

Kitron A/S

Ane Staunings Vej 21C, 8700 Horsens, Denmark

CVR no. 21 66 25 34

Annual report 2024

Approved at the Company's annual general meeting on 30 June 2025

Chair of the meeting:


Hanne Merete Thorborg

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Kitron A/S for the financial year 1 January - 31 December 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Horsens, 30 June 2025
Executive Board:



Jimi Klitholm Sandgreen

Board of Directors:



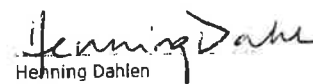
Hans Petter Thomassen
Chairman



Mona Cathrin Nylander
Deputy Chair



Kristoffer Karl Arne Asklöv



Henning Dahlen



Steen Moeskjær Jensen
Employee representative



Malbrit Lindgaard Paulsen
Employee representative

Independent auditor's report

To the shareholders of Kitron A/S

Opinion

We have audited the financial statements of Kitron A/S for the financial year 1 January - 31 December 2024, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Trekantsområdet, 30 June 2025

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Henrik Forthoft Lind
State Authorised Public Accountant
mne34169

Morten Elbæk Jensen
State Authorised Public Accountant
mne27737

Management's review

Company details

Name	Kitron A/S
Address, Postal code, City	Ane Staunings Vej 21C, 8700 Horsens, Denmark
CVR no.	21 66 25 34
Established	21 December 1998
Registered office	Horsens
Financial year	1 January - 31 December
Website	www.kitron.com
Telephone	+45 76 25 10 00
Board of Directors	Hans Petter Thomassen, Chairman Mona Cathrin Nylander, Deputy Chair Kristoffer Karl Arne Asklöv Henning Dahlen Steen Moeskjær Jensen, Employee representative Maibrit Lindgaard Paulsen, Employee representative
Executive Board	Jimi Klitholm Sandgreen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32, 7100 Vejle

Management's review

Financial highlights

DKK'000	2024	2023	2022	2021	2020
Key figures					
Revenue	403,970	695,462	1,175,712	734,558	477,054
Gross profit	48,413	71,789	114,500	61,286	45,207
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	18,416	44,018	79,345	36,787	24,898
Operating profit/loss	2,947	33,590	70,136	27,580	15,747
Profit before interest and tax (EBIT)	11,508	37,538	73,903	31,301	19,549
Net financials	-2,458	3,848	-1,831	-2,773	-149
Profit before tax	9,050	41,386	72,071	28,527	19,400
Profit for the year	5,495	31,892	55,857	21,950	14,635
Fixed assets	123,437	119,443	157,072	111,810	109,009
Non-fixed assets	203,251	252,029	381,420	299,358	211,538
Total assets	326,688	371,472	538,492	411,168	320,547
Investments in property, plant and equipment	8,201	8,564	11,789	6,965	2,525
Share capital	7,634	7,634	7,634	7,634	7,634
Equity	183,158	197,663	184,366	128,060	105,964
Non-current liabilities other than provisions	5,758	5,809	5,693	45,699	59,130
Current liabilities other than provisions	137,772	168,000	348,433	237,409	155,453
Financial ratios					
Gross margin	12.0%	10.3%	9.7%	8.3%	9.5%
EBITDA-margin	4.6%	6.3%	6.7%	5.0%	5.2%
Equity ratio	56.1%	53.2%	34.2%	31.1%	33.1%
Return on equity	2.9%	16.7%	35.8%	18.8%	14.8%

The financial ratios stated under "Financial highlights" have been calculated as follows:

