

kontron

The Power of IoT

Half-year Report 2025



KONTRON GROUP OVERVIEW

Key Figures

IN EUR MIO.	6M 2025	6M 2024
Revenues	781.1	779.9
EBITDA ¹⁾	146.0	82.0
Result after non-controlling interests ²⁾	88.9	37.9
Earnings per share undiluted (in EUR Cent)	1 EUR 45 Cent	61 Cent
Operating cash flow	16.3	-16.8

1) Includes one-off effects of portfolio streamlining

2) Result from continuing and discontinued operations

IN EUR MIO.	30.06.2025	31.12.2024
Cash and cash equivalents	193.5	315.6
Net Cash (+) / Net debt (-) ³⁾	-254.6	-163.1
Equity	688.3	652.3
Equity ratio	38.1%	35.8%
Backlog	2,277.7	2,077.9
Project-pipeline	7,723.2	6,643.1
Employees ⁴⁾	6,938	7,263

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

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



Increasing margins by consistently focusing on new technologies

In 2021, we presented our Vision 2030 with the goal of becoming the world's leading Internet of Things ("IoT") technology provider.

Much has happened since then. We have sold the majority of our IT service activities and founded the new "Software + Solutions" division. Life and tech markets have evolved. Extremely powerful AI systems collect enormous volumes of data using IoT networks and make automated decisions for us. This is a process that is only just beginning today. Large investments in AI show that the tech industry expects exponential growth in this sector, which is why Kontron offers services for connecting AI and machines to supply AI with machine data for implementing the related automated processes. With over 3,000 highly specialized engineers and major investments in research and development, Kontron is one of the most innovative companies in Europe.

We have continued to push ahead with optimizing our portfolio in this direction in the first half of 2025. We have entered into a partnership with congatec for the Computer-on-Modules "COM" sector, and congatec has taken control of Kontron's COM business as part of the arrangement. As a result, Kontron has deconsolidated its COM business. COMs have been part of Kontron for 20 years, developing Intel computer systems featuring modular designs, while congatec is the world market leader in this area and can exploit many synergies with Kontron COMs. Working together will Kontron continue to have access to COM technologies, but we can focus our own resources even more on the higher-margin "Software + Solutions" segment. In addition, COM technologies will be marketed together with Kontron solutions. The bottom line is that the deconsolidation results in one-time revenues of preliminary around EUR 48 million. Although operatively we will lose revenue from COMs, we will be able to increase our income in the "Software + Solutions" segment at a higher rate as a result of the partnership.

We are planning further portfolio optimizations over the next 12 months. We will continue to reduce our portfolio in non-core areas and further expand our offering of high-margin technologies in the "Software + Solutions" segment, also focusing on AI for IoT. With this focus, Kontron will achieve both higher profit margins as well as higher absolute margins.

Our core area "Software + Solutions" is already enjoying tremendous tailwind. A third of revenue and more than 50% of all new orders - accounting for more than half of Kontron's profits - come from this sector:

- › Over EUR 300 million in new orders have already been received in 2025 so far for high-speed train systems. Connected trains increase utilization on existing tracks, reduce delays and make train traffic safer. Kontron is the first provider of the future FRMCS rail standard and is the market leader in Europe.
- › Our data communication and encryption technologies for the defense sector also saw a significant increase in the first half of 2025. Following the introduction of the Cyber Resilience Act (CRA), we are the first provider to launch a light version of this technology onto the market to cover other critical infrastructure sectors as well.
- › Our own KontronOS operating system for machines with a focus on cybersecurity has continued to grow in 2025 and is heading to be installed in over 30 million networked applications by 2028.

For the second half of 2025, we see a downturn in revenue as a result of the loss of COM business, but significant growth in operating EBITDA. We are increasing our target for 2025 from an EBITDA of at least EUR 220 million to at least EUR 270 million. Based on ongoing measures, the EBITDA margin should continue to rise in 2026, reaching around 20% by 2030.

