Haaksbergen, March 25, 2024
TKH Trust Foundation Office
The Board

1 The number of depositary receipts for shares has decreased by 4,828 compared to December 31, 2022, due to the conversion of 4,828 depositary receipts for shares into ordinary shares.

Stichting Continuïteit TKH

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

By means of a call option, TKH has granted the Continuity Foundation the right to acquire cumulative protective preference shares in TKH, subject to a maximum of 50% of the amount of the other shares outstanding at the time of the placement of the protective shares, or 100% should the limitation on the conversion of depositary receipts cease to apply. The protective shares should not remain outstanding longer than is strictly necessary. In the event that TKH shareholders acquire a degree of control that is considered undesirable and is not in the interests of TKH and its affiliated companies, or there is a danger of them doing so, TKH’s Executive and Supervisory Board will be at liberty – among other things – to determine their degree of control, to consider and explore possible alternatives, and to elaborate on these if necessary. The Continuity Foundation did not acquire any cumulative protective preference shares in TKH in 2023.

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

The Board of the Continuity Foundation

The Board of the Continuity Foundation consists of:

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

Haaksbergen, March 25, 2024
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 25, 2024
TKH Group N.V.
The Executive Board

Haaksbergen, March 25, 2024
Continuity Foundation
The Board

Non-financial reporting process and methods

Reporting criteria: GRI Standards

The non-financial information included in this annual report has been prepared with reference to the Global Reporting Initiative (GRI) standards. We focus on topics that have been an integral part of our Environmental, Social, and Governance (ESG) policy. An overview of the GRI disclosures covered in this report is available on TKH's website (www.tkhgroup.com/en/csr). This overview provides more information on the nature and scope of reporting per GRI disclosure (e.g. quantitatively or qualitatively). The content and definition of the non-financial information included in this report are based on the materiality analysis whereby TKH focuses on the most material topics that are closely linked to TKH's strategy and business operations. The GRI guidelines have been used to define and set our KPIs. These guidelines stress the need to make an accurate assessment of the issues that are sufficiently important for a company to report on. The significance (materiality) of the issues that are ultimately selected is determined by analyzing the impact of the key data on people, the environment, and society, in relation to the value stakeholders attach to these issues. The results are presented in the materiality matrix included in the chapter stakeholder analysis. We monitor our objectives using a dashboard in our internal reporting system and evaluate the results every quarter during meetings with our operating companies. ESG is also part of the annual budgeting process.

Reporting period and reporting frequency

In the Report of the Executive Board (which is part of the TKH annual report 2023), we provide an overview of, among other things, our sustainability performance during the year under review from December 1, 2022 up to and including November 30, 2023. KPIs related to HR data are based on the calendar year 2023. This report presents both quantitative and qualitative data. TKH uses a different reporting period for some of the KPIs because the process requires more time as a result of the operating and reporting structure. This ensures that the reported data are reliable and adequate.

Reporting process

The annual report 2023, including all material aspects, is prepared by the Executive Board and discussed with the Supervisory Board. TKH uses the Cognos reporting system for non-financial information (including CO_2e, energy consumption, waste, safety, suppliers and HR), which is the same system used for the financial reporting. The 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.

Scope and changes compared to last year

The ESG policy was updated in 2023. The policy changes, mainly related to updates of the GRI standards, the ESRS, and our CO_2e footprint calculation, are described below for each specific topic. There are no material changes to the measurement processes compared to past reporting. For some sustainability criteria, the divestment of activities or the integration of companies has impacted our sustainability performance. Where relevant, these effects are explained. There have been no material changes in structure or ownership of consolidated entities either. Unless otherwise stated, the data are based on all our domestic and international operating companies. We explicitly mention it when this is not the case. The acquired operating companies will start reporting on ESG in accordance with the TKH reporting structure in the year following the acquisition. Companies in which TKH has a minority ownership stake, including joint ventures, are not included in the sustainability statements. We consolidated data for the non-financial report using the same system as for the consolidated financial data.

Reporting non-financial key performance indicators

This chapter provides further information on TKH's main non-financial key performance indicators. Other quantitative indicators, disclosures on the reporting scope, and methods used are given elsewhere in this report.

