

Global Leader in
Smart IoT Solutions
Annual Report



01

KONTRON GROUP OVERVIEW

Key Figures 2025 | 2024

IN EUR MIO.	2025	2024
Revenues	1,607.3	1,684.8
EBITDA	237.4	191.8
EBITDA (adjusted) ¹⁾	220.5	191.8
Net result attributable to owners of interest in parent company	141.1	90.7
Net result attributable to owners of interest in parent company (adjusted) ¹⁾	108.7	90.7
Earnings per share undilluted (in EUR cent)	2 EUR 29 Cent	1 EUR 47 Cent
Operating cash flow	167.7	99.0

1) Adjusted for one-time effects in connection with the deconsolidation of the COM business and the realignment of the group

IN EUR MIO.	31.12.2025	31.12.2024
Cash and cash equivalents	263.5	315.6
Net Cash (+) / Net debt (-) ²⁾	-147.1	-163.1
Equity	746.1	652.3
Equity ratio	41.8%	35.8%
Backlog	2,495.3	2,077.9
Project-pipeline	8,075.7	6,643.1
Employees ³⁾	6,696	7,263

2) Cash and cash equivalents less non-current and current financial liabilities

3) Number of employees on a full-time equivalent basis excluding employees on leave, interns, trainees and temporary workers

ESG INDICATORS	31.12.2025	31.12.2024
Female employees in %	36.9%	37.5%
Total employee trainings hours	82,105	75,303
Total energy consumption (MWh)	65,264	61,894
Share of renewable sources of total electricity consumption (in %)	60.0%	59.5%

KONTRON GROUP OVERVIEW

Key Figures 2025

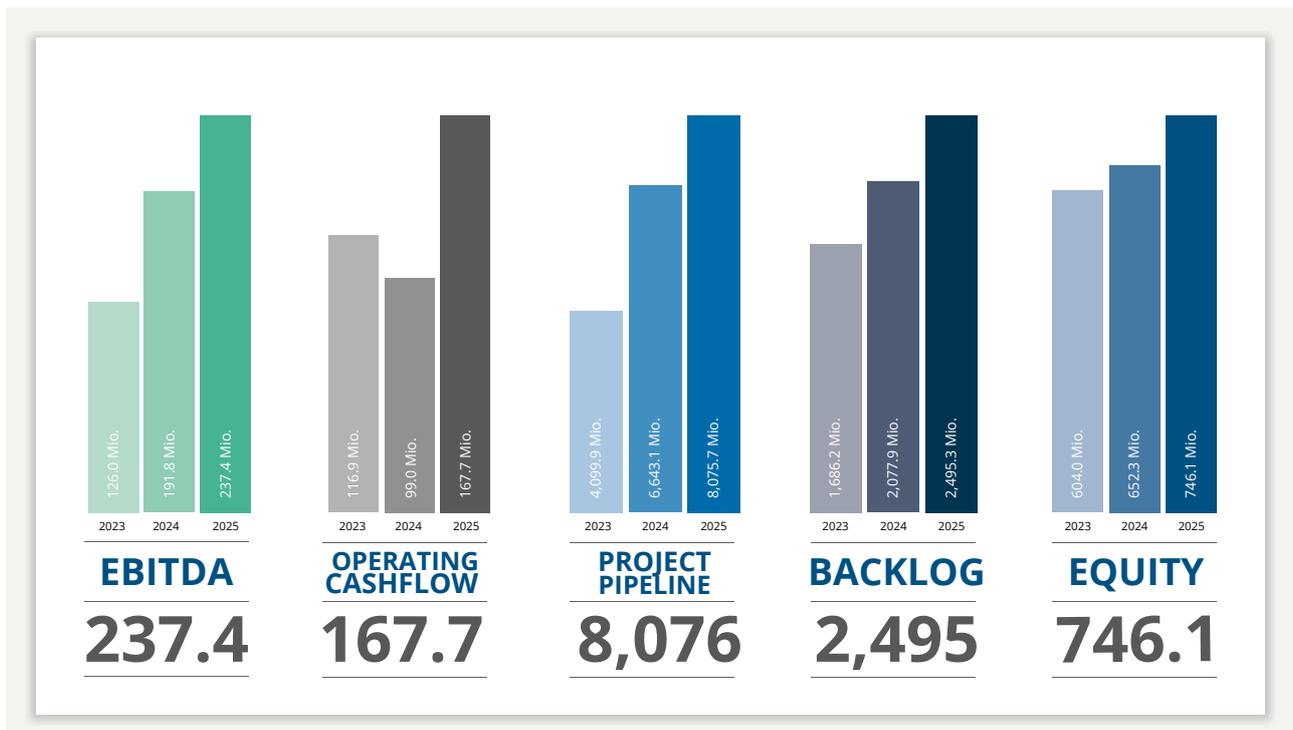
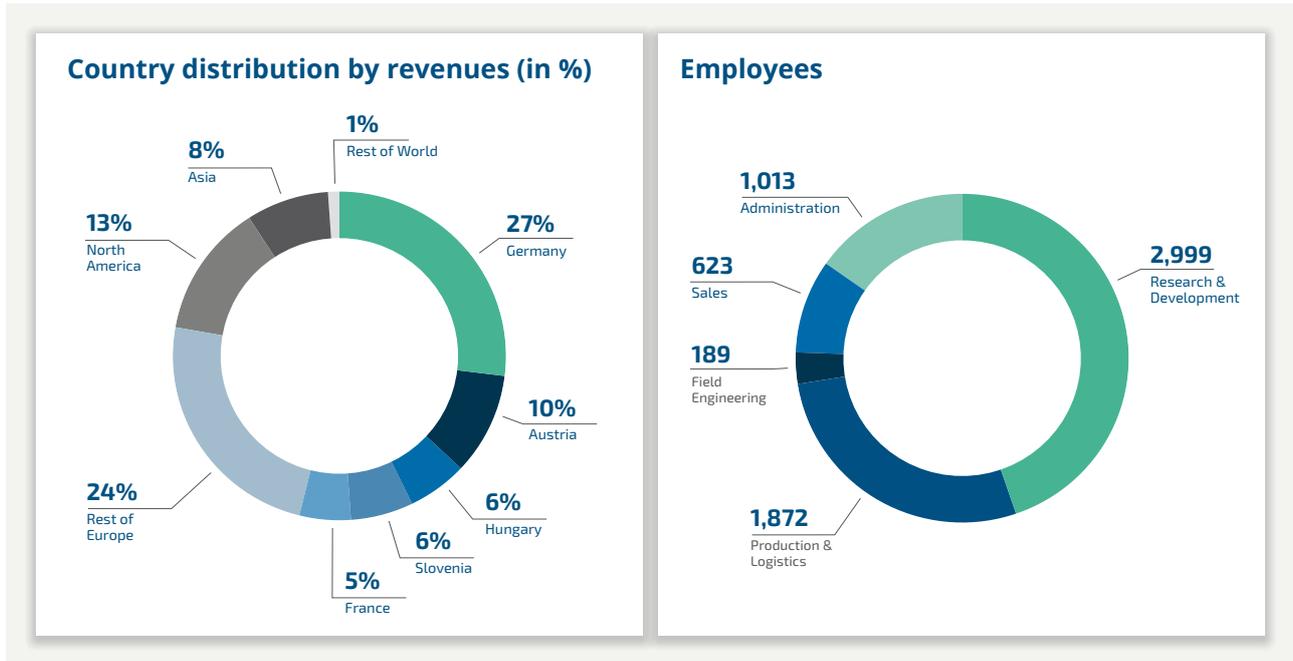


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FOREWORD



Setting the right course – seizing opportunities

We live in a time of upheaval: wars in Ukraine and the Middle East have profoundly shaken the feeling that we live in security, especially in Europe. Tariffs in the United States and dumping prices from China hinder free competition. In Europe, an ever-increasing flood of new regulations is making it difficult to do business. At the same time, there are enormous changes, especially in the high-tech sector. AI systems analyze tasks faster, better, and more cost-effectively. Global data networking, in addition to its potential for improvement, also creates new entry points for easier data misuse: cybersecurity is becoming indispensable for all critical applications.

This new world holds many risks, but also many opportunities. Accordingly, 2025 was a year of both highlights and challenges for Kontron. While our defense and transportation businesses are flourishing, we are currently experiencing significant declines in the environmental technologies sector. We are constantly adapting our product portfolio and technologies to address these challenges.

With our infrastructure solutions for high-speed trains, we are now the European market leader in a fast-growing market. Revenue has tripled in this highly profitable division over the past five years, reaching around EUR 300 million. With the new communication standard FRMCS (Future Railway Mobile Communication Standard), we see a strong foundation for even faster growth as a technology leader. FRMCS will significantly improve train safety and substantially increase the capacity utilization of the rail network. Even though many European countries are otherwise required to cut spending, they are expected to invest heavily in this area, as well as in defense, in the coming years. Germany, for example, has allocated EUR 500 billion in special funds for investments in infrastructure, which represents immense opportunities for Kontron.

In response to the global security situation, Germany has also established a special fund of EUR 100 billion for the modernization of the Bundeswehr. NATO countries are in the process of increasing their defense spending to 5% of GDP. Kontron's VPX systems are among the leading solutions for defense applications and are a key driver of digitalization within NATO. They enable the encrypted transmission of data between individual armored vehicles, aircraft and battle stations. For 2026, we expect the defense business to grow to over EUR 200 million. Kontron is also consistently capitalizing on its opportunities in this area.

Conversely, the area of environmental technologies (primarily in the solar sector) weakened significantly in 2025, declining from EUR 193 million (2024) to EUR 151 million (2025). Group EBIT was significantly impacted by a loss of EUR 8 million. We plan to restructure this business area and focus on a few profitable products in order to benefit from future opportunities. As part of this process, we currently expect that around 500 jobs will be cut across the Group. At the same time, we are examining how we can continue to deploy the engineers working in this area within the Group – especially in the growth areas of defense and cybersecurity. The restructuring is expected to be completed in 2026, with costs of around EUR 25 million, and to lead to a return to strong profitability in 2027. Kontron intends to implement the workforce reduction as far as possible through voluntary programs in order to minimize compulsory redundancies.

From 2027 onwards, the EU will mandate the use of products compliant with the Cyber Resilience Act (CRA) across Europe. Kontron has taken early steps to ensure it meets these requirements for critical applications. This includes the use of both our proprietary operating system, KontronOS and our cybersecurity solution, KontronAI Shield. By 2028, we plan to install around 30 million software packages. Kontron will take advantage of this opportunity and achieve significant growth with this technology.

Global trade is also undergoing a transformation: the trend is moving towards protectionism and "local-for-local" production. We have launched a program to double our sales in the United States and China from 15% of Group revenue in 2025 to 30% by 2028. Kontron is able to manufacture all products destined for the United States locally. For China and Southeast Asia (SEA), extensive cooperation agreements with Foxconn are planned. SEA is one of the fastest-growing regions in the world, and we have therefore positioned ourselves there to further expand our market presence in the region. To this end, we plan to intensify our technological cooperation with our major shareholder Ennoconn and Foxconn in order to deploy our products in cybersecurity, eMobility and rail within Ennoconn/Foxconn operations, as well as to integrate them into Foxconn's products and customer projects. Market demand for these technologies is developing more dynamically than in Europe, especially in China.

Our portfolio focus in 2025 included the deconsolidation of our COM business (EUR 100 million in revenue) as well as parts of our IT Services. As a result, Group revenue decreased from EUR 1,685 million to EUR 1,607 million in 2025. At the same time, earnings increased from EUR 192 million EBITDA and EUR 91 million net income in 2024 to EUR 237 million EBITDA and EUR 140 million net income in 2025.

In 2026, we will continue to adapt our portfolio to the growing demands of the markets. This includes the necessary focus of our business activities in the GreenTec segment. At the same time, we will consider strategic acquisitions again in 2026. Overall, we expect growth to EUR 1,750 million in 2026. On an adjusted basis, we expect organic growth of around 8% in 2026, with the Defense and Transportation divisions increasing sales by over 30%.

Hannes Niederhauser, CEO



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MANAGEMENT TEAM OVERVIEW

EXECUTIVE BOARD



Hannes Niederhauser
CEO

Hannes Niederhauser is CEO of Kontron AG and, since March 4, 2024, also CEO of the majority-owned KATEK SE. After completing his studies in electrical engineering at the Graz University of Technology, the Austrian-born manager began his career as a microchip developer and in the embedded computer segment.

Before joining Kontron (then S&T), Hannes was the principal shareholder and CEO of the then Kontron AG from 1999 to 2007, during which time the company developed into the world's largest provider in the field of embedded computing solutions. Hannes consistently drives Kontron's strategic positioning as a leading provider of IoT solutions.



Clemens Billek
CFO

Clemens Billek has been a member of the Management Board of Kontron AG since 2022. As CFO of the Kontron Group, he brings many years of professional experience in the field of finance, capital markets as well as in legal, compliance, and risk management at listed companies. He also has experience in the digitalization sector as the founder of a telemedicine platform.

After starting his career at the Austrian Takeover Commission as a stock exchange supervisory authority and as an investment banker at an international investment bank, Clemens most recently worked as head of the office of the Takeover Commission.



Michael Riegert
COO EVP Industrial

Michael Riegert was appointed to the Executive Board of Kontron AG in December 2021. He has worked in the embedded industry – as an engineer and manager – for more than 25 years. With one exception, he has spent his entire career at Kontron, where he has held a variety of senior management positions.

Following his appointment to the management of Penta/ADLINK at the end of 2015, he became Executive Vice President for the APAC and Americas regions within the Kontron Group (then S&T) in 2017 and was appointed Managing Director of Kontron Transportation in 2019.



Philipp Schulz
Member of the Board, EVP Aerospace & Defense and North America

Philipp Schulz has been with Kontron since October 2022 and has been a member of the Executive Board since July 2024. As a member of the Executive board, he is responsible for the Aerospace/Defense division and the North America region. After completing his studies in Business Administration in Vienna, Philipp worked as a consultant and built his career at voestalpine AG, where he held various leadership positions over a period of more than 15 years. During his career, he gained extensive international experience, particularly in managing large-scale operations and implementing growth strategies in highly competitive industries.

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MANAGEMENT TEAM OVERVIEW

EXECUTIVE BOARD



Claudia Badstöber
Chairwoman of the SVB

Claudia Badstöber holds a degree in Business Administration and worked for many years as certified tax advisor and auditor for a renowned audit firm for many years. She later joined the conwert Group, one of the leading real estate companies in Austria, and acted as CFO with a focus on group accounting, taxes, controlling, risk management and capital markets. From 2011 until 2019, Claudia Badstöber led the finance division at Liechtensteinische Landesbank (Österreich) AG (formerly Semper Constantia Privatbank Aktiengesellschaft) and served as member of the supervisory board of two companies during this period. In 2019, the financial expert joined the Austro Holding and grosso holding Groups, where she holds positions as managing director in several companies of the Group.



Bernhard Chwatal
1st Vice Chairman of SVB

Bernhard Chwatal is a proven expert in handling (major) insolvencies and restructurings with a focus on Retail, industry and Real estate and has core competences in Finance, Corporate & Insolvency Law, Due Diligence, etc. combined with a high affinity for technology. In the course of his activities, Bernhard Chwatal has already founded and managed several companies in the fields of consulting, fiber optic network construction and biotechnology and is currently Managing Director and co-Owner of CableRunner International GmbH (installation of glass fiber optic networks worldwide). He also holds shares in a biotech company and is a member of several Advisory Councils and Supervisory Boards. In the past, Bernhard Chwatal made significant contributions to the turnarounds of Libro AG, Ankerbrot AG and the Waagner-Biro Group.



Steve Chu
2nd Vice Chairman of SVB

Steve Chu holds a degree in electrical engineering. He worked for Foxconn from 2002 to 2011. Subsequently, he was appointed CEO of Ennoconn which was listed on the Taiwan Stock Exchange under his leadership. In addition to his role at Ennoconn, Steve Chu serves as CEO of Goldtek Technology, and as a Member of the Board of Ennoconn International Investment Co., Ltd. Steve also serves on the boards of EnnoMech Precision Co., Ltd. and of CASwell, Inc.



Joe Fijak
Supervisory Board Member

Joe Fijak currently holds the position of Global Executive Vice President at Ennoconn Corporation. Joe has built excellent relationships within the high-tech industry with numerous Tier 1 global customers, suppliers and executive management teams of investment partners. He brings more than 40 years of experience in the electronics distribution, OEM and contract manufacturing. Before joining Foxconn, Joe served as Executive Vice President of American Industrial Systems, Inc. as well as for Fortune 500 high-tech global distributor Avnet Electronics and Sanmia Corporation. Originally from Chicago, Joe Fijak is an accomplished business leader and a frequent keynote speaker at top industry conferences. He has also served on numerous technology company and industry boards.



Mavis Hong
Supervisory Board Member
(Elected to the Supervisory Board on June 11, 2025)

Born in 1974 in Taipei, Mavis Hong is Senior Director of Group Central Finance at Foxconn, overseeing strategic investments in listed subsidiaries. She previously led international business development, including under the Nokia brand. Since June 2022, she has served as a member of the board of Ennoconn Corporation. Hong holds a bachelor's degree in psychology and an MBA in finance. Before joining Foxconn, she spent 17 years in senior corporate banking roles at Citibank and Standard Chartered, specializing in financial planning, treasury, and structured trade finance.

ABOUT KONTRON

Kontron - The Power of IoT: Security, Innovation, and Global Reach

Kontron AG is based in Linz, Austria, and is a leading international provider of IoT technologies. With intelligent edge devices and integrated software solutions, the company creates the technological basis for networked systems with a high level of availability in infrastructure and industrial sectors worldwide. With around 7,000 employees in over 20 countries, Kontron develops, produces and integrates secure, scalable and future-focused solutions that increase efficiency, automate processes and enable digital transformation.

In financial year 2025, Kontron drove important technological developments that further strengthen its strategic focus on modern IoT, AI, connectivity, and security platforms. These include the development of KontronOS as a secure operating system for edge applications, the expansion of European development and manufacturing capacities for 5G and edge technologies, as well as the deepening of long-term technology partnerships.

The focus is not on developing cyber-resilient and smart system platforms in isolation, but on integrating them into the existing portfolio in a specific yet broad manner. The basis for this are new generations of processors, secure operating system components, AI functionalities at the edge, and support for 5G and FRMCS as future-focused communication standards. This technological focus addresses increasing regulatory requirements, in the course of implementing the Cyber Resilience Act, for example, and at the same time strengthens the digital sovereignty of our customers and the company's long-term competitiveness.

The Kontron group combines development, manufacturing and deep industry expertise in key future sectors such as energy, mobility, railway technology, defense and security applications, as well as industrial automation and communication. With its broad technology portfolio, comprehensive engineering capacities and European and North American development and production sites, Kontron provides a powerful basis for reliable and secure industrial digitalization.

The portfolio of products and services ranges from intelligent embedded components to fully software-defined IoT and edge systems that combine real-time capability, integrated edge intelligence and the highest security standards. This bandwidth of technologies enables Kontron to help companies build scalable digital infrastructures, particularly in industries that place high demands on performance, security and availability, such as companies with critical infrastructure. In doing so, Kontron combines software and hardware know-how in a deeply rooted European value chain. At the same time, the company is positioned as a central technology provider in an increasingly connected, critical and AI-driven industry. As a leading IoT and embedded computing specialist, it is also driving the development of modern industrial applications.

Kontron AG is listed in the SDAX® and TecDAX® and is one of the leading European companies for IoT and embedded technologies.

Kontron group segment structure in financial year 2025

Kontron AG reported its business activities in 2025 in the three business segments "Europe", "Global" and "Software + Solutions". All the segments focus on developing secure and intelligent solutions through an integrated portfolio of hardware, software and services for the Internet of Things (IoT).

- › **"Europe"**: The "Europe" segment comprises the Kontron group's European business activities and forms the group's core technological segment. The focus is on developing and marketing the company's hardware, software and IoT solutions for networking industrial systems. The portfolio includes embedded and IoT hardware, communication and 5G solutions, applications for medical technology and smart energy environments, as well as additional services. Moreover, central group functions, including the headquarters of Kontron AG, are assigned to this segment.
- › **"Global"**: The "Global" segment comprises the Kontron group's international business activities in North America and Asia. It includes regional product and solution offerings as well as the distribution and local implementation of technologies from the "Europe" segment. The segment addresses global customer requirements and serves to further expand the Kontron group's international market presence.

- › **“Software + Solutions”**: The “Software + Solutions” segment combines the group-wide software portfolio and solution-driven business. The focus is on software solutions for industrial automation, Kontron's own KontronOS operating system, as well as on specialized solutions for applications in the areas of transportation, avionics and defense, as well as GreenTec. The segment is aimed at high-margin and growth-driven business areas and supports the group's strategic development towards integrated, software-based solutions.

With these business segments, Kontron offers a wide range of products and solutions that address the broadest range of industries and are geared to current requirements in industrial IoT. Thanks to a comprehensive technology portfolio and extensive engineering capabilities, Kontron is continuously advancing the development of IoT technologies and software solutions.

Navigation in an AI-Powered World: Consistent Values, Secure Technologies

At a time when digital value creation reaches deep into security-critical infrastructures, resilience and the protection of networked systems are becoming increasingly important. For Kontron, the focus is therefore not only on technological development, but above all on the question of how to configure robust digital solutions that are secure over the long term. Cybersecurity and resilience are not additional functions, but central requirements of a modern technology company. They are integral components of what we do.

Our vision of developing world-leading technologies that combine security, sustainability and progress remains unchanged. It forms the basis for how we think about innovation: responsibly, usefully, and in line with societal expectations.

Our mission is to provide solutions that create real added value for companies and society. We develop technologies that support the operation of critical applications, create reliable data spaces, and make organizations more resilient to dynamic market and security requirements.

The claim “The Power of IoT” not only stands for technological performance, but also for the responsibility to design digital systems in such a way that they function permanently, remain protected and have a lasting effect. To this end, we are continuously working on intelligent, robust and future-ready solutions that reliably support our customers in a constantly changing digital world.

Our vision

At Kontron, we strive to be the leading global IoT company and, as a pioneer, to develop the very highest level of secure and sustainable technologies.

Our mission

We are making the world a better place using smart technologies.

At Kontron, we work every day to create added value with our IoT solutions, while taking into account the impact our solutions have on the environment.

Kontron's Fields of Application





Automation



Automotive



Avionics



GreenTec/Energy



Infotainment



Communication & Connectivity



Defense



Transportation



Medical



Software Development

Software is the Foundation of Modern IoT Solutions

Kontron has been consistently expanding its software business over the years and has further sharpened this focus in 2025. The aim is to expand the software portfolio in specific directions to provide innovative solutions that support digital transformation in industrial and IoT applications. By seamlessly integrating powerful software solutions into its IoT bundles, Kontron creates a robust foundation for smart, more secure and connected systems. Our customers benefit from digitalized processes and a standardized IoT infrastructure that has been optimized over the long term.

IoT bundles: The basis for flexible and scalable solutions

Kontron combines industrial hardware and software into integrated IoT bundles that enable companies to efficiently implement their IoT projects. The IoT bundles are modular and cover the entire life cycle of IoT applications, from the secure management of connected devices to the integration of powerful data platforms that ensure high efficiency and scalability.

One example is the ManagedEdge IoT bundle, which unites certified hardware, the secure, hardened Linux®-based KontronOS operating system and the KontronGrid IoT device management solution, and is specifically designed for CRA and NIS-2 compliance. The bundle provides a ready-to-use platform for building and operating modern edge and IoT infrastructures. The integrated hardware and software solution enables rapid and easily calculable rollout. Companies get the advantages of a consistent system architecture that significantly simplifies the operation, maintenance and scaling of edge infrastructures while ensuring high security standards. This allows large fleets of devices to be managed efficiently and reliably worldwide.

Thanks to the coordinated interaction of KontronGrid, KontronOS and proven Kontron hardware, companies in the transport sector, in GreenTec, medical technology, and industrial automation, among others, are supported in shortening their time-to-market and reliably implementing new security and compliance requirements.

Cybersecurity by Kontron: Security for connected IoT solutions

In the age of digital transformation, the networking of devices and machines in the IoT requires a particularly high level of security. As a result, cybersecurity requirements are increasing, particularly with regard to the Security-by-Design concept of the Cyber Resilience Act (CRA) and the EU NIS2 directive, which took effect in 2025.

Compliance with these directives requires continuous security assessments, the reporting of security incidents in accordance with the regulations, and the provision of updates for devices installed in the field.

With the software development kit (SDK) provided, customers can integrate their applications and easily make their solution certifiable in accordance with the directives. As standard with Kontron, updates are provided over the entire life cycle of the embedded hardware. This predictability has major advantages for customers in the calculation and reliability of the systems.

Kontron offers accompanying solutions such as AI-supported Intrusion Detection Systems (IDS) and runtime security appliances (e.g. KontronAIShield) to secure older systems and comply with regulatory requirements such as RED 3.3.

CRA Ready



KontronOS is a secure, hardened Linux®-based operating system for IoT and cloud applications in industrial environments. It enables secure communication between networked devices and systems and supports integration into existing IT infrastructures. With its focus on Security-by-Design, KontronOS provides the basis for the secure operation of modern, connected IoT solutions.

KontronGrid sees Kontron expand its offering with a scalable IoT device management solution for the central monitoring and management of global device fleets. Features such as automated updates, remote support, and management of container-based and native applications enable efficient operation over the entire life cycle.

KontronAIShield rounds off the cybersecurity portfolio to provide additional security for industrial networks. The AI-based intrusion detection appliance monitors network traffic on upstream systems, detects known and unknown threats – including encrypted data traffic – and automatically blocks attacks. Security incidents are reported to the Security Operations Center in accordance with standards. KontronAIShield can be integrated into KontronOS and can be managed centrally using KontronGrid.



Kontron in the Defense Sector

Robust Computing Solutions for Tactical Applications

Global presence and open standards

Kontron provides specialized solutions for command & control and defense technology. In terms of volume, the focus is on North America, while the biggest growth opportunities currently exist in Europe. Defense already accounts for around 10% of total revenue, and the proportion is growing strongly.

The portfolio includes ready-to-use COTS (Commercial Off-The-Shelf) computers, robust housings and platforms designed for harsh environments. The company adheres to open system architecture standards such as SOSA®, OpenVPX, cPCI, and COM-HPC, ensuring interoperability across modern defense systems. Design centers strategically positioned in EMEA and North America, as well as local production and assembly capacities located close to customers, ensure fast response times, operational efficiency and local expertise worldwide. What is more, we can meet customer requirements for regional supply chain sovereignty.

Robust systems for tactical situational awareness

In modern tactical operations, situational awareness and rapid response are decisive for the success of any mission. Kontron's compact and robust computing solutions support cutting-edge tactical sensor systems for electronic warfare (EW) and meet stringent defense requirements, including NATO compliance, as well as long-term program sustainability requirements.

One example is a portable, NATO-compliant sensor system that monitors its environment without sending out signals itself. This means that it remains invisible to attackers. Because it can be used flexibly on multiple platforms, such as vehicles, ships, and stationary systems, the system offers modular computing power and reliable performance in extreme conditions.

Efficiency and integrated roadmap

Kontron is following an integrated roadmap for its defense solutions, which combines individual components into comprehensive, modular system solutions. With the defense market currently growing, customers benefit from shorter development cycles and faster time-to-market, because the individual components already match. Open standards make it possible to combine technologies from different manufacturers, which reduces development costs and enables projects to be implemented sooner. That is how complex systems can be efficiently scaled and adapted to new requirements.

Innovation in 5G, AI, and cybersecurity

Kontron uses its expertise in 5G connectivity, time-critical networks, cybersecurity, and artificial intelligence to enable real-time situational awareness and faster decision-making processes. This means the solutions meet the changing requirements of tactical operations in complex and dynamic environments. The systems are widely used in major NATO and allied programs, including high-performance VPX computer and communications units recently ordered over several years for mobile and stationary surveillance applications.

Digital Mobility in the Transport Sector

Kontron Leads the Way on the FRMCS Standard



Kontron offers an extensive portfolio of solutions for various areas of transportation, underlining its strong market position. The focus is on mobility solutions for public transport, high-speed trains, civil aviation and the automotive sector, particularly in the context of autonomous vehicles.

The portfolio has been expanded to reflect the increasing demand for intelligent, reliable and secure IoT solutions. Kontron's technologies make a significant contribution to increasing the safety, efficiency and availability of modern transport systems.

Communications solutions for rail transport

Kontron is a leading international provider of end-to-end communication solutions for mission-critical networks for railways and public transport companies in Europe and beyond.

The portfolio covers the generation, transmission and processing of voice, data and video communications, including GSM-R, MCX solutions (Mission-Critical Services) and FRMCS (Future Railway Mobile Communication System). The offering is complemented by private 4G/5G networks, transmission networks, cybersecurity concepts as well as communication solutions for branch lines and mobility products such as validators and ticketing management systems.

FRMCS as the future rail radio standard

FRMCS is the upcoming standard for railway radio and will gradually replace GSM-R. As an IP and 5G-based platform, FRMCS enables secure, interoperable and powerful rail communication. The standard opens up new digital applications, higher data rates and close intermeshing of rail and mobile networks, providing significant potential for the digitalization of rail transport.

Kontron Transportation plays a leading role in the development, standardization and implementation of FRMCS and brings its many years of experience to the definition and implementation of the technology.

Research, standardization and 5G-based railway radio networks

Kontron Transportation has been involved in rail transport for over 25 years and is actively involved in international standardization activities and European research projects, including FP2-MORANE-2 and Europe's Rail Joint Undertaking. Next-generation systems, applications and services are being created at the R&D centers in Vienna and Paris. The company works closely with organizations such as UIC, ETSI, ERA and UNIFE and participates in relevant 3GPP working groups.

Together with partners such as Qualcomm Technologies, Inc., Kontron is developing a 5G FRMCS modem based on the Snapdragon® X72 5G modem RF system, which is specifically optimized for the railway environment.

Pilot projects and validated mission-critical communication

In Germany, an end-to-end test field for FRMCS/5G has been developed in cooperation with Deutsche Bahn AG, Nokia and Kontron Transportation.

The mission-critical communication system (MCx) has been validated in the European 5G VICTORY research project. The results provide valuable insights into the end-to-end performance of MCX services and FRMCS functionalities in 5G networks and form the basis for further research activities in which Kontron Transportation continues to play a leading role.

Strategic business opportunities

The EU Green Deal opens up new opportunities through the planned significant expansion of high-speed train lines and by promoting efficient and sustainable freight transport. The goal is a 90% reduction in transport-related emissions by 2050. In this scenario, FRMCS offers Kontron significant market opportunities as a future standard, in particular for digital, secure and interoperable rail communication solutions.

FRMCS In brief



The **Future Railway Mobile Communication System (FRMCS)** is the future global standard for rail communication and replaces the existing GSM-R network, which has so far focused primarily on voice communication and rail signaling. The digital transformation of the rail sector creates new requirements and applications, including video surveillance, automated and remote-controlled train operations, real-time information for passengers, and data-intensive operating and control functions. Based on 5G and MCX technologies in accordance with 3GPP, FRMCS enables higher levels of automation, integrated voice services and significantly greater flexibility in terms of data rates, latencies, and availability, in particular for safety-critical signaling and control processes. Cybersecurity plays a central role here in terms of availability, confidentiality, and integrity.

As a technological pioneer, Kontron Transportation specifically invests in research and development, and actively promotes the next generation of business-critical communication solutions. At its R&D centers in Vienna and Paris, the company develops FRMCS-enabled systems, applications, and services as well as solutions for operational and business support systems. Kontron Transportation plays a key role in defining and specifying the FRMCS standard and plays a leading role in relevant standardization bodies and European research projects.

With its many years of expertise in rail communications, Kontron Transportation supports its customers throughout the entire FRMCS migration process, from planning and implementation to operation. The entire portfolio is geared to new standards and stands for future-safe systems, security and a high level of reliability.

Market development and long-term customer projects

In 2025, Kontron Transportation was able to further expand its market position as a leading provider of communication solutions for critical networks in the railway sector through long-term contracts and numerous new contracts. An important project is the three-digit EUR million contract with SNCF in France and a project with Czech State Railways SŽ (Správa Železnic), involving the expansion of the existing digital radio network. Further contracts were won in Belgium, Bulgaria and Spain, among others. Branch line business in Germany has also been expanded with the Kontron MCx solution for branch lines now covering more than 1,000 kilometers of rail route.

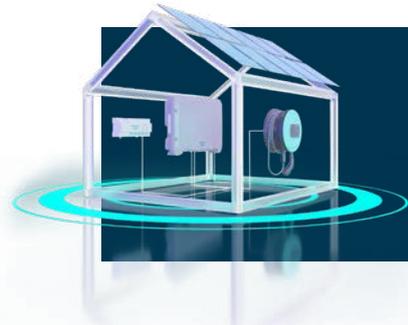
The company's leading role in the development of FRMCS was confirmed once again in 2025 by the delivery of pre-FRMCS products. Kontron Transportation is also a member of Europe's Rail Joint Undertaking and the Horizon Europe FP2-MORANE-2 project.

For around 30 years, Kontron Transportation has been developing, implementing, and operating end-to-end RDN (Railway Dedicated Network) solutions based on GSM-R. This secure infrastructure connects around 100,000 kilometers of rail routes in Europe, Africa and Asia. Some of the world's largest IP-enabled rail communication networks, including those of the ÖBB, Deutsche Bahn, Network Rail and SNCF Réseau/Synerail, as well as routes in China, Algeria, Saudi Arabia and Egypt, are operated by Kontron Transportation.

Kontron Transportation plays a significant role in the development of new standards in train radio technology and is helping rail operators switch from GSM-R to the next generation of radio infrastructure, FRMCS. As a manufacturer and system integrator, Kontron Transportation combines cutting-edge technologies with many years of expertise and offers customized solutions that are focused on investment protection and sustainable development.

Kontron in the Energy Sector

Smart Energy Solutions for a Sustainable Future



Many solutions from the Kontron group already help to save energy, use resources more efficiently, and reduce carbon emissions as a result. At the same time, the products aim to increase usability and provide companies with practical support. Kontron has identified multiple opportunities for the group arising from the need to contain the climate crisis for the good of society.

By implementing HEMS software (Home Energy Management System), expanding KontronOS and KontronGrid on solar products and new products in the area of intelligent charging solutions, the Kontron group offers innovative approaches to actively contribute to the energy revolution.

Intelligent connectivity and flexible solutions

Products in this area feature impressive, intelligent networking, a high level of software expertise and seamless sector coupling. Smart solutions from Kontron are available both as complete systems and as flexible components that can be integrated with existing third-party systems. Whether as a white label version or completely customer-specific development, every requirement can be implemented individually, completely in-house.

Thanks to an integrated value chain reaching from development and prototyping to extensive testing and series production in Europe, Kontron offers maximum efficiency, security and speed on the way to sustainable energy solutions.

Sustainable technologies for the energy revolution

The Kontron group bundles innovative solutions for renewable energy, electric mobility and intelligent energy systems. IoT-enabled energy management systems enable companies to monitor energy consumption in real time and significantly increase efficiency. This not only reduces costs, but also promotes sustainable use of resources.

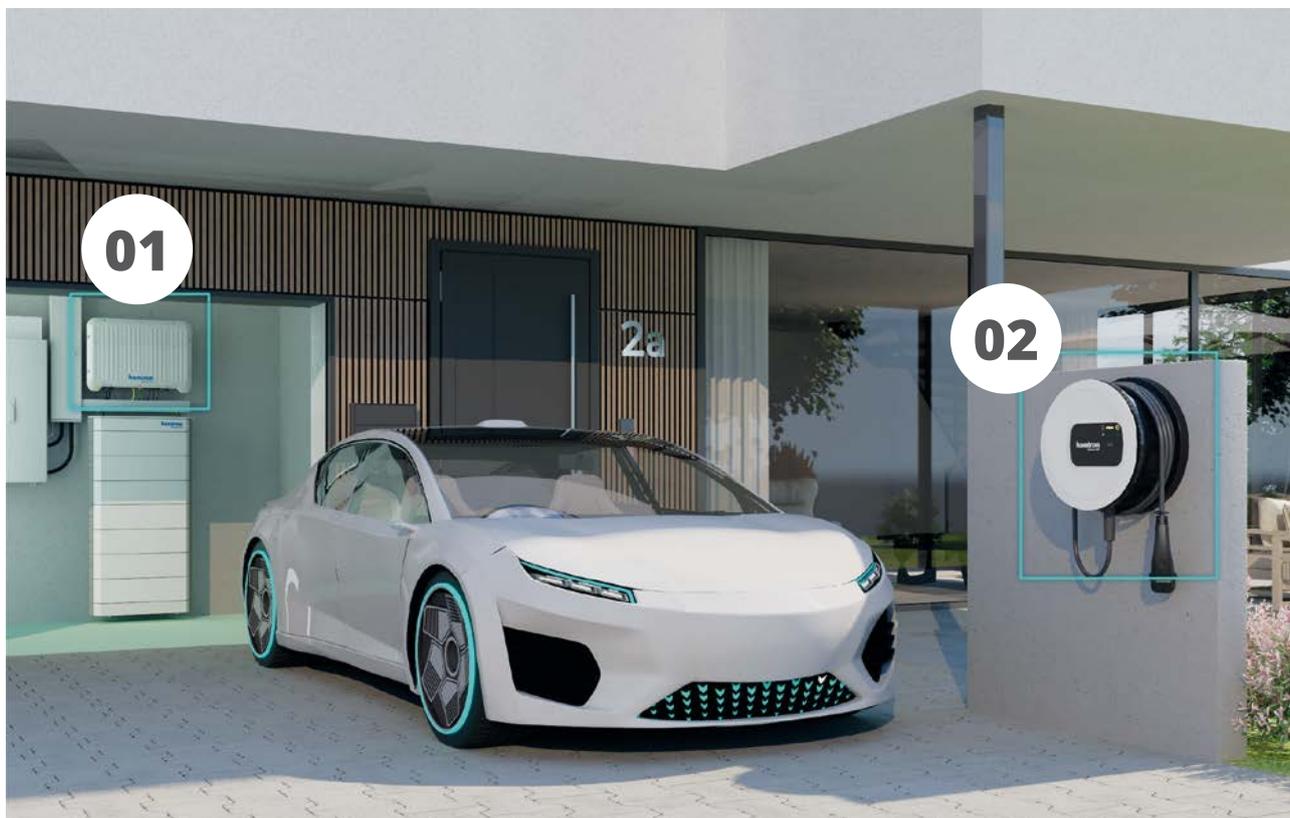
The solutions cover photovoltaic systems, among other things, and their integration into smart grids, which accelerates the expansion of renewable energies. At the same time, Kontron uses sustainable materials and energy-efficient manufacturing processes to reduce environmental impact along the entire value chain. With this strategy, Kontron combines technological progress with environmental responsibility and helps companies achieve their sustainability goals.

Automation and digital innovation

A central aspect of the transformation is the automation of intelligent energy solutions, which is becoming more and more important as a result of climate change and increasing regulatory requirements. Connected systems, supported by IoT and artificial intelligence (AI), can identify and repair failures or problems in real time. This results in cost savings, higher energy efficiency and a significant reduction in carbon footprint.

As a renowned provider of intelligent energy solutions, Kontron is among the industry leaders in 23 countries. The company develops and sells its own hardware and software solutions as well as products from internal and external partners for intelligent power grids, energy providers and industrial customers.

Kontron offers comprehensive solutions for managing and optimizing distribution networks and generation plants and plays a leading role in transforming traditional power grids into intelligent smart grids. Products that are developed and produced in Europe stand for quality, reliability and are future-safe. Dealerships and installers throughout Europe get the advantage of flexible, scalable technologies that actively drive forward the energy revolution.



01

The Hybrid Inverter SolBrid

The SolBrid hybrid inverter is a powerful 10 kW inverter, available with two or four MPP trackers, ideal for complex roof structures. It supports high-voltage batteries from various manufacturers and, in combination with the hy-switch back-up power box, enables island operation in the event of power outages. SolBrid is manufactured in Europe and meets the highest cybersecurity requirements.

02

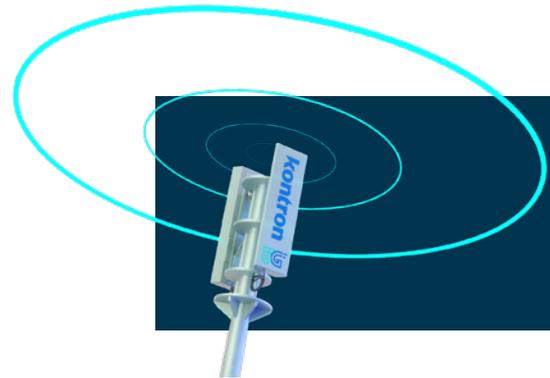
The Wallbox Platform ghostONE

The ghostONE wallbox is a leading AC charging platform for the B2B sector, developed according to automotive standards. It enables flexible solutions, from white label products to pure electronics and custom-built charging stations.

With comprehensive IoT capability, integrated load management, PV surplus charging, grid convenience charging, dynamic tariffs, ISO 15118 compliance and certified “plug and charge” function, ghostONE optimizes energy consumption, secures the power grid and supports the energy transition in both the private and public sectors.

5G Solutions from Kontron

Intelligent Connectivity for Industry and Cities



Kontron offers a comprehensive 5G portfolio that supports industrial applications, smart cities, and critical infrastructure. With reliable, low-latency and secure communication networks, Kontron enables the digitalization of cities, transport networks, factories and supply infrastructures. The combination of 5G, edge computing, IoT and AI creates highly connected systems that use real-time data for more efficient mobility, optimized use of energy, and intelligent services.

Industrial 5G and Open RAN solutions

Kontron develops private 5G networks, 5G standalone cores, edge servers, gateways and modular broadband data cards that are manufactured in Europe. This enables companies to automate industrial processes in real time, deploy AI-based processes, and ensure deterministic performance for business-critical applications. Open, software-defined network architectures (Open RAN) provide flexibility, multi-vendor operation, and easy scalability.

In addition to classic network and infrastructure components, Kontron is also applying its 5G and connectivity expertise directly to mobile end systems and vehicles, opening up new fields of application for connected and autonomous mobility.

Connected mobility and automotive network access devices (NADs)

In addition to its 5G portfolio, Kontron addresses a central component of connected and increasingly autonomous mobility with automotive-grade network access devices (NADs). The NADs provide secure connectivity for vehicles and mobile machines and support mobile radio standards from 2G to 5G, GNSS and V2X communication. These form the basis for telematics, infotainment and safety-related functions in modern vehicle architectures.

Based on more than 20 years of experience in infotainment and telematics as well as 5G development based in Germany, Kontron offers scalable NAD platforms for global automotive OEMs. As part of a major long-term order, Kontron is supplying 5G-based NADs worth around USD 250 million. The robustly designed systems meet the highest automotive requirements, support functions such as eCall and come from European development and manufacturing, ensuring quality, security, and technological sovereignty.

Smart cities and digital infrastructure

Kontron provides software-defined access solutions for digital services, including optical line terminals (OLTs) and customer premises equipment (CPE), which are developed and produced in the company's own innovation and production centers. These solutions are used in more than 50 countries and provide the necessary capacity, reliability, and security for smart cities, broadband expansion, and industrial connectivity. In combination with edge technologies, these networks form the basis for real-time communication, autonomous driving, telemedicine, intelligent traffic management, and energy optimization.

Central administration using KontronGrid

As network complexity increases, KontronGrid enables centralized management of devices, gateways, and edge servers. Updates, security guidelines and monitoring are implemented in real time, increasing reliability and facilitating the scalability of smart city projects and industrial projects.

European manufacturing and sovereignty

Kontron combines its electronics manufacturing and development services (EMS) with European production. The company covers the following sectors: industrial, automotive, aerospace, and defense. Manufacturing advanced 5G modules in Europe strengthens technological independence, shortens supply chains and reduces carbon emissions, while maintaining full control over quality and security.

5G Solutions

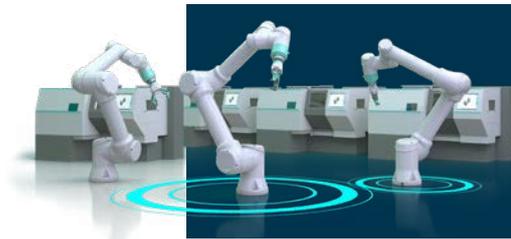


New 5G M.2 module

A key milestone in 2025 was the launch of the new high-performance 5G broadband modem, which supports downlink data rates of up to 4.9 Gbit/s and is suitable for industrial IoT applications, networked rail transport systems and aviation systems. With built-in GNSS functionality and dual SIM flexibility, it enables global deployment and maximum connectivity. Developed and manufactured in Germany, this module made by Kontron strengthens technological independence in Europe and shortens supply chains.

The module is a central component in the Kontron 5G strategy: It integrates seamlessly with edge computing platforms, private 5G networks, and modular industrial infrastructures, enabling real-time data, AI-based automation, and secure connectivity from a single provider.

Digital Connectivity and Automation Real-time Communications, AI, and Secure Industrial Systems



In industry, value creation is going through profound change. Production environments are increasingly developing into networked, software-defined systems in which machines, plants, and IT infrastructures work together in real time. Decisive success factors include reliable communication, powerful edge architectures, integrated security concepts and the purpose-specific implementation of artificial intelligence. Kontron meets these requirements with a combination of hardware, secure software, modern connectivity and system integration from a single source.

Edge intelligence provides the basis for connected factories

In modern automation environments, large volumes of data are generated directly at the machine and in the plant. In order to minimize latencies, ensure availability, and protect sensitive data, computing and analysis functions are increasingly shifting to the edge of the network, i.e. directly to the machine. Kontron offers a wide range of industrial edge and gateway platforms for this purpose, ranging from compact, robust systems for decentralized applications to powerful industrial edge servers for complex control and analysis tasks. These platforms enable secure data acquisition, preprocessing and integration into higher-level IT and cloud structures, and form the backbone of flexible, modular production architectures. The product offering is rounded off by embedded computing solutions with integrated AI acceleration. Energy-efficient single-board computers allow machine learning functions directly in the device, for example for condition monitoring, anomaly detection, and adaptive process control. This means that AI can be used where data is generated, without having to depend on decentralized cloud resources.

Real-time communication and 5G for industrial applications

Reliable, deterministic communication is a prerequisite for automated production processes. Kontron combines industrial Ethernet technologies, time-sensitive networking, and private 5G networks to create end-to-end communication solutions. The end-to-end 5G portfolio comprises private radio networks, a 5G standalone core, as well as modules, gateways, and edge platforms developed in Europe. This makes it possible to implement low-latency, highly available and scalable networks, both for stationary machines as well as for mobile applications in manufacturing and intralogistics.

Integrated cybersecurity as a strategic factor

The extent to which industrial systems are exposed to attack continues to grow as connectivity increases. That is why cybersecurity is becoming an integral part of automation. Kontron consistently applies Security-by-Design strategies and integrates security functions deeply into its platforms. AI-based intrusion detection and firewall solutions analyze industrial networks in real time, detect known and new threat patterns, and immediately ward off attacks. In combination with the hardened KontronOS operating system and central device management using KontronGrid, an end-to-end security and compliance strategy is created over the entire life cycle, including in terms of regulatory requirements such as the Cyber Resilience Act.

European development, manufacturing and systems expertise

One of the main factors that makes Kontron stand out is the close intermeshing of development, system integration, and manufacturing in Europe. Kontron offers full development and manufacturing services for industrial electronics and communication systems that include certification. This supports nearshoring strategies, shortens supply chains, and strengthens the technological sovereignty of European industrial companies.

Outlook

Automation, real-time communication, AI, and cybersecurity are growing closer and closer together to form an integrated overall system. Kontron combines these technologies in particular to comply with upcoming robotics specifications and already has embedded platforms with integrated AI software in its portfolio.



Connected Aerospace

Connectivity is a Key Factor for the Next Generation

The aerospace industry is undergoing a fundamental technological evolution. Increasing demands on digital services, new airline business models, and rapid progress in satellite communication are fundamentally changing expectations for connectivity and entertainment during the flight. Classic geostationary satellite systems (GEO) are increasingly being supplemented by constellations in low (LEO) and medium Earth orbit (MEO). These enable higher bandwidths, lower latencies and much greater global coverage, providing the basis for a new generation of connected aircraft.

Kontron is one of the technological pioneers driving these developments forward. With more than 30 years of experience in in-flight entertainment & connectivity (IFEC), the company develops and supplies highly reliable, scalable platforms for commercial and military aerospace systems. These solutions support satellite-based connectivity across GEO, MEO and LEO networks and enable high-performance broadband connections between the aircraft, ground stations, and satellites. This opens up fully connected cabin concepts and digital passenger experiences to a high technical level.

Integrated IFEC solutions for airlines and operators

Kontron provides integrated hardware and software solutions for secure broadband services during the flight. These include internet access, email and VPN services, multimedia applications, video on demand, gaming, and other digital entertainment offerings. A particular focus is on bring your own device (BYOD) concepts, which enable passengers to access content using their own devices, reduce operating costs and open up new revenue potential for airlines.

The product portfolio includes, among other things, satellite communication controllers, media streaming servers, and wireless access points. All systems are specifically designed, tested and certified for use in the highly regulated environments of commercial, business and government aircraft. The product range is supplemented by software solutions for media delivery, with which operators can implement flight-specific services at low development costs and with short implementation times. This enables rapid time to market and flexible adaptation to individual customer requirements.

Today, more than 6,000 commercial, business and government aircraft worldwide are already equipped with Kontron technologies. These solutions are designed to support long product life cycles and enable customer-specific updates over many years.

Strategic development and highlights 2025

In financial year 2025, Kontron introduced an open, vendor-independent white label IFEC platform. This approach gives airlines and operators more control over content, services and business models on board. Separating hardware, software and service levels enables flexible design of IFEC offerings, accelerates innovation cycles and reduces dependence on proprietary systems.

With its strategic focus on domestic and regional commercial aircraft, business jets and further expansion into Asian markets, Kontron is strengthening its role as a leading provider of modern satellite connectivity control systems. The progressive transition to LEO satellite constellations opens up additional potential for growth, including beyond aviation in land and sea transport, for example.

Hardware Solutions

IoT Devices Based on Embedded Hardware



Kontron embedded hardware products / IoT devices combine a broad portfolio of long-life single board computers, industrial motherboards, and modular, industry-suitable system platforms such as embedded box PCs, panel PCs and industrial servers, including scalable rack systems. The robust panel PCs are designed to meet the highest requirements in terms of shock, vibration and temperature resistance and at the same time cater for visualization and HMI tasks in modern production and automation environments. These products are designed for operation 24/7 in demanding automation, edge, IIoT, and robotics scenarios and provide high computing, I/O and expansion capabilities for direct processing of industrial data and process control tasks. In the defense sector they play a major role in particular.

Development is ongoing in the AI sector, where powerful 3.5" single-board computers based on Intel® Core™ Ultra processors (Panther Lake) integrate neural processing units and GPU power for efficient inference and image processing workloads directly at the edge, without having to rely on external cloud resources. New KBox family models also handle sophisticated AI and vision applications in industrial environments using GPU-accelerated architectures and flexible, modular designs. These IoT devices are based on embedded hardware and form the basis for AI-enabled automation, real-time analytics and sustainable edge solutions, and are consistently driving the path towards intelligent, connected systems.

Electronics² develops and produces electronics solutions from a single source

The service brand Electronics² sees Kontron bring together its expertise in development, prototyping and manufacturing at locations in Germany, Austria, Slovenia and Hungary. Following the takeover of KATEK group and prototyping specialist befex electronic in 2024, Kontron is significantly expanding its portfolio in the areas of original design manufacturing (ODM) and electronic manufacturing services (EMS). Under the shared Electronics² umbrella, Kontron, KATEK and befex electronic provide their combined expertise in development and manufacturing as independent brands to offer customers all inclusive solutions from a single source. Having locations in Europe and North America as well as partners in Asia ensures short transport distances, being close to regional customers, and optimum support in line with the local-for-local principle.

Development, prototyping and manufacturing

Kontron supports customers from the original idea through to design, validation and prototyping, to series production. With rapid prototyping services, products can be validated efficiently and converted directly into small, medium or large production series. Production lines equipped with the very latest equipment, SMT/THT technologies, final assembly, and comprehensive test procedures guarantee the highest quality and functionality. The continuous optimization of manufacturing and procurement processes ensures maximum efficiency and reliability.

Global presence and supply security

Thanks to the decentralized structure of the company, the close networking of its locations and a purchasing team with a global focus, Kontron can respond quickly to regional requirements and global challenges. This ensures strong supply chains, quick decision-making, and maximum reliability for customers in all markets.

Electronics² solutions are used in automotive, defense, aerospace, industrial, medical technology, environmental and energy technology. Modular, scalable platforms enable adaptation to specific customer requirements and support long-term life cycles.

With expertise in development and manufacturing, combined with global presence, Electronics² is positioned as a leading partner for custom-built electronic solutions, supporting customers in all phases from conception to series production.

Our Strategy in Terms of IoT Megatrends and Increasing Resilience Requirements

Strategically, Kontron is focused on key sectors such as transportation, infrastructure and defense. Resilience is becoming increasingly relevant in the face of geopolitical tensions, fragile supply chains and increasing cyber threats. Industry, infrastructure and critical sectors have the task of making systems more secure, more stable and more connected. A key success factor in this market environment is the ability to ensure technological supremacy, security and data sovereignty over the entire product life cycle. Kontron is focused on providing robust and powerful IoT platforms that meet increasing demands in terms of availability, scalability, and compliance and provide a reliable basis for digital transformation.

Cybersecurity: Security as a consistent product and process requirement

Cybersecurity is becoming a binding standard for networked systems. New European regulations such as the Cyber Resilience Act, NIS 2 and RED create uniform requirements that apply to software, hardware and operational processes throughout the entire life cycle. At the same time, cyber attacks are becoming more complex, reinforced by automation and AI-assisted attack patterns.

Kontron tackles these challenges head-on with the hardened KontronOS operating system, the KontronGrid platform for compliance and lifecycle management, and KontronAIShield, an AI-based solution for threat detection. Additional secure edge and embedded platforms follow the Security-by-Design principle and assist customers in building more resilient systems and complying with regulatory requirements over the long term.

Artificial intelligence: intelligence at the edge

AI technologies gained considerable momentum in 2025 and will become an inescapable element in industrial value creation in 2026. In that respect, AI functions that are executed directly on edge devices and enable real-time processing are pivotal. Kontron focuses on applications such as image-based quality testing, predictive maintenance, anomaly detection, and safety-related control and monitoring functions. These solutions are becoming increasingly important in industries such as automotive, logistics, rail, and factory automation.

One technological milestone is the integration of the latest processors. They enable a new class of scalable edge AI platforms that combine high energy efficiency with built-in AI acceleration and advanced security features. These advancements enable Kontron to provide powerful platforms that enable the next step in the development of data-driven, AI-powered edge applications.

5G and FRMCS: Secure and powerful connectivity for industrial applications

5G remains a technological cornerstone for networked industrial processes. Because more and more data is being processed directly at the edge, the importance of low-latency and high-availability communication systems is increasing. Private 5G networks enable real-time applications that lead to significant efficiency gains in production, logistics, energy supply, and safety-critical areas.

A significant role is played by the rail sector, in which the next generation of safety-critical communication is being created: the Future Railway Mobile Communication System (FRMCS). Kontron supports this technological change with modular hardware and software solutions, 5G core networks and cloud-based management platforms.

Defense and safety-critical applications: Technology as a protection factor

The increasing vulnerability of critical infrastructures is leading to a growing international demand for robust digital systems. High levels of computing power, real-time capability and hardware resilience are decisive factors in safety-critical applications. Kontron draws on its many years of experience in embedded computing here, and also has global development structures, local manufacturing capacities, and controlled supply chains. Technologies that have proven effective in industrial and infrastructural environments are also increasingly being used in safety-related projects and are strengthening Kontron's position in a strategically important market environment.

Sustainable solutions in the context of IoT

Kontron also has solutions in the field of sustainable energy technologies, particularly in solar energy and electromobility. These include control electronics for photovoltaic systems and intelligent charging solutions for electric vehicles. Integrating KontronOS and IoT connectivity increases the security and scalability of these systems and makes remote maintenance possible. They enable the efficient operation of modern energy and charging infrastructures.

Outlook

In 2026, cybersecurity, artificial intelligence, 5G connectivity and secure embedded systems will grow closer together and significantly shape the requirements for industrial and critical infrastructures. The Cyber Resilience Act is becoming a key factor for manufacturers and operators of connected devices, both technically and in financial terms. CRA-readiness is becoming a key requirement for Kontron's customers, and Kontron is already supporting them today with solutions designed to meet upcoming regulatory requirements.

WHY INVEST IN KONTRON?

Long-Term Profitable Growth

- › Active in multiple markets driven by rapid structural growth, supported by digitalization, automation, and safety-critical IoT solutions
- › European technological supremacy with global reach and a high level of relevance in security-relevant and sovereignty-relevant applications
- › Highly diversified, global and long-standing customer base in niche markets with high barriers to entry



Technical Excellence

- › Unrivaled in research and development: 3,000 engineers and expenditures of EUR > 200m
- › Cost-efficient internal engineering resources in CEE countries (average salary: EUR 55k p.a.) as an attractive employer in Western countries
- › Deeply integrated IoT technology platform with hardware and software from a single source for demanding industrial, energy, and transportation applications



Sound Financial Position

- › Cash conversion rate: target of 75%
- › Solid tax shield in Austria
- › Low debt profile:
< 0.75x net debt/EBITDA expected, will improve in light of planned inventory reduction



Attractive Shareholder Earnings

- › Strong cash-generating business model
- › 50% of the net result distributed to shareholders: share buybacks or dividend
- › Upside potential: historically low P/E and EBITDA multiples



Company

Kontron Electronics GmbH

Customer

HAYER & BOECKER OHG

Solution

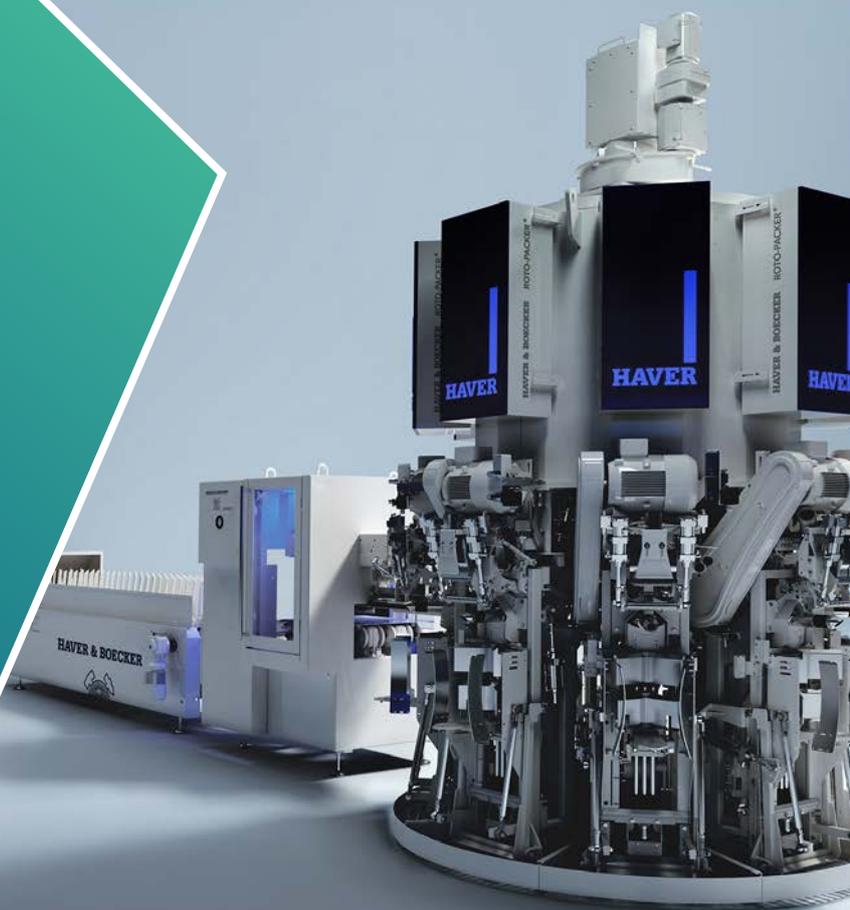
A high-performance and innovative control solution for high-speed packaging systems

Industry

Automation / Mechanical Engineering

Market

Worldwide



Intelligent Control Solution for Industrial Bulk Filling

A globally leading manufacturer of packaging systems for industrial bulk materials faced the challenge of finding a competent partner to develop a high-performance and innovative control solution for the next generation of its high-speed packaging systems in the ROTO-PACKER® series – the central heart of the entire installation. At the same time, a reliable service provider for the production of printed circuit board assemblies and for the final assembly of the complete system needed to be identified to ensure a smooth and high-quality production process.

HAYER & BOECKER defined the following requirements for the project team:

- › Handling up to 6,000 fillings per hour with highly precise product weighing
- › Flexible handling of a wide variety of products and selection of durable, long-lasting components
- › Reliable communication between the interconnected individual modules within the system
- › Integration of up to 16 filling spouts per machine, each with its own control unit
- › Simple and safe operation despite high system complexity
- › Approval in accordance with the regulations of the International Organisation of Legal Metrology (OIML)

The project was implemented using the powerful, platform-independent PLC solution CODESYS®. This software forms the foundation for the flexible and efficient realization of even highly complex process sequences and numerous variants. Kontron Electronics in Germany and Switzerland took responsibility for the development of customized hardware and software. Final functional tests and thorough inspections ensured that the highest standards of precision, flexibility, and reliability were met. The complete manufacturing process took place at Kontron Electronics' modern production facility in Hungary. Final assembly of the overall system was carried out both in Hungary and in Germany. For visualization and operation of the machine control system, the project team relied on the expertise of Kontron Europe: robust FlatClient industrial panels provide maximum user comfort and intuitive, secure system control.



case study

Company

Kontron Transportation GmbH

Customer

SNCF (Société nationale des chemins de fer français)

Solution

Mission-critical communication solution

Industry

Transportation

Market

France



Long-Term Contract for GSM-R Network with SNCF Strengthens Kontron's Market Position in France

In July 2025, Kontron Transportation achieved a significant milestone: a long-term service contract worth a three-digit million amount was concluded with the French infrastructure manager SNCF Réseau. The agreement continues the successful partnership that has existed since 2003 and confirms Kontron Transportation as a leading provider of mission-critical communication solutions for rail operators.

The new contract ensures the operational maintenance of the GSM-R network until the commissioning of a new 5G-based mobile communication system, the FRMCS (Future Railway Mobile Communication System). FRMCS is the future communication standard that will form the basis of modern railway communication. As a key contributor to this standard, Kontron Transportation enables seamless coexistence of both technologies and ensures that customers can already rely on a future-proof infrastructure today.

A central element of the Long-term contract for GSM-R Network is the provision of a comprehensive core network, along with a specially developed AI-based knowledge database. SNCF particularly emphasizes long-term dependability: the continuity of communication systems is essential for the safe operation of rail transport. Kontron guarantees this continuity until the final introduction of a new FRMCS network.

For Kontron, the contract extension underscores the company's strong position in the European railway market. It confirms the trust that one of Europe's largest railway operators' places in the company's expertise and sends a clear signal about the strategic importance of modern communication solutions in the era of digital mobility. The long-term cooperation with national rail operators across Europe highlights Kontron's sustained commitment to reliability, innovation, and strong customer partnerships. The agreement with SNCF Réseau is another compelling example of how Kontron supports the modernization of critical railway communication infrastructures.



case study

Company

Kontron Europe GmbH

Customer

HaSt GmbH

Solution

Accelerated hail damage claims settlement with AI

Industry

Insurance and expert industry

Market

Europe



© HaSt GmbH

Artificial Intelligence Counts Car Dents after Hailstorms

Extreme weather events such as intense hailstorms have increased significantly in recent years, resulting in mass damage.

To help car owners settle their claims more quickly, HaSt GmbH's AI-based hail scanner supports the work of experts. Equipped with powerful computing hardware from Kontron, the hail scanner takes the tedious task of counting dents off their hands and provides reliable and reproducible AI results within half a minute. The powerful Kontron Single Board Computers used in the scanner arch ensure extremely fast evaluation of hail damage in less than 30 seconds, which is particularly relevant when settling mass damage events.

HaSt uses the high performance primarily for functionality that improves the process and result quality of the evaluation in the background. This includes, for example, optimizations in terms of scan consistency and increased resilience to fluctuating external factors such as light, passage speed, vehicle shapes, vehicle colors, surface properties, and materials.

In addition to high performance, it was also important for the customer to have the smallest possible form factor so that the computers could fit into the slim scanner LED arch – no trivial requirement. Robustness and shock resistance were also required for the sometimes rough transport of the scanners. A wide temperature range had to be covered, as the product can also be used in unheated and non-air-conditioned environments.

The use of Artificial Intelligence and reliable, powerful hardware from Kontron can relieve the burden on experts and clerks at motor vehicle insurers and accelerate transparent claims settlement for policyholders.



case study

Company

Kontron Electronics GmbH

Customer

Resuscitec GmbH

Solution

CARL: Controlled reperfusion of the whole body

Industry

Medical

Market

Europe



When Seconds Matter: High-Performance Intensive Care Directly at the Emergency Site

Sudden cardiac arrest is one of the leading causes of death in Europe. Within just a few minutes, the lack of oxygen leads to severe organ damage. What is crucial, therefore, is not only rapid resuscitation – but also the targeted, controlled restoration of blood circulation. This is precisely where the CARL therapy (Controlled Automated Reperfusion of the whole body) comes into play.

CARL enables automated and precisely controlled reperfusion of the entire body. Blood flow, pressure, and oxygen levels are continuously monitored and accurately regulated in real time. At the same time, the body is selectively cooled to 33–35°C and metabolism is restored to protect organs from secondary damage. Eight monitorable blood parameters provide the foundation for individualized multi-organ therapy. This allows the treatment to be tailored exactly to the patient's condition.

A key advantage: the portable system can be deployed directly at the emergency site. Even before transport to the hospital begins, controlled restoration of circulation is initiated – a time advantage that plays a decisive role in neurological outcome and survival. Clinical data show an increase in survival rates from below 8% to over 40%.

Kontron Electronics developed key electronic assemblies for this purpose, including a highly precise blood gas analysis module and a powerful control platform to coordinate pumps, valves, and sensor systems. Real-time capable measurement and control technology serves as one of the key functions within the system.

In this way, interdisciplinary research is transformed into a mobile high-tech medical device – and innovative electronics into tangible life-saving technology, exactly where seconds count.



case study

Company

Kontron Transportation GmbH

Customer

Regionalbahnen in Deutschland

Solution

MCx System

Industry

Transportation

Market

Germany



Future Proof Train Communication Solution for Regional Railways

Many regional railways are currently facing the challenge of replacing their outdated analog radio systems. Mission-critical communication in the railway sector includes all communication processes and systems required to ensure the safe and smooth operation of railway networks. Direct communication between train drivers, control centers, and emergency teams – enabling real time responses to safety relevant events – is essential for reliable railway operations. However, building and maintaining a dedicated radio infrastructure is cost-intensive and often not feasible for smaller operators.

Kontron Transportation offers a modern alternative with its MCx OTT solution: the networks of public mobile operators are used as the transport medium for the company's MCx application, which includes GSM R (Global System for Mobile Communication – Railways) features. This enables professional operational communication without the need for dedicated local radio infrastructure. Regional railways gain access to prioritized voice and data communication, group and emergency calls, as well as location-based services – functions previously reserved for GSM R users. Additional safety mechanisms – such as redundant mobile network services and continuous heartbeat monitoring – ensure communication integrity.

The modern dispatcher workplace provides GPS based localization, status displays, and messaging functions. Advanced features such as dynamic and ad hoc group calls further enhance operational efficiency. The cloud-based architecture ensures high flexibility and scalability, while the managed service model reduces operating costs. This communication system makes a significant contribution to railway safety and represents an important step toward FRMCS (Future Railway Mobile Communication System), as it is already designed according to the FRMCS standard and supports operators on their path to FRMCS.

In the 2025 reporting year, the customer segment of regional railways in Germany continued to grow. By the end of 2025, Kontron Transportation counted a total of eight regional railway operators among its customers and had equipped more than 1,000 kilometers of railway network with its MCx solution.



REPORT OF THE SUPERVISORY BOARD

Dear Shareholders, Colleagues, Ladies and Gentlemen,

As Chair of the Supervisory Board of Kontron AG, it falls to me to report on the past financial year 2025:

The year 2025 was marked by a constantly challenging geopolitical situation and increased volatility on the financial, commodity and foreign exchange markets. On top of that, there were tighter trade policy measures, new tariffs and regulatory restrictions in technology business that made international value chains even more difficult and impacted the planning ability of companies worldwide. In business terms, 2025 was a volatile year for many regions, while several European economies experienced downturns. The continued decline in inflation rates allowed some central banks to gradually cut interest rates, which brought noticeable but still only slight relief for companies and households. At the same time, however, there was an increasingly clear and sustainable willingness to invest in digital, energy-efficient and safety-critical infrastructures, as well as robotics. There are areas in which Kontron has held a competitive and well-established position for years and in which technological advances in the area of connected systems, AI-supported, automation-enabled IoT platforms and security-related applications have opened up additional growth opportunities.

Despite the challenging market environment, Kontron has been able to record significant growth in the fast-growing Software+Solutions segment. Revenue for financial year 2025 amounted to around EUR 1.6 billion, which, despite the deconsolidation of the COM business and the fade-out of low-margin EMS business, meant a decline of just 4,6% in growth in the high-margin Transportation and Aerospace & Defense divisions of the Software + Solutions segment. The net result of around EUR 141 million managed to increase by around 55% compared to the previous year. Year on year, this once again shows a significant improvement. Earnings per share (EPS) stood at EUR 2.29. The order backlog of around EUR 2,495 million has reached a new high and shows the continued strong demand for our products and services.

Following successful strategic realignment to become a pure IoT provider and the acquisitions already carried out in previous years, Kontron made significant technological progress in financial year 2025, specifically expanding its portfolio to include market-relevant IoT solutions. One particular focus was on the development of industrial edge systems for energy, transport, and security applications, enabling Kontron to continuously expand its market position in the rail transport sector. In the energy sector, the company launched new modular control platforms for intelligent energy networks (smart grids) in 2025, enabling load management, grid stabilization and data-based operations optimization in real time. In the area of mobility, Kontron launched a new generation of networked charging infrastructure featuring software-based functions that include dynamic tariff and load management as well as secure remote updates, fully integrated into KontronOS and KontronGrid for the first time. In addition, the defense portfolio has been expanded with more powerful VPX modules, designed for sensor-based real-time applications and highly secure communication environments. Thanks to these purpose-specific expansions, Kontron has been able to further strengthen its position as a leading European provider of industrial IoT technologies and tap into additional growth potential in key future markets. In the Greentec sector, Kontron has pushed ahead with the networking of existing solutions in order to successfully set the pace of the transformation towards a decentralized, electrified energy and mobility future. At the same time, cost reduction initiatives have been implemented in this area to ensure the competitiveness and future viability of these systems.

Our pioneering KontronOS operating system has been further developed and now offers improved security mechanisms against external access to the company network as well as controlled, highly secure update and patch management. At the same time, KontronGrid, our scalable IoT and data platform, is being implemented in new industrial control, transport, and energy management systems, increasingly forming the backbone of digitalized infrastructure environments. In the defense sector, we have consolidated our position as an ITAR-certified technology provider by taking the development of the VPX modular architecture to the next level. What is more, the existing partnerships with Qualcomm and Foxconn were strengthened in 2025. Together with Qualcomm, we are developing the next generation of 5G/6G and FRMCS modems, AI-based IoT edge devices, and software toolsets for embedded systems, while with Foxconn we have expanded cooperation in the area of intelligent energy and IoT infrastructures and implemented KontronOS in more products and manufacturing environments.

In addition, Kontron continued to work on simplifying its structures and increasing transparency in financial year 2025. The integration of ESG relevant parameters has been further improved. The Kontron Group sees it as its duty to contribute to achieving climate goals not only through its efficiency-boosting customer solutions, but also as a group of companies. In the current reporting period, the previous target of halving our greenhouse gas emissions (Scope 1 and 2) by 2030 has been replaced by a new, more precise energy target. In its place, Kontron is now pursuing the goal of reaching a level of 75% of electricity from renewable sources by 2030, where the company controls the purchase of energy or generates power itself. Moreover, new climate goals were set based on extensive analysis of realistic improvements, regulatory developments and the local availability of low-carbon energy resources. These have been laid down as part of the extended ESG



strategy. The Sustainable Leadership Academy was continued in 2025 and addresses the ongoing professional development of managers – supporting women in management in particular – in the areas of technology, sustainability and diversity at Kontron.

As Kontron Group, we can therefore be proud of what we have achieved so far.

Furthermore, in my capacity as Chair of the Supervisory Board of Kontron AG, I would like to inform you that in the 2025 financial year, the Supervisory Board of Kontron AG performed all of its legally prescribed duties and control functions in close consultation with the Executive Board of the company and was involved in all strategic and material corporate decisions at an early stage and to an appropriate extent. The Executive Board provided the Supervisory Board with regular, timely and comprehensive information and prepared and presented the relevant information and key figures in a transparent manner.

In financial year 2025, the Supervisory Board held four regular meetings, one extraordinary meeting and two audit committee meetings. A meeting of the Nomination and Remuneration Committee was also held. Apart from the regular meetings, various discussions took place between the Chair of the Supervisory Board, the members of the Supervisory Board and the CEO, CFO, and the other members of the Executive Board on issues of strategy, current business development, the risk situation, risk management and corporate governance of the company. Whenever the agreement or approval of the Supervisory Board was required for decisions or measures taken by the Executive Board, draft resolutions were submitted to the members of the Supervisory Board in advance for examination and then decided upon in meetings by way of vote or circulation.

In financial year 2025, no conflict of interest arose in the Supervisory Board; all resolutions were passed unanimously, unless abstention was necessary or advised. At the end of March 2025, Dr. Johannes Fues, who was responsible for the Greentec division, left the Executive Board of Kontron AG at his own request. The Executive Board has been reduced to four people. The composition of the Supervisory Board also changed in financial year 2025. At the Annual General Meeting on June 11, 2025, Ms. Mavis Hong was elected as a new member of the Supervisory Board and replaced Ms. Yolanda Wu, who had previously announced her departure from the Supervisory Board as of the end of the Annual General Meeting on June 11, 2025. In accordance with the principles of the German Corporate Governance Code and in order to perform its duties efficiently, the Audit Committee, the Remuneration Committee and the Nomination Committee, each of which consist of three Supervisory Board members, are each composed of a majority of independent Supervisory Board members. Likewise, in accordance with the recommendations of the German Corporate Governance Code, the role of Chair of the Supervisory Board was separated from that of Chair of the Audit Committee. Full details on this can be found in the chapter "Corporate Governance Report".

The consolidated financial statements were prepared in accordance with IFRS. The Annual General Meeting once again appointed KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as auditor for financial year 2025. The consolidated financial statements, the Group management report as well as the auditor's report were submitted to all members of the Supervisory Board and the Audit Committee. The financial statement documents have been discussed in detail by the Supervisory Board and the Audit Committee in the presence of the auditor following an auditor's report. The Supervisory Board approved the consolidated financial statements prepared by the Executive Board. The Supervisory Board is in agreement with the Group management report and in particular with the assessment of the further development of the company.

The Supervisory Board, together with the Executive Board, has submitted a Corporate Governance Report in accordance with its obligation to comply with the German Corporate Governance Code as per section 243c of the Austrian Commercial Code (UGB) and has made this available to the shareholders in the company's annual report in the chapter "Corporate Governance".

To conclude, I would like to thank you, our shareholders, for the trust you have placed in us. I would also like to thank the Executive Board and all employees of the Kontron Group and express my appreciation for their tireless effort and valuable contribution to the successful development of our company in financial year 2025.

Vienna, March 2026 / for the Supervisory Board

Claudia Badstöber, Chair of the Supervisory Board

CORPORATE GOVERNANCE REPORT

Kontron AG is a joint stock company listed on the officially regulated Prime Standard market of the Frankfurt Stock Exchange (FSE) under Austrian law. In accordance with the Austrian Stock Corporation Act, the Executive Board manages the company on its own responsibility and independently. It exercises this responsibility in the best interests of the company, taking into consideration the interests of the shareholders and employees. The Supervisory Board supervises the management and supports the Executive Board in significant decisions.

Section 243c and Section 267b of the Austrian Commercial code (UGB) stipulate that a joint stock company whose shares have been authorized for trading on a regulated market is required to compile a Corporate Governance Report. To fulfill this obligation, the following Corporate Governance Report is provided:

Corporate Governance Code

As an Austrian company and a stock corporation listed in Germany, Kontron AG voluntarily complies with the German Corporate Governance Code (Section 243c para 1 item 1 and Section 267b UGB). The German Corporate Governance Code is publicly available at <https://www.dcgk.de/> in the version dated April 28, 2022.

Declaration of compliance with the German Corporate Governance Code

The Executive Board and Supervisory Board of Kontron AG make the following declaration in accordance with Section 243c and Section 267b UGB with regard to the recommendations of the "Government Commission on the German Corporate Governance Code":

Kontron AG complies with all recommendations of the German Corporate Governance Code ("DCGK") as amended on April 28, 2022 and published by the Federal Ministry of Justice in the official section of the Federal Gazette, with a few exceptions, the reasons for which are explained in detail in the following report.

Principles of business management

For a number of years, Kontron AG has been pursuing a strategy designed to yield a sustained and long-term increase in corporate value. The Executive Board and the Supervisory Board have committed themselves to managing and controlling Kontron AG and its subsidiaries in a responsible way. The value-based principles of proper business management constitute an essential component of these policies. In their actions, the company and its governing bodies are conscious of the company's role in society and its social responsibility. Social and environmental factors influence the company's success and the company's activities have an impact on people and the environment. The Executive Board and Supervisory Board take this into account when managing and monitoring in the context of the company's interests. The Principles laid down in the German Corporate Governance Code have been part of Kontron AG's corporate and leadership culture for many years. They facilitate the increase in value and strengthen investor confidence. The foundations of the German Corporate Governance Code are the rules contained in German law pertaining to shares, securities and capital markets, and in the OECD directives on Corporate Governance. The Code becomes effective through the company's voluntary commitment to it. This commitment entails the necessity of justifying any nonconformity with recommendations ("comply or explain").

Fundamentals of the corporate structure

Together with its affiliated companies, Kontron AG forms the Kontron Group. Kontron AG is a stock corporation under Austrian law with its Headquarters in Linz. It has three Boards: Annual General Meeting, Supervisory Board, and Executive Board. Their duties and powers arise from the Austrian Stock Corporation Act and the Articles of Association of Kontron AG. This includes, in particular, the following duties and powers:

- › As owners of the company, the shareholders exercise their rights at the Annual General Meeting. In particular, these rights include decisions on the appropriation of retained earnings, the election of Supervisory Board members, the discharge of the Executive Board and Supervisory Board, the election of the auditors of the annual accounts and the auditors of the legally required sustainability report, any capital decisions arising, the definition of the remuneration policy, and the annual review of the compensation report for the Executive Board and Supervisory Board. The Chairwoman of the Supervisory Board, or her deputy if she is unable to attend, chairs the Annual General Meeting and is responsible for ensuring that the Meeting runs efficient and for an appropriate length of time, while taking shareholders' interests into account. One share in Kontron AG entitles the holder to one vote. No special rights are granted to particular shareholders or classes of shares.
- › The Supervisory Board appoints the members of the Executive Board and is entitled to remove them at any time for good cause. For particular significant business transactions, the Executive Board is required either by law, the Articles of Association of Kontron AG or the internal by-laws of the Executive Board or the Supervisory Board to seek the approval of the Supervisory Board. However, the Supervisory Board is not entitled to take any management measures. The close cooperation between the Executive Board and the Supervisory Board is called the dual management system.
- › The Executive Board conducts the company's affairs on its own responsibility and independently, without being subject to instructions. The Supervisory Board exercises a supervisory and advisory function. The Executive Board reports to the Supervisory Board and supplies it with regular, prompt, and complete information in accordance with the principles of conscientious and accurate reporting, pertinent legislation, and the reporting directives laid down by the Supervisory Board. The Chair of the Supervisory Board is informed immediately of all events that are of material importance for assessing the situation and current developments as well as for managing the company.

Executive Board

The Executive Board manages the company independently and in the best interests of the company with the aim of sustainable value creation. This includes looking after the interests of shareholders and employees, relations with customers and suppliers, and other groups associated with the company (stakeholders).

Section 7 para 1 of the Articles of Association stipulates that the Executive Board of Kontron AG consists of a minimum of one and a maximum of seven members. The exact number of members within these parameters is determined by the Supervisory Board. As of December 31, 2025 the Executive Board consisted of the following four members:

- › Mr. Hannes Niederhauser, born November 25, 1962, CEO/Chairman of the Executive Board: Overall Strategy, Research and Technology Development, Corporate Development, M&A, Division Reviews and Internal IT, coordination of the individual Executive Board remits and representation of the Executive Board to the Supervisory Board;
- › Dr. Clemens Billek, born May 19, 1980, CFO: Responsibilities include Accounting & Tax, Controlling, Legal & Compliance, Treasury, Finance & M&A, IR & Corporate Communications, Environmental Social Governance (ESG) and Internal Audit;
- › Mr. Michael Riegert, born July 9, 1963, COO: Overall responsibility for Operations, Production, Purchasing & Logistics, Head of the Industrial Division (excluding CEE);
- › Mr. Philipp Schulz, born June 9, 1973, COO: Responsible for the North America region, head of the Defense and Aerospace Division and Corporate Marketing.

Johannes Fues, born on October 22, 1976, COO and responsible for the GreenTec division, resigned from his position as a member of the Executive Board of Kontron AG with effect as of 31 March 2025 and, by mutual agreement, stepped down from the Executive Board as of that date.

The Management Board decides jointly on the management of Kontron AG, determines the strategic orientation of the Kontron Group, coordinates it with the Supervisory Board, and carries it out. Together with the Supervisory Board, the Executive Board is responsible for long-term succession planning. Potential candidates for the Executive Board require not only appropriate professional qualifications for the area of responsibility they are to assume, but also the necessary leadership qualities and international experience. Each appointment or reappointment to the Executive Board of Kontron AG is limited to a maximum period of three years. The Supervisory Board decides whether to renew a position on the Executive Board six months before it is due to expire. Contrary to Principle 9, Recommendation B.5 of the DCGK, a fixed upper age limit was not imposed, as this is not considered useful and appropriate, and the required qualifications of a board member are considered more relevant in the composition of the Executive Board. Employment contracts for members of the Executive Board generally end no later than the date on which a member becomes eligible for retirement.

With regard to the composition of the Executive Board, the Supervisory Board has introduced a diversity scheme which also takes account of recommendations in the German Corporate Governance Code. Its objective is to increase diversity both on the Supervisory Board and the Executive Board, as well as in management positions. When a new member of the Executive Board is appointed, the Kontron AG Compliance Officer informs the new member of the essential parameters relating to performance of the duties involved, the by-laws to be observed, the internal Group policies and directives, the legal framework, and the German Corporate Governance Code. The composition of the Executive Board of Kontron AG as of December 31, 2025 does not yet comply with this diversity concept due to the absence of a female Executive Board member. The overriding consideration in the composition of the current Executive Board was the members' qualifications and, in the interests of the company, the Nomination Committee and the Supervisory Board gave these precedence. For future new appointments, the Supervisory Board should take account of diversity on the Executive Board, provided that this is appropriate.

The Executive Board is also responsible for ensuring that all legal regulations are adhered to and for implementing the in-house directives together with the central functions. The Executive Board is also responsible for appropriate risk management and risk control throughout the company. Kontron has an effective internal control system based on the internationally recognized COSO model. Adherence to this system and to all other legal and internal requirements is monitored by the Kontron Group internal Audit Committee. The essential outlines of the internal control system and the risk management system are described each year in the Kontron AG Management Report. The internal control system and the processes defined also cover risks and goals relating to sustainability. In addition, Kontron has established a Whistleblower Platform and a 24/7 hotline that can be used by parties outside and inside the company to provide anonymous information about breaches of the law within the company.

The risks and opportunities for the company that are associated with social and environmental factors as well as the environmental and social effects of company activities are systematically identified and assessed by the Executive Board. In addition to long-term economic targets, environmental and social goals are also sufficiently considered and established in the corporate strategy. Corporate planning includes appropriate financial and sustainability-related goals. Among the social goals, Kontron AG is targeting a Group-wide increase in the proportion of female employees to 50% and an increase of 20% (compared to 2022) in the proportion of women in management positions by 2030 as part of "Vision 2030". To attract, retain, and develop key employees for management positions, Kontron's Sustainable Leadership Academy plans to expand its training offering and increase training hours. The overarching environmental goal is to halve the Kontron Group's CO₂ emissions for Scope 1 and Scope 2 by 2030; beyond that, further environmental goals will be defined for individual sites.

Members of the Executive Board are obliged to uphold and represent the interests of the company. Decisions they make must not serve their personal interests where these conflict with the activities of the Kontron Group, and they are debarred in particular from pursuing any business opportunities to which their employer would be entitled. They are permitted to assume additional responsibilities or positions, for example on the management or supervisory boards of companies outside the Kontron Group or relevant holdings, solely with the permission of the Nomination Committee or the Supervisory Board. This is laid down in accordance with labor law in the Executive Board members' employment contracts in the form of a comprehensive non-competition clause.

With the approval of the Supervisory Board, the Executive Board has established by-laws and a management responsibilities plan, which governs allocation of the various responsibilities among the members of the Executive Board. The Executive Board's rules of procedure also set out the principle of joint responsibility of the Executive Board as well as cooperation with the Supervisory Board. The Executive Board members keep the Chair person of the Executive Board and the other members regularly informed about important activities and the development of business in their respective departments. The Chair person of the Executive Board coordinates developments in the individual areas of responsibility of the Board members with the company's overall targets and projects.

Meetings of the Executive Board are convened and chaired by the Chairman of the Executive Board as required. If the Chairman of the Executive Board is unavailable, he is represented by the deputy Chairperson. Whenever appropriate, associate members of the Executive Board or members of the Extended Management Team are also asked to attend the meetings. Resolutions of the Executive Board are passed either by the members in physical attendance at the Board meetings, in video conferences or in writing by circular resolution.

In dealings with the Supervisory Board, the Executive Board is represented by the Chairman of the Executive Board. The latter maintains regular contacts with the Chairwoman of the Supervisory Board and furnishes her with prompt reports on all relevant issues. The Supervisory Board has passed resolutions stipulating in the by-laws of the Executive Board that the Supervisory Board's approval is required for business transactions of fundamental importance. In reporting to the Supervisory Board, the Executive Board observes the principle of regular, timely and full information, especially with respect to the development of the business and deviations from the underlying plans, and to the risk situation, risk management and Compliance.

In his capacity as a representative of the company, the Chairman of the Executive Board provides his shareholders with frequent and detailed information – far beyond what is required by law. One of the most important principles of Kontron AG's capital market communication is to inform institutional investors, private shareholders, financial analysts, employees, and all other interest groups simultaneously and comprehensively about the company's situation through regular, open, and up-to-date communication. In doing so, Kontron AG strictly follows the applicable legislation and the requirement of equal treatment of all shareholders: All the information and presentations received by financial analysts and investors, for example, are also immediately made available to all these interest groups in German and/or English.

Regular discussions and meetings with analysts and investors at conferences, roadshows, and individual meetings are a central part of Kontron AG's investor relations work. Telephone conferences (earnings calls) are held in conjunction with the publication of quarterly and annual results, enabling analysts, investors, or other interested parties to ask questions directly about the current development of the company. Company presentations are always available to all interest groups on the company's website.

The Kontron AG corporate website <https://www.kontron.com> serves as a central platform for providing up-to-date information about the company and its progress. The Kontron AG investor relations website <https://www.kontron.com/de/konzern/investoren> also provides access to financial reports (annual reports, interim reports, and announcements), current presentations from analyst and investor conferences, as well as press releases and ad-hoc announcements from the company. The dates of the main recurring publications and events (Annual General Meetings, press and analysts' conferences) are published in the corporate financial calendar at the beginning of each year and regularly updated.

Regarding remuneration of the Executive Board, the Supervisory Board drafted an amended remuneration policy for the Executive Board in conjunction with the Remuneration Committee and submitted it for resolution to the company shareholders at the Annual General Meeting on June 11, 2025. The Supervisory Board subsequently implemented the content of this amended remuneration policy. In particular, the changes concern the adjustment of short-term incentives through the introduction of additional key performance indicators (KPIs) for their calculation and some clarifications of existing components of the remuneration policy. Details of the benefits granted and received are published annually in the remuneration tables contained in the annual accounts. No private pension plan has been arranged for any member of the Executive Board, nor are there any special agreements regarding post-contractual benefits. Assumption of additional positions within the company does not give rise to any additional compensation. In accordance with the legal requirements, the Remuneration Report for financial year 2025 will be submitted to the next Annual General Meeting for approval on June 30, 2026.

Supervisory Board

The Supervisory Board has the task of supervising and advising the Executive Board in the management of Kontron AG. In accordance with Section 9 para 1 of the Articles of Association of Kontron AG, the Supervisory Board consists of three to five shareholder representatives who are elected by the Annual General Meeting. No employee representatives currently have a seat on the Supervisory Board of Kontron AG. The members of the Supervisory Board are elected by the Annual General Meeting on the basis of resolutions proposed by the corporate bodies or by motions submitted on the initiative of shareholders. Regarding proposals for election for the Supervisory Board, care is taken to ensure that all members of the Supervisory Board collectively have the knowledge, skills, professional experience, and expertise required to properly perform their duties on sustainability issues that are important to the company. The Supervisory Board has defined specific targets with regard to its composition, adopted a diversity scheme and drawn up a qualifications profile. In its role as a supervisory and advisory body, the Supervisory Board attaches particular importance to addressing sustainability issues and has encouraged the Executive Board to take these into account in corporate objectives. The Executive Board has defined appropriate ESG goals. Any connections to related companies or shareholders of Kontron AG are disclosed at the Annual General Meeting.