Hannes Niederhauser, CEO



HALF-YEAR MANAGEMENT REPORT

Carve-out and deconsolidation of COM business

In the first half of 2025, revenue increased by 0.2% to EUR 781.1 million compared to the same period of the previous year (6M 2024: EUR 779.9 million). The operating gross margin in the first half of 2025 was around the level of the comparable period of last year (6M 2024: 42.0%). EBITDA increased significantly by 78.2% to EUR 146.0 million (6M 2024: EUR 82.0 million), driven by the “Software + Solutions” segment and one-off effects from portfolio optimization in the second quarter. Before that, Kontron carried out a carve-out of the COM business. Kontron still owns 4% of JumpTec GmbH as part of the COM business.

In the second quarter of 2025, revenue fell by 6.6% to EUR 395.7 million (Q2 2024: EUR 423.8 million), which is due in particular to the focus of business volume on higher-margin orders and the associated portfolio optimization. The gross margin fell to 37.7% due to the one-time effects associated with portfolio optimization - but remained stable in operating terms. At the same time, EBITDA for the isolated second quarter of 2025 grew significantly by 110.8% to EUR 98.1 million (Q2 2024: EUR 46.5 million), which was primarily due to one-off effects from portfolio optimization and deconsolidation of COM business amounting to preliminary around EUR 48 million.

Personnel expenses increased by 11.3% to EUR 234.9 million in the first half of 2025 (6M 2024: EUR 211.1 million). This increase is also influenced by the portfolio optimization. The number of employees (not including apprentices and staff on parental leave or training courses) decreased from 7,263 employees as of December 31, 2024 to 6,938 employees as of June 30, 2025.

Depreciation and amortization increased from EUR 33.6 million in the same period of the previous year to EUR 38.1 million in the first half of 2025 at the same time as the portfolio optimization. The financial result was minus EUR 12.3 million (6M 2024: minus EUR 7.6 million). Income tax expenses amounted to EUR 8.0 million in the reporting period (6M 2024: EUR 3.8 million).

The result from the period attributable to owners of interests in Kontron (based on non-controlling interests) in the first half of 2025 amounted to EUR 88.9 million compared to EUR 37.9 million in the corresponding period in 2024, representing an increase of 134.6% driven by the one-time effects of the portfolio optimization and deconsolidation of the COM business. Earnings per share (undiluted, including discontinued operations) increased to EUR 1.45 in the past six-month period (6M 2024: 61 cents).

Results driven by the “Software + Solutions” segment

The corporate group will be reported and managed in the three segments “Europe”, “Global” and “Software + Solutions.”

About the three segments of the Kontron Group:

- › **“Europe”:** This segment covers all activities of the Kontron Group relating to development of secure solutions for networked machines by means of a combined portfolio consisting of hardware, middleware and IoT services in Europe. The focus of the business segment is on the products developed by the Kontron Group (proprietary technologies) and solutions for the main markets of smart factories, medical technology and communication solutions. The headquarters are also shown in this segment.

In the first half of 2025, revenue in the “Europe” segment decreased slightly to EUR 398.6 million. EBITDA increased significantly due to one-time effects and is therefore difficult to compare with previous periods.

- › **“Global”:** The “Global” segment represents the Kontron Group's business in North America and Asia.

In the first half of 2025, revenue in the “Global” segment decreased by 5.2% to EUR 111.1 million (6M 2024: EUR 117.2 million). The gross margin went down from 34.1% in the previous year to 32.8% in the first half of 2025. EBITDA before headquarters costs amounted to EUR 22.7 million due to the sale of the module subsidiary in the USA (6M 2024: EUR 8.4 million).

- › **“Software + Solutions”:** In this segment, the Kontron Group presents its software development solutions for industrial automation, technologies and solutions for high-speed trains, as well as the high-margin GreenTec and Aerospace sectors.

For the first half of 2025, this segment recorded strong revenue growth of 16.5% to EUR 271.4 million (6M 2024: EUR 232.9 million). The gross margin in the reporting period was 50.3% (6M 2024: 55.8%). EBITDA before headquarters costs for this segment amounted to EUR 40.0 million in the first half year (6M 2024: EUR 35.5 million), the gross margin in the first half of the year was affected by the negative effects of the COM deconsolidation.