Energy consumption and CO_2e emissions

To measure and report the CO_2e emissions, we use the different scopes of the Greenhouse Gas (GHG) Protocol.

- Scope 1 covers the direct CO_2e emissions caused by the fuels that we purchase and consume, and mainly concerns gas, gasoline, and diesel (including company cars).
- Scope 2 covers the indirect CO_2e emissions from electricity consumption.
- Scope 3 covers the indirect CO_2e emissions from business travel by plane (category 6), waste generated from operations (category 5), and fuel- and energy-related activities (category 3).

We continue to focus primarily on Scopes 1 and 2, because these are within our direct control as they concern our own operations. We have expanded our internal dashboard and calculation model with components from Scope 3. TKH calculates the energy consumption and CO_2e emissions associated with our energy consumption using conversion factors from reputable and authoritative sources (www.co2emissiefactoren.nl). TKH uses tank-to-wheel emission factors for scopes 1 and 2, and the well-to-tank (WTT) emission factors for scope 3. For the calculation of CO_2e emissions from business travel for scope 3, TKH uses well-to-wheel (WTW) emission factors. TKH calculates the emissions for scope 3 category 5 waste generated in own operations, based on DEFRA conversion factors, assuming that half of the other waste is landfilled and half is combusted. All conversion factors are reviewed annually and updated if necessary. The energy consumed by forklifts is considered negligible and is therefore not included in TKH's overall energy consumption and related CO_2e emissions. The consolidated energy consumption and CO_2e emissions are based on activity data, which in turn are based mostly on meter readings, invoices, and data provided by suppliers. Where reliable data are not available, TKH uses calculations or estimates based on reliable methods and input data. The reported CO_2e emission reductions are compared to the reference year 2019.

The EU Energy Efficiency Directive (2012/27/EU) requires member states to ensure that large companies undergo an energy audit. The energy audit is a systematic, four-yearly approach to gathering information about a company's current energy consumption. We use input from those TKH operating companies that fall within the defined scope and are required to carry out a mandatory energy audit for our reporting on energy reductions and future improvement plans.

Waste and recycling

The scope of waste and recycling reporting covers the main raw materials leaving TKH's production sites, mainly based on waste tickets and data provided by suppliers. We use reliable methods to either measure, calculate, or estimate waste in our reporting. The main raw materials we use are copper, plastic, and aluminum.

Environmental compliance

The products supplied by TKH comply with the European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation and RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) directive. REACH is a European system for registering, evaluating (risks to people and the environment), and authorizing chemical substances in Europe. RoHS is a European directive that prohibits the use of certain hazardous substances in electrical and electronic devices.

Suppliers

TKH reports the percentage of strategic suppliers that agree to comply with TKH's Code of Supply. Strategic suppliers are defined as external suppliers with an annual purchase volume of over € 1 million a year.

Customer satisfaction

The customer satisfaction score reported (maximum score of 10) is based on the outcome of the most recent customer satisfaction surveys conducted by an external research company. Each year, a number of operating companies conduct the survey. A survey reflects the customer base of the respective operating company. The customer satisfaction score reported in 2023 reflects surveys from the period 2020-2023 and is based on the weighted average of the responses from all customers in this period.

Human rights

In the context of human rights, TKH conducts its business activities in accordance with the Universal Declaration of Human Rights. We refer readers to our Code of Conduct and the Code of Supply (both can be downloaded from our website www.tkhgroup.com). We rely on the OECD Guidelines to steer us on issues such as supply chain responsibility, human rights, child labor, and the environment.

Transparency

We provide input to the Transparency Benchmark information platform, an initiative of the Ministry of Economic Affairs and Climate. The Dutch government asks companies to be transparent about their ESG policies and activities. Through the Transparency Benchmark, the ministry sheds light on how the largest Dutch companies report on their ESG activities. We also consult the "spearhead letters" from advocates on issues related to sustainability and governance, such as those from VBDO, Eumedion, and VEB, as a guideline for further transparency.

