kontron
The Power of IoT

Global Leader in Smart IoT Solutions

Half-year Report 2026

Kontron AG | WKN A0X9EJ | www.kontron.com

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KONTRON GROUP OVERVIEW

Key Figures

IN EUR MIO.	6M 2026	6M 2025
Revenues	737.1	781.1
Revenues (adjusted)[1]	737.1	729.0
Delinquent Backlog[2]	50.4	0.0
EBITDA	84.4	146.0
EBITDA (adjusted)[3]	100.8	90.9
Net result attributable to owners of interest in parent company	34.9	88.9
Net result attributable to owners of interest in parent company (adjusted)[4]	48.8	46.5
Earnings per share undiluted (in EUR cent)	56 Cent	1 EUR 45 Cent
Earnings per share undiluted (in EUR cent) (adjusted)[4]	78 Cent	76 Cent
Operating cash flow	-13.8	16.3

1) Adjusted for divestments and deconsolidation of COM biz

2) Not delivered due to the chip shortage

3) Adjusted for one-off effects in 2025 and restructuring costs in 2026

4) Adjusted for one-off effects in 2025 and restructuring costs in 2026, including a tax approximation

IN EUR MIO.	30.06.2026	31.12.2025
Cash and cash equivalents	171.5	263.5
Net Cash (+) / Net debt (-)[5]	-253.1	-147.1
Equity	749.3	746.1
Equity ratio	41.7%	41.8%
Backlog	2,750.5	2,495.3
Project-pipeline	7,589.4	8,075.7
Employees[6]	6,397	6,696

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

6) Number of employees on a full-time equivalent basis excluding employees on leave, interns, trainees and temporary workers; Personnel of Merath not included yet

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FOREWORD

A strong partner for the next growth spurt

High-tech in the fields of data technology and robotics has developed enormously in the Far East in recent years, and we are currently seeing tremendous growth in these areas. Today, 70% of all advanced microchips are produced in Taiwan, South Korea and Japan. Even before this development, exactly 10 years ago in August 2016, I visited Ennoconn Corp. in Shanghai. The occasion was the possible takeover of the listed Kontron AG by our former company, S&T AG, or by Ennoconn as our competitor. Ennoconn's largest shareholder is the Foxconn Group, which is one of the top 25 companies worldwide with sales of around USD 220 billion. Instead of entering into a bidding competition, we joined forces, and Ennoconn became the largest shareholder of today's Kontron AG in 2016.

The partnership that began at that time has now lasted ten years, and both sides have benefited from this step. Kontron has been able to leverage Foxconn's manufacturing strength, and Foxconn has opened the door to major projects such as Air China. Over the years, this collaboration has built a strong foundation for mutual trust.

After ten successful years of cooperation, Ennoconn took the next step in the second quarter by increasing its shareholding, thereby triggering a mandatory offer. At the end of 2025, Ennoconn held less than 28% of Kontron's shares. A further 19% of the shares were tendered into the offer. Until approval is granted by the German Federal Ministry for Economic Affairs and Energy, our shareholders retain withdrawal rights. As such, the final participation rate is expected to be somewhat lower, and Ennoconn will, in any case, not hold a majority of the voting rights.

The aim of this strategic investment is to work even more closely together in the growth areas in order to become even more competitive together. The focus is on expanding our portfolio of physical AI and secure IoT solutions. These areas represent key growth priorities for Foxconn, and together with Ennoconn, Kontron will make a significant contribution in the field of connectivity. Kontron offers leading technology for robots, high-speed trains, connected aircraft, self-driving cars and automation. Through Ennoconn and Foxconn, Kontron will gain access to the rapidly growing markets across Far East and Southeast Asia. With the support of Foxconn, we will be able to jointly win blue-chip customers with a combined volume of over EUR 1 billion. The first offers are already underway. In the medium term, we expect synergy effects and profit increases of around EUR 40 million per year for Kontron from this new partnership.

Operationally, Kontron's first quarter was impacted by the decline and restructuring of Solar and Wallcharger businesses. The past second quarter has improved again compared to the first quarter. Revenues rose to EUR 373 million, compared to EUR 364 million in the first quarter and EUR 372 million in the previous year (adjusted for company sales in 2025). The EBITDA margin was 12.5%. While the Defense and High-Speed Train Infrastructure divisions continued to deliver record results, the Group's earnings were negatively impacted by the declining GreenTec division. The restructuring, which started at the end of 2025, includes aligning the workforce with the lower sales and the reduction of 500 employees, of which 424 employees have already been reduced in the 1st half of the year. The restructuring program is expected to be completed in the third quarter and will bring savings of over EUR 30 million annually as early as 2027. Excluding the one-off restructuring costs of EUR 7.9 million incurred with the workforce reduction, the EBITDA margin in the second quarter of 2026 was as high as 14.7%.