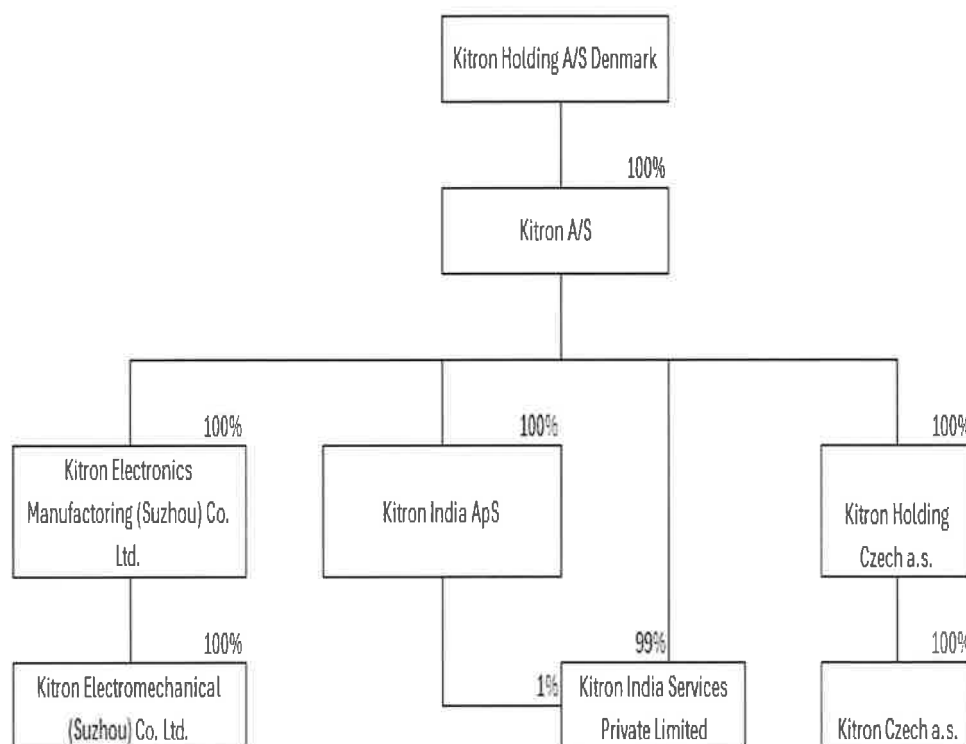
Operating profit/loss	$\frac{\text{Profit/loss before net financials +/-Other operating income and other operating expenses}}{\text{Revenue}} \times 100$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Management's review

Business review

Report

Kitron A/S is a provider of full range Electronics Manufacturing Services (EMS) which comprise development, production and sales of electronics and EMS solutions. The company, Kitron A/S is headquartered in Horsens, Denmark, where production also takes place. Furthermore, the Group has six subsidiaries – two in China, Kitron Electronics Manufacturing (Suzhou) Co. Ltd. and Kitron Electromechanical (Suzhou) Co. Ltd., two in Czech, Kitron Holding Czech a.s. and Kitron Czech a.s., one in Denmark, Kitron India ApS, and another in India. There are production sites in Denmark, China, India and Czech.



At 17 July 2024 Kitron Holding A/S Denmark bought all shares in Kitron A/S from Kitron ASA, Norway.

Management's review

Financial review

In 2024 we have started up several strategic initiatives in Kitron A/S some of their supported by group functions, to strengthening our activities within Electronic Manufacturing Service.

In general, 2024 was a year influenced by re-branding, new management and implementation of a new ERP-system. The last years challenges on the component market, was brought back to a more normal situation in terms of lead time, but still fluctuation on prices and a nervous market affected unstable demands. Kitron A/S started the 2024 up with a good order backlog in all five sectors, and has kept this stable throughout the year.

ERP-system, IFS, went live 1st of December with huge success, and didn't affect daily operations- Production was closed for less than 24 hours and shipping less than three days.

Financial development

The total sales for 2024 were DKK 404 million, which is a decrease of 42,3% compared to 2023 (DKK 695 million), this was also lower than the expectations for 2024. Challenges from the geopolitical situation and one large customer insourced there production has impacted on revenue more than expected. Profit after tax was DKK 5 million which was DKK 32 million in 2023. Profit is lower, than expected due to the decrease in revenue. At the end of the financial year the balance sheet total for Kitron A/S was DKK 327 million compared with DKK 371 million the previous year. Equity as of 31 December 2024 amounted to DKK 183 million (2023: DKK 198 million).

Management does not consider the result of the financial year satisfactory, and therefore strategic initiatives started up to optimize cost and make sure the benefits in the new ERP system are utilized

Investments

The investments in 2024 have been normal operational investments. Despite the decrease in revenue, Kitron A/S has invested in renewal and new technology to ensure that we are able to support the customers with a huge variety of services within the business. These investments are a part of a strategic initiatives to reduce the cost of production and continue to have high customer satisfaction.

Dividends

In 2024 DKK 20 million dividends has been paid in 2024, 18 million dividends were paid in the financial year 2023. 80 million has been proposed as dividend pr. 31 December 2024.

Recognition and measurement uncertainties

No recognition and measurement uncertainties have been identified in the annual report.