Business conduct

TKH has selected the number of reported breaches of the Code of Conduct as a KPI for business conduct. The scope includes all employees on TKH's payroll. The Code of Conduct is published on our website. We have established a procedure, our published whistleblower procedure, that enables employees to report any suspicion of conduct that is unlawful and/or contrary to the Code of Conduct. Reports are reviewed and investigated by the local Confidential Officer and/or the Group Compliance Officer. If deemed necessary, disciplinary and mitigating measures are taken. External parties can also report to the Group Compliance Officer.

Human resources (HR)

HR data are obtained every quarter. HR data are derived from the HR accounts held by TKH's operating companies. The following methodology is used to calculate TKH's illness rate. All entities within TKH report the number of days of absence (at least one day) divided by the number of total working days, resulting in a percentage. All cases of absence related to illness are included except pregnancy leave. Following this, in order to calculate the illness rate at consolidated level, the reported percentage by each entity is multiplied by the number of FTE working at the entity as per 31 December of the reporting year. Next, the consolidated balance is divided by the total number of FTE at TKH as per 31 December of the reporting year. Through this, the weighted average illness rate is calculated at a consolidated level. The reported illness rate covers all employees on TKH's payroll, excluding employees of third-party contractors and joint ventures. The illness rate is reported at group level and not specified by region or gender.

The number of employees with a disability and/or disadvantage in the labor market covers all employees on TKHs payroll excluding third party contractors and joint ventures as per 31 December of the reporting year. Disability is an umbrella term that covers illnesses/disorders, activity limitations, and participation restrictions. An illness/disorder is a problem in the function or structure of the body. An activity limitation is a difficulty encountered by an individual in executing a task or action. A participation restriction is a problem experienced by an individual in participating in life situations that result in a disadvantage on the labor market.

The 2023 employee satisfaction score (maximum 10) is based on the outcome of the most recent employee satisfaction surveys conducted by an external research company. Each year, a number of operating companies conduct the survey. The employee satisfaction score reported in 2023 reflects surveys from the period 2020-2023 among 3,506 FTEs, representing 54% of the total FTEs at our own payroll excluding temporary personnel, and is based on the weighted average of the responses from all employees in this period.

The sustainability report contains data on the gender balance in executive and senior management positions. These positions are defined as follows:

- Executive management: statutory management director level (reporting directly to the Executive Board).
- Senior management: managers who are members of organization's management team and responsible for specific business units or departments (e.g. finance, marketing, and production).
- Middle management: the link between the senior management and the lower operational levels of the organization.
- Operational workforce: other staff.

Safety

TKH defines its Lost Time Injury Frequency Rate (LTIFR) as the number of incidents resulting in at least one day's absence from work without the 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 of self-reporting of accidents (in most cases). Reported hours are measured, calculated, or estimated. The absolute number of serious accidents reported covers all employees on TKH's payroll, excluding employees of third-party contractors and joint ventures. The LTIFR is reported at group level and not specified by region or gender.

Verification and internal control

The data has been audited for plausibility and progress by the responsible company officers using the Cognos financial reporting model. The data has been verified by TKH's financial department. All reported differences greater than 10% compared with the previous year have been explicitly investigated. TKH's Internal Audit Department carries out internal audits on the processes to be carried out and the accuracy of the data as a permanent part of its work program. Internal Audit has paid specific attention in its audit work to compliance with the Code of Conduct in our operating companies and the implementation of the Code of Supply at strategic suppliers. External expertise is sought for specific sustainability issues. TKH appointed Ernst & Young Accountants LLP (EY) to provide independent assurance on non-financial KPIs to provide assurance to TKH's stakeholders on TKH's non-financial information. TKH has obtained limited assurance for the KPIs included in the "Sustainability Statements" section on page 41 of the annual report 2023.

Trends

In our business operations, we focus on external and internal factors, analyzing trends that can affect our activities and operations. We then assess the opportunities and threats and see how we can add value for our stakeholders, the environment and society in general.

