



Second quarter report 2023

Connectivity
Electrification
Industry
Medical Devices
Defence/Aerospace

Norway
Sweden
Denmark
Lithuania
Germany
Poland
Czech Republic
India
China
USA

Message from our CEO

Our second quarter 2023 performance is once again record-breaking, demonstrating our adaptability in a challenging economic landscape. Despite challenging conditions, we have witnessed remarkable demand sustainability and earnings resilience across broader markets.

Our strong momentum continues, with quarterly revenues approaching or exceeding the 200 €M mark, reflecting the solid performance we have maintained for the past three quarters.

Furthermore, our EBIT margins remain consistently above 9%, showcasing the stability and profitability of our operations.

Amidst competitive challenges and geopolitical uncertainties, new business opportunities are emerging, bolstered by the increasing need for customers to gain greater control over their supply chains. In this context, robust and dependable solutions have become a priority.

An example of this, is our expanded business in the Nordics to support chip design by building extremely advanced products that focus on silicon design and verification, enabling hardware that drive the world's high-performing chips for amazing things like autonomous vehicles, smart homes, and machines that learn.

Within the area of Defense, Aerospace, and security-related products we have experienced an impressive growth over the past year. We now anticipate an additional rapid expansion of many existing programs in 2024 and 2025.

Regarding our operational capabilities, our capacity investments in existing facilities are nearing completion for 2023. Additionally, in line with our commitment to support increased volumes on Energy and HVAC Systems, we are constructing a new facility in the Czech Republic to enhance our offerings in this area. This 4000m² facility will be available towards the end of the year.

Recognizing the shifting landscape of customer initiatives, we have observed a growing trend of capacity diversification outside of China, which has driven numerous "Friend-shoring" transfers. To cater to this demand, we are excited to announce that a new Kitron facility in Malaysia will be coming online in the fourth quarter of 2023. This strategic move positions us to capitalize on growth opportunities in Asia, while extending our footprint beyond China.



Electronic component supply will be more balanced in the back half of 2023 resulting reduction in in lead-times. Strong performance from Kitron has had a significant impact on back-orders, with a 30 €M/50% reduction of back-orders compared to last year.

Given the opportunity of component lead-time reductions, and an uncertain market outlook in some regions, we see an increase of frequent changes to demand and some customers are taking defensive action capitalizing on better component supply.

Overall, these circumstances have a negative impact on the 535M€ order backlog resulting in a modest growth of 13.5%.

I believe our sustained performance, demonstrated resilience, and our ability to identify and seize new opportunities will continue to drive growth opportunities..



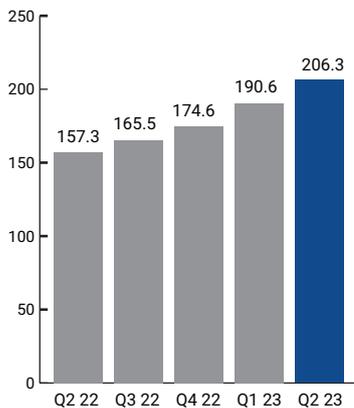
Lars Peter Nilsson
CEO of Kitron ASA

First half year and second quarter report 2023

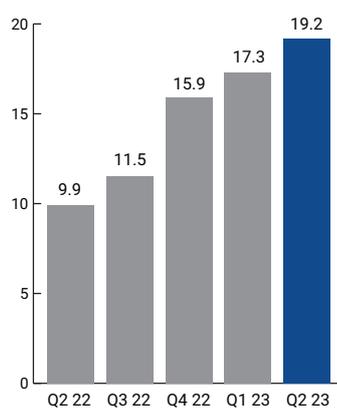
Strong momentum leads to record revenue and profits

- **Record second quarter > 200€M.**
- **Consistently strong margins.**
- **Current momentum expected to continue.**
- **New capacity in Czech & Malaysia.**