Financial risks and use of financial instruments

Kitron A/S centrally manages the Group's financial risks and coordinates the Group's liquidity management, including funding and placement of surplus liquidity. Kitron A/S operates with a low risk profile, meaning that currency, interest rate and credit risks only occur based on commercial factors. The majority of customers as well as inventory are guaranteed via external credit insurance, however some large groups are not insured via external credit insurance due to their risk profile. Where deemed appropriate to reduce financial risk, financial instruments in the form of forward contracts and interest rate swaps are included.

Business risks

The primary business risk faced by Kitron A/S is the continued ability to deliver good service and produce quality at competitive prices.

Management regularly evaluates whether Kitron A/S has an ample capital structure, and the Board regularly evaluates whether the capital basis is in keeping with the company's interests and those of its stakeholders. The overall goal is to ensure a capital structure that will support long-term financial growth.

Management's review

Knowledge resources

In 2024, the company maintained its focus on the competitive situation. The staff of the full-time employees is end of the year 148. To continually be able to deliver and develop competitive products and solutions, it is paramount that the Group can retain and develop employees so that they have the best possible skill set for performing in their job. Consequently, our HR department works with a strategic perspective focusing on goal-oriented work with attraction, development, and job satisfaction amongst the staff.

Statutory CSR report

Responsibility

The Group's CSR efforts are described in a separate Corporate Social Responsibility report for 2024 prepared by Kitron ASA. The report complies with the Danish Financial Statements Act section §99a.

The CSR report is available at:

<https://kitron.com/storage/files/Annual-Reports/Kitron-Sustainability-Statement-2024.pdf>

Whistle blowers

Employees at Kitron A/S can contact an external company anonymously if there should be events that they wish to report. There were no such contacts made under this arrangement in 2024.

Report on the gender composition of Management

Kitron A/S has goals for recruitment of women for management positions. Kitron A/S wants to make the goal of more women in management quantifiable - both in terms of the process leading to the goal and in relation to the concrete results.

Targets have been set for the ratio of female senior managers to comply with the Danish Financial Statements Act section §99b:

- ▶ The current proportion of females at the senior management level (the Board) is currently 30% i.e. an equal distribution in the board of directors according to the Danish Business Authority, and the target is at least 25% from now.
- ▶ The proportion of female senior managers in daily management (Executive Board) is currently 40%, and the target here is also not less than 25%.
- ▶ The proportion of female managers among all levels in daily management is currently 30%, and the target here is not less than 40%.
- ▶ The action to equal opportunity is to obtain at least one of each gender to be amongst the final three candidates in the recruitment process.

Outlook

In 2025, based on received orders and forecast from customers. The revenue is expected in same level as 2024. We see a big potential in several sectors and will expand current customer base, and expect that the current order backlog will increase. Kitron A/S expect a result in the range of 28 mio DKK for 2025, given that all strategic initiatives successfully is implemented.

Management's review

Data ethics

The Company's policy on data ethics is integrated into the IT policy and GDPR set-up. The focus and handling of data ethics is handled through the following:

- ▶ The IT Policy, which contains requirements for employees regarding the handling of IT systems and data in the Company.
- ▶ The Group's GDPR set-up, which supports the legislation's requirements for GDPR, including data collection and processing, data subjects' rights, and that there are requirements for subcontractors' use of data processing agreements.
- ▶ The Group continuously educates employees in data ethics by continuously updating and informing employees about the above.

The Board of Directors is responsible for continuously, and at least once a year, assessing whether the policy on data ethics needs to be updated. The Executive Board is responsible for ensuring that the policy is implemented in the day-to-day operations of the Company.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2024	2023
3	Revenue	403,970	695,462
19	Production costs	-355,557	-623,673
	Gross profit	48,413	71,789
19	Distribution costs	-16,373	-13,673
195	Administrative expenses	-29,092	-24,526
	Operating profit	2,948	33,590
4	Other operating income	8,616	3,948
	Other operating expenses	-56	0
	Profit before net financials	11,508	37,538
6	Financial income	846	6,360
7	Financial expenses	-3,304	-2,512
	Profit before tax	9,050	41,386
8	Tax for the year	-3,555	-9,494
	Profit for the year	5,495	31,892