Stakeholder dialogues and materiality matrix

TKH regularly engages in dialogue with various stakeholders on topical and social issues. The different backgrounds of our stakeholders and their knowledge of TKH and the environment in which we operate is a good starting point for engaging in dialogue. It provides useful insights into stakeholders' interpretations of current topics affecting TKH and topics being affected by TKH. We also use the dialogue to broaden our understanding of our stakeholders' needs and expectations. In addition, stakeholder engagement helps us to make better use of opportunities and identify risks in a timely manner. The dialogue is also useful to clarify specific issues and thus build support for them or, in certain cases, to create understanding when an issue is given less priority in our business operations. The results of these dialogues are also included in the review of the materiality matrix. The Executive Board is closely involved in determining which topics are material themes and how much weight they are ultimately given by TKH.

The results of the stakeholder dialogues are included in the materiality matrix in the stakeholder analysis part of this annual report. We have ranked the topics that were considered important to all stakeholder groups (vertical axis), those that have the greatest impact on TKH (horizontal axis), and those that are priorities in our strategic roadmap. We measure and report on material issues. Issues that are considered less or not material are managed in our organization, without further numerical substantiation in the annual report.

The sources we consult to identify and review material aspects each year include:

- Strategic stakeholder dialogues
- Investor relations meetings on ESG
- General governance assumptions
- Topics suggested by civil society organizations such as VBDO, VEB, and Eumedion
- Guidelines from the Global Reporting Initiative (GRI) and international guidelines such as the OECD's Guidelines for Multinational Enterprises and the UN's Sustainable Development Goals
- Sustainability rating agencies such as the Carbon Disclosure Project (CDP), MSCI, Sustainalytics, and EcoVadis

External reporting

We have provided input to the CDP, MSCI, EcoVadis, and Sustainalytics. In terms of the circular economy, we endorse the objectives set by the Netherlands in the circular innovation program “Plastic and rubber in the underground infrastructure,” as well as the “Mission Statement Fair Infra” issued by Dutch infrastructure companies.

Dilemmas

Various groups are developing an increasing number of sustainability initiatives that require a greater contribution from industry. We accept this responsibility, but continue to link it to our business operations, so we can also make a material contribution to the sustainability initiatives and thus create the necessary support. In some cases, this leads to a conscious decision not to focus on certain issues or to refrain from participating when asked. In certain markets, price is still a key driver, and there may be implicit reasons for reducing ESG efforts. In such situations, it is a challenge to convince stakeholders of the importance of sustainability, which may drive up the price. Reducing our energy consumption calls for the careful coordination of our manufacturing processes, and these processes, in turn, are dictated by current demand. Over the past few years, we have focused strongly on reducing energy consumption, as a result of which, we have successfully implemented several reduction plans. It is therefore becoming increasingly challenging to develop new reduction plans to achieve greater savings. Furthermore, the expansion of our production facilities and the consolidation of our activities into one site have increased our energy consumption relative to the output produced, as this consumption is not yet fully offset by the return on these investments. The amount of waste we produce is also subject to a “learning curve” as our production equipment needs to be properly aligned with the production of innovative, high-quality new cable types. The quality requirements of the product are a priority in that respect, and this can tip the balance away from our waste reduction targets. Increasingly, we are being asked to provide data on external information platforms and portals. Due to price-sensitive (inside) information and competition-sensitive information, it is not always possible to honor all requests. We take a selective approach to lending our cooperation and make considered decisions about the information we publish. In the case of external ratings on sustainability, TKH is often rated by peers in the production/manufacturing industry. TKH's activities focus increasingly on in-house technology development, in which the software component plays an increasingly important part. For this reason, the ratings give a distorted picture and require additional communication by our organization.