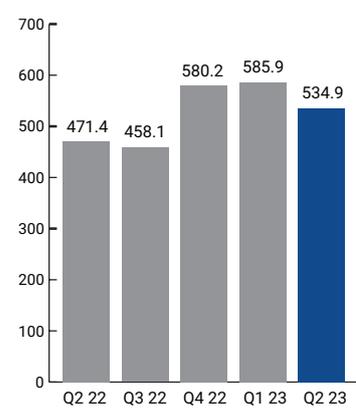
REVENUE Group
EUR million



EBIT Group
EUR million



ORDER BACKLOG Group
EUR million



Record revenue

Kitron's revenue for the second quarter was EUR 206.3 million, an increase of 31 per cent compared to last year and a record. Compared to last year, there was revenue growth year to date within every market sector. Growth was particularly strong within the Electrification market sector.

Strong order backlog

The order backlog ended at EUR 535 million, an increase of 13 per cent compared to last year, reflecting continued strong demand. The highest growth was in the market sectors Electrification and Defence & Aerospace. However, the order backlog is lower than in the preceding quarter as the gradually improving electronic component situation has reduced lead times.

Profit Expansion

Second quarter EBITDA* was EUR 23.5 million (EUR 14.2 million), an increase of 65 per cent compared to last year. Operating profit (EBIT)* for the second quarter ended at EUR 19.2 million (EUR 9.9 million), an increase of 94 per cent and a record. Profitability expressed as EBIT margin* was 9.3 per cent (6.3 per cent). The EBIT margin is improved from the preceding quarters due to further easing of supply constraints, which has increased operating efficiency. Profit after tax was EUR 15.7 million (EUR 6.6 million), corresponding to EUR 0.08 earnings per share (EUR 0.03).

Kitron's revenue for the first half year was EUR 396.9 million (EUR 300.9 million), an increase of 32 per cent compared to last year. First half year EBITDA* was EUR 44.8 million (EUR 25.9 million), an increase of 73 per cent from last year. Operating profit (EBIT)* for the first half year ended at EUR 36.5 million (EUR 17.8 million), an increase of 105 per cent. Profitability expressed as EBIT margin* was 9.2 per cent (5.9 per cent). Profit after tax was EUR 29.0 million (EUR 11.1 million), an increase of 161 per cent and corresponding to EUR 0.15 earnings per share (EUR 0.06)

Improved Capital efficiency

Operating cash flow was EUR 9.0 million (EUR 4.0 million) for the second quarter. Net working capital was EUR 189.2 million, an increase of 9.4 per cent compared to the same quarter last year. Cash conversion cycle R3* was down from 108 days to 84 days, and net working capital R3* as a percentage of revenue was 22.3 per cent compared to 27.8 per cent last year. Return on operating capital (ROOC) R3* was 28.2 per cent compared to 11.5 per cent in the same quarter last year. Capital efficiency ratios have improved, and this trend is expected to continue. Our focus continues to be on improving the supply situation, as well as managing resources, cash and deliverables.

New facilities in Czech Republic and Malaysia

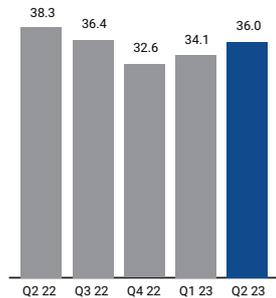
Due to increased demand, Kitron will add production capacity towards the end of 2023 in the Czech Republic and Malaysia. The Czech facility will support increased volumes within the Electrification market sector. The Malaysian facility will diversify our Asian offering outside China.