In addition, diversity and the defined targets are taken into account. As of December 31, 2025 the Supervisory Board of Kontron AG consists of the following members:

- › Ms. Claudia Badstöber, born February 3, 1968, Chairwoman of the Supervisory Board
- › Mr. Bernhard Chwatal, born October 12, 1970, 1st Deputy Chairman of the Supervisory Board
- › Mr. Fu-Chuan Chu (Steve Chu), born June 18, 1962, 2nd Deputy Chairman of the Supervisory Board
- › Mr. Joseph John Fijak, born June 22, 1961, Member of the Supervisory Board
- › Ms. Mavis Hong, born November 22, 1974, Member of the Supervisory Board

At the proposal of the Supervisory Board, Ms. Mavis Hong was elected to the Supervisory Board at the Annual General Meeting on June 11, 2025 as successor to Yolanda Wu. Her mandate began at the closure of the Annual General Meeting on June 11, 2025 and runs until closure of the Annual General Meeting that votes on the discharge of Supervisory Board members for the 2028 financial year.

Ms. Claudia Badstöber and Mr. Bernhard Chwatal are proven financial experts who have served as auditors and tax consultants for international corporations or as CFOs for international corporations. Ms. Mavis Hong is also regarded as an experienced financial expert who works as Senior Director, Group Central Finance at Hon Hai Technology Group (Foxconn) in Taiwan. In Ms. Badstöber (Chairwoman of the Supervisory Board) and Mr. Chwatal (1st Deputy of the Chairwoman of the Supervisory Board), the Supervisory Board currently includes two members who directly hold 1,992 shares (Badstöber) and 0 shares (Chwatal) in Kontron AG and are therefore independent members of the Supervisory Board.

The 2nd Deputy of the Chairwoman of the Supervisory Board, Mr. Steve Chu, and the other members of the Supervisory Board, Mr. Joseph John Fijak and Ms. Mavis Hong, are proven industry and financial experts and have many years' management experience in large technology companies. The Supervisory Board members Mr. Steve Chu, Mr. Joseph John Fijak and Ms. Mavis Hong each have a business relationship with Kontron AG shareholder Ennoconn Corporation, which, with 27.90%, holds more than 10% of the voting shares in Kontron AG. Currently, 40% of the Supervisory Board members are women. Consequently, the diversity target for the Supervisory Board in terms of the share of women in the Kontron Group was achieved in 2025. Neither the Chairwoman of the Supervisory Board nor any other member of the Supervisory Board has ever served on the Executive Board of Kontron AG.

The competencies of the Supervisory Board of Kontron AG are summarized in the following quality matrix:

Competence Profile

BOARD MEMBER	MS. CLAUDIA BADSTÖBER	MR. BERNHARD CHWATAL	MR. FU-CHUAN CHU (STEVE CHU)	MR. JOSEPH JOHN FIJAK	MS. YOU-MEI WU (YOLANDA WU) (UNTIL 11/06/2025)	MS. MAVIS HONG (FROM 11/06/2025)
Position	Chairwoman of the Supervisory Board	1st Deputy Chairman	2nd Deputy Chairman	Member	Member	Member
Independence	independent	independent	Connection with shareholder Ennoconn Corp.	Connection with shareholder Ennoconn Corp.	Connection with shareholder Ennoconn Corp.	Connection with shareholder Ennoconn Corp.
Control and risk management	X	X			X	X
Accounting	X	X			X	X
Audit (including Sustainability Reporting)	X	X			X	X
Industry know-how		X	X	X		
Sustainability issues	X	X	X	X		
Compliance	X				X	X

X > Competencies and professional experience in the field

The Supervisory Board is consulted on all decisions with relevance to Kontron AG. The Supervisory Board appoints the members of the Executive Board and determines their remuneration. The Supervisory Board may revoke the appointment of a member of the Executive Board for good cause in accordance with the Austrian Stock Corporation Act. Members of the Executive Board of Kontron AG are obliged to uphold and represent the interests of the company. Decisions they make must not serve their personal interests and they are not permitted to pursue any business opportunities to which the company is entitled. The members of the Supervisory Board are obliged to inform the Executive Board of any conflicts of interest, especially those that may arise from their membership of boards of suppliers, e.g., Ennoconn Corporation. In such cases, the Supervisory Board member concerned does not take part in votes on related topics.

The members of the Supervisory Board of Kontron AG must ensure that they have sufficient time to properly perform their duties on the Supervisory Board. Consequently, no member shall accept a mandate on more than three supervisory boards of listed companies outside the Kontron Group or in supervisory bodies that make comparable demands on their time. When a new member of the Executive Board is appointed, the Compliance Officer informs the new member of the essential parameters relating to performance of the duties involved, especially the Kontron Code of Conduct and other relevant Group policies, the Corporate Governance Code, and personal obligations to cooperate in the event of issues resulting in an obligation to report or requiring the approval of the Supervisory Board.

Modus operandi of the Supervisory Board: at the constituent meeting, the elected members of the Supervisory Board of Kontron AG elect the Chairperson and Deputy Chairperson from among its members. At the same meeting, the members decide on the affiliated committees and choose the members of these. The following committees have been set up at Kontron AG to ensure efficient operations:

- › Audit Committee
- › Nomination Committee
- › Remuneration Committee

The Supervisory Board of Kontron AG holds at least four meetings per calendar year. In addition, at least two meetings of the Audit Committee are held. Further, the Supervisory Board meets without the Executive Board whenever circumstances require. The main topics dealt with at the meetings each year are summarized in the Supervisory Board's annual reports. The Chairwoman of the Supervisory Board coordinates the work of the Board, convenes its meetings, and presides over them. The same applies to the Chairman of the Audit Committee. The Chairwoman of the Supervisory Board represents the interests of the Board externally and represents the Supervisory Board in its dealings with the Executive Board. This also includes contacts with investors, providing the issues dealt with do not relate to management of the business operations, but to the annual audit, Corporate Governance, or Compliance, for example. The Supervisory Board has a quorum if all the members were invited to a meeting at least one week in advance and if at least three of its members participate in the vote. Supervisory Board resolutions are generally passed by a simple majority of the votes cast. If an equal number of votes for and against a proposal has been cast, the Chairwoman of the Supervisory Board has the casting vote ("casting vote right").

The resolutions of the Supervisory Board and its committees are regularly passed in its meetings. These either take place in the company offices in Linz or Vienna with the members attending in person or as virtual meetings with a two-way visual and audio connection. Any member of the Supervisory Board unable to attend a meeting can vote by appointing a proxy who either casts the absent member's written vote during the meeting or has been given written authorization by the absent member to vote on his or her behalf. This also applies to the second vote cast by the Chairwoman of the Supervisory Board. In addition, resolutions adopted on certain topics are passed in writing by circular letter. The Supervisory Board's resolutions and meetings are recorded in minutes which are signed by the person who chaired the meeting. The Supervisory Board can invite experts such as accountants, lawyers, or persons able to provide specific information to its meetings when particular topics are on the agenda.

The composition of the Supervisory Board and its committees complies with applicable legislation, the Articles of Association and rules of procedure as well as the principles of the German Corporate Governance Code, especially with regard to the professional qualifications of the members.

- › Ms. Claudia Badstöber is Chairwoman of the Supervisory Board, the Nomination Committee, and the Remuneration Committee.
- › In accordance with the requirements of the German Corporate Governance Code, the Audit Committee is not chaired by the Chairwoman of the Supervisory Board, but by Mr. Bernhard Chwatal.
- › The Audit Committee, Nomination Committee, and Remuneration Committee each consist of three members, the majority of whom are independent members.

The Supervisory Board has adopted regulations for the rules of procedure for the work of the Supervisory Board and its committees. The committees only have a quorum if all their members participate. Resolutions of the committees are passed by a simple majority, unless legislation to the contrary exists or the matter for resolution has not been considered by all members of the Supervisory Board.

The responsibilities of the Audit Committee include monitoring the accounting process, the audit of the consolidated annual accounts and individual financial statements by the independent auditor, ensuring the efficacy of the internal control system and the risk management system, and putting forward a recommendation for the proposed annual auditor and the auditors of the legally required Sustainability Report for submission to the Annual General Meeting. The Audit Committee prepares Supervisory Board's resolution on the annual accounts and the consolidated annual accounts. Additionally, the Audit Committee is responsible for supervising the auditing system and compliance as well as examining and supervising any actions that may be necessary relating to possible neglect of duty on the part of members of the Executive Board as preparation for adoption of a resolution by the Supervisory Board.

If necessary, the auditor informs the Chair of the Audit Committee outside formal meetings about particular circumstances that may have arisen, risks that have been identified, or changes in legislation. In accordance with the regulations of the German Corporate Governance Code, the Chair of the Audit Committee is independent and not a former member of the Executive Board of the company. Mr. Chwatal has particular knowledge and experience of applying invoicing principles and internal control procedures.

The Audit Committee was in regular contact with the auditors in financial year 2025. Apart from the audit results, the chief topics discussed included assessment of audit risk, the audit strategy, and audit planning.

AUDIT COMMITTEE MEMBERS	POSITION	INDEPENDENCE
Mr. Bernhard Chwatal	Chairman	independent
Ms. Claudia Badstöber	Deputy Chairwoman	independent
Ms. You-Mei Wu (Yolanda Wu; until 11/06/2025)	Member	Connection with shareholder Ennoconn Corp.
Ms. Mavis Hong (from 11/06/2025)	Member	Connection with shareholder Ennoconn Corp.

The Nomination Committee prepares the decisions of the Supervisory Board relating to the appointment and, if required, dismissal of members of the Executive Board and is responsible for the long-term succession planning in association with the Supervisory Board and the Executive Board. In addition, the Nomination Committee, in consultation with the Remuneration Committee, prepares the decisions of the Supervisory Board relating to the remuneration, regular review of the remuneration system, and the Remuneration Report to the Annual General Meeting. The Remuneration Committee is responsible for remunerating members of the Executive Board, concluding, amending and canceling employment contracts with members of the Executive Board, and preparing and concluding other contracts with members of the Executive Board as necessary. In particular, this includes granting loans to members of the Executive Board, which are only granted in exceptional circumstances, concluding certain contracts with members of the Supervisory Board – taking into account related parties, as applicable – and approving additional positions taken on by members of the Executive Board, especially positions accepted on the boards of companies outside the Kontron Group.

NOMINATION COMMITTEE MEMBERS	POSITION	INDEPENDENCE
Ms. Claudia Badstöber	Chairwoman	independent
Mr. Bernhard Chwatal	Deputy Chairman	independent
Ms. You-Mei Wu (Yolanda Wu; until 11/06/2025)	Member	Connection with shareholder Ennoconn Corp.
Ms. Mavis Hong (from 11/06/2025)	Member	Connection with shareholder Ennoconn Corp.

REMUNERATION COMMITTEE MEMBERS	POSITION	INDEPENDENCE
Ms. Claudia Badstöber	Chairwoman	independent
Mr. Bernhard Chwatal	Deputy Chairman	independent
Ms. You-Mei Wu (Yolanda Wu; until 11/06/2025)	Member	Connection with shareholder Ennoconn Corp.
Ms. Mavis Hong (from 11/06/2025)	Member	Connection with shareholder Ennoconn Corp.

The Supervisory Board regularly reviews the effectiveness of its activities. To this end, discussions take place within the Supervisory Board, and one-to-one discussions are held with the Chairwoman of the Supervisory Board.

The Supervisory Board arrived at the following self-assessment as of December 31, 2025:

- › The Supervisory Board and its committees perform their duties effectively.
- › According to the assessment of the Supervisory Board, its composition as of December 31, 2025 meets the membership targets set out above with the exception of the independence of the three members with business relationships with Ennoconn Corporation, contrary to Principle 12, Recommendation C.7. Ennoconn Corporation is to be regarded as the controlling shareholder. According to Principle 12 C.7., more than half of the shareholder representatives should be independent of the company and the Executive Board. This recommendation was not met here, as preference is given to the qualifications, expertise, and experience of the non-independent members of the Supervisory Board. Potential significant conflicts of interest are met with the necessary diligence and effective measures, e.g., abstentions.
- › Information regarding professions practiced and seats held on other Supervisory Boards to be constituted in accordance with legislation is disclosed on the company website. This reveals that the Supervisory Board is composed of a diverse range of members, including financial experts and branch experts, and possesses the requisite experience of supervising international corporations. Apart from the three representatives of Ennoconn Corp., the 1st Deputy Chairman of the Supervisory Board has many years' experience in the field of future-oriented communications and security thanks to his work as an entrepreneur in the telecommunications sector, and can therefore be regarded as an industry expert. Furthermore, the Chairwoman of the Supervisory Board, with her experience in tax consultancy and auditing and her previous position as CFO of a private bank, is a proven financial expert, as is Ms. Mavis Hong, who is Senior Director, Group Central Finance at Hon Hai Technology Group (Foxconn) in Taiwan. Mr. Chwatal also has relevant financial expertise thanks to his work for auditing companies and as a restructuring manager.
- › As of the reporting date, the Supervisory Board consists of two women (40%) and three men (60%). According to applicable legislation in Austria, Kontron AG is not subject to a mandatory quota for women. This 40% share of women on the Supervisory Board is higher than the average share of women in the Kontron AG workforce overall.
- › It is the view of Kontron AG that specifying a separate age limit for members of the Supervisory Board in the statute, as stipulated in Principle 11, Recommendation C.2., is neither helpful nor appropriate. For Kontron AG, the qualifications and experience of candidates are more important than the recommended age limit, so that this deviation from Principle 11, Recommendation C.2. appears appropriate and justifiable. As of December 31, 2025, the longest period of membership of the Supervisory Board is 12 years. Each member's tenure is given below. As recommended by the German Corporate Governance Code, no member of the Supervisory Board has served on it for longer than 12 years or is a close relative of a member of the Executive Board.

Composition of the Supervisory Board until the end of the ordinary Annual General Meeting 2025

BOARD MEMBER	POSITION	INITIAL APPOINTMENT	END OF TERM	INDEPENDENCE
Ms. Claudia Badstöber	Chairwoman	June 16, 2020	AGM 2025	independent
Mr. Bernhard Chwatal	1st Deputy Chairman	May 17, 2013	AGM 2025	independent
Mr. Fu-Chuan Chu (Steve Chu)	2nd Deputy Chairman	June 27, 2017	AGM 2027	Connection with shareholder Ennoconn Corp.
Mr. Joseph John Fijak	Member	May 6, 2022	AGM 2027	Connection with shareholder Ennoconn Corp.
Ms. You-Mei Wu (Yolanda Wu)	Member	June 8, 2021	AGM 2026	Connection with shareholder Ennoconn Corp.

Composition of the Supervisory Board since the end of the ordinary Annual General Meeting 2025

BOARD MEMBER	POSITION	INITIAL APPOINTMENT	END OF TERM	INDEPENDENCE
Ms. Claudia Badstöber	Chairwoman	June 16, 2020	AGM 2025	independent
Mr. Bernhard Chwatal	1st Deputy Chairman	May 17, 2013	AGM 2028	independent
Mr. Fu-Chuan Chu (Steve Chu)	2nd Deputy Chairman	June 27, 2017	AGM 2027	Connection with shareholder Ennoconn Corp.
Mr. Joseph John Fijak	Member	May 6, 2022	AGM 2027	Connection with shareholder Ennoconn Corp.
Ms. Mavis Hong	Member	June 11, 2025	AGM 2028	Connection with shareholder Ennoconn Corp.

Supervisory Board Meetings

BOARD MEMBER	POSITION	27.01.2025	26.03.2025	11.06.2025	27.06.2025	24.09.2025	04.12.2025
Ms. Claudia Badstöber	Chairwoman	P	P	P	P	P	P
Mr. Bernhard Chwatal	1st Deputy Chairman	P	P	P	P	P	V
Mr. Fu-Chuan Chu (Steve Chu)	2nd Deputy Chairman	V	V	V	V	V	V
Mr. Joseph John Fijak	Member	V	V	V	V	V	V
Ms. You-Mei Wu (Yolanda Wu; until 11.06.2025)	Member	V	V	-	-	-	-
Ms. Mavis Hong (from 11.06.2025)	Member	-	-	V	V	V	V

P > Present in person | V > Video/telephone conference or proxy

Meetings of the Audit Committee

BOARD MEMBER	POSITION	26/03/2025	04/12/2025
Mr. Bernhard Chwatal	Chairman	P	V
Ms. Claudia Badstöber	Deputy Chairwoman	P	P
Ms. You-Mei Wu (Yolanda Wu; until 11.06.2025)	Member	V	-
Ms. Mavis Hong (from 11.06.2025)	Member	-	V

P > Present in person | V > Video/telephone conference or proxy

Meetings of the Nomination and Remuneration Committees

BOARD MEMBER	POSITION	15/05/2025
Ms. Claudia Badstöber	Chairwoman	P
Mr. Bernhard Chwatal	Deputy Chairman	P
Ms. You-Mei Wu (Yolanda Wu; until 11.06.2025)	Member	V
Ms. Mavis Hong (from 11.06.2025)	Member	V

P > Present in person | V > Video/telephone conference or proxy

Shares owned by members of Corporate Bodies

As of December 31, 2025, the Executive Board and Supervisory Board hold the following number of shares and stock options. The shares held (including shares held indirectly) represent around 2.21% of the company's share capital.

BOARD MEMBER	POSITION	NUMBER OF SHARES	NUMBER OF STOCK OPTIONS
Ms. Claudia Badstöber*	Chairwoman of the Supervisory Board	1,992	0
Mr. Bernhard Chwatal	1st Deputy Chairman of the Supervisory Board	0	0
Mr. Fu-Chuan Chu (Steve Chu)	2nd Deputy Chairman of the Supervisory Board	0	0
Mr. Joseph John Fijak	Supervisory Board member	0	0
Ms. You-Mei Wu (Yolanda Wu; until 11.06.2025)	Supervisory Board member	0	0
Ms. Mavis Hong (from 11.06.2025)	Supervisory Board member	0	0
Mr. Hannes Niederhauser**	CEO	1,393,963	618,294
Mr. Clemens Billek	CFO	5,000	386,000
Mr. Michael Riegert	COO	10,625	386,999
Mr. Philipp Schulz	COO	0	216,000
Mr. Johannes Fues (until 31.03.2025)	COO	0	0

*1,992 shares held directly

** 1,393,963 shares held directly

Linz, March 25, 2026

The Executive Board of Kontron AG



Hannes Niederhauser



Dr. Clemens Billek



Michael Riegert



Philipp Schulz

REMUNERATION REPORT

The remuneration report presents the basic features and structure of the remuneration systems in place for the Executive Board and Supervisory Board as well as the level of remuneration. As of December 31, 2025, the Executive Board consisted of DI Hannes Niederhauser, CEO, Dr. Clemens Billek, CFO, DI Michael Riegert, COO and Mag. Philipp Schulz, COO. Dr. Johannes Fues, who was responsible for GreenTec on the Executive Board as COO, retired from the Executive Board by mutual agreement at the end of March 2025. He did not have any stock options.

Remuneration of the Executive Board

The current remuneration system for the Executive Board is based on the remuneration policy, which was approved by 69% at the Annual General Meeting on June 11, 2025, and is reviewed by the Remuneration Committee every four years. This remuneration policy aims to gear Executive Board remuneration towards sustainable and results-oriented corporate governance. Remuneration of members of the Executive Board is structured in accordance with their responsibilities, scope of activities, individual performance, the size and financial situation of the company or the division for which they are responsible and, in particular, the success and future prospects of the company. In addition, the customary nature of the remuneration structure in the company's peer environment is taken into account. The established basic structure of the remuneration system and its regular compensation components remain unchanged on the basis of this updated remuneration policy. In accordance with this system, the total remuneration is divided into the individual remuneration components as shown below:

TOTAL REMUNERATION

REMUNERATION INDEPENDENT OF PERFORMANCE			PERFORMANCE-BASED REMUNERATION	
ANNUAL BASE SALARY	BENEFITS	PENSION-RELATED COMMITMENTS	SHORT TERM INCENTIVE (STI) PROGRAM	LONG TERM INCENTIVE (LTI) PROGRAM

Based on this structure, the remuneration system should:

- › Support business strategy;
- › Reward outstanding performance appropriately and take account of missed goals with a noticeable reduction in remuneration;
- › In addition, the remuneration should be standard on the market both in terms of its amount and structure and should correspond to the size, complexity and economic situation of the company;
- › In addition, the remuneration system is based on the remuneration structure generally applicable in the company. For this purpose, the remuneration is compared with that of Kontron managers and Kontron employees in order to ensure internal consistency within the Kontron Group.

Summary of the remuneration policy

The most important components of the remuneration policy are summarized below:

REMUNERATION POLICY FOR THE EXECUTIVE BOARD

FIXED REMUNERATION	
Base salary	Annual base salary, depending on the country of residence of the board member is paid out in 12 or 14 equal parts
Fringe benefits	Benefits in kind and standard market benefits, in particular Provision of a company car, D&O insurance, accident insurance
VARIABLE REMUNERATION	
Short-Term Incentive (STI)	<p>Plan type: Target bonus</p> <p>Time period: 1 year</p> <p>Financial criteria:</p> <ul style="list-style-type: none"> › EBITHQ divison (up to 66.6%) › Cash conversion trend division (up to 33.4%) › EBIT group (up to 10%) <p>Additional criteria (CFO):</p> <ul style="list-style-type: none"> › Working capital optimization <p>Cap: 100% of fixed remuneration</p>
Long-Term Incentive (LTI)	<p>Plan type: Stock option program</p> <p>Effective time period: 3 years from being granted</p> <p>Criteria:</p> <ul style="list-style-type: none"> › Share price development
Discretionary remuneration	No discretionary remuneration
OTHER POLICY FEATURES	
Clawback	Possibility to recover variable remuneration in the event of incorrect consolidated financial statements and in the event of compliance violations

It is important to note that the short-term and long-term variable remuneration components can be recovered from the company if the payment was made on the basis of manifestly incorrect data ("clawback"). At the same time, even if the objectives are exceeded, they can only grow up to a clearly defined ceiling ("cap"), which prevents excessive risks from being taken. This underlines the transparency and responsibility of the Group with regard to Kontron AG's remuneration policy in line with the statements of intent made by shareholders at General Meetings on last year's remuneration reports.

Considerations for adjusting the remuneration structure for the Executive Board 2025

The total remuneration of members of the Executive Board consists of fixed remuneration and variable short-term and long-term remuneration components that depend on the company's performance. The remuneration packages are reviewed annually by the Remuneration Committee for customary practice. In 2025, the Supervisory Board revised the Executive Board remuneration system with the involvement of external independent advisors. It was approved by the general meeting on June 11, 2025 with a majority of 69% of the votes cast. The resolution on the remuneration report 2025 was approved by 70%. From Kontron's point of view, these voting results reflect a critical stance taken by some of the shareholders. Kontron always takes into consideration the feedback received. As part of the analysis of the voting results, it should be borne in mind that ISS issued a negative recommendation on both agenda items before the Annual General Meeting, primarily because the presentation of remuneration left questions unanswered from the point of view of ISS. Since numerous institutional investors use such recommendations as their main basis for decision-making, this can have a real influence on the outcome of the vote. Kontron aims to obtain the approval of as many shareholders as possible on the remuneration (policy) and this remuneration report intends to address possible open questions in order to further increase transparency. The Remuneration Committee and Supervisory Board regularly review the appropriateness and transparency of the remuneration system. The revision of the 2025 remuneration system was aimed in particular at further aligning the interests of the Executive Board and shareholders and simplifying the remuneration structure. In particular, the changes concern the adjustment of short-term incentives through the introduction of additional key performance indicators (KPIs), the simultaneous deletion of medium-term incentives, and some clarifications of existing components of the remuneration policy. This remuneration report is intended to disclose the remuneration for 2025 in a transparent manner.

Remuneration independent of performance

The non-performance-related fixed remuneration component is intended to enable the Executive Board members to pursue the Company's objectives to the best of their ability and to act in the interests of the shareholders, the employees and also in the public interest. When determining the fixed remuneration components, the tasks as well as the professional experience of the individual Executive Board members are taken into account.

Base salary

The base salary reflects the duties and responsibilities of each member of the Executive Board and consists of an annual fixed salary, which is paid in 12 (Michael Riegert) or 14 (Hannes Niederhauser, Clemens Billek and Philipp Schulz) equal installments, depending on the country of residence of the board member. These payments cover all overtime, travel and journey time and benefits that are provided beyond the normal working hours applicable to employees of the company. It also covers the assumption of executive functions within the Group.

Fringe benefits

The other benefits relate primarily to taxable benefits, which cover the use of company cars, each car allowance package granted, and the parking spaces provided. The fringe benefits are therefore primarily focused on mobility-related benefits and are designed primarily to ensure the Executive Board's official and business-related travel activities.

In financial year 2025, the fixed remuneration of all members of the Executive Board amounted to a total of TEUR 788 (PY: TEUR 681). Since 2012, the CEO Hannes Niederhauser has received a symbolic fixed remuneration of just TEUR 8 per year. For accounting reasons, this remuneration was adjusted to TEUR 30 per year (still on the symbolic side) in 2025. The fixed remuneration of Clemens Billek and Philipp Schulz has not been changed for 2025. Michael Riegert's fixed remuneration was adjusted to the fixed salary level of the other members of the Executive Board in 2025. Johannes Fues left the Executive Board at his own request at the end of March 2025.

Performance-based remuneration

Short-term variable remuneration component (STI)

The short-term variable remuneration component is an annual target bonus payable in EUR. The relevant target achievement criteria are closely linked to the Kontron Group's operational development and therefore guarantee performance-based remuneration in line with the development of Kontron's key operating figures. In 2025, the members of the Executive Board were also granted a bonus of EUR 100,000 each for the successful carve-out and subsequent deconsolidation of the COM business, with the payment of 50% of this being linked to the full repayment of trade receivables from the Kontron Group to congatec in the amount of EUR 126 million.

Different rules are used to calculate the performance-based one-year variable remuneration of the members of the Executive Board.

Hannes Niederhauser (CEO): Apart from the one-time bonus for the carve-out and the successful deconsolidation of the COM business, he does not receive any short-term variable remuneration components.

Clemens Billek (CFO): In 2025, his short-term variable remuneration was based on improving working capital, with 100% target achievement involving an improvement and reduction of working capital to a maximum of EUR 255 million. In addition, he also received a one-time bonus for the carve-out and the successful deconsolidation of the COM business.

CFO SHORT-TERM INCENTIVE (STI) OVERVIEW

STI TARGET AMOUNT	OVERALL TARGET ACHIEVEMENT		STI PAYOUT IN CASH (CAP AT 100% OF FIXED REMUNERATION)
	COLLECTIVE TARGET ACHIEVEMENT (0-100% PER PERFORMANCE CRITERION)		
	REDUCING WORKING CAPITAL		
	100% WEIGHTING		

Michael Riegert (COO) and Philipp Schulz (COO): The variable remuneration of COOs is closely linked to the financial performance of the company and their area of responsibility, with operating profit (operating EBIT development) and cash flow being used as key figures (Michael Riegert: 66.6% operating EBITHQ division, 33.4% operating cash conversion trend division; Philipp Schulz: 59% EBITHQ division, 31% operating cash conversion trend division, 10% operational EBIT group). Each also received a one-time bonus for the carve-out and the successful deconsolidation of the COM business. It should be noted that Johannes Fues, who left the Executive Board in 2025, was not paid out any short-term remuneration components for 2025.

OVERVIEW OF COO SHORT-TERM INCENTIVES (STI)

STI TARGET AMOUNT	OVERALL TARGET ACHIEVEMENT			STI PAYOUT IN CASH (CAP AT 100% OF FIXED REMUNERATION)
	COLLECTIVE TARGET ACHIEVEMENT (0-100% PER PERFORMANCE CRITERION)			
	EBITHQ DIVISION	CASH CONVERSION TREND DIVISION	EBIT GROUP	
	UP TO 66.6%	UP TO 33.4%	UP TO 10%	

Extraordinary items, such as disposals and acquisitions, are evaluated separately when assessing pre-agreed performance targets. The key figures are calculated on the basis of the audited consolidated financial statements of the Kontron Group. Regardless of position, it should be noted that the variable performance bonus for all Executive Board members is limited to a maximum of 100% of their fixed annual salary. In the past financial year 2025, a total of up to TEUR 328 (PY: TEUR 293) in short-term variable remuneration was granted to all members of the Executive Board. The level of target achievement attained by those members of the Executive Board whose one-year variable remuneration was linked to target achievement was

- › 87.3% overall for CFO Clemens Billek (PY: 95.1%),
- › 35.3% for Executive Board member Michael Riegert (PY: 106.5%) and
- › 42.1% for Executive Board member Philipp Schulz (PY: 97.5%).

There are no discretionary payments and the STI is paid out in cash.

EBIT group performance criterion

EBIT (Earnings Before Interest and Taxes) for Kontron group is used as an absolute amount for the related financial year and is calculated on the basis of the company's consolidated financial statements audited by the auditor and presented by the Supervisory Board to the Annual General Meeting. Influences from the deconsolidation of COM business have been adjusted.

To measure the achievement of targets, the Supervisory Board sets a target as well as a minimum and maximum value for absolute EBIT before the start of the respective financial year. Target achievement is considered to be 100% if the EBIT actually achieved in the financial year meets the target value.

For an EBIT at the minimum value or below, target achievement is 0%. An EBIT at or above the maximum value results in a target achievement of 150%. Once the maximum value is reached, any EBIT in addition to that value will not result in any further increase in target achievement. Target achievement values between the defined target points are interpolated linearly.

With the approval of the Supervisory Board, the following addition to EBIT was included in the STI's planning conditions: If entities or parts of entities are acquired or sold during the financial year and these effects were not taken into account in the budget planning for EBIT, such effects are taken into consideration when calculating EBIT, provided that the respective acquisition or sale was not taken into account when setting the target values for the financial year and provided that the effect (based on EBIT) exceeds the amount of EUR 5 million. The sale of parts of an entity is equivalent to the closure of divisions or parts of entities, provided this takes place with the approval of the Supervisory Board.

EBITHQ division performance criterion

EBITHQ division (Earnings Before Interest and Taxes before headquarter costs) for the respective divisions responsible is used as an absolute amount for the related financial year and is calculated on the basis of the company's consolidated financial statements audited by the auditor and presented by the Supervisory Board to the Annual General Meeting. Influences from the deconsolidation of COM business have been adjusted.

To measure the achievement of targets, the Supervisory Board sets a target as well as a minimum and maximum value for absolute EBITHQ division before the start of the respective financial year. Target achievement is considered to be 100% if the EBITHQ division actually achieved in the financial year meets the target value.

For an EBITHQ division at the minimum value or below, target achievement is 0%. An EBITHQ division at or above the maximum value results in a target achievement of 150%. Once the maximum value is reached, any EBITHQ division in addition to that value will not result in a further increase in target achievement. Target achievement values between the defined target points are interpolated linearly.

With the approval of the Supervisory Board, the following addition to EBITHQ division was included in the STI's planning conditions: If entities or parts of entities are acquired or sold during the financial year and these effects were not taken into account in the budget planning for EBITHQ division, such effects are taken into consideration when calculating EBITHQ division, provided that the respective acquisition or sale was not taken into account when setting the target values for the financial year and provided that the effect (based on EBITHQ division) exceeds the amount of EUR 5 million. The sale of parts of an entity is equivalent to the closure of divisions or parts of entities, provided this takes place with the approval of the Supervisory Board.

Cash conversion trend performance criterion

A generally valid target value was set for this performance criterion, which was approved by the Supervisory Board. Target achievement is based on the ratio of operating cash flow and EBITDA (cash conversion trend) of the divisions responsible.

Target achievement is considered to be 100% if the cash conversion trend achieved in the relevant financial year, calculated on the basis of the company's audited consolidated financial statements, corresponds to the specified target value of 0.75 of EBITDA.

If the cash conversion trend falls below the target value by 50% or more, no target achievement is considered. If the cash conversion trend exceeds the target value by 50% or more, the target achievement is considered to be 150%. A value higher than this threshold does not result in an additional increase in target achievement. For values between lower and upper limits mentioned above, target achievement is calculated proportionally by linear interpolation.

Working capital optimization (additional criterion for the CFO)

The performance targets for reducing working capital have been set based on an optimization of receivables and liabilities to a maximum of EUR 255 million based on working capital at the end of 2024.

With working capital equal to last year's value (minus special influences such as the deconsolidation of the COM business), the target achievement is 0%. A further reduction below EUR 255 million results in a maximum target achievement of 150% for a reduction of more than 200% from the initial value as of December 31, 2024. If the maximum value is reached, an additional reduction in working capital does not result in a further increase in target achievement. Target achievement values between the defined target points are interpolated linearly.

The attainable level of target achievement for the corresponding targets is limited to a maximum of 150% overall.

Long-term variable remuneration component

By granting subscription rights under stock option programs, an additional long-term, performance-based, share-linked remuneration component was introduced, fostering beneficiaries' interest in the company's long-term sustainable development. The stock options granted under the various stock option programs can only be exercised after multi-year holding periods defined in the programs and when certain thresholds have been reached. The company has already introduced stock option programs and a stock warrant program for employees, executives and members of the Executive Board of the company and its affiliated entities.

In drawing up the existing stock option program and stock warrant program, i.e. the 2024/2025 stock option program issued in 2022 and the 2025–2027 stock option program issued in 2025 and the stock warrant program in 2020, the sustainability aspect was taken into account by setting 36-month waiting periods from the time of awarding the programs. For the 2024/2025 stock option program, the share price must be at least 25% above the exercise price at the time of exercise of the stock option and at least 30% above the exercise price for the 2025–2027 stock option program, which can be exercised at the end of 2028 at the earliest. If this threshold is not reached, the stock options expire.

The bonus scheme and stock option programs align the interests of the Executive Board with those of shareholders and other stakeholders, and it is intended to increase the number of shares attributable to the Executive Board through these programs. This enables a comprehensive and balanced assessment of the performance of Executive Board members based on share price developments. The target figures are kept very simple, objective and transparent and are unlikely to be significantly influenced by short-term measures, underlining the sustainability of the business strategy and the long-term development of the company.

Stock option program 2018/2019

In December 2018, a total of 1,000,000 stock options were granted to the members of the Executive Board of Kontron AG and senior employees of Kontron AG as well as the executives of selected Group companies on the basis of the Stock Option Program 2018/2019.

The term of the stock option program began on the issue date and ended (originally) after 60 months. The stock options could be exercised after a waiting period. The waiting period began on the date of issue and ends after 36 months. The exercise periods defined in the share option program are 30 stock exchange trading days each, beginning on the second stock exchange trading day after the publication of quarterly, semi-annual or annual reports and after the day of the annual press conference. At the time the stock option is exercised, the stock market price must be at least 25% above the exercise price. The exercise price was EUR 15.71.

The stock options are only transferable between option holders, not to third parties. The stock option program granted the company the exclusive right to deliver shares to the allottees against payment of the exercise price or to pay their entitlement in cash.

The term for this 2018/2019 stock option program for allottees ran until December 21, 2025. This concerns a total of up to 460,000 stock options.

The fair value of the granted stock options was determined at the time of being granted using the Black/Scholes option pricing model and was recognized as an expense in the statement of profit or loss over the earnings period of 36 months.

Stock warrant program 2020

In 2020, the company issued stock warrants on the basis of a prospectus approved by the Austrian Financial Market Authority. A total of 2,000,000 equity warrants, comprising 1,500,000 allotted and 500,000 publicly offered warrants, were issued. As of July 30, 2020, the warrants were admitted to official trading on the Vienna Stock Exchange and delivered to the respective subscribers and allottees. It would have been possible to exercise the conversion or subscription right for the first time after publication of the results for the first half of 2023, but only if the Kontron AG share exceeded a share price of EUR 32.86. The stock warrants expired as of July 30, 2025, without value.

Stock option program 2024/25

In November 2022, a total of 1,500,000 stock options were granted to the members of the Executive Board of Kontron AG and senior employees of Kontron AG as well as the executives of selected Group companies on the basis of the stock option program 2024/2025.

The term of the stock option program began on the issue date and ends after 60 months. The stock options can be exercised after a waiting period. The waiting period begins on the date of issue and ends after 36 months. The exercise periods defined in the 2024/2025 stock option program are 30 stock exchange trading days each, beginning on the second stock exchange trading day after the publication of quarterly, semi-annual or annual reports and after the day of the annual press conference. At the time the stock option is exercised, the stock market price must be at least 25% above the exercise price. The exercise price is EUR 15.30.

Stock options not exercised expire at the end of the term. The stock options are only transferable between option holders, not to third parties. The 2024/2025 stock option program grants the company the exclusive right to deliver shares to the allottees against payment of the exercise price or to pay their entitlement in cash.

The fair value of the granted stock options was determined at the time of granting using the Monte-Carlo option pricing model and the random-walk method and is recognized as an expense in the statement of profit or loss over the earnings period of 36 months.

Stock option program 2025–2027

In November 2025, a total of 1,800,000 stock options were granted to the members of the Executive Board of Kontron AG and senior employees of Kontron AG as well as the executives of selected Group companies on the basis of the stock option program 2025–2027.

The term of the stock option program began on the issue date and ends after 60 months. The stock options can be exercised after a waiting period. The waiting period begins on the date of issue and ends after 36 months. The exercise periods defined in the 2025–2027 stock option program are 30 stock exchange trading days each, beginning on the second stock exchange trading day after the publication of quarterly, semi-annual or annual reports and after the day of the annual press conference. At the time the stock option is exercised, the stock market price must be at least 30% above the exercise price. The exercise price is EUR 22.12.

Stock options not exercised expire at the end of the term. The stock options are only transferable between option holders, not to third parties. The 2025–2027 stock option program grants the company the exclusive right to deliver shares to the allottees against payment of the exercise price or to pay their entitlement in cash.

The fair value of the stock options granted was determined at the grant date using the Monte Carlo option pricing model and GARCH volatility model.

	STOCK OPTION PROGRAM 2018/2019	STOCK OPTION PROGRAM 2024/2025	STOCK OPTION PROGRAM 2025-2027
Number of stock options	1,000,000	1,500,000	1,800,000
Date of issue	December 21, 2018	November 14, 2022	November 7, 2025
Duration	7 years	5 years	5 years
Exercise price per stock option	Closing price on the issue date	Closing price on the issue date	Closing price on the issue date
Share price on the issue date	EUR 15.71	EUR 15.30	EUR 22.12
Expected volatility	36.80%	33.30%	41.00%
Risk-free interest rate	2.59%	2.47%	2.36%
Remaining life of options	6.43 years	3.93 years	4.85 years
Option value	4 Euro 87 Cent	3 Euro 42 Cent	3 Euro 40 Cent

The customary nature of the specific total remuneration compared to other companies and within the company

The appropriateness and customary market practice of the specific total remuneration was last reviewed by the Remuneration Committee on May 15, 2025. The basis for this review was a comparison of the amount and structure of Executive Board remuneration with remuneration in comparable companies listed on the TecDAX and the SDAX indices. These indices were selected based on the fact that the companies listed in them are comparable with the Kontron Group in key aspects, in particular with regard to industry and regional environment, and that Kontron belongs to both indices.

To take company size into account, Kontron was assigned to corresponding comparison groups based on the criteria of revenue, number of employees and market capitalization. Size-adjusted compensation margins were applied on this basis. In addition to the external comparison, an internal appropriateness review was carried out, which looked at the remuneration of the Executive Board in relation to the remuneration of managers and the rest of the workforce.

Based on these horizontal and vertical analyses, the Supervisory Board came to the conclusion that the remuneration agreed with the members of the Executive Board complies with the requirements of the German Corporate Governance Code, and that it is appropriate.

The chart below shows the trend in executive compensation relative to average compensation at Kontron and to the trend in EBITDA.

IN TEUR	2021	2022	2023	2024	2025	CHANGE IN %
Remuneration of the Executive Board total*	1,112.0	1,166.0	1,383.0	931.0	1,233.0	10.9%
Average FTE remuneration	40.0	47.1	49.7	48.8	50.6	26.5%
EBITDA (CO)	126,269.7	69,992.4	126,021.9	191,790.1	237,384.3	88.0%

*) excl. multi-year remuneration

Remuneration of the Executive Board 2025

In financial year 2025, total remuneration paid to the Executive Board totaled TEUR 1,896 (PY: TEUR 931). It should be noted that the CEO receives only a small fixed remuneration and Johannes Fues left the Executive Board after the first quarter of the past financial year. No pension commitments or payments were agreed for members of the Executive Board in the event of early termination of Executive Board activities, including following a change of control. No loans or assumption of liability in favor of members of the Executive Board were granted in the reporting year.

The tables below show the grants awarded and the inflows paid out in the financial year 2025. In addition to the actual amount of the benefits granted, the minimum possible amount and maximum amount that can possibly be attained are also indicated. The subscription rights granted for stock options from stock option programs are calculated according to fair value (option price) at the time of granting. The fixed remuneration components and the inflow from the one-year variable remuneration are reported for the inflow in the financial year. If stock options from stock options granted in previous years were exercised in the financial year, the relevant inflow amount for tax purposes is stated. Any deviations in the totals result from rounding differences.

REMUNERATION REPORT 2025

BENEFITS GRANTED IN THE FINANCIAL YEAR IN TEUR	HANNES NIEDERHAUSER CEO (SINCE 21/05/2012)				CLEMENS BILLEK CFO (SINCE 02/05/2022)			
	2025	2025 (MIN)	2025 (MAX)	2024	2025	2025 (MIN)	2025 (MAX)	2024
REMUNERATION INDEPENDENT OF PERFORMANCE								
Gross salary	29	29	29	8	220	220	220	220
Fixed remuneration in kind ²⁾	1	1	1		12	12	12	12
Total fixed remuneration	30	30	30	8	232	232	232	232
PERFORMANCE-RELATED REMUNERATION								
One-year variable remuneration ³⁾					70	0	80	80
Transaction-based bonuses	50	0	100		50	0	100	40
Multi-year variable remuneration								
Stock option programs - with long-term share-based incentive ⁴⁾								
SOP 2024/25 (Tranche 2024)								
SOP 2024/25 (Tranche 2025)								
SOP 2025 - 2027 (Tranche 2026)	429		429		211		211	
SOP 2025 - 2027 (Tranche 2027)	429		429		211		211	
SOP 2025 - 2027 (Tranche 2028)	429		429		211		211	
Total variable remuneration	1,336	0	1,386	8	752	0	812	120
Supply expenses								
Total	1,366	30	1,416	8	984	232	1,044	352

BENEFITS GRANTED IN THE FINANCIAL YEAR IN TEUR	PHILIPP SCHULZ COO, AEROSPACE & DEFENSE AND NORTH AMERICA (SINCE 11/07/2024) ¹⁾				MICHAEL RIEGERT COO, IOT EUROPE (SINCE 01/01/2022)			
	2025	2025 (MIN)	2025 (MAX)	2024	2025	2025 (MIN)	2025 (MAX)	2024
REMUNERATION INDEPENDENT OF PERFORMANCE								
Gross salary	220	220	220	110	220	220	220	183
Fixed remuneration in kind ²⁾				4	22	22	22	9
Total fixed remuneration	220	220	220	114	242	242	242	192
PERFORMANCE-RELATED REMUNERATION								
One-year variable remuneration ³⁾	34	0	120	40	30	0	128	85
Transaction-based bonuses	50	0	100		50	0	100	
Multi-year variable remuneration								
Stock option programs - with long-term share-based incentive ⁴⁾								
SOP 2024/25 (Tranche 2024)								
SOP 2024/25 (Tranche 2025)								
SOP 2025 - 2027 (Tranche 2026)	211		211		212		212	
SOP 2025 - 2027 (Tranche 2027)	211		211		212		212	
SOP 2025 - 2027 (Tranche 2028)	211		211		212		212	
Total variable remuneration	716	0	852	40	716	0	863	85
Supply expenses								
Total	936	220	1,072	154	958	242	1,106	277

1) For members of the Executive Board appointed during the year, the figures presented in the tables for benefits granted and inflow refer to the period starting on the first day of the month of appointment.

2) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances. No remuneration in kind is granted for e-cars in Austria.

3) Bonus based on individually agreed performance indicators

4) Allowance from SOP = number of SOP shares granted x option price

BENEFITS GRANTED IN THE FINANCIAL YEAR IN TEUR

JOHANNES FUES
COO, GREENTEC
(FROM 12/07/2024 TO 31/03/2025)¹⁾

TOTAL

	2025	2025 (MIN)	2025 (MAX)	2024	2025	2025 (MIN)	2025 (MAX)	2024
REMUNERATION INDEPENDENT OF PERFORMANCE								
Gross salary	63	63	63	125	752	752	752	645
Fixed remuneration in kind ²⁾	2	2	2	4	37	37	37	28
Total fixed remuneration	65	65	65	129	788	788	788	673
PERFORMANCE-RELATED REMUNERATION								
One-year variable remuneration ³⁾				25	134	0	328	230
Transaction-based bonuses					200	0	400	40
Multi-year variable remuneration								
Stock option programs - with long-term share-based incentive ⁴⁾								
SOP 2024/25 (Tranche 2024)								
SOP 2024/25 (Tranche 2025)								
SOP 2025 - 2027 (Tranche 2026)					1,062		1,062	
SOP 2025 - 2027 (Tranche 2027)					1,062		1,062	
SOP 2025 - 2027 (Tranche 2028)					1,062		1,062	
Total variable remuneration				25	3,520	0	3,914	270
Supply expenses								
Total	65	65	65	154	4,309	788	4,703	943

1) For members of the Executive Board appointed during the year, the figures presented in the tables for benefits granted and inflow refer to the period starting on the first day of the month of appointment.

2) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances. No remuneration in kind is granted for e-cars in Austria.

3) Bonus based on individually agreed performance indicators

4) Allowance from SOP = number of SOP shares granted x option price

REMUNERATION REPORT 2025

INFLOW IN THE FINANCIAL YEAR IN TEUR	HANNES NIEDERHAUSER CEO (SINCE 21/05/2012)		CLEMENS BILLEK CFO (SINCE 02/05/2022)	
	2025	2024	2025	2024
REMUNERATION INDEPENDENT OF PERFORMANCE				
Gross salary	29	8	220	220
Fixed remuneration in kind ¹⁾	1		12	12
Total fixed remuneration	30	8	232	232
PERFORMANCE-RELATED REMUNERATION				
One-year variable remuneration ²⁾			76	130
Transaction-based bonuses	50		50	
Multi-year variable remuneration				
Stock option programs - with long-term share-based incentive effect ³⁾				
SOP 2018	529			
SOP 2018 (Tranche 2019)				
SOP 2024/25 (Tranche 2024)				
SOP 2024/25 (Tranche 2025)				
Total variable remuneration	579		126	130
Supply expenses				
Total	608	8	358	362

INFLOW IN THE FINANCIAL YEAR IN TEUR	PHILIPP SCHULZ COO, AEROSPACE & DEFENSE AND NORTH AMERICA (SINCE 11/07/2024) ¹		MICHAEL RIEGERT COO, IOT EUROPE (SINCE 01/01/2022)	
	2025	2024	2025	2024
REMUNERATION INDEPENDENT OF PERFORMANCE				
Gross salary	220	110	220	183
Fixed remuneration in kind ¹⁾		4	22	22
Total fixed remuneration	224	114	242	204
PERFORMANCE-RELATED REMUNERATION				
One-year variable remuneration ²⁾	78	20	91	75
Transaction-based bonuses	50		50	
Multi-year variable remuneration				
Stock option programs - with long-term share-based incentive effect ³⁾				
SOP 2018			135	
SOP 2018 (Tranche 2019)				
SOP 2024/25 (Tranche 2024)				
SOP 2024/25 (Tranche 2025)				
Total variable remuneration	128	20	275	75
Supply expenses				
Total	348	134	517	279

1) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances No remuneration in kind is granted for e-cars in Austria.

2) Bonus based on individually agreed performance indicators

3) Variable remuneration in kind: exercised stock options (number of shares x (share price at disposal date - option price granted)) + granted stock options and warrants (number of shares x option price)

**INFLOW IN THE FINANCIAL YEAR
IN TEUR**

JOHANNES FUES
COO, GREENTEC
(FROM 12/07/2024 TO 31/03/2025)

TOTAL

	2025	2024	2025	2024
REMUNERATION INDEPENDENT OF PERFORMANCE				
Gross salary	63	119	752	639
Fixed remuneration in kind ¹⁾	2	4	37	42
Total fixed remuneration	65	123	792	681
PERFORMANCE-RELATED REMUNERATION				
One-year variable remuneration ²⁾		25	245	250
Transaction-based bonuses			200	
Multi-year variable remuneration				
Stock option programs - with long-term share-based incentive effect ³⁾			663	
SOP 2018				
SOP 2018 (Tranche 2019)				
SOP 2024/25 (Tranche 2024)				
SOP 2024/25 (Tranche 2025)				
Total variable remuneration		25	1,108	250
Supply expenses				
Total	65	148	1,896	931

1) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances No remuneration in kind is granted for e-cars in Austria.

2) Bonus based on individually agreed performance indicators

3) Variable remuneration in kind: exercised stock options (number of shares x (share price at disposal date - option price granted)) + granted stock options and warrants (number of shares x option price)

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board in the financial year 2025 consisted of a position-dependent, annual fixed remuneration and attendance fees for participation in Supervisory Board and committee meetings.

The remuneration for the Supervisory Board is intended to promote the sustainable implementation of the business strategy and the long-term positive development of the company by taking into account the responsibility and scope of activities of the individual Supervisory Board members. In order to ensure unbiased supervision of the management by the Supervisory Board, no variable remuneration, bonuses or share-based payments are granted to the members of the Supervisory Board. The last review and adjustment of the remuneration policy for the Supervisory Board took place in 2023. An audit is scheduled every 4 years.

Supervisory Board remuneration generally consists of an annual fixed fee and an attendance fee for Supervisory Board and committee meetings. In view of the greater responsibility and the wider scope of activities, the Chair of the Supervisory Board, the Deputy Chair and the Chair of the Audit Committee are granted a higher lump-sum remuneration than the ordinary members of the Supervisory Board. The fixed annual remuneration amounts to TEUR 85 for the Chair of the Supervisory Board, TEUR 70 for the Deputy Chairs and TEUR 50 for each of the other members. The Chair of the Audit Committee is paid TEUR 35 for their work, and the Deputy Chair of the Audit Committee is paid TEUR 20. No adjustment was made to the fixed annual remuneration from 2024 to 2025.

In addition, each member is paid TEUR 2.5 for attending Supervisory Board or committee meetings in person or via video/audio conferencing system. If several sessions are held on one day, the session fee shall only be granted once for that day. In 2025, the remuneration remained unchanged from the previous year.

If members of the supervisory board take on a special activity in the company, they may be granted special remuneration for this by resolution of the Annual General Meeting. This was not the case in the financial year 2025.

COMPONENTS OF SUPERVISORY BOARD REMUNERATION IN TEUR	2025	2024
Chair of the Supervisory Board	85	85
Remuneration of the Deputy Chairs	70	70
Remuneration members	50	50
Committee Deputy Chair	35	35
Audit Committee Deputy Chair	20	20
Meeting fees for personal attendance or qualified telephone/video participation in Supervisory Board and committee meetings	3	3
Meeting fee per committee meeting (attendance or qualified telephone/video participation) ¹⁾	3	3

1) Meeting fees per committee meeting are waived if a Supervisory Board meeting takes place on the same day

The remuneration is paid annually in arrears based on the approval of the Annual General Meeting. In financial year 2025, remuneration of the members of the Supervisory Board totaled TEUR 455 (PY: TEUR 440).

The remuneration of the members of the Supervisory Board in financial years 2025 and 2024, broken down by fixed remuneration component and meeting fees, is as follows:

REMUNERATION OF THE SUPERVISORY BOARD ACCORDING TO MEMBERS IN TEUR	FIXED REMUNERATION		MEETING FEES ¹⁾		TOTAL REMUNERATION	
	2025	2024	2025	2024	2025	2024
Ms. Claudia Badstöber (Chair)	105	105	15	13	120	118
Mr. Bernhard Chwatal (1st Deputy Chair)	105	105	15	13	120	118
Mr. Fu-Chuan Chu (Steve Chu) (2nd Deputy Chair)	70	70	15	10	85	80
Joseph John Fijak	50	50	15	13	65	63
Ms. You-Mei Wu (Yolanda Wu)	21	50	5	13	26	63
Mavis Hong	29	-	10	-	39	-
Total	380	380	75	60	455	440

1) Meeting fees based on the number of personal or video participations in Supervisory Board and committee meetings.

In financial year 2025, the members of the Supervisory Board did not receive any other remuneration or other benefits for services rendered personally, such as consulting and mediation services, apart from those mentioned above. No loans or assumption of liability in favor of members of the Supervisory Board were granted in the reporting year.

D&O insurance

The company has taken out directors' and officers' liability insurance (D&O insurance) in favor of the Executive Board and the Supervisory Board as well as the management of the consolidated subsidiaries. No deductible has been agreed for the D&O insurance, which covers the legal liability arising from Executive Board, Supervisory Board and management activities.

Linz, March 25, 2026

THE KONTRON SHARE

Share Price Development 2025

The Kontron share got off to a volatile start in the 2025 stock market year, reaching its annual low of around EUR 16.70 in January amid significant market weakness in the technology sector and cross-sectoral uncertainties. After bottoming out at the start of the year, a rapid recovery began, with the share price already surpassing the EUR 20.00 mark in February, a level it then maintained. In the following months, the share price showed a sustained positive trend and rose steadily until the summer. In July, the share reached its annual high of around EUR 28.98.

Following this summer high, the price fluctuated in a wider range of between EUR 22 and EUR 27, reflecting the current high volatility of the market environment. More moderate economic conditions, along with uncertainties related to global tariff developments, led to temporary setbacks in autumn, before a significant upward movement emerged from November with strong incoming orders and positive development in the field of industrial IoT solutions.

The share closed financial year 2025 at a price of EUR 22.80, up by 16.96% compared to year-end 2024. The TecDAX® showed an increase of around 6.01% in the same period, while the SDAX® gained around 25.26%. In financial year 2025, Kontron shares were listed on the German Stock Exchange's SDAX® and TecDAX®. A total of 51,981,715 million shares were traded with a revenue of around EUR 1,209.5 million.

	31.12.2025	31.12.2024	CHANGE IN %
SDAX® (points)	17,175	13,711	25.26%
TecDAX® (points)	3,622	3,417	6.00%
Kontron AG (EUR)	22.80	19.46	17.16%

Share Price Development since 2022

The development of the share price showed a clear upward trend from 2022 to the beginning of 2025 as a result of the realignment of the Kontron Group as a pure IoT provider.

The sale of the IT service business, the focus on the IoT business, and the shift to the high-margin Software + Solutions segment explain the upward trend that started in 2022. Influenced by strategic investments in the IoT sector and a high level of incoming orders, the share price increased in 2023, ending the year with a significant gain of 40.6%. This positive trend continued with another landmark acquisition in January 2024, and on January 18, 2024 Kontron AG shares were trading at a three-year high of EUR 23.32. In the course of 2024, economic uncertainties in Europe and, above all, the slump in the electromobility and solar sectors caused the share to drop to EUR 15.15, its lowest level since the end of 2022. After falls of just under 30% during 2024, the share price recovered again in December 2024 thanks to good nine-monthly figures and a high level of incoming orders, meaning the Kontron share ended the year with a closing price of EUR 19.46.

After a weak start to 2025, the share reached its annual low of around EUR 16.70 later in January before staging a significant recovery. The share price surpassed the EUR 20 mark as early as February, a level it went on to maintain as the positive trend continued until the summer. On June 24, 2025, a share price of around EUR 28.98 was reached, the highest figure since the start of the transformation in 2022. Following temporary fluctuations in the second half of the year, the share price stabilized again and traded at EUR 22.80 at the end of December 2025.

A multi-year comparison shows that the performance of the Kontron AG share did not reflect the dynamic operational development of the company, which has significantly increased its power to generate earnings and revenue in recent years. On the operational side, the Kontron Group was able to increase revenue from EUR 1,063.7 million in 2022 to EUR 1,607.3 million in 2025. EBITDA also rose significantly in the same period, from EUR 109.5 million to EUR 237.4 million from continuing operations. Earnings per share rose from EUR 0.87 in 2022 (adjusted for profits from the “Focus” project) to EUR 2.29 in 2025.

DEVELOPMENT 2022-2025	2022 ¹⁾	2023 ¹⁾	2024 ¹⁾	2025 ¹⁾
Revenues in EUR million	1,063.7 ²⁾	1,225.9	1,684.8	1,607.3
EBITDA in EUR million	109.5 ³⁾	126.0	191.8	237.4
EBITDA margin in %	10.3 ³⁾	10.3	11.5	14.8
EPS in EUR	3.65 ⁴⁾	1.23	1.47	2.29
XETRA closing price in EUR	15.29	21.50	19.46	22.80
PER	4.19	17.48	13.24	9.96

1) Continuing operations (excluding DCO).

2) Reclassification, see Annual Report 2023/Section A, change in the accounting methods

3) Adjusted EBITDA and adjusted EBITDA margin adjusted for special effects from the sale of IT service companies and the restructuring of the Group.

4) EPS including proceeds from the “Focus” project.

Capital Market Communications

The Executive Board and the Investor Relations department were in regular contact with interested investors in the 2025 financial year through numerous roadshows, ten conferences as well as video and telephone conferences. The main topics of discussion were the strategic transaction of the COM business, the new KontronOS operating system, and the associated growth opportunities. The roadshows in 2025 focused on Germany, Austria, France, Great Britain, Sweden, Finland, and the USA. The majority of the events were held in person.

Kontron AG took part in the following conferences in 2025:

- › German Corporate Conference hosted by UniCredit and Kepler Cheuvreux in January 2025, Frankfurt
- › Hamburger Investorentage in February 2025, Hamburg
- › Metzler Small Cap Days 2025, Frankfurt
- › Institutional Investor Conference in April 2025, Zürs
- › UBS Pan European Small and Mid-Cap Conference in May 2025, London
- › Commerzbank and ODDO BHF's Annual Corporate Conference in September 2025, Frankfurt
- › Berenberg German Corporate Conference in September 2025, Munich
- › Baader Investment Conference in September 2025, Munich
- › DZ BANK Equity Conference in November 2025, Frankfurt
- › Deutsches Eigenkapitalforum in November 2025, Frankfurt

The Executive Board of Kontron AG also plans to participate in numerous conferences in financial year 2026 and to continue to engage in intensive dialogue with investors.

At the end of financial year 2025, Kontron shares were covered by ten analysts who had published the following recommendations and price targets for Kontron as of December 31, 2025:

Bankhaus Metzler	Buy	EUR 32.50
Cantor Fitzgerald	Buy	EUR 34.00
DZ Bank	Buy	EUR 33.00
Erste Group	Buy	EUR 30.90
Jefferies	Buy	EUR 27.00
Kepler Cheuvreux	Buy	EUR 30.00
mwb research	Buy	EUR 36.00
ODDO BHF	Buy	EUR 31.00
Pareto Securities	Buy	EUR 30.00
Warburg Research	Buy	EUR 30.00
Average	Buy	EUR 31.44

Annual General Meeting

On June 11, 2025, the Supervisory Board and Executive Board of Kontron AG welcomed shareholders to the company's 26th Annual General Meeting.

The shareholders represented by proxies accounted for approximately 41% of the subscribed capital of Kontron AG (PY: approximately 45% of the subscribed capital). All resolutions proposed by the Executive Board were adopted by the majority of votes required. In particular, these included approval of the appropriation of profits, discharge of the members of the Executive Board and the Supervisory Board, elections to the Supervisory Board, the resolution on new authorized capital (Authorized Capital 2025), the resolution on the change in the remuneration policy regarding the basic principles of Executive Board remuneration, and authorization of the Executive Board to buy back and sell treasury shares.

Dividend & Share Buybacks

The Executive Board of Kontron AG pursues the successful implementation of its continuous growth strategy as the primary goal of its business policy.

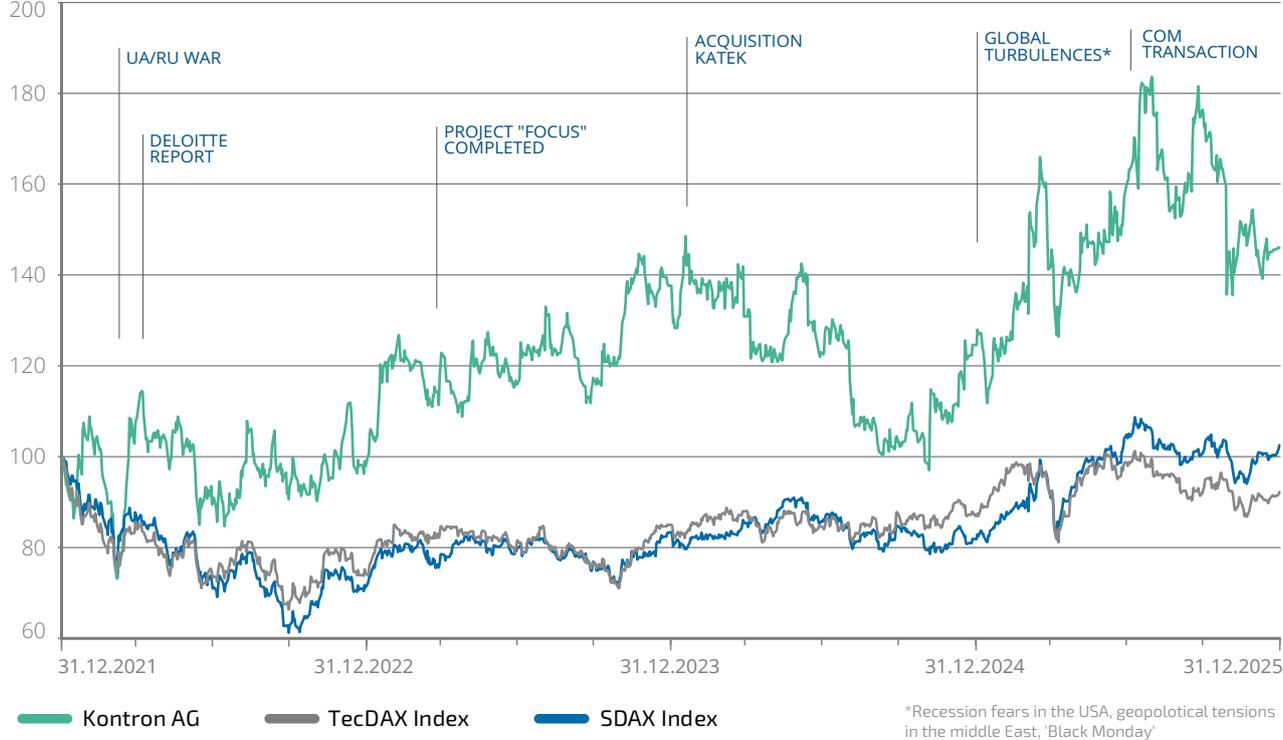
Considering this for the 2025 financial year, the Executive Board proposes that the retained earnings be carried forward.

Kontron AG did not buy back any shares in 2025. Accordingly, the number of treasury shares held as of December 31, 2025 was 1,109,815.

KEY SHARE INDICATORS 2025

Stock exchange	Frankfurt Stock Exchange
Stock exchange segment	Prime Standard
Index membership	TecDAX® & SDAX®
Securities identification number	A0X9EJ
Stock exchange symbol	KTN
ISIN	AT0000A0E9W5
Number of shares 31.12.2025	63,860,568
Number of treasury shares as of 31.12.2025	1,109,815
Price range 1.1 - 31.12.2025	EUR 16.70 – 28.98
XETRA closing price 30.12.2025	EUR 22.80
Average XETRA trading volume per day	201 thousand shares
Market capitalization 31.12.2025	EUR 1,456 million
Market capitalization free float 31.12.2025	EUR 918.7 million
Free float 31.12.2025	72%
Designated sponsor	Pareto Securities AS mwb fairtrade Wertpapierhandelsbank AG
Analysts as of 31.12.2025	Bankhaus Metzler - Veysel Taze Cantor Fitzgerald – Tim Wunderlich DZ Bank – Armin Kremser Erste Group – Daniel Lion Jefferies - Martin Comtesse Kepler Cheuvreux – Hugo Paternoster mwb research – Alexander Zienkowicz ODDO BHF – Adrian Pehl Pareto Securities – Knud Hinkel Warburg Research – Malte Schaumann

Share Price Development



MANAGEMENT REPORT

01 Business Environment

Economic Environment

During the years 2024 to 2026, the economy in the European Union grew moderately as an important market for the Kontron Group, but remained behind its long-term potential. Following increased price levels in 2024, the inflation environment in the euro area normalized over the course of 2025. Inflation gradually came close to the medium-term target of the European Central Bank (ECB) of around 2.0%. Against this background, the ECB moderately relaxed its monetary policy in 2025. In the euro zone, real economic growth was 0.9% in 2024, rising to 1.3% in 2025, while growth of 1.1% is expected for 2026. In Europe as a whole, growth was 1.9% in 2024, 1.5% in 2025, and is forecast to be 1.6% in 2026. The inflation rate in the euro zone was 2.4% in 2024 and is expected to fall to 2.1% in 2025 before falling to around 1.9% in 2026. In Europe, the inflation rate was 7.8% in 2024 and is expected to fall to 6.2% in 2025 before falling to 4.6% in 2026.

After a decline of -1.0% in 2024, the economy in the home market of Kontron AG, Austria, developed positively again with growth of 0.3% in 2025 and a forecast of 0.8% for 2026. Inflation stood at 2.9% in 2024 and rose temporarily to 3.6% in 2025. A decline to 2.3% is expected for 2026. In Germany, the Kontron Group's most important sales market, economic development remained low key. Following a decline in economic output of -0.5% in 2024, slight growth of 0.2% is expected in 2025, which is likely to increase to 0.9% in 2026. The inflation rate in Germany was 2.5% in 2024 and is expected to fall to 2.1% in 2025. Development in 2026 foresees further decline to 1.8%. The Swiss economy grew by 1.4% in 2024 and is expected to decline slightly to 0.9% in 2025 before rising to 1.3% in 2026. Inflation remained relatively low at 1.1% in 2024 and 0.2% in 2025. In the USA, economic growth remained robust at 2.8% in 2024, but is expected to slow down to 2.0% in 2025 before a slight increase to 2.1% is expected in 2026. The inflation rate fell from 3.0% in 2024 to an expected 2.7% in 2025. China continued to report high economic growth by international standards, although it was in decline compared to previous years. Following 5.0% in 2024, growth of 4.8% is forecast for 2025 and 4.2% for 2026. Inflation was at a very low level of 0.2% in 2024 with a forecast of 0.0% in 2025.

Overall, the economic environment remains characterized by geopolitical tensions, structural challenges and subdued investment activity. At the same time, falling inflation in most regions is creating a more stable environment for monetary policy to support moderate, although limited, growth.

Development of real GDP and inflation in Kontron Group markets (as %)¹⁾

	REAL GDP			INFLATION		
	2024	2025e	2026e	2024	2025e	2026e
Austria	-1.0	0.3	0.8	2.9	3.6	2.3
Germany	-0.5	0.2	0.9	2.5	2.1	1.8
Euro zone	0.9	1.3	1.1	2.4	2.1	1.9
Europe	1.9	1.5	1.6	7.8	6.2	4.6
Switzerland	1.4	0.9	1.3	1.1	0.2	0.6
USA	2.8	2.0	2.1	3.0	2.7	2.4
China	5.0	4.8	4.2	0.2	0.0	0.7

1) <https://www.imf.org/-/media/files/publications/weo/2025/october/english/text.pdf> (Seite 42-44)
https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2025-economic-forecast-shows-continued-growth-despite-challenging-environment_en

Internet of Things (IoT) Market Overview²⁾

For the Internet of Things (IoT) market, an average annual growth rate of around 9% is forecast in the period from 2026 to 2031, resulting in an expected market volume of over EUR 1.7 trillion (EUR 1,700 billion) in 2031, with the USA expected to generate the largest share of revenue. The growth of the IoT market is closely linked to the development of other important technologies such as 5G and cloud computing. The introduction of 5G communication standards is of particular importance, as it enables faster and more stable networking of intelligent devices. This results in a significant increase in the efficiency and effectiveness of IoT applications. In financial year 2025, there was also an increase in integration of artificial intelligence into IoT solutions, in particular for data-based analysis, automation and decision-making support, frequently in combination with edge computing architectures. This development helped to increasingly establish IoT applications in business-critical deployment scenarios. In addition, global demand for IoT solutions, driven by the increasing networking and automation of business processes in various industries, is expected. 2025 saw an increased shift from pilot projects towards scalable, long-term IoT solutions. Cybersecurity also remains a major challenge. Because more and more data is being collected, transferred between devices and stored in the cloud, ensuring data security and privacy is more important than ever. In 2025, there was a particular focus on end-to-end security strategies, such as “security by design,” and ensuring the provision of software and firmware updates over the entire life cycle of connected devices.

2) <https://de.statista.com/outlook/tmo/internet-der-dinge/weltweit>

02 Group Principles

Business Model

Kontron AG, based in Linz, Austria, is the top parent company of the Kontron Group, an international provider of hardware and software products as well as solutions for the Internet of Things (IoT) and Industry 4.0 applications. The services provided include related implementation and operational services in the vertical markets of industrial automation, rail infrastructure, 5G communication infrastructure, aerospace and defense as well as GreenTec. Most underlying technologies are developed in Europe and are sold and implemented through subsidiaries in Europe, North America and Asia. They are adapted to customer needs or local market conditions. Kontron offers its own technologies, such as KontronOS, also as service models (IoTaaS) after implementation.

In the past financial year, the Kontron Group was mainly active in the core markets of the European Union, North America and southeast Asia. As of the reporting date, Kontron AG was represented by 53 (2024: 66) active direct and indirect fully consolidated subsidiaries in the following 23 (2024: 25) countries: Belgium, Bulgaria, China, Germany, France, Great Britain, Canada, Kazakhstan, Malaysia, North Macedonia, Austria, Poland, Portugal, Romania, Russia, Switzerland, Slovenia, Spain, Taiwan, Czech Republic, Hungary, Uzbekistan, and the United States of America. The decline in the number of fully consolidated entities is due in particular to the mergers of former Katek subsidiaries and the deconsolidation of the COM business.

Within the Group, Kontron AG assumes a holding function for the Group companies in addition to its operating activities in Austria. While most of the operational business processes of the subsidiaries were defined and controlled locally in 2025, the following were carried out centrally: the control and monitoring of the Group processes in the sectors of internal IT, risk management, internal audit, license management, group accounting and group controlling, as well as activities relating to insurance and financing. Due to the necessary customer interaction or the increasing share of services, the essential business processes are locally oriented. Because the Group operates in numerous countries and markets, regional customer needs can be covered very well and promptly. Kontron is therefore positioned both as a multinational provider and as a local partner.

The main external factors influencing both the business and business development of the Kontron Group are the investment and spending behavior of companies and public customers. These, in turn, are directly conditioned by financial budgets and their own economic development, as well as by non-financial factors such as new technologies or data security, for example. The resulting demand behavior has a direct influence on the Kontron Group's business potential. Cost savings by companies or public customers can have an impact on the Kontron Group in two ways: on the one hand through reduced demand, as new investments or replacement investments are delayed, and on the other through increased demand due to investments made to increase efficiency and reduce costs through outsourcing or to make cost structures more variable. Topics such as investments to achieve climate goals, for example in public transport or through intelligent energy management systems, offer additional potential for the Kontron Group.

In the past financial year 2025, the following factors had a particular impact on the Kontron Group's business:

- › investments in rail infrastructure, municipal infrastructure, and in public transport solutions,
- › investments in the defense sector in NATO countries to strengthen defense capabilities,
- › deconsolidation of COM business
- › tariffs imposed by the USA,
- › decline in investments in renewable energy solutions and electromobility,
- › the further development of proprietary technologies, particularly in the software area, and the synergetic linking of the Kontron Group portfolios, as well as
- › expanding the product portfolio.

Segmentation

Until December 31, 2025, the Kontron Group was managed using the following three segments:

Europe

In the Europe segment, the Kontron Group bundles its activities to develop secure solutions for networked machines by means of a combined portfolio of hardware, software and IoT services in Europe. This business segment focuses on Kontron Group proprietary technologies and solutions, divided into the Industrial Automation divisions, communication solutions that include 5G connectivity, medical technology and smart energy, as well as Kontron ODM and remaining services business. Because there is a close connection in organization between the Europe segment and Kontron Group headquarters, this is included here. The products and systems are standardized products for the focus market segments, as well as custom-built hardware and software-based special systems, which are developed for the above-mentioned markets and adapted to customer requirements.

From a technological point of view, this includes, for example:

- › network and communication solutions, both cable and radio-based, for real-time and secure networking, based on the new 5G mobile radio standard,
- › the standard and customer-specific development of mini computers and IoT systems, especially for industrial applications and medical technology,
- › the development of tools and software interfaces (APIs) for access to various hardware and software components.

Examples of applications include:

- › Solutions for the control of production machines, including the necessary hardware components such as control computers, touch screens, driver developments and BIOS adaptations.
- › Applications to support artificial intelligence in industry and medical technology.
- › Embedded cloud computing including special security solutions with which customers can control their industrial applications and process and/or store their data securely in cloud environments (public or private cloud).
- › Hardware-based solutions for the medical technology sector that support artificial intelligence applications and are used, for example, in ventilators, patient monitoring systems and medical technology imaging products such as ultrasound devices, computer tomographs and MRI devices.

Software + Solutions

This segment comprises the group-wide software portfolio, including Kontron's own KontronOS operating system, the transport and rail solutions business, the defense and avionics business, as well as the GreenTec division. The segment has the areas with the highest margins and the highest growth rates in the Group. From a technological point of view, this includes, for example, the self-developed IoT software toolset susietec[®] as a software suite for connecting and controlling industrial/IoT applications. The "application-ready" IoT toolset enables customers to create computing solutions for diverse work environments and requirements. Kontron's own KontronOS operating system for controlling, maintaining and monitoring IoT modules also comes from this segment. Examples of applications include:

- › End-to-end communication solutions for mission-critical networks in the rail sector, based on GSM-R and FRMCS for example, as well as mobility solutions for public transport that cover the entire service value chain by supporting passenger information systems, network video surveillance, data storage and processing and train management systems.
- › ITAR (International Traffic in Arms Regulations)-certified, encrypted and secure high-performance VPX parallel multiprocessor with 6.25 Gb/s data connectivity for use in armored vehicles, 360° continuous optronic surveillance system for navies, ground radar processing unit for long-range air monitoring, mission management processing unit for UAV.
- › Satellite-based in-flight entertainment and communications (IFEC) systems and satellite-based connectivity via geostationary (GEO), medium (MEO) and low Earth orbits (LEO).

- › High-performance edge servers that enable demanding applications such as Radio Access Network (RAN), ultra-low latency, high bandwidths, data caching, and artificial intelligence (AI) close to the user, solving network congestion and power supply issues.
- › The unique smart IoT-connected wall-mounted charger, with optimal cybersecurity protection, optimizes energy consumption, reduces electricity costs, secures networks and supports the energy revolution.

Global

The Global segment reports Kontron Group business activities in the two divisions North America and Asia.

In addition to its own portfolio, products and solutions from the segments Europe and Software + Solutions are also developed and marketed. This segment also serves as a sales channel for software solutions and products from the other segments. In addition, the software solutions and products in this segment are also adapted to specific customer needs if required. The Asia division benefits from its proximity to chip industry production in Taiwan. Conversely, the North America division, headquartered in San Diego, benefits from its proximity to parts of the US armed forces at their Pacific Fleet location. Thanks to its strategic presence with subsidiaries and production sites in the USA and Canada, Kontron is ideally positioned to cushion the potential impacts from tariff regulations. Kontron is an ITAR-registered provider and ensures that all relevant ITAR regulations are met through defined compliance processes and segregated work areas.

Management System

Kontron management's objective remains unchanged, namely to increase the Group's added value by developing its own technologies, particularly in the software sector, and to continuously increase the Group's financial strength through profitable growth. To achieve this strategic goal and measure progress, an internal control system is used.

When managing the Group in 2025, the focus was on the following aspects in particular:

- › Increase in operating profitability (EBITDA) and earnings per share (EPS) which accompany the growth;
- › Optimization of working capital and improvement of both operating and free cash flow;
- › Expanding market shares in the IoT sector for high-growth vertical markets;
- › Increasing the share of proprietary software in the IoT solutions environment and expanding the IoTaaS portfolio;
- › Initiation and monitoring of strategic or synergetic research and development projects.

The relevant key figures on the basis of IFRS accounting are primarily revenue, gross margin and income before interest, taxes, depreciation and amortization (EBITDA), as well as net result and earnings per share (EPS). Liquidity management primarily involves monitoring net debt and operating cash flow. Apart from that, the equity ratio and debt ratio are relevant for Kontron.

Working capital management is of particular importance for the Kontron Group because there are hardware-heavy business areas in the "Europe" and "Global" segments that result in increased capital requirements in inventories and receivables. Active management of working capital is therefore necessary to avoid financial resources being tied up excessively in operating business. As a result of the takeover of Katek SE, inventory increased in the first half of 2024. This was already significantly reduced in the second half of 2024 and in financial year 2025. In the medium term, the aim is to reduce working capital still further to 15% of revenue.

The operating income of each company is also monitored by the designated members of the Executive Board as part of regional management. In addition to the development of revenue and order intake, key figures for this include, in particular, gross margin, personnel costs and EBITDA before headquarters costs. Since financial year 2021, the development of net working capital as well as the cash trend has also been applied as an additional key performance indicator for the remuneration of the Executive Board and local management in order to increase cash conversion (operating cash flow/EBITDA).

Project controlling, which is used to monitor longer-term project business, ranges from the preparation and approval of bids to project completion. Among other things, a special "red flag system" is used. This defines criteria which, if exceeded, require immediate measures by the local management of the subsidiaries.

The cost items in the Kontron Group are subject to regular budget control. In the process, the individual profit and cost centers are checked monthly for compliance with the budgets and forecast costs. In order to achieve the planned profitability, the cost budget is adjusted as necessary during the year in line with the development of revenue.

As a developer and producer of proprietary technologies, the company's long-term success is based on strategically and technologically relevant acquisitions as well as research and development with the resulting innovations. That is why the product portfolio is continuously being developed. The necessary use of resources is optimized through a combination of in-house developments, collaborations, for example with Qualcomm and Foxconn, and technological-strategic acquisitions.

The management of liquidity and operating cash flow is significantly influenced by management of receivables. This is operated locally and is subject to internal control processes. While operational cash management is largely carried out locally, strategic cash management and larger financing transactions are managed centrally.

In addition, an ESG reporting tool is used to uniformly regulate the collection and monitoring of ESG-relevant key figures across the Group. On the one hand, this should result in a solid database for non-financial goals, making it possible to define target values for additional sustainability goals and allowing standardized measurement of progress towards the Kontron Group's ESG goals. This will facilitate reporting on these topics and comply with new requirements, in particular the new EU Directive on Sustainability Reporting (CSRD).

Further information on the risk management organisation and internal processes is available in the "Forecast, Opportunities and Risk Report" and in the "Internal Control System, Group Accounting Process and Risk Management System" section of this report.

Research and Development

As in previous years, the past financial year also saw the implementation of numerous development projects aimed at expanding the share of new hardware and software solutions. The following research areas and projects serve as examples:

- › Regarding KontronOS and KontronGrid, research and development activities focused on further expanding cybersecurity functionalities and on implementing the requirements of the Cyber Resilience Act (CRA) and NIS 2 Directive. The aim was to provide a secure, scalable software base for industrial IoT and edge applications that can be maintained over the entire product life cycle. Part of the development has involved the implementation of configurable firewall zones, encrypted VPN tunneling, extended secure boot mechanisms, TPM support and certified system images. Intrusion Detection Systems (IDS), automated update and patch processes, and penetration tests have also been optimized. The solutions are available for Intel® and ARM® based platforms. As a secure hardened Linux® based operating system with end-to-end encryption and long-term update capability, KontronOS forms the basis for the secure operation of edge devices. KontronGrid supplements this basis with central IoT device management with automated software rollouts, container deployments and standardized interfaces. A dedicated susietec® IoT bundle was developed to reduce integration costs and speed up IoT projects. This combines Kontron hardware, KontronOS and KontronGrid into a ready-to-use, CRA and NIS-2 compliant application-ready IoT platform. The bundle helps customers efficiently roll out, securely operate and scale distributed IoT infrastructures in various industrial sectors. The active detection and prevention of cyber security threats was also at the center of our product development. KontronAIShield was developed to address the need for an AI-based solution in an industrial environment. It offers active monitoring of systems and networks to protect against malware and cyberattacks. Particular emphasis was placed on ease of deployment and maintainability.
- › In 2025, Kontron Transportation strengthened its leadership position in the European rail communications sector thanks to significant advances in FRMCS technologies. A key technical challenge that was addressed in 2025 involves the new 5G n100/n101 frequency bands intended for railways. Kontron is responding with a new FRMCS-ready 5G chipset and a dedicated 5G RAN that can process both bands. With decades of GSMR experience, Kontron is also driving radio layer innovation with two new patented methods aimed at ensuring mission-critical performance: the coexistence of two 5G cells in the same band to ensure redundancy, and improved interference reduction between collocated GSMR and 5G FRMCS systems. Together, these successes strengthen Kontron's position as an important contributor to Europe's transition from GSMR to FRMCS and provide robust, interoperable and future-safe communication solutions for the rail sector.
- › For the defense sector, Kontron has been bundling its activities in the Aerospace & Defense division since 2024 and coordinates the R&D pipeline. The development of two form factors, VPX and VNX+, has involved work across the whole industry. VPX, a standardization approach for modular sensor architecture, (means combination and processing of a wide variety of sensor data, such as video, audio, radar, sonar, EM, etc.) has been adapted to the latest generation of processors from INTEL, which allow AI-relevant applications to run on a "standard computer" without using additional graphics cards. To achieve this, data distribution has also been adapted to the latest requirements (from 10 to 100 gigabit switch). As a result, Kontron is one of the first companies in the world to be able to offer this technology. A second focus was on developing a new, smaller form factor, VNX+. This reflects the trend towards further miniaturization in the defense sector and allows control of and communication with smaller mobile units such as drones, robots and similar autonomous and semi-autonomous vehicles and devices.
- › 5G NAD technology forms the basis for modern TCU platforms and future software-defined vehicle architectures. In 2025, Kontron invested in expanding development structures to meet increasing customer demand. For this purpose, additional engineering capacities have been built up in Slovenia and North Macedonia. These expansions and the use of AI in development are accelerating the launch of new generations of platforms. Kontron is currently the only company in the world that both develops and produces 5G NADs in Europe. Production starts in 2026.

Research and development and engineering costs amounted to EUR 267.4 million in financial year 2025 (PY: EUR 237.1 million). Of this, development costs of EUR 45.1 million were incurred in the past financial year (PY: EUR 39.9 million). This means that in 2025, around 16.6% of revenue (PY: 14.1%) was invested in research, development and engineering services.

03 Economic Report

A Very Strong Result for the Kontron Group

Following the sale of the IT companies that were no longer strategic as part of consistent implementation of the IoT strategy and the completion of the "Focus" project, several add-on IoT acquisitions followed in 2023 to strengthen Aerospace & Defense and software business, as well as to strengthen 5G expertise. At the beginning of 2024, acquiring Katek SE was the largest takeover in the company's history to date. At the same time, realignment of the Kontron Group as a specialist IoT provider was continued. Following that, the entry of congatec GmbH into the COM business, a non-core business, was announced in June 2025. In addition to this deconsolidation, restructuring costs in the GreenTec division and other one-time effects from the realignment of the Kontron Group to become a pure industrial IoT player impacted the results of the Kontron Group. The focus of the Kontron Group is on increasing gross and EBITDA margins, streamlining structures within the Group and optimizing working capital and the cash conversion rate, which were the target values in 2025.

Key events for the Kontron Group in financial year 2025 include:

- › On a geopolitical level, the continuing uncertainties regarding US tariff policy in 2025 and growing geopolitical tensions are particularly alarming.
- › The deconsolidation of COM business at the end of the second quarter, involving a further reduction of the non-core business in order to focus on growth areas, transportation, aerospace and defense, as well as software. The businesses deconsolidated as a result of the transaction were assigned to the "Europe" and "Global" segments. As a result of these transactions, Kontron loses operational revenue during the first step, but will be able to increase income in the "Software + Solutions" segment disproportionately as a result of the partnership.
- › Kontron received several major strategic orders in financial year 2025 and was able to expand its leading position as an IoT solution provider. The company is the only provider worldwide to produce 5G modules entirely in Europe, thus strengthening technological sovereignty and supply chain stability. As a result, the first major contract was secured in 2025. Kontron also secured numerous contracts in the transportation sector in 2025. The defense sector was particularly active in 2025. In this connection, Kontron was able to land several orders for secure and high-performance communication systems. These and numerous other successes underline the company's innovative strength and growth in key areas of the digital future.

Earnings

As part of the strategic focus on high-margin business areas, combined with the deconsolidation of the COM business and a conscious focus in the EMS sector on the higher-margin ODM business segment, there was a corresponding development in sales that was reflected in a sharp increase in revenue in the Software and Solutions segment and a decline in revenue in the Europe and Global segments. Macroeconomic challenges have caused a slowdown in business development, particularly in the GreenTec and Industrial sectors. Against this background, revenue fell slightly to EUR 1,607.3 million following revenue in the previous year of EUR 1,684.8 million. This represents a decline in revenue of around 4.6%.

Kontron's focus on a greater software share is evident also in financial year 2025. This development is reflected in Kontron's gross margin, which once again increased from 41.2% in the previous year to 42.1% from continuing operations.

As a result of the deconsolidation of COM business, which still contributed EUR 38.9 million in revenue in the first half of 2025, and the focus on EMS business, gross profit fell slightly compared to the previous year's figure from EUR 693.8 million to EUR 676.4 million. This represents a slight decline of around 2.5%.

Personnel costs of the Kontron Group increased slightly in financial year 2025 compared to the previous year in continuing operations. Personnel expenses in financial year 2025 amounted to EUR 453.5 million, compared to EUR 441.4 million in the previous year. This is primarily due to the restructuring of the COM business and provisions arising from the restructuring of the GreenTec division.

Other operating income in financial year 2025 amounted to EUR 98.7 million for continuing operations. It was significantly higher than other operating income in the previous year (EUR 20.2 million) and was influenced by the deconsolidation of the COM business. However, one-off effects such as provisions, depreciation on inventories, personnel and material costs, and taxes must be taken into account as part of the restructuring of the business. Other operating expenses in financial year 2025 amounted to EUR 129.3 million (continued

operations) compared to the previous year's figure of EUR 120.7 million (continued operations), which is primarily due to personnel and other costs associated with the deconsolidation of the COM business. Overall, a significantly higher EBITDA of EUR 239.3 million was achieved (PY: EUR 194.7 million), including EUR 1.9 million from discontinued operations. Other operating income from transactions with congatec totaled approximately EUR 87.0 million.

Depreciation of tangible and intangible assets in the past financial year was slightly lower than in financial year 2024. Depreciation and amortization on tangible and intangible assets amounted to EUR 74.4 million in financial year 2025, following a previous year's figure of EUR 77.6 million. As a result of these developments, the Kontron Group was able to generate EBIT of EUR 163.0 million, before one-off effects, from continuing operations in financial year 2025 (PY: EUR 114.2 million), which represents an increase of 42.8%. For the increase in EBIT, other operating income from transactions with congatec need to be taken into account.

Finance expenses for continuing operations in financial year 2025 amounted to EUR 28.2 million (PY: EUR 29.3 million). The main reason for the slight fall in expenses is due to repayments of loans for taking over Katek SE and to improved financing conditions. Financial income, on the other hand, increased to EUR 7.6 million (PY: EUR 6.4 million). Against the backdrop of these effects, the total financial result was EUR -20.6 million (continued operations) following the previous year's figure of EUR -22.9 million, which represents an improvement of around 10.1%.

Net income (before non-controlling interests) increased accordingly to EUR 140.1 million (PY: EUR 91.6 million); after non-controlling interests, net income was EUR 141.1 million (PY: EUR 90.7 million). As expected, net income in financial year 2025 was affected by one-off effects from the COM transaction. Earnings per share (EPS) amounted to EUR 2.29 in financial year 2025, following the previous year's figure of EUR 1.47.

The Kontron Group order backlog amounted to EUR 2,495.3 million as of December 31, 2025 (PY: EUR 2,077.9 million), which represents a 20.1% increase and a new record level. This order backlog includes contractually fixed orders and deliveries as well as deliveries expected from existing framework agreements.