Our expectations for 2026 remain unchanged. Sales are expected to exceed EUR 1.6 billion and remain within the previous year's range. In terms of EBITDA, we continue to expect EUR 200 million and EUR 225 million respectively adjusted for restructuring charges. Due to the synergy effects with Ennoconn and the cost savings at GreenTec, we expect an additional increase in earnings of EUR 70 million per year.

Hannes Niederhauser, CEO

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HALF-YEAR MANAGEMENT REPORT

Revenues impacted by carve-out and deconsolidation of COM business

In the first half of 2026, revenue decreased by 5.6% to EUR 737.1 million compared to the same period of the previous year (6M 2025: EUR 781.1 million). This fall is primarily due to the deconsolidation of the COM business, which contributed around EUR 38.9 million in the first half of 2025. However, Kontron was also affected by the chip crisis in the first half of 2026. As a result of the ongoing conflict in the Middle East, the delinquent backlog of products that could not be delivered due to missing components rose to EUR 50.4 million. At 42.2%, the operating gross margin in the first half of 2026 was significantly higher than the same period of the previous year (6M 2025: 40.8%). For these reasons, and due to restructuring measures undertaken in the GreenTec sector, EBITDA fell by 13.9% to EUR 84.4 million (6M 2025: EUR 90.9 million adjusted; unadjusted, EBITDA stood at EUR 146.0 million). Restructuring expenses totaled EUR 14.4 million in the first half of 2026. Taking these restructuring expenses into account, EBITDA amounted to EUR 101.4 million. This represents an increase of 3.5% after adjustment.

In the second quarter of 2026, revenue fell by 5.6% to EUR 373.4 million (Q2 2025: EUR 395.7 million). This was primarily due to the deconsolidation of the COM business. The gross margin rose significantly in the second quarter of 2026, from 37.7% to 42.5%. EBITDA for the isolated second quarter of 2026 fell to EUR 46.9 million (Q2 2025: EUR 50.1 million, excluding COM deconsolidation effects of EUR 48.0 million). However, taking into account restructuring costs of EUR 7.9 million in Q2 2026, EBITDA rose significantly by 9.5% to EUR 54.7 million.

Personnel expenses decreased by 5.4% to EUR 222.3 million in the first half of 2026 (6M 2025: EUR 234.9 million). This fall already reflects the restructuring of the GreenTec division, which should be completed in the third quarter 2026. The number of employees (not including apprentices and staff on parental leave or training courses) dropped from 6,696 as of December 31, 2025 to 6,397 as of June 30, 2026.

Depreciation and amortization fell slightly from EUR 38.1 million in the same period of the previous year to EUR 37.8 million in the first half of 2026. The financial result was minus EUR 6.1 million (6M 2025: minus EUR 12.3 million). The main reason for the significant improvement is the interest charged to congatec on deferred payments due to Kontron as part of the deconsolidation of the COM business. Income tax expenses amounted to EUR 6.0 million in the reporting period (6M 2025: EUR 8.0 million).

Net income / loss for the period attributable to Kontron shareholders (based on minority interests) in the first half of 2026 amounted to EUR 34.9 million. In the corresponding period in 2025, it amounted to EUR 88.9 million after tax and including one-off effects from the deconsolidation of the COM business. Earnings per share attributable to owners of interests in parent company (undiluted) amounted to 56 cents in the past six-month period (6M 2025: 1.45 cents). However, the previous year's result is only partially comparable, as it includes significant one-off effects from the deconsolidation of the COM business.

Results driven by the Software+Solutions segment

Starting on January 1, 2026, the group of companies has been reported and managed in two new segments: “Smart IoT” and “Software + Solutions”.

Business development in the two segments of the Kontron Group is as follows:

- **“Smart IoT”**: In this segment, the Kontron Group brings together its activities for developing secure solutions for networked machines in a combined portfolio of hardware, software, and IoT services in Europe, North America, and Asia. This business segment focuses on Kontron Group proprietary technologies and solutions, split into the divisions industrial automation, communication solutions that include 5G connectivity, medical technology, and smart energy, and Kontron’s ODM and remaining IT/OT services business. The headquarters of the Kontron Group are also reported in this segment.

  In the first half of 2026, revenue in the “Smart IoT” segment fell slightly, from EUR 554.3 million in the same period of the previous year to EUR 484.3 million. This difference is primarily due to the deconsolidation of the COM business and the sale of IT service activities of EUR -52.1 million. The gross margin rose slightly to 37.6% (6M 2025: 35.5%), and EBITDA before headquarters costs was affected by restructuring costs and amounted to EUR 44.7 million (6M 2025: EUR 109.2 million). EBITDA is only partially comparable due to

significant one-time effects in the same period of the previous year.

› **"Software + Solutions":** This segment comprises the Group-wide software portfolio, primarily for the industrial automation sector, the Kontron operating system KontronOS, and the solutions business in the transport, avionics, and defense sectors. The segment has the areas with the highest margins and the highest growth rates in the Group.

