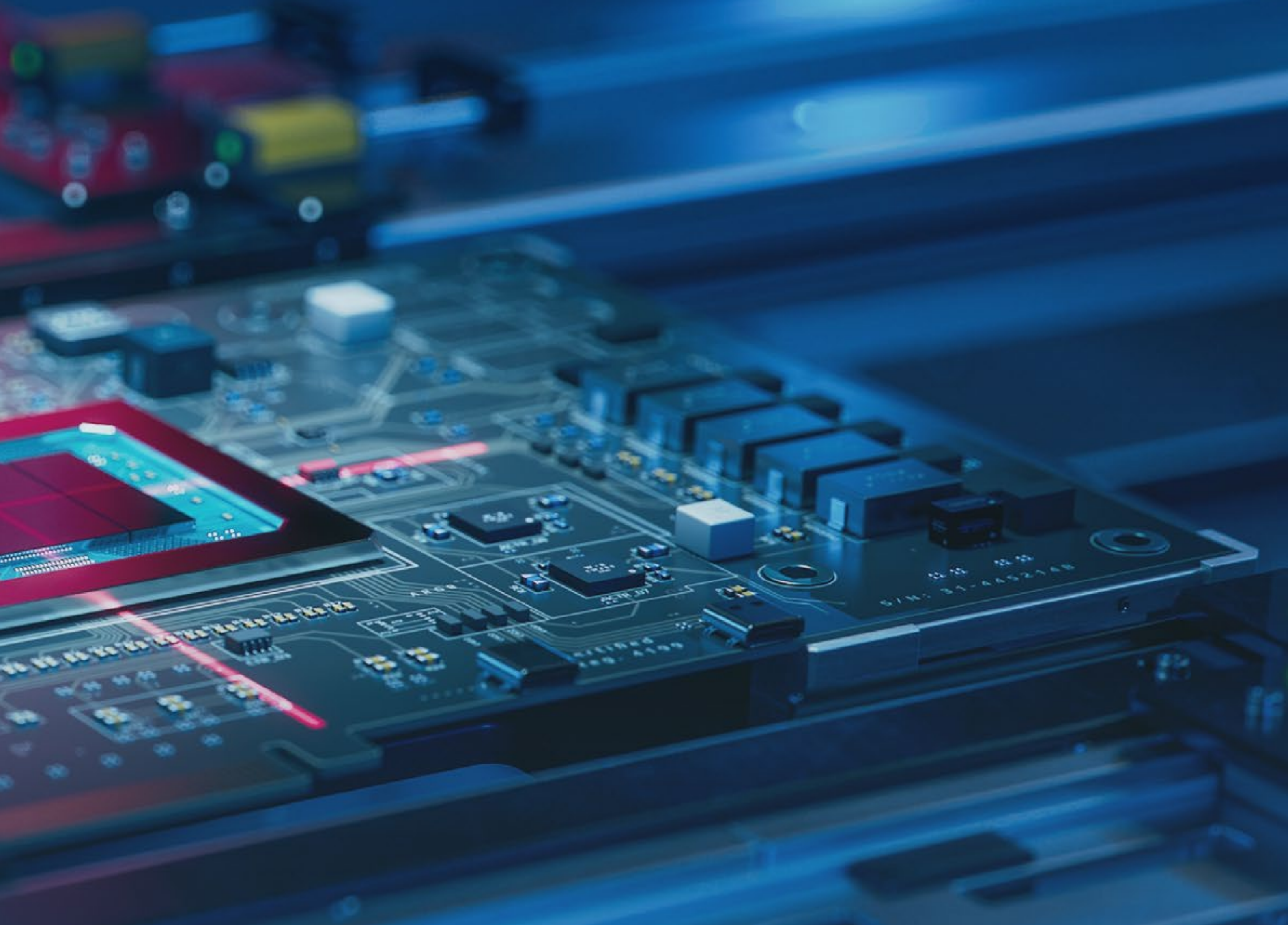
ANNUAL REPORT 2024



Connectivity

Electrification

Industry

Medical Devices

Defence/Aerospace

Norway
Sweden
Denmark
USA

Germany
Lithuania
Poland
Czech Republic

China
Malaysia
India


Kitron
Kitron
Kitron

Content

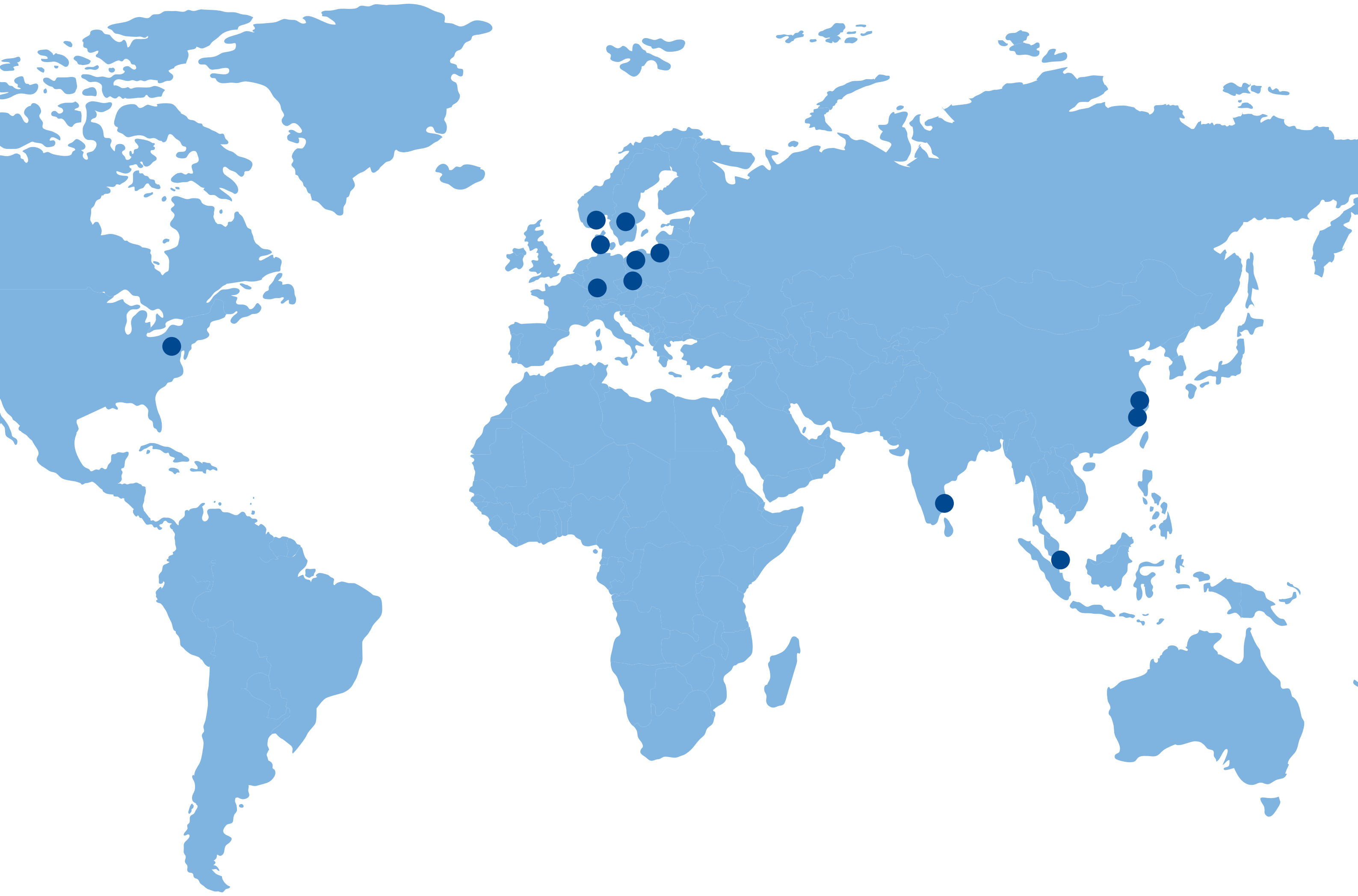
Kitron in brief

Kitron is an international Electronics Manufacturing Services (EMS) provider with operations in Norway, Sweden, Denmark, Lithuania, Germany, Poland, the Czech Republic, India, China, Malaysia, and the United States. We have about 2400 full time employees.

Nordics & North America
- Norway
- Sweden
- Denmark
- US

Central and Eastern Europe
- Lithuania
- Poland
- Czech Republic
- Germany

Asia Pacific
- China
- India
- Malaysia



What we do

We provide electronics manufacturing services. These include automated assembly of printed circuit boards as well as higher-level system integration. We also provide various related services, ranging from development and design, through industrialization, sourcing, and logistics, to manufacturing, redesigning and upgrading products to extend their lifespan.

We have about 2400 full time employees, among them more than 300 engineers. Our facilities cover more than 100 000 square metres of manufacturing area and contain more than 35 SMT lines.

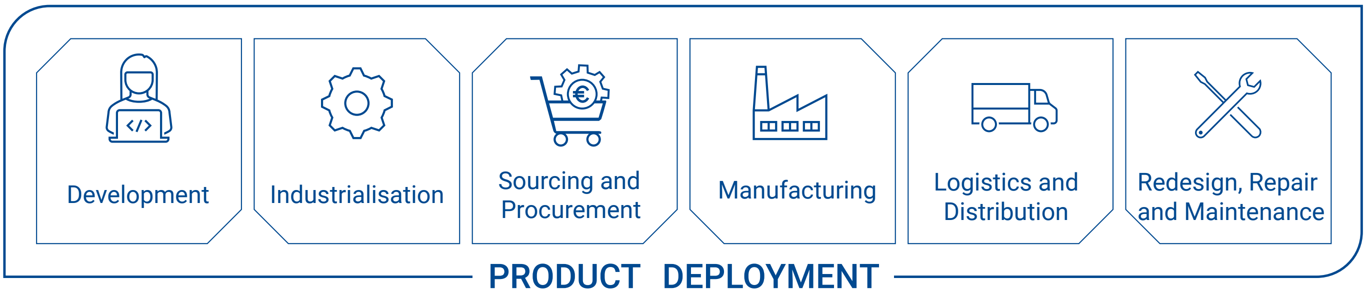
Vision and values

Our vision is to provide solutions that deliver success for our customers. Our ambition is to contribute to developing our customers into leading companies within their respective markets.

Commitment
We are committed to customers, suppliers, shareholders, colleagues, sustainability, and the environment.

Innovation
We foster creativity, striving for even better processes, services, and solutions, benefiting both our customers and employees.

Engagement
Individuals and teams are provided equal opportunities for growth, development, and realization of their potential.



Who we serve

We have strong, long-term relationships with large multinational customers. They are often market leaders in their industries. Our partnerships generally date back a decade or more. Sales are strongly characterized by repeat business, continuously renewed by new product generations.

These are market sectors with specialized requirements and certifications. They also provide a diversified customer portfolio that enables us to balance shifts in demand in individual market sectors.

We are most competitive within complex manufacturing processes that require niche expertise. We focus our sales and marketing activities on five key sectors:

Connectivity

Kitron's Connectivity sector is focused on connected devices. Many of these devices are sensors, continuously feeding data into increasingly advanced software, utilizing artificial intelligence to make predictions and improve efficiency and safety.

Examples are multiplying, in everything from industrial control systems to medical devices monitoring vital functions and modern cars, containing many sensors communicating with the Internet. Another part of the connectivity market sector is communication, which supplies the backbone for sensors and IOT. Typical products here are wireless communication, optical transmission and networking products.

Examples of customers

HMS Trackunit

Electrification

Kitron's Electrification sector is focused on the megatrend that sees the world increasingly moving to renewable energy and electrification. Examples are battery management, power grid transmission, power and electric drive management, charging and fuel cell technology.

Kitron is involved with electrification from the power grid to end-user products, from control systems for offshore wind power to battery management systems and charging stations.

Examples of customers

HITACHI Husqvarna

Characteristics of our market segments

- Long-term, repeat business
- Customers often market leaders
- Often high-complexity products
- Regionalized supply chains and manufacturing

Industry

Within the Industry sector, Kitron operates and delivers a complete range of services within industrial applications like automation, environmental, material warehousing and security.

The Industry sector consists of three main product areas: control systems, electronic control units and automation.

Examples of customers

Medical devices

The medical device sector consists of the product areas diagnostics, life support, surgical, hospital and home care.

Kitron is especially strong in ultrasound and cardiology systems, respiratory medical devices and Lab/IVD (In-Vitro Diagnostics).

Examples of customers

Defence/Aerospace

Aerospace is mainly navigation and communication equipment for civil and military avionics. Defence is primarily communication, encryption, and surveillance systems.

The Defence/Aerospace sector is, in general, characterized by project deliveries. However, the underlying trend is one of growing defence spending within markets that are relevant to Kitron.

Examples of customers

Our strategy

Accelerate organic growth

We will continue to increase our market shares in our Nordic home markets by leveraging our key competences and competitive edge. Focus on gaining market share in Northern Europe is a priority. Asia and the US are large markets where we see attractive opportunities.

In addition to targeting new customers, we see substantial opportunities in deepening our relationships with existing customers, many of which are large, complex multinationals with different divisions with potential for Kitron. We are also increasing service sales, contributing both to increased revenues and margin expansion.

Continuous operational improvement

We leverage growth to reduce the relative cost base. Utilizing common global functions and efficiency programs is also crucial to lowering operating expenses versus sales and staying competitive. Innovative use of advanced manufacturing technology will increasingly determine our competitiveness.

Growth through targeted acquisitions

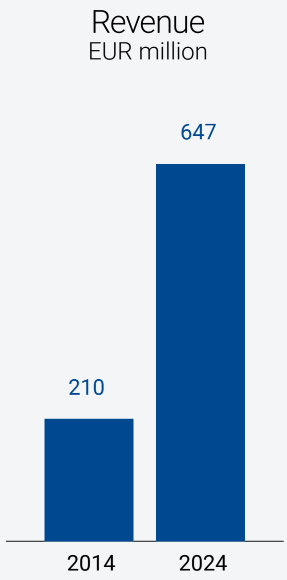
Over the years, Kitron has carried out several acquisitions. All our operations are integrated and rebranded under the "One Kitron" umbrella. We intend to pursue further M&A activities to grow and will explore M&A value creation to grow the customer base, realize synergies and expand margins.

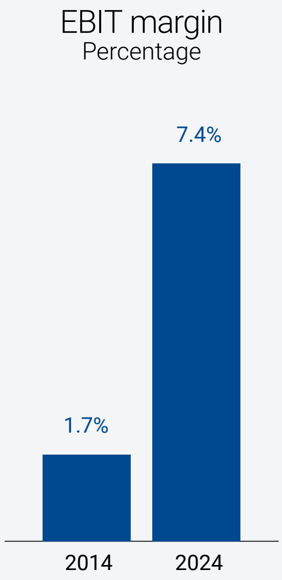
Long-term growth

1962	Forerunner started
1980	1980's EMS model
1997	Oslo Stock Exchange
1999	Entered Sweden
2001	Entered Lithuania
2007	Entered China
2010	Entered Germany, USA
2014	Expanded Lithuania
2016	New facility Arendal
2017	New facility Jönköping
2019	New site Kitron Technologies Inc. USA — Entered Poland
2022	Acquired BB Electronics
2023	Entered Malaysia

Financial performance

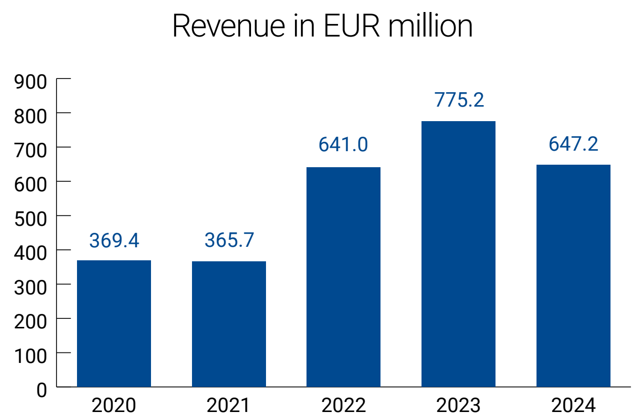
- Our target is an organic growth of 10 per cent over a business cycle, with M&A adding potential upside.
- We aim for an EBIT margin of 9 per cent.
- Over the past 10 years, the Kitron share is up about 2000%.
- In addition, shareholders have, over the same period, received more than double the initial share price in dividends.
- We maintain a strong balance sheet to position us for further growth.

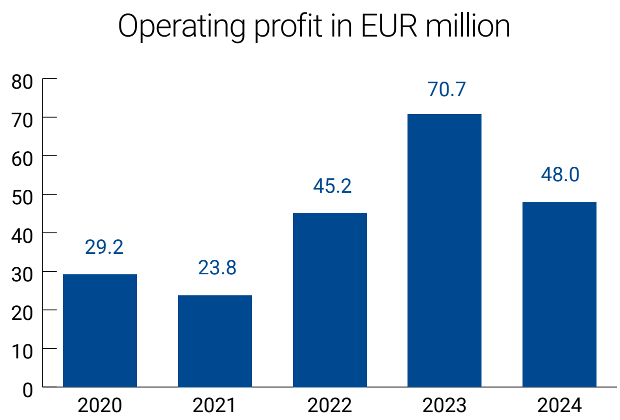




Board of Directors' report

Profitable execution in a mixed market





Kitron's revenue for the year was EUR 647.2 million (EUR 775.2 million), which represented a 17 per cent decrease compared with 2023. EBIT for the group was EUR 48.0 million (EUR 70.7 million). Net profit for the year amounted to EUR 28.0 million (EUR 51.1 million), corresponding to EUR 0.14 per share (EUR 0.26). According to Kitron's dividend policy, 20 to 60% of net profit should be paid back to the shareholders as dividends. Taking the company's current financial position and investment plans into consideration, the Board of Directors will propose to the Annual General Meeting a dividend of NOK 0.35 per share for the financial year 2024, compared to NOK 0.75 last year.

In the Annual Report 2023, Kitron indicated an expected revenue range of between EUR 700 and 800 million and an operating profit (EBIT) between EUR 60 and 74 million. Both figures ended below the indicated ranges, reflecting weaker demand and destocking within several of Kitron's market sectors.

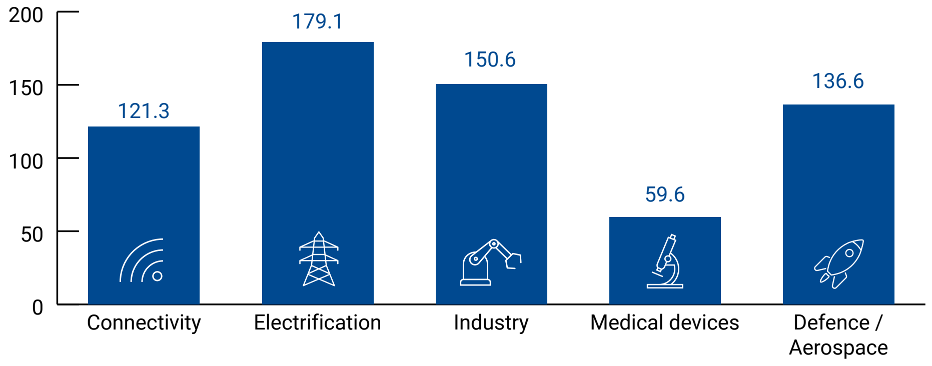
The business

Kitron's business model is to provide manufacturing and assembly services for products containing electronics. The business model covers the whole value chain from development, industrialization, purchasing, logistics and maintenance/repair to redesign. For customers, having Kitron as their professional manufacturing partner means increased flexibility, reduced costs and improved quality. The industry requires a focus on manufacturing efficiency and cost reduction.

Hence, many OEMs choose to focus on their own core competences and partner with specialized EMS (Electronics Manufacturing Services) providers such as Kitron. When selecting an EMS partner, geographical proximity and access to competitive manufacturing play a crucial role in the customer's choice of supplier. With its global presence, Kitron is well-placed in this market.

The company has operations in Norway, Sweden, Denmark, Lithuania, Germany, Poland, the Czech Republic, India, China, Malaysia and the United States. All employees have been certified in accordance with international quality standards for the applicable manufacturing.

Revenue per market sector 2024, EUR million



Markets

Kitron's services are most competitive within complex manufacturing processes that require niche expertise. Kitron focuses its sales and marketing activities within five key sectors: Connectivity, Electrification, Industry, Medical devices and Defence/Aerospace.

The order backlog ended at EUR 471.9 million, a decrease of 4 per cent compared to last year. Improved supply chain lead times over the past couple of years led to a shorter order and forecast window, reducing the order backlog. However, the situation has stabilized, and the order backlog has shown modest sequential gains, starting in the second quarter of 2024. The exception to the general trend is the market sector Defence/Aerospace, where the order backlog has grown compared to the end of 2023.

Kitron recognizes firm orders and four-month customer forecasts in the order backlog, while frame agreements and similar are not included (beyond the four-month forecast).

Connectivity

Revenue in the Connectivity sector decreased by 14 per cent and ended at EUR 121.3 million in 2024. The sector accounted for 19 per cent of the group's total revenues.

Kitron's Connectivity sector is focused on connected devices. Many of these devices are sensors, continuously feeding data into increasingly advanced software, utilizing artificial intelligence to make predictions and improve efficiency and safety. Examples are multiplying, in everything from industrial control systems to medical devices monitoring vital functions and modern cars, containing many sensors communicating with the Internet. Another part of the connectivity market sector is communication, which supplies the backbone for sensors and IOT. Typical products here are wireless communication, optical transmission and networking products.

Electrification

Revenue in the Electrification sector decreased by 27 per cent and ended at EUR 179.1 million in 2024. The sector accounted for 28 per cent of the group's total revenues.

Kitron's Electrification sector is focused on the megatrend that sees the world increasingly moving to renewable energy and electrification. Examples are battery management, power grid transmission, power and electric drive management, charging and fuel cell technology. Kitron is involved with electrification from the power grid to end-user products, from control systems for offshore wind power to battery management systems and charging stations.

Industry

Revenue in the Industry sector decreased by 29 per cent and ended at EUR 150.6 million in 2024. The sector accounted for 23 per cent of the group's total revenues.

Within the Industry sector, Kitron operates and delivers a complete range of services within industrial applications like automation, environmental, material warehousing and security. The Industry sector consists of three main product areas: control systems, electronic control units and automation.

Medical devices

Revenue in the Medical sector decreased by 11 per cent and ended at EUR 59.6 million in 2024. The sector accounted for 9 per cent of the group's total revenues.

The medical device sector consists of the product areas diagnostics, life support, surgical, hospital and home care. Kitron is especially strong in ultrasound and cardiology systems, respiratory medical devices and Lab/IVD (In-Vitro Diagnostics).

Defence/Aerospace

Revenue in the Defence/Aerospace sector increased by 22 per cent and ended at EUR 136.6 million in 2024. The sector accounted for 21 per cent of the group's total revenues.

Aerospace is mainly navigation and communication equipment for civil and military avionics. Defence is primarily communication, encryption, and surveillance systems.

The Defence/Aerospace sector is, in general, characterized by project deliveries. However, the underlying trend is one of growing defence spending within markets that are relevant to Kitron.

Important events in 2024

New facility in Malaysia operational

In the first quarter of 2024, Kitron started production at a new production facility in Johor, Malaysia, to diversify the company's Asian offering outside China.

Construction of new facility in Norway started

Towards the end of 2024, construction was started on a new facility in Arendal, Norway, to handle growing demand, particularly within the Defence/Aerospace market sector.

Financial statements

The Board of Directors believes that the annual financial statements provide a true and fair view of the net assets, financial position and result of Kitron ASA and the Kitron Group for the year. The group's consolidated financial statements are presented in compliance with IFRS® Accounting Standards as adopted by the EU.

Profit and loss

Operating revenue for 2024 amounted to EUR 647.2 million (EUR 775.2 million), which represented a 17 per cent decrease compared with 2023. The decreased revenue reflects weaker demand and destocking within several of Kitron's market sectors.

The number of full-time equivalents (FTE) decreased from 3 001 at the end of 2023 to 2 411 at the end of 2024. Consequently, the group's payroll expenses decreased and amounted to EUR 115.5 million in 2024 compared with EUR 122.4 million in 2023. The payroll expenses as a percentage of revenue increased to 17.8 per cent (15.8 per cent in 2023).

Kitron performs development, industrialization and manufacturing services for its customers and may perform research services related to such projects. Kitron's development activities on the company's own account are limited and are primarily aimed at planning and implementing productivity improvements, building competency and enhancing quality. Such costs are expensed when incurred.

Net financial costs amounted to EUR 8.2 million. The corresponding figure for 2023 was a net cost of EUR 6.0 million. Kitron's pre-tax profit for 2024 amounted to EUR 39.9 million (EUR 64.7 million). All tax losses carried forward in the businesses in Norway are capitalised by December. For the US operation deferred tax assets of EUR 4.1 million related to tax losses carried forward are not capitalized by the end of December.

The group's net profit for the year amounted to EUR 28.0 million (EUR 51.1 million). This corresponds to earnings per share of EUR 0.14 (EUR 0.26). Diluted earnings per share were also EUR 0.14 (EUR 0.26).

The Board of Directors will, on this basis, propose to the Annual General Meeting an ordinary dividend of NOK 0.35 per share for the financial year 2024. Last year, the ordinary dividend was NOK 0.75.

Cash flow

In 2024, Kitron's cash flow from operating activities was EUR 43.7 million (EUR 59.0 million). The change is mainly related to reduced profit. Net cash flow from investing activities in 2024 ended at negative EUR 8.6 million (negative EUR 16.3 million). The change is mainly related to capacity investments in 2023 covering the need for new investments also in 2024. Net cash flow from financing activities was negative EUR 27.2 million (negative EUR 29.5 million).

Kitron enters into financial leasing agreements when applicable. The leasing obligation is recognised as debt.

In general, Kitron expects to generate sufficient cash to finance the operation in the foreseeable future.

Balance sheet and liquidity

Total assets on 31 December 2024 amounted to EUR 556.0 million (EUR 580.8 million). Equity amounted to EUR 198.9 million (EUR 183.5 million), and the equity ratio was 35.8 per cent (31.6 per cent).

Inventories ended at EUR 141.4 million at the end of the year (EUR 166.4 million). Contract assets ended at EUR 77.6 million (EUR 77.9 million). Controlling inventory is a major focus area for the company's ongoing improvement program.

Accounts receivable ended at EUR 124.1 million (EUR 131.3 million). Overdue receivables are low, and credit losses were negligible during 2024.

Accounts payable ended at EUR 155.1 million (EUR 181.9 million).

On 31 December 2024, the group's interest-bearing debt was EUR 162.2 million (EUR 168.4). The debt consists mainly of long-term bank debt, short-term bank debt, factoring and leasing.

Cash and cash equivalents amounted to EUR 48.7 million at the balance sheet date (EUR 39.0 million). EUR 0.09 million was restricted deposits (EUR 0.03 million).

Risk factors and risk management

Kitron is exposed to financial risks and has consequently implemented procedures for risk management that are designed to reduce possible negative effects.

The group is exposed to fluctuations in currency exchange rates. However, revenues and costs in foreign currencies are in general largely balanced and exchange rate risk over time is consequently limited.

The group is normally allowed to adjust sales prices with customers when currencies fluctuate outside agreed upon ranges. Other hedge agreements are usually not in use.

The credit risk for the majority of the company's customers is insured in accordance with the terms of the company's factoring agreement. The company is therefore only exposed to credit risk on customers where the credit risk is uninsured. Kitron has only incurred immaterial bad debt costs.

Kitron's debt is a combination of long-term debt and short-term debt related to factored accounts receivable. The latter means that fluctuations in revenue impact the company's liquidity. The group has overdraft facilities that cover expected liquidity fluctuations during the year. The Board considers the group's liquidity to be sufficient.

The group's interest-bearing debt attracts interest cost at the market-based rate. Kitron has no financial instruments related to interest rates. The group does not hold any significant interest-bearing assets.

Kitron has established Directors' and Officers' insurance for personal liability of its Board members, CEO and other management members.

Kitron considers the financial climate risk to be very limited, based on the group's low climate impact and the climate-related external negative impact being evaluated as low. Conversely, the electrification trend drives substantial growth for Kitron.

Social responsibility

Kitron has implemented Ethical guidelines that reflect Kitron core values and Kitron corporate social responsibility. Kitron has implemented an ethical committee whose task is to review and suggest updates of ethical guidelines, decide and/or advise in ethical dilemmas, conduct risk analysis and implement relevant actions and make periodical reviews.

Kitron's Sustainability statement for 2024 is presented in a seperate section in the Board of director's report. The statement is prepared in accordance with The Oslo Stock Exchange Guidelines for Sustainability Reporting and Euronext Guidelines to issuers for ESG reporting. The statement has been reviewed and approved by the Board.

The statement on due diligence according to the Norwegian Transparency Act is available on www.kitron.com.

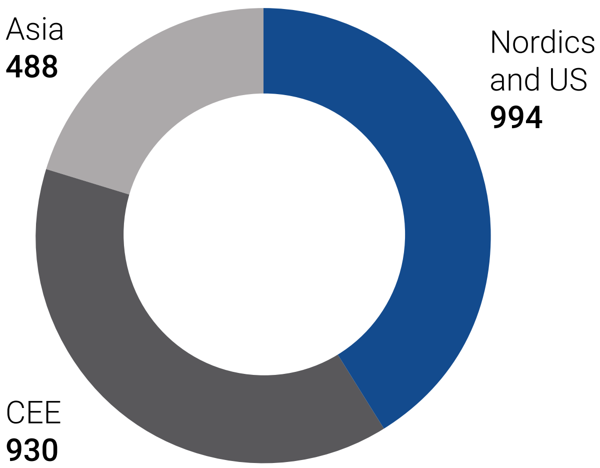


Figure 1: Full time employees 2024, Geographical description

Health, safety, security and environment (HSSE)

At the end of 2024, the group employed a total of 2411 full-time equivalents. For further employee numbers, see the section Sustainability statement.

There were no serious work-related accidents in 2024.

Sick leave was 4.8 per cent (6.2 per cent in 2023). The Board considers the working environment to be good, and performs an annual employee survey in order to develop an even better working environment.

Kitron does not pollute the external environment to any material extent. Several of the group's manufacturing units are certified in accordance with the NS ISO 14000 series of environmental management standards.

Personnel and organisation

Kitron considers the competence of employees to be the ultimate competitive advantage. Securing required and relevant competence now and for the future is a fundamental priority, and a Kitron competence roadmap has been outlined. Individual career and competence development is part of the current performance management process. The digital learning platform Kitron Academy was launched in 2018 and has been further developed and supplemented with learning and development activities in the following years. The platform offers the possibility to report on training activities per individual and at group level. In 2024, 103 630 hours were registered as spent on training, compared to 94 997 in 2023.

Equal opportunities

Kitron's basic view is that people with different backgrounds, irrespective of ethnicity, gender, religion, sexual orientation or age, should have the same opportunities for work and career development at Kitron. The company's manufacturing factories have traditionally employed a higher proportion of women. Women represented 52 per cent of the Kitron workforce in 2024. Out of 182 managers (managers having direct reports) 31 per cent are female and 69 per cent are male.

Kitron takes its social responsibility seriously. In addition to ensuring that work is carried out safely, this involves respecting the freedom of association and not accepting any form of forced labour, child labour or work-related discrimination.

The average pay for men and women varies due to differences in job categories and years of service, not because of gender. Women's pay level compared to men's per location can be found in the section Sustainability statement.

No gender-based differences exist with regard to working hour regulations or the design of workplaces.

Indirect functions include management employees, staff and other support functions. The employees in the subsidiary management teams are predominantly male. The corporate management team has 6 male members and 1 female member.

The composition of the Board complies with the requirements of the Norwegian Public Limited Companies Act regarding gender balance.

The report on compensation based on the requirements of the Norwegian Equality and Anti-Discrimination Act is available in the section Sustainability statement.

Corporate governance

The Kitron Board has adopted policies for corporate governance to safeguard the interests of the company's owners, employees and other stakeholders. These principles and associated rules and practices are intended to create increased predictability and transparency, and thus reduce uncertainties connected with the business. The report on due diligence according to the Norwegian Transparency Act will be available on the Kitron website before 30 June 2025. Kitron endeavours to have in place procedures that comply with the Norwegian code for corporate governance. The Board's review of corporate governance is presented in the annual report.

Salaries and other remuneration to senior executives

The Board of Directors has a separate Remuneration Committee, which deals with all significant matters related to wages and other remuneration to senior executives before the formal discussion and decision by the Board of Directors. In line with the Norwegian Companies Act, the Board of Directors has also prepared a report on remuneration to senior executives that is available on the company's website.

Net profit (loss) of the parent company

The Parent Company Kitron ASA recorded a profit of NOK 418.7 million for 2024 (NOK 130.8 million). The Board of Directors proposes the following allocations for Kitron ASA:

- Dividend NOK 69.6 million
- Transferred to other equity NOK 349.1 million
- Total allocations NOK 418.7 million

There have been no events to date in 2025 that significantly affect the result for 2024 or valuation of the company's assets and liabilities at the balance sheet date. The Board confirms that the conditions for the going concern assumption have been satisfied and that the financial statements for 2024 have been prepared on the basis of this assumption.

Outlook

For 2025, Kitron expects revenues between EUR 600 and 700 million. Operating profit (EBIT) is expected to be between EUR 42 and 63 million.

The Board emphasizes that every assessment of future conditions necessarily involves an element of uncertainty.

Sustainability statement

1. Disclosure requirement index IRO-2

ESRS Standard	Category	Disclosure Requirement	Page number in report
ESRS 2	**Basis for preparation**	BP-1	18
		BP-2	(Reported alongside the disclosures to which they refer)
	Governance	GOV-1	18
		GOV-2	21
		GOV-3	21
		GOV-4	21
		GOV-5	22
	Strategy	SBM-1	22
		SBM-2	25
		SBM-3	26
	IRO management	IRO-1	27
		IRO-2	16
ESRS E1	**Governance**	GOV-3	21
	Strategy	E1-1	36
		ESRS2 SBM-3	36
	IRO management	ESRS2 IRO-1	27
		E1-2	38
		E1-3	38
	Metrics and targets	E1-4	38
		E1-5	39
		E1-6	39
		E1-7	Not material
		E1-8	Not material
		E1-9	N/A (Phase-in)
ESRS E5	**IRO management**	ESRS2 IRO-1	27
		ESRS2 SBM-3	42
		E5-1	42
		E5-2	42
	Metrics and targets	E5-3	42
		E5-4	43
		E5-5	44
		E5-6	N/A (Phase-in)

ESRS Standard	Category	Disclosure Requirement	Page number in report
ESRS S1	**Strategy**	ESRS2 SBM-2	47
		ESRS2 SBM-3	47
	IRO management	S1-1	50
		S1-2	53
		S1-3	53
		S1-4	54
	Metrics and targets	S1-5	54
		S1-6	55
		S1-7	N/A (Phase-in)
		S1-8	56
		S1-9	56
		S1-10	56
		S1-11	N/A (Phase-in)
		S1-12	N/A (Phase-in)
		S1-13	N/A (Phase-in)
		S1-14	57
		S1-15	N/A (Phase-in)
		S1-16	58
		S1-17	58
ESRS S2	**Strategy**	ESRS2 SBM-2	59
		ESRS2 SBM-3	59
	IRO management	S2-1	60
		S2-2	62
		S2-3	62
		S2-4	63
	Metrics and targets	S2-5	64
ESRS G1	**Governance**	ESRS2 GOV-1	18
	IRO management	ESRS2 IRO-1	27
		G1-1	65
		G1-2	67
	Metrics and targets	G1-3	68
		G1-4	68

2. ESRS 2 General disclosures

2.1. Basis for preparation of sustainability statement BP-1

The statement has been prepared in accordance with the EU's sustainability directive (CSRD) and the associated European standards for sustainability reporting (ESRS). The sustainability statement has been prepared on a consolidated basis. The scope of consolidation is the same as for the financial statements and no undertakings are exempted from individual or consolidated sustainability reporting.

The sustainability statement covers Kitron's upstream and downstream value chain, as well as our own operations.

For an overview and description of our value chain, please refer to chapter 2.10. Accordingly, Kitron's double materiality analysis has taken into account the entire value chain. Kitron's GHG emissions inventory includes scope 3 emissions. In regard to policies for managing sustainability matters in Kitron's value chain the sustainability statement covers both the Ethical Code of Conduct and the Supplier Code of Conduct.

The option to omit specific information corresponding to intellectual property, know-how, results of innovation or the disclosure of impending developments or matters in course of negotiation is not invoked.

2.2. Governance of sustainability matters GOV-1

The Board of Directors

The Board of Kitron ASA has the overall responsibility for safeguarding the interests of all shareholders and other stakeholders, supervise the management of Kitron's operations and overarching business conduct. The Board's responsibilities include overseeing the implementation and effectiveness of relevant policies, such as the Anti-Corruption Policy and the Ethical Code of Conduct. The Board reviews and approves these policies, as well as the annual corruption risk assessment conducted by the Corporate Management Team (CMT) and addresses any matters related to business conduct that are brought to their attention.

Kitron has 8 non-executive board members, three of which are employee-elected members representing the workers (see Table 2 2 below). 100% of the shareholder elected members are independent. The Group Board of Directors bears the ultimate responsibility for Kitron's Sustainability and the annual report including Kitron's sustainability statement is discussed and approved by the Board. The Audit & Risk committee is responsible for overseeing the groups internal controls, risk management and reporting processes. The committee's mandate has been amended to also include sustainability reporting, starting from 2025. Material risks impacts, the implementation of due diligence, as well as performance are reviewed (half-yearly) by the Board. In 2024, all material impacts, risks and opportunities (IROs), see Table 2 8 below, were reviewed by the Board at the Board meeting on 18 November. In 2025, Kitron will consider making adjustments to the Board procedure and the group's annual risk review to fully cover impacts, risks and opportunities according to the definition in the ESRS.

Corporate Executive Management (CMT)

Kitron's Corporate Executive Management has seven members (for composition and identity, see Table 2 2 below). CMT bears the responsibility for the group's strategy, development and day- to-day work. This means CMT is responsible for compliance with legislation and regulations and our Ethical Code of Conduct, for the oversight of impacts, risks and opportunities, as well as for setting targets and the implementation of appropriate and effective initiatives to ensure that we reach our goals. The CFO is responsible for the group's sustainability reporting, for monitoring performance and for overseeing risk management processes in line with Kitron's risk management procedures. Material IROs are included in the groups' ordinary risk management and discussed at least half yearly at CMT meetings. The CMT also monitors performance towards group targets, including our GHG emissions reductions target, regularly. This is done by reviewing the quarterly reports from the sites (see below). In 2025, controls and procedures for the management of material IROs will be evaluated and, if necessary, adjusted to ensure efficiency. To date, there are no specific controls and procedures applied for the management of IROs. Responsibilities regarding impacts, risks and opportunities are not directly reflected in policies and procedures but covered indirectly by the Kitron Risk Management Policy and the Anti-Corruption Policy which both define the CMT as the highest level responsible. Furthermore, the CMT is responsible for conducting an annual integrity risk assessment to identify and prioritize internal and external corruption risks faced by the business. The CMT ensures that all activities within their respective areas are carried out in accordance with the Ethical Code of Conduct and the Anti-Corruption Policy and is responsible for communicating these policies and for providing guidance on their interpretation and application. Additionally, the CMT conducts integrity due diligence on trading partners in the onboarding process and with a risk based approach, periodically assesses anti-corruption policies and procedures to maintain the organisation's commitment to ethical business practices.

The Sites

The business areas are responsible for follow up and compliance with policy, strategy, targets and governance documents related to sustainability. The day-to-day work with corporate responsibility and environmental management is usually handled by the sites with support from the CMT. Each site makes their own risk review, which is thereafter consolidated on group level. Progress towards targets, including sustainability targets, is reported quarterly to the group CFO through the Group quality and sustainability function.

Ethics Committee

The Ethics Committee, acting on behalf of the CMT, holds several key responsibilities to ensure the organisation's commitment to ethical business practices and anti-corruption measures. The Ethics Committee meets as needed but at least three times a year and consists of members of Kitron's CMT. The Chief HR Officer is the Chairman of the Ethics Committee. The Chairman of the Ethics Committee reports annually to the CEO who in turn reports to the Board of Kitron ASA, among others on the implementation and effectiveness of the organisation's anti-corruption activities. The Chairman of the Ethics Committee has also a direct reporting line to the Audit Committee of the Board. Kitron's Ethics Committee's mandate is to review and suggest updates of guidelines, decide and/or advise in ethical dilemmas and anti-corruption issues, conduct risk analysis, implement relevant actions and make periodical reviews. This includes advising on the Ethical Code of Conduct and other relevant anti-corruption laws, regulations, policies and procedures. The Ethics Committee also performs regular ethical audits, primarily related to anti-corruption, and monitors the development of anti-corruption legislation and other regulatory requirements in countries where Kitron operates or plans to establish activities. This ensures that the organisation remains compliant with evolving legal standards. This includes advising on the Ethical Code of Conduct and other relevant anti-corruption laws, regulations, policies, and procedures

2.3. Identity of Management and Board members and information on diversity and competences

Table 2 1: Identity of management and Board members

Board of Directors	Corporate Executive Management
▪ Tuomo Lähdesmäki, Chairman	▪ Peter Nilsson, CEO
▪ Maalfrid Brath, Deputy Chairman	▪ Cathrin Nylander, CFO (Finance, HR, IT)
▪ Petra Grandinson	▪ Kristoffer Asklöv, COO (Sales and Operations)
▪ Michael L. Thomsen	▪ Stian Haugen, CTO (Digitalization & Technology)
▪ Gyrid Skalleberg Ingerø	▪ Hans Petter Thomassen VP Nordics and NA
▪ Jarle Larsen, employee elected Board member	▪ Mindaugas Sestokas VP CEE
▪ Henriette Stene, employee elected Board member	▪ Zygimantas Dirse, VP Asia
▪ Tone Aas, employee elected Board member	

The Board has diverse educational and professional background, where most of the members are educated within the fields of engineering, accounting and business, or electronics. 63% of Board members are female, and all members are over the age of 50 years.

The CMT has diverse educational and professional background, spanning from the natural sciences to social sciences and business management. A majority of the CMT members are educated within the fields of engineering or computer science, and 86% of the CMT members are male. 43% of CMT members are between the age of 40 and 50 and 57% are more than 50 years old.

Table 2 2: Gender diversity of Board and Corporate management team

	Male	Female	Total	Male (%)	Female (%)
Non-Executive Board	3	5	8	37.5%	62.5%
Shareholder elected	2	3	5	40.0%	60.0%
Employee elected	1	2	3	33.0%	67.0%
Corporate management team	6	1	7	85.8%	14.2%

2.4. Skills and competence of Board and Management

Kitron has mapped the competencies of the CMT and Board regarding the sectors, products/ services and geographic locations where Kitron operates, as well as Kitron's material IROs. Results are shown in figures and tables below. Overall, the CMT and Board's competences are good and adequate, and, in addition to their own competences and access to Kitron's inhouse sustainability experts, they have access to external expertise on sustainability matters through various industry- and sustainability related organizations and Kitron's external sustainability advisors. In 2025, training will be conducted to further develop the CMT and Board's competences, e.g. regarding climate and workers in the value chain, respectively.

Table 2 3: Findings from competence mapping – Kitron's sectors, products, and geographic locations.

	Level of competency (Average response)	
Sectors, products and geographic locations	**Kitron's Board**	**Kitron's corporate management**
Electronics Manufacturing Services	3,1	4,0
Industrial manufacturing in general	3,6	4,0
Electronics - development and design	2,9	2,6
Electronics - manufacturing	3,4	4,0
Electronics - Industrialization	3,0	3,7
Electronics - Maintainance and repairs	2,9	3,4
Nordics	3,5	3,4
Central Eastern Europe	3,1*	3,6
North America	3,1*	3,4
Asia	2,9*	3,3

*only 7 responses
Scale: 1 – No experience 2 – Limited experience 3 – Familiar with 4 – Practiced experience

Table 2 4: Findings from competence mapping – Sustainability topics

	Level of competency (Average response)	
Sustainability topics	**Kitron's Board**	**Kitron's corporate management**
Greenhouse gas emissions / climate change	2,5	3,9
Renewable energy	2,5	3,9
Climate adaptation (climate risk)	2,5	3,9
Resource inflows (Scarcity of critical materials, environmental footprint of components)	3,0	3,9
Resource outflows (including recyclability, reuse, waste)	3,0	3,9
Own workforce, working conditions (health and safety, adequate wages)	3,6	4,0
Own workforce, equal treatment and opportunities for all (training and skills development)	3,8	4,0
Workers in the value chain, working conditions (adequate wages)	3,4	2,9
Workers in the value chain, working conditions (collective bargaining, freedom of association)	3,4	2,9
Workers in the value chain, other work-related rights (human rights abuse such as e.g. forced labour)	3,0	2,4
Corruption and bribery, corporate culture	3,3	4,0

Scale: 1 – No experience 2 – Limited experience 3 – Familiar with 4 – Practiced experience

2.5. How Kitron has addressed impacts, risks and opportunities during the reporting period GOV-2

Considerations regarding material IROs are an inherent part of strategic reviews and decision making. In 2024, the CMT considered all material IROs in connection with the double materiality analysis (for a full list of material IROs, see Table 2 8 below). For example, investment decisions regarding production facilities take into account GHG emissions reductions and physical climate risk at a regular basis, and risk management regarding 3TG (conflict minerals) is integrated into Kitron's regular practices for managing supply chain risk. The CMT oversees the risk management process formally once a year but assesses and manages risks all year in the weekly CMT meetings. So far, no material trade-offs among material IROs have been identified. Details regarding our risk management procedures are described in more detail in chapter 2.8 below.

