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PROFIT APPROPRIATION

Since no protection preference and financing preference shares were outstanding or issued, within the meaning of Articles 33.1, 3, 4, 5, 6, paragraphs b and c, 8, 9 and, 12 below, only the articles governing the profit appropriation in relation to the outstanding shares are included here.

ARTICLE 33 OF THE ARTICLES OF ASSOCIATION READS AS FOLLOWS:

2. The company may make distributions to the shareholders and other persons entitled to distributable profits only to the extent that its shareholders' equity exceeds the sum of the paid-up and called-up part of the capital, plus the reserves that must be maintained pursuant to the law or the articles of association.
- 6a. From any profit remaining after application of the previous paragraphs, five percent (5%) of the nominal amount of the priority shares shall, if possible, be distributed on such priority shares. No further distribution shall be made on the priority shares.
7. If in any year the profit does not suffice to make the distributions referred to above in paragraph 6 of this article, the provisions in paragraph 6 and in paragraph 10 shall not apply in the subsequent financial years until the deficit has been made up. Subject to the approval of the Supervisory Board, the Executive Board is authorised to resolve to distribute an amount equal to the deficit referred to in the previous sentence charged to the reserves.

10. Of the profit remaining thereafter, the Executive Board shall, subject to the approval of the Supervisory Board, reserve as much as it deems necessary. In so far as the profit is not reserved under application of the previous sentence, it shall be at the disposal of the general meeting, either fully or partially for reservation, or fully or partially for distribution to holders of ordinary shares proportionately to their holding of ordinary shares.

For other provisions of the articles of association, please refer to TKH's website: www.tkhgroup.com.

PROPOSAL FOR PROFIT APPROPRIATION

in thousands of euros

Net profit attributable to shareholders € 95,212.

In accordance with Article 33 of the articles of association, we propose paying the holders of (depository receipts of) ordinary shares a dividend of € 1.50 per (depository receipt of) ordinary share.

The dividend will be made available for payment on May 3, 2022.

The dividend for 4,000 priority shares has been set at € 0.05 per share of € 1.00.

INDEPENDENT AUDITOR'S REPORT

To: the shareholders and Supervisory Board of TKH Group N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2021 INCLUDED IN THE ANNUAL REPORT

OUR OPINION

We have audited the financial statements 2021 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 2021 and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of TKH Group N.V. as at 31 December 2021 and of its result for 2021 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 2021;
- the following statements for 2021: the consolidated statement of profit and loss, the consolidated statement of comprehensive income, consolidated statement of changes in group equity and consolidated cash flow statement;
- the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2021;
- the company statement of profit and loss for 2021;
- 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 start by determining materiality and identifying and assessing 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. 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.

Materiality

Materiality	EUR 7.6 million (2020: EUR 5.2 million)
Benchmark applied	4% of Earnings before interest, taxes, impairments and amortization (EBITA) (2020: 4% of EBITA)
Explanation	Based on our professional judgment we consider an earnings-based measure as the most appropriate basis to determine materiality. TKH Group N.V. primarily uses earnings before interest, taxes, impairments and amortization (EBITA) to report on its financial performance.

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 340,000, 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 financial information (Full Scope components). Furthermore, we selected nine components requiring audit procedures on specific account balances or specified audit procedures on significant accounts 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- or Limited 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 EY component teams. 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 2.4 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, and valuation of deferred tax assets arising from unused tax losses.

Because of the continuing (international) travel restrictions and social distancing due to the Covid-19 pandemic, we needed to limit the visits of local component management and component auditors to discuss, among others, the business activities and the identified significant risks or to review and evaluate relevant parts of the component auditor's audit documentation and to discuss significant matters arising from that evaluation on site. In these circumstances we predominantly used communication technology and digital information exchange. We have had sessions with local management of components in Germany, France and Canada through video teleconferencing facilities. Additionally we interacted regularly with the component teams during various stages of the audit, through the use of video or teleconferencing facilities. Furthermore we reviewed key working papers of EY component auditors in Canada, France and Germany using the EY electronic audit file platform, screen sharing or by the provision of copies of work papers direct to the group audit team. Also we have visited the non-EY component team in Germany where we reviewed key working papers.

Of the remaining components, we performed selected other procedures, including analytical review 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 complete financial information, 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, are summarized as follows:

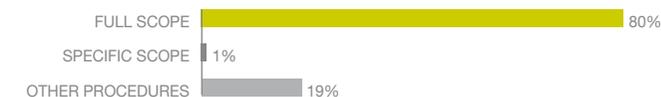
EBITA



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 EY specialists in the areas of IT audit (including cybersecurity), corporate governance (including remuneration), sustainability, IFRS accounting, valuation of goodwill and other intangible fixed assets of acquired companies, real estate, share based payments, taxes and forensics.

Our focus on climate risks

Climate objectives will be high on the public agenda in the next decades. Issues such as CO₂ 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 CO₂ footprint.

The Executive Board has reported in section 'Being responsible and sustainability impact' and section 'Sustainable development goals' on the Environmental, Social and Governance (ESG) factors directly and indirectly impacting TKH Group N.V.'s business, and their consideration of the impact of climate change including the potential impact of climate-related risks.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks are materially impacting judgements, estimates and significant assumptions applied by TKH Group N.V. Furthermore, we read the management report and considered whether there is any material inconsistency between the non-financial information in section 'Being responsible and sustainability impact' and section '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 and as such we have not identified a key audit matter.

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.

Our audit response related to fraud risks

We identify and assess 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 the executive board'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 the executive board'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. As in all of our audits, we addressed the risks related to management override of controls and we have performed procedures among others 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 analytics to identify and address higher risk journal entries. These risks did however not require significant auditor's attention in addition to the fraud risk identified below.

We considered available information and made enquiries of relevant executive and management board members, directors (including internal audit, legal advisor, compliance officer and regional directors) 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.

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

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, the management board, the head of legal affairs, the compliance office and internal audit as well as reading minutes, inspection of internal audit reports 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 poten-

Fraud risk related to revenue recognition	
Fraud risk	When identifying and assessing fraud risks we presume that there are risks of fraud in revenue recognition. We evaluated that the over-time revenue from contracts with customers in particular give rise to such risks, including the risk of management override of controls through inappropriate estimations around the percentage of completion and the cost to come.
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".

tial 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.

Our audit response related to going concern

As disclosed in section 'Going concern' in note 1 to 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 at least the next 12 months. 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 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 serious doubts on the company's ability to continue as a going concern for the next 12 months. 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.