Development of the Business Areas

Since 2023, the Kontron Group has differentiated between three business segments: "Europe", "Global" and "Software + Solutions" in reporting and managing the group of companies. These three segments were retained in 2025 but will transition to two segments ("Smart IoT" and "Software + Solutions") in 2026:

IN EUR MIO.	EUROPE ¹⁾		GLOBAL		SOFTWARE + SOLUTIONS		KONTRON GROUP	
	2025	2024 ²⁾	2025	2024	2025	2024 ²⁾	2025	2024
Total revenues	963.3	1,101.6	286.1	312.6	688.3	595.9	1,937.6	2,010.0
Internal revenues	-159.4	-182.6	-73.4	-75.0	-97.6	-67.6	-330.3	-325.2
Revenues	803.9	919.1	212.7	237.5	590.7	528.2	1,607.3	1,684.8
Expenses for materials and other services purchased	-506.6	-598.1	-139.2	-154.6	-285.1	-238.4	-930.9	-991.1
Gross profit	297.3	320.9	73.5	82.9	305.6	289.9	676.4	693.8
Personnel expenses	-213.2	-213.2	-49.1	-51.4	-191.3	-176.7	-453.5	-441.4
EBITDA ³⁾	97.3	75.2	36.8	23.0	103.3	93.6	237.4	191.8
Depreciation and amortization	-37.5	-41.1	-7.3	-8.1	-29.5	-28.5	-74.4	-77.6
EBIT	59.8	34.1	29.5	14.9	73.8	65.1	163.0	114.2
Finance income							7.6	6.4
Finance expenses							-28.2	-29.3
Result from associated companies							0.0	0.0
Income taxes							-4.3	-2.7
Profit from continuing operations							138.2	88.5

1) Segment "Europe" including Headquarter-charges not allocated

2) Previous year adjusted after reclassification of companies between 'Europe' and 'Software + Solutions'

3) Includes one-off effects from portfolio streamlining

- › The "Europe" segment is the largest segment of the Kontron Group in terms of revenue. Segment revenue fell significantly year on year to EUR 803.9 million, following the previous year's figure of EUR 919.1 million. This downturn is primarily attributable to the deconsolidation of COM business, which still contributed revenue of EUR 43.2 million in the full year 2024 and EUR 25.1 million in the first half of 2025, and the focus in the EMS sector on ODM revenues. Macroeconomic challenges have led to subdued business development, especially in the electronics manufacturing sector. This represents a decline in revenue of 12.5%. Due to the above reasons and the focus on high-margin business areas, revenue of the "Europe" segment in financial year 2025 consisted no more than 50% of total revenue from continuing operations of the Kontron Group for the first time. Gross profit fell to EUR 297.3 million compared to the previous year (PY: EUR 320.9 million). Due to the focus on high-margin business areas, this resulted in a significantly higher gross margin of 37.0% (PY: 34.9%). The significantly improved gross margin and one-off effects from the COM transactions also led to an increase in segment EBITDA in financial year 2025. Note that, on the one hand, the operating costs of the "Europe" segment already include all Kontron Group headquarters costs, and on the other hand, this segment also charges brands, licenses and HQ charges to the other two segments "Global" and "Software + Solutions". EBITDA before headquarters costs amounted to EUR 97.3 million, after the previous year's figure of EUR 75.2 million, which corresponds to an EBITDA margin for this segment of 12.1% for financial year 2025 (PY: 8.2%).
- › The "Global" segment, which consists of the Kontron Group's business in North America and Asia, also declined in financial year 2025 due to the deconsolidation of the COM business and the focus on high-margin business areas. The COM business contributed EUR 43.4 million to revenue in the full year 2024, and EUR 13.7 million to revenue in the first half of 2025. At EUR 212.7 million, revenues in this segment were below the previous year and fell by 10.5% (PY: EUR 237.5 million). As a result, gross profit also fell from EUR 82.9 million in the previous year to EUR 73.5 million in the past financial year. This corresponds to a gross margin of 34.6%, which

was almost the same as the previous year (34.9%). EBITDA before headquarters costs rose significantly in financial year 2025 and amounted to EUR 36.8 million (PY: EUR 23.0 million). The EBITDA margin before headquarters charges was 17.3%, after a previous year's figure of 9.7%. It should be noted that EBITDA was influenced by the one-off effects of the COM transactions.

- › The "Software + Solutions" segment is the segment with the strongest margins and at the same time the highest growth rates in the Kontron Group. With segment revenue of EUR 590.7 million, a very significant revenue growth of 11.8% was achieved in financial year 2025 compared to the previous year (PY: EUR 528.2 million). As a result of this positive development in revenue, gross profit also increased to EUR 305.6 million in the past financial year, after a previous year's figure of EUR 289.9 million. The corresponding gross margin in financial year 2025 was 51.7% and was thus below the gross margin in financial year 2024 (PY: 54.9%). This segment's EBITDA before headquarters costs increased significantly, however, and amounted to EUR 103.3 million (PY: EUR 93.6 million) with an EBITDA margin of 17.5% in financial year 2025 despite the weak performance of the GreenTec Division. In the previous year, the EBITDA margin in the course of selling TeleAlarm was 17.7%.

In addition to the three segments shown in the table, the Kontron Group also achieved income from discontinued operations (DCO) in financial year 2025. While revenue and gross profit were not affected by discontinued operations, EBITDA amounted to EUR 1.9 million (PY: EUR 3.1 million).

Finances

SUMMARIZED CASH FLOW STATEMENT (IN EUR MILLION)

	2025	2024
Cash flow from operating activities	167.7	99.0
Cash flow from investing activities	-58.3	-127.1
Cash flow from financing activities	-157.6	10.9
Cash and cash equivalents	263.5	315.6
Financing liabilities	410.6	478.7
Net Cash (+) / Net debt (-) ¹⁾	-147.1	-163.1

¹⁾ Cash and cash equivalents less non-current and current financial liabilities

Operating cash flow increased very significantly in financial year 2025 and amounted to EUR 167.7 million following the previous year's figure of EUR 99.0 million. The increase primarily reflects the increase in operating efficiency, as this does not include the deconsolidation of the COM business. In addition, numerous measures have led to a significant improvement in working capital. Management also expects a further optimization of working capital in 2026.

Cash flow from investment activities amounted to EUR -58.3 million in financial year 2025, a significantly higher figure than in the previous year (PY: EUR -127.1 million). Cash flow from investment activities in the past financial year was primarily characterized by the deconsolidation of the COM business as well as investments in intangible fixed assets.

Cash flow from financing activities amounted to EUR -157.6 million in financial year 2025, after a previous year's figure of EUR 10.9 million. The main financing activities related to the repayment of long-term financing and repayments of financial leasing liabilities totaling EUR 181.0 million, and the distribution of the dividend for the financial year 2024 of EUR 36.9 million. In addition, cash flow from financing activities also accounts for interest payments of EUR 27.1 million.

In line with the goal of aligning financing and in preparation for further growth, Kontron AG has optimized its financing structure. In financial year 2023, an increase in a revolving working capital loan from EUR 15 million to EUR 60 million was agreed. As of December 31, 2025, the balance outstanding for this working capital loan is EUR 57.1 million (PY: EUR 59.4 million). Kontron AG continued to monitor the development of the interest rate landscape in financial year 2025 in order to protect itself in good time against any increase. Due to the development of interest rates and swap rates, no further variable financing was fixed in the past financial year.

Due to the effects described above, cash and cash equivalents decreased from EUR 315.6 million as of December 31, 2024 to EUR 263.5 million as of the 2025 balance sheet date. The reduction in cash and cash equivalents is offset by a significant reduction in financial liabilities. The resulting net debt has been further reduced and amounted to EUR 147.1 million, after EUR 163.1 million in 2024.

Cash and cash equivalents amounting to EUR 4.1 million (PY: EUR 3.7 million) were subject to restrictions on availability due to collateral provisions.

Assets and Liquidity

BALANCE SHEET INDICATORS (IN EUR MIO.)	2025	2024
Non-current assets	833.9	744.8
Inventories	318.5	373.3
Trade receivables	196.9	249.6
Contract assets current	77.8	71.6
Other current receivables and assets	96.5	68.8
Cash and cash equivalents	263.5	315.6
Total assets	1,787.1	1,823.7
Equity	746.1	652.3
Financing liabilities non-current	216.7	305.8
Non-current and current provisions	83.6	72.6
Other liabilities non-current	106.9	114.1
Financing liabilities current	193.9	173.0
Trade payables	228.0	272.4
Contract liabilities current	58.9	91.2
Other liabilities current	152.8	142.5
Total equity and liabilities	1,787.1	1,823.7
Equity ratio ¹⁾	41.8%	35.8%
Net Cash (+) / Net debt (-) ²⁾	-147.1	-163.1

1) Share of consolidated equity (including stakes held by shareholders with non-controlling interests) in total equity (balance sheet total)

2) Cash and cash equivalents less non-current and current financial liabilities

The Kontron Group's balance sheet total declined compared to the previous year, in particular due to the deconsolidation of the COM business, which took place on June 30, 2025, and the optimization of working capital. While equity increased in absolute terms, the equity ratio also rose from 35.8% to 41.8%. The significant decline in non-current financing liabilities is primarily due to the repayment of loans. Equity and non-current financing covered around 54% of the balance sheet total as of December 31, 2025 (PY: 53%). Cash and cash equivalents decreased in financial year 2025 and accounted for around 15% of the balance sheet total (PY: 17%).

Trade receivables stood at EUR 196.9 million as of December 31, 2025, which represents a significant decline compared to the previous year's figure of EUR 249.6 million, primarily due to consistently optimized working capital management and the deconsolidation of the COM business.

Inventories fell significantly from EUR 373.3 million at the end of the previous financial year to EUR 318.5 million as of December 31, 2025. This fall is primarily due to significantly more efficient inventory management following the Katek acquisition and the deconsolidation of the COM business. In addition, working capital is to be further reduced in percentage terms in financial year 2026.

Non-current assets increased to EUR 833.9 million as of the 2025 reporting date, compared to the previous year's figure of EUR 744.8 million. This increase is due in particular to the activations of several R&D projects in financial year 2025. In total, cash-effective investments in property, plant and equipment and intangible assets amounted in financial year 2025 to EUR 83.2 million (PY: EUR 71.2 million).

Non-current and current provisions amounted as of the 2025 balance sheet date to EUR 83.6 million (PY: EUR 72.6 million). This increase is primarily due to higher provisions as part of the deconsolidation of the COM business. Other current liabilities increased to EUR 152.8 million compared to the corresponding figure for the previous year (PY: EUR 142.5 million).

In the year under review, there was no capital increase from the approved conditional capital. As a result, the subscribed capital as of December 31, 2025 amounted to EUR 63,860,568.00 as in the previous year. In the 2025 reporting year, 547,500 stock options were exercised, which were serviced in cash. No own shares were bought back in financial year 2025. In October 2025, 1,320,795 treasury shares, approximately 2.07% of the company's share capital, were used to acquire a further 12.19% of Katek SE. The number of treasury shares held by the Kontron Group thus amounted to 1,109,815 shares as of December 31, 2025 (December 31, 2024: 2,474,610 shares). Accordingly, the number of Kontron shares issued as of December 31, 2025 amounts to 63,860,568 (December 31, 2024: 63,860,568 shares). As of December 31, 2025, the equity attributable to the shareholders of Kontron AG amounted to EUR 741.6 million compared to the previous year's figure of EUR 632.5 million, with a total dividend of EUR 36.9 million being paid out in 2025, which reduced equity accordingly.

The primary aim of Kontron AG Executive Board's business policy is the successful implementation of its continuous growth strategy in the high-margin business areas, Software, Transportation, and Aerospace & Defense.

Non-financial Indicators of Performance

As required by the implementation of the requirements imposed by Austria's Act on Sustainability and Improvement of Diversity, Kontron AG has compiled a separate report on sustainability for the past financial year. As in previous years, it contains in-depth reporting on matters pertaining to the environment and to employees. Kontron AG joined the UN Global Compact in 2021 and has identified thirteen sustainability goals in accordance with ESRS and is committed to transparency. As part of the CSRD requirements (Corporate Sustainability Reporting Directive) of the European Union, ESG reporting was expanded in financial year 2025. Kontron AG has also undergone a voluntary review of the non-financial statement in accordance with ESRS (European Sustainability Reporting Standards).

Sustainability topics

In view of increasing climate extremes, Kontron carried out a climate risk analysis for all locations in 2024 to assess physical risks and economic transition risks for the next 35 years. This identified risk locations for which preventive measures have already been implemented to prevent losses and secure business operations over the long term.

Kontron focuses specifically on energy efficiency and renewable, carbon-neutral energy. The production sites and data centers are optimized using proprietary smart meter technologies, while the in-house generation of energy by photovoltaic systems is being continuously expanded.

Another focus is on sustainable product development. Kontron designs energy-efficient and resource-saving products that are durable and consist partly of recycled materials. In addition, packaging materials are used efficiently and so that they can be recycled, while external environmental audits and ISO certifications regularly review these measures.

Sustainability also means transparency in the supply chain. Stringent environmental and social standards as well as measures to avoid conflict minerals ensure that ethical business practices are followed.

Employee welfare and protection

The following table shows the development of the Kontron Group's headcount¹⁾ in the individual segments and areas:

SEGMENT / DIVISION	2025	2024	CHANGE
Segment "Europe"	3,484	3,546	-1.7%
Segment "Global"	690	763	-9.7%
Segment "Software + Solutions"	2,522	2,954	-14.6%
Kontron Group	6,696	7,263	-7.8%
of which research & development and engineering	2,999	3,189	-6.0%
of which hardware-related support services	189	179	5.6%
of which production & logistics	1,872	2,076	-9.8%
of which sales & marketing	623	723	-14.0%
of which administration	1,013	1,098	-7.7%

1) Employees on a full-time equivalent basis, not including employees or apprentices/trainees on training or maternity leave

The decline in the number of employees compared to the previous year is primarily due to the deconsolidation of the COM business in financial year 2025.

Statutory and voluntary social security costs, including severance payments, amounted to EUR 97.0 million in financial year 2025 (PY: EUR 90.7 million). HR work focusing on continuing specific further education measures, increasing employer attractiveness, and increasing the proportion of women in management positions (Sustainable Leadership Academy) will proceed in the same way in the future. Integration is also being driven forward through the introduction of uniform processes in human resources, standardization and migration to common supporting IT systems, as well as by strengthening the employees' sense of belonging to and loyalty to the company. Based on the results of the last Group-wide employee survey, priorities have been once again set in 2025 to further improve employee satisfaction and the attractiveness of the Kontron Group as an employer.

The safety and health of Kontron Group employees is also an important concern: The various aspects of occupational health – both to avoid physical impairment due to monotonous screen work, for example, and to reduce psychological stress due to increased work demands or the changed work environment as a result of working from home more frequently – are taken into account in the course of training provided by external experts (occupational health professionals) as well as by the ergonomic office equipment provided. As in previous years, various training courses and support opportunities were offered in 2025 on topics such as occupational psychology that also included dual-location work (working from home) and ergonomic work. Provided that their activities permit it, employees can work from home in coordination with the requirements of the respective team, and employees can use office space on site whenever they need it. Internal and external training courses are also held on an ongoing basis for employees in the production environment to raise awareness of safety issues and ensure occupational safety.

The Kontron Group's long-standing philosophy – "hire for attitude, train for skills" – has stood the test of time and remains unchanged. This is driven forward by internal programs for the personal and professional development of our colleagues. That is why the second round of the "Sustainable Leadership Academy" organized by Kontron AG was launched at the end of 2023. This one-year training program was aimed in financial year 2024 and in financial year 2025 especially towards female junior executives in a wide variety of fields who will be prepared for their next career steps within the Kontron Group by external trainers and Kontron managers. In addition, the Kontron Group also provides financial support for its employees to take advantage of external training programs and courses. To this end, in financial year 2025 the Kontron Group spent EUR 1.9 million on employee training measures (PY: EUR 1.9 million). In addition,

Kontron employees take part in regular training courses run by Kontron's industry partners in order to continue to expand the high level of certification with individual manufacturers.

The Executive Board of Kontron AG thanks all employees for their outstanding performance once again in financial year 2025.

Summary

The success of the Kontron Group's strategic focus on the high-margin IoT sector of the divisions Transportation, Aerospace & Defense, and software in the Software + Solutions segment was clearly visible in financial year 2025 due to a further increase in gross margin and a further significant increase in EBITDA. At the same time, as a consequence of the deconsolidation of the COM business and the focus in the EMS sector on ODM sales, revenue at group level fell slightly. In the "Software + Solutions" segment, however, a significant revenue growth of 11.8% was achieved. Overall, revenue fell by 4.6%. Operating income (EBITDA) increased disproportionately in financial year 2025 due to better margins and numerous one-off effects from the COM transaction. The EBITDA of EUR 239.3 million from continuing and discontinued operations represents growth of around 23%. In financial year 2025, the net result amounted to EUR 141.1 million, resulting in net earnings per share of EUR 2.29 (undiluted). In the previous year, the net result amounted to EUR 90.7 million or EUR 1.47 per share (undiluted). For the 2025 financial year, the Executive Board proposes that the retained earnings be carried forward.

04 Forecast, Opportunities, Risk Report

Forecast

For 2026, most forecasts assume low growth in the European Economic Area, while inflation rates are expected to continue to weaken slightly compared to the previous years. Following a step-by-step reduction in the ECB's key interest rate in financial year 2024, inflation in 2025 came closer to the ECB's medium-term target of 2.0%. In addition, forecasts remain uncertain due to the ongoing war in Ukraine and the tariff policy of the US administration. It can therefore be assumed that financial year 2026 will also be characterized by political uncertainties. The potential impacts of the current geopolitical tensions arising from the conflict in the Middle East cannot be reliably assessed at this time.

Despite this scenario, the Kontron Group's long-term objectives – profitable growth and market leadership in the IoT segment – remain unchanged, as the increasing demand for digital solutions for communication between machines continuously opens up opportunities for the Kontron Group. In financial year 2026, Kontron will therefore focus on stepping up profitability, increasing cash flows and optimizing working capital. Continuing to develop the Kontron Group as an innovative technology company and IoT solution provider with a high proportion of standardized in-house developments, should also further increase the gross margin.

Following the acquisitions carried out at the beginning of 2024, the focus in financial year 2025 was on integrating the acquired companies and upgrading their products using the Kontron Group's IoT know-how. Revenue losses resulting from deconsolidation are expected to be offset by strategic acquisitions in 2026.

Opportunities and Risk Report

The Kontron Group is an internationally active technology company and is therefore exposed to a wide range of financial, industry-specific, business and ESG risks. At the same time, the industry and the company offer a multitude of opportunities. As part of intra-group opportunity and risk management, the goal of management is to realize available opportunities in a timely manner in order to increase value, while actively reducing risk exposure through appropriate countermeasures.

To achieve this goal, it is necessary to create awareness of the existing and potential risks and opportunities in the company among all employees and especially among decision-makers. By means of a group-wide risk management system, risks and their risk structure in particular, are to be recorded and updated. Local risk/control self-assessments are used to identify risks so that they are pinpointed and counteracted at an early stage. They form the basis for headquarters to take appropriate steps in good time. In addition, the internal audit constantly reviews and monitors the implementation of the actions defined in internal audits and reports on progress regularly to the Executive Board of Kontron AG based on the internal control system guideline, which was introduced a few years ago on the basis of the COSO reference model.

The systems are continuously supplemented and reviewed to take account of regional and technological expansion of business activities at Kontron. Acquired subsidiaries must implement the Group's standardized policies when they are integrated into the Kontron Group. Implementation is monitored, among other things, by internal audits.

In addition to primarily administrative areas such as IT, personnel, finance and controlling, risk identification and risk management also cover the operative areas of sales, project management, production, purchasing, development, warehouse management and occupational health and safety, including facility management.

Regular or ad-hoc internal and external audits, risk assessments and certifications also provide insights into improvement opportunities and additional risk factors. The identified improvement potential is monitored using a standardized process and regular reports to the Executive Board and Supervisory Board of Kontron AG.

Risk management system

Risk and opportunity management constitutes an important component of Kontron's handling of its business. Kontron generally avoids risks that endanger its corporate existence. Nevertheless, Kontron's business activities do expose it to risks that directly result from corporate actions. In order to identify risks at an early stage, to assess them appropriately and to limit them through taking suitable measures, we set up a Group-wide risk management system some years ago. The risk management system fosters an awareness of risk and increases the trust that our stakeholders place in our company. It also improves the bases of our planning and decision-making.

Our internal risk management system complies with the guidelines for dealing with risks agreed with the Supervisory Board and Executive Board and is organizationally assigned to the Internal Audit department. The Group's risk manager regularly reports to the Executive Board and the Supervisory Board and monitors adherence to the risk management process and the reporting routines that have been established.

The Group-wide risk management process is presented and explained in a Group manual. In it, the individual steps in the risk management process, from risk identification to risk reporting, are described in detail:



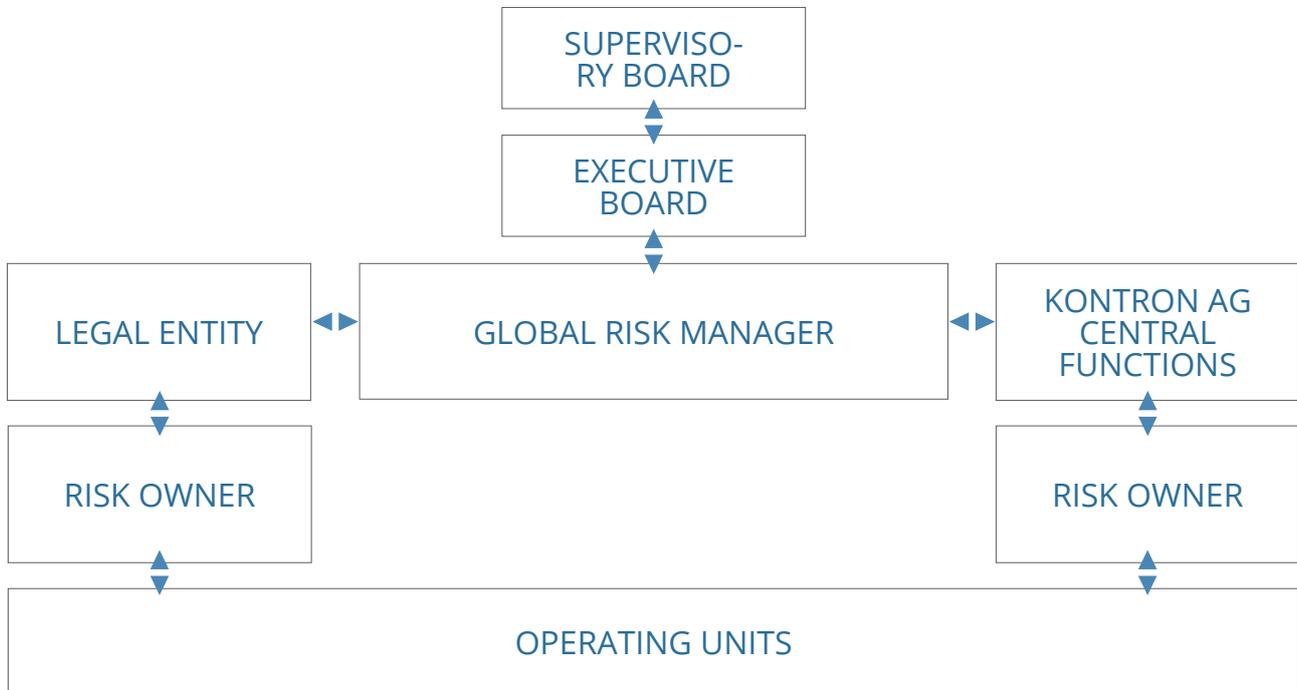
The Group Risk Management Manual also determines the responsibilities and procedures comprised in the risk management system. It lays down clearly defined directives, such as the definition of the principles of risk management, which are binding for all parties.

The risk management manual has been sent to all Group companies for use and can be viewed by all companies at any time in Kontron AG's central filing system. Newly acquired companies are introduced to risk methodology by the Group risk manager, including training in the risk management process.

Every six months, all key operating areas and companies in the Kontron Group report on their risks and name a "risk owner" who is responsible for each of these risks. Based on this, a risk report is compiled covering the entire Kontron Group which is then distributed to the Executive Board.

In addition to regular standard reporting, the companies are required to report risks ad-hoc if they exceed predefined limits.

Risk management organization



The probability of occurrence and the possible financial impacts are assessed according to predefined criteria. A rating system has been introduced which enables the comprehensive depiction of the relevance of the risks.

Each risk is assigned to a “risk owner”, whose responsibility it is to monitor the risk and the measures taken to manage it. Risk assessment updates and risk tracking take place in the regular reports to the Group’s risk manager, who aggregates these reports and forwards them to the Executive Board. The Executive Board regularly updates the Supervisory Board on the key risks.

This system ensures the Group-wide transparency and the effective handling of the risks facing the company.

Opportunity Management

Opportunity management means taking advantage of appropriate market developments through business activities and turning them into economic success for the Kontron Group. Kontron is continuing to move forward with a strategy of focusing on the IoT sector in order to take advantage of excellent opportunities for stable growth in revenue and earnings in this area. This also includes the goal of continuing to increase the software share in the various segments towards integrated hardware and software solutions and building up the new business areas that arise, such as IoT as a Service (IoTaaS).

This means specifically adapting the international structure of the Kontron Group to the market conditions in order to exploit development, sales and cost synergies and develop markets even more profitably.

Kontron regards the consistent development of new technologies – especially in the areas of mobility, secure connectivity, artificial intelligence and high-performance computer systems – as well as the optimization of existing proprietary technologies, as continuous opportunities to expand the Group’s product and service portfolio and strengthen its own value chain. At the same time, risks are minimized by focusing on new safety requirements and their standard-compliant implementation in hardware and software. Because projects and products are becoming more and more complex, Kontron deploys strong process-focused teams.

The Kontron Group considers the following areas to be among the main opportunities:

Digitalization and Smart Everything

Digitalization continues in all areas of life. The consistent expansion of the Kontron susietec® toolset supports digital transformation in continuously evolving Kontron markets. From system integration to software development, hybrid cloud, hardware/software bundles and installation, through to operation and maintenance, Kontron is an agile partner. The further expansion of KontronOS will establish a uniform operating system for the secure operation of a wide variety of hardware components. This operating system is adapted to special market requirements for specific areas of application (avionics, 5G, charging, solar). The Kontron Group is thus in a good position to exploit and monetize the opportunities of the digital transformation.

Upcoming technology changes in mobile communications

With special radio frequency ranges intended for industry switching to 5G and towards 6G, the technology now enables private networks, so-called campus networks, for smart factories. Among other things, these mobile radio standards provide high bandwidths, real-time applications and increased security despite larger numbers of subscribers. By creating its own business areas for “Mobile Private Networks” (MPNs) and “Mobile Solutions”, Kontron is seizing the opportunities that arise in these business areas for end-to-end solutions with 5G devices and network solutions from a single source. In addition to the use of 5G mobility modules in the automotive sector, this also includes the area of “mission-critical” mobile communication in the rail sector, which will be upgraded to the 5G-based FRMCS standard in the medium term, a field in for which Kontron is excellently positioned due to its new end-to-end 5G technology offering.

Artificial Intelligence

Artificial intelligence is showing strong growth rates in all areas. Kontron is taking advantage of these opportunities by expanding its hardware portfolio with new, high-performance platforms and co-processors to handle computational tasks in neural networks. Together with partner companies, suitable software applications are integrated and implemented for our customers on a project basis. The expansion of our own software activities made possible by the recent creation of our own AI software center enables us to realize growth opportunities.

Software and services focus

For the entire Kontron Group, we see great potential in the implementation of the software middleware strategy as part of our Industry 4.0 and IoT focus. The existing hardware portfolio was expanded with the addition of supplementary middleware solutions including seamless integration into private and public clouds. This enables us to offer innovative products, solutions, platforms and new developments in the Internet of Things sector. For example, we enable our customers to manage entire fleets of devices and machines over the entire life cycle of the product. The improved integration of hardware-based security solutions enables us to meet market requirements in terms of data protection and data security. In the future, the flexible IoTaaS (IoT as a Service) offering, particularly in the software sector, will also be expanded in order to generate additional recurring revenue and increase customer loyalty to the Kontron Group in the long term.

Scaling up our service and support activities

The expansion of our range of services also holds opportunities for the Kontron Group. Our primary goal is to further increase the added value of our products and solutions through services primarily for operating activities, as well as to develop new comprehensive services in products and solutions-based environments. This enables us not only to offer our customers complete solutions from a single source – from the necessary hardware and software to integration and operating services – but also to support them throughout the entire product life cycle. In addition, the Kontron Group's wider, international focus offers further potential for synergies and optimization.

Extension of existing and new partnerships

The Kontron Group sees targeted acquisitions, investments and partnerships as opportunities to complement and extend its core technological competencies. This also enables us to further develop our product portfolio and increase our market coverage. We therefore continuously monitor the markets and constantly explore opportunities to expand beyond organic growth through strategic acquisitions and partnerships and to supplement our technology portfolio in selected areas.

Another aspect of these activities is the higher speed in order to react in a timely manner to the rapidly changing requirements of the markets.

GreenTec

The Kontron Group currently offers numerous solutions that help save energy and use resources more efficiently to reduce carbon emissions. Kontron's solutions also aim to make these products more user-friendly. Kontron has identified a variety of new business fields for the Group arising from the need to contain the climate crisis for the good of society. Specifically, these include solutions such as the implementation of HEMS software (home energy management system) and the expansion of KontronOS and KontronGrid to include solar products, and various new products for intelligent charging solutions. This is where the Kontron Group sees numerous opportunities to offer solutions to the climate crisis.

Risk Management

Strategic risks

A strategic focus at Kontron is to increase synergies between the Kontron Group's hardware and software portfolio to supplement existing IoT solutions with the remaining IT Services. With regard to the Kontron Group's IoT Solutions segments, this means further integration of the product portfolio as well as the joint, cross-group development of new hardware and software solutions. Failure to implement this strategy could have a direct impact on the Group's risks. Despite the above, Kontron's strategy can turn out to be entirely or partially unproductive. For example, it cannot be ruled out that demand for the services offered by the Kontron Group that feature proprietary technologies fails to materialize or is lower than anticipated, that the necessary resources are not available or that the expansion of these business segments does not proceed as expected.

In each of the above cases, investments made with a view to implementing the strategy may be lost in whole or in part, especially since the technology industry is subject to constant change. The market is characterized by rapidly changing technologies, frequent introductions of improved or new products and services, as well as constantly changing and new customer requirements and changes in the regulatory area, e.g. data protection. To maintain the success of the Kontron Group it is therefore indispensable to anticipate new trends and developments in good time – in the fields of Industry 4.0, 5G/6G applications or cloud computing, for example – as well as changes in data protection, and to constantly adapt and improve existing products and services and develop new products in order to adapt to changing technologies, regulations, competitor products and customer demands. This requires the use of appropriate technical, human and financial resources. Any delay or prevention of the introduction of improved or new products and services, or their lack of or delayed market acceptance, may adversely affect the competitive position.

Acquisition risks

The Kontron Group's organic growth has been continuously accompanied in recent years by company acquisitions and therefore external growth. Company acquisitions involve a number of risks. That is why it is important to implement appropriate measures designed to minimize these risks. In particular, thorough due diligence in the acquisition process and years of industry experience help to minimize acquisition risks such as paying an excessive purchase price, overestimating the synergy effects, and legal risks that the acquisition may entail.

Following an acquisition, rapid group integration is required that takes cultural differences into account, as is transparent communication to reduce risks and avoid omissions that prevent taking full advantage of synergy effects. The implementation of Kontron AG standards and policies is vital here, also to minimize risks.

The takeover of new companies, in particular the Katek Group in 2024, still involves implementing integration tasks to ensure suitable integration of these companies into Kontron and to effectively exploit competitive advantages arising from the acquisition. However, the sale of group entities, or parts of them, can also lead to short-term disruptions to operations. In such cases, it is important to analyze potential impacts at an early stage and take appropriate actions.

Personnel risks

Our employees, their individual skills and their professional competence are a key driver for the success of the Kontron Group. Our goal of becoming one of the leading providers and employers in the technology sector creates the basis for attracting the best talents to the Kontron Group. This is highly relevant because in all the regions the Kontron Group operates in the availability of highly qualified employees is significantly below the number needed and it is therefore becoming increasingly difficult to fill all vacant positions at short notice. The Kontron Group starts competing for the best talent at an early stage and to this end cooperates with schools, universities of applied sciences and universities. Through internships, theses and other affirmative action, potential employees are shown the values and career opportunities within the Kontron Group. In addition, the acquisition of companies presents an opportunity to draw on a larger pool of personnel with the requisite skills. The loss of key personnel represents a significant risk for Kontron, and the lack of attractiveness as a future employer can also hamper the Kontron Group's plans for growth. There is also the risk of the workload becoming too much for individual employees or divisions if insufficient qualified personnel is available or can be recruited. Our employees are Kontron's most important resource. That is why it is essential to constantly protect employees and prevent health-threatening risks, particularly at manufacturing sites. In addition to the implementation of local safety regulations in the respective countries, this is also regulated centrally by a group-wide policy.

Risk from technologies

The Kontron Group develops its own Industrial IoT products for a large number of vertical markets. The products are based on computer technology (chips) sourced from the major manufacturers and cover a wide range of technologies: Starting with compact CPU modules (system on module) to flexible single-board computers and complex motherboards for powerful server PCs. Combined with application-specific housings and interfaces as well as communication and display technologies, products are developed that are modified or custom-tailored to meet specific customer requirements.

Proprietary software products are divided into low-level firmware (board support package), operating systems (Kontron has developed its own operating system for IoT applications: KontronOS) and applications in the IoT environment. Open source technologies are frequently implemented for these purposes. The products are mostly based on established industry standards to ensure compatibility with products from other manufacturers. There is always a risk that newly introduced products and product lines with a correspondingly large proportion of new technologies that are not fully developed will prove uncompetitive or find little acceptance on the market and therefore fail to achieve the desired revenue or contribution margins.

In the case of standard systems with a long-term roadmap and a high level of market acceptance, it is primarily delays in development that can mean that the product in question cannot be brought to market on time and thus partially miss the market window.

When it comes to new technologies and standards, there is a risk that the implementation periods specified by analysts are too short and that there are significant delays before meaningful sales can be achieved on the market. In rare cases, it can happen that a new standard does not become established on the market.

In all cases, the acquisition or development costs incurred and the related planned revenues and earnings contributions could be lost in whole or in part. The development process itself is being continuously optimized. The potential for obtaining funding from the public sector is also constantly being reviewed and exploited whenever possible.

Another risk factor relating to technology is underestimating a new trend, embracing it too late and thus jeopardizing market shares in the medium term. This is prevented by means of careful market and technology research and appropriate product management.

New cybersecurity standards must be constantly addressed and implemented in hardware and software products in order to eliminate any related risks for customers in the field and to avoid compliance risks. What is more, regulations, legislation, standardization and relevant directives need to be observed and complied with as they develop. Violation of regulations can jeopardize the market launch of new products.

Risks from sales markets

Among the chief risks resulting from an economic downturn or recession in countries in which Kontron operates are that pressure to cut costs may cause private or public sector customers to place fewer orders and that receivables from customers in these countries become irrecoverable. As a result, the order and earnings situation may deteriorate, to the detriment of the Kontron Group's assets, financial position and earnings. For Kontron, high pressure from competitors, which can also have an impact on the profitability of customer orders, for example, and fluctuations in the willingness of customers to consume or invest also represent significant risks. It

is therefore important to recognize trends at an early stage through continuous market observations and to quickly and reliably align products to meet the needs of customers. Kontron is constantly trying to take advantage of emerging trends. Short response times, lean internal processes and entrepreneurial thinking on the part of our employees enable and promote this process. There is also increasing evidence that new collaborations are forming and that competition on the market is changing or increasing. Kontron is responding to this by establishing new partnerships and intensifying existing ones. The form of these collaborations or this competition may pose a risk to the revenue development of particular Group companies.

More and more customers are also asking for general (ISO 27001) or industry-specific (e.g. in the rail sector) IT security certifications, the absence of which can prove detrimental, even going as far as exclusion from the customer's contract awarding process.

Weak economic growth, particularly in the DACH region, can negatively impact order intake at some Group companies. There is therefore a risk of missing the planned growth rate targets.

Risks from customers

Due to Kontron's business model, the company has a diversified customer structure, often with close customer relationships that have lasted for years or even decades. In the past, neither disproportionately high customer losses nor significant bad debts were recorded. The wide distribution of customers across a great number of different business segments reduces dependence on individual customers. In some markets (for example in the transportation sector) in which Kontron Group companies operate, the issue of long-term business relationships and their development is crucial, since a complex decision-making process involving planned infrastructure projects of public-sector customers sometimes takes several years. Sales activities must therefore be planned for the long term. On the other hand, there is always the risk that a project will not be won.

We believe that payment default of one or more customers is manageable under normal circumstances: Kontron has a highly diversified customer base with a four-digit number of customers. With regard to possible bad debt losses, Kontron also works with credit insurance and receivables factoring to reduce risk. Credit limits for customers are mainly granted individually on the basis of customer ratings or credit limits from recognized commercial credit insurers. Outstanding receivables are monitored by the management of the Group companies and are subject to a standardized valuation based on the requirements of IFRS 9.

Kontron will continue to operate strict receivables management in combination with credit insurance in the future to minimize the default risk of receivables.

Product-related risks

With regard to product quality, there is always a potential risk that a customer may suffer damage from defective products and subsequently assert warranty claims or demand additional compensation. We counter this risk through numerous measures, in particular through comprehensive technical quality assurance stretching from product development to production. In addition, all important suppliers are regularly audited via a professional quality management system. Furthermore, our worldwide service and repair centers ensure that faulty Kontron products can be quickly and effectively repaired and returned to our customers.

In addition, we cover our product risks with appropriate central and specific local insurance, in addition to special sector-specific insurance, for example in the aviation industry. It is equally important that the relationship between customized development orders and standard product orders is managed in the best possible way so that both are balanced. Strongly customer-driven business activities have caused an imbalance in distribution in the past and thus led to high complexity costs. The existing high number of variants of the individual products also makes handling in the operational area more difficult. We are countering this risk with more intensive coordination between the various parts of the company, from development right up to the production process. Continuous assessment of the product portfolio in the Group companies and the focus on innovative products helps to reduce product-related risks.

Risks from projects and operating contracts

Among other things, the Kontron Group also carries out IT projects in which IT solutions tailored to a customer's needs are planned and implemented. IT projects are regularly characterized by a high degree of complexity and incur a considerable expenditure of time and money. The same applies to so-called "design ins" in the Embedded Systems sector as well as to the implementation or deployment of GSM-R projects in the train radio sector, which usually take several years. The agreement of advance payments is not or only rarely possible for the majority of projects, especially for public sector clients. The services of the Kontron Group can therefore usually only be invoiced after the completion of pre-agreed project sections (milestones) or even after the completion of the entire project (go-live), so that the Kontron Group sometimes has to make considerable payments in advance when carrying out projects.

However, it cannot be ruled out that projects may be delayed, cancelled or for other reasons not lead to the hoped-for success, which may also result in milestones and the go-live date (i.e. the project acceptance date) not being achieved. This may lead to the partial or complete loss of investments already made or in services already rendered not being invoiced and any claims for damages against clients not being asserted or – for legal, economic or practical reasons – not being enforced. In addition, customer relationships can be broken off or permanently impaired in these cases. Group-wide methods and tools for project management and project controlling are used for risk management. In addition, the project controlling of the companies is regularly monitored centrally. Known project risks are adequately taken into account through the formation of appropriate risk provisions.

Risks from procurement and production

The Kontron Group sells hardware and software products such as embedded boards, embedded servers, mini computers, IPCs, network and security components, and smart meters. The procurement of goods and the punctual delivery of the products offered place high demands on the organization and logistics of the Group. The Group has outsourced parts of the logistics process. Consequently, it has no direct influence, or only limited influence, on these when it comes to preventing or remedying disruptions. Wars, forces of nature, epidemics, pandemics or strikes which hinder the production or transport of raw materials or finished goods may also lead to delays in the delivery of the goods.

Overall, global supply chains were largely stable in financial year 2025. However, there were significant price increases and availability risks for DRAM and NAND technologies in the second half of 2025, which are expected to continue into 2026. These developments require close coordination with suppliers and a flexible procurement strategy to ensure security of supply.

In addition, demand in the embedded market is changing due to the increasing influence of artificial intelligence (AI) and hyperscalers. While these technologies open up new growth opportunities, there is also the risk of conventional embedded solutions being sidelined into niche areas. Kontron is taking on this challenge by developing innovative products and strengthening strategic technology partnerships to meet the growing demand for powerful embedded computer systems and AI applications.

In addition to technological changes, geopolitical risks represent a key challenge. Political tensions, trade conflicts and the introduction of tariffs can significantly influence the cost structure. The import tariffs imposed by the US in 2025 led to temporary uncertainty for deliveries to the USA; supply chains were also adjusted as far as possible. The risk of further short-notice changes to tariffs remains. In addition, embargoes, export controls, and restrictions on the availability of critical raw materials and rare earths can also affect production. The largest actively exploited deposits of these materials are in China, making them highly exposed to geopolitical developments. Price increases and capacity bottlenecks cannot therefore be ruled out in the future.

Weaknesses in the general flow of the manufacturing process can also present risks such as operations-related production problems and even failures. Optimizations in the production process are continuously initiated through regular shop-floor meetings, improved training of production personnel, as well as optimized communication between demand planning and production. Ongoing observation of the EMS market environment is important in order to identify potential changes in the competitive environment at an early stage and to take appropriate countermeasures.

Thanks to the cooperation fostered between the Global Sourcing Group and local purchasing organizations, we have succeeded in making these market conditions more visible and therefore easier and faster to control by the organization thanks to the development and implementation of supply chain and planning tools.

We also succeeded in massively reducing our inventory levels in 2025 as a result of improved planning and visibility.

In 2026, the Kontron Group will continue to implement measures to improve sales and production planning and to diversify its supplier base. Nevertheless, it is not always possible to have a second-source for all suppliers (dependence on supplier companies). Partnerships with various chip manufacturers are being intensified to increase resilience to price fluctuations and supply bottlenecks where possible.

Despite all the measures taken to improve production planning, the purchasing process and optimizations in warehouse management, there is a risk of devaluation of inventories, which are assessed and evaluated by the Group companies on a regular basis, including a record of inventory devaluations.

Another risk is presented by older production machines at certain production companies, and these need to be kept up to date.

Risks from financing and liquidity

In the past financial year, banks had sufficient credit lines available to provide financial leeway even in the short term, in the context of M&A activities, for example. The good equity cover we have contributes to financial stability. When selecting banks, Kontron AG takes a close look at their creditworthiness. Accordingly, financing and investments are only concluded with banks that can be expected to have low default risks. In order to diversify, the Kontron Group has business relationships with several banks; and although financing is chiefly concluded centrally, it is also concluded locally by the subsidiaries. Compared to the beginning of 2022, the changes in the interest rate landscape led to a significant increase in the price of outside capital with variable interest rates. The principal central financing is received in euros. As a result of the fall in inflation rates in financial year 2024, the ECB made the first cuts in base interest rates. Inflation came close to the target value of 2% during 2025, with interest rates having previously reached record highs. Following multiple cuts to the interest rate, the ECB did not make further changes to interest rates from summer 2025. Experts expect a prolonged period of stable interest rates is imminent due to the inflation targets achieved and the moderate rate of economic development.

Risks from changes in interest rates

Interest rate risk represents the risk of changes in the value of interest-bearing financial instruments used to finance the Group due to fluctuations in market interest rates. Around 69% of the loans taken out and overdraft facilities used by the Kontron Group as of the balance sheet date 2025 have a variable interest rate (EUR 282.8 million), and EUR 127.8 million have a fixed interest rate. Regarding the bonded loans taken out in 2019 and 2024, EUR 27 million of the EUR 168.5 million is fixed, while interest rates for the remaining part are continuously monitored and quotations obtained for any conversion. The development of benchmark and swap rates of interest formed the basis for the decision to date to refrain from securing a fixed rate of interest. The financing of the Kontron subsidiaries, on the other hand, is largely subject to variable interest rates. There is a risk here that the EURIBOR or other reference interest rate for the local currency will rise, thereby increasing the interest burden on the Kontron Group. This is to be taken into account through increased internal financing of Kontron Group members by Kontron AG, which can usually refinance itself much more favorably than the local subsidiary.

Risks from currencies

Due to Kontron's international orientation, a high proportion of transactions are conducted in currencies other than the reporting currency EUR. These include in particular the US dollar as well as, to a lesser extent, for example, the Hungarian forint and Czech koruna. The volatility of individual currencies can have a significant impact on the revenues and earnings of Kontron AG and its subsidiaries. The foreign currency risk is countered by financing transactions in matching currencies, procuring external services in the respective local currency and agreeing currency fluctuation clauses. In individual cases, derivative financial instruments are used for hedging. Speculative transactions, i.e. taking risks outside the scope of operating activities, are not permitted within the Kontron Group. Only existing balance sheet items or cash flows that are highly likely to occur are used for hedging. The group of persons who can conclude corresponding hedging transactions is very limited. Existing transactions are reported on an ongoing basis and continuously monitored in a Group-wide IT system (TM5). For further information on the currency risk, please refer to the explanations on risk management in the notes to the consolidated financial statements.

Legal risks

Like any internationally active group of companies, Kontron AG and its subsidiaries are exposed to legal risks in different jurisdictions and to varying degrees. A fundamental distinction must be made between risks under company law, contract risks, patent risks and also tax and customs risks. Basically, the risk is minimized via standard processes and approval procedures as well as the use of standardized order and business terms and conditions. If necessary, external lawyers, auditors and tax advisers or other experts are involved in addition to the internal legal departments in order to assess risks, avoid legal risks or process matters.

We protect and monitor patents, trademarks and other intellectual property by involving external patent and trademark attorneys. To raise awareness of possible compliance issues and avoid possible violations, Kontron has a comprehensive system which is administered and monitored by the compliance management team at Kontron AG's headquarters and by local compliance officers. Kontron compliance standards are based on the usual market best-practice standards at both operational and procedural levels. Depending on the topics, the Kontron Compliance Program is implemented either globally or locally and is subject to an ongoing monitoring and optimization process. In addition to recurring standard measures such as compliance training, continuous expansion and updating of Group policies, risk assessments, monitoring, etc., new compliance initiatives are also carried out every year to address current, or event-related, compliance and governance topics. In the area of governance, ESG topics are also a major focus that is gaining in relevance.

Handling legal disputes, particularly with customers and suppliers, is a risk that is managed, among other things, with the related group companies working together with the legal and compliance department.

Political risks

The global political environment is highly volatile. Tensions in Asia (China vs. Taiwan, for example, where Kontron's largest shareholder, Ennoconn, is based), the war in Ukraine that has been raging for four years, the conflicts in the Middle East, the uncertainties in transatlantic relations and the political situation in the USA make the current global political environment unpredictable. Even decisions made by governments can no longer be taken as lasting or predictable in terms of a secure investment environment.

However, Kontron has the benefit of government subsidies for projects and support for basic research in a number of different countries. A reduction or cancellation of such government funding would have a significant impact on earnings.

As a consequence of weaker growth rates, or rates that were expected to be higher, large budget deficits and concomitant cuts in government spending, government investment could also be reduced, which would primarily affect Kontron companies that also generate a significant proportion of their revenue from the public sector.

In geographical terms, Kontron has continuously scaled down its exposure to the entire CIS region in recent years. Notwithstanding this, the indirect impacts of ongoing geopolitical tensions must still be taken into consideration. These relate in particular to the continuous implementation of Kontron's business processes in accordance with sanctions and increased sensitivity with regard to business activities in each country in the region, which requires appropriate careful monitoring and management.

IT risks

Violations of data protection laws can result in significant sanctions. The General Data Protection Regulation (GDPR) applicable in the European Union is of particular importance here. In order to increase the awareness of Kontron employees in this regard and also to make them aware of general IT security issues, the already proven series of online training courses covering IT security and data protec-

tion were used in financial year 2025. In light of the increasing use of AI in cyber attacks, additional training has been introduced on this topic and guidelines have been created.

Cyberattacks affecting IT (Information Technology) and OT (Operational Technology) represent a significant risk. In 2025, measures were taken to reduce the probability and impacts of such cyberattacks. These measures included regular training to promote security awareness, the expansion of multi-factor authentication for our IT services, the progressive standardization of services within the Kontron Group (such as the integration of Katek Group IT) and the increased use of modern protection mechanisms from the cloud supported by artificial intelligence (AI).

Mobile devices that are not kept up to date with the latest technology present significant risks.

To counteract this, the Mobile Device Management (MDM) solution is being expanded step-by-step. As a result, more restrictive guidelines for mobile devices are being established and monitored so that overall cybersecurity is strengthened. In the coming financial year, implementation of the NIS2 regulations will be particularly relevant because large fines are expected for violations. In addition, the risk of license violations in the IT and development sector is consistently reduced through continuous monitoring.

Climate risks

As part of a climate risk analysis, the potential impacts of physical risks such as floods, torrential rain, snow, heat waves, earthquakes and other natural hazards were examined. It was found that a flood risk existed in at least two locations, but this risk was rated as low since preventive measures such as dam reinforcements, local inspections and assessments were already in place. Snow events that could result in power outages, roof collapses or road closures were also identified as a risk. However, the existence of stable building structures, regular assessments and a 4-stage plan to secure the power supply were judged to be sufficient safeguards. There is also a potential risk of earthquakes at two locations.

Due to the on-site conditions, water stress and heat stress were adjudged to be non-critical. Rising energy prices and potential energy shortages were also identified as likely risks. Financial investments may also be necessary to replace the machines and technologies currently in use with low-emission alternatives, which could increase the risk of bad investments.

Climate risks are continuously reviewed as part of the risk management process and adjusted as necessary. At the same time, the Kontron Group is implementing measures with the aim of making its activities more climate-friendly and actively contributing to achieving climate goals.

05 Internal Control System, Group Accounting Process and Risk Management System

Business monitoring systems (internal control systems – ICS) are extremely important and gaining in relevance. Internal control is an integral part of enterprise-wide risk management within the Kontron Group. The internal control system is understood to be the principles, regulations and procedures introduced by the Executive Board of Kontron AG and the local managing directors of the Group companies, which are aimed at the organizational implementation of management decisions. The objectives to be safeguarded in this regard are the protection of assets against loss, misuse and damage, the achievement of organizational goals, the assurance of proper, economic, efficient and effective processes, the reliability of operational information, in particular the reliability of accounting, and compliance with laws and regulations. The ICS has a preventive and detective function and supports the flow of corporate processes.

Internal control is a process embedded in the work and operations of an organization, carried out by management and staff to identify risks, manage them and provide reasonable assurance that the organization is achieving its objectives by fulfilling its mission. In this context, an ICS refers to all essential business processes. One of the most important foundations for a functioning ICS is the definition of the structural and procedural organization in the company.

Kontron AG has been using an independent ICS manual for many years. In addition to the importance of an effective internal control system, the manual also sets out specific requirements for subsidiaries. In this context, the ICS also aims to ensure that the subsidiaries comply with Kontron Group processes and guidelines laid down by Kontron AG. The aim of these guidelines is to define and establish minimum standards for internal controls, to ensure their application and to derive measures that comply with ICS principles.

As with any general and entrepreneurial activity, there should be a balance between risk and control of the business, i.e. the cost/benefit aspect should be considered. The ICS comprises measures and controls based on the following principles, among others: transparency, confirmation by a second person, separation of functions and minimum scope of information. In general, the ICS manual of Kontron AG is based on the international COSO Model. The COSO model is a basic model for assessing the internal control system of companies, published by the Committee of Sponsoring Organization (COSO) of the US Treadway Commission and is regarded worldwide as a standard. The respective objectives and components (e.g. control environment, risk assessment, monitoring) of the COSO reference model are described in the ICS manual of Kontron AG.

The role of the internal audit, its tasks and activities, such as the procedure for audit planning, audit execution and the control process with regard to the improvement measures defined in the audits, are described in detail in the manual. In addition, the manual includes references regarding equally important ICS topic areas, such as business ethics and compliance.

The management of all subsidiaries of Kontron AG is obliged to comply with the requirements of the ICS manual. The monitoring of compliance with the requirements of the ICS manual as well as the assessment of the general control environment at the subsidiaries is carried out within the framework of regular or ad-hoc internal audits at the Group's companies. These are carried out by the central audit department of Kontron AG. In addition, the responsible Kontron Group functions, such as the Accounting, Controlling, Treasury or Internal IT departments, are required to continuously monitor compliance with the Group-wide guidelines for their areas of responsibility.

The main components of the internal reporting system are the standardized reports and scorecards, which are generally sent to the management on a monthly basis and to the company's supervisory board on a quarterly basis. In addition, the BI and analytics tool provides management with all key financial figures on a daily basis through direct access to the local financial systems of the main subsidiaries. Standardized core processes and job descriptions have defined procedures and internal controls. The guidelines for the subsidiaries are available in a central information system of Kontron AG.

The reporting, management and controlling of risks is structured hierarchically. The requirements of the accounting process are implemented in the finance departments at the respective companies. Risks of accounting errors are largely eliminated or minimized by the following processes:

- › Uniform IFRS accounting guidelines, supported by standardized reporting forms or files, are mandatory for accounting and consolidation. The Group Accounting Manual covers the relevant accounting standards as well as significant accounting issues, which are mandatory for all Group companies. The accounting manual is adapted to new developments and continuously updated. Newly acquired subsidiaries are connected directly to the COGNOS IT system for reporting to the parent company, thus establishing a single-stage consolidation process.
- › Local management is responsible for ensuring compliance with Group-wide requirements, while the central finance department at Kontron AG collates and evaluates all data before submitting standard reports to the Executive Board of Kontron AG and the management of the subsidiaries.

- › The authorization concept for the central accounting programs is uniformly regulated and centrally monitored. The aggregated and consolidated data of the COGNOS system can only be accessed by Kontron AG's finance department employees.
- › Furthermore, the completeness and correctness of accounting data are regularly checked by the central finance department on the basis of random samples and plausibility checks, both manually and with the help of IT. On the basis of detailed monthly and quarterly financial reports, deviations in the earnings and asset situation from planned and previous year's values are identified and analyzed. Another focus is on working capital and cash management, which is taken into account using centralized monthly reporting and analysis of developments. The results are discussed directly with the people responsible at the subsidiaries and decisions are made during regular visits to the companies on site or conference calls by the Executive Board member responsible for the respective subsidiary.
- › All Group reports are checked by the central financial department.
- › For more complex issues and for the evaluation of actuarial issues or, for example, the option pricing for the stock option programs, external experts are engaged either by Kontron AG itself or at local level.
- › The management of all companies is obliged to comment on significant risks. This is done through a regular risk assessment process coordinated by the Group-wide Head of Internal Audit. There, the bottom-up risk reporting is validated and monitored. As part of one of these regular processes of supplementary ad-hoc risk reporting, the subsidiaries are required to report new risks that may exceed a certain loss limit or significant deteriorations in existing risks. This also serves as a basis for scheduling and carrying out ad-hoc internal audits outside the standard audit calendar.

Further information on the risk management organization and process is available in the "Forecast, Opportunities and Risk Report".

06 Disclosures in accordance with § 243a UGB (Austrian Commercial Code)

1. As of the balance sheet date of 31/12/2025, share capital of Kontron AG amounts to EUR 63,860,568 and is divided into 63,860,568 no-par value bearer shares. As of 31/12/2025, the company held 1,109,815 treasury shares.

IN EUR	2025	2024
Subscribed capital as at 01 January	63,860,568.00	63,860,568.00
+ Increase in capital by authorized conditional capital	0.00	0.00
Subscribed capital as at December 31	63,860,568.00	63,860,568.00

2. The right to exercise votes at the annual general meeting is unlimited. The Executive Board of Kontron AG is not aware of any other limitations that might affect voting rights or the transferring of shares.
3. With 27.9% of the shares and voting rights held via two subsidiaries affiliated with Ennoconn Corporation, the Ennoconn Corporation, Taipei, Taiwan, is, as of December 31, 2025 the largest shareholder of Kontron AG known to Kontron AG.
4. No shares exist that grant special rights of control.
5. Employees who own shares in Kontron AG can exercise their voting rights at the Annual General Meeting directly and at their own discretion. There is no associated voting rights control or the possibility to exercise voting rights with stock options or equity warrants.
6. No stipulations exist that exceed the bounds of law and apply to the members of the Executive Board and Supervisory Board or to changes to the articles of association. According to Kontron AG's articles of association, the Annual General Meeting decides by a simple majority of the votes cast, and in cases where a majority of the share capital is required, by a simple majority of the share capital represented at the time of resolution, unless the law or Kontron AG's articles of association provide for a larger majority. The Supervisory Board is, in accordance with Section 145 second sentence of the Austrian Stock Corporation Act, authorized to adopt amendments and additions to the articles of association which relate only to the textual form (Section 13 of the Articles of Association of Kontron AG).

7. Authorized Capital 2025, Authorized Capital 2024, Authorized Capital 2020, Acquisition and Use of Treasury Shares

› Authorized capital 2025:

At the Annual General Meeting of Kontron AG on June 11, 2025, the Executive Board was authorized, for a period of up to five years after the amendment to the articles of association had been entered in the commercial register, to increase the share capital, with the approval of the Supervisory Board in accordance with Section 169 of the Austrian Stock Corporation Act, by up to EUR 2,000,000 by issuing up to 2,000,000 no-par value bearer shares in one or more tranches in exchange for cash and/or contributions in kind and to specify the issue price in agreement with the Supervisory Board, which must not be less than the pro rata amount of the share capital, as well as the issue conditions and other details pertaining to the capital increase. The Executive Board was also authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part. The Supervisory Board was authorized to adopt the amendments to the articles of association resulting from the issue of shares from authorized capital (Authorized Capital 2025).

In financial year 2025, no use was made of the Authorized Capital 2025.

› Authorized capital 2024:

At the Annual General Meeting of Kontron AG on May 06, 2024, the Executive Board was authorized, for a period of up to five years after the amendment to the articles of association had been entered in the commercial register, to increase the share capital, with the approval of the Supervisory Board in accordance with Section 169 of the Austrian Stock Corporation Act, by up to EUR 4,386,056 by issuing up to 4.386.056 no-par value bearer shares in one or more tranches in exchange for cash and/or contributions in kind and to specify the issue price, which must not be less than the pro rata amount of the share capital, as well as the issue conditions and other details pertaining to the capital increase. In this context, the Executive Board was also authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part. The Supervisory Board was authorized to adopt the amendments to the articles of association resulting from the issue of shares from authorized capital (Authorized Capital 2024).

Therefore, in financial year 2025, no use was made of the Authorized Capital 2024.

› Authorized capital 2020:

The Annual General Meeting on 16/06/2020, authorized the Executive Board to increase the share capital by up to EUR 2,000,000 for the purpose of servicing conversion or subscription rights under equity warrants (Authorized capital 2020) and in accordance with Section 169 of the Austrian Stock Corporation Act. This was not used and expired on 26 August, 2025.

› Acquisition and use of treasury shares:

The Annual General Meeting on June 11, 2025 authorized the Executive Board, in accordance with Section 65 (1) 8 of the Austrian Stock Corporation Act and Section 65 (1a) and (1b) of the Austrian Stock Corporation Act, to purchase bearer shares of the company totaling no more than 10% of the company's share capital for a period of 30 months from the date of resolution, both on the stock exchange and over the counter, the equivalent value of which may not be more than 10% below or above the average stock market price of the last five trading days before the purchase of the shares. The authorization may be exercised in whole or in part or in several installments, once or even several times and in pursuit of one or more purposes by the company, by an affiliated company (Section 189a (8) of the Austrian Commercial Code) or for the account of the company by third parties, provided that the share capital associated with the shares held by the company on the basis of this authorization, or other shares held, does not exceed 10% of the share capital at any time.

In addition, at the Annual General Meeting held on June 11, 2025, the Executive Board was authorized, for a period of 5 years from the resolution in accordance with Section 65 (1b) of the Austrian Stock Corporation Act, in agreement with the Supervisory Board, and without a new resolution by the Annual General Meeting, to sell or use treasury shares using a method other than through the stock exchange or through a public offering, in particular an over-the-counter sale (with partial or complete exclusion of shareholders' rights to repurchase), for example in the form of an accelerated private placement, or as a transaction currency not consisting in cash payment for the acquisition of companies, company shares, investments in companies or other assets, including excluding the quota purchase right of shareholders (exclusion of subscription rights) and to set the conditions of sale. This authorization may be exercised once or several times, in whole or in part or in several instalments and in pursuit of one or more purposes by the company, by an affiliated company (Section 189a (8) of the Austrian Commercial Code) or by third parties on behalf of the company. The provisions of this resolution apply to treasury shares held by the company at the time the resolution is passed.

In addition, at the Annual General Meeting on June 11, 2025, the Executive Board was authorized, during a period of 30 months from the date of resolution in accordance with Section 65 (1) (8) last sentence of the Austrian Stock Corporation Act, without further referral to the Annual General Meeting, with the agreement of the Supervisory Board, to reduce the share capital by redeeming treasury shares acquired without further resolution of the Annual General Meeting. The Supervisory Board was authorized to adopt amendments to the articles of association resulting from the redemption of shares.

In financial year 2025, Kontron AG did not carry out any share buybacks.

In financial year 2025, Kontron AG used 44,000 treasury shares to service stock options exercised by an employee as part of the 2018/2019 stock option program (tranches 2018 and 2019) at a price of EUR 15.71 per share. In addition, the Executive Board used 1,320,795 treasury shares, which corresponds to a rounded 2.07% of the company's share capital, to fulfill delivery obligations of its subsidiary Kontron Acquisition GmbH in connection with the acquisition of a further stake of around 12.19% of the share capital of Katek SE at a sale price of EUR 25.40 per Kontron AG share.

8. There are loan agreements whose conditions could change in the event of a "change of control" or which could lead to a termination of the loan agreement. Kontron AG's loan agreements with the financing banks provide for a termination option on the part of the banks in the event of a change of control at Kontron AG. A change of control is defined in the concluded agreements as obtaining a controlling interest in Kontron AG, whereby an increase in the (direct or indirect) interest of Ennoconn Corporation (or its legal successors) in Kontron AG does not constitute a change of control.
9. Indemnification agreements as defined by Section 243a (1) 9 of the Austrian Commercial Code do not exist.

Linz, March 25, 2026



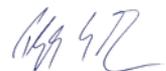
Hannes Niederhauser



Dr. Clemens Billek



Michael Riegert



Philipp Schulz

This management report contains statements that relate to the future development of Kontron AG as well as its economic development. These statements represent estimates that Kontron AG has made on the basis of all information available at the present time. If the underlying assumptions do not materialize or further risks occur, the actual results may differ from the results currently expected.

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CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT IN TEUR	NOTES	2025	2024
Revenues	(B.01)	1,607,259	1,684,821
Capitalized development costs	(B.02)	45,143	39,905
Other income	(B.03)	98,696	20,180
Expenses for materials and other services purchased	(B.04)	-930,907	-991,062
Personnel expenses	(B.05)	-453,532	-441,356
Depreciation and amortization	(B.06)	-74,351	-77,631
Other operating expenses	(B.07)	-129,274	-120,698
Result from operations		163,034	114,159
Finance income	(B.08)	7,581	6,358
Finance expenses	(B.08)	-28,205	-29,303
Financial result		-20,624	-22,945
Result from associated companies		11	0
Earnings before taxes		142,421	91,214
Income taxes	(B.09)	-4,268	-2,714
Profit/loss from continuing operations		138,153	88,500
Profit/loss from discontinued operations	(B.10)	1,945	3,142
Net income		140,098	91,642
Results from the period attributable to owners of non-controlling interests		-1,012	953
Results from the period attributable to owners of interests in parent company		141,110	90,689
Earnings per share from continuing operations (undiluted)	(B.11)	2.26	1.42
Earnings per share from continuing operations (diluted)	(B.11)	2.19	1.38
Earnings per share attributable to owners of interests in parent company (undiluted)	(B.11)	2.29	1.47
Earnings per share attributable to owners of interests in parent company (diluted)	(B.11)	2.22	1.42
Average number of shares in circulation (in thousands undiluted)		61,685	61,572
Average number of shares in circulation (in thousands diluted)		63,685	63,662

STATEMENT OF OTHER COMPREHENSIVE INCOME

STATEMENT OF OTHER COMPREHENSIVE INCOME IN TEUR	NOTES	2025	2024
Net income		140,098	91,642
Items that will not be reclassified to profit or loss			
Remeasurement according to IAS 19			
Gains (+) / losses (-) from remeasurement	(C.11)	1,660	-638
Results from remeasurement of financial instruments at fair value through other comprehensive income	(C.11)	7	-2,122
Deferred taxes on items that will not be reclassified to profit or loss	(B.09)	-395	133
		1,272	-2,627
Items that may be subsequently reclassified to profit or loss			
Unrealized gains/losses from currency translation		-12,126	5,448
		-12,126	5,448
Other comprehensive income		-10,854	2,821
Comprehensive income		129,244	94,463
of which attributable to			
the owners of non-controlling interests		-1,018	1,057
the owners of interests in parent company		130,262	93,406

CONSOLIDATED BALANCE SHEET

ASSETS IN TEUR	NOTES	31.12.2025	31.12.2024
NON-CURRENT ASSETS			
Property, plant and equipment	(C.01)	236,265	238,083
Intangible assets	(C.02)	166,411	157,306
Goodwill	(C.02)	255,117	262,574
Investments in associated companies	(C.03)	2,593	0
Financial assets non-current	(C.04)	100,341	12,738
Contract assets non-current	(B.01)	2,121	1,483
Other non-current assets	(C.05)	11,304	8,268
Deferred tax assets	(B.09)	59,730	64,311
		833,882	744,763
CURRENT ASSETS			
Inventories	(C.06)	318,516	373,289
Trade receivables	(C.07)	196,936	249,649
Contract assets current	(B.01)	77,782	71,585
Financial assets current	(C.08)	43,132	17,681
Corporate income tax receivables	(B.09)	5,839	3,769
Other receivables and assets current	(C.09)	47,508	47,319
Cash and cash equivalents	(C.10)	263,482	315,637
		953,195	1,078,929
Total assets		1,787,077	1,823,692
EQUITY AND LIABILITIES IN TEUR			
EQUITY			
Subscribed capital	(C.11)	63,861	63,861
Capital reserves	(C.11)	90,136	102,246
Accumulated results	(C.11)	626,949	522,694
Other reserves	(C.11)	-17,044	-6,196
Treasury shares	(C.11)	-22,351	-50,146
Equity attributable to owners of interests in parent company		741,551	632,459
Non-controlling interests	(C.11)	4,576	19,819
		746,127	652,278
NON-CURRENT LIABILITIES			
Financing liabilities non-current	(C.12)	216,720	305,760
Other financial liabilities non-current	(C.13)	84,313	97,368
Contract liabilities	(B.01)	19,730	5,657
Deferred tax liabilities	(B.09)	2,903	11,063
Provisions non-current	(C.14)	31,387	33,085
		355,053	452,933
CURRENT LIABILITIES			
Financing liabilities current	(C.12)	193,871	172,985
Trade payables	(C.15)	228,041	272,378
Contract liabilities	(B.01)	58,902	91,198
Other financial liabilities current	(C.16)	70,618	47,554
Corporate income tax liabilities	(B.09)	7,185	25,304
Provisions current	(C.14)	52,256	39,470
Other liabilities current	(C.17)	75,024	69,592
		685,897	718,481
Total equity and liabilities		1,787,077	1,823,692

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF CASH FLOWS IN TEUR

	NOTES	2025	2024
CASHFLOW FROM OPERATING ACTIVITIES FROM CONTINUING AND DISCONTINUED OPERATIONS			
Earnings before tax from continuing and discontinued operations		144,366	94,357
Depreciation and amortization		74,351	77,631
Interest expenses		28,205	29,303
Interest and other income from the disposal of financial assets		-7,581	-6,587
Result from associated companies		-11	0
Increase/decrease of provisions		-2,526	-19,567
Gains/losses from the disposal of non-current non-financial assets		60	559
Changes in inventories		50,162	69,872
Changes in trade receivable and contract assets		28,511	-8,319
Changes in other receivables and assets		-5,780	12,327
Changes in trade payable and contract liabilities		-49,614	-120,017
Changes in other liabilities		28,801	-11,452
Other non-cash income and expenses		-4,446	-1,704
Result from the deconsolidation of subsidiaries	(A)	-86,572	-5,541
Gain on disposal of discontinued operations	(B.10)	-1,945	-2,913
Cash and cash equivalents from operations		195,981	107,949
Income taxes paid		-28,294	-8,970
Cashflow from operating activities		167,687	98,979
CASHFLOW FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment and intangible assets		-83,201	-71,223
Payments received for the disposal of property, plant and equipment and intangible assets		2,453	2,697
Disposal/purchase of financial instruments		1,281	-542
Payments to acquire subsidiaries and other business units less cash assumed	(A)	-1,158	-106,470
Proceeds /Payments from disposal/sale of subsidiaries less cash disposed	(A)	18,080	30,523
Payments (net) from disposal of discontinued operations	(B.10)	-2,792	12,220
Interest income		7,070	5,704
Cash flow from investing activities		-58,267	-127,091
CASHFLOW FROM FINANCING ACTIVITIES			
Increase in financing liabilities and financial liabilities	(D.01)	82,571	406,762
Decrease in financing liabilities and financial liabilities	(D.01)	-181,018	-273,417
Interests paid		-27,089	-23,726
Acquisition/Disposal of non-controlling interests	(A)	5,795	-57,847
Payments for cash settlement of share options		-1,217	0
Dividends to owners of interests in parent company		-36,855	-30,833
Cash inflow / outflow for of treasury shares		212	-9,992
Cash flow from financial activities		-157,601	10,947
Changes in exchange rates		-3,974	567
Changes in cash and cash equivalents		-52,155	-16,598
Cash and cash equivalents as of the beginning of the period	(D.01)	315,637	332,235
Cash and cash equivalents as of the end of the period	(D.01)	263,482	315,637

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DEVELOPMENT OF EQUITY IN TEUR	NOTES	EQUITY ATTRIBUTABLE TO OWNERS OF INTERESTS IN PARENT COMPANY	
		SUBSCRIBED CAPITAL	CAPITAL RESERVES
as of January 1, 2024		63,861	127,148
COMPREHENSIVE INCOME			
Consolidated income		0	0
Other comprehensive income		0	0
		0	0
OTHER CHANGES			
Acquisition of subsidiaries		0	0
Stock options	(D.08)	0	1,136
		0	1,136
TRANSACTIONS WITH OWNERS OF INTERESTS			
Change in non-controlling interests	(C.11)	0	-26,038
Dividends	(C.11)	0	0
Repurchase of treasury shares		0	0
		0	-26,038
as of December 31, 2024		63,861	102,246
as of January 1, 2025		63,861	102,246
COMPREHENSIVE INCOME			
Consolidated income		0	0
Other comprehensive income		0	0
		0	0
OTHER CHANGES			
Stock options	(D.08)	0	-2,880
Other	(A)	0	0
		0	-2,880
TRANSACTIONS WITH OWNERS OF INTERESTS			
Change in non-controlling interests	(C.11)	0	-15,899
Dividends	(C.11)	0	0
Change in treasury shares	(C.11)	0	6,669
		0	-9,230
as of December 31, 2025		63,861	90,136

EQUITY ATTRIBUTABLE TO OWNERS OF INTERESTS IN PARENT COMPANY				NON-CONTROLLING INTERESTS	EQUITY
ACCUMULATED RESULTS	OTHER RESERVES	TREASURY SHARES	TOTAL		
462,838	-8,913	-42,973	601,961	2,010	603,971
90,689	0	0	90,689	953	91,642
0	2,717	0	2,717	104	2,821
90,689	2,717	0	93,406	1,057	94,463
0	0	0	0	51,154	51,154
0	0	0	1,136	0	1,136
0	0	0	1,136	51,154	52,290
0	0	2,819	-23,219	-34,402	-57,621
-30,833	0	0	-30,833	0	-30,833
0	0	-9,992	-9,992	0	-9,992
-30,833	0	-7,173	-64,044	-34,402	-98,446
522,694	-6,196	-50,146	632,459	19,819	652,278
522,694	-6,196	-50,146	632,459	19,819	652,278
141,110	0	0	141,110	-1,012	140,098
0	-10,848	0	-10,848	-6	-10,854
141,110	-10,848	0	130,262	-1,018	129,244
0	0	0	-2,880	0	-2,880
0	0	0	0	-3,340	-3,340
0	0	0	-2,880	-3,340	-6,220
0	0	0	-15,899	-10,885	-26,784
-36,855	0	0	-36,855	0	-36,855
0	0	27,795	34,464	0	34,464
-36,855	0	27,795	-18,290	-10,885	-29,175
626,949	-17,044	-22,351	741,551	4,576	746,127

A.

General Information

About Kontron AG

Kontron AG is an internationally operating technology company with a strategic focus on Internet of Things (IoT) solutions. With its portfolio, the undertaking addresses key growth areas of digital transformation and supports customers from various industries in networking, automating, and digitalizing business-critical processes. The focus is on integrated hardware and software solutions as well as service-specific applications with a high level of added value.

Kontron positions itself across selected fields of application, especially in the industrial digitalization, transport and traffic solutions, and secure communication and connectivity solutions segments. By combining technological expertise, industry-specific know-how, and international presence, the group of companies aims to achieve sustainable profitable growth in high-margin market segments.

The Kontron Group operates globally and is extensively represented around the world by companies in 23 countries. This broad geographical presence enables the Group to combine customer proximity with global scalability and to flexibly address regional market requirements. In the current financial year, the Group has around 7,000 employees.

Kontron AG is a public limited company under Austrian law with its headquarters in 4020 Linz, Industriezeile 35, Austria. It is registered at the commercial register court in Linz under FN 190272 m. The company's shares are listed in the Prime Standard of the Frankfurt Stock Exchange; Kontron is listed on Deutsche Börse's SDAX® and TecDAX®.

Principles of accounting

The consolidated financial statements of Kontron AG have been compiled according to the IFRS Accounting Standards as published by the International Accounting Standards Board and the interpretations of the IFRS Interpretation Committee (IFRS IC), as they are to be applied in the European Union, and the additional statements according to Section 245a (1) of the Austrian Civil Code (UGB). Unless otherwise noted, all amounts are denominated in thousands of euros (TEUR).

The accounting and valuation of assets and liabilities is based on the assumption that the company will continue to operate.

When rounded amounts and percentages are added up, rounding-related calculation differences may occur due to the use of automated calculation aids.

Macroeconomic uncertainties and risks

Economic growth in 2025 was once again moderate but stable amid macroeconomic conditions that were generally calmer than 2024. After prices had remained high in 2024, inflation again fell as a result of previous stringent interest rate policies and approached the European Central Bank's medium-term target of around 2%. Against this background, the ECB began a moderate easing of its monetary policy focus during 2025. At the same time, the global environment remained challenging due to ongoing geopolitical tensions. This continues to cause uncertainties in international supply chains, which are continuously monitored by Kontron. The 2025 financial year was characterized by continued uncertainties regarding U.S. customs policy. Despite the risk of further short-notice tariff changes, management currently does not expect any material impact on the Group's net assets, financial position, or results of operations. In ad-

dition, a number of risk factors identified as part of the sustainability analysis have an impact on the overall risk situation. These include in particular rising energy and material costs, stricter regulatory requirements, including in connection with hazardous substances and those of very high concern, potential loss of reputation and legal risks, and operational cybersecurity threats. Geographical climate risks, challenges due to a shortage of skilled workers and risks due to resource scarcity, which can impact both individual locations and parts of the value chain, are also taken into account.

In terms of resilience, it is clear that, due to the Kontron Group's focus on innovation, decarbonization and employee development, its business model is fundamentally able to address key sustainability risks while taking advantage of opportunities such as increases in efficiency and new market potential. Material aspects of the upstream and downstream value chain are also taken into account.

As an internationally operating concern, Kontron is strongly committed to global climate targets and promotes sustainable growth. Group management supports political objectives – including the Paris Climate Agreement and the European Green Deal – and continues to be a voluntary signatory of the UN Global Compact. With all these factors in mind, management is constantly evaluating potential sustainability risks. According to current assessments, however, there are still no material risks for the Kontron Group's business model. There is no need for impairment of assets nor a change in the underlying useful lives; there is also currently no need to adjust the recognition or valuation of provisions. Consequently, Management expects no material impacts from these risks on the Group's net assets, financial position, and earnings.

New and changed standards and interpretations

The following new or changed standards and interpretations were mandatory for the first time in financial year 2025:

NEW AND CHANGED STANDARDS AND INTERPRETATIONS – MANDATORY SINCE JANUARY 1, 2025

IAS 21	Amendments to IAS 21 Lack of exchangeability
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The first-time application of these new or revised standards had no impact on Kontron AG's consolidated financial statements.

The following table provides an overview of new and revised standards and interpretations published by the IASB but not yet mandatory for financial year 2025. An early application of these standards is not planned at this time.

The amendments and annual improvements made to various existing IFRS standards have no impact on the Group.

Of the newly introduced IFRS standards, only IFRS 18 has a moderate impact on the Kontron Group. IFRS 18 introduces stricter requirements for the presentation and disclosure of the statement of profit or loss, including new mandatory subtotals. The standard also requires additional disclosures and explanations to increase transparency of management-defined performance measures (Management Performance Measures – MPMs). In addition, IFRS 18 tightens the requirements for summarizing and itemizing information in financial statements.

11.A

NOTES 2025

Analyses carried out so far have shown that IFRS 18 is likely to lead to adjustments to the Kontron Group's statement of profit or loss, in particular as a result of changes in the assignment of individual revenue and expense items as well as necessary account adjustments. In addition, impacts on the cash flow presentation and on management performance measures are expected, some of which must be redefined or explained in more detail in the annex. Further, in-depth analyses are currently being carried out and the findings implemented.

STANDARDS ADOPTED BY THE IASB – NOT YET MANDATORY TO APPLY IN FINANCIAL YEAR 2025

PERIOD OF APPLICATION

IFRS 9 and IFRS 7	Amendments to IFRS 9 financial Instruments and IFRS 7 financial Instruments; disclosures: classes of financial instruments and level of disclosure (published: May 2024)	January 1, 2026
Various standards	Annual improvements to IFRS accounting standards – volume 11	January 1, 2026
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027
IFRS 19	IFRS 19 subsidiaries that are not subject to public accountability: disclosure	January 1, 2027

Accounting principles - accounting methods

The accounting methods used by Kontron are described at the beginning of each chapter and are marked with the heading.

Accounting methods>>>

Currency conversion

The consolidated financial statements are prepared in euros, which is the functional currency of the parent company.

Foreign subsidiaries

Each fully consolidated subsidiary determines its functional currency, which is the currency of the primary economic environment. The functional currencies of the subsidiaries are usually the respective national currencies.

The balance sheet values of the subsidiaries are converted into the presentation currency (euro) at the exchange rate on the balance sheet date. Expenses and income are converted at annual average exchange rates. The resulting exchange differences are included in Group equity under "Settlement accounts from currency conversion".

Foreign currency transactions

Foreign currency transactions are converted into the functional currency at the spot rate applicable at the time the transaction is first recognized. Monetary assets and liabilities denominated in a foreign currency are converted into the functional currency at each reporting date using the closing spot rate. Differences arising from the settlement or conversion of monetary items are recognized in profit or loss.

Significant exchange rates

The exchange rates of the most important currencies for the Kontron Group are as follows:

CURRENCY 1 EURO =	2025 AVERAGE Y-T-D RATE	2025 CLOSING RATE	2024 AVERAGE Y-T-D RATE	2024 CLOSING RATE
BGL	1.95583	1.95583	1.95583	1.95583
CAD	1.57873	1.60880	1.48211	1.49480
CHF	0.93703	0.93140	0.95263	0.94120
CNY	8.11850	8.22620	7.78747	7.58330
CZK	24.68794	24.23700	25.11980	25.18500
GBP	0.85679	0.87260	0.84662	0.82918
HUF	397.76749	385.15000	395.30387	411.35000
KZT	584.81130	593.49400	507.99107	545.56100
MKD	61.56063	61.56320	61.55965	61.47700
MYR	4.83386	4.76820	4.95027	4.64540
PLN	4.23966	4.22100	4.30580	4.27500
RON	5.04239	5.09680	4.97464	4.97430
RUB	94.05220	92.09380	100.10275	106.10280
TWD	35.02419	36.83930	34.73848	34.03600
USD	1.12998	1.17500	1.08238	1.03890
UZS	14,177.88142	14,124.60000	13,692.73825	13,424.60000

Discretionary decisions, estimates and assumptions

The preparation of the consolidated financial statements requires Management to make discretionary decisions, estimates, and assumptions relating to the use of accounting methods and the reported amounts of assets, liabilities, income, and expenses. All estimates and assumptions are assessed on an ongoing basis, and if required re-evaluated, and are based on historical experience and expectations with regard to future events. As a result of the uncertainty associated with these assumptions and estimates, actual results in future periods may result in adjustments to the assets and liabilities affected.

Current geopolitical developments are being constantly monitored in order to best counteract potential effects on the Group. According to Management's current assessment, these geopolitical developments have no direct significant impact on the Group's net assets, financial and earnings situation.

Main areas of application for discretionary decisions, assumptions and estimates

Primarily, the Group has made important future-focused discretionary decisions, estimates, and assumptions regarding accounting for acquisitions and disposals of subsidiaries, subsequent accounting for goodwill and other intangible assets (see Section C, Note 02), the recognition of deferred taxes on tax loss carryforwards and deductible temporary differences (see Section B, Note 09), as well as in relation to uncertain tax positions (see Section A, Deconsolidation of the Computer on Modules (COM) business), the valuation of inventories (see Section C, Note 06), the presentation of supplier financing agreements in the balance sheet and cash flow statement (see Section

C, Note 15 and 16) as well as the measurement of provisions (see Section C, Note 14), the accounting for leases (see Section C, Note 13) and the recognition of revenues from contracts with customers (see Section B, Note 01). The accounting for the deconsolidation of COM business in financial year 2025 is also based on important discretionary decisions, estimates, and assumptions (see Section A).

Changes in estimates

Changes in estimates are recorded in the period in which they were made.

In financial year 2025, changes were made to estimates and assumptions, in particular in connection with the recognition of deferred taxes on loss carryforwards and deductible temporary differences as well as for provisions. When recognizing provisions, the Group reviews its estimates, which are based on past experience and well-founded appraisals including forward-looking information, at each balance sheet date and updates the amounts accordingly. For more information, see Section B, Note 09 and Section C, Note 14.

Principles of consolidation

Kontron AG's consolidated financial statements include Kontron AG and all Group companies (subsidiaries) controlled directly or indirectly by Kontron AG as fully consolidated companies. As part of determining the scope of consolidation, Kontron AG (investor) analyses whether it directly or indirectly controls the potential subsidiary (investee). Control exists when

- › Kontron AG has power of disposition over the investee,
- › Kontron AG is exposed to variable returns or its rights to these variable returns due to its relationship with the investee, and
- › Kontron AG has the opportunity to use its power over the investee company to influence the level of variable returns.

The management of Kontron AG reviews the extent to which the requirements for consolidation continue to be met at each reporting date. Subsidiaries are fully consolidated from the time when Kontron AG has control over them and can exercise control at any time. According to the current assessment, there are no restrictions with regard to the Russian subsidiary that would result in loss of control.

Subsidiaries are consolidated as soon as control by the parent company ends; the assets and liabilities as well as proportionate equity components are derecognized accordingly.

Companies over which Kontron AG can have a significant influence (associated companies) are included in the consolidated financial statements using the equity method.

Shares in companies with a shareholding level below 20%, over which Kontron AG cannot exercise any significant influence, are recognized as financial assets and assigned to the category "at fair value without recycling gains or losses" in accordance with IFRS 9.

The uniform reporting date for all companies included in the consolidated financial statements is December 31.

The assets and liabilities of domestic and foreign companies included in the consolidated financial statements are recognized according to consolidated reporting and measurement methods.

All intragroup balances, business transactions, unrealized gains and losses from intragroup transactions and dividends are eliminated in full. In the consolidation processes, the income tax effects are taken into account and deferred taxes are recognized if necessary.

A subsidiary's losses are also attributed to shares with non-controlling interest if this results in a negative balance.

A change in the amount of investment in a subsidiary is recognized as an equity transaction, unless there is a loss of control associated with it.

Business combinations are accounted for using the acquisition method. The cost of a company acquisition is calculated as the sum of the consideration transferred, measured at the fair value at the acquisition date, and the shares with non-controlling interest in the acquired company. In each business combination, Kontron AG includes the shares with non-controlling interest in the acquired company either at fair value or at the corresponding share of the acquired company's identifiable net assets measured at fair value. Costs incurred as a result of the business combination are recognized as an expense and reported as other operating expenses. The results of the companies acquired are included in the consolidated financial statements from the related acquisition date.

If the Group acquires a company, it assesses the appropriate classification and designation of the financial assets and liabilities assumed in accordance with the terms of the contract, economic circumstances and prevailing conditions at the time of acquisition.

An agreed contingent consideration is recognized at fair value at the acquisition date. Subsequent changes in the fair value of a contingent consideration that represent an asset or a liability are recognized through profit or loss. A contingent consideration that is classified as equity is not revalued and its subsequent settlement is accounted for in equity.

Callable or fixed-term equity shares in subsidiaries with tender rights that are held by non-controlling shareholders represent financial liabilities for the Kontron Group. Such liabilities are initially recorded at fair value in accordance with IFRS 9. Regardless of whether the non-controlling shareholders are currently beneficial owners of the shares or not, the first consolidation takes place as an early acquisition, i.e. the shares covered by the tender right are attributed to the Kontron Group from the outset as if the right had already been exercised. As a result, the liability from the right to tender is measured at fair value in profit or loss on each reporting date.

At initial recognition, goodwill is measured at acquisition cost, which is measured as a surplus of the total consideration transferred and the amount of the proportion with non-controlling interest over the acquired identifiable assets and assumed liabilities of the Group. If the fair value of the acquired net assets exceeds the total consideration transferred, the Group reassesses whether it has correctly identified all acquired assets and all liabilities assumed and reviews the procedures used to determine the amounts that were to be reported at the acquisition date. If, after reassessment, this consideration is still below the fair value of the acquired subsidiary's net assets, the difference is recognized through profit or loss.

After initial recognition, goodwill is measured at acquisition costs less accumulated impairment losses. For the purpose of the impairment test, goodwill acquired in a business combination is assigned on the acquisition date to the cash-generating units of the Group that are expected to benefit from the business combination. This applies regardless of whether other assets or liabilities of the acquired company are allocated to these cash-generating units.

Group of consolidated companies

Comprised in the consolidated financial statements are Kontron AG and all subsidiaries upon which Kontron AG directly or indirectly exerts control. On December 31, 2025, Kontron AG's scope of consolidation consisted of 53 fully consolidated companies (PY: 66). Of these, five companies (PY: 6) are based in Austria and 48 companies (PY: 60) are based abroad. As of December 31, 2025, the Group has shareholdings in one company (PY: 0) that is accounted for using the equity method. Furthermore, two companies (PY: 1) are not included in the consolidated financial statements due to their minor importance.

The number of fully consolidated companies has developed as follows:

GROUP COMPANIES (NUMBER)	2025	2024
Number of fully-consolidated companies as of January 1	66	46
Companies founded	0	6
Group companies merged	-3	-4
Companies acquired	0	21
Disposals	-9	-3
Change in consolidation method	-1	0
Number of fully-consolidated companies as of December, 31	53	66

Change in the group of consolidated companies in 2025

The following companies were merged in the financial year 2025:

- › Kontron Solar GmbH, Memmingen, Germany: absorbing company Kontron eSystems GmbH (formerly eSystems MTG GmbH), Wendlingen am Neckar, Germany
- › Kontron Leipzig GmbH, Leipzig, Germany: absorbing company Kontron eSystems GmbH (formerly eSystems MTG GmbH), Wendlingen am Neckar, Germany
- › suntastic.solar GmbH, Bisamberg, Austria: absorbing company Kontron Austria GmbH, Engerwitzdorf, Austria

Acquisition of assets from ESCAT Dokumentenmanagement GmbH, Mondsee, Austria

With effect from January 1, 2025, Kontron AG, Linz, Austria, took over assets such as long-term customer contracts and inventories as well as some employees of ESCAT Dokumentenmanagement GmbH, Mondsee, Austria. ESCAT Dokumentenmanagement GmbH offers tailor-made document processing solutions primarily for medium-sized companies and will benefit from the Kontron Group's expanded service portfolio in the future.

The purchase price for these assets was TEUR 1,158.

The acquired assets represent a business operation in accordance with IFRS 3.

The assets and liabilities acquired were recognized at the following preliminary fair values upon the company's initial consolidation in the Group's consolidated financial statements:

NET ASSETS ACQUIRED	IN TEUR
Property, plant and equipment and intangible assets	193
Inventories	120
Trade receivables and contract assets (nominal value TEUR 71)	70
Other current receivables and assets	11
Deferred tax liabilities	-43
Non-current and current provisions	-22
Other current liabilities	-99
Net assets at fair value	230

GOODWILL	IN TEUR
Consideration transferred	1,158
Net assets at fair value	-230
Goodwill	928

With integration already completed in financial year 2025, Kontron can increase added value among existing customers by insourcing services previously provided by third parties and significantly expand its existing customer base. These synergies, along with the acquired customer base, are the main components of the goodwill resulting from the purchase price allocation, which was allocated to the "Europe" segment and is deductible for tax purposes.

The analysis of the cash flow in connection with the acquisition of the assets is as follows:

NET CASH FLOW	IN TEUR
Purchase price paid in cash	-1,158
Cash flow from investing activities	-1,158
Transaction costs from the acquisition	-6
Cash flow from operating activities	-6

Since full consolidation, the acquired business division of ESCAT Dokumentenmanagement GmbH has contributed TEUR 3,311 to Group revenue.

Deconsolidation of computer-on-modules (COM) business

With an agreement dated June 30, 2025, congatec GmbH, Deggendorf, Germany, bought a 96% stake in JUMPTec GmbH by means of a capital increase. The capital increase was carried out at nominal value. The transaction closed on June 30, 2025. With the resulting loss of control over JUMPTec GmbH, Kontron deconsolidated JUMPTec GmbH with effect from June 30, 2025. As part of the agreement, Kontron AG assigned a loan receivable amounting to TEUR 131,500 from JUMPTec GmbH to Zaire Investment SARL, Luxembourg, which itself indirectly controls congatec GmbH, and in turn, after meeting the closing conditions defined in the loan sale agreement, has assigned this loan, and thus the consideration to be provided to Kontron AG, to congatec GmbH. The consideration for the assigned loan (loan receivable purchase price) is TEUR 131,500, of which TEUR 5,500 was due, and was paid, within 15 days of closing. For the remaining consideration receivable amounting to TEUR 126,000, a payment agreement has been reached with repayment in several tranches and a maximum term through March 31, 2028, which allows full, early repayment. Shares of a holding company that controls congatec GmbH serve as security for the payment claim. In addition, a debt subordination was agreed for future obligations. The agreement provides for additional payment obligations for congatec GmbH in the event that no full repayment is made by September 30, 2026. Kontron AG's outstanding claim bears interest at normal market rates. As of the balance sheet date, the management of Kontron AG expects the loan to be repaid in full by September 30, 2026.

At the same time as the investment in JUMPTec GmbH, two other transactions were concluded. The companies involved in these transactions also operate in the computer-on-modules (COM) sector:

On June 30, 2025, congatec Inc., San Diego, USA, acquired 100% of the shares in Kontron America Modules LLC, Delaware, USA, from Kontron AG at a fixed purchase price of TEUR 25,980.

At the same time, congatec GmbH, Deggendorf, Germany, acquired 100% of the shares in Kontron Asia Embedded Design Sdn Bhd, Penang, Malaysia, from Kontron AG for a fixed purchase price of TEUR 20.

Both subsidiaries were deconsolidated with effect from June 30, 2025. The agreed purchase price payments were due within 15 days of closing and were paid in financial year 2025.