Key figures

EUR million	Q2 2023	Q2 2022	Change	30.06.2023	30.06.2022	Change	Full year 2022
Revenue	206.3	157.3	49.0	396.9	300.9	96.0	641.0
EBIT	19.2	9.9	9.3	36.5	17.8	18.6	45.3
Order backlog	534.9	471.4	63.5	534.9	471.4	63.5	580.2
Operating cash flow	9.0	4.0	5.0	19.4	(6.9)	23.3	14.2
Net working capital	189.2	173.0	16.3	189.2	173.0	16.3	183.7

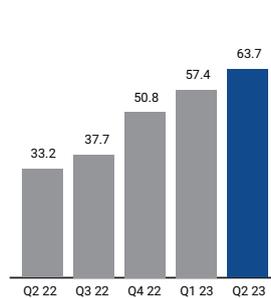
REVENUE Connectivity

EUR million



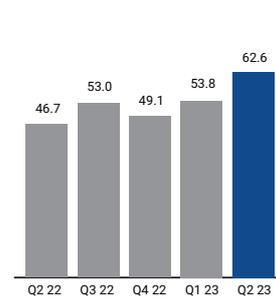
REVENUE Electrification

EUR million



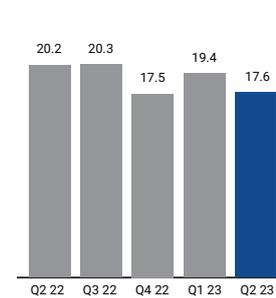
REVENUE Industry

EUR million



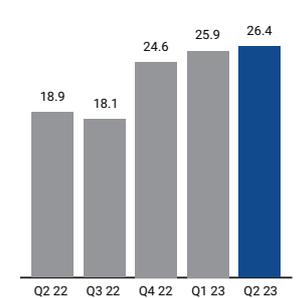
REVENUE Medical Devices

EUR million



REVENUE Defence/Aerospace

EUR million



Order intake

Order intake in the quarter was EUR 155.3 million, which is 20 per cent lower than for the second quarter 2022. The order backlog ended at EUR 534.9 million, which is 13 per cent higher than the same period last year.

Four-quarter moving average order intake was down from EUR 213.2 million at the beginning of the second quarter to EUR 201.5 million at the end of the quarter. Kitron's order backlog includes four months customer forecast plus all firm orders for later delivery.

Markets

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.

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.

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.

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).

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.

Revenue market sectors

EUR million	Q2 2023	Q2 2022	Change	01.01-30.06.2023	01.01-30.06.2022	Change	Full year 2022
Connectivity	36.0	38.3	(2.3)	70.1	69.7	0.4	138.7
Electrification	63.7	33.2	30.4	121.1	68.5	52.6	157.0
Industry	62.6	46.7	16.0	116.4	85.9	30.5	188.0
Medical devices	17.6	20.2	(2.6)	37.1	37.0	0.1	74.7
Defence & Aerospace	26.4	18.9	7.5	52.3	39.8	12.5	82.5

Order backlog market sectors

EUR million	30.06.2023	30.06.2022	Change	31.12.2022
Connectivity	72.8	74.7	(2.0)	91.4
Electrification	193.4	166.4	27.0	200.7
Industry	120.7	112.3	8.4	143.6
Medical devices	25.9	34.8	(8.9)	33.3
Defence & Aerospace	122.1	83.1	39.0	111.2
Total group	534.9	471.4	63.5	580.2

Operations

Organisation

The Kitron workforce corresponded to 3 276 full-time employees (FTE) on 30 June 2023. This is an increase of 464 FTE since the second quarter of 2022. The company's total payroll expenses in the second

quarter were EUR 5.0 million higher than in the corresponding period in 2022. The relative payroll costs ended at 15.3 per cent, down from 16.9 per cent of revenue in the second quarter last year.