The key audit matter related to the valuation of contract assets and contract liabilities which was included as a separate key audit matter in our last year's auditor's report, is now combined with the key audit matter relating to over-time revenue recognition considering these matters are related. In addition the key audit matter related to the valuation of capitalized development costs related to new innovation projects in development does no longer include the risk of valuation of new businesses.

Over-time revenue recognition, and related valuation of contract assets and contract liabilities	
Risk	<p>TKH Group N.V. manufactures products, which vary from subsea 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 balance sheet 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.</p> <p>There is a risk of management override of controls over accelerating revenues through inappropriate estimations around the percentage of completion and the cost to come.</p> <p>Based on the above mentioned risk factors we considered this a key audit matter.</p> <p>Further reference is made to note 1, Accounting principles, and note 23, Information by segment, to the consolidated financial statements.</p>
Our audit approach	<p>We have obtained and updated our understanding of the revenue recognition process within the different segments. Over-time revenue is recognized in all three segments, being Smart Vision systems, Smart Connectivity systems and Smart Manufacturing systems. Our procedures included, among others, auditing the application of the revenue recognition standard (IFRS 15 'Revenue from Contracts with Customers') and identification of control measures taken by the company with regard to revenue recognition and correspondingly the valuation of contract assets and contract liabilities. Furthermore, we have conducted the following substantive audit procedures with respect to the identified risks:</p> <ul style="list-style-type: none"> • We evaluated management's assessment in relation to over-time 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 have performed margin analyses per significant revenue stream and product line; • We have 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 have evaluated the adequacy of revenue-related disclosures, including the disclosures related to contract assets and contract liabilities.
Key observations	<p>We consider management's assumptions relating to determine the percentage of completion of the projects, as well as the cost to come and the expected result of the projects to be within an acceptable range. In addition, we evaluated the revenue disclosures are reasonable.</p>

Valuation of capitalized development costs related to new innovation projects in development	
Risk	<p>TKH Group N.V. is investing in the development of new technologies. At 31 December 2021, the total carrying value of capitalized product development cost amounted to EUR 119.7 million. The related costs are capitalized 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 development projects related to new innovation projects which are in development as these do not yet generate sales and therefore there is a higher level of judgement involved in setting the significant assumptions in determining the value in use to support the carrying value.</p> <p>Based on the above mentioned risk factors we considered this a key audit matter.</p> <p>Further reference is made to note 1, Accounting principles, and note 3, Intangible assets and goodwill, to the consolidated financial statements.</p>
Our audit approach	<p>As part of our audit 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. Our audit procedures included, among others, the following substantive audit procedures:</p> <ul style="list-style-type: none"> • 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	<p>We consider management's assumptions to be within a reasonable range. We agree with management's conclusion that the carrying value of the development cost related to new innovation projects in development is reasonable.</p> <p>In addition, we evaluated the disclosures of capitalized development costs and related impairments as included are reasonable.</p>

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 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 subsection 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 subsection 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.

Our procedures, taking into account Alert 43 of the NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package;
- 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-IFRS 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 frameworks 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 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, 7 March 2022
Ernst & Young Accountants LLP
signed by F.J. Blenderman

ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON NON-FINANCIAL KPIs

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 non-financial KPIs) in the annual report for the year 2021 of TKH Group N.V. based in Haaksbergen.

Based on our procedures performed and the evidence 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 reporting criteria as included in the 'Reporting criteria' section of our report.

The selected non-financial KPIs consist of the following KPIs as included in the table on page 28 of the Annual Report:

- Carbon footprint (CO₂ emissions)
- % waste of most relevant raw materials, compared to total relevant material consumption
- Recycling most relevant raw materials
- Customer satisfaction
- Code of supply signed by suppliers
- % of female members in Executive and Senior Management teams
- Accident rate (LTIFR)
- Illness rate
- Employee satisfaction grade
- Employees acting in accordance with Code of Conduct
- Number of employees with disabilities and/or disadvantages on the labor market

BASIS FOR OUR CONCLUSION

We have conducted our limited assurance engagement on the selected non-financial KPIs 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 under this standard are further described in the 'Our responsibilities for the assurance engagement on the selected non-financial KPIs' section 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) and other relevant independence regulations in the Netherlands. 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).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

REPORTING CRITERIA

The selected non-financial KPIs need to be read and understood together with the reporting criteria. TKH Group N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the selected non-financial KPIs include topic specific disclosures of the Global Reporting Initiative (GRI) and own developed supplemental reporting criteria as disclosed in chapter 'Non-financial reporting process and methods' of the annual report.

The absence of an established practice on which to draw, to evaluate and measure the selected non-financial KPIs allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

UNASSURED CORRESPONDING INFORMATION

No assurance engagement has been performed on the selected non-financial KPIs for the period up to 2020. Consequently, the corresponding selected non-financial KPIs for the period 2020 are not assured.

LIMITATIONS TO THE SCOPE OF OUR ASSURANCE ENGAGEMENT

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

The selected non-financial KPIs include prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the selected non-financial KPIs.

References to external sources or websites are not part of our assurance engagement on the selected non-financial KPIs. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

RESPONSIBILITIES OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD FOR THE SELECTED NON-FINANCIAL KPIS

The Executive Board is responsible for the preparation of reliable and adequate selected non-financial KPIS in accordance with the reporting criteria as included in the 'Reporting criteria' section of our report. In this context, the Executive Board is responsible for the identification of the intended users and the criteria being applicable for their purposes. The choices made by the Executive Board regarding the scope of the selected non-financial KPIS and the reporting policy are summarized in chapter '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 non-financial KPIS that are free from material misstatement, whether due to fraud or errors. The supervisory board is responsible for overseeing the reporting process of TKH Group N.V.

OUR RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE SELECTED NON-FINANCIAL KPIS

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

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and 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 obtained in a reasonable assurance engagement.

We apply the "Nadere voorschriften kwaliteitssystemen" (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures of our limited assurance engagement included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant social themes and issues, relevant laws and regulations and the characteristics of the company as far as relevant to the selected non-financial KPIS.
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures on the selected non-financial KPIS. This includes the evaluation of the reasonableness of estimates made by the executive board.
- Obtaining an understanding of the reporting processes for the selected non-financial KPIS, including obtaining a general understanding of internal control relevant to our assurance engagement.
- Identifying areas of the selected non-financial KPIS with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or errors. Designing and performing further assurance procedures aimed at determining the plausibility of the selected non-financial KPIS responsive to this risk analysis. These further assurance procedures consisted amongst others of:
 - Interviewing management and relevant staff at corporate and business level responsible for the strategy, policy and results relating to the selected non-financial KPIS.

- Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the selected non-financial KPIS
- Obtaining assurance information that the selected non-financial KPIS reconcile with underlying records of the company.
- Reviewing, on a limited test basis, relevant internal and external documentation.
- Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level.
- Evaluating the consistency of the selected non-financial KPIS with the information in the annual report which is not included in the scope of our assurance engagement.

Amsterdam, 7 March 2022
Ernst & Young Accountants LLP
signed by J. Niewold

REPORT OF STICHTING ADMINISTRATIEKANTOOR TKH GROUP

The objective of the 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 the TKH Trust Foundation Office governing the shares of TKH, the TKH Trust Foundation Office reports on the activities during the year under review, 2021, 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 € 10,521,554.25 on December 31, 2021, in exchange for which 42,086,217 depositary receipts for shares¹, with a nominal value of € 0.25 each, were issued.

MEETINGS OF THE BOARD

The Board of TKH Trust Foundation Office met three times during the financial year. Due to COVID-19 restrictions, some of these meetings took place virtually. The topics discussed in the meeting of March 29, 2021 were the Annual General Meeting of Shareholders (“General Meeting”) 2021 and the TKH Annual Report 2020.

The agenda items of the General Meeting were discussed in the meeting of May 6. Due to the special circumstances under which the General Meeting took place on May 6, 2021, with ongoing COVID-19 restriction still limiting in-person meetings, it was decided that no discussion at the General Meeting would be possible regarding the provisional voting determination by the Board of TKH Trust Foundation Office. Because of this, the Board decided to definitively determine its voting behavior in its meeting on May 5, 2021.

Those who hold depositary receipts for shares in the capital of the company were given the opportunity to vote independently on the agenda items voted on in the General Meeting, regarding the shares corresponding with their depositary receipts and subject to the relevant statutory provisions. Holders of depositary receipts of shares collectively representing 63.8% of the capital entitled to vote, requested a proxy from the TKH Trust Foundation Office to vote independently on the shares in question by giving voting instructions to the TKH Trust Foundation Office. TKH Trust Foundation Office voted for the remaining 35.9% of the capital entitled to vote. In doing so, the Board voted in favor of the agenda items in the General Meeting.

In the meeting of September 20, 2021, the company gave an explanation of the published interim figures in 2021. The retirement schedule for 2022 was discussed, as well as the procedure to be followed in respect of the vacancy due to arise in mid-2022, following Mr. H.L.J. Noy’s end of term (who is not available for reappointment).

Following the implementation of the “Bestuur en Toezicht Rechtspersonen Act” in July 2021, the articles of association of the Foundation Trust office were amended as per December 1, 2021.

BOARD OF TKH TRUST FOUNDATION OFFICE

The board of TKH Trust Foundation Office has currently three independent members:

- Mr. H.L.J. Noy, *Chairman*
- Mr. J.S.T. Tiemstra
- Mr. G.W.Ch. Visser

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.stichtingadministratiekantoorstk.com

Email: stak@tkhgroup.com

Haaksbergen, March 4, 2022

TKH Trust Foundation Office

The Board

STATEMENT OF INDEPENDENCE

The Executive Board of TKH Group N.V. and the Board of the TKH Trust Foundation Office hereby state that, jointly and severally, they are of the opinion that the 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 4, 2022

TKH Group N.V.

The Executive Board

Haaksbergen, March 4, 2022

TKH Trust Foundation Office

The Board

¹ The number of depositary receipts for shares has decreased by 624,648 compared to December 31, 2020, due to the cancellation of 623,334 ordinary shares and conversion of on balance 1,314 depositary receipts for shares into ordinary shares.

STICHTING CONTINUÏTEIT TKH

The objective of Stichting Continuïteit TKH (“Continuity Foundation”) is to look after the interests of TKH Group N.V. (“TKH”) and all the businesses associated with it, in such a way that those interests are secured as far as possible. In addition, it should resist any influences which could affect the independence, continuity, or identity of TKH and its affiliated companies in conflict with those interests are resisted as far as possible, as well as avoid any activities related to or conducive to the above.

By means of a call option TKH has conferred on 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 placement of the protective shares, or 100% should the limitation on conversion of depositary receipts cease to apply. The protective shares should not be left on issue longer than is strictly necessary. In the event that TKH shareholders acquire a degree of control that is seen as 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 2021.

TKH has also conferred on 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, and state of affairs prevailing in, TKH and by 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 4, 2022

Continuity Foundation

The Board

STATEMENT OF INDEPENDENCE

The Executive Board of TKH Group N.V. and the Board of the Continuity Foundation state that, jointly and severally, 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 4, 2022

TKH Group N.V.

The Executive Board

Haaksbergen, March 4, 2022

Continuity Foundation

The Board

CONSOLIDATED ENTITIES

The following directly or indirectly held subsidiaries are included in the consolidation:

Name	Place	Country	Ownership 31-12-2021 ¹	Ownership 31-12-2020 ¹	NEW SEGMENT REPORTING			OLD SEGMENT REPORTING		
					Smart Vision systems	Smart Manufacturing systems	Smart Connectivity systems	Telecom Solutions	Building Solutions	Industrial Solutions
Alphatronics B.V.	Nijkerk	Netherlands	100.0%	100.0%	●				●	
BB Lightpipe B.V.	Doetinchem	Netherlands	100.0%	100.0%	●				●	
B.V. Twentsche Kabelfabriek	Haaksbergen	Netherlands	100.0%	100.0%			●	●	●	●
Commend Benelux B.V.	Prinsenbeek	Netherlands	100.0%	100.0%	●				●	
EKB Groep B.V.	Beverwijk	Netherlands	100.0%	100.0%		●				●
Eldra B.V.	Ittervoort	Netherlands	100.0%	100.0%			●		●	●
Heerlen Parkeereexploitatie B.V.	Haaksbergen	Netherlands	100.0%	100.0%	●				●	
IC Intracom Nederland B.V.	Barneveld	Netherlands	100.0%	100.0%			●	●	●	●
Intronics B.V.	Barneveld	Netherlands	100.0%	100.0%			●	●	●	●
Isolectra B.V.	Capelle a/d IJssel	Netherlands	100.0%	100.0%			●		●	
LMI Technologies B.V.	Kerkrade	Netherlands	100.0%	100.0%	●				●	
Mextal B.V. ²	Nuenen	Netherlands	100.0%	95.0%	●				●	
Siqura B.V. ⁵	Gouda	Netherlands		100.0%	●				●	
Texim Europe B.V.	Haaksbergen	Netherlands	100.0%	100.0%		●		●	●	●
TKH Airport Solutions B.V. ²	Haaksbergen	Netherlands	75.0%	75.0%			●		●	
TKH Finance B.V.	Haaksbergen	Netherlands	100.0%	100.0%						
TKH Logistics B.V.	Haaksbergen	Netherlands	100.0%	100.0%				●	●	●
TKH Logistics Vastgoed B.V.	Haaksbergen	Netherlands	100.0%	100.0%				●	●	●
TKH Security B.V.	Amsterdam	Netherlands	100.0%	100.0%	●				●	
VMI Holland B.V.	Epe	Netherlands	100.0%	100.0%		●				●
INEC N.V.	Herentals	Belgium	100.0%	100.0%			●	●	●	●
Techno Specials N.V.	Gent	Belgium	100.0%	100.0%	●				●	●
Texim Europe BVBA	Brüssel	Belgium	100.0%	100.0%		●		●	●	●
EFB Nordics A/S	Ballerup	Denmark	90.0%	90.0%			●	●	●	
TKH Airport Solutions A/S	Nykøbing Falster	Denmark	100.0%	100.0%			●		●	
TKH Security GmbH ³	Erkrath	Germany	100.0%	100.0%	●				●	
Allied Vision Technologies GmbH ³	Stadtroda	Germany	100.0%	100.0%	●				●	
ASP GmbH ³	Erkrath	Germany	100.0%	100.0%	●				●	
Augusta Technologie GmbH i.L.	Bielefeld	Germany	100.0%	100.0%					●	
Chromasens GmbH ³	Konstanz	Germany	100.0%	100.0%	●				●	
Dewetron Deutschland GmbH ³	Wernau	Germany	100.0%	100.0%		●				●
EEB Kabeltechnik GmbH ³	Forst	Germany	100.0%	100.0%			●			●
EFB Elektronik GmbH ³	Bielefeld	Germany	100.0%	100.0%			●	●	●	●

Name	Place	Country	Ownership 31-12-2021 ¹	Ownership 31-12-2020 ¹	NEW SEGMENT REPORTING			OLD SEGMENT REPORTING		
					Smart Vision systems	Smart Manufacturing systems	Smart Connectivity systems	Telecom Solutions	Building Solutions	Industrial Solutions
EFB Elektronik Real Estate B.V. & Co KG ³	Bielefeld	Germany	100.0%	100.0%			●	●	●	●
Ernst & Engring GmbH ³	Oer-Erkenschwick	Germany	100.0%	100.0%			●			●
FocalSpec GmbH i.L.	Berlin	Germany		100.0%	●				●	
HE System Electronic GmbH ³	Veitsbronn	Germany	100.0%	100.0%		●				●
IV-Tec GmbH ³	Freiburg	Germany	100.0%	100.0%	●				●	
Lakesight Technologies Holding GmbH ³	Unterschleissheim	Germany	100.0%	100.0%					●	
Lakesight Technologies German Holding GmbH ³	Unterschleissheim	Germany	100.0%	100.0%					●	
LMI Technologies GmbH ³	Teltow	Germany	100.0%	100.0%	●				●	
Mikrotron GmbH ³	Unterschleissheim	Germany	100.0%	100.0%	●				●	
New Electronic Technology GmbH ³	Finning	Germany	100.0%	100.0%	●				●	
Profipatch GmbH	Herford	Germany	100.0%	100.0%					●	
Schneider Intercom GmbH ³	Erkrath	Germany	100.0%	100.0%	●				●	
SVS-Vistek GmbH ³	Gilching	Germany	100.0%	100.0%	●				●	
Texim Europe GmbH ³	Quickborn	Germany	100.0%	100.0%		●		●		●
TKD Immobilien GmbH ³	Bielefeld	Germany	100.0%	100.0%						●
TKD Kabel Real Estate B.V. & Co KG ³	Bielefeld	Germany	100.0%	100.0%						●
TKF GmbH ³	Bielefeld	Germany	100.0%	100.0%				●		
TKH Airport Solutions GmbH ³	Bielefeld	Germany	100.0%	100.0%					●	
TKH Deutschland GmbH ³	Bielefeld	Germany	100.0%	100.0%						
TKH Deutschland Verwaltungs GmbH ³	Bielefeld	Germany	100.0%	100.0%						
TKH Grundstücksverwaltungs B.V. & Co KG ³	Bielefeld	Germany	100.0%	100.0%					●	●
TKH Deutschland Service GmbH ³	Erkrath	Germany	100.0%	100.0%	●				●	
TKH Technologie Deutschland AG ³	Bielefeld	Germany	100.0%	100.0%						
TKH Security SAS	Argenteuil	France	100.0%	100.0%	●				●	
CAE Data SAS	Wissous	France	100.0%	100.0%				●	●	●
ID Cables SAS	Wissous	France	100.0%	100.0%				●	●	●
MAN SAS	Wissous	France	100.0%	100.0%				●	●	●
TKF SAS	Wissous	France	100.0%	100.0%				●		
TKH France SAS	Wissous	France	100.0%	100.0%				●		
Commend France SAS	Saint Ouen	France	100.0%	100.0%	●				●	
Dewetron France SARL	Chilly Mazarin	France	100.0%	100.0%		●			●	
LMI Finland Oy	Oulu	Finland	100.0%	100.0%	●				●	
TKH Finland Holding Oy	Riihimäki	Finland	100.0%	100.0%				●		
TKH Finland Oy	Riihimäki	Finland	100.0%	100.0%				●		
Lakesight Technologies Holding Srl.	Mairano (Brescia)	Italy	100.0%	100.0%					●	
TKH Vision Italy Srl.	Mairano (Brescia)	Italy	100.0%	100.0%	●				●	