IN EUR MIO.	EUROPE ¹⁾		GLOBAL		SOFTWARE + SOLUTIONS		KONTRON GROUP	
	6M 2025	6M 2024 ²⁾	6M 2025	6M 2024	6M 2025	6M 2024 ²⁾	6M 2025	6M 2024
Total revenues	494.2	540.3	151.8	155.9	318.9	266.2	964.9	962.4
Internal revenues	-95.6	-110.4	-40.6	-38.7	-47.5	-33.3	-183.8	-182.5
Revenues	398.6	429.9	111.1	117.2	271.4	232.9	781.1	779.9
Gross profit	145.8	157.6	36.4	39.9	136.5	129.9	318.7	327.4
EBITDA ³⁾	83.4	38.1	22.7	8.4	40.0	35.5	146.0	82.0
Depreciation and amortization	-21.0	-17.4	-4.0	-4.0	-13.1	-12.1	-38.1	-33.6
EBIT	62.3	20.6	18.7	4.4	26.9	23.3	108.0	48.4

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 of portfolio streamlining

IN EUR MIO.	EUROPE ¹⁾		GLOBAL		SOFTWARE + SOLUTIONS		KONTRON GROUP	
	Q2 2025	Q2 2024 ²⁾	Q2 2025	Q2 2024	Q2 2025	Q2 2024 ²⁾	Q2 2025	Q2 2024
Total revenues	250.2	311.0	75.9	81.4	165.3	144.8	491.4	537.2
Internal revenues	-47.1	-72.3	-20.3	-22.7	-28.3	-18.4	-95.7	-113.4
Revenues	203.2	238.7	55.6	58.7	137.0	126.3	395.7	423.8
Gross profit	69.1	89.8	15.3	21.3	64.7	69.2	149.2	180.2
EBITDA ³⁾	67.2	26.0	17.7	3.9	13.2	16.7	98.1	46.5
Depreciation and amortization	-10.4	-10.4	-2.0	-2.2	-6.4	-7.6	-18.8	-20.2
EBIT	56.8	15.6	15.7	1.6	6.9	9.1	79.3	26.4

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 of portfolio streamlining

Solid financial position and strong operating cash flow

The Group's assets and liquidity remain strong in the first half of 2025. As of June 30, 2025, the balance sheet total stood at EUR 1,806.4 million (December 31, 2024: EUR 1.823,7 million | March 31, 2025: EUR 1.718,5 million). As of June 30, 2025, cash and cash equivalents amounted to EUR 193.5 million compared to EUR 315.6 million as of December 31, 2024 and EUR 208.1 million as of March 31, 2025. The slight decline compared to March 31, 2025 is primarily due to the dividend payment of EUR 0.60 per dividend-bearing share. There have been no cash inflows from optimizing the portfolio in the second quarter. Equity amounted to EUR 688.3 million as of June 30, 2025 (December 31, 2024: EUR 652.3 million | March 31, 2025: EUR 668.8 million). The equity ratio as of June 30, 2025 was 38.1% (December 31, 2024: 35.8% | March 31, 2025: 38.9%). As of June 30, 2025, the Kontron Group reported net debt of EUR 254.6 million (December 31, 2024: net debt EUR 163.1 million | March 31, 2025 net debt EUR 191.9 million). The increase is mainly attributable to cash outflows for investments, repayment of lease liabilities, cash outflows due to deconsolidations, and the dividend payment in the second quarter. Kontron expects net debt to decrease accordingly in the second half of 2025.

Operating cash flow in the first half of 2025 was positive and amounted to EUR 16.3 million. This is a big leap forward because operating cash flow was still negative in the first half of 2024 and stood at EUR -16.8 million. In the isolated second quarter of 2025, operating cash flow alone amounted to EUR 13.5 million. Cash flow from investing activities improved from EUR -95.9 million in the first half of 2024 to EUR -36.1 million in the first half of 2025. Last year Kontron acquired the majority of shares in Katek SE.