2.6. Integration of sustainability-related performance in incentive schemes GOV-3

Kitron's incentive schemes are annually updated and reviewed by The HR and Remuneration Committee and approved by the Board. In accordance with the Remuneration Guidelines, the Senior Executives had an annual variable pay scheme with a maximum potential of 85% percent of the base salary. The scheme has stepped targets representing 0-100% of bonus achievement for EBIT, ROOC R3, Growth and ESG separately. The bonus payments are then calculated based on the actual performance on these targets. The Corporate management Short Term Incentive (STI) has 10 % connected to sustainability which is linked to the share of renewable energy in the total energy consumption of Kitron's facilities. The KPI is % share of renewable energy of total energy scope 2 consumption at the sites. This target has been identified as a key GHG reduction measure, primarily addressing scope 2 emissions, as well as Scope 3 emissions related to leased facilities. The Board does not have performance-related remuneration, and there are no additional incentives directly tied to other climate-related considerations.

2.7. Disclosure of mapping of information provided in the sustainability statement about due diligence process GOV-4

Table 2 5: Statement of due diligence process.

Core elements of due diligence	Paragraphs in the sustainability statement (disclosures in line with the following disclosure requirements)
a) Embedding due diligence in governance, strategy and business model	ESRS2 GOV-1, ESRS2 GOV-2, ESRS2 GOV-5, ESRS2 SBM-1
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS2 SBM-2, ESRS SBM-2 S1, ESRS SBM-2
c) Identifying and assessing adverse impacts	ESRS2 SBM-3, GOV-1
d) Taking actions to address those adverse impacts	ESRS2 E1-3
e) Tracking the effectiveness of these efforts and communicating	ESRS2 GOV-1, ESRS2 GOV-2

2.8. Risk management and internal controls over sustainability reporting GOV-5

The sustainability reporting process, as well as the steps of the due diligence process described above, is overseen by the group CFO. Therefore, the output of relevant processes such as the stakeholder dialogue, annual risk review and data gathering to track performance, e.g. regarding energy use and GHG emissions are monitored throughout the year on a regular basis. Risk assessments regarding the availability of information and data for the sustainability reporting process are conducted annually by the CFO in cooperation with the group's quality and sustainability function and HR function. Risks are prioritized on a qualitative basis in discussions, mitigating actions are initiated and reviewed by the CMT if needed. During the FY24 reporting cycle, the main risks identified are connected to the availability of granular data regarding Kitron's upstream and downstream value chain, i.e. supplier data on scope 3 emissions and potential sustainability related impacts and risks arising from activities further upstream in Kitron's value chain without a direct business relationship with Kitron. Furthermore, Kitron has identified the risk for resource in- and outflow data being inaccurate due to estimation uncertainty. These findings have been discussed with the CMT throughout FY24. In FY25, risk management and internal controls regarding sustainability reporting will be further streamlined and integrated in Kitron's financial reporting processes. The amendment of the Audit committee's mandate to include sustainability reporting, approved by the Board at the meeting 12 February 2025, is an important step in this regard.

2.9. Key elements of our business SBM-1

Kitron is an Electronics Manufacturing Services (EMS) company. Kitron provides various services within the manufacturing, assembling, and testing of electronic products for the professional market. Core areas are electronics, testing, assembly and system testing, system integration, repairs and upgrades. The company's total revenue for 2024 is 647.2 MEUR, and at the end of the period Kitron had 2564 employees (see also Table 2 6 below).

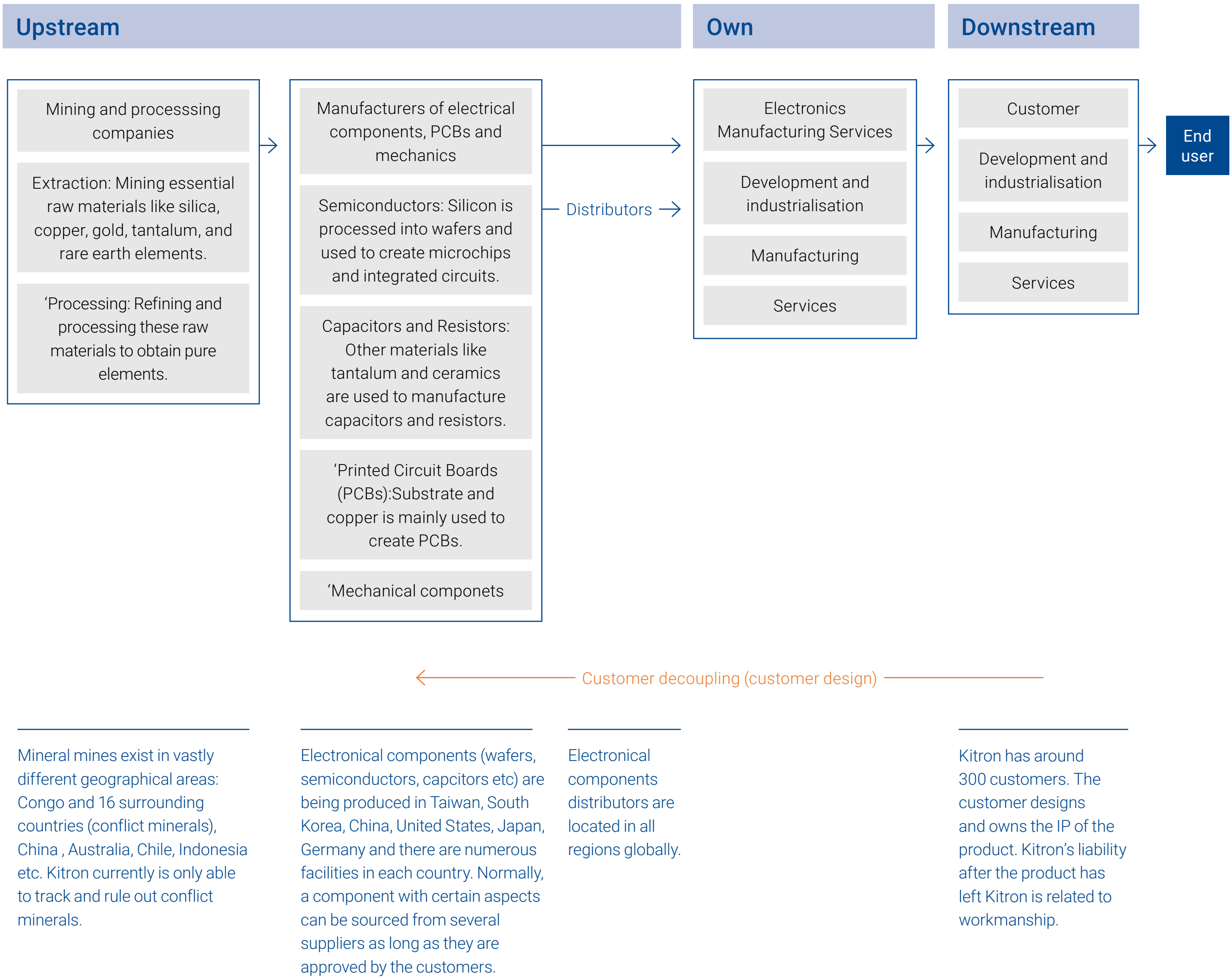
Kitron sorts the customers into five market sectors, Connectivity, Electrification, Industry, Medical devices and Defence & Aerospace. The customers are international, predominantly Northern European, and also include China, and North America. In regard to products and services banned in certain markets, Kitron complies with international trade and export control laws within the jurisdictions in which we operate.

Table 2 6: Total number of employees (head count) by geographical area

Geographical area	Headcount (end of period)
Nordics	1011
Central & Eastern Europe	980
North America	81
Asia	492
Total	**2564**

2.10. Overview of our value chain

Kitron sources components, Printed Circuit Boards (PCBs), mechanical drawing parts and other production inputs from Manufacturers of electrical components, PCBs and mechanics. Kitron's business is to produce the electronics modules and complete systems for the customer which owns the IP (intellectual property) of the products. The products are transported to the customers who distribute them to the end users. Since we manufacture a variety of products within various segments, there are many different types of end-users, ranging from medical or military personnel, operators of industry machinery and equipment, to consumers using household equipment and cars.



Our main promise to any customer is that we want to be their long term, sustainable partner. While the products and services we deliver are required to meet the highest quality requirements, we are fully committed to sustainable development; and we expect the same from our supply partners. Kitron's goal is to minimize negative environmental and social impacts from its supply chain. In Kitron we use the highest standards in selection of supply partners. Inputs are gathered by purchasing components (see above) from our suppliers, and thorough requirements our suppliers must meet, and regular quality checks, our inputs are developed and secured.

We expect our suppliers to adhere to all applicable laws and regulations, to the highest ethical standards defined in the Kitron Code of Conduct, as well as to the separate Suppliers Code of Conduct, which applies to all suppliers. Delivering high quality products is key to Kitron's competitive advantage and of high importance to our customers, employees and owners. Kitron affects quality directly through our purchasing, supplier selection, and quality management processes, as well as indirectly through our business relationships.

Kitron production inputs can be divided into three parts: electronic components, mechanical drawing parts and PCB (Printed Circuit Boards).

Electronic components:
In regard to electronic components, Kitron primarily deals with distributors and manufacturers. Kitron purchases components from close to 1407 manufacturers through approximately 1255 supply partners. Kitron has established a Preferred Partner Program. In 2024, 52 per cent of all electronic components (in value) were procured from 9 Preferred Partners.

Mechanical drawing parts:
This sub commodity includes a wide variety of parts, from metal casting to machine parts, injection molded plastic, sheet metal and aluminum die casting. Due to the bulk and weight of this type of parts, Kitron tends to purchase these components close to the point of use and we continue to build mechanical parts supply chains around our factories in different regions. In 2024, 15 per cent of all Mechanical drawing parts (in value) were procured from 5 Preferred Partners.

Printed Circuit Boards (PCBs):
Kitron buys most of the PCBs from China (up to 70 per cent of the world's PCBs are produced in China), either directly from manufacturers or through distributors, as with electronic components. In 2024, 52 per cent of the PCBs were procured from 4 Preferred Partners. In the case of PCBs, these Preferred Partners include both distributors and manufacturers.

The outputs of our production are complex and high-reliability products for high-value sectors such as electronic components and devices for use within e.g. communications, sensors, batteries, transmission, power management and supplies, robotics, medical diagnostics, life support and surgery. Delivering high quality production services provides benefits to our customers and is key for being our customer's partner of choice, now and in the future, providing benefits for our investors and shareholders.

Regarding the revenue of Kitron's business segments, Kitron reports into one business segment. The Corporate management (Chief Operating Decision Maker) has evaluated that the group operates in only one segment; Electronics Manufacturing Services (EMS). There is therefore no separate segment reporting in Kitron. However revenue is presented in five business sectors, Connectivity, Electrification, Industry, Medical Devices and Defence and Aerospace.

2.11. Elements of our strategy that relate to or impact sustainability matters

Kitron has operations in industries and countries that are particularly susceptible to the risk of corruption. Kitron also does business in countries known for having problems associated with human rights and child labour (China, Malaysia). One of Kitron's most important group of products, PCBAs contain metals such as gold and tin, with the risk of being mined in an area of armed conflict and traded illicitly. We are aware that this presents challenges regarding our sustainability, and that it can subject us to substantial financial risk. Metals such as gold and tin (potential conflict minerals) are part of the prefabricates we purchase, and hence sourced further upstream in Kitron's value chain. Kitron continuously monitor the share of conflict free minerals, but to date Kitron does not have information on geographic locations of other mining activities.

To deal with our sustainability and minimize our financial risk, we work systematically on Ethics and Anti-corruption. We carry out an annual ethics and corruption awareness training and our long term (2030) target is zero incidents of corruption. This sustainability matter linked to PCBAs is relevant for all markets and geographies we operate in (Connectivity, Electrification, Industry, Medical devices and Defence & Aerospace).

Another important aspect for Kitron's business relationships with customers, also posing financial risk to our company, are GHG emission from production processes, relevant across all geographies where Kitron operates and all customer categories. Progress in reducing GHG emissions is important for our customers with ambitious decarbonization agendas across all markets Kitron operates in. For this reason, Kitron has taken action to mitigate emissions (please see chapter E1-3 on climate related actions). The company maintains sufficient internal resources to support ongoing initiatives and does not foresee constraints related to access to finance or capital for the planned actions.

An important aspect of Kitron's strategic approach is to maintain flexibility regarding geographical presence and types of products we can produce for our customers. This is a way of actively managing risks that also relate to sustainability matters, e.g. physical climate risk (in case facilities should be damaged by extreme weather events), or resilience regarding the loss of revenue due to changes in the demand of certain types of products (e.g. applications used by the oil and gas sector facing transition risk).

The oil & gas sector is a subsector of Kitron's industry market sector, and Kitron delivers electronics for subsea oil extraction. The revenue share is around 1.5%. Kitron is not active in the fossil fuel (coal, oil and gas) sector, i.e. Kitron does not derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. No revenue stream comes directly from coal or oil and gas.

2.12. Key stakeholders and how their views and interests are taken into account SBM-2

The views of the stakeholders are taken into account in relevant processes such as strategic discussions and actions and decision making. Members of the CMT are represented in the stakeholder dialogue and CMT is informed about important findings, including sustainability related impacts, the Board is also informed, as part of the regular dialogue at CMT and Board meetings. The findings are discussed at CMT and Board meetings and, if necessary, decisions are made to take appropriate steps to mitigate impacts and risks or pursue opportunities. This way, Kitron ensures an understanding of how our strategic choices and business model may contribute to create, exacerbate or mitigate significant material impacts on key stakeholders, and makes it possible for us to adapt our strategic approach and business model if necessary. Transitioning to the use of green energy, and adequate supplier risk management schemes, are examples of how we have adapted our business practices to the interests and views of stakeholders in the past. For the time being, no further changes are planned or considered to be necessary.

For the purpose of the double materiality analyses, we considered our business activities across the entire value chain up against sustainability matters to identify relevant stakeholders. Subsequently, we used our insights from our ongoing stakeholder dialogue described above, amended with publicly available information and external expert opinions to make sure that the views and interests of the stakeholders are sufficiently covered in our DMA. Details on stakeholder engagement are given in Table 2 7.

Table 2 7: Key stakeholders and their importance to Kitron

Stakeholders	Importance to Kitron	
	Purpose	Details on stakeholder engagement
Investors and banks	The purpose of the stakeholder engagement with investors and banks is to inform about strategies and operations and align them with the stakeholder.	Access to capital is necessary, and it is important that our investors and financers regards Kitron as a safe investment with financial solidity and profitability that will lead to stable shareholder returns. Kitron engages with main investors and banks 3-4 times a year. Engagement with banks are handled by the CFO and the Group Financial manager.
Customers	Fulfill contractual details and follow-up, planning of future cooperation.	The customers require from Kitron that we manufacture their products at a competitive price and that way we support their ambitions for quality and sustainability. Kitron engages with customers, some as often as every week, but formal meetings more normally on a quarterly basis. Customer engagement is handled by COO, BDMs and local KAMs.
Consumers and end-users		Kitron does not engage with consumers and end-users directly since we manufacture products on demand and as a service for our customers, who distribute them to consumers and end-users.
Suppliers	Fulfill contractual details and follow-up, planning of future cooperation.	Good cooperation with our suppliers is essential for us to achieve competitive pricing and timely availability of production inputs. We have high demands on our suppliers and that they comply with the UN Global Compact's 10 principles for human and labor rights, the precautionary principle for the environment and anti-corruption. All suppliers are required to sign our Supplier Code of conduct that they undertake to comply with the requirements. Supplier engagement is handled by the COO, Group Sourcing director, group and local sourcing organisations.
Workers in the value chain		Workers within the value chain are a key group of stakeholders in regard to responsible business practices. At present, Kitron has not engaged directly with these workers, but addresses human and labor rights through engagement with our suppliers (see above and disclosures regarding S2, ESRS 2 SBM-2)

Stakeholders	Importance to Kitron	
	Purpose	Details on stakeholder engagement
Employees	Ensure that that the interests, views, and rights of employees, including respect for their human rights, and including the views of the worker's representatives, are known to Kitron and can be used to inform strategic discussions, actions and decision making-	To achieve our ambitions, we depend on attracting, retaining and developing motivated, engaged and skilled employees. To be an attractive employer we need to create an environment that continuously develops our employees and their competencies. Kitron engages formally once a year in our employee survey. Dependent on local law and labor organizations, meetings with these organizations are conducted more frequently. Employee engagement is very much formalized in the Nordics. Outside of the Nordics it could be topics centered.
Society and affected communities		The society set ramifications that we operate under, through regulations, laws and directives. Kitron is not regarded as a cornerstone company where we operate, and based on the present in-house information on our own operations and value chain no significant IROs regarding affected communities have been identified. Kitron does not have regular engagement with society or affected communities.
Nature		Nature is a "silent stakeholder" that cannot directly represent its interests. We are still completely dependent on nature for us to be able to live good lives. That's why nature is an important stakeholder that is taken into account in Kitron's double materiality assessment, environmental management systems at our sites, and actions such as reducing climate emissions.

As described above, our understanding of the interests and views of our stakeholders is key in informing our strategic discussions, actions and decision making, and they are used continuously to shape our business model to stay future proof.

2.13. Material impacts, risks and opportunities and their interaction with strategy and business model SBM-3

Table 2 8 provides an overview of Kitron's material impacts, risks and opportunities identified in our double materiality assessment. Kitron considers its business model to be resilient in regard to the IROs identified. Risk management practices have proven to be effective and are described further below. Based on our resilience analysis in connection with climate risk (please refer to disclosures in line with E1 below) we consider the measures taken to reduce risks to be adequate. The same applies to the other risks identified and we regard our policies and practices for managing them as sufficient. The (potential) effects of our material IROs and how they are managed is described in detail in the chapters on environmental, social and governance topics.

Table 2 8: Overview of Kitron's material impacts, risks and opportunities

Topical standard ESRS	Impact, risk, and opportunity (IRO)	Type of IRO	+/-	A/P	TF	Where in value chain
ESRS E1 Climate change	Impact on the environment through GHG emissions in scope 1,2 and 3.	I	-	A		Own operations, upstream, downstream
	Risk of losing customers due to evolving market expectations and customer requirements.	R			Medium	Downstream
	Opportunity to acquire new customers by demonstrating a commitment to sustainable operations and aligning with market expectations.	O			Medium	Downstream
	Use of electricity in production impact the environment through GHG emissions in scope 1 and 2.	I	-	A		Own operations
	Extreme weather events, may cause short-term supply chain disruptions, particularly in sourcing critical components.	R			Long	Upstream
	Kitron sites could potentially be affected by flood, forest fires or similar weather events.	R			Short	Own operations
ESRS E5 Circular economy	Substantial resource outflows (products sold to our clients)	I	-	P	Medium	Downstream
	Substantial resource outflows (waste)	I	-	P	Medium	Own operations
	Input materials in products and production processes can have adverse impacts on other sustainability topics.	I	-	P	Medium	Upstream
	Poor handling of waste can lead to fines and loss of reputation.	R			Medium	Own operations
	Scarcity in minerals and other input materials.	R			Medium	Upstream
ESRS S1 Own workforce	Kitron working conditions could potentially harm the employees in the work place.	I	-	P	Short	Own operations
	Kitron's workforce may face challenges related to fair wages and working conditions.	I	-	P	Short	Own operations
	Failure to offer adequate wages that reflect market standards and employee expectations, leading to challenges in maintaining critical competence.	R			Medium	Own operations
	Employee unrest if remuneration levels, worker's rights, health and safety, work life balance are unsatisfactory, or if discrimination occurs.	R			Short	Own operations
	Failure to prioritize employee engagement, training, and skills development, may lead to risk of losing critical talent and competence.	R			Medium	Own operations
ESRS S2 Workers in the value chain	Risk of sourcing materials from conflict-affected or high-risk areas, where mining and production may contribute to human rights abuses or unethical practices.	I	-	P	Medium	Upstream
	Value chain employees may face challenges related to fair wages and working conditions, particularly in regions with weaker labor standards or enforcement.	I	-	P	Short	Upstream
	Value chain workers could be prohibited to organize.	I	-	P	Short	Upstream
ESRS G1 Business conduct	Corruption and bribery in supply chain can contribute to economic inequality and weaken socio-economic development in the regions where Kitron operates.	I	-	P	Short	Upstream
	Potential of being affected by unethical business conduct.	R			Medium	Own operations
	Kitron could potentially be negatively impacted by corruption within own workforce.	R			Medium	Own operations

TF = Timeframe   + = Positive   - = Negative   A = Actual   P = Potential

All IROs identified are covered in the ESRS (no entity-specific IROs). There are no changes to the material impacts, risks and opportunities compared to the previous reporting period since this is the first year of reporting under the CSRD.

2.14. Description of process to identify, assess, prioritize and monitor potential and actual impacts on people and environment, informed by due diligence process

In 2024 the double materiality analysis was carried out by the group finance- and sustainability function in collaboration with internal and external experts. The group CFO was responsible for overseeing the process.

We carried out our double materiality assessment in four steps:

1. Understand

In this step we conducted an analysis of Kitron's value chain including our own operations as a starting point for understanding the impacts risks and opportunities (IROs) that may arise from our business model and operations. Furthermore, relevant stakeholders were identified (see above for details on stakeholder engagement).

2. Identify

Inhouse information such as GHG emissions and statistics regarding work related accidents were used to identify and assess impacts, as well as insights from relevant stakeholder engagement processes, e.g. regarding employees (see above). In order to cover impacts, risks and opportunities in Kitron's upstream and downstream value chain, assumptions were made based on general information about sustainability matters as well as the competences of those involved, i.e. Kitron's in-house and external sustainability experts. Furthermore, information from the annual risk review was an important source of information (see chapter on Kitron's overall risk management process below). Further details on the input parameters used (for example, data sources, the scope of operations covered and the detail used in assumptions) can be found below in the chapter on processes to identify and assess material IROs (IRO 1 in connection with E1, E2, E3, E4, E5, G1), as well as the above description of our engagement with stakeholders.

Impacts were considered based on an aggregated overview over Kitron's entire value chain (see chapter 2.10). The complete list of topics in ESRS 1 AR16 was then used as a basis to identify potentially material impacts, risks and opportunities, including where in the value chain they are most relevant. For each impact identified, the risks and opportunities that may arise from it were considered and added to the list of identified risks and opportunities. When identifying impacts, risks and opportunities we also considered dependencies which may result in risks and opportunities for our business. In addition, potential additional topics were considered but none was identified.

Kitron's manufacturing inputs, such as components and PCBs, are produced using minerals like gold, tin etc. (also known as conflict minerals). Therefore, the upstream process has focused on activities and impacts mainly related to mining activities which is identified as a risk on nature and the rights of people. The risks related to business ethics are evaluated as higher in certain areas in Asia (China, Malaysia), but cannot be ruled out in any country.

The general input to the process from stakeholders regarding impacts has been made for earlier materiality analysis and was conducted through interviews. Stakeholder opinions are still considered valid for this year's analysis because, to the best of our knowledge, circumstances have not changed significantly.

The result of this step was a comprehensive list of the actual and potential impacts, risks and opportunities which may be material to Kitron, along with considerations of the timeframes and where in our value chain the IROs are or may be most prominent.

3. Evaluate

In this step the IROs were evaluated based on five step scales for scale, scope, irremediability, likelihood and magnitude of the financial effects as follows:

Impacts were evaluated based the scale (how grave or how positive/beneficial the impact is), the scope (how widespread the impact is), and in case of negative impacts, the irremediability of the impact. For actual impacts, materiality is based on scale and scope, while for potential impacts it is based on scale, scope and likelihood. In the case of a potential negative human rights impact, the severity of the impact (i.e., scale x scope) takes precedence over its likelihood.

Each impact was scored according to five step scales for scale, scope, and irremediability (if relevant).

Each positive impact received a total score based on the average of scale and scope * likelihood (Example: Average of (scale 3+ scope 4) * likelihood 4 = 3.5*4= 14. The total score for the positive impact in this example is therefore 14.)

Each negative impact received a score based on the average of, scale, scope and irremediable character (Example: average of (scale 3+ scope 3 + irremediable character 5) * likelihood 5 = 18.3).

Risks and opportunities were assessed by assessing both the likelihood and the magnitude of the financial effect on a five- step scale. Each risk and opportunity received a score by calculating the product (likelihood x magnitude).

4. Decide
The final step of the DMA process was to decide on which IROs are material to Kitron based on thresholds. The threshold used to define impact and financial materiality can be found in the appendix (9.2, 9.3).

The material IROs were then matched according to the mapping of sustainability matters to topical disclosures published by EFRAG (Q&A ID 177) to determine the information to be disclosed in relation to impacts, risks and opportunities. The relevant metrics have been determined on the basis of the effects of the IROs as described in the following chapters with environmental, social and governance-related information. All metrics associated with material IROs are reported on.

2.15. Details on processes to identify and assess material IROs

IRO-3, in connection with E1, E2, E3, E4, E5, G1

2.15.1. E1 Climate change

Climate-related impacts

As part of the DMA process, Kitron assessed its Scope 1, 2 and 3 greenhouse gas (GHG) emissions, considering both actual and potential impacts, their scale and scope, time horizons in which they may occur, likelihood, and whether they are irremediable. The assessment confirmed that Kitron's emissions have a material impact on climate change, requiring targeted mitigation efforts.

To systematically identify and assess its climate-related impacts, Kitron has conducted a screening of its activities and sites to map actual and potential GHG emissions sources. The screening process involves data collection from individual production sites, where each site reports on its energy consumption, machinery, and operational characteristics. Where primary data is not available, spend-based estimates are applied. Kitron's emission sources remain consistent across sites due to standardized production processes. While absolute emissions may increase with company growth, the sources and nature of emissions remain consistent. The primary driver of increased emissions is the expansion of production capacity rather than changes in emission intensity per site.

One of the key impacts identified is Kitron's overall CO2 emissions from its operations and value chain (Scope 1, 2, and 3). These emissions contribute directly to climate change and are influenced by factors such as energy use, transportation, and supplier emissions. Without effective measures to reduce its carbon footprint, Kitron could face regulatory challenges, increased costs, and reputational risks as customers seek suppliers that align with their sustainability goals. The assessment concluded that this is an actual impact with long-term consequences, requiring continuous monitoring and mitigation efforts, including emission reduction initiatives and carbon offset strategies.

Another material impact relates specifically to Kitron's electricity consumption in production. The company's manufacturing processes rely on energy-intensive machinery, making electricity sourcing a critical factor in its environmental footprint. The assessment found that these emissions are significant but can be mitigated through improved energy efficiency and a transition to renewable energy sources. Given the increasing focus on corporate carbon footprints and energy-related emissions, Kitron recognizes the importance of addressing this impact to ensure long-term sustainability and compliance with evolving regulations.

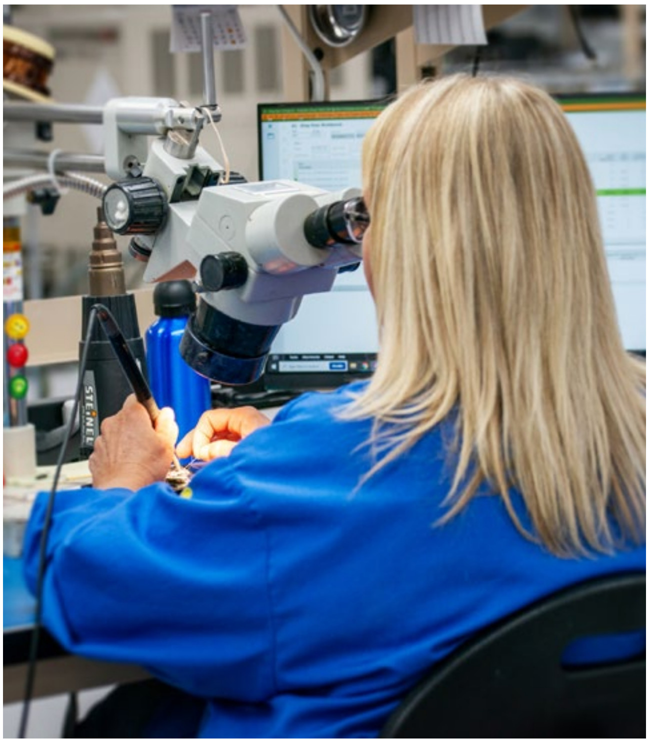
Kitron is directly involved in these emissions through its own operations (Scope 1 and 2) and indirectly through business relationships in its value chain (Scope 3). This includes emissions from suppliers, logistics partners, and product end-of-life handling.

Climate-related physical risks

As part of the double materiality analysis, Kitron identified and evaluated climate-related physical risks across its operations and value chain. These risks were assessed under the same two climate scenarios described in the resilience analysis of its business model: NGFS Net Zero 2050 and NGFS Hot House World – Current Policies.

Identified acute physical hazards include wildfires, storms, flooding, and heatwaves, while chronic risks such as increased precipitation patterns were identified as key long-term concerns. These chronic risks could exacerbate acute hazards and potentially lead to operational disruptions. They may also cause short-term supply chain disruptions. Given Kitron's global presence, different sites may be exposed to varying degrees of physical risk, depending on geographic location and infrastructure resilience.

To assess exposure and sensitivity to these hazards, Kitron conducts structured mapping processes in collaboration with site managers. Each site is asked to provide information on local climate risks, existing protective measures, and historical exposure to extreme weather events. Key findings from this assessment include:



- Water-related risks: Asian facilities are particularly exposed to water-related hazards, such as flooding and heavy rainfall.
- Snow and winter storms: Sites in Norway, Sweden, and the U.S. face potential disruptions from heavy snowfall and extreme winter weather.
- Wildfires: Identified as a potential risk for sites in the U.S. and, to a lesser extent, Norway.

When assessing these risks, Kitron defined time horizons as follows:

- Short-term: Within the reporting year
- Mid-term: Up to five years
- Long-term: Beyond five years

These time horizons are linked to Kitron's strategic long term planning horizons as well as our active risk management procedures described above (short- and medium term) enabling us to assess risk and opportunities according to the expected lifetime of Kitron's key assets and the nature of our operations and address them in connection with investment and operational decision-making.

Each identified risk was evaluated based on financial impact, magnitude, and likelihood, considering how Kitron's assets and operations may be exposed to and sensitive to these hazards. Under the Hot House World scenario, where global temperatures could rise by 3°C due to insufficient climate policies, Kitron's exposure to extreme weather events is expected to be significantly higher. In contrast, the Net Zero 2050 scenario, which limits warming to 1.5°C, suggests a lower degree of physical risk but a more aggressive regulatory and market-driven transition, leading to transition risk.

Climate-related transition risks and opportunities

In addition to physical risks, Kitron identified and assessed key transition risks and opportunities resulting from the shift to a low-carbon economy. These risks were evaluated over short-, medium-, and long-term horizons and assessed under the same two climate scenarios.

Transition events were identified through a structured screening process, which included evaluating regulatory changes, market shifts, technological developments and reputational factors. Kitron screened its assets and business activities to determine their exposure to these transition events, ensuring that both risks and opportunities were considered at different stages of the low-carbon transition.

The primary transition risk identified is changing customer expectations for sustainable operations. There is a risk of losing customers if Kitron does not meet evolving market expectations and customer requirements related to sustainable business practices. As sustainability becomes an increasingly important priority across industries, failure to align with these expectations could impact Kitron's competitiveness and customer relationships. However, this shift also presents an opportunity: by proactively integrating sustainable practices and reducing emissions, Kitron can strengthen its competitive position and attract environmentally conscious clients. Both the risk and the opportunity will be more prominent in the Net Zero scenario, and less significant in a "Hot House" world.

Kitron has not identified any assets or business activities that are incompatible with, or require significant efforts to align with, a transition to a climate-neutral economy.

Each identified transition risk and opportunity was evaluated based on financial impact, magnitude, and likelihood, ensuring a comprehensive understanding of Kitron's exposure. By integrating scenario analysis into its strategic planning, Kitron aims to proactively manage both physical and transition risks, ensuring long-term resilience and regulatory alignment.

2.15.2. E2 Pollution

Kitron has not screened site locations in order to identify actual and potential pollution – related IROs, and we have not conducted consultations with stakeholders. Business activities across our entire value chain were screened by discussing the topic with Kitron's in-house sustainability experts. Based on these insights we have made the assumption that there are no significant IROs for Kitron connected to this sustainability topic.

2.15.3. E3 Water and marine resources
Kitron has not screened site locations in order to identify actual and potential IROs related to water and marine resources, and we have not conducted consultations with stakeholders. Business activities across our entire value chain were screened by discussing the topic with Kitron's in-house sustainability experts.

2.15.4. E4 Biodiversity and ecosystems
Kitron has screened and assessed actual and potential impacts on biodiversity and ecosystems at own site locations and in the upstream and downstream value chain by discussing business activities across our entire value chain in relation to relevant sustainability topics (ESRS 1 AR 16) with Kitron's in-house sustainability experts. No significant actual or potential impacts or dependencies on biodiversity and ecosystems and their services at own site locations and in the upstream and downstream value chain, and no entity specific IROs, have been identified.

We have not identified and assessed transition and physical risks and opportunities related to biodiversity and ecosystems or considered systemic risks.

Consultations with affected communities on sustainability assessments of shared biological resources and ecosystems have not been conducted.

Based on current in-house information no sites, raw material production or sourcing is likely to significantly negatively impact biodiversity and ecosystems, affected communities or ecosystem services of relevance to affected communities.

Kitron has no sites located in or near biodiversity-sensitive areas that could be negatively affected through our activities, hence it has not been concluded that it is necessary to implement biodiversity mitigation measures.

Based on this we have made the assumption that there are no significant IROs for Kitron connected to this sustainability topic.

2.15.5. E5 Circular economy
As part of the double materiality analysis (DMA) process, Kitron has screened its activities in the entire value chain regarding its resource inflow and outflow streams including waste and resource use, by consulting with inhouse competences and external experts. Kitron has not screened its assets in connection with circular economy related IROs. Kitron has not conducted consultations with affected communities as a part of the DMA process.

2.15.6. G1 Governance
When identifying material impacts, risks and opportunities related to business conduct Kitron has conducted a high-level risk assessment by examining its sites and leveraging publicly available information, sector knowledge, supplier due diligence data and general industry insights.

When identifying material impacts, risks, and opportunities in relation to business conduct matters, as per ESRS-2, we have considered relevant criteria, including location, activity, sector, and the structure of transactions. We have reviewed all of our locations, using publicly available information such as the Corruption Perception Index to assess high-risk areas. Additionally, we have evaluated our business activities that are primarily related to procurement. Our production inputs, mechanical drawing parts, electronic components and Printed Circuit Boards (PCBs) have been considered for sector-specific risks relevant to procurement of such components. The structure of our transactions is regular and primarily involves procurement from suppliers, whom we expect to adhere to our supplier code of conduct. Additionally, we have a supplier due diligence procedure that provides information on risks associated with our suppliers which has been taken into consideration.

2.16. Description of how the process to identify, assess and manage sustainability related IROs is integrated into Kitron's overall risk management process

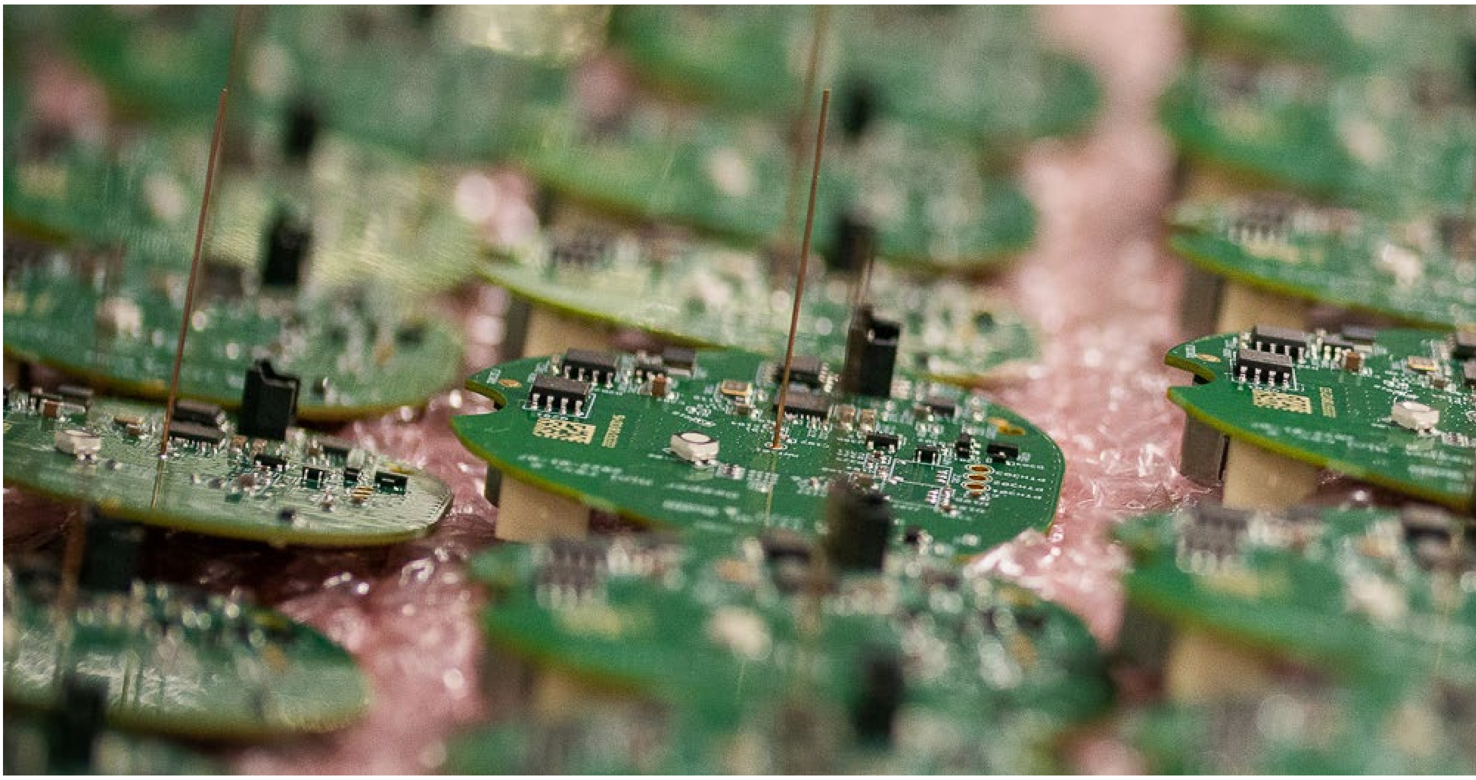
Kitron carries out an annual risk assessment throughout the group. The group CFO is responsible for overseeing the process. Each operating Kitron entity performs a risk assessment according to the Kitron Risk Management Policy and the Annual Risk Assessment Guidelines. The risk assessment process builds on the contribution from all disciplines in the organization and it is the Site Managers responsibility to secure a proper risk assessment process in their organizations. The results are reported to Kitron ASA and the consolidated risk assessment is reviewed by CMT and Board. The annual risk assessment also requires all Kitron entities to describe the internal controls that are in place and the actions that are taken to mitigate risks. Risk categories are organized into 11 main categories which also include sustainability aspects, i.e. competence/personnel, compliance including code of conduct and GDPR, suppliers and environment. However, not all of Kitron's material IROs are covered. The priority of the identified risks is determined using financial impact and likelihood criteria on four step scales. The product of the likelihood and impact of each identified risk is calculated both for the inherent and the residual risk and the results are visually presented in risk matrices. Sustainability-related risks are prioritized in the same manner as other types of risks.

Kitron has not yet integrated the process to identify, assess and manage impacts and risks and opportunities as required by the ESRS into the management risk process but plans to do so before 30.06.2026.

In the current risk assessment process described above, sustainability related risks are assessed and potentially prioritized in the same manner as other types of risks. For the time being, no dedicated internal controls, other than the follow-up on site specific internal controls mentioned above, are applied to sustainability matters.

2.17. Disclosure of list of data points that derive from other EU legislation and information on their location in sustainability statement

See chapter 9.1 List of datapoints in cross-cutting and topical standards that derive from other EU legislation MDR-P, A, M and T, as well as descriptive information on IROs as required by ESRS 2 par 46, are disclosed in connection with topical ESRS.



3. Disclosures pursuant to the EU Taxonomy

Explanation of changes in preparation and presentation of sustainability information and reasons for them

This is the first year of reporting according to CSRD. Any changes to Sustainability reporting are due to the reporting requirements of CSRD. Kitron's taxonomy reporting was previously based on end-user products, and as of 2024, manufacturing of Electronics category is used. The reason for this change is that this category is a more accurate fit for Kitron's business and thus provides the information required. It is impractical to adjust comparative information. The difference between the information provided based on end-user products and manufacturing of electronics is that fewer groups of products are relevant for reporting in connection with manufacturing of electronics.

Eligibility under EU Taxonomy

Kitron's main activity is an electronics Manufacturing services company with NACE code C26.1: "Manufacture of electronic components and boards" which qualifies as eligible under "Manufacture of electrical and electronic equipment" activity. This activity represents 98.3% of the Revenue.

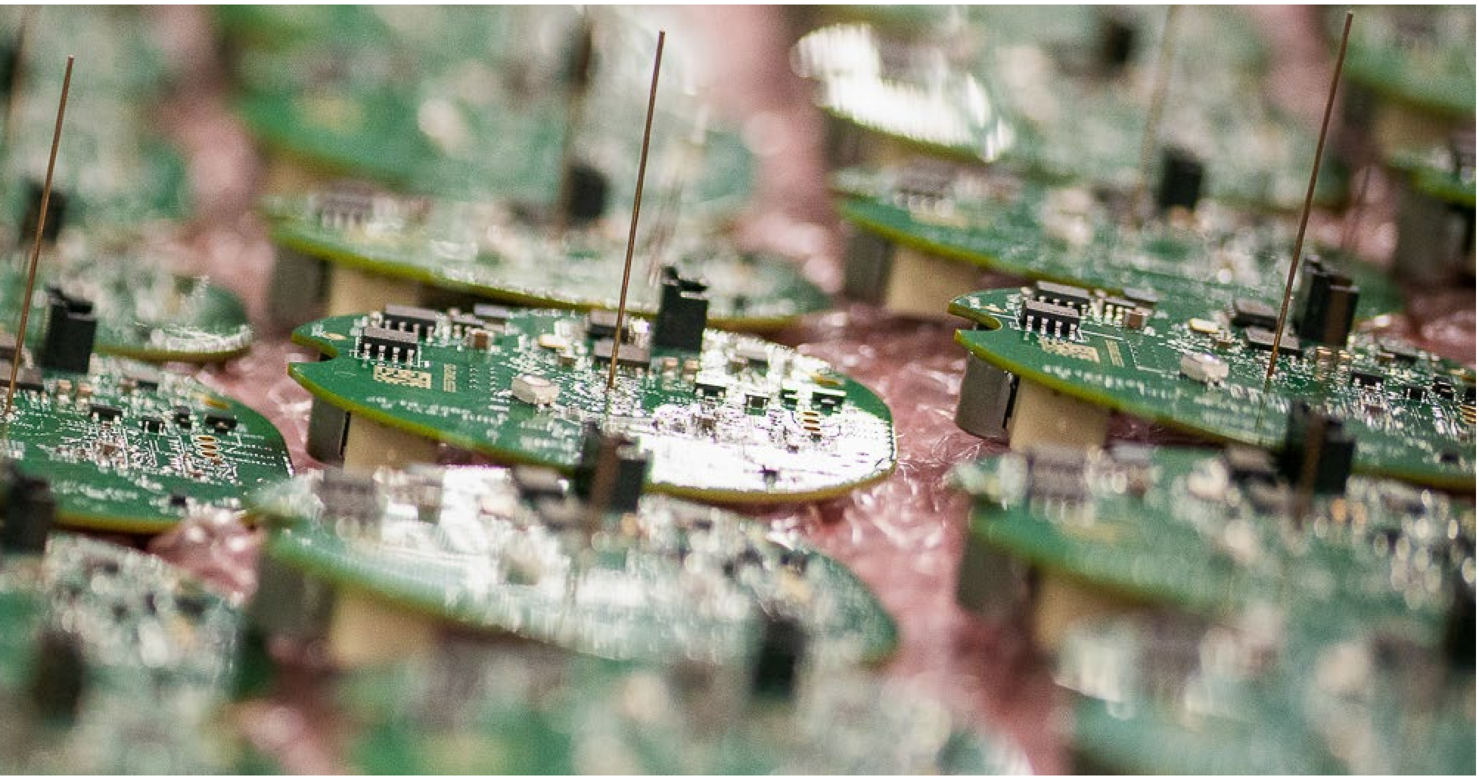
A subset of the main activity "Manufacture of electronic components and boards" is production of non-portable battery storage systems and battery management systems which qualifies as eligible under "Manufacture of batteries" activity. This activity represents 1.4% of Kitron Revenue.