Name	Place	Country	Ownership 31-12-2021 ¹	Ownership 31-12-2020 ¹	NEW SEGMENT REPORTING			OLD SEGMENT REPORTING		
					Smart Vision systems	Smart Manufacturing systems	Smart Connectivity systems	Telecom Solutions	Building Solutions	Industrial Solutions
TKH Security Srl.	Conegliano	Italy	100.0%	100.0%	●					
Commend Italia Srl.	Carobbio Degli Angeli (BG)	Italy	100.0%	100.0%	●					
Tattile Srl.	Mairano (Brescia)	Italy	100.0%	100.0%	●					
E&E Cable Solutions (Ukraine)	Kiev	Ukraine	100.0%	100.0%			●			●
Commend International GmbH	Salzburg	Austria	100.0%	100.0%	●				●	
Dewetron Elektronische Messgeräte GmbH	Graz	Austria	100.0%	100.0%		●				●
EFB Elektronik Austria GmbH	Wien	Austria	100.0%	100.0%			●	●	●	●
Texim Austria GmbH	Salzburg	Austria	100.0%	100.0%		●		●	●	●
C&C Partners Sp. z.o.o	Leszno	Poland	100.0%	100.0%	●			●	●	
TKH Technology Sp. z.o.o	Leszno	Poland	100.0%	100.0%	●				●	
VMI Poland Sp. z.o.o	Leszno	Poland	100.0%	100.0%		●				
JOHRAMont s.r.o	Svidník	Slovakia	95.0%	95.0%			●		●	
Commend Iberica SL	Barcelona	Spain	100.0%	100.0%	●				●	
TKH Security SL	Malaga	Spain	100.0%	100.0%	●				●	
INEC Espana SA	Malaga	Spain	100.0%	100.0%			●	●	●	●
ParkEyes SL ⁵	Malaga	Spain		100.0%	●				●	
Siqura SL ⁵	Madrid	Spain		100.0%	●				●	
EFB Elektronik Ltd.	Istanbul	Turkey	90.0%	90.0%			●		●	
Commend Güvenlik ve İletişim Sistemleri Ltd.Şti ⁵	Istanbul	Turkey		85.0%	●				●	
Commend UK Ltd. ⁴	Stansted	UK	100.0%	100.0%	●				●	
TKH Security UK Ltd. ⁴	Rotherham	UK	100.0%	100.0%	●				●	
Siqura Ltd. ⁴	Rotherham	UK		100.0%	●				●	
TKH Security Ltd. ⁴	London	UK	100.0%	100.0%	●				●	
Commend Scandinavia AB	Tierp	Sweden	100.0%	100.0%	●				●	
VMC Elteknik AB	Strängnäs	Sweden	100.0%	100.0%			●	●	●	
Commend AG	Fehrltorf	Switzerland	100.0%	100.0%	●				●	
Multi Media Connect (Aust) Pty Ltd.	Tuggerah	Australia	100.0%	100.0%			●		●	
Park Assist Holdings Pty Ltd.	Sydney	Australia	100.0%	100.0%	●				●	
TKH Security Pty Ltd.	Sydney	Australia	100.0%	100.0%	●				●	
Jacques Technologies Pty Ltd.	Brisbane	Australia	100.0%	100.0%	●				●	
VMI South America Ltda.	Itatiaia	Brazil	100.0%	100.0%		●				●
Allied Vision Technologies Inc.	Burnaby	Canada	100.0%	100.0%	●				●	
LMI Technologies Inc.	Vancouver	Canada	100.0%	100.0%	●				●	
Allied Vision Technologies (Shanghai) Co, Ltd.	Shanghai	China	100.0%	100.0%	●				●	
Dewetron Test and Measurement Equipment (Beijing) Co. Ltd	Beijing	China	100.0%	100.0%		●				●
Dewetron Test and Measurement Equipment (Shanghai) Co. Ltd	Shanghai	China	100.0%	100.0%		●				●

Name	Place	Country	Ownership 31-12-2021 ¹	Ownership 31-12-2020 ¹	NEW SEGMENT REPORTING			OLD SEGMENT REPORTING		
					Smart Vision systems	Smart Manufacturing systems	Smart Connectivity systems	Telecom Solutions	Building Solutions	Industrial Solutions
E&E Cable (Zhangjiagang) Co, Ltd	Zhangjiagang	China	100.0%	100.0%			●			●
FocalSpec Asia Ltd.	Hong Kong	China	100.0%	100.0%	●				●	
FocalSpec China Co, Ltd.	Suzhou	China	100.0%	100.0%	●				●	
LMI (Shanghai) Trading Co, Ltd.	Shanghai	China	100.0%	100.0%	●				●	
TKH Building Solutions Shanghai Co, Ltd.	Shanghai	China	100.0%	100.0%			●		●	
Twentsche (Nanjing) Fibre Optics Co, Ltd.	Nanjing	China	100.0%	100.0%			●	●		
VMI Yantai Ltd.	Yantai	China	100.0%	100.0%		●				●
VMI Ltd.	Yantai	China	100.0%	100.0%		●				●
Isolectra Communications Technology Sdn Bhd	Shah Alam	Malaysia	100.0%	100.0%	●			●	●	
VMI SEA Office Sdn Bhd	Shah Alam	Malaysia	100.0%	100.0%		●				●
Ithaca SA	Casablanca	Morocco	100.0%	100.0%			●		●	
LMI Technologies Co. Ltd.	Tokyo	Japan	100.0%	100.0%	●				●	
NET Japan Co. Ltd.	Yokohama	Japan	90.0%	90.0%	●				●	
SVS-Vistek K.K.	Yokohama	Japan	100.0%	100.0%	●				●	
Multi Media Connect (N.Z.) Pty Ltd.	Paraparaumu	New Zealand	100.0%	100.0%			●		●	
Allied Vision Technologies Pte Ltd.	Singapore	Singapore	100.0%	100.0%	●				●	
Commend South East Asia Pte Ltd.	Singapore	Singapore	100.0%	100.0%	●				●	
TKH Security & Airport Solutions Pte Ltd.	Singapore	Singapore	100.0%	100.0%	●			●	●	
LMI Technologies yuhan hoesa	South Korea	South Korea	100.0%	100.0%	●				●	
VMI Thailand Ltd.	Thailand	Thailand	100.0%	100.0%		●				●
Commend Middle East FZE	Dubai	United Arab Emirates	100.0%	100.0%	●				●	
Allied Vision Technologies Inc	Boston	USA	100.0%	100.0%	●				●	
Commend Inc.	New York	USA	100.0%	100.0%	●				●	
Dewetron America Inc.	Wakefield	USA	100.0%	100.0%		●				●
FocalSpec Inc.	Santa Clara	USA		100.0%	●				●	
Fringe AI Ltd.	Boston	USA	100.0%		●				●	
LMI Technologies Inc.	Detroit	USA	100.0%	100.0%	●				●	
NET USA Inc.	Highland	USA	100.0%	100.0%	●				●	
TKH Security LLC	New York	USA	100.0%	100.0%	●				●	
SVS-Vistek Inc.	Carrolton	USA	100.0%	100.0%	●				●	
Siqura Inc. ⁵	Germantown	USA		100.0%	●				●	
TKH USA Holding Inc. ⁵	Wilmington	USA		100.0%	●				●	
VMI Americas Inc.	Stow	USA	100.0%	100.0%		●				●

¹ Economic ownership is equal to the legal ownership, unless mentioned differently.

² Economic ownership is 100%.