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
	ASSETS		
	Fixed assets		
10	Intangible assets		
	Software	325	513
		<u>325</u>	<u>513</u>
11	Property, plant and equipment		
	Plant and machinery	19,747	17,599
	Other fixtures and fittings	95	176
	Leasehold improvements	2,127	1,982
	Property, plant and equipment under construction	0	546
		<u>21,969</u>	<u>20,303</u>
12	Investments		
	Investments in group enterprises	96,457	96,457
	Receivables from group enterprises	2,506	0
	Other receivables	2,180	2,170
		<u>101,143</u>	<u>98,627</u>
	Total fixed assets	<u>123,437</u>	<u>119,443</u>
	Non-fixed assets		
13	Inventories		
	Raw materials and consumables	99,716	126,088
	Work in progress	4,558	17,469
	Finished goods and goods for resale	17,082	10,327
		<u>121,356</u>	<u>153,884</u>
	Receivables		
	Trade receivables	48,721	49,419
	Receivables from group enterprises	6,944	6,889
16	Deferred tax assets	1,742	2,236
	Corporation tax receivable	2,276	0
	Other receivables	696	2,221
14	Prepayments	2,363	2,476
		<u>62,742</u>	<u>63,241</u>
	Cash	<u>19,153</u>	<u>34,904</u>
	Total non-fixed assets	<u>203,251</u>	<u>252,029</u>
	TOTAL ASSETS	<u>326,688</u>	<u>371,472</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
15	Share capital	7,634	7,634
	Reserve re. exchange adjustment and hedging instruments	0	0
	Retained earnings	95,524	170,029
	Dividend proposed	80,000	20,000
	Total equity	183,158	197,663
	Liabilities other than provisions		
17	Non-current liabilities other than provisions		
	Other payables	5,758	5,809
		5,758	5,809
	Current liabilities other than provisions		
	Prepayments received from customers	58,883	65,433
	Trade payables and other accounts payable	58,488	64,433
	Payables to group enterprises	7,034	3,539
	Corporation tax payable	0	8,537
	Other payables	13,367	26,058
		137,772	168,000
	Total liabilities other than provisions	143,530	173,809
	TOTAL EQUITY AND LIABILITIES	326,688	371,472

- 1 Accounting policies
- 2 Events after the balance sheet date
- 9 Appropriation of profit
- 20 Contractual obligations and contingencies, etc.
- 21 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve re. exchange adjustment and hedging instruments	Retained earnings	Dividend proposed	Total
		7,634	595	158,137	18,000	184,366
9	Equity at 1 January 2023	0	0	11,892	20,000	31,892
	Transfer, see "Appropriation of profit"	0	-595	0	0	-595
	Value adjustments of hedging instruments after tax	0	0	0	-18,000	-18,000
	Dividend distributed					
	Equity at 1 January 2024	7,634	0	170,029	20,000	197,663
9	Transfer, see "Appropriation of profit"	0	0	-74,505	80,000	5,495
	Dividend distributed	0	0	0	-20,000	-20,000
	Equity at 31 December 2024	7,634	0	95,524	80,000	183,158

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Kitron A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The Group financial statements are prepared by the parent company Kitron ASA.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

Foreign currency transactions throughout the year have been converted to the rate in force on the transaction date. Gains and losses arising between rates on transaction and payment days are recognised in the income statement under financial items.

Receivables, liabilities and other monetary items in foreign currencies are converted to the rate on the reporting date.

The exchange rate difference between the reporting date and transaction date is included in the income statement under financial items.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Changes in fair value of derived financial instruments classified as and which satisfy the conditions for securing the fair value of an included asset or an included liability are recognised in the income statement together with any changes in the fair value of the secured asset or the secured liability. Changes in fair value of derivative financial instruments classified as and which satisfy the conditions for securing expected future transactions regarding purchases and sales in foreign currencies are included under other receivables or other liabilities and in equity. If the expected future transaction leads to recognition of assets or liabilities, amounts deferred under equity are transferred from equity and recognised in the cost of the asset or liability. Amounts deferred under equity are transferred to the income statement for the period in which the secured item affects the income statement.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Net sales from the sale of goods and manufactured products is recognised in the income statement, provided delivery and risk transferral to the buyer has taken place before the end of the year. Net sales are recognised exclusive of value added tax, other taxes and sales-related discounts.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other operating income

Other operating income comprise items secondary to the principal activities of the Company, including invoiced IT-costs to subsidiaries.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Software	5 years
Plant and machinery	5-8 years
Other fixtures and fittings	3-8 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, dividends, financial expenses relating to realised and unrealised capital gains and losses relating to exchange gains and losses and amortisation of financial assets and liabilities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

The tax for the year consists of the current corporate tax and changes in deferred tax for the year due to changes in the tax rate and is recognised in the income statement as the part directly associated with the profit or loss for the year, while tax directly relating can be attributed to items recognised directly in equity.