Revenue for the first half of 2026 was affected by supply chain disruptions in the Middle East and amounted to EUR 252.8 million after EUR 226.8 million in the same period of the previous year. The gross margin in the reporting period was 50.9% (6M 2025: 53.8%). EBITDA before headquarters costs for this segment amounted to EUR 39.8 million in the first half year (6M 2025: EUR 36.9 million). Despite the supply chain disruptions and restructuring costs in the first half of 2026, EBITDA exceeded the previous year's level.

IN EUR MIO.	SMART IOT*)		SOFTWARE + SOLUTIONS		KONTRON GROUP	
	6M 2026	6M 2025	6M 2026	6M 2025	6M 2026	6M 2025
Total revenues	599.1	700.3	278.3	264.6	877.4	964.9
Internal revenues	-114.9	-146.0	-25.4	-37.8	-140.3	-183.8
Revenues	484.3	554.3	252.8	226.8	737.1	781.1
Gross profit	182.2	196.7	128.8	121.9	311.0	318.7
EBITDA	44.7	109.2	39.8	36.9	84.4	146.0
Depreciation and amortization	-23.6	-27.8	-14.2	-10.3	-37.8	-38.1
EBIT	21.1	81.4	25.6	26.6	46.7	108.0

*) Segment "Smart IoT" including Headquarter-charges not allocated

IN EUR MIO.	SMART IOT*)		SOFTWARE + SOLUTIONS		KONTRON GROUP	
	Q2 2026	Q2 2025	Q2 2026	Q2 2025	Q2 2026	Q2 2025
Total revenues	309.2	350.1	141.2	141.4	450.4	491.4
Internal revenues	-63.2	-74.2	-13.8	-21.5	-77.1	-95.7
Revenues	246.0	275.9	127.4	119.8	373.4	395.7
Gross profit	93.3	90.2	65.2	58.9	158.5	149.2
EBITDA	27.5	84.3	19.4	13.8	46.9	98.1
Depreciation and amortisation	-11.7	-13.7	-7.4	-5.1	-19.1	-18.8
EBIT	15.8	70.5	12.0	8.8	27.8	79.3

*) Segment "Smart IoT" including Headquarter-charges not allocated

Kontron focuses on the three markets: Transportation, Aerospace and Defense, and Cyber Solutions

Transportation: this division brings together Kontron's activities in the fields of high-speed trains and public transport. In the first quarter of 2026, revenue increased by 11.0% compared to the previous year, from EUR 108.2 million to EUR 120.0 million. EBITDA in this sector declined from EUR 21.2 million in the same period of the previous year to EUR 19.6 million due to accrual effects.

Aerospace and Defense: This division encompasses Kontron's defense activities. Kontron only supplies NATO countries and partners. With 31.8%, this division recorded strong growth from EUR 63.4 million in the first half of 2025 to EUR 83.6 million in the first half of 2026, while EBITDA rose 56.5% from EUR 10.2 million to EUR 15.9 million during the same period.

Cyber Solutions: In this division, Kontron combines security software expertise and AI solutions that meet the requirements of the Cyber Resilience Act. With revenue growth of 16.3%, this division also recorded significantly above-average growth, from EUR 59.3 million in the same period of the previous year to EUR 68.9 million in the first half of 2026. EBITDA rose by 25.0% from EUR 5.6 million to EUR 7.1 million during the same period.

IN EUR MILLION	TRANSPORTATION		AEROSPACE & DEFENSE		CYBER SOLUTIONS	
	6M 2026	6M 2025	6M 2026	6M 2025	6M 2026	6M 2025
Renvenues	120.0	108.2	83.6	63.4	68.9	59.3
EBITDA	19.6	21.2	15.9	10.2	7.1	5.6
Backlog	702.7	640.7	110.8	82.4	102.3	110.6

Solid financial position

The Group's assets and liquidity remained strong in the first half of 2026. As of June 30, 2026, the balance sheet total stood at EUR 1,797 million (December 31, 2025: EUR 1,787 million | March 31, 2026: EUR 1,757 million). As of June 30, 2026, cash and cash equivalents amounted to EUR 171.5 million compared to EUR 263.5 million as of December 31, 2025 and EUR 200.9 million as of March 31, 2026. The decrease compared to March 31, 2026 is primarily due to share buybacks under the share buyback program I 2026. Equity amounted to EUR 749.3 million as of June 30, 2026 (December 31, 2025: EUR 746.1 million | March 31, 2026: EUR 746.3 million). The equity ratio as of June 30, 2026 was 41.7% and is therefore within the target range (December 31, 2025: 41.8% | March 31, 2026: 42.5%). As of June 30, 2026, the Kontron Group reported net debt of EUR 253.1 million (December 31, 2025: net debt EUR 147.1 million | March 31, 2026 net debt EUR 190.5 million). This increase is chiefly due to cash outflows for investments, increased inventories, and share buybacks. Kontron expects net debt to decrease accordingly in the second half of 2026.

Operating cash flow in the first half of 2026 was minus EUR 13.8 million after EUR 16.3 million in the previous year. Cash flow from investing activities improved from minus EUR 36.1 million in the first half of 2025 to minus EUR 27.6 million in the first half of 2026.