Another subset of the main "Manufacture of electronic components and boards" activity is repair and overhaul of customer product for the defence industry which qualifies as eligible under the "Repair, refurbishment and remanufacturing" activity. This activity represents for 0.4% of the Revenue

In addition, Kitron owns and leases buildings where the manufacturing takes place. This activity qualifies as eligible under the "Acquisition and Ownership of Buildings" activity.

Alignment under EU Taxonomy

When determining alignment under the EU Taxonomy, Kitron first reviewed the technical screening criteria for each of the acivities and found that Kitron does not fully comply with the criteria for any of the activities. Consequently, the criteria for alignment under the EU Taxonomy are not met, and DNSH and minimum safeguards were not considered.
Thus, for all activities, Kitron is eligible but not aligned.



Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial Year N	Year			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Kitron	C26.1	KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1		0								Y	Y	Y	Y	Y	Y	Y	%		
Activity 2		0								Y	Y	Y	Y	Y	Y	Y	%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	0.00 %	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**%**		
Of which Enabling		0	0.00 %	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	E	
Of which Transitional		0	0.00 %	%						Y	Y	Y	Y	Y	Y	Y	%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of batteries	CCM 3.4	8 814	1.36 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.37 %		
Manufacture of electrical and electronic equipment	CE 1.2	635 998	98.28 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								98.39 %		
Repair, refurbishment and remanufacturing	CE 5.1	2 339	0.36 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.24 %		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		647 151	100.00 %	%	%	%	%	%	%								100 %		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		647 151	100.00 %	%	%	%	%	%	%								100 %		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		0	0.00 %																
TOTAL		**647 151**	**100 %**																

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial Year N	Year			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Kitron	C26.1	KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1	0	0.0	0.00 %							Y	Y	Y	Y	Y	Y	Y	%		
Activity 2	0	0.0	0.00 %							Y	Y	Y	Y	Y	Y	Y	%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	0.00 %	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**%**		
Of which Enabling		0	0.00 %	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	E	
Of which Transitional		0	0.00 %	%						Y	Y	Y	Y	Y	Y	Y	%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of batteries	CCM 3.4	209	1.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.06 %		
Manufacture of electrical and electronic equipment	CE 1.2	11 810	64.1 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								77.67 %		
Repair, refurbishment and remanufacturing	CE 5.1	60	0.3 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.13 %		
Acquistion and ownership of buildings	CCM 7.7	6 354	34.5 %	EL	EL	N/EL	N/EL	N/EL	N/EL								21.14 %		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		18 433	100.00 %	%	%	%	%	%	%								100 %		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		18 433	100.00 %	%	%	%	%	%	%								100 %		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities			0.00 %																
TOTAL		**18 433**	**100 %**																

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial Year N	Year			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Kitron	C26.1	KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1	0		0.00 %							Y	Y	Y	Y	Y	Y	Y	%		
Activity 2	0		0.00 %							Y	Y	Y	Y	Y	Y	Y	%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	0.00 %	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**%**		
Of which Enabling		0	0.00 %	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	E	
Of which Transitional		0	0.00 %	%						Y	Y	Y	Y	Y	Y	Y	%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of batteries	CCM 3.4	59	1.10 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.87 %		
Manufacture of electrical and electronic equipment	CE 1.2	4 206	78.62 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								78.95 %		
Repair, refurbishment and remanufacturing	CE 5.1	33	0.62 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.44 %		
Acquistion and ownership of buildings	CCM 7.7	1 052	19.66 %	EL	EL	N/EL	N/EL	N/EL	N/EL								19.74 %		
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5 350	100.00 %	%	%	%	%	%	%								100 %		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		5 350	100.00 %	%	%	%	%	%	%								100 %		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities			0.00 %																
TOTAL		**5 350**	**100 %**																

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

4. E1 Climate change

4.1. Transition plan for climate change mitigation E1-1

Kitron has not yet developed a transition plan that fully aligns with the requirements of the CSRD. However, we are committed to implementing such a plan no later than June 30, 2026.

4.2. Material IRO's and their interaction with strategy and business model ESRS 2 SBM-3

Based on Kitron's assessment of climate-related risks, we have identified both physical and transition risks that could impact our operations and strategy.

4.2.1. Physical risks:

- Facility vulnerability to extreme weather events: Kitron's production sites are susceptible to various climate related events:
  - Norway, Sweden, and the US: Heavy snowstorms may hinder facility access and impose structural stress due to snow accumulation.
  - Norway: Proximity to forested areas increases the risk of forest fires affecting operations.
  - Asia: Facilities in this region are exposed to storms and typhoons, which can damage infrastructure.
- Short-term supply chain disruptions: Climate-related physical risks, such as extreme weather events, may cause short-term supply chain disruptions, particularly in sourcing critical components. This could delay production and impact Kitron's ability to meet customer demands.

4.2.2. Transition risks:

- Customer expectations for sustainable operations: There is a risk of losing customers if Kitron does not meet evolving market expectations and customer requirements related to sustainable business practices. As sustainability becomes an increasingly important priority across industries, failure to align with these expectations could impact Kitron's competitiveness and customer relationships.

4.3. Resilience of strategy and business model SBM-3

Kitron conducted a resilience analysis in autumn 2024 in parallel with the double materiality analysis, and further amendments and updates were made in February 2025. The purpose of the resilience analysis was to evaluate how climate-related physical and transition risks may impact Kitron's strategy and business model. The analysis focused on Kitron's entire value chain, assessing both physical and transition risks. For physical risks, both acute and chronic risks were considered more in depth for own operations (sites):

- Acute risks: Sites in Norway, Sweden, the USA, and Asia were evaluated for their vulnerability to extreme weather events, such as storms, flooding, snowstorms and heatwaves.
- Chronic risks: Increased precipitation patterns were identified as a key long-term risk, which may intensify acute risks and lead to operational disruptions.

Kitron evaluated the resilience of its production sites based on geographical factors, including proximity to the sea and watercourses, elevation above sea level, proximity to forests, and historical and current exposure to extreme weather events, particularly precipitation such as snow and rain. The geographical data was compiled through site-specific analyses, with findings discussed by the CMT. For transition risks, the assessment considered how regulatory developments, customer expectations, and technological advancements could impact Kitron's business.

The scenario analysis relies on a combination of site-specific data for Kitron's production facilities and broader regional climate projections. While detailed geospatial modeling is not applied to all sites, the use of local environmental data ensures an adequate level of detail to assess potential physical and transition risks.

The resilience analysis was conducted using the same time horizons as for the double materiality analysis:

- Short-term (2025): Focuses on immediate regulatory changes, evolving customer demands, and acute physical risks, particularly extreme weather events that could impact operational continuity.
- Medium-term (2030): Aligns with mid-decade policy milestones and transitional developments under the Net Zero 2050 scenario, including tightening emissions regulations, rising carbon costs, and increasing expectations for sustainable practices. This period also accounts for gradual intensification of chronic physical risks, such as increased precipitation patterns.
- Long-term (2050): In the Net Zero 2050 scenario, this horizon examines the systemic shift towards a low-carbon economy, evaluating the opportunities and challenges of achieving global climate targets. In contrast, the Hot House World – Current Policies scenario explores the implications of limited climate action, leading to exacerbated physical risks and potential disruptions to Kitron's value chain.

Kitron assessed its strategy and business model against two climate scenarios developed by The Network of Central Banks and Supervisors for Greening the Financial System (NGFS): Net Zero 2050 and Hot House World – Current Policies. Since these scenarios represent "worst case" assumptions regarding physical climate risk and transition risk, respectively, and we consider both types of risk as relevant for Kitron, we found these scenarios to be suitable for this purpose.

In the Net Zero 2050 scenario, where global emissions are rapidly reduced in line with the Paris Agreement, regulatory requirements for greenhouse gas emissions will tighten significantly. The transition to a low-carbon economy will lead to stricter reporting obligations, higher carbon prices, and increasing customer expectations for sustainable solutions. This presents a transition risk for Kitron, particularly if the company does not adapt to new regulations and market demands from customers, investors, and authorities. At the same time, this scenario offers opportunities for Kitron to strengthen its market position by providing low-carbon solutions and more energy-efficient products. On the physical risk side, more stable climate conditions and fewer extreme weather events will result in fewer operational disruptions. However, increased precipitation in some regions may still impact production facilities and supply chains, necessitating measures to ensure infrastructure resilience.

In the Hot House World scenario, where current climate policies continue without significant emissions reductions, physical climate risks will become increasingly severe. Kitron may face more frequent and intense extreme weather events such as floods, storms, forest fires and heatwaves, potentially disrupting production sites, supply chains, and logistics. Increased precipitation and shifting weather patterns could also lead to infrastructure challenges and higher operating costs. On the other hand, a less regulated transition could provide short-term financial benefits by allowing existing production processes to continue without major investments.

Kitron's business model is designed to be highly adaptable, allowing the company to respond flexibly to shifting market demands and climate-related challenges. The company has the ability to adjust its customer portfolio and product offerings in alignment with market trends which may vary in different scenarios regarding sustainability ambitions. Additionally, Kitron is not dependent on fixed locations, making it possible to relocate or adapt operations as needed to mitigate risks associated with climate change. In addition, Kitron does not rely on external financing to implement climate adaptation and mitigation measures (as described in chapter 4.5) beyond standard business operations, reducing its exposure to financial risks associated with the transition to a low-carbon economy. This flexibility strengthens Kitron's resilience by enabling proactive responses to both physical and transition risks, ensuring long-term competitiveness in an evolving regulatory and environmental landscape.

Kitron's ability to adapt spans across short-, medium-, and long-term horizons. In the short term, the company focuses on operational flexibility and supply chain adjustments; in the medium term, it evaluates strategic shifts such as product portfolio changes and technology upgrades; and in the long term, Kitron considers potential large-scale transitions, including facility relocations, major process transformations, and workforce reskilling to align with evolving climate and market conditions.

While uncertainties remain regarding future climate developments, Kitron has based its analysis on best available knowledge and scenario projections. The company will continue to monitor climate-related risks and opportunities, ensuring that its strategy remains resilient in the face of changing environmental and regulatory conditions.

4.4. Climate-related policies and targets E1-2 | E1-4

Kitron has not yet established formal policies for climate change mitigation and adaptation. However, the company recognizes the importance of managing climate-related risks and opportunities and is committed to developing relevant policies. Kitron aims to have these policies in place by 30.06.2026 to support its sustainability efforts and long-term business resilience.

Kitron has set aims to reduce location-based GHG emissions in Scope 1 and 2 by 50 % and GHG emissions in Scope 3 by 25 % before 2050. In 2024, the company has made significant updates to its carbon accounting, and for consistency, 2022 will be the base year of the reduction targets in scope 1 and 2, while 2024will be the base year of the reduction targets in scope 3. The targets are not science-based or proved to be compatible with limiting global warming to 1.5C. The target values for 2025, presented in table 4.2, are calculated based on a 10 % reduction in Scope 1 and 2 and a 5 % reduction in Scope 3.

The company has also defined an ambition to achieve 100% renewable energy usage across all its sites and will use this as a key indicator to evaluate progress. The company tracks the effectiveness of its actions related to renewable energy by monitoring energy consumption under Scope 1 and 2 on a quarterly basis. This enables Kitron to assess the impact of its renewable energy initiatives.

4.5. Climate-related actions E1-3

Kitron has identified that energy consumption for production and the heating/cooling of facilities is the largest source of CO_2 emissions under Scope 1 and 2. To mitigate these emissions, the company has implemented and planned several non-quantifiable key actions:

- Sourcing renewable energy: Solar panels were installed at sites in Sweden and Lithuania between 2022 and 2024. This, combined with purchasing garantees of origins, have made the Scope 2 market-based renewable energy share increase from 64.4 % in 2022 to 96.2 % in 2024. While not all sites have been equipped due to practical constraints, Kitron aims to reach 100 % scope 2 market-based renewable energy by 2025.
- Energy efficiency in new investments: From 2024 onwards, Kitron has integrated energy efficiency requirements into all new equipment and facility investments. This is an ongoing initiative without a fixed end date, designed to continuously reduce energy consumption and lower Scope 1 and 2 emissions over time.
-
- Waste reduction initiatives: Waste reduction measures have been implemented across all sites, in line with environmental certification standards, and are reviewed annually. This is a long-term commitment aimed at minimizing landfill waste and improving resource efficiency.

These actions cover all Kitron's sites globally, focusing primarily on own operations (Scope 1 and 2), but also impacting parts of the upstream supply chain through renewable energy sourcing and sustainability requirements for suppliers.

Kitron's current climate-related actions are primarily funded through operational budgets and do not require significant external financing. The company maintains sufficient internal resources to support ongoing initiatives and does not foresee constraints related to access to finance or capital for the planned actions.

4.6. Energy consumption and mix E1-5

Energy consumption and mix are based on site-specific data.

Kitron's energy intensity, calculated as total energy consumption per net revenue for activities in high climate impact sectors (Section C – Manufacturing, see Annex I in Regulation (EC) No 1893/2006), is **0.04 MWh/KEUR**. This is derived from a total energy consumption of **26,313 MWh** and a net revenue of **647,150 KEUR (647.2 MEUR)**, see note 5 and 6 in the final statements.

Table 4 1: Energy consumption and mix.

	2024 (N)
(1) Fuel consumption from coal and coal products	225.8
(2) Fuel consumption from crude oil and petroleum products	750.6
(3) Fuel consumption from natural gas	3 425.2
(4) Fuel consumption from other fossil sources	
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	394.8
(6) Total fossil energy consumption	4 796.4
Share of fossil sources in total energy consumption (%)	18 %
(7) Consumption from nuclear sources	0.0
Share of consumption from nuclear sources in total energy consumption (%)	
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0.0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	21 288.1
(10) The consumption of self-generated non-fuel renewable energy	248.8
(11) Total renewable energy consumption	21 517.4
Share of renewable sources in total energy consumption (%)	82 %
Total energy consumption	**26 313.7**

The estimates on energy consumption and mix have not been validated by an external body other than the assurance provider.

4.7. Gross Scopes 1, 2, 3 and Total GHG emissions E1-6

Kitron applies an operational control approach when defining its carbon accounting boundaries. Scope 1 and 2 emissions are reported for all controlled entities, while Scope 3 emissions are accounted for across relevant upstream and downstream activities, in line with the GHG Protocol. Kitron's carbon accounting considers the following greenhouse gases, all converted into CO2-equivalents: CO2, CH4, N2O, SF6, HFCs, PFCs and NF3. Scope 1 and Scope 2 emissions are primarily calculated using invoice data. For Scope 3 emissions, the spend-based method has been applied, with inputs collected per site. There are no biogenic emissions from the combustion or biodegradation of biomass. Hence not disclosed.

91,72 % of the emissions in scope 3 are calculated based on spend, 5,95 % is calculated based on supplier provided data, and 2,33 % is calculated based on distance 95 % of the electricity consumption across the group's sites is covered by Guarantees of Origin, primarily acquired by the electricity provider. This explains the significant difference between market-based and location-based scope 2 emissions.

Table 4 2: Scope 1, 2, 3, and total GHG emissions. .

	Retrospective					Milestones and target years			
	Base year	Base year value	Compa-rative	2024 (N)	% N / N-1	2025	2030	(2050)	Annual % target / Base year
Scope 1 GHG emissions									
Gross Scope 1 GHG emissions (TCO2eq)	2022	841	926	848.4	-8 %	760	590	422	2 %
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)			N/A	0 %		0	0	0	0 %
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emissions (tCO2eq)	2022	7 167	7 807	5 963.7	-24 %	6 450	5 017	3 584	-2 %
Gross marked-based Scope 2 GHG emissions (tCO2eq)	2022	3 840	2 259	369.5	-84 %	0	0	0	-33 %
Significant Scope 3 GHG emissions									
Gross Scope 3 GHG emissions (tCO2eq)	2024		N/A	88 624.8		84 194	75 331	66 469	-1 %
Purchased goods and services	2024		N/A	77 827.6		73 936	66 153	58 371	-1 %
Capital goods	2024		N/A	2 314.7		2199	1968	1736	-1 %
Fuel and energy-related activities	2024		N/A	1 626.6		1545	1383	1220	-1 %
Upstream transportation and distribution	2024		N/A	3 507.6		3332	2981	2631	-1 %
Waste generated in operations	2024		N/A	174.3		166	148	131	-1 %
Business travels	2024		N/A	852.1		809	724	639	-1 %
Employee commuting	2024		N/A	2 321.8		2206	1973	1741	-1 %
Total GHG emissions									
Total GHG emissions (location-based) (tCO2eq)			N/A	95 436.9		91 404	80 938	70 473	-1 %
Total GHG emissions (marked-based) (tCO2eq)			N/A	89 842.7		84 954	75 921	66 889	-1 %

Scope 1 and scope 2 location-based targets are calculated as a reduction from base year of 30% until 2030 and 50% until 2050. The market-based target is set to 100% renewable energy, which is planned to be reached in 2025, mainly due to purchasing of guarantees of origins. The Scope 3 target is calculated as a target reduction of 15% until 2030 and 25% until 2050.
The estimates on GHG emissions have not been validated by an external body other than the assurance provider.

4.7.1. Scope 3 categories and methodology

Kitron has reviewed all Scope 3 categories to assess their relevance and materiality. Based on this assessment, the following categories are included in the reporting:

- Purchased goods and services: The spend-based method uses reported material expenses, categorized as follows:
  - Electronic components
  - Metal products
  - Plastic products
  - Cables and Wires
  - Printed circuit boards
  - Chemicals
- Capital goods: Inputs are based on additions to fixed assets.
- Fuel and energy-related activities: The spend-based method uses reported petrol and diesel volumes under Scope 1 and Scope 2.
- Upstream transportation and distribution: Includes costs associated with the transportation of incoming goods. Outgoing transport is included but is limited in scope.
- Waste generated in operations: Based on reports from recycling facilities and other waste management providers.
- Business travel: Inputs are derived from travel expense reports.
- Employee commuting:
  - The average commuting distance per site is estimated by calculating the distance between postal codes and the site.
  - All employees within the same postal code are assigned the same commuting distance.
  - The average commute per employee is determined by summing individual commute distances and dividing by the total number of employees.
  - HR departments provide estimates of transportation modes and their relative distribution based on experience.

The following Scope 3 categories have been assessed as not material or outside Kitron's reporting scope:

- Upstream Leased Assets: Considered under operational control and therefore reported under Scope 2.
- Downstream Transportation and Distribution: Assessed as immaterial and included under "Upstream Transportation and Distribution."
- Processing of Sold Products, Use of Sold Products, and End-of-Life Treatment of Sold Products: These are the responsibility of the product owner and fall outside Kitron's reporting scope.
- Downstream Leased Assets and Franchise Agreements: Kitron does not have any relevant assets in these categories.

For each significant Scope 3 category, the reporting boundary follows the operational control approach and includes all controlled entities within Kitron's consolidated accounting group. All companies within the Kitron Group are 100% owned, and there are no associates, joint ventures, or unconsolidated subsidiaries. As a result, there are no indirect Scope 3 emissions from such entities to report.

Kitron's carbon accounting has been prepared in alignment with the GHG Protocol and utilizes the CEMAsys platform for data collection, emissions calculations, and reporting. Scope 1 and 2 emissions are calculated using actual consumption data and corresponding location-based and market-based emission factors. Scope 3 emissions are calculated using a combination of spend-based methods, distance-based methods, and supplier-specific data. For categories where specific data is limited, industry averages and proxy data are applied following the GHG Protocol guidelines. Emission factors applied within CEMAsys are sourced from recognized international databases, such as DEFRA, IEA, and Ecoinvent, depending on data availability. Localized emission factors are used where relevant, particularly for electricity consumption under Scope 2.
100% of the contractual instruments Kitron uses for the purchase of renewable energy are energy attribute. certificates.

Table 4 3: GHG intensity per net revenue.

GHG intensity per net revenue	Comparative	2024 (N)	% N / N-1
Total GHG emissions (location-based) per net revenue (tCO2eq/Monetary unit)	N/A	147.46	
Total GHG emissions (marked-based) per net revenue (tCO2eq/Monetary unit)	N/A	138.82	

Net revenue used to calculate GHG intensity is the total revenue as stated on page 78 in our income statement and in notes 5,6 and amounts to 647.2 MEUR for 2024.

5. E5 Circular economy

5.1. Impacts, risks, and opportunities related to resource use and circular economy ESRS 2 SBM-3

Our double materiality analysis confirmed that Kitron's use of resources may have a material negative impact in the medium term (1-5 years). Kitron has potential impacts and risks related to resource use and circular economy, both from its own operations and from its upstream and downstream value chain.

With regards to resource inflows, Kitron use large amounts of raw materials in their products and production processes, and there is an overhanging risk that some materials used for production will become scarce. Sourcing of materials can also have negative impacts on other related sustainability topics, such as climate change, pollution, biodiversity, risks in supply chain, and human rights.

Kitron has substantial resource outflows in our downstream value chain from products sold to our clients (end-of-life). Significant amounts of waste is also generated in our own operations. Hazardous waste and materials that are generated from the production process and products could potentially pollute water and soil, if not sorted correctly and recycled.

5.2. Financial risks and opportunities

Resource inflows and resource use

Scarcity in raw materials, such as rare minerals, is a global issue and may a have an impact on Kitron's access to input materials in the near future. As a result, there is an overhanging risk that Kitron may not be able to acquire sufficient components for its production, due to shortage in supply. Consequently, there will be an increased need for reduced and circular use of critical raw materials. It may also be increasingly important for Kitron's customers that resources are sourced and used in a responsible way, and that they are ROHS- and REACH-compliant. Consequently, there is a risk that Kitron's base of qualified suppliers will shrink. Kitron can impact its resource inflows and resource use through its choice of suppliers and materials, and through sourcing of components, PCBs, and other mechanical parts.

Resource outflows and waste

For Kitron, there are several risks connected with the handling of waste and design of products. Firstly, if waste is not sorted and delivered to recycling according to procedures Kitron might be fined and lose reputation with customers. Secondly, if Kitron customers products are significantly less recyclable or reparable than their competitors, customers may choose suppliers that are better at circular processes. Kitron could reduce this risk though increased dialogue with customers and knowledge sharing regarding recyclability and repairability of its products, for example through product design, choice of materials, and programs for maintenance and refurbishment. Since Kitron manufactures products which have been designed and specified by our customers our means to influence this matter is limited as compared to companies designing their own products.

5.3. Policies, actions, and targets related to resource use and circular economy E5-1 | E5-2 | E5-3

Kitron has not yet adopted or implemented any policies, actions and resources, or targets to manage its material impacts, risks and opportunities related to resource use and circular economy, that aligns with the requirements in the ESRS (in accordance with ESRS 1 §33). However, the company recognizes the importance of managing impacts, risks and opportunities related to circular economy and resource use, and is committed to developing respective policies, actions, and targets. Kitron aims to have these in place by 30.06.2026 to support its sustainability efforts and long-term business resilience.

5.4. Resource inflows and use E5-4

Kitron's production inputs can be divided into three categories: electronic components, mechanical drawing parts, and PCBs (Printed Circuit Boards). The inputs are with few exceptions sourced and produced outside Norway.

Electronic components include silicon, copper, tin, gold, silver, tungsten, lead, and aluminum, and are sourced from close to 1407 manufacturers through approximately 1255 supply partners. Mechanical drawing parts includes a wide variety of parts, from metal casting to machine parts, injection molded plastic, sheet metal, and aluminum die casting. PCBs are mainly composed of: 1) Substrate: The base material, typically made of fiberglass-reinforced epoxy resin (FR-4), provides mechanical support and electrical insulation, and 2) Copper Foil: Thin layers of copper are laminated onto the substrate to form the conductive pathways.

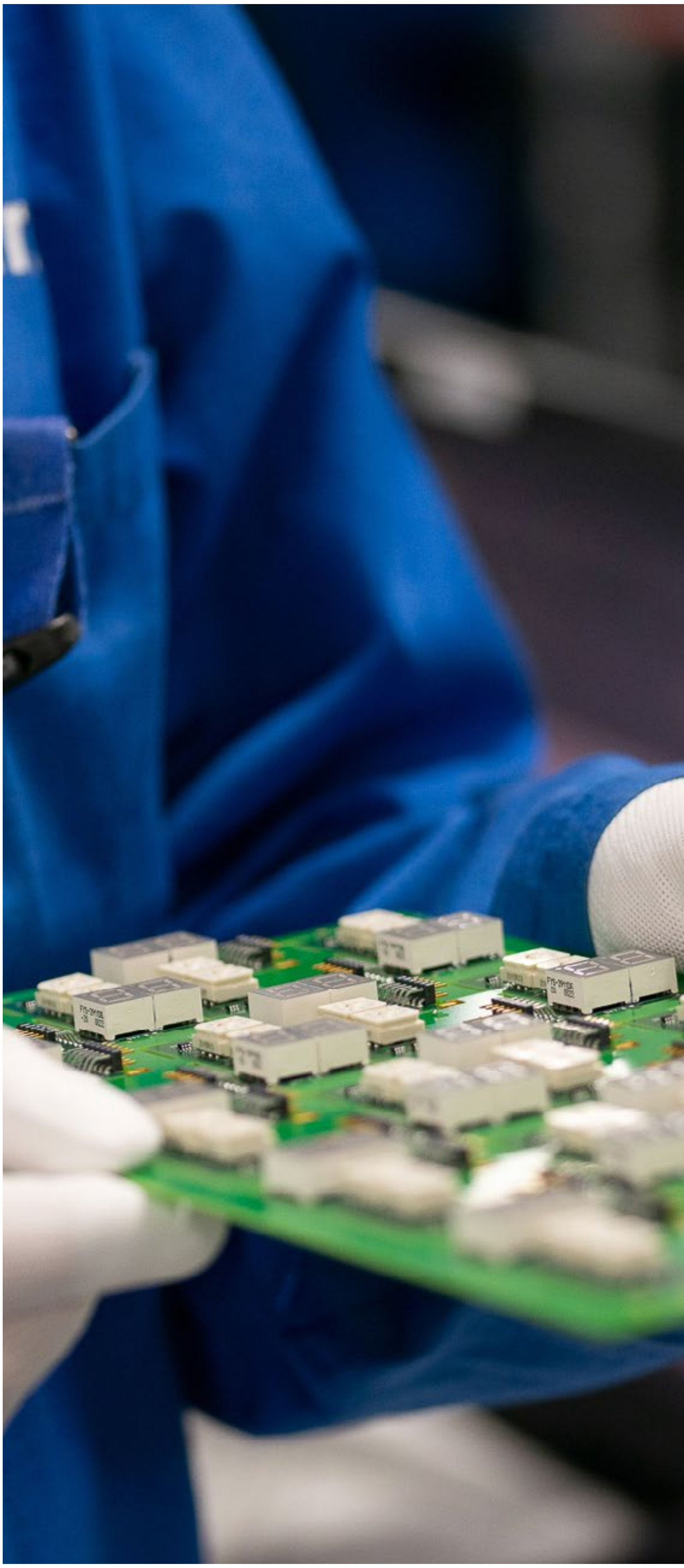
Materials that go into the Kitron's production process include tin for soldering components, various solvents to clean the boards, and conformal coating, which is a protective, thin polymeric film that may be applied to printed circuit boards (PCBs) and other electronic components. Materials used for products packaging include pallets, carton boxes, and ESD bags/bubble wrap.

Kitron's use of biological materials in production is limited to the materials used in products packaging, with the use of pallets and carton boxes.

Kitron's use of secondary reused or recycled components and materials includes primary, secondary, and tertiary use of packaging materials. When mapping the use of reused or recycled components and materials used in Kitron's operations, we can separate between ESD bags, pallets, and carton boxes.

The warehouses control all materials that come in, and the share of packing materials that is reused. Pallets are normally reused, unless they are broken or damaged. Carton boxes and ESD bags are normally customized to fit the product and are therefore rarely reused. The rate of reuse will also vary between locations, but the estimates represent an expected average.

For components and materials used in Kitron's products, most input materials and components do not originate from secondary sources. Furthermore, on an annual basis Kitron purchases components from close to 1407 manufacturers through approximately 1255 supply partners, making it unfeasible to estimate the rates of secondary used materials across suppliers.



5.5. Resource outflows E5-5

5.5.1. Products and materials

Kitron is an Electronics manufacturing services company and produces electronics for our customers who own the Intellectual Property of the product. The work Kitron does can be divided into Printed Circuit Board assemblies PCBAs, modules or complete systems. In the latter case Kitron produces the electronics, sources the remainder of the products needed to finalize the product, assembles the product and tests it. In all the processes, the customer owns and decides the design and choice of materials.

Kitron's core areas of expertise are divided into five key sectors: connectivity, electrification, industry, medical devices, and defence/aerospace. Each of these industries have different demands and requirements, and therefore the products that Kitron manufacture will differ across sectors. Products are classified based on the sectors the customers operate in, and all parts are connected to the customers in our ERP-system. Based on this we calculate how much sales we have in the different sectors. Products adapted for the different industries will also vary in durability, depending on the purpose and characteristics of the product.

Since Kitron does not control the products end-of-life, it is challenging to estimate the exact durability of its products, as this depends on the product users. However, Kitron does control the design and redesign of its products and regularly estimates how long it will take before the products require redesign, also known as New Product Introduction (NPI) design or revision lifetime.

Due to the highly specialized products that Kitron manufacture, it is difficult to compare Kitron's products to the industry average in each segment.

The general procedure is to repair the products, however, at end-of-life repair is not always possible. Furthermore, reparation is not always the preferred solution, as it can be more costly than replacement. The actual rate of products that are repaired therefore depends on the specifications and demands of customers.

Kitron provide several services to enable reparation and to extend the lifetime of its products.

We offer maintenance, repair and refurbishment programs. Refurbishment programs help extend the product's lifecycle, including both software and hardware upgrades. We have in-house software and hardware design expertise if a redesign is required. Kitron also has component information systems (CIS) to assist its customers in identifying replacements for obsolete components.

Most of Kitron's products end up as electronic waste (e-waste) at end-of life. Since Kitron's products are composed of a complexity of materials, including vast amount of minerals, metals, plastics, and cables, and because each product is based on the specific demands of the customer and the relevant target industry, it is challenging to break down the exact product composition on a general basis.

Materials used for products packaging include loading pallets, carton boxes, and ESD bags. Complete system deliveries have different packaging materials based on size and vulnerability.

For PCBA, products are delivered mainly in ESD bags. ESD bags can be recycled, but the process and what they can be turned into depend on their specific type and composition:

- Pink Antistatic Bags: These are typically made from low-density polyethylene (LDPE) and can be recycled into products like plastic lumber, floor tiles, and new packaging materials.
- Metallized Shielding Bags: These bags are more complex as they contain multiple layers, including a thin layer of aluminum. While both the polyethylene and metallized polyester layers can theoretically be recycled, separating them is challenging. As a result, they are often categorized under mixed plastics (Code 7) and can be recycled into items like plastic pallets or composite materials.
- Moisture Barrier Bags: Similar to metallized shielding bags, these also fall under mixed plastics due to their multi-layer construction. They can be recycled into similar products as metallized shielding bags.

The PCBs are thereafter shipped in regular carton boxes.

Loading pallets are also highly reuseable and recyclable. Reparable pallets can be repaired and reused multiple times, while pallets that cannot be repaired can be recycled as chippings or used as solid recovered fuel for energy production.

Kitron currently has no statistics on packaging material recycling after it has been shipped to the customer.


Kitron

5.6. Waste

Kitron is calculating waste data based on the reports received when delivering sorted waste to the recycling plants, by factory. The reports are attached to invoices from the recycling plants and applies to all Kitron's production sites.

Table 5 7 presents Kitron's total amounts of waste , with a breakdown by waste type, operation types, and treatment types, and between hazardous and non-hazardous waste. In 2024, Kitron produced a total of 1017 tons of waste, dispersed across ten different manufacturing sites. 960 tons (94 %) of the waste is classified as non-hazardous, while the remaining 57 tons (6 %) is classified as hazardous. Around 66 % of the waste was recycled, and around 34 % was disposed to incineration or treatment.

Table 5 7: Waste treatment type, separated by waste types.

Treatment type	Total waste	Non-hazardous waste	Hazardous waste
Recovery operation type			
Preparation for reuse	0	0	0
Recycled waste	669 (66 %)	613	56
Other recovery operations	0	0	0
Treatment type			
Incineration	347 (34 %)	347	0
Landfill	0	0	0
Treated waste	1.4 (0.1 %)	0	1.4
Total	1017	960 (94 %)	57 (6 %)

In tons of waste (percent of total waste), 2024. The numbers have not been validated by an external body other than the assurance provider.

5.6.1. Relevant waste streams

Kitron mainly has electronic waste from scrap in production or from inventory. Hazardous waste comes from washing machines that PCBS are washed in, in addition to different types of conformal coating, oils and cleaners from the production machinery. There is also cooling liquid in the environmental chambers that becomes waste of shifted. Waste packaging material from incoming and outgoing goods.

Waste generated from packaging materials include unused paper and cardboard packaging, plastic and wooden packaging, and packaging contaminated by hazardous substances. Kitron also generates municipal waste from its office departments and production sites, such as food waste, paper, plastics, furniture, and appliances. The composition of Kitron's waste differs across countries and based on the type of products that are manufactured in the reporting period.

5.6.2. Composition of waste

Kitron's waste can be divided into several categories. Most of Kitron's waste is generated from processing materials, and is composed of used flux, cleaning water, various solvents, and absorbents. From materials used in production, waste includes different types of plastics, metals, electronic components, paint, and varnish.

5.6.3. Radioactive waste

Kitron does not generate any radioactive waste through its operations.

6. S1 Own workforce

6.1. Interests and views of stakeholders SBM-2

Kitron's workforce is essential for delivering our services, making them a vital stakeholder. Our reliance on our employees naturally integrates their interests and views into our strategy and business model.

Kitron recognises that our business model may impact its workforce, particularly in terms of health and safety at production sites. Operating across multiple locations also increases the risk of inadequate wages. To mitigate these risks, Kitron places significant emphasis on maintaining high health and safety standards at all sites. Without providing competitive wages Kitron would not be able to attract and retain a competent workforce. There are no indications that our strategy or business model exacerbates material impacts.

Kitron actively engages with its workforce across various regions. Employee representatives are present on the Kitron ASA Board, which holds eight meetings annually. Additionally, Kitron has a European Workers Council that discusses strategic topics and actions affecting the workforce.

Employee engagement is organised through multiple channels. Kitron conducts an annual employee survey, currently using the Eletive platform, to cover various work-related topics. In the Nordics, workforce engagement is regulated by law and agreements between employee and employer representatives, with meetings held monthly or quarterly. In other countries, engagement is less formal but includes focus groups based on Eletive survey results to discuss and improve the work environment.

The purpose of engaging with the workforce is to ensure their interests and views are considered in Kitron's strategy and business model. This engagement helps address work-related issues, improve the work environment, and align business objectives with employee needs and expectations.

The outcomes of these engagements are taken into account by the managing directors at each site, who are responsible for coordinating communication with worker representatives and implementing necessary actions if needed.

Kitron understands that the interests and views of our key stakeholders, particularly our workforce, are integral to the company's strategy and business model. During our materiality analysis processes the perspectives of our workers were given consideration.

Currently, Kitron has not made any amendments to its strategy or business model and at this time no further steps are planned to amend strategy or business model specifically to address the interests and views of its stakeholders.

The Board and CMT at Kitron are informed about the views of own workforce concerning the company's sustainability-related impacts through Board meetings where employee representatives are present and employee surveys conducted.

6.2. Material impacts, risks and opportunities and their interaction with strategy and business model SMB-3

Kitron's materiality analysis has identified several key impacts, risks, and opportunities related to working conditions and equal treatment and opportunities for all.

Impacts, risk and opportunities identified as a part of the analysis relate to health and safety. A potential impact identified is that work at Kitron could lead to injuries. While Kitron has very few incidents, primarily minor injuries and no fatalities, there are potential risks associated with workplace processes that could harm employees for example if training is insufficient. Prioritizing health and safety measures can provide an opportunity reduce the risk of workplace incidents, fostering a safer and more productive work environment.

Kitron's workforce, including both permanent and temporary employees, may face challenges related to adequate wages, particularly in regions with lower wage levels or limited labour protections. Providing adequate wages is essential for attracting and retaining the necessary talent to support our operations. If Kitron fails to offer wages that reflect market standards and employee expectations, the company risks being unable to attract and retain skilled workers. This could lead to challenges in maintaining critical competence, resulting in lost revenue, reduced efficiency, and increased costs. On the other hand, by offering competitive wages and ensuring fair working conditions, Kitron can attract and retain skilled workers, maintaining critical competence and improving overall operational efficiency.

The impacts, both positive and negative, are inherently connected to Kitron's strategy and business model, as they directly involve our workforce. Our employees are crucial to delivering our services and achieving our business objectives. Therefore, the way we manage wages, working conditions, training, and safety measures is integral to our overall strategy and business model.

There are no significant risks identified that would necessitate a material adjustment to the carrying amounts of assets and liabilities reported in the related financial statements within the next annual reporting period. Kitron does not anticipate any substantial financial effects from its material risks and opportunities on its financial position relating to our own workforce.

Description of types of employees and non-employees subject to material impacts

All people in the Kitron workforce who can be materially impacted are included in the scope of our sustainability statement. Kitron's workforce comprises own employees, people provided by a third party undertaking primarily engaged in employment activities, and self-employed personnel. The workforce can be broadly categorized into direct and indirect labour.

Direct labor refers to employees, roles, or tasks that are expressly involved with the production of goods and services. This category mainly includes Kitron's own employees and people provided by a third-party undertaking.

Indirect labour encompasses overhead, support functions, sales or management roles. This category primarily consists of Kitron's own employees, with some self-employed people and, in certain instances, personnel provided by a third-party undertaking.

We acknowledge that there may be higher risks for individuals provided by third parties or self-employed personnel, as the level of information Kitron possesses about this segment of the workforce is somewhat more limited compared to our own staff.

Description of material impacts

Kitron has identified individual incidents of minor health and safety incidents relating to our own workforce. Other than minor health and safety incidents we have not identified material negative impacts. There are no indications that these impacts are widespread or systematic as there are very few accidents in general. There are some more registered incidents in Sweden, however this is primarily related to the regulation in Sweden having detailed requirements on registration of incidents.

We have not mapped all activities that may result in positive impacts for our employees. However, we do believe that by providing work opportunities and treating our employees fairly that this will lead to positive effects for our workforce. Continuous training and development of our employees ensure a highly competent workforce benefitting the workforce and Kitron. By offering competitive salaries, we aim to retain workers and have a stable and highly competent workforce.

Currently no impacts on workers as a result of transition plans for reducing negative impacts on environment and achieving greener and climate-neutral operations have been identified.

Description of material risks and opportunities arising from impacts and dependencies on own workforce

As part of our double materiality analysis, Kitron has identified impacts on own workforce, one of which is impact on health and safety for our workers. Although we have experienced very few incidents, and those that have occurred have mostly been minor injuries, this is an impact and could be a potential significant impact on our workforce if the risk was to materialize. However, we have had no fatal injuries in this reporting year. Nevertheless, health and safety remain a material risk for us due to the nature of our work. Focusing on health and safety through training also presents an opportunity for Kitron. Minimizing incidents can positively impact the number of workers needing sick leave or adjustments to their work as a result of health and safety incidents.

Another risk that was identified through our double materiality analysis was related to adequate wages. Kitron operates in different jurisdictions and geographies, with different definitions of adequate and fair wages. Some countries operate with minimum wages and others do not. As described earlier we have both permanent and temporary employees, and a potential impact identified is our permanent and/or temporary staff not receiving fair wages. This potential impact is primarily related to regions with lower wage levels or limited labor protections. We follow local legislations in all countries where we operate, and believe this is crucial to reduce the potential impact of not having adequate wages. Adequate wages that reflect market standards and employee expectation is important for us to attract and retain skilled workers. Not being able to do so would present a risk to Kitron of not maintaining critical competence, which could result in lost revenue, reduced efficiency, and increased cost in the long run.

Currently no impacts on workers as a result of transition plans for reducing negative impacts on environment and achieving greener and climate-neutral operations have been identified.

Information about operations and specific groups of people in our workforce that are at significant risk

Product manufacturing within the ICT sector is generally associated with higher risk of human rights breaches such as incidents of forced labour, compulsory labour and child labour. Risks are generally considered somewhat lower for assembly and final production than for component manufacturing. However, at Kitron we are responsible for our own locations and our operations require skilled labor which again reduces this risk. No cases of forced labour, compulsory labour or child labour has been identified at Kitron.

Kitron has manufacturing facilities in China and Malaysia. In general, these geographies are at a higher risk of incidents of forced or compulsory labour according to the Global Slavery Index. There is also a higher risk of child labour in these geographies. However, Kitron manufacturing requires skilled labour and has high requirements on technical compliance. Our factories are managed and operated by us, allowing us to control the labour practices and standards employed. There is no use of forced labor or child labour at Kitron facilities. We have a technical support center in India, also a geography in general associated with a higher risk of forced labour or compulsory labour, however the use of a highly competent workforce reduces this risk. There is no use of forced labour or child labour at Kitron's technical support center.

The term "child" refers to any person employed under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 should not perform hazardous work and may be restricted from night work with consideration given to educational needs. Kitron has had two young workers over the age of 15 who have worked on our sites during school holidays, however they have not performed work that has affected their schooling or work of a hazardous character.

The direct labour employees may be at greater risk of health and safety accidents as the risk is mainly on the production floor and they are spending most of their time there. Indirect employees might be exposed to the same risk when on the production floor, but they spend less time there and are therefore less exposed. Temporary employees may be at a greater risk given that they have less experience with the production floor compared to permanent staff.

Kitron has not identified material risks and opportunities that relate to specific groups of people rather than the workforce as a whole.

6.3. Policies related to own workforce S1-1

Kitron's Ethical Code of Conduct presents Kitron's obligation and commitment to ethical business practices and describes the standards and requirements which Kitron employees must adhere to in their work. The Ethical Code of Conduct provides a framework to ensure that Kitron complies with relevant local and international legislation, acts in accordance with internal policies and the company's values and supports the UN's initiatives on human rights, children rights and labour conventions.

Health and safety are one of our identified material impacts. The Ethical Code of Conduct outlines that we are committed to providing a safe, healthy and satisfactory workplace. Kitron follows local and international norms and relevant legislation to provide such an environment.

Adequate wages is another one of our identified material impacts. The Ethical Code of Conduct outlines that Kitron has fair employment practices where local norms, laws or collective bargaining agreements is the basic standard.

Training and skills development is identified as a risk. The Ethical Code of Conduct specifies that we value the competences our employees are in possession of and sharing of knowledge and information is an area of priority, as is on-the job development.

The CEO of Kitron, Peter Nilsson, and Chairman of the Board, Tuomo Lähdesmäki, are together accountable for the implementation of the policy together with the Ethics Committee which consists of the Chief HR Officer and members of Kitron's Corporate Management Team. The Ethical Code of Conduct is easily and publicly available to all stakeholders on Kitron's website.

During the drafting of the Ethical Code of Conduct, employee representatives on the Board were involved in setting the policy. This ensured that the interests of key stakeholders were taken into account. The Ethical Code of Conduct is accessible online on Kitron's webpage to all potentially affected stakeholders, and it is reviewed at least every other year.

We monitor the Ethical Code of Conduct through annual employee surveys, to see whether the principles are well known and understood by our employees.

Description of relevant human rights policy commitments relevant to own workforce

Kitron's Ethical Code of Conduct applies to our entire workforce, including Board members, elected officers, permanent and temporary employees, hired staff, consultants, and intermediaries acting on behalf of Kitron. This comprehensive policy addresses our common values, human rights, working environment, and business conduct (see G1).

Kitron is committed to upholding human rights across all our units by adhering to the UN's Universal Declaration on Human Rights, the UN's Convention on the Rights of the Child, and International Labour Organisation (ILO) Conventions. Our human rights commitment is also set forth in our Ethical Code of Conduct.

