

MESSAGE FROM THE CEO



INNOVATION IS PARTICULARLY IMPORTANT IN CHALLENGING CIRCUMSTANCES

We look back on an eventful year. The first months of 2020 held the promise of a successful year with the prospect of strong growth. Starting in March, however, the COVID situation quickly changed matters. This initially led to great uncertainty due to the lockdowns and associated restrictions, together with the abrupt reduction in demand that occurred among our customers. The first priority focused on the health of our employees and on continuing to meet the needs of our customers to the best of our ability.

The rapidly changing world due to COVID-19 had a major impact across the board. Entrepreneurship and responsiveness to change was the key to making the right decisions. An important decision had to be made whether the dividend proposal could be maintained, given the uncertainty of the pandemic that escalated in the second quarter. TKH's strong foundation supported the taking of decisions in order for us to get through the year in good shape and with limited consequences. Despite the sometimes difficult market situations, breakthroughs were achieved with our disruptive technologies and the importance of innovation was reaffirmed.

In the second half of the year, market demand recovered due to markedly less uncertainty among our customers and the overall outlook improved upon the release of the first COVID-19 vaccine. The share buy-back program we announced in November further underscored the confidence we have as Executive Board in the strong financial foundation, but above all, also the confidence in our strategy and potential to achieve growth through the many innovations we have in our product range.

The importance of ESG (Environmental, Social and Governance) themes and the associated Sustainable Development Goals (SDGs) has increased awareness for sustainable business, in part because of the enormous impact that can suddenly arise from the external environment. Although it is already embedded in our strategy, sustainability and a contribution to this from our portfolio will become increasingly important. More than 70% of our total turnover is now linked to the SDGs defined by TKH as most relevant, demonstrating how future-oriented our company is in this area.

We would like to thank our stakeholders for the trust they have shown in us during this uncertain and exceptional year. A special thank you goes to our employees for their great dedication, passion and commitment to continue doing the job and achieving the best possible results in sometimes difficult situations!

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