Opportunities and risks

The Kontron Group is an internationally active technology company and is therefore exposed to a wide range of financial, industry-specific business risks 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 the available opportunities in a timely manner in order to increase value, and to actively reduce risks by implementing countermeasures, and, in doing so, avoid significant risks.

The Kontron Group develops and markets proprietary hardware, software, and system solutions for industrial IoT, industrial digitization, and safety-critical communication and infrastructure applications. The portfolio includes embedded computing platforms, edge and industrial computers, communication and network solutions, operating systems, middleware, as well as applications and cloud-related software solutions for various vertical markets.

The Group's technological development is based on a combination of proprietary development services and technologies from leading semiconductor and platform providers. In addition, many of its products use open-source components and standardized technology platforms to ensure interoperability, scalability, and long-term availability. With solutions such as KontronOS, KontronGrid and other software and cybersecurity offerings, the Kontron Group continuously expands its share of revenue from software and service activities.

Opportunities

By combining its own hardware, software, and integration expertise, Kontron can provide customer-specific AI solutions for industrial automation, intelligent infrastructures, medical technology, transportation, and other areas of application. The focused expansion of Group-wide software activities opens up additional potential for high-margin solutions and recurring service revenue.

The ongoing digitization of industrial processes and the increasing networking of devices and machines create considerable market potential for the Kontron Group's software and middleware strategy. Building on its established hardware portfolio, Kontron develops integrated software stacks, device management solutions, and cloud and edge platforms for the secure operation of complex IoT infrastructures.

With the Kontron susietec® toolset and associated software components, the Group offers comprehensive solutions for connecting, monitoring, managing and analyzing networked systems over their entire life cycle. The ability to centrally operate and update large fleets of devices and machines creates a high level of added value for customers and forms the basis for long-term service and maintenance contracts.

In addition, Kontron is increasing its range of IoT-as-a-Service and Software-as-a-Service models. This enables the Group to attain more recurring revenue and strengthen long-term customer relationships still further.

The increasing regulatory requirements for cybersecurity and the resilience of digital systems, in particular those of the NIS2 Directive and the Cyber Resilience Act, are fueling demand for secure platforms with long-term maintainability. The Kontron Group sees significant business opportunities here.

With KontronOS and complementary security and life cycle management solutions such as Kontron Grid, Kontron has a technological foundation for the secure operation of connected devices over long product life cycles. The integration of security-by-design principles, secure update mechanisms, central device management, and cloud-based services enables customers to efficiently implement regulatory requirements while increasing the operational safety of their systems.

The introduction of private mobile networks based on 5G technologies opens up significant potential for industrial automation, intelligent production environments, and critical infrastructures. High bandwidths, low latency and increased security make new applications possible in smart factories and transportation and energy systems.

By combining expertise in the fields of mobile private networks, industrial communication, and edge computing solutions, the Kontron Group is ideally positioned to offer its customers integrated end-to-end solutions.

Rail-critical communication offers particular growth opportunities. With its comprehensive portfolio of communication and network solutions, the Kontron Group is well placed in the market for transforming the European rail radio technology standard from GSM-R to the 5G-based standard FRMCS (Future Railway Mobile Communication System) that will be used in the future. The increasing investments made by infrastructure operators and railway companies in modernizing their communication networks create long-term potential for providing hardware, software, integration, and services along the entire life cycle of critical rail infrastructures.

Thanks to its expertise in 5G networks, edge computing, cybersecurity, and mission-critical communications, the Kontron Group can provide end-to-end solutions for the digital networking and automation of modern rail systems. The expected introduction of FRMCS in many European countries therefore offers attractive growth opportunities for the coming years.

In addition, the Kontron Group's wider, international focus offers further potential for synergies and optimization.

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 supply chain disruptions caused by the latest 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. The best example of this is the US tariff policy, which also has an impact on the logistics chains within Kontron and on material prices, among other things.

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.

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. Generally, Kontron tries to avoid dependence on individual major customers.

The development of new technologies, products, and platforms always entails a risk that technological innovations, new standards, or software offerings will not achieve the anticipated market penetration or will take longer than expected to establish themselves. This is especially true for new fields of technology such as artificial intelligence, edge computing, cybersecurity solutions, industrial IoT platforms, and future communication standards. In such cases, planned revenues and earnings contributions could fall short of expectations, either entirely or in part.

Another risk is that development projects become more complex than originally thought or that market launches are delayed. Especially in dynamic technology environments, delayed product launches can hamper exploitation of market windows or cause competitive advantages to be lost. In addition, there is a risk that new technologies, standards, or regulatory requirements will develop differently from what is currently forecast or expected by market analysts.

The increasing importance of cybersecurity and new legal requirements — such as those resulting from the Cyber Resilience Act (CRA), NIS2 and other industry-specific security standards — also lead to more stringent requirements for product development, quality assurance, documentation, and life cycle management. Delays in implementing regulatory requirements or miscalculations of future market requirements could undermine the competitiveness of individual products and solutions.