Our general approach to ensuring respect for human rights and labour rights for our workforce is based on our Ethical Code of Conduct. This policy sets forth the standards for the entirety of our workforce. We have whistleblowing procedures in place to address ethical issues, breaches of laws, or other concerns relating to the respect for human rights, including labour rights. All employees at Kitron are required to attend periodic training on the Ethical Code of Conduct to ensure that these values are understood and implemented.

Kitron owns its factories, equipment, and systems, which enables us to maintain high standards in respecting human and labour rights within our workforce. Additionally, we have HR departments in all locations responsible for ensuring compliance with local laws and regulations.

Disclosure of general approach in relation to engagement with people in its own workforce

Kitron has not adopted a general approach in relation to engagement with people in its own workforce, however we have some forms of employee engagement. An annual employee survey is conducted, inviting all employees to provide feedback on various aspects of the working environment at Kitron. The survey results are analysed, and action plans are developed and implemented to address identified issues and continuously improve the working environment.

In locations where trade unions and similar organisations represent our workforce, Kitron engages with these. We maintain open lines of communication to ensure that the concerns and suggestions of our employees are heard and addressed.

In addition to the annual survey, Kitron encourages regular dialogue between employees and management through various channels, such as meetings and direct feedback sessions.

Kitron ASA Board has representatives from the workforce in the Board, which is also the case in Norway, Sweden, Denmark and Lithuania. Kitron ASA Board meetings are 8 meetings a year whereas local board meetings are on average 3 meetings a year.

We will consider and assess the need to adopt a general approach in the coming year.

Remedy for human rights impacts

Kitron has not yet encountered a situation requiring the remediation of human rights impacts. We have mechanisms in place to report concerns related to human rights, such as our whistleblowing channel (described in more detail below).

Alignment of our policies with relevant internationally recognised instruments

Our Ethical Code of Conduct sets out requirements aligned with the following internationally recognised instruments:

- UN's Universal Declaration on Human Rights and the two Covenants that implement it
- The UN's Convention on Rights of the Child and International Labour Organisation Conventions (ILO conventions).

Kitron is also a UN Global Compact Signatory and supports the ten UN Global compact principles.

Trafficking in human beings, forced labour or compulsory labour and child labour

Our Ethical Code of Conduct addresses trafficking in human beings, forced labour and child labour.

Kitron opposes all forms of forced and compulsory labour. We are dedicated to ensuring that all employment practices within our organisation are voluntary and free from coercion. This commitment is integral to our efforts to uphold the dignity and rights of all employees.

Furthermore, Kitron shall not engage in or support any use of child labour. If a young worker is employed, their employment must be controlled and arranged according to legal requirements in terms of safety, work hours, and guidance. This ensures that their work does not interfere with compulsory schooling and that they are protected from exploitation and harm.

In addition to these measures, Kitron is vigilant in opposing any form of human trafficking. We are committed to maintaining a workplace that is free from exploitation and abuse.

Our Ethical Code of Conduct explicitly addresses trafficking, forced labour or compulsory labour and child labor. Our Ethical Code of Conduct serves as a guiding document for

all our operations. By adhering to these principles, Kitron ensures that we respect and protect the human rights of all individuals within our workforce.

Workplace accident prevention

Health and safety in the working environment are very important to Kitron and is to be ensured to provide a safe, healthy and satisfactory workplace. Kitron follows local and international norms and relevant legislation to provide such an environment. While Kitron does not have a common workplace accident prevention policy or management system in place for Kitron as a group, each site actively works on managing health and safety risks and preventing accidents. This decentralised approach allows each location to address specific risks and comply with local regulations effectively.

Elimination of discrimination

Kitron's Ethical code of conduct clearly states that Kitron opposes discrimination in any form, e.g. due to race, nationality, gender, sexual orientation or religion. Beyond our Ethical Code of Conduct, we have no specific policies aimed at elimination of discrimination.

Kitron's Ethical code of conduct clearly states that Kitron opposes discrimination in any form, e.g. due to race, nationality, gender, sexual orientation or religion. While our Ethical Code of Conduct may not explicitly cover every ground for discrimination, we maintain a comprehensive overview of prohibited discrimination grounds applicable to all the countries in which we operate. Our Ethical Code of Conduct stipulates that we shall comply with applicable laws and regulations, and we are committed to consider other grounds for discrimination prohibited under national legislation in all countries we operate in.

Diversity and inclusion

Kitron currently does not have specific policy commitments related to inclusion or positive action for people from groups at particular risk of vulnerability within our workforce.

Procedures for the implementation of policies

Kitron currently does not have specific procedures to implement our Ethical Code of Conduct. However, we ensure that all employees are well-informed about the policy through comprehensive training and awareness programmes. Management is dedicated to communicating the Ethical Code of Conduct effectively and providing guidance to ensure that employees understand and adhere to these standards.

The working environment in Kitron is characterized by openness, communication, and respect for the individual. Diversity, and a balanced work force in terms of gender, is recognized as strength and an advantage. Fair employment practises following local norms, laws or collective bargaining agreements is the basic standard in all Kitron entities. Kitron upholds the freedom of association and recognizes the right to collective bargaining. No form of discrimination, harassment or bullying is tolerated.

Kitron's Ethical code of conduct clearly states that Kitron opposes discrimination in any form, e.g. due to race, nationality, gender, sexual orientation or religion.

Each employee in Kitron must ensure that he or she is knowledgeable of and perform their duties in accordance with the requirements in the Kitron Ethical Code of Conduct and applicable laws and regulation.

Management must ensure that activities within its area of responsibility are carried out in accordance with the Kitron Ethical Code of Conduct. Management is also responsible for communicating the Ethical Code of Conduct and for providing guidance for the interpretation and application of the Code.

6.4. Processes for engaging with own workforce and workers' representatives about impacts S1-2

Kitron has not adopted a general approach in relation to engagement with people in its own workforce, however we have some forms of employee engagement.

We conduct an annual survey, we engage with our workforce and workers' representatives where relevant, depending on the organisational structure in different companies and locations. In some locations, there are formal forums, while in others, there are focus groups and similar arrangements. The managing director at each site is responsible for coordinating communication with workers' representatives and implementing actions. We have employee representatives on the Kitron ASA Board. We will consider and assess the need to adopt a general approach in the coming year.

6.5. Processes to remediate negative impacts and channels for own workforce to raise concerns S1-3

Kitron is committed to providing for or cooperating in remediation where we have caused or contributed to a material negative impact on people in our own workforce or workers in our value chain. Although we have not identified any material negative impact on people in our workforce for the past reporting year, we remain dedicated to addressing such issues should they arise. For further details, see S-17.

Channels to raise concerns and mechanisms for handling grievances or complaints

Kitron has established multiple channels for employees and workers in our value chain to raise concerns or needs directly with the organisation, including grievances or complaints related to employee matters. These are established by Kitron itself.

Employees can report issues to their immediate superior, the superior's superior, or an employee representative. Environmental and safety concerns can be reported to the relevant representative, HSE-manager, or company health service, while financial matters may be reported to the Finance Manager. Each site has designated contact persons, including the Managing Director, HR Manager, and the main employee representative. If necessary, employees can also report directly to the Chairman of the Group Ethics Committee or the CHRO or to the Chairman of the Audit Committee for Kitron ASA.

Kitron has a whistleblowing procedure that allows employees and workers in the value chain to voice their concerns either anonymously or directly to their leader, HR, the Kitron Ethics Committee, or the Chairman of the Risk and Audit Committee. The Ethics Committee will then follow up and conclude the case, ensuring that all reports are handled with confidentiality and integrity.

Kitron encourages the use of various collaborative forums to address and resolve concerns at the local level. Employees can always refer to their leader or HR to raise concerns, which are typically resolved through these existing forums.

Kitron supports the availability of channels to raise concerns by posting information online about our whistleblowing channels and providing training to all employees on their use.

Kitron tracks and monitors issues raised and addressed through various channels to ensure their effectiveness. Statistics on the number of cases handled by the Ethics Committee are presented annually. This regular reporting helps to evaluate the performance of our channels and ensures that concerns are being addressed appropriately and efficiently. By analysing these statistics, Kitron can identify trends, improve processes, and ensure that our commitment to ethical practices and employee well-being is upheld.

Kitron ensures that its workforce is aware of and understands the structures and processes in place to raise concerns through comprehensive onboarding training and biennial training sessions on the Kitron Ethical Code of Conduct, which includes the whistleblowing procedure. The fact that concerns are raised every year indicates a level of trust in the process. However, no formal investigation has been conducted to assess the trustworthiness of the procedure beyond this observation.

Kitron has yet to evaluate the extent to which value chain workers are informed about and have confidence in these structures and processes.

It is clearly stated in the Ethical code of conduct that Kitron will not tolerate any form of retaliation against any person who has raised an ethical or legal concern in good faith. This protection applies even if the report does not turn out to be an actual violation.

6.6. Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions S1-4

We have not yet implemented specific action plans or allocated dedicated resources to manage material impacts. We are continuously working on managing identified material risks and opportunities related to our own workforce, utilising existing resources within our budget. The approach and efforts vary across our different sites.

Kitron has no additional actions taken, planned, or underway beyond our existing measures to prevent or mitigate negative impacts on our workforce.

No material impacts necessitating remedial action have been identified. Hence, there are no actions planned or underway to mitigate material risks arising from impacts and dependencies on our own workforce, nor is there a system in place to track the effectiveness of such measures.

The results of the employee survey serve as the basis for implementing initiatives and actions aimed at delivering positive impacts on the workforce. By analysing the feedback from the survey, Kitron identifies areas for improvement to positively impact our workforce.

The process for identifying necessary and appropriate actions in response to actual or potential negative impacts on our workforce involve multiple channels. Actions may be defined by the local management team based on the employee survey results or feedback received in relevant forums or through employee representatives. Additionally, focus groups may be set up to discuss the particular actual or potential negative impact on and to identify specific actions to address any concerns or issues raised by employees.

Currently, there are no specific actions planned or underway to pursue material opportunities in relation to our workforce and Kitron has not allocated resources to the management of material impacts.

Kitron is committed to ensuring that our practices do not cause or contribute to material negative impacts on our workforce. We have established channels through which employees can voice any concerns or issues related to our practices.

Currently, no specific measures have been taken to mitigate negative impacts on workers arising from the transition to a greener, climate-neutral economy.

6.7. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S1-5

The target of zero fatalities aligns with Kitron's commitment to ensuring the health, safety, and well-being of all employees. This objective is embedded in our Ethical Code of Conduct and health and safety policies, reflecting our dedication to creating a safe working environment. The target is measurable and absolute and the scope of the target includes the totality of Kitron's workforce. The baseline value for this target is the current number of fatalities, which is zero. The baseline year is the most recent reporting year, 2024, in which zero fatalities were recorded.

The target applies indefinitely, with the goal of maintaining zero fatalities on an ongoing basis. Given the absolute nature of the target, there are no specific interim targets and our goal and target must be to achieve zero fatalities. Stakeholders have not been involved in the target setting. There was no direct involvement of the workforce or workforce representatives in setting the target or tracking performance against the target of zero fatalities. Our workforce and workforce representatives have not yet been directly engaged in identifying lessons or improvements as a result of undertakings performance.

6.8. Characteristics of the undertaking's employees S1-6

The following sections provide insights into the distribution of our employees by gender, country, employment type, and region, offering an understanding of the characteristics of Kitron's workforce. As the numbers indicate, we have some temporary staff. This is due to Kitron's commitment to being a customer-centered business, which sometimes necessitates the engagement of temporary staff to effectively meet fluctuating demand. We have a relatively balanced workforce in terms of gender distribution, although this varies across different parts of the company and regions. For instance, our manufacturing factories have traditionally employed a higher proportion of women. Nonetheless, we are committed to ensuring equal opportunities for all employees. More detailed information regarding gender-related topics, including compensation, can be found in the report on compensation and the sustainability report.

646 of our employees left the undertaking. Average number of employees 2803. Average turnover: 646/2803=23.0%

Due to lower demand in 2024 compared to 2023, initiatives to adjust the number of employees to the new demand level were undertaken. Employee data has been aggregated by local HR departments on site level and consolidated for group level. Employees are reported on headcount level and at end-of period.

In the financial statements FTE is used as it is connected to operations, but Headcount is also mentioned. To compile data, timesheet and invoices have been used. Non-employees numbers are reported in head count, and at end of period.

Table 6 1 Employee head count by gender

Gender	Number of employees (head count)
Male	1 215
Female	1 349
Other	0
Not reported	0
Total employees	2 564

Table 6 2 Employee head count in countries with at least 50 employees representing at least 10% of total number of employees

Country	Number of employees (head count)
Norway	534
Sweden	329
Lithuania	604
China	459

Table 6 3: Employee head count by type of employment.

	Male	Female	Total
Number of employees headcount	1 215	1 349	2 564
Number of permanent employees	1 071	1 198	2 269
Number of temporary employees	125	143	268
Number of non-guaranteed hours employees	19	8	27

6.9. Collective bargaining coverage and social dialogue S1-8

Sweden, Norway and Lithuania are countries with significant employment with a coverage rate of at least more than 10% of our total employees. All three countries have collective bargaining agreements. 58% of our total employees are covered by collective bargaining agreements For Norway and Sweden 100% are represented by workers' representatives. For Lithuania workplace representation is in the 0-19% bracket.

Table 6-4 Collective bargaining coverage and social dialogue in countries with significant employment in the EEA

Coverage Rate	Collective Bargaining Coverage	Social Dialogue
0-19%		Lithuania
20-39%		
40-59%		
60-79%		
80-100%	Norway, Sweden, Lithuania	Norway, Sweden

Kitron has a European workers council agreement.

6.10. Diversity Metrics S-9

Table 6 5: Gender distribution in headcount and percentage of employees at top management level

Male	Female	Total
6	1	7
85,7%	14,3%	100

Table 6 6: Distribution of employees by age.

	Headcount	Percentage
Distribution of employees under 30 years old	551	21 %
Distribution of employees between 30 and 50 years old	1 352	53 %
Distribution of employees over 50 years old	661	26 %
Total age-distribution	2 564	100 %

Top management is defined as the group corporate management team. We have used the definition of top management as one and two levels below the CMT.

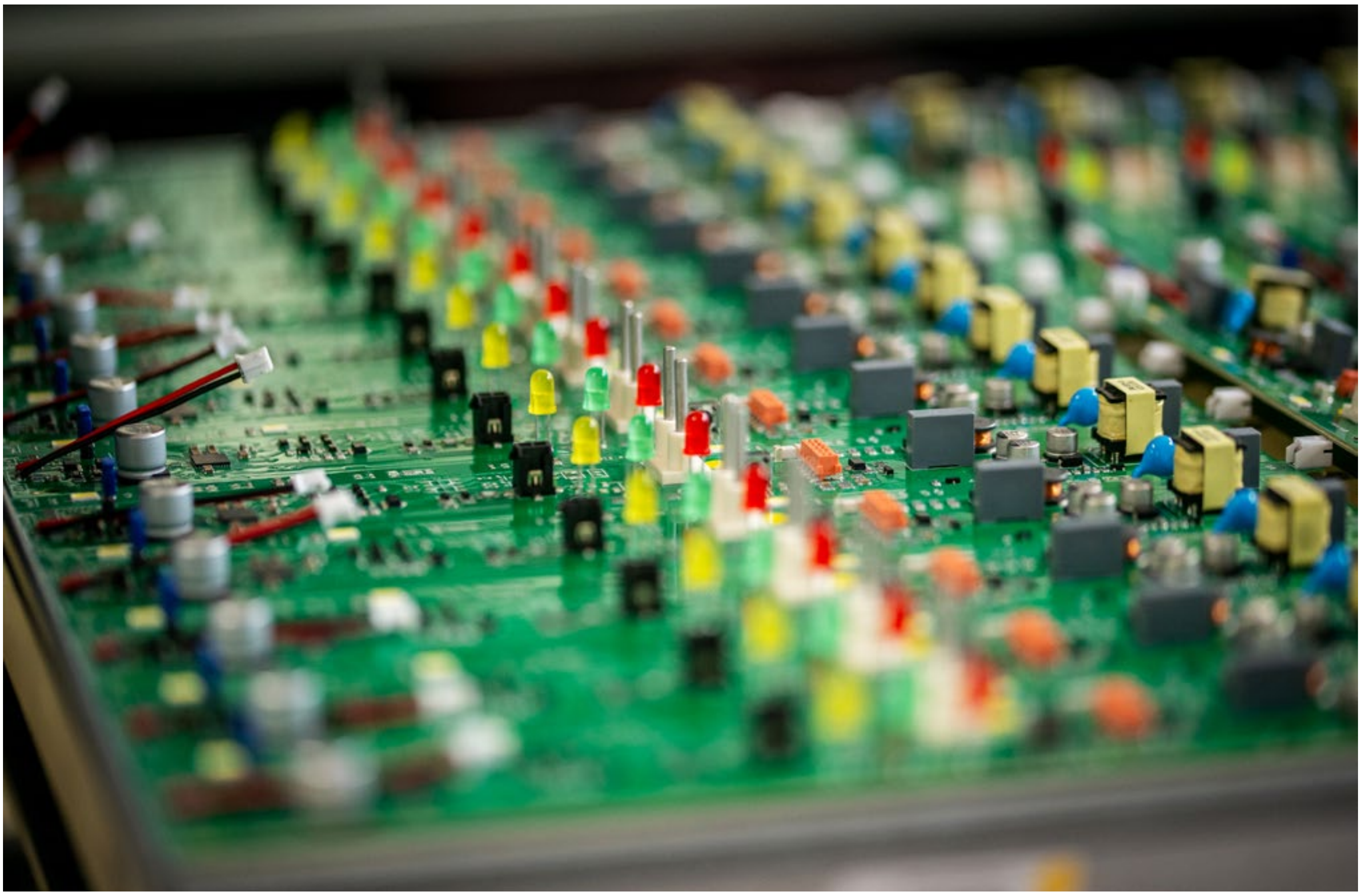
6.11. Adequate Wages S1-10

In total	100 %

Kitron has no workers being paid less than the minimum wage/adequate wage, this means all our workers are paid an adequate wage in line with applicable benchmarks

The minimum wage is the lowest wage that employers are legally obliged to pay their employees.

The lowest wage was analysed for the lowest pay category, excluding interns and apprentices. It was based on the basic wage plus any fixed additional payments that are guaranteed to all employees.



6.12. Health and safety metrics S-14

Table 6 7: Percentage of people in our workforce covered by health and safety management system

	Percentage (%) that are covered:
Number of people that are covered by the company's health and safety management system	100%

All companies have either a legal requirement and or an ISO certification for Health and Safety Managements system.

Table 6 8: Number of incidents associated with work-related injuries, ill-health and number of recordable work-related accidents

	Number of events in reporting period:
Fatalities in own workforce as result of work-related injuries and work-related ill health	0
Fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0
Recordable work-related accidents for own workforce	7

Kitron has had no fatalities. There are however 7 recordable events where the employee afterwards was unable to work for one or more days. We define work-related ill health as those cases outlined in the ILO List of Occupational Diseases. The rate of recordable work-related injuries in own work force is 1.34.

6.13. Remuneration metrics (pay gap and total remuneration) S-16

Table 6 9: Gender pay gap in KEUR annual average pay

	Male	Female
Average pay	38.6	23.6
% pay gap		39 %

The pay gap is affected by the lower number of females than men in indirect and higher positions.

Average pay male and average pay female are calculated by site. The average pay is the multiplied by headcount to get a total pay and total pay female by site. The sites total pay per site is then added to make a total payment for all male and then divided by the total number of male to get the average pay by male for the group and similar for female.

Annual total remuneration for the highest paid individual is 1181 KEUR. The sites have then given a median per site. We thereafter make an estimate on the median based on the weighted average on the median per site, by multiplying the median by headcount and then dividing the sum by the total headcount, which gives 25.2 KEUR. 1181/25.2=46.9.

Kitron employs a substantial number of employees in CEE and Asia. The company's headquarter is in Scandinavia.

6.14. Incidents, complaints and severe human rights impacts S-17

There has been one reported incident of discrimination through our whistleblowing channel, which was investigated and followed up. The investigation, handled by a third-party, found no evidence of discrimination in the filed case. Thus, there have been no work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period. This includes incidents of harassment as a specific form of discrimination.

There have been no complaints filed to the National Contact Points for OECD Multinational Enterprises.

There have been no fines, penalties, or compensation for damages as a result of incidents of discrimination, including harassment and complaints filed.

There have been no fines, penalties, or compensation for damages as a result of violations regarding work-related discrimination and harassment, and therefore no relevant amounts are presented in the financial statements.

Kitron has a system in place for reporting irregularities or concerns related to social and human rights matters, including work-related grievances, incidents, and complaints. This system was consulted to compile the data for our disclosures above.

There have been no severe human rights issues or incidents connected to our own workforce, no cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises, and no fines, penalties, or compensation for such issues.

7. S2 Workers in the value chain

7.1. Interests and views of stakeholders SMB-2

One of Kitron's key stakeholder groups includes workers within the value chain. At present, Kitron has not engaged directly with these workers.

Kitron's business model incorporates the rights of value chain workers through the implementation of our Supplier Code of Conduct. This code mandates that our suppliers respect and uphold the rights of their workers. In regions where sourcing is particularly challenging, such as areas affected by conflict minerals, we strive to minimise sourcing from these regions to the greatest extent possible.

Our business model involves delivering products to our clients, and in some cases, our clients determine the suppliers we use for production. This can both exacerbate and mitigate material impacts on value chain workers. To address these impacts, we have implemented an ethical code of conduct for our suppliers, which is an integral part of our business model.

The actual and potential impacts on value chain workers are indirectly connected to Kitron's strategy and business model. We source components that may originate from mines where human rights abuses occur. However, our Supplier Code of Conduct is specifically designed to protect the rights of these workers. This inclusion of value chain workers' rights in our Supplier Code of Conduct, along with our systematic approach to managing conflict minerals, has influenced our business model.

In the event that breaches of human rights are identified within our value chain, Kitron will inform the customer and request alternative components, enabling the termination of business relationships with non-compliant suppliers. As Kitron can only source components approved by our customers, the responsibility for the choice of suppliers and the impact on workers in the value chain is shared with our customers. Our goal is to mitigate negative impacts wherever possible, ensuring that our business practices align with our commitment to ethical conduct and the protection of human rights.

The Board of Directors has been briefed on sustainability-related impacts. However, Kitron has not engaged in any specific stakeholder dialogue with value chain workers that has been relayed to the Board or CMT.

7.2. Material impacts, risks and opportunities and their interaction with strategy and business model SMB-3

Through Kitron's materiality analysis we have identified potential negative impacts on workers in the value chain, specifically relating to forced labour, adequate wages and collective bargaining. Kitron could potentially source minerals from conflict-affected or high-risk areas where mining and production may contribute to human rights abuses such as the use of forced labour including child labour. Another impact identified is value chain workers facing challenges relating to fair wages and poor working conditions and limited right to collective bargaining, particularly in regions with weaker labor standards and enforcement. Kitron has not identified risks and opportunities in our materiality analysis when it comes to workers in the value chain.

As Kitron relies on sourcing minerals, this potential impact affects our business model. To address this, we require our suppliers to exercise due diligence on the source and chain of custody of these minerals. Additionally, we have implemented independent supplier due diligence procedures to ensure that all our suppliers meet our stringent requirements. These measures are part of our ongoing efforts to mitigate risks related to human rights abuses, such as forced labour and inadequate working conditions, within our value chain.

No financial effects have been identified from Kitron's material risks and opportunities. Kitron does not see a significant risk of a material adjustment within the next annual reporting period. Given our strategy to manage these risks and opportunities, we do not expect substantial changes in our financial position, financial performance, or cash flows within these time horizons.

All value chain workers who can be materially impacted by our undertaking, including impacts connected with our own operations and value chain, through our products or services, as well as through our business relationships, are included in the scope of our disclosures.

Description of types of value chain workers subject to material impacts, and geographies with specific risks

Workers in Kitron's upstream value chain, such as those involved in the extraction of metals or minerals, harvesting of commodities, refining, manufacturing, or processing, are subject to material impacts. This is due to the electronic component and PCB manufacturing processes, which involve raw materials like gold, silver, copper, palladium, platinum, tin, nickel, and rare earth metals. The scope of disclosure for workers in the value chain is limited to workers working for entities in the undertaking's upstream value chain (e.g., those involved in the extraction of metals or minerals or harvesting of commodities, in refining, manufacturing or other forms of processing);

The electronical component and PCB manufacturing includes raw materials such as gold, silver, copper palladium, platinum, tin, nickel and rare earth metals.

The workers in Kitron's upstream value chain in the minerals mining industry are subject to potential material impacts. This is particularly relevant due to the significant risk of child labour and forced or compulsory labour identified by the UN in the mining sector.

Mining of minerals used in electronic components and PCBs occurs in various regions worldwide. While we conduct due diligence to ensure our raw materials are conflict-free, our knowledge of the exact origins of these minerals, outside of conflict mineral areas, remains limited. The Norwegian Agency for Public and Financial Management refer to the following commodities and geographies being at significant risk of child labour or of forced or compulsory labour

- Gold: China, Australia, Russia, USA, Canada, Peru, Indonesia, Ghana and South Africa
- Tantalum: DRC, Rwanda, Brazil, Nigeria, and China.
- Tin: China, Indonesia, Myanmar, Peru, Brazil, Bolivia, and DRC.
- Tungsten (Wolfram): China, Vietnam, Mongolia, and Russia.

Material impacts

Kitron recognises the potential for material negative impacts within our value chain, although we currently have no information indicating that such impacts have occurred. Potential risks include sourcing raw materials from regions where child labour and forced labour are prevalent. Value chain workers may face challenges related to fair wages and working conditions as well as the right to organize, especially in regions with weaker labour standards or enforcement that Kitron source from.

Material risks and opportunities

Kitron has not identified any material risks or opportunities arising from impacts and dependencies on value chain workers at this time.

Kitron has not conducted an analysis to understand how workers with particular characteristics, those working in specific contexts, or those undertaking particular activities may be at greater risk of harm. However, we have gained an understanding that mining of minerals is an area where there is a greater risk of harm to workers in the value chain.

Kitron has not identified any material risks or opportunities arising from impacts and dependencies that relate to specific groups of value chain workers, such as particular age groups or workers in a specific factory or country.

7.3. Policies related to value chain workers S2-1

The Kitron Supplier Code of Conduct outlines requirements for labour rights, health and safety, environmental practices, and anti-corruption measures. It includes standards for freely chosen employment, child labour avoidance, working hours, wages and benefits, humane treatment, non-discrimination, freedom of association, occupational safety, emergency preparedness, pollution prevention, and business integrity.

The policy applies to all suppliers and their sub-contractors engaged in Kitron's supply chain. Suppliers must comply with applicable legislation, rules, and regulations in the countries where they operate.

The policy supports the UN's Universal Declaration of Human Rights and requires suppliers to ensure they are not complicit in human rights abuses.

The policy relates to several of the material impacts identified in our double materiality analysis. Kitron could potentially source materials from conflict-affected or high-risk areas, where mining and production may contribute to human rights abuses or unethical practices. Our policy addresses the responsible sourcing of minerals, and have requirements for suppliers that they shall have policies related to responsible sourcing as well as exercising due diligence on source and chain of custody of minerals. Due diligence measures should be made available to Kitron by request.

Another impact identified is that workers in the value chain may face challenges related to fair wages, adequate working conditions, and the right to organize. The policy addresses labour rights, including working hours, wages and benefits and freedom of association.

The policy considers the interests of key stakeholders such as upstream value chain workers by promoting fair labour practices, safe working conditions, environmental sustainability, and ethical business conduct. Its aim is to ensure that value chain workers' rights are respected and that suppliers adhere to high standards of integrity and transparency.

The Supplier Code of Conduct is communicated to all appropriate employees, suppliers, and sub-contractors engaged in the supply chain. Suppliers are expected to ensure their sub-contractors comply with the policy and provide means for employees to report non-compliance confidentially.

The Supplier Code of Conduct is accessible online on Kitron's webpage to all potentially affected stakeholders.

The supplier code of conduct is approved by the Board of Kitron ASA. Within the CMT, the supply chain is overseen by the COO and the Supply Chain Director for group supply agreements.

Description of relevant human rights policy commitments relevant to value chain workers

Kitron Supplier code of conduct states that in all activities, Kitron's suppliers must comply with applicable legislation, rules and regulations in the countries in which they operate. If any legislation, rules or regulations are in conflict with the Kitron Supplier Code of Conduct, the highest standard shall be applied.

The suppliers are expected to support the UN's Universal Declaration of Human rights and ensure that they are not complicit in human rights abuse.

General approach in relation to respect for human rights relevant to value chain workers

Kitron's Code of Conduct and Supplier Code of Conduct outline our expectations for suppliers regarding the respect for human rights. Suppliers are required to comply with applicable legislation, rules, and regulations in the countries where they operate. In cases where local legislation conflicts with the Kitron Supplier Code of Conduct, the highest standard shall be applied. Suppliers are also expected to support the UN's Universal Declaration of Human Rights and ensure that they are not complicit in human rights abuses.

To ensure adherence to these commitments, suppliers must maintain appropriate records to demonstrate conformance with the requirements of the Supplier Code of Conduct. In the event of an audit to verify compliance, Kitron personnel, Kitron's customers, or Kitron consultants shall have access to the relevant records and any part of the premises where work under the contract is being performed, including subcontractors' suppliers' premises. This rigorous approach ensures that our suppliers uphold the highest standards of human rights and ethical practices throughout the value chain.

Engagement with value chain workers

Kitron does not engage directly with value chain workers or their representatives. However, value chain workers can engage with Kitron if they need to report irregularities or concerns. These reports will be handled thoroughly by Kitron to ensure that any issues are addressed appropriately.

Measures to provide and (or) enable remedy for human rights impacts

Kitron is committed to upholding human rights across all operations and our supply chain. We will disengage with any supplier found to be violating our human rights guidelines and are dedicated to providing or cooperating in remediation where appropriate. Although we have not yet encountered a situation requiring remediation, we have mechanisms in place, such as our whistleblowing channel, to report and address concerns. We are committed to investigating and resolving any human rights issues that may arise, ensuring a responsible and ethical business environment.

Policies addressing trafficking in human beings, forced labour or compulsory labour and child labour

The suppliers are expected to support the UN's Universal Declaration of Human rights and ensure that they are not complicit in human rights abuse. This is addressed in our Ethical Code of Conduct and in our Supplier Code of Conduct.

Forced, bonded or indentured labour or involuntary prison labour is not to be used. All work must be voluntary, and workers should be free to leave upon reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits as a condition of employment.

Child labour is not to be used in any stage of manufacturing. The term "child" refers to any person employed under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 should not perform hazardous work and may be restricted from night work with consideration given to educational needs.

Our supplier code of conduct does not explicitly address trafficking in human beings.

However, the suppliers are expected to support the UN's Universal Declaration of Human rights and ensure that they are not complicit in human rights abuse.

Supplier code of conduct

Kitron has a supplier Code of Conduct that applies to both our suppliers and sub-suppliers.

Alignment of our policies with relevant internationally recognised instruments

Our policies are aligned with the UN's Universal Declaration of Human Rights. Our policies are not aligned with the United Nations (UN) Guiding Principles on Business and Human Rights. We have not received any reports of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving value chain workers in our upstream and downstream value chain.

7.4. Processes for engaging with value chain workers about impacts S2-2

Kitron does not engage directly with value chain workers or their representatives. However, we have established mechanisms to ensure that these workers have the opportunity to report any irregularities and concerns.

Through our whistleblowing channel, value chain workers can confidentially raise issues related to their working conditions, human rights, and other ethical concerns without fear of retaliation.

7.5. Processes to remediate negative impacts and channels for value chain workers to raise concerns S2-3

Our process to remediate negative impacts and channels to raise concerns are identical to those open to our own workforce. See S1-3.

7.6. Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions S2-4

No specific action plans or resources have been allocated to address material impacts, risks and opportunities related to value chain workers.

There are currently no specific actions planned or underway to prevent, mitigate, or remediate material negative impacts on value chain workers, we have implemented a robust Supplier Code of Conduct. This code is designed to uphold high standards of ethical behaviour and to prevent any negative impacts on workers.

No actual material impacts for value chain workers have been identified at Kitron. However, we are committed to provide for or cooperate to enable remedy where relevant.

Kitron has no additional initiatives or processes specifically aimed at delivering positive impacts for value chain workers. Consequently, we do not assess or track effectiveness beyond addressing irregularities or concerns brought to our attention.

Description of approach to taking action in relation to specific material negative impacts on value chain workers

We have identified specific material negative impacts in our double materiality assessment, this is described under 7.2.

Our general approach to taking action when it comes to workers in the value chain is related to our supplier management processes. At Kitron, we perform supplier due diligence to ensure new suppliers meet our quality and ethical standards. This process involves a three-step procedure: supplier onboarding, supplier assessment, and supplier audits. These steps help us identify and assess potential material negative impacts on value chain workers, ensuring compliance with our Ethical and Supplier Codes of Conduct.

Kitron affects the workers in the value chain directly through our purchasing, supplier selection, and quality management processes, as well as indirectly through our business relationships and our approach to specific material negative impacts is closely intertwined with our purchasing practices. This includes our work on responsible sourcing of minerals and our Preferred Partner program.

We have identified that Kitron potentially could source from conflict-affected areas or high-risk areas. Conflict minerals are natural resources extracted in conflict zones and sold to perpetuate fighting. The most commonly identified conflict minerals are tin, tantalum, tungsten, and gold, often referred to as 3TG12. These minerals are often mined under conditions of armed conflict and human rights abuses, particularly in the Democratic Republic of Congo (DRC) and surrounding regions.

Kitron secures responsible sourcing by continuously tracking the source of the 3TG12 content in raw materials and strive to be conflict-free. Conflict-free ensures that the minerals used do not contribute to human rights abuses or armed conflict. We have processes in place to mitigate these identified potential impacts such as requirements to our suppliers that they shall exercise due diligence on the source and chain of custody of these minerals as well as making their due diligence measures available on request.

Kitron production inputs can be divided into three parts: electronic components, mechanical drawing parts and PCB (Printed Circuit Boards), and the inputs are with few exceptions sourced and produced in different regions of the world. See table below for procurement of these inputs from our Preferred Partners Program.

Table 7 1: Share of procurement from preferred partners.

Input	Procured from Preferred Partners (in value) 2024
Mechanical drawing parts	15 percent
Electronic components	52 percent
Printed Circuit Boards (PCBs)	52 percent

Processes to provide or enable remedy in event of material negative impacts

We will provide for and cooperate in enabling remedy where relevant. We have available channels where value chain workers can raise their concerns, this information is available online. Since we have not encountered material negative impacts to date, we have not yet assessed the effectiveness of these processes. We will investigate any concerns relating to material negative impact and based on investigations and stakeholder involvement provide or enable remedy if deemed relevant and appropriate.

Actions to mitigate material risks arising from impacts and dependencies on value chain workers, or to pursue material opportunities
Currently, no specific actions are planned or underway to mitigate material risks arising from impacts and dependencies on value chain workers. Consequently, there is no tracking of effectiveness in this area.

No specific actions are planned or underway to pursue material opportunities in relation to value chain workers.

How Kitron ensures that own practices do not cause or contribute to material negative impacts on value chain workers
Kitron ensures that our practices do not cause or contribute to material negative impacts on value chain workers by adhering to applicable laws and regulations and by respecting human rights. We are committed to acting in a socially responsible manner across all aspects of our value chain.

Kitron's business activities and internal operations are conducted with a high level of integrity and with a clear ambition to be a socially responsible company. To support this commitment, Kitron has established policies, including our Ethical Code of Conduct and Supplier Code of Conduct. These documents outline our expectations for ethical behaviour and compliance with human rights standards, also relevant for value chain workers.

Furthermore, workers in the value chain are encouraged to report any concerns or irregularities if they experience that Kitron's practices cause or contribute to negative impacts. By maintaining these standards and providing mechanisms for reporting and addressing concerns, Kitron strives to prevent any material negative impacts on value chain workers and to uphold our commitment to ethical and responsible business practices.

Severe human rights issues and incidents connected to upstream and downstream value chain, and resources allocated to management of material impacts
No severe human rights issues or incidents connected to our upstream and downstream value chain have been brought to our attention. No specific resources have been allocated to the management of material impacts.

7.7. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S2-5

Kitron has not set targets related to managing material negative impacts, advancing positive impacts, or managing material risks and opportunities. Consequently, we have not engaged with value chain workers, their legitimate representatives, or credible proxies on this matter.

8. G1 Governance

8.1. Material impacts, risks and opportunities and their interaction with strategy and business model ESRS2 SBBM-3

Kitron has identified corruption and bribery as a material negative and potential impact as a result of our materiality analysis. Corruption and bribery can occur within Kitron's supply chain, and impact negatively through economic inequality, undermine local governments, and weaken socio-economic development in the region where we operate.

A risk to Kitron is that employees fail to follow our ethical standards, which include the prohibition of corruption and bribery. This can lead to reputational damage in relation to Kitron's business conduct. Another risk identified through our materiality analysis is if Kitron employees bribed a public official, as this could lead to fines or loss of permits to operate in some jurisdictions.

There are no significant effects unless the identified risks materialise. However, Kitron plans to make some changes to its procedures for the prevention and detection of corruption and bribery.

There are no cases of material risks that currently influence Kitron's financial position, financial performance, or cash flows. Additionally, there are no material risks or opportunities that pose a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

Kitron does not anticipate any large financial effects on its financial position, financial performance, or cash flows over the short-, medium-, and long-term due to its material risks and opportunities. Given its strategy to manage risks and opportunities, Kitron does not expect significant changes in its financial position, financial performance, or cash flows over these time horizons. Furthermore, Kitron does not have any substantial investment plans, major acquisitions, divestments, joint ventures, business transformations, innovations, new business areas, or asset retirements planned. There are also no planned sources of funding to implement its strategy that would significantly impact its financial outlook.

8.2. Policies in place to manage its material impacts, risks and opportunities related to business conduct and corporate culture [MDR-P] G1-1

Kitron has three policies that are in place to manage material impacts, risks and opportunities related to business conduct and corporate culture, namely:

- Kitron's Ethical Code of Conduct (See S1)
- Kitron's Supplier Code of Conduct (See S2)
- Kitron's Anti-Corruption Policy

Our Anti-Corruption policy outlines our commitment to preventing corruption in our business activities. The policy includes the ethical standards and legal requirements that employees must adhere to, the roles and responsibilities of the Ethical Committee and Corporate Management Team (CMT), risk analysis and monitoring procedures, types of corruption, relationships with suppliers and other counterparties, transaction and record-keeping requirements, and training protocols.

The policy applies to all Kitron employees and individuals working for Kitron. It covers various aspects of corruption, including bribery of public officials, public sector bribery, and facilitation payments. The policy excludes facilitation payments only in situations where there is a serious medical or safety emergency, requiring approval from a manager or the Ethical Committee.

The most senior level accountable for the implementation of the policy is the CMT, which reports to the Board of Directors. The head of the Ethical Committee, which reports to the CMT, is also responsible for drafting reports on corruption risks and recommended actions.

The policy does not adhere to specific Third-Party Standards or Initiatives through the implementation of the policy, however the policy refers to Kitron's Ethical Code of Conduct which obliges Kitron and our employees to ethical business practices.

The policy considers interests of key stakeholders such as employees and individuals working for Kitron. In addition, the policy considers relationships with suppliers, intermediaries, partners and other counterparties.

The Anti-Corruption Policy is available online on Kitron's website to all, including potentially affected stakeholders.

How Kitron establishes, develops, promotes and evaluates corporate culture

All new Kitron employees shall go through ethical guidelines at onboarding in Kitron academy. This training is repeated every other year. Kitron has established a leadership program to promote and develop Kitron values and leadership values. In the annual performance review, the employee and the leader discuss the adherence to the leadership values which also contributes to the development of our corporate culture and where input from employees are used to evaluate corporate culture. Kitron conducts an annual employee survey which is used as input to evaluate our corporate culture.

Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour

Kitron has implemented a whistleblowing procedure for reporting of unlawful behaviour or behaviour in contradiction of its code of conduct or similar internal rules but several reporting ways are possible. The whistleblowing channel is open to both internal and external stakeholders. Concerns reported through these channels are investigated thoroughly. The process for investigations is outlined in our routines for whistleblowing. The investigation process includes gathering relevant information and interviewing involved parties.

Consistency of Kitron's Anti-Corruption Policy with United Nations Convention against Corruption

While Kitron has an Anti-Corruption Policy in place, it has not been verified for alignment with the United Nations Convention against Corruption and there are currently no plans to make adjustments to the policy for this purpose.

Safeguards for reporting irregularities including whistleblowing protection

Kitron has established robust mechanisms to protect whistleblowers, ensuring that ethical issues or potential breaches of laws are reported and addressed appropriately. The following details outline the internal whistleblower reporting channels and measures to protect against retaliation:

Kitron has set up comprehensive internal whistleblower reporting channels to facilitate the reporting of ethical concerns and potential legal breaches. Employees are encouraged to report any concerns to their immediate superior or the superior's superior. Alternatively, they can report to an employee representative. For specific issues, such as environmental matters or workplace safety, reports can be directed to the relevant representative, HSE-manager, or the company health service. Financial matters may be reported to the Finance Manager.

Each Kitron site has designated contact persons for reporting concerns, including the Managing Director, HR Manager, and the main employee representative (collectively referred to as the "Reporting Contact"). If employees do not receive an appropriate response or feel uncomfortable reporting through these channels, they can escalate the report to the Reporting Contact.

Employees have the option to report directly to the Chairman of the Group Ethics Committee, the Chief HR Officer (CHRO) via email, or the Chairman of the Audit Committee for Kitron ASA. This ensures that employees have multiple avenues to report concerns. Kitron allows for anonymous reporting, although open reporting is encouraged to facilitate a more expedient resolution of the matter. All reports, whether anonymous or not, are taken seriously and handled with confidentiality.

All Kitron personnel are required to attend periodic training on the Ethical Code of Conduct, which includes detailed information on how to report irregularities and concerns. This training ensures that employees are well-informed about the reporting channels and procedures.

Kitron has implemented measures to protect whistleblowers from retaliation. This entails that Kitron strictly prohibits any form of retaliation against individuals who report ethical or legal concerns in good faith both in our Ethical Code of Conduct and in our Procedure for Whistleblowing. This protection is extended even if the report does not result in an actual violation. Kitron's commitment to non-retaliation ensures that employees can report concerns without fear of adverse consequences. When a report of irregularities or concern is received we pay particular attention to that the whistleblower is not subject to unfair treatment when it comes to work tasks, involvement in different processes, determination of wages and working conditions. Furthermore, we pay particular attention to that the whistleblower is not bullied, freezed out or harassed or accused of being the whistleblower.

Investigation of business conduct incidents

Kitron has furthermore established procedures to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently, and objectively. These procedures are detailed in the Whistleblowing Routines, which provides clear guidelines to ensure consistency and fairness throughout the investigation process. Kitron has no procedures to investigate business conduct incidents other than our Whistleblowing Routine.

Policy for training within organisation on business conduct

Kitron has no formal policy for training within the organisation on business conduct. However, all new Kitron employees are required to go through ethical guidelines training during their onboarding at the Kitron Academy. This training offers a detailed walkthrough of the ethical guidelines. This training is repeated every other year to ensure continuous adherence to ethical standards. Additionally, Kitron has established a leadership program to promote Kitron's values and leadership principles for all leaders with personnel responsibility, ensuring that these values are consistently upheld throughout the organisation. Leadership with personnel responsibility is the target audience for the leadership program.

Functions that are most at risk in respect of corruption and bribery

The functions most at risk in respect of corruption and bribery within Kitron include employees within sales, sourcing, and finance, as well as those in leadership positions. These roles are particularly exposed to potential ethical challenges and therefore require stringent adherence to the company's anti-corruption policies and regular training to mitigate risks.

8.3. Management of relationships with suppliers G1-2

Policy to prevent late payments, especially to SMEs

Kitron's general policy is that debt should be paid when it is due, this includes SMEs. In the monthly report discussed with the CMT, outstanding payments are visualised and explained. We follow up on late supplier payments in every financial reporting to the Board.

Relationship with suppliers and how social and environmental criteria are taken into account for selection of Kitron's contractual partners

At Kitron, we use the highest standards in the selection of our suppliers. Our main promise to any customer is that we want to be their long-term, sustainable partner. While the products and services we deliver are required to meet the highest quality requirements, we are fully committed to sustainable development, and we expect the same from our suppliers. Kitron's goal is to minimise negative environmental and social impacts from our supply chain. We expect our suppliers to adhere to all applicable laws and regulations, and to the highest ethical standards defined in the Ethical Code of Conduct and Supplier Code of Conduct. Our Supplier Code of Conduct is an integrated part of the commercial contract with suppliers.