As part of the strategic investment agreement concerning JUMPTec GmbH and the two company sales, Kontron Group companies have contractually committed themselves to provide further services that are considered paid for with the agreed transaction payments. This commitment includes services that Kontron Group companies must provide for a transitional period of up to one year. The areas concerned are IT and software services and support, HR and accounting services, tax services and export control services. The related income is realized over a period of twelve months.

In addition, the strategic cooperation in software, production, and logistics, which was agreed in May 2025, has been expanded, opening up significant new sales channels for Kontron, especially for the "Software + Solutions" segment.

Since these agreements include services to be provided or performance bonds that Kontron AG has granted to congatec GmbH, these were recorded and valued separately in the accounting for the transaction. These services to be provided by Kontron Group companies and the performance bonds were recognized at a total of TEUR 26,644. Of this, TEUR 19,058 is assigned as provisions for warranty risks.

As part of the strategic investment agreement, Kontron AG and affiliated companies have concluded a contract with congatec GmbH and its affiliated companies to grant Kontron a further performance-based payment ("Earn Out") should the congatec Group and thus the COM business be sold by December 31, 2032. The essential condition of Kontron AG's claim is that at least 50% of the shares in the congatec Group are sold and the sale proceeds exceed an EBITDA exit multiple defined in the agreement. Depending on how far the specified minimum multiple is exceeded, this variable claim can increase to a maximum of TEUR 47,500. As of December 31, 2025, the claim was valued at TEUR 2,375.

The considerations for the 96% stake as part of JUMPTec GmbH's capital increase and the sale of 100% of the shares in Kontron America Modules LLC and Kontron Asia Embedded Design Sdn Bhd therefore consist of the nominal capital increase amount and the considerations (fixed and variable) minus the obligations and performance bonds agreed upon. In addition, congatec GmbH has assumed loan claims from Kontron AG to JUMPTec GmbH in the amount of TEUR 131,500 at the nominal value outstanding. Of the receivables, TEUR 5,500 were paid immediately and the remaining balance of TEUR 126,000 was deferred and is due for payment in a maximum of five tranches starting from September 30, 2026 until March 31, 2028 at the latest.

Kontron allocates the cash flows expected as part of the transaction in proportion to the services to be provided as per the scope of supply as follows:

- › Services to be provided by Kontron Group companies for a transitional period of up to one year will promptly lead to cash outflows for the companies. Accordingly, the incoming payments received by congatec are allocated primarily to compensate for these services in full and, when paid, are included in cash flow from operating activities.
- › The agreed payment streams related to congatec GmbH's entry into the COM business will be received in up to five tranches by no later than 31 March 2028 and will be recognized within cash flows from investing activities.
- › The consideration allocated in proportion to the agreed price reductions on future supplies and services will be received in five tranches over the maximum specified period until March 31, 2028 and, when paid, will be recognized in cash flow from operating activities.

As part of accounting for the deconsolidations and the effects of the strategic investment agreement, the management of Kontron AG must make the following fundamental estimates and discretionary decisions:

- › Concerning the variable considerations they particularly relate to the size of the expected variable earn out and the valuation of the call option in favor of congatec GmbH to Kontron's remaining 4% shares in JUMPtec GmbH. Based on existing, comparable transactions by investment funds, it was assumed that the minimum EBITDA exit multiple would be exceeded by around 5% when estimating the size of the variable earn out.
- › Concerning the recognition of contractual obligations in terms of amount. For this purpose, assumptions were made regarding the personnel resources required to fulfill the performance obligations. Recognition of obligations regarding expected price reductions on future deliveries by Kontron amounting to TEUR 13,524, was based on the forecast of production volumes at that time, for which Kontron will be granted an additional discount on deliveries under an existing supply contract. The size of the provision for the performance bonds includes likely claims, taking into account the probability of occurrence and expected size of the bond.
- › Regarding compliance with the requirements for final tax neutrality. congatec GmbH also has the option of acquiring, under certain conditions, the remaining stake in JUMPtec GmbH. As a result of a legal restructuring carried out during the financial year, the shares held in the Kontron Group as of the reporting date are subject to a blocking period of a further seven years, meaning that a sale of part, or all, of the shares would result in retroactive tax liability. As a result of the call option granted to congatec on the remaining shares in JUMPtec GmbH, there are uncertainties whether the conditions for the final tax neutrality of the hidden reserves discovered as part of the restructuring will be fulfilled. Kontron assumes that the option will not be exercised within the next seven years due to their close cooperation and mutual understanding, as well as in consideration of congatec's current plans, and therefore estimates the probability of an actual tax burden as low. In the event that, contrary to expectations, the option will be exercised within the next seven years, Kontron will face a tax risk as of December 31, 2025, to the amount of EUR 21 million, which will be reduced by one seventh in each subsequent year.

Regardless of the seven-year retention period for the remaining shares in JUMPtec GmbH, Kontron assumes that the restructuring is tax-neutral from a German perspective and that related expenses are tax deductible.

The goodwill attributable to the COM business was assigned to the cash-generating units "Industrial" and "North America" and was derecognized in the amount of TEUR 6,764.

11.A

NOTES 2025

The discontinued assets and liabilities at the time of the deconsolidation, the consideration, and the net inflows of cash and cash equivalents are as follows:

NET ASSETS DISPOSED OF	IN TEUR
Cash and cash equivalents	3,776
Property, plant and equipment and intangible assets	9,464
Goodwill	6,764
Deferred tax assets	2,222
Inventories	5,457
Trade receivables and contract assets	13,764
Other current receivables and assets	1,046
Other non-current liabilities	-227
Non-current and current provisions	-179
Trade payables	-16,321
Contract liabilities	-69
Income tax payables	-2,064
Other current liabilities	-1,996
Net assets disposed of at carrying amount	21,637
Consideration less transaction costs	-111,080
Accumulated amount included in OCI	2,432
Result of deconsolidation (profit)	-87,011
Consideration received	23,664
Cash and cash equivalents disposed of	-3,776
Net cash inflow from investing activities	19,888

Transaction costs amounting to TEUR 2,326 were recognized within cashflow from operating activities.

Deconsolidation of other companies of the Kontron Group

The Kontron Group deconsolidated the following companies in the financial year 2025:

- › Katek Malaysia SDN. BHD., Kuala Lumpur, Malaysia
- › S&T MEDTECH SRL, Bucharest, Romania
- › Katek LT UAB, Panevezys, Lithuania
- › KATEK Singapore Pte. LTD., Singapore
- › Katek Electronics Malaysia SDN. BHD., Kuala Lumpur, Malaysia
- › Kontron Partner Kft., Budaörs, Hungary

In financial year 2024, Katek SE, Ismaning, Germany, an indirect subsidiary of Kontron AG, Linz, Austria, decided to liquidate its subsidiaries Katek Malaysia SDN. BHD., Kuala Lumpur, Malaysia, and Katek LT UAB, Panevezys, Lithuania. With registration of the liquidation, Katek Malaysia SDN. BHD. was deconsolidated as of June 30, 2025 and Katek LT UAB as of September 30, 2025.

As of June 30, 2025, Kontron AG, Linz, Austria, deconsolidated its subsidiary S&T MEDTECH SRL, Bucharest, Romania, due to negligibility.

In financial year 2025, Katek SE, Ismaning, Germany, an indirect subsidiary of Kontron AG, Linz, Austria, decided to liquidate its subsidiaries Katek Electronics Malaysia SDN. BHD., Kuala Lumpur, Malaysia, and Katek Singapore Pte. Ltd, Singapore, and, following notification of liquidation, deconsolidated the companies with effect from December 31, 2025.

In December 2025, Kontron AG, Linz, Austria, signed an agreement for the sale of 100% of the shares in Kontron Partner Kft., Budaörs, Hungary. The purchase price amounts to TEUR 200.

The discontinued assets and liabilities at the time of the deconsolidations and the net inflows of cash and cash equivalents are as follows:

NET ASSETS DISPOSED OF	IN TEUR
Cash and cash equivalents	796
Property, plant and equipment and intangible assets	673
Other non-current assets	9
Inventories	877
Trade receivables and contract assets	4,914
Income tax receivables	56
Other current receivables and assets	59
Non-current and current provisions	-41
Financing liabilities current	0
Trade payables	-4,333
Contract liabilities	-1
Other current liabilities	-1,161
Net assets disposed of at carrying amount	1,848
Income from sale of subsidiaries	-200
Accumulated amount included in OCI	1,238
Result of deconsolidation (loss)	2,886
Consideration received, satisfied in cash	200
Cash and cash equivalents disposed of	-796
Net cash outflow	-596

Of the deconsolidation result of TEUR -2,886, TEUR 394 is posted as other operating income and TEUR -3,280 as other operating expenses.

Cash and cash equivalents were down by a further TEUR 1,212 due to the change in the type of consolidation of Comlab Beijing Radio Frequency Technology Co. Ltd. from full consolidation previously to consolidation at-equity.

Acquisition and disposal of non-controlling interests

Due to changed legal requirements in China and a resulting loss of control over Comlab Beijing Radio Frequency Technology Co. Ltd., Beijing, China, since January 1, 2025, this company is no longer included as a fully consolidated company in the consolidated financial statements of Kontron AG, Linz, Austria, but is recognized in the consolidated financial statements using the equity method. As a result of the change in the consolidation method, non-controlling interests amounting to TEUR 3,340 were disposed of.

In the period from July to September 2025, Kontron AG, Linz, Austria, had sold a total of 388,731 shares in the fully consolidated Katek SE, Ismaning, Germany, for a total of TEUR 7,471 and in several transactions. As a result, the non-controlling interest in this company had increased from 12.64% to 15.33%. In October 2025, Kontron AG acquired a total of 1,761,060 shares in Katek SE by means of a share swap of 4 shares in Katek SE for 3 shares in Kontron AG, reducing the non-controlling interest in Katek SE to 3.14% as of December 31, 2025.

In November 2025, at the request of its main shareholder Kontron Acquisition GmbH, Ismaning, Germany, Katek SE hosted an extraordinary general meeting to pass a resolution on the transfer of 453,894 shares held by the remaining shareholders in Katek SE (minority shareholders) to Kontron Acquisition GmbH in return for a cash settlement of EUR 18.12 per share in Katek SE (squeeze-out under stock corporation law, pursuant to Art. 9 (1) (c) ii) of Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) in conjunction with Section 327a (1) (1) of the Stock Corporation Act). The extraordinary general meeting took place on December 30, 2025. With the entry of the resolution in the commercial register on March 6, 2026, the transfer of 453,894 shares to Kontron Acquisition GmbH became final. On the date of registration in the commercial register, the remaining shareholders of Katek SE were entitled to cash compensation of EUR 18.12 per share. The total compensation payment therefore amounts to TEUR 8,225.

For more information on non-controlling interests, see Section C, Note 11 .

Group companies

As of balance sheet date December 31, 2025 and December 31, 2024, the following companies belonged to the Kontron Group:

COMPANY	HEADQUARTERS	DIRECT PARTICIPATION	PARTICIPATION PREVIOUS YEAR	FUNCTIONAL CURRENCY
Kontron AG	Linz, AT	Parent company	Parent company	EUR
Kontron AIS GmbH	Dresden, DE	100%	100%	EUR
Kontron Technologies GmbH	Linz, AT	100%	100%	EUR
CBCX Technologies GmbH	Linz, AT	100%	100%	EUR
Kontron Services Romania S.R.L.	Bukarest, RO	100%	100%	RON
Kontron Bulgaria EOOD	Sofia, BG	100%	100%	BGN
Kontron Partner Kft.	Budaörs, HU	-	100%	HUF
Kontron Hungary Kft.	Budaörs, HU	100%	100%	HUF
S&T MEDTECH SRL ¹⁾	Bukarest, RO	100%	100%	RON
Kontron Austria GmbH	Engerwitzdorf, AT	100%	100%	EUR
Kontron Electronics AG	Rotkreuz, CH	100%	100%	CHF
suntastic.solar GmbH	Bisamberg, AT	-	100%	EUR
Kontron America Modules, LLC	Delaware, US	-	100%	USD
Kontron Asia Embedded Design SDN. BHD.	Penang, MY	-	100%	MYR
Kontron Beteiligungs GmbH	Ismaning, DE	100%	100%	EUR
Kontron Hartmann-Wiener GmbH	Burscheid, DE	100%	100%	EUR
Kontron Europe GmbH	Ismaning, DE	100%	100%	EUR
JUMPtEC GmbH	Deggendorf, DE	-	100%	EUR
Kontron Modular Computers S.A.S.	Toulon, FR	100%	100%	EUR
Kontron UK Ltd.	Chichester, GB	100%	100%	GBP
Kontron Electronics GmbH	Frickenhausen, DE	100%	100%	EUR
Kontron Electronics Kft.	Tab, HU	100%	100%	HUF
Kontron America Inc.	San Diego, US	100%	100%	USD
Bsquare EMEA Ltd	Trowbridge, GB	100%	100%	GBP
Kontron Canada Inc.	Boisbriand, CA	100%	100%	USD
Kontron Asia Pacific Design Sdn. Bhd.	Penang, MY	100%	100%	MYR
Kontron Technology Beijing Co. Ltd.	Beijing, CN	100%	100%	RMB
Kontron Hongkong Technology Co. Ltd.	HongKong, CN	100%	100%	RMB

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NOTES 2025

COMPANY	HEADQUARTERS	DIRECT PARTICIPATION	PARTICIPATION PREVIOUS YEAR	FUNCTIONAL CURRENCY
Kontron Asia Inc.	Taipeh, TW	100%	100%	TWD
Kontron Asia Technology Inc.	Taipeh, TW	100%	100%	TWD
Quanmax Malaysia Sdn. Bhd	Penang, MY	100%	100%	MYR
Kontron Acquisition GmbH	Ismaning, DE	100%	100%	EUR
KATEK SE	Ismaning, DE	96.9%	87.4%	EUR
Kontron eSystems GmbH	Wendlingen am Neckar, DE	100%	100%	EUR
Kontron Solar GmbH	Memmingen, DE	-	100%	EUR
Kontron Solar Bulgaria EOOD	Saedinenie, BG	100%	100%	BGN
Kontron Leipzig GmbH	Leipzig, DE	-	100%	EUR
Kontron Automotive GmbH	Düsseldorf, DE	100%	100%	EUR
Katek LT UAB	Panevezys, LT	-	100%	EUR
beflex electronic GmbH	Frickenhausen, DE	100%	100%	EUR
KATEK Malaysia SDN. BHD.	Kuala Lumpur, MY	-	100%	USD
KATEK Singapore Pte. Ltd.	Singapore, SG	-	100%	USD
KATEK Electronics Malaysia SDN. BHD.	Kuala Lumpur, MY	-	100%	USD
Katek GmbH	Grassau, DE	100%	100%	EUR
KATEK Czech Republic s.r.o.	Horní Suchá, CZ	100%	100%	CZK
Katek Hungary Kft.	Győr, HU	100%	100%	EUR
Kontron Canada Systems Inc.	Cornwall, CA	100%	100%	USD
Nextek Inc.	Madison, US	100%	100%	USD
Kontron Transportation GmbH	Vienna, AT	100%	100%	EUR
Kontron Transportation Sp. z o.o.	Warsaw, PL	100%	100%	PLN
Kontron Transportation España SL	Madrid, ES	100%	100%	EUR
Kontron Public Transport Arce S.A.U.	Bilbao, ES	100%	100%	EUR
Kontron Transportion Portugal, Unipessoal LDA	Lissabon, PT	100%	100%	EUR
Kontron Transportation s.r.o.	Prague, CZ	100%	100%	CZK
Kontron Transportation Deutschland GmbH	Immenstaad am Bodensee, DE	100%	100%	EUR
Kontron Transportation France S.A.S.	Paris, FR	100%	100%	EUR
Kontron Transportation UK Ltd.	Harrow, GB	100%	100%	GBP

COMPANY	HEADQUARTERS	DIRECT PARTICIPATION	PARTICIPATION PREVIOUS YEAR	FUNCTIONAL CURRENCY
Kontron Public Transportation NV	Diegem, BE	100%	100%	EUR
Kontron Transportation Schweiz AG	Ittigen, CH	100%	100%	CHF
Comlab Beijing Radio Frequency Technology Co. Ltd. ²⁾	Peking, CN	45.9%	45.9%	RMB
Kontron SI d.o.o.	Ljubljana, SI	100%	100%	EUR
Kontron d.o.o.	Kranj, SI	100%	100%	EUR
Kontron DOOEL	Skopje, MK	100%	100%	MKD
IskraCom	Almaty, KZ	100%	100%	KZT
OOO Iskratel Tashkent	Tashkent, UZ	76.0%	76.0%	UZS
JSC Iskra Technologies ³⁾	Yekaterinburg, RU	48.4%	48.4%	RUB
Interactive Energy Lab OOO ¹⁾	Moscow, RU	100%	100%	RUB

1) Company not consolidated due to minor importance.

2) At-equity inclusion in the consolidated financial statements from January 1, 2025. Control based on majority of voting rights in the previous year

3) Control over 51.6% of the shares with non-controlling interest due to a call option exercisable at any time up to December 31, 2027. The option is to be seen as a substantive right of Kontron AG as of the reporting date.

Finalization of purchase price allocations for company acquisitions from financial year 2024

As of December 31, 2024, the purchase price allocation relating to the acquisition of 100% of the shares in suntastic.solar Solutions GmbH (renamed suntastic.solar GmbH), Bisamberg, Austria, and the acquisition of an operating subsidiary of suntastic.Solar Handels GmbH, Bisamberg, Austria, was recorded at preliminary fair values.

Final calculation during financial year 2025 of the acquired assets and liabilities at fair values and the resulting goodwill did not result in any change compared to the preliminary recognition as of December 31, 2024.

B.

Notes to the consolidated statement of profit or loss

01 Revenue from contracts with customers

Accounting methods>>

Revenue includes all income that results from typical business activities and is recognized in accordance with IFRS 15 from contracts with customers. The rules of IFRS 15 are implemented as part of the 5-step model.

Timing of the fulfilment of performance obligations

The group sells consulting, installation and repair services. These services are rendered on a time or material basis and are recognized as revenue according to the time spent or upon acceptance of the service by the customer.

The Group has implemented a standardized process to determine the time (date or time period) that revenue is recognized.

Revenue is recognized over time in cases where:

- › the customer receives the benefit from a service of the company and can use it while the service is being provided,
- › the entity's performance creates or enhances an asset over which the customer acquires control during the creation or enhancement; or
- › the entity's performance creates an asset that has no alternative use to the entity and the entity has a legal right to payment for the services already provided.

If services are provided under a fixed-price contract, whereby the contract duration is usually less than one year, revenue is recognized over time according to the stage of completion. In the case of temporary contracts, the degree of completion is determined on the basis of the hours worked to date in relation to the planned total hours. For material contracts, the degree of completion is determined on the basis of the costs incurred to date in relation to the planned total costs.

If circumstances arise that change the original estimates of revenues, costs or completion degree, these estimates shall be adjusted. These adjustments may result in an increase or decrease in the revenues recorded so far and are shown in income results of the period in which management has become aware of these circumstances.

If the result from a customer contract cannot be reliably determined, the contract revenue will only be realized in the amount of the costs incurred. If total contract costs are likely to exceed the total contract revenue, the expected loss is recognized immediately as an expense.

Revenue from the sale of goods and products is recognized when the customer has acquired control of the goods and products sold and risk has been transferred. This occurs when the goods and products are dispatched, taking into account the Incoterms agreed with the customer in each case. Price discounts and volume rebates represent variable remuneration that is estimated when the contract is concluded and adjusted accordingly in the revenue, so that no significant reversals are highly likely to occur in later periods once the uncertainty associated with the variable remuneration no longer exists.

Allocating the transaction price to performance obligations

Contracts that include the delivery or provision of several separable products or services must be separated into individual components, with a separate revenue contribution determined for each component. In the Kontron Group, this can relate in particular to the combination of hardware installations combined with service business or product deliveries with extended warranty or maintenance services. The agreed fee is divided between the individual components on the basis of the pro rata individual sale prices and the revenue for each component is realized separately.

Agency services

When more than one party is involved in providing goods or services to a customer, an entity must distinguish whether it is acting as a principal and consequently recognizes revenues on a gross basis, or as an agent with revenues recognized at the net amount. An entity acts as a principal when it has control over a promised product or service before transferring it to the customer. In the Kontron Group, this distinction is particularly relevant when selling hardware and software from third parties, since Kontron has no control over the products delivered to the customer in individual cases.

Contract balances from contracts with customers

In return for the transfer of promised goods and services, payments are made by the customer as remuneration. A contract asset represents the contingent right to consideration in exchange for complete fulfilment of the contractual services. When the right to receive the consideration becomes unconditional, a receivable is recognized accordingly. The contractual liability relates to payments received in advance, i.e. before the contractual services have been performed. Contractual liabilities are recognized as revenues as soon as the contractual services have been rendered.

Performance obligations

Sale of products featuring proprietary technologies (hardware and software)

The performance obligation for the sale of proprietary technology products is fulfilled at the time when the control of the asset or the ability to use it is transferred to the customer. This is generally the case on delivery of the proprietary technology products, taking into account the respectively agreed Incoterms. The payment term is usually between 30 and 90 days after delivery. Price reductions or quantity discounts are only granted in exceptional cases. The same applies to return rights: in these cases, proprietary technology products are made available free of charge to customers as part of test positions or proof of concept.

The Group grants customary warranty rights for its own products that represent an assurance that the product in question meets the contractually agreed specifications (so-called assurance-type warranty). In a few cases, additional extended warranties or maintenance services are offered, which constitute a separate performance obligation in a combined contract. In these cases, the total consideration is allocated between performance obligations based on relative individual selling prices and revenues are recognized over the warranty or maintenance period.

Sale of products from third parties (hardware and software)

The performance obligation for trading in third-party products, for example HP, IBM, Cisco or Microsoft, where the sale of the hardware and software is the only performance obligation, is fulfilled at the time when control of the asset is transferred to the customer. The payment term is usually between 14 and 30 days after delivery. Subsequent price reductions, quantity discounts or return rights are only granted in exceptional cases. The legal warranty obligation in these cases lies with the manufacturer of the products. In this case, Kontron will only act as a vicarious agent for the handling of the manufacturer's warranty obligations against separate commissioning and payment by the manufacturer.

As a rule, various consulting services in the area of product selection or license optimization together with the actual transfer of the software license form a uniform performance obligation, which is why Kontron acts as the principal. In individual cases, Kontron engages only in licensed trading. This does not give the Group any control over the delivered products or licenses before they are transferred to the customer. In this case, Kontron acts as an agent and recognizes revenue only to the extent of the net amounts to which there is a claim as consideration for the agency activity.

Operating services

The performance obligation for recurring operating services, such as maintenance and support contracts for IT infrastructure and applications, is fulfilled over the period of the underlying contracts. Invoices are usually issued monthly with a payment term of between 14 and 30 days. There are no discounts in this area.

2024 IN TEUR	EUROPE	GLOBAL	SOFTWARE + SOLUTIONS	TOTAL
Sale of products featuring proprietary technologies (hardware and software)	616,822	185,338	209,920	1,012,080
Sale of products from third parties (hardware and software)	129,994	39,136	62,171	231,301
Operating services	208,349	12,966	197,397	418,712
One-time project services	22,537	83	108	22,728
Total revenues from contracts with customers	977,702	237,523	469,596	1,684,821

Of the revenues reported in financial year 2025, 27.1% (PY: 22.9%) were realized over a period of time. On brokerage services, which are recognized at their net amount, account for TEUR 604 (PY: TEUR 812).

Sales with a right of return were made neither in the financial year 2025, nor in the previous year.

Contract balances

IN TEUR	31.12.2025	31.12.2024
Contract assets	79,903	73,068
Contract liabilities	78,632	96,855

Contract assets are initially recognized as revenue from development and IT projects for which Kontron has (partially) fulfilled its contractual obligations before the customer has paid the consideration or this represents an unconditional payment claim. As soon as the unconditional payment claim occurs, the corresponding contract asset is reclassified into trade receivables.

The development of the contract assets is as follows:

IN TEUR	2025	2024
As of 1.1.	73,068	38,967
Additions	44,226	55,713
Partially invoiced	-37,499	-21,414
Currency translation	108	-198
As of 31.12.	79,903	73,068

The contractual liabilities mainly include customer down payments and advance payments received for project services for which the contractually guaranteed goods and services of Kontron have not (fully) been transferred or provided to the customer. Of the contractual liabilities, TEUR 19,730 (PY: TEUR 5,657) are reported under non-current liabilities and TEUR 58,902 (PY: TEUR 91,198) are reported under current liabilities.

11.B

NOTES 2025

The development of contractual liabilities is as follows:

IN TEUR	2025	2024
As of 1.1.	96,855	76,416
Additions	29,444	70,072
Recognized as revenues	-46,862	-49,257
Disposal from changes in consolidated companies	-70	-208
Currency translation	-735	-168
As of 31.12.	78,632	96,855

02 Capitalized development costs

In financial year 2025, the capitalization of development costs amounted to TEUR 45,143 (PY: TEUR 39,905). For more information, see Section C, Note 02.

NUMBER OF EMPLOYEES	2025	2024
Employees Austria	676	701
Employees outside Austria	6,020	6,563
Employees as of end of the year	6,696	7,263

The average number of employees in the 2025 financial year was 6,946 (PY: 7,069).

06 Depreciation and amortization

The expense for scheduled depreciation and amortization is composed as follows:

IN TEUR	2025	2024
Depreciation of property, plant and equipment	47,394	47,804
Amortization of intangible assets	26,957	29,827
Total depreciation and amortisation	74,351	77,631

The depreciation and amortization of intangible assets accrued in financial year 2024 included among other things the capitalized order backlog of the Katek Group with a period of one year. Because these effects were mainly recognized in the previous year, financial year 2025 saw a decline in depreciation and amortization.

As in the previous year, depreciation and amortization of intangible assets in financial year 2025 was primarily due to capitalized development projects that were amortized in accordance with their utilization plan.

07 Other operating expenses

Other operating expenses break down as follows:

IN TEUR	2025	2024
Rental and leasing expenses	2,945	3,034
Maintenance and ancillary expenses	27,312	22,434
Insurance	3,790	4,137
Transport expenses	4,860	4,366
Travel expenses and expenses for company cars	10,842	11,699
Mail and telecommunication	2,141	2,301
Expenses for contracted personnel and consulting	23,693	24,992
Expenses for advertising	8,352	8,327
Legal, tax advisor and audit expenses	9,698	5,442
Expenses for training and education	1,853	1,898
Change in warranty provision	-183	116
R&D expenses not eligible for capitalization	15,393	10,994
Licenses expenses	5,682	10,254
Commissions	1,371	2,005
Bank commissions and similar expenses	1,416	3,178
Expenses from deconsolidation	3,280	0
Taxes and charges not comprised in taxes on income and earnings	1,599	2,007
Other operating expenses	5,230	3,514
Total other operating expenses	129,274	120,698

The expenses from deconsolidation in financial year 2025 results from the deconsolidation of S&T MEDTECH SRL, Bucharest, Romania.

The rental and leasing expenses item includes expenses for leases with a term of up to 12 months in the amount of TEUR 2,462 (PY: TEUR 2,794). Expenses amounting to TEUR 483 (PY: TEUR 239) are attributable to low-value leasing agreements.

08 Financial result

The financial result is broken down as follows:

IN TEUR	2025	2024
Interest income from banks	7,069	5,774
Interest income from finance leases	512	584
Finance income	7,581	6,358
Interest paid to banks	-16,582	-19,566
Interest expenses from finance leases	-5,548	-4,414
Interest expenses from compounded purchase price liabilities	0	-41
Other interest and finance expenses	-6,075	-5,281
Finance expenses	-28,205	-29,303
Financial result	-20,624	-22,945

Net results from financial instruments:

IN TEUR	2025	2024
At fair value through profit or loss	-217	-11
At fair value through other comprehensive income	7	-2,122
Financial assets at amortized costs	-4,179	3,622
Liabilities at fair value	0	5,381
Total	-4,389	6,870

The calculation of the net result from financial instruments includes value adjustments and write-ups, income and expenses from currency translation, gains or losses on disposal and other changes in the fair value of financial instruments recognized in profit or loss. The result from financial instruments valued at fair value in the amount of TEUR -217 (PY: TEUR -11) is shown in the financial result, and the result of financial instruments valued at fair value on a profit-neutral basis in the amount of TEUR 7 (PY: TEUR -2,122) is shown in other income. Income from amortized costs based on financial assets to the amount of TEUR -4,179 (PY: TEUR 3,622) is TEUR -4,691 (PY: TEUR 3,083) reported in other operating expenses, and TEUR 512 (PY: TEUR 584) reported in the financial result. In financial year 2024, the net result of liabilities at fair value, which is shown in other operating income, includes redemptions from contingent consideration for company acquisitions, in particular from the purchase price adjustment in connection with the acquisition of Katek Canada Inc. (subsequently renamed Kontron Canada Systems Inc.) in the amount of TEUR 4,688.

The income tax expense is broken down as follows:

IN TEUR	2025	2024
Current income taxes	-12,356	-14,514
thereof from prior periods	-692	-2,044
Deferred taxes	8,088	11,800
Income taxes reported in the consolidated income statement	-4,268	-2,714

The following table shows the reconciliation of expected income tax expense to actual tax expense. The expected tax expense is calculated when Kontron AG's current income tax rate of 23% (PY: 23%) is applied to the reported earnings before income taxes:

IN TEUR	2025	2024
Earnings before taxes	142,421	91,214
Expenses for income taxes at a tax rate of 23% (PY: 23%)	-32,757	-20,979
Divergent non-Austrian rates of taxation	-3,595	-771
Income taxes for prior period	-692	940
Value adjustment in deferred taxes	4,636	17,874
Utilization of losses carried forward not previously capitalized	444	5,679
Non capitalized losses carried forward in current financial year	-4,038	-7,671
Earnings/expenses with no effects on taxes	30,392	2,378
Other divergences	1,343	-164
Income tax expenses/earnings reported	-4,268	-2,714

The "Earnings/expenses with no effects on taxes" item of the tax reconciliation includes tax effects from the sale of COM business in the amount of TEUR 33,219.

Within the tax reconciliation, the item "Other divergences" also includes effects from the reduction in the German corporate income tax rate of TEUR 515.

11.B

NOTES 2025

Deferred tax assets and liabilities arising from temporary differences between tax and accounting valuations, as well as their recognition in the statement of profit or loss and in other comprehensive income, are allocated to the following items:

IN TEUR	DEFERRED TAX ASSETS 01.01.2025	DEFERRED TAX ASSETS 31.12.2025	CHANGE IN THE PERIOD	THEREOF: RECOGNIZED IN PROFIT OR LOSS	THEREOF: RECOGNIZED IN OCI
PPE and intangible assets	7,789	4,161	-3,628	-288	0
Trade receivables and inventories	12,246	11,411	-835	-3,621	0
Provisions and deferred liabilities	39,620	29,623	-9,997	-8,736	-231
Tax losses carried forward	48,809	59,199	10,390	10,905	0
Tax credits	11,228	12,773	1,545	2,324	0
Balancing	-55,381	-57,437	-2,056	9,673	0
Amount recognized in balance sheet	64,311	59,730	-4,581	10,257	-231

IN TEUR	DEFERRED TAX LIABILITIES 01.01.2025	DEFERRED TAX LIABILITIES 31.12.2025	CHANGE IN THE PERIOD	THEREOF: RECOGNIZED IN PROFIT OR LOSS	THEREOF: RECOGNIZED IN OCI
PPE and intangible assets	-60,261	-51,175	9,086	7,668	0
Trade receivables and inventories	-3,221	-6,308	-3,087	-377	0
Provisions and deferred liabilities	-2,962	-2,857	105	213	-164
Balancing	55,381	57,437	2,056	-9,673	0
Amount recognized in balance sheet	-11,063	-2,903	8,160	-2,169	-164

IN TEUR	DEFERRED TAX ASSETS 01.01.2024	DEFERRED TAX ASSETS 31.12.2024	CHANGE IN THE PERIOD	THEREOF: RECOGNIZED IN PROFIT OR LOSS	THEREOF: RECOGNIZED IN OCI
PPE and intangible assets	1,411	7,789	6,378	4,562	0
Trade receivables and inventories	5,778	12,246	6,468	4,335	0
Provisions and deferred liabilities	14,099	39,620	25,521	13,843	120
Tax losses carried forward	34,632	48,809	14,177	3,316	0
Tax credits	3,967	11,228	7,261	6,799	0
Balancing	-16,759	-55,381	-38,622	0	0
Amount recognized in balance sheet	43,128	64,311	21,183	32,855	120

IN TEUR	DEFERRED TAX LIABILITIES 01.01.2024	DEFERRED TAX LIABILITIES 31.12.2024	CHANGE IN THE PERIOD	THEREOF: RECOGNIZED IN PROFIT OR LOSS	THEREOF: RECOGNIZED IN OCI
PPE and intangible assets	-20,206	-60,261	-40,055	-16,435	0
Trade receivables and inventories	-554	-3,221	-2,667	-2,819	0
Provisions and deferred liabilities	-1,338	-2,962	-1,624	-1,801	13
Balancing	16,759	55,381	38,622	0	0
Amount recognized in balance sheet	-5,339	-11,063	-5,724	-21,055	13

The accrued deferred tax assets from company acquisitions amounts in financial year 2025 to TEUR 0 (PY: TEUR 6,652), and deferred tax liabilities increased by TEUR 43 (PY: TEUR 7,860). As a result of deconsolidation, deferred tax assets of TEUR 2,222 (PY: TEUR 167) were disposed of in financial year 2025, while deferred tax liabilities were reduced by TEUR 0 (PY: TEUR 4,687).

11.B

NOTES 2025

As of the balance sheet date, there were the following loss carryforwards (gross amounts) for which no deferred taxes were recognized:

IN TEUR	2025	2024
Austria	0	1,512
USA	0	0
France	2,355	10,316
Germany	60,882	41,415
Belgium	78,952	79,012
Switzerland	35,707	33,868
Slovenia	21,607	21,607
Romania	18,776	15,047
Other tax jurisdictions	14,940	13,160
Tax losses carryforward not capitalized	233,219	215,937

Tax losses carried forward (gross amounts) of TEUR 78,569 (PY: TEUR 75.896) have a temporary limitation period.

Kontron also has unused tax credits of TEUR 7,620 (PY: TEUR 15,227).

In connection with shares in subsidiaries, no deferred tax liabilities were recognized on temporary differences of TEUR 87.315 (PY: TEUR 71.200).

In the reporting year, deferred taxes of TEUR -395 (PY: TEUR 133) were included in other income.

Deferred tax assets are recognized for unused tax loss carryforwards and deductible temporary differences to the extent that it is likely that taxable income will be available for this purpose, so that the loss carryforwards or deductible temporary differences can actually be used. Assessment of the timing and amount of future taxable income as well as the future tax planning strategy plays an essential role in determining the amount of capitalizable deferred tax assets. If an existing loss carryforward is not expected to be utilized within a reasonable period of five years on the basis of these projections, this loss carryforward will not be capitalized.

As of December 31, 2025, an overhang of deferred tax assets in the amount of TEUR 17,893 (PY: TEUR 2,910) was capitalized, although the respective tax subject realized a tax loss in financial years 2025 or 2024 (PY: financial years 2024 or 2023).

The approach of deferred tax assets for tax loss carryforwards and deductible temporary differences is based in material respects on tax earnings planning based on significant future-focused estimates and assumptions. Key estimates and assumptions relate to future revenues and the development of earnings derived from them. Continuation and expansion of the income situation and a continued positive market assessment of the product portfolio offered led to a reassessment in financial year 2025 of the extent of the future viability of existing tax loss carryforwards, tax credits and deductible temporary differences. Because of the underlying tax planning and the realizability expected by management, deferred tax assets were applied to a considerable extent.

Overall, the Group increased capitalized loss carryforwards, tax credits and deductible temporary differences by TEUR 4,636 (PY: TEUR 17,874). Despite the adjustment of the estimate in terms of feasibility, the uncertainty of the valuation rates remains. Should the assumptions not materialize, in particular with regard to the planned business development, this may have an impact on the carrying amounts of the deferred tax assets.

As in the previous year, deferred tax assets on tax loss carryforwards were also recognized by Kontron AG and the Austrian tax group, whose group owner is Kontron AG.

In general, deferred tax assets are recognized on loss carryforwards only to the extent that they can be expected to be realized in the next five years in accordance with tax planning. If actual tax results deviate from estimates as part of tax planning or if these estimates need to be adjusted in subsequent periods, this could have adverse effects on the Kontron Group's net assets, financial and earnings situation.

Earnings per share are calculated as follows:

		2025	2024
Profit/loss from continuing operations	TEUR	138,153	88,500
Profit/loss from discontinued operations	TEUR	1,945	3,142
Results from the period attributable to owners of non-controlling interests	TEUR	-1,012	953
Net income after subtraction of NCI (non-controlling interest)	TEUR	141,110	90,689
Average number of shares issued (undiluted)	Number in thousand	61,685	61,572
Average number of shares issued (diluted)	Number in thousand	63,685	63,662
Earnings per share from continuing operations (undiluted)	EUR/piece	2.26	1.42
Earnings per share from continuing operations (diluted)	EUR/piece	2.19	1.38

The following table shows the development of the average outstanding shares in both basic and diluted form:

AVERAGE NUMBER OF SHARES IN CIRCULATION UNDILUTED (NUMBER IN THOUSAND)	2025	2024
Shares issued as of January 1	63,861	63,861
Effect of treasury shares	-2,176	-2,289
Average number of shares in circulation undiluted as of December 31	61,685	61,572
AVERAGE NUMBER OF SHARES IN CIRCULATION DILUTED (NUMBER IN THOUSAND)	2025	2024
Average number of shares in circulation undiluted as of December 31	61,685	61,572
Effect of the stock options issued	2,000	2,090
Average number of shares in circulation diluted as of December 31	63,685	63,662

Property, plant and equipment developed as follows:

IN TEUR	PROPERTY, PLANT AND LEASEHOLD IMPROVEMENTS	OTHER FACILITIES, OPERATING AND BUSINESS EQUIPMENT	RIGHT OF USE	TOTAL
ACQUISITION COSTS				
As of January 1, 2025	70,599	154,569	147,009	372,177
Additions	18,155	18,362	29,960	66,477
Additions from the acquisition of business units	0	5	0	5
Reclassifications	32	-376	344	0
Disposals	-897	-5,233	-21,601	-27,731
Disposals from changes in consolidated companies	-2,323	-1,274	-441	-4,038
Currency translation differences	90	-2,272	-1,415	-3,597
As of December 31, 2025	85,656	163,781	153,856	403,293
ACCUMULATED DEPRECIATION				
As of January 1, 2025	15,619	58,628	59,847	134,094
Depreciation of current year	3,541	21,841	22,012	47,394
Reclassifications	0	-82	82	0
Disposals	-875	-3,027	-5,539	-9,441
Disposals from changes in consolidated companies	-1,405	-1,027	-65	-2,497
Currency translation differences	-350	-1,583	-589	-2,522
As of December 31, 2025	16,530	74,750	75,748	167,028
Carrying amount as of December 31, 2025	69,126	89,031	78,108	236,265

11.C

NOTES 2025

IN TEUR	PROPERTY, PLANT AND LEASEHOLD IMPROVMENTS	OTHER FACILITIES, OPERATING AND BUSINESS EQUIPMENT	RIGHT OF USE	TOTAL
ACQUISITION COSTS				
As of January 1, 2024	55,000	66,769	82,529	204,298
Additions	2,286	27,221	26,700	56,207
Additions through changes in consolidated companies	13,236	69,306	51,003	133,545
Reclassifications	1,043	-395	-648	0
Disposals	-917	-8,951	-12,504	-22,372
Disposals from changes in consolidated companies	0	-462	-521	-983
Currency translation differences	-49	1,081	450	1,482
As of December 31, 2024	70,599	154,569	147,009	372,177
ACCUMULATED DEPRECIATION				
As of January 1, 2024	11,712	37,080	45,079	93,871
Depreciation of current year	3,417	23,086	21,301	47,804
Reclassifications	366	46	-412	0
Disposals	-37	-2,280	-6,068	-8,385
Disposals from changes in consolidated companies	0	-57	-125	-182
Currency translation differences	161	753	72	986
As of December 31, 2024	15,619	58,628	59,847	134,094
Carrying amount as of December 31, 2024	54,980	95,941	87,162	238,083

Rights of use arising from leases

Accounting methods>>

A lease exists when an agreement transfers to the lessee, in return for payment or a series of payments, the right to use an identified asset for an agreed period of time. IFRS 16 specifies a comprehensive model for identifying and accounting for leases agreed by lessees and lessors.

Kontron as lessee

At the beginning of the lease period, Kontron assesses whether a contract creates or contains a lease. This is the case when Kontron is granted the right to control the use of an identified asset for a certain period of time in exchange for consideration.

At initial recognition, Kontron recognizes a right to use the underlying asset and as well as a lease liability for the obligation to make future lease payments.

The right of use is entered in the balance sheet at the cost of the lease liability from the date that the asset becomes available for use, adjusted for:

- › initial direct costs,
- › lease payments made to the lessor on or before the date of availability, and
- › leasing incentives granted by the lessor, which are deducted when recognizing the right of use.

The lease liability is recognized at the present value of the lease payments payable over the lease term. The lease payments are discounted at the interest rate implicit in the lease or – if this cannot be readily determined – at the marginal debt interest rate of the lease. The marginal debt interest rates were calculated on the basis of a reference interest rate plus an appropriate risk premium.

The lease payments included in the measurement of the lease liability comprise:

- › fixed payments, including de-facto fixed payments;
- › variable lease payments linked to an index or interest rate, measured using the index or interest rate applicable on the provision date;
- › amounts payable due to a residual value guarantee,
- › the exercise price of a call option, provided that the Group is reasonably certain to exercise it,
- › lease payments for renewal options and penalties for early termination of the lease, provided that, provided the Group is reasonably certain that they have been accounted for.

If an agreement contains both lease and non-lease items, the lease payments are allocated between the two items based on their relative individual selling prices. Payments for non-lease items are posted directly as an expense.

In the subsequent measurement, the right of use is measured at amortized costs and amortized on a straight-line basis over the term of the lease. If the underlying asset becomes the property of the Group at the end of the lease period or if the exercise of an option to buy is reasonably certain, the right of use is depreciated over the economic life of the underlying asset. The right of use is also checked for impairment losses and adjusted if necessary.

Lease term

The lease term comprises the non-terminable lease period as well as optional periods of extension if there is sufficient certainty that they will be exercised, and periods of notice if it is not sufficiently certain that they will be exercised. The assessment of the lease term is reviewed when events or significant changes in circumstances beyond the lessee's control occur and require a change in the lease term.

An amendment of the lease term results in a revaluation of the lease liability using an updated discount rate. The resulting difference is recognized in the right of use without affecting profit or loss. If the adjusted amount exceeds the carrying amount of the right of use, the excess amount is recognized as an expense in profit or loss.

The depreciation amount of the rights of use by asset class breaks down as follows:

IN TEUR	2025	2024
Properties	15,509	14,952
Operating and business equipment	1,798	2,422
Car fleet	4,705	3,927
Total depreciation of right of use assets	22,012	21,301

02 Intangible assets and goodwill

Accounting methods>>

Intangible assets

Intangible assets acquired against payment and capitalizable costs for internally generated intangible assets are measured initially at acquisition or production costs and are subsequently measured at amortized acquisition or production costs, taking into account directly attributable ancillary costs and cost reductions. The subsequent measurement is carried out at amortized acquisition or production costs, i.e., less accumulated scheduled depreciation and accumulated impairment losses. Scheduled depreciation is recognized on a straight-line basis over the economic life.

Scheduled depreciation is recognized over the following expected useful lives:

CATEGORY OF INTANGIBLE ASSETS	USEFUL LIFE
Licenses, software and similar rights	2 – 5 years
Concessions, patents	5 – 10 years
Capitalized development costs	3 – 5 years
Capitalized customer relations	3 – 5 years
Trademark rights	4 – 10 years
Technologies	3 – 5 years
Goodwill	Indefinite useful life

Because goodwill has an indefinite economic life, no depreciation is scheduled. Instead, it is subject to an impairment test in accordance with IAS 36 at least once a year and if there are indications of impairment – see paragraph “Goodwill”.

Residual carrying amounts, economic lives, and depreciation methods are reviewed at least at the end of each financial year and, if necessary, adjusted accordingly.

Research costs are recognized as expenses in the period when they are incurred. Development costs are only capitalized as an intangible asset if all recognition criteria in accordance with IAS 38 are met. These include, in particular, proof of the technical feasibility of completing the intangible asset, the intent and ability of the Group to complete and use or sell the asset, the expectation of future economic benefits, the availability of appropriate technical, financial, and other resources, and the reliable determination of the expenditure attributable to the asset during the development phase.

After initial recognition, capitalized development costs are measured using the acquisition cost model. Amortization begins when development phase is completed and as soon as the asset is available for its intended use. It is recognized for the duration of the period of expected economic benefits. During the development phase, annual checks are carried out for indications of impairment. If necessary, an impairment test is carried out.

Capitalized development costs include all direct costs and proportional overheads directly attributable to the development process.

As part of business combinations, intangible assets are recognized as part of the purchase price allocation, provided that the recognition criteria in accordance with IFRS 3 in conjunction with IAS 38 are met.

Goodwill

Goodwill is the difference between the acquisition costs of a business combination and the identifiable net worth of the acquired company, measured at fair value, taking into account the assumed contingent liabilities. If a renewed review of the recognized fair values shows a passive difference (bargain purchase), this is immediately recognized in the statement of profit or loss.

Goodwill is not subject to scheduled amortization, but is assessed at least once a year in accordance with IAS 36 as well as in the event of internal or external indications of impairment. As in financial year 2024, the annual impairment test was also carried out in financial year 2025 as of September 30.

As part of the impairment test, the carrying amount of the respective group of cash-generating units (CGU) to which goodwill is assigned is compared with its recoverable amount. The recoverable amount corresponds to the higher amount from the fair value less costs to sell and the value in use. The value-in-use is determined from the discounted future cash flow methods (DCF) based on the financial plans approved by the Supervisory Board.

These cover a period of four years. Cash flows generated after a period of four years are extrapolated using a growth rate of 1.0% (PY: 1.0%), taking into account growth-related accumulation. The planning takes into account past experience as well as the Management's current assessments of future market developments.

The projected cash flows of cash-generating units are discounted using the weighted average cost of capital (WACC) before tax. The discount rate applied reflects current market estimates of the fair value of the money and the specific risks of the respective cash-generating unit.

If the recoverable amount of a CGU is less than its carrying amount, goodwill allocated to the CGU is initially impaired. Subsequent value recovery of goodwill is not permitted.

If the composition of cash-generating units changes as a result of reorganizations or changes in the internal reporting structure, the goodwill is reassigned accordingly.

Government grants

Government grants related to the acquisition or production of fixed assets are deducted from the costs of acquisition or production of the assets concerned. This mainly involves funding in the area of research and development.

Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are regularly reviewed in this respect for indications of impairment. If such indications are found, an impairment test is carried out and, where appropriate, the carrying amount of the asset is reduced to its recoverable amount.

11.C

NOTES 2025

The development of intangible assets is as follows:

IN TEUR	PURCHASED SOFTWARE AND LICENSES	CAPITALIZED DEVELOPMENT COSTS	OTHER INTANGIBLE ASSETS	GOODWILL	TOTAL
ACQUISITION COSTS					
As of January 1, 2025	56,326	168,141	77,407	262,574	564,448
Additions	5,798	44,034	0	0	49,832
Additions from the acquisition of business units	0	0	188	928	1,116
Reclassifications	-895	895	0	0	0
Disposals	-2,569	-12,471	-1,566	0	-16,606
Disposals from changes in consolidated companies	-297	-7,948	0	-6,764	-15,009
Currency translation differences	-2,250	-8,650	-676	-1,621	-13,197
As of December 31, 2025	56,113	184,001	75,353	255,117	570,584
ACCUMULATED AMORTISATION					
As of January 1, 2025	32,124	59,704	52,741	0	144,569
Amortization of current year	6,029	14,140	6,788	0	26,957
Reclassifications	-532	532	0	0	0
Disposals	-2,459	-8,215	-1,566	0	-12,240
Disposals from changes in consolidated companies	-266	-468	0	0	-734
Currency translation differences	-2,471	-6,927	-98	0	-9,496
As of December 31, 2025	32,425	58,766	57,865	0	149,056
Carrying amount as of December 31, 2025	23,688	125,235	17,488	255,117	421,528

Other intangible assets include brands identified as part of company acquisitions with a carrying amount of TEUR 3,142 (PY: TEUR 4,745), customer relationships of TEUR 9,773 (PY: TEUR 13,139), order backlog of TEUR 558 (PY: TEUR 1,513) and technologies amounting to TEUR 4,015 (PY: TEUR 5,269).

IN TEUR	PURCHASED SOFTWARE AND LICENSES	CAPITALIZED DEVELOPMENT COSTS	OTHER INTANGIBLE ASSETS	GOODWILL	TOTAL
ACQUISITION COSTS					
As of January 1, 2024	49,588	146,458	60,458	216,599	473,103
Additions	7,095	40,491	0	0	47,586
Additions through changes in consolidated companies	2,959	14,160	36,558	56,790	110,467
Reclassifications	-83	83	0	0	0
Disposals	-4,376	-36,747	-3,579	0	-44,702
Disposals from changes in consolidated companies	-29	0	-16,095	-11,722	-27,846
Currency translation differences	1,172	3,696	65	907	5,840
As of December 31, 2024	56,326	168,141	77,407	262,574	564,448
ACCUMULATED AMORTISATION					
As of January 1, 2024	28,748	78,050	47,272	0	154,070
Amortization of current year	6,415	12,838	10,574	0	29,827
Reclassifications	-120	120	0	0	0
Disposals	-4,108	-34,452	-3,579	0	-42,139
Disposals from changes in consolidated companies	0	0	-1,416	0	-1,416
Currency translation differences	1,189	3,148	-110	0	4,227
As of December 31, 2024	32,124	59,704	52,741	0	144,569
Carrying amount as of December 31, 2024	24,202	108,437	24,666	262,574	419,879

As of the balance sheet date, the Group had no intangible assets with indefinite useful lives, except for goodwill (PY: TEUR 0).

The goodwill is spread across the cash-generating units (CGU) as follows:

IN TEUR	2025	2024
Cash-generating unit "OT Services"	0	30,763
Cash-generating unit "Industrial"	76,550	65,108
Cash-generating unit "Telecom"	4,989	4,791
Cash-generating unit "North America"	26,112	30,297
Cash-generating unit "Asia"	6,372	6,207
Cash-generating unit "Software + Solutions"	25,905	14,829
Cash-generating unit "Transport"	76,370	68,926
Cash-generating unit "Aerospace and Defense"	22,675	21,375
Cash-generating unit "GreenTec"	16,143	20,278
Goodwill as of December 31	255,117	262,574

The decline in goodwill in financial year 2025 results primarily from the sale of the COM business (see Section A, Deconsolidations) and impacts the cash-generating units "Industrial" and "North America." The goodwill attributable to the COM business amounted to TEUR 6,764 and was posted as of the balance sheet date.

In financial year 2025, the cash-generating unit "OT Services" was dissolved as a result of the portfolio adjustment that had already started in previous years, as its business activities are no longer part of the Kontron Group's strategic focus. In addition, as part of intra-group restructuring measures, further reclassifications have been carried out in various cash-generating units. The following companies have been reclassified: Kontron Services Romania srl. to CGU "Transport", Kontron Hungary Kft. to CGU "Software", Kontron AG to CGU "Industrial" and Kontron UK Ltd. to CGU "Aerospace and Defense". The distribution of goodwill was adjusted accordingly in the current financial year and the previous period.

Reviewing the impairment of goodwill requires estimates of future revenue and cost developments, profit margins, planned investments and resulting cash surpluses. Furthermore, management must make assumptions regarding the discount rates used and this is therefore a source of uncertainty.

Current strategic corporate planning for the years 2026 to 2029 served as the basis for the impairment test in accordance with IAS 36. It takes into account the economic framework, the economic environment and current assessments concerning the future development of the markets.

The resulting impairment test to estimate the value-in-use of the individual cash-generating units is developed as part of the discounted cash flow method, where the achievable amount depends significantly on the discount interest rate (WACC) used and on the expected and planned cash inflows in medium-term planning and in perpetual annuities.

The following table shows the pre-tax discount rates used in the impairment tests for the individual cash-generating units:

	2025	2024
Cash-generating unit "OT Services"	-	12.5%
Cash-generating unit "Industrial"	11.2%	11.8%
Cash-generating unit "Telecom"	14.7%	15.4%
Cash-generating unit "North America"	12.8%	13.0%
Cash-generating unit "Asia"	7.7%	8.7%
Cash-generating unit "Software + Solutions"	12.9%	11.7%
Cash-generating unit "Transport"	13.7%	11.0%
Cash-generating unit "Aerospace and Defense"	12.0%	11.3%
Cash-generating unit "GreenTec"	12.2%	13.0%

To determine the discount rates, peer groups were determined in each case for the corresponding CGU.

The average annual revenue and EBIT growth underlying the 2026–2029 financial plans is:

AVERAGE PLANNED GROWTH 2026–2029	REVENUE	EBIT
Cash-generating unit "Industrial"	11.8%	37.5%
Cash-generating unit "Telecom"	5.8%	23.4%
Cash-generating unit "North America"	9.8%	52.7%
Cash-generating unit "Asia"	8.8%	64.8%
Cash-generating unit "Software + Solutions"	6.4%	28.9%
Cash-generating unit "Transport"	8.9%	32.3%
Cash-generating unit "Aerospace and Defense"	7.4%	22.2%
Cash-generating unit "GreenTec"	12.6%	n/a

EBIT of the cash-generating unit "GreenTec" is negative in the financial year 2025. Consequently, an average annual EBIT growth rate cannot be determined. Based on the current financial planning for the years 2026 to 2029, Kontron expects EBIT to grow at a rate disproportionately exceeding revenue growth.

The average annual revenue and EBIT growth underlying the 2025-2028 financial plans is:

AVERAGE PLANNED GROWTH 2025–2028	REVENUE	EBIT
Cash-generating unit "OT Services"	4.6%	28.1%
Cash-generating unit "Industrial"	13.0%	0.2%
Cash-generating unit "Telecom"	4.4%	18.8%
Cash-generating unit "North America"	9.6%	39.0%
Cash-generating unit "Asia"	8.6%	34.8%
Cash-generating unit "Software + Solutions"	8.1%	22.1%
Cash-generating unit "Transport"	7.4%	16.5%
Cash-generating unit "Aerospace and Defense"	6.2%	14.8%
Cash-generating unit "GreenTec"	13.3%	61.6%

In financial year 2025, as in the previous year, no impairment of goodwill was necessary.

Neither a 10% reduction in expected cash flows nor a 10% increase in the weighted average cost of capital before tax would result in an impairment of goodwill for a cash-generating unit.

03 Shares in associated companies

The development of the shares in Comlab Beijing Radio Frequency Technology Co. Ltd., Beijing, China accounted for using the equity method is as follows:

SHARES HELD IN ASSOCIATES COMPANIES IN TEUR	2025
Carrying amount on January 1	0
Addition	2,583
Proportionate result after taxes	11
Carrying amount on December 31	2,593

As of December 31, 2025, Kontron AG held 45.9% of Comlab Beijing Radio Frequency Technology Co. Ltd., Beijing, China. As of the balance sheet date, Comlab Beijing Radio Frequency Technology Co. Ltd., Beijing, China, has non-current assets amounting to TEUR 71 as well as current assets amounting to TEUR 6,648; the assets are offset by liabilities of TEUR 1,059.

Revenues and net profit for the period are as follows:

IN TEUR	2025
Revenues	3,224
Result for the period after taxes	23
Share of equity held by the group	45.9%
Share of group in total result for the period	11

04 Non-current financial assets

The non-current financial assets are composed as follows:

IN TEUR	2025	2024
Receivables from finance leases	7,248	7,360
Other investments	899	874
Securities	8	8
Receivables from loans granted	86,371	1,090
Deposits	2,812	2,727
Plan assets for defined benefit pension plans	306	276
Earn Out COM-business	2,375	0
Other non-current receivables	322	403
Total non-current financial assets as of December 31	100,341	12,738

As of 2025, receivables from loans granted include deferred consideration in the amount of TEUR 84,895 (PY: TEUR 0) arising from the loan transferred to congatec GmbH. This amount represents the portion that is not contractually due for settlement within the next twelve months (see Section A).

LEASE RECEIVABLES (FROM THE COMPANY'S LESSOR OPERATIONS)	2025	2024
Lease receivables (gross)		
Remaining term up to 1 year	5,899	6,087
Remaining term between 1 and 5 years	7,779	8,001
	13,678	14,088
Unrealized future interest income from lease receivables	-638	-757
Net receivables from finance leases	13,040	13,331

COMPOSITION	2025	2024
Current receivables (up to 1 year)	5,792	5,971
Non-current receivables (between 1 and 5 years)	7,248	7,360
Net receivables from finance leases	13,040	13,331

The default risk from lease receivables from customers is managed on the basis of the Group's policies and procedures. Due to the comparable customer portfolio, the expected default rates of trade receivables are used as a basis. Impairment requirements are analyzed at each reporting date using the impairment matrix to determine expected credit losses. Impairment ratios are determined based on days past due with similar default patterns. The analysis did not reveal any material default risk as at the reporting date.

In the financial year 2025 the average interest rate of the lease receivables (short-term and long-term) was 3.89% (PY: 4.29%).

07 Trade receivables

The trade receivables item is composed as follows:

IN TEUR	2025	2024
Trade receivables	207,251	256,798
Value adjustment for expected credit-caused losses	-10,315	-7,149
Trade receivables as of December 31	196,936	249,649

Some companies in the Kontron Group practice the "hold to collect and sell" business model with regard to trade receivables, as the contractual cash flows are collected both through customer payments and through sales to various house banks under factoring agreements. As a result, these trade receivables fall into the category "fair value through other comprehensive income". The classification of trade receivables in this category does not have any material impact on the consolidated financial statements of Kontron, as the majority of trade receivables are expected to be settled within one year and for this reason it is assumed that the fair value approximates the previous measurement standard of acquisition costs. The other trade receivables are classified as "acquisition costs", as the Group applies the "Hold" business model to these trade receivables. The receivables sold are derecognized in accordance with the derecognition rules of IFRS 9. As of the balance sheet date December 31, 2025, trade receivables sold as part of the factoring programs amounted to TEUR 95,354 (PY: TEUR 87,557). In all factoring agreements, trade receivables are written off as a result of the transfer of essentially all opportunities and risks and due to the transfer of control. The late payers risk for the receivables sold remains primarily with Kontron.

The Group recognizes an allowance for expected credit losses (ECL) on all receivables at fair value through other comprehensive income and at acquisition cost. For receivables measured at acquisition cost, the allowance is recognized in other operating expenses.

The development of the allowance for expected credit losses from trade receivables is as follows:

IN TEUR	2025	2024
Valuation allowance as of January 1	7,149	7,669
Valuation allowance for expected credit losses	3,801	-268
Write-off receivables	-251	-320
Disposals from changes in consolidated companies	-113	0
Currency translation differences	-271	68
Valuation allowance as of December 31	10,315	7,149

The Group uses a provision matrix (see Section D Note 05) to measure expected credit losses on trade receivables and contract assets. The provision ratios are determined on the basis of the overdue period for various receivables portfolios.

The provision matrix is based on the Group's historical default rates adjusted for forward-looking information. The historical failure rates are updated as circumstances change. The assessment of the relationship between historical default rates and expected credit defaults is a estimate. The Group's historical defaults and future estimate may not be representative of actual customer defaults in the future.

For trade receivables measured at fair value through other comprehensive income, the impairment is recognized in other comprehensive income in accordance with IFRS 9. The impairment loss recognized in other comprehensive income as of December 31, 2025, amounts to TEUR 54 (PY: TEUR 46).

The default risk on contract assets is managed based on the Group's policies and procedures. Due to the comparable customer portfolio, the expected default rates of trade receivables are used as a basis. Impairment requirements are analyzed at each reporting date using the impairment matrix to determine expected credit losses. The analysis did not reveal any material default risk as at the reporting date.

08 Current financial assets

The current financial assets break down as follows:

IN TEUR	2025	2024
Receivables from finance leases *)	5,792	5,971
Deposits	1,813	3,404
Current portion of loans granted	28,644	1,575
Receivables from annual bonuses	3,541	2,520
Creditors with debtor accounts	1,210	1,146
Deposits for guarantees	170	148
Other current financial assets	1,962	2,917
Total current financial assets	43,132	17,681
*) Receivables from finance leases – gross	5,899	6,087
Unrealized interest income	-107	-116
Present value of receivables from finance leases	5,792	5,971

11 Equity

Subscribed capital

As of December 31, 2025, the share capital of Kontron AG amounted to TEUR 63,861 (PY: TEUR 63,861). It is divided into 63,860,568 (PY: 63,860,568) no-par value bearer shares.

Authorized capital 2025

At the Annual General Meeting of Kontron AG on June 11, 2025, the Executive Board was authorized, for a period of up to five years after the amendment to the articles of association had been entered in the commercial register, to increase the share capital, with the approval of the Supervisory Board in accordance with Section 169 of the Austrian Stock Corporation Act, by up to EUR 2,000,000 by issuing up to 2,000,000 no-par value bearer shares in one or more tranches in exchange for cash and/or contributions in kind and to specify the issue price in agreement with the Supervisory Board, which must not be less than the pro rata amount of the share capital, as well as the issue conditions and other details pertaining to the capital increase. The Executive Board was also authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part. The Supervisory Board was authorized to adopt the amendments to the articles of association resulting from the issue of shares from authorized capital ("Authorized Capital 2025").

The amendment to the articles of association was entered in the commercial register on August 15, 2025. In financial year 2025, no use was made of the Authorized Capital 2025.

Authorized capital 2024

At the Annual General Meeting of Kontron AG on May 6, 2024, the Executive Board was authorized, for a period of up to five years after the amendment to the articles of association had been entered in the commercial register, to increase the share capital, with the approval of the Supervisory Board in accordance with Section 169 of the Austrian Stock Corporation Act, by up to EUR 4,386,056 by issuing up to 4,386,056 no-par value bearer shares in one or more tranches in exchange for cash and/or contributions in kind and to specify the issue price, which must not be less than the pro rata amount of the share capital, as well as the issue conditions and other details pertaining to the capital increase. In this context, the Executive Board was also authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part. The Supervisory Board was authorized to adopt the amendments to the articles of association resulting from the issue of shares from authorized capital ("Authorized Capital 2024").

The amendment to the articles of association was entered in the commercial register on July 31, 2024. Up to the reporting date, no use has been made of the Authorized Capital 2024.

Authorized capital 2020

The Annual General Meeting on June 16, 2020 authorized the Executive Board to increase the share capital by up to EUR 2,000,000 for the purpose of servicing conversion or subscription rights under equity warrants ("Authorized capital 2020") and in accordance with Section 169 of the Austrian Stock Corporation Act. A total of 2,000,000 equity warrants were issued with a term until July 30, 2025. Since the exercise conditions were not met by the end of the term, the equity warrants expired at the end of the due date.

The authorization to use Authorized Capital 2020 ended on August 26, 2025; no use was made of it.

Treasury shares

The Annual General Meeting on June 11, 2025 authorized the Executive Board, in accordance with Section 65 (1) 8 of the Austrian Stock Corporation Act and Section 65 (1a) and (1b) of the Austrian Stock Corporation Act, to purchase bearer shares of the company totaling no more than 10% of the company's share capital for a period of 30 months from the date of resolution, both on the stock exchange and over the counter, the equivalent value of which may not be more than 10% below or above the average stock market price of the last five trading days before the purchase of the shares. The authorization may be exercised in whole or in part or in several installments, once or even several times and in pursuit of one or more purposes by the company, by an affiliated company (Section 189a (8) of the Austrian Commercial Code) or for the account of the company by third parties, provided that the share capital associated with the shares held by the company on the basis of this authorization, or other shares held, does not exceed 10% of the share capital at any time.

In addition, at the Annual General Meeting held on June 11, 2025, the Executive Board was authorized, for a period of five years from the resolution in accordance with Section 65 (1b) of the Austrian Stock Corporation Act, in agreement with the Supervisory Board, and without a new resolution by the Annual General Meeting, to sell or use treasury shares using a method other than through the stock exchange or through a public offering, in particular an over-the-counter sale (with partial or complete exclusion of shareholders' rights to repurchase), for example in the form of an accelerated private placement, or as a transaction currency not consisting in cash payment for the acquisition of companies, company shares, investments in companies or other assets, including excluding the quota purchase right of shareholders (exclusion of subscription rights) and to set the conditions of sale. This authorization may be exercised once or several times, in whole or in part or in several instalments and in pursuit of one or more purposes by the company, by an affiliated company (Section 189a (8) of the Austrian Commercial Code) or by third parties on behalf of the company. The provisions of this resolution apply to treasury shares held by the company at the time the resolution is passed.

In addition, at the Annual General Meeting on June 11, 2025, the Executive Board was authorized, during a period of 30 months from the date of resolution in accordance with Section 65 (1) (8) in the last sentence of the Austrian Stock Corporation Act, without further referral to the Annual General Meeting, with the agreement of the Supervisory Board, to reduce the share capital by redeeming treasury shares acquired without further resolution of the Annual General Meeting. The Supervisory Board was authorized to adopt amendments to the articles of association resulting from the redemption of shares.

In financial year 2025, Kontron AG did not carry out any share buybacks.

The Executive Board's authorization to acquire treasury shares granted at the Extraordinary General Meeting on November 8, 2023 was revoked, to the extent unused, by the resolution of the Annual General Meeting on June 11, 2025.

In financial year 2025, Kontron AG used 44,000 treasury shares to service stock options exercised as part of the 2018/2019 stock option program at a price of EUR 15.71 per share. In addition, the company used 1,320,795 treasury shares, which corresponds to around 2.07% of the company's share capital, to fulfill delivery obligations in connection with the acquisition of further shares of around 12.19% of the share capital of Katek SE at a price of EUR 25.40 per Kontron AG share.

As of December 31, 2025, Kontron AG holds 1,109,815 treasury shares, which corresponds to around 1.7% of the company's share capital.

Capital reserve

The capital reserve mainly includes the premiums paid from capital increases carried out, the offsetting of differences from the acquisition or sale of non-controlling interests, and the offsetting entry of the personnel expenses recognized from the valuation of the stock option programs.

Other equity components

Other equity components include changes in equity not recognized in profit or loss, such as revaluations in accordance with IAS 19, currency conversion differences and results from the subsequent measurement and revaluation of financial instruments.

The individual components of other comprehensive income break down into other equity components as follows:

11.C

NOTES 2025

The shares with non-controlling interests developed as follows:

IN TEUR	2025	2024
Non-controlling interests as of January 1	19,819	2,010
Additions to non-controlling interests	2,343	51,154
Results for the period attributable to non-controlling interests	-1,012	953
Acquisition of non-controlling interests	-13,228	-34,402
Other comprehensive income attributable to non-controlling interests	-6	104
Change in consolidation of non-controlling interests	-3,340	0
Non-controlling interests as of December 31	4,576	19,819

The addition of shares with non-controlling interest in the amount of TEUR 2,343 relates to the sale of shares in Katek SE during the year. The initial recognition of shares with non-controlling interest from the acquisition of Katek SE was recorded in the previous year.

The acquisition of shares with non-controlling interest in the amount of TEUR 13,228 results from the acquisition of a further approximately 12% of the shares in Katek SE as part of a share exchange for Kontron AG shares. The acquisition of shares with non-controlling interest in Katek SE (see Section A) is recognized in the previous year.

The sale of shares with non-controlling interest due to a change in consolidation type of TEUR 3,340 concerns the formerly fully consolidated Comlab Beijing Radio Frequency Technology Co. Ltd., Beijing, China, which has been included as an associated company in the consolidated financial statements as of January 1, 2025 (see Section A).

The table below shows summarized financial information before intercompany eliminations for Katek SE with significant non-controlling interests.

IN TEUR	KATEK SE	KATEK SE
	31.12.2025	31.12.2024
Non-current assets	200,782	200,175
Current assets	209,776	235,813
Non-current liabilities	61,064	64,805
Current liabilities	161,461	172,510
Net assets	188,033	198,673
Ownership share/voting rights – share of non-controlling interests	3.1%	12.6%
Carrying amount of non-controlling interests	4,411	16,356
	1-12/2025	3-12/2024
Proportionate profit/loss attributable to non-controlling interests	-1,060	-397

JSC Iskra Technologies, Yekaterinburg, Russia, which controls 51.6% of Kontron shares with non-controlling interest as a result of a call option exercisable at any time until December 31, 2027 and is accordingly included in the consolidated financial statements as a fully consolidated company, is subject to severe restrictions that limit the possibility of Kontron AG or its subsidiaries in the transfer of financing or other assets from JSC Iskra Technologies to other companies in the Group. The company's net worth as of December 31, 2025 was TEUR 9,475.

12 Financing liabilities

The items non-current financing liabilities and current financing liabilities include loans, current account liabilities and bonded loans issued.

The financing liabilities reported in the balance sheet break down as follows:

	31.12.2025			31.12.2024		
	TOTAL	OF WHICH NON-CURRENT	OF WHICH CURRENT	TOTAL	OF WHICH NON-CURRENT	OF WHICH CURRENT
Bonded loans	168,500	125,000	43,500	168,500	168,500	0
Other loans	152,130	91,720	60,410	206,778	137,260	69,518
Overdrafts	89,962	0	89,962	103,467	0	103,467
Total financing liabilities	410,591	216,720	193,871	478,745	305,760	172,985

Bonded loans

Kontron AG issued a bonded loan of TEUR 160,000 in April 2019, a bonded loan of TEUR 7,500 in March 2021, and a further bonded loan of TEUR 125,000 in April 2024. The issue was made in different tranches with different maturities or interest rate agreements. Two tranches of TEUR 75,000 and TEUR 49,000 were repaid in April 2024 as agreed.

The open tranches are structured as follows:

DURATION	INTEREST RATE AGREEMENT FIXED / VARIABLE	TRANCHE IN TEUR
Until March 24, 2026	fixed interest / 1.100%	7,500
Until April 17, 2026	fixed interest / 1.439%	10,000
Until April 17, 2029	fixed interest / 4.171%	9,500
Until April 17, 2026	variable interest / 6mE + 120 bps	6,000
Until April 30, 2026	variable interest / 6mE + 120 bps	20,000
Until March 17, 2029	variable interest / 6mE + 145 bps	115,500
Total bonded loans		168,500

The existing bonded loan agreements and credit agreements contain contractual agreements in the amount of TEUR 168,500 (PY: TEUR 168,500) for compliance with financial covenants, which require compliance with a consolidated equity ratio of greater than or equal to 30%. Failure to comply with this financial covenant entitles the lender to terminate the respective financing agreement. In addition, a margin step-up was agreed: If the ratio of net debt (including lease liabilities in accordance with IFRS 16) to EBITDA of the previous financial year is greater than 3 on the reporting date, the lender is entitled to an interest rate that is 50 basis points higher than the base conditions. As at the reporting date of December 31, 2025, the Group equity ratio was 41.8% and thus above the contractually stipulated threshold. Furthermore, the net debt to EBITDA ratio as of December 31, 2025, does not lead to an increase in the lenders' margin.

Other loans

In connection with the acquisition of a building by a subsidiary, real estate financing of TEUR 16,000 was taken out in financial year 2025. As of December 31, 2025, this financing comprised an outstanding balance of TEUR 14,831 (PY: TEUR 0). The term of the loan contract is until June 30, 2032 and has a variable interest rate. The financing is secured by a pledge in the amount of TEUR 9,000 and has a contractual maturity until July 31, 2032.

In financial year 2024:

- › A loan agreement for TEUR 125,000 was concluded with ERSTE Group Bank AG for the purpose of refinancing the "Katek" share purchase. The loan is secured with bill of exchange guarantee from the Republic of Austria. As of the reporting date December 31, 2025, a balance of TEUR 95,588 (PY: TEUR 125,000) is outstanding. The loan contract runs until February 28, 2029 and has a fixed interest rate.
- › A settlement loan agreement of TEUR 30,000 has been concluded with Raiffeisenlandesbank Oberösterreich for the purpose of refinancing financial liabilities "Katek". As of the reporting date December 31, 2025, a balance of TEUR 12,500 (PY: TEUR 22,500) is outstanding. The loan agreement is due on March 31, 2027 and has a variable interest rate.
- › A settlement loan agreement of TEUR 50,000 has been concluded with UniCredit Bank Austria AG for the purpose of refinancing financial liabilities "Katek". As of the reporting date December 31, 2025, a balance of TEUR 20,833 (PY: TEUR 37,500) is outstanding. The loan agreement is due on March 31, 2027 and has a variable interest rate.

In the financial year 2021, a loan agreement for TEUR 37,500 was concluded with Raiffeisenlandesbank Oberösterreich, Raiffeisen Bank International AG and Raiffeisenlandesbank Steiermark AG for the purpose of refinancing the purchase of shares in "Iskratel". As of the reporting date, a balance of TEUR 0 (PY: TEUR 7,895) is outstanding.

The loans assumed in the course of a company acquisition in the financial year 2020 amount to TEUR 7,008 (PY: TEUR 8,484) as of the reporting date of December 31, 2025. These form a long-term financing line that matures on September 27, 2030 with a variable interest rate of 4.0% (PY: 4.0%) that is linked to EURIBOR. The financing is secured with liens on property.

Other current financing liabilities - bank overdrafts

As of December 31, 2025, the Group had short-term bank overdrafts totaling TEUR 89,962 (PY: TEUR 103,467). The interest rate for overdrafts ranges from 2.2% to 19.5% (PY: 1.1% and 24.5%). As of the reporting date, unused credit lines of TEUR 176,116 (PY: TEUR 161,443) were available, of which TEUR 25,173 will be due in financial year 2026 and TEUR 90,217 in financial year 2027; leaving a sum of TEUR 60,726 available until further notice.

To secure current account liabilities of subsidiaries, other assets deposited in cash were pledged in the amount of TEUR 1,006 (PY: TEUR 1,084). In addition, there are liens on real estate property for utilized current account liabilities amounting to TEUR 3,850 (PY: TEUR 6,586).

In the case of the financing liabilities recognized on the reporting date, no payment disruptions occurred during the reporting period with regard to the redemption and interest payments, the sinking fund or the terms of redemption of the liabilities.

13 Other non-current financial liabilities

The other non-current financial liabilities reported in the balance sheet break down as follows:

IN TEUR	2025	2024
Lease liabilities	69,274	77,657
Hire purchase liabilities	9,851	15,324
Liabilities from corporate acquisitions	100	100
Liabilities due to a research support society	5,088	3,118
Other	0	1,169
Total other non-current financial liabilities	84,313	97,368

The leasing liabilities developed as follows:

IN TEUR	2025	2024
As of January 1	103,433	52,178
Additions	29,960	26,700
Additions through changes in consolidated companies	0	52,480
Disposals	-19,544	-6,726
Disposals from changes in consolidated companies	-377	-404
Increase in interest	4,529	4,414
Payments	-22,743	-25,501
Currency translation differences	-1,047	292
As of December 31, 2025	94,211	103,433
Of which current	24,937	25,776
Of which non-current	69,274	77,657

Possible future cash outflows of TEUR 6,774 (PY: TEUR 31,795) were not included in the lease liabilities, as it is not sufficiently certain that the leasing contracts will be extended.

The total amount of lease payments in the financial year 2025 was TEUR 22,743 (PY: TEUR 28,534), of which TEUR 2,462 (PY: TEUR 2,794) related to short-term leases with a maximum term of twelve months; TEUR 483 (PY: TEUR 239) was spent on leases for assets of low value.

In the current financial year income from the subleasing of rights of use amounted to TEUR 548 (PY: TEUR 434).

Determining whether an agreement includes a lease requires an assessment of whether the performance of the contractual arrangement is dependent on the use of a specific asset or assets and whether the agreement grants a right to use the asset. Kontron determines the term of a lease taking into account the non-cancellable basic rental period and including extension and termination options, is as far that it is sufficiently certain that these options will be exercised in the future.

The provisions reported in the balance sheet break down as follows:

IN TEUR	2025	2024
Provisions for pension commitments	15,965	16,642
Provisions for severance payments	10,282	10,930
Provisions for Jubilee payments	2,391	2,589
Provisions for guarantees and warranty services	1,515	2,078
Other non-current provisions	1,233	846
Non-current provisions as of December 31	31,387	33,085
Provisions for guarantees and warranty services	9,039	11,491
Provisions for pending losses	11,507	8,576
Provisions for legal and trial costs	4,948	16,192
Other current provisions	26,761	3,210
Current provisions as of December 31	52,256	39,470
Total provisions as of December 31	83,642	72,554

As an internationally operating group, the Kontron Group is exposed to a variety of legal risks arising from product liability, competition law, patent law, tax law and other laws as well as contractual obligations. According to current assessment, sufficient provisions have been made in the consolidated financial statements for existing risks. However, no assurance can be given that ongoing proceedings and court decisions will not result in expenses exceeding the provisions made.

Provisions for pension commitments

Defined benefit pension commitments exist towards employees of the Kontron Group in Germany, France and Bulgaria.

Legal framework and description of commitments:

In Germany, the legal framework for occupational pension schemes is provided by the Occupational Pensions Act (BetrAVG), which sets out the minimum legal requirements for occupational pension schemes. In addition, regulations and rulings from labor law must be followed. The pension scheme is a pension paid out as a retirement pension, early retirement pension, disability pension for reduced earning capacity or survivor's pension.

As of the reporting date, 403 employees (PY: 409 employees) of Group companies in Germany have received pension promises as part of the company pension plans. Pension commitments are largely covered by plan assets, which consist primarily of independently managed pension fund assets, fair values of life insurance policies, and cash and cash equivalents. The average term of the pension commitments is between 7.2 and 19.7 years.

Due to legal and tariff regulations in France and Bulgaria, the Group companies based there are obliged to make one-off payments to their employees upon retirement. The payments are regulated by collective agreements and are based on the length of service and the final salary before retirement. Employees who retire from the company early, whether voluntarily or initiated by the employer, receive no payment. As of the balance sheet date, 263 employees (PY: 254 employees) in France, and 307 employees (PY: 353 employees) in Bulgaria participate in the plans.

Significant risks from the defined benefit commitments, which could primarily result from interest rate developments and longevity, are not expected.

Composition and development of the provision:

The following table shows the development of the pension obligation and the plan assets for the defined benefit plans.

IN TEUR	2025	2024
Pension obligations (DBO) as of January 1	18,907	14,872
Changes in consolidated companies	-26	3,359
Ongoing service costs	547	852
Interest expenses	620	639
Preliminary total recognized in the net income	1,167	1,491
Remeasurement: actuarial gains (-) / losses (+)		
due to demographic assumptions	6	-6
due to financial assumptions	-1,175	21
due to experience-caused corrections	-77	-37
Preliminary total contained in other comprehensive income	-1,246	-22
Pension payments made	-542	-793
Other changes	-4	0
Pension obligations (DBO) as of December 31	18,256	18,907
Market value of plan assets as of December 31	-2,596	-2,541
Net liabilities from pension obligations as of December 31	15,660	16,366

In the reporting period the fair value of the plan assets increased by TEUR 55 to TEUR 2,596 (PY: TEUR 2,541). Non-current financial assets include an capitalized surplus from the offsetting of pension obligations with associated plan assets in the amount of TEUR 306 (PY: TEUR 276). Of the change in value during the year, TEUR 68 (PY: TEUR 96) was included in current income and TEUR -64 (PY: TEUR -26) in other income. The pension benefits paid from the plan assets amounted to TEUR 137 (PY: TEUR 116).

On actuarial gains and losses in the period amounting to TEUR 1,181 (PY: TEUR -4), deferred taxes of TEUR -285 (PY: TEUR 14) were recognized in other comprehensive income.

The valuation of the obligation is based on the following actuarial assumptions:

ACTUARIAL ASSUMPTIONS 2025	GERMANY	FRANCE	BULGARIA
Discount factor	3.92%-4.06%	3.80%-4.00%	3.00%
Remuneration trends	0.00%-2.50%	2.50%	3.00%-5.00%
Pension Trends	2.00%	n.a.	n.a.

ACTUARIAL ASSUMPTIONS 2024	GERMANY	FRANCE	BULGARIA
Discount factor	3.29%-3.46%	3.00%-3.30%	2.50%
Remuneration trends	0.00%-2.50%	2.00%-3.00%	3.00%
Pension Trends	2.00%	n.a.	n.a.

The projected unit credit method is used as the actuarial valuation method. The calculations are based on TH-TF 00-02 for France, National Statistics 2021-2023 for Bulgaria and the 2018 G mortality tables by K. Heubeck for Germany.

The effect changes in the underlying assumptions have on the amount of the pension obligation is shown in the following table:

	CHANGE OF ASSUMPTION	INCREASING OS ASSUMPTION	REDUCTION OF THE ASSUMPTION
31.12.2025			
Discount rate	0.50%	-866	957
Future increases of remuneration	0.50%	86	-81
Pension trend	1.00%	1,099	-889
31.12.2024			
Discount rate	0.50%	-983	1,091
Future increases of remuneration	0.50%	75	-72
Pension trend	1.00%	1,232	-988

The increase in life expectancy of one year leads to an increase in the total obligation of TEUR 357.

The following amounts are expected to be paid in the next ten years in connection with pension benefits:

WITHIN THE NEXT 12 MONTH	BETWEEN 2 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	TOTAL
676	4,270	6,871	11,817

Provisions for severance payments

Obligations from severance payments for employees in Austria whose employment began before January 1, 2003, are accounted for as defined benefit plans. These are one-off severance benefits that need to be paid in accordance with employment regulations upon termination of employment and regularly upon retirement. The amount of the obligation depends on the number of years of service and the amount of remuneration recently received.

Obligations from severance payments for employees in subsidiaries outside Austria are also one-off severance payments in compliance with local labor law regulations that need to be paid upon termination of the employment relationship. Here, too, obligations are calculated depending on the length of service and the amount of remuneration.

Severance payment obligations are valued on the basis of actuarial reports using the projected unit credit method. The valuation of the obligation is based on the following actuarial assumptions:

ACTUARIAL ASSUMPTIONS 2025	AUSTRIA	SLOVENIA
Discount factor	3.70%	3.50 - 3.90%
Biometric calculation basis	AVÖ 2018-P for salaried employees	Mortality Tables Slovenia 2007
Fluctuation	No fluctuation taken into account	age-dependent: 0.00% - 20.00%
Salary increases	3.00%	2.70%

ACTUARIAL ASSUMPTIONS 2024	AUSTRIA	SLOVENIA
Discount factor	3.30%	3.10 - 3.30%
Biometric calculation basis	AVÖ 2018-P for salaried employees	Mortality Tables Slovenia 2007
Fluctuation	No fluctuation taken into account	age-dependent: 0.00% - 25.00%
Salary increases	3.50%	2.60%

The development of the present value of the defined severance payment obligations is as follows:

IN TEUR	2025	2024
Present value of the severance payments obligations as of January 1	10,930	10,439
Service costs	237	416
Interest expenses	337	329
Revaluations	-479	634
Benefits paid	-743	-888
Present value of the severance payments obligations as of December 31	10,282	10,930

The service cost is recognized in the consolidated statement of profit or loss under personnel expenses; the interest expense is recognized under finance expenses.

The revaluations are made up as follows:

IN TEUR	2025	2024
Alterations in demographic assumptions	39	-64
Alterations in financial assumptions	-613	-8
Adjustments based on experience	95	706
Profits (-) / losses (+) recognized from revaluations	-479	634

The gains/losses from revaluations are recognized in other comprehensive income (OCI) in equity in the period in which they arise.

A sensitivity analysis of the actuarial assumptions considered material for the calculation of the expected defined benefit obligation shows the effects on the present value of the obligation as presented below:

	CHANGE OF ASSUMPTION	INCREASE OF THE ASSUMPTION	REDUCTION OF THE ASSUMPTION
31.12.2025			
Discount rate	0.25%	-242	253
Future increases of remuneration	0.25%	246	-236
31.12.2024			
Discount rate	0.25%	-263	275
Future increases of remuneration	0.25%	266	-255

The sensitivity analysis is based on the change of one assumption while keeping all other assumptions constant. In reality, however, it is rather unlikely that these influencing variables do not correlate.

For employees in Austria whose employment began on or after January 1, 2003, contributions amounting to 1.53% of current remuneration are paid to an external employee pension fund. These obligations are classified as a defined contribution plan in accordance with IAS 19.

The contributions to be paid by the Group are recognized as personnel expenses in the period in which the associated work is performed. Following payment of the contributions, the Group has no further legal or factual obligations. In financial year 2025, these amounted to TEUR 694 (PY: TEUR 583).

Other provisions

Other non-current provisions developed as follows in the reporting year:

IN TEUR	GUARANTEES AND WARRANTIES	OTHERS	TOTAL
As of January 1, 2024	1,320	1,872	3,192
Change in scope of consolidation	975	1,903	2,878
Addition	675	751	1,426
Reclassification	25	-37	-12
Usage	-14	-906	-920
Release	-913	-155	-1,068
Currency translation difference	10	7	17
As of December 31, 2024	2,078	3,435	5,513
Change in scope of consolidation	-65	22	-43
Addition	550	723	1,273
Usage	0	-375	-375
Release	-981	-172	-1,153
Currency translation difference	-67	-8	-75
As of December 31, 2025	1,515	3,625	5,140

The other non-current provisions shown in the table above also include provisions for anniversary bonuses.

Other current provisions developed as follows in the reporting year:

IN TEUR	GUARANTEES AND WARRANTIES	LEGAL AND LITIGATION COSTS	PENDING LOSSES	OTHERS	TOTAL
As of January 1, 2024	10,801	9,753	8,941	3,780	33,275
Change in scope of consolidation	5,133	4,564	2,743	3,011	15,451
Addition	3,279	10,598	2,009	1,083	16,969
Reclassification	12	0	0	0	12
Usage	-4,523	-6,136	-2,523	-3,577	-16,759
Release	-3,143	-2,589	-2,596	-1,194	-9,522
Currency translation difference	-68	2	2	108	44
As of December 31, 2024	11,491	16,192	8,576	3,211	39,470
Change in scope of consolidation	-129	0	0	0	-129
Addition	2,946	468	8,726	25,256	37,396
Usage	-2,928	-6,533	-3,224	-1,145	-13,830
Release	-2,378	-5,125	-2,575	-553	-10,631
Currency translation difference	37	-54	4	-8	-20
As of December 31, 2025	9,039	4,948	11,507	26,761	52,256

The provisions for product warranties cover the expected warranty claims for sold products during the warranty period.

Provisions for legal and litigation costs mainly include provisions for potential litigation, settlements and penalties for critical projects.

The allocation to other provisions includes an amount of TEUR 19,058 for warranty guarantees in connection with the sale of the COM business.

The provision for impending losses includes the risks from the valuation of ongoing projects. This also includes project follow-up costs for customer projects that have already been accepted.

to the payment service provider are shown under other current financial liabilities. The supplier financing agreements see the Kontron Group settling the amounts with the payment service provider 60 days after the invoice due date. The bandwidth of due dates for trade payables is between 0 and 90 days, so the due dates for liabilities to supplier financing agreements are between 60 and 150 days.

These payments are still included in cash flow from operating activities because the factual connection to the original trade payable, and therefore the business background of the cash outflow, remains intact. Payments made by the payment service provider are treated as non-cash transactions.

The liquidity risk of supplier financing agreements using payment service providers is concentrated because the supplier financing agreements currently exist with only two financial institutions and one payment service provider, so the risk is therefore that supplier financing agreements will be revoked by the same financial institution or payment service provider. The liabilities covered by the supplier financing agreements are settled in accordance with their agreed due date. The associated estimated outflows are taken into account in liquidity planning. The Kontron Group rates the risk concentration in terms of sufficient sources of financing as low because risk diversification is maintained by financing across different financial institutions. Moreover, the supplier financing agreements do not include any material financing component and their elimination would ultimately not lead to a significant increase in financing requirements as a consequence. There were no non-cash changes in the carrying amount of current liabilities covered by the supplier financing agreements. As of the reporting date, the supplier financing program covered an amount of TEUR 20,756.

17 Other current liabilities

Other current liabilities break down as follows:

IN TEUR	2025	2024
Liabilities from value added tax and wage taxes	19,938	18,936
Liabilities due to employees	44,054	40,888
Liabilities from social charges	4,753	4,557
Prepayments received	971	1,173
Debitors with credit balances and credits due to clients	1,877	587
Others	3,431	3,451
Total other current liabilities	75,024	69,592

Cash and cash equivalents according to the consolidated cash flow statement are as follows:

IN TEUR	2025	2024
Cash on hand	52	60
Credit balances at banks	263,430	315,577
Cash and cash equivalents according to consolidated balance sheet	263,482	315,637
thereof restricted cash	4,080	3,737

The cash flows in the consolidated cash flow statement attributable to the discontinued operation are shown in the following table:

IN TEUR	2025	2024
Cash flow from operating activities	0	0
Cash flow from investing activities	-2,792	12,220
Cash flow from financing activities	0	0

The cash flow from investing activities of the discontinued division includes further cash flows for the IT service business sold in financial year 2022.

Refer to Section A for information on the effectiveness of business acquisitions and sale of companies.

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NOTES 2025

The following table shows the Group's financing liabilities, including liabilities from leases, broken down into their cash and non-cash portions:

IN TEUR	CASH EFFECTIVE CHANGES		NON-CASH EFFECTIVE CHANGES		31.12.2025
	01.01.2025		New leases	Other changes	
Bonded loans	168,500	0	0	0	168,500
Other loans and overdrafts	310,244	-67,732	0	-422	242,090
Other financial liabilities	27,370	-7,634	0	3,774	23,511
Lease liabilities	103,433	-22,743	29,960	-16,439	94,211
Total liabilities from financial activities	609,547	-98,108	29,960	-13,087	528,312

The cash change in other loans and current account credit facilities consists of proceeds of TEUR 80,120 and repayments of TEUR 147,852.

The cash change in other financial liabilities consists of proceeds of TEUR 1,969 and repayments of TEUR 9,603.