As of June 30, 2025, congatec GmbH, a portfolio company of DBAG (Deutsche Beteiligungs AG) Fund VIII, acquired 96% of JumpTec GmbH through a capital increase. Kontron's module subsidiaries in the USA and Malaysia were also sold for EUR 26 million. These transactions support Kontron's portfolio optimization and focus on its core business with connectivity solutions for multiple industries.

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.

Kontron regards the consistent development of new technologies – especially connectivity in the areas of mobility, 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.

For the entire Kontron Group, we see high 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, especially in the software sector. This enables us to offer innovative products, solutions, platforms and new developments in the Internet of Things sector. The improved integration of 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.

With the technology switch to 5G and towards 6G, special industrial frequencies now enable private networks for “smart factories” based on the 5G mobile wireless standard. Among other things, this provides 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.

There are also opportunities in the areas of digital transformation, which continue to advance in all areas of life. The continuous expansion of the Kontron susietec® toolset for KontronOS® supports this by continuing to drive digital transformation in Kontron markets. From system integration, software development, hybrid cloud, hardware/software bundles and installation to operation and maintenance, Kontron is an agile partner. The further expansion of KontronOS® will establish our uniform software operating system for the secure operation of a wide variety of hardware components (including from third-party providers). The Kontron Group is thus in a good position to exploit and monetize the opportunities of the digital transformation.

In the face of increasing systems connectivity, the issue of cybersecurity is becoming increasingly important. In order to comply with specifications and mandatory standards, we support our customers with specially matched IoT solutions. These are based on standardized Kontron hardware and software solutions, such as a combination of our K-boxes and KontronOS®.

Artificial intelligence is now also finding its way into everyday working life. The number of AI applications is increasing rapidly, especially in the edge computing sector. Here, Kontron also offers an extensive product portfolio with high-performance platforms for managing computing 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. Kontron already offers AI-based standardized applications for the cybersecurity sector.

The global political environment is highly volatile. Tensions in Asia (China vs. Taiwan — in Taiwan, for example, Ennoconn is Kontron's largest shareholder), the ongoing war in Ukraine, conflicts in the Middle East, tariff policies in the USA, etc. make the current global political environment incalculable. Decisions made by governments can also often no longer be accepted as constant or predictable in terms of a secure investment environment.

Firstly, the unpredictable tariff policy of the USA represents a significant risk for the global economy, and secondly, this is also an opportunity for Kontron, since, unlike many competitors, the Group already has major manufacturing capacities in the USA and can therefore react more flexibly and quickly to existing tariff policy framework conditions.

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 in the 2024 Annual Report.

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, the high competitive pressure and changes in the propensity to consume and 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.

The Kontron Group develops its own Industrial IoT products for a large number of vertical markets. The products are based on computer technology (chips) from major manufacturers and electronic carrier boards for these chips, application-specific housings and interfaces, as well as communication and display technologies. Proprietary software products are divided into firmware, operating systems (Kontron has developed its own operating system for IoT applications: KontronOS®) and applications in the IoT environment, and use open source technologies. In general, these are based on industry standards to ensure compatibility with other market participants. 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.

The management of the Kontron Group assumes that economic development will continue to be volatile over the medium term against the backdrop of the numerous current uncertainty factors.

Outlook

Kontron is raising its forecast to an EBITDA of at least EUR 270 million for 2025. This includes expected one-time effects from the de-consolidation of the COM business. The loss of COM business is not expected to have any operational impact on EBITDA and net profit; Kontron expects revenues of around EUR 1.8 billion for the current financial year 2025. Due to its extensive IoT technology portfolio, which is well positioned for future topics such as artificial intelligence and the NIS2 cybersecurity standard in the still young IoT market, Kontron expects to continue on its course of growth in the coming years.