³ The aforementioned German subsidiaries included in TKH's consolidated financial statements make use of the exemption in § 264 (3), § 264 (b) HGB to prepare, audit and publish individual annual accounts. TKH Deutschland GmbH is not required to draw up consolidated annual accounts pursuant to § 291 HGB.

⁴ The listed subsidiaries above based in the UK are controlled and consolidated by the group, where the Directors have taken the exemption from having an audit of its financial statements for the years ended 31 December 2020 and 31 December 2021. This exemption is taken in accordance with the UK Companies Act, S479A.

⁵ Merged within the group.

NON-FINANCIAL REPORTING PROCESS AND METHODS

REPORTING CRITERIA: GRI STANDARDS – CORE

This report has been prepared in accordance with the GRI standards: Core option. We focus on topics that have been an integral part of our Environmental, Social, and Governance (ESG) policy. Our GRI index is available on TKH's website (www.tkhgroup.com/en/csr). In this overview, more information is disclosed on the nature and coverage of reporting per non-financial KPI (e.g. quantitatively or qualitatively). The content and definition of the report are based on the materiality analysis whereby TKH focuses on the topics that are most material and that have a strong connection with TKH's strategy and business operations. The GRI standards were used to define and set our KPIs. These standards stress the need to make an accurate assessment of issues that are sufficiently important for a company to report. 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 those issues. We monitor our objectives based on 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 2021), we provide an overview of, among other things, our sustainability performance during the year under review from 1 December 2020 up to and including 30 November 2021. KPIs related to HR data are based on the calendar year 2021. This report presents both quantitative and qualitative data. TKH uses a different reporting period for part 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 2021, including all material aspects, is compiled by the Executive Board and discussed with the Supervisory Board. TKH uses the reporting system Cognos for non-financial information (including CO₂, waste, safety, 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 adjusted in 2021. The policy changes, which are related to HR KPIs and our CO₂ footprint calculation, are described below for each specific topic. Compared to past reporting, there are no material changes in the system of measuring. 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 changes in structure or ownership either. Unless stated otherwise, the data are based on all our domestic and foreign 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 acquisition. Companies in which TKH has a minority ownership interest are not included in the report. We consolidated data for the non-financial report using the same system used to consolidate financial data. Any estimates are based on historical information.

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.

CO₂ EMISSIONS

To measure and report the CO₂ emissions, we use the different scopes of the Greenhouse Gas (GHG) protocol.

- Scope 1 covers the direct CO₂ emissions caused by fuels that we purchase and consume ourselves, and mainly concerns gas, gasoline, and diesel (including company cars).
- Scope 2 covers indirect CO₂ emissions from electricity consumption.
- Scope 3 covers indirect CO₂ emissions from our fleet (commuting), waste generated from operations, and the transportation of goods.

Our focus remains primarily on scopes 1 and 2 because most of our emissions occur within those scopes. We have expanded our internal dashboard with components from scope 3 but have not yet implemented a scope extension for CO₂ emissions in our calculation model. TKH calculates the energy consumption and CO₂ emissions associated with our energy consumption using conversion factors from reputable and authoritative sources. TKH uses tank-to-wheel emission factors. 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 CO₂ emissions. The basis for consolidated energy consumption and CO₂ emissions is 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 estimations using reliable methods and input data. TKH is satisfied that the estimates are reliable in all material respects. The reported CO₂ emissions reduction is compared to the reference year 2019 (2020: reference year 2015).

The EU Energy Efficiency Directive (2012/27/EU) obliges member states to ensure that large companies undergo an energy audit. The energy audit is a systematic, four-yearly

approach that aims to gather information about a company's current energy consumption. We use input from those TKH operating companies that fall under the defined scope and must carry out a mandatory energy audit for our reporting on energy reduction and future improvement plans.

WASTE AND RECYCLING

The reporting scope of waste and recycling includes 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, plastics, and aluminum.

SUPPLIERS

The products delivered 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 certain hazardous substances from being used in electrical and electronic devices. TKH reports the percentage of strategic suppliers agreeing with TKH's Code of Supply. Strategic suppliers are defined as external suppliers with an annual purchase volume of over € 1 million on a yearly basis.

CUSTOMERS

The customer satisfaction grade reported is based on the outcome of the most recent customer satisfaction surveys conducted by an external research company. A survey is representative for the customer base of the operating company concerned. The reported customer satisfaction grade in 2021 represents surveys from the period 2019-2021.

HUMAN RIGHTS

In the context of human rights, TKH conducts business activities according to the Universal Declaration of Human Rights. We refer readers to our Code of Conduct and the Code of Supply (both of which can be downloaded from our website www.tkhgroup.com). We rely on the OECD guidelines for guidance regarding issues such as supply chain responsibility, human rights, child labor, and the environment. We submitted input on the Transparency Benchmark information platform, an initiative of the Ministry of Economic Affairs and Climate Policy. 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 AND TRANSPARENCY

TKH has selected the number of reported breaches of the Code of Conduct as a KPI for business conduct and transparency. The scope includes all employees on TKH's payroll. The Code of Conduct is published on our website. We have established a 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. TKH's illness rate is calculated by the number of days of absence (for at least one day) divided by the number of total working hours. All cases of absence are included except pregnancy

leave. The number of working hours is matched with the working hours recorded by the HR department and includes overtime. If data is not available, the number of working hours is calculated based on the average FTE on the payroll during the year times the average working hours per person. The illness rate reported covers all employees on TKH's payroll excluding the third party contractors and joint ventures employees. The illness rate is reported at a total group level and not specified by region or gender.

TKH reports on the number of employees with a disability and/or disadvantage in the labor market. Disability is an umbrella term, covering illnesses/disorders, activity limitations, and participation restrictions. An illness/disorder is a problem in body function or structure. 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 involvement in life situations resulting in a disadvantage on the labor market.

The 2021 employee satisfaction grade is based on the outcome of the most recent employee satisfaction surveys executed by an external research company from 2018 to 2021 among 3,144 FTEs representing 54% of total FTEs.

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 (direct reports to the Executive Board).
- Senior management: managers who are members of the management team within your organization and responsible for specific business units or departments (e.g. finance, marketing, and production).
- Middle management: link between the senior management and the lower operational levels of the organization.
- Operational workforce: other workforce.

SAFETY

TKH defines its Lost Time Injury Frequency Rate (LTIFR) as the number of reported incidents leading to absence from work for at least one working day, 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 incomplete accident reporting. Reported hours are measured, calculated, or estimated. The absolute number of serious accidents reported covers all employees on TKH's payroll excluding the third party contractors and joint ventures employees. The LTIFR is reported at a total group level and not specified by region or gender.