ESG in the organization

To safeguard the ESG policy, the Executive Board is directly involved in ESG developments in the TKH organization, and executive remuneration is linked to ESG and sustainability performance (see also “Remuneration Report”). TKH's Director of Sustainability is responsible for developing and implementing the ESG strategy and policies for the TKH Group. ESG is a standard item on the agenda at TKH’s Management Board meetings, where the Director of Sustainability has a seat. There is close cooperation with the Director of Finance & Control, who is also a member of the Management Board. There is also close cooperation with TKH’s Internal Audit Department in relation to the auditing of ESG issues during the internal audits. New ESG initiatives are preferably developed in working groups. This expedites the building of support within the TKH Group and makes implementation more efficient and effective. Commercial managers are always involved in value chain initiatives to guarantee a pragmatic approach. In conducting the stakeholder dialogues, we work with executives from our operating companies, business line managers, account managers, and HR. Contact persons of the Confidential Officers rely on the operation of the TKH Code of Conduct and the associated whistleblower regulations. If a report is made to an operating company that identifies unacceptable behavior, the Confidential Officer of the operating company will immediately notify the Compliance Officer of TKH Group, who is the central point of referral for integrity issues. The latter, acting together with the Executive Board, will deal with the report and, if desired, will consult the company Confidential Officer of the subsidiary in question. After reviewing report, the Executive Board will make a decision in consultation with the board of the operating company in question or a representative of that board.
The whistleblower scheme can be downloaded from the TKH website. We discuss issues concerning the Code of Supply with purchasing managers. If a supplier fails to meet one or more of the requirements in the code, action must be taken to ensure that the supplier will become compliant in an effective and efficient way as soon as possible. If the supplier refuses to cooperate or fails to make sufficient progress toward complying with the code, TKH will reconsider its partnership with that supplier. In certain cases, local conditions may prevent the supplier from meeting particular requirements of the code. In such cases, we engage in dialogue to work towards a satisfactory solution. In such discussions, best practices are shared with the supplier in question to help them make improvements and share ideas. The purchase manager has a leading role in this. The Code of Supply and the assessment form can be downloaded from the TKH website.

The Executive Board discusses ESG and sustainability progress with the various operating companies at least once a quarter. This is based on financial and non-financial reports, both of which cover ESG. We have embedded the KPIs concerning ESG in our Cognos financial reporting system, making them an integral part of our information system. Progress on ESG is also discussed with the Supervisory Board at least once a year, and future developments and the appropriate follow-up steps are explained.

For more information on TKH’s sustainability program, please contact TKH’s Director of Sustainability Derk Postma (d.postma@tkhgroup.com). Please feel free to send any feedback on this report to this e-mail address. Up-to-date information on sustainability can also be found on our website: www.tkhgroup.com/csr.

EU taxonomy turnover table

Economic activities	Code	Absolute turnover	Proportion of turnover, 2023	Substantial contribution criteria						Do no significant harm criteria									
				Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2022	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)		1,842	99.7%														99.7%		
Total (A+B)		**1,848**	**100.0%**														**100.0%**		

EU taxonomy capex table

Economic activities	Code	Absolute capex	Proportion of capex, 2023	Substantial contribution criteria						Do no significant harm criteria									
				Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) capex, 2022	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)																			
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)																			
Data processing, hosting and related activities	8.1	1	0.5%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1	0.5%														0.5%		
Capex of Taxonomy-eligible activities (A.1 + A.2)		1	0.5%														0.5%		
B. Taxonomy non-eligible activities																			
Capex of Taxonomy non-eligible activities (B)		259	99.5%														99.5%		
Total (A+B)		**260**	**100.0%**														**100.0%**		

Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

EU taxonomy opex table

Economic activities	Code	Absolute opex	Proportion of opex, 2023	Substantial contribution criteria: Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Do no significant harm criteria: Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-alligned (A.1) or -eligible (A.2) opex, 2022	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	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)																			
Data processing, hosting and related activities	8.1	0	0.0%	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)		0	0.0%														0.0%		
Opex of Taxonomy-eligible activities (A.1 + A.2)		0	0.0%														0.0%		
B. Taxonomy non-eligible activities																			
Opex of Taxonomy non-eligible activities (B)		53	100.0%														100.0%		
Total (A+B)		**53**	**100.0%**														**100.0%**		

Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

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.