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT IN TEUR	6M 2025	6M 2024	Q2 2025	Q2 2024
Revenues	781,149	779,944	395,703	423,833
Capitalized development costs	23,527	18,431	11,041	10,577
Other income	101,593	6,543	98,599	5,952
Expenses for materials and other services purchased	-462,486	-452,529	-246,516	-243,609
Personnel expenses	-234,914	-211,057	-123,055	-117,976
Depreciation and amortization	-38,076	-33,606	-18,765	-20,170
Other operating expenses	-62,831	-59,374	-37,684	-32,252
Result from operations	107,962	48,352	79,323	26,355
Finance income	1,258	5,489	457	3,609
Finance expenses	-13,515	-13,056	-6,650	-7,970
Financial result	-12,257	-7,567	-6,193	-4,361
Result from associated companies	-164	0	-164	0
Earnings before taxes	95,541	40,785	72,966	21,994
Income taxes	-7,956	-3,837	-5,525	-1,720
Profit/loss from continuing operations	87,585	36,948	67,441	20,274
Profit/loss from discontinued operations	0	229	0	115
Net income	87,585	37,177	67,441	20,389
Results from the period attributable to owners of non-controlling interests	-1,308	-716	-1,369	-1,207
Results from the period attributable to owners of interests in parent company	88,893	37,893	68,810	21,596
Earnings per share from continuing operations (undiluted)	1.45	0.61	1.12	0.35
Earnings per share from continuing operations (diluted)	1.41	0.59	1.09	0.34
Earnings per share attributable to owners of interests in parent company (undiluted)	1.45	0.61	1.12	0.35
Earnings per share attributable to owners of interests in parent company (diluted)	1.41	0.59	1.09	0.34
Average number of shares in circulation (in thousands undiluted)	61,390	61,705	61,393	61,732
Average number of shares in circulation (in thousands diluted)	63,267	63,810	63,188	63,837

STATEMENT OF OTHER COMPREHENSIVE INCOME

STATEMENT OF OTHER COMPREHENSIVE INCOME IN TEUR	6M 2025	6M 2024	Q2 2025	Q2 2024
Net income	87,585	37,177	67,441	20,389
Items that will not be reclassified to profit or loss				
Remeasurement according to IAS 19				
Gains (+) / losses (-) from remeasurement	23	1	-8	-18
	23	1	-8	-18
Items that may be subsequently reclassified to profit or loss				
Unrealized gains/losses from currency translation	-11,868	4,081	-7,853	2,585
	-11,868	4,081	-7,853	2,585
Other comprehensive income	-11,845	4,082	-7,861	2,567
Comprehensive income	75,740	41,259	59,580	22,956
of which attributable to				
the owners of non-controlling interests	-1,347	-698	-1,396	-1,198
the owners of interests in parent company	77,087	41,957	60,976	24,154

CONSOLIDATED BALANCE SHEET

ASSETS IN TEUR	30.06.2025	31.12.2024
NON-CURRENT ASSETS		
Property, plant and equipment	227,612	238,083
Intangible assets	157,727	157,306
Goodwill	261,280	262,574
Investments in associated companies	2,505	0
Financial assets non-current	140,780	12,738
Contract assets non-current	1,668	1,483
Other non-current assets	7,841	8,268
Deferred tax assets	60,580	64,311
	859,993	744,763
CURRENT ASSETS		
Inventories	340,563	373,289
Trade receivables	200,368	249,649
Contract assets current	91,542	71,585
Financial assets current	46,875	17,681
Other receivables and assets current	73,513	51,088
Cash and cash equivalents	193,502	315,637
	946,363	1,078,929
Total assets	1,806,356	1,823,692
EQUITY AND LIABILITIES IN TEUR	30.06.2025	31.12.2024
EQUITY		
Subscribed capital	63,861	63,861
Capital reserves	101,818	102,246
Accumulated results	574,732	522,694
Other reserves	-18,002	-6,196
Treasury shares	-49,260	-50,146
Equity attributable to owners of interests in parent company	673,149	632,459
Non-controlling interests	15,134	19,819
	688,283	652,278
NON-CURRENT LIABILITIES		
Financing liabilities non-current	233,197	305,760
Other financial liabilities non-current	90,752	97,368
Contract liabilities	10,209	5,657
Deferred tax liabilities	12,660	11,063
Provisions non-current	34,484	33,085
	381,382	452,933
CURRENT LIABILITIES		
Financing liabilities current	214,874	172,985
Trade payables	234,252	272,378
Contract liabilities	76,714	91,198
Other financial liabilities current	46,502	48,141
Provisions current	73,650	39,470
Other liabilities current	90,699	94,309
	736,691	718,481
Total equity and liabilities	1,806,356	1,823,692