Revenue business entities

EUR million	Q2 2023	Q2 2022	Change	01.01- 30.06.2023	01.01- 30.06.2022	Change	Full year 2022
Nordics	76.8	61.5	15.3	151.4	119.0	32.4	247.7
CEE	84.9	48.1	36.8	155.4	92.2	63.2	205.3
Rest of the world	48.1	53.1	(5.0)	97.5	98.5	(1.0)	205.4
Group and eliminations	(3.5)	(5.4)	1.9	(7.4)	(8.8)	1.4	(17.4)

EBIT business entities

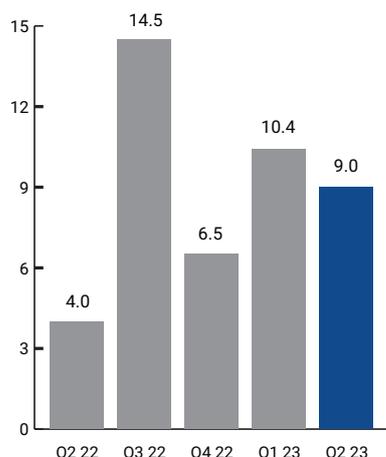
EUR million	Q2 2023	Q2 2022	Change	01.01- 30.06.2023	01.01- 30.06.2022	Change	Full year 2022
Nordics	7.0	3.9	3.1	14.3	7.7	6.6	18.6
CEE	9.0	3.7	5.3	16.2	6.5	9.7	16.3
Rest of the world	5.7	3.5	2.2	10.3	6.0	4.3	16.4
Group and eliminations	(2.5)	(1.2)	(1.3)	(4.3)	(2.6)	(1.7)	(6.1)

Full time employees

	30.06.2023	30.06.2022	Change	31.12.2022
Nordics	913	743	170	761
CEE	1 488	1 127	361	1 239
Rest of world	875	942	(67)	848
Total group	3 276	2 812	464	2 848

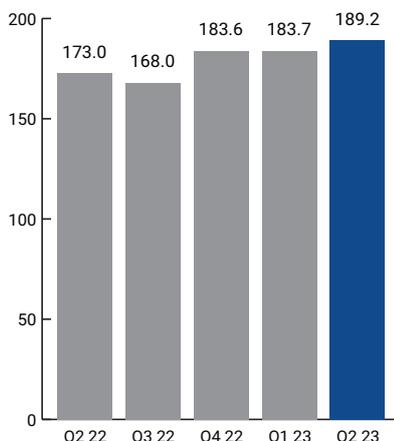
OPERATING CASH FLOW Group

EUR million



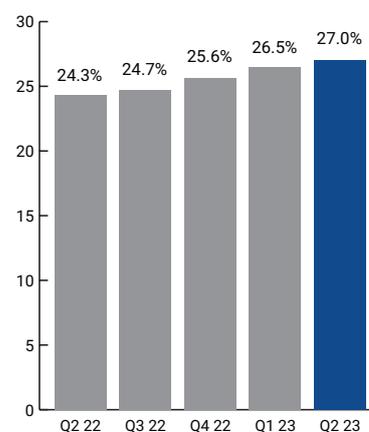
NET WORKING CAPITAL Group

EUR million



EQUITY RATIO Group

EUR million



Finance

Net financial items

During the quarter, net financial items amounted to a net income of EUR 0.1 million. The corresponding figure for the second quarter last year was a net cost of EUR 1.8 million. Net agio for the second quarter amounted to EUR 2.4 million (2022: disagio EUR 0.2 million).

Balance sheet

Kitron's gross balance sheet as of 30 June 2023 amounted to EUR 581.2 million, compared to EUR 536.7 million at the same time in 2022.

Equity was EUR 157.0 million (EUR 130.3 million), corresponding to an equity ratio of 27.0 per cent (24.3 per cent). Return on equity was 40.4 per cent (13.3 per cent) Equity is influenced by foreign exchange effects from consolidation of foreign subsidiaries.

Inventory was EUR 183.1 million as of 30 June 2023 (EUR 161.8 million). Inventory turns* was 2.8 in the second quarter 2023, which is an increase compared to the second quarter last year (2.6). Deposits from customers are collected to partially offset the increased inventory.

Accounts receivables amounted to EUR 154.1 million at the end of the second quarter of 2023. The corresponding amount at the same time in 2022 was EUR 131.7 million.