Balance sheet

Intangible assets

Software is calculated at cost less accumulated amortisation. Software is amortised over the estimated useful life, but not more than 5 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in group entities

Investments in subsidiaries are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary during the period of ownership are treated as a reduction in the cost of acquisition. Further dividends are recognised in the profit and loss accounts.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are calculated at cost based on the FIFO principle. Where cost is higher than the fair value less costs to sell, the value is written down.

Cost for goods, raw materials and consumables are recognised at the purchase price plus delivery costs.

Cost for finished goods and goods-in-process include cost for raw materials, consumables, direct salaries and indirect production costs. Indirect production costs include indirect materials and salaries, maintenance of and depreciation on machines and equipment used in production, and factory administration and management costs.

The fair value less costs to sell for inventories is calculated as the sales price excluding costs of completion and costs related to achieving sales, and is established with due consideration of merchantability, obsolescence and development in expected sales price.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost and reduced by write-downs for bad debt risk of expected losses according to an individual assessment.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income tax and deferred tax

Current tax payables and current tax receivables are recognised in the balance sheet as estimated tax on the taxable income for the year, adjusted for tax from the previous year's taxable income and tax paid on account.

Deferred tax is calculated using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are recognised at amortised cost corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds received and the nominal value is recognised in the income statement throughout the loan period.

Other liabilities, including payables to suppliers, group entities and other payables are calculated at amortised cost essentially net realisable value.

Segment information

Sales are specified in geographic markets. Information about geographic markets is based on revenue and risk based on the internal financial reports.

2 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2024	2023
3 Segment information		
Breakdown of revenue by geographical segment:		
Denmark	346,994	488,893
Other countries	56,976	206,569
	<u>403,970</u>	<u>695,462</u>
4 Other operating income		
Income in the form of joint costs invoiced to subsidiary	8,591	3,948
Gain on the sale of property, plant and equipment	25	0
	<u>8,616</u>	<u>3,948</u>
5 Fee to the auditors appointed in general meeting		
Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for Kitron ASA.		
6 Financial income		
Interest receivable, group entities	103	2,244
Exchange rate gain	0	2,596
Other financial income	743	1,520
	<u>846</u>	<u>6,360</u>
7 Financial expenses		
Interest expenses, group entities	0	1,418
Other financial expenses	3,304	1,094
	<u>3,304</u>	<u>2,512</u>
8 Tax for the year		
Estimated tax charge for the year	3,061	9,054
Deferred tax adjustments in the year	494	440
	<u>3,555</u>	<u>9,494</u>
9 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	80,000	20,000
Retained earnings/accumulated loss	-74,505	11,892
	<u>5,495</u>	<u>31,892</u>

Financial statements 1 January - 31 December

Notes to the financial statements

10 Intangible assets

DKK'000	Software
Cost at 1 January 2024	11,548
Cost at 31 December 2024	11,548
Impairment losses and amortisation at 1 January 2024	11,035
Amortisation for the year	188
Impairment losses and amortisation at 31 December 2024	11,223
Carrying amount at 31 December 2024	325
Amortised over	5 years

11 Property, plant and equipment

DKK'000	Plant and machinery	Other fixtures and fittings	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2024	69,332	5,354	7,494	546	82,726
Additions	7,655	0	814	0	8,469
Disposals	-12,449	-75	0	0	-12,524
Transferred	546	0	0	-546	0
Cost at 31 December 2024	65,084	5,279	8,308	0	78,671
Impairment losses and depreciation at 1 January 2024	51,733	5,178	5,512	0	62,423
Depreciation	5,970	81	669	0	6,720
Depreciation and impairment of disposals	-12,366	-75	0	0	-12,441
Impairment losses and depreciation at 31 December 2024	45,337	5,184	6,181	0	56,702
Carrying amount at 31 December 2024	19,747	95	2,127	0	21,969
Depreciated over	5-8 years	3-8 years	5 years		

Financial statements 1 January - 31 December

Notes to the financial statements

12 Investments

DKK'000	Investments in group enterprises	Receivables from group enterprises	Other receivables	Total
Cost at 1 January 2024	96,457	0	2,170	98,627
Additions	0	2,506	10	2,516
Cost at 31 December 2024	96,457	2,506	2,180	101,143
Carrying amount at 31 December 2024	96,457	2,506	2,180	101,143

Group entities

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Kitron Electronics Manufacturing (Suzhou) Co.	Ltd.	China	100.00%	377,983	33,142
Kitron Electromechanical (Suzhou) Co.	Ltd	China	100.00%	11,602	1,287
Kitron Holding Czech	a.s.	Czech Republic	100.00%	19,234	-205
Kitron Czech	a.s.	Czech Republic	100.00%	102,811	16,974
Kitron India	ApS	Denmark	100.00%	-15	-29
Kitron India Services Private	Ltd	India	100.00%	334	-742

13 Inventories

A significant proportion of inventories relate to customer-specific components procured in relation to agreements for which customers are liable.