Conflict mineral compliance is also an integral part of our Supplier Code of Conduct, and we expect our suppliers to have policies to ensure that tantalum, tin, tungsten and gold don't directly or indirectly finance, or benefit armed groups that are perpetrating serious breaches of human rights. Suppliers should exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available on request. Kitron is subject to legislations related to conflict minerals such as the Dodd-Frank Act, and we work to promote traceability of these minerals and of the supply chain in general.

New suppliers undergo a rigorous onboarding process, including a Request for Information (RFI) and supply chain and technical operational procedures define the supplier and manufacturer risk assessment to be performed. For conflict minerals technical data sheets related to content of minerals are reviewed as a part of the risk assessment and to identify conflict minerals. All records of conflict minerals reports are maintained in our ERP system to enable compliance status on product level. Existing suppliers are regularly assessed using a supplier scorecard and risk assessment, and those identified as high-risk are subject to audits and follow-up actions to ensure compliance with Kitron's standards. This supplier process also ensures that social and environmental criteria are taken into account.

All suppliers are to be evaluated on Kitron's requirements before onboarding to ensure that new suppliers meet requirements in Kitron's quality system related to conflict minerals, restriction of hazardous substances, registration, evaluation, authorization and restriction of chemicals. We also perform risk assessments yearly for all suppliers to verify that they continue to meet Kitron's requirements, including environmental and social requirements. If suppliers don't meet requirements we perform supplier audits and write a development plan.

8.4. Prevention and detection of corruption and bribery G1-3

Kitron is committed to maintaining high standards of integrity and ethical conduct in all our business activities. As part of this commitment, Kitron has established an Anti-corruption Policy which is available at our website. As outlined in our policy we regularly assess exposure to external and internal risk of corruption, this is how we reduce our overall exposure to corruption-related risks. Based on this risk assessment the head of the Ethical Committee drafts a report, with input from the business, to be submitted to the Kitron CMT and the Board. The report includes a description of identified corruption risks faced and recommendations to mitigate each identified risk. In addition to this general risk assessment, we have implemented controls, such as follow-up of action lists from corruption risk assessment, review of due diligence reports of counterparts, review of training log and review of internal transactions. Kitron has procedures in place for segregation of duties regarding outgoing payments and a “two eyes” requirement for changes to supplier payment details.

All of these elements are in place to prevent, detect and address allegations or incidents of corruption and bribery. Potential allegations of fraud or incidents of corruption or bribery are handled by The Ethics Committee.

Procedures to prevent, detect, and address allegations or incidents of corruption or bribery

Currently, the investigators or investigating committee are not separate from the chain of management involved in the prevention and detection of corruption or bribery and there is no established process for reporting outcomes of investigations to CMT and Board. However, we are committed to improving our efforts in the prevention and detection of corruption and bribery within the next two years. To accurately address this issue, we plan to seek external advice and implement appropriate procedures.

Our Anti-Corruption policy is communicated through training and is additionally easily accessible online on Kitron’s website. Kitron has made no distinction based on who the policies are particularly relevant for, as a consequence there is no specific training for specific groups.

Training programs on anti-corruption and anti-bribery

Kitron ensures that all employees including management receive periodic training in our ethical guidelines, which includes anti-corruption training and anti-bribery training, to understand and implement the company’s ethical values and policies. All new Kitron employees go through ethical guidelines onboarding in Kitron Academy. This training offers a detailed walkthrough of the ethical guidelines. The training in our Ethical Code of Conduct is repeated every other year for all employees. Additionally, Kitron has established a leadership program to promote Kitron values and leadership values, which includes our ethical commitment. While the Kitron Board does not participate in the training sessions, they are required to acknowledge that they have read and understood the Kitron Ethical Guidelines by signing a declaration.

Employees in high-risk roles, such as sourcing and procurement, undergo in-depth training to address specific corruption risks. These training programs are regularly updated to keep all personnel informed of the latest anti[1] corruption practices and standards. Kitron has not identified specific functions-at-risk beyond employees in sourcing and procurement. 92.5% of 80 in high risk positions have completed their training. Within the next two years we will identify these functions and monitor coverage in our training programs.

8.5. Incidents of corruption or bribery G1-4

Kitron has had no convictions or fines for violations of anti-corruption and anti-bribery laws during the reporting period. No specific action plans or resources have been allocated to address breaches in procedures related to corruption and bribery.

9. Appendix

9.1. List of datapoints in cross-cutting and topical standards that derive from other EU legislation ESRS 2 IRO-2

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (Y) / not material (N)	Page nr. in report*
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		Y	7
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Y	5
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Y	10
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	N	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (Y) / not material (N)	Page nr. in report*
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		N	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		N	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Y	
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Y	33
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Y	33
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Y	34
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Y	34
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	N	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (Y) / not material (N)	Page nr. in report*
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			N	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			N	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		N	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				N	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				N	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				N	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				N	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				N	
ESRS E3-4: Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				N	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (Y) / not material (N)	Page nr. in report*
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				N	
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				N	
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				N	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				N	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				N	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				N	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Y	46
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Y	46
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Y	49
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Y	49
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Y	52
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Y	52
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Y	52
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Y	52

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (Y) / not material (N)	Page nr. in report*
ESRS S1-3 Grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Y	56
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Y	62
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				N	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				N	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Y	63
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Y	63
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Y	66
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Y	67
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Y	67
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Y	67
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Y	67

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (Y) / not material (N)	Page nr. in report*
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				N	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				N	
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		N	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				N	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				N	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		N	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				N	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Y	74
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Y	74
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Y	80
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)						

9.2. Thresholds used to determine impact materiality IRO-2

Severity	Likelihood	Material for reporting	Score	Watch-list
1	1	No	LOW	-
2	1	No	LOW	-
3	1	No	MEDIUM	-
4	1	No	MEDIUM	-
5	1	Yes	HIGH	-
1	2	No	LOW	-
2	2	No	LOW	-
3	2	No	MEDIUM	-
4	2	Yes	HIGH	-
5	2	Yes	HIGH	-
1	3	No	LOW	-
2	3	No	MEDIUM	-
3	3	No	MEDIUM	-
4	3	Yes	HIGH	-
5	3	Yes	HIGH	-
1	4	No	MEDIUM	-
2	4	No	MEDIUM	-
3	4	Yes	HIGH	-
4	4	Yes	HIGH	-
5	4	Yes	HIGH	-
1	5	No	MEDIUM	-
2	5	Yes	HIGH	-
3	5	Yes	HIGH	-
4	5	Yes	HIGH	-
5	5	Yes	HIGH	-

9.3. Thresholds used to determine financial materiality IRO-2

Magnitude	Likelihood	Material for reporting	Score
1	1	No	LOW
2	1	No	LOW
3	1	No	MEDIUM
4	1	No	MEDIUM
5	1	Yes	HIGH
1	2	No	LOW
2	2	No	LOW
3	2	No	MEDIUM
4	2	Yes	HIGH
5	2	Yes	HIGH
1	3	No	LOW
2	3	No	MEDIUM
3	3	No	MEDIUM
4	3	Yes	HIGH
5	3	Yes	HIGH
1	4	No	MEDIUM
2	4	No	MEDIUM
3	4	Yes	HIGH
4	4	Yes	HIGH
5	4	Yes	HIGH
1	5	No	MEDIUM
2	5	Yes	HIGH
3	5	Yes	HIGH
4	5	Yes	HIGH
5	5	Yes	HIGH

Board signatures

Oslo, 20 March 2025

Tuomo Lähdesmäki Chairman	**Maalfrid Brath** Deputy Chairman	**Michael Lundgaard Thomsen** Board Member	**Gyrid Skalleberg Ingerø** Board Member	**Petra Grandinson** Board Member
Tone Aas Employee Elected Board Member	**Henriette Stene** Employee Elected Board Member	**Jarle Larsen** Employee Elected Board Member	**Peter Nilsson** CEO of Kitron ASA	

Consolidated financial statements

Consolidated income statement

EUR million	Note	2024	2023
Revenue			
Revenues	5, 6	**647.2**	775.2
Operating costs			
Cost of materials	16	**432.8**	528.3
Payroll expenses	8,19,23,27,29	**115.5**	122.4
Depreciation and impairments	12,13,14	**18.7**	17.6
Other operating expenses		**32.2**	37.2
Total operating costs		**599.2**	**705.6**
Other gains/(losses)	7	**0.1**	1.1
Operating profit/(loss)		**48.0**	70.7
Financial income and expenses			
Finance income	9	**6.4**	8.4
Finance expenses	9	**(14.6)**	(14.4)
Net financial items		**(8.2)**	**(6.0)**
Profit/(loss) before tax		**39.9**	64.7
Tax	10	**11.9**	13.7
Net profit/(loss)		**28.0**	51.1
Allocation			
Shareholders		**28.0**	51.1

Earnings per share for that part of the net profit/(loss) allocated to the company's shareholders (EUR per share)

Basic earnings per share	11	**0.14**	0.26
Diluted earnings per share	11	**0.14**	0.26

The notes on pages 84 to 122 are an integral part of the consolidated financial statement.

Consolidated statement of comprehensive income

EUR million	2024	2023
Net profit/(loss)	**28.0**	51.1
Other comprehensive income:		
Items that will not be reclassified to profit and loss		
Actuarial gain / losses pensions	**0.0**	0.0
	0.0	0.0
Items that may be subsequently reclassified to profit and loss		
Gain / losses forward contract	**0.0**	(0.1)
Gains of hedging	**2.7**	2.8
Exchange differences on translation	**(1.5)**	(4.7)
	1.1	(2.0)
Total other comprehensive income	**1.1**	(2.0)
Total comprehensive income	**29.1**	49.0

Items in the statement above are disclosed net of tax. See note 10.

Allocation		
Shareholders	**29.1**	49.0

The notes on pages 84 to 122 are an integral part of the consolidated financial statement.

Consolidated balance sheet

EUR million	Note	31.12.2024	31.12.2023
Assets			
Non-current assets			
Goodwill	13	**44.4**	44.8
Intangible assets	14	**26.3**	27.2
Property, plant and equipment	12	**47.2**	47.8
Right of use assets	12	**27.9**	26.9
Deferred tax assets	22	**7.1**	6.2
Other receivables	15	**0.9**	0.9
Total non-current assets		**153.8**	153.9
Current assets			
Inventory	16	**141.4**	166.4
Accounts receivable	15	**124.1**	131.3
Contract assets	15	**77.6**	77.9
Other receivables	15	**10.4**	12.2
Cash and cash equivalents	17	**48.7**	39.0
Total current assets		**402.2**	426.9
Total assets		**556.0**	580.8

Consolidated balance sheet (continued)

EUR million	Note	31.12.2024	31.12.2023
Equity and liabilities			
Equity			
Equity attributable to owner of the parent			
Share capital	18	**1.9**	1.9
Share premium reserve	18	**75.4**	75.4
Equity unrecognised in the profit and loss		**0.0**	0.2
Retained earnings		**121.6**	106.0
Total equity		**198.9**	183.5
Liabilities			
Non-current liabilities			
Deferred tax liabilities	22	**8.6**	5.4
Interest bearing debt	21, 26	**108.2**	113.3
Pension commitments	23	**0.4**	0.5
Other liabilities		**1.0**	1.1
Total non-current liabilities		**118.2**	120.3
Current liabilities			
Accounts payable	20	**155.1**	181.9
Other payables	20, 27	**27.6**	33.8
Tax payable		**2.1**	6.3
Interest bearing debt	21, 26	**54.0**	55.1
Total current liabilities		**238.8**	277.1
Total liabilities		**357.1**	397.3
Total liabilities and equity		**556.0**	580.8

The notes on pages 84 to 122 are an integral part of the consolidated financial statement.

Oslo, 20 March 2025

Tuomo Lähdesmäki
Chairman

Maalfrid Brath
Deputy Chairman

Michael Lundgaard Thomsen
Board Member

Gyrid Skalleberg Ingerø
Board Member

Petra Grandinson
Board Member

Tone Aas
Employee Elected Board Member

Henriette Stene
Employee Elected Board Member

Jarle Larsen
Employee Elected Board Member

Peter Nilsson
CEO of Kitron ASA

Consolidated statement of changes in equity

	Equity attributable to owner of the parent						
EUR million	Share capital	Share premium reserve	Actuarial gains and losses	Exchange gains/losses unrecognised in the profit and loss	Other equity unrecognised in the profit and loss	Retained earnings	Total
Equity at 1 January 2023	**1.9**	**75.4**	**(1.0)**	**3.8**	**(0.5)**	**63.7**	**143.3**
Net profit						51.1	51.1
Paid dividends						(8.4)	(8.4)
Issue of ordinary shares	0.0						0.0
Termination of options against cash consideration					(1.2)		(1.2)
Effect from option cost					0.7		0.7
Other comprehensive income			0.0	(2.0)	0.0		(2.0)
Equity at 31 December 2023	**1.9**	**75.4**	**(1.0)**	**1.8**	**(0.9)**	**106.0**	**183.5**
Equity at 1 January 2024	**1.9**	**75.4**	**(1.0)**	**1.8**	**(0.9)**	**106.0**	**183.5**
Net profit						28.0	28.0
Paid dividends						(12.8)	(12.8)
Issue of ordinary shares	0.0						0.0
Termination of options against cash consideration					(1.2)		(1.2)
Effect from option cost					0.4		0.4
Other comprehensive income			0.0	1.7	(0.6)		1.1
Equity at 31 December 2024	**1.9**	**75.4**	**(1.1)**	**3.5**	**(2.3)**	**121.6**	**198.9**

The notes on pages 84 to 122 are an integral part of the consolidated financial statement.

Consolidated statement of cash flow

EUR million	Note	2024	2023
Cash flows from operating activities			
Cash flow from operations	25	**62.9**	77.1
Interest received		**4.7**	5.1
Interest paid		**(11.5)**	(12.4)
Income taxes paid		**(12.5)**	(10.8)
Net cash (outflow) from operating activities		**43.7**	59.0
Cash flows from investing activities			
Paid for tangible fixed assets	12	**(7.8)**	(15.8)
Proceeds from sale of tangible fixed assets		**-**	0.2
Paid for intangible assets	14	**(1.5)**	(0.6)
FX on Investing Activities		**0.7**	-
Net cash (outflow) from investing activities		**(8.6)**	(16.3)
Cash flows from financing activities			
Proceeds from issuing ordinary shares		**0.0**	0.0
Proceeds from new loans	25	**8.8**	8.7
Bank overdraft	25	**(3.0)**	(0.9)
Repayment of loans	25	**(10.4)**	(10.4)
Repayment lease debt		**(13.0)**	(8.6)
Dividends paid		**(12.8)**	(8.4)
Factoring	25	**4.4**	(9.9)
FX on financing activities		**(1.2)**	0.1
Net cash (outflow) from financing activities		**(27.2)**	(29.5)
Change in cash and cash equivalents		**7.9**	13.3
Cash and cash equivalents at 1 January	17	**39.0**	25.9
Exchange gains (losses) on cash and cash equivalents		**1.8**	(0.2)
Cash and cash equivalents at 31 December		**48.7**	39.0

The notes on pages 84 to 122 are an integral part of the consolidated financial statement.

Notes to the consolidated financial statements

Note 1 - General Information

Kitron ASA and its subsidiaries (the group) comprise one of Scandinavia's leading enterprises in the development, industrialisation and manufacturing of electronics for the Connectivity, Electrification, Industry, Medical devices and Defence/ Aerospace sectors. The group has operations in Norway, Sweden, Denmark, Lithuania, Germany, Poland, Czech Republic, India, China, Malaysia and the US. Kitron ASA has its head office at Billingstad outside Oslo in Norway and is listed on the Oslo Stock Exchange. The consolidated accounts were considered and approved by the company's board of directors on 20 March 2025.

Note 2 - Basis of preparation, consolidation and segment reporting

The most significant accounting principles applied in the preparation of the consolidated financial statements are detailed below or in relevant notes. These principles have been applied uniformly in all the periods unless otherwise stated.

Basis for preparation

The consolidated financial statements of Kitron ASA have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU. The consolidated financial statements have been prepared under the historical cost convention except for financial assets and liabilities (including derivative instruments) measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4. The consolidated financial statements are prepared based on a going concern assumption.

Changes in accounting policy and disclosures

New standards and interpretations adopted by the company and other changes in accounting policies

The Group implemented the following amendments for the first time for its annual reporting period commencing 1 January 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' - classification of liabilities as current or non-current and non-current liabilities with covenants

Implementing these amendments to IAS 1 did not result in any changes to the classification of any liabilities. Additional information concerning the Group's covenants has been disclosed. See note 21 for further details.

New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Basis for consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Segment reporting

The Corporate management (Chief Operating Decision Maker) has evaluated that the group operates in only one segment; Electronics Manufacturing Services (EMS). There is therefore no separate segment reporting in Kitron. Kitron's long term strategy has communicated targets for revenue growth, EBIT and ROOC. These long-term targets are broken down into annual budgets.

Translation of foreign currencies

Functional and presentation currencies

The accounts of the individual units are compiled in the principal currency used in the economic area in which the unit operates (the functional currency). The consolidated accounts are presented in EUR. The functional- and the presentation currency for the parent company is NOK.

Transaction and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Group companies

The income statements and balance sheets for group units (none of which are affected by hyperinflation) in functional currencies which differ from the presentation currency are translated as follows:

- The balance sheet is translated at the closing exchange rate on the balance sheet date
- The income statement is translated at the average exchange rate
- Translation differences are recognised in OCI and specified separately
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate

Note 3 - Financial risk

The company is exposed through its business to a number of financial risks. The corporate routines for risk management focus on the unpredictability of the financial markets, and endeavour to minimise potential negative effects arising from the company's financial dispositions.

Market risk

Currency risk: the group is exposed to changes in foreign exchange rates because a significant share of the group's goods and services are sold in such currencies. At the same time raw material are bought in foreign currency and the operating costs in foreign group entities are in local currency. To reduce the currency risk the company's standard contracts include currency clauses which allow the company to adjust the price when the actual exchange rate differs significantly from the agreed base rate. The group has not established other significant currency hedge arrangements over and above its standard contracts with customers. The most significant foreign currencies are NOK, SEK, EUR and USD. The group has significant investments in foreign operations whose net assets are exposed to foreign currency translation risk in DKK, SEK, EUR, USD, PLN, CZK and RMB.

At 31 December, if the EUR currency had weakened/strengthened by 1 per cent against the USD with all other variables held constant, post–tax profit for the year would have been EUR 0.4 million (2023: EUR 0.1 million) higher/ lower, mainly as a result of foreign exchange gains/losses on translation of US dollar denominated bank deposits, trade receivables and debt.

At 31 December, if the EUR currency had weakened/strengthened by 1 per cent against the NOK with all other variables held constant, post–tax profit for the year would have been EUR 0.3 million (2023: EUR 0.4 million) higher/ lower, mainly as a result of foreign exchange gains/losses on translation of NOK denominated bank deposits, trade receivables and debt.

At 31 December if the EUR currency had weakened/strengthened by 1 percent against the SEK with all other variables held constant, post-tax profit for the year would have been EUR 0.2 million (2023: EUR 0.1 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of SEK denominated bank deposit, trade receivables and dept.

Price risk: the company is exposed to price risk both because raw materials follow international market prices for electronic and mechanical components and because the company's goods and services are subject to price pressures. Routines have been established for procurement by the company's own sourcing organisation, which negotiates group contracts. The sourcing function allows Kitron to achieve improved material prices.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, accounts receivables and contract assets. The major part of accounts receivable are credit insured in all geographical areas. Kitron accordingly bears credit risk only for accounts receivable which are not insured. The company has routines to ensure that uninsured sales on credit are made only to creditworthy customers.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants on any of its borrowing facilities.

Kitron's financing is primarily short-term and based on factoring finance for accounts receivable. This means that fluctuations in turnover affect the company's liquidity. In addition, drawing facilities have been established in banks which counteract the liquidity fluctuations related to turnover.

The table below shows the group's financial loans including interest in relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date.

Periods to maturity of financial liabilities including interest (undiscounted numbers):

EUR million	Less than one year	Between one and two years	Between two and five years	More than five years
As at 31 December 2024				
Bank overdraft	10.4	-	-	-
Leasing	7.3	7.3	11.0	-
Factoring debt	28.1	-	-	-
Bank loans	11.0	11.0	2.8	80.8
Trade and other payables	139.4	-	-	-
Total	**196.2**	**18.3**	**13.8**	**80.8**
As at 31 December 2023				
Bank overdraft	11.0	-	-	-
Leasing	10.1	10.1	8.0	-
Factoring debt	23.4	-	-	-
Bank loans	11.0	11.0	13.8	75.4
Trade and other payables	173.3	-	-	-
Total	**228.9**	**21.1**	**21.8**	**75.4**

Interest rate risk

The group's interest rate risk arises mainly from short-term borrowings (factoring debt and bank overdraft) and long-term bank debt. The group's borrowings are mainly with variable rates which expose the group to cash flow interest rate risk.

Interest on the group's interest-bearing debt is charged at the relevant market rate prevailing at any given time (mainly one-month interbank offered rate – Nibor, Stibor, or Libor as the case may be – plus the agreed interest margin). There will not occur any gain/loss on the balance sheet amounts in case interest rates are increased or lowered. At 31 December 2024, if interest rate on NOK borrowings had been 1 percentage points higher/lower during the year with all other variables held constant, post-tax profit for the year would have been EUR 0.9 million (2023: EUR 0.8 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. At 31 December 2024, if interest rate on borrowings in other currency had been 1 percentage points higher/lower during the year with all other variables held constant, post-tax profit for the year would have been EUR 0.7 million (2023: EUR 0.9 million) lower/higher. External financing for the group's operational companies takes place in the functional currency. No interest rate instruments have been established in the group. The group does not have significant interest-bearing assets, so that its income and cash flow from operational activities are not significantly exposed to changes in the market interest rate.

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The gearing ratios at 31 December 2024 and 2023 were as follows:

EUR million	2024	2023
Total borrowings (note 21)	**162.2**	168.3
Cash and cash equivalents (note 17)	**(48.7)**	(39.0)
Net debt	**113.5**	129.4
Total equity	**198.9**	183.5
Total capital	**312.4**	312.9
Gearing ratio	**36 %**	41 %

Note 4 - Significant accounting judgements, estimates and assumptions

Estimates and discretionary assessments are based on historical experience and other factors, including expectations of future events that are considered likely under present conditions. The group prepares estimates and makes assumptions about the future.

Accounting estimates derived from these will by definition seldom accord fully with the outcome. Estimates and assumptions which represent a substantial risk for significant changes in the carrying amount of assets and liabilities during the coming fiscal year are discussed below.

Deferred tax assets

The group performs annual tests for impairment of deferred tax assets. Part of the basis for recognising deferred tax assets are based on applying the loss carried forward against future taxable income in the group. This requires the use of estimates for calculating future taxable income. See note 22 for details.

Impairment testing of goodwill

The group performs annual tests to assess the value of goodwill. The recoverable amount from cash generating units is determined based on present-value calculations of expected annual cash flows. These calculations require the use of estimates for cash flows and the choice of discount rate before tax for discounting the cash flows. Additional information is disclosed in note 13.

Note 5 - Geographical breakdown of revenues and assets

The revenues come from sales of goods and services in the fields of development, industrialization and production to customers involved in Connectivity, Defence/Aerospace, Electrification, Industry and Medical devices.

Revenues by line of business

The table shows the EMS turnover by industry:

EUR million	2024	2023
Connectivity	**121.3**	140.4
Electrification	**179.1**	245.1
Industry	**150.6**	211.1
Medical devices	**59.6**	66.7
Defence/Aerospace	**136.6**	111.8
Total sales	**647.2**	775.2

Geographical breakdown revenues

The geographical distribution is based on countries where the different customers are located.

EUR million	2024	2023
Norway	**109.6**	100.7
Sweden	**237.7**	278.4
Rest of Europe	**234.9**	303.7
USA	**44.7**	73.9
Other	**20.3**	18.5
Total sales	**647.2**	775.2

The largest customer counts for 9.5 % (8.1 %) of sales, the second largest counts for 8.7 % (5.1 %), the third largest counts for 5.4 % and the others are below 4.1 % (4.8 %) each.

Geographical breakdown of assets

	Norway		Sweden		Denmark	
EUR million	2024	2023	2024	2023	2024	2023
Assets	**12.7**	9.1	**11.7**	6.0	**25.9**	28.1

	Lituania		Poland		Germany	
EUR million	2024	2023	2024	2023	2024	2023
Assets	**8.9**	10.1	**16.0**	22.1	**0.0**	0.0

	Czech Republic		China		USA	
EUR million	2024	2023	2024	2023	2024	2023
Assets	**11.5**	11.2	**6.7**	7.2	**4.1**	4.6

	India		Malaysia	
EUR million	2024	2023	2024	2023
Assets	**0.1**	0.1	**3.7**	3.3

Included in assets under geographical segment is property, plant and equipment, intangible and right-of-use assets excluding deferred tax asset and goodwill.

Note 6 - Revenues

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Sales of goods

The group manufactures and sells electronics that are embedded in the customer's own products as well as box-build electronic products in the EMS market. The products are manufactured based on the customer's specifications and quality standards, and the group does not own the intellectual property of the products. Sales are recognized based on estimated percentage of completion for the relevant contracts going forward as control is transferred to the customer over time. This is determined based on the actual cost relative to the total expected cost. The purchase price agreed between the parties is fixed and specified for each good or service provided. The customer is obligated to pay a minimum fee based on the order status if the order is cancelled.

Some contracts include multiple deliverables, such as test development, engineering change orders and production. These are accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. In fixed-price contracts, the customer pays the fixed unit amount based on a payment schedule. If the goods/services rendered by the group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

Sales of services

Sales of services embrace development assignments and services related to industrialisation. Service deliveries are partly project based and partly hourly based. Sales of project-based services are recognised in the period in which the services are rendered, based on the degree of completion of the relevant project. The degree of completion is determined by measuring the services provided as a proportion of the total services to be rendered. Hourly-based services are recognised in the period when the service is rendered.

Revenues consist of

EUR million	2024	2023
Revenues from contracts with customers	**647.2**	775.2
Total revenues	**647.2**	**775.2**

Timing of revenue recognition

EUR million	2024	2023
Revenues from contracts with customers, over time *)	**647.2**	**775.2**

*) Sale of services are in 2024 approximately 4 % (2023: 2-4 %)

Note 7 - Other gains / (losses)

EUR million	2024	2023
Currency gains	**7.4**	11.1
Currency losses	**(7.3)**	(10.0)
Other gains/(losses)	**0.1**	**1.1**

Other gains/(losses) consist of currency effects related to operations.

Note 8 - Employee benefits

EUR million	2024	2023
Payroll	**92.3**	97.5
Payroll tax	**15.6**	15.6
Net pension costs defined benefit plans (note 23)	**0.0**	0.0
Pension costs defined contribution plans	**5.9**	5.4
Share-based payment consideration	**0.6**	0.7
Other remuneration	**1.1**	3.4
Total	**115.5**	122.4
Average number of man-years (including hired-ins)	**2 707**	3 112
Average number of employees	**2 816**	2 671

Note 9 - Financial income and expenses

Interest on bank deposits is recognised in the period when it is earned.

EUR million	2024	2023
Interest income	**4.7**	4.9
Other financial income	**0.0**	0.2
Foreign currency gains related to borrowings, cash and cash equivalents	**1.7**	3.3
Finance income	**6.4**	8.4
Interest expenses	**(13.1)**	(13.3)
Other financial expenses	**(1.5)**	(1.1)
Finance expenses	**(14.6)**	(14.4)
Net financial items	**(8.2)**	(6.0)

Note 10 - Income tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

EUR million	2024	2023
Tax payable	**8.4**	12.5
Deferred tax (Note 22)	**3.5**	1.2
Income tax expense	**11.9**	13.7

The tax on the group's profit before tax differs from the theoretical amount that would arise using the domestic tax rate applicable to profits of the consolidated entities as follows:

EUR million	2024	2023
Ordinary profit before tax	**39.9**	64.7
Tax calculated at the domestic rate (22%)	**8.8**	14.2
Expenses not deducible for tax purposes	**0.8**	0.1
Effect of tax exemption	**0.0**	(1.2)
Tax loss for which no deferred income tax asset was recognised	**1.6**	0.6
Other adjustments	**0.6**	0.3
Effect on different tax rates in countries in which the group operates	**0.1**	(0.3)
Tax cost	**11.9**	13.7

The income tax expense is calculated using the domestic tax rate.

The tax rate is 22.0 % in Norway, 20.6 % in Sweden, 22.0 % in Denmark, 15.0 % in Lithuania, 25.0 % in China, 19.0 % in the Czech Republic, 16.5 % in Hong Kong, 30.9 % in USA, 19.0 % in Poland, 15.0 % in Germany, Malaysia 24.0 % and India 25.0 %

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	2024			2023		
EUR million	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Actuarial gain / (losses) pensions	**(0.1)**	**0.0**	**(0.0)**	(0.0)	0.0	(0.0)
Gains/ losses forward contract	**0.0**	**(0.0)**	**0.0**	(0.1)	0.0	(0.1)
Gains of hedging	**3.4**	**(0.7)**	**2.7**	3.2	(0.4)	2.8
Exchange differences on translation	**(1.9)**	**0.4**	**(1.5)**	(5.1)	0.1	(5.0)
Other comprehensive income	**1.4**	**(0.3)**	**1.1**	(1.8)	(0.5)	(2.0)
Current tax		**-**			-	
Deferred tax		**0.3**			0.5	

Note 11 - Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year. The company has no own shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has one category, which is share options, of dilutive potential ordinary shares. A calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to share options. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options. (note 19).

EUR million	2024	2023
Profit attributable to equity holders of the company	**28.0**	51.1
Profit used to determine basic and diluted earnings per share	**28.0**	51.1
Weighted average number of ordinary shares in issue (thousands)	**198 618**	197 992
Adjusted for share options (thousands)	**1 384**	2 008
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**200 002**	200 000
Basic earnings per share (EUR)	**0.14**	0.26
Diluted earnings per share (EUR)	**0.14**	0.26

Note 12 - Property, plant and equipment

Tangible fixed assets primarily embrace buildings and land, machinery, equipment, and fixtures and fittings. Tangible fixed assets are stated at historical cost less accumulated depreciation and impairments. They are recognised in the balance sheet and depreciated on a straight-line basis to their residual value over their expected useful life, which is:

- Buildings: 20-33 years
- Machinery and operating equipment: 3-10 years

Land is not depreciated. Right-of-use assets consist of buildings, machinery and equipment accounted for in accordance with IFRS 16. See more info under “The group’s leasing activities and how they are accounted for” later in note 26 “Leases”.

EUR million	Machinery and equipment	Buildings and land	Right-of-use assets	Total
At 1 January 2023				
Acquisition cost	125.0	27.8	37.1	**189.9**
Accumulated depreciation/impairment	(105.0)	(13.5)	(12.8)	**(131.4)**
Accounting carrying amount	20.0	14.3	24.2	**58.5**
Opening balance	20.0	14.3	24.2	**58.5**
Currency translation adjustment	(0.9)	(0.4)	(0.2)	**(1.5)**
Additions	19.0	3.9	9.9	**32.8**
Reclassification	0.9	-	(0.9)	**-**
Disposals	(0.4)	(0.0)	0.0	**(0.4)**
Depreciation	(7.0)	(1.5)	(6.2)	**(14.7)**
Closing balance	31.6	16.2	26.9	**74.7**
Acquisition cost	143.7	31.2	46.0	**220.8**
Accumulated depreciation/impairment	(112.0)	(15.0)	(19.1)	**(146.1)**
Accounting carrying amount	31.6	16.2	26.9	**74.7**
At 1 January 2024				
Acquisition cost	143.7	31.2	46.0	**220.8**
Accumulated depreciation/impairment	(112.0)	(15.0)	(19.1)	**(146.1)**
Accounting carrying amount	31.6	16.2	26.9	**74.7**
Opening balance	31.6	16.2	26.9	74.7
Currency translation adjustment	0.4	0.0	0.0	0.4
Additions	7.0	0.8	8.3	16.1
Reclassification	0.6	(0.0)	(0.6)	(0.0)
Disposals	(0.3)	-	(0.1)	(0.4)
Depreciation	(7.7)	(1.5)	(6.6)	(15.8)
Closing balance	**31.7**	**15.5**	**27.9**	**75.1**
Acquisition cost	151.4	32.1	53.6	**237.0**
Accumulated depreciation/impairment	(119.7)	(16.6)	(25.6)	**(161.9)**
Accounting carrying amount	31.7	15.5	27.9	**75.1**

Note 13 - Goodwill

Goodwill is the difference between the sum of the consideration paid, non-controlling interests recognised and previously held interests at fair value for the acquisition of a business and the fair value of the acquiree's net identifiable assets at the acquisition date. Goodwill is tested annually for impairment and recognised in the balance sheet at its acquisition cost less impairment charges. Impairment losses on goodwill are not reversed. The goodwill is allocated to relevant cash generating units at the time of the acquisition. The allocation is made to those cash-generating units or groups of such units which are expected to benefit from the acquisition. The group allocates goodwill to cash generating units in each country in which it operates.

EUR million	Goodwill
At 1 January 2023	
Acquisition cost	**45.4**
Accumulated impairment charge	**(0.4)**
Accounting carrying amount	**45.0**
Fiscal 2023	
Opening balance	**45.0**
Conversion differences	**(0.2)**
Closing balance	**44.8**
At 31 December 2023	
Acquisition cost	**45.2**
Accumulated impairment charge	**(0.4)**
Accounting carrying amount	**44.8**
Fiscal 2024	
Opening balance	**44.8**
Conversion differences	**(0.4)**
Closing balance	**44.4**
At 31 December 2024	
Acquisition cost	**44.8**
Accumulated impairment charge	**(0.4)**
Accounting carrying amount	**44.4**

The company's cash-generating units are identified by country.

EUR million	2024	2023
Norway	**0.1**	0.1
Sweden	**0.3**	0.3
Denmark	**39.2**	39.5
Czech Republic	**1.8**	1.8
Lithuania	**1.9**	1.9
Germany	**0.2**	0.2
USA	**1.0**	1.0
Total	**44.4**	44.8

The recoverable amount for a cash-generating unit is based on a calculation of value in use.

The following table sets out the key assumptions for those cash-generating units that have significant goodwill allocated to them:

	2024	2023
	Denmark	Denmark
Growth rate in the forecast period	2.0 %	2.0 %
Long-term growth rate	2.0 %	2.0 %
Budgeted EBIT-margin	5.7 %	6.0 %
Growth in other expenses in the forecast period	2.0 %	2.0 %
Discount rate	23.6 %	23.6 %

Assumption	Approach used to determining values
Growth rate in the forecast period	Average annual growth rate over the five-year forecast period is 2% and is based on expected inflation on a long term basis.
Long-term growth rate	The growth rate does not exceed the long-term growth rates of the market in which the business operates and is determined to be 2% per year.
Budgeted gross margin	Based on past performance and management's expectations for the future.
Growth in other expenses in the forecast period	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures.
Discount rate	Discount rate is based on the WACC model and converted to pre-tax numbers. The discount rate is in accordance with the discount rate that followed from the purchase price in the transaction and divided into the asset categories based on a judgement of risikiness of each asset.

Impairment charge
The present value of goodwill is estimated well above the carrying amount. There is a substantial buffer before goodwill is in a impairment scenario.

Impact of possible changes in key assumptions
The directors and management have considered and assessed reasonably possible changes for the key assumptions and have not identified any instances that could cause the carrying amount of the Danish cash-generating unit to exceed its recoverable amount.

For the other cash-generating units the cash flow assumption is based on financial budgets approved by the company's board. These calculations are based on growth assumptions which correspond with industry expectations of growth in the EMS market in the coming years and no significant changes in margins. The calculated values are also sustainable against write offs due to a fair change in assumptions. The calculations are based on cash flows for the next three years and a residual value for future earnings.

Note 14 - Intangible assets

Customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Computer software is depreciated on a straight-line basis to their residual value over their expected useful life, which is 7 years.

EUR million	System software	Other intangible assets	Customer contracts	Total
At 1 January 2023				
Acquisition cost	11.2	2.8	26.4	**40.4**
Accumulated depreciation	(7.8)	(0.5)	(1.7)	**(10.1)**
Accounting carrying amount	3.4	2.3	24.6	**30.3**
Fiscal 2023				
Opening balance	3.4	2.3	24.6	**30.3**
Currency translation adjustment	(0.8)	(0.0)	(0.0)	**(0.8)**
Additions	0.5	0.0	0.0	**0.6**
Disposals	(0.1)	-	-	**(0.1)**
Depreciation	(0.7)	(0.3)	(1.8)	**(2.8)**
Closing balance	2.4	2.0	22.9	**27.2**
At 31 December 2023				
Acquisition cost	10.9	2.9	26.4	**40.2**
Accumulated depreciation	(8.6)	(0.9)	(3.5)	**(12.9)**
Accounting carrying amount	2.4	2.0	22.9	**27.2**
Fiscal 2024				
Opening balance	2.4	2.0	22.9	**27.2**
Currency translation adjustment	(0.2)	-	-	**(0.2)**
Additions	2.0	0.1	-	**2.1**
Disposals	(0.1)	-	-	**(0.1)**
Depreciation	(0.6)	(0.1)	(2.1)	**(2.7)**
Closing balance	3.5	2.0	20.8	**26.3**
At 31 December 2024				
Acquisition cost	12.6	2.9	26.4	**41.9**
Accumulated depreciation	(9.2)	(0.9)	(5.6)	**(15.6)**
Accounting carrying amount	3.5	2.0	20.8	**26.3**

Additions to System Software in 2024 refers to various software updates, managed by the central IT department in Kitron ASA. It will be depreciated over 5-7 years.

Note 15 - Accounts receivable and other receivables

Accounts receivable are recognised initially at fair value and subsequently measured at fair value less loss allowance. Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30- 120 days and therefore are all classified as current.

For part of the accounts receivable the group has recourse factoring, and the credit risk remains with the group.

To measure the expected credit losses, accounts receivable and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the accounts receivable for the same types of contracts. The group has therefore concluded that the expected loss rates for accounts receivable are a reasonable approximation of the loss rates for the contract assets.

Accounts receivable and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on accounts receivable and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

EUR million	2024	2023
Accounts receivable	**124.4**	131.7
Provision for bad debts	**(0.3)**	(0.4)
Accounts receivable - net	**124.1**	131.3

EUR million	2024	2023
Vat Receivables	3.6	4.0
Accrued income	1.2	2.3
Accrued expenses	0.9	0.9
Earned, non-invoiced income	0.7	0.2
Prepaid expenses	1.4	1.6
Others	**2.6**	3.1
Other current receivables	**10.4**	12.2

Fair value of accounts receivable and other receivables:

EUR million	2024	2023
Accounts receivable - net	**124.1**	131.3
Accounts receivable - net	**124.1**	131.3

For other current receivables, the carrying amount is virtually identical with the fair value.

As of 31 December 2024 accounts receivables of EUR 23.3 million (2023: EUR 15.6 million) were past due. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows::

EUR million	2024	2023
Not past due	**100.8**	115.8
Past due 1-30 days	**18.7**	13.7
Past due 31-60 days	**2.9**	0.9
Past due 61-90 days	**0.4**	0.4
Past due > 90 days	**1.3**	0.5
Total	**124.1**	131.3

As of 31 December 2024 EUR 0.3 milion of trade receivables were impaired and provided for (2023: EUR 0.4 million).

The carrying amount of the group's trade and other receivables are denominated in the following currencies:

EUR million	2024	2023
EUR	**47.2**	55.1
USD	**34.6**	44.3
SEK	**14.2**	15.6
NOK	**22.6**	15.0
CNY	**6.1**	5.5
DKK	**6.2**	7.7
CZK	**0.4**	0.2
MYR	**0.2**	0.0
PLN	**3.2**	0.1
Total	**134.6**	143.6

Movements on the group provision for impairment of trade receivables are as follows:

EUR million	2024	2023
Provision at 1 January	**(0.4)**	0.0
Provision for trade receivables	**(0.1)**	(0.4)
Receivables written off during the year as uncollectable	**0.2**	0.0
Provision at 31 December	**(0.3)**	(0.4)

The creation and release of provision for impaired receivables have been included in other operating expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. The group does not hold any collateral as security. However, the group has credit insurance that reduces the credit risk on account receivables. See note 3.

EUR 0.1 million impairment charge was recognised in the profit and loss account for the year (2023: EUR 0.4 million). Impairment charge is assessed based on historical losses and expected credit losses. See note 3.

No special concentration of accounts receivable exists which poses an abnormal credit risk. EUR 62.4 million (2023: EUR 44.5 million) of the accounts receivable and other receivables at 31 December 2024 were provided as security, see note 21.

Contract assets

The group has recognised assets related to contract with customers. No increase in loss allowance in 2024 (2023 EUR 0.0 million).

EUR million	2024	2023
Contract assets	**77.6**	77.9
Loss allowance	**0.0**	0.0
Contract assets - net	**77.6**	77.9

Note 16 - Inventories

Inventory comprises purchased raw materials and semi-finished products. It is stated at the lower of average acquisition cost and net realisable value. Cost is determined using the weighted average method. Finished goods and work in progress are included in contract assets, ref note 15.

EUR million	2024	2023
Raw materials and purchased semi-manufactures	**141.4**	166.4
Total inventory	**141.4**	166.4

For obsolete goods there was recognised a P&L charge of EUR 0.6 million for 2024 (2023 EUR 4.1 million). The accumulated provision for impairment in the balance sheet was EUR 8.6 million for 2024 (2023 EUR 10.6 million). As the majority of the inventory is tailored materials and held for particular customer's products, there are agreements in place that compensate for obsolescence for tailored materials. These agreements have been taken into consideration when measuring the obsolescence reserve for the inventory.

Note 17 - Cash and cash equivalents

Cash and cash equivalents include cash and deposits in bank accounts.

EUR million	2024	2023
Cash and cash equivalents	48.7	39.0

Cash and cash equivalents in the cash flow statement comprise:

EUR million	2024	2023
Cash and cash equivalents	**48.7**	39.0
Overdraft drawn down (Note 21)	**(9.8)**	(12.8)
Total	**38.9**	26.1

EUR million	2024	2023
Bank overdraft facilities 31 December	**32.9**	34.1
Net drawn on overdraft facilities 31 December	**(9.8)**	(12.8)
Locked-in bank deposits 31 December		
Security for employee specific purposes	**0.1**	0.0
Total	**0.1**	0.0

Kitron ASA has established a group account agreement with the company's main bank. This encompasses Kitron ASA and Norwegian, Swedish, Danish, German, Polish and US subsidiaries.

Note 18 - Share capital and premium reserve

The share capital comprises the number of shares multiplied by their nominal value and are classified as equity. Expenses which can be attributed directly to the issue of new shares or options (less tax) are recognised in equity as a reduction in the proceeds received.

Share capital and share premium reserve

EUR million	Number of shares (thousands)	Share capital	Premium reserve	Total
At 1 January 2023	197 691	1.9	75.4	77.3
Issue of new shares	526	0.0	0.0	0.0
At 31 December 2023	198 217	1.9	75.4	77.3
At 1 January 2024	198 217	1.9	75.4	77.3
Issue of new shares	700	0.0	0.0	0.0
At 31 December 2024	**198 917**	**1.9**	**75.4**	**77.3**

Shares and shareholder information

The company’s share capital at 31 December 2024 comprised 198 917 161 shares with a nominal value of NOK 0.10 each. Each share carries one vote. There were 10 344 shareholders at 31 December 2024 (31 December 2023: 10 558 shareholders).