Contract assets were EUR 66.9 million as of 30 June 2023, compared to EUR 55.3 million at the same time in 2022. Right-of-use assets amounted to EUR 24.3 million at the end of the second quarter compared to EUR 24.1 million at the same time last year.

Right-of-use assets consist of buildings, land and vehicles amounting to EUR 10.8 million (2022: EUR 13.4 million) and machinery and equipment amounting to EUR 13.5 million (2022: EUR 10.7 million). Depreciation and interest costs related to leased buildings, land and vehicles were EUR 0.8 million and EUR 0.1 million respectively for the second quarter (2022: EUR 0.8 million and EUR 0.1 million respectively).

The group's reported net interest-bearing debt* amounted to EUR 142.5 million as of 30 June 2023 (EUR 170.8 million). Net gearing of the company was 0.91 (1.3). Net interest-bearing debt/ EBITDA is 1.8 for 12 months rolling compared to 3.6 for the same period last year. The net gearing and net interest-bearing debt/ EBITDA exclusive IFRS 16 effects are 0.84 and 1.7 respectively.

Outlook

For 2023, Kitron has previously indicated a revenue outlook of between EUR 700 and 800 million and an operating profit (EBIT) between EUR 60 and 75 million. Entering the second half of 2023, demand continues to be strong and capital efficiency ratios are improving. We now expect revenues between 750 and 800 EUR million with an operating profit (EBIT) between 65 and EUR 75 million

Oslo, 13 July 2022, Board of directors, Kitron ASA

Condensed profit and loss statement

EUR million	Q2 2023	Q2 2022	01.01- 30.06.2023	01.01- 30.06.2022	Full Year 2022
Revenue	206.3	157.3	396.9	300.9	641.0
Cost of materials	141.3	107.8	270.9	207.7	439.4
Payroll expenses	31.6	26.6	62.9	51.6	108.0
Other operational expenses	9.8	7.8	19.0	15.0	32.7
Other gains / (losses)	(0.2)	(0.9)	0.7	(0.6)	0.2
Operating profit before depreciation and impairments (EBITDA)	23.5	14.2	44.8	25.9	61.2
Depreciation	4.3	4.2	8.4	8.1	16.0
Operating profit (EBIT)	19.2	9.9	36.5	17.8	45.3
Net financial items	0.1	(1.8)	(0.9)	(4.1)	(6.7)
Profit (loss) before tax	19.2	8.1	35.6	13.6	38.6
Tax	3.6	1.6	6.6	2.6	10.3
Profit (loss) for the period	15.7	6.6	29.0	11.1	28.3
Earnings per share-basic	0.08	0.03	0.15	0.06	0.14
Earnings per share-diluted	0.08	0.03	0.15	0.06	0.14

Condensed balance sheet

EUR million	30.06.2023	30.06.2022	31.12.2022
ASSETS			
Goodwill	44.6	27.0	45.0
Other intangible assets	27.7	55.0	30.3
Property, plant and equipment	36.9	33.5	34.2
Right-of-use assets	24.3	24.1	24.2
Deferred tax assets	8.2	9.3	8.7
Other receivables	1.0	1.0	1.0
Total non-current assets	142.8	149.9	143.5
Inventory	183.1	161.8	172.7
Accounts receivable	154.1	131.7	143.5
Contract assets	66.9	55.3	59.4
Other receivables	13.5	17.2	13.9
Cash and cash equivalents	20.8	20.8	25.9
Total current assets	438.4	386.8	415.5
Total assets	581.2	536.7	559.0
LIABILITIES AND EQUITY			
Equity	157.0	130.3	143.3
Total equity	157.0	130.3	143.3
Deferred tax liabilities	5.9	11.9	6.3
Loans	116.6	115.3	119.4
Pension commitments	0.5	0.5	0.5
Other liabilities	1.1	1.2	1.2
Total non-current liabilities	124.1	128.9	127.4
Accounts payable	214.9	175.9	192.1
Other payables	31.5	22.3	28.6
Tax payable	7.2	3.0	6.2
Loans	46.7	76.3	61.3
Total current liabilities	300.2	277.5	288.2
Total liabilities and equity	581.2	536.7	559.0