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

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

Capital employed and ROCE (return on capital employed)

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

in thousands of euros	Notes	2023	2022
Group equity		835,823	786,941
add: Interest-bearing loans and borrowings, non-current		572,368	503,008
add: Interest-bearing loans and borrowings, current		75,864	70,419
minus: Total lease liabilities	18	-87,154	-82,077
minus: Cash and cash equivalents		-93,697	-184,559
Capital employed current year		**1,303,204**	**1,093,732**
Capital employed previous year		1,093,732	927,754
Average capital employed		**1,198,468**	**1,010,743**
EBITA	22	237,033	234,803
ROCE		**19.8%**	**23.2%**

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	Notes	2023	2022
Net interest bearing debt	18	554,146	385,655
adjustment according to bank covenants		-84,952	-78,495
Net interest bearing debt according to bank covenants		**469,194**	**307,160**
EBITDA	22	287,470	282,816
adjustment according to bank covenants		-25,125	-12,818
EBITDA according to bank covenants		**262,345**	**269,998**
Debt leverage ratio		1.8	1.1

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

Dividend payout ratio 'Adjusted net profit'

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

Dividend payout ratio 'Net profit'

This ratio indicates the portion of net result that is paid out to shareholders ((dividend/net result) times 100).

TKH deems this a useful measure for investors to compare our dividend yields and financial performance with peers.

	Notes	2023	2022
Proposed dividend per share	9 comp	1.70	1.65
Ordinary earnings per share before amortization and one-off income and expenses (in €)	32	3.21	3.50
Payout ratio 'Adjusted net profit'		**53.0%**	**47.2%**

	Notes	2023	2022
Proposed dividend per share	9 comp	1.70	1.65
Ordinary earnings per share (in €)	32	4.07	3.34
Payout ratio Net profit		**41.7%**	**49.4%**

EBITA and EBITDA and ROS (return on sales)

EBITA: Earnings before interest, taxes, impairments, and amortization, and one-off income and expenses.
EBITDA: Earnings before interest, taxes, impairments, depreciation, and amortization, and one-off income and expenses.
ROS: 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 EBITA and EBITDA are broadly used by analysts, rating agencies and investors in their evaluations. One-off income and expenses are excluded when using a measure to improve insight in the underlying operational performance of our activities.

Innovations %

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

	Notes	2023	2022
Turnover from innovations		297,461	373,651
Total Turnover		1,847,532	1,816,615
Turnover from innovations %		**16.1%**	**20.6%**

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.

	Notes	2023	2022
Result before tax		202,942	181,242
minus: Share in result of associates		-3,309	3,075
minus: Result on sale of associates and subsidiaries		54,802	
minus: Fair value changes of financial liability for earn-out and put options of shareholders of non-controlling interests		-146	-105
Normalized result before tax		**151,595**	**178,272**
Tax on result		37,180	44,116
Normalized effective tax rate		**24.6%**	**24.8%**

One-off income and expenses

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

Operating expenses excluding one-off expenses, amortization and impairments

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

	Notes	2023	2022
Total Operating expenses		1,673,063	1,626,462
minus: Raw materials, consumables, trade products and subcontracted work		928,220	958,694
minus: One-off income and expenses	22	1,983	-10,372
minus: Amortization		56,860	54,550
minus: Impairments		3,720	472
Operating expenses (excluding one-off expenses, amortization and impairments)		**682,280**	**623,118**

Order book and Order intake

Expected future turnover with respect to contractual performance obligations that have not yet (or partially) been satisfied at balance sheet date.Reference is made to note 9 of the consolidated financial statements for further detail. The order intake is calculated as follows:

in thousands of euros	2023	2022
Order book at 1 January	971,907	746,563
Acquisitions and divestments	10,788	
Turnover	-1,847,532	-1,816,615
Order intake	1,834,942	2,041,959
Order book at 31 December	**970,105**	**971,907**

Organic turnover growth

Growth of turnover corrected for the impact of acquisitions, divestments and foreign exchange effects from translating turnover in foreign currencies.
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.

The organic turnover growth include price effects. Price effects are calculated by comparing sales prices for comparable products with the comparative period of 12 months ago.