There is also the risk of failing to identify technological trends or changes in the market environment early on, or of misjudging their strategic significance. This could result in failure to take advantage of new areas of business in time and a loss of market shares in the medium term. In view of the rapid pace of innovation, particularly in the fields of artificial intelligence, industrial digitization, cybersecurity, and mobile technologies, this risk is becoming increasingly relevant.

The Kontron Group addresses these risks with continuous investment in research and development, active technology and innovation management, early assessment of new market and technology trends, and close cooperation with customers, technology partners, and research institutions. In addition, development processes are continuously optimized, product roadmaps are regularly reviewed, and publicly available funding programs are used to support innovation projects.

From today's perspective, the risks described are considered manageable. However, the possibility cannot be ruled out that technological miscalculations, changes in the market, regulatory requirements, or delays in development projects and launch projects may negatively impact the assets, finances and earnings of individual business segments or the Kontron Group in the future. The potential for obtaining funding (subsidies) from the public sector is also constantly being reviewed and exploited whenever possible.

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. The recruitment of new, highly qualified employees remains a challenge.

General price increases and availability risks for materials and components require close coordination with suppliers and a flexible procurement strategy to ensure supply security.

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 suppliers). 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 remains a potential risk of inventory devaluation. This risk is regularly assessed and evaluated by the Group companies, which also keep a record of inventory devaluations. Kontron is also careful to constantly check its internal processes and means of production at its own production facilities and, if necessary, adapt them to current market requirements.

Cyberattacks affecting IT (Information Technology) and OT (Operational Technology) represent a significant risk.

Outlook

Kontron confirms its forecast of revenue at the previous year's level, which corresponds to organic revenue growth of around 8%. EBITDA before restructuring expenses is expected to remain unchanged at EUR 225 million.

04

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT IN TEUR	6M 2026	6M 2025	Q2 2026	Q2 2025
Revenues	737,110	781,149	373,361	395,703
Capitalized development costs	24,672	23,527	13,276	11,041
Other income	22,548	101,593	15,533	98,599
Expenses for materials and other services purchased	-426,092	-462,486	-214,859	-246,516
Personnel expenses	-222,270	-234,914	-113,492	-123,055
Depreciation and amortization	-37,771	-38,076	-19,087	-18,765
Other operating expenses	-51,528	-62,831	-26,964	-37,684
Result from operations	**46,669**	**107,962**	**27,768**	**79,323**
Finance income	6,475	1,258	3,232	457
Finance expenses	-12,554	-13,515	-6,510	-6,650
Financial result	**-6,079**	**-12,257**	**-3,278**	**-6,193**
Result from associated companies	84	-164	135	-164
Earnings before taxes	**40,674**	**95,541**	**24,625**	**72,966**
Income taxes	-6,036	-7,956	-3,787	-5,525
Net income	**34,638**	**87,585**	**20,838**	**67,441**
Results from the period attributable to owners of non-controlling interests	-220	-1,308	1	-1,369
Results from the period attributable to owners of interests in parent company	**34,858**	**88,893**	**20,837**	**68,810**
Earnings per share attributable to owners of interests in parent company (undiluted)	0.56	1.45	0.34	1.12
Earnings per share attributable to owners of interests in parent company (diluted)	0.55	1.41	0.33	1.09
Average number of shares in circulation (in thousands undiluted)	62,233	61,390	61,734	61,393
Average number of shares in circulation (in thousands diluted)	63,178	63,267	62,606	63,188

STATEMENT OF OTHER COMPREHENSIVE INCOME

STATEMENT OF OTHER COMPREHENSIVE INCOME IN TEUR	6M 2026	6M 2025	Q2 2026	Q2 2025
Net income	**34,638**	**87,585**	**20,838**	**67,441**
Items that will not be reclassified to profit or loss				
Remeasurement according to IAS 19				
Gains (+) / losses (-) from remeasurement	-5	23	-28	-8
	-5	23	-28	-8
Items that may be subsequently reclassified to profit or loss				
Unrealized gains/losses from currency translation	5,553	-11,868	3,055	-7,853
	5,553	-11,868	3,055	-7,853
Other comprehensive income	**5,548**	**-11,845**	**3,027**	**-7,861**
Comprehensive income	**40,186**	**75,740**	**23,865**	**59,580**
of which attributable to				
the owners of non-controlling interests	-1,347	-1,347	-1,127	-1,396
the owners of interests in parent company	41,533	77,087	24,992	60,976