Condensed cash flow statement

EUR million	Q2 2023	Q2 2022	01.01- 30.06.2023	01.01- 30.06.2022	Full year 2022
Profit before tax	19.2	8.1	35.6	13.6	38.6
Depreciations	4.3	4.2	8.4	8.1	16.0
Change in inventory, accounts receivable, contract assets and accounts payable	(5.7)	(2.4)	(5.7)	(20.1)	(32.1)
Change in net other current assets and other operating related items	(5.1)	(9.3)	(15.1)	(5.8)	(4.4)
Change in factoring debt	(3.7)	3.3	(3.8)	(2.6)	(3.9)
Net cash flow from operating activities	9.0	4.0	19.4	(6.9)	14.2
Net cash flow from investing activities	(3.6)	(3.3)	(7.0)	(92.3)	(96.4)
Net cash flow from financing activities	(11.2)	4.8	(17.3)	76.6	64.1
Change in cash and bank credit	(5.8)	5.5	(4.9)	(22.6)	(18.1)
Cash and bank credit opening balance	26.0	14.6	25.9	42.8	42.8
Currency conversion of cash and bank credit	0.6	0.6	(0.2)	0.5	1.2
Cash and bank credit closing balance	20.8	20.7	20.8	20.7	25.9

Condensed statement of comprehensive income

EUR million	Q2 2023	Q2 2022	01.01- 30.06.2023	01.01- 30.06.2022	Full year 2022
Profit (loss) for the period	15.7	6.6	29.0	11.1	28.3
Actuarial gain / losses pensions	-	-	-	-	(0.0)
Gain/losses forward contract	-	0.3	-	1.2	0.6
Exchange differences on translation	(3.3)	5.6	(5.9)	5.9	(3.8)
Total comprehensive income for the period	12.4	12.4	23.1	18.1	25.1
Allocated to shareholders	12.4	12.4	23.1	18.1	25.1

Changes in equity

EUR million	30.06.2023	30.06.2022	31.12.2022
Equity opening balance	143.3	122.9	122.9
Profit (loss) for the period	29.0	4.5	28.3
Paid dividends	(8.7)	(4.8)	(4.8)
Issue of ordinary shares	0.1	-	0.1
Employee share schemes	(0.7)	0.4	0.0
Other comprehensive income for the period	(5.9)	7.1	(3.2)
Equity closing balance	157.0	130.3	143.3

Notes to the financial statements

Note 1 – General information and principles

The condensed consolidated financial statements for the second quarter of 2023 have been prepared in accordance with International Financial Accounting Standards (IFRS) and IAS 34 for interim financial reporting. Kitron has applied the same accounting policies as in the consolidated financial statements for 2022. From 1 January 2023 Kitron changed the presentation currency from NOK to EUR. The interim financial statements do not include all the information required for a full financial report and should therefore be read in conjunction with the consolidated financial statements for 2022, which were prepared in accordance with the Norwegian Accounting Act and IFRS, as adopted by the EU. The consolidated financial statements for 2022 are available upon request from the company and at www.kitron.com.

Note 2 - Estimates

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognised as assets and liabilities, income and expenses. The actual results may deviate from these estimates. The important assessments underlying the application of Kitron's accounting policy and the main sources of uncertainty are the same for the interim financial statements as for the consolidated statements for 2022.

Note 3 – Financial risk management

Kitron's business exposes the company to financial risks. The purpose of the company's procedures for risk management is to minimise possibly negative effects caused by the company's financial arrangements.

Note 4 – Other gains and losses

Other gains and losses consist of net currency gains and losses.

Note 5 – Change in presentation currency

Kitron is from 1 January 2023 presenting its consolidated financial statements in EUR. The change in presentation currency from NOK to EUR is due to Kitron's activities now being primarily outside of Norway and transactions, revenue and costs increasingly being denominated in EUR.