VERIFICATION AND INTERNAL CONTROL

The data have been audited by the responsible company officers as to plausibility and progress using the Cognos financial reporting model. Data were 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 performed and the accuracy of the data as a permanent part of its work program. Internal Audit has spent specific attention during its audit work on compliance with the Code of Conduct within our operating companies and the implementation of the Code of Supply at strategic suppliers. For specific sustainability issues, external expertise is hired. TKH appointed Ernst & Young Accountants LLP (EY) to provide independent assurance on non-financial KPIs to provide TKH's stakeholders with reassurance about TKH's non-financial information. TKH has obtained limited assurance for the KPIs included in the 'Sustainability performance' section on page 28 of the Annual Report 2021.

TRENDS

In our business operations, we focus on external and internal environmental factors, analyzing trends that can affect our activities and operations. We then make an assessment of the

opportunities and threats and see how we can provide added value for our stakeholders and society in general. The table 'Trends in CSR' shows our added value in the field of CSR for each trend and how we steer this internally by setting concrete goals.

STAKEHOLDER DIALOGUES AND MATERIALITY MATRIX

TKH regularly enters into dialogue with various stakeholders on topical and social issues. Our stakeholders' varied backgrounds 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 that affect 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 clearly explain specific issues and thus increase support for them or, in certain cases, to create understanding when an issue is given less priority in our business operations. The results of the dialogues are also included in the review of the materiality matrix. The Executive Board is closely involved in determining material themes and how much weight they are ultimately given by TKH.

Because of COVID-19, the dialogue with stakeholders mainly took place online. We conducted a survey to determine material themes, from stakeholders' perspective as well from TKH's perspective. The results of the survey are included in the materiality matrix included in the section stakeholder analysis of this annual report. We have ranked topics that have been deemed important for all stakeholder groups (vertical axis) and which have the most impact on TKH (horizontal axis) and are priorities in our strategic roadmap. We measure and report on material issues. The subjects that are designated as less or non-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:

- Dialogues with strategic stakeholders
- Investor relations meetings about ESGs
- 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 Sustainable Development Goals
- Sustainability rating agencies such as the Carbon Disclosure Project (CDP), Vigeo, MSCI, and EcoVadis

TKH Group is an active member of industrial and branch organizations.

- The FTTH Council in Europe, North America, the Middle East, North Africa, Latin America, and Asia-Pacific. This non-profit organization was established to accelerate Fibre to the Home (FTTH) technology. Members are manufacturers, system designers, consultancies, and academic institutions.
- The International Cablemakers Federation (ICF) represents most of the global manufacturing capacity of the wire and cable industry. As the federation of the world's leading wire and cable producers, ICF provides a global forum for members to increase the visibility of the industry by highlighting the relevance of its products and technologies, as well as its contribution to building a sustainable society.
- The European Machine Vision Association (EMVA) is represented by organizations in more than 20 countries. It aims to promote the development and use of machine vision technology and to support the interests of its members.
- The Retread Tire Association (RTA) represents suppliers in the renewal and tire repair industry.

EXTERNAL REPORTING

We have provided input to the CDP, MSCI, EcoVadis, Vigeo, and the S&P Dow Jones Indices. In terms of the circular

economy, we endorse the objectives set by the Netherlands in the circular innovation program called “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 an increased contribution from industry. We take responsibility in this, but we continue to relate 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 choice not to focus on certain issues or not to collaborate, even though we are asked to. In certain markets, the price factor is still decisive, and there may be implicit reasons for reducing ESG efforts. In such situations, it is a challenge to convince the stakeholder of the importance of sustainability, which may drive the price up. Reducing our energy consumption calls for the thorough 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, which has resulted in the successful implementation of many savings plans. Coming up with new reduction plans to make major savings is therefore becoming increasingly challenging. Furthermore, the expansion of our production facilities and the integration of activities into one location have further increased our energy consumption compared to the output produced, as this consumption cannot yet be fully compared with the return that these investments will yield. 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 requirement of the product is 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 choices regarding the information posted. 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 call for 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 compensation is linked to ESG performance (see also ‘Remuneration Report’). TKH's Director 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 meetings of the Management Board of TKH, on which the Director Sustainability has a seat. There is close collaboration with the Director 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. Initiatives in the value chain are always attended by commercial managers 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 inadmissible behavior, the Confidential Officer of the operating company will promptly 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 the report has been investigated, 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 has to 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 a case, we enter into dialogue to work towards a satisfactory solution. In such conversations, best practices are shared with the supplier in question to help them make improvements and share ideas. The purchase manager has a pioneering role in this. The Code of Supply and the assessment form can be downloaded via the TKH website.

The Executive Board discusses progress in ESG at least every quarter with the various operating companies. 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 so that it is an integral part of our information system. At least once a year, progress in the field of ESG is also discussed with the Supervisory Board, and future developments and the appropriate follow-up steps are explained.

For more information about TKH's sustainability program, please contact TKH's Director Sustainability Derk Postma (d.postma@tkhgroup.com). Please feel free to send any feedback you may have on this report to this e-mail address. For up-to-date information on sustainability, you can also consult our website: www.tkhgroup.com/csr.

10 YEARS OVERVIEW

In millions of euros	2021	2020	2019 ¹	2018 ²	2017	2016	2015	2014	2013	2012
Consolidated statement of profit and loss										
Turnover	1,524	1,289	1,490	1,458	1,485	1,341	1,375	1,346	1,198	1,102
Raw materials, consumables, trade products and subcontracted work	787	655	771	768	817	710	743	770	699	652
Added value	737	634	718	690	668	631	632	576	499	450
Personnel expenses	378	345	369	352	347	331	326	296	277	234
Other operating expenses	124	108	133	137	147	131	133	124	103	113
EBITDA	235	181	216	201	174	169	173	156	119	103
Depreciation ³	45	46	45	26	25	22	22	20	19	17
EBITA before one-off income and expenses	190	136	171	175	149	147	151	136	100	86
One-off income and expenses		7	18	4	6			9	-7	-12
EBITA	190	129	154	171	143	147	151	145	93	74
Impairments	2	4	5	2	2	1	1	1		
Amortization	51	54	50	40	37	33	32	26	26	21
Operating result	137	71	99	129	104	113	118	118	67	53
Financial result	-6	-14	-10	-4		-7	-7	-10	-13	-12
Fair value changes of financial liability for earn-out and put options of holders of non-controlling interests	-2				4	1				
Result on ordinary activities before taxes	129	57	89	125	108	107	111	108	54	41
Taxes	34	15	20	27	20	20	23	22	12	10
Net result for the period from continued operations	95	42	69	98	88	87	88	86	42	31
Result after tax from discontinued operations			45	11						
Non-controlling interests					1	1	2	3	5	3
Attributable to shareholders	95	42	114	109	87	86	86	83	37	28
Key figures										
EBITA/Turnover (ROS) ^{3 4}	12.4	10.5	11.6	12.0	10.1	10.9	11.0	10.0	8.3	7.8
Net result before amortization and one-off income and expenses/Group equity ^{3 4}	15.8	10.6	14.9	17.6	16.1	16.5	19.3	17.8	13.7	11.7
EBITA/Average capital employed (ROCE)	20.5	14.0	17.4	21.3	19.7	20.1	22.1	21.2	15.9	15.9
Net debt/EBITDA ratio ^{3 4}	0.9	1.6	1.5	1.4	0.9	1.0	0.9	1.0	1.5	1.6
Net result before amortization and one-off income and expenses/Turnover ^{3 4}	7.5	5.5	7.1	7.8	6.5	7.2	7.4	6.6	5.0	4.5