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF CASH FLOWS IN TEUR

	6M 2025	6M 2024	Q2 2025	Q2 2024
CASH FLOW FROM OPERATING ACTIVITIES FROM CONTINUING AND DISCONTINUED OPERATIONS				
Earnings before tax from continuing and discontinued operations	95,541	41,014	72,966	22,109
Depreciation and amortization	38,076	33,606	18,765	20,170
Interest expenses	13,515	13,056	6,650	7,970
Interest and other income from the disposal of financial assets	-1,258	-5,718	-457	-3,724
Result from associated companies	164	0	164	0
Increase/decrease of provisions	-9,432	-5,373	935	-2,686
Gains/losses from the disposal of non-current non-financial assets	2	920	22	839
Changes in inventories	25,352	-9,935	34,508	-11,965
Changes in trade receivable and contract assets	16,610	16,931	-7,530	-5,151
Changes in other receivables and assets	-18,126	2,398	-3,793	-5,157
Changes in trade payable and contract liabilities	-36,898	-88,860	-14,057	-25,485
Changes in other liabilities	3,790	-13,179	6,875	743
Other non-cash income and expenses	-6,130	1,237	-4,512	-2,962
Result from the deconsolidation of subsidiaries	-93,584	0	-93,584	0
Cash and cash equivalents from operations	27,622	-13,903	16,952	-5,299
Income taxes paid	-11,337	-2,852	-3,438	-753
Cash flow from operating activities	16,285	-16,755	13,514	-6,052
CASH FLOW FROM INVESTING ACTIVITIES				
Payments to acquire property, plant and equipment and intangible assets	-32,106	-30,624	-14,743	-19,182
Payments received for the disposal of property, plant and equipment and intangible assets	1,168	474	622	322
Disposal/purchase of financial instruments	579	-3,386	18	-1,253
Payments to acquire subsidiaries less cash assumed and plus current account liabilities assumed	-1,158	-67,138	-58	-2,556
Proceeds /Payments from disposal/sale of subsidiaries less cash disposed and plus current account liabilities disposed	-5,551	0	-5,551	0
Proceeds (net) from disposal of discontinued operations	0	-394	0	-2
Interest income	978	5,164	320	3,408
Cash flow from investing activities	-36,090	-95,904	-19,392	-19,263
CASH FLOW FROM FINANCING ACTIVITIES				
Increase in financing liabilities and financial liabilities	66,322	336,050	65,837	130,013
Decrease in financing liabilities and financial liabilities	-113,662	-226,479	-26,018	-139,350
Interests paid	-13,890	-11,285	-8,822	-8,246
Acquisition of non-controlling interests	0	-57,523	0	-57,477
Payments for cash settlement of share options	-926	0	-926	0
Dividends to owners of interests in parent company	-36,855	-30,833	-36,855	-30,833
Cash inflow / outflow for of treasury shares	91	-1,780	91	-49
Cash flow from financial activities	-98,920	8,150	-6,693	-105,942
Changes in exchange rates	-3,410	-25	-2,073	2,794
Changes in cash and cash equivalents	-122,135	-104,534	-14,644	-128,463
Cash and cash equivalents as of the beginning of the period	315,637	332,235	227,701	356,164
Cash and cash equivalents as of the end of the period	193,502	227,701	213,057	227,701

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, 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	0	696
	0	696
TRANSACTIONS WITH OWNERS OF INTERESTS		
Change in non-controlling interests	0	-25,535
Dividends	0	0
Repurchase of treasury shares	0	0
	0	-25,535
as of June 30, 2024	63,861	102,309
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