The change in presentation currency has been treated as a change in accounting policy in accordance with IAS 8.

Balance sheet items including opening balance at 1 January 2022 are converted by using currency rate at balance sheet date. For profit and loss statements currency conversion is based on weighted average currency rates for the reporting period. Currency rates used in conversion is as follows:

	30.06.2022	31.12.2022	01.01.2022	01.04.2022-30.06.2022	01.01.2022-30.06.2022	01.01.2022-31.12.2022
EUR/ NOK	10.35	10.51	9.99	10.02	9.98	10.11

Weighted average currency rate (EUR/NOK) for the period 01.01.2023 - 30.06.2023 is 11.32. Currency rate (EUR/NOK) at 30.06.2023 is 11.70.

Converted financial statements from implementation are disclosed below and are also available at www.kitron.com.

Condensed profit and loss statement

	EUR million			NOK million		
	Q2 2022	01.01 - 30.06.2022	Full year 2022	Q2 2022	01.01 - 30.06.2022	Full year 2022
Revenue	157.3	300.9	641.0	1 580.2	3 008.9	6 486.7
Cost of materials	107.8	207.7	439.4	1 083.8	2 077.2	4 445.3
Payroll expenses	26.6	51.6	108.0	266.0	515.8	1 092.5
Other operational expenses	7.8	15.0	32.7	78.4	150.2	330.9
Other gains / (losses)	-0.9	-0.6	0.2	-9.2	-6.6	3.0
Operating profit before depreciation and impairments (EBITDA)	14.2	25.9	61.2	142.7	259.0	621.0
Depreciation	4.2	8.1	16.0	42.5	80.7	161.4
Operating profit (EBIT)	9.9	17.8	45.3	100.2	178.3	459.6
Net financial items	-1.8	-4.1	-6.7	-17.8	-41.4	-67.4
Profit (loss) before tax	8.1	13.6	38.6	82.5	136.9	392.2
Tax	1.6	2.6	10.3	16.1	26.1	105.1
Profit (loss) for the period	6.6	11.1	28.3	66.3	110.7	287.1

Condensed balance sheet

	EUR million			NOK million		
	30.06.2022	31.12.2022	01.01.2022	30.06.2022	31.12.2022	01.01.2022
ASSETS						
Goodwill	27.0	45.0	3.7	279.1	472.9	36.9
Other intangible assets	55.0	30.3	4.5	569.6	318.5	44.9
Property, plant and equipment	33.5	34.2	21.3	347.1	359.9	212.9
Right-of-use assets	24.1	24.2	24.0	249.1	254.6	239.5
Deferred tax assets	9.3	8.7	7.4	95.9	91.7	74.0
Other receivables	1.0	1.0	1.0	10.8	10.4	10.3
Total non-current assets	149.9	143.5	61.9	1 551.7	1 507.9	618.6
Inventory	161.8	172.7	88.1	1 674.9	1 815.5	880.3
Accounts receivable	131.7	143.5	86.5	1 363.0	1 508.2	864.6
Contract assets	55.3	59.4	40.1	572.7	624.6	400.6
Other receivables	17.2	13.9	11.7	177.6	145.8	117.3
Cash and cash equivalents	20.8	25.9	42.8	214.9	272.7	428.0
Total current assets	386.8	415.5	269.4	4 003.1	4 366.7	2 690.8
Total assets	536.7	559.0	331.3	5 554.8	5 874.7	3 309.4
LIABILITIES AND EQUITY						
Equity	130.3	143.3	122.9	1 348.7	1 506.5	1 228.0
Total equity	130.3	143.3	122.9	1 348.7	1 506.5	1 228.0
Deferred tax liabilities	11.9	6.3	0.4	123.1	66.4	4.2
Loans	115.3	119.4	20.6	1 192.9	1 255.2	206.2
Pension commitments	0.5	0.5	0.6	5.6	5.3	5.6
Other liabilities	1.2	1.2	0.4	12.6	12.1	4.2
Total non-current liabilities	128.9	127.4	22.0	1 334.1	1 339.0	220.2
Accounts payable	175.9	192.1	91.9	1 820.4	2 018.6	917.8
Other payables	22.3	28.6	13.1	230.4	301.1	131.1
Tax payable	3.0	6.2	1.9	31.2	65.4	19.1
Loans	76.3	61.3	79.4	790.0	644.1	793.2
Total current liabilities	277.5	288.2	186.3	2 872.0	3 029.1	1 861.1
Total liabilities and equity	536.7	559.0	331.3	5 554.8	5 874.7	3 309.4