Solvency

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

	Notes	2023	2022
Total group equity		835,713	786,941
Total equity and liabilities		2,127,779	2,068,443
Solvency		**39.3%**	**38.0%**

Turnover related to the sustainable development goals

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

	Notes	2023	2022
Turnover linked to SDGs		1,296,403	1,242,556
Total Turnover		1,847,532	1,816,615
Turnover linked to SDGs %		**70.2%**	**68.4%**

Working capital ratio

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

in thousands of euros (unless stated otherwise)	2023	2022
Current assets	968,318	1,029,747
Less: Cash and cash equivalents	-93,697	-184,559
Current liabilities	-641,377	-681,087
Add: Current interest-bearing loans and borrowings	75,864	70,419
Working capital	**309,108**	**234,520**
Turnover	1,847,532	1,816,615
Working capital ratio	16.7%	12.9%

	Notes	Smart Vision Systems	Smart Manufacturing Systems	Smart Connectivity Systems	Total 2023	Total 2022
Total Turnover current year	22	500,526	573,563	800,540	1,847,532	1,816,615
Total Turnover previous year	22	499,723	491,209	848,553	1,816,615	1,523,773
Turnover growth		**0.2%**	**16.8%**	**-5.7%**	**1.7%**	**19.2%**
Impact of acquisitions, divestments and foreign exchange effects		2.0%	-0.3%	-4.2%	-1.5%	1.2%
Organic turnover growth		**-1.8%**	**17.1%**	**-1.5%**	**3.2%**	**18.0%**

10 years overview

In millions of euros	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Consolidated statement of profit and loss										
Turnover	**1,847**	**1,817**	**1,524**	**1,289**	**1,490**	**1,458**	**1,485**	**1,341**	**1,375**	**1,346**
Raw materials, consumables, trade products and subcontracted work	928	959	787	655	771	768	817	710	743	770
Added value	**919**	**858**	**737**	**634**	**718**	**690**	**668**	**631**	**632**	**576**
Personnel expenses	476	435	378	345	369	352	347	331	326	296
Other operating expenses	156	140	124	108	133	137	147	131	133	124
EBITDA	**287**	283	**235**	**181**	**216**	**201**	**174**	**169**	**173**	**156**
Depreciation [3]	50	48	45	46	45	26	25	22	22	20
EBITA before one-off income and expenses	**237**	**235**	**190**	**136**	**171**	**175**	**149**	**147**	**151**	**136**
One-off income and expenses	2	-10	0	7	18	4	6			9
EBITA	**235**	**245**	**190**	**129**	**154**	**171**	**143**	**147**	**151**	**145**
Impairments	4	0	2	4	5	2	2	1	1	1
Amortization	57	55	51	54	50	40	37	33	32	26
Operating result	**174**	**190**	**137**	**71**	**99**	**129**	**104**	**113**	**118**	**118**
Financial result	29	-9	-6	-14	-10	-4		-7	-7	-10
Fair value changes of financial liability for earn-out and put options of holders of non-controlling interests	0	0	-2	0	0	0	4	1		
Result on ordinary activities before taxes	**203**	**181**	**129**	**57**	**89**	**125**	**108**	**107**	**111**	**108**
Taxes	37	44	34	15	20	27	20	20	23	22
Net result for the period from continued operations	**166**	**137**	**95**	**42**	**69**	**98**	**88**	**87**	**88**	**86**
Result after tax from discontinued operations			0	0	45	11				
Non-controlling interests	0	0	0	0	0	0	1	1	2	3
Attributable to shareholders	**166**	**137**	**95**	**42**	**114**	**109**	**87**	**86**	**86**	**83**

Key figures	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EBITA/Turnover (ROS) [3 4]	12.8	12.9	12.4	10.5	11.6	12.0	10.1	10.9	11.0	10.0
Net result before amortization and one-off income and expenses/Group equity [3 4]	15.6	19.9	15.8	10.6	14.9	17.6	16.1	16.5	19.3	17.8
EBITA/Average capital employed (ROCE)	19.8	23.2	20.5	14.0	17.4	21.3	19.7	20.1	22.1	21.2
Net debt/EBITDA ratio [3 4]	1.8	1.1	0.9	1.6	1.5	1.4	0.9	1.0	0.9	1.0
Net result before amortization and one-off income and expenses/Turnover [3 4]	7.1	7.9	7.5	5.5	7.1	7.8	6.5	7.2	7.4	6.6

1 The comparative figures for 2018 have been restated due to discontnued operations.
2 The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 ‘Revenue from contracts with customers’.
3 After restatement as a result of change in accounting principles for land and buildings and prior period restatements for the years 2014 up to 2016.
4 Before one-off income and expenses. The one-off in 2023 mainly concern restructuring, acquisition and divestment costs. The one-off income in 2022 mainly concern book profit on sale of buildings. The one-off income and expenses in 2020 mainly concern restructuring costs and integrations of € 8.9 million, book profit and sale of buildings of € 2.0 million and impairment losses of € 4.0 million. The one-off income and expenses in 2019 were restructuring and acquisition costs of € 18.3 million, impairments of € 1.5 million and impairment losses of € 5.0 million.