IN TEUR	CASH EFFECTIVE CHANGES		NON-CASH EFFECTIVE CHANGES		31.12.2024
	01.01.2024		New leases	Other changes	
Bonded loans	167,500	1,000	0	0	168,500
Other loans and overdrafts	43,251	170,415	0	96,578	310,244
Other financial liabilities	2,542	-12,569	0	37,397	27,370
Lease liabilities	52,178	-25,501	26,700	50,056	103,433
Total liabilities from financial activities	265,471	133,345	26,700	184,031	609,547

Other financial liabilities primarily include liabilities from hire purchases (installment purchase) of fixed asset items. The non-cash changes to this item relate to hire purchase obligations concluded in 2025 as well as currency effects.

The lease liabilities are reported under the balance sheet items other current and non-current financial liabilities. The non-cash changes to this item include a reduction of leasing liabilities due to early termination of leases in the amount of TEUR 19,544 (PY: TEUR 6,142), the accrual of interest on lease liabilities of TEUR 4,529 (PY: TEUR 4,414) and currency effects. The early termination of leases includes TEUR 15,769 for the derecognition of the liability due to the termination of a rental agreement for a commercial building in Germany. In addition, the non-cash changes include the divestiture of lease liabilities totaling TEUR 377 (PY: TEUR 404) as a result of deconsolidations.

In financial year 2024, the other changes included non-cash changes from company acquisitions amounting to TEUR 184,290.

02 Segment reporting

The Kontron Group's segment reporting is based on the internal reporting of the individual cash-generating units (CGUs), which are grouped into three segments, according to their function and the way they work together. The Group is managed and reported as it has been since the beginning of financial year 2023, and again in financial year 2025, on the basis of the following three reportable business segments: "Europe", "Global" and "Software + Solutions".

- › "Europe" segment: The "Europe" segment comprises the activities of the Kontron Group based in Europe with a focus on the in-house development of secure IoT-based solutions for networked machines. The range of services consists of an integrated portfolio featuring hardware, middleware and services. The focus is on self-developed products and proprietary technologies from the Kontron Group, in particular for the end markets of industrial automation, 5G connectivity and communication solutions, medical technology and smart energy.
- › "Global" segment: The "Global" segment comprises the Kontron Group's business activities in North America and Asia. In addition to setting its own regional portfolio, this segment also markets products and solutions from the "Europe" segment. The segment is aimed at international customers with global project requirements, so it complements the Group's European added value.
- › "Software + Solutions" segment: The "Software + Solutions" segment comprises the Kontron Group's group-wide software portfolio, in particular for industrial automation applications, including Kontron's own KontronOS operating system, as well as solutions for the transport, avionics and defense sectors. As part of the Katek takeover, the cash-generating unit (CGU) GreenTec was assigned to this segment, which focuses on innovative solutions in the areas of solar energy, electric mobility and renewable energy. According to external reporting, this segment represents the highest margins and the highest growth rates within the Kontron Group and is a central part of the strategic focus on high-margin IoT and software solutions.

EBITDA and gross profit (defined as revenue minus expenses for materials and other services purchased) are calculated on an IFRS basis for each operating segment and are monitored separately by the Executive Board. These key figures provide a substantial platform for resource allocation decisions and for assessing the profitability of the individual segments.

Segment results are measured and reported in the consolidated financial statements in accordance with Group EBITDA and gross profit.

Services are invoiced between business segments at acquisition or production costs on the basis of normal capacity utilization plus a uniform Group mark-up, and is therefore in line with the Kontron Group's internal management and valuation principles.

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NOTES 2025

The business development within the segments is as follows:

2025 IN TEUR	EUROPE ^{*)}	GLOBAL	SOFTWARE + SOLUTIONS ^{*)}	CONSOLIDATION/ RECONCILIATION	TOTAL
Total revenues	963,261	286,087	688,258		1,937,606
Internal revenues	-159,360	-73,388	-97,599	-330,347	
Revenues	803,901	212,699	590,659		1,607,259
Expenses for materials and other services purchased	-506,625	-139,184	-285,098		-930,907
Gross profit	297,276	73,515	305,561		676,352
Personnel expenses	-213,204	-49,070	-191,258		-453,532
EBITDA	97,260	36,839	103,286		237,385
Depreciation and amortization	-37,500	-7,343	-29,508		-74,351
EBIT	59,760	29,496	73,778		163,034
Finance income				7,581	7,581
Finance expenses				-28,205	-28,205
Result from associated companies				11	11
Income taxes				-4,268	-4,268
Profit from continuing operations					138,153
Segment assets	922,914	189,618	674,545		1,787,077
Segment liabilities	695,264	62,569	283,116		1,040,949
Segment investments	36,353	6,411	40,436		83,200

Of the gains from the disposal of the COM business included in EBIT in the amount of TEUR 87,011, TEUR 62,933 relate to the 'Europe' segment and TEUR 24,078 to the 'Global' segment.

2024 IN TEUR	EUROPE*)	GLOBAL	SOFTWARE + SOLUTIONS*)	CONSOLIDATION/ RECONCILIATION	TOTAL
Total revenues	1,101,628	312,567	595,853		2,010,048
Internal revenues	-182,571	-75,044	-67,612	-325,227	
Revenues	919,057	237,523	528,241		1,684,821
Expenses for materials and other services purchased	-598,125	-154,582	-238,355		-991,062
Gross profit	320,932	82,941	289,886		693,759
Personnel expenses	-213,234	-51,407	-176,715		-441,356
EBITDA	75,167	23,031	93,592		191,790
Depreciation and amortization	-41,080	-8,087	-28,464		-77,631
EBIT	34,087	14,944	65,128		114,159
Finance income				6,358	6,358
Finance expenses				-29,303	-29,303
Income taxes				-2,714	-2,714
Profit from continuing operations					88,500
Segment assets	954,181	239,132	630,379		1,823,692
Segment liabilities	798,706	88,414	284,294		1,171,414
Segment investments	36,601	9,164	25,458		71,223

*) Previous year adjusted after reclassification of companies between 'Europe' and 'Software + Solutions'

In financial year 2025, the Kontron Group continued the portfolio adjustment that had already begun in previous years. In this context, the cash-generating unit (CGU) "OT Services", which was part of the "Europe" segment, was dissolved as its business is no longer part of the Group's strategic focus.

In addition, as part of intra-group restructuring measures, the companies Kontron Services Romania S.R.L., Romania, and Kontron UK Ltd., Great Britain, were reorganized in terms of organization and operations. Due to their allocation to the service and product portfolio, these companies have been assigned to the "Software + Solutions" segment since financial year 2025. They were previously assigned to the "Europe" segment. The previous year's figures have been adjusted accordingly.

The EBITDA reported in segment reporting corresponds to EBITDA before headquarter charges are cleared by Kontron AG.

Kontron AG's costs, which are to be regarded as headquarter charges and cannot be allocated cause-based to the other business segments, are fully allocated to the "Europe" segment.

Earnings effects that are not directly related to the operating activities of the individual segments are also reported in the "Europe" segment.

Segment assets include all short-term and long-term assets of the segments. In previous years, assets were presented excluding goodwill and without non-current financial assets. The previous year's figures were adjusted accordingly.

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NOTES 2025

Segment liabilities include all current and non-current liabilities of the segments.

Information about geographical areas:

IN TEUR	2025		2024	
	REVENUES	NON-CURRENT ASSETS	REVENUES	NON-CURRENT ASSETS
Germany	429,150	190,602	439,421	179,279
North America	214,039	38,088	243,672	44,896
Austria	158,504	44,991	143,267	43,431
Hungary	100,578	27,854	134,884	27,288
Slovenia	100,446	45,879	81,941	41,183
France	84,266	24,576	73,030	21,147
Romania	78,929	4,600	41,081	7,344
Switzerland	40,837	9,581	41,660	8,204
Great Britain	40,825	1,965	34,834	1,216
Russia	39,070	8,024	40,278	6,320
China	37,663	499	49,233	925
Spain	30,015	1,433	30,270	2,635
Czech Republic	27,596	4,655	31,972	5,470
Sweden	27,203	0	26,086	0
Bulgaria	26,521	9,554	51,910	11,058
Other countries	171,618	3,799	221,282	4,744
	1,607,259	416,100	1,684,821	405,140

The details of non-current assets includes property, plant and equipment, intangible assets as well as non-current contract assets and other non-current assets.

The presentation of revenues by geographical area is based on the respective registered office of the customer.

In financial year 2025, the Group did not generate revenues of 10% or more of the total reported revenues with any single external customer.

03 Information about financial instruments

Accounting methods>>

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments recognized as financial assets or financial liabilities are generally reported separately.

Financial instruments are initially recognized at fair value. For subsequent measurement, the financial instruments are assigned to one of the measurement categories listed in IFRS 9:

- › financial assets measured at amortized costs
- › financial assets measured at fair value through other comprehensive income (with recycling)
- › financial assets measured at fair value through profit or loss

In the case of financial assets classified as equity instruments, there is an option to measure them at fair value (without recycling) without affecting profit or loss.

Financial assets

Financial assets include, in particular, trade receivables, cash at bank, cash in hand, derivative financial assets and marketable securities and similar funds and financial investments. The classification of financial instruments is based on the business model in which the instruments are held and the composition of the contractual cash flows.

Financial assets measured at amortized costs (debt instruments)

Financial assets measured at amortized costs are non-derivative financial assets with contractual payments consisting exclusively of interest payments and repayments on the outstanding nominal amount and which are held with the aim of collecting the contractually agreed cash flows, such as trade receivables, financial leasing receivables or cash and cash equivalents ('Hold to collect' business model).

After initial measurement, such financial assets are subsequently measured at amortized costs using the effective interest rate, less impairment for expected loss. Gains and losses are recognized in net income or loss for the period when the asset is derecognized, modified or impaired. The interest effects from the application of the effective interest method and effects from currency conversion are also recognized in profit or loss.

Financial assets (debt instruments) measured at fair value in other comprehensive income (with recycling) without effect on profit or loss

Financial assets that are measured at fair value through other comprehensive income (with recycling) are non-derivative financial assets with contractual payments that consist exclusively of interest and repayments on the outstanding nominal amount and that are held with the aim of both collecting the contractually agreed cash flows and making sales ('Hold to collect and sell' business model). For financial instruments that are measured at fair value through profit or loss (with recycling), interest income, revaluations of foreign exchange gains and losses as well as impairment losses or value recovery are recognized in the statement of profit or loss and calculated in the same way as for financial assets measured at acquisition costs. The remaining changes in fair value are recognized in other comprehensive income. On derecognition, the cumulative gain or loss from changes in fair value recognized in other comprehensive income is reclassified to the statement of profit or loss.

Financial assets (equity instruments) measured at fair value through other comprehensive income (without recycling)

On initial recognition, the Group may irrevocably elect to classify its equity instruments as equity instruments measured at fair value through other comprehensive income if they meet the definition of equity in IAS 32 (Financial Instruments: Presentation) and are not held for trading. The classification is done individually for each instrument.

Gains and losses on these financial assets are never reclassified to the income statement. Dividends are recognized in the income statement as other income if the legal entitlement to payment exists, unless the dividends recover part of the acquisition costs of the financial asset. In this case, the gains are recognized in other comprehensive income. Equity instruments measured at fair value through other comprehensive income are not tested for impairment.

Financial assets at fair value through profit or loss

The group of financial assets at fair value through profit or loss includes financial assets designated upon initial recognition as at fair value through profit or loss or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they have been acquired for sale or repurchase in the short term.

Financial assets at fair value through profit or loss are recognized in the balance sheet at fair value, with changes in fair value recognized net in the statement of profit or loss.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses on all financial instruments that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows to be paid under the contract and the total cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate.

Expected credit losses are recognized in two steps. For financial instruments whose default risk has not increased significantly since initial recognition, a risk provision is recognized in the amount of the expected credit losses based on a default event within the next twelve months (12-month ECL). For financial instruments whose default risk has increased significantly since initial recognition, a risk provision must be recognized in the amount of the expected credit losses over the entire remaining term of the respective instrument, regardless of when the default event occurs (lifetime ECL).

For trade receivables, finance lease receivables and contract assets from customer contracts, the Kontron Group applies a simplified method to calculate expected credit losses in the form of a lifetime ECL using an impairment matrix. Therefore, the Kontron Group does not track changes in credit risk in these financial instruments but instead recognizes a provision for risk on the basis of the lifetime ECL at each reporting date.

The provision ratios are determined on the basis of the overdue period in days. The calculation includes the probability-weighted income, taking into account the interest effect as well as appropriate and reliable information on past events, current circumstances and expected future economic conditions available at the balance sheet date.

Impairment losses are reversed through profit or loss when the reason for impairment ceases to exist or there is an improvement.

Derecognition

A contractual asset, or part of a financial asset, is derecognized when the contractual rights to receive cash flows from the financial asset have expired or the contractual rights to receive cash flows from the financial asset have been transferred to third parties.

When the Group transfers its contractual rights to receive cash flows from the asset, it assesses whether and to what extent it retains the risks and rewards of ownership. If all risks and rewards are substantially transferred, accounts receivable are fully derecognized. However, any default or dilution reserves are retained by the factoring bank. If all risks and rewards are neither substantially transferred nor retained, but a transfer of control takes place, the accounts receivable are fully derecognized. If this is not the case, accounts receivable are derecognized only to the extent that no commitment subsists. In the case of factoring for which a percentage excess has been agreed in the event of bad debts, the accounts receivable are fully derecognized on the basis of the transfer of control.

Financial liabilities

All financial liabilities are initially measured at fair value, less directly attributable transaction costs in the case of loans and liabilities.

The Group's financial liabilities include, in particular, trade payables and other liabilities, loans and overdrafts as well as finance lease liabilities.

Financial liabilities measured at amortized costs

After initial recognition, financial liabilities are measured at amortized costs using the effective interest method.

Liabilities to banks and trade payables are the most significant items in the consolidated financial statements.

A financial liability shall be derecognized when its underlying obligation has been fulfilled, terminated or ceased to exist. Where an existing financial liability is replaced by another financial liability of the same lender under substantially different terms or where the terms

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NOTES 2025

The following table shows the carrying amounts of all financial instruments recognized in the consolidated financial statements by category in accordance with IFRS 9:

	MEASUREMENT CATEGORY ACC. IFRS 9	CARRYING AMOUNT 31.12.2025	FAIR VALUE 31.12.2025
ASSETS			
Cash and cash equivalents	at amortized costs	263,482	263,482
Trade receivables			
of which:	at amortized costs	180,012	180,012
of which:	FV through OCI (with recycling)	12,552	12,552
FV hierarchy			LEVEL 3
Other current financial assets	at amortized costs	43,132	43,132
FV hierarchy			LEVEL 2
Other non-current financial assets			
of which:	at amortized costs	93,941	93,941
of which:	FV through profit and loss	899	899
FV hierarchy			LEVEL 3
of which:	FV through OCI (with recycling)	8	8
FV hierarchy			LEVEL 1
LIABILITIES			
Other current financial liabilities			
of which:	at amortized costs	46,042	46,042
FV hierarchy			LEVEL 3
Trade payables	at amortized costs	228,041	228,041
Current financing liabilities	at amortized costs	193,871	193,871
Non-current financing liabilities	at amortized costs	216,720	173,319
Other non-current financial liabilities	at amortized costs	84,313	84,313
FV hierarchy			LEVEL 3

	MEASUREMENT CATEGORY ACC. IFRS 9	CARRYING AMOUNT 31.12.2024	FAIR VALUE 31.12.2024
ASSETS			
Cash and cash equivalents	at amortized costs	315,637	315,637
Trade receivables			
of which:	at amortized costs	227,744	227,744
of which:	FV through OCI (with recycling)	21,906	21,906
FV hierarchy			LEVEL 3
Other current financial assets	at amortized costs	17,681	17,681
FV hierarchy			LEVEL 2
Other non-current financial assets			
of which:	at amortized costs	9,129	9,129
of which:	FV through profit and loss	874	874
FV hierarchy			LEVEL 3
of which:	FV through OCI (with recycling)	8	8
FV hierarchy			LEVEL 1
LIABILITIES			
Other current financial liabilities			
of which:	at amortized costs	42,795	42,795
of which:	FV through profit and loss	752	752
FV hierarchy			LEVEL 3
Trade payables	at amortized costs	272,378	272,378
Current financing liabilities	at amortized costs	172,985	172,985
Non-current financing liabilities	at amortized costs	305,760	262,358
Other non-current financial liabilities	at amortized costs	97,368	97,368
FV hierarchy			LEVEL 3

04 Capital management

The primary objective of the Group's capital management is to ensure that, in order to support its operations and maximize shareholder value, it has a credit rating with banks that enables it to obtain debt financing at the lowest possible cost. From the management's point of view, a key indicator for achieving the credit rating is the equity ratio in the Group. As of the reporting date, the Group equity ratio is 41.8% (PY: 35.8%). Management monitors capital using the debt-equity ratio, which is the ratio of net financial debt to the sum of equity and net financial debt. Monitoring is carried out as part of the monthly reporting of the Group companies and is reported to the Executive Board. As of the reporting date, net financial liabilities amounted to TEUR 777,468 (PY: TEUR 855,777) and the sum of equity and net financial liabilities to TEUR 1,523,595 (PY: TEUR 1,508,055), resulting in a gearing ratio of 51.0% (PY: 56.7%). Net financial debt includes interest-bearing loans, trade payables and other liabilities less cash and short-term deposits. Equity capital comprises the equity capital reported in the balance sheet. If necessary, the Group may increase the equity ratio within the framework of the authorized capital by issuing new shares. The Group manages its capital structure and makes adjustments taking into account changes in the economic environment. In order to maintain or adjust the capital structure, the Group may make adjustments to dividend payments to shareholders or issue new shares.

IN TEUR	2025	2024
Equity	746,127	652,278
Total equity and liabilities	1,787,077	1,823,692
Equity ratio	41.8%	35.8%
Non-current liabilities	355,053	452,933
Current liabilities	685,897	718,481
	1,040,950	1,171,414
Cash and cash equivalents	-263,482	-315,637
Net financial liabilities	777,468	855,777
Equity	746,127	652,278
Equity and net financial liabilities	1,523,595	1,508,055
Debt ratio	51.0%	56.7%

As of December 31, 2025, no changes have been made to the objectives, policies and procedures. The financial ratios required by the banks for the granting of framework credit lines were met.

05 Risk management

The main financial liabilities used by the Group – except for derivative financial instruments – include bank loans, bonded loans and short-term overdraft facilities, lease liabilities, trade payables and other liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group has various financial assets, such as trade receivables, other receivables as well as cash and current deposits, which result directly from its business activities.

In addition, the Group has derivative financial instruments that are used to hedge against currency and interest rate risks arising from the Group's business activities and its sources of financing. Trading in derivatives for speculative purposes is not conducted in accordance with the Group's internal guidelines.

The Group is exposed to market, credit and liquidity risks. The management of these risks is the responsibility of the Group's management. The management decides on strategies and procedures to control individual types of risk, which are presented below.

Liquidity risk

As a general rule, the financing of investments, major projects, and company acquisitions is generally done centrally using Kontron AG financing conditions. Kontron AG provides central programs for factoring and reverse factoring as well as supplier financing via payment service providers in the group, which are mandatory for the group companies. Implementation and execution are then the responsibility of the local unit. For local loans, the Kontron Group credit policy applies. If new local financing be required, all relevant documents (credit or credit agreement) must be submitted in advance to Financing, Treasury and Insurance Management at Kontron AG. Local financing programs are used for selected parts of day-to-day business of the operating units. Compliance with group-wide guidelines is mandatory and is coordinated centrally within the Group.

The Group continuously monitors the risk of a possible liquidity bottleneck by means of liquidity planning in order to identify any financing requirements at an early stage and to coordinate them with its banking partners.

The Group's objective is to maintain a balance between continuously meeting its funding needs and ensuring flexibility through the use of short-term overdraft facilities and other sources of funding.

As of December 31, 2025, the Group's financial liabilities have the following expected payments. The figures are based on the contractual, non-discounted payments.

2025	UP TO 1 YEAR	FROM 1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
Financing liabilities	204,096	232,067	1,130	437,293
Lease liabilities	28,182	58,619	24,894	111,695
Trade payables	228,041	0	0	228,041
Other financial liabilities	47,557	15,561	24	63,142
	507,876	306,247	26,048	840,171
2024	UP TO 1 YEAR	FROM 1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
Financing liabilities	187,688	335,035	0	522,723
Lease liabilities	29,146	64,280	31,150	124,576
Trade payables	272,378	0	0	272,378
Other financial liabilities	22,367	20,048	0	42,415
	511,579	419,363	31,150	962,092

The carrying amount of financing liabilities as of December 31, 2025 is TEUR 410,591 (PY: TEUR 478,745) and consists of non-current financing liabilities of TEUR 216,720 (PY: TEUR 305,760) and of short-term bank loans and overdraft facilities amounting to TEUR 193,871 (PY: TEUR 172,985). Interest accrued on interest-bearing liabilities amounted to TEUR 27,989 (PY: TEUR 29,303).

The Kontron Group uses local reverse factoring programs for supplier financing in selected Group companies and for certain suppliers. These agreements may also lead to greater utilization of existing payment terms. The liabilities remain part of the working capital used in the normal operating cycle of the company. However, in balance sheet terms as well as in terms of civil law, there are no effects that result in a reclassification of trade payables to another type of liability in the balance sheet.

The agreement does not result in any extension of existing payment terms (these are generally between 30 and 120 days) and the liabilities covered relate exclusively to the purchase of inventories for production in connection with customer contracts.

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk includes the following three types of risk: exchange rate risk, interest rate risk and other price risks. Financial instruments exposed to market risk include interest-bearing loans, deposits, available-for-sale financial assets and derivative financial instruments.

Foreign currency risk

The Group is exposed to currency risks from individual transactions. These risks result from purchases and sales of an operating unit in a currency other than the functional currency of that unit. The main currency risks result from the change in the US dollar/EUR exchange rate. As a global company, Kontron makes revenue and material purchases in US dollars and euros. The resulting currency effects are partially offset over time. Remaining peaks are hedged through the use of short-term futures contracts or options transactions. To optimize the hedging strategy, the risk from the difference between foreign currency income and expenses of planned transactions that are highly likely to occur within the framework of Group planning is eliminated or limited by using various hedging instruments.

At both December 31, 2025 and December 31, 2024, the Group had no outstanding foreign exchange forward contracts.

For the presentation of currency risks, IFRS 7 requires a currency sensitivity analysis that shows the effects of hypothetical changes in relevant risk variables on income and equity. Relevant risk variables are basically all non-functional currencies in which Group companies enter into financial instruments. The periodic effects are determined by relating the hypothetical changes in the risk variables to the portfolio of financial instruments on the reporting date. It is assumed that the portfolio on the balance sheet date is representative for the entire year.

The following table shows the sensitivity of the Group's net income or loss for the period (due to the change in fair value of monetary assets and liabilities) to a change in the exchange rate of the US dollar that may reasonably be considered possible. All other variables remain constant.

	EXCHANGE RATE USD	EFFECT ON EARNINGS BEFORE TAXES IN TEUR
Financial year 2025	+10%	-1,841
	-10%	1,841
Financial year 2024	+10%	-3,841
	-10%	3,841

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from variable rate financing and invested time deposits. A change in the general interest rate level could lead to an increase or decrease in interest expenses or interest income.

The following interest rate sensitivity analysis was prepared assuming that interest rates would have been 100 basis points higher or lower in all currencies for variable interest rates and for short-term fixed interest rates (cash advances) during the reporting period. This represents the management's assessment of a justified possible change in interest rates.

As a basis, the interest rate risk exposure of financial instruments was determined as of the balance sheet date, and it was assumed that the outstanding liabilities or receivables were outstanding for the entire year as of the reporting date.

Approximately 68.9% (PY: 64.9%) of the financing liabilities amounting to TEUR 410,591 (PY: TEUR 478,745) are subject to variable interest rates. This includes tranches from the bonded loan totaling TEUR 141,500 (PY: TEUR 141,500). Tranches from the bonded loan totaling TEUR 27,000 (PY: TEUR 27,000), and other bank loans amounting to TEUR 100,795 (PY: TEUR 141,122) are fixed-interest loans.

If interest rates had been 100 basis points higher and all other variables had been constant, the interest paid would have been TEUR 2,828 (PY: TEUR 3,106) higher. The interest rate fluctuations examined have no direct effect on equity. With regard to the liabilities reported in the balance sheet, the Group is currently not exposed to any material interest rate risk.

In addition, there is a loan of TBGN 2,678 (PY: TBGN 3,716) taken over as part of the acquisition of Kontron Solar Bulgaria EOOD. An existing interest rate swap was resolved in financial year 2025.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. The Group is exposed to credit risks in the course of its operating activities (in particular risks arising from trade receivables) as well as risks in the course of financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

To minimize credit risk, depending on the form of payment and amount being serviced, credit rating information is obtained, or historical data from the existing business relationship (and in particular payment patterns) are used to avoid payment defaults. For this purpose, the Group has introduced an accounts receivable management system that monitors the receivables on an ongoing basis. In addition, trade receivables are mainly covered by credit insurance. Insofar as default risks are nevertheless identifiable for the individual financial assets, these risks are recognized through value adjustments. A concentration of default risks from business relationships with individual debtors or groups of debtors is not recognizable.

The balance sheet amount of financial assets indicates, irrespective of existing collateral, the maximum credit risk in the event that business partners are unable to meet their contractual payment obligations. The corresponding amounts of financial assets can be found in the chapter "Information about financial instruments".

The following overview shows the default risk position of the Group's trade receivables determined with the help of a value adjustment matrix:

31.12.2025	NOT OVERDUE	1 TO 60 DAYS OVERDUE	61 TO 90 DAYS OVERDUE	91 TO 180 DAYS OVERDUE	181 TO 270 DAYS OVERDUE	271 TO 365 DAYS OVERDUE	MORE THAN 365 DAYS OVERDUE
Estimated total gross carrying amount of delinquent payments	166,678	19,058	2,728	6,179	868	1,776	7,164
Expected credit losses	430	167	124	1,418	306	216	5,824

Stock option program 2024/2025

In November 2022, a total of 1,500,000 stock options were granted to the members of the Executive Board of Kontron AG and senior employees of Kontron AG as well as the executives of selected Group companies on the basis of the Stock Option Program 2024/2025.

The term of the stock option program began on the issue date and ends after 60 months. The stock options can be exercised after a waiting period. The waiting period begins on the date of issue and ends after 36 months. The exercise periods defined in the 2024/2025 stock option program are 30 stock exchange trading days each, beginning on the second stock exchange trading day after the publication of quarterly, semi-annual or annual reports and after the day of the annual press conference. At the time the stock option is exercised, the stock market price must be at least 25% above the exercise price.

Stock options not exercised expire at the end of the term. The stock options are only transferable between option holders, not to third parties. The 2024/2025 stock option program grants the company the exclusive right to deliver shares to the allottees against payment of the exercise price or to pay their entitlement in cash.

The fair value of the stock options granted was determined at the grant date using the Monte-Carlo method and the Random Walk theory.

Stock option program 2018/2019

The 2018/2019 stock option program granted in December 2018 expired on December 21, 2025, after twice being extended by 12 months.

The following table shows the key parameters at the time the stock option programs were granted:

	STOCK OPTIONS PROGRAM 2025/2027	STOCK OPTIONS PROGRAM 2024/2025
Number of stock options	1,800,000	1,500,000
Day of issuance	November 7, 2025	November 14, 2022
Term	5 years	5 years
Exercising price	Closing quote on issuance day	Closing quote on issuance day
Stock quote on the day of issuance	EUR 22,12	EUR 15.30
Expected volatility	41.00%	33.30%
Interest rate	2.36%	2.47%
Expected term of the options	4.85 years	3.93 years
Option price	EUR 3.40	EUR 3.42

In financial year 2025, 460,000 options (PY: 125,000 options) relating to the 2018/2019 stock option program were exercised. 425,000 options were exercised in cash, with TEUR 1,505 paid in 2025 and TEUR 1,961 being paid out in 2026. 35,000 options were exercised using treasury shares.

In financial year 2025, 87,500 options (PY: 0 options) relating to the 2024/2025 stock option program were exercised. 87,500 options were exercised in cash, with TEUR 262 paid in 2025 and TEUR 438 being paid out in 2026.

As of December 31, 2025, the outstanding rights for the 2024/2025 stock option program total 1,017,500 (PY: 1,105,000). 395,000 option rights (PY: 395,000) had not yet been allocated.

In financial year 2025, 1,791,660 were reallocated under the 2025/2027 stock option program.

The weighted average exercise prices of the options exercised and the weighted average share prices at the date of exercise are as follows:

ONGOING STOCK OPTION PROGRAMS

IN EUR	2025	2024
Average weighted price of exercising of options exercised	15.64	15.71
Average weighted stock quote on day of exercising of options	23.77	19.66

In financial year 2025, expenditure for the stock option programs recognized in personnel expenses amounts to TEUR 1,441 (PY: TEUR 1,424).

Warrants

In 2020, the company issued warrants on the basis of a prospectus approved by the FMA. A total of 2,000,000 warrants were issued. The due date for the warrants was determined as July 30, 2025. Up to this point, they had not been exercised. In accordance with the issue conditions, the warrants expired on their due date with no equivalent value.

09 Remuneration of the Executive Board and Supervisory Board

The remuneration granted to the members of the Executive Board of Kontron AG was as follows:

IN TEUR	2025	2024
REMUNERATION INDEPENDENT OF PERFORMANCE		
Gross salary	752	645
Fixed remuneration in kind	36	29
Total fixed remuneration	788	674
PERFORMANCE-RELATED REMUNERATION		
Variable annual compensation granted (Short Term Incentive – STI)	334	270
Share-based compensation granted (Long Term Incentive – LTI)	3,187	0
Total variable remuneration	3,521	270
Total	4,309	944

The total remuneration granted to members of the Supervisory Board in financial year 2025 amounted to TEUR 455 (PY: TEUR 440). These sums include fixed remuneration and attendance fees.

10 Disclosure of relationships with affiliated companies and persons

In the course of normal business operations, relationships of supply and service provision exist with affiliated companies and persons. Contractual agreements are in place. The fee is settled at market prices. The relationships with related parties in the financial year 2025 and as of December 31, 2025 can be presented as follows:

2025 IN TEUR	PROCURED GOODS AND SERVICES	GOODS AND SERVICES SUPPLIED	FINANCIAL INCOME	FINANCIAL EXPENSE	RECEIVABLES	LIABILITIES
Business relationship with the Executive and Supervisory Board	0	0	0	0	0	0
Business relationship with associated companies	0	0	0	0	0	0
Business relationship with the parent company or its controlling company	27,876	15,415	0	0	3,938	1,543
Business relationship with subsidiaries	515	0	0	0	435	121
Business relationship with other related persons and companies	0	0	0	0	0	0
2024 IN TEUR	PROCURED GOODS AND SERVICES	GOODS AND SERVICES SUPPLIED	FINANCIAL INCOME	FINANCIAL EXPENSE	RECEIVABLES	LIABILITIES
Business relationship with the Executive and Supervisory Board	20	31	0	0	0	12
Business relationship with associated companies	0	0	0	0	0	0
Business relationship with the parent company or its controlling company	40,296	13,210	0	0	2,443	11,905
Business relationship with subsidiaries	448	2	0	0	438	108
Business relationship with other related persons and companies	0	0	0	0	0	0

The supplies and services procured and provided by and with related companies and persons relate primarily to deliveries of goods.

The business relationships with the parent company or its controlling company refer to Ennoconn Corporation, Taiwan, which holds a 27.90% stake in Kontron AG as of December 31, 2025 and in whose scope of consolidation the Kontron Group has been included on the basis of de facto control since July 1, 2017, and Hon Hai Precision Industry Co, Ltd, the largest single shareholder of Ennoconn Corporation with a 25.19% stake. In terms of their content, the goods and services purchased from Ennoconn and Hon Hai Precision Industry Co., Ltd. comprise the order-specific production of electronic products such as embedded boards, industrial PCs or embedded systems for the segments "IoT Solutions Europe" and "IoT Solutions America". The main customer companies within the Kontron Group are Kontron Europe GmbH and its subsidiaries in North America and Canada.

The business relationships with subsidiaries relate to the goods and services provided and received with affiliated companies not included in the consolidated financial statements.

As in the previous year, there are no value adjustments for receivables from related parties.

With regard to the remuneration of the members of the Executive Board of Kontron AG and the remuneration of the members of the Supervisory Board, please refer to Note 09 Remuneration of the Executive Board and Supervisory Board.

11 Exempting group accounting

With regard to the following consolidated companies, the consolidated financial statements and the Group Management Report of Kontron AG are considered to be exempting consolidated financial statements and an exempting group management report in accordance with Section 291 of the German Commercial Code:

- › Kontron Beteiligungs GmbH, Ismaning, Germany
- › Kontron Acquisition GmbH, Ismaning, Germany
- › Kontron Europe GmbH, Ismaning, Germany
- › Kontron Electronics GmbH, Frickenhausen, Germany
- › Katek SE, Ismaning, Germany
- › Kontron eSystems GmbH, Wendlingen am Neckar, Germany

For the following companies based in Germany, the exemption provision has been filed in accordance with Section 264 (3) of the German Commercial Code:

- › Kontron Beteiligungs GmbH, Ismaning
- › Kontron Acquisition GmbH, Ismaning
- › Kontron Europe GmbH, Ismaning
- › Kontron Electronics GmbH, Frickenhausen
- › Katek SE, Ismaning
- › Kontron AIS GmbH, Dresden
- › Kontron Hartmann-Wiener GmbH, Burscheid
- › Kontron Transportation Deutschland GmbH, Immenstaad am Bodensee
- › beflex electronic GmbH, Frickenhausen
- › Katek GmbH, Grassau
- › Kontron eSystems GmbH, Wendlingen am Neckar
- › Kontron Automotive GmbH, Düsseldorf

12 Events after the balance sheet date

The following significant events occurred after the reporting date:

- › On March 6, 2026, the squeeze-out of the minority shareholders of Katek SE was entered in the commercial register (see Section A).
- › The potential impacts of the current geopolitical tensions due to the war in the Middle East cannot be estimated.

13 Proposal for the appropriation of profit

The basis for the proposal for the appropriation of profits is the individual financial statement of Kontron AG prepared in accordance with the provisions of the Austrian Commercial Code.

For the 2025 financial year, the Executive Board proposes that the retained earnings be carried forward.

14 Release for publication

The consolidated financial statements of Kontron AG were approved for publication by the Executive Board on March 25, 2026.

15 Organs of the Company

The following persons served as Supervisory Board members in financial year 2025:

- › Ms. Claudia Badstöber, Chair
- › Mr. Bernhard Chwatal
- › Ms. You-Mei Wu (Yolanda Wu) (until June 11, 2025)
- › Mr. Fu-Chuan Chu (Steve Chu)
- › Mr. Joseph John Fijak
- › Ms. Mavis Hong (since June 11, 2025)

In the 2025 financial year, the following persons served as members of the Executive Board:

- › Mr. Hannes Niederhauser, CEO
- › Dr. Clemens Billek, CFO
- › Dr. Johannes Fues, COO (until March 31, 2025)
- › Mr. Michael Riegert, COO
- › Mr. Philipp Schulz, COO

Linz, March 25, 2026



Hannes Niederhauser



Clemens Billek



Michael Riegert



Philipp Schulz

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

Kontron AG, Linz, Austria

and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as at December 31, 2025, and the Consolidated Income Statement and Statement of Other Comprehensive Income, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) as well as other legal or regulatory requirements.

Basis for our Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 ("EU Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Our liability as auditors is guided under Section 275 UGB (Austrian Commercial Code).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Deconsolidation of Computer-on-Modules (COM) business

Refer to notes section A / Group Management Report chapter 03 Economic Report

Risk for the Consolidated Financial Statements

As described in the Notes to the Consolidated Financial Statements under Note A, on June 30, 2025 Kontron AG, including certain subsidiaries, entered into an Investment, Refinancing and Purchase agreement with congatec GmbH and one of its affiliated companies ("the Investor"), under which the investor took over the COM-business through a legally complex transaction structure.

In addition, as part of this transaction, additional discounts were granted on future deliveries and services under an existing contract manufacturing agreement, and commitments were made to provide certain transitional services to congatec without additional consideration for up to one year.

The agreed total consideration (before potential earn-out payments) amounts to EUR 158 million and resulted in income from the deconsolidation of EUR 87 million.

Due to the complexity of the transaction structure, management had to make significant judgments and estimates when determining the accounting for the transaction.

Our Response

We read the legal documents and contracts to understand the transaction steps and to evaluate the appropriateness of the accounting treatment in the context of the transaction.

We have assessed the methods, assumptions and data used by management to prepare its estimates, as well as the judgments made by management. Our assessments were carried out with the involvement of internal tax, IFRS and valuation specialists.

We have checked the accuracy of the calculations made by management for the amounts to be recorded.

We have assessed the completeness, accuracy and relevance of the disclosures made in the context of the transaction in the consolidated financial statements.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Until the date of this report we received the following chapters of the annual report: the Corporate Governance Report, the Consolidated Non-Financial Report, the Compensation Report, the Service Portfolio, the Report of the Supervisory Board and the remaining parts of the annual report will probably be made available to us after this date.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on our knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

If, on the basis of our work on the other information obtained before the date of the auditor's report, we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS Accounting Standards as adopted by the EU and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) as well as other legal or regulatory requirements and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements taken as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result 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 based on the consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- › We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representation or override of internal controls.
- › We obtain an understanding of internal controls 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 Group's internal controls.
- › We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- › We 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 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 respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit 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 Group to cease to continue as a going concern.
- › We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, as well as whether the consolidated financial statements represent the underlying business transactions and events in a manner that achieves fair presentation.
- › We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- › We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal controls that we identify during our audit.
- › We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- › From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when, in rare cases, we determine that a matter should not be included in our auditor's report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal and Regulatory Requirements

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law and other legal or regulatory requirements.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional information in accordance with Article 10 EU Regulation

We were elected as auditors at the Annual General Meeting on June 11, 2025 and were appointed by the supervisory board. on June 13, 2025 to audit the consolidated financial statements of the Company for the financial year ending on December 31, 2025.

We have been auditors of the Company, without interruption, since the consolidated financial statements as of December 31, 2022.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 EU Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 EU Regulation) and that we have ensured our independence throughout the course of the audit.

Engagement Partner

The engagement partner is Mr. Yann Georg Hansa.

Vienna, March 25, 2026

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by

Yann Georg Hansa

Wirtschaftsprüfer

(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

STATEMENT OF LEGAL REPRESENTATIVES

We confirm to the best of our knowledge and in accordance with the applicable reporting principles that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and that the Group management report, including the profit or loss of the Group, represents a fair view of the assets, liabilities, financial position and the performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Linz, March 25, 2026



Hannes Niederhauser



Dr. Clemens Billek



Michael Riegert



Philipp Schulz

Global Leader in
Smart IoT Solutions

Non Financial Report



2025



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NON-FINANCIAL REPORT 2025

1. General basis for preparation of the non-financial statement

1.1. BP-1 – General basis for preparation of the non-financial statement

This non-financial report has been prepared in accordance with Section 267a UGB (Austrian Commercial Code) in accordance with the requirements of the Sustainability and Diversity Improvement Act (NaDiVeG). In addition, the non-financial report – in preparation for the reporting requirement under the Corporate Sustainability Reporting Directive (CSRD) – has been prepared voluntarily in accordance with the European Sustainability Reporting Standards (ESRS). This ensures that Kontron AG and the Kontron Group's non-financial reporting consistently reflects the economic, environmental, and social aspects of all affiliated companies while meeting legal requirements for transparency and comparability. The disclosure of EU taxonomy information is based on the Taxonomy Regulation (EU) 2020/852, Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2486 as well as the related FAQs.

The scope of consolidation for the non-financial report is the same as that for the consolidated financial statements. This includes Kontron AG and all subsidiaries over which Kontron AG exercises direct or indirect control. Detailed information can be found in the Notes to the Consolidated Financial Statements, Part A, Chapter "Scope of Consolidation." As of December 31, 2025, the Group holds one company (PY: 0) accounted for using the equity method. In addition, two companies (PY: 1) are not included in the consolidated financial statements due to their subordinate significance.

The Kontron Group's value chain played an important role in identifying the relevant topics for non-financial reporting. It was assessed not only in relation to the company's own operations, but also concerning upstream and downstream value streams as part of the double materiality analysis.

Kontron has not made use of the option to omit specific information relating to intellectual property, know-how, or the results of innovations.

The company did not make use of the exemption under Article 19a paragraph 3 and Article 29a paragraph 3 of Directive 2013/34/EU.

1.2. BP-2 – Disclosures in relation to specific circumstances

The 2025 non-financial report is Kontron AG's second report based on the ESRS. The 2024 report forms the basis and has been added to in terms of content, while data collection has been improved as a result of experience gained from 2024.

As in the previous year, the key figures are collected on the basis of reporting date December 31, 2025. For the deconsolidated companies (JUMPTech GmbH, Kontron Asia Embedded Design Sdn Bhd, Kontron America Modules LLC), the key figures for S1 (own workforce) such as training hours, performance reviews, accidents at work and salary data are not reported, as they are not relevant. Fluctuation due to employee departures has been taken into account.

Information on time frames (see information under IRO-1), estimates regarding the value chain (see information under SBM-1) and sources of estimates and outcome uncertainties can be found in the relevant key performance indicator explanations in the Environmental, Social and Governance chapters of the non-financial report. When assessing the impacts, risks, and opportunities, all three time horizons were considered. The time horizon with the highest expected significance was documented and assessed in terms of both impacts and opportunities and risks.

The key indicators listed in this non-financial statement are primarily based on direct measurements and surveys, machine data, resource consumption and other absolute data. Estimates have only been used where neither primary data from direct measurements nor specific information from business partners in the value chain was available in the reporting period. This applies to some purchased goods, capital goods, and employee commuting distances for calculating Scope 3 emissions (for further information on these estimates and secondary data from the Ecoinvent database, see Section E1 under E1-6).

Assumptions and statistically likely forecasts have been used for climate scenario analysis and vulnerability analysis (see method description in Section IRO1 – E1). In area S1, individual companies estimated and extrapolated the number of hours of documented training courses due to lack of specific hours recorded.

For future reporting periods, the focus will be on improving data quality, e.g. by using supplier-specific emission factors. Details on the principles of preparation, the sources for estimates and measurement uncertainties and the assumptions made are set out in chapters “E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions,” and “E5-4 – Resource inflows”.

Other quantitative indicators, which are subject to estimates and outcome uncertainties, relate to energy consumption and energy mix. Details on the principles of preparation, the sources for estimates and measurement uncertainties and the assumptions made are set out in chapter “E1-5 – Energy consumption and energy mix”.

Estimates and assumptions have been used for resource inflows (proportion of secondary raw materials in products and packaging) to the extent that only supplier or customer information or product and industry averages were available in the absence of actual data (see E5-4).

The disclosures for 2024 were reviewed in the reporting year 2025 and, where factually required, adjusted on the basis of refined definitions. During this process, it was identified that no inflation adjustment had been applied to the monetary input data used for the greenhouse gas (GHG) balance and resource inflows in the reporting year 2024. This deviation was classified as a methodological error and was corrected accordingly for the reporting year 2025. Given the expenditure-based methodology applied, the focus in 2024 was placed on examining the factual definitions and the calculation logic, and an inflation adjustment was therefore not carried out.

In addition, renewed inquiries to the subsidiaries resulted in corrections to the 2024 indicators for E1-5 Energy consumption, E1-5 Energy intensity, E1-6 Scope 1 GHG emissions, S1-7 Non-employees, S1-8 Employees covered by collective bargaining agreements and S1-14 Employees at sites with ISO 45001 certification. In 2024, the training hours for women and men reported under S1-13 had been reversed and were corrected in 2025. Furthermore, under E5-4 “Share of recycled and reused materials in products”, packaging materials had been mistakenly included. This value was corrected and disclosed separately in the 2025 report.

Kontron has not adopted any ESRS Disclosure Requirements by reference and refers only to other sections of the management report or to group documents, such as the remuneration report or the remuneration policy, for additional information or for comparison purposes.

DISCLOSURE REQUIREMENT	DATA POINT	REFERENCE
GOV-3	ESRS 2 – GOV-3 – 29 – AR 7 ESRS 2 – GOV-3 – 29	Incentive systems and compensation guidelines for members of administrative, management and supervisory bodies that are connected with sustainability aspects. Description of key features of incentive systems, description of the specific sustainability-related objectives and/or impacts used to assess the performance of members of administrative, management and supervisory bodies.
SBM-1 – Strategy, business model and value chain	ESRS 2-SBM-1.42a ESRS 2-SBM-1.42b	Management Report (Procurement and Supply Chain Management, Strategy)
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2- IRO-1.5	Management Report (risk report)
2.1 EU taxonomy		Revenue from the consolidated income statement (see Consolidated Financial Statements Part B, Note 01).
E1-5 – Energy consumption and mix	E1-AR53e	

1.3. GOV-1 – The role of the administrative, management and supervisory bodies

As of December 31, 2025, the Executive Board of Kontron AG consists of four members: Hannes Niederhauser (CEO) – Chief Executive Officer, Clemens Billek (CFO) – Chief Financial Officer, Michael Riegert (COO) – Chief Operating Officer responsible for the division IoT Europe, and Philipp Schulz (COO) – Chief Operating Officer responsible for the North America and Aerospace & Defense divisions.

The CEO is responsible for coordinating employee concerns. The CFO is responsible for liaising with cross-company employee representatives. In some subsidiaries, employees and other workers are represented by a works council. Where there is no works council, management is responsible for the workforce.

MEMBER OF THE EXECUTIVE BOARD	COMPOSITION OF THE EXECUTIVE BOARD, ROLE	EXPERIENCE	RESPONSIBILITY FOR MANAGING IMPACTS, RISKS, AND OPPORTUNITIES
Hannes Niederhauser	Chief Executive Officer, CEO	Extensive experience in the embedded computing industry and IoT, held leading positions in several technology companies	Responsible for strategic leadership, corporate development, and risk management
Clemens Billek	Chief Financial Officer, CFO	Extensive experience in finance, controlling, and investor relations	Responsible for financial management, risk management, legal & compliance, investor relations (IR), and internal audit. Oversees all ESG matters and the management of sustainability risks, opportunities, and their impacts
Michael Riegert	Executive Board Member, COO IoT Europe	Expert in IoT and embedded solutions, with experience in operations and production management	Responsible for IoT operations in Europe and the management of risks and opportunities within this field
Philipp Schulz	Executive Board Member, COO Aerospace & Defense, North America	Experience as a business consultant and in business development and management within the manufacturing industry in Europe and North America	Responsible for business operations in Aerospace & Defense and North America, including management of opportunities and risks in these areas

The Supervisory Board of Kontron AG consists of five members: Claudia Badstöber, Bernhard Chwatal, Steve Chu, Mavis Hong and Joseph John Fijak. As a monitoring and advisory body, the Supervisory Board places particular emphasis on the integration of Diversity, Equity, and Inclusion (DEI) topics and encourages the Executive Board to incorporate them into corporate objectives. To support this, the Supervisory Board oversees a diversity program that aligns with the Corporate Governance Code. With diverse expertise in finance, technology, and corporate governance, the Supervisory Board members guide the company's strategic direction and corporate oversight.

MEMBER OF THE SUPERVISORY BOARD	COMPOSITION OF THE SUPERVISORY BOARD, ROLE	EXPERIENCE	RESPONSIBILITY FOR MANAGING IMPACTS, RISKS, AND OPPORTUNITIES
Claudia Badstöber	Chair of the Supervisory Board, Vice Chair of the Audit Committee, Chair of the Nomination Committee, Chair of the Remuneration Committee	Extensive experience in finance, strategic business conduct, corporate governance, and compliance	Overseeing corporate strategy, business conduct, financial and remuneration risks, corporate governance, and compliance management
Bernhard Chwatal	1st Deputy Chair, Chair of the Audit Committee, Member of the Nomination and Remuneration Committee	Extensive experience in finance, strategic business conduct, and company development within the technology sector	Monitoring strategy and business conduct as well as risk management

MEMBER OF THE SUPERVISORY BOARD	COMPOSITION OF THE SUPERVISORY BOARD, ROLE	EXPERIENCE	RESPONSIBILITY FOR MANAGING IMPACTS, RISKS, AND OPPORTUNITIES
Fu-Chuan Chu (Steve Chu)	2nd Deputy Chair	Extensive experience in technology, sales, and business development	Assesses technological opportunities and risks, market strategy
Mavis Hong	Supervisory Board Member Member of the Audit Committee, Member of the Nomination and Remuneration Committee	Extensive expertise in finance and risk management	Evaluating international and financial market risks and opportunities
Joseph John Fijak	Supervisory Board Member	Experience in sales, technology, and business development	Assesses business and technology risks

EXECUTIVE BOARD DIVERSITY METRICS	2025	2024	2023
Total number of Executive Board members at the end of each year	4	5	4
Male members (%)	100	100	100
Female members (%)	0	0	0

DIVERSITY OF THE SUPERVISORY BOARD	2025	2024	2023
Total number of Supervisory Board members at the end of each year	5	5	5
Male members	3	3	3
Female members	2	2	2
Proportion of independent committee members (%)*	40	40	40

*Independent means that the members are independent of the largest shareholder.

Kontron AG ensures that responsibilities for impacts, risks, and opportunities are explicitly defined in the rules of procedure for the Executive Board and Supervisory Board. These mandates emphasize the integration of ESG aspects into decision-making processes, including the development and oversight of strategic initiatives. Governance-related policies, such as the Supplier Code of Conduct, ESG Strategy, and Risk Management Frameworks, provide a clear accountability structure at all organizational levels.

The Executive Board, consisting of the named CEO, CFO, and the operational board members, plays a central role in governance processes, control mechanisms, and procedures. This includes identifying and prioritizing impacts, risks and opportunities (IROs), monitoring progress on ESG goals, ensuring compliance with global standards such as ESRS. Oversight of delegated roles is maintained through structured reporting lines and regular reviews.

A Group Sustainability Professional coordinates ESG activities at the group subsidiaries and reports directly to the Chief Financial Officer, who is responsible for ESG issues, including IROs. Management ensures transparency through transparent data acquisition systems, regular checks, and stakeholder engagement.

ESG-related topics are reported by the Group Sustainability Professional to the CFO, and subsequently to the Executive Board and Supervisory Board. This structure enables timely decision-making and accountability. Sustainability-related impacts, risks, and opportunities are regularly reported in management and Supervisory Board meetings to ensure strategic alignment.

Dedicated controls and procedures for managing the impacts, risks, and opportunities in terms of sustainability are integrated into Kontron's internal functions, including controlling/accounting, legal/compliance, and risk management. These departments work together with the ESG team, consisting of a Group Sustainability Professional and four other employees from Accounting, Controlling and IR at Kontron AG, to match sustainability efforts to their operational counterparts. The implementation of an ESG reporting tool has facilitated the seamless integration of data across all functions, supporting accurate and transparent reporting.

Administrative, management, and supervisory bodies oversee the setting of targets related to material impacts, risks, and opportunities through a step-by-step ESG plan. Progress is monitored using key indicators, which align with sustainability frameworks. The CFO presents regular updates to the Supervisory Board, ensuring accountability and proactive adjustments.

The supervisory bodies regularly assess the need for expertise to effectively oversee sustainability matters. To evaluate and ensure the competence of responsible individuals, the bodies employ various measures, including regular evaluations, feedback discussions, competency analyses. Ongoing professional development includes targeted training programs for Executive Board members and employees, ensuring compliance with new standards and industry best practices.

As a result, the Supervisory Board, Executive Board, and top management gain expertise in areas such as climate risk assessment, ESG compliance and supply chain due diligence. This expertise is complemented by collaboration with external consultants and organizations, which support materiality analysis and strategy development.

1.3.1. GOV-1 – The role of the administrative, management and supervisory bodies

The Executive Board of Kontron AG holds primary responsibility for defining and implementing the company's corporate strategy for responsible business conduct. It ensures that all business activities adhere to the highest standards of integrity, transparency, and ethical behaviour. This includes implementing policies that align with the principles of good business conduct and legal requirements. The Executive Board works closely with central functions to effectively enforce compliance measures and corporate policies.

The Supervisory Board plays a key role in monitoring and advising the Executive Board on business conduct. As a control body, the Supervisory Board regularly reviews compliance with legal and regulatory requirements as well as the implementation of corporate policies. Particular emphasis is placed on compliance topics, including anti-corruption measures, data protection and adherence to ethical behaviour guidelines. The Supervisory Board also advocates for the integration of sustainable and responsible practices into the company's strategic objectives.

The local management teams of Kontron subsidiaries also contribute to ethical business conduct, ensuring that corporate policies are implemented and adhered to at the local level. They are responsible for aligning global corporate standards with local requirements while fostering a culture of integrity within their respective regions.

The expertise of the administrative, management, and supervisory bodies underscores the high priority that Kontron places on responsible business conduct. The Executive Board combines strategic competence with in-depth knowledge in areas such as corporate governance, compliance, and ethical business practices. Hannes Niederhauser has extensive experience in strategic corporate management, while Clemens Billek possesses expertise in capital markets, risk management, and regulatory compliance. Michael Riegert enhances this expertise with his deep knowledge of industrial automation and process optimization. Philipp Schulz has extensive management experience in consulting, business development and risk management in Europe and North America.

The Supervisory Board also brings a diverse range of expertise, contributing to the oversight and promotion of responsible business conduct. Claudia Badstöber applies her extensive experience in finance and risk management, while Bernhard Chwatal specializes in finance, restructuring, and compliance. Steve Chu and Joseph John Fijak bring broad expertise in technology and international business practices. Mavis Hong strengthens the board with her expertise in corporate governance, financial reporting, and auditing.

Furthermore, all members of the administrative, management, and supervisory bodies receive regular training on critical topics such as anti-corruption measures, data protection, and ESG standards. This continuous professional development ensures that they remain informed of the latest trends and best practices in responsible business conduct.

1.4. GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

In 2025, four Supervisory Board meetings took place, with ESG reporting as part of the agenda. During these sessions, the CFO provided the five members of the Supervisory Board with a detailed briefing on current ESG issues. Key topics included the materiality analysis, including the evaluation of the IRO analysis, progress in implementation, relevant legislation, and the current status of ESG projects. Every six months there is an update on the entire Group risk management system. In this update, impacts, risks and opportunities are assessed by the respective functions responsible in the company.

Risk reporting from the Executive Board to the Supervisory Board constitutes a key component of meetings and reporting. It provides the Supervisory Board with comprehensive insight into key impacts and risks within the Group, as well as the measures taken to mitigate them. For example, risk reporting plays a significant role in the Supervisory Board's decision-making, and findings with a high level of significance are incorporated into strategic and operational decisions.

Group risk management includes an analysis of risks related to relevant sustainability topics, along with the definition together with the CFO of appropriate countermeasures. Key topics in 2025 included: E1 – Climate change adaptation: Innovative products (Opportunity), Transition risks due to climate change (Risk), E1 – Energy (Risk), E5 – Resource inflow (Resource use) (Opportunity), G1 – Corruption and bribery (Risk).

The Executive Board and Supervisory Board of Kontron AG addressed these most important risks, which were identified and assessed as part of Group-wide risk management. ESG risks were listed in the evaluation, but had not achieved a significant risk value in the Group's overall risk assessment and did not fall under the critical risks that need to be included in key decision-making policy. As a consequence, no explicit compromises had to be made.

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

In addition to a fixed remuneration component, Executive Board members also receive short-term and long-term variable remuneration components. Different rules apply to short-term variable remuneration for Executive Board members. The CEO does not receive any short-term variable remuneration. The variable remuneration of COOs is closely linked to the company's financial performance, with operating profit and cash flow serving as key performance indicators. Extraordinary effects, such as acquisitions, are evaluated separately when assessing pre-agreed performance targets. The key figures are calculated on the basis of the audited consolidated financial statements of the Kontron Group. The CFO's short-term variable remuneration is based on financial performance and specific goals, in particular working capital management.

By granting subscription rights under stock option programs, an additional long-term, performance-based, share-linked remuneration component was introduced, fostering beneficiaries' interest in the company's long-term sustainable development and earnings development. The stock options granted under the various stock option programs can only be exercised after multi-year holding periods defined in the programs and when certain thresholds have been reached. In accordance with legal and corporate governance requirements, Supervisory Board remuneration consists of a fixed remuneration component. There is no variable remuneration depending on the company's business performance or achievement of sustainability goals. The Supervisory Board and the Remuneration Committee of the Supervisory Board decide on remuneration for the members of the Executive Board.

The current performance components have not applied any specific sustainability-related goals, nor is there anything relating to this aspect as of the publication date of the report. Accordingly, no climate-related parameters are currently included in the remuneration and performance is not assessed in relation to GHG emission reduction targets.

The remuneration of the Executive Board and Supervisory Board is discussed in a separate remuneration report and presented to the Annual General Meeting (see also Kontrons website <https://www.kontron.com/en/group/investors/annual-general-meetings>).

1.6. GOV-4 – Statement on due diligence

Kontron's due diligence processes concerning ESG are based on the UN Guiding Principles on Business and Human Rights, the UN Convention on the Elimination of All Forms of Discrimination against Women, the International Labor Organization (ILO) core labor standards and the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Companies and the International Bill of Human Rights.

In line with these guidelines, the Kontron Group is also taking measures in other areas, such as group-wide supply chain management, to prevent violations of laws and Kontron standards. Kontron is also developing activities for raising awareness and building up knowledge that are described in this non-financial statement.

The following overview shows the existing and implemented procedures for due diligence concerning sustainability aspects:

KEY ELEMENTS OF DUE DILIGENCE	SECTIONS IN THE NON-FINANCIAL STATEMENT
a) Integration of due diligence into governance, strategy, and the business model	1.3 GOV-1 – The role of the administrative, management, and supervisory bodies 1.7 GOV-5 – Risk management and internal controls over non-financial statement
b) Involvement of affected stakeholders in all key due diligence steps	1.9 SBM-2 – Interests and views of stakeholders 1.10 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 1.11 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities 2.4.4 E4-5 – Impact metrics related to biodiversity and ecosystems change
c) Identification and assessment of negative impacts	1.10 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 1.11 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities 2.4.4 E4-5 – Impact metrics related to biodiversity and ecosystems change
d) Measures to mitigate these negative impacts	2. Environment, 3. Social Information, and 4. Governance Information under the respective sub-topics in accordance with MDR-A. 2.2.3 E1-3 – Actions and resources in relation to climate change policies 2.4.3 E4-3 – Actions and resources related to biodiversity and ecosystems 2.5.2 E5-2 – Actions and resources related to resource use and circular economy 3.2.4 S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions 3.3.3 S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns 4.1.2 G1-3 – Prevention and Detection of Corruption and Bribery
e) Monitoring the effectiveness of these efforts and communication	Since the targets and measures were only established at the end of the reporting year 2025, no effectiveness of these efforts or related communication is reported for 2025.

1.7. GOV-5 – Risk management and internal controls over non-financial statement

Kontron uses structured risk management and internal controls to ensure the quality and reliability of non-financial reporting. Non-financial reporting is managed using the following steps:

- › Definition of responsibilities: At each of the Kontron Group subsidiaries, responsibility for non-financial reporting and the associated data delivery lies with the respective financial managers. At Group level, the Chief Financial Officer has overall responsibility for non-financial reporting. The Executive Board reports to the Supervisory Board on non-financial as well as financial reporting topics.
- › Internal organization: A Group Sustainability Professional coordinates reporting processes and ensures compliance with reporting requirements. They do this in coordination with the Chief Financial Officer.
- › Internal revision and control mechanisms: Dedicated controls and procedures for non-financial reporting are integrated into Kontron's internal functions, including controlling/accounting, legal/compliance, and risk management.

These departments work with the Group Sustainability Professional and ESG team throughout the reporting process to ensure compliance with reporting requirements. The implementation of an ESG reporting tool has enabled the seamless integration of data across all functions, supporting accurate and transparent reporting.

The risk management process as part of non-financial reporting is carried out as follows:

- › Identification and evaluation: Kontron Group Risk Management records risks in various departments and locations several times a year, and sustainability risks are also recorded as a matter of course. In addition, two comprehensive analyses have been carried out in preparation for the CSRD reporting requirements: a double materiality analysis and a climate risk analysis to assess physical and transitory risks in detail. As part of the materiality analysis, the impacts have been assessed in terms of positive or negative, potential, scope, severity, probability, timeframe, location in the value chain, reversibility and in respect to human rights. During the physical climate risk analysis, the company's locations have been examined with regard to the impacts of climate change. Through a quantitative assessment, IROs have been systematically recorded and prioritized depending on their value. All the results were included in Group-wide risk management, evaluated in terms of potential, scope, severity, probability and timeframe, and prioritized and compared with the assessment of the Group's overall risks. Tools such as risk assessment models and materiality scores are used to implement this.
- › Managing and monitoring risks and reporting: Each ESG risk is assigned to a risk owner, whose responsibility it is to monitor the risk and the measures taken to manage it. Risk assessment updates and risk tracking takes place in the regular reports to the Group's risk manager, who aggregates these reports and forwards them to the Executive Board. The management teams of the group companies are required to provide statements on material risks. The Group-wide Head of Internal Audit coordinates the risk assessment process, which includes validating and monitoring bottom-up risk reporting. Additionally, there is the possibility that an ad hoc risk report for newly emerging risks or the deterioration of existing risks serves as the basis for internal ad hoc audits outside the regular audit schedule. Risks are regularly discussed by the Executive Board and then presented to the Supervisory Board for assessment and possible approval. Structured processes ensure a transparent and comprehensive risk assessment across all company levels.

Further control mechanisms related to the risk management of non-financial reporting are currently being expanded. To ensure the quality of these assessments, external experts are also consulted.

Detailed information on the structure of the risk management framework and internal control system can be found in the management report, specifically in the chapters "Prognosis/Opportunities and Risk Report" and "Internal Control System, Group Accounting Process, and Risk Management System."

Non-financial reporting may involve various risks that impact the credibility and accuracy of the report. These risks include incorrect data, inadequate control mechanisms, and a lack of transparency. Possible risks and corresponding mitigation measures as part of the internal control system are outlined below:

RISKS IN NON-FINANCIAL REPORTING

MITIGATION STRATEGIES

<p>Incorrect or incomplete data entry: Inadequate accuracy when collating and entering ESG data.</p>	<p>Standardized input forms in the “ESG Cockpit” online reporting tool.</p> <p>Plausibility checks (e.g. summary checks, reconciliation with previous periods where possible).</p> <p>Validation processes carried out by data collectors and ESG and controlling group functions.</p>
<p>Inadequate documentation: Lack of supporting evidence or calculation bases for reported data points.</p>	<p>Upload function for relevant documents (e.g. invoices, certificates).</p> <p>Data quality review conducted by internal auditors and external consultants (Scope 3).</p>
<p>Discrepancies between reporting years: Unclear or unexplained changes in ESG data (e.g. energy consumption).</p>	<p>Comparison with previous year figures and deviation analysis (from 20%). Queries addressed to data collectors to clarify discrepancies.</p>
<p>Inconsistency with financial metrics: Discrepancies between ESG data and financial reports.</p>	<p>Alignment of ESG data with financial data from consolidation tools (e.g. Cognos).</p>
<p>Lack of consistency and comparability: Variations in data quality and level of detail among subsidiaries.</p>	<p>Training sessions and manuals for ESG officers.</p> <p>Benchmarking against locations with high data quality.</p>
<p>Lack of external validation: Lack of additional data verification by independent bodies.</p>	<p>Collaboration with external consultants to review and enhance data quality.</p>
<p>Low data quality in smaller subsidiaries: Challenges in precise ESG data acquisition.</p>	<p>Joint analysis of issues with subsidiaries. Definition and implementation of corrective measures.</p>
<p>Implausible estimated or calculated data: Risks due to inaccurate or unverifiable estimates.</p>	<p>Clear classification of data accuracy (exact/calculated/estimated) in the “ESG Cockpit”.</p> <p>Estimation guide for subsidiaries and the need for transparent calculation records.</p>
<p>Lack of traceability: Uncertainty regarding data ownership and accountability.</p>	<p>Clear assignment of responsibilities in the “ESG Cockpit”.</p>
<p>Greenwashing: Exaggerated or misleading representations of sustainability measures could harm reputation and credibility.</p>	<p>Compliance with recognized standards: Adherence to the reporting standard (CSRD) to ensure consistency and comparability.</p>
<p>Stakeholder communication: Actions to ensure that reporting aligns with stakeholders' expectations.</p>	<p>Stakeholder dialog: Stakeholders were engaged in a comprehensive survey to ensure their perspectives were considered in the materiality analysis.</p>
<p>Technical system failures: Risks due to technical issues in the “ESG Cockpit” or during data processing could cause disruptions.</p>	<p>Alternative data collection via Excel as a contingency measure. Pre-emptive extraction of data from the data tool.</p>

1.8. SBM-1 – Strategy, business model and value chain

The Kontron strategy and business model in terms of sustainability

Kontron develops innovative hardware and software solutions for future industries. With the GreenTec division, which was introduced in 2024, the company is focusing on sustainable technologies ranging from control electronics for photovoltaics to intelligent charging solutions and smart energy systems. A first major order for networked wallboxes marks an important milestone. In addition, Kontron offers IoT-based energy management systems for real-time monitoring and increasing efficiency.

Kontron also plays a pivotal role in the automation, transportation, medical technology, aerospace and automotive industries. The susietec® IoT toolset drives digital transformation in production, while 5G, RAN and communication solutions support infrastructure development and connectivity. Robust systems improve patient care, rail technology, and air travel.

As a globally leading provider of intelligent energy solutions, Kontron is advancing the transformation of traditional power grids into digitally controlled smart grids. The combination of IoT- and AI-based systems reduces costs, enhances energy efficiency, lowers the carbon footprint and helps companies implement their sustainability goals.

Compliance with ESG principles is a fundamental part of the company's code of conduct and plays a pivotal role in decision-making in the areas of internal processes, procurement of materials and personnel, and workplace design. By optimizing processes and using resources efficiently, Kontron strives to reduce emissions, energy consumption and waste while at the same time optimizing working conditions for employees. Kontron pursues this goal through resource efficiency and the use of energy-saving technologies in order to secure competitive prices and minimize ecological impacts.

The business strategy is focused on innovation, operational excellence and the trust of its customers. Where possible, sustainability criteria such as the use of recycled packaging are also integrated into procurement processes in order to contribute to sustainable development along the upstream value chain.

Key Markets

- › Private Energy Supply: Focus on commercial and industrial customers who offer products for generating electricity at source.
- › Industrial Customers: Companies aiming to optimize their energy consumption and achieve their sustainability goals.
- › European Market: A market heavily influenced by the EU Green Deal and increasing regulatory requirements.
- › Global Markets: Kontron operates in 23 countries and is committed to international growth areas such as transportation, aerospace, industrial automation and defense.
- › E-mobility growth markets: Countries with a strong expansion of charging infrastructure, in particular Germany, France, Scandinavia and North America.
- › Smart Infrastructure Markets: Regions that are increasingly investing in intelligent power grids, infrastructure modernization and resilient energy supply.

Kontron serves a broad range of markets and customer groups that prioritize sustainability, efficiency, and technological innovation. There are no known restrictions on products or services in specific markets.

HEADCOUNT IN	EMEA		AMER		APAC		TOTAL	
	2025	2024	2025	2024	2025	2024	2025	2024
AS OF DECEMBER 31								
Employees	6,588	7,026	703	743	164	276	7,455	8,045
Permanent employees	6,303	6,650	700	735	154	225	7,157	7,610
Temporary employees	258	337	2	6	9	51	269	394
Employees with non-guaranteed hours	27	39	1	2	1	0	29	41

The number of employees is disclosed in the non-financial report in accordance with ESRS (headcount) and differs from the number of employees (FTE – fulltime equivalent) shown in the notes to the consolidated financial statements.

Kontron does not generate any revenue in the areas of fossil fuels (coal, oil, gas), chemical production, and the cultivation and production of tobacco, including all related taxonomy-aligned economic activities. Although some Kontron Group products and technologies encompass advanced defense systems, the Kontron Group is not engaged in the manufacture or sale of controversial weapons. Furthermore, the company has no involvement in the manufacture or production of controversial weapons within the supply chain. Consequently, no revenue is generated in this context.

The key product groups, markets, and customer groups, along with their respective reasons for significance are explained below. The activities of the Kontron Group can be classified in the ESRS sectors “Manufacturing and Processing Electronics and Electrical Devices (MEL)” and “Technology – Information Technology (TIT)” and are related to significant actual effects or significant potential negative effects of the company.

Divisions and Product Groups

KEY PRODUCT (GROUP) AND MARKETS	ESRS SECTOR	REASON FOR RELEVANCE
GreenTec: Solar energy and e-mobility solutions	MEL	<p>The GreenTec division comprises control solutions for Photovoltaic systems and charging infrastructure for electric mobility.</p> <ul style="list-style-type: none"> › Renewable Energy: Solutions for photovoltaic systems and their integration into smart grid systems. › E-Mobility: Smart wallboxes for charging electric vehicles. › IoT-enabled energy management systems: Products for real-time monitoring and optimization of energy consumption. › Smart Energy Systems: Management and optimization solutions for smart grids.
Automation: Industrial automation	MEL and TIT	<p>Increasing demand for digitization, automation and efficiency in industrial manufacturing.</p> <ul style="list-style-type: none"> › Embedded technologies & industrial IoT: Rugged industrial computers, IoT gateways, edge devices, and operating systems for networked machines and devices.
Transport: Rail digitalization	TIT	<p>Development of solutions for digitalizing rail transport; participation in research on communication standards such as FRMCS.</p>

KEY PRODUCT (GROUP) AND MARKETS	ESRS SECTOR	REASON FOR RELEVANCE
Aerospace: IFEC systems and connectivity	MEL and TIT	Development and provision of hardware and software solutions for in-flight entertainment and communication, including satellite-based connectivity.
Medical Technology: Digital systems in healthcare	TIT	Using IoT technologies to provide medically relevant data in real time to support patient care
Energy: Smart energy solutions	MEL and TIT	Development of hardware and software solutions for intelligent power grids, energy supply and industrial applications.
Communication & Connectivity: 5G technologies	TIT	Development of IoT and 5G solutions to support the digital infrastructure. > 5G and communication solutions: Private 5G campus networks, connectivity modules and RAN infrastructure for energy and industry-intensive applications.
Automotive and autonomous driving	TIT	Provision of connectivity solutions for vehicle connectivity based on many years of experience in the field of telematics.

KEY CUSTOMER GROUPS	REASON FOR RELEVANCE
Transport and infrastructure operators	Rail operators, local transit companies and airports that depend on critical communication systems and digital mobility solutions. Modernization of rail infrastructure through communication solutions (e.g. GSM-R, FRMCS). Focus on safety and efficiency in railway transport.
Airlines and defense	The demand for advanced solutions for aerospace (e.g. satellite connectivity) and defense. Focus on operational efficiency, passenger experience, and robust control and defense systems.
Manufacturing and technology companies, industrial and mechanical engineering companies (Industry 4.0)	Partners and customers requiring IoT- and AI-powered solutions for automation and fault detection. Companies with a high level of automation that require IoT software, edge devices, predictive maintenance solutions and device management. Growing demand for automation and digitalization. The aim is to optimize production processes and reduce costs.
Medical technology manufacturers, hospitals and healthcare providers	Customers who use robust embedded computers for imaging systems and monitoring patients. Use of IoT-based solutions in medical technology to improve patient care and save resources.
Energy suppliers, companies with electrification products and operators of intelligent power grids	Organizations that want to increase energy efficiency, digitalize and optimize energy flows. Conversion of conventional power grids to intelligent smart grids. The aim is to optimize energy flows and increase network security.

KEY CUSTOMER GROUPS

REASON FOR RELEVANCE

Telecommunications providers

Development of robust 5G and broadband solutions for urban and rural regions and for digitalizing remote areas.

Car manufacturers (OEMs)

Customers in the e-mobility sector focusing on smart charging infrastructure. The demand for communication solutions for autonomous driving and reliable vehicle connectivity.

Public Institutions

The demand for communication and network technologies to increase efficiency and modernize public infrastructure.

Sustainability as part of business activities: Since joining the UN Global Compact in 2021, Kontron has focused on the Sustainable Development Goals (SDGs) and pursues transparent reporting within the framework of the Austrian Sustainability and Diversity Improvement Act. The aim is to ensure sustainable stability and growth and to strengthen the company's long-term value creation. In addition, since financial year 2024, the requirements of the CSRD have been implemented and a voluntary audit has been carried out in accordance with ESRS.

The constantly updated SCoC (Supplier Code of Conduct) defines binding environmental, social and governance standards in the supply chain, which are expected to be met by all suppliers and business partners. ESG criteria are therefore an integral part of supplier evaluation. Moreover, Kontron is implementing measures to reduce emissions and increase energy efficiency throughout the Group in accordance with ISO 50001 and ISO 14001. These include climate risk analysis across all the company sites, the expansion of photovoltaic systems, the introduction of energy-efficient technologies and the conversion of the vehicle fleet to electric and hybrid vehicles. In addition, charging infrastructure is being set up and operated using self-generated electricity. Manufacturing and product development are focused on resource conservation, energy efficiency and durability. This includes recycling waste and production waste, optimizing packaging, and optimizing energy efficiency.

In this context, sustainability means meeting legal requirements, minimizing risks and strengthening the company's market position, while at the same time making a positive contribution to the environment and society.

Business Model: The Kontron Group is a leading technology company specializing in the Internet of Things (IoT). Kontron provides a broad portfolio of integrated hardware, software, and service solutions deployed across vertical markets such as industrial automation, 5G connectivity, medical technology, energy, and transport. The company independently develops technologies, ranging from IoT-enabled products to specialized software solutions such as the KontronOS operating system. Through targeted acquisitions, such as the Katek Group and IoT pioneers, Kontron continuously expands its portfolio, focusing on digitalizing and optimizing production processes, safeguarding critical infrastructure, and fostering a sustainable energy future. More information is available in the Management Report under "Group Principles".

Value chain

The Kontron Group value chain consists of all steps from the procurement of critical raw materials to the installation, use and end of life management of its products. The electronics industry uses essential materials sourced far upstream such as rare earths, copper, tantalum, tin, tungsten, gold and semiconductors, which are considered critical because of their concentration in only a few countries that process them and are subject to geopolitical fluctuations and potential supply bottlenecks. Kontron develops and manufactures embedded computer systems, IoT devices, energy and charging electronics as well as software solutions such as KontronOS and KontronGrid at more than 20 locations in Europe and America. These are supplemented by extensive testing, quality assurance, global sales and service; some of the logistics is outsourced and is therefore susceptible to faults. Installation, operation, maintenance, and secure remote access and updates take place downstream.

Ecological challenges result from energy-intensive processes and scarce raw materials, social risks from global supply chains and economic risks from raw material prices and transport volatility. To mitigate these risks, Kontron uses multiple source strategies such as second sourcing, long-term supplier ties, optimized demand planning and expanding its own production capacities, reinforced by the integration of the Katek Group. The close integration of demand, planning and execution strengthens the efficiency and resilience of the supply chain end to end.

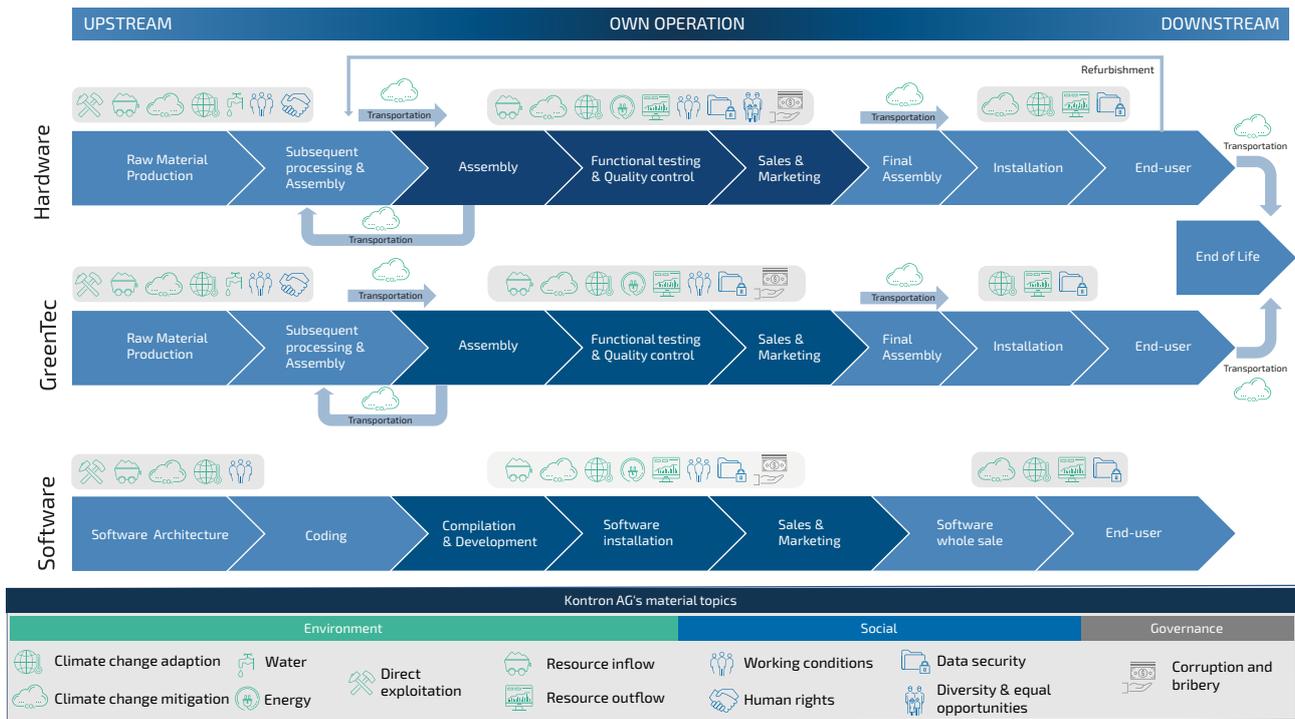


Illustration: Analysis of the value chain and allocation of material topics

Customers and sales model: The Kontron Group operates a B2B business model without end consumer contact and exclusively supplies OEMs, system manufacturers and distributors. As a component supplier and provider of integrated IoT solutions, the portfolio includes hardware, software and services for industries such as industrial automation, healthcare, energy and transportation. The products, which include KontronOS and the susietec® toolset, support customers in increasing efficiency, digital transformation and data analysis in real time. Sales are carried out through the company's own sales departments and strategic partnerships. Thanks to customer-focused innovations and close integration of product development and market requirements, Kontron is strengthening its position as a leading provider in industrial IoT.

1.9. SBM-2 – Interests and views of stakeholders

Various stakeholder groups are regularly engaged. This primarily applies to employees, customers, suppliers, media, investors, and advocacy groups, including NGOs. This ensures transparent and sustainable development of the company. Continuous dialogue across various communication channels and as part of the recurring materiality analysis captures expectations, concerns, and suggestions for improvement. The insights gained inform decision-making processes and contribute to the optimization of strategies, processes, and initiatives. This ensures the alignment of economic, social, and environmental responsibilities while fostering long-term corporate success.

The key stakeholder groups include customers, suppliers, employees, media, investors, advocacy groups, NGOs, rating agencies, analysts, legislators, local communities, and the Supervisory Board.

ENGAGED STAKEHOLDER GROUPS	METHOD OF ENGAGEMENT	PURPOSE OF ENGAGEMENT	CONSIDERATION OF OUTCOMES
Employees	Email Social media Internal communication channels Employee surveys Training and e-learning Policies Corporate publications Events Whistleblower portal Partly employee representatives through works council	Respectful interaction Appreciation Equality Compliance Flexible working hours Safe workplace Fair pay Work-life balance Health and workplace safety Involvement in planning Professional training and development	Adaptation of policies and internal processes Improving working conditions Ongoing training programs Encouraging an open corporate culture Incorporation of employee survey feedback into corporate strategy
Customers	Email Phone calls In-person contact Website Corporate publications Whistleblower portal Industry events	High product and service quality Complaint management Product return options Reliability Compliance Supply chain transparency Environmental protection Human rights Data protection	Enhancing product and service quality Optimizing complaint management (whistleblower system, feedback to sales and business development) Adaptation of sustainability certifications and ratings Enhancing transparency across the supply chain Ensuring compliance with cybersecurity requirements
Suppliers	Email Phone calls In-person contact Corporate publications Website Audits Whistleblower portal Industry events	Supplier Requirements Risk-based Audit Procedures Delivery quality Compliance Transparency	Supplier guidelines on compliance with fair conduct and compliance requirements Expansion of audit processes to enhance transparency and ensure adherence to the specifications Improvement of collaboration through regular communication

ENGAGED STAKEHOLDER GROUPS	METHOD OF ENGAGEMENT	PURPOSE OF ENGAGEMENT	CONSIDERATION OF OUTCOMES
Supply chain workers	Guidelines in the SCoC Audits Corporate publications Website Whistleblower portal	Specification in the SCoC requiring supplier companies to ensure fair and safe working conditions as well as the respect for human rights Specification in the SCoC for maintaining health and safety and complying with environmental standards Audits to verify suppliers' compliance with these requirements	No direct communication Improvement of social and environmental standards in the supply chain Adaptation of the SCoC Enhanced controls and audits Development of actions to improve working conditions
Media	Email Phone calls and conferences Interviews/press releases Corporate publications Website Whistleblower portal	Providing the public and stakeholders with relevant news Transparency regarding general and market-related developments Compliance with market regulations	Media relations Regular publication of non-financial reports in compliance with official requirements Providing clear information for journalists Enhancing external communication
Investors	Email, telephone calls, and conferences Legal capital market information and ad hoc notifications Press releases Roadshows Personal contact Corporate publications Website Whistleblower portal	Providing information and a sound basis for decision-making Transparent reporting on the company's financial position to build trust Strong compliance to mitigate regulatory and legal risks Responsible and stable corporate governance Profitability to ensure dividends and share price gains	Development of the ESG strategy by setting goals and actions in 2025 Responding to ratings Enhancing transparency in financial reports Ensuring compliance with regulatory requirements Incorporation of sustainability criteria into investment decisions
Interest groups, NGOs	Email Phone calls Press releases Corporate publications Website Whistleblower portal	Information and transparency to facilitate a thorough understanding of business impacts and measures Compliance to support adherence to human rights, social, and environmental standards Cooperation to jointly develop solutions and measures	Membership in social and environmental initiatives Participation in industry-specific working groups and dialogue formats

Incorporating the interests and views of customers, partners, employees and investors enables Kontron to address specific needs and integrate them into the development of IoT solutions. Regular feedback sessions, workshops and industry studies ensure that the expectations of all relevant groups are considered. Stakeholder interests, particularly in sustainability, digitalization and efficiency improvements, are directly incorporated into the strategic direction. As a B2B company, Kontron upholds high standards for quality, safety and sustainability. Through regular exchanges, audits and compliance requirements, Kontron ensures that its technologies are used responsibly and that human rights are upheld throughout the value chain. In addition, the aim has been to further develop the ESG strategy by setting goals and measures in 2025 that strengthen the trust of customers, partners, employees and investors and reinforce the mutual relationship.

Starting in the financial year 2022, Kontron has implemented significant strategic adjustments to further strengthen its focus on the IoT business. This focus was a key requirement of the capital market and investors. This included the sale of the IT service companies. These changes reflect Kontron's aim to achieve sustainable growth and high margins through IoT innovations. This strategy continued in 2024 with the acquisition of Katek SE, the largest acquisition in the company's history. Feedback from the stakeholders mentioned here has contributed to Kontron prioritizing sustainable technologies and industry-specific IoT solutions. Further expansion of the high-margin software business remains a core focus of Kontron Group strategy. Through targeted acquisitions, such as the acquisition of the Katek Group, Kontron established a new "GreenTec" division specializing in environmental technologies such as photovoltaic control systems and intelligent charging solutions for electric vehicles.

In the financial year 2025, Kontron completed the integration of the acquired companies and created synergies in the areas of sustainability and IoT in the GreenTec sector. Additionally, the product portfolio has been further expanded through internal developments and partnerships. As a result of the planned measures, Kontron anticipates stronger stakeholder engagement, particularly through its sustainable and innovative corporate direction. This will further reinforce Kontron's reputation as a trusted partner in the IoT industry. In meetings, which take place at least four times a year, the administrative, management and supervisory bodies are informed by the person responsible for ESG and the CFO about the findings and results on key topics and, following stakeholder surveys, about the interests of relevant stakeholders with regard to sustainability-related impacts. This also includes reports from external ESG rating agencies.

With regard to S1 subjects, Kontron takes into account the interests, opinions and rights of the workforce, including human rights, through a binding code of conduct, regular employee surveys, direct discussions, whistleblower channels, and training and development programs. The knowledge gained is incorporated into the code of conduct and translated into concrete measures so that the needs of the workforce are integrated into the company strategy over the long term. Regarding S2, workers' rights are embedded in the supplier code of conduct in the value chain and are subject to regular audits. The company provides transparent information about this in publications and on the website. Information can be submitted using a whistleblower portal. In addition, feedback from B2B customers is actively received and incorporated into decision-making processes.

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

In 2023, the double materiality analysis was conducted with the support of an external auditing and consultancy firm as a basis for the CSRD reporting requirement. In 2025, this analysis has been completely revised with insights from the industry and together with topic-specific experts. In some places it has been extended as a result of taking into account new legal regulations and the interpretations of applicable laws, in particular with regard to the inclusion of time horizons.

As part of a re-evaluation of the double materiality analysis, the existing impact, risk and opportunity assessments (IROs) have been updated based on new findings and internal expert assessments. Definitions have been clarified, time horizons adjusted and allocations reviewed. Likewise, aspects relating to the shortage of skilled workers, cybersecurity and substances of very high concern have been added. As a result, the chapter on ESRS E3 has been omitted, while a new chapter on ESRS E2 has been added to the 2025 report.

For the following IROs there was no actual evidence found that would continue to justify an assessment above the materiality threshold and a separate IRO: (E1) high energy demand, (E3) high water consumption within the upstream value chain with negative impacts on ecosystems, (E5) use of sustainable materials, resource efficiency in the product life cycle, (E5) promoting the circular economy and (S1) improving employee wellbeing.

The following IROs have been clarified or newly identified based on industry data: (E1) solutions for customers to reduce greenhouse gas emissions, (E2) health and environmental risks from using substances of very high concern, (E5) contribution to scarcity of finite resources, (S1) voluntary fluctuation and skills shortages, (S1) improved productivity, better access to top talent and lower turnover costs due to a strong employer brand, (S1) work-related health and safety accidents and injuries to own workforce, (S1) contribution to employee personal development and skills development through further education opportunities, (S2) work-related health and safety accidents along the value chain and (G1) operative cyber security threats in the company and data breaches.

As a result of this reassessment, the IRO (E3) high water consumption within the upstream value chain with negative impacts on ecosystems has been deleted and the chapter on “ESRS E3 Water and Marine Resources” has been omitted.

(E2) Health and environmental risks due to use of substances of very high concern are included in the chapter on ESRS E2, including quantitative information in the reporting period 2025, as this topic is also relevant in several business units under the REACH regulation.

The analysis of material impacts, risks and opportunities has led to a greater integration of sustainability aspects into business strategy, risk management and decision-making processes. Among other things, strategic adjustments have been made, such as the specific development of products to reduce greenhouse gas emissions at customer sites and measures to strengthen employer attractiveness to address the shortage of skilled workers. As a result, new regulatory requirements are systematically incorporated into the adaptation of the value chain and into investment decisions.

Current financial impacts: Certain material IROs, particularly in connection with rising energy and material costs, regulatory requirements (e.g. in the area of hazardous substances) and potential reputational and legal risks (e.g. human rights violations, corruption, cybersecurity), are already having a negative impact on cost structure, margins and short-term liquidity planning. A significant adjustment of assets and liabilities in the coming reporting period is currently not taking place.

Expected financial impacts (short, medium and long term): In the medium term, a financial burden is expected due to further rising energy prices as well as investments in climate-related measures and digitalization. At the same time, the company expects a positive development in its financial position as a result of opening up new markets with innovative, emission-reducing products as well as through increased employee loyalty, productivity and an improved employer brand.

To implement its strategy, the company is planning investments in research and development, transformation projects and the expansion of sustainable product lines. Planned investments include infrastructure measures to adapt to physical climate risks, continuing education programs and technological innovations. Financing is provided from operating cash flow, supplemented by specific external means, in particular funding, sustainable financing instruments and, where appropriate, capital market measures.

With regard to resilience, it is clear that by focusing on innovation, decarbonization and employee development, the business model is fundamentally able to react to key sustainability risks and take advantage of opportunities such as new markets and efficiency potential.

When evaluating the concentration of impacts, risks and opportunities in the upstream and downstream value chain, the following aspects were considered: investments or types of assets (physical and intangible assets in climate risk analysis), and inputs, outputs and sales channels were also considered in the analysis of the value chain (see SBM-1 – Strategy, business model and value chain). No geographical areas were considered on a country-specific level, only subdivided into specific groups, regional levels, nationwide and globally.

The final material impacts for 2025 are set out in the tables below, including a description of each impact, the nature of the impact (positive or negative), the relationship with the business model and the time period. The risks and opportunities for 2025 are listed in the table below, including information on material financial impacts. All contents of this report are covered by the ESRS disclosure requirements of impacts, risks and opportunities, with the exception of the final two chapters. These comprise, on the one hand, the chapter on quality management and certifications, which reflects the audits already carried out in the subsidiaries on various topics, and, on the other hand, the chapter on corruption risk assessments, which addresses the corruption risks identified in relevant countries.