1 The comparative figures for 2018 have been restated due to discontinued operations.

2 The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

3 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. The years 2012 up to 2013 have not been restated.

4 Before one-off income and expenses. 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	2021	2020	2019 ¹	2018 ²	2017	2016	2015	2014	2013	2012
Consolidated balance sheet										
Intangible assets and goodwill	537	577	596	544	392	395	400	352	349	343
Property, plant and equipment ³	222	220	231	246	229	215	196	176	199	195
Right-of-use assets	69	77	81							
Financial non-current assets	45	42	52	31	28	46	34	28	30	31
Total non-current assets	873	916	960	821	649	656	630	556	578	569
Inventories	295	237	239	267	219	207	194	202	185	197
Trade and other receivables	341	286	300	356	327	295	248	288	234	201
Cash and Cash equivalents	100	122	79	83	88	88	179	145	80	66
Total current assets	736	645	618	706	634	590	621	635	499	464
Assets held for sale	88	5	39					3		7
Total assets	1,697	1,566	1,617	1,527	1,283	1,246	1,251	1,194	1,077	1,040
Shareholders' equity ³	722	662	705	647	594	574	521	483	378	364
Non-controlling interests				1	9	9	9	17	61	60
Group Equity	722	662	705	648	603	583	530	500	439	424
Provisions ³	90	86	97	86	69	74	71	68	112	105
Non-current interest-bearing loans and borrowings	334	410	416	239	187	214	223	259	259	202
Current interest-bearing loans and borrowings	48	57	58	171	57	52	126	59	15	60
Other financial liabilities	7	8	9	5	15	23	27	14		
Other current liabilities	459	343	319	378	352	300	274	294	252	249
Liabilities directly associated with assets held for sale	37		13							
Total equity and liabilities	1,697	1,566	1,617	1,527	1,283	1,246	1,251	1,194	1,077	1,040
Other information in euros (unless stated otherwise)										
Solvency (in %)	43	42	44	42	47	47	42	42	41	41
Investments in property, plant and equipment	30	28	32	42	41	46	38	34	19	25
Depreciations of property, plant and equipment	30	30	29	28	24	23	23	20	19	17
Cash flow from operating activities	199	188	182	127	160	103	182	95	79	75
Number of shares outstanding and held by third parties at year end (x 1,000)	41,178	41,487	41,999	42,003	42,045	42,161	41,724	41,400	37,985	37,658
Net result per ordinary share of € 0.25	2.31	1.14	2.72	2.58	2.05	2.04	2.07	2.14	0.98	0.76
Net profit before amortization and one-off income and expenses from continued operations attributable to shareholders	2.77	1.69	2.51	2.72	2.27	2.25	2.40	2.23	1.48	1.27
Dividend per share	1.50	1.00	1.50	1.40	1.20	1.10	1.10	1.00	0.75	0.65
Highest share price	56.15	51.30	55.05	60.15	56.68	38.14	40.50	27.18	26.40	20.86
Lowest share price	37.88	23.42	38.82	38.36	36.45	28.47	25.35	22.13	18.55	15.41
Share price at year-end	55.50	39.54	49.90	40.70	52.93	37.59	37.44	26.36	25.40	19.50

¹ The comparative figures for 2018 have been restated due to discontinued operations.

² The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

³ 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. The years 2012 up to 2013 have not been restated.

ALTERNATIVE PERFORMANCE MEASURES

TKH uses alternative performance measures to measure and monitor its operational performance. These measures are used in this Annual Report but are not defined in any law, nor in the International Financial Reporting Standards (IFRS). The European Securities and Markets Authority (ESMA) has issued guidelines for the use and disclosure of alternative performance measures. The terms TKH believes are relevant to alternative performance measures are included in this chapter of the Annual Report. It also includes a definition, as required by the ESMA guidelines.

ADDED VALUE

Added value is calculated by deducting Raw materials, consumables, trade products and subcontracted work from Total turnover

CAPEX (CAPITAL EXPENDITURE)

Investments in Property, plant and equipment and intangible assets and goodwill. Capex spending is a one-time investment.

CAPITAL EMPLOYED

Group equity plus long-term debt plus short-term borrowings less cash and cash equivalents.

DEBT LEVERAGE RATIO (NET DEBT/EBITDA)

Long-term debt plus short-term borrowings minus cash and cash equivalents divided by EBITDA.

DIVIDEND PAYOUT RATIO

This ratio indicates what portion of the net profit is paid out to shareholders ((dividend/net profit after tax) times 100).

EBITA

Result before interest, taxes, impairments, and amortization.

EBITDA

Result before interest, taxes, impairments, depreciation, and amortization.

INNOVATIONS TKH

At least 15% of turnover realized from innovations introduced in the previous two years.

NET RESULT PER SHARE

Net result/weighted average shares outstanding. This ratio indicates how much profit a company has available per share.

OPEX (OPERATING EXPENSES)

Operating expenses are the recurring costs of a product or system.

ROCE (RETURN ON CAPITAL EMPLOYED)

Return on capital employed is the EBITA for the last twelve months divided by the capital employed at the beginning of the period plus capital employed at the end of the period divided by two.

ROS (RETURN ON SALES)

EBITA divided by total turnover as a percentage.

SOLVENCY

Percentage of the equity relative to the total liabilities.

TCO (TOTAL COST OF OWNERSHIP)

The sum of Capex and Opex. The Capex expenditure is often high initially, but over the life of a system, the Opex will eventually be the largest cost component of TCO.