

MESSAGE FROM THE CEO

OUR EMPLOYEES'
COMMITMENT AND
PASSION IS THE KEY
TO OUR SUCCESS



We are proud to publish our Annual Report to show the strong growth and developments of the TKH Group in 2021. At the same time though, our thoughts go out to all people in Ukraine, and in particular our 128 employees and their families in the area of Kiev. We are deeply concerned about the war and we are monitoring the situation carefully. We will support them across our organization as much as possible in this difficult and uncertain time.

Our strong recovery in 2021, during the continued challenges of COVID-19, shows the strength of TKH. It has enabled us to organize sufficient capacity to cope with an exceptional increase in demand in a very short period of time. But the strong recovery in market demand for our technologies and innovations has also confirmed the strength of our portfolio.

Despite the ongoing impact of COVID-19 in 2021, our organization adapted well to new working standards and challenges related to the pandemic. Traveling to and connecting with our customers was difficult, since in-person meetings were still largely prohibited. This made it difficult to commission equipment at our customer's sites.

Supply chain problems required close cooperation with our suppliers, as well as the creativity of our procurement teams to find solutions for shortages of materials and components. The right entrepreneurial spirit within our organization to cope with these challenges was again an important success factor for the results we achieved during 2021.

The Capital Markets Day (CMD) on November 17 was a key highlight in 2021. The new targets for 2025 based on our Accelerate 2025 program give us a strong foundation for future growth. Moreover, our new focus on segmentation, based on our three core technologies, as well as the megatrends we presented, should make our business more transparent and give us a better idea of the potential to create value in the coming years.

The importance of Environmental, Social, and Governance (ESG) issues, and the United Nations Sustainable Development Goals (SDGs) to which they are aligned, is driving awareness for sustainable business. We have set ourselves challenging new goals, which we communicated at the CMD. One of our key goals is to achieve net-zero emissions across our operations by 2030. We took an important step this year in that respect by obtaining limited assurance on selected non-financial KPIs as disclosed on page 28 of this report. Although it is already embedded in our strategy, sustainability is also becoming an increasingly important element in our portfolio. Approximately 70% of our turnover is linked to SDGs that TKH has identified as highly relevant to our business, thus demonstrating how future-oriented our company is in this area.

We would like to thank our stakeholders for their trust and cooperation, which has helped make this challenging year positive nonetheless. A special thank you goes to our employees for their incredible dedication, passion, and commitment, and for achieving the best possible results in sometimes challenging situations!

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