TOPIC STANDARD	TOPIC	SUB-TOPIC	NAME	DESCRIPTION & CORRELATION WITH STRATEGY AND BUSINESS MODEL	POSITIVE (+) OR NEGATIVE (-) IMPACT	TIME FRAME (S SHORT, M MEDIUM, L LONG TERM)
E1	Climate change	Climate change adaptation	Physical and investment risk due to climate change	Extreme weather events and changes in weather patterns could cause physical damage to Kontron's assets and employees, and disrupt operations and supply chains, leading to increased expenditures and temporary revenue losses. The transition to a carbon-neutral economy also requires additional investment to adapt products and services, with an increased risk of unsuccessful outcomes.	Risk (physical and transitory)	M, L
E1	Climate change	Climate change adaptation	Promoting the transition to clean energy through innovative products and services	As part of the economic shifts due to advancing climate change, Kontron can tap into new markets and offer new products to customers that want to adapt and be part of the clean energy transition. This represents an opportunity for additional revenue streams, especially for products and services aimed at increasing resource efficiency and the production and use of electricity from renewable sources.	Opportunity (transitory)	M, L
E1	Climate change	Climate change mitigation	Contribution to climate change through greenhouse gas emissions	Kontron contributes to climate change through both direct and indirect greenhouse gas (GHG) emissions. Significant emissions are generated not only from its own operations but also across its upstream and downstream value chain, particularly related to purchased goods and services, as well as the use of sold products.	Actual negative impact	S, M, L
E1	Climate change	Climate change mitigation	Solutions for customers to reduce greenhouse gas emissions	By offering products and services aimed at increasing resource efficiency, connectivity, electrification and the use of energy from renewable sources, Kontron helps customers lower their greenhouse gas emissions by enabling them to switch away from fossil energy and reduce waste.	Actual positive impact	S, M, L
E1	Climate change	Energy	Rising energy costs and increased energy supply volatility	Increasing energy costs, energy supply volatility and possible interruptions in energy availability – both within its own operations and in the upstream value chain – represent financial risks for Kontron in the form of increased operating costs and reduced efficiency, which could impair competitiveness on the global market.	Risk	S, M

SITE REFERENCE (IMPACTS ONLY) (U UPSTREAM, OS OWN SITES, D DOWNSTREAM)	RELATED MEASURES	RELATED GOALS DEFINED	RELATED POLICIES
-	None	No material sites exposed to high physical climate risks without adaptation measures	None
-	Development and sale of products and services under eSystems, Iskratel, Kontron Transportation and Steca brands		None
U, OS, D	Purchase and on-site generation of electricity from renewable sources; Entity-specific energy management and efficiency initiatives	75% share of electricity from renewable sources by 2030 where Kontron controls purchasing or on-site generation	CoC
D	Development and sale of products and services under eSystems, Iskratel, Kontron Transportation and Steca brands		None
-	Purchase and on-site generation of electricity from renewable sources; Entity-specific energy management and efficiency initiatives	75% share of electricity from renewable sources by 2030 where Kontron controls purchasing or on-site generation	CoC

TOPIC STANDARD	TOPIC	SUB-TOPIC	NAME	DESCRIPTION & CORRELATION WITH STRATEGY AND BUSINESS MODEL	POSITIVE (+) OR NEGATIVE (-) IMPACT	TIME FRAME (S SHORT, M MEDIUM, L LONG TERM)
E2	Pollution	Substances of very high concern	Health and environmental hazards due to use of substances of very high concern	Some of the products purchased, assembled and sold by Kontron contain substances that are identified and reported as substances of very high concern under the REACH Regulation. Their presence poses a potential risk to human health and the environment, as inadequate control over the products' assembly, use, and end-of-life treatment could lead to the release of toxic substances into the air, water or soil, causing pollution and adverse health effects.	Potential negative impact	S, M, L
E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Destruction of habitats and ecosystems due to mining for critical minerals and precious metals	The extraction of critical minerals and precious metals for the production of semiconductors and other components in Kontron's upstream value chain could involve clearing large areas for mining, leading to the loss of natural habitats, the killing or displacement of animals, and long-term disruption and pollution of soil and water systems.	Potential negative impact	S, M, L
E5	Circular economy	Resource in-flows, including resource use	Contribution to scarcity of finite resources	The upstream sourcing and production of products assembled and sold as well as packaging used and distributed by Kontron contribute to the extraction and depletion of Earth's finite resources, particularly critical minerals and precious metals. This can increase pressure on environmentally harmful procurement practices in geographical areas with a high concentration of such practices.	Actual negative impact	S, M, L
S1	Own workforce	Working conditions	Increased employee satisfaction and loyalty due to benefit offerings and flexible working arrangements	By offering a variety of employee benefits, Kontron improves working conditions for its employees. This, in turn, drives employee satisfaction and supports better talent retention. These benefits include meal subsidies, additional leave days, as well as travel allowances and bicycles.	Actual positive impact	S, M

SITE REFERENCE (IMPACTS ONLY) (U UPSTREAM, OS OWN SITES, D DOWNSTREAM)	RELATED MEASURES	RELATED GOALS DEFINED	RELATED POLICIES
U, OS, D	None	None	CoC, SCoC
U	None	None	CoC, SCoC, Group Policy sustainability and compliance in the supply chain
U	Use of fully recyclable or reusable packaging for standard products	100% coverage of ISO 14001 certification for sites with more than 100 non-office employees by 2027; 90% share of fully recyclable or reusable packaging by 2030 where Kontron controls packaging decisions	CoC
OS	Entity-specific benefit offerings for employee commuting, meals, work-life balance and wellbeing; Regular group-wide employee satisfaction survey	90% overall employee satisfaction by 2030	None

TOPIC STANDARD	TOPIC	SUB-TOPIC	NAME	DESCRIPTION & CORRELATION WITH STRATEGY AND BUSINESS MODEL	POSITIVE (+) OR NEGATIVE (-) IMPACT	TIME FRAME (S SHORT, M MEDIUM, L LONG TERM)
S1	Own workforce	Working conditions	Voluntary employee turnover and shortage of skilled workers	Employees leaving voluntarily—particularly those in key roles with significant know-how—pose a risk to efficient operations at Kontron, as their departure could disrupt the smooth delivery of products and services, resulting in costly delays. Additional expenses are associated with hiring and training new employees, a process further complicated by the shortage of skilled workers.	Risk	S, M
S1	Own workforce	Working conditions	Improved productivity, better access to top talent and reduced turnover costs due to strong employer brand	A strong employer brand presents a significant financial opportunity for Kontron by reducing costs associated with high employee turnover through improved retention. At the same time, an attractive brand enhances access to top talent, boosts productivity and preserves institutional know-how by increasing employee satisfaction and engagement.	Opportunity	S, M, L
S1	Own workforce	Working conditions	Stressful work environment and increased employee turnover	A temporarily stressful work setting within selected departments at Kontron that requires long working hours and insufficient breaks leads to employee dissatisfaction and increased error rates, and can cause burnout in severe cases. As a result of such mental or physical stress, employee turnover may increase, which adds stress for remaining employees and necessitates new recruitment.	Actual negative impact	S, M
S1	Own workforce	Working conditions	Work-related health and safety accidents and injuries in own workforce	Workplace accidents and other health and safety violations cause physical harm, including injury, illness, or even death to Kontron employees. Such harm can result from inadequate safety measures, insufficient training, or non-compliance with health and safety protocols.	Actual negative impact	S, M, L
S1	Own workforce	Equal treatment and opportunities for all	Unadjusted gender pay gap resulting from structural inequalities	An uneven distribution of genders between roles that require specialized training or tertiary education and those that do not results in a high unadjusted gender pay gap at Kontron, contributing to the continued occupational segregation of the workforce.	Actual negative impact	S, M

SITE REFERENCE (IMPACTS ONLY) (U UPSTREAM, OS OWN SITES, D DOWNSTREAM)	RELATED MEASURES	RELATED GOALS DEFINED	RELATED POLICIES
OS	Regular Group-wide employee satisfaction survey	90% overall employee satisfaction by 2030	None
OS	Entity-specific benefit offerings for employee commuting, meals, work-life balance and wellbeing; Regular Group-wide employee satisfaction survey; Annual performance reviews and entity-specific training for employees	90% employee participation in annual performance reviews by 2027; 10% increase in average employee training hours by 2028	CoC
OS	Regular Group-wide employee satisfaction survey	90% overall employee satisfaction by 2030	CoC
OS	None	Annual reportable work-related accident rate below 2.5 per 500 FTEs	CoC, Whistleblower policy
OS	Calculation of adjusted gender pay gap	25% share of women in top management by 2030	CoC, DEI policy

TOPIC STANDARD	TOPIC	SUB-TOPIC	NAME	DESCRIPTION & CORRELATION WITH STRATEGY AND BUSINESS MODEL	POSITIVE (+) OR NEGATIVE (-) IMPACT	TIME FRAME (S SHORT, M MEDIUM, L LONG TERM)
S1	Own workforce	Equal treatment and opportunities for all	Contribution to employees' personal growth and skills development due to training opportunities	Employees at Kontron are offered various opportunities for voluntary training and programs aimed at learning or enhancing skills. This supports both their personal and professional growth and contributes to increased employee satisfaction.	Actual positive impact	S, M, L
S1	Own workforce	Equal treatment and opportunities for all	Increased productivity and inclusivity due to diverse workforce	By fostering and maintaining a diverse workforce, Kontron ensures that a wide range of perspectives is considered in decision-making. It also enhances communication and supports the development of an inclusive work environment where every individual feels respected and valued.	Actual positive impact	S, M, L
S1	Own workforce	Other work-related rights	Violations of human rights and privacy affecting own workforce	In isolated cases, Kontron employees could be subject to human rights violations, including labor law infringements, discrimination, or breaches of privacy regulations, which may cause physical or psychological harm to those affected.	Potential negative impact	S, M, L
S2	Workers in the value chain	Working conditions	Work-related health and safety accidents and injuries in the value chain	Workplace accidents and other health and safety violations could cause physical harm, including injury, illness, or even death to workers in the upstream and downstream value chain. Such harm could result from inadequate safety measures, insufficient training, or non-compliance with health and safety protocols.	Potential negative impact	S, M, L
S2	Workers in the value chain	Other work-related rights	Violations of human rights affecting workers in the value chain	Workers in the upstream and downstream value chain of Kontron could be subject to human rights violations such as child labor, forced labor, and discrimination—particularly in mining, manufacturing and waste handling activities outside the European Union.	Potential negative impact	S, M, L

SITE REFERENCE (IMPACTS ONLY) (U UPSTREAM, OS OWN SITES, D DOWNSTREAM)	RELATED MEASURES	RELATED GOALS DEFINED	RELATED POLICIES
OS	Annual performance reviews and entity-specific training	10% increase in average employee training hours by 2028	CoC
OS	Regular Group-wide employee satisfaction survey	25% share of women in top management by 2030	CoC, DEI policy
OS	Annual training of top management and employees in Group-wide compliance policies	100% participation in annual compliance training	CoC, Whistleblower policy
U, D	Assessment of all Kontron entities in terms of EU minimum safeguards practices	Not applicable.	SCoC, Whistleblower policy
U, D	None	Not applicable.	SCoC, Whistleblower policy

TOPIC STANDARD	TOPIC	SUB-TOPIC	NAME	DESCRIPTION & CORRELATION WITH STRATEGY AND BUSINESS MODEL	POSITIVE (+) OR NEGATIVE (-) IMPACT	TIME FRAME (S SHORT, M MEDIUM, L LONG TERM)
G1	Business conduct	Aggregated	Operational cybersecurity threats and data breaches	Cyberattacks on Kontron's information and operational technology, as well as the malicious or accidental sharing or loss of company data, could compromise daily operations or result in the exposure of sensitive information, potentially leading to a permanent loss of competitiveness. In addition, fines, reputational damage, and the erosion of stakeholder trust could lead to increased costs and reduced revenue.	Risk	S, M, L
G1	Business conduct	Corruption and bribery	Reputational damage and financial penalties due to corruption and bribery	Incidents of corruption or bribery involving Kontron or its employees could result in significant reputational damage, compromising corporate integrity and undermining stakeholder trust. In addition to jeopardizing business relationships, such incidents may also lead to substantial financial penalties.	Risk	S, M, L

SITE REFERENCE (IMPACTS ONLY) (U UPSTREAM, OS OWN SITES, D DOWNSTREAM)	RELATED MEASURES	RELATED GOALS DEFINED	RELATED POLICIES
-	Cybersecurity practices and regular penetration tests; Regular cybersecurity awareness training for employees	Resolution of all critical findings from penetration tests within 1 month; 90% employee completion rate for cybersecurity awareness training by 2027	CoC
-	Annual anti-corruption training for high-risk functions	100% participation of high risk functions in annual anti-corruption training	CoC

1.10.1. E1-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Physical risks due to climate change are classified as material only when considered collectively at the company-wide level, rather than as individual climate risk categories. Additionally, two climate-related transition risks were identified as material for the company: the costs of replacing existing products and services with lower-emission alternatives and, as a result, the potential failure of investments in new technologies. As part of the double materiality analysis, these identified climate risks have been combined into a single material risk at group level in the area of climate change adaptation: as physical and investment risks due to climate change. As a result, the individual risks mentioned are understood and treated as sub-risks of the overall risk due to climate change.

The physical risks have been analyzed for the Group's own sites as well as for inventories accounted for at customer or supplier locations, and transition risks along the entire value chain, including own business activities. The resilience analysis therefore covers the entire value chain, with the exception of physical risks in the upstream chain and outside the customer's consignment warehouses. The assessment was carried out on the basis of the potential extent of damage by qualitative estimates by internal experts and the Group-wide risk management function and was completed in January 2025.

A strict regulatory environment, particularly in the European Union, has been applied for transition risks, with significant market, technological and reputational changes, which suggest high investments in low-emission production and increasing demand for corresponding products. Financial effects and resources were initially only roughly estimated as part of the Group-wide risk assessment and will be quantified more precisely in the future.

Particular attention is paid to the continuous reduction of energy consumption. The respective energy mix depends on country-specific political and technological developments, with the aim being to move away from fossil fuels, particularly with regard to electricity consumption.

To assess the resilience of its strategy and business model regarding climate change, Kontron AG conducted a climate risk analysis for the reporting year 2024, evaluating whether individual risk categories could significantly impact the company's strategy and/or business model. The climate scenarios and time frames applied align consistently between the climate and resilience analysis. For physical risks, a 35-year time horizon and four climate scenarios – RCP2.6, RCP4.5, RCP6.0, and RCP8.5, as outlined by the Intergovernmental Panel on Climate Change (IPCC) – were utilized. For transition risks, three time horizons were considered: short term (up to one year), medium term (one to five years), and long term (over five years). Using examples from the ESRS and internal inputs, a list of relevant climate-related transition risks and opportunities across the areas of "Policy & Law", "Technology", "Market" and "Reputation" was drawn up and coordinated with the Group risk management function. The transitory assessments were carried out under the general assumption of a 1.5-degree scenario in accordance with the Paris Agreement, based on a strict regulatory environment, particularly within the EU. The process of updating the double materiality analysis carried out in the reporting year 2025 did not reveal any evidence that anything could have changed significantly in the resilience assessment from the previous year. This assessment from the previous year therefore also applies to the reporting year 2025.

The resilience analysis of climate risks indicates that the transitory sub-risks of the costs for replacing existing products and services with lower-emission alternatives and the resulting potentially unsuccessful investments in new technologies could impact the Kontron AG strategy and/or business model in the long term. This is especially relevant in a 1.5-degree scenario, where high investment pressure and the need to reduce greenhouse gas emissions are critical factors. This risk stems primarily from the need to implement novel, lower-emission technologies and solutions, which, in hindsight, could prove less effective than competing technologies – many of which are also only partially tested – potentially leading to a long-term competitive disadvantage for Kontron AG.

Consideration of risk-prone assets and business activities when determining the company's strategy, investment decisions, and ongoing and planned climate change mitigation measures:

Sustainability risks are an integral part of the Group's risk management system and are assessed with the same level of diligence as other risks. Statutory analyses are conducted and will be further reinforced if necessary. Risks and opportunities are internally assessed by the responsible teams, reviewed by the Executive Board, and subsequently presented to the Supervisory Board for discussion and potential approval. Where necessary, third-party experts are consulted to ensure a well-founded and comprehensive risk assessment. Certain aspects of the risk assessment have already been integrated into the internal audit process, while additional control mechanisms are currently being developed.

Based on the resilience analysis, uncertainties exist regarding physical climate risks in the upstream value chain, as these have not yet been specifically assessed. In particular, dependencies on specific raw materials such as rare earths and/or product components could significantly impact business model resilience if global supply chains are disrupted by climate-related natural disasters or long-term climate changes. For the company's own operations and the downstream value chain, physical climate risks have increased, but are not considered to pose a threat to the strategy or business model. In the short term, the focus is on continuous optimization of the operating processes in order to reduce emissions and exploit efficiency potential. This includes actions such as improving energy efficiency and increasing the use of renewable energy. In addition, regular risk management ensures monitoring and, if necessary, the ability to act with regard to business risks. In the medium term, the ongoing development of the product and service portfolio will be fostered in order to meet the growing demands of the markets and regulatory framework conditions. This includes modernizing existing assets to adapt them to new technological standards. At the same time, great value is placed on the qualification and retraining of Kontrons employees in order to actively shape change. In the long term, the aim is to adapt business models in line with trends, including, among other things, innovative solutions to support sustainable operations. Through strategic partnerships and continuous investments in future focused technologies, we are ensuring that the company remains competitive in the long term and continues to expand its role as a responsible actor within the industries it operates.

1.10.2. E4-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The extraction of critical materials and substances in the upstream value chain can significantly impact the environment, particularly biodiversity. The extraction of raw materials, for instance, leads to habitat destruction, which directly contributes to the endangerment and loss of biodiversity. This primarily applies to upstream processes in the value chain, which can potentially have medium-term effects. Based on an analysis conducted via the Natura2000 online platform, the company's sites were assessed in 2024 for their proximity to areas of high ecological sensitivity. For the majority of sites worldwide, neither proximity to relevant areas nor any impacts were identified. For sites located near areas of high biosensitivity, questionnaires were used to assess whether there were any impacts on these nearby areas and on biodiversity. The sites examined are located in Hamburg, Ismaning, Frickenhausen, Memmingen, Immenstaad, and Bössingen (Germany), Pécs and Budaörs (Hungary), Alcalá de Henares (Spain), and Bisamberg (Austria); no impacts were identified at any of these sites.

No material impact on soil degradation, desertification, or soil sealing was identified within the company's operations. Based on the analysis described, a survey was conducted among the units with sites located near or within areas designated as having high biodiversity. No material impact of the company's business activities on endangered species was identified.

1.10.3. S1-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

All individuals employed by the Kontron Group who can be significantly impacted by the company are included within the disclosure scope in accordance with ESRS 2. The identified actual and potential impacts, as well as risks and opportunities with regard to the company's own workforce, are directly related to the Kontron Group strategy and business model. The corporate strategy is based on project-focused business models in the electronics and software industry, which require a high level of flexibility and international cooperation. This has both positive and negative impacts on the workforce. These risks and opportunities influence strategic personnel planning and the organization of working conditions to ensure the long-term competitiveness of the business model.

The company's own workforce includes the following groups of people: All employees who were employed by a Kontron Group entity as of December 31, 2025. This also includes trainees, interns, apprentices, as well as employees on parental leave, study leave, or sick leave.

The following employees and non-salaried workers (non-employees) among the company's workforce are affected by material actual and potential impacts from Kontron's activities:

- › Employees: Workers who have an employment relationship with the company.

Non-employees:

- › Temporary workers: Impacted by scheduling, contract terms, and temporary working conditions.
- › Self-employed workers: Impacted by project contracts, remuneration, and integration into corporate processes.
- › Contract workers: Impacted by coordination between staffing agencies and Kontron, particularly concerning fair working conditions and rights.

As part of the risk analysis regarding minimum safeguards under the EU Taxonomy alignment, no proprietary business activities have been identified that have a significant risk of incidents of forced or compulsory labor or child labor, either with regard to the type of activity (e.g. production sites) or with regard to countries or geographical regions in which Kontron Group entities operate.

Potential negative impacts were identified within the company's own workforce. Temporary employees, working students, employees in countries with weak employment law enforcement, employees in low-wage sectors, and people with care responsibilities or without sufficient access to complaint mechanisms tend to be particularly vulnerable to work-related negative impacts. Even though there was no formally adopted transition plan to reduce environmental and climate impacts in the reporting year 2025, it can be assumed that future decarbonization and transformation measures will have an impact on the company's own workforce, in particular through changed job profiles, technological adaptations and possible organizational restructuring. At the same time, this creates opportunities for creating new jobs and for specific reskilling and upskilling measures, particularly in technology, development and innovation-related functions.

- › Stressful work environment and increased employee turnover: Heavy workload in some areas leads to dissatisfaction, mistakes and an increased risk of burnout (Actual negative impact). These risks are not systemic.
Before: Working time – risks of employee overload: Imposing or encouraging excessively long working hours without sufficient breaks can lead to burnout, increased errors, and high employee turnover.
Reason for the change: clear definition and sharpening, review of time frames and localization.
- › Work-related health and safety accidents and injuries in own workforce: Accidents at work and safety breaches can result in injury, illness or fatalities (Actual negative impact). These risks are not systemic.
Before: Working time – risk: Excessive working hours without breaks increase the risk of burnout and fluctuation.
Reason for the new creation: Following internal expert review and stakeholder feedback, the issue of health and safety was rated as material.
- › Unadjusted gender pay gap due to structural inequalities: Gender inequality in different roles leads to a high unadjusted gender pay gap (Actual negative impact). Although these risks are structural, they are not systemic.
Before: Gender equality and equal pay: There is systemic wage inequality depending on the field, job and industry.
Reason for the change: Calculation of the gender pay gap, clear definition and sharpening, review of time frames and localization.

- › Violations of human rights and data protection that impact own workforce: Individual cases of human rights violations or data protection violations can cause physical or psychological harm (Potential negative impact). These risks are not systemic.
Before: Other work-related rights: Neglect, misconduct and violations of human rights, risks, misconduct and neglect, and other human rights violations can potentially occur in high-risk areas, not systemically.
Reason for the change: clear definition and sharpening, review of time frames and localization.

Kontron's positive impacts extend to all employees, including permanent employees, part-time workers, working students, interns, temporary employees and self-employed workers. Specific groups, such as parents working in flexible time models or employees in multicultural teams, also benefit from customized agreements and diversity initiatives. Data protection and fair pay have a global impact, with Europe leading the way through strict privacy regulations and equality initiatives.

- › Increased employee satisfaction and loyalty due to social benefits and flexible working conditions: Kontron increases employee satisfaction and retention through a range of benefits and flexible working models (Actual positive impact).
Before: Working conditions – opportunity: Very good and much appreciated working conditions provide the opportunity for improved productivity, better access to top talent and lower fluctuation costs thanks to a strong employer brand.
Reason for the change: Clear definition and sharpening, review of time frames and localization.
- › Contribution to the personal development and competence promotion of employees through further education opportunities: Voluntary training programs promote personal and professional development (Actual positive impact).
Reason for the new creation: Following internal expert review and stakeholder feedback, the topic of the training was rated as material.
- › Increased productivity and inclusion due to a diverse workforce: Diversity promotes different perspectives, communication and an inclusive work environment (Actual positive impact).
Before: Gender equality and equal pay: There is systemic wage inequality depending on the field, job and industry.
Reason for the change: Clear definition and sharpening, review of time frames and localization.

The former positive impact “Working times – enhancing employee well-being” was downgraded following an agreement with internal experts due to a lack of evidence and no longer reaches the materiality threshold.

The impacts and dependencies of the company's own workforce result in material risks and opportunities as follows:

- › Voluntary turnover and shortage of skilled workers: Voluntary resignation, particularly in key positions, jeopardize efficient processes and increase recruitment and training costs (Potential risk).
Before: Working time – risk: Excessive working hours without breaks increase the risk of burnout and fluctuation.
Reason for the change: Clear definition and sharpening, review of time frames and localization.
- › Improved productivity, better access to top talent and reduced turnover costs due to strong employer brand. A strong employer brand reduces turnover costs, facilitates access to top talent and increases productivity (Potential opportunity).
Before: Working conditions – opportunity: Very good and much appreciated working conditions provide the opportunity for improved productivity, better access to top talent and lower fluctuation costs thanks to a strong employer brand.
Reason for the change: Clear definition and sharpening, review of time frames and localization.

1.10.4. S2-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Kontron Group operates globally in the electronics and technology sector, with a value chain encompassing a diverse workforce.

Employees in the upstream supply chain, e.g. in raw material extraction, manufacturing, component retail and logistics, can be affected by negative impacts and risks in the relevant industry. In the upstream chain, these include mining workers for metals and minerals and production workers in electronics factories, while in the downstream chain, employees working in particular in distribution, recycling and disposal.

In the materiality analysis, these different groups of people were considered, but not explicitly specific groups at particular risk.

The Kontron Group has evaluated child labor as well as forced and compulsory labor in its upstream value chain as a potential risk. The real risk is related to conflict minerals, where mining and trade systemically contribute to financing armed groups and may be associated with human rights violations, child labor, and environmental pollution. No explicit geographical areas or countries were evaluated and identified, as the supply chain cannot be traced back to origin. Since these minerals are frequently used in electronic components, the Kontron Group addresses this risk with strict supply chain controls, transparency initiatives and compliance with international standards such as the OECD guidelines for responsible supply chains.

The identified actual and potential impacts on supply chain workers do not lead to an adjustment of the Kontron Group's core business model but do influence the design of the procurement strategy, supplier management, and the Group-wide minimum standards relating to human rights. Consideration of the interests, perspectives, and rights of supply chain workers is ensured in particular through the definition of requirements for supplier companies, risk-based preventive measures, and the alignment of internal control and compliance processes.

- › **Time frame:** Human rights violations in the upstream value chain can occur across all time frames and have systemic features of exploitation.
- › **Magnitude of impacts:** Such violations would have a severe impact on affected workers, significantly disrupting their living and working conditions.
- › **Affected group(s):** The impacts are generally limited to a specific subset of people within the upstream value chain.
- › **Difficulty of remediation:** These violations are extremely challenging to monitor and difficult to remediate in the long term. In particular, the lack of transparency in mining regions, coupled with complex supply chains, further complicates the mitigation of negative impacts.
- › **Probability:** Such impacts are considered potentially present, but a quantitative probability assessment was excluded from the calculation to prioritize the analysis of potential impacts.

The Kontron Group demands that its suppliers implement responsible labor practices throughout its value chain. This entails compliance with legal requirements, the promotion of human rights, and the implementation of risk mitigation measures, particularly in high-risk sectors. When identified and relevant, the interests, perspectives and rights of supply chain workers are indirectly incorporated into the Kontron Group's strategic and operational decision-making through various stakeholder groups. Supplier companies act as a central implementation and monitoring entity, as they are responsible for ensuring compliance with labour- and human-rights-related requirements within their respective operations. The Kontron Group's requirements for supplier companies are intended to identify risks to workers at an early stage and to prevent or mitigate negative impacts. Investors and financing partners influence strategic direction insofar as they expect increasing transparency and adherence to international standards relating to human rights and supply chains. These expectations are reflected in the prioritization of ESG topics and the design of internal policies.

Media, non-governmental organizations (NGOs) and advocacy groups contribute to raising awareness of human-rights risks in global supply chains and influence the Kontron Group's risk assessment, particularly with regard to conflict minerals and working conditions in high-risk regions. Their reports and publications are taken into account as external information sources in the context of risk identification.

No risks or opportunities arising from impacts and dependencies related to supply chain workers have been identified. The key interests of supply chain workers lie particularly in safe and fair working conditions, the respect for fundamental human rights, and protection from exploitation, child labour and forced labour. These rights constitute the basis for the Kontron Group's minimum human-rights requirements for its supply chain.

The perspectives of supply chain workers are not gathered directly due to the lack of direct accessibility in the upstream supply chain; instead, they are considered indirectly through external sources, stakeholder dialogues and risk analyses. Due to limited transparency and the limited ability to exert influence in the upstream stages of the value chain, and in the absence of concrete indications (e.g. reports submitted through the whistleblower system), no in-depth analysis of particularly vulnerable groups of workers has been conducted. The Kontron Group applies a risk-based approach and reviews this assessment regularly. No analysis was conducted to identify material risks and opportunities arising from impacts and dependencies related to supply chain workers because of lacking authority and the absence of any triggers (e.g. reports submitted through the whistleblower system). This also applies where such impacts would concern specific groups of workers in the supply chain (e.g. particular age groups, workers at a specific site or in a specific country) and not all supply chain workers.

1.11. IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

In order to obtain a comprehensive picture of the Kontron Group's material sustainability IROs, the materiality analysis was carried out in several steps as part of the due diligence process for identifying, evaluating, prioritizing and monitoring impacts on people and the environment.

Kontron carried out a double materiality analysis, which takes into account both the materiality of the impacts and the financial materiality. This was based on ESRS 1 and 2.53. The process includes the systematic identification, evaluation and prioritization of risks and opportunities. First, a long-list of all ESRS topics was created, then reviewed by internal departments and validated by external consultants. In a materiality workshop, the results were discussed and finally evaluated. Monitoring is carried out continuously by Group-wide risk management and internal audits.

The process takes into account specific risk factors in the areas of hardware, software, GreenTec, material business relationships and supply chains in high-risk areas. Particular attention is paid to activities in raw material procurement and production, business relationships in sensitive markets and geographical regions with increased risk, in particular with regard to labor and environmental standards.

In addition to direct impacts from Kontron's own activities (e.g. product design, manufacturing, operational processes), the analysis also includes indirect impacts along the value chain. In particular, these include risks and opportunities arising from suppliers, business partners and downstream activities.

Stakeholders were actively involved through an online survey and workshops. 692 employees, 7 customers, 21 suppliers, 4 investors and other stakeholders took part in 2023. In addition, external consultants were brought in to methodically check the results and ensure validity.

Negative and positive impacts were assessed using standardized scales:

- › Negative impacts were prioritized on the basis of scale, scope, and irremediability.
- › Positive impacts were assessed in terms of scale and scope.
- › Calculations are based on a scale of 0 to 5 for severity and 0 to 1 for probability of occurrence.
- › The maximum value of each individual component (scale, scope, or irremediability) and an impact on human rights results in the maximum severity level (in accordance with ESRS Section 1, paragraph 45).
- › The materiality was calculated by multiplying the average of scale, scope and irremediability by the probability of negative impacts (actual or potential), except for human rights risks, where the probability was not taken into account. For positive impacts, only scale and scope were included.
- › A threshold of 2.5 was set to determine which topics are considered material based on their impact, financial materiality and stakeholder feedback and are therefore included in the Kontron AG non-financial report.

Financial risks and opportunities were assessed on an operational and strategic level. The analysis was based on qualitative and quantitative criteria in accordance with ESRS 1.3.3 and time frames (short term: 1 year, medium term: up to 5 years, long term: over 5 years). Prioritization was carried out in coordination with Group-wide risk management.

The analysis takes into account both direct and indirect relationships between impacts, dependencies and the resulting risks or opportunities. This includes interactions between environmental impacts, human rights issues, and financial consequences.

Procedures for evaluating financial risks and opportunities:

Relationship between impacts and financial risks/opportunities: Risks and opportunities were analyzed both at operational level (direct effects) and at strategic level (long-term financial effects).

Assessment of probability of occurrence and financial impacts: Financial materiality is determined on the basis of qualitative and quantitative criteria in accordance with ESRS 1.3.3. Time frame: Short-term (1 year), Medium-term (up to 5 years), Long-term (over 5 years). Prioritizing sustainability risks over other risks: Sustainability risks are integrated into overall risk management and compared with traditional financial and business risks. Tools such as risk assessment models and materiality scores are used.

Sustainability risks are fully integrated into Group-wide risk management. They are assessed in relation to traditional financial and business risks and prioritized using valuation models and materiality scores.

Decision-making and internal control procedures:

The results of the materiality analysis have been discussed in management workshops and finally approved by the Executive Board. Internal control systems at each of the subsidiaries and audits by risk management ensure implementation and follow-up.

Integration with general risk management:

Sustainability risks are part of Group-wide, integrated risk management and are incorporated into regular entity valuations (see Annual Report chapter on "Internal Control System, Group Accounting Process and Risk Management System"). The results are used to assess the overall risk profile.

Incorporating opportunities into the management process:

Sustainability opportunities influence investments in new technologies, markets and business models. Input parameters applied:

- › Data sources come from internal risk management, stakeholder surveys, industry benchmarks.
- › Processes covered include the entire value chain, from raw material procurement to product use.
- › Level of detail of assumptions: use of standardized rating scales (0–5) and probabilities of occurrence (0–1).

Compared to the previous reporting period, the methodology for materiality assessment within the ESRS has been revised. In the process, industry experience was gathered and applied to the company's own circumstances. Key functions such as Group Risk Management, Compliance, CFO, Purchasing, HR of the largest entities, and Quality Management and HSE (Health Safety Environment) managers from the entities with the greatest impact were involved in the update. A new external consultant was on board for consultation. As a result, the materiality analysis has been intensively updated. In future, a review will be carried out every two years, i.e. again in 2027 following this update in 2025.

The following evaluation logic was discussed and applied to assess the significance of the identified IROs:

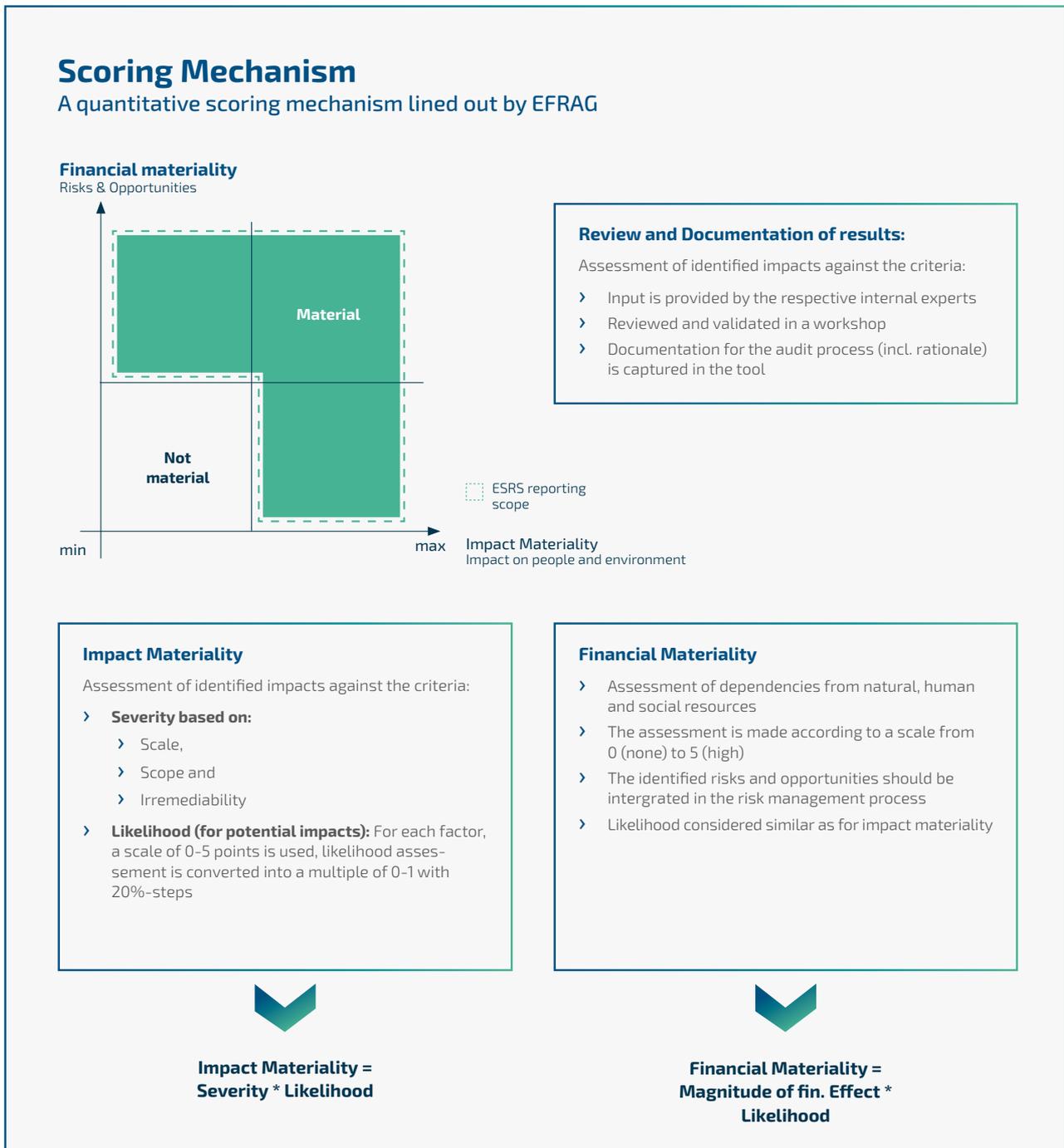


Figure: Scoring mechanism

1.11.1. E1-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to climate change

Kontron identified the impacts on climate change, in particular greenhouse gas emissions, through the double materiality analysis (see IRO-1 and E1-6). The evaluation was based on materiality criteria such as scale, scope and irremediability as well as through stakeholder surveys. Financial and sustainability-related risks and opportunities were analyzed to prioritize the criteria. In addition, findings from physical and transitory climate risk analysis were used to comprehensively assess climate risks and adaptation actions. The results are incorporated into risk management and strategic planning to promote carbon reduction measures and sustainable technologies.

Kontron records its greenhouse gas emissions in accordance with Scope 1, 2 and 3 using an annual data query from all subsidiaries to determine the areas with the highest CO₂e emissions. The recording of CO₂e emissions is therefore GHG compliant and promotes compliance with these reporting requirements.

Emissions from land use changes, soot, or tropospheric ozone are not relevant to Kontron's business activities.

To identify and evaluate climate-related physical risks, a software-based climate risk analysis was conducted for the first time in the previous reporting year for all of Kontron's own sites and recognized consignment warehouses at customer and supplier locations. The software solution used analyzed the addresses and geographical coordinates of these locations across 18 different and relevant risk categories over a time horizon of 35 years, assessing gross risks along with their potential financial magnitude and probability of occurrence. The 13 acute and 15 chronic climate hazards classified in Delegated Regulation (EU) 2021/2139 are considered adequately covered, as the 18 categories analyzed by the company are deemed sufficient to provide comprehensive insight into all relevant and potentially associated physical risks. A standardized holding and operational period of 35 years was assumed for all sites – except certain consignment warehouses – to account for rising climate risks over the long term, thereby allowing a conservative risk assessment. No separate consideration was given to short- and medium-term periods or planning horizons with regard to physical risks.

Depending on the physical risk category, the software used either the probability of occurrence or the annual duration of the climate risk to identify a low, medium or high risk for the respective category on the basis of systemic thresholds. For locations with a significant carrying amount, a significant risk level was assumed provided at least a high risk had been identified for these locations. In these cases, local representatives from the respective location were consulted as to whether the risk was actually applicable to the asset and/or business activity.

The software-based analysis assessed both the locations as assets and their operational viability. This includes Kontron's own activities and, partially, the upstream and downstream value chain through consignment warehouses at customer and suppliers' sites. The rest of the upstream value chain was not analyzed with regard to physical climate risks, as no reliable information on the origin of raw materials, product components, or their transport routes is currently available. This information, along with the relevant climate risk analysis, is intended to be obtained or carried out in the future.

The software assessed risks based on four climate scenarios using the representative concentration pathways RCP2.6, RCP4.5, RCP6.0, and RCP8.5 defined by the Intergovernmental Panel on Climate Change (IPCC). The two intermediate scenarios (RCP4.5 and RCP6.0) were each weighted twice, as a globally stringent limitation of greenhouse gases currently appears unlikely, and significant global warming is therefore anticipated. Since reliable climate data was not available for all scenario-location combinations, these specific instances were excluded from the analysis.

Instead of looking at short- and medium-term periods and planning horizons for physical risks, two time horizons (1 year and the development over a period of 35 years) were examined for four RCP scenarios each. No separate analysis was undertaken of a purely medium-term period. The short-term analysis period of one year therefore corresponds with the definition from the double materiality analysis. The long-term review period of 35 years was chosen to reflect the usually long holding and use periods for real estate. The findings have been incorporated into Group risk management.

In general, a significant long-term risk from physical climate hazards exists, particularly when considered cumulatively across all relevant risk classifications, potentially leading to damage to assets as well as temporary operational disruptions. Based on the results of the software-based site analysis, potential high-risk sites were identified by applying threshold values for each risk category (river flooding at locations in Germany and Austria, heavy snowfall at two locations in Canada). These are sites whose carrying amount was deemed material according to group risk management thresholds, and for which the tool indicated high individual risk based on the weighted average of climate scenarios. In these specific cases, the locations were thoroughly assessed in consultation with local representatives of

Kontron AG regarding the accuracy of the identified risks and existing mitigation measures. It was found that two sites each are exposed to high gross risks related to river flooding and severe snowfall. However, in all cases, appropriate precautions have already been taken to effectively mitigate potential damages and operational disruptions in the foreseeable future.

Climate-related transition risks and opportunities were identified and qualitatively assessed internally during workshops with selected experts from the relevant specialist areas. In total, 18 risks and nine opportunities were analyzed across the four areas: "Policy & Law", "Technology", "Market", and "Reputation". Three different time horizons were considered for each risk and opportunity assessment: short-term (up to one year), medium-term (one to five years), and long-term (beyond five years). Additionally, a localization analysis was conducted to determine whether these influenced Kontron's own activities and/or the upstream and/or downstream value chain. The assessment focused on the overall impact of risks and opportunities on Kontron's business activities; individual assets were not assessed.

The qualitative assessment of individual risks and opportunities was conducted consistently under the general assumption of a 1.5-degree scenario in accordance with the Paris Agreement. This assumes a strict regulatory environment – particularly within the European Union – likely resulting in significant market-driven, technological, and reputational changes towards a low-emission economy. The 1.5-degree scenario was not understood as a quantitatively modeled climate path scenario, but as a highly ambitious qualitative transition scenario. In particular, it represents a political and regulatory development path that requires the timely and comprehensive implementation of climate change mitigation measures (e.g., stricter emission controls, rising carbon costs, expanded reporting requirements) as well as accelerated technological and market changes. This is not a specific official scenario such as SSP1-1.9 from the IPCC's Shared Socioeconomic Pathways (SSP), but an overarching assumption based on the goal of limiting global warming to 1.5 °C. The decision not to use an explicitly numerically based IPCC scenario was deliberate, as the assessment of transition risks and opportunities was carried out purely qualitatively and is based on the assessment of company-specific impacts by internal experts. The specific scenario analysis was not based on an explicitly named SSP scenario, but rather it served as a conceptual framework for risk assessment. The specific transition events were systematically identified in the course of internal company workshops encompassing the four categories of politics & law, technology, market, and reputation. The basis for this was, on the one hand, the examples and structural requirements of the ESRS and, on the other hand, internal assessments by the responsible departments. The identified risks and opportunities were then assessed in terms of their potential impact and probability of occurrence and assigned to a short-, medium- or long-term time horizon.

From Kontron AG's perspective, this scenario represents the strongest potential manifestation of transition risks and opportunities and was therefore considered sufficient for the analysis. Since this is a purely qualitative assessment by internal experts, no scientific studies were used.

As part of the evaluation of potential financial magnitude and probability of occurrence, Kontron AG identified several transition events that could become significant for the company's business activities over a long-term time frame (beyond five years). The risks were assessed using the probability and extent scales contained in the general risk management process, which also took into account the onset and duration of the respective risk in the three time horizons in accordance with double materiality. These include the two risks of replacing existing products and services with lower-emission options, and potentially unsuccessful investments in new technologies (see IROs in E1 – Climate change adaptation: innovative products). In both cases, significant and strategic investment decisions may entail substantial risks due to retrospective incorrect selection of new technologies and solutions. Moreover, these transition events also present substantial opportunities, including the development of new products, entry into new markets, and increased demand for products and services, all of which support the shift towards a low-emission economy.

Based on the Kontron Group's current greenhouse gas inventory, continued efforts are necessary across the Group to reduce greenhouse gas emissions in pursuit of a net-zero economy. This applies to all business activities and thus encompasses all Group locations.

For the Kontron Group, production sites using fossil energy sources and office buildings with low energy efficiency are particular examples of facilities that may not be considered fully compatible with a climate-neutral economy. In the upstream supply chain of electronic components, there are potential risks associated with the purchase of emission-intensive components whose origin and CO₂e footprint can currently only be measured to a limited extent. In addition, the company's own logistics and transport costs could be CO₂e-intensive unless there is a deliberate switch to low-emission solutions. Additionally, the company is working towards achieving taxonomy compliance for selected economic activities. To date, no economic activity has been categorically identified as incompatible with EU taxonomy criteria. However, extensive procedural, product-specific, and documentation measures remain necessary in this regard.

The scenarios used to assess climate-related physical risks, transition risks, and opportunities do not conflict with one another nor with other climate-related assumptions presented in this report. They were selected in such a way that they realistically reflect potential impacts on assets and risks. This ensures consistent compatibility of scenario-based disclosures.

1.11.2. E2-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to pollution

The evaluation of the material impacts, risks and opportunities with regard to pollution as part of the materiality analysis was discussed in internal working sessions with the experts on this issue, as described in the chapter “IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities.” The discussion and assessment were based on internal location and process information, existing environmental and safety documentation, expert assessments from the specialist fields, and on a qualitative analysis of the value chain based on the ESRS topic structure; quantitative modeling supported by tools or databases was not used. This enabled identification and documentation of the actual, potential, positive and negative impacts as well as the financial risks and opportunities within the Kontron Group and along the value chain. In accordance with the list of ESRS topics and sub-topics, the issues discussed included air, water and soil pollution (excluding greenhouse gas emissions and waste), microplastics and substances of concern, and dependencies on ecosystem services that help mitigate the impacts of pollution. In particular, risks of contamination at the beginning of the upstream value chain through the extraction of raw materials were suspected. Microplastics did not have a major impact in electronics manufacturing, but the type of packaging used could be a source of small amounts of microplastics. The business model does not depend on ecosystem services.

Some products purchased, assembled, and sold by Kontron contain substances classified as substances of very high concern (SVHC) under the REACH Regulation. These can pose risks to human health and the environment, which is why Kontron included the IRO “Health and Environmental Risks from the Use of Substances of Very High Concern” in its material topics in 2025, under substances of very high concern. Inadequate supervision during assembly, use, or disposal could lead to the release of toxic substances into air, water or soil, causing pollution and negative health impacts.

In the initial survey for 2025, the following subsidiaries were identified from their business activities as contract manufacturers as importers, users, or distributors of products containing substances of very high concern: Kontron Europe GmbH, Kontron Canada Inc., Kontron Modular Computers S.A.S., Katek GmbH, Katek Czech Republic s.r.o., Kontron Canada Systems Inc., Kontron, d.o.o., Kontron Transportation s.r.o.

The potential risks lie primarily in the upstream supply chain and post-use disposal, although their scope is limited. For this purpose, environmental and energy audits are regularly carried out at several Kontron Group locations to identify emission sources and potential environmental impacts.

Kontron is also in regular contact with relevant stakeholders, including customers, suppliers, authorities, and environmental organizations, to better understand impacts, risks and opportunities and to continuously improve the sustainability strategy. Comprehensive consultations with affected communities on the issue of environmental pollution have not yet taken place.

1.11.3. E3-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources

In the process of the materiality analysis and climate risk analysis, Kontron has analyzed its assets, business activities, and consumption in accordance with ESRS 2 IRO-1 to determine its actual and potential impacts, risks and opportunities related to water and marine resources both in the context of its own activities and in the upstream and downstream value chain, as described in the chapter “IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities.”

As part of its own activities, a software-based physical climate risk analysis was carried out for the Kontron Group locations worldwide to assess risks associated with water stress. Those sites with a high risk of water stress were analyzed in detail to determine the specific dependencies and impacts. Since the affected locations were offices without production facilities, the risk was considered not material. In addition, business activities are not water-intensive, which is why the topic of water, which includes the consumption of surface water, groundwater, and the removal and discharge of water, is not material. Water consumption in the own companies is primarily attributable to sanitary facilities and drinking water.

Discussions on the materiality analysis referred to the fact that no marine resources are used to extract and consume associated resources; and that consequently this has no relevance to economic activities of the Kontron Group.

Areas with an increased risk of flooding, including sites close to rivers, were considered as part of the assessment of physical climate risks at their own locations, as flood events represent an acute physical risk under ESRS E1 and can have potential impacts on operational viability. This analysis is used solely to assess flood risks and is not an assessment of water scarcity, water stress, or water consumption as defined by ESRS E3, which must be analyzed separately and according to other criteria. The survey and analysis of suppliers' facilities does not appear appropriate at present and has not yet been carried out. No locations with material risks from water stress were identified. Two locations in Linz, Austria, and Deggendorf, Germany, show a relevant risk of flooding, but the measures taken by the municipalities are considered sufficient.

A specific analysis in accordance with ESRS E3 of water consumption and water stress in regions where water is in short supply has not yet been carried out and is not part of the current flood assessment. The criteria for classifying the ecological and chemical status of water bodies in accordance with the annexes to the Water Framework Directive (Directive 2000/60/EC) and the associated implementation guidelines were not used in the present analysis. The assessment of water-related risks was not carried out for individual water bodies in accordance with the Water Framework Directive, but focused on a location-based assessment of physical climate risks; a specific analysis of water stress, water availability, or water withdrawal in accordance with ESRS E3 has not yet been carried out.

With regard to the upstream value chain, internal expert interviews revealed that increased water consumption in the upstream chain, particularly in circuit board and chip production, can have a stronger impact on water reserves in the production regions of the value chain. At the same time, manufacturing processes depend on the availability of water, meaning that water scarcity in production regions could hamper the production and delivery of water-intensive components. No exact location assessment was carried out for the upstream and downstream value chain (unlike in the case of own activities). These risks were assessed as part of the double materiality analysis, which identified a low probability and only short-term effects. Therefore, this risk was not considered material.

The company did not carry out any specific consultations with affected communities as the potential risks lie in the supply chain and the impact was assessed as low. Nevertheless, Kontron promotes responsible use of water and marine resources by suppliers in the value chain in order to support sustainable production conditions in the long term.

1.11.4. E4-IRO-1 – Description of the processes to identify and assess material impacts, risks, dependencies and opportunities related to biological diversity and ecosystems

The assessment of the significant impacts, risks and opportunities with regard to biological diversity and ecosystems was carried out as part of the materiality analysis at own locations and within the upstream and downstream value chain, as described in the chapter “IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities.” As part of the materiality analysis, potential contributions from the company's own business activities to direct drivers of biodiversity loss were qualitatively examined, in particular climate change-related effects, land use changes including soil sealing, and potential emissions and pollution. Other direct drivers such as the exploitation of organic resources, invasive alien species, and marine use changes were not examined or were considered irrelevant due to the business model. In order to determine and evaluate the actual and potential impacts of the company's own locations, a biodiversity analysis was carried out at selected locations of Kontron AG's subsidiaries near areas of high biodiversity (more detailed information can be found in chapter “2.4. ESRS E4 – Biological diversity and Ecosystems”). No actual or potential impacts of the company's own locations on species population sizes or on the global extinction risk of species were identified, as there is no direct intervention in natural habitats or protected ecosystems.

Transitional and physical risks and opportunities associated with biodiversity and ecosystems were not identified and were therefore not considered material as the business concept does not affect these areas. Systemic risks were not assessed separately, as impacts occur far upstream in the value chain, where there is no direct engagement. For this reason, there was no direct consultation with potentially affected communities. However, Kontron's suppliers are required to handle this issue responsibly by complying with Kontron's own Supplier Code of Conduct (SCoC).

A biodiversity assessment conducted across multiple sites aimed to identify potential interactions with nearby biodiversity-sensitive areas, including Natura 2000 sites, UNESCO World Heritage Sites, and other protected areas. No actual or potential impacts on species population sizes or on the global extinction risk of species have been identified, as there is no direct interference with natural habitats or protected ecosystems at own locations. The findings indicate that Kontron's locations generally have no material negative impacts on biodiversity.

Most sites are not located near biodiversity-sensitive areas, or are sufficiently distant to rule out any meaningful interactions. In cases where sites are in proximity – such as the Lipbachsenke area in Germany or Natura 2000 areas in Austria – activities at these locations are limited to office operations or minor interventions, meaning no measurable risk exists for surrounding ecosystems. No direct resource usage (e.g., land, water, or raw materials) from these sensitive areas was identified. The analysis did not reveal any material dependencies of own business activities on ecosystem services such as water supply, flood protection, pollination, or natural climate regulation, as the business model is not based on biological resources. No emissions, pollution, or land use changes were found that could negatively impact local biodiversity. No impacts on the extent or condition of ecosystems, such as soil degradation, desertification, or additional soil sealing, were identified since no land-consuming activities, expansion or repurposing of natural areas take place at the sites examined. Consequently, stakeholders did not report any concerns or feedback regarding potential risks to nearby sensitive areas. The biodiversity assessment confirms that all reviewed sites have no material negative impact on biodiversity-sensitive areas. There are currently no formal communication channels or forums for discussing environmental issues. This represents a potential area for improvement in stakeholder collaboration and awareness-raising with regard to environmental issues.

In addition, the Kontron Group's business model does not depend on ecosystem services, since it does not rely on organic materials. The assessment along the value chain showed that, in the upstream value chain, the extraction of minerals and raw materials has material potential impacts on biodiversity and ecosystems at mining sites. Ecological criteria such as disturbance of natural habitats, alteration of ecosystem, and reduction in species diversity were taken into account. Due to the distance of raw material transport, no consultation was carried out with the affected communities. However, this was considered an important issue in the supply chain and was included in the SCoC. In the analysis, Kontron was unable to identify any dependencies or physical and transitional risks and opportunities related to biological diversity and ecosystems arising from its business operations its own sites. Potential impacts of raw material extraction in the upstream value chain on biological diversity and ecosystems were recognized as existing in principle, but as not material for the Kontron Group; they are addressed in the Supplier Code of Conduct.

The identification and assessment of impacts, risks, dependencies and opportunities related to biological diversity and ecosystems was carried out in accordance with ESRS 2 IRO-1 and the double materiality principles set out in ESRS 1 Chapter 3, taking into account both the impact of business activities on biodiversity and potential financial risks and dependencies along the value chain.

1.11.5. E5-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to resource use and circular economy

As part of the double materiality analysis, the Kontron Group systematically assessed its business activities at its own locations and along the upstream and downstream value chain with regard to resource use and circular economy in order to identify material actual and potential impacts, risks and opportunities. A separate analysis of assets was not carried out in this context; the evaluation was performed for business activities. The analysis included the identification of points of contact with nature, the examination of dependencies and environmental impacts, and the assessment of material risks and opportunities in accordance with the disclosure requirements ESRS 2 IRO 1 and IRO 2 and as in chapter "IRO-1 – Description of the process for identifying and evaluating material impacts, risks and opportunities". For this purpose, internal working sessions were held with relevant experts in the subsidiaries who are responsible for quality management as well as environmental and safety issues there. To collect data, the purchased materials from all Kontron companies were evaluated using external databases, and average recycling rates were calculated based on the assumption that no materials were used that are not usual in the industry. Business activities along the upstream and downstream value chain were screened with support from consulting experts, in which purchasing data was converted into material quantities based on expenditure and evaluated using external life cycle assessment databases and conservative assumptions about material composition and recycling rates.

With regard to resource inflows (ESRS E5-4), the IRO "Contribution to the scarcity of finite resources" was identified. The upstream procurement and manufacture of the products purchased, assembled, and sold by Kontron, as well as the packaging used, contribute to the consumption and potential scarcity of finite natural resources, in particular critical minerals and precious metals. This use of resources takes place primarily in the upstream value chain and scarcity can increase pressure on environmentally harmful mining and procurement practices in regions with a high concentration of such practices. The purchase of these upstream goods is the decisive factor in the extent of Kontron's contribution to this negative impact. However, the Kontron Group's purchasing practices can only materially influence packaging characteristics, because in most other cases, including electronic components, the type and quantity of the purchased goods are determined by precise customer specifications.

Consequently, following a further internal expert review, resource outflows (ESRS E5-5) are no longer reported as a separate material IRO. Kontron does not have a production facility of its own that generates significant amounts of additional waste or materially changes the properties of existing components; physical components are mainly purchased from suppliers and resold in accordance with customer specifications or processed as part of assembly to order. The materiality analysis also examined the sub-topic of waste, including hazardous and non-hazardous waste; however, because the business model is geared primarily to production to order and does not include separate material-intensive production facilities, waste generation and waste management were classified as not material. Consequently, an additional, independent analysis of resource outflows would result in double counting of resource usage (resource inflows). After further review by internal experts, there is no evidence that would justify a rating above the materiality threshold; resource outflows are therefore no longer classified as material.

During the reporting period, no specific consultations were carried out with affected communities on the topic of resource use and the circular economy, as there are no clearly identifiable direct contacts in this area. Kontron nevertheless promotes responsible use of resources and the implementation of circular economy principles through its SCoC and location-based measures in companies to support sustainable production conditions in the long term.

Material impacts, risks and opportunities related to resource use are concentrated chiefly in those business areas in which hardware-intensive solutions are developed and appropriate packaging solutions are used for safe transportation. These include IoT and industrial IoT solutions with hardware and software solutions for Industry 4.0, smart energy solutions for intelligent power grids, rail technologies and communication solutions (including GSM-R, FRMCS, and network solutions), medical technology with IoT-enabled diagnostic and monitoring systems, aerospace technologies with in-flight entertainment and communication systems, embedded computing solutions for industrial computer systems, automotive transport solutions (telematics and connectivity solutions), and software solutions and KontronOS as an operating system and software for IoT systems. In these business areas, the use of metals, plastics, semiconductors, batteries, and other electronic components in resource inflows is particularly relevant, as they form the basis of the products and services offered.

The key resources used in the company were analyzed as follows with regard to industry data and rated as relevant from an ESG perspective. At the same time, it should be noted that for the majority of these resources, the choice of materials is primarily determined by customer-specific requirements, technical standards, and legal requirements. As a result, Kontron, as a contract manufacturer, has

only limited influence on the specific design of many of the materials and components used. The following resource categories are nevertheless considered material because they make a significant contribution to the environmental impact of value creation and play an important role in all areas of business.

RESOURCE INFLOWS	PRIORITY	JUSTIFICATION
Metals (e.g. copper)	High	Main component of electronic components across all business areas, limited influence in material selection
Plastics	High	Necessary for housings and packaging, limited influence in material selection
Semiconductors	High	Essential for electronic hardware and embedded computing solutions, limited influence in material selection
Batteries	Medium	Important resource in smart energy and aerospace technologies, limited influence in material selection
Packaging materials	Medium	Frequently used; can be replaced by sustainable alternatives, high influence in material selection for standard applications unless specifications issued by customer
Renewable materials	Medium	Already in use in certain business areas (e.g., smart grids) and expandable, limited influence in material selection

Sticking to a “business-as-usual” scenario poses significant risks with regard to resource use, in particular the risk of increasing resource scarcity; rising costs and limited availability of essential raw materials such as metals and semiconductors may significantly affect production across the Kontron Group. In addition, there is a reputational risk if stakeholder requirements for responsible use of resources, for example with regard to sustainable procurement and resource efficiency, are not adequately met. Stricter legal requirements for resource use can also lead to regulatory risks, entailing additional financial burdens.

The trend towards a more circular management of resource inflows opens up significant opportunities for Kontron. By recycling and reusing materials, procurement costs can be lowered and dependency on primary raw materials reduced. The development of durable, modular, and more recyclable products strengthens the company's competitiveness and supports compliance with legal requirements. Sustainable procurement practices and product concepts also help to boost the company's reputation among customers, investors, and partners. At the same time, market opportunities exist as demand for resource-efficient and recyclable products is growing in all industries served by Kontron.

The transition to a more circular use of resources is associated with material impacts and risks. This initially includes higher investment costs for research, development and the shift to circular production and procurement processes. Adjustments in the supply chain are also required, as more sustainable suppliers must be identified and existing supply relationships realigned. The increased use of new technologies and materials may lead to short-term production uncertainties. In addition, the introduction of additional processes in the context of the circular economy, for example relating to the design of take-back and circularity-related systems together with customers and partners, increases organizational complexity.

The use of resources and associated risks and negative impacts in the value chain are concentrated in particular on raw material extraction, manufacturing, sales including packaging and the use phase of the products. The stage of raw material extraction entails high consumption of metals and semiconductors, which can be associated with environmental destruction and human rights risks (reference to ESRS E4 biodiversity and ESRS S2 workers in the value chain). In production, energy-intensive processes and the use of unsustainable materials have an impact on resource use. At the sales and packaging stages, additional resources are used for packaging materials, while emissions are generated by transport. In the product use phase, the focus is primarily on the energy consumption of the devices and the associated impacts.

As part of a supplementary review conducted in January 2026, it was determined that earlier statements regarding resource efficiency across the entire product life cycle had been significantly influenced by a Group entity with a circular business model, which has since left the Group. As a contract manufacturer, responsibility for product circularity now lies primarily with customers or brand owners. Due to product complexity, customer-specific requirements and safety-related regulations, recycled materials are currently used primarily in packaging, for example recyclable cardboard packaging and reusable packaging such as ESD boxes. Integrating recycled materials into complex products such as servers or communication devices remains a challenge; R&D expenditure specifically on improving the circular economy has not yet been reported. One Group unit also focuses particularly on promoting the longevity of its products.

1.11.6. G1-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Kontron AG is an internationally operating technology company headquartered in Linz, Austria, with global subsidiaries. The company specializes in the development and production of IoT and embedded computing solutions for applications in various industries. Key sectors include IoT automation, rail technology, aerospace & defense, communications, ODM, software, solar & energy management, and wall chargers. Kontron is listed on the German Stock Exchange in Frankfurt and is included in both the SDAX® and TecDAX® indices.

As part of the materiality assessment, material IROs related to the topic G1 – business conduct were analyzed and evaluated by Kontron AG's internal specialist departments. These were externally reviewed. Based on the identified IROs, the impact and financial materiality were assessed and validated by the respective Kontron experts. The analysis covered company-specific factors such as its global operations, industry classification (hardware, software, GreenTec), geographical presence, and type of business activity. It included both direct impacts from the company's own business activities and indirect impacts along the value chain.

In particular, the analysis looked at aspects relevant to business conduct, such as corporate culture, human rights, compliance, and corruption prevention. Risks and opportunities from high-risk regions and the potential impact of initiatives such as the Women's Empowerment Principles (WEPs) and the UN Global Compact on corporate culture were included.

1.12. IRO-2 – Disclosure requirements in ESRS covered by the undertaking's non financial statement

A data point or piece of information is considered material when it meets one or more of the following criteria: It is material when it is essential to appropriately present or explain the topic. The information contributes to meeting the needs of key user groups – particularly the primary users of financial reporting (e.g., investors) and users focused on the undertaking's impacts on the environment, society, and governance.

When selecting the information or data points to be disclosed, Kontron therefore assessed whether they materially influence the topic itself or are of particular importance to external stakeholders, especially in the context of their economic or societal decision-making processes. These criteria were used to support assessment of information materiality, which forms part of the general materiality analysis.

The following overview shows a list of disclosure requirements:

LIST OF DISCLOSURE REQUIREMENTS	CHAPTER	PARAGRAPH
ESRS 2 – General Information	1	
BP-1 – General basis for preparation of non-financial statement		1.1
BP-2 – Disclosures in relation to specific circumstances		1.2
GOV-1 – The role of the administrative, management and supervisory bodies		1.3
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		1.4
GOV-3 – Integration of sustainability-related performance in incentive schemes		1.5
GOV-4 – Statement on due diligence		1.6
GOV-5 – Risk management and internal controls over non-financial statement		1.7
SBM-1 – Strategy, business model and value chain		1.8
SBM-2 – Interests and views of stakeholders		1.9
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model		1.10
E1-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model		1.10.1
E4-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model		1.10.2
S1-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model		1.10.3
S2-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model		1.10.4
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities		1.11
E1-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to climate change		1.11.1
E2-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to pollution		1.11.2
E3-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources		1.11.3
E4-IRO-1 – Description of processes to identify and evaluate material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems		1.11.4

LIST OF DISCLOSURE REQUIREMENTS	CHAPTER	PARAGRAPH
E5-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to resource use and circular economy		1.11.5
G1-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities		1.11.6
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's non-financial statement		1.12
ESRS E1 – Climate Change	2	2.2
E1-1 – Transition plan for climate change mitigation		2.2.1
E1-2 – Policies related to climate change mitigation and adaptation		2.2.2
E1-3 – Actions and resources in relation to climate change policies		2.2.3
E1-4 – Targets related to climate change mitigation and adaptation		2.2.4
E1-5 – Energy consumption and mix		2.2.5
E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions		2.2.6
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Not material	
E1-8 – Internal carbon pricing	Not material	
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not material	
ESRS E2 –Pollution		2.3
E2-1 – Policies related to pollution		2.3.1
E2-2 – Actions and resources related to pollution		2.3.2
E2-3 – Targets related to pollution		2.3.3
E2-4 – Pollution of air, water and Soil		2.3.4
E2-5 – Substances of concern and substances of very high concern		2.3.5
ESRS E3 – Water and marine resources	Not material	
ESRS E4 – Biodiversity and ecosystems		2.4
E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model		2.4.1
E4-2 – Policies related to biodiversity and ecosystems		2.4.2
E4-3, E4-4 – Actions, resources and targets related to biodiversity and ecosystems		2.4.3
E4-5 – Impact metrics related to biodiversity and ecosystems change		2.4.4
E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Not material	
ESRS E5 – Resource use and circular economy		2.5
E5-1 – Policies related to resource use and circular economy		2.5.1
E5-2 – Actions and resources related to resource use and circular economy		2.5.2
E5-3 – Targets related to resource use and circular economy		2.5.3

LIST OF DISCLOSURE REQUIREMENTS	CHAPTER	PARAGRAPH
E5-4 – Resource inflows		2.5.4
E5-5 – Resource outflows	Not material	
E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not material	
ESRS S1 – Own workforce	3	3.2
S1-1 – Policies related to own workforce		3.2.1
S1-2 – Processes for engaging with own workers and workers’ representatives about impacts		3.2.2
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns		3.2.3
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		3.2.4
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		3.2.5
S1-6 – Characteristics of the undertaking’s employees		3.2.6
S1-7 – Characteristics of non-employees in the undertaking’s own workforce		3.2.7
S1-8 – Collective bargaining coverage and social dialogue		3.2.8
S1-9 – Diversity metrics		3.2.9
S1-10 – Adequate wages		3.2.10
S1-12 – Persons with disabilities		3.2.11
S1-13 – Training and skills development metrics		3.2.12
S1-14 – Health and safety metrics		3.2.13
S1-16 – Remuneration metrics (pay gap and total remuneration)		3.2.14
S1-17 – Incidents, complaints and severe human rights impacts		3.2.15
MDR-M – Metrics in relation to material sustainability matters		3.2.16
ESRS S2 – Workers in the Value Chain		3.3
S2-1 – Policies related to workers in the value chain		3.3.1
S2-2 – Processes for engaging with value chain workers about impacts		3.3.2
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns		3.3.3
S2-4 – 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		3.3.4
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		3.3.5

LIST OF DISCLOSURE REQUIREMENTS	CHAPTER	PARAGRAPH
ESRS S3 – Affected Communities	Not material	
ESRS S4 – Consumers and End Users	Not material	
ESRS G1 – Business Conduct	4	4
G1-1 – Business conduct policies and corporate culture		4.1.1
G1-3 – Prevention and Detection of Corruption and Bribery		4.1.2
G1-4 – Incidents of corruption or bribery		4.1.3
G1-2 – Management of relationships with suppliers	Not material	
G1-5 – Political Influence and Lobbying Activities	Not material	
G1-6 – Payment Practices	Not material	

2. Environment

2.1. EU Taxonomy

As part of the EU action plan to finance sustainable growth (“EU Action Plan on Sustainable Finance”), redirecting capital flows into sustainable investments is a key objective. With this in mind, Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 about establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 (referred to below as the Taxonomy Regulation) came into force in mid-2020, which, as a uniform and legally binding classification system, defines which economic activities in the EU are considered “environmentally sustainable”. Company-specific reports on the results of this classification are to be presented annually.

Article 9 of the Taxonomy Regulation lists the following six environmental objectives:

- › Climate change mitigation
- › Climate change adaptation
- › The sustainable use and protection of water and marine resources
- › The transition to a circular economy
- › Pollution prevention and control
- › The protection and restoration of biodiversity and ecosystems

The Commission has adopted delegated acts to supplement the requirements for sustainable economic activities under the Taxonomy Regulation. The Delegated Regulation (EU) 2021/2139 of June 4, 2021 (Delegated Regulation TB) determines the technical screening criteria for the two environmental objectives “climate change mitigation” and “climate change adaptation”, which are used to determine under which conditions it can be assumed that an economic activity makes a significant contribution to climate change mitigation or climate change adaptation, and on the basis of which it is determined whether this economic activity avoids significant adverse effects on one of the other environmental objectives (“Do no significant harm” – DNSH criteria). The Delegated Regulation (EU) 2021/2178 on content and presentation of July 6, 2021 (Delegated Regulation I&D), on the other hand, determines the content and presentation of information to be disclosed in relation to environmentally sustainable economic activities and the method used to ensure compliance with the disclosure obligation.

In 2023, the EU taxonomy was expanded with regard to the remaining four environmental objectives – in addition, Delegated Regulation (EU) 2023/2486 of June, 27 2023 established the technical screening criteria for the environmental objectives “Protection of Water and Marine Resources,” “Transition to a Circular Economy,” “Preventing and Reducing Environmental Pollution,” and “Protecting and Restoring Biodiversity and Ecosystems.” In addition, an extension of economic activities and the technical screening criteria of Delegated Regulation (EU) 2021/2139 was published on June 27, 2023 in Delegated Regulation (EU) 2023/2485.

Regarding the classification of an economic activity as “environmentally sustainable” as defined by the Taxonomy Regulation, a distinction must be made between taxonomy eligibility and taxonomy alignment. Only economic activities described in the delegated acts relating to the technical screening criteria are considered taxonomy-eligible. Any of Kontron AG’s economic activities that are included in the EU catalogue are considered taxonomy-eligible. If an economic activity is classified as taxonomy-eligible in the first step, the next step is to check whether the economic activity makes a significant contribution to an environmental objective, does not significantly impact any other environmental objective and is carried out in compliance with minimum safeguards in accordance with the OECD guidelines for multinational enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Core Labor Standards and the International Charter of Human Rights.

Provided that these criteria are met in full, the economic activity may be classified as taxonomy-aligned.

Under Art 8 (1) of the Regulation in conjunction with Section 243b or Section 267a of the Austrian Commercial Code (UGB), Kontron AG is obliged to apply the regulations of the Taxonomy Regulation. In accordance with Section 245a (1) of the Austrian Commercial Code, the consolidated financial statements of Kontron AG were prepared in accordance with IFRS as of the closing date. The amounts used to calculate the turnover, CapEx and OpEx indicators are based on the figures reported in the consolidated financial statements. In principle, all fully consolidated group companies are included in this calculation. Please note that these figures relate to the Kontron Group’s continuing operations and, as a consequence, the discontinued operations (DCO) in financial year 2024 and financial year 2025

are not part of the taxonomy figures. As part of the Katek acquisition, Katek SE and its subsidiaries were included as fully consolidated companies in Kontron AG's consolidated financial statements as of March 1, 2024. The acquisition of the Katek Group therefore had a material impact on the taxonomy-relevant economic activities of the Kontron Group in the reporting year 2024. On the other hand, operating activities in the Kontron Group's individual divisions in financial year 2025, and thus their relevant economic activities, were essentially in line with the previous year's level. Consequently, there were no additional economic activities in reporting year 2025 to be considered for reporting under the EU Taxonomy Regulation.

Since the reporting year 2024, Kontron AG has been required to report both taxonomy-eligible and taxonomy-aligned shares of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for all six defined environmental objectives.

As part of the EU Commission's Omnibus Initiative I of 2025, Delegated Regulation (EU) 2026/73, published in the Official Journal on January 8, 2026 also led to amendment of Delegated Regulation (EU) 2021/2178 to Article 8 of the EU Taxonomy Regulation (EU) 2020/852. This has reduced the scope of reporting forms and, under certain conditions, simplified evaluation of the economic activities, financing, and investments covered. As a transitional provision, Article 4 of Del. Regulation (EU) 2026/73 provides the opportunity to disclose information on financial years that began between January 1 and December 31, 2025 in accordance with the EU Taxonomy Regulation as valid on December 31, 2025. The Kontron Group is making use of this transitional provision and is still reporting to December 31, 2025 in accordance with the taxonomy provisions in force on that date. Because uncertainties remain regarding the legal interpretation of parts of the provisions, the legal interpretations of the EU Commission published in its notices in the Official Journal are used, insofar as this is considered appropriate.

Various steps have been taken to achieve a uniform understanding among the Group companies regarding the allocation of the Kontron Group's activities to the respective economic activities and, in particular, with regard to the specific technical criteria for evaluating taxonomy alignment. A general taxonomy guide explains the objectives and legal basis of the EU taxonomy as well as the process for determining conclusive taxonomy alignment. A further detailed taxonomy manual translates the general explanations into a "Kontron-specific" description with more practical relevance, including specific information on the technical screening criteria, which were obtained during numerous coordination meetings with external taxonomy experts. As part of the implementation of a Group-wide ESG reporting tool, a taxonomy module for reporting at the company level was also introduced. Over the past reporting years, this module has been continuously adapted to meet the specified reporting requirements. This reporting tool is used to obtain the respective figures on turnover, investment, and operating expenditure and to assign these values to the corresponding economic activities and the associated environmental objectives. The cross-departmental team at headquarters level is in continuous consultation with the various responsible persons within the individual Group companies, as well as with external taxonomy experts, in order to identify any necessary changes and additions to classification and implement them for disclosure.

After identifying all economic activities relevant for the reporting year, they were assessed in accordance with their associated environmental objectives "Climate change mitigation", "Climate change adaptation," and "Circular economy" for compliance with the corresponding technical screening criteria and DNSH criteria in order to demonstrate a substantial contribution to one or more environmental objectives without negatively impacting the remaining environmental objectives. This assessment also incorporated preparatory work from previous years, with a particular focus on economic activities that account for a relatively large proportion of the taxonomy eligibility indicators. This examination for the reporting year 2025 revealed that Kontron AG can report taxonomy-aligned shares for turnover, CapEx, and OpEx for the first time. This is made possible by the activities of Kontron Transportation GmbH and its subsidiaries which can be assigned to the economic activity CCM 6.14 "Infrastructure for rail transport" and represent a substantial contribution to the environmental goal of "Climate change mitigation". To this end, Kontron Transportation offers a range of hardware and software as well as services for GSM-R solutions, all of which serve to make electrified rail lines – including, to a significant degree, high-speed lines – more efficient by enabling higher usage density. The methodology for determining the respective shares of turnover, CapEx and OpEx considered to be taxonomy-aligned is described in the following sections on the calculation of the three KPIs. However, these aligned shares relate solely to value created within the company in the form of internal own work with no significant involvement of or dependence on third parties.

Furthermore – in addition to the existing scenario-based climate risk analysis for all Group sites – the management of Kontron Transportation carried out an assessment of compliance with the DNSH criteria at those subsidiaries that contribute to this economic activity. In all cases, compliance with all applicable DNSH criteria was confirmed and documented. No additional assessment of business partners was undertaken with regard to their adherence to DNSH criteria, since the activities relevant to taxonomy alignment take place exclusively within the Group as internal activities and consequently do not materially depend on the activities of third parties.

For all other economic activities of the Kontron Group, no conclusive proof of compliance with the technical screening and DNSH criteria can be provided at this stage. The addition of other significant economic activities to verification documentation is constantly being reviewed and is actively pursued when found to be practicable.

In addition to assessing and verifying the taxonomy eligibility and taxonomy alignment of economic activities, the Kontron Group has resolved the deficits identified in the previous year for reporting year 2025 to ensure that the minimum safeguards are implemented across the Group. Procedural measures were already in place at Group level, such as comprehensive compliance guidelines, a central whistleblowing system, follow-up of every reported suspicion and infringement without exception, mandatory employee training, and the disclosure of related data points in the non-financial report. A risk analysis based on eight minimum safeguard categories has been added for the reporting year 2025 and is now conducted annually before the existing measures. Two separate assessments are carried out, asking all Kontron AG subsidiaries to what extent they take internal actions with regard to their employees and, on the other hand, to what extent they analyze their suppliers according to minimum safeguard criteria and take risk-reducing or remedial measures wherever necessary. The eight minimum safeguard categories include:

- › Child labor
- › Forced labor
- › Health and safety at work
- › Freedom of association and collective bargaining
- › Discrimination
- › Fair employment, including remuneration and working hours
- › Impacts on local communities
- › Corruption and bribery

The feedback is evaluated by the compliance team at headquarters, potential for optimization is identified, and a risk assessment carried out. The Executive Board of Kontron AG is then notified of all these findings which serve to continuously improve minimum safeguards in the coming year. In the reporting year 2025, no red flags were identified and the risk level in each of the eight categories was found to be low. In addition, structures are in place at Group level to ensure proper taxation, fair competition, and non-involvement in the production of controversial weapons. Together with the existing measures from the previous year and the ongoing implementation of the specifically identified improvement potential, the Kontron Group considers that minimum safeguards are comprehensively guaranteed.

Based on a complete analysis of the company's activities, the share of taxonomy-eligible and taxonomy-aligned turnover/CapEx/OpEx is presented in the respective Group totals for financial year 2025.

KEY PERFORMANCE INDICATORS IN ACCORDANCE WITH THE EU TAXONOMY FOR FINANCIAL YEAR 2025

IN %	TAXONOMY-ALIGNED	TAXONOMY-ELIGIBLE	NOT TAXONOMY-ELIGIBLE
Turnover	2.3%	76.0%	24.0%
CapEx	3.9%	71.9%	28.1%
OpEx	9.9%	81.8%	18.2%

The tables detailing taxonomy-related key performance indicators (KPIs), including the allocation of turnover, CapEx, and OpEx to the respective economic activities, are presented at the end of this section of the non-financial report. Because activities in the areas of nuclear energy and fossil gas do not apply to the Kontron Group's business activities, only form 1 is declared in accordance with Delegated Regulation 2022/1214.

Turnover indicator

The turnover indicator results from the ratio of revenues from taxonomy-eligible and taxonomy-aligned economic activities in a financial year to the total revenues in that financial year. Turnover is based on net turnover resulting from goods or services, including intangible goods in accordance with IAS 1.82(a).

The total turnover of TEUR 1,607,259 for financial year 2025 (PY: TEUR 1,684,821) forms the denominator of the turnover indicator and can be derived from the Group's profit and loss statement (see Consolidated Financial Statements 2025, Consolidated Statement of Profit and Loss).

The turnover reported in the Consolidated Statement of Profit and Loss (see Consolidated Financial Statements, Part B, Note 01) of the Kontron Group are analyzed across all Group companies to determine whether they stem from taxonomy-eligible or taxonomy-aligned economic activities, in accordance with the Delegated Regulations on the technical screening criteria of all six environmental objectives.

For the Kontron Group, the following relevant economic activities were identified within the individual environmental objectives in the reporting year 2025, to which turnover can be allocated:

Environmental Objective "Climate Change Mitigation" (CCM):

3.1 Manufacture of renewable energy technologies

3.20 Manufacture, installation, and servicing of high, medium, and low-voltage electrical equipment for electrical transmission and distribution

6.14 Infrastructure for rail transport

8.1 Data processing, hosting and related activities

Environmental Objective "Circular Economy" (CE):

1.2 Manufacture of electrical and electronic equipment

4.1 Provision of IT/OT data-driven solutions

5.1 Repair, refurbishment and remanufacturing

5.2 Sale of spare parts

5.5 Product-as-a-service and other circular use- and result-oriented service models

In view of the current regulatory framework, the following economic activities of the Kontron Group have been classified as taxonomy-eligible under Delegated Regulation 2021/2139 Annex I and Delegated Regulation 2023/2486 Annex II: CCM 3.1 "Manufacture of renewable energy technologies", CCM 3.20 "Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution", CCM 6.14 "Infrastructure for rail transport", CCM 8.1 "Data processing, hosting, and related activities", CE 1.2 "Manufacture of electrical and electronic equipment".

CCM 3.1 "Manufacture of renewable energy technologies"

According to the Taxonomy Regulation, this economic activity includes the manufacture of renewable energy technologies. The term "renewable energy" is defined by the European Union as energy from renewable, non-fossil sources, including: wind energy, solar energy (solar thermal and photovoltaic), geothermal energy, ambient energy, tidal, wave, and other marine energy, hydropower, energy from biomass, landfill gas, sewage gas, and biogas. In the reporting year 2025, turnover was attributed to this activity from the GreenTec division, which offers clean energy solutions under the "Steca" brand, including hybrid inverters for solar energy, along with the associated cloud software.

CCM 3.20 "Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution"

According to the Taxonomy Regulation, this economic activity includes systems for developing low-CO₂e transport. It covers manufacturing, installation, maintenance, and repair of charging stations for electric vehicles, consulting services related to charging infrastructure. Under the "eSystems" brand, intelligent wallboxes are developed and manufactured which serve as smart charging solutions for electric vehicles. These wallboxes can also be integrated into smart home systems. They enable intelligent control and monitoring of photovoltaic systems, heat pumps, electric cars, and the power grid for efficient energy distribution. In the reporting year 2025, turnover from the sale of wallboxes were fully attributed to economic activity 3.20.

CCM 6.14 "Infrastructure for rail transport"

According to the definition in the Taxonomy Regulation, this economic activity includes the construction, modernization, operation and maintenance of railway and underground railway lines, bridges and tunnels, stations, terminals, service facilities, as well as safety and traffic management systems, including architectural services, engineering services, technical drawing services, building inspection, surveying and mapping services, and conducting physical, chemical and other analytical tests on all types of materials and products. In 2023, the description of this economic activity was extended to specifically address the relevant rail transport components (including train control/signaling, operations management and traffic control, telematics applications). Turnover in the "Transportation" sector were primarily attributed to this economic activity. In this respect, Kontron Transportation (KTR) implements projects in the rail infrastructure sector and carries out deliveries, commissioning and service along routes (access networks) and in communication centers (core network and software), although rolling stock (including trains, wagons) is not the focus. Kontron Transportation delivers in various constellations: Consortia are often formed with construction companies (infrastructure) or signaling companies (other communication technology along the route), or KTR delivers directly when the focus is on the technology part.

CCM 8.1 "Data processing, hosting and related activities"

According to the Taxonomy Regulation, this economic activity includes: Storage, processing, administration, and movement of data; control, display, exchange, transmission, and processing of data via data centers; edge computing solutions. In the reporting year 2025, primarily services and services related to data processing using data centers were assigned to this economic activity.

CE 1.2 "Manufacture of electrical and electronic equipment"

This economic activity includes the manufacture of electrical and electronic equipment for industry, commerce, and consumers. In the reporting year 2025, turnover from the sale of Kontron Group products developed and manufactured in-house (especially in the hardware sector) for the industrial automation and communication solutions markets from the "Europe" and "Global" business segments was primarily attributed to this economic activity. As part of the Katek acquisition, the share of turnover from this activity increased due to pure electronics manufacturing and manufacturing services (EMS – Electronic Manufacturing Services) in the reporting year 2024.

Turnover was also allocated to other economic activities, including CE 4.1 "Provision of IT/OT data-driven solutions," CE 5.1 "Repair, refurbishment and remanufacturing," CE 5.2 "Sale of spare parts," and CE 5.5 "Product-as-a-service and other circular use- and result-oriented service models". However, these activities account for only a small proportion of Group turnover compared to the five main activities listed above.

Through a detailed analysis of the items included in the turnover, each turnover is assigned to taxonomy-eligible and taxonomy-aligned economic activities. The numerator of the taxonomy-eligible turnover indicator is therefore TEUR 1,222,277 (PY: TEUR 1,273,900). This results in a taxonomy-eligible turnover indicator of 76.0% (PY: 75.6%).

For those turnover identified as taxonomy-aligned, the Kontron Transportation entities classified the portions generated on the basis of internal own work under the economic activity CCM 6.14 "Infrastructure for rail transport" in connection with the GSM-R solutions offered. These own work components relate exclusively to intellectual property and the project-related hours worked as part of the software and services sold. Depending on requirements, the service components include planning, installation, commissioning, operation, support, hosting, training and maintenance. To calculate the turnover associated with these internal own work contributions, a factor is applied at the level of each individual taxonomy-eligible project for which a substantial contribution to the environmental objective "Climate change mitigation" has been identified. This factor is derived by dividing the amount of internal project-related cost allocations by the total project costs, which comprise these internal cost allocations, material expenses and other services purchased relating to the project. The resulting taxonomy-aligned project turnover are then aggregated. The turnover indicator for taxonomy-aligned turnover for the reporting year 2025 therefore amounts to 2.3% (PY: 0%). An overview of taxonomy eligibility and taxonomy alignment of turnover by environmental objective is provided in the following table. Further details are presented in the table on the turnover indicator at the end of this section.

SHARE OF TURNOVER/TOTAL TURNOVER

	TAXONOMY ALIGNMENT PER OBJECTIVE	TAXONOMY ELIGIBILITY PER OBJECTIVE
CCM	2.3%	21.4%
CCA	0%	0%
WTR	0%	0%
CE	0%	54.7%
PPC	0%	0%
BIO	0%	0%

CapEx indicator

The CapEx indicators (Capital Expenditures) show, in accordance with subsection 1.1.2.2 of Annex I of the Delegated Regulation (Del. Regulation I&D), the share of total capital expenditure that:

- › refers either to assets or processes associated with taxonomy-eligible and taxonomy-aligned economic activity, or
- › refers to the purchase of products and services resulting from a taxonomy-eligible and taxonomy-aligned economic activity.

Capital expenditure (CapEx) is based on additions to property, plant and equipment and intangible assets during the financial year in question before depreciation and amortization and any revaluations for the relevant financial year. It also includes additions to property, plant and equipment, and intangible assets resulting from business combinations (application of IFRSs [IAS 16, 38, 40, 41, IFRS 16]). Acquired goodwill is not included.

The company identified total capital expenditure in accordance with the EU Taxonomy Regulation (including assets from business combinations) at TEUR 116,502 for reporting year 2025 (see Notes to the Consolidated Financial Statements Part C, Note 01 and Note 02; PY: TEUR 291,015).

These form the denominator of the CapEx indicators. In detail, total capital expenditure is as follows:

	IN TEUR
IAS 16 Tangible Assets	36,522
IAS 38 Intangible Assets	50,020
IAS 40 Real Estate Held as Financial Investments	0
IFRS 16 Leases (> 12 months)	29,960
Total	116,502
Including as a result of changes in the consolidation group	193

Based on the description of the asset additions, an analysis of taxonomy eligibility and alignment was conducted, along with a comparison with Annex I (Significant Contribution to Climate Change Mitigation), Annex II (Significant Contribution to Climate Change Adaptation), and Annex II (Significant Contribution to a Circular Economy) of the Taxonomy Regulation.

The following relevant economic activities were identified for the Kontron Group within the individual environmental objectives, to which capital expenditure can be attributed:

Environmental Objective "Climate Change Mitigation" (CCM):

3.1 Manufacture of renewable energy technologies

3.20 Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

6.14 Infrastructure for rail transport

7.2 Renovation of existing buildings

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

8.1 Data processing, hosting and related activities

9.1 Close to market research, development and innovation

Environmental Objective "Climate Change Adaptation" (CCA):

8.2 Computer programming, consultancy and related activities

Environmental Objective "Circular Economy" (CE):

1.2 Manufacture of electrical and electronic equipment

5.1 Repair, refurbishment and remanufacturing

The total capital expenditure allocated to economic activities CCM 6.14 "Infrastructure for rail transport" and CCM 8.1 "Data processing, hosting and related activities", as well as to all listed economic activities within the "Climate Change Adaptation" and "Circular Economy" environmental objectives, relates to assets or processes associated with the respective taxonomy-eligible economic activities within the context of generating turnover. With regard to economic activity CCA 8.2 "Computer programming, consultancy and related activities", it should be noted that, according to the EU Taxonomy, this economic activity is not classified as an "enabling" activity and is therefore not included in the calculation of the turnover indicator but only in the CapEx and OpEx indicators.

The total capital expenditure attributed to the other listed economic activities relates – except for economic activity CCM 9.1 – to the purchase of products or services from the respective taxonomy-eligible economic activities. This includes, in particular, investments in the vehicle fleet (economic activity CCM 6.5) and investments related to buildings and production facilities (economic activities CCM 7.2 and CCM 7.4).

The sum of additions, which reflect a taxonomy-eligible investment with regard to the economic activities mentioned in accordance with the Taxonomy Regulation, is the numerator of the taxonomy-eligible CapEx indicator in the amount of TEUR 83,792 (PY: TEUR 71,537). This results in a taxonomy-eligible CapEx indicator of 71.9% (PY: 24.6%).

Concerning this change in the CapEx indicator compared to the previous year, it should be noted that a significant proportion of the previous year's CapEx denominator came from changes in the group of consolidated companies as a result of acquisitions carried out (PY: TEUR 187,222) – in financial year 2025 this CapEx amounted to only TEUR 193. This was reflected in the share of taxonomy-eligible CapEx in relation to the CapEx denominator, since the CapEx resulting from changes in the group of consolidated companies were not accounted for in the numerator. Accordingly, taxonomy eligibility was significantly lower in the previous year than in financial year 2025.

The taxonomy-aligned CapEx indicator is limited to the capitalized development costs of the Kontron Transportation Group, which also show taxonomy-aligned turnover. This includes those capitalized development costs directly related to internal activities and personnel expenses, and are expressly posted under the items for personnel costs and laboratory use. This corresponds to the capitalized development costs minus third-party costs, i.e., services provided by external parties, including the aliquot for the capitalized development costs in total tax credits deducted. The taxonomy-aligned CapEx indicator is therefore 3.9% (PY: 0%).

The following table provides an overview of the taxonomy-eligibility and alignment of CapEx per environmental objective – more details are provided in the CapEx indicator table at the end of this section.

SHARE OF CAPEX/TOTAL CAPEX

	TAXONOMY ALIGNMENT PER OBJECTIVE	TAXONOMY ELIGIBILITY PER OBJECTIVE
CCM	3.9%	18.4%
CCA	0%	16.8%
WTR	0%	0%
CE	0%	50.9%
PPC	0%	0%
BIO	0%	0%

OpEx indicator

Operating expenditure (OpEx) indicators provide, in accordance with subsection 1.1.3.2 of Annex I of Delegated Regulation (Del. Regulation I&D), the proportion of operating expenses that

- › refers either to assets or processes associated with taxonomy-eligible and taxonomy-aligned economic activity, or
- › refers to the purchase of products and services resulting from a taxonomy-eligible and taxonomy-aligned economic activity.