04
CONSOLIDATED BALANCE SHEET

ASSETS IN TEUR	30.06.2026	31.12.2025
NON-CURRENT ASSETS		
Property, plant and equipment	234,554	236,265
Intangible assets	182,513	166,411
Goodwill	255,391	255,117
Investments in associated companies	2,678	2,593
Financial assets non-current	67,094	100,341
Contract assets non-current	1,951	2,121
Other non-current assets	11,131	11,304
Deferred tax assets	64,632	59,730
	819,944	**833,882**
CURRENT ASSETS		
Inventories	366,134	318,516
Trade receivables	194,485	196,936
Contract assets current	83,330	77,782
Financial assets current	91,024	43,132
Corporate income tax receivables	9,907	5,839
Other receivables and assets current	60,313	47,508
Cash and cash equivalents	171,460	263,482
	976,653	**953,195**
Total assets	**1,796,597**	**1,787,077**

EQUITY AND LIABILITIES IN TEUR	30.06.2026	31.12.2025
EQUITY		
Subscribed capital	63,861	63,861
Capital reserves	86,924	90,136
Accumulated results	661,807	626,949
Other reserves	-11,500	-17,044
Treasury shares	-51,957	-22,351
Equity attributable to owners of interests in parent company	749,135	741,551
Non-controlling interests	162	4,576
	749,297	**746,127**
NON-CURRENT LIABILITIES		
Financing liabilities non-current	263,134	216,720
Other financial liabilities non-current	86,628	84,313
Contract liabilities	17,020	19,730
Deferred tax liabilities	10,851	2,903
Provisions non-current	32,011	31,387
	409,644	**355,053**
CURRENT LIABILITIES		
Financing liabilities current	161,454	193,871
Trade payables	235,851	228,041
Contract liabilities	54,506	58,902
Other financial liabilities current	73,543	70,618
Corporate income tax liabilities	5,039	7,185
Provisions current	38,034	52,256
Other liabilities current	69,229	75,024
	637,656	**685,897**
Total equity and liabilities	**1,796,597**	**1,787,077**

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF CASH FLOWS IN TEUR	6M 2026	6M 2025	Q2 2026	Q2 2025
CASHFLOW FROM OPERATING ACTIVITIES FROM CONTINUING AND DISCONTINUED OPERATIONS				
Earnings before tax from continuing and discontinued operations	40,674	95,541	24,625	72,966
Depreciation and amortization	37,771	38,076	19,088	18,765
Interest expenses	12,554	13,515	6,510	6,650
Interest and other income from the disposal of financial assets	-6,475	-1,258	-3,232	-457
Result from associated companies	-84	164	-135	164
Increase/decrease of provisions	-13,846	-9,432	-7,522	935
Gains/losses from the disposal of non-current non-financial assets	181	2	133	22
Changes in inventories	-47,023	25,352	-31,589	34,508
Changes in trade receivable and contract assets	-2,927	16,610	-4,405	-7,530
Changes in other receivables and assets	-18,195	-18,126	-860	-3,793
Changes in trade payable and contract liabilities	704	-36,898	-2,031	-14,057
Changes in other liabilities	1,304	3,790	11,695	6,875
Other non-cash income and expenses	-1,381	-6,130	-3,019	-4,512
Result from the deconsolidation of subsidaries	-7,625	-93,584	-7,625	-93,584
Cash and cash equivalents from operations	**-4,368**	**27,622**	**1,633**	**16,952**
Income taxes paid	-9,469	-11,337	-6,331	-3,438
Cashflow from operating activities	**-13,837**	**16,285**	**-4,698**	**13,514**
CASHFLOW FROM INVESTING ACTIVITIES				
Payments to acquire property, plant and equipment and intangible assets	-33,657	-32,106	-19,675	-14,743
Payments received for the disposal of property, plant and equipment and intangible assets	1,886	1,168	1,823	622
Disposal/purchase of financial instruments	1,573	579	1,542	18
Payments to acquire subsidiaries and other business units less cash assumed	-902	-1,158	-902	-58
Proceeds /Payments from disposal/sale of subsidiaries less cash disposed	0	-5,551	0	-5,551
Interest income	3,476	978	408	320
Cash flow from investing activities	**-27,624**	**-36,090**	**-16,804**	**-19,392**
CASHFLOW FROM FINANCING ACTIVITIES				
Increase in financing liabilities and financial liabilities	91,227	66,322	91,069	65,837
Decrease in financing liabilities and financial liabilities	-92,086	-113,662	-66,019	-26,018
Interests paid	-12,711	-13,890	-8,138	-8,822
Payments related to the acquisition of non-controlling interests	-8,313	0	0	0
Payments for cash settlement of share options	-909	-926	-170	-926
Dividends to owners of interests in parent company	0	-36,855	0	-36,855
Cash flow for treasury shares	-30,062	91	-26,556	91
Cash flow from financial activities	**-52,854**	**-98,920**	**-9,814**	**-6,693**
Changes in exchange rates	2,293	-3,410	1,837	-2,073
Changes in cash and cash equivalents	**-92,022**	**-122,135**	**-29,479**	**-14,644**
Cash and cash equivalents as of the beginning of the period	263,482	315,637	200,939	208,146
Cash and cash equivalents as of the end of the period	**171,460**	**193,502**	**171,460**	**193,502**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	EQUITY ATTRIBUTABLE TO OWNERS OF INTERESTS IN PARENT COMPANY	
Development of equity IN TEUR	**Subscribed capital**	**Capital reserves**
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	0	-428
	0	**-428**
TRANSACTIONS WITH OWNERS OF INTERESTS		
Change in non-controlling interests	0	0
Dividends	0	0
Change in treasury shares	0	0
	0	**0**
as of June 30, 2025	**63,861**	**101,818**
as of January 1, 2026	**63,861**	**90,136**
COMPREHENSIVE INCOME		
Consolidated income	0	0
Other comprehensive income	0	0
	0	**0**
OTHER CHANGES		
Stock options	0	904
	0	**904**
TRANSACTIONS WITH OWNERS OF INTERESTS		
Change in non-controlling interests	0	-4,116
Change in treasury shares	0	0
	0	**-4,116**
as of June 30, 2026	**63,861**	**86,924**