14 Prepayments

Prepayments consist of rent, insurance premiums, subscriptions and interest.

15 Share capital

As of 31 December 2024, equity consisted of 76,340 shares of DKK 100 each.
The share capital has remained unchanged for the past 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2024	2023
16 Deferred tax		
Deferred tax at 1 January	-2,236	-2,676
Adjustment of deferred tax for the year	494	599
Change in value adjustment FX contract - direct on Equity	0	-159
Deferred tax at 31 December	-1,742	-2,236
Deferred tax relates to:		
Receivables	-1,742	-2,236
	-1,742	-2,236

17 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Other payables	5,758	0	5,758	4,619
	5,758	0	5,758	4,619

Payments due within 1 year are recognised under current liabilities. The outstanding non-current liabilities 5 years after the reporting date is DKK 4,619 thousand.

18 Derivative financial instruments

Fair values

There is no financial instruments recognised in the Company's balance sheet at 31 December 2024.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2024	2023
19 Staff costs		
Wages/salaries	68,843	83,198
Pensions	6,698	6,594
Other social security costs	1,428	1,447
	<u>76,969</u>	<u>91,239</u>

Staff costs are recognised as follows in the financial statements:

Production costs	49,729	70,204
Distribution costs	13,534	10,381
Administrative expenses	13,706	10,654
	<u>76,969</u>	<u>91,239</u>

Average number of full-time employees	<u>161</u>	<u>172</u>
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Total remuneration to Management: T.DKK 6.072

20 Contingent liabilities and collateral

Other contingent liabilities

Kitron A/S' insurance coverage of receivables from sales of goods and services has been provided as security to the Company's banks.

A company charge security for DKK 80,000 thousand and shares in Wendell Holding a.s and Wendell Electronics a.s. has been provided as security for payables to credit institutions.

The Company has agreed with the bank, that it is not allowed to pledge assets without prior approval.

Kitron A/S is jointly taxed with its parent company and the other danish companies in the group. The Company is jointly liable with the danish companies in the group for Danish corporate tax within the tax group.

The Parent Company has given letters of support in favor of the subsidiary Kitron India ApS, in which the company declares that it will provide the necessary liquidity to secure ordinary day-to-day operations for the subsidiaries up to and including 31 December 2024

Other financial obligations

The Company has entered operating lease liabilities with payments in the non-cancellation period totaling DKK 480 thousand (2023: DKK 445 thousand). The leasing contracts have non-cancellation periods of up to 38months.

The rental contracts are not subject to cancellation until 30 June 2025, after which it can be terminated with 12 months' notice. The annual rent is DKK 3,277 (2023: DKK 3,277 thousand).

Financial statements 1 January - 31 December

Notes to the financial statements

21 Related parties

Related party transactions

Kitron A/S was engaged in the below related party transactions:

DKK'000	2024	2023
Purchase of finished goods	49,545	249,025
Sales of finished goods and components	5,193	9,505
Sales of IT services	10,448	4,108
Interest income from loans	103	2,244
Interest expences from loans	0	1,418
Intercompany receiveables (non-current)	2,506	0
Intercompany receiveables (current)	6,944	6,889
Intercompany payable	7,034	3,539

Ownership

Name	Domicile
Kitron ASA (Ultimate parent)	Plan 2 Olav Brunborgs vei 4 1396 BILLINGSTAD Norge

The financial report for Kitron ASA 2024, is to be downloaded at www.Kitron.com/investors#annual-reports.

Kitron Holding A/S Denmark	Ane Staunings Vej 21C 8700 Horsens Denmark
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Henrik Forthoft Lind

**PRICEWATERHOUSECOOPERS STATSATORISERET
REVISIONSPARTNERSELSKAB CVR: 33771231**

State Authorised Public Accountant

På vegne af: PricewaterhouseCoopers Statsautoriseret...

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Morten Elbæk Jensen

**PRICEWATERHOUSECOOPERS STATSATORISERET
REVISIONSPARTNERSELSKAB CVR: 33771231**

State Authorised Public Accountant

På vegne af: PricewaterhouseCoopers Statsautoriseret...

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