Condensed cash flow statement

	EUR million			NOK million		
	Q2 2022	01.01 - 30.06.2022	Full year 2022	Q2 2022	01.01 - 30.06.2022	Full year 2022
Profit before tax	8.1	13.6	38.6	82.5	136.9	392.2
Depreciations	4.2	8.1	16.0	42.5	80.7	161.4
Change in inventory, accounts receivable, contract assets and accounts payable	-2.4	-20.1	-32.1	-112.3	-249.9	-399.9
Change in net other current assets and other operating related items	-9.3	-5.8	-4.4	-30.3	-25.0	29.0
Change in factoring debt	3.3	-2.6	-3.9	53.7	-14.4	-22.5
Net cash flow from operating activities	4.0	-6.9	14.2	36.1	-71.7	160.3
Net cash flow from investing activities	-3.3	-92.3	-96.4	-33.2	-918.3	-960.5
Net cash flow from financing activities	4.8	76.6	64.1	63.0	771.8	642.7
Change in cash and cash equivalents	5.5	-22.6	-18.1	65.9	-218.2	-157.4
Cash and cash equivalents opening balance	14.6	42.8	42.8	142.1	428.0	428.0
Currency conversion of cash and cash equivalents	0.6	0.5	1.2	7.0	5.1	2.1
Cash and cash equivalents closing balance	20.7	20.7	25.9	214.9	214.9	272.7

Condensed statement of comprehensive income

	EUR million			NOK million		
	Q2 2022	01.01 - 30.06.2022	Full year 2022	Q2 2022	01.01 - 30.06.2022	Full year 2022
Profit (loss) for the period	6.6	11.1	28.3	66.3	110.7	287.1
Actuarial gain / losses pensions	-	-	-0.0	0.0	0.0	-0.2
Gain / losses forward contract	0.3	1.2	0.6	2.6	11.6	5.8
Exchange differences on translation	5.6	5.9	-3.8	75.2	43.0	34.4
Total comprehensive income for the period	12.4	18.1	25.1	144.1	165.4	327.3
Allocated to shareholders	12.4	18.1	25.1	144.1	165.4	327.3

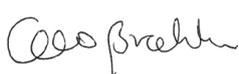
Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2023 has been prepared in accordance with IAS 34 - Interim Financial Reporting, and gives a true and fair view of the group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions

Oslo, 13 July 2023



Tuomo Lähdesmäki
Chairman



Gro Brækken
Deputy Chairman



Michael Lundgaard Thomsen
Board Member



Espen Gundersen
Board Member



Petra Granainson
Board Member



Maalfrid Brath
Board Member



Tone Aas
Employee Elected Board Member



Henriette Stene
Employee Elected Board Member



Jarle Larsen
Employee Elected Board Member



Lars Peter Nilsson
CEO of Kitron ASA

Appendix

Definition of Alternative Performance Measures

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 (Non-current 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)



Kitron is a Scandinavian Electronics Manufacturing Services company. The company has manufacturing facilities in Norway, Sweden, Denmark, Lithuania, Poland, the Czech Republic, India, China and the US and has about 3 000 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 industrialisation, 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, and resilience testing, and source any other part of the customer's product. Customers typically serve international markets and provide equipment or systems for professional or industrial use.