The 20 largest shareholders in Kitron ASA at 31 December 2024:

Shareholder	Number	Percentage
FOLKETRYGDFONDET	19 974 202	10.04 %
VERDIPAPIRFOND ODIN NORGE	14 238 775	7.16 %
MP PENSJON PK	9 681 628	4.87 %
VEVLEN GÅRD AS	9 000 000	4.52 %
Avanza Bank AB [1)]	5 896 357	2.96 %
State Street Bank and Trust Comp	5 766 595	2.90 %
J.P. Morgan SE	5 482 734	2.76 %
VERDIPAPIRFONDET HOLBERG NORGE	4 800 000	2.41 %
VJ INVEST AS	4 600 000	2.31 %
BNP Paribas	4 344 915	2.18 %
The Bank of New York Mellon SA/NV	4 000 000	2.01 %
VARNER EQUITIES AS	2 850 000	1.43 %
VERDIPAPIRFONDET DNB SMB	2 743 690	1.38 %
The Bank of New York Mellon SA/NV	2 490 703	1.25 %
VERDIPAPIRFONDET FONDSFINANS NORGE	2 390 744	1.20 %
VERDIPAPIRFONDET KLP AKSJENORGE IN	2 288 306	1.15 %
State Street Bank and Trust Comp	2 199 916	1.11 %
CACEIS Bank	1 929 684	0.97 %
Nordnet Bank AB	1 811 310	0.91 %
VPF FONDSFINANS NORDEN	1 800 000	0.90 %
Total 20 largest shareholders	**108 289 559**	54.44 %
Total other shareholders	90 627 602	45.56 %
Total outstanding shares	**198 917 161**	100.00 %

1) Beneficial owner: CEO Peter Nilsson 2 184 027 shares (1,10 per cent)

Authorization to the Board to issue shares

Authorization to strengthen equity and incentive schemes

The ordinary general meeting of 25 April 2024 authorized the board of directors of Kitron ASA to increase the share capital in accordance with the Norwegian Public Limited Liability Companies Act section 10-14 on the following conditions:

1. The share capital may, in one or more rounds, in total be increased with up to NOK 1,982,171.34
2. The Board of Directors may not use the authorization if the total increase of the share capital approved by the Board of Directors in accordance with this authorization together with the use of other authorizations to issue shares, in the period for the authroization in item 3, exceeds NOK 3,964,342.68.
3. The authorization shall be valid until the Annual General Meeting in 2025, but no later than 30 June 2025.
4. The shareholders' pre-emptive rights according to the Norwegian Public Limited Liability Companies Act section 10-4 may be set aside.
5. The authorization is not intended for use to facilitate or obstruct the success of a take-over bid where Kitron is the target company.
6. The authorization encompasses share capital increase by contribution in any kind and the right to incur Kitron ASA with special obligations according to the Norwegian Public Limited Liability Companies Act section 10-2.
7. The authorization encompasses resolutions on merger according to the Norwegian Public Limited Liability Companies Act section 13-5.
8. The authorization is limited to encompass capital requirements or issuance of consideration shares in relation to strengthening of Kitron ASA's equity, joint ventures or joint business operations, remuneration to members of the Board of Directors of Kitron ASA, incentive schemes, and acquisition of property and business within Kitron ASA's purpose
9. The Board of Directors is authorized to decide other terms and conditions of the subscription and is authorized to amend the articles of association as implied by the use of this authorization.
10. This authorization replaces any previously granted authorizations for the Board of Directors to increase the share capital.

Strategic authorization

The ordinary general meeting of 25 April 2024 authorized the board of directors of Kitron ASA to increase the share capital in accordance with the Norwegian Public Limited Liability Companies Act section 10-14 on the following conditions:

1. The share capital may, in one or more rounds, in total be increased with up to NOK 3,964,342.68.
2. The Board of Directors may not use the authorization if the total increase of the share capital approved by the Board of Directors in accordance with this authorization together with the use of other authorizations to issue shares, in the period for the authorization in item 3, exceeds NOK 3,964,342.68.
3. The authorization shall be valid until the Annual General Meeting in 2025, but no later than 30 June 2025.
4. The shareholders' pre-emptive rights according to the Norwegian Public Limited Liability Companies Act section 10-4 may be set aside.
5. The authorization is not intended for use to facilitate or obstruct the success of a take-over bid where Kitron is the target company.
6. The authorization encompasses share capital increase by contribution in any kind and the right to incur Kitron ASA with special obligations according to the Norwegian Public Limited Liability Companies Act section 10-2.
7. The authorization encompasses resolutions on merger according to the Norwegian Public Limited Liability Companies Act section 13-5.
8. The authorization is limited to include strengthening of Kitron ASA's equity and issuing of consideration shares in connection with acquisition of other companies or enterprises within Kitron ASA's purpose.
9. The Board of Directors is authorized to decide other terms and conditions of the subscription and is authorized to amend the articles of association as implied by the use of this authorization.

Authorization to the Board to buy own shares

The ordinary general meeting on 25 April 2024 authorized the board of directors of Kitron ASA to acquire Kitron ASA's own shares, for the purpose of ownership or charge, in accordance with the Norwegian Public Limited Liability Companies Act sections 9-4 and 9-5 on the following conditions:

1. The Board of Directors may acquire shares in Kitron ASA, on one or several occasions, provided that the total combined nominal value of the acquired shares after the acquisition must not exceed ten per cent of the share capital, i.e. up to a total nominal value of NOK 1,982,171.34. The authorization also includes contract liens in the shares of Kitron ASA.
2. The authorization is not intended for use to facilitate or obstruct the success of a take-over bid where Kitron is the target company.
3. Under this authorization the Board of Directors may pay minimum NOK 1 per share and maximum the prevailing market price per share on the day the offer is made, provided, however, that the maximum amount does not exceed NOK 100 per share.
4. Any and all previous authorizations given to the Board of Directors to acquire own shares shall be, and hereby are, withdrawn with effect from the date this authorization is registered with the Norwegian Register of Business Enterprises.
5. Shares acquired according to the authorization shall either be cancelled, used as remuneration to the members of the Board of Directors of Kitron ASA, used in incentive schemes or be used as consideration in connection with acquisition of other companies or businesses, joint ventures or joint business operations, and acquisition of property and business within Kitron ASA's purpose.
6. This authorization shall be valid until the 2024 annual general meeting, but not longer than 30 June 2025.

Note 19 - Share based payment

The group operates an equity settled share-based compensation plan under which the entity receives services from employees as consideration from equity instruments (options) for the group. The compensation plan comprises senior management only. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value). The social security contribution payable in connection with the grant of the share options is considered as an integral part of the grant itself, and the charge will be settled as a cash-settled transaction. The Company can require that a number of shares for which the employee is entitled to subscribe to are converted to a cash consideration which the company uses to pay the tax cost. Further details around the arrangement are described below.

The Company has implemented a share option program for its Senior Executives comprising of up to 5,000,000 shares. The share option program was implemented in 2018 and is divided into four three-year subprograms, each with an allocation of 1,250,000 options, where the first program started in 2019, and is followed by one program every year until 2022.

The share option program entails that Senior Executives, on certain terms, may be granted a right to subscribe for shares in Kitron at NOK 0.10 per share after a vesting period of three years. The number of options that are vested for each subprogram are linked to the development of the market capitalization at Oslo Stock Exchange, adjusted for dividends and share buy-backs. For each program to vest fully, the market capitalization adjusted for dividends and share buy-backs must increase 50 per cent. The program starts to vest at an increase of 20 per cent and will vest linearly between 20 per cent to 50 per cent.The Company can require that a number of shares for which the employee is entitled to subscribe to are converted to a cash consideration which the company uses to pay taxes. Each subprogram is capped at 200 per cent increase of the market capitalization, adjusted for dividends and share buy-backs.

Any shares delivered as a result of exercising options are subject to a three-year lock-up period. During the first year of the lock-up period, no sales are allowed. The following two years, 1/8 of the option shares are released each quarter of the calendar year. Further, the program has a claw back clause that provides the Company with a right to purchase option shares if the option holder’s employment with the Company is terminated and the criteria of the program are not met during the lock-up program.

The Company utilizes a Monte Carlo simulation to determine the impact of stock option grants in accordance with IFRS 2, Share-based payment, on the Company’s net income. The model utilizes certain information, such as the interest rate on a risk-free security maturing generally at the same time as the option being valued, and requires certain assumptions, such as the expected amount of time an option will be outstanding until it is exercised or it expires and the volatility associated with the price of the underlying shares of common stock, to calculate the fair value of stock options granted. The model also estimates the likelihood of performance fulfillment and takes this into account in the valuation.

During the period ended 31 December 2024, the Company has had share-based payment arrangements for employees, as described below.

Fair value of Share Options granted is calculated using the Monte Carlo option pricing model. The weighted average inputs to Monte Carlo model and Fair values per 31 December 2024 are listed below (calculated at grant):

Granted	2022
Exercise price (NOK)	0.10
Share price at grant date (NOK)	19.70
Expected life from grant date	2,68 years
Volatility	41.2%
Interest rate	3.61%
Fair value per option (NOK)	8.89

Expected volatility is based on the historical volatility of the Company. The Company is listed on the Oslo Stock Exchange. Interest rates used are quoted Norwegian government bonds and bills retrieved from Norges Bank. The total expensed amount in 2024 arising from the option plans is EUR 374 thousand, not including social security (2023: EUR 696 thousand).The total carrying amount per 31 December 2024 is EUR 79 thousand, not including social security (2023: EUR 528 thousand). Accrued social security at 31 December 2024 is EUR 433 thousand (2023: EUR 777 thousand).

	Quantity and weighted average prices	
Activity	**Number of instruments**	**Weighted Average Strike Price (NOK)**
Outstanding OB (01.01.2023)	3 400 000	0.10
Granted	50 000	0.10
Exercised	(1 250 000)	-
Terminated	-	0.10
Expired	-	-
Outstanding CB (31.12.2023)	2 200 000	0.10
Vested CB	-	
Options not granted CB (31.12.2023)	300 000	0.10
Outstanding OB (01.01.2024)	2 200 000	0.10
Granted		0.10
Exercised	(1 250 000)	0.10
Terminated	(75 000)	0.10
Expired	-	-
Outstanding CB (31.12.2024)	875 000	0.10
Vested CB		
Options not granted CB (31.12.2024)	375 000	0.10

		Outstanding instruments		Vested instruments	
Strike price	**Number of instruments**	**Weighted Average remaining contractual life**	**Weighted Average Strike Price**	**Vested instruments 31.12.2024**	**Weighted Average Strike Price**
0.10 NOK	875 000	0.75	0.10 NOK	0	-

Board	**Number of shares**		**Number of options**	
	2024	**2023**	**2024**	**2023**
Tuomo Lähdesmäki, chairman	305 634	297 105	-	-
Gyrid Skalleberg Ingerø, board member	17 706	4 235	-	-
Maalfrid Brath, board member	37 740	32 690	-	-
Petra Grandinson, board member	27 273	22 943	-	-
Michael Lundgaard Thomsen, board member	13 019	8 689	-	-
Jarle Larsen, employee elected board member	22 712	21 154	-	-
Tone Aas, employee elected board member	3 088	1 530	-	-
Henriette Stene, employee elected board member	3 088	1 530	-	-

Corporate management team	Number of shares		Number of options	
	2024	2023	2024	2023
Peter Nilsson, CEO	2 184 027	2 633 157	225 000	495 000
Cathrin Nylander, CFO	1 179 052	1 081 992	75 000	175 000
Kristoffer Asklöv, COO	196 113	144 080	100 000	200 000
Stian Haugen, CTO	157 870	100 851	75 000	175 000
Mindaugas Sestokas,Vice President Central Eastern Europe	548 619	480 619	75 000	175 000
Hans Petter Thomassen, Vice President Nordics & North America	570 716	517 657	75 000	175 000
Zygimantas Dirse, Vice President Asia region	590 763	596 763	75 000	175 000

Note 20 - Accounts payable and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30-120 days of recognition. Accounts payable and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

EUR million	2024	2023
Accounts payable	**111.8**	139.4
Deposits received *)	**43.3**	42.4
Accounts payable	**155.1**	181.9

*)Deposits from customers

EUR million	2024	2023
Employee related accruals	**12.0**	13.5
Public duties	**3.8**	3.2
Social security cost and taxes	**2.6**	3.7
Prepayments from customers	**1.7**	3.3
Other accruals	**1.0**	0.2
Payable to related parties (note 27)	**0.0**	2.2
Other payables	**6.5**	7.7
Other payables	**27.6**	33.8

The carrying amount of the group's trade and other payables are denominated in the following currencies:

EUR million	2024	2023
Accounts payable and other payables		
EUR	**53.2**	57.7
USD	**59.1**	81.5
SEK	**17.5**	17.5
NOK	**17.1**	25.7
CNY	**20.3**	13.5
DKK	**9.1**	12.0
CZK	**2.6**	7.0
PLN	**1.4**	0.8
Others	**2.4**	-0.0
Total accounts payable and other payables	**182.7**	**215.7**

Note 21 - Borrowings

Interest bearing debt is initially recognised at fair value, net of transaction costs incurred. Interest bearing debt is subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Interest bearing debt is removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Interest bearing debt is classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

EUR million	2024	2023
Long-term interest bearing debt		
Leasing	**17.3**	17.0
Other [1]	**91.0**	96.2
Total	**108.2**	113.3
Current interest bearing debt		
Debt to credit institutions [2] (Note 17)	**9.8**	12.8
Factoring debt [3]	**26.5**	22.1
Leasing	**6.8**	9.5
Other [1]	**10.9**	10.7
Total	**54.0**	55.1
Total interest bearing debt	**162.2**	168.3

1) Other long-term and current interest bearing debt consist mainly of bank loans from the group's principle banks. Interest is payable at a rate of IBOR and a margin, dependent on Kitron's NIBD/EBITDA ratio.

2) Kitron has established a group account agreement with the group's main bank. This embraces the Norwegian, Swedish, German, Polish, Danish and US companies. The agreement is regarded to be a unit of account, and is presented net. The group's short term bank financing is a revolving facility. There was a draft at the group account agreement at 31 December 2024 of EUR 9.8 million (2023: EUR 10.4 million). The draft split by currency pr 31.12. was per the table below (all numbers are presented in EUR): Interest is payable at a rate of IBOR and a margin.

3) Kitron has per 31 December 2024 factoring arrangements for the Norwegian and Swedish entities. The factoring facility is a rolling facility and is subject to yearly renewal. Interest is payable at a rate of IBOR and a margin.

EUR million	2024	2023
EUR	**(7.8)**	(13.8)
NOK	**(19.0)**	(20.2)
USD	**18.4**	22.8
Other	**(1.4)**	0.8
Currency split of draft on group account agreement	**(9.8)**	(10.4)

Under the terms of the major bank loans, which have a carrying amount of EUR 109.6 million (2023: EUR 115.4 million), the group is required to comply with the following financial covenants at the end of each quarter:

- the consolidated Net interest-bearing debt/EBITDA ratio must be not more than 3.5, and
- the borrowing base/LTV ratio must be not more than 80%.

The group has complied with these covenants throughout the reporting period. As at 31 December 2024, the Net interest-bearing debt/EBITDA ratio was 1.5 before IFRS16 effects (1.4 as at 31 December 2023). The borrowing base/LTV ratio as at 31 December 2024 was 31.9% (30.8% as at 31 December 2023).

There are no indications that Kitron group would have difficulties complying with the covenants when they will be tested at the end of each quarter in 2025.

Unrestricted bank deposits and unused credit lines amounted to EUR 70.2 million for the group at 31 December 2024 (EUR 61.8 million at 31 December 2023).

Periods to maturity of long-term interest bearing debt:

EUR million	2024	2023
Between one and two years	**16.2**	20.2
Between two and five years	**12.9**	20.1
Over 5 years	**79.1**	73.0
Total	**108.2**	113.3

Carrying amount and fair value of long-term interest bearing debt:

	Carrying amount		Fair value	
EUR million	2024	2023	2024	2023
Leasing	**17.3**	17.0	**14.5**	16.4
Other	**91.0**	96.2	**69.0**	76.7
Total	**108.2**	113.3	**83.5**	93.1

Fair value is based on discounted cash flow with a discount rate of 6.0 per cent (2023: 6.0 per cent). The carrying amount of current loans is virtually identical with fair value. The fair value calculations are based on the level 3 valuation method. Inputs in assets and liabilities are not based on observable market data.

Carrying amount of the group's interest bearing debt in various currencies:

EUR million	2024	2023
EUR	**46.5**	65.7
USD	**6.1**	13.0
SEK	**15.1**	10.6
NOK	**90.2**	75.7
CNY	**1.2**	2.7
DKK	**2.3**	0.7
CZK	**0.0**	0.0
MYR	**0.7**	0.7
PLN	**0.1**	0.0
INR	**0.0**	0.0
HKD	**0.0**	0.0
Total	**162.2**	168.3

Interest bearing debt include EUR 143.3 million (2023: EUR 156.9 million) in secured commitments (bank loans and other secured loans).

Mortgages

EUR million	2024	2023
Debt secured by mortgages	143.3	156.9

Carrying amount of the group's assets provided as security:

EUR million	2024	2023
Inventory and contract assets	**102.5**	133.2
Receivables	**62.4**	44.5
Machinery and equipment	**14.7**	15.9
Buildings and land	**6.4**	5.7
Total	**185.9**	199.3

For the Swedish entity there are company mortgages of EUR 4.1 million at 31 December 2024 (2023: EUR 4.2 million).

Debt secured by mortgages includes leasing liabilities for machinery and equipment. The carrying amount of these fixed assets is included in the carrying amount of assets provided as security. Of the mortgage debt in the consolidated accounts, the commitment related to leasing recognised in the balance sheet amounted to EUR 5.2 million at 31 December 2024 (2023: EUR 15.1 million).

Conditions in the form of vendor's fixed charge are moreover related to deliveries from Kitron's suppliers of goods.

The group's receivables recognised in the balance sheet are provided as security (factoring mortgage) for obligations to DNB Finans.

The group's guarantee provider had provided guarantees at 31 December for leasing obligations and tax due but not paid. These totalled EUR 0.3 million (2023: EUR 0.3 million) and EUR 1.9 million (2023: EUR 2.0 million) respectively for the group.

Per 31 December 2024 Kitron ASA has granted the following parent company guarantees:

- EUR 25.3 million related to lease obligations for the polish subsidiary Kitron sp. z o.o (2023: EUR 25.9 million)
- EUR 10 million related to factoring agreement for the polish subsidiary Kitron sp. z o.o (2023: EUR 10.0 million)
- NOK 350 million related to bank financing for Kitron AS and Kitron AB (2023: NOK 350 million).

Note 22 - Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws which have been substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available, and that the temporary differences can be deducted from this profit. Deferred tax is calculated on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the group and it is probable that they will not be reversed in the foreseeable future.

Deferred tax is recognised net when the group has a legal right to net deferred tax assets against deferred tax in the balance sheet and if the deferred tax is payable to the same tax authority.

Deferred tax asset:

EUR million	2024	2023
Deferred tax asset to be recovered after more than 12 months	**7.1**	6.2
Deferred tax liability:		
Deferred tax liability to be recovered after more than 12 months	**8.6**	5.4
Deferred tax asset (net)	**(1.5)**	0.8

Change in carrying amount of deferred tax asset:

EUR million	2024	2023
Opening balance	**0.8**	2.4
Currency translation differences	**1.4**	(0.1)
Profit and loss account	**(3.5)**	(1.2)
Other comprehensive income	**(0.3)**	(0.5)
Equity for the period	**0.0**	0.3
Closing balance	**(1.5)**	0.8

Changes in deferred tax assets and deferred tax liabilities (with netting in same tax regime).

Deferred tax liabilities:

EUR million	Fixed assets	Contract assets	Deferred capital gain	Customer contracts	Total
At 1 January 2023	**0.7**	**1.6**	**0.0**	**5.6**	**7.9**
Profit/(loss) for the period	0.2	1.5	0.4	(0.2)	1.9
Other comprehensive income	-	-	-	-	-
Currency translation differences	0.0	(0.2)	0.0	(0.3)	(0.5)
At 31 December 2023	0.9	2.9	0.5	5.0	9.3
At 1 January 2024	**0.9**	**2.9**	**0.5**	**5.0**	**9.3**
Profit/(loss) for the period	0.5	0.2	(0.0)	-	0.6
Other comprehensive income	-	-	-	-	-
Currency translation differences	(1.0)	0.0	(0.1)	(0.2)	(1.3)
At 31 December 2024	0.4	3.1	0.3	4.8	8.6

Deferred tax asset:

EUR million	Provision and current assets	Loss carried forward	Pension	Total
At 1 January 2023	**1.5**	**8.7**	**0.1**	**10.2**
Profit/(loss) for the period	1.2	(0.5)	(0.0)	0.6
Other comprehensive income	-	(0.5)	0.0	(0.5)
Equity for the period	-	0.3	-	0.3
Currency translation differences	0.1	(0.7)	0.0	(0.6)
At 31 December 2023	2.7	7.3	0.1	10.1
At 1 January 2024	**2.7**	**7.3**	**0.1**	**10.1**
Profit/(loss) for the period	0.4	(3.3)	0.0	(2.8)
Other comprehensive income	-	(0.3)	(0.0)	(0.0)
Equity for the period	-	0.4	-	-
Currency translation differences	(0.4)	0.2	(0.0)	(0.2)
At 31 December 2024	2.8	4.3	0.1	7.1

Deferred tax assets related to tax loss carried forward is recognised in the balance sheet to the extent that it is probable that the group can apply this against future taxable profit. Tax losses carried forward are related to the operations in Norway and USA. Deferred tax assets related to losses carried forward amounted to MEUR 0.4 in Norway (2023: MEUR 2.2) and MEUR 3.2 in USA (2023: MEUR 5.1)

Due to a recent history of results through 2024 in US, Kitron will make an evaluation on the conservative side for the deferred tax assets at 31 December 2024. Accumulated EBT for the period 2025-2029 (5 years) in the conservative scenario for US and total tax rate of 29.49 % (Federal and State) this corresponds to deferred tax assets EUR 3.2 million, which will be established as the book value for deferred tax asset at 31 December 2024. This corresponds to an additional impairment of EUR 1.6 million compared to the book value at 31 December 2024.

The group did not recognise deferred tax assets of MEUR 4.1 (2023: MEUR 2.7) related to tax losses carried forward for the operation in the USA. The business improvements made and the expected development on future sales and profitability now warrant deferred tax assets in the balance sheet of Kitron Technologies Inc. Utilization time for State tax losses carried forward is 20 years and infinite for Federal tax losses carried forward.

There are no restrictions on the right to carry the tax loss forward in other countries.

Note 23 - Retirement benefit obligations

Group companies have various pension schemes. These schemes are generally funded through payments to insurance companies or pension funds based on periodic actuarial calculations. The group has both defined contribution and defined benefit plans. From 2016 the group has a defined benefit plan for only a former CEO.

A defined benefit plan is one that is not a defined contribution plan, and typically defines an amount of pension benefit an employee will receive on retirement. That benefit is normally dependent on one or more factors such as age, years of service and pay. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. An independent actuary calculates the pension commitment annually. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds. Estimated payroll tax on the net pension commitment calculated by an actuary is added to the carrying amount of the obligation. Changes in pension plan benefits are recognised immediately in the income statement. Actuarial gains and losses are recognised in other comprehensive income.

The pension plans in Norway comply with the Norwegian mandatory service pension act.

The pension obligation below is relating to life-long pension benefits to a former CEO. The pension plan is unfunded.

The AFP-scheme is a defined benefit multi-enterprise scheme, but is recognised in the accounts as a defined contribution scheme until reliable and sufficient information is available for the group to recognise its proportional share of pension cost, pension liability and pension funds in the scheme. The company’s liabilities are therefore not recognised as debt in the balance sheet.

	Unfunded	
EUR million	**2024**	**2023**
Carrying amount of the obligation		
Pension commitments	**0.4**	0.5
Costs recognised in the profit and loss account (incl in note 8)		
Pension costs (gain) defined benefit plans	**0.0**	0.0
Cost recognised in other comprehensive income		
Actuarial losses (gains) pensions	**0.1**	0.0
DEFINED PENSION BENEFIT PLANS		
Carrying amount of the obligation is determined as follows		
Present value of pension obligation	**(0.4)**	(0.5)
Fair value of plan asset	**-**	-
Net commitments in unfunded defined benefit plans	**(0.4)**	(0.5)
Hereof payroll tax on the pension obligations	**(0.1)**	(0.1)
Net pension obligation in the balance sheet	**(0.4)**	(0.5)

EUR million	Unfunded 2024	2023
Net pension costs comprise		
Interest cost	**0.0**	0.0
Total, included in payroll costs	**0.0**	0.0
Change in carrying amount of pension commitments		
Opening balance	**(0.5)**	(0.5)
Cost recognised in the profit and loss account for the year	**0.0**	0.0
Cost reccognised in other comprehensive income	**(0.1)**	0.0
Benefits paid	**0.1**	0.1
Closing balance	**(0.4)**	(0.5)
The following assumptions have been applied in calculating pension commitments:		
Discount rate	**3.3%**	3.7%
Annual pension adjustment	**3.25%**	3.5%
Social security tax rate	**14.1%**	14.1%
Assumptions on mortality rates are based on published statistics in Norway	**K2013**	K2013
Number of employees in defined benefit plans	**1**	1

Note 24 - Dividends per share

Possible dividend payments to the company's shareholders are recognised as a liability in the group's financial statements in the period when the dividend is approved by the general meeting. For 2023 a dividend of NOK 0.75 per share was paid. The Kitron Board of Directors will propose a dividend of NOK 0.35 per share for the financial year 2024 to the Annual General Meeting in April 2025.

The dividend will be payable to shareholders registered in Kitron's shareholder register with the Norwegian Central Securities Depository (Euronext Securities Oslo – formerly named Euronext VPS) as of expiry of 24 April 2025 (being shareholders as of the date of the Annual General Meeting's resolution).

The total proposed dividend is NOK 69.6 million.

Note 25 - Cash flow from operations

EUR million	2024	2023
Profit/(loss) before tax	**39.9**	64.7
Depreciation and impairment	**18.7**	17.6
Change in inventory	**25.1**	6.3
Change in contract assets	**0.3**	(18.5)
Change in accounts receivable and other short term receivables	**8.5**	13.8
Change in accounts payable and other short term payables	**(32.9)**	(5.0)
Change in pension funds/obligations	**(0.0)**	(0.0)
Effect from option costs	**0.4**	0.7
Effect from vesting of options	**(1.6)**	(1.5)
Change in other items	**(0.2)**	0.5
Interest cost - net	**8.4**	8.4
Foreign exchange losses / (gains) on operating activities	**(3.5)**	(10.0)
Cash flow from operations	**62.9**	77.1

Interest bearing debt presented as financing activities in the cash flow statement:

EUR million	2024	2023
Leasing - long-term	**17.3**	17.0
Leasing - short-term	**6.8**	9.5
Total lease liablities	**24.1**	26.5
Long-term bank loans	**91.0**	96.2
Short-term bank loans	**10.9**	10.7
Factoring debt	**26.5**	22.1
Debt to credit institutions	**9.8**	12.8
Total borrowings	**138.1**	141.8

EUR million	Leases	Borrowings	Factoring	Total
Interest bearing debt as at 31 December 2022	21.6	127.1	32.0	**180.7**
Cash flows	(8.6)	(4.4)	(8.2)	**(21.1)**
Lease liabilities recognised	15.5	0.0	0.0	**15.5**
Foreign exchange adjustments	(2.0)	(3.0)	(1.7)	**(6.7)**
Interest bearing debt as at 31 December 2023	26.5	119.7	22.1	**168.3**

EUR million	Leases	Borrowings	Factoring	Total
Interest bearing debt as at 31 December 2023	26.5	119.7	22.1	**168.3**
Cash flows	(13.0)	(4.6)	4.4	**(13.2)**
Lease liabilities recognised	8.3	0.0	0.0	**8.3**
Other non-cash movements	2.3	(2.3)	0.0	**0.0**
Foreign exchange adjustments	0.0	(1.2)	0.0	**(1.2)**
Interest bearing debt as at 31 December 2024	24.1	111.6	26.5	**162.2**

Note 26 - Leases

The group’s leasing activities and how they are accounted for
The group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 12 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group’s incremental borrwing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Kitron does not have lease agreements with variable lease payments of any significance.

Extension and termination options are included in a number of property leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

EUR million	2024	2023
Right-of-use assets		
Buildings and land	**13.8**	11.7
Machinery and equipment	**14.1**	15.2
Total	**27.9**	26.9
Lease liabilities*		
Current	**6.9**	9.5
Non-Current	**17.3**	17.0
Total	**24.1**	26.5

*included in the line items "Interest bearing debt" in the balance sheet.

Additions to the right-of-use assets in 2024 were EUR 8.3 million (2023: EUR 9.9 million) (Note 12).

Amounts recognised in the consolidated income statement

The statement of profit or loss shows the following amounts relating to leases:

EUR million	2024	2023
Depreciation charge of right-of-use assets		
Buildings and land	**3.5**	3.2
Machinery and equipment	**3.1**	3.0
Total	**6.6**	6.2
Interest expense	**1.3**	0.9
Expenses relating to short-term leases	**0.2**	0.1
Expenses relating to leases of low-value	**0.0**	0.1
Expenses relating to variable lease payments not included in lease liabilities	**0.0**	-
Income from subleasing right-of-use assets	**0.0**	-
Gains or losses arising from sale and leaseback transactions	**0.0**	-

The total cash outflow for leases in 2024 was EUR 13.0 million (2023: EUR 8.6 million)

Note 27 - Related parties

EUR 1000	2024	2023
Remuneration of senior executives		
Pay and other benefits (1)	**4 315**	7 813
Balance items at 31 December resulting from purchase/sale of goods and services		
Payable to related parties:		
Senior executives (1)	**0**	2 216
Total	**0**	2 216

(1) Senior executives comprise the corporate management team at Kitron ASA.

Remuneration of senior executives, directors and auditor

EUR 1000	2024	2023
Directors' fee:	**251**	273
- chairman	**61**	56
- board members	**190**	217
Auditors fee	**669**	646
- statutory audit	**607**	619
- other attestation services	**4**	4
- tax related services	**54**	12
- other services	**4**	10

The company has not given any loans or security for directors or senior executives at 31 December 2024.

For more information about remuneration of senior executives, see the separate Remuneration Report available at www.kitron.com.

Note 28 - Interest in subsidiaries

Set out below are the group's principal subsidiaries at 31 December 2024. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by group. The country of incorporation or registration is also their of principal place of business.

Company name	Country of incorporation	Share-holding	Voting share	Book value NOK 1000
Kitron AS	Arendal, Norway	100%	100%	243 737
Kitron AB	Jönköping, Sweden	100%	100%	13 463
Kitron Hong Kong Ltd	Hong Kong	100%	100%	1
Kitron GmbH	Metzingen, Germany	100%	100%	30 194
Kitron Holding USA Inc	Delaware, USA	100%	100%	69 433
UAB Kitron Real Estate	Kaunas, Lithuania	100%	100%	12 422
UAB Kitron	Kaunas, Lithuania	100%	100%	29 201
Kitron sp. z o.o	Grudziadz, Poland	100%	100%	49 538
Kitron Holding A/S Denmark	Horsens Denmark	100%	100%	576 803
Kitron Electronics Manufacturing Sd. Bhd.	Senai, Malaysia	100%	100%	22 778
Total investment in subsidiaries				**1 047 570**

The Kitron Hong Kong Ltd subsidiary owns shares in the following subsidiaries:

	Country of incorporation	Share-holding	Voting share
Kitron Electronics Manufacturing (Ningbo) Co., Ltd.	Ningbo, China	100%	100%
Kitron Electromechanical (Ningbo) CO. Ltd	Ningbo, China	100%	100%

The Kitron Holding USA Inc subsidiary owns shares in the following subsidiaries:

	Country of incorporation	Share-holding	Voting share
Kitron Technologies Inc	Delaware, USA	100%	100%
Kitron Systems Inc	Delaware, USA	100%	100%

The Kitron Holding A/S Denmark subsidiary owns shares in the following subsidiaries:

	Country of incorporation	Share-holding	Voting share
Kitron A/S	Horsens, Denmark	100%	100%

Kitron A/S in Denmark owns shares in the following companies:

	Country of incorporation	Share-holding	Voting share
Kitron Electronics Manufacturing (Suzhou) Co. Ltd	Suzhou, China	100%	100%
Kitron Holding Czech a.s	Lanskroun, Czech	100%	100%
Kitron India ApS	Horsens, Denmark	100%	100%
Kitron India Services Private Limited	Chennai, India	100%	100%

Kitron Electronics Manufacturing (Suzhou) Co. Ltd owns shares in the following companies:

	Country of incorporation	Share-holding	Voting share
Kitron Electromechanical (Suzhou) Co. Ltd.	Suzhou, China	100%	100%

Kitron Holding Czech a.s owns shares in the following companies:

	Country of incorporation	Share-holding	Voting share
Kitron Czech a.s.	Lanskroun, Czech	100%	100%

Note 29 - Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are reducing cost price of the related assets.

The group has received grants in 2024 of EUR 0.21 million (2023: EUR 0.3 million). EUR 35 thousand (2023: EUR 50 thousand) was for employee training refund and EUR 175 thousand (2023: EUR 150 thousand) was for business reward and different subsidies, while EUR 0,1 million in wage refund only occured in 2023.

Note 30 - Hedging

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses). Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Kitron ASA acquired BB Electronics with effect from 1 January 2022. Purchase price was 663.5 million DKK. Purchase Price Allocation analysis per acquisition date shows excess value of 448.9 million DKK in intangible assets and goodwill net after tax. Part of the acquisition was financed by a 52.1 million EUR term loan in bank. BB Electronics has later been renamed to Kitron A/S. In 2024 Kitron ASA sold the shares in Kitron A/S Denmark to the new established Danish holding company Kitron Holding Denmark A/S for 667 million DKK. After the sales and a later debt conversion to equity, Kitron ASA has a receivable on Kitron Holding Denmark of 300 million DKK.

Hedging- and economic relationship

A hedging- and an economic relationship consist between the total DKK investment in Kitron Denmark and the EUR loan. The total net assets of Kitron Denmark, the DKK receivable on Kitron Holding Denmark and the net excess values in intangible assets and goodwill constitute the hedged items and the EUR loan constitutes the hedging instrument. The sale of shares from Kitron ASA to Kitron Holding Denmark is group internal and does not change the hedging- and economic relationship between the investment and the loan.

The nature of the risk being hedged

The hedged items and the hedging instrument will be translated using the “indirect method”, that is translation to NOK and further to EUR at balance sheet date. Currency translation effects will be created due to changes in NOK/DKK and NOK/EUR currency rates.

Hedge effectiveness

As DKK is pegged to EUR the two currencies will move in the same direction. The total DKK investment (hedged objects) and the EUR liability (hedging instrument) will make a hedge. The currency effect in Kitron ASA parent company account from the translation of the EUR loan will be neutralized by the effect from the translation of the DKK assets.

See quantitative information in the tables below:

Hedging instrument	Currency	2024	2023	Balance sheet item
Carrying amount (31 December)				
- Bank loan (5-year term loan)	EUR million	23.5	33.9	Interest bearing debt (Current/Non-current)
	DKK eqvivalent	175.2	252.2	
Change in carrying amount of bank loan	NOK million	12.5	26.0	

Hedging objects	Currency	2024	2023	Balance sheet item
Carrying amount (31 December)				
- Net equity Kitron Denmark	DKK million	523.9	343.0	Equity
- Receivable	DKK million	300.0		Long-term receivable
- Goodwill	DKK million	309.1	309.1	Goodwill
- Customer contracts	DKK million	157.1	170.2	Intangible assets
- Deferred tax	DKK million	(34.6)	(37.4)	Deferred tax liabilities
Total		1 255.5	784.9	
Change in value of hedged objects	NOK million	42.8	57.7	
Net effect presented in Other Comprehensive Income	EUR million	2.7	2.8	
Hedge ratio (31 December)		7.2	3.1	

Note 31 - Subsequent events

There have been no events to date in 2025 that significantly affect the result for 2024 or valuation of the company’s assets and liabilities at the balance sheet date.


SCIENSCOPE
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Financial statements Kitron ASA

Income statement, Kitron ASA

NOK 1000	Note	2024	2023
Revenues			
Sales revenues	1, 2	**196 460**	188 709
Total revenues		**196 460**	188 709
Operating costs			
Payroll expenses	2, 3, 4, 5, 6	**103 072**	108 611
Depreciation and impairments	7, 8	**7 645**	7 531
Other operating expenses	6	**122 023**	106 578
Total operating costs		**232 740**	222 720
Operating profit / (loss)		**(36 280)**	(34 011)
Financial income and expenses			
Intra group interest income	2	**39 817**	14 610
Other interest income		**25 866**	33 216
Other financial income	2, 9	**480 262**	214 103
Interest expenses		**92 954**	92 833
Other financial expenses	9	**4 530**	13 321
Net financial items		**448 461**	155 775
Profit before tax		**412 181**	121 764
Tax	10	**(6 542)**	(9 077)
Net profit / (loss)		**418 722**	130 840

Balance sheet at 31 December, Kitron ASA

NOK 1000	Note	31.12.2024	31.12.2023
Assets			
Fixed Assets			
Intangible fixed assets			
Deferred tax	10	**7 092**	27 880
Other intangible assets	8	**43 805**	33 988
Total intangible fixed assets		**50 897**	61 868
Tangible fixed assets			
Machinery, equipment etc.	7, 11	**1 177**	1 578
Financial fixed assets			
Investment in subsidiaries	11, 12	**1 047 570**	1 349 649
Intra-group loans	2, 11, 13	**720 146**	236 130
Total financial fixed assets		**1 767 716**	1 585 779
Total fixed assets		**1 819 790**	1 649 225
Current Assets			
Receivables			
Accounts receivables	2, 11	**210 748**	191 646
Other receivables	2, 11	**391 734**	336 943
Total receivables		**602 482**	528 589
Bank deposits, cash in hand etc.	14	**-**	6 135
Total current assets		**602 482**	534 724
Total assets		**2 422 272**	2 183 949

Balance sheet at 31 December, Kitron ASA (continued)

NOK 1000	Note	31.12.2024	31.12.2023
Liabilities and equity			
Equity			
Paid-in equity			
Share capital (198 917 161 shares at NOK 0,10)	15,16	**19 892**	19 822
Share premium reserve	15	**579 321**	579 357
Total paid-in equity		**599 213**	599 179
Other equity	5,16	**502 128**	163 482
Total equity		**1 101 341**	762 661
Liabilities			
Long-term liabilities			
Pension commitments	4	**5 099**	5 059
Loans	11, 17	**1 053 754**	1 063 622
Total long-term liabilities		**1 058 853**	1 068 681
Current liabilities			
Loans	11,14,17	**148 984**	117 166
Accounts payable	2	**23 189**	23 732
Dividend		**69 621**	148 663
Other current liabilities	2	**20 284**	63 046
Total current liabilities		**262 078**	352 607
Total liabilities		**1 320 931**	1 421 288
Total liabilities and equity		**2 422 272**	2 183 949

Oslo, 20 March 2025

Tuomo Lähdesmäki
Chairman

Maalfrid Brath
Deputy Chairman

Michael Lundgaard Thomsen
Board Member

Gyrid Skalleberg Ingerø
Board Member

Petra Grandinson
Board Member

Tone Aas
Employee Elected Board Member

Henriette Stene
Employee Elected Board Member

Jarle Larsen
Employee Elected Board Member

Peter Nilsson
CEO of Kitron ASA

Cash flow statement, Kitron ASA

NOK 1000	2024	2023
Cash flows from operational activities		
Profit before tax	**412 181**	121 764
Ordinary depreciation	**7 645**	7 531
Gain on sale of subsidiary without cash effect	**(155 837)**	
Change in accounts receivables	**(19 102)**	(56 416)
Change in accounts payables	**(543)**	(1 834)
Change in pension funds/ obligations	**(470)**	(486)
Option costs without cash effect	**4 340**	7 968
Cash effect from termination of options	**(18 314)**	(16 827)
Payment of dividend from subsidiaries [1)]	**285 151**	207 657
Change in other accrual items	**(355 755)**	(157 777)
Net cash flow from operational activities	**159 296**	111 580
Cash flows from investment activities		
Investment in subsidiary		(32 907)
Acquisition of fixed assets	**(17 061)**	(6 130)
Repayment of intercompany loans provided to subsidiaries	**0**	83 859
Payment of intercompany loans to subsidiaries	**(5 675)**	(75 930)
Net cash flow from investment activities	**(22 736)**	(31 108)
Cash flows from financing activities		
Net change in overdraft facilities	**25 981**	-
Payment from new borrowings	**100 000**	100 000
Repayment of borrowings	**(120 083)**	(118 599)
Issue of ordinary shares	**70**	53
Payment of dividend	**(148 663)**	(98 846)
Net cash flow from financing activities	**(142 695)**	(117 392)
Net change in cash and cash equivalents	**(6 135)**	(36 920)
Cash and cash equivalents at 1 January	**6 135**	43 055
Cash and cash equivalents at 31 December	**-**	6 135

1) Payment of dividend from subsidiaries is reclassified from cash flow from investment activities to cash flow from operational activities.

Notes to the financial statements Kitron ASA

Accounting principles

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP). All amounts are in NOK 1 000 unless otherwise stated.

Revenue recognition

Income from the sale of goods and services is recognised at the time of delivery.

Classification and recognition of assets and liabilities

Assets intended for long-term ownership or use, are classified as fixed. Other assets are classified as current. Accounts receivable which fall due within one year are always classified as current assets. Analogue criteria are applied in classifying liabilities. Current assets are recognised at the lower of cost price and fair value. Current liabilities are recognised in the balance sheet at the nominal value on the establishment date. Fixed assets are recognised at their acquisition cost. Tangible fixed assets which decline in value are depreciated on a straight-line basis over their expected useful lifetime. Fixed assets are written down to their fair value where this is lower than the cost price and the decline in value is not considered to be temporary. Long-term debt in Norwegian kroner, with the exception of other provisions, is recognised at the nominal value on the establishment date. Provisions are discounted if the interest element is significant.

Intangible fixed assets

Intangible fixed assets, excluding the deferred tax benefit, consist of capitalised computer software costs. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use it;
- there is an ability to use the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software product is available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Computer software is depreciated on a straight-line basis to its residual value over its expected useful life, which is 7 years.

Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet and depreciated on a straight-line basis over their expected useful lifetime if they have an expected lifetime of more than three years and a cost price which exceeds NOK 15 000. Maintenance costs for tangible fixed assets are recognised as an operating expense as they arise, while upgrades or improvements are added to the cost price of the asset and depreciated accordingly. The distinction between maintenance and upgrading/improvement is calculated in relation to the condition of the asset when it was acquired. Leased fixed assets are recognised in the balance sheet as tangible fixed assets if the lease is regarded as financial.

Subsidiaries

Subsidiaries are recognised in the company accounts using the cost method. The investment is written down to its fair value when the fair value is lower than the cost price and this fall in value is not expected to be temporary.

Accounts receivables

Accounts receivable from customers and other receivables are recorded at their nominal value after deducting a provision for bad debts. The latter is based on an individual assessment of each receivable. An unspecified provision is made for minor receivables to cover estimated bad debts.

Foreign currencies

Balance sheet items in foreign currencies are translated at exchange rates on 31 December. Transactions in foreign currency are translated at the exchange rate on the transaction date.

Pensions

The company has both defined contribution- and defined benefit plans. From 2016 the company has a defined benefit plan for only a former CEO. A defined contribution plan is one under which the company pays fixed contributions to a separate legal entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is one that is not a defined contribution plan, and typically defines an amount of pension benefit an employee will receive on retirement. That benefit is normally dependent on one or more factors such as age, years of service and pay. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. An independent actuary calculates the pension commitment annually. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds. Estimated payroll tax on the net pension commitment calculated by an actuary is added to the carrying amount of the obligation. Changes in pension plan benefits are recognised immediately in the income statement. Actuarial gains and losses are recognised in other comprehensive income. For defined contribution plans, the company pays contribution to publicly or privately administered pension insurance plans on an obligatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as a payroll expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The pension plan complies with the Norwegian mandatory service pension act.

Tax

Tax cost in the profit and loss account comprises the sum of tax payable for the period and changes to deferred tax liabilities or deferred tax assets. Deferred tax is calculated at a rate of 22 per cent on the basis of temporary differences between accounting and tax values, plus possible tax losses carried forward at the end of the fiscal year. Tax increasing and reducing temporary differences which reverse or could reverse in the same period are eliminated and are recorded net in the balance sheet. Recognition of deferred tax assets on net tax-reducing differences which have not been eliminated, and tax losses carried forward, are based on expected future earnings. Deferred tax liabilities and deferred tax assets which can be recognised in the balance sheet are stated net. Tax on group contribution paid which is recognised as an increase in the cost price of shares in other companies, and tax on group contribution received which is recognised directly against equity, is recognised directly against tax in the balance sheet (against tax payable if the group contribution has an effect on tax payable and against deferred tax if the group contribution has an effect on deferred tax).

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash in hand, bank deposits and other short-term liquid placements which immediately and with insignificant currency risk can be converted to known amounts of cash and with a maturity which is less than three months from the acquisition date.

Note 1 - Sales revenues

The business of Kitron ASA is administration of its subsidiaries, and revenues consist primarily of fees and group contributions.

Sales revenues by geographical area

NOK 1000	2024	2023
Norway	**62 776**	50 283
Sweden	**36 579**	30 873
Lithuania	**47 778**	59 782
Other	**49 327**	47 771
Total	**196 460**	188 709

Note 2 - Related parties

NOK 1000	2024	2023
Sales revenues		
From subsidiaries[1]	**196 460**	188 709
Purchase of goods and services		
From subsidiaries[1]	**98 268**	71 280
Remuneration of senior executives		
Pay and other short-term benefits[2]	**34 196**	47 159
Financial income		
Interest income from subsidiaries[1]	**39 817**	14 610
Dividend from subsidiaries	**318 651**	214 103
Gain on sale of subsidiary	**155 837**	
Total	**514 307**	228 713
Balance items at 31 December resulting from transactions with related parties		
Receivables and loans		
Subsidiaries[1]	**1 305 082**	734 318
Total	**1 305 082**	734 318
Payables		
Subsidiaries[1]	**18 333**	29 372
Total	**18 333**	29 372

1) Revenues from subsidiaries consist primarily of fees and group contributions. Purchase and sales of goods and services from subsidiaries consist primarily of services from corporate personnel employed in subsidiaries. Interest income from subsidiaries consists of interest on long-term loans.