EQUITY ATTRIBUTABLE TO OWNERS OF INTERESTS IN PARENT COMPANY				NON-CONTROLLING INTERESTS	EQUITY
Accumulated results	Other reserves	Treasury shares	Total		
522,694	**-6,196**	**-50,146**	**632,459**	**19,819**	**652,278**
88,893	0	0	88,893	-1,308	87,585
0	-11,806	0	-11,806	-39	-11,845
88,893	**-11,806**	**0**	**77,087**	**-1,347**	**75,740**
0	0	0	-428	0	-428
0	**0**	**0**	**-428**	**0**	**-428**
0	0	0	0	-3,338	-3,338
-36,855	0	0	-36,855	0	-36,855
0	0	886	886	0	886
-36,855	**0**	**886**	**-35,969**	**-3,338**	**-39,307**
574,732	**-18,002**	**-49,260**	**673,149**	**15,134**	**688,283**
626,949	**-17,044**	**-22,351**	**741,551**	**4,576**	**746,127**
34,858	0	0	34,858	-220	34,638
0	5,544	0	5,544	4	5,548
34,858	**5,544**	**0**	**40,402**	**-216**	**40,186**
0	0	0	904	0	904
0	**0**	**0**	**904**	**0**	**904**
0	0	0	-4,116	-4,198	-8,314
0	0	-29,606	-29,606	0	-29,606
0	**0**	**-29,606**	**-33,722**	**-4,198**	**-37,920**
661,807	**-11,500**	**-51,957**	**749,135**	**162**	**749,297**

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NOTES

Principles of accounting

The interim consolidated financial statements of Kontron AG as of June 30, 2026 have been compiled according to the IFRS Accounting Standards issued by the International Accounting Standards Board and to the interpretations of the IFRS Interpretation Committee (IFRS IC), as they are to be applied in the European Union. The principles of financial reporting and measurement employed in the financial statements for the year ending on December 31, 2025 have been applied without any changes.

The interim consolidated financial statements as of June 30, 2026 have been subject to neither an audit nor an auditor's review.

Unless otherwise noted, all amounts are denominated in thousands of euros (TEUR).

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. The number of companies fully consolidated in the Group developed as follows during the first six months of financial year 2026:

GROUP COMPANIES (NUMBER)	2026
Number of fully-consolidated companies as of January 1	53
Group companies merged	-1
Number of fully-consolidated companies as of June, 30	**52**

Equity

As of June 30, 2026 the share capital of Kontron AG amounted to TEUR 63,861 (December 31, 2025: TEUR 63,861). It is divided into 63,860,568 (December 31, 2025: 63,860,568) no-par value bearer shares. As of June 30, 2026, Kontron AG held 2,519,051 treasury shares, which corresponds to around 3.94% of the company's share capital.

Dividends

At the 27th Annual General Meeting of Kontron AG on June 30, 2026, it was decided not to pay a dividend for financial year 2025 and to carry forward the entire retained earnings of EUR 147,330,587.59 onto new account.

Stock options

As of June 30, 2026 the company has two stock option programs for members of the Executive Board of Kontron AG and employees of Kontron AG and its group companies.

The 2025 annual report contains a detailed description of the stock option programs.

During the first six months of financial year 2026, 680,000 options were exercised. The outstanding options for the 2024/2025 stock option program therefore total 337,500 (December 31, 2025: 1,017,500). 395,000 options (December 31, 2025: 395,000) had not yet been allocated. The outstanding options for the 2025/2027 stock option program total 1,794,159 (December 31, 2025: 1,791,660). 5,841 options (December 31, 2025: 8,340) had not yet been allocated.

The expenses for stock options are reported in personnel expense and came to TEUR 1,015 (PY: TEUR 664).

Segment reporting

Starting on January 1, 2026, the group of companies has been reported and managed in two new segments. The "Smart IoT" segment, consisting of the cash-generating units "Industrial", "Telecom", "North America", "Asia" and "ODM" and the "Software + Solutions" segment, consisting of the cash-generating units "Transport", "Cyber Solutions" and "Aerospace and Defense." The previous year was adjusted accordingly.