In millions of euros	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Consolidated balance sheet										
Intangible assets and goodwill	566	534	537	577	596	544	392	395	400	352
Property, plant and equipment [3]	436	295	222	220	231	246	229	215	196	176
Right-of-use assets	84	75	69	77	81					
Financial non-current assets	52	26	45	42	52	31	28	46	34	28
Total non-current assets	**1,138**	**930**	**873**	**916**	**960**	**821**	**649**	**656**	**630**	**556**
Inventories	403	386	295	237	239	267	219	207	194	202
Trade and other receivables	471	459	341	286	300	356	327	295	248	288
Cash and Cash equivalents	94	185	100	122	79	83	88	88	179	145
Total current assets	**968**	**1,030**	**736**	**645**	**618**	**706**	**634**	**590**	**621**	**635**
Assets held for sale	21	109	88	5	39					3
Total assets	**2,128**	**2,068**	**1,697**	**1,566**	**1,617**	**1,527**	**1,283**	**1,246**	**1,251**	**1,194**
Shareholders' equity [3]	836	787	722	662	705	647	594	574	521	483
Non-controlling interests	0	0	0	0	0	1	9	9	9	17
Group equity	**836**	**787**	**722**	**662**	**705**	**648**	**603**	**583**	**530**	**500**
Provisions [3]	93	84	90	86	97	86	69	74	71	68
Non-current interest-bearing loans and borrowings	572	503	334	410	416	239	187	214	223	259
Current interest-bearing loans and borrowings	76	70	48	57	58	171	57	52	126	59
Other financial liabilities	3	4	7	8	9	5	15	23	27	14
Other current liabilities	545	587	460	343	319	378	352	300	274	294
Liabilities directly associated with assets held for sale	3	33	37	0	13					
Total equity and liabilities	**2,128**	**2,068**	**1,697**	**1,566**	**1,617**	**1,527**	**1,283**	**1,246**	**1,251**	**1,194**

Other information in euros (unless stated otherwise)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Solvency (in %)	39	38	43	42	44	42	47	47	42	42
Investments in property, plant and equipment	179	105	30	28	32	42	41	46	38	34
Depreciations of property, plant and equipment	33	32	30	30	29	28	24	23	23	20
Cash flow from operating activities	153	116	199	188	182	127	160	103	182	95
Number of shares outstanding and held by third parties at year end (x 1,000)	39,798	41,001	41,178	41,487	41,999	42,003	42,045	42,161	41,724	41,400
Net result per ordinary share of € 0.25	4.07	3.34	2.31	1.14	2.72	2.58	2.05	2.04	2.07	2.14
Net profit before amortization and one-off income and expenses from continued operations attributable to shareholders	3.21	3.50	2.77	1.69	2.51	2.72	2.27	2.25	2.40	2.23
Dividend per share	1.70	1.65	1.50	1.00	1.50	1.40	1.20	1.10	1.10	1.00
Highest share price	49.10	54.90	56.15	51.30	55.05	60.15	56.68	38.14	40.50	27.18
Lowest share price	33.64	31.24	37.88	23.42	38.82	38.36	36.45	28.47	25.35	22.13
Share price at year-end	39.50	37.16	55.50	39.54	49.90	40.70	52.93	37.59	37.44	26.36

1 The comparative figures for 2018 have been restated due to discontnued operations.
2 The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 ‘Revenue from contracts with customers’.
3 After restatement as a result of change in accounting principles for land and buildings and prior period restatements (see Accounting Principles) for the years 2014 up to 2016.