The basis for operating expenses (OpEx) is the direct, non-capitalized costs for research and development, building renovation measures, short-term leasing or low-value asset leases, maintenance and repair as well as for all other direct expenses for the ongoing maintenance of tangible assets by the company or by third parties that are necessary to ensure the continued and effective functioning of these systems.

To determine the denominator, the sum of the above costs was calculated based on a detailed analysis of accounts and cost centers. Total operating expenditure in the reporting year 2025 in accordance with Taxonomy Regulation Art. 8, Annex I, subsection 1.1.3.1, of Annex I of Delegated Regulation (Del. Reg. I&D) amounts to TEUR 68,706 (PY: TEUR 78,051). These form the denominator of the OpEx indicator.

The numerator of the OpEx indicator, in accordance with subsection 1.1.3.2 of Annex I of Delegated Regulation (Del. VO I&D), corresponds to the portion of operating expenditure included in the denominator that relates to assets or processes associated with: Annex I (Significant contribution to climate change mitigation) and Annex II (significant contribution to climate change adaptation) of Delegated Regulation 2021/2139 or, according to Annex I (Significant contribution to the sustainable use and protection of water and marine resources), Annex II (Significant contribution to the transition to a circular economy), Annex III (Significant contribution to pollution prevention and reduction), and Annex IV (Significant contribution to the protection and restoration of biodiversity and ecosystems) of Delegated Regulation 2023/2486, (VO 2023/2486), are associated with taxonomy-eligible economic activities.

The following relevant economic activities were identified for the Kontron Group within the individual environmental objectives, to which operating expenditure can be attributed:

Environmental Objective "Climate Change Mitigation" (CCM):

3.1 Manufacture of renewable energy technologies

3.20 Manufacture, installation, and servicing of high, medium, and low-voltage electrical equipment for electrical transmission and distribution

6.4 Operation of personal mobility devices, cycle logistics

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

6.6 Freight transport by road

6.14 Infrastructure for rail transport

7.3 Installation, maintenance and repair of energy efficiency equipment

8.1 Data processing, hosting and related activities

Environmental Objective "Climate Change Adaptation" (CCA):

8.2 Computer programming, consultancy and related activities

Environmental Objective "Circular Economy" (CE):

1.2 Manufacture of electrical and electronic equipment

5.1 Repair, refurbishment and remanufacturing

Taxonomy-eligible operating expenditure in the reporting year 2025 amounting to TEUR 56,174 (PY: TEUR 62,014) consists primarily of non-capitalized research and development expenses. In this respect, the taxonomy eligibility and taxonomy alignment analysis of research and development expenditure plays a key role in determining the OpEx indicators. Where these research and development expenditures relate to an economic activity already identified as taxonomy-relevant in the turnover analysis, the associated R&D expenditures were also allocated to this economic activity. Together with taxonomy-eligible expenses for maintenance and repair, leasing, buildings and building renovation, the share of taxonomy-eligible OpEx in reporting year 2025 amounts to 81.8% (PY: 79.5%).

All non-capitalized R&D personnel costs of subsidiaries with taxonomy-aligned turnover are regarded as taxonomy-aligned OpEx, since, as personnel expenses, they are directly related to the internal activities carried out and, at all the companies concerned, are entirely attributable to the economic activity CCM 6.14 "Infrastructure for rail transport." As a result, the taxonomy-aligned OpEx indicator in the reporting year 2025 is 9.9% (PY: 0%).

The following table provides an overview of the taxonomy-eligibility and alignment of OpEx per environmental objective – more details are provided in the OpEx indicator table at the end of this section.

SHARE OF OPEX/TOTAL OPEX

	TAXONOMY ALIGNMENT PER OBJECTIVE	TAXONOMY ELIGIBILITY PER OBJECTIVE
CCM	9.9%	29.9%
CCA	0%	20.6%
WTR	0%	0%
CE	0%	51.2%
PPC	0%	0%
BIO	0%	0%

When calculating the above figures, various audit steps were taken to avoid any double counting of economic activities. These audit steps include integrated control mechanisms in the ESG reporting tool (e.g., automatic summation of reported figures in the individual economic activities and alerts when they exceed the values of the turnover/CapEx/OpEx denominators), close coordination between the financial departments (accounting, controlling) and the ESG departments, as well as clear documentation requirements for taxonomy managers at the individual subsidiaries, including review of documentation by headquarters.

Template 1 – 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
ROW	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

FINANCIAL YEAR 2025	YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA						
ECONOMIC ACTIVITIES	CODE	TURNOVER	PROPORTION OF TURN-OVER, 2025	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY
		IN TEUR	IN %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)									
Infrastructure for rail transport	CCM 6.14	36,550	2.3%	Y	N	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		36,550	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Of which Enabling		36,550	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Of which Transitional		0	0.0%						
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 renewable energy technologies	CCM 3.1	21,781	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution	CCM 3.20	46,691	2.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Infrastructure for rail transport	CCM 6.14	180,806	11.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM 8.1	57,417	3.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of electrical and electronic equipment	CE 1.2	856,233	53.3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Provision of IT/OT data-driven solutions	CE 4.1	14,288	0.9%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Repair, refurbishment and remanufacturing	CE 5.1	3,824	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Sale of spare parts	CE 5.2	305	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	4,383	0.3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,185,728	73.8%	19.1%	0.0%	0.0%	0.0%	54.7%	0.0%
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		1,222,277	76.0%	21.4%	0.0%	0.0%	0.0%	54.7%	0.0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		384,981	24.0%						
Total (A + B)		1,607,259	100.0%						

DN SH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')

CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM SAFEGUARDS	PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) TURNOVER 2024	CATEGORY ENABLING ACTIVITY	CATEGORY TRANSITIONAL ACTIVITY
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	IN %	E	T
Y	Y	Y	Y	Y	Y	Y	0.0%	E	
							0.0%		
							0.0%	E	
							0.0%		T
							1.4%		
							2.4%		
							11.6%		
							2.4%		
							56.4%		
							1.0%		
							0.1%		
							0.1%		
							0.2%		
							75.6%		
							75.6%		

FINANCIAL YEAR 2025	YEAR	SUBSTANTIAL CONTRIBUTION CRITERIA								
		ECONOMIC ACTIVITIES	CODE	CAPEX	PROPORTION OF CAPEX, 2025	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY
		IN TEUR	IN %	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; N/EL
TAXONOMY-ELIGIBLE ACTIVITIES										
ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)										
Infrastructure for rail transport	CCM 6.14	4,504	3.9%	Y	N	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		4,504	3.9%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Of which Enabling		4,504	3.9%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Of which Transitional		0	0.0%							
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	EL; N/EL
Manufacture of renewable energy technologies	CCM 3.1	4,371	3.8%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution	CCM 3.20	1,450	1.2%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Infrastructure for rail transport	CCM 6.14	5,722	4.9%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM 8.1	1,460	1.3%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Close to market research, development and innovation	CCM 9.1	427	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
Repair, refurbishment and remanufacturing	CE 5.1	11	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Manufacture of electrical and electronic equipment	CE 1.2	59,335	50.9%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Computer programming, consultancy and related activities	CCA 8.2	2,966	2.5%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	3,324	2.9%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2	120	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	103	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		79,288	68.1%	14.6%	16.8%	0.0%	0.0%	50.9%	0.0%	0.0%
CapEx of Taxonomy eligible activities (A.1 + A.2)		83,792	71.9%	18.4%	16.8%	0.0%	0.0%	50.9%	0.0%	0.0%
TAXONOMY-NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities		32,711	28.1%							
Total (A + B)		116,503	100.0%							

DNSH CRITERIA ('DOES NOT SIGNIFICANT HARM')

CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM SAFEGUARDS	PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) CAPEX 2024	CATEGORY ENABLING ACTIVITY	CATEGORY TRANSITIONAL ACTIVITY
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	IN %	E	T
Y	Y	Y	Y	Y	Y	Y	0.0%	E	
							0.0%		
							0.0%	E	
							0.0%		T
							0.1%		
							1.3%		
							3.0%		
							0.5%		
							0.2%		
							0.0%		
							16.4%		
							1.2%		
							1.5%		
							0.3%		
							0.0%		
							24.6%		
							24.6%		

FINANCIAL YEAR 2025	YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA							
	ECONOMIC ACTIVITIES	CODE	OPEX	PROPORTION OF OPEX, 2025	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY
		IN TEUR	IN %	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; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)										
Infrastructure for rail transport	CCM 6.14	6,808	9.9%	Y	N	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		6,808	9.9%	9.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Of which Enabling		6,808	9.9%	9.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Of which Transitional		0	0.0%							
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	EL; N/EL
Manufacture of renewable energy technologies	CCM 3.1	2,951	4.3%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution	CCM 3.20	6,479	9.4%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Infrastructure for rail transport	CCM 6.14	3,366	4.9%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM 8.1	490	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Repair, refurbishment and remanufacturing	CE 5.1	15	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Manufacture of electrical and electronic equipment	CE 1.2	35,174	51.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Computer programming, consultancy and related activities	CCA 8.2	471	0.7%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Operation of personal mobility devices, cycle logistics	CCM 6.4	25	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	327	0.5%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Freight transport services by road	CCM 6.6	66	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	2	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		49,366	71.9%	19.9%	20.6%	0.0%	0.0%	51.2%	0.0%	0.0%
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		56,174	81.8%	29.9%	20.6%	0.0%	0.0%	51.2%	0.0%	0.0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities		12,532	18.2%							
Total (A + B)		68,706	100.0%							

DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')

CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM SAFEGUARDS	PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) OPEX 2024	CATEGORY ENABLING ACTIVITY	CATEGORY TRANSITIONAL ACTIVITY
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	IN %	E	T
Y	Y	Y	Y	Y	Y	Y	0.0%	E	
							0.0%		
							0.0%	E	
							0.0%		T
							3.3%		
							5.2%		
							10.4%		
							0.5%		
							0.5%		
							58.0%		
							0.6%		
							0.1%		
							0.6%		
							0.1%		
							0.0%		
							79.5%		
							79.5%		

2.2. ESRS E1 – Climate Change

2.2.1. E1-1 – Transition Plan for Climate Change Mitigation

Kontron has set itself the goal of increasing the share of purchased and self-generated electricity from renewable sources to at least 75% by 2030, provided that the Group has control over procurement or generation at the respective locations. However, access to predominantly renewable electricity is currently unrealistic in several jurisdictions and will probably not be possible everywhere even in the short term. In some markets, current policy frameworks do not support access to renewable energy or even restrict it. These circumstances significantly influence the pace at which Kontron can drive forward the decarbonization of its global CO₂e footprint.

The switch to renewable heat sources is either not technically feasible or economically impracticable at many locations due to local infrastructure and a lack of alternatives. These structural challenges illustrate the complexity of developing a Group-wide transition plan, in particular for a network of production and assembly companies operating in different regional conditions. Nevertheless, initiatives to improve energy efficiency are being pursued by individual companies and further expanded there where possible.

In parallel, ongoing regulatory developments at EU level and expected but not yet specified adjustments to internationally recognized standards for greenhouse gas accounting are increasing uncertainty with regard to future requirements for transition plans. Kontron is therefore focusing on monitoring these developments and advancing its methodology for greenhouse gas accounting to ensure its robustness, sustainability, and alignment with new expectations. This basis should make it possible to identify areas within the business where Kontron can use effective levers to gradually decarbonize its activities and – as far as possible – parts of the value chain.

2.2.2. E1-2 – Policies related to climate change mitigation and adaptation

Kontron AG has implemented comprehensive guidelines and strategies to address significant climate-related impacts, risks, and opportunities. The central instruments are the CoC, the SCoC and the binding Group Policy “Sustainability and Compliance in the Supply Chain.” These policies apply to all Kontron companies worldwide and address both their own business activities and the entire supply chain.

The Kontron CoC defines clear guidelines for the responsible use of natural resources and climate change mitigation. It provides the strategic framework for measures to reduce greenhouse gas emissions, promote renewable energy, increase energy efficiency, and ensure sustainable resource management. All Kontron companies are required to implement these measures, for example by reducing business trips and optimizing operational processes.

The SCoC obliges suppliers to implement climate change mitigation measures, including reducing greenhouse gas emissions, promoting renewable energy, and using water and soil resources sustainably. In doing so, it supports Kontron's climate strategy and strengthens the implementation of sustainability targets along the entire value chain.

The “Sustainability and Compliance in the Supply Chain” policy sets standards for responsible procurement, regular supplier assessments, and the integration of sustainability criteria into the supply chain. It recommends a risk assessment of suppliers, for example those with a high CO₂e footprint; regions with increased climate risk are not included. The policy addresses climate change mitigation measures such as emissions reduction, energy efficiency, and the use of renewable energy sources, but does not explicitly address GHG removals or long-term transition risks. There are currently only indirect approaches to adaptation measures through supplier assessments; no detailed concepts for climate change adaptation exist.

At several locations, environmental management systems and energy efficiency systems are implemented and audited in accordance with the principles of ISO 14001 and ISO 50001, in accordance with customer requirements and the internal policy “Sustainability and Compliance in the Supply Chain.” These systems help monitor and improve environmental performance and reduce energy consumption.

The guidelines apply to all relevant activities (impacts on human rights, impacts on the environment, reference to products and their ingredients, relationship to suppliers and business partners, or relevance to legal sustainability requirements) within the company, including production sites and the entire supply chain. The scope of application includes direct and indirect emissions (Scope 1, 2 and 3), in particular from production and transport. Actions to reduce emissions are developed and implemented on a site-specific basis. Production sites and data centers are particularly relevant due to their high energy requirements.

The full Executive Board is responsible for implementing the ESG strategy and guidelines. Managing directors and area managers are actively involved in implementation and ensure that the requirements are integrated into daily business processes. The CoC, SCoC and Policy "Sustainability and Compliance in the Supply Chain" are digitally accessible to all employees via the intranet. The CoC is also displayed as a notice in the social rooms of each entity. For external stakeholders, the CoC and the non-financial report are available on the company website.

The guidelines are based on international standards such as the OECD Guidelines for Multinational Companies, the GRI standards, the UN Global Compact and ISO 14001 certification. In addition, the company ensures compliance as far as possible with the requirements of the EU taxonomy, in particular in relation to climate change mitigation and adaptation to climate change.

2.2.3. E1-3 – Actions and resources in relation to climate change policies

Kontron AG has defined objectives and measures within the framework of its ESG strategy to support adaptation to climate change and to mitigate its impacts. These objectives are to be achieved through appropriate measures whose effectiveness is monitored using defined KPIs. The measures were developed as part of the "ESG-Pathfinder" project, which involved experts from the areas of environmental and quality management of those subsidiaries with the greatest impacts. Following a status-quo assessment of existing and potential measures and targets, the results were discussed in workshops and translated into concrete measures. The final measures and targets were agreed with the Executive Board; additional external stakeholders were not involved.

At the reporting date, the expenses incurred in connection with climate-related measures, aside from those relating to the "development and sale of products and services under the brands eSystems, Iskratel, Kontron Transportation and Steca" were not material and therefore not decision-relevant for steering decisions. Accordingly, no separate allocation into CapEx and OpEx was made. A retrospective evaluation would not be meaningful; the systems will be adjusted on a forward-looking basis, and ESRS-compliant allocation of the relevant CapEx and OpEx data will be incorporated into future reporting.

It is possible, however, that in the future the measures "Purchase and self-generation of electricity from renewable sources" and "company-specific energy management and efficiency initiatives" will require significant investments for their implementation, which would then constitute significant expenditures in accordance with ESRS. A central definition and collection of these data is planned for future reporting periods, including reporting where the expenditures are determined to be material.

The quantification of achieved or expected GHG emission reductions in accordance with ESRS E1-29 will also be carried out in the future. An early quantification would be associated with high uncertainties and imply a level of maturity in steering that is not yet in place.

ACTION	Development and sale of products and services under eSystems, Iskratel, Kontron Transportation and Steca brands
ESRS STANDARD	E1
RELATED IROS	Promoting the transition to clean energy through innovative products and services; solutions enabling customers to reduce greenhouse gas emissions
RELATED POLICIES	None
RELATED TARGETS	None
BRIEF DESCRIPTION	Decarbonization lever: Kontron develops and markets products and services that help customers transition to clean energy and reduce greenhouse gas emissions. Examples: eSystems wallboxes for electric vehicles, Iskratel broadband solutions with high energy efficiency, communication solutions for electrified rail networks, and electronics for photovoltaic systems under the Steca brand.
SCOPE	Products and services under eSystems, Iskratel, Kontron Transportation and Steca brands
TIME FRAME	Ongoing
ACTION	Purchase and self-generation of electricity from renewable sources
ESRS STANDARD	E1
RELATED IROS	Contribution to climate change through greenhouse gas emissions; rising energy costs, and energy supply volatility
RELATED POLICIES	CoC
RELATED TARGETS	75% share of electricity from renewable sources by 2030 provided Kontron controls purchasing or on-site generation
BRIEF DESCRIPTION	Decarbonization lever: renewable energies (substitution of fossil fuels, Scope 2) Several Kontron companies purchase electricity from renewable sources using proof of origin; in addition, photovoltaic systems have been installed at selected locations and further systems are planned, with the aim of gradually increasing the share of renewable energy by 2030.
SCOPE	Own business activities (all locations with direct control over electricity purchase or generation)
TIME FRAME	2030
ACTION	Company-specific energy management and efficiency initiatives
ESRS STANDARD	E1
RELATED IROS	Contribution to climate change through greenhouse gas emissions; rising energy costs, and energy supply volatility
RELATED POLICIES	CoC
RELATED TARGETS	None
BRIEF DESCRIPTION	Decarbonization lever: energy efficiency (reduction of energy consumption) Numerous Kontron companies implemented measures to improve energy efficiency in the reporting year and plan to continue them. These include the adjustment of operating times, energy monitoring and audits, the introduction of ISO-50001-compliant energy management systems as well as structural and technical measures such as insulation, LED lighting, the replacement of HVAC systems and the use of smart technologies.
SCOPE	Own business operations (all physical locations)
TIME FRAME	2030

Other decarbonization levers, including solutions based on natural principles, are not currently used and are not planned. The described actions “Purchase and self-generation of electricity from renewable sources” and “Company-specific energy management and efficiency initiatives” require no corrective action for those concerned.

The implementation of the actions depends in part on external requirements. The purchase of electricity from renewable sources depends on the local availability of such options or the possibility of using proof of origin. The installation of photovoltaic systems or other self-generation solutions depends on the structural and financial feasibility at the respective locations. Larger investments in energy efficiency measures, in particular those that require structural adaptation of buildings or the replacement of machinery, depend heavily on short-term financial feasibility and the return on investment which, in the current market environment, is difficult to achieve through efficiency gains alone.

2.2.4. E1-4 – Targets Related to Climate Change Mitigation and Adaptation

In recent years, information has been circulated on targets and actions measures for adapting to climate change and reducing negative impacts. In 2025, these were revised and further developed in the “ESG-Pathfinder” project, as described in chapter “E1-3 – Actions and resources in relation to climate change policies.” For further expansion, in particular with regard to Scope 3 emissions, a reliable data basis and analysis in accordance with ESRS will first be created in order to properly define the target.

To achieve the defined targets, suitable actions are planned whose effectiveness will be monitored on the basis of defined KPIs. Progress monitoring takes place annually as part of ESG reporting, with relevant data collected from the business units. 2024 was chosen as the baseline year because it was in that year that comprehensive data collection was carried out for the first time, including from the Katek companies acquired in 2024.

No interim targets were set for the defined environmental targets. No additional external stakeholder consultations were carried out as part of the target-setting process. Involvement was limited to the relevant specialist departments within the individual subsidiaries as well as coordination with the Executive Board. None of the targets is based on conclusive scientific findings. Amendments to existing targets concern solely the energy target, which replaces the previous target or action “halving our own greenhouse gas emissions from 2022 to 2030 (Scope 1 and 2)”.

As a result of economic developments in 2025, it is expected that greater economic efficiency in the coming years will also entail higher energy consumption. At the same time, increased availability of low-GHG energy resources could improve the CO₂e footprint. The development of climate scenarios is planned for the future which are agreed with a view to limiting global warming to 1.5 °C so as to take into account relevant environmental, social, technological, market, and policy-related developments and to define detailed decarbonization levers.

All the targets presented goals are in line with the CoC, since it sets out fundamental principles across the Group for dealing responsibly with environmental and climate concerns, reducing greenhouse gas emissions, and promoting sustainable business practices.

TARGET	NO MAJOR LOCATIONS THAT ARE EXPOSED TO HIGH PHYSICAL CLIMATE RISKS WITHOUT ADAPTATION MEASURES	75% SHARE OF ELECTRICITY FROM RENEWABLE SOURCES BY 2030 PROVIDED KONTRON CONTROLS PURCHASING OR ON-SITE GENERATION
Standard	E1	E1
Related IROs	Physical and investment risk due to climate change	Contribution to climate change through greenhouse gas emissions; rising energy costs, and energy supply volatility
Related policies	None	Code of Conduct
Target level incl. unit	Zero material locations	75%
Absolute or relative target	Absolute	Relative
Scope	Own business operations (all physical locations)	Own business operations (all locations where Kontron directly purchases or generates electricity)
Base value	Not applicable	59.5%
Baseline year	Ongoing (yearly)	2024

TARGET	NO MAJOR LOCATIONS THAT ARE EXPOSED TO HIGH PHYSICAL CLIMATE RISKS WITHOUT ADAPTATION MEASURES	75% SHARE OF ELECTRICITY FROM RENEWABLE SOURCES BY 2030 PROVIDED KONTRON CONTROLS PURCHASING OR ON-SITE GENERATION
Time frame	Ongoing (yearly)	2030
Key assumptions	Locations with a carrying amount of TEUR 500 or more are considered material	Only consumption for which Kontron determines the type of electricity is included and own generation; electricity with a proof of origin is considered renewable

TARGETS	INTERIM TARGETS	BASELINE YEAR	BASE VALUE	PERIOD	ACHIEVEMENT OF TARGETS IN THE REPORTING YEAR (IN %)
No material locations that are exposed to high physical climate risks without adaptation measures	Not applicable	Ongoing	Not applicable	Ongoing	100%
75% share of electricity from renewable sources by 2030 provided Kontron controls purchasing or on-site generation	None	2024	59.5%	2030	60%

2.2.5. E1-5 – Energy consumption and mix

The following tables provide an overview of energy consumption and sources, as well as self-generated energy. The companies included in the consolidation group described in “BP-1 – General basis for preparation of the non-financial report” were included. Raw materials and fuels that are not combusted for energy purposes are excluded.

ENERGY CONSUMPTION AND MIX	2025	2024
Fuel consumption from coal and coal products (MWh)	3	37
Fuel consumption from crude oil and petroleum products (MWh)	11,638	12,026
Fuel consumption from natural gas (MWh)	6,898	4,834
Fuel consumption from other fossil sources (MWh)	0	2
Consumption from purchased or received electricity, heat, steam and cooling from fossil sources (MWh)	13,978	13,853
Total consumption of fossil energy (MWh)	32,516	30,753
Share of fossil energy sources in total energy consumption (%)	49.82%	49.69%
Consumption from nuclear sources (MWh)	6,888	6,527
Share of consumption from nuclear sources of total energy consumption (%)	10.55%	10.55%
Fuel consumption from renewable energy sources, including biomass (MWh)	0	218
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable energy sources (MWh)	25,042	23,646
Consumption of self-generated renewable energy other than fuels (MWh)	818	750
Total consumption of renewable energy (MWh)	25,859	24,614
Share of renewable energy sources in total energy consumption (%)	39.62%	39.77%
Total energy consumption (MWh)	65,264	61,894
SELF-GENERATED ENERGY	2025	2024
Self-generated energy from fossil sources (MWh)	0	0
Self-generated energy from renewable sources (MWh)	818	750

If no current consumption data were available, internal estimates were used. For this purpose, values for electricity consumption and heating data from previous years, taken from billing records, were primarily applied where the current billing information was not yet available. Electricity consumption in manufacturing operations was calculated proportionally to turnover. For several rented office locations, consumption values for electricity and heating were estimated based on comparable sites in terms of size and number of employees.

All reported energy consumption figures represent final energy consumption, i.e. the energy volumes actually used by the consolidated companies, in accordance with Annex IV of EU Directive 2012/27/EU on energy efficiency. Self-generated renewable energy is only taken into account to the extent that it was consumed during the reporting year; energy volumes fed into the grid or sold are not included in the reported final energy consumption. In the reporting year 2025, the disclosures for 2024 relating to energy consumption and energy intensity were reviewed as part of the data validation process and, where required, adjusted based on more precise delineations. Due to previously incorrect values reported by individual subsidiaries, fuel consumption from natural gas for 2024 was increased by 537 MWh, resulting in a total of 4,834 MWh.

ENERGY INTENSITY PER NET TURNOVER	2025	2024
Total energy consumption from activities in high climate impact sectors (MWh)	38,332	35,550
Total energy consumption from activities in high climate impact sectors per net turnover from activities in high climate impact sectors (MWh/TEUR)	0.042	0.035

The calculation was based on the formula total energy consumption from activities in high climate impact sectors (MWh) divided by net turnover from activities in high climate impact sectors (currency unit TEUR). No limitations are known. Relevant industries with high climate impact include C.26 Manufacture of computing devices, electronic and optical products and C.27 Manufacture of electrical equipment.

Disclosure of reconciliation to corresponding items or notes in the Financial Statements of net turnover from activities in high climate impact: The turnover is reported in the consolidated income statement (see Consolidated Notes, Part B, Note 01).

TOTAL NET TURNOVER (IN TEUR)	2025	2024
Net turnover from activities in high climate impact sectors used to calculate energy intensity	902,073	1,002,979
Other net turnover	705,186	681,842
Total net turnover (in consolidated financial statements)	1,607,259	1,684,821

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

In the reporting year 2024, both the reporting methodology and the scope of the group of companies were revised. The transition from GRI Standards to the requirements of the CSRD and the ESRS coincided with the integration of newly acquired Katek companies into the Kontron Group. This required an adjustment of the ESG reporting tool, as well as the retrospective collection of Scope 3-relevant data for 2023, to establish a consistent comparison baseline for future reporting years. These changes impact the comparability of reported greenhouse gas emissions, as the new methodology incorporates more comprehensive and detailed data points, thereby improving the consistency and transparency of reporting.

The calculation of Scope 1 includes all greenhouse gas emissions that occur directly within the company; i.e. emissions from the combustion of stationary sources (such as power plants, boilers), emissions from the combustion of mobile sources (e.g., emissions from the company's own vehicle fleet), process emissions from the company's production processes, and fugitive emissions (e.g. refrigerants). These are calculated using CO₂e (CO₂-equivalent) factors from official databases in order to assess CO₂e emissions.

Scope 2 includes indirect GHG emissions that occur when energy is provided by an energy supply company for electricity, district cooling, or district heating. Depending on availability, these are calculated using the CO₂e factor (market-related) reported by the supplier and with country-specific (location-related) CO₂e factors. 31% of the electricity supply contracts include electricity from renewable sources; many of the sites are rented and therefore have no influence on the electricity contract.

The emission factors for Scope 1 and Scope 2 come from the online tool for recording ESRS data points and calculating the CO₂e footprint and use official databases and sources such as the global warming potential (GWP) values published by the Intergovernmental Panel on Climate Change (IPCC) based on a period of 100 years to calculate CO₂e emissions of non-CO₂e gases from 2021 and Ecoinvent version 3.11.

In accordance with the Scope 2 GHG Protocol (2015), Scope 2 was calculated using two methods: location-based and market-based. Contractual instruments were subject to quality criteria and must include verifiable, credible, and transparent contract details. They must clearly show emission factors and double counting must be avoided. The factors stored in the software tool are based on the latest available data but are not retroactively adjusted if changes are made to the calculation method. Due to the adjustment of natural gas fuel consumption in the chapter "E1-5 – Energy consumption and energy mix", the Scope 1 emissions for 2024 change to 4,284 tCO₂e and the Scope 3 emissions to 7,837,085 tCO₂e.

For the emission factors and calculation bases for the Scope 3 figures, the latest available impact assessment methodology from the IPCC from 2021 was used. Climate impact time horizon: 100 years. The currently available values from external databases and the currently available database of the "Department for Environment, Food & Rural Affairs" (DEFRA) from 2021 were used as a database for the selection of emission factors.

The mapping of the individual Scope 3 positions with datasets from Ecoinvent 3.11. was developed in the respective categories and coordinated with the Kontron team and experts from the industry experts by discussing the resulting CO₂e emissions as applicable and significant. The full Scope 3 greenhouse gas inventory is updated when a significant event occurs or a significant change in circumstances occurs. Datasets were selected according to the following hierarchy:

- › Emission factors for data points with weight information (in kg) or based on the unit of reference flow (e.g., kWh for "use of sold products").
- › Emission factors for data points related to financial expenditure or income (spend-based approach).

The emission factors for the Scope 3 calculation for the upstream and downstream value chain are estimated using indirect sources, such as sector averages or other approximation methods:

- › Transport emissions (upstream and downstream): Estimates based on purchase or sales prices, as exact weight data is often unavailable.
- › Energy consumption during the use of sold products: For locations without specific data, average values and scenarios based on secondary data are used.
- › Emissions from purchased goods and services: If no specific data is available, spend-based emission factors are applied, which are derived from sector average data in validated databases.
- › End-of-life-emissions: If data is missing, standard datasets from the Ecoinvent database are used for waste treatment.

All data records have been converted to the unit "kg", with the weight per item stored in the documentation. Hierarchy of Allocation:

- › Emission factors for data points with weights in kg or, for corresponding categories, via the unit of reference flow (e.g. kWh in "Use of Sold Products")
- › Emission factors for data points on financial expenditure or income (spend-based approach)

No significant events or changes in circumstances (relevant to greenhouse gas emissions) in the value chain occurring between reporting dates and the date of the company's general financial statements were noted.

Uncertainties in calculating Scope 1, Scope 2, and Scope 3 Emissions

Fundamental uncertainties can arise from data gaps and general assumptions, necessitating the use of external data sources and various collection methods. A combination of primary (CO₂e factors, consumption values, purchasing values, weights) and secondary data from life cycle assessment databases has been used.

- › Coolant losses and emissions: For units that use coolant but did not report any leaks, an extrapolation was carried out based on the average leak rate across all Kontron business units. No other volatile gases occurred during production.
- › Scope 3 – Conversion from EUR to kg if activity data was missing: If exact weight data was unavailable, a conversion from EUR into kg was performed, or a spend-based approach using average values was applied.
- › Geographical uncertainties: If primary data was unavailable, global emission factors were used instead of country-specific values.
- › Inflation adjustment: For the calculation of expenditure-based emission factors, monetary reference values (EUR/kg), partly based on historical price levels derived from Kontron primary data and the Ecoinvent database as well as DEFRA factors, were adjusted for inflation and transferred to the current reporting year. The adjustment was carried out using the Eurostat Producer Price Index (PPI) for industry, by scaling price values and emission factors in proportion to the ratio of the respective annual indices. Given the expenditure-based methodology applied, the focus was placed on reviewing the substantive delineations and the calculation logic, as a purely mathematical inflation adjustment would not have provided any additional insights.
- › Non-relevant Scope 3 categories: The categories upstream leased fixed assets, downstream leased fixed assets, franchises and investments are not applicable and were therefore not included in the calculation. A detailed documentation was prepared to ensure traceability of the exact emission factors and, if applicable, background calculations for individual Scope 3 categories.

Estimated Degree of Accuracy:

- › Heterogeneous data sources: Uncertainties arise from: The conversion of EUR into kg (for materials); inconsistent data (e.g., energy consumption during use).
- › Material uncertainties: Particularly for transport emissions and energy consumption data, the impact on overall results is considered significant.
- › Variability of estimates: Location-based transportation scenarios and sector-specific assumptions contribute to variability.

Category-based uncertainties in Scope 3

- › Emissions of purchased goods and services: Use of spend-based emission factors from external life cycle assessment databases.
- › Transport emissions: Calculations are based on the purchase value of goods, using several average values and secondary data.
- › Commuter emissions: Commuting distances were estimated based on external studies.
- › Energy consumption of sold products: If no specific data was available, averages and scenarios were used.
- › Lifetime, use, and end-of-life of products: Calculations and assumptions are based on secondary sources.
- › Waste: If no specific data was available, comparisons were made with similar locations, and the data was extrapolated based on turnover and company figures.

Some data, such as electricity consumption, comes from statements that do not align with Kontron's financial year. In such cases, the latest available values from the last 12 months are used. When collecting data from companies in the Kontron Group, contracts for the supply of renewable energy are always recorded, which provide evidence of the origin of the renewable energy used. The share of renewable energy is listed in the table "E1-5 Energy consumption and mix". The company did not participate in any emissions trading.

The following Scope 3 categories were included in the carbon footprint:

- › Category 1: Purchased goods and services (incl. cloud computing and data center services)
- › Category 2: Capital goods
- › Category 3: Fuel- and energy-related activities (not included in Scope 1 or 2)
- › Category 4: Upstream transportation and distribution
- › Category 5: Waste generated in operations
- › Category 6: Business travel
- › Category 7: Employee commuting (commuter traffic)
- › Category 9: Downstream transportation and distribution
- › Category 11: Use of sold products
- › Category 12: End-of-life treatment of sold products

Excluded categories:

- › Category 8: Upstream leased assets: All leased fixed assets are already accounted for Scope 1 and Scope 2.
- › Category 10: Processing of intermediate products: The share of emissions from end products that arises during further processing or assembly amounts to well below 1% in a full life cycle assessment and is therefore considered immaterial.
- › Category 13: Downstream leased assets: Kontron does not lease or rent out fixed assets.
- › Category 14: Franchise: Kontron has no franchises.
- › Category 15: Investments: Investments outside the corporate structure account for less than 1% of turnover and are therefore not considered material. Consequently, they are not included in Scope 3 of the carbon footprint.

Furthermore, no primary data from suppliers was used in the calculation of Scope 3 values.

The following tables present gross Scope 1, 2, and 3 emissions and total GHG emissions, both location-based and market-based, followed by greenhouse gas intensity per net turnover: The CO₂e index contains several greenhouse gases, which are converted into CO₂ equivalents in accordance with the GHG protocol: CO₂ (carbon dioxide), CH₄ (methane), N₂O (dinitrogen oxide), HCFCs (hydrochlorofluorocarbons), HFCs (hydrofluorocarbons), SF₆ (sulfur hexafluoride), NF₃ (nitrogen trifluoride). Double counting in Scope 1 and Scope 3 was avoided, clear delimitations of emission sources were defined, consistent accounting rules were applied and accepted reporting standards such as the GHG Protocol were adhered to.

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NON-FINANCIAL REPORT

Emissions are collated and disclosed as a consolidated accounting group (parent and subsidiaries):

GREENHOUSE GAS EMISSIONS	2025	2024	DIFFERENCE TO PY (IN%)
Scope 1 GHG emissions			
Gross Scope 1 GHG (tCO ₂ e)	4,529	4,284	5.4%
Percentage of Scope 1 greenhouse gas emissions from regulated emission trading schemes (%)	0.0%	0.0%	
Scope 2 GHG emissions			
Gross Scope 2 greenhouse gas emissions (location-based) (tCO ₂ e)	13,073	12,030	8.0%
Gross Scope 2 greenhouse gas emissions (market-based) (tCO ₂ e)	12,924	10,063	22.1%
Material Scope 3 GHG emissions			
Total indirect gross Scope 3 GHG emissions (tCO ₂ e)	7,490,042	7,837,085	-4.6%
1. Purchased goods and services (incl. cloud computing and data center services)	822,242	1,387,858	-68.8%
2. Capital goods	5,398	16,928	-213.6%
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	5,388	6,135	-13.9%
4. Upstream transportation and distribution	837	1,886	-125.3%
5. Waste generated in operations	1,121	961	14.3%
6. Business travels	2,853	4,678	-64.0%
7. Employee commuting	19,928	21,644	-8.6%
8. Upstream leased assets	0	0	0.0%
9. Downstream transportation and distribution	486	999	-105.4%
10. Processing of sold products	0	0	0.0%
11. Use of sold products	6,626,475	6,389,558	3.6%
12. End-of-life treatment of sold products	5,981	6,437	-7.6%
13. Downstream leased assets	0	0	0.0%
14. Franchises	0	0	0.0%
15. Investments	0	0	0.0%
Total GHG emissions			
Total GHG emissions (location-based) (tCO₂e)	7,507,644	7,852,559	-4.6%
Total GHG emissions (market-based) (tCO₂e)	7,508,163	7,851,432	-4.6%

Biogenic CO₂e emissions amounted to 4,077.62 tCO₂e in Scope 2 (2,568.54 tCO₂e in 2024) and 28.11 tCO₂e in Scope 3, with the majority of Scope 3 emissions attributable to employee commuting and business travel. In Scope 1, the analysis showed no biogenic emissions. The following calculation was used: Total GHG emissions (tCO₂e) / Net sales turnover (TEUR).

GHG INTENSITY PER NET TURNOVER	2025	2024	DIFFERENCE TO PY (IN %)
Total greenhouse gas emissions (location-based) per net turnover (tCO₂e/TEUR)	4.67	4.66	0.2%
Total greenhouse gas emissions (market-based) per net turnover (tCO₂e/TEUR)	4.67	4.66	0.2%

Turnover are reported in the consolidated income statement (see Consolidated Notes, Part B, Note 01).

TOTAL NET TURNOVER (IN TEUR)	2025	2024
Net turnover used for the calculation of greenhouse gas intensity	1,607,259	1,684,821
Other net turnover	0	0
Total net turnover (consolidated financial statements)	1,607,259	1,684,821

2.3. ESRS E2 – Pollution

2.3.1. E2-1 – Policies related to pollution

The policies related to pollution are set out in the CoC and SCoC, as described in chapter “E1-2 – Policies related to climate change mitigation and adaptation”.

In the CoC, Kontron undertakes to prevent or minimize pollution in the form of air emissions, wastewater, soil pollution, waste, hazardous substances, and noise. Implementation: The CoC recommends the introduction of an environmental management system that is based on ISO 14001 and includes regular risk assessments, waste management, wastewater and emissions controls, and actions for efficient use of resources (CoC, chapter 13.2, 13.4, 13.8, 13.9). In the Supplier Code of Conduct, suppliers undertake to implement suitable processes and measures to responsibly handle substances harmful to the environment and health, including substances of very high concern (SVHCs), and to comply with relevant legal requirements. Section “7. Environmental Responsibility” states that suppliers must take appropriate measures to minimize their pollution, including CO₂ and greenhouse gas emissions. The requirements apply across the Group at all locations and for all suppliers; no exceptions are expressly given.

Responsibility lies with the Executive Board of Kontron AG and local management, which implement environmental and ESG requirements. External standards such as REACH, RoHS, ISO 14001¹ and international agreements (Stockholm, Basel and Minamata Convention) are followed. The CoC and SCoC guidelines therefore cover a wide range of substances, including chemicals and hazardous waste, conflict minerals (3TG) and critical raw materials, persistent organic pollutants (POPs), mercury, SVHCs and CBRN hazardous substances.

The interests of employees, customers, and residents are taken into account, in particular through requirements for health protection, emission reduction, and responsible supply chain management. The whistleblower tool on the website provides an opportunity to report violations.

The regulations are published in the Code of Conduct and Group Policy “Sustainability and Compliance in the Supply Chain” and communicated through ESG teams, internal channels, and supplier requirements (see “E1-2 – Policies related to climate change mitigation and adaptation”).

For SVHCs, the business units have decentralized, locally defined processes for identification, labeling and control in accordance with the requirements of the REACH regulation. Hazardous chemicals should be labeled, supervised and, if possible, replaced by less harmful substances; substances of very high concern are gradually being reduced.

Where necessary, procedures exist for emergencies involving chemicals, waste, or emissions, including emergency plans, protective measures, and CBRN protection to contain environmental damage.

2.3.2. E2-2 – Actions and resources related to pollution

The CoC requires companies to comply with the REACH regulation, local environmental laws and regulations, and, for many, environmental management certification in accordance with ISO 14001. The business units that import or use components containing SVHCs are familiar with the latest updates to the REACH regulation and make corresponding declarations. This procedure is ongoing. No substances of very high concern are produced. No cases of actual effects have been reported and, consequently, no corrective action has been taken, either in this reporting period or in previous reporting periods.

Employees in the quality management and health, safety & environment (HSE) departments monitor the declaration and use of SVHC containing components as well as the regulations for storage and handling of other materials that can potentially cause environmental pollution or damage to health. Almost all the materials used are specified by Kontron's customers and the legal requirements form a secure framework when using SVHCs. For this reason, no extra dedicated measures or financial resources for a plan of action are included and no specific cost centers are created. Neither are there any measures or commitments in the upstream or downstream value chain.

¹ for Kontron units in Austria, Bulgaria, Canada, Czech Republic, France, Germany, Hungary, Portugal, Romania, Slovenia, Spain, Switzerland, United Kingdom

2.3.3. E2-3 – Targets related to pollution

With regard to environmental pollution, the Kontron Group aims to continue complying fully with existing regulations and directives. The procedures that already exist for this purpose are implemented at the individual locations in accordance with local regulations. Although no measurable, results-oriented targets are currently defined for environmental pollution, the Kontron Group monitors the effectiveness of its policies by means of internal audits, which, if necessary, also examine compliance with REACH requirements. The ISO 14001-certified business units aim to renew their certification regularly. The implementation and monitoring of SVHC requirements are carried out locally by the responsible quality management and HSE personnel. The aim is to ensure compliance with all regulations; there is currently no quantitative measurement of progress.

2.3.4. E2-4 – Pollution of air, water and soil

Kontron's business activities make only a limited direct contribution to water, air, and soil pollution. Risks exist primarily at local level, at individual locations, in particular during extreme weather events (e.g., floods) and when waste is stored improperly. In the value chain, risks may arise from suppliers with inadequate environmental standards. The handling of substances of very high concern is subject to REACH and RoHS regulations, which cover the majority of risks in the upstream value chain. No significant quantities of hazardous substances are used in-house. Relevant substances are contained in the products sold and/or are properly disposed of. Potential environmental impacts occur primarily in the downstream value chain, for example as a result of improper disposal of plastic components (microplastics). The identified risks limited to particular geographical locations and issues, are largely covered by regulations, and do not affect the company's core activities. There are no significant emissions or systemic effects that go beyond individual cases. As a result, the issue was not considered material in the context of the materiality analysis.

2.3.5. E2-5 – Substances of concern and substances of very high concern

As part of the materiality analysis, the presence of substances of concern in Kontron's value chain was ascertained. Some of the products purchased, assembled, and sold by Kontron contain substances that are classified as SVHC in accordance with the REACH Regulation. These substances can accumulate in the environment and cause health risks for humans and animals through the food chain.

The requirements of REACH and RoHS, which cover the majority of risks in the upstream area, apply to the Kontron unit concerned and the supply chain. There are no further control mechanisms for the upstream value chain. Substances of very high concern are reported in accordance with legal requirements (REACH) and to ensure transparency for customers and stakeholders, since inadequate supervision during assembly, use, or disposal may result in the release of these substances into air, water or soil, which may lead to environmental and health risks. The SVHC survey was carried out in the ESG data query tool for the first time for 2025. At locations where data were available, the recorded SVHC weights were reported via the standardised data catalogue in the ESG data tool. For sites without complete substance data, an extrapolation was carried out based on validated inflow and outflow data, from which a ratio (kg SVHC per EUR turnover) was derived and applied exclusively to manufacturing sites. The table below shows the total quantities of substances of very high concern by main hazard category, no external validation has been carried out.

TOTAL QUANTITIES OF SUBSTANCES OF VERY HIGH CONCERN

INFLOW: TOTAL VOLUME OF SUBSTANCES OF VERY HIGH CONCERN PRODUCED, USED, OR PROCURED DURING PRODUCTION, BY MAIN HAZARD TYPE:	UNIT	QUANTITY 2025
Health hazard – Carcinogenicity	t	0.11
Health hazard – Reproductive toxicity	t	0.13
Health hazard – Specific target organ toxicity (repeated exposure)	t	0.13
Health hazard – Equivalent level of concern having probable serious effects on human health	t	0.11
OUTFLOW: TOTAL AMOUNT OF SUBSTANCES OF VERY HIGH CONCERN THAT HAVE LEFT THE COMPANY AS EMISSIONS, PART OF PRODUCTS OR SERVICES, BY MAIN HAZARD TYPE:		
Health hazard – Carcinogenicity	t	0.11
Health hazard – Reproductive toxicity	t	0.13
Health hazard – Specific target organ toxicity (repeated exposure)	t	0.13
Health hazard – Equivalent level of concern having probable serious effects on human health	t	0.11

The data was collected for the first time in 2025.

2.4. ESRS E4 – Biodiversity and Ecosystems

2.4.1. E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Information on the business model, the value chain, and significant dependencies and impacts – insofar as this is relevant to biodiversity and ecosystems – is presented provided in accordance with ESRS 2 SBM-3. The following paragraphs supplement this information with aspects specific to biodiversity in accordance with ESRS E4.

In the reporting year, the topic of biodiversity and ecosystems was considered significant in the context of the double materiality analysis, in particular due to potential negative impacts in the upstream value chain, for example in connection with the extraction, mining, and transportation of purchased materials. Kontron's own business activities, which primarily focus on developing and providing electronic solutions in the software and hardware sector, are chiefly driven by knowledge and technology and have no or only very limited direct impact on biodiversity and ecosystems.

A dedicated, comprehensive resilience analysis in accordance with ESRS E4 was not carried out in the reporting year. The evaluation of the resilience of the business model and strategy with regard to physical, transformation, and systemic risks related to biodiversity is currently based on a qualitative assessment in the double materiality analysis, existing Group risk management processes, internal specialist functions, and generally available industry information. The evaluation focused on the upstream value chain, in particular on commodity-related activities, since it was there that the most significant potential impacts and dependencies with regard to biodiversity were identified.

The company's own operational activities and the downstream value chain were considered to be less risky due to their predominantly knowledge and technology-driven nature. The analysis was carried out with a medium- to long-term time frame and is based, among other things, on the assumption of a stable procurement structure in the short term, continued compliance with minimum regulatory standards by major suppliers, and the absence of short-term supply bottlenecks related to biodiversity. The findings identified no material short-term negative impacts on Kontron's strategy or economic resilience.

However, developments related to biodiversity in the upstream value chain constitute a relevant field of observation and should be included more systematically in future risk and resilience assessments. Structured involvement of external stakeholders was yet to take place in the reporting year. Nevertheless, there always remains an increased risk of negative impacts on biodiversity and ecosystems, particularly in resource-intensive upstream activities, some of which can take place in regions where the biodiversity is particularly sensitive. One possible approach is to gradually increase transparency in the supply chain and limit potential risks through existing due diligence processes and the selection of responsible suppliers.

2.4.2. E4-2 – Policies related to biodiversity and ecosystems

Kontron takes biodiversity and ecosystem protection in the CoC and SCoC into account. The CoC requires protection of biodiversity at locations in or near protected or sensitive areas. The focus is on protecting biodiversity, land use, preventing deforestation, and protecting ecosystems. Suppliers are required to implement environmental management systems and to minimize negative impacts. No monitoring takes place other than supplier evaluation.

The policies named include protection of biodiversity, prevention of deforestation, minimizing interference with natural habitats, and maintaining protected areas. They apply to the entire company and supply chain worldwide, with no exceptions. Responsibility for these policies rests with the full board of directors, supported by management and divisional managers. Kontron follows ISO 14001, OECD guidelines and the UN Global Compact. Stakeholder interests are taken into account through the double materiality analysis, as described in IRO-1; the CoC is published on the Kontron website.

The policies are directly related to the identified material impacts, in particular mining of rare metals and deforestation. They address the protection of ecosystems, prevention of environmental pollution, and loss of habitats. In the materiality analysis, Kontron takes physical and transition risks as well as dependency on natural resources into account. Agriculture is not part of Kontron's business activities and therefore irrelevant. In the SCoC, Kontron requires traceability of raw materials and sustainable procurement of its suppliers. The policies call for sustainable land use and the conservation of natural forests in the supply chain. Social aspects are taken into account indirectly by requiring that local habitats and access to resources be protected. The CoC encourages the purchase of sustainably sourced raw materials. Suppliers must not contribute to deforestation or destruction of protected areas.

Kontron pursues a deforestation mitigation strategy, which is embedded in corporate policies. A key component of this strategy is the prevention of deforestation and the promotion of natural forest conservation.

2.4.3. E4-3, E4-4 – Actions, resources and targets related to biodiversity and ecosystems

In its codes of conduct, Kontron requires respect of biodiversity. The main impacts occur primarily in the upstream supply chain rather than within the Kontron Group's own operational business activities, meaning they are largely beyond the company's control. Specific actions and targets beyond the scope of the CoC and SCoC are not appropriate since Kontron has not operational control and are not planned. Environmental initiatives of a general nature have been carried out at some locations, although most have no structured measures or monitoring systems relating to biodiversity. For instance, at the Bisamberg site in Austria, sustainability measures include waste separation; an electric vehicle fleet; the use of photovoltaic systems. However, these measures are not specifically designed for biodiversity monitoring or impact mitigation. There is potential to develop targeted monitoring systems and implement measures that directly address biodiversity protection.

2.4.4. E4-5 – Impact metrics related to biodiversity and ecosystems change

The disclosure of these points is not considered relevant in Kontron Group's own operational units, as the main effects occur in the upstream supply chain rather than in the company's direct activities. While current practices are sufficient, there is potential to further enhance biodiversity through proactive measures.

2.5. ESRS E5 – Resource Use and Circular Economy

2.5.1. E5-1 – Policies related to resource use and circular economy

The company has introduced binding regulations to manage the impacts, risks, and opportunities related to resource use and the circular economy. These are set out in the CoC, SCoC and Group Policy "Sustainability and Compliance in the Supply Chain." These regulations oblige all Kontron companies worldwide to implement standards for sustainable procurement and supply chain management. In particular, they address the identified IRO "Contribution to scarcity of finite resources" by managing and reducing the contributions associated with upstream procurement and production to the extraction and consumption of finite resources by stipulating requirements for responsible procurement, material restrictions, circular economy, and risk-based supplier monitoring.

The following principles are covered in terms of their functions and complementarity by the CoC, SCoC and Group Policy 5.d. and include:

- › **Responsible use of resources:** Reducing environmental impact, complying with international and local environmental regulations, and promoting sustainable practices in the supply chain.
- › **Circular economy:** Applying the waste hierarchy (prevention, reuse, recycling, recovery, disposal) and promoting long-lasting, recyclable products.
- › **Compliance with REACH and RoHS:** Ensuring compliance with legal requirements for substances of concern and substances of very high concern in the value chain. A mandatory reduction of these substances is not required. The implementation of mitigation measures depends on the specific requirements in the respective assignments and only takes place if these are explicitly provided for.
- › **Supplier evaluation and monitoring:** Regular reviews of external suppliers for sustainability and compliance, including audits, self-assessments and certificates.

The regulations are binding for all Kontron companies and are assured up by implementation at local level and internal control systems. While the documents do not mention an explicit departure from primary raw materials, they do encourage the circular economy, waste hierarchy, and reuse and recycling of materials to reduce overall resource consumption. Apart from that, Kontron's resource protection covers the entire product life cycle and is supported by compliance with international environmental standards (such as ISO 14001), transparent supply chain inspections, measures for energy optimization, use of renewable energy, and paperless processes.

All subsidiaries and suppliers are encouraged to establish an appropriate environmental management system based on the requirements of ISO 14001. This means implementing environmental management systems, regularly documenting their sustainability performance, and undergoing audits. Transparency and supply chain oversight are ensured through both internal and external audits, conducted on a random-sampling and case-specific basis. Where deviations are identified, corrective action plans are developed; serious violations may lead to the termination of the cooperation.

Priorities include reducing waste and environmental impacts and efficient use of water, energy, and raw materials. These efforts are

supported by the use of renewable energy, paperless processes, and energy optimization measures. Progress is monitored using key performance indicators including recycling rates, energy consumption, CO₂e emissions and water consumption. These metrics are published in Kontron's non-financial report. Kontron's environmental standards apply globally without regional exceptions.

The executive board is responsible for ESG issues, actively supported by managing directors and area managers. These executives are responsible for implementing ESG objectives and promoting sustainable practices across the company.

The CoC and other Kontron Group policies also incorporate various third-party standards and initiatives, which the company is committed to adhering to:

- › REACH and RoHS: If substances are used in relevant areas, the REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) and the RoHS Directive (Restriction of Hazardous Substances) must be complied with. These regulations govern product requirements and the safe handling of materials and chemicals throughout the supply chain (CoC).
- › UN Global Compact: Kontron is a voluntary member of the UN Global Compact, a global pact promoting sustainable and responsible business practices. This includes the implementation of principles relating to human rights, labour standards, environmental protection and anti-corruption (see CoC).
- › OECD Guidelines: Kontron is committed to complying with the OECD Guidelines for Responsible Supply Chains. This includes, in particular, due diligence obligations regarding conflict minerals and high-risk areas, as set out in the CoC for supplier companies.
- › ISO 14001 and other environmental standards: Kontron aligns its implementation of environmental management systems with international standards such as the ISO 14001 standard.

When developing the ESG strategy, which covers resource use and the circular economy, the interests of key stakeholders are taken into account through regular stakeholder dialogue and a materiality assessment aimed at identifying the topics relevant to stakeholders.

The results of the materiality assessment flow into the development of the ESG strategy to ensure that the expectations and requirements of relevant stakeholders are integrated into the sustainability strategy. The strategy anchored in the CoC for all potentially affected stakeholders, as well as for those requiring support in its implementation, is made accessible and easy to understand, as described in the section on E1-2 – "Policies related to climate change mitigation and climate change adaptation."

Kontron's standards and guidelines for sustainable procurement include the responsible use of renewable resources, as documented in various Group Policies:

- › Sustainable use of resources, prevention of environmental pollution: Kontron's supplier companies are expected to minimise resource input and implement measures to reduce water consumption as well as the use of fossil fuels, minerals and other raw materials.
- › Environmental management systems and certifications: Supplier companies should establish an environmental management system – ideally certified according to ISO 14001 – that evaluates sustainable resource use within their business operations.
- › Water and soil protection: Kontron ensures that its business activities do not cause soil or water pollution and do not involve excessive water withdrawal that could harm the environment or restrict access to clean water.
- › Risk management and supplier monitoring: Kontron requires its supplier companies to implement risk management systems, regularly review their supply chains, and introduce and document risk-mitigation measures for minerals sourced from conflict-affected regions.

2.5.2. E5-2 – Actions and resources related to resource use and circular economy

As part of the analyses relating to the EU taxonomy, activities were identified that can be assigned to the environmental goal of “transition to a circular economy”. To strengthen the Group-wide sustainability strategy, concrete and viable measures were developed as part of the project to define ESG targets together with local specialist divisions for environmental concerns, as described in chapter “E1-3 – Actions and resources in relation to climate change policies.” At the reporting date, the expenses incurred in connection with climate-related measures were not material and therefore not relevant for steering decisions. Accordingly, no separate allocation into CapEx and OpEx was made. A retrospective evaluation would not be meaningful; the systems will be adjusted on a forward-looking basis, and the ESRS-compliant allocation of the relevant CapEx and OpEx data will be incorporated into future reporting.

The following action was defined as a central component in terms of resource use and circular economy for the entire Group:

ACTION	Procurement and use of fully recyclable or reusable packaging for standard products
ESRS STANDARD	E5
RELATED IROS	Contribution to scarcity of finite resources
RELATED POLICIES	CoC
RELATED TARGETS	90% of packaging is fully recyclable or reusable by 2030, provided Kontron is responsible for packaging decisions
BRIEF DESCRIPTION	Some Kontron entities already procure packaging that is fully recyclable or designed for reuse and apply it to standard products. By 2030, Kontron aims to increase the share of Group companies that source such packaging materials for both internal purposes and customer deliveries, in order to increasingly align resource inflows with circular materials. The initiative applies to all standard products, provided that, due to the nature of the packaged items, no special packaging solutions are required and no customer-specific packaging requirements exist.
SCOPE	Own business operations (manufacturing and assembly)
TIME FRAME	2030

This measure does not require the provision of corrective action to those concerned. The corresponding CapEx and OpEx data will be consolidated as part of future reporting. Implementation depends on the local availability of suitable packaging options at competitive prices. Since the choice of packaging materials is often up to customers, Kontron offers recyclable or reusable options whenever possible.

2.5.3. E5-3 – Targets related to resource use and circular economy

The targets were defined in 2025 as part of the “ESG-Pathfinder” project and were based on internal analyses of material use, packaging types, and options for exerting influence along the value chain. The target that by 2030 90% of the packaging purchased and offered is fully recyclable or reusable applies exclusively to packaging whose design is determined by Kontron and is based on the assumption that solutions for these applications exist that are available on the market, technically suitable and compliant with relevant regulations. Progress is measured using an annual ESG data query, which ascertains the proportion of recycled and recyclable packaging; this data serves as the primary basis for evaluating the achievement of targets and the effectiveness of implemented measures.

Packaging with highly specialized technical requirements making non-recyclable components indispensable is not included in the target. The packaging target is based on the principles of the circular economy and the waste hierarchy and is therefore in line with relevant EU-wide targets for waste prevention and resource conservation inasmuch as it promotes reuse and recycling, as well as reducing the use of primary raw materials without aiming to reverse the exhaustion of renewable resources or defining scenario-based quantity paths.

TARGET	100% coverage of ISO 14001 certification for sites with more than 100 non-office employees by 2027	90% of packaging to be fully recyclable or reusable by 2030, provided Kontron controls the packaging decisions
ESRS STANDARD	E5	E5
RELATED IROS	Contribution to scarcity of finite resources	Contribution to scarcity of finite resources
RELATED POLICIES	CoC	CoC
TARGET LEVEL INCL. UNIT	100%	90%
ABSOLUTE OR RELATIVE TARGET	Absolute	Absolute
SCOPE	Own business operations (non-office locations)	Own business operations (manufacturing and assembly)
BASELINE VALUE	9 out of 10 companies with more than 100 non-office employees held an ISO 14001 certification in 2025	13.92%
BASE YEAR	2025	2025
TIME HORIZON	by 2027	by 2030
KEY ASSUMPTIONS	Non-office employees include all employees primarily engaged in manufacturing, assembly, warehousing and other physical work environments. The CoC requires all units to follow the requirements of ISO 14001.	Only packaging for which Kontron has decision-making authority regarding the type of purchased and used packaging is considered; highly specialised packaging requiring non-recyclable components is excluded.

2.5.4. E5-4 – Resource inflows

The IRO “Contribution to scarcity of finite resources” describes the upstream procurement and production of products as well as the use of packaging that contributes to the extraction and consumption of finite resources, in particular critical minerals and precious metals, thus increasing pressure on pollutive mining practices in geographical areas with a high concentration of mining activity. This is an actual negative impact with relevance for short-, medium- and long-term periods that particularly affects the upstream value chain.

The efficient use of resources and the selection of sustainable materials are key aspects of an environmentally friendly and future-proof economy. Resource inflows influence the ecological footprint of products and production processes. This not only contributes to reducing waste and environmental impact but also enhances the long-term availability of critical resources.

According to ESRS, the following resources are obtained as part of the activities of the Kontron Group: The materials used in the upstream value chain primarily include metallic and electronic components for IT equipment, including housing materials, circuit boards, and cables. For textiles (workwear), synthetic fibers and packaging materials are mainly used. Buildings and office equipment include wood, metals, and plastics, supplemented by glass and composite materials. Machinery, along with transport and storage equipment, consists primarily of steel, aluminum and other metals, combined with engineered plastics for functional components. In some cases, IT equipment and machines may contain critical raw materials such as lithium, cobalt, and rare earths (e.g., neodymium, dysprosium) for batteries, magnets, and electronic components, which are essential for functionality and energy efficiency.

The calculation of resource inflows is based on data from the procurement systems of individual companies. These systems record all acquired materials, components, and packaging, enabling a detailed analysis of the resources used.

	UNIT	2025	2024
Total weight of products and materials used (technical & biological)	kg	15,888,066	25,292,678
Share of biological materials (including non-energy biofuels)	%	0.47	1.33
Absolute weight of reused or recycled materials (including packaging)	kg	448,898	1,023,396
Percentage of recycled and reused materials in products	%	2.35	2.93
Percentage of recycled and reused packaging	%	13.92	30.76

Since most business units were only able to indicate the quantities of purchased goods in EUR, it was necessary to estimate a large part of the total weight of the products used based on the purchase price. For this purpose, primary data from Kontron and secondary data from the Ecoinvent database were used. As part of the 2025 data validation, it was identified that no inflation adjustment had been applied to the monetary input data used to calculate the resource inflows for 2024; this deviation was classified as an error and corrected accordingly for 2025. Given the expenditure-based methodology applied, the focus was placed on reviewing the substantive definitions and the calculation logic, as a purely mathematical inflation adjustment would not have provided any additional insights. However, the information for 2024 was reviewed again in the reporting year 2025 and, where substantively required, adjusted based on refined definitions. In the 2024 report, “share of recycled and reused materials in products” (4.05%) had incorrectly included packaging materials, resulting in an overstatement of 1.12%. This value was corrected to 2.93%.

When calculating the proportion of recycled materials, data collection was carried out transparently and specifically for imported goods per subsidiary. Primary data on the percentage of recycled material is only available for a limited quantity of purchased materials. The recycling rate for the majority of purchased materials was estimated using external databases. The total proportion of recycled and reused materials is the ratio of the total weight of the recycled components to the absolute total weight of all materials purchased. The proportion of biological materials was estimated using external databases, with only cardboard packaging being considered as biological material in conservative terms. In addition, currency fluctuations may affect the conversion from EUR to kg.

2.6. MDR-M – Metrics in relation to material sustainability matters (E1, E2, E4, E5)

This chapter provides an overview of material sustainability metrics related to various sustainability topics and how they are measured. It outlines the methods and assumptions used, data validation processes, and definitions of key figures. No external validation has been conducted.

METRICS	UNIT	METHODS & ASSUMPTIONS AND LIMITATIONS	VALIDATION	DEFINITION
Energy consumption	MWh	Measured using energy management systems and billing data from energy providers. If data gaps exist, estimates are made based on location area, employee numbers, and turnover. Primary information is partly missing, the accuracy of estimates is limited.	Data is processed through the ESG tool, compared with previous years (where possible), and subjected to internal review, no additional external review	Consumption of electrical energy, heat, and fuels in MWh.
Direct CO ₂ e emissions	tCO ₂ e (tons of CO ₂ equivalent)	GHG protocol, Ecoinvent, calculations of CO ₂ e factors based on Ecoinvent, estimates from datasets on km traveled, types of energy sources used, and substance classifications. Emissions assigned to Scope 1. Estimates when primary data is missing, uncertainties.	Software (data tool), external consultancy, internal review, no additional external validation.	GHG emissions that come directly from a company's own or controlled sources (e.g., from burning fossil fuels in its own vehicles).
Indirect CO ₂ e emissions	tCO ₂ e (tons of CO ₂ equivalent)	GHG Protocol, Ecoinvent. Calculations based on CO ₂ e factors, datasets on km traveled, types of energy sources used, and substance classifications. Emissions assigned to Scope 2, 3. Incomplete supply chain data, assumptions required.	Software (data tool), external consultancy, internal review, no additional external validation.	GHG emissions through upstream or downstream activities in the value chain (e.g., through transportation and use of sold products (Scope 3) or through purchased energy (Scope 2).
GHG Intensity	tCO ₂ e/ TEUR net turnover	Calculated as the ratio of GHG emissions (Scope 1 and Scope 2) to consolidated net turnover based on the GHG Protocol and recognized emission factors (including Ecoinvent). Net turnover from the consolidated income statement. Limitations arise from estimates due to missing primary data.	Software, internal plausibility check, comparison with previous years (where possible), no additional external validation.	Ratio of total GHG emissions (Scope 1 and Scope 2) to the economic performance of the company, measured based on consolidated net turnover. This metric is used to assess the emissions efficiency of business operations.
Costs	EUR	Consolidated based on invoices from all locations. Estimates when invoices are late or landlord information is missing.	Internal validation (finance department)	Total energy costs in the financial reporting currency (EURO).

METRICS	UNIT	METHODS & ASSUMPTIONS AND LIMITATIONS	VALIDATION	DEFINITION
Total weight of products and materials used (technical & biological)	Tons (t)	A small part of the total weight of the materials used was specified precisely. The remaining amount of the total weight was estimated based on the purchase price and is therefore limited.	Prepared with external consultancy, no additional validation.	Total material weight used in the reporting period, including both technical and biological substances.
Proportion of biological materials (including biofuels not used for energy purposes)	Percentage (%)	Because data on the composition of the materials purchased was lacking, biological materials were only accepted in cardboard packaging. Incomplete data, only packaging included.	Prepared with external consultancy, no additional validation.	Proportion of biological materials and non-energy biofuels in total material usage.
Absolute weight of reused or recycled materials (including packaging)	Tons (t)	The total weight of materials used was multiplied by the proportion of recycled and reused materials. Proportion estimated, no primary data available.	Prepared with external consultancy, no additional validation.	Total weight of all reused or recycled components, intermediate products, and materials used in product manufacturing and packaging.
Proportion of reused or recycled materials	Percentage (%)	Share of recycled and reused materials in total material usage. Calculated using databases and material purchase records. Indicators used: "Material Circularity Indicator" and "Circularity Index." Database assumptions, no complete supply chain data.	Prepared with external consultancy, no additional validation.	Proportion of the total weight of recycled components to the absolute total weight of all materials purchased
Weight	Tons (t)	Extraction of information from data systems for reporting in accordance with the REACH regulation. Assumption that the SVHC list and available data are up to date. Limit on availability of weight data.	Software (ERP data pool, component data pool)	Amount of substances of very high concern in components and products.

3. Social Information

3.1. Comprehensive information on social issues (S1, S2): Whistleblower system

Kontron provides a comprehensive whistleblower system at Group level, enabling employees and third parties to securely and confidentially report suspected misconduct, including discrimination and violations of occupational health and safety regulations. Reports can be submitted through various channels:

- › Secure website: <https://whistleblower.kontron.com>
- › Telephone hotline: 0800 700 799 (Austria) / +43 1 80191 1194 (international)

In addition, suspected cases can be reported personally or anonymously directly to local compliance departments or via local whistleblower platforms.

The Group Policy "Whistleblower Policy" defines detailed procedures for reporting, investigating, and following up reports. The Compliance Management Team at Group Headquarters is responsible for processing reports, ensuring confidentiality, protecting whistleblower identity, and preventing retaliation.

Kontron considers both formal compliance structures (e.g., compliance processes and responsibilities) and informal cultural aspects to overcome language and cultural barriers, ensuring that all employees can raise concerns without fear of negative consequences. The policy and whistleblower platform are available in multiple languages, further reducing barriers to reporting.

The multilingual whistleblower platform, which is accessible to employees and external persons, allows confidential and anonymous reporting of violations in the following areas:

- › Harassment and discrimination
- › Data protection and personal data
- › Theft
- › Diversity and Inclusion
- › ESG – Environmental, Social and Governance
- › Money laundering
- › Conflicts of interest
- › IT and cybersecurity
- › Capital markets and insider trading
- › Corruption
- › Supplier and customer relationship
- › Human rights and corporate social responsibility
- › Product safety and consumer protection
- › Sexual harassment
- › Violations of occupational health and safety regulations
- › Violations of sanctions and terrorist financing
- › Competition and antitrust law
- › White-collar crime

Regardless of the chosen reporting channel, all reports are treated confidentially, independently and objectively in accordance with the technical requirements of the EU Whistleblower Directive (2019/1937) and the General Data Protection Regulation (GDPR) to ensure that anonymity and confidentiality are unflinchingly maintained.

The central investigative body is primarily the Compliance Department at headquarters, which performs, coordinates and monitors the processing of reports. In addition, several subsidiaries have their own central investigative bodies. Cases are dealt with in cooperation with other offices and departments as well as management or the Executive Board.

An IT system with encryption, access restrictions and separate data storage, internal controls to ensure independence and objectivity, and the two-person rule to avoid conflicts of interest support the compliance department with processing suspicious reports.

Kontron offers group-wide training on the Whistleblower Policy as an e-learning module, ensuring that employees receive training on the group policy and confirm their acknowledgement. In cases of serious violations, Kontron reserves the right to take legal action to ensure an appropriate resolution.

During the reporting period 2025, eight reports were submitted via the whistleblower platform. These reports exclusively concerned internal employees. There were no reports related to supply chain workers, consumers, end users, or human rights violations.

3.2. ESRS S1 – Own Workforce

3.2.1. S1-1 – Policies related to own workforce

The Kontron Group has implemented several binding policies that ensure the well-being, equal treatment, and safety of employees. Among these key policies are, in particular, the Code of Conduct (CoC), the Diversity, Equity & Inclusion Policy (DEI Policy) and the Whistleblower Policy. All policies apply to all employees across the Group, i.e. to all permanent and temporary employees, trainees and interns, regardless of hierarchical level, function, department or location. Responsibility for implementation lies with the full board of directors, supported by the HR department and local managers. Kontron is committed, through its CoC and SCoC, to complying with international standards, including the Universal Declaration of Human Rights, the ILO Core Labour Standards, the OECD Guidelines for Multinational Enterprises, as well as the principles of the UN Global Compact. In addition, the SCoC refers to ISO 45001 for occupational health and safety.

Remedial measures in the event of violations of any of these requirements are supported by a Group-wide whistleblower system, which enables anonymous reporting and a structured investigation of reported incidents (see S1-3), and include corrective measures, sanctions and, where applicable, remediation actions depending on the individual case. The CoC and the whistleblower system are accessible via the corporate website and through physical postings in common areas, and all policies are available on the intranet.

Code of Conduct (CoC)

The CoC defines the fundamental principles relating to human rights, fair remuneration, safe and healthy working conditions, freedom of association, as well as equal treatment and non-discrimination. It prohibits forced labour, child labour and human trafficking and obliges all employees to comply with internationally recognised labour and human rights standards. Further information on the integration of these principles is presented under SBM-2. Key stakeholders include employees, customers, suppliers and contractors, public authorities, regulators and the general public.

The policy specifically addresses potential and actual negative impacts related to violations of human and personal rights, work-related health and safety incidents, and structural inequalities, including inappropriate pay disparities. These impacts are relevant for the workforce within the scope of the policy. In addition, it explicitly addresses behaviour towards external stakeholders, including customers, contractors, competitors, government authorities and the public. The involvement of external initiatives or standards is not described in the policy.

Monitoring of compliance is carried out through internal compliance processes and regular audits, which are conducted annually and, where required, in response to specific incidents. Responsibility for monitoring lies with the compliance function, which ensures both the execution and the evaluation of the process. Monitoring results include, in particular, the identification of irregularities (red flags) and the initiation of appropriate corrective and improvement measures to ensure adherence to applicable policies and processes. The CoC is accessible via the intranet, the corporate website, the e-learning portal, and physical postings in common areas. Furthermore, all policies are available in the intranet.

DEI (Diversity, Equity and Inclusion) Policy

The DEI Policy aims to prevent discrimination and to actively promote diversity and equal opportunities. It applies across the Group and covers all legally protected characteristics, including age, gender, disability, ethnic origin, religion, sexual orientation and gender identity.

The policy particularly promotes actual positive impacts, including increased productivity and inclusiveness through a diverse workforce, as well as enhanced employee satisfaction and retention, supported by needs-based benefits and flexible working models.

To implement the DEI Policy, the Group applies, among other measures, flexible working-time models, work-from-home arrangements, training and development programmes, accessible workplaces and targeted support programmes for underrepresented groups (Sustainable Leadership Academy).

Monitoring of the DEI Policy is conducted through regular employee surveys, including satisfaction assessments, as well as turnover and structural analyses carried out by the HR departments and ESG processes as part of the annual non-financial reporting. The results serve as KPIs for ESG objectives and measures aimed at continuous improvement and feed into updates of corporate policies.

The Executive Board holds overall responsibility for equality and diversity. Managers are required to implement the DEI Policy. All employees are obliged to acknowledge the DEI Policy and the CoC annually and to confirm their application. For selected employees in management and key positions, additional interactive training sessions are mandatory.

Accessibility is ensured through appropriate facilities, workplace equipment and – where required – individual workplace adaptations, to consider the needs of all employees and to support their health.

The subsidiaries of the Kontron Gruppe maintain structured and regularly updated records on recruitment, training and promotions to ensure transparency regarding development opportunities and career progression for employees. Documentation is carried out by the respective HR departments and consolidated annually as part of non-financial reporting. To assess equal opportunities and identify potential structural disadvantages, metrics such as the number of completed performance reviews and the gender representation in management positions are evaluated.

Whistleblower policy

The Whistleblower Policy allows confidential and anonymous reporting of actual or potential violations of human rights, requirements of labor law, and internal company policies. It is part of the Group-wide system for grievances and corrective action and is also described in detail in the comprehensive information on social issues (see chapter 3.1 on S1 and S2: whistleblower system) and under G1-3. The Whistleblower Policy regulates compliance with legal requirements and internal guidelines, but does not contain any explicit references to international standards.

In particular, the policy addresses potential negative impacts associated with violations of human and personal rights. In addition, actual negative impacts can be identified as linked to a stressful work environment and increased employee turnover, for example when reports indicate overwork, conflicts, or structural deficiencies.

Incoming reports are filed and examined centrally. The Whistleblower Policy contributes to the implementation of the UN Guiding Principles on Business and Human Rights as well as the company's own compliance requirements. Remedial measures are carried out through structured investigation processes, which include corrective actions, sanctions and, where appropriate, remediation measures, depending on the individual case.

The whistleblower system also serves as a monitoring and escalation tool for identifying risks and grievances relating to social matters. Findings from reports are incorporated into the evaluation of existing processes and guidelines and support their ongoing development.

The interests of employees are also taken into account through regular employee surveys, feedback mechanisms, and development and employee meetings. Feedback from the whistleblower system, from reports to managers, and from employee surveys is used to adapt working conditions and internal guidelines.

The Whistleblower Policy can be viewed on the online reporting system and on notices displayed in social areas. Changes and updates to relevant guidelines are communicated across the Group by the Compliance Department, also by email.

3.2.2. S1-2 – Processes for engaging with own workers and workers' representatives about impacts

Employee perspectives are actively incorporated into decision-making processes through regular Group-wide and, in isolated cases, company-specific anonymized employee surveys, regular employee interviews, and feedback channels. In this way, relevant topics, suggestions for improvements, and personal development goals can be integrated into the strategic and operational focus.

In companies with works councils, participation takes place through the elected employee representatives. In companies without a works council, local management directly involves the employees. In Kontron Group companies that have no works council, local management is responsible for representing the interests of the workforce. Local management, for example, must distribute the employee survey within the company. Employees are involved through regular information meetings, annual employee meetings, weekly team meetings, Group-wide email newsletters, and the intranet. Resources from the Group marketing team and the ESG team are used for this purpose.

In the one-off project for establishing Group-wide goal targets, employees from the relevant HR departments were involved as representatives of the subsidiaries in determining targets and actions relating to social issues. The results with respect to targets and actions are described in the chapters on S1-4 and S1-5.

The management of Kontron AG commissions the survey and the management of the individual subsidiaries is responsible for ensuring the employees' participation. They make sure that the results are incorporated into the company's strategic orientation. The protection of employee rights is an essential part of the Kontron Group's CoC and SCoC. These directives oblige the company to comply with international agreements and human rights standards along the entire value chain (see chapter on S1-1).

The effectiveness of this commitment is continuously assessed using metrics such as employee turnover and absenteeism, the results of employee surveys and employee interviews, and external benchmarks. This allows the identification of specific areas where improvements can be made.

In employee surveys and medical check-ups, Kontron specifically addresses the needs of particularly vulnerable groups. Psychological risk assessments and special support services, such as stress management programs, ensure that their perspectives are taken into account.

3.2.3. S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

If Kontron has demonstrably caused or contributed to negative impacts on employees, the company undertakes to provide appropriate remedies or to participate in this. The nature and extent of the compensation depend on the severity and cause of the impacts, as well as the degree of influence attributable to Kontron. The basis for this is the CoC and the Whistleblower Policy, which apply across the Group. Employees can report concerns or violations confidentially and anonymously on a secure online portal or a 24/7 telephone hotline. Direct lines of communication with superiors, the compliance management team, or members of the Executive Board are also available. Kontron ensures that the reporting channels described are available as a matter of course across the Group and actively supports their use by means of training, in-house communication, and management responsibility. Currently, whether and to what extent the company's own workforce is informed of or trusts the existing reporting channels is not systematically reviewed. A formalized assessment of awareness and trust in these structures is not currently performed. All reports are reviewed and documented by the Compliance Office at headquarters and receipt is confirmed within 24 hours; feedback on measures is provided within a reasonable period. The effectiveness of the channels is maintained by regular evaluation, key figures, and feedback. Kontron expressly protects whistleblowers from any form of retaliation, including dismissal or discrimination, and is committed to maintaining the highest standards of data protection.

The policies are available in several languages on the intranet, on the e-learning portal, and on printed notices to ensure that all employees know and trust the channels.

The effectiveness of the corrective action taken is currently assessed by the Compliance Office as part of case management. For each case formally investigated, an investigation plan is drawn up to keep a record of the steps taken to clarify the facts and the planned measures. Investigations are accompanied by interviews with the parties concerned and the collection of relevant evidence. Feedback on the measures taken is provided within three months of receipt of the report (in exceptional cases six months), and where a case has not been followed up, reasons must be given. Specific details of disciplinary measures are not disclosed for reasons of confidentiality.

Any compensatory measures depend on the nature of the case in question. These may include, for example, reimbursement of financial losses by the person responsible for the losses. Disciplinary measures or other corrective action is taken as appropriate and may include

dismissal of an employee in the event of proven serious misconduct or reinstating employees who have been dismissed unfairly. If an investigation reveals loopholes in the system or organizational deficiencies, greater emphasis will be placed on monitoring, as well as on determining corrective action, in the following financial years as part of compliance initiatives. Stakeholders within the company and outside it who are affected by a case are continuously involved and informed as part of ensuring effectiveness. The decisive figure is the number of compensatory and corrective measures implemented. No information is available on clear methods of measuring success beyond merely documenting the process and stipulating a binding time frame for full implementation of the measures. The development of quantitative effectiveness indicators and standardized time frames to monitor the success of corrective action targeted.

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

The targets for the company's own workforce were defined on the basis of internal analyses, qualitative assessments and the structured ESG target definition project involving HR departments. Available internal data, regulatory requirements at EU level, and recognized social sustainability targets, in particular regard to equal opportunities, working conditions, and skills development, were taken into account. Due to the social nature of the targets, no scientific analyses of scenarios were carried out. The basis was a questionnaire, which covered existing and potential measures and delivered the pool of information for two workshops with experts. In these workshops, the options and feasibility of Group-wide actions were discussed. Once the targets had been agreed upon, they were presented to the Executive Board to ensure compliance with the strategic direction of the Kontron Group.

Relevant internal stakeholders were involved in defining the targets, in particular local HR managers from the major Group companies and internal experts in the topics of sustainability and compliance. External stakeholders were not systematically involved in defining the targets. The company does not currently exert any influence over relevant business partners to manage or reduce material negative impacts on its own workforce.

For the social responsibility measures described in the table (including benefits offered, employee satisfaction surveys, gender pay gap analyses, performance reviews, leadership programs and compliance training), no corrective action is required for those concerned, since the measures have a preventive effect and do not cause any negative impacts on the workforce. No specific corrective action was required for the actual material impacts on the company's own workforce identified in the reporting year, as these are addressed by existing preventive measures, internal processes, and established complaint and reporting mechanisms. Internal points of contact, including HR functions and compliance channels, are available to affected employees.

With regard to the financial impact, there is currently no significant capital expenditure or operating expenditure that can be directly attributed to the measures mentioned above. Neither is any significant CapEx or OpEx expenditure foreseen in the future, as the majority of the measures are integrated into existing processes and do not require extensive investment in infrastructure or systems. The main impacts on the company's own workforce are managed primarily through existing personnel resources in the fields of HR, sustainability, compliance, and management. No additional dedicated financial or organizational resources are currently planned, as the measures are integrated into existing processes and roles.

The effectiveness of the measures is assessed using regular qualitative and quantitative tools, including employee satisfaction surveys, participation rates in training and performance reviews, and the evaluation of relevant HR indicators such as employee turnover and diversity metrics. The findings are incorporated into the further development of existing measures.

The targets and actions described relate exclusively to the Kontron Group's own business activities and apply to all fully consolidated companies. The upstream or downstream value chain is not included in the range of targets; geographically, the scope extends to all countries in which the Kontron Group has employees.

The implementation of the actions does not depend on specific external requirements. All activities can be carried out within the scope of the company's own business operations without the need to meet external regulatory or market-related conditions.

Insofar as goals have been defined, the data mentioned under S1-5 serves as a base value; the baseline year depends on the respective target and is generally between 2023 to 2025. For targets with no quantified baseline value, assessment of progress is carried out qualitatively.

ACTION	Company-specific benefits
ESRS STANDARD	S1
RELATED IROS	Increased employee satisfaction and loyalty through benefits offered and flexible working arrangements; Improved productivity, better access to top talent and reduced turnover costs thanks to a strong employer brand
RELATED POLICIES	None
RELATED TARGETS	None
BRIEF DESCRIPTION	Many Kontron employees currently have access to a range of benefits in their respective Group companies, for example: <ul style="list-style-type: none"> › Additional leave days beyond legal requirements. › Food allowances for employees. › Allowances or refunds for public transport and alternatives such as company bicycles and cars to make commuting easier. › Flexible working hours and arrangements for working from home to promote work-life balance. › In some instances, offers such as medical check-ups, health insurance and pension contributions. › Benefits are defined at company or individual level, depending on the company and role. These benefits should continue to exist in the future.
SCOPE	Company's own business activities (all employees of fully consolidated companies)
TIME FRAME	Ongoing
ACTION	Group-wide Employee Satisfaction Survey
ESRS STANDARD	S1
RELATED IROS	Increased employee satisfaction and loyalty through benefits offered and flexible working arrangements; Voluntary employee turnover and skills shortages; Improved productivity, better access to top talent and reduced turnover costs thanks to a strong employer brand; Stressful work environment and increased employee turnover; Increased productivity and inclusivity through a diverse workforce.
RELATED POLICIES	None
RELATED TARGETS	90% overall employee satisfaction by 2030
BRIEF DESCRIPTION	In 2023, Kontron conducted a Group-wide employee satisfaction survey. The next survey will be carried out in 2026 and every two years thereafter. The results and feedback are used to develop actions. From 2026, the survey will be expanded to include benefits, flexible working arrangements, stress management, and diversity. In future, the results will be used to set targets and monitor progress.
SCOPE	Company's own business activities (all employees of fully consolidated companies)
TIME FRAME	2030

ACTION	Calculation of adjusted gender pay gap
ESRS STANDARD	S1
RELATED IROS	Unadjusted gender pay gap due to structural inequalities
RELATED POLICIES	DEI Policy
RELATED TARGETS	None
BRIEF DESCRIPTION	Using remuneration data from 2025, the Group calculated the adjusted gender pay gap for the first time and published it together with the unadjusted gap. The calculation was carried out using the method described in S1-16. In 2026, this data will be used to identify significant gaps at company level.
SCOPE	Company's own business activities (all employees of fully consolidated companies)
TIME FRAME	2026
ACTION	Annual performance reviews & training
ESRS STANDARD	S1
RELATED IROS	Improved productivity, better access to top talent and reduced turnover costs thanks to a strong employer brand; unadjusted gender pay gap due to structural inequalities; Contribution to employees' personal growth and skills development through training opportunities.
RELATED POLICIES	CoC
RELATED TARGETS	90% participation in annual performance reviews by 2027; 10% increase in average training hours by 2028; 25% share of women in top management by 2030
BRIEF DESCRIPTION	Around 50% of employees currently take part in annual performance reviews. These reviews will be introduced across the Group from 2026 and supplemented by a training needs analysis. Participation is monitored to ensure consistent implementation.
SCOPE	Company's own business activities (all employees of fully consolidated companies)
TIME FRAME	Ongoing

ACTION	Bi-annual Sustainable Leadership Academy
ESRS STANDARD	S1
RELATED IROS	Unadjusted gender pay gap due to structural inequalities; Contribution to employees' personal growth and skills development through training opportunities.
RELATED POLICIES	DEI Policy
RELATED TARGETS	25% share of women in top management by 2030
BRIEF DESCRIPTION	In 2022, Kontron launched the Sustainable Leadership Academy, a Group-wide leadership program. The first round was completed in 2023 and included around 25 participants with a focus on inclusive leadership, sustainability management, and ESG regulation. The program includes mentoring and specifically prioritizes the advancement of female managers. The second round ended in the first half of 2025, and the next one starts in the second half of 2026.
SCOPE	Company's own business activities (all employees of fully consolidated companies)
TIME FRAME	Ongoing
ACTION	Annual training of top management and employees in Group-wide compliance policies
ESRS STANDARD	S1
RELATED IROS	Violations of human rights and privacy affecting own workforce
RELATED POLICIES	CoC; DEI Policy; Whistleblower Policy
RELATED TARGETS	100% participation of top management and employees in annual training in Group-wide compliance policies
BRIEF DESCRIPTION	All employees, including top management, must complete online training in Group-wide compliance policies every year. This includes the CoC, the DEI Policy, and the Whistleblower Policy. Participation in the online course is mandatory, and is monitored to ensure that all employees are aware of the rules and policies that apply across the Group. If employees do not have access to the online course, they will be provided with the policies as hard copy. They must then sign to confirm that they have read and understood each policy.
SCOPE	Company's own business activities (all employees of fully consolidated companies)
TIME FRAME	Ongoing

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

In 2025, the targets and actions were revised and updated in the one-time “ESG-Pathfinder” project, as described in the chapter “E1-3 – Actions and resources in relation to climate change policies.”

The company has defined several strategic targets for the promotion of employee satisfaction, safety, development, and diversity. Overall employee satisfaction is expected to rise to 90% by 2030, as measured by the Group-wide employee survey conducted in 2023. To improve safety at work, the aim is to achieve an annual recordable accident rate of less than 2.5 per 500 full-time equivalents. In addition, 90% of employees should participate in annual performance reviews by 2027. With regard to education and training, an 10% increase in the average training hours per employee is targeted by 2028. To promote diversity, an 25% increase in the proportion of women in top management is targeted by 2030. In addition, measures will be taken to ensure full participation of top management and all employees in annual training in Group compliance policies.

The effectiveness of the defined policies and actions is regularly monitored with regard to material impacts, risks, and opportunities related to sustainability. This is done by evaluating relevant metrics such as employee satisfaction, accident rate, participation in performance reviews, training hours, and diversity rates as part of annual, non-financial reporting. The monitoring processes include local employee surveys, systematic recording of work-related accidents according to defined criteria, documentation of training activities, and analysis of the composition of management. The findings are evaluated by in-house HR representatives and regularly reported to top management to ensure that the targets are achieved and the actions effective.

No interim targets were defined for these targets. They are not bound by external scenarios or political directives and are not based on scientific findings. The ESG targets were set by the central ESG team in close consultation with local HR managers from the major Group units. The target definition was based on data available from the previous year and current key figures from the Group units. Following internal consultation, the final target proposals were submitted to the Executive Board for approval. No involvement of external stakeholders in establishing the targets for the topics of diversity and compliance has been recorded.

The targets replace some of those set out in the 2023 Sustainability Report, including prevention of all accidents, an increase in training hours of 20% by 2030 and an increase in the proportion of women in management positions of 20%. Changes to existing targets were made transparently to ensure realistic and measurable achievement of targets.

TARGET	90% overall employee satisfaction by 2030
ESRS STANDARD	S1
RELATED IROS	Voluntary employee turnover and skills shortages; improved productivity, better access to top talent and reduced turnover costs thanks to a strong employer brand
RELATED POLICIES	None
TARGET LEVEL INCL. UNIT	90%
ABSOLUTE OR RELATIVE TARGET	Absolute
SCOPE	Company's own business activities (all employees of fully consolidated companies)
BASE VALUE	85%
BASELINE YEAR	2023
TIME FRAME	2030
KEY ASSUMPTIONS	The satisfaction rate is based on employees' agreement with the following statement in the 2023 Group-wide employee satisfaction survey: “All in all, I really enjoy working for the company.”

TARGET	Annual recordable work-related accident rate below 2.5 per 500 FTE
ESRS STANDARD	S1
RELATED IROS	Work-related health and safety, accidents and injuries in the company's own workforce
RELATED POLICIES	CoC
TARGET LEVEL INCL. UNIT	2.5 per 500 FTE
ABSOLUTE OR RELATIVE TARGET	Absolute
SCOPE	Company's own business activities (all employees of fully consolidated companies)
BASE VALUE	Not applicable
BASELINE YEAR	Ongoing (yearly)
TIME FRAME	Ongoing (yearly)
KEY ASSUMPTIONS	Recordable work-related accidents include injuries that result in any of the following: fatality, sick leave, reduced capacity to work or transfer to another job, medical treatment beyond first aid or loss of consciousness; or a significant injury diagnosed by a physician or other registered health professional.
TARGET	90% employee participation in annual performance reviews up to 2027
ESRS STANDARD	S1
RELATED IROS	Improved productivity, better access to top talent and reduced turnover costs thanks to a strong employer brand; unadjusted gender pay gap due to structural inequalities; contribution to personal growth and employee skills development through training opportunities
RELATED POLICIES	None
TARGET LEVEL INCL. UNIT	90%
ABSOLUTE OR RELATIVE TARGET	Absolute
SCOPE	Company's own business activities (all employees of fully consolidated companies)
BASE VALUE	Dependent on 2025 data
BASELINE YEAR	2025
TIME FRAME	2027
KEY ASSUMPTIONS	An annual performance review is defined as a personal review of an employee's performance in the past year based on criteria that are known to the employee and his manager. The assessment may include an evaluation by the direct superior, a colleague or an larger group of people. It must also include a section identifying development opportunities for the coming year.
TARGET	10% increase in average employee training hours by 2028
ESRS STANDARD	S1
RELATED IROS	Contribution to employees' personal growth and skills development through training opportunities
RELATED POLICIES	None

TARGET LEVEL INCL. UNIT	10%
ABSOLUTE OR RELATIVE TARGET	Relative
SCOPE	Company's own business activities (all employees of fully consolidated companies)
BASE VALUE	Dependent on 2025 data
BASELINE YEAR	2025
TIME FRAME	2028
KEY ASSUMPTIONS	Training hours include all mandatory and voluntary sessions that are conducted during working hours, regardless of whether they are individual or group sessions and whether they take place on-site, off-site, or online.
TARGET	25% share of women in top management by 2030
ESRS STANDARD	S1
RELATED IROS	Unadjusted gender pay gap due to structural inequalities
RELATED POLICIES	DEI Policy
TARGET LEVEL INCL. UNIT	25%
ABSOLUTE OR RELATIVE TARGET	Absolute
SCOPE	Company's own business activities (all employees of fully consolidated companies)
BASE VALUE	Dependent on 2025 data
BASELINE YEAR	2025
TIME FRAME	2030
KEY ASSUMPTIONS	Top management includes all executives, such as managing directors, area managers, department heads and interim managers, who are responsible for strategic decisions and overall management of the company.