6M 2026 IN TEUR	SMART IOT	SOFTWARE + SOLUTIONS	TOTAL
Total revenues	599,131	278,294	877,425
Internal revenues	-114,870	-25,445	-140,315
Revenues	**484,261**	**252,849**	**737,110**
Gross profit	182,202	128,816	311,018
EBITDA	**44,681**	**39,759**	**84,440**
Depreciation and amortization	-23,612	-14,159	-37,771
EBIT	**21,069**	**25,600**	**46,669**

6M 2025 IN TEUR	SMART IOT	SOFTWARE + SOLUTIONS	TOTAL
Total revenues	700,317	264,587	964,904
Internal revenues	-145,998	-37,757	-183,755
Revenues	**554,319**	**226,830**	**781,149**
Gross profit	196,739	121,924	318,663
EBITDA	**109,167**	**36,871**	**146,038**
Depreciation and amortization	-27,794	-10,282	-38,076
EBIT	**81,373**	**26,589**	**107,962**

Q2 2026 IN TEUR	SMART IOT	SOFTWARE + SOLUTIONS	TOTAL
Total revenues	309,214	141,214	450,428
Internal revenues	-63,229	-13,838	-77,067
Revenues	**245,985**	**127,376**	**373,361**
Gross profit	93,309	65,193	158,502
EBITDA	**27,451**	**19,404**	**46,855**
Depreciation and amortisation	-11,700	-7,387	-19,087
EBIT	**15,751**	**12,017**	**27,768**

Q2 2025 IN TEUR	SMART IOT	SOFTWARE + SOLUTIONS	TOTAL
Total revenues	350,052	141,366	491,418
Internal revenues	-74,186	-21,529	-95,715
Revenues	**275,866**	**119,837**	**395,703**
Gross profit	90,243	58,944	149,187
EBITDA	**84,260**	**13,828**	**98,088**
Depreciation and amortisation	-13,711	-5,054	-18,765
EBIT	**70,549**	**8,774**	**79,323**

EBITDA is shown before headquarters costs are cleared by Kontron AG. In addition, the "Smart IoT" segment comprises all costs ensuing from Kontron AG (expenses for headquarters) that cannot be apportioned among the other segments due to functionalities. The effects upon net income / loss for the period that are not directly associated with the operative business of the segments are therefore also reported in the "Smart IoT" segment.

Other information

- The 27th Annual General Meeting of Kontron AG was held on June 30, 2026. At this AGM, the following resolutions were passed:
  - Resolution to carry forward the retained earnings for financial year 2025 onto new account in their entirety;
  - Resolution on the election of the auditor and Group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft for financial year 2026;
  - Resolution on the election of the auditor for sustainability reporting KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft for financial year 2026;
- On 10 June 2026, Ennoconn Corporation informed Kontron AG that it had exceeded the 30% voting rights threshold and announced its intention to launch a mandatory takeover offer to the shareholders of the Company at an offer price of EUR 23.50 per share. Considering the mandatory offer announced, the ongoing share buyback program was suspended. Following the expiration of the acceptance period for the mandatory offer on 27 July 2026, Ennoconn Corporation announced that approximately 12.3 million shares, representing around 19.5% of Kontron AG's share capital, had been tendered on a preliminary basis. As a result, Ennoconn will not hold a majority of the voting rights in Kontron AG. The completion of the offer remains subject to the outstanding foreign investment control approvals in Germany. Until the transaction is completed, shareholders who have accepted the offer retain the right to withdraw their acceptance and reclaim their shares. Consequently, Ennoconn's shareholding is expected to decrease further until the closing of the offer.

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, which primarily include Ennoconn Corporation, Taiwan, and Hon Hai Precision Industry Co. Ltd., Taiwan, and its group companies.

Declaration of all legal representatives

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Linz, August 6, 2026

Hannes Niederhauser

Clemens Billek

Michael Riegert

Philipp Schulz

Please visit https://www.kontron.com/ en /group/investors for access to our annual report and quarterly reports and announcements from the respective date of publication. We will also announce any updates on our website in good time. This half-year management report was published on August 6, 2026. It is available in German and English. The German version is always to be taken as decisive. No liability is assumed for any spelling or printing errors. This document has been carefully prepared and all information has been carefully checked. However, layout and printing errors cannot be ruled out. The use of automatic calculation aids can result in rounding differences.

This half-year management report contains statements that refer to future developments. These are based on assumptions and estimates made by the Executive Board. Although we are of the opinion that the assumptions and estimates contained are realistic and accurate, they are subject to certain risks and uncertainties that could cause future actual results to differ considerably from the assumptions and estimates. Factors that can lead to a discrepancy include changes in the overall economic climate, the business, financial and competitive situation, fluctuations in exchange rates and interest rates, and changes to business strategy. We cannot guarantee that the future development and actual future results will coincide with the assumptions and estimates expressed in this half-year management report. The assumptions and estimates made in this report are not updated.

FINANCIAL CALENDAR

2026

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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