2) Senior executives comprise member of corporate management team employed in Kitron ASA. See table in note 6 for a more extensive description of remuneration of senior executives.

Note 3 - Payroll expenses

Payroll expenses

NOK 1000	2024	2023
Pay	**90 196**	88 158
Payroll taxes	**3 719**	4 345
Pension costs	**1 303**	1 217
Other remuneration	**7 854**	14 891
Total	**103 072**	108 611
Average number of FTEs	**89**	75

Note 4 - Pensions and similar obligations

The pension obligation below includes life-long benefits to a former CEO. The pension plan is unfunded.

The AFP-scheme is a defined benefit multi-enterprise scheme, but is recognised in the accounts as a defined contribution scheme until reliable and sufficient information is available for the group to recognise its proportional share of pension cost, pension liability and pension funds in the scheme. The company's liabilities are therefore not recognised as debt in the balance sheet.

Defined pension benefit plans

NOK 1000	2024	2023
Carrying amount of the obligation is determined as follows:		
Present value of accrued pension commitments in unfunded benefit plans	**5 099**	5 059
+/- unrecognised actuarial gains and losses	**-**	-
Net commitments in unfunded defined benefit plans	**5 099**	5 059
Hereof payroll tax on the pension obligation	**630**	625
Pension costs comprise:		
Interest costs	**173**	158
Net pension cost for unfunded plans	**173**	158
Net pension cost for contribution based pension plans	**1 131**	1 059
Net pension costs included in note 3	**1 303**	1 217
Cost recognised in equity		
Actuarial losses pensions	**654**	388
The following assumptions have been applied in calculating pension commitments		
Discount rate	**3.3 %**	3.7 %
Annual pension adjustment	**3.25 %**	3.5 %
Social security tax rate	**14.1 %**	14.1 %

Note 5 - Share-based payments

The group operates an equity settled share-based compensation plan under which the entity receives services from employees as consideration from equity instruments (options) for the group. The compensation plan comprises senior management only. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value). The social security contribution payable in connection with the grant of the share options is considered as an integral part of the grant itself, and the charge will be settled as a cash-settled transaction. The Company can require that a number of shares for which the employee is entitled to subscribe to are converted to a cash consideration which the company uses to pay the tax cost. Further details around the arrangement are described below.

The Company has implemented a share option program for its Senior Executives comprising of up to 5,000,000 shares. The share option program was implemented in 2018 and is divided into four three-year subprograms, each with an allocation of 1,250,000 options, where the first program started in 2019, and is followed by one program every year until 2022.

The share option program entails that Senior Executives, on certain terms, may be granted a right to subscribe for shares in Kitron at NOK 0.10 per share after a vesting period of three years. The number of options that are vested for each subprogram are linked to the development of the market capitalization at Oslo Stock Exchange, adjusted for dividends and share buy-backs. For each program to vest fully, the market capitalization adjusted for dividends and share buy-backs must increase 50 per cent. The program starts to vest at an increase of 20 per cent and will vest linearly between 20 per cent to 50 per cent.The Company can require that a number of shares for which the employee is entitled to subscribe to are converted to a cash consideration which the company uses to pay taxes. Each subprogram is capped at 200 per cent increase of the market capitalization, adjusted for dividends and share buy-backs.

Any shares delivered as a result of exercising options are subject to a three-year lock-up period. During the first year of the lock-up period, no sales are allowed. The following two years, 1/8 of the option shares are released each quarter of the calendar year. Further, the program has a claw back clause that provides the Company with a right to purchase option shares if the option holder’s employment with the Company is terminated and the criteria of the program are not met during the lock-up program.

The Company utilizes a Monte Carlo simulation to determine the impact of stock option grants in accordance with IFRS 2, Share-based payment, on the Company’s net income. The model utilizes certain information, such as the interest rate on a risk-free security maturing generally at the same time as the option being valued, and requires certain assumptions, such as the expected amount of time an option will be outstanding until it is exercised or it expires and the volatility associated with the price of the underlying shares of common stock, to calculate the fair value of stock options granted. The model also estimates the likelihood of performance fulfillment and takes this into account in the valuation.

During the period ended 31 December 2024, the Company has had share-based payment arrangements for employees, as described below.

Fair value of Share Options granted is calculated using the Monte Carlo option pricing model. The weighted average inputs to Monte Carlo model and Fair values per 31 December 2024 are listed below (calculated at grant):

Granted	2022
Exercise price (NOK)	0.10
Share price at grant date (NOK)	19.70
Expected life from grant date	2,68 years
Volatility	41.2%
Interest rate	3.61%
Fair value per option (NOK)	8.89

Expected volatility is based on the historical volatility of the Company. The Company is listed on the Oslo Stock Exchange. Interest rates used are quoted Norwegian government bonds and bills retrieved from Norges Bank.The total expensed amount in 2024 arising from the option plans is NOK 4 340 thousand, not including social security (2023: NOK 7 968 thousand).The total carrying amount per 31 December 2024 is NOK 930 thousand, not including social security (2023: NOK 5 937 thousand). Accrued social security at 31 December 2024 is NOK 5 106 thousand (2023: NOK 8 738 thousand).

Quantity and weighted average prices

Activity	Number of instruments	Weighted Average Strike Price (NOK)
Outstanding OB (01.01.2023)	3 400 000	0.10
Granted	50 000	0.10
Exercised	(1 250 000)	-
Terminated	-	0.10
Expired	-	-
Outstanding CB (31.12.2023)	2 200 000	0.10
Vested CB	-	
Options not granted CB (31.12.2023)	300 000	0.10
Outstanding OB (01.01.2024)	2 200 000	0.10
Granted		0.10
Exercised	(1 250 000)	0.10
Terminated	(75 000)	0.10
Expired	-	-
Outstanding CB (31.12.2024)	875 000	0.10
Vested CB		
Options not granted CB (31.12.2024)	375 000	0.10

	Outstanding instruments			Vested instruments	
Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2024	Weighted Average Strike Price
0.10 NOK	875 000	0.75	0.10 NOK	0	-

Board	Number of shares		Number of options	
	2024	2023	2024	2023
Tuomo Lähdesmäki, chairman	305 634	297 105	-	-
Gyrid Skalleberg Ingerø, board member	17 706	4 235	-	-
Maalfrid Brath, board member	37 740	32 690	-	-
Petra Grandinson, board member	27 273	22 943	-	-
Michael Lundgaard Thomsen, board member	13 019	8 689	-	-
Jarle Larsen, employee elected board member	22 712	21 154	-	-
Tone Aas, employee elected board member	3 088	1 530	-	-
Henriette Stene, employee elected board member	3 088	1 530	-	-

Corporate management team	Number of shares		Number of options	
	2024	2023	2024	2023
Peter Nilsson, CEO	2 184 027	2 633 157	225 000	495 000
Cathrin Nylander, CFO	1 179 052	1 081 992	75 000	175 000
Kristoffer Asklöv, COO	196 113	144 080	100 000	200 000
Stian Haugen, CTO	157 870	100 851	75 000	175 000
Mindaugas Sestokas,VP Central Eastern Europe	548 619	480 619	75 000	175 000
Hans Petter Thomassen, VP Nordics & North America	570 716	517 657	75 000	175 000
Zygimantas Dirse, VP Asia region	590 763	596 763	75 000	175 000

Note 6 - Remuneration of senior executives, directors and auditors

NOK 1000	2024	2023
Remuneration of senior executives		
Pay and other benefits[1]	**50 138**	89 230
Balance items at 31 December resulting from purchase/sale of goods and services		
Payable to related parties:		
Senior executives[1]	**0**	25 303
Total	**0**	25 303

(1) Senior executives comprise the corporate management team at Kitron ASA. See table below for a more extensive description of remuneration of senior executives. The amount at 31 December comprises accrued bonuses to corporate management team.

Remuneration of senior executives, directors and auditor

NOK 1000	2024	2023
Remuneration of directors	**2 924**	3 123
- chairman	**713**	644
- board members	**2 211**	2 479
Auditors fee*)	**2 734**	3 009
- statutory audit	**2 489**	2 774
- other attestation services	**45**	45
- tax related services	**165**	81
- other services	**34**	109

*) all figures without VAT

Remuneration of senior executives:

NOK 1000		Fixed remuneration		Variable remuneration				
Name	Year	Base salary[1]	Other benefits[2]	Short-term incentive earned[3]	Long-term incentive[4]	Pension expense[5]	Total remuneration	Proportion of fixed/ variable
Peter Nilsson CEO	2024	3 689	157		8 238	1 634	13 718	40%/60%
	2023	3 595	146	4 084	12 191	1 566	21 582	25%/75%
Cathrin Nylander CFO	2024	2 525	282		3 070	318	6 195	50%/50%
	2023	2 308	303	2 743	3 573	328	9 255	32%/68%
Stian Haugen CTO	2024	1 540	251		3 045	119	4 955	39%/61%
	2023	1 464	238	1 739	3 555	116	7 112	26%/74%
Kristoffer Asklöv COO	2024	2 681	117		3 070	558	6 426	52%/48%
	2023	2 534	116	2 981	2 988	592	9 211	35%/65%
Zygimantas Dirse VP Asia region	2024	1 882	825		3 330	105	6 142	46%/54%
	2023	1 700	738	2 292	3 465	94	8 288	31%/69%
Mindaugas Sestokas VP Central Eastern Europe	2024	3 096	70		3 330		6 497	49%/51%
	2023	2 477	75	2 904	3 465	0	8 920	29%/71%
Hans Petter Thomassen VP Nordics & North America	2024	2 707	79		3 065	355	6 206	51%/49%
	2023	1 964	209	2 333	3 567	250	8 323	29%/71%
Stefan Hansson Mutas Managing Director, Kitron AB, Sweden (1 January 2023-31December 2023)	2024	0	0	0	0	0	0	-
	2023	1 816	85	2 179	3 584	808	8 472	32%/68%
Carsten Christensen CEO Kitron A/S, Denmark (1 January 2023-31 December 2023)	2024	0	0	0	0	0	0	-
	2023	3 374	372	4 048	274	0	8 067	46%/54%

1) Peter Nilsson (CEO) had in 2023 an annual base salary of SEK 3,403,032. With effect from 1 January 2024 the annual base salary was adjusted to SEK 3,743,340. Base salary for Peter Nilsson in table 1 is influenced by holiday pay effects and some currency effects.
2) Other benefits include the value of any benefits or prerequisites, such as non-business or non-assignment related travel, medical, car, education and training, residence or housing, credit cards, and other benefits in kind or prerequisites.
3) Short-term incentive earned includes the total monetary value of annual bonuses from the short-term incentive program for the financial year.
4) Long term incentive program includes programs that have vested during the year and shows total benefit of shares and cash consideration.
5) Pension expense includes contributions that effectively took place during the reported financial year to finance a fund or other pension scheme for future pension payout for the senior executive.

NOK 1000

Name of Board member	Position	Type of remuneration	2024	2023
Tuomo Juhani Lähdesmäki	Chair	Total regular board remuneration	643	616
		Amount of board remuneration paid in cash	383	367
		Amount of board remuneration used for share acquisition	260	249
		Remuneration for chair of the remuneration committee and member of the risk- and audit committee	70	28
Gyrid Skalleberg Ingerø (From 25.04.2024)	Board member	Total regular board remuneration	248	-
		Amount of board remuneration paid in cash	165	-
		Amount of board remuneration used for share acquisition	82	-
		Remuneration for chair of the risk- and committee	90	-
Gro Merete Brækken (Until 25.04.2024)	Deputy chairperson	Total regular board remuneration	70	278
		Amount of board remuneration paid in cash	70	208
		Amount of board remuneration used for share acquisition	-	70
		Remuneration for member of the audit/remuneration committee	12	47
Espen Gundersen (Until 25.04.2024)	Board member	Total regular board remuneration	70	278
		Amount of board remuneration paid in cash	70	208
		Amount of board remuneration used for share acquisition	-	70
		Remuneration for chair of the audit committee	24	93
Maalfrid Brath	Board member	Total regular board remuneration	318	278
		Amount of board remuneration paid in cash	235	208
		Amount of board remuneration used for share acquisition	82	70
		Remuneration for member of the remuneration committee	25	28
Michael L. Thomsen	Board member	Total regular board remuneration	318	278
		Amount of board remuneration paid in cash	186	166
		Amount of board remuneration used for share acquisition	132	112
		Remuneration for member of the audit/remuneration committee	57	49
Petra Grandinson	Board member	Total regular board remuneration	318	278
		Amount of board remuneration paid in cash	186	166
		Amount of board remuneration used for share acquisition	132	112
		Remuneration for member of the remuneration committee	25	28
Jarle Larsen	Board member	Total regular board remuneration	213	278
		Amount of board remuneration paid in cash	165	208
		Amount of board remuneration used for share acquisition	47	70
Henriette Stene (From 28.04.2024)	Board member	Total regular board remuneration	213	210
		Amount of board remuneration paid in cash	165	140
		Amount of board remuneration used for share acquisition	47	70
Tone Aas (Until 25.04.2024)	Board member	Total regular board remuneration	213	210
		Amount of board remuneration paid in cash	165	140
		Amount of board remuneration used for share acquisition	47	70
Bjørn Martin Gottschlich (Until 28.04.2023)	Board member	Total regular board remuneration	-	68
		Amount of board remuneration paid in cash	-	68
		Amount of board remuneration used for share acquisition	-	-
Tanja Rørheim (Until 28.04.2023)	Board member	Total regular board remuneration	-	68
		Amount of board remuneration paid in cash	-	68
		Amount of board remuneration used for share acquisition	-	-
		Remuneration for member of the audit committee	-	11

No payroll tax is included in the tables above. For employee representatives only board remuneration is declared. The company has not given any loans or security for directors or senior executives at 31 December 2024. For more information about remuneration of senior executives, see the separate Remuneration Report available at www.kitron.com.

Note 7 - Tangible fixed assets and depreciation

NOK 1000	Machinery and equipment
Acquisition cost at 1 January	20 554
Additions during the year	-
Disposal during the year	-
Acquisition cost at 31 December	20 554
Accumulated depreciation 1 January	18 976
Depreciation during the year	401
Disposal during the year	-
Accumulated depreciation at 31 December	19 377
Book value 31 December	1 177
Useful lifetime	3 - 5 years
Depreciation plan	Linear

Annual lease of fixed assets unrecognised in the balance sheet

NOK 1000	Length of lease	Annual rent
Premises	>2025	1 050
Company cars	>2024	583

Note 8 - Other intangible assets

NOK 1000	System software
Acquisition cost at 1 January	106 567
Additions during the year	17 061
Acquisition cost at 31 December	123 628
Accumulated depreciation at 1 January	72 579
Depreciation during the year	7 244
Accumulated depreciations at 31 December	79 823
Book value 31 December	43 805
Depreciation plan	Linear
Useful lifetime	5-7 years

Note 9 - Other financial income and expenses

NOK 1000	**2024**	**2023**
Dividend	318 651	214 103
Gain from sale of subsidiary [1)]	155 837	
Currency gain	5 774	
Total other financial income	480 262	214 103
Other financial expenses		
Currency loss		10 496
Other financial expenses	4 530	2 825
Total other financial expenses	4 530	13 321

1) Kitron A/S Denmark was in 2024 sold from Kitron ASA to Kitron Holding A/S Denmark.

Note 10 - Taxes

NOK 1000	2024	2023
Tax cost for the year breaks down into:		
Tax payable	**0**	0
Change in deferred tax	**(10 715)**	(12 874)
Deferred tax charged to equity	**4 173**	3 797
Total tax cost	**(6 542)**	(9 077)
Calculation of tax base for the year:		
Profit before tax	**412 181**	(44 936)
Permanent differences *)	**(470 856)**	(13 476)
Change in temporary differences	**(2 030)**	1 966
Group contribution received	**143 238**	116 205
Change in tax loss carried forward	**(82 533)**	(59 759)
Tax base for the year	**0**	(0)
Overview of temporary differences:		
Fixed assets	**(208)**	(156)
Pensions	**(5 099)**	(5 059)
Other temporary differences	**(7 606)**	(9 738)
Gain and loss account	**40**	50
Total	**(12 873)**	(14 903)
Loss carried forward	**(19 367)**	(111 824)
Total	**(32 240)**	(126 727)
Deferred tax asset (22%)	**7 092**	27 880
Explanation of why tax cost for the year does not equal 22% of pre-tax result		
22% of profit/loss before tax	**90 680**	(9 886)
Permanent differences 22%	**(103 588)**	(2 965)
Tax effect of actuarial losses booked against equity	**144**	85
Tax effect of transaction costs booked against equity	**10**	10
Tax effect of share options booked against equity	**4 029**	3 702
Prior year adjustments	**2 183**	(23)
Calculated tax cost	**(6 542)**	(9 077)
Effective tax rate **)	**(1.6 %)**	20.2 %

*) Includes non-tax-deductible costs such as entertainment, group contribution and dividend
**) Tax cost in relation to pre-tax result

Note 11 - Mortgages

NOK 1000	2024	2023
Debt secured by mortgages:	**1 202 738**	1 180 788
Overview of existing security:		
Pledge in machinery and plants	**50 000**	50 000
Pledge in receivables	**700 000**	700 000
Pledge in inventories	**700 000**	700 000
Carrying amount of assets provided as security:		
Machinery and equipment	**1 177**	1 578
Receivables	**1 322 628**	764 719

The carrying amount of assets provided as security for the debt include assets in Kitron ASA only. In addition, the bank has security in assets in other Norwegian, Swedish and Danish Kitron companies.

The group's guarantee provider had provided guarantees at 31 December for leasing obligations and tax due but not paid. These totalled NOK 0.5 million (2023: NOK 0.5 million) and NOK 5.0 million (2023: NOK 5.0 million) respectively.

Per 31 December 2024 Kitron ASA has granted the following parent company guarantees:

- 25.3 million EUR related to lease obligations for the Polish subsidiary Kitron sp. z.o.o (2023: 25.9 million EUR)
- 10.0 million EUR related to factoring agreement for the Polish subsidiary Kitron s.p z o.o (2023: 10.0 million EUR)
- 350 million NOK related to bank financing for Kitron AS and Kitron AB (2023: 350 million NOK)

Note 12 - Investment in subsidiaries

Company name	Country of incorporation	Share-holding	Voting share	Book value NOK 1000
Kitron AS	Arendal, Norway	100%	100%	243 737
Kitron AB	Jönköping, Sweden	100%	100%	13 463
Kitron Hong Kong Ltd	Hong Kong	100%	100%	1
Kitron GmbH	Metzingen, Germany	100%	100%	30 194
Kitron Holding USA Inc	Delaware, USA	100%	100%	69 433
UAB Kitron Real Estate	Kaunas, Lithuania	100%	100%	12 422
UAB Kitron	Kaunas, Lithuania	100%	100%	29 201
Kitron sp. z o.o	Grudziadz, Poland	100%	100%	49 538
Kitron Holding A/S Denmark	Horsens Denmark	100%	100%	576 803
Kitron Electronics Manufacturing Sd. Bhd.	Senai, Malaysia	100%	100%	22 778
Total investment in subsidiaries				1 047 570

The Kitron Hong Kong Ltd subsidiary owns shares in the following subsidiaries:

NOK 1000	Country of incorporation	Share-holding	Voting share
Kitron Electronics Manufacturing (Ningbo) Co., Ltd.	Ningbo, China	100%	100%
Kitron Electromechanical (Ningbo) CO. Ltd	Ningbo, China	100%	100%

The Kitron Holding USA Inc subsidiary owns shares in the following subsidiaries:

NOK 1000	Country of incorporation	Share-holding	Voting share
Kitron Technologies Inc	Delaware, USA	100%	100%
Kitron Systems Inc	Delaware, USA	100%	100%

The Kitron Holding A/S Denmark subsidiary owns shares in the following subsidiaries:

NOK 1000	Country of incorporation	Share-holding	Voting share
Kitron A/S	Horsens, Denmark	100%	100%

Kitron A/S in Denmark owns shares in the following companies:

NOK 1000	Country of incorporation	Share-holding	Voting share
Kitron Electronics Manufacturing (Suzhou) Co. Ltd	Suzhou, China	100%	100%
Kitron Holding Czech a.s	Lanskroun, Czech	100%	100%
Kitron India ApS	Horsens, Denmark	100%	100%
Kitron India Services Private Limited	Chennai, India	100%	100%

Kitron Electronics Manufacturing (Suzhou) Co. Ltd owns shares in the following companies:

NOK 1000	Country of incorporation	Share-holding	Voting share
Kitron Electromechanical (Suzhou) Co. Ltd.	Suzhou, China	100%	100%

Kitron Holding Czech a.s owns shares in the following companies:

NOK 1000	Country of incorporation	Share-holding	Voting share
Kitron Czech a.s.	Lanskroun, Czech	100%	100%

Note 13 - Intra group loans

NOK 720.1 million of the NOK 720.1 million in intra-group loans at 31 December 2024 falls due later than one year after the end of the fiscal year.

NOK 1000	2024	2023
Kitron Technologies Inc	**158 333**	141 872
UAB Kitron Real Estate	**22 005**	20 961
Kitron Czech a.s	**60 133**	57 279
Kitron Electronics Manufacturing Sd. Bhd.	**5 675**	16 017
Kitron Holding A/S Denmark	**474 000**	-
Total	**720 146**	236 130

Note 14 - Group account

Kitron ASA has established a group account agreement with the company's principal bank. This embraces Kitron ASA and its Norwegian, Swedish, German, US, Polish and Danish subsidiaries. Unused credit lines amounted to NOK 183.9 million at the end of 2024 (2023: NOK 183.6 million).

Note 15 - Equity

NOK 1000	Share capital	Share premium fund	Other equity	Total equity
At 31 December 2023	19 822	579 357	163 482	762 661
Net profit	-	-	418 722	418 722
Termination of options against cash consideration	-	-	(14 285)	(14 285)
Effect from option costs	-	-	4 340	4 340
Actuarial gains and losses pensions	-	-	(510)	(510)
Issue of ordinary shares	70	-	-	70
Share issue costs charged to equity	-	(36)	-	(36)
Accrued dividend	-	-	(69 621)	(69 621)
At 31 December 2024	**19 892**	**579 321**	**502 128**	**1 101 341**

Note 16 - Shares and shareholders information

The company's share capital at 31 December 2024 comprised 198 917 161 shares with a nominal value of NOK 0.10 each. Each share carries one vote. There were 10 344 shareholders at 31 December 2024 (31 December 2023: 10 558 shareholders).

The 20 largest shareholders in Kitron ASA at 31 December 2024:

Shareholder	Number	Percentage
FOLKETRYGDFONDET	19 974 202	10.04 %
VERDIPAPIRFOND ODIN NORGE	14 238 775	7.16 %
MP PENSJON PK	9 681 628	4.87 %
VEVLEN GÅRD AS	9 000 000	4.52 %
Avanza Bank AB [1)]	5 896 357	2.96 %
State Street Bank and Trust Comp	5 766 595	2.90 %
J.P. Morgan SE	5 482 734	2.76 %
VERDIPAPIRFONDET HOLBERG NORGE	4 800 000	2.41 %
VJ INVEST AS	4 600 000	2.31 %
BNP Paribas	4 344 915	2.18 %
The Bank of New York Mellon SA/NV	4 000 000	2.01 %
VARNER EQUITIES AS	2 850 000	1.43 %
VERDIPAPIRFONDET DNB SMB	2 743 690	1.38 %
The Bank of New York Mellon SA/NV	2 490 703	1.25 %
VERDIPAPIRFONDET FONDSFINANS NORGE	2 390 744	1.20 %
VERDIPAPIRFONDET KLP AKSJENORGE IN	2 288 306	1.15 %
State Street Bank and Trust Comp	2 199 916	1.11 %
CACEIS Bank	1 929 684	0.97 %
Nordnet Bank AB	1 811 310	0.91 %
VPF FONDSFINANS NORDEN	1 800 000	0.90 %
Total 20 largest shareholders	**108 289 559**	54.44 %
Total other shareholders	90 627 602	45.56 %
Total outstanding shares	**198 917 161**	100.00 %

1) Beneficial owner: CEO Peter Nilsson 2 184 027 shares (1,10 per cent)

Authorization to the Board to issue shares

Authorization to strengthen equity and incentive schemes

The ordinary general meeting of 25 April 2024 authorized the board of directors of Kitron ASA to increase the share capital in accordance with the Norwegian Public Limited Liability Companies Act section 10-14 on the following conditions:

1. The share capital may, in one or more rounds, in total be increased with up to NOK 1,982,171.34
2. The Board of Directors may not use the authorization if the total increase of the share capital approved by the Board of Directors in accordance with this authorization together with the use of other authorizations to issue shares, in the period for the authroization in item 3, exceeds NOK 3,964,342.68.
3. The authorization shall be valid until the Annual General Meeting in 2025, but no later than 30 June 2025.
4. The shareholders' pre-emptive rights according to the Norwegian Public Limited Liability Companies Act section 10-4 may be set aside.
5. The authorization is not intended for use to facilitate or obstruct the success of a take-over bid where Kitron is the target company.
6. The authorization encompasses share capital increase by contribution in any kind and the right to incur Kitron ASA with special obligations according to the Norwegian Public Limited Liability Companies Act section 10-2.

7. The authorization encompasses resolutions on merger according to the Norwegian Public Limited Liability Companies Act section 13-5.
8. The authorization is limited to encompass capital requirements or issuance of consideration shares in relation to strengthening of Kitron ASA's equity, joint ventures or joint business operations, remuneration to members of the Board of Directors of Kitron ASA, incentive schemes, and acquisition of property and business within Kitron ASA's purpose
9. The Board of Directors is authorized to decide other terms and conditions of the subscription and is authorized to amend the articles of association as implied by the use of this authorization.
10. This authorization replaces any previously granted authorizations for the Board of Directors to increase the share capital.

Strategic authorization

The ordinary general meeting of 25 April 2024 authorized the board of directors of Kitron ASA to increase the share capital in accordance with the Norwegian Public Limited Liability Companies Act section 10-14 on the following conditions:

1. The share capital may, in one or more rounds, in total be increased with up to NOK 3,964,342.68.
2. The Board of Directors may not use the authorization if the total increase of the share capital approved by the Board of Directors in accordance with this authorization together with the use of other authorizations to issue shares, in the period for the authorization in item 3, exceeds NOK 3,964,342.68.
3. The authorization shall be valid until the Annual General Meeting in 2025, but no later than 30 June 2025.
4. The shareholders' pre-emptive rights according to the Norwegian Public Limited Liability Companies Act section 10-4 may be set aside.
5. The authorization is not intended for use to facilitate or obstruct the success of a take-over bid where Kitron is the target company.
6. The authorization encompasses share capital increase by contribution in any kind and the right to incur Kitron ASA with special obligations according to the Norwegian Public Limited Liability Companies Act section 10-2.
7. The authorization encompasses resolutions on merger according to the Norwegian Public Limited Liability Companies Act section 13-5.
8. The authorization is limited to include strengthening of Kitron ASA's equity and issuing of consideration shares in connection with acquisition of other companies or enterprises within Kitron ASA's purpose.
9. The Board of Directors is authorized to decide other terms and conditions of the subscription and is authorized to amend the articles of association as implied by the use of this authorization.

Authorization to the Board to buy own shares

The ordinary general meeting on 25 April 2024 authorized the board of directors of Kitron ASA to acquire Kitron ASA's own shares, for the purpose of ownership or charge, in accordance with the Norwegian Public Limited Liability Companies Act sections 9-4 and 9-5 on the following conditions:

1. The Board of Directors may acquire shares in Kitron ASA, on one or several occasions, provided that the total combined nominal value of the acquired shares after the acquisition must not exceed ten per cent of the share capital, i.e. up to a total nominal value of NOK 1,982,171.34. The authorization also includes contract liens in the shares of Kitron ASA.
2. The authorization is not intended for use to facilitate or obstruct the success of a take-over bid where Kitron is the target company.
3. Under this authorization the Board of Directors may pay minimum NOK 1 per share and maximum the prevailing market price per share on the day the offer is made, provided, however, that the maximum amount does not exceed NOK 100 per share.
4. Any and all previous authorizations given to the Board of Directors to acquire own shares shall be, and hereby are, withdrawn with effect from the date this authorization is registered with the Norwegian Register of Business Enterprises.
5. Shares acquired according to the authorization shall either be cancelled, used as remuneration to the members of the Board of Directors of Kitron ASA, used in incentive schemes or be used as consideration in connection with acquisition of other companies or businesses, joint ventures or joint business operations, and acquisition of property and business within Kitron ASA's purpose.
6. This authorization shall be valid until the 2024 annual general meeting, but not longer than 30 June 2025.

Note 17 - Information on long-term liabilities to financial institutions

The company has long-term bank loans of NOK 1 176.8 million at 31 December 2024 (NOK 1 180.8 million at 31 December 2023).

Of this NOK 123.0 million is short-term part and is due within one year. Under the terms of the group's major bank loans, which has a carrying amount of NOK 1 293.3 million (2023: NOK 1 297.1 million), the group is required to comply with the following financial covenants measured at the end of each quarter:

- the consolidated Net interest-bearing debt/EBITDA ratio must be not more than 3.5, and

- the borrowing base/LTV ratio must be not more than 80%.

The group has complied with these covenants throughout the reporting period. As at 31 December 2024, the Net interest-bearing debt/EBITDA ratio was 1.5 before IFRS16 effects (1.4 as at 31 December 2023).

The borrowing base/LTV ratio as at 31 December 2024 was 31.9% (30.8% as at 31 December 2023).

There are no indications that Kitron group would have difficulties complying with the covenants when they will be tested at the end of each quarter in 2025.

Note 18 - Financial risk

Interest rate risk

Interest on the group's interest-bearing debt is charged at the relevant market rate prevailing at any given time (base rate plus interest margin). No interest rate instruments have been established in the company. The company does not have significant interest-bearing assets except from inter-company loans, so that its income and cash flow from operational activities are not significantly exposed to changes in the market interest rate.

Currency risk

Exchange rate developments represent a risk for the company both directly and indirectly. At 31 December 2024 the company had no forward contracts.

Price risk

The business of Kitron ASA is administration of its subsidiaries, and revenues consist primarily of group contributions. The company is not exposed to significant commodity price risk.

To the General Meeting of Kitron ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kitron ASA, which comprise:

- the financial statements of the parent company Kitron ASA (the Company), which comprise the balance sheet as at 31 December 2024, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Kitron ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Kitron ASA for 20 years from the election by the general meeting of the shareholders on 29 April 2005 for the accounting year 2005.

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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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Operating Costs and Percentage of Completion Method has the same characteristics and risks as in the prior year, and therefore continues to be an area of focus this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
Operating Costs and Percentage of Completion Method A significant portion of revenues is recognised over the contract period based on estimated percentage of completion for contracts, based on the requirements in IFRS 15. We focused on operating costs and the percentage of completion method because calculating the cost incurred for partly satisfied performance obligations and estimating the percentage of completion require application of management judgement. Specifically, application of judgement is necessary to estimate total costs and production time. Further, calculation of costs incurred and estimating total costs require that management determines direct and indirect production costs and considers large amounts of data, which adds a degree of complexity to the process. Note 6 to the consolidated financial statements explains how management accounts for revenue from contracts with customers.	We reviewed management's policy for calculation of cost incurred for partly satisfied performance obligations and how percentage of completion is estimated. We found the policy to be in line with the requirements of the IFRS Accounting Standards. We evaluated the design and tested operating effectiveness of controls directed at the accuracy of the cost price calculations. We also tested the accuracy of data used in the model that calculated costs incurred by tracing the details back to original sources. Our procedures included tests of input data and recalculation of both direct and indirect costs. We also tested the estimates of total costs for reasonableness by comparing the costing model to actual cost as they occur. Through discussions with management, we were satisfied that no significant variances were identified that triggered a need for additional adjustments of the costing model. No significant exception was noted from our work. We evaluated the appropriateness of the related note disclosures and found them to be appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and 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.

- obtain 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 and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Kitron ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Kitron Annual Report 2024 ESEF.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 20 March 2025
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant

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To the General Meeting of Kitron ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Kitron ASA (the «Company») included in Sustainability statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in the subsections 2.14 and 2.15 in the ESRS 2 General Disclosures section; and

- compliance of the disclosures in section "Disclosures pursuant to the EU taxonomy" of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in the subsections 2.14 and 2.15 in the ESRS 2 General Disclosures section of the Sustainability Statement.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in section "Disclosures pursuant to the EU taxonomy" of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in the subsections 2.14 and 2.15 in the ESRS 2 General Disclosures section.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. 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.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in the subsections 2.14 and 2.15 in the ESRS 2 General Disclosures section.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
  - Obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
  - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 20 March 2025
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant – Sustainability Auditor

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Responsibility statement

We confirm to the best of our knowledge that:

- the consolidated financial statements for 2024 have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU as well as additional information requirements in accordance with the Norwegian Accounting Act and that
- the financial statements for the parent company for 2024 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway

and that:

- the information presented in the financial statements gives a true and fair view of the Company's and Group's assets liabilities financial position and result for the period viewed in their entirety and that
- the Board of Directors' report, including the Sustainability statement, gives a true and fair view of the development performance and financial position of the Company and Group and includes a description of the principle risks and uncertainties.

Oslo, 20 March 2025

Tuomo Lähdesmäki
Chairman

Maalfrid Brath
Deputy Chairman

Michael Lundgaard Thomsen
Board Member

Gyrid Skalleberg Ingerø
Board Member

Petra Grandinson
Board Member

Tone Aas
Employee Elected Board Member

Henriette Stene
Employee Elected Board Member

Jarle Larsen
Employee Elected Board Member

Peter Nilsson
CEO of Kitron ASA

Definition of APMs

Kitron uses terms in the consolidated financial statements that are not anchored in the IFRS® accounting standards. As being an Electronics Manufacturing Services company, Kitron uses Alternative Performance Measures which are relevant for understanding and evaluation of performance within manufacturing.

Our definitions and explanations of these terms follow below:

Order backlog
All firm orders and 4 months of committed customers forecast at revenue value as at balance sheet date.

Foreign exchange effects
Group consolidation restated with exchange rates as comparable period the previous year. Change in volume or balance calculated with the same exchange rates for the both periods are defined as underlying growth. Change based on the change in exchange rates are defined as foreign exchange effects. The sum of underlying growth and foreign exchange effects represent the total change between the periods.

EBITDA
Operating profit (EBIT) + Depreciation and Impairments

EBIT
Operating profit

EBIT margin (%)
Operating profit (EBIT) / Revenue

Net working capital
Inventory + Contract assets + Accounts Receivables – Accounts Payable

Operating capital
Other intangible assets + Tangible fixed assets + Net working capital

Return on operating capital (ROOC) %
Annualised Operating profit (EBIT) / Operating Capital

Return on operating capital (ROOC) R3 %
(Last 3 months Operating profit (EBIT))*4) / (Last 3 months Operating Capital /3)

Direct Cost
Cost of material + Direct wages (subset of personnel expenses only to include personnel directly involved in production)

Days of Inventory Outstanding
360/ (Annualised Direct Costs/(Inventory + Contract assets))

Days of Inventory Outstanding R3
360/ ((Last 3 months Direct Costs *4) / (Last 3 months Inventory and Contract assets/3))

Days of Receivables Outstanding
360/ (Annualised Revenue/Trade Receivables)

Days of Receivables Outstanding R3
360/ ((Last 3 months Revenue*4)/(Last 3 months Trade Receivables/3))

Days of Payables outstanding
360/ ((Annualised Cost of Material + Annualised other operational expenses) / (Trade Payables)

Days of Payables Outstanding (R3)
360/ (((Last 3 months (Cost of Material + other operational expenses)*4) / (Last 3 months Trade Payables)/3))

Cash conversion cycle (CCC)
Days of inventory outstanding + Days of receivables outstanding – Days of payables outstanding

Cash conversion cycle (CCC) R3
Days of inventory outstanding (R3) + Days of receivables outstanding (R3) – Days of payables outstanding (R3)

Net Interest-bearing debt
- Cash and cash equivalents + Loans (Noncurrent liabilities) + Loans (Current liabilities)

Interest-bearing debt
Loans (non-current liabilities) + Loans (current liabilities)

Inventory turns
Annualised direct costs / (Inventory + Contract assets)

Variable contribution
Revenue - Direct cost

Net gearing
Net interest bearing debt / Equity

Equity Ratio
The ratio of Equity to Total Assets

Return on Equity
(Last 3 months Profit (loss) for the period* 4)/ (Last 3 months Equity/3)

Corporate governance

Kitron's corporate governance principles clarify the division of roles between shareholders, the Board of Directors and the corporate management. The principles are also intended to help safeguard the interests of shareholders, employees and other stakeholders, such as customers and suppliers, as well as society at large. The primary intention is to increase predictability and transparency, and thereby reduce uncertainties associated with the business. It is Kitron's intent to practice good corporate governance in accordance with laws and regulations and the

recommendations of Oslo Børs under the 'comply or explain' concept. This review has been prepared by the Board of Kitron based on the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 ("the Code"). The code is available at www.nues.no.

According to Kitron's own evaluation, Kitron deviates from the code on the following points:

§6 General meetings

- All members of the Board of Directors, the Nomination Committee and the auditor are present. The Chairman of the Board and the auditor are always present to respond to any questions. From the Group perspective, this is considered sufficient.

1. Report on Corporate Governance

The report follows the structure of the Code of Practice. The Corporate Governance report is subject to annual evaluation and discussion by the Board. The following report was issued at the Board meeting on 20 March 2025.

2. Business

Kitron's business purpose clause is stated in the company's articles of association: Kitron's business purpose is manufacturing and development activities related to electronics. The business includes the purchase and sale of shares and companies in the same or related business sectors. The business may also include related consultancy activities and other activities associated with the operation. The company's objectives, strategies and risk profiles should be evaluated at least annually to create value for shareholders.

The company's main goals, strategies and risk profiles are presented in the annual report, sustainability report and on the company's website. It is the Board's opinion that these objectives, strategies and risk profiles are within the scope of the business purpose clause.

The objectives for the business are set with a view to creating value for shareholders in a sustainable manner. The Board of Directors has considered financial, social and environmental factors when defining the company's strategies, primary objectives and risk profile.

Long-term objectives, strategies and risk profiles are evaluated once a year in connection with the work on strategy, or as necessary in connection with major events or structural changes.

Kitron's vision is to provide solutions that deliver success for its customers. Kitron's core values to support the vision are commitment, innovation and engagement.

The group's current Ethical Code (Ethical Guidelines, Supplier Guidelines and Anti-Bribery Policy) was approved by the Board in 2018. It is based largely on international initiatives and guidelines related to social responsibility, including the ILO conventions.

The Ethical Code includes topics such as human rights, environment, relations with our customers and suppliers, corruption and confidentiality.

The Code applies to all Kitron Board members, elected officers, permanent and temporary employees, hired staff, consultants and agents acting in or on behalf of Kitron.

The Code also applies to all contractors, sub-contractors, suppliers and sub-suppliers. It includes all companies in the Kitron Group.

3. Equity and dividends

The parent company's share capital on 31 December 2024 amounted to NOK 19,891,716.10

Total equity for the group on 31 December 2024 was EUR 198.9 million, corresponding to an equity ratio of 35.8 per cent. Considering the nature and scope of Kitron's business, the Board considers that the company has adequate equity and capital structure.

Existing mandates granted to the Board to issue shares and to purchase its own shares are presented in the shareholder information section of the annual report. The mandates are restricted to defined purposes and limited in time to no later than the date of the next Annual General Meeting but not longer than 30 June that year.

Kitron's dividend policy states: "Kitron's dividend policy is to pay out an annual dividend of 20 to 60 per cent of the company's consolidated net profit before non-recurring items. When deciding on the annual dividend, the company will take into account the company's financial position, investment plans as well as the needed financial flexibility to provide for sustainable growth.

4. Equal treatment of shareholders and transactions with close associates

There is only one class of shares, and all shares have equal voting rights. The nominal amount per share is NOK 0.10. The articles of association place no restriction on voting rights. Kitron has issued an insider manual with guidelines and control procedures. According to the company's ethical guidelines, Board members and the executive management must notify the Board if they have any direct or indirect material interest in any transaction contemplated or entered by the company

5. Shares and negotiability

There are no provisions in the Company's Articles of Association that limit the right to own, trade or vote for shares in the Company.

6. General meetings

Shareholders exercise the ultimate authority in Kitron through the Annual General Meeting. All shareholders are entitled to attend a general meeting as long as they are recorded in the company's share register no later than the fifth business day before the date of the general meeting. Representatives of the Board and the auditor are present.

The notice of the meeting, the agenda and detailed and comprehensive supporting information, including the Nomination Committee's justified recommendations, are made available on Kitron's website at least 21 days before a general meeting takes place. At the same time, the notice and agenda are distributed to all shareholders. For administrative purposes, the shareholders must give notice of their attendance at the meeting at least two working days before the meeting.

The general meeting deals with such matters as required by Norwegian law. Shareholders who cannot attend the meeting in person can vote by proxy, and voting instructions can be given on each item on the agenda. In addition, shareholders may vote in advance, either in writing or by electronic means, up to 2 days prior to the general meeting.

The general meetings are opened by the chair of the Board. Normally, the Board proposes that Kitron's legal counsel shall chair the general meetings.

The notices and minutes of the general meetings are published in Oslo Børs' information system (www.newsweb.oslobors.no, ticker: KIT) and on Kitron's website.

7. Nomination Committee

Kitron's Nomination Committee is stated in the articles of association. The committee shall have two or three members, including the head of the committee. The general meeting elects the head and the members of the Nomination Committee and determines its remuneration. The general meeting has resolved a mandate and stipulated guidelines for the duties of the Nomination Committee that are compliant with the Code. The members of the Nomination Committee are elected for a period of up to two years.

The Nomination Committee shall propose and present to the general meeting: Candidates for election to the Board, remuneration of the Board, the Nomination Committee, and new members of the Nomination Committee.

Composition

The committee shall have two to three members, including the head of the committee. At the composition of the Nomination Committee, the interests of the shareholders will be considered, as well as the members' independence of the Board and of the executive management.

The Nomination committee members

After the Annual General Meeting 25 April 2024, the Nomination committee had the following members:

- Ole Petter Kjerkreit, chairperson, elected until the Annual General Meeting in 2025
- Atle Hauge, elected until the Annual General Meeting in 2025

The committee's members, Ole Petter Kjerkreit and Atle Hauge, are independent of Kitron's management and the Board.

The deadline for submitting proposals to the Nomination Committee is four weeks prior to the General Meeting Notice.

8. Board of Directors: composition and independence

According to the articles of association, the Board shall consist of 3 to 6 shareholder-elected members as resolved by the general meeting. The Board currently consists of five shareholder-elected members and three members elected by and among the employees.

Board members are elected for a period of up to two years.

The Chairman of the Board is elected by the general meeting. There is no corporate assembly in Kitron.

The Board's composition shall ensure that it can effectively and proactively perform its supervisory and strategic functions. Furthermore, the Board is composed to enable it to always act independently of special interests. The representation of shareholders was proposed by the Nomination Committee and unanimously resolved by the general meeting.

After the General Meeting 25 April 2024, the Board of Directors consists of eight members and currently has the following composition:

- Tuomo Lähdesmäki (Chairman), re-elected until the Annual General Meeting in 2025
- Maalfrid Brath (Vice chairman), re-elected until the Annual General Meeting in 2025
- Petra Grandinson, re-elected until the Annual General Meeting in 2025
- Michael Lundgaard Thomsen, re-elected until the Annual General Meeting in 2025
- Gyrid Skalleberg Ingerø, elected until the Annual General Meeting in 2025
- Jarle Larsen, elected by and among employees
- Tone Aas, elected by and among employees
- Henriette Stene, elected by and among employees

All shareholder-elected directors are considered independent of the management. The same applies in relation to important business relations and owners.

Board members who own shares in Kitron by 31 December 2024:

- Tuomo Lähdesmäki – 305 634 shares
- Maalfrid Brath – 37 740 shares
- Petra Grandinson – 27 273 shares
- Michael L. Thomsen – 13 019 shares
- Gyrid Skalleberg Ingerø – 17 706 shares

- Jarle Larsen – 22 712 shares
- Tone Aas – 3 088 shares
- Henriette Stene – 3 088 shares in Kitron

See presentation of Board members for details.

As expressed in the Ethical Code of Conduct, Kitron recognises a balanced workforce as a strength, and this extends to the Board and its committees. At the General Meeting on 25 April 2024, 2 male and 3 female Board members were nominated and elected by shareholders. Of the employee-elected Board members, 1 is male, and 2 are female. Both genders are represented on the Audit Committee and the HR & Remuneration Committee. The Board includes members representing various age groups as well as educational and employment backgrounds. Four nationalities are represented on the Board.