TARGET	100% participation of top management and employees in annual training in Group compliance policies
ESRS STANDARD	S1
RELATED IROS	Violations of human rights and data protection that affect the company's own workforce
RELATED POLICIES	CoC; DEI Policy; Whistleblower Policy
TARGET LEVEL INCL. UNIT	100%
ABSOLUTE OR RELATIVE TARGET	Absolute
SCOPE	Company's own business activities (all employees of fully consolidated companies)
BASE VALUE	Not applicable
BASELINE YEAR	Ongoing (yearly)
TIME FRAME	Ongoing (yearly)
KEY ASSUMPTIONS	Not applicable

3.2.6. S1-6 – Characteristics of the undertaking's employees

The following section provides an overview of the characteristics of the company's employees based on various criteria such as gender, location and type of contract. The metric "employees" includes all individuals in an employment relationship in accordance with national legislation or customary practice, categorised into permanent employees, temporary employees and employees with non-guaranteed working hours. Non-employee workers are self-employed individuals or workers provided by staffing agencies. External service providers and purely supplier relationships are not included.

GENDER	UNIT	EMPLOYEES AS OF DECEMBER 31, 2025	EMPLOYEES AS OF DECEMBER 31, 2024
Male members	Headcount	4,706	5,025
Female members	Headcount	2,749	3,020
Other gender	Headcount	0	0
Not specified	Headcount	0	0
Total number	Headcount	7,455	8,045

COUNTRY	UNIT	EMPLOYEES AS OF DECEMBER 31, 2025*	EMPLOYEES AS OF DECEMBER 31, 2024*
Germany	Headcount	2,496	2,807
Hungary	Headcount	937	921
Austria	Headcount	771	807

*Countries are shown in which the company has at least 50 employees who account for at least 10% of the company's total number of employees.

The following table shows the characteristics and information about employees by type of contract and gender. The number of employees is given per capita.

HEADCOUNT	FEMALE		MALE		OTHER GENDER		NOT SPECIFIED		TOTAL	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
AS OF DECEMBER 31 OF THE FINANCIAL YEAR										
Employees	2,749	3,020	4,706	5,025	0	0	0	0	7,455	8,045
Permanent employees	2,656	2,871	4,501	4,739	0	0	0	0	7,157	7,610
Temporary workers	82	140	187	254	0	0	0	0	269	394
Non-guaranteed hours employees	11	9	18	32	0	0	0	0	29	41

EMPLOYEE TURNOVER	UNIT	2025	2024
Number of employees who have left the company	Headcount	1,280	1,364
Employee turnover rate	%	14.7	14.5

The employee turnover rate is calculated as follows: Number of employees who left during the reporting period divided by the number of employees as of December 31, 2025, plus the number of employees who left during the reporting period, multiplied by 100. The calculation includes both voluntary and involuntary departures.

When collecting employee data at national level, the Kontron Group uses the applicable definitions in national labor law of permanent, fixed-term (temporary), full-time, and part-time employment, and of employment relationships without guaranteed working hours. Only persons in an employment relationship in accordance with national law are included; external workers are excluded. The headcount data collected at national level is then aggregated into overall figures without taking account of differences in national definitions; employees without guaranteed working hours are especially casual, zero-hour and on-call workers without contractually guaranteed minimum working hours.

Temporary employment contracts were used to respond to the tense economic situation in financial year 2025 and the uncertain forecast. In addition, they are necessary to cover fixed-term customer projects with clearly defined timelines and capacity peaks where continued employment after project completion is not possible. Some subsidiaries of the Kontron Group used employment contracts with non-guaranteed working hours (e.g., marginal employment and temporary workers) to cover short-term staffing requirements such as seasonal fluctuations, project-related peaks and temporary replacements. These employees are subject to the same labor standards and safeguards as all other employees.

The description of the methods and assumptions used to produce the data is described in the section "MDR-M – Metrics in relation to material sustainability matters under S1." The figures are reported as of December 31, 2025, for the reporting period 2025. In the reporting year 2025, the data for 2024 were reviewed as part of the data validation process and, where necessary, adjusted based on more precise definitions and methodologies.

Personnel expenses are reported in the consolidated income statement (see Consolidated Notes, Part B, Note (5)). The number of employees in the consolidated notes is reported in full-time equivalents (FTE) excluding employees on leave, interns, apprentices, and temporary workers.

3.2.7. S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

The following section provides an overview of the characteristics of the company's non-employees.

As of December 31, 2025, the following non-employees were part of the Kontron Group workforce:

AS OF DECEMBER 31 OF THE FINANCIAL YEAR	UNIT	2025	2024
Total number of non-employees within the organization's own workforce	Headcount	245	336
Self-employed	Headcount	173	188
Worker placement "employment activities"	Headcount	72	148
Non-employees, other	Headcount	0	0

The total number of non-employees in the company's own workforce is disclosed as of December 31, 2025. These include self-employed individuals (contractors, freelancers, and external workers without a direct employment contract with Kontron) as well as persons provided by companies primarily engaged in employment services and temporary employment (NACE code N78). The disclosures for 2024 were reviewed in the 2025 reporting year and, where factually required, adjusted based on more precise definitions regarding how many persons were classified as non-employees. As a result, the number of self-employed individuals was corrected to 188, and the total number of non-employees for 2024 was corrected to 336. The metrics are described in more detail in Chapter "MDR-M – Metrics in relation to material sustainability matters under S1".

The data is collected in the Group-wide ESG data platform in accordance with defined descriptions. Local definitions may differ depending on national laws.

3.2.8. S1-8 – Collective bargaining coverage and social dialogue

This chapter provides an overview of the coverage of the company's own workforce by collective agreements and employee representatives in various regions. Both the percentages of employees bound by collective agreements within and outside the EEA and representation by employee representatives are considered. The existence of agreements with European Works Councils is also discussed. Countries are shown in which the company has at least 50 employees who account for at least 10% of the company's total number of employees. 33.5% of the total workforce were covered by collective agreements as of December 31, 2025, in 2024 it was 32.9%. The disclosures for 2024 were reviewed in the 2025 reporting year and, where factually required, adjusted based on more precise definitions regarding how many persons were covered by collective bargaining agreements. As a result, the share of employees covered by collective bargaining agreements for 2024 was corrected to 32.9%.

COVERAGE RATE	TARIFF COVERAGE	SOCIAL DIALOGUE
	Employees – EEA (for countries with >50 employees, representing >10% of the total workforce)	Employees – non-EEA (estimate for regions with >50 employees, representing >10% of the total workforce)
		Workplace representation (in EEA only) (for countries with >50 employees, representing >10% of the total workforce)
0–19%	Germany	-
	Hungary	Hungary
20–39%	-	-
		Austria
40–59%	-	-
60–79%	-	-
		Germany
80–100%	Austria	-

The proportion of employees covered by a collective agreement is recorded annually in the ESG data tool and calculated using the following formula: (number of employees covered by collective agreements divided by total number of employees) multiplied by 100. The proportion of employees working in companies with employee representatives is calculated using the following formula: (number of employees in companies with employee representatives divided by total number of employees) multiplied by 100.

There is no agreement with employees on representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE) Works Council.

3.2.9. S1-9 – Diversity Metrics

In this section, the diversity metrics in terms of age groups and gender distribution at top management level are presented. The background explanation of the methods and figures is described in Chapter “MDR-M – Metrics in relation to material sustainability matters.”

The following table shows the age group distribution of employees as of reporting date December 31:

ALL EMPLOYEES	2025		2024	
	HEADCOUNT	PERCENTAGE	HEADCOUNT	PERCENTAGE
Age group <30	929	12%	1,117	14%
Age group 30–50	3,628	49%	3,964	49%
Age group >50	2,898	39%	2,964	37%
Total number of employees	7,455	100%	8,045	100%

The top management level comprises managing directors, business unit heads, area managers and, where appropriate, interim managers. The following tables contain metrics to illustrate the gender distribution as of reporting date December 31:

EMPLOYEES AT TOP MANAGEMENT LEVEL	HEADCOUNT 2025	PERCENTAGE 2025	HEADCOUNT 2024	PERCENTAGE 2024
Female	36	18%	40	20%
Male	160	82%	165	80%
Other gender	0	0%	0	0%
Not specified	0	0%	0	0%
Total number of employees at top management level	196	100%	205	100%

3.2.10. S1-10 – Adequate wages

To ensure that no employee is paid less than the minimum wage, the lowest wage was calculated for the lowest pay category based on basic income and fixed additional payments but not including interns and trainees. For each country, this figure was compared with the relevant reference values – in the EEA, with the minimum wage set in accordance with EU Directive 2022/2041 or, if not available, with 60% of the median wage or 50% of the average wage. For countries outside the EEA, the comparison was made with national or international minimum wage standards, including recognized benchmarks such as those from the Wage Indicator Foundation. The measurement of this metric has not been validated by any entity other than the assurance provider.

The review confirmed that as of December 31, 2025, all employees receive at least the respective minimum wage, same as in 2024.

3.2.11. S1-12 – Persons with disabilities

Kontron places great importance on accessibility and health protection in order to create an inclusive working environment. The following overview shows the number of employees with disabilities within the workforce:

AS OF DECEMBER 31 OF THE FINANCIAL YEAR	2025		2024	
	HEADCOUNT	PERCENTAGE OF TOTAL EMPLOYEES	HEADCOUNT	PERCENTAGE OF TOTAL EMPLOYEES
Female	91	3.3%	96	3.2%
Male	109	2.3%	101	2.0%
Other gender	0	0.0%	0	0.0%
Not specified	0	0.0%	0	0.0%
Total	200	2.7%	197	2.4%

As of December 31, 2025, the number of employees with disabilities was recorded and broken down by gender. The definition of disability is based on the UN Convention on the Rights of Persons with Disabilities. Further information can be found under "MDR-M – Metrics in relation to material sustainability matters under S1". It has not undergone external validation.

3.2.12. S1-13 – Training and skills development metrics

This chapter provides an overview of performance reviews as well as training and development measures for employees. This includes considering participation rates in regular performance and career development interviews and the average number of training hours per person and by gender. The disclosures for 2024 were reviewed in the 2025 reporting year. It was identified that the figures for female and male employees had been reversed. This was corrected in the 2025 report.

The training hours attended by employees were calculated as follows: The total number of training hours completed by employees per gender category was divided by the total number of employees per gender category. The total number of employees as of December 31, 2025, which is specified in the ESRS S1-6 disclosure requirement, was used for the overall average number of training hours and the average by gender (see chapter S1-6 – Characteristics of the undertaking's employees).

The following overview shows the figures for performance reviews and average training hours as of December 31, 2025:

**EMPLOYEES WHO HAVE TAKEN PART IN
REGULAR PERFORMANCE AND CAREER
ASSESSMENTS**

	2025		2024	
	HEADCOUNT	% OF TOTAL EMPLOYEES	HEADCOUNT	% OF TOTAL EMPLOYEES
Female	1,650	60%	1,467	49%
Male	2,914	62%	2,556	51%
Other gender	0	0%	0	0%
Not specified	0	0%	0	0%
Total	4,564	61%	4,023	50%

**EMPLOYEE TRAINING
HOURS**

	2025		2024	
	TOTAL HOURS	HOURS PER PERSON	TOTAL HOURS	HOURS PER PERSON
Female	20,587	8.92	18,640	6.17
Male	61,518	14.50	56,663	11.28
Other gender	0	0.00	0	0.00
Not specified	0	0.00	0	0.00
Total	82,105	12.44	75,303	9.36

3.2.13. S1-14 – Health and safety metrics

This chapter provides an overview of health and safety at work. It includes workforce coverage through regulations on occupational safety management systems, the number of work-related accidents and cases of ill health as well as the resulting absences and fatalities – both for employees and non-salaried employees (collectively referred to as the “own workforce”). All companies follow local regulations for health and safety management systems. In addition, 21.7% of these companies are certified in accordance with ISO 45001 or an equivalent standard as of December 31, 2025, which thus accounts for around 1,616 people in the respective workforce. In 2024, all companies complied with local regulations for occupational health and safety management systems; in addition, 20.8% of employees were certified to ISO 45001 or an equivalent standard (1,672 employees). The disclosures for 2024 were reviewed in the 2025 reporting year and, where factually required, adjusted based on more precise definitions regarding the number of sites certified according to ISO 45001 or an equivalent standard. As a result, the number of employees at sites certified according to ISO 45001 or an equivalent standard was corrected to 1,672 persons, corresponding to 20.8%.

The chapter “MDR-M – Metrics in relation to material sustainability matters” describes the methods and assumptions used, the validation of the data, and the definition of each metric. There was no external validation of the data.

DESCRIPTION	UNIT	FINANCIAL YEAR 2025	FINANCIAL YEAR 2024
Recordable work-related accidents within the company's own workforce	Number	38	32
Proportion of recordable work-related accidents among own workforce (per 1,000,000 hours worked)	%	3.13	2.33
Number of fatalities in the own workforce due to work-related accidents and work-related ill health	Number	0	0
Number of fatalities as a result of work-related accidents and work-related ill health of other workers working at company locations	Number	0	0
Percentage of people in the own workforce covered by a health and safety management system based on legal requirements and (or) recognized standards or guidelines	%	99.1%	99.4%

Existing occupational health and safety management systems are based on the ISO 45001 standard. This internationally recognized standard sets requirements for an occupational safety and health management system and provides a structured framework for identifying, minimizing, and controlling work-related risks. Internal auditing is carried out in accordance with the requirements defined in ISO 45001 to ensure compliance with standards and continuous improvement of the system. In addition, external certification can be carried out by accredited testing organizations, which verify the effectiveness and compliance of the management system.

The proportion of reported work-related accidents in the total workforce is calculated as follows: Number of recordable work-related accidents in the organization's own workforce divided by hours worked in the reporting period, multiplied by 1,000,000.

The percentage of people in the organization's own workforce who are covered by a health and safety management system based on legal requirements and (or) recognized standards or guidelines is calculated as follows: The number of people in the organization's own workforce who are covered by the management system is divided by the number of people in the total workforce and multiplied by 100.

3.2.14. S1-16 – Compensation metrics (pay gap and total remuneration)

The gender pay gap was calculated in accordance with the requirements of AR 98 and amounts to 37.3% as of December 31, 2025 (value in 2024: 34.18%). The calculation was made using the following formula: The average gross hourly earnings of male employees minus the gross hourly earnings of female employees divided by the average gross hourly earnings of male employees multiplied by 100. The gender pay gap results primarily from the fact that Kontron is a company engaged mainly in engineering. Since Kontron currently employs significantly fewer female engineers than male ones, the higher salary generally awarded to such specialists is reflected in Kontron's salary structures.

In 2025, the adjusted gender pay gap was calculated for the first time and stands at 18.4%. The calculation was based on a division of salaries into four career levels: untrained workers, skilled workers, middle and lower management, and top management. In addition, distinctions were drawn between countries to take account of differences in national salary levels. The calculation of the adjusted gender pay gap was carried out within the defined subgroups based on career level and country. Countries with a small number of employees and comparable purchasing-power levels were grouped into three regional clusters (in total 10% of the workforce; Country Group 1: Asia, Country Group 2: Bulgaria and Macedonia, Country Group 3: Belgium, the United Kingdom, Portugal, Switzerland). The background for this was that within these subgroups only one gender was represented, and therefore no gender-specific comparative values were available for calculating the gender pay gap. Subsequently, all calculated gender pay gaps of the individual subgroups were weighted by the respective number of employees and combined into an overall value for the Group. Career levels used:

- › Untrained workers: Production workers who perform practical work on essential operational tasks in their field.
- › Skilled workers: Qualified employees with professional training or expertise – including office workers.
- › Middle and lower management: Executives such as department heads, team leaders, technical managers, project managers or instructors who manage teams or projects and act as a link between employees and top management levels.

- › Top management: Executives such as managing directors, heads of business units, department heads and interim managers who are responsible for strategic decisions and general business conduct.

The total annual remuneration of employees includes the basic salary for regular working hours and additional payments such as stand-by time, Sunday and public holiday work, Christmas and vacation pay. There are also variable remuneration components such as performance-based bonuses, overtime pay and shift bonuses, as well as statutory and voluntary severance payments. Other components include employer contributions to company pension plans and additional benefits in cash or in kind, including private use of company cars, private health insurance, fitness programs, food and housing allowances, and long-term incentives such as stock options and cash bonuses. It is currently not possible to assess the fairness of remuneration or analyze it in relation to gender. The quantitative breakdown of the individual remuneration components (e.g., percentage shares or average values) can be found in the remuneration report.

As of December 31, 2025, the total annual remuneration ratio of the highest paid individual to the median total annual remuneration of all employees is 14.95 (in 2024 at 14.03). The total annual remuneration ratio is calculated as follows: Total annual remuneration of the highest paid individual in the Group divided by the median of the total annual remuneration of all employees in the Group (excluding the highest paid individual). This means that, as of December 31, 2025, the highest paid person in the company earns 14.95 times the median annual total remuneration of all employees (in 2024 14.03 times). This ratio shows the income gap within the company and provides insight into the remuneration structure.

3.2.15. S1-17 – Incidents, complaints and severe human rights impacts

This chapter provides an overview of incidents, complaints, and violations in the area of social and human rights aspects within the workforce. It includes reported cases of discrimination, reports filed via complaint channels, and possible sanctions or compensation payments. The data collected is based on reports received via internal and external complaint channels such as the whistleblower platform (see Chapter 3.1 "Comprehensive information on social issues (S1, S2): Whistleblower system)". All complaints submitted are reviewed in accordance with established internal processes defined in Group policies and, if necessary, verified through independent investigations.

During the reporting period, the whistleblower platform received no information relating to human rights.

The overview shows incidents and violations of human rights issues within the workforce:

AS OF DECEMBER 31	UNIT	FINANCIAL YEAR 2025	FINANCIAL YEAR 2024
Total number of reported cases of discrimination including harassment	Number	0	1
Number of complaints filed through channels through which people within the organization's own workforce can raise concerns	Number	0	1
Number of complaints filed through national contact points	Number	0	0
Total amount of significant fines, sanctions, and compensation payments relating to discrimination, including harassment	EUR	0	0
Number of serious human rights incidents involving the organization's workforce	Number	0	0
Number of serious human rights incidents involving the Organization's workforce that violate the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guiding Principles for Multinational Enterprises	Number	0	0
Total amount of significant fines, sanctions, and compensation payments related to serious human rights incidents involving the organization's workforce	EUR	0	0
Number of serious human rights incidents in which the organization has taken on a role in corrective action	Number	0	0

3.2.16. MDR-M – Metrics in relation to material sustainability matters under S1

This chapter provides an overview of material sustainability metrics on social issues relating to the organization's own workforce and their collection. It outlines the methods and assumptions used, data validation processes, and definitions of metrics. No external validation of the figures was carried out.

METRICS	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
MDR-M-76	MDR-M-77	MDR-M-77a	MDR-M-77b	MDR-M-77c
Headcount	Number	Data collection from locations as of December 31, 2025 in the ESG reporting tool. No limit.	Internal local finance department and headquarters	Number of respective individuals
Employees	Number of persons	Data collection from locations as of December 31, 2025 in the data tool. All employees in an employment relationship with the company were included (including inactive employees, apprentices, and interns)	Internal local finance department and headquarters	The metric "employees" includes all persons in an employment relationship in accordance with national legislation or practice, divided into permanent employees, temporary employees, and non-guaranteed hours employees. Non-salaried employees are freelancers or workers provided by staffing agencies. External service providers and relationships with persons acting as suppliers only are not included.
Non-salaried persons	Number of persons	Data collection from locations as of December 31, 2025 in the data tool	Internal local finance department and headquarters	Contractors who have concluded a contract with the company for the provision of work services ("self-employed persons"), or persons provided by companies working primarily in the area of worker placement "employment activities" (NACE code N78).
Company's own workforce / employees	Number of persons	Data collection from locations as of December 31, 2025 in the data tool	Internal local finance department and headquarters	Workers in an employment relationship with the company ("employees") and non-salaried workers who are either sole traders who provide workers to the company ("self-employed") or persons provided by enterprises primarily engaged in worker placement "employment activities" (NACE code N78).
Percentage of people covered by collective agreements	Percentage	Data collection from locations as of December 31, 2025 in the data tool	Internal (headquarters)	Percentage of the total workforce covered by collective agreements as of December 31, 2025. Countries are shown in which the company has at least 50 employees who account for at least 10% of the company's total number of employees.

METRICS	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Employees covered by tariff coverage (EEA)	Number of persons	Data collection from locations as of December 31, 2025 in the ESG reporting tool. No limit.	Internal local finance department and headquarters	Number of persons in this category covered by tariff coverage. Collective agreements are negotiations between employers or their organizations and employee representatives or trade unions with the aim of establishing binding rules for working and employment conditions and relations between the parties.
Employees covered by tariff coverage (non-EEA)	Number of persons	Data collection from locations as of December 31, 2025 in the ESG reporting tool. No limit.	Internal local finance department and headquarters	Number of persons in this category covered by tariff coverage outside of the EEA. Collective agreements are negotiations between employers or their organizations and employee representatives or trade unions with the aim of establishing binding rules for working and employment conditions and relations between the parties.
Employees with employee representation at work (EEA)	Number of persons	Data collection from locations as of December 31, 2025 in the ESG reporting tool. No limit.	Internal local finance department and headquarters	Number of persons in this category with employee representation at work. Employee representatives are representatives elected or appointed by trade unions who act independently of the employer and represent the interests of employees in accordance with national law and practice.
Case figures	Number of persons	Data collection from locations as of December 31, 2025 in the ESG reporting tool.	Internal local managers and headquarters	Case figures, for example of accidents involving accidents.
Training hours	Hours	Data collection from locations as of December 31, 2025 in the ESG reporting tool.	Internal local managers	Hours of corporate initiatives aimed at maintaining and/or improving skills and knowledge.
Performance review	Number of persons	Data collection from locations as of December 31, 2025 in the data tool	Internal local managers	Review at least once a year based on criteria known to employees and their supervisors (with employees' knowledge). The review may include an assessment by the employee's immediate superior, peers, or a wider range of employees.
Top management	Number of persons	Data collection from locations as of December 31, 2025 in the data tool	Internal local managers	Top management level: managing directors, business unit heads, area managers and, if applicable, interim managers.

METRICS	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Gender pay gap	Percentage	Data collection from locations as of December 31, 2025. Average gross hourly earnings of male employees minus gross hourly earnings of female employees divided by the average gross hourly earnings of male employees multiplied by 100.	Internal validation	Earnings gap per hour between women and men without taking into account the different career levels or qualifications.
Employees with disabilities	Number of persons	Data collection from locations as of December 31, 2025 in the data tool. Disabilities are defined and recognized in accordance with national legal regulations.	Internal local managers	People who have long-term physical, emotional, mental, or sensory disabilities which, in interaction with various barriers, can prevent them from participating in society on an equal footing.
Recordable work-related accidents involving employees	Number	Recording based on internal accident reports and legal reporting requirements as of December 31, 2025	Internal health and safety reports	Work-related injuries that result in fatalities, lost workdays, reduced work capacity, temporary reassignment, or medical treatment beyond first aid were recorded as reportable workplace accidents. Incidents not caused by work or workplace hazards are not recorded as workplace accidents.
Rate of recordable work-related accidents among own workforce	Percentage	Ratio of recordable work-related accidents to the total number of employees as of December 31, 2025	Internal statistics	Proportion of reported work-related accidents in the total workforce.
Number of fatalities in the company's own workforce due to work-related accidents and work-related ill health	Number	Data collection from locations as of December 31, 2025 in the ESG reporting tool. Documentation of fatalities in a work context, based on internal reports.	Internal accident reports	Number of fatal work-related accidents and instances of work-related ill health in the company's own workforce
Number of fatalities as a result of work-related accidents and work-related ill health of other workers working at company locations	Number	Data collection from locations as of December 31, 2025 in the ESG reporting tool. Recording of external work-related accidents in direct connection with company locations	Reports from contractors, internal reports	Number of fatalities of external personnel due to work-related accidents or work-related ill health at company locations.
Percentage of people in their own workforce covered by a health and safety management system based on legal requirements and (or) recognized standards or guidelines	Percentage	Calculation based on the number of employees covered by the management system in relation to the total workforce as of December 31, 2025	Certifications (e.g. ISO 45001), internal audits	Proportion of the workforce covered by a certified health and safety management system.
Total number of reported cases of discrimination	Number	Data collection from the Compliance Department systems as of December 31, 2025 in the ESG reporting tool. Assumption of completeness and limitation to existing data.	Internal Compliance Department	Number of all reported incidents of discrimination in the company.

METRICS	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Number of complaints filed through channels through which people within the organization's own workforce can raise concerns	Number	Data collection from the Compliance Department systems as of December 31, 2025 in the ESG reporting tool. Assumption of completeness and limitation to existing data.	Internal Compliance Department	Number of complaints filed. Human rights or labor rights complaints include formal submissions to national contact points on issues such as discrimination, working conditions, or violations of international standards.
Number of complaints filed through national contact points	Number	Data collection from the Compliance Department systems as of December 31, 2025 in the ESG reporting tool. Assumption of completeness and limitation to existing data.	Internal Compliance Department	Number of formal complaints to national contact points relating to human rights or working conditions.
Total amount of significant fines, sanctions, and compensation payments relating to discrimination, including harassment	EUR	Data collection from the Compliance Department systems as of December 31, 2025 in the ESG reporting tool. Assumption of completeness and limitation to existing data.	Internal Compliance Department	The sum of all financial penalties, fines and compensation due to discrimination or harassment of employees.
Number of serious human rights incidents involving the organization's workforce	Number	Data collection from the Compliance Department systems as of December 31, 2025 in the ESG reporting tool. Assumption of completeness and limitation to existing data.	Internal Compliance Department	Number of documented serious human rights violations affecting the company's own workforce.
Number of serious human rights incidents involving the Organization's workforce that violate the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guiding Principles for Multinational Enterprises	Number	Data collection from the Compliance Department systems as of December 31, 2025 in the ESG reporting tool. Assumption of completeness and limitation to existing data.	Internal Compliance Department	Number of incidents in the workforce that violate international standards such as UNGPs, ILO principles or OECD guidelines.
Total amount of significant fines, sanctions, and compensation payments related to serious human rights incidents involving the organization's workforce	EUR	Data collection from the Compliance Department systems as of December 31, 2025 in the ESG reporting tool. Assumption of completeness and limitation to existing data.	Internal Compliance Department	Sum of all financial sanctions, fines and compensation due to serious human rights violations.
Number of serious human rights incidents in which the organization has taken on a role in corrective action	Number	Data collection from the Compliance Department systems as of December 31, 2025 in the ESG reporting tool. Assumption of completeness and limitation to existing data.	Internal Compliance Department	Number of cases of serious human rights violations where the organization has actively taken corrective action.

3.3. ESRS S2 – Workers in the Value Chain

3.3.1. S2-1 – Policies related to workers in the value chain

The interests and views of stakeholders are explained in SBM-2. In the SCoC, Kontron obliges its suppliers in the upstream and downstream value chain to comply with international labor and human rights standards in accordance with the material IRO “S2 – Working Conditions.” The SCoC applies to all relevant procurement and delivery activities, regardless of where in the world these take place; no exceptions are made on the grounds of geography or practice.

The SCoC covers all workers in the value chain and is not limited to specific groups. In particular, it covers workers in a direct employment relationship with suppliers, workers employed by third parties and employees of subcontractors. The SCoC places particular emphasis on worker safety, protection against precarious employment, human trafficking, forced and child labor, and compliance with basic labor rights such as freedom of association, collective bargaining and safe working conditions. The SCoC requires suppliers to comply with international human rights and labor standards and thus addresses the actual and potential impacts on workers in the value chain (“working conditions”) identified as material in the materiality analysis. These include in particular the potential or actual negative impacts of forced/compulsory labor, modern slavery and human trafficking, child labor, discrimination and harassment, unacceptable working hours, inadequate pay, restrictions on freedom of association and collective bargaining, insufficient safety in the workplace, and inappropriate working conditions and (if applicable) accommodations.

These impacts result in material risks for Kontron, especially in connection with suppliers in increased risk constellations, such as suppliers in high-risk countries with risks related to child or forced labor, or health and safety at work, single-source suppliers or suppliers with a high degree of dependency. This risk perspective is evaluated as part of an annual survey of supplier risk assessments in order to determine the current status of risk identification across the Group. At the same time, opportunities arise through consistent implementation of requirements, in particular by developing suppliers with very good results into preferred suppliers, which can promote stable and sustainable business relationships.

Suppliers must comply with implementation obligations so that the standards set out in the SCoC are implemented transparently in their own operations and along their supply chain on the basis of identified risks. They are required to establish appropriate procedures to identify, prevent, and address risks related to violations of human rights and labor standards. In particular, these include procedures for reporting violations and mechanisms to ensure that employees have access to these procedures.

In addition, Kontron also makes its Group-wide whistleblower system available to workers in the supply chain as an additional reporting channel, regardless of suppliers' obligations to operate their own legally required complaint mechanisms. Compliance with the requirements is monitored based on identified risks by means of the supplier selection, evaluation, and monitoring processes. Depending on the risk profile, Kontron uses self-assessments/questionnaires, document checks, site visits, and one-time, periodic, or ad hoc event-driven audits. In addition, dialogues and meetings are held with key suppliers to improve performance.

As an additional monitoring and escalation channel, the Group-wide whistleblower system is also open to third parties, including stakeholders in the supply chain. Reports can be submitted in writing via a secure website or orally on a telephone hotline. They are dealt with confidentially, independently, and objectively. Case management follows a defined procedure: Reports received on the platform go directly to the compliance department; the case is filed, opened, and assessed. Confirmation of receipt is issued within 24 hours and feedback on follow-up measures within three months (or six months if justified by the nature of the case). Suspected cases are appraised on the basis of a preliminary review and, if necessary, followed up with investigative measures. In the event of infringements, improvement or corrective measures are agreed with the supplier, depending on the severity and verifiability; if serious non-compliance recurs or persists, the business relationship may be terminated.

Governance and responsibility: Kontron AG's top management is responsible for implementing the strategy. The compliance and whistleblowing function provides a direct reporting line to top management to ensure independent processing and an appropriate overview.

Kontron's internal guidelines, including the SCoC, are based on international standards such as the ILO core labor standards, the United Nations Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. The SCoC is publicly available on the Kontron website and a binding component of supplier contracts, and the whistleblower system can also be used on the website.

In the reporting period, there were no reports of non-compliance with these standards in the upstream or downstream value chain.

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

Kontron does not engage in direct communication with workers in the supply chain. However, in order to take their perspectives into account, the company provides a whistleblower system that allows anonymous reports of violations (see “3.1 Comprehensive information on social issues (S1, S2): Whistleblower system”). Where legislation to this effect exists, such as supply chain legislation, Kontron undertakes to implement appropriate mechanisms in day-to-day business and operational functions such as supply chain, purchasing, and quality management, to systematically incorporate relevant perspectives. The Kontron Group SCoC applies worldwide to all suppliers and their employees, including the particularly vulnerable groups along the entire upstream and downstream value chain, without geographical restrictions or exclusions. It requires compliance with international standards such as the UN Guiding Principles on Business and Human Rights, the ILO Core Labor Standards and the OECD Guidelines, as well as on topics such as human rights, working conditions, health and safety, environmental responsibility, and ethical business practices. The SCoC thus addresses the central IROs “Work-related health and safety accidents and injuries in the value chain” by prescribing safe working conditions and introducing risk prevention procedures, and also addresses “Violations of human rights affecting workers in the value chain” by banning child labor, forced labor, and human trafficking and by ensuring basic labor rights such as freedom of association and collective bargaining. Suppliers must also pass on these principles to sub-suppliers and ensure their implementation through processes such as risk analyses and audits.

The whistleblower system remains available at all times, allowing submissions at any stage of business operations. The frequency of its use depends on the nature and number of reported incidents or concerns. The Compliance and Legal Affairs Department is responsible for ensuring that insights gained from the whistleblower system are incorporated into the company's strategies. The Chief Compliance Officer holds operational responsibility and provides regular updates on reported issues and corresponding measures to the Executive Board.

When awarding public contracts or contracts to industrial clients, the company ensures that fundamental labor and social standards are upheld. These standards are based on: the International Labor Organization (ILO) agreements, the principles of the UN Global Compact, or the applicable national laws of the country of manufacture. By adhering to these frameworks, Kontron affirms its commitment to respecting human rights throughout the supply chain and ensuring compliance with both international and national regulations.

Currently, Kontron does not have dedicated processes in place for systematically assessing collaboration with workers including the particularly vulnerable groups in the supply chain. Nevertheless, the company offers a whistleblower system that is accessible to all individuals involved in the supply chain. Reports received through this system help identify potential risks or violations, enabling the company to develop and implement appropriate countermeasures.

If legal requirements, such as the Supply Chain Due Diligence Act, apply to Kontron in the future, the company will implement appropriate mechanisms, such as software for supplier management in accordance with the law, in order to systematically assess the effectiveness of cooperation and compliance with standards.

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

Kontron follows a clearly structured approach: If the requirements in the SCoC differ, plans of action are drawn up and agreed with the suppliers, and their implementation is monitored. Serious violations of the SCoC, such as involvement in child labor, result in the immediate termination of the partnership. In these cases, Kontron will also inform affiliated companies of the facts.

The Group-wide whistleblower system allows anonymous reporting of violations (see “3.1 Comprehensive information on social issues (S1, S2): whistleblower system” and G1-1). In addition to the Group’s own channels and suppliers’ channels, Kontron also accepts third-party mechanisms, such as those provided by governments, NGOs, or industrial associations. This gives all workers in the value chain additional access to channels for submitting complaints.

Kontron’s whistleblower system allows not only internal employees but also third parties, including external stakeholders such as workers in the value chain, to report concerns or violations anonymously and securely via a protected website or a telephone hotline. As stipulated in the Kontron SCoC, suppliers are required to establish their own grievance mechanisms, ensuring their workforce has a secure and confidential channel for reporting concerns or violations. When concerns arise regarding compliance, Kontron assesses supplier adherence to this requirement through a supplier questionnaire that inquires about the setup and operation of their complaint mechanisms.

Additionally, suppliers may be asked to submit self-assessments confirming their compliance with the prescribed standards. In certain cases, Kontron may request supplementary documentation or proof to verify that the necessary requirements have been properly implemented.

Kontron evaluates the effectiveness of the whistleblower system through structured case management, documented follow-up of reported concerns, and regular analysis of corrective measures. The results of the investigations are used to specifically promote structural improvements in the company, in particular through an increased review of employees’ power to act and a systematic strengthening and expansion of the multiple control structure. The whistleblower system received three reports, all of which concerned the same matter. One of the measures taken as a result was to strengthen the implementation of the dual-control principle within the company and to monitor compliance with it more closely.

Relevant business units are involved in the implementation and assessment of the derived measures. Based on identified risks, such as infringements of the multiple control structure, Kontron Group Policy "Signature and Authorization" is one aspect that was revised and more widely communicated to ensure consistent implementation of the two-person rule.

3.3.4. S2-4 – 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

To strengthen the Group-wide sustainability strategy, a structured process was carried out as part of a project to define ESG targets. The IROs identified in the DMA for S2 were discussed with the Compliance Office, and existing and necessary actions were defined as described in the table. Kontron takes these measures to avoid causing or contributing to material negative impacts on workers through its own business activities or through business relationships within the value chain. This applies in particular to procurement processes and collaboration with suppliers. In situations where there are potential trade-offs between preventing or mitigating negative impacts and meeting economic requirements, human-rights-related and labour-related minimum standards are prioritised and considered with the involvement of the compliance function.

No significant investment or operating expenditure is planned for the actions described, either at the present time or in the future. For managing the material impacts, existing personnel resources in the areas of compliance, sustainability and procurement are utilised. The measures are integrated into existing processes and, at Group level, are not material in the current status quo. Nor are there any associated sustainable finance instruments or dependencies on external requirements. The actions include the Group-wide assessment of all Kontron companies with respect to EU policies regarding minimum safeguards, which was carried out for the first time in 2025 and will be conducted annually in the future, as well as the integration of key suppliers into the SCoC from 2026. Both initiatives relate to Kontron's own operations and are designed as ongoing measures. Kontron monitors the effectiveness of the measures qualitatively. This is done through the regular execution of assessments, the identification of potential gaps, and the follow-up of defined improvement measures. The base period is the year in which each respective measure was carried out for the first time. The objective is the continuous improvement of compliance with human-rights-related and labour-related minimum standards.

The measures follow a preventive approach and aim to identify and manage material negative impacts on workers in the value chain at an early stage. This is achieved through systematic assessments of the company's own operations as well as through the definition and communication of binding minimum standards towards suppliers. The provision of remediation is not applicable. Beyond preventing negative impacts, the initiatives contribute to the promotion of positive effects in the value chain, particularly by increasing transparency, raising awareness of human rights issues and strengthening responsible business practices.

During the reporting period, a key implementation milestone was reached with the first Group-wide assessment of EU minimum safeguard practices (EU Taxonomy Regulation). In addition, the prerequisites were established for the systematic inclusion of key suppliers in an assessment and the SCoC. Identified gaps in the assessment of minimum safeguard practices will be gradually addressed from 2026 onwards. The assessment will be repeated annually to ensure the continuous development of processes and a sustainable improvement in compliance with the EU minimum safeguard practices.

ACTION	Evaluation of all Kontron companies with respect to EU policies regarding minimum safeguards
ESRS STANDARD	S2
RELATED IROS	Work-related health and safety accidents and injuries in the value chain; Violations of human rights affecting workers in the value chain
RELATED POLICIES	None
RELATED TARGETS	None
BRIEF DESCRIPTION	In 2025, Kontron carried out a Group-wide assessment for the first time to examine all companies with respect to the requirements of EU minimum safeguards. The companies were required to complete a questionnaire that assessed their practices on critical issues such as child labor, forced labor, health and safety, freedom of association, discrimination, fair employment, and effects on local communities. In addition, they were required to provide detailed information on whether and how they assess and manage risks associated with their direct suppliers in these areas and with regard to bribery and corruption. Potential deficits were identified, and confirmed deficits will be remedied in 2026. In future, this evaluation will be carried out annually to support Kontron's compliance with EU policies regarding minimum safeguards.
SCOPE	Own business activities (all fully consolidated companies)
TIME FRAME	Ongoing

No severe human rights incidents or complaints related to Kontron's upstream or downstream value chain were reported or identified during the reporting period.

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

To strengthen the Group-wide sustainability strategy, a structured process was carried out as part of a project to define ESG goals. The IROs identified in the DMA for S2 were discussed with the Compliance Office and the head of IT.

No measurable, results-oriented targets were defined for topics related to workers in the value chain. The reason for this is that the implementation is beyond Kontron's direct control and setting quantitative target values would give a distorted picture of actual control options. Instead, the company focuses on implementing effective measures to improve working conditions in the value chain. This includes evaluating all Kontron companies with respect to their compliance with EU policies regarding minimum safeguards and involving key suppliers in the Supplier Code of Conduct.

Since no quantitative targets have been set, there is no baseline, no target period, and no interim targets. Further, no environmental or scientific thresholds were defined. Stakeholders, including workers in the value chain or their representatives, were not directly involved in setting the targets. The measures are based on EU policies regarding minimum safeguards and the Supplier Code of Conduct, which serve as reference standards.

4. Governance Information

4.1. ESRS G1 – Business Conduct

4.1.1. G1-1 – Business conduct policies and corporate culture

Maintaining a modern compliance management system (CMS) is a central part of Kontron's business conduct and ESG strategy. Compliance with the highest ethical and legal standards is Kontron's fundamental principle for building trust with stakeholders, ensuring full compliance with legal regulations, and protecting the company's reputation and integrity.

The compliance management system is overseen by a coordinated compliance management team at headquarters which works closely with local compliance officers to ensure comprehensive monitoring and uniform enforcement in all countries and at all levels of the company. The team is led by Kontron's General Counsel, who reports directly to the Executive Board and Supervisory Board. This arrangement ensures both independence and a direct reporting line to the highest bodies, guaranteeing the highest standards of compliance monitoring.

The key IRO with relevance for G1, business conduct, concerns "cybersecurity threats to operations and data breaches." Cyberattacks on Kontron's information and operational technology, and the malicious or accidental transfer or loss of company data, could lead to the disclosure and dissemination of confidential and sensitive information and result in material and immaterial damage. In addition, financial penalties, damage to the company's image, and lost stakeholder trust can result in higher costs and lower revenue.

The key elements of Kontron's compliance management system (CMS) include a variety of preventive measures aimed at proactively managing risks such as this key IRO and ensuring compliance with regulations:

- › Regular and comprehensive compliance training, which ensures that employees are entirely familiar with legal and ethical standards.
- › Ongoing monitoring and regular audits to ensure compliance with in-house regulations and legal requirements.
- › Systematic risk analyses to identify and mitigate potential vulnerabilities before they can escalate.

The CMS also integrates clear guidelines for reporting concerns and suspicions to promote a culture in which employees feel encouraged to address issues confidentially and in a safe environment. These measures not only support early detection and prevention of violations, but also promote a culture of integrity, transparency, and continuous improvement across the organization.

Thorough documentation and recording of compliance activities demonstrates responsibility, while regular communication about compliance initiatives ensures that all employees are involved and aware of their role in promoting ethical conduct. These elements create a solid foundation that protects the integrity of the company and minimizes compliance risks.

Kontron sets out its corporate culture in the CoC which, among other things, requires transparency, ethical conduct, respect of human rights, and fair business practices. The CoC and the whistleblower system, for which a company policy also exists, apply to all Kontron employees, regardless of their position or function in the company. Both the CoC and the whistleblower platform are available on the Kontron website for anyone wishing to have more information. To consolidate these policies, further measures were defined, such as regular training programs and the DEI Policy. Programs for the advancement of women (e.g., Sustainable Leadership Academy, WEPS) and LGBTQ+ inclusion contribute to a more inclusive environment. The culture is evaluated by means of employee surveys and ESG reporting tools, the results of which are translated into concrete measures for further development and improvement.

Code of Conduct (CoC)

The CoC describes the Kontron Group's high standards of integrity and stipulates the behavior expected of all employees. It serves to promote honest and ethical business conduct toward all relevant stakeholders. The CoC applies to all employees of Kontron AG and its consolidated subsidiaries, including the Executive Board and local management in the legal entities.

All employees are responsible for compliance with the CoC. The Compliance Office, which reports directly to the Executive Board of Kontron AG, is responsible for monitoring compliance within the Kontron Group.

The CoC expressly addresses conduct toward external stakeholders, including customers, suppliers, contractors, competitors, authorities, and the public. This document does not describe the integration of external initiatives or standards.

Key stakeholders include employees, customers, suppliers and contractors, shareholders, government agencies, regulators, and the general public.

The Code of Conduct is binding across the Group and is available to the general public. It can be viewed by employees and external interested parties on the Kontron Group company website. It is also displayed as a printout in the break rooms of the individual locations. The CoC and SCoC also contain clear animal welfare guidelines. Kontron is committed to complying with relevant laws and is strictly opposed to animal cruelty. Suppliers and business partners must also comply with these standards.

Whistleblower policy

The Whistleblower Policy sets out the procedures for protected reporting and describes the Kontron Group's Group-wide whistleblower system. It enables suspected misconduct and violations of the CoC, internal guidelines, or applicable laws to be reported anonymously or mentioning names.

The Whistleblower Policy applies to the Kontron Group in its entirety and can be used by employees and third parties. It includes reports on topics such as corruption, human rights, ESG, discrimination, data protection, IT security, safety at work, and other compliance-related issues.

The Compliance Office is responsible for setting up and implementing the whistleblower system as well as for case management. Depending on the nature of the case, it works with Human Resources and the internal auditor and reports directly to the Executive Board of Kontron AG.

The Whistleblower Policy provides for the option of involving external lawyers or consultants with specific expertise in investigations as required. No further external initiatives or standards are mentioned.

Key stakeholders include employees, external whistleblowers (third parties), the Compliance Office, Human Resources, Internal Audit, and the Executive Board of Kontron AG.

The Group-wide whistleblower system (see chapter 3.1) allows employees and external stakeholders to report violations confidentially and anonymously. The whistleblower system is accessible via a secure, multilingual online platform on the website as well as a 24/7 telephone hotline. Additionally, the Compliance Office at headquarters can be contacted directly. Reports can be made anonymously or by name and are investigated independently, objectively, and confidentially.

All reports are reviewed by the Compliance Department together with the internal auditor or, where applicable, other functions using the two-person principle. The investigation process is structured, independent, and objective. Results are documented in concluding reports and incorporated into concrete measures.

The Group-wide Whistleblower Policy is in line with the EU Whistleblower Directive (2019/1937) and the GDPR. It sets out procedures for reporting, investigating, and processing reports as well as comprehensive protection against discrimination. The multilingual whistleblower platform, accessible to both the workforce and external stakeholders, allows confidential and anonymous reporting of violations in the following areas:

Harassment and discrimination, data protection and personal data, theft, diversity and inclusion, ESG – environmental, social and governance, money laundering, conflicts of interest, IT and cybersecurity, capital markets and insider trading, corruption, supplier and customer relations, human rights and corporate social responsibility, product safety and consumer protection, sexual harassment, violations of regulations for health and safety at work, violations of sanctions and financing of terrorism, competition and antitrust law, economic crime.

The SCoC applies in the upstream value chain, which requires all suppliers to observe transparency, ethical conduct, human rights, environmental protection, and fair business practices, regardless of which country and which industry they operate in. Our standards correspond to those of the International Bill of Human Rights, the European Convention on Human Rights and the principles in the United Nations Global Compact.

Kontron has comprehensive anti-corruption and anti-bribery policies in line with UNCAC (United Nations Convention Against Corruption). These are laid down in the CoC and the SCoC and include clear rules for gifts and invitations, a strict ban on bribery and extortion, and transparency requirements for decision-making processes.

Kontron carries out mandatory annual e-learning courses on key guidelines (including CoC, DEI, whistleblower policy). The training courses are available in several languages, can be accessed anywhere and anytime, and are documented. The aim is a harmonized understanding of ethics, integrity, and responsible action.

Functions at particular risk are defined in a training matrix and receive specific training. These include: management, finance, legal and compliance departments, HR, marketing, IT and data protection, procurement, sales, service, engineering, and parts of R&D. Training courses are held annually in several languages.

Actions and resources related to corporate governance and cybersecurity

To strengthen the Group-wide sustainability strategy, a structured process was carried out as part of a project to define ESG goals and actions. The IROs identified in the DMA for the field of governance and cybersecurity were discussed with the Compliance Office and the head of IT, and Group-wide and unit-specific cybersecurity practices were established to mitigate cyber risks. These include the continuous development of the information security policy, the standardization of internal online services, the use of multi-factor authentication, AI-based protection mechanisms, and regular penetration tests. The company also maintains a security operations center to monitor and respond to threats. These actions are supplemented by additional tests and ISO 27001-certified information security management systems at unit level and are designed for the long term.

In addition, Group-wide cybersecurity training courses are regularly offered, and will become mandatory for all employees from 2026. Attendance rates are systematically monitored to ensure that at least 90% of employees are trained by 2027. Employees in risk positions are additionally required to complete anti-corruption training every year. This training covers corporate guidelines, legal requirements, and practical examples, and is likewise monitored.

No compensation processes are required for any of the actions. Figures for CapEx or OpEx currently assigned or to be assigned in the future will be consolidated in future reports. No dependencies on external requirements exist and no sustainability-related financial instruments have been assigned.

ACTION	Cybersecurity practices and regular penetration testing
ESRS STANDARD	G1
RELATED IROS	Cybersecurity threats to operations and data breaches
RELATED POLICIES	CoC Information security policy
RELATED TARGETS	Correction of all critical penetration test results within 1 month
BRIEF DESCRIPTION	To mitigate cybersecurity risks, Kontron has established both Group-wide and company-specific practices. At Group level, these include the continuous development of the information security policy, the standardization of internal online services, the use of multi-factor authentication, AI-based protection mechanisms, and regular penetration tests. Kontron also operates its own Security Operations Center to predict and respond to cybersecurity threats. At company level, these measures are complemented by additional penetration testing, security training, and information security management systems that are ISO 27001 certified. These measures will continue for the foreseeable future.
SCOPE	Own business activities (all fully consolidated companies)
TIME FRAME	Ongoing

ACTION	Regular cybersecurity training for employees
ESRS STANDARD	G1
RELATED IROS	Cybersecurity threats to operations and data breaches
RELATED POLICIES	Information security policy
RELATED TARGETS	90% completion rate for cybersecurity training by 2027
BRIEF DESCRIPTION	Kontron currently offers Group-wide voluntary cybersecurity training for employees. These sessions are held regularly in various Group units and are intended to promote time-tested practices for managing physical and digital cyber risks in everyday working life. Some units do not participate in the Group-wide program but offer their own training courses, which have been assessed and approved by Kontron. From 2026, cybersecurity training will be mandatory for all employees. Participation and completion rates – of both the Group program and approved alternatives – are systematically monitored.
SCOPE	Own business activities (all fully consolidated companies)
TIME FRAME	Ongoing
ACTION	Annual anti-corruption training for high-risk functions
ESRS STANDARD	G1
RELATED IROS	Reputational damage and financial sanctions due to corruption and bribery
RELATED POLICIES	CoC
RELATED TARGETS	100% participation in annual anti-corruption training of all employees in risk positions
BRIEF DESCRIPTION	Employees and managers in sensitive functions must complete annual anti-corruption training in addition to annual training in Group compliance policies. Risk functions are defined on the basis of the responsibilities and risk profiles of specific roles. The training covers advanced topics such as corporate policies, legal requirements, and practical examples. Participation is mandatory and is monitored.
SCOPE	Own business activities (all fully consolidated companies)
TIME FRAME	Ongoing

Targets related to corporate governance and cybersecurity

To strengthen the Group-wide sustainability strategy, a structured process was carried out as part of a project to define ESG targets. The IROs identified in the DMA for the field of governance and cybersecurity were discussed with the Compliance Office at headquarters and the head of IT, and existing and appropriate targets were defined as described in the table.

The company has defined three key targets to minimize risks relating to information security and compliance. First, all critical results from penetration tests should be resolved within one month of receipt of the final test report. This target is ongoing and is not bound by external scenarios or political directives. Second, the target is a 90% completion rate for cybersecurity training by 2027, with an interim target of 80% by 2026. The training includes both Group-wide programs and approved alternatives at unit level. Third, full participation of all risk functions in annual anti-corruption training courses is mandatory. These training courses cover corporate guidelines, legal requirements, and practical examples.

There is no scientific basis for any of the targets, as they have no bearing on environmental issues. The definitions were reached without formal involvement of external stakeholders. There is no record of changes made to existing targets. All three actions are designed as continuous processes and are regularly monitored to ensure their effectiveness.

ACTION	Correction of all critical penetration test results within 1 month
ESRS STANDARD	G1
RELATED IROS	Cybersecurity threats to operations and data breaches
RELATED POLICIES	Information security policy
TARGET LEVEL INCL. UNIT	Rectification time < 1 month
ABSOLUTE OR RELATIVE TARGET	Absolute
SCOPE	Own business activities (all fully consolidated companies)
BASE VALUE	Not applicable
BASELINE YEAR	Ongoing (yearly)
TIME FRAME	Ongoing (yearly)
KEY ASSUMPTIONS	Results that are classified as highest priority in every penetration test report are considered critical; the time allowed for rectification starts from the date of receipt of the final penetration test report.

ACTION	90% completion rate for cybersecurity training by 2027
ESRS STANDARD	G1
RELATED IROS	Cybersecurity threats to operations and data breaches
RELATED POLICIES	Information security policy
TARGET LEVEL INCL. UNIT	90%
ABSOLUTE OR RELATIVE TARGET	Absolute
SCOPE	Own business activities (all fully consolidated companies)
BASE VALUE	Dependent on 2025 data
BASELINE YEAR	2025
TIME FRAME	2027
KEY ASSUMPTIONS	Training courses are only considered to have been completed if the test questions were answered correctly; both Group-wide and unit-specific cybersecurity training courses are included.

ACTION	100% participation in annual anti-corruption training of all employees in risk positions
ESRS STANDARD	G1
RELATED IROS	Reputational damage and financial sanctions due to corruption and bribery
RELATED POLICIES	CoC
TARGET LEVEL INCL. UNIT	100%
ABSOLUTE OR RELATIVE TARGET	Absolute
SCOPE	Own business activities (all fully consolidated companies)

BASE VALUE	Not applicable
BASELINE YEAR	Ongoing (yearly)
TIME FRAME	Ongoing (yearly)
KEY ASSUMPTIONS	Risk functions are defined annually based on the responsibilities and risk profiles of specific roles and titles.

4.1.2. G1-3 – Prevention and detection of corruption and bribery

With regard to corruption and bribery, the IRO “Reputational damage and financial penalties due to corruption and bribery” was identified. Incidents of corruption or bribery involving Kontron or its employees could result in significant reputational damage, harm the integrity of the company, and undermine stakeholder trust. Such incidents not only jeopardize business relationships, but can also result in significant financial penalties.

Kontron has a zero-tolerance policy toward corruption and bribery. For prevention, the CoC, SCoC and Group Policy “Sustainability and Compliance in the Supply Chain” contain clear guidelines which regulate, among other things, how to deal with gifts, invitations, sponsorships, donations, conflicts of interest, and other unfair advantages. Potential risk areas are identified through regular risk analyses, particularly in countries with a high CPI risk. Suspected cases are investigated and disciplinary action is taken in the event of violations. The Group-wide whistleblower system (see chapter 3.1) allows employees and external stakeholders to report violations confidentially and anonymously.

Investigations are carried out by the Compliance Management Team at the Compliance Office at headquarters together with the internal audit department. Monitoring is carried out by the independent audit committee, whose members are not involved in the management of Kontron’s business operations and are not former members of the Executive Board. This ensures an independent and objective investigation.

The Compliance Management Team at Kontron AG Headquarters reports regularly and on an ad-hoc basis to the Audit Committee, the Executive Board, and the Supervisory Board. Reporting occurs both within standardized reporting cycles and on an ad-hoc basis in the event of material incidents, such as the identification of serious violations or the exceeding of predefined thresholds.

The Kontron CoC and anti-corruption guidelines are available on the intranet, on the Kontron website and as hard copy at company locations. In addition, all employees must complete an e-learning module on the CoC. Employees without email access receive the CoC as hard copy and confirm in writing that they have read and understood it.

Kontron offers regular training on the prevention of corruption, including the “Protection against Corruption” program. The course content includes internal guidelines, legal requirements, and practical examples. The training courses are multilingual (German, English, French, Russian, Chinese). The sessions are tailored to each participant based on pre-tests to ensure that they align with their respective risk profiles and cultural contexts. During the reporting period, the risk functions defined in the training matrix were covered by the “Protection against Corruption” training program.

All Executive Board members, division managers including Finance & Administration, and country managers complete the “Protection against Corruption” training. The local compliance training administrators can also suggest other people as participants in anti-corruption training. The course content is tailored to their specific responsibilities and risks.

TRAINING COVERAGE	HIGH-RISK FUNCTIONS	AS OF MANAGERS
Total number	1,603	134

TRAINING COVERAGE	HIGH-RISK FUNCTIONS	AS OF MANAGERS
Number of people trained	1,589	134
The percentage of high-risk functions covered by training programs	99%	8%
Face-to-face training	Courses held locally	Courses held locally
Computer-based training	Approx. 45 minutes processing time/employee	Approx. 45 minutes processing time/employee
Voluntary computer-based training	Held when needed	Held when needed
Required training frequency	Yearly	Yearly
Definition of corruption	yes	yes
Policies	yes	yes
Suspicion/Detection Procedures	yes	yes
Miscellaneous	yes	yes

4.1.3. G1-4 – Incidents of corruption or bribery

As far as the Executive Board is aware, there were no incidents of corruption or violations in the reporting period that may have repercussions for the Group. No cases became known that had material negative impacts (financial, legal, reputational) or required specific corrective action.

In 2025, corruption prevention measures were further expanded. The completion rate of 98.94% for the "Protection against Corruption" training program demonstrates the growing awareness of compliance issues across the company. In 2024, 97% of the participants completed the training.

AS OF DECEMBER 31	UNIT	2025	2024
Number of convictions for breaches of corruption and bribery rules	Number	0	0
Amount of fines for breaches of corruption and bribery rules	EUR	0	0
Total number of confirmed corruption or bribery cases	Number	0	0
Number of confirmed cases of in-house workers being dismissed or disciplined for corruption or bribery	Number	0	0
Number of confirmed cases involving contracts with business partners that were terminated or not renewed due to breaches related to corruption or bribery	Number	0	0

All suspected cases are examined by the Compliance Office in accordance with defined guidelines, involving external experts if necessary. Confirmed violations lead to consequences under labor law, with termination of employment or involvement of authorities as the ultimate sanction.

As in the previous year, there were no confirmed cases of corruption or bribery in the reporting period. Further, no cases were identified in which contracts with business partners were terminated or not renewed because of corruption or bribery.

4.1.4. MDR-M – Metrics in relation to material sustainability matters of G1

This chapter provides an overview of material sustainability metrics on governance topics and their collection. It outlines the methods and assumptions used, data validation processes, and definitions metrics.

METRICS	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Number of convictions for breaches of corruption and bribery rules	Number	Collection based on final judgments in relevant jurisdictions	Compliance report, court rulings, regulatory decisions, and reports	Number of final convictions for corruption or bribery within the company
Amount of fines for breaches of corruption and bribery rules	EUR	Recording of all fines imposed by authorities or courts	Compliance report, official penalty notices, financial reports	Total fines imposed in connection with corruption and bribery offences
Total number of confirmed corruption or bribery cases	Number	Recording of all cases of corruption or bribery confirmed by internal investigations, external authorities, and compliance reports	Internal local managers	The total number of cases within the Group confirmed by internal investigations or final court decisions. Corruption: The abuse of entrusted decision-making authority or influence for personal gain or the gain of others. Bribery: Offering, granting, demanding, or accepting an advantage in order to improperly influence a decision or action.
Number of confirmed cases of in-house workers being dismissed or disciplined for corruption or bribery	Number	Documentation of disciplinary measures or dismissals due to violations of corruption	Compliance report	Number of cases in which employees were prosecuted or dismissed due to proven cases of corruption or bribery
Number of confirmed cases involving contracts with business partners that were terminated or not renewed due to breaches related to corruption or bribery	Number	Recording the number of contract terminations or non-renewals due to proven cases of corruption or bribery	Compliance report, third-party due diligence	Number of business relationships terminated or not renewed due to proven cases of corruption or bribery
Total number of people trained	Headcount	Recording of all people who have taken part in training courses, regardless of the form of training (face-to-face, e-learning)	HR and compliance reports, training records, e-learning data	Total number of employees who have completed training on corruption and bribery
Number of people trained	Headcount	Recording by type of training (face-to-face, e-learning)	Training databases of the participants who completed	number of employees who have completed training on preventing corruption
Face-to-face training	yes/no	Documentation whether face-to-face training was offered	Training reports, compliance department	Indicate whether training was carried out face to face
Computer-based training	Timing	Average processing time per employee based on the standard duration specified by the e-learning platform.	E-learning tracking, internal records	Duration of computer-based training

METRICS	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Voluntary computer-based training	yes/no	Recording whether voluntary training was offered	Internal training reports, e-learning data	Indicate whether optional training exists
Required training frequency	Frequency	Requirements through company guidelines or legal requirements or regulatory requirements	Compliance policies, internal training plans	Mandatory repetition frequency of training
Definition of corruption	Checklist	Review through training content and guidelines	Training materials, compliance documents, internal guidelines, legal and regulatory requirements, whistleblower system	Covering a clear and legally compliant definition of corruption as part of training
Corruption prevention guidelines	Checklist	Review through internal company guidelines, applicable legal and regulatory requirements	Compliance department, internal training materials, whistleblower system	Coverage of company-specific guidelines for preventing corruption as part of training
Suspicion/Detection Procedures	Checklist	Verification of whether processes for reporting suspected corruption are included	Training materials, compliance procedures, whistleblower system, internal guidelines	Covering instructions for suspected cases and reporting channels as part of the training
Miscellaneous	Checklist	Other relevant training content on preventing corruption	Internal documentation, training evaluation	Covering instructions and other relevant content on preventing corruption as part of the training

4.2. Corruption risk assessment (company-specific information)

Kontron performs annual corruption risk assessments, such as that published as voluntary information in this chapter. Kontron is committed to the principles of responsible corporate governance and integrity. Kontron's relationships with its business partners are informed by honesty, trust and fairness, which are an essential part of corporate governance.

Although Kontron generates a large part of its revenue in countries where the risk of corruption is rated as low by Transparency International's Corruption Perceptions Index (CPI), the company's global operations mean it is also active in countries where it is exposed to a higher risk of corruption.

As part of risk monitoring, regular risk assessments are carried out. Kontron takes into account both internal aspects, such as the business model of a unit, and external factors, such as the Corruption Perceptions Index. The findings obtained from this risk analysis serve as a basis for the systematic implementation of our anti-corruption measures, which aim to prevent any form of corruption in all business activities. As a potential risk owner, all areas of Kontron AG and all consolidated subsidiaries in all countries are involved in risk monitoring and risk assessment.

The countries in which Kontron is represented with a share of > 50% are shown below by risk category:

RISK CATEGORY	COUNTRY	TRANSPARENCY SCORE	NUMBER OF EMPLOYEES
Low risk	Switzerland	81	73
	Germany	75	2,496
	Canada	75	420
	Great Britain	71	60
	Belgium	69	32
	France	67	291
	Austria	67	771
	Taiwan	67	49
	USA	65	283
	Slovenia	60	608
Medium risk	Portugal	57	23
	Spain	56	160
	Czech Republic	56	293
	Poland	53	4
	Malaysia	50	39
	Romania	46	146
	Bulgaria	43	343
	China	43	55
	Hungary	41	937
	Kazakhstan	40	12
	North Macedonia	40	66

RISK CATEGORY	COUNTRY	TRANSPARENCY SCORE	NUMBER OF EMPLOYEES
High risk	Usbekistan	32	9

Headcount, including trainees and inactive employees, as of December 31, 2025

In recent years, Kontron has paid particular attention to activities in regions with political instability and uncertain legal situations. Subsidiaries in high-risk countries with a CPI of under 50, such as Uzbekistan and Kazakhstan, are subjected to exhaustive corruption risk assessments (Corruption Perceptions Index: overall scale of 0-100, 60-100 = low risk, 40-59 medium risk, 20-39 high risk, 0-19 very high risk).

In its Code of Conduct, Kontron undertakes to comply with all relevant anti-corruption legislation and obliges all employees across the Group and all over the world to do the same. To ensure that the principles are implemented in daily business procedures and practices, Kontron has set clear guidelines and minimum standards in the respective corporate policies for the following areas:

- › Bribery: Kontron expressly states its firm commitment to rejecting and preventing all forms of corruption. Employees and managers are expressly prohibited from offering, promising or granting financial or other benefits to business partners, customers, suppliers, authorities or public officials with a view to inciting behavior that constitutes a breach of duty.
- › Corruptibility: Employees must not allow themselves to be influenced in business decisions by unfair advantages offered by suppliers or business partners or accept such advantages. They are also forbidden to request unfair advantages from business partners.
- › Conflicts of interest: A private or personal interest compromises the objective performance of obligations on behalf of the company. Employees and managers are required to avoid potential conflicts of interest by steering clear of situations where personal, family, political, or financial interests could conflict with those of Kontron. Should a situation arise that even creates the appearance of a conflict of interest, it must be reported within the company.
- › Gifts and invitations to events: Gifts and invitations must always be appropriate and be given and accepted without concealment and with no expectation of a quid pro quo. It is important to Kontron to ensure that giving or accepting gifts or invitations never results in any financial advantage, disadvantage or damage to the reputation of employees, management or subsidiaries.
- › Sponsorship, donations and advertising: Kontron makes no monetary or material donations to individuals, private accounts, political parties, or political organizations. This also includes organizations that could damage Kontron's interests or reputation. In addition, Kontron sponsors no events organized by political parties or authorities as a matter of principle.

All suspected cases are carefully reviewed and, where necessary, sanctioned by disciplinary measures. Verified violations of anti-corruption guidelines are punished without exception with appropriate disciplinary measures, including dismissal. In the year under review, the company was not aware of any cases of corruption.

Combating corruption includes the development and implementation of mandatory training courses. Kontron offers regular training in corruption prevention to raise awareness of the issue among the participants. The selection is based on risk-specific criteria. In addition, third-party screening of all relevant business partners is performed, not only before contracts are concluded, but also continuously to detect any changes in their circumstances. No significant risks of corruption were identified in the period under review.

In addition, everyone has the opportunity to use the Group-wide whistleblower platform for confidential and, if desired, anonymous reporting of possible misconduct such as corruption, bribery, conflicts of interest, antitrust law violations, or violations of capital market law. Furthermore, our telephone hotline, which is available around the clock, offers an anonymous option to report potential misconduct.

As far as the Executive Board is aware, there were no incidents of corruption or violations in the reporting period that may have repercussions for the Group.

4.3. Quality management and certifications (company-specific information)

We constantly strive to ensure that all the items in our portfolio are of impeccable, lasting and robust quality. To attain this, we test and improve the quality of our products, solutions and services at every stage of the value chain. This quality assurance mission has several key components:

- › Activating and assigning heads of process responsibility to specific products, and enlisting the participation of employees
- › Entering into and maintaining business relationships that are characterized by reliability and consistent behavior with customers, suppliers, and other stakeholders
- › Providing a sustainable level of service in terms of product quality, including communication, strong customer orientation, and high customer satisfaction

Across the Kontron Group, we have established a quality management system that encompasses our major facilities. The system is comprised of a single set of standards and processes that cover the topics of quality, security and environmental protection. This quality management system governs our operational processes and ensures that we consistently deliver the highest possible quality to our customers.

Our products comply with legal requirements, relevant standards, and specifications such as UL, CSA, CQC, VDE, and TÜV-certified safety. Through internal audits and assessments by external certification bodies, we ensure the effectiveness and efficiency of our quality management system.

Since 2024 serves as the new baseline year under the new CSRD reporting framework, the figures from previous years are not reported. There was a general increase in the number of certifications, which is also due to the acquisition of several companies. The number of legal entities holding valid certifications in 2025 is listed in the following table.

CERTIFICATION	NUMBER 2025	NUMBER 2024
ISO 9001 (Quality management systems)	45	44
ISO 14001 (Environmental management standard)	26	27
ISO 27001 (Information security)	14	14
ISO 45001 (Occupational health and safety management systems)	12	13
ISO 13485 (Medical devices - quality management systems)	10	9
ISO 50001 (Energy management systems)	7	6
IATF 16949 (International Automotive Task Force)	7	5
AS 9100 / EN 9100 (Quality management system - requirements for aviation, space and defense organizations)	6	4
EcoVadis Award - Silver	5	4
ISO/IEC 20000 (IT service management)	3	3
ATEX (explosive atmospheres)	2	1
ITAR (International Traffic in Arms Regulations)	2	2
ISO 22301 (business continuity management system)	2	1
EASA 145 (European Aviation Safety Agency Certificate)	2	2
TISAX (Trusted Information Security Assessment Exchange)	2	2
IRIS (Railway Industry Standard)	1	1
IECEX (International Electrotechnical Commission Certification System for Explosive Atmospheres)	1	0
ISO 31000 (Risk management)	1	1
FAA REPAIR STATION (Air agency certificate)	1	1

CERTIFICATION	NUMBER 2025	NUMBER 2024
VCA**/SCC** (Safety Certificate for Contractors)	1	1
ISAE 3402 Type II (Service organization control reports)	1	1
ISO 14064 (Greenhouse gases)	1	0
ISO 39001 (Road traffic safety (RTS) management systems)	1	1
ISO/IEC 17067 (Fundamentals of product certification and guidelines for product certification schemes)	1	1
EcoVadis Award - Bronze	1	3
AQAP 2110:2016 + 2210:2015 (Allied Quality Assurance Publication)	1	1
RISQS (Railway Industry Supplier Qualification Scheme)	1	1
IEC 62443 (Industrial Automation and Control Systems)	1	0
ISO 37001 (Anti-bribery management systems)	1	2
IECQ-H DNVTW (Hazardous substance process management)	1	1
ISO 56001 (Innovations management)	0	1

Linz, 25. March 2026



Hannes Niederhauser



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5. APPENDIX

I) List of matters (i.e. topic, subtopic, or sub-sub-topic) in AR 16 ESRS 1 Appendix A that are considered material

TOPIC	TITLE	DESCRIPTION	IMPACT RISK/ OPPORTUNITY	ACTUAL/ POTENTIAL
E1- Climate change	Physical and investment risks due to climate change	Extreme weather events and changing weather patterns could result in physical harm to Kontron's assets and employees and adversely affect operations and supply chains. This could lead to increased spending and temporary loss of revenue. The transition to a CO ₂ neutral economy also requires additional investment to adapt products and services and carries an increased risk of unsuccessful outcomes.	Risk	-
E1- Climate change	Promoting the transition to clean energy through innovative products and services	The economic changes taking place as a result of advancing climate change enable Kontron to open up new markets and offer new products for customers wishing to adapt and be part of the transition to clean energy. This represents an opportunity for additional sources of revenue, in particular for products and services aimed at increasing resource efficiency and generating and using electricity from renewable energy sources.	Opportunity	-
E1- Climate change	Contribution to climate change through greenhouse gas emissions	Kontron contributes to climate change through direct and indirect greenhouse gas (GHG) emissions. Significant emissions arise not only from our own business activities, but also along the upstream and downstream value chain – in particular in connection with purchased goods and services and the use phase of sold products.	Negative impact	Actual
E1- Climate change	Solutions for customers to reduce greenhouse gas emissions	By offering products and services to increase resource efficiency, connectivity, electrification, and use of renewable energy, Kontron helps its customers reduce their greenhouse gas emissions by enabling them to switch from fossil fuels and reduce waste.	Positive impact	Actual
E1- Climate change	Rising energy costs and increased energy supply volatility	Increasing energy costs, greater energy supply volatility, and potential disruptions of energy availability – both in the company's own business activities and in the upstream value chain – represent financial risks for Kontron. These result in higher operating costs and lower efficiency, which could be detrimental to competitiveness on the global market.	Risk	-

TOPIC	TITLE	DESCRIPTION	IMPACT RISK/ OPPORTUNITY	ACTUAL/ POTENTIAL
E2 – Pollution	Health and environmental hazards due to use of substances of very high concern	Some of the products purchased, assembled, and sold by Kontron contain substances that have been identified and reported as substances of very high concern (SVHC) in accordance with the REACH regulation. Their presence poses a potential risk to human health and the environment, since inadequate control of the assembly, use, and disposal of products at the end of their life cycle can result in the release of toxic substances into the air, water, or soil. This can cause environmental pollution as well as adverse health effects.	Negative impact	Potential
E4 – Biodiversity and Ecosystems	Destruction of habitats and ecosystems due to mining for critical minerals and precious metals	Mining critical minerals and precious metals for the production of semiconductors and other components in Kontron's upstream value chain can involve clearing large areas of land for mining. This can result in loss of natural habitats, the killing or displacement of animals, and long-term impairment and contamination of soil and water systems.	Negative impact	Potential
E5 – Circular Economy	Contribution to scarcity of finite resources	The upstream procurement and production of the products manufactured and sold by Kontron, as well as the packaging used and sold, contribute to the extraction and consumption of finite natural resources – in particular critical minerals and precious metals. This can increase pressure on pollutive procurement practices, particularly in geographical areas with a high concentration of mining activity.	Negative impact	Actual

TOPIC	TITLE	DESCRIPTION	IMPACT RISK/ OPPORTUNITY	ACTUAL/ POTENTIAL
S1 – Own workforce	Increased employee satisfaction and loyalty due to benefits and flexible working conditions	By offering many different additional benefits for employees, Kontron improves working conditions for its workforce. This in turn increases employee satisfaction and supports greater retention of talents. These benefits include food allowances, additional leave days as well as travel allowances, company cars, and company bicycles. In addition, employees are granted flexibility in key aspects of their work, such as working hours and place of work.	Positive impact	Actual
S1 – Own workforce	Voluntary employee turnover and shortage of skilled workers	When employees leave the company voluntarily – particularly people in key positions with extensive know-how – efficient business operations at Kontron may be compromised. Their departure can hamper the smooth provision of products and services and lead to costly delays. In addition, additional expenses arise for recruiting and training new employees, a process that is made even more difficult by the existing shortage of skilled workers.	Risk	-
S1 – Own workforce	Improved productivity, better access to top talent and reduced turnover costs due to strong employer brand	A strong employer brand represents a significant financial opportunity for Kontron, since it improves employee retention, thereby reducing the costs entailed by high employee turnover. At the same time, an attractive employer brand improves access to highly qualified specialists, increases productivity, and contributes to maintaining company-specific knowledge through higher employee satisfaction and retention.	Opportunity	-
S1 – Own workforce	Stressful work environment and increased employee turnover	A sometimes stressful work environment in particular areas at Kontron, characterized by long working hours and insufficient recovery periods, leads to dissatisfaction among employees, increased error rates and, in severe cases, can cause burnout. Such psychological or physical stress can result in increased employee turnover, putting additional pressure on the remaining employees and necessitating renewed recruitment measures.	Negative impact	Actual
S1 – Own workforce	Work-related health and safety accidents and injuries in own workforce	Work-related accidents and other violations of health and safety regulations cause physical harm to Kontron employees, such as injury, ill health or, in extreme cases, even fatalities. Such harm can result from inadequate safety measures, a lack of training, or failure to comply with requirements for health and safety in the workplace.	Negative impact	Actual

TOPIC	TITLE	DESCRIPTION	IMPACT RISK/ OPPORTUNITY	ACTUAL/ POTENTIAL
S1 – Own workforce	Unadjusted gender pay gap resulting from structural inequalities	An unequal distribution of the sexes between jobs that require specialized training or tertiary-level qualifications and those that do not results in a large unadjusted gender pay gap at Kontron. This contributes to the continued occupational segregation of the workforce.	Negative impact	Actual
S1 – Own workforce	Support of employees' personal development and skills promotion by means of training opportunities	Kontron employees are offered various voluntary training opportunities as well as programs to acquire or develop skills. This supports both their personal and professional development.	Positive impact	Actual
S1 – Own workforce	Increased productivity and inclusivity due to diverse workforce	By promoting and retaining a diverse workforce, Kontron ensures that a wide range of different perspectives are taken into account in decision-making processes. At the same time, this improves communication and supports the development of an inclusive work environment in which every single person feels respected and valued.	Positive impact	Actual
S1 – Own workforce	Violations of human rights and data protection affecting own workforce	In individual cases, Kontron employees may be exposed to human rights violations, including breaches of labor law regulations, discrimination, or infringement of data protection and privacy requirements. Such violations may cause physical or psychological harm to the individuals concerned.	Negative impact	Potential
S2 – Workers in the value chain	Work-related health and safety accidents and injuries in the value chain	Work-related accidents and other violations of health and safety regulations can cause physical harm to employees in Kontron's upstream and downstream value chain, such as injury, ill health or, in extreme cases, even fatalities. Such harm can result from inadequate safety measures, a lack of training, or failure to comply with requirements for health and safety in the workplace.	Negative impact	Potential
S2 – Workers in the value chain	Violations of human rights affecting workers in the value chain	Workers in Kontron's upstream and downstream value chain could be exposed to human rights violations, such as child labor, forced labor, or discrimination – particularly in mining, manufacturing, and waste treatment outside the European Union.	Negative impact	Potential

TOPIC	TITLE	DESCRIPTION	IMPACT RISK/ OPPORTUNITY	ACTUAL/ POTENTIAL
G1 – Business conduct policy	Operational cybersecurity threats and data breaches	Cyber attacks on Kontron's information and operational technology and the intentional or unintentional transfer or loss of company data could affect ongoing business operations or lead to the disclosure of sensitive information. This can potentially result in a permanent loss of competitiveness. In addition, fines, damage to reputation, and loss of trust among stakeholders can lead to increased costs and declining sales.	Risk	-
G1 – Business conduct policy	Reputational damage and financial penalties due to corruption and bribery	Incidents of corruption or bribery involving Kontron or company employees could result in significant reputational damage that impairs corporate integrity and undermines stakeholder trust. In addition to endangering business relationships, such incidents can also result in significant financial penalties.	Risk	-

II) Table showing all data points resulting from other EU legislation (Annex B, ESRS Standards)

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
ESRS 2							Material
GOV-1	Gender diversity in management and supervisory bodies	Paragraph 21, Point d	Indicator No. 13 in Annex 1, Table 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		Material
GOV-1	Percentage of board members who are independent	Paragraph 21, Point e			Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
GOV-4	Due diligence statement	Paragraph 30	Indicator No. 10 in Annex 1, Table 3				Material
SBM-1	Involvement in activities related to fossil fuels	Paragraph 40, Point d (i)	Indicator No. 4 Table 1 in Annex 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on environmental risks, and Table 2: Qualitative information on social risks	Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
SBM-1	Involvement in activities related to the production of chemicals	Paragraph 40, Point d (ii)	Indicator No. 9 in Annex 1, Table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
SBM-1	Involvement in activities related to disputed weapons	Paragraph 40, Point d (ii)	Indicator No. 14 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1818 (7), Article 12 Paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II		Material
SBM-1	Involvement in activities related to tobacco cultivation and production	Paragraph 40, Point d (iv)			Delegated Regulation (EU) 2020/1818, Article 12 Paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II		Material
E1							
E1-1	Transition plan to achieve climate neutrality by 2050	Paragraph 14				Regulation (EU) 2021/1119, Article 2 Paragraph 1	Material

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
E1-1	Companies excluded from the Paris-coordinated benchmarks	Paragraph 16 Point 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, Article 12, Paragraph 1 points d to g and Article 12, Paragraph 2		Material
E1-4	GHG emission reduction targets	Paragraph 34	Indicator No. 4 in Annex 1, Table 2	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		Material
E1-5	Energy consumption from fossil fuels broken down by source (climate-intensive sectors only)	Paragraph 38	Indicator No. 5 in Annex 1 Table 1 and Indicator No. 5 in Annex 1 Table 2				Material
E1-5	Energy consumption and mix	Paragraph 37	Indicator No. 5 in Annex 1, Table 1				Material
E1-5	Energy intensity associated with activities in climate-intensive sectors	Paragraphs 40 to 43	Indicator No. 6 in Annex 1, Table 1				Material
E1-6	Gross GHG emissions in categories Scope 1, 2 and 3 as well as total GHG emissions	Paragraph 44	Indicators No. 1 and 2 in Annex 1, Table 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 Paragraph (1), Article 6 and Article 8, Paragraph 1		Material
E1-6	Intensity of gross GHG emissions	Paragraphs 53 to 55	Indicator No. 3 Table 1 in 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 Paragraph 1		Material
E1-7	Extraction of greenhouse gases and CO2 certificates	Paragraph 56				Regulation (EU) 2021/1119, Article 2 Paragraph 1	Material
E1-9	Risk position of the benchmark portfolio against climate-related physical risks	Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
E1-9	Breakdown of amounts of money by acute and chronic physical risk	Paragraph 66, Point a		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Paragraphs 46 and 47: Banking book – climate change physical risk: Exposures subject to physical risk			Material
E1-9	Location where significant assets with significant physical risk are located	Paragraph 66 Point c		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Paragraphs 46 and 47: Banking book – climate change physical risk: Exposures subject to physical risk			Material
E1-9	Breakdown of the carrying amount of its properties by energy efficiency class	Paragraph 67 Point c		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; template 2: Banking book – climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			Material
E1-9	Level of portfolio exposure to climate-related opportunities	Paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		Material
E2							Not material
E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted into air, water, and soil	Paragraph 28	Indicator No. 8 in Annex 1, Table 1 Indicator No. 2 in Annex 1, Table 2 Indicator No. 1 in Annex 1, Table 2 Indicator No. 3 in Annex 1, Table 2				Not material
E3							
E3-1	Water and marine resources	Paragraph 9	Indicator No. 7 in Annex 1, Table 2				Not material
E3-1	Special concept	Paragraph 13	Indicator No. 8 in Annex 1, Table 2				Not material
E3-1	Sustainable oceans and seas	Paragraph 14	Indicator No. 12 in Annex 1, Table 2				Not material

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
E3-4	Total amount of recovered and reused water	Paragraph 28 Point c	Indicator No. 6.2 in Annex 1, Table 2				Not material
E3-4	Total water consumption in m3 per net revenue from own activities	Paragraph 29	Indicator No. 6.1 in Annex 1, Table 2				Not material
E4							Material
SBM-3 – E4		Paragraph 16 Point a (i)	Indicator No. 7 in Annex 1, Table 1				Material
SBM-3 – E4		Paragraph 16, Point b	Indicator No. 10 in Annex 1, Table 2				Material
SBM-3 – E4		paragraph 16 Point c	Indicator No. 14 in Annex 1, Table 2				Material
E4-2	Sustainable practices or concepts in the area of land use and agriculture	Paragraph 24, Point b	Indicator No. 11 in Annex 1, Table 2				Not material
E4-2	Sustainable processes or concepts in the oceans/ seas sector	Paragraph 24, Point c	Indicator No. 12 in Annex 1, Table 2				Not material
E4-2	Strategies to combat deforestation	Paragraph 24 Point d	Indicator No. 15 in Annex 1, Table 2				Not material
E5							
E5-5	Non-recycled waste	Paragraph 37, Point d	Indicator No. 13 in Annex 1, Table 2				Material
E5-5	Hazardous and radioactive waste	Paragraph 39	Indicator No. 9 in Annex 1, Table 1				Material
S1							
SBM-3 – S1	Risk of forced labor	Paragraph 14, Point f	Indicator No 13 in Annex I, Table 3				Material
SBM-3 – S1	Risk of child labor	Paragraph 14, Point g	Indicator No. 12 in Annex I, Table 3				Material
S1-1	Commitments in the area of human rights policy	Paragraph 20	Indicator No. 9 in Annex I Table 3 and Indicator No. 11 in Annex I Table 1				Material

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
S1-1	Due diligence requirements relating to issues addressed in basic conventions 1 to 8 of the International Labor Organization	Paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
S1-1	Procedures and measures to combat trafficking in human beings	Paragraph 22	Indicator No. 11 in Annex I, Table 3				Material
S1-1	Concept or management system for preventing work-related accidents	Paragraph 23	Indicator No. 1 in Annex I, Table 3				Material
S1-3	Handling complaints	Paragraph 32, Point c	Indicator No. 5 in Annex I, Table 3				Material
S1-14	Number of fatalities and number and rate of work-related accidents	Paragraph 88 Point b and b	Indicator No. 2 in Annex I, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
S1-14	Number of days lost due to injuries, accidents, fatalities or illnesses	Paragraph 88 Point e	Indicator No. 3 in Annex I, Table 3				Material
S1-16	Unadjusted gender pay gap	Paragraph 97 Point a	Indicator No. 12 in Annex I, Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
S1-16	Excessive remuneration of members of management bodies	Paragraph 97, Point b	Indicator No. 8 in Annex I, Table 3				Material
S1-17	Cases of discrimination	Paragraph 103, Point a	Indicator No. 7 in Annex I, Table 3				Material
S1-17	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Paragraph 104, Point a	Indicator No 10 in Annex I Table 1 and Indicator No 14 in Annex I Table 3		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 Paragraph 1		Material
S2							Material
SBM-3 – S2	Material risk of child labor or forced labor in the value chain	Paragraph 11, Point b	Indicators Nos. 12 and 13 in Annex 3, Table 3				Material

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
S2-1	Commitments in the area of human rights policy	Paragraph 17	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				Material
S2-1	Policies related to workers in the value chain	Paragraph 18	Indicators No. 11 and 4 in Annex 1, Table 3				Material
S2-1	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Paragraph 19	Indicator No. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 Paragraph 1		Material
S2-1	Due diligence requirements relating to issues addressed in basic conventions 1 to 8 of the International Labour Organization	Paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
S2-4	Issues and incidents related to human rights within the upstream and downstream value chains	Paragraph 36	Indicator No. 14 in Annex 1, Table 3				Material
S3							Not material
S3-1	Commitments in the area of human rights	Paragraph 16	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				Not material
S3-1	Failure to comply with the United Nations Guiding Principles on Business and Human Rights, the ILO Principles, or the OECD Guidelines	Paragraph 17	Indicator No. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12, Paragraph 1		Not material
S3-4	Human rights issues and incidents	Paragraph 36	Indicator No. 14 in Annex 1, Table 3				Not material
S4							Not material

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
S4-1	Policies related to consumers and end users	Paragraph 16	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				Not material
S4-1	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Paragraph 17	Indicator No. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 Paragraph 1		Not material
S4-4	Human rights issues and incidents	Paragraph 35	Indicator No. 14 in Annex 1, Table 3				Not material
G1							Material
G1-1	United Nations Convention against Corruption	Paragraph 10, Point b	Indicator No. 15 in Annex 1, Table 3				Material
G1-1	Protection of whistleblowers	Paragraph 10 Point d	Indicator No. 6 in Annex 1, Table 3				Material
G1-4	Fines for violations of anti-corruption and bribery regulations	Paragraph 24 Point a	Indicator No. 17 in Annex 1, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
G1-4	Standards to combat corruption and bribery	Paragraph 24, Point b	Indicator No. 16 in Annex 1, Table 3				Material

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Independent assurance report on the non-financial reporting pursuant to Section 267a UGB

We have performed a limited assurance engagement in the connection with the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter „non-financial reporting“) for the financial year 2025 of the

Kontron AG, Linz (hereinafter also referred to as „Kontron AG“ or „Company“).

Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter „non-financial reporting“) is not prepared, in all material respects, in compliance with:

- › the statutory provisions of the Austrian Sustainability and Diversity Improvement Act (Section 267a of the Austrian Commercial Code (UGB)),
- › the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as „EU-Taxonomy-Regulation“),
- › the requirements of the delegated regulation (EU) 2023/2772 (hereinafter referred to as „ESRS“), and
- › the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as „double materiality assessment process“); with the description set out in disclosure IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

in the currently valid version.

Basis for conclusion with limited assurance

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance („limited assurance engagement“) is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance („reasonable assurance engagement“), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibility of the auditor of the consolidated non-financial reporting“ section of our assurance report.

We are independent of the Group in accordance with the Austrian professional regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Other information

Management is responsible for the other information. The other information comprises all information included in the annual financial report and in the annual report but does not include non-financial reporting and our independent assurance report.

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the management

Management is responsible for the preparation of a non-financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards. This responsibility includes:

- › identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- › preparing of a non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to section 267a UGB, including compliance with the ESRS,
- › inclusion of disclosures in the consolidated non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- › designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in the preparation of non-financial reporting

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibility of the auditor of the consolidated non-financial reporting

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy, 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 the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include

- › performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group's internal controls;
- › design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. 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.

Procedures - Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

- › We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- › We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- › We evaluate whether the structure and presentation of the non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of section 267a UGB, including the ESRS.
- › We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- › We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.
- › We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- › We obtain evidence on the methods for developing estimates and forward-looking information.
- › We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

Limitation of liability, publication and terms of engagement

This limited assurance engagement is a voluntary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the „General Conditions of Contract for the Public Accounting Professions“ issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at <https://ksw.or.at/berufsrecht/mandatsverhaeltnis/>). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting and only in complete and unabridged form. Because our report is prepared solely on behalf of and for the benefit of the company, its contents may not be relied upon by any other third party, and consequently, we shall not be liable for any other third party claims.

Auditor responsible for the assurance engagement

The auditor responsible for the assurance engagement of the non-financial reporting is Mag. Yann Georg Hansa.

Vienna, March 25, 2026

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Yann Georg Hansa

Wirtschaftsprüfer

Please visit <https://kontron.com/en/group/investors/financial-reports> for access to our annual and quarterly reports, and to our press releases, each of which is placed online on the day of its publication. Any changes to schedules and dates are also announced on our website in good time. This annual report was published on March 26, 2025, in German and in English. The English version is provided for convenience only. The German version is binding. No liability is assumed for any typographical or printing errors. This document has been carefully prepared and all information have been checked carefully. Nevertheless, the possibility of layout and printing errors cannot be excluded. The use of automated calculation systems may result in rounding differences.

This annual report contains statements that refer to future developments. These are based on assumptions and assessments made by the Executive Board. Although we are of the opinion that the assumptions and estimates are realistic and correct, they are subject to certain risks and uncertainties that may cause actual future results to diverge materially from the assumptions and estimates. Factors that may result in a discrepancy include changes in the overall economic, business, financial and competitive situation, exchange and interest rate fluctuations as well as changes to the business strategy. We accept no warranty for the developments and events actually taking place in the future according to the assumptions and assessments articulated in this annual report. The assumptions and estimates made in this report are not updated.

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PRINTED BY

Kontext Druckerei GmbH

FINANCIAL CALENDAR

2026

26.03.2026	Annual report 2025
26.03.2026	Earnings-Call FY 2025 (Register under: ir@kontron.com)
13.04.2026	Zürs Investor Conference 2026 (13.-14.04.2026)
16.04.2026	Metzler Small Cap Days, Frankfurt
07.05.2026	Q1-quarterly statement 2026 (Earnings-Call Q1 2026)
12.05.2026	UBS Pan European Small and Mid-Cap Conference 2026
30.06.2026	Annual General Meeting
06.08.2026	Half-year report 2026 (Earnings-Call Q2 2026)
05.11.2026	Q3-quarterly statement 2026 (Earnings-Call Q3 2026)

Further details available under

<https://www.kontron.com/en/group/investors/financial-calendar>

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