9. The work of the Board of Directors

The Board has an overall responsibility for safeguarding the interests of all shareholders and other stakeholders. Furthermore, it is the Board's duty and responsibility to exercise overall control of the company and to supervise the management and the company's operations. The division of roles between the Board and management is specified in Kitron's rules of procedure for the Board. The Board has approved an annual meeting plan for its work, which includes meetings with a special focus on strategy and budgeting. The Board conducts self-evaluation once a year.

The rules of procedures for the Board of Directors also include a statement on how the Board of Directors and the senior management shall handle agreements with related parties, including whether an independent valuation shall be obtained. The Board of Directors shall include a report on such agreements in the annual report.

Kitron's Board shall also serve as a constructive and qualified discussion partner for the executive management. One of the Board's key duties is to establish appropriate strategies for the group. It is important in this context that the Board, in cooperation with management, ensures that the strategies are implemented, that the results are measured and evaluated and that the strategies are developed in the most appropriate way. Kitron has defined performance parameters for the strategies and can thus measure its performance.

The Board receives financial reports monthly from the administration. The underlying data for these reports are prepared at each reporting unit. The information is checked, consolidated, and processed by the group's corporate financial staff to produce the consolidated reports that are submitted to the Board. The reports also include relevant operational matters. The group does not have a separate internal audit function. Account controls are exercised through segregation of duties, guidelines and approval procedures. The corporate financial staff is responsible for establishing guidelines and principles. The corporate financial staff handles the group's financial transactions.

Each profit center is responsible for the commercial benefit of manufacturing contracts.

Responsibility for the commercial content of significant procurement contracts rests with the corporate sourcing organisation.

The Board conducts annual evaluations of the executive managers and their performance. These evaluations also cover an assessment of cooperation between the Board and the management. The results of these evaluations represent an important element in the remuneration and incentive programs, which are described in the notes to the financial statements.

The Board had 13 meetings during 2024 with 95 per cent participation.

10. The Board's audit & risk committee

The Board's Audit and Risk Committee is appointed by Kitron ASA's Board of Directors and is a sub-committee of the Board. The committee mandate was revised and updated in 2020 in accordance with new regulations. The committee will, on behalf of the Board, supervise the financial reporting process to ensure the integrity of the financial statements. The committee will also go through: the company's internal supervisory/control routines and risk management system, the external audit process including a recommendation in the choice of an external auditor, the company's routines regarding compliance with laws and regulations affecting the financial reporting and the company's code of conduct.

The role of the committee is to prepare matters for consideration by the Board, to support the Board in its supervisory responsibilities and to ensure that the requirements made of the company in connection with its listing on the stock exchange are complied with.

The committee consists of three shareholder-elected Board members. The independent auditor usually attends the meetings. During 2024 there were 5 Audit Committee meetings.

Members of the Audit Committee:

- Gyrid Skalleberg Ingerø, voted chair of the Audit Committee and elected until the Annual General Meeting in 2025
- Michael Lundgaard Thomsen, re-elected until the Annual General Meeting in 2025
- Tuomo Lähdesmäki, re-elected until the Annual General Meeting in 2025

11. The Board's HR & Remuneration Committee

The HR & Remuneration Committee is appointed by Kitron ASA's Board of Directors and is a sub- committee of the Board. The committee consists of three shareholder-elected Board members.

The HR & Remuneration Committee will, on behalf of the Board, supervise remuneration and incentive schemes, mainly related to the CEO and the Corporate Management Team (CMT). The committee will oversee the company's management succession plan as well as the company's talent management. During 2024 there were 5 Remuneration Committee meetings.

Members of the Remuneration Committee:

- Maalfrid Brath, voted chair of the Remuneration Committee and re-elected until the Annual General Meeting in 2025
- Petra Grandinson, re-elected until the Annual General Meeting in 2025
- Tuomo Lähdesmäki, re-elected until the Annual General Meeting in 2025

10. Risk management and internal control

Kitron's business model is to provide manufacturing and assembly of electronics and industrial products containing electronics, including development, industrialisation, purchasing, logistics, maintenance/ repair and redesign. The Board sees no unusual risks beyond normal business risks that any light industry operation is exposed to.

EMS is a highly competitive industry, presenting the company with an inherent business risk related to Kitron's ability, firstly, to attract and retain customers who are and who will be predictable and successful in their respective markets and, secondly, to make a fair profit margin on its business. The group's customer portfolio consists of reputable companies operating in various segments. Several of the group's customers are world leaders in their respective fields. It is Kitron's perception that the customer portfolio is robust and well balanced. Kitron's value proposition to its customers includes flexibility, competence, quality, closeness and full value chain capability. The Board is confident that Kitron can maintain a viable, leading and adaptive business. Kitron is organised in distinct manufacturing sites, each fully accountable for its own revenues, profitability and level of capital employed. The structure facilitates closeness between management and the operation, which in turn provides a good overview and adequate internal business control.

The group has established a decentralised management model featuring delegated responsibility for profits. As a result, the control function parallels the group's management model, and it is the individual unit's responsibility to make sure that it has the capacity and expertise it requires to carry out responsible internal control. Governing management documents have been adopted, describing the group's requirements for responsible internal control.

Management prepares monthly financial reports that are sent to the Board of Directors. When the group's quarterly financial reports are to be presented, the Audit Committee reviews the reports prior to the Board meeting. The auditor participates in the Audit Committee meetings and meets with the entire Board in connection with the presentation of the annual financial statements. The Board annually reviews the strategic plan. In addition, as part of the preparation for the strategic discussion, the Board also annually review the group risks. The group's financial position and risks are described in the Board of Directors' Report. The health, safety, and environmental risks are limited and well-managed, and Kitron's ISO quality systems are certified by certification agencies, inspected and approved by several of the group's customers. Kitron's customers are professional product-owning companies, which purchase the manufacturing and related services from Kitron. Kitron is not the product owner, and the group's product liability risks are thus negligible. The Board regularly reviews and amends the Group's key Governance documents. The group's current Ethical Code of Conduct was approved by the Board on 8 October 2018. Combined with Kitron's Supplier Code of Conduct and Anti-Corruption policy, this forms the ethical guidelines for the group's business. Kitron has established routines for notification and follow-up on any alleged misconduct. The Group has an Ethical Committee whose task it is, on behalf of the management, to review Governance documents, decide and/or advise in Ethical dilemmas and conduct risk analysis and implement relevant actions.

11. Remuneration of the Board of Directors

The Annual General Meeting approves the remuneration paid to the Board of Directors each year. The Proposal for the remuneration is made by the Chair of the Nomination Committee.

The remuneration of the Board members reflects responsibility, expertise, time spent and the character of Kitron's business. The remuneration is not linked to the company's performance or share price. The remuneration to the chairman is determined separately from the other members. Additional remuneration is made to the members of the Board who are appointed to committees.

Board members are not encouraged to perform special assignments for the company in addition to their directorship. Such assignments, if any, are reported to the full Board and disclosed in the annual report.

Information about each director's remuneration, including shares and subscription rights, is provided in the notes to the annual financial statements and in the Remuneration report.

The members of the Board are encouraged to own shares in Kitron.

12. Remuneration of senior executives

The Norwegian Public Limited Liability Companies Act mandates that there are established guidelines for the remuneration of the CEO and other senior executives of the company. The remuneration guidelines have been approved by the general meeting. The remuneration guidelines shall be clear and understandable, and shall contribute to Kitron's business strategy, long-term interests and financial sustainability. The arrangements for salary and other remuneration shall be simple and shall ensure the convergence of the financial interests of the senior executives and shareholders.

The remunerations consist of a fixed annual compensation that includes annual base salary and other possible benefits (such as pension plan).

The total possible compensation also includes a short-term incentive scheme (STI) and a long-term incentive scheme (LTI).

Performance-related remuneration of the executive personnel in the form of share options, bonus programs or the like should be linked to value creation for shareholders or the company's earnings performance over time. Such arrangements, including share option arrangements, should incentivise performance and be based on quantifiable factors over which the employee in question can have an influence. Performance-related remuneration should be subject to an absolute limit.

Fixed compensation

The actual level of annual base salaries (ABS) is based on market conditions and salary levels related to the actual position in the country in question. Kitron uses market tools or similar for determining market levels on an annual basis. The executive positions are evaluated using the Hay positioning grading tool or similar.

Pension plans, based on defined contribution plans, are in place following the practice and regulations in each country. Other benefits are according to company policy and regulations in country of residence.

The Board may grant specific purpose bonuses to members of the senior executive management.

Short-term incentive scheme (STI)

The STI system has specific targets and defines maximum pay-outs and is set on an annual basis. The possible maximum payout is 85 per cent of the annual basic salary. The STI system is based on the performance of Revenue growth, EBIT, Return on Operating capital (ROOC) and ESG (sustainable energy at the sites).

Long-term incentive scheme (LTI)

The LTI system was established in 2013 as an option-based program with a three-year validity (2013-2016), and in 2015 the Board continued the share option program for executive management for another three-year period (2016-2019).

In 2018 the Board introduced a new share option program for executive management comprising up to 5 000 000 shares. The program is divided into four three-year subprograms, each with an allocation of 1 250 000 options, where the first program started in 2019, followed by one program every year until 2023.

The total program corresponds to approximately 3 per cent of the market capitalization.

Separate agreements describing the LTI systems and related conditions are in place for each senior executive. Maximum possible share options are defined per individual among the senior executives. Any possible payout will depend on the Kitron Group share price at the start of the program in comparison with the share price at the time of the expiry.

A more detailed description is provided in note 19 in the Consolidated Financial statements.

Kitron reports all forms of remuneration received by the chief executive and each of the other members of the executive management. Details on remuneration to senior executives and Board members for 2024 are provided in the Remuneration Report available at www.kitron.com

13. Information and communication

Kitron wants to maintain good communication with its shareholders and other stakeholders. The information practice is based on openness and will help to ensure that Kitron's shareholders and other stakeholders are able to make a realistic assessment of the company and its prospects. Guidelines have been established to ensure a flow of relevant and reliable financial and other information.

The group endeavours to ensure that all shareholders have access to the same information. Kitron complies with Oslo Børs' Code of Practice for IR, dated 1 March 2021.

All information distributed to the shareholders is published on Kitron's website (www.kitron.com) at the same time as it is sent to the shareholders. Furthermore, all announcements to the market are posted on Kitron's website following publication in Oslo Børs' company disclosure system www.newsweb.oslobors.no, ticker: KIT.

Public webcast presentations are held quarterly in connection with interim reporting. Kitron presents a financial calendar every year with dates for important events. Kitron's guidelines for reporting financial and other information as well as guidelines for the company's contact with shareholders, other than through the general meeting, are presented in the shareholder information section in the annual report.

Kitron operates in accordance with a set of financial targets established by the Board of Directors. These targets govern the Group's operations within the financial year. The targets on which Kitron give annual guiding are:

- Revenue
- EBIT

The aim is to communicate the targets for the financial year in connection with either the Capital Markets Day in December, the fourth quarter, the annual report, or later, as soon as they are approved by the Board of Directors.

Kitron emphasises that the targets, by their very nature, necessarily involve assumptions and uncertainty.

14. Takeovers

There are no defence mechanisms against take-over bids in the Company's Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company.

The Kitron Board has established guiding principles with respect to take-over bids.

In a bid situation, the Board and management have an independent responsibility to help ensure that shareholders are treated equally, and that the Company's business activities are not disrupted unnecessarily. The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer.

The Board should not hinder or obstruct the possibility of having take-over bids for the Company's activities or shares. The Board should actively seek other offers upon the receipt of a take-over bid if considered to be in the best common interest of the Company and its shareholders.

Agreements entered between the Company and the bidder, or significant terms and conditions thereof, that are material to the market's evaluation of the bid shall be publicly disclosed no later than at the same time as the announcement that the bid will be made is published.

In the event of a take-over bid for the Company's shares, the Board should not exercise mandates or pass any resolutions with the intention or effect of a disposal of the Company's activities, or material parts thereof, or otherwise obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

The Board and management shall refrain from implementing any measures intended to protect their personal interests at the expense of the interests of shareholders following an intention to make a take-over bid or announcement of a bid.

If an offer is made for the Company's shares, the Board shall issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's statement on the offer should make it clear whether the views expressed are unanimous, and if this is not the case, it should explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The statement shall include information as set out in section 6-16 of the Securities Act.

The Board should arrange for a valuation of the Company from an independent expert. The valuation should include an explanation and shall be made public no later than at the time of the public disclosure of the Board's statement.

15. Auditor

The Group's auditor is elected by the General Meeting. The auditor participates in the meetings of the Audit Committee, to whom they present the main features of the plan for the audit. The auditor also conducts a review of the company's internal control procedures, including identified weaknesses and improvement proposals, which are presented to the Audit Committee.

The auditor always participates in the meeting of the Board that deals with the annual financial statements.

In this meeting, the auditor discusses any changes to the accounting principles, comments on any material estimated figures and reports any material matters where there has been a disagreement between the auditors and the executive management.

The Board and the auditor will meet at least once a year without the CEO or any other members of the executive management present.

The auditor issues a written confirmation to the Board on compliance with the Statutory Audit Independence and Objectivity Requirements. The Board of Kitron has established guidelines in respect of the use of the auditor by the company's executive management for services other than mandatory audits.

The auditor annually provides the Board with a summary of all services that have been undertaken for Kitron for the accounting year. The fees paid for audit work and fees paid for other specific assignments are specified in the notes to the financial statements.

PwC has been the company's auditor since 2005.

Shareholder information

Kitron ASA (Kitron) has one class of shares. Each share carries one vote at the company's general meeting. The shares are freely transferable pursuant to the company's articles of association.

Kitron's registered share capital at 31 December 2024 was NOK 19,891,716.10 divided between 198 917 161 shares with a nominal value of NOK 0.10 each.

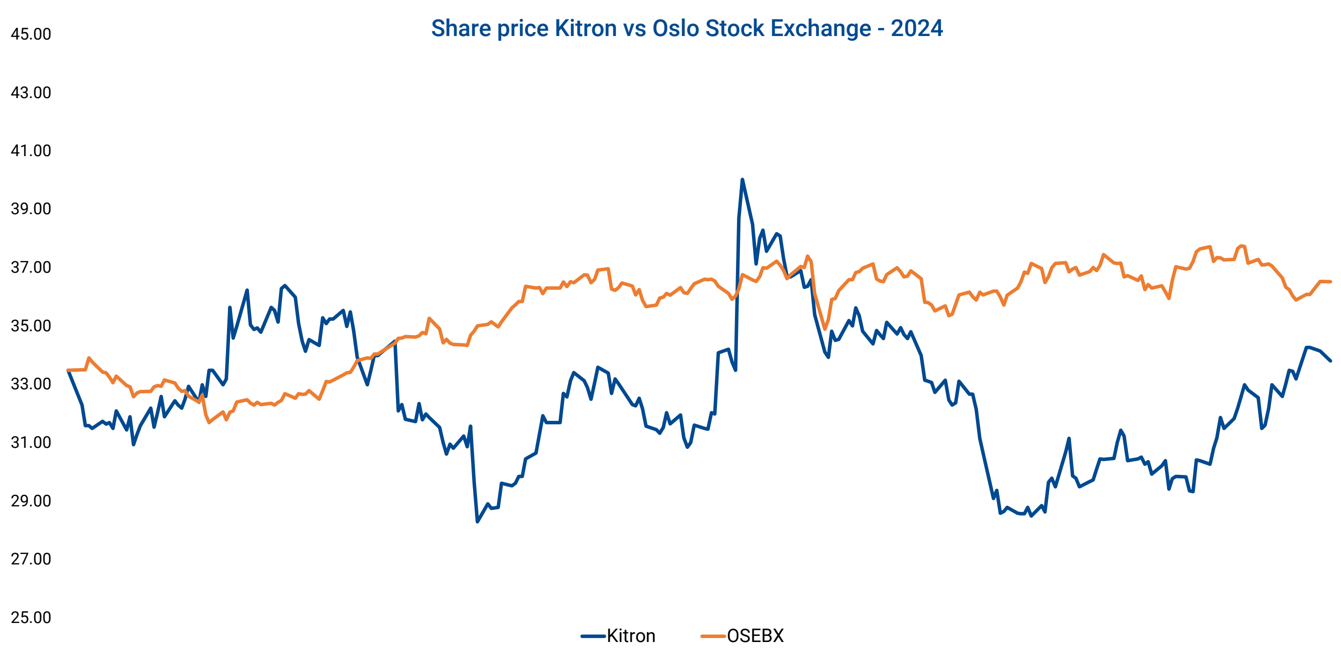
In 2018 the Board introduced a new share option program for executive management comprising of up to 5 000 000 shares. The program is divided into four three-year subprograms, each with an allocation of 1 250 000 option, where the first program started in 2019, followed by one program every year until 2023. The total program corresponds to approximately 3 per cent of the market capitalization.

The share option program entails that executive management, on certain terms, may be granted a right to subscribe for shares in Kitron at NOK 0.10 per share after a vesting period of three years. The number of options that are vested for each subprogram are linked to the development of the market capitalization at Oslo Stock Exchange, adjusted for dividends and share buy-backs. For each program to vest fully, the market capitalization adjusted for dividends and share buy-backs must increase 50 per cent. The program starts to vest at an increase of 20 per cent and will vest linearly between 20 per cent to 50 per cent.

Each subprogram is capped at 200 per cent increase of the market capitalization, adjusted for dividends and share buy-backs. The program has a clawback clause. Each of the subprograms has a lock up- period of one year and a down-sale period of two years.

In 2022, subprogram A vested, and 676 664 new shares were issued to the option holders at a strike price of NOK 0.10 per share. In addition, Kitron converted 493 336 exercised options under the share incentive program against cash consideration.

In 2023, subprogram B vested. In total, 1,250,000 options were exercised. However, the incentive program is capped at 200 per cent increase of the market capitalization for the shares that are issued, adjusted for dividends and possible share buy backs. As a result, the number of shares that may be subscribed has been reduced with 354,085 shares. 526 081 new shares were issued to the option holders at a strike price of NOK 0.10 per share pursuant to the board authorisation resolved in Kitron's general meeting held 28 April 2023. In addition, Kitron converted 369 834 ex-ercised options under the share incentive program against cash consideration. The cash considera-tion was utilised to cover the tax cost for the option holders which will be subject to advance tax deduction by Kitron after exercise of the options.



In 2024, subprogram C vested, and 700 027 new shares were issued to the option holders at a strike price of NOK 0.10 per share. In addition, Kitron converted 549 973 exercised options under the share incentive program against cash consideration.

Per 31 December 2024, 1 250 000 options have been allocated to the executive management.

Stock market listing

The company's shares are listed on the Oslo Stock Exchange (ticker code: KIT) in the OB "Match" liquidity segment and is since 1 December 2016 part of the Benchmark Index (OSEBX).

In 2024, Kitron was included in the Euronext Tech Leaders segment.

During 2024, the share price moved from NOK 33.50 to NOK 33.82, an increase of 1.0 per cent. In addition, in 2024, the company paid an ordinary dividend NOK 0.75 per share

The Oslo Børs Main Index increased by 9.1% per cent during the same period.

The share price has varied between NOK 27.32 and NOK 40.54. At the end of 2024, the company's market capitalization was NOK 6727.4 million. A total of 122.5 million shares were traded during the year, corresponding to a turnover rate of 61,7 per cent.

Shareholder structure

At the end of 2024, Kitron had 10 344 shareholders, compared with 10 558 shareholders at the end of 2023 . At the end of the year, the foreign shareholding amounted to 33.4 percent compared to with 23.1 percent at the end of 2023.

At the balance sheet date, Folketrygdfondet was the largest shareholder holding 10.0 per cent of the Kitron shares, followed by Verdipapirfonden Odin Norge with 7.16% and MP Pensjon with 4.87 per cent. Liquidity of the share was 100 per cent. The 20 largest shareholders held a total of 54.44 per cent of the company's shares at the end of the year.

Mandates

Authorization to the board to issue shares

The ordinary general meeting of 25 April 2024 authorized the board of directors of Kitron ASA to increase the share capital in accordance with the Norwegian Public Limited Liability Companies Act section 10-14 on the following conditions:

Authorization to strengthen equity and incentive schemes

The share capital may, in one or more rounds, in total be increased with up to NOK 1,982,171.34.

The Board of Directors may not use the authorization if the total increase of the share capital ap-proved by the Board of Directors in accordance with this authorization together with the use of other authorizations to issue shares, in the period for the authorization, exceeds NOK 3,964,342.68. The authorization shall be valid until the Annual General Meeting in 2025, but no later than 30 June 2025. The shareholders' pre-emptive rights according to the Norwegian Public Limited Liability Companies Act section 10-4 may be set aside. The authorization is not intended for use to facilitate or obstruct the success of a take-over bid where Kitron is the target company. The authorization encompasses share capital increase by contribution in any kind and the right to incur Kitron ASA with special obligations according to the Norwegian Public Limited Liability Com-panies Act section 10-2. The authorization encompasses resolutions on merger according to the Norwegian Public Limited Liability Companies Act section 13-5. The authorization is limited to encompass capital requirements or issuance of consideration shares in relation to strengthening of Kitron ASA's equity, joint ventures or joint business operations, remuneration to members of the Board of Directors of Kitron ASA, incentive schemes, and acquisition of property and business within Kitron ASA's purpose. The Board of Directors is authorized to decide other terms and condi-tions of the subscription and is authorized to amend the articles of association as implied by the use of this authorization. This authorization replaces any previously granted authorizations for the Board of Directors to increase the share capital. The authorization was used by the board in 2024 to increase share capital by NOK 70 002,70 to NOK 19,891,716.10

Strategic authorization

The share capital may, in one or more rounds, in total be increased with up to NOK 3,964,342.68. The Board of Directors may not use the authorization if the total increase of the share capital ap-proved by the Board of Directors in accordance with this authorization together with the use of other authorizations to issue shares, in the period for the authorization, exceeds NOK 3,964,342.68. The authorization shall be valid until the Annual General Meeting in 2025, but no later than 30 June 2025. The shareholders' pre-emptive rights according to the Norwegian Public Limited Liability Companies Act section 10-4 may be set aside. The authorization is not intended for use to facilitate or obstruct the success of a take-over bid where Kitron is the target company. The authorization encompasses share capital increase by contribution in any kind and the right to incur Kitron ASA with special obligations according to the Norwegian Public Limited Liability Com-panies Act section 10-2. The authorization encompasses resolutions on merger according to the Norwegian Public Limited Liability Companies Act section 13-5. The authorization is limited to include strengthening of Kitron ASA's equity and issuing of consideration shares in connection with acquisition of other companies or enterprises within Kitron ASA's purpose. The Board of Di-rectors is authorized to decide other terms and conditions of the subscription and is authorized to amend the articles of association as implied by the use of this authorization. This authorisation was not used by the board in 2024.

Authorization to the board to buy own shares

The ordinary general meeting on 25 April 2024 authorized the board of directors of Kitron ASA to acquire Kitron ASA's own shares, for the purpose of ownership or charge, in accordance with the Norwegian Public Limited Liability Companies Act sections 9-4 and 9-5 on the following conditions:

The Board of Directors may acquire shares in Kitron ASA, on one or several occasions, provided that the total combined nominal value of the acquired shares after the acquisition must not ex-ceed ten per cent of the share capital, i.e. up to a total nominal value of NOK 1,982,171.34. The authorization also includes contract liens in the shares of Kitron ASA. The authorization is not in-tended for use to facilitate or obstruct the success of a take-over bid where Kitron is the target company. Under this authorization the Board of Directors may pay minimum NOK 1 per share and maximum the prevailing market price per share on the day the offer is made, provided, however, that the maximum amount does not exceed NOK 100 per share. Any and all previous authoriza-tions given to the Board of Directors to acquire own shares shall be, and hereby are, withdrawn with effect from the date this authorization is registered with the Norwegian Register of Business Enterprises. Shares acquired according to the authorization shall either be cancelled, used as re-muneration to the members of the Board of Directors of Kitron ASA, used in incentive schemes or be used as consideration in connection with acquisition of other companies or businesses, joint ventures or joint business operations, and acquisition of property and business within Kitron ASA's purpose. This authorization shall be valid until the 2025 annual general meeting, but not longer than 30 June 2025. The authority was used in 2024 to buy back 27 275 own shares. The shares acquired were used as part of the remuneration to the board members for the period from and including May 2024, and to and including April 2025, as resolved by the annual general meeting on 25 April 2024.

Dividend policy

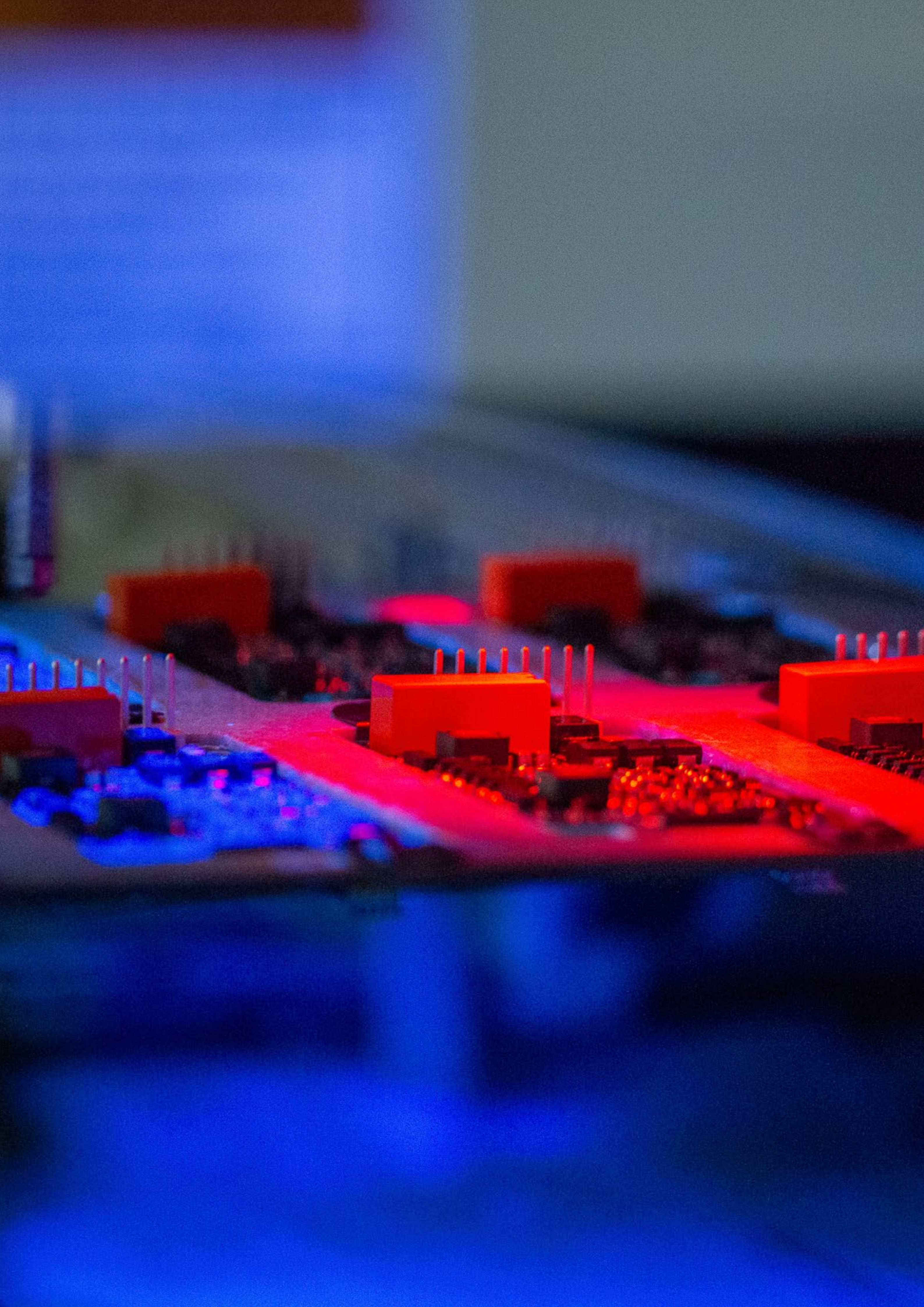
Kitron's dividend policy is to pay out an annual dividend of 20 per cent to 60 per cent of the com-pany's consolidated net profit before non-recurring items. When deciding on the annual dividend the company will take into account company's financial position, investment plans as well as the needed financial flexibility to provide for sustainable growth.

Information and investor relations

Kitron wishes to maintain open communications with its shareholders and other stakeholders. Shareholders and stakeholders are kept informed by announcements to the Oslo Børs and press releases. Kitron's website www.kitron.com provides information on Kitron's business and financial situation. Interim financial statements are presented at meetings open to the general public and are available as webcasts at www.kitron.com.

Kitron reports all manufacturing orders exceeding NOK 20 million. The group also reports smaller orders if these are of strategic importance or significant in any other way.

The corporate management is responsible for communication activities and investor relations, and also facilitates direct contact with the chairman of the board and other board members.



Board and Management

Board

Tuomo Lähdesmäki
Chairman of the board
Elected for the period 2024-2025

Tuomo Lähdesmäki was born in 1957 and is a Finnish citizen. He holds a Master of Science in Engineering from Helsinki University of Technology, a Master of Business Administration from INSEAD and has completed the Stanford Executive Program. He is also a Life Senior Member of the Institute of Electrical and Electronics Engineers (IEEE). He is a founding partner of Boardman Oy, "The leading network developing active ownership and board work competencies" in Finland, and he has previously, inter alia, been President and CEO of Elcoteq Network plc and Leiras Oy, Vice President and General Manager at Swatch Group and Executive Vice President at Nokia Mobile Phones. Mr Lähdesmäki is a Member of the Board of Turku University Foundation and a Member of the Investment Committee of the University of Turku. He also serves as Expert Member of the Market Court of Finland.

Mr Lähdesmäki was elected to the Kitron Board as Chairman in 2014 and is a member of Audit & Risk Management and HR & Remuneration committees. On December 31st, 2024, Mr Lähdesmäki owned 305 634 shares in Kitron.

Maalfrid Brath
Vice Chairman
Elected for the period 2024-2025

Maalfrid Brath was born in 1965 and is a Norwegian citizen. She holds an MSc degree from BI Norwegian Business School in economics and business administration and an MSc degree from NHH Norwegian School of Economics in professional accountancy. Ms Brath has since 2009 been Managing Director of Manpower Group Norway, and since 2019 she has also been Regional Managing Director of Nordic & Baltics. From 1995 to 2009, she held various executive management positions at Storebrand ASA, including EVP Business Development, EVP Retail, COO of Storebrand Livsforsikring and CEO of Storebrand Fondsforsikring. Prior to 1995, she was a Manager at Arthur Andersen. She sits on a number of boards, including The Confederation of Norwegian Enterprise, where she is the vice chair.

Ms Brath was elected to the Kitron Board in 2018 and heads the Remuneration Committee. On December 31st, 2024, Ms Brath owned 37 740 shares in Kitron.

Michael Lundgaard Thomsen
Board member
Elected for the period 2024-2025

Michael Lundgaard Thomsen was born in 1964 and is a Danish citizen. He holds a Master of Science in Manufacturing Management and Systems from Aalborg University in Denmark and an Executive MBA from Aarhus University, Denmark. Mr Lundgaard Thomsen is currently Director at Aalborg Portland A/S and brings more than 25 years of executive, international experience within various industries, including building materials, process instrumentation, electronics, mobile hydraulics and IT. For the past 17 years, he has held executive management positions as CEO and COO at three different companies. Prior to joining Aalborg Portland A/S, he spent seven years as CEO of Siemens Flow Instruments A/S, a role he was promoted into after being Global Operations Manager. He has also acted as a Factory Manager/ COO at Linak A/S. He spent ten years in various roles at Danfoss A/S, including two years in the US, where he held the overall responsibility for supply chain management. In addition to his operational responsibilities, he holds several board member and chair positions. In 2019, he was appointed chairman of the climate partnership for energy-intensive companies by the Danish Government.

Mr Lundgaard Thomsen was elected to the Kitron Board in 2022 and is a member of the audit committee. On December 31st, 2024, Mr Lundgaard Thomsen owned 13 019 shares in Kitron.

Petra Grandinson
Board member
Elected for the period 2024-2025

Petra Grandinson was born in 1968 and is a Swedish citizen. She holds a Master of Science in Vehicle engineering and System technologies from the Swedish Royal Institute of Technology (KTH) in Stockholm. Ms Grandinson is currently Chief Operations Officer at Ecolean AB and has a combination of operations and commercial experience, having worked with advanced electrical hand tools, larger capital equipment and technology infrastructure products and solutions. This includes first-hand knowledge as a customer of Electronic Manufacturing Services. She also brings international experience, having lived in China for five years and the UK for four years. She has had significant exposure to R&D organisations.

Ms Grandinson was elected to the Kitron Board in 2020 and is a member of the remuneration committee. On December 31st, 2024, Ms Grandinson owned 27 273 shares in Kitron..

Gyrid Skalleberg Ingerø
Board member
Elected for the period 2024-2025

Gyrid Skalleberg Ingerø was born in 1967 and is a Norwegian citizen. She has extensive experience in financial and accounting matters from management positions in different listed companies. In addition she has relevant industry experience. She is a state-authorized public accountant from the Norwegian School of Economics (NHH). Until recently, she was EVP and Group CFO at Kongsberg Gruppen ASA, a leading global technology company with operations in 40 countries. She is currently deputy chair of the board and a member of the audit committee at Telenor ASA, board member and member of the audit committee at Höegh Autoliners ASA, board member at KID ASA, board member and member of the audit committee at Gjensidige ASA and member of the board and chair of the audit committee at Itera ASA.

Ms Ingerø was elected to the Kitron Board in 2024. On December 31st, 2024, Ms Ingerø owned 17 706 shares in Kitron.

Tone Aas
Board member
Elected by and among the employees

Tone Aas was born in 1969 and is a Norwegian citizen. She has all her work background within Kitron AS. She joined Kitron AS in 1993 and has held several different positions within administration, logistics and manufacturing. Ms Aas works as a Production Department Manager in addition to being the site responsible for IFS projects.

Ms Aas was elected to the Kitron Board in 2023. On December 31st, 2024, Ms Aas owned 3 088 shares in Kitron.

Henriette Stene
Board member
Elected by and among the employees

Henriette Stene was born in 1977 and is a Norwegian citizen. She joined Kitron AS in 1998. Ms Stene works as a supervisor in the production area. She worked in the machine center from 1998 to 2024.

Ms Stene was elected to the Kitron Board in 2023. On December 31st, 2024, Ms Stene owned 3 088 shares in Kitron.

Jarle Larsen
Board member
Elected by and among the employees

Jarle Larsen was born in 1973 and is a Norwegian citizen. He has a background as an Electronics Engineer and joined Kitron AS in 2007. Mr Larsen works as a Senior Lean Engineer. In 2010, he was elected as leader for Nito at Kitron AS (The Norwegian Society of Engineers and Technologists). He still holds this position.

Mr Larsen was elected to the Kitron Board in 2019. On December 31st, 2024, Mr Larsen owned 22 712 shares in Kitron.

Management

Peter Nilsson
President & CEO

Born in 1964. CEO of Kitron since November 2014. Several senior and executive leadership positions for Swedish and US companies. Mr Nilsson holds a BSc in Industrial Engineering and Management and is a Swedish citizen. Mr. Nilsson owns 2 184 027 shares and has 225 000 Stock options in Kitron.

Cathrin Nylander
CFO

Born in 1967. Joined Kitron in 2013. Extensive experience as CFO in various industries such as manufacturing, IT, food industry, and financial services. Ms Nylander holds a bachelor's degree in social science from Lund University in Sweden and is a Swedish citizen. Mrs. Nylander owns 1 179 052 shares and has 75 000 Stock options in Kitron.

Kristoffer Asklöv
COO & Sales Director

Born in 1977. Joined Kitron in 2021. Mr Asklöv has more than 20 years of electronics production experience, an Executive MBA in Leadership & Management from Mgruppen and an M.Sc. in Product Development / Industrial design from the University of Linköping. Kristoffer Asklöv is a Swedish citizen. Mr. Asklöv owns 196 113 shares and has 100 000 Stock options in Kitron.

Stian Haugen
CTO

Born in 1976 and is a Norwegian citizen. Mr Haugen joined Kitron in 2013, managing the technology department of Kitron AS, Arendal. He has extensive experience from international R&D and customer support and holds a B.sc in computer science from Agder University, Norway. Mr. Haugen owns 157 870 shares and has 75 000 Stock options in Kitron.

Hans Petter Thomassen
VP Nordics & North America

Born in 1965. He joined Kitron in 2012. Mr Thomassen has extensive experience within manufacturing and logistics and has held several senior-level positions, including CEO. He also has experience in commercial aviation. Hans Petter Thomassen is a Norwegian citizen. Mr. Thomassen owns 570 716 shares and has 75 000 Stock options in Kitron.

Mindaugas Sestokas
VP Central Eastern Europe

Born in 1971. He has been with Kitron since 2008 and is a Lithuanian citizen. Diverse experience in industries like appliance manufacturing, food and beverage, coupled with senior-level positions, including CEO. Mr Sestokas holds a Master of Business Administration. Mr. Sestokas owns 584 619 shares and has 75 000 Stock options in Kitron.

Zygimantas Dirse
VP Asia

Born in 1980. With Kitron since 2003. Mr Dirse has broad experience from different international positions in the company and holds a Master of Science in Informatics Technology. Zygimantas Dirse is a Lithuanian citizen. Mr. Dirse owns 590 763 shares and has 75 000 Stock options in Kitron.

Articles of Association

Latest update 3 June 2024

§ 1
The company's name is Kitron ASA. The company is a public limited company.

§ 2
The company's registered office shall be located in the municipality of Asker. The company may also conduct the general meeting in the municipality of Oslo.

§ 3
Kitron's business is manufacturing and development activities related to electronics. The business includes the purchase and sale of shares and companies in the same or related business sectors. The business may also include related consultancy activities and other activities associated with the operation.

§ 4
The share capital of the company is NOK 19 891 716.10 divided into 198 917 161 shares with a face value of NOK 0.10 each. The company's shares shall be registered at the Norwegian Central Securities Depository.

§ 5
The company's board of directors shall have from 3 to 6 shareholder-elected members for a period of up to two years as resolved by the general meeting. The chairman of the board is elected by the general meeting. Two board members acting jointly are authorised to sign on behalf of the company. The board may grant power of attorney.

§ 6
The ordinary general meeting is held each year before the end of the month of June. The ordinary general meeting shall:

1. Consider and approve the annual report, the profit and loss statement and the balance sheet for the preceding year.
2. Consider and approve the application of profit or coverage of deficit according to the adopted balance sheet, as well as payment of dividends.
3. Consider and resolve other matters that pertain to the general meeting according to Norwegian law.

§ 7
Kitron shall have a nomination committee. The nomination committee shall have two or three members, including its chairman. Members of the nomination committee shall be elected for a term of office of up to two years.

The annual general meeting of Kitron shall elect the chairman and the members of the nomination committee. The mandate of the nomination committee shall be determined by the annual general meeting. The annual general meeting shall also determine the committee's remuneration.

The nomination committee shall submit proposals to the annual general meeting in respect of the following matters:

- Propose candidates for election to the board of directors
- Propose candidates for election to the nomination committee
- Propose the fees to be paid to the members of the board of directors
- Propose the fees to be paid to the members of the nomination committee

§ 8
Any issue that has not been resolved in these Articles of Association shall be considered in accordance with the regulations in the existing laws applicable to limited companies.

§ 9
Documents concerning matters to be considered at the general meeting are not required to be sent to the shareholders if the documents are made available for the shareholders at the company's websites. This also applies to documents that, pursuant to law, shall be included in or attached to the notice of the general meeting. A shareholder may nonetheless require that documents concerning matters to be considered at the general meeting be sent to him/her.

§ 10
Shareholders who want to participate at the general meeting shall notify the company thereof within two days prior to the general meeting.

§ 11
Shareholders may vote in advance, either in writing or by electronic means, up to 2 days prior to the general meeting. The board of directors determines further in the notice to the general meeting how such voting shall be carried out.

(Office translation)

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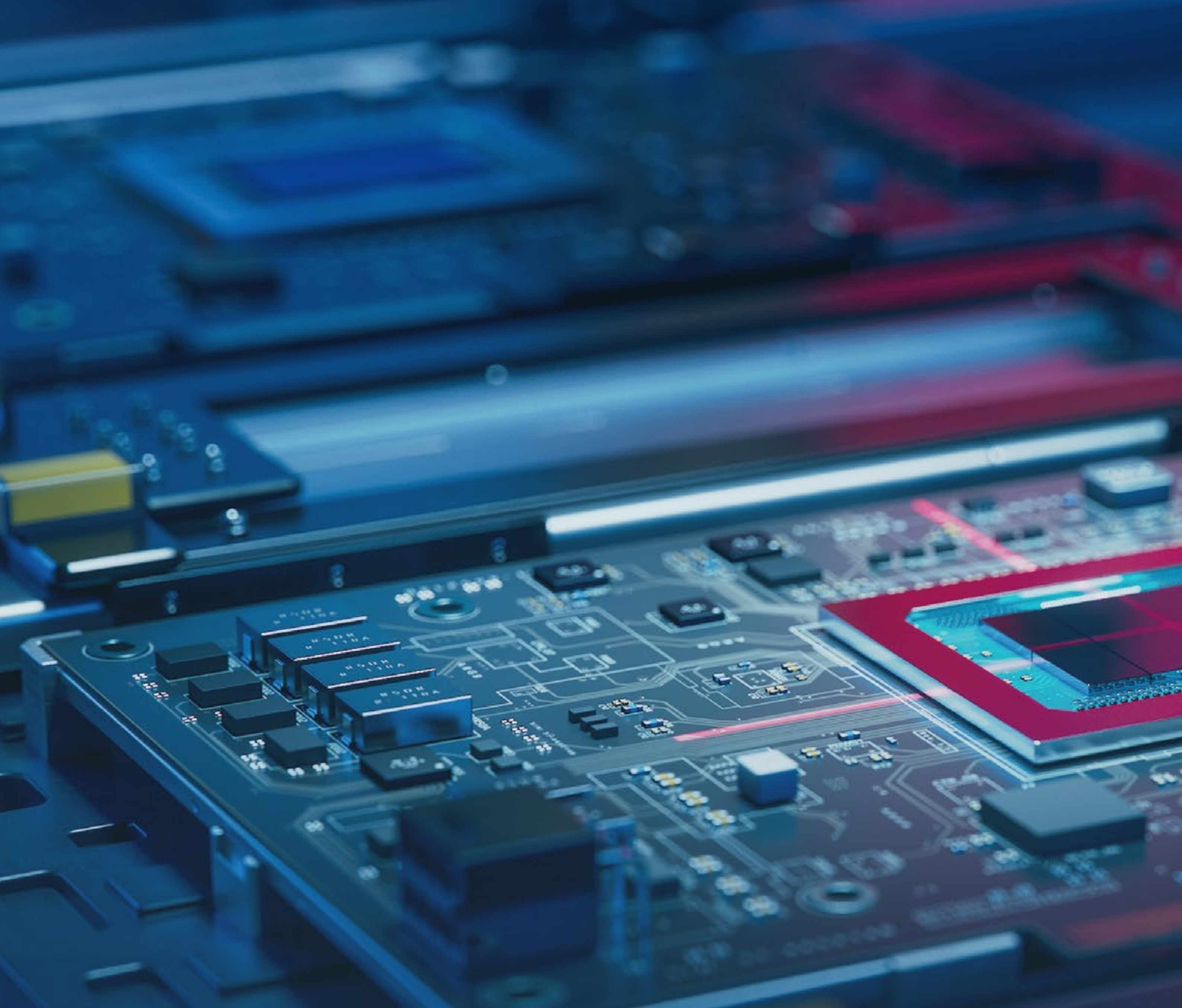

Kitron is a leading Scandinavian electronics manufacturing services company for the Connectivity, Electrification, Industry, Medical Devices, and Defence/Aerospace sectors. The group is located in Norway, Sweden, Denmark, Lithuania, Germany, Poland, the Czech Republic, India, China, Malaysia, and the United States, and has about 2 400 employees. Kitron manufactures both electronics that are embedded in the customers' own product, as well as box-built electronic products. Kitron also provides high-level assembly (HLA) of complex electromechanical products for its customers.

Kitron offers all parts of the value chain: from design via industrialization, manufacturing, and logistics, to repairs. The electronics content may be based on conventional printed circuit boards or ceramic substrates.

Kitron also provides various related services such as cable harness manufacturing and components analysis, resilience testing, or sourcing any other part of the customer's product. Customers typically serve international markets and provide equipment or systems for professional or industrial use.

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