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
37,893	0	0	37,893	-716	37,177
0	4,063	0	4,063	19	4,082
37,893	4,063	0	41,956	-697	41,259
0	0	0	0	51,657	51,657
0	0	0	696	0	696
0	0	0	696	51,657	52,353
0	0	2,819	-22,716	-34,748	-57,464
-30,833	0	0	-30,833	0	-30,833
0	0	-1,732	-1,732	0	-1,732
-30,833	0	1,087	-55,281	-34,748	-90,029
469,898	-4,850	-41,886	589,332	18,222	607,554
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

NOTES

Principles of accounting

The interim consolidated financial statements of Kontron AG as of June 30, 2025 have been compiled according to the financial reporting standards of the International Accounting Standards Board (IASB), of the International Financial Reporting Standards (IFRS) 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, 2024 have been applied without any changes.

The interim consolidated financial statements as of June 30, 2025 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 2025:

GROUP COMPANIES (NUMBER)	2025
Number of fully-consolidated companies as of January 1	66
Disposals	-6
Number of fully-consolidated companies as of June 30	60

Equity

As of June 30, 2025 the share capital of Kontron AG amounted to TEUR 63,861 (December 31, 2024: TEUR 63,861). It is divided into 63,860,568 (December 31, 2024: 63,860,568) no-par value bearer shares. As of June 30, 2025, Kontron AG held 2,430,610 treasury shares, which corresponds to around 3.81% of the company's share capital.

Dividends paid

The dividend of EUR 0.60 per share proposed for the financial year 2024 was approved at the 26th Annual General Meeting on June 11, 2025. The dividends were paid on June 20, 2025.

Stock options

As of June 30, 2025, Kontron AG has two stock options programs. Eligible to participate in these are members of the Executive Board of Kontron AG and employees of Kontron AG and its subsidiaries.

The 2024 annual report contains a detailed description of the stock option programs.

During the first six months of financial year 2025, 189,000 options were exercised. The outstanding rights for the 2018/2019 stock option program therefore amount to a total of 271,000 (December 31, 2024: 460,000) and for the 2024/2025 stock option program a total of 1,500,000 (December 31, 2024: 1,500,000).

The expenses for stock options are reported in personnel expense and came to TEUR 664 (PY: TEUR 695).

Segment reporting

The group of companies is reported and managed in the three segments "Europe", consisting of the cash-generating units "Industrial", "Telecom" and "COM"; segment "Global", consisting of the cash-generating units "North America" and "Asia"; and segment "Software + Solutions", consisting of the cash-generating units "Transport", "Software", "Aerospace", and "GreenTec".

6M 2025 IN TEUR	EUROPE	GLOBAL	SOFTWARE + SOLUTIONS	TOTAL
Total revenues	494,239	151,776	318,889	964,904
Internal revenues	-95,630	-40,641	-47,484	-183,755
Revenues	398,609	111,135	271,405	781,149
Gross profit	145,759	36,409	136,495	318,663
EBITDA^{*)}	83,350	22,650	40,038	146,038
Depreciation and amortization	-21,022	-3,951	-13,103	-38,076
EBIT	62,328	18,699	26,935	107,962

^{*)} Includes one-off effects of portfolio streamlining

6M 2024 IN TEUR	EUROPE ^{*)}	GLOBAL	SOFTWARE + SOLUTIONS ^{*)}	TOTAL
Total revenues	540,287	155,892	266,225	962,404
Internal revenues	-110,427	-38,687	-33,346	-182,460
Revenues	429,860	117,205	232,879	779,944
Gross profit	157,574	39,909	129,932	327,415
EBITDA	38,066	8,442	35,450	81,958
Depreciation and amortization	-17,429	-4,028	-12,149	-33,606
EBIT	20,637	4,414	23,301	48,352

^{*)} Previous year adjusted after reclassification of companies between 'Europe' and 'Software + Solutions'

Q2 2025 IN TEUR	EUROPE	GLOBAL	SOFTWARE + SOLUTIONS	TOTAL
Total revenues	250,247	75,916	165,255	491,418
Internal revenues	-47,090	-20,336	-28,289	-95,715
Revenues	203,157	55,580	136,966	395,703
Gross profit	69,143	15,298	64,746	149,187
EBITDA^{*)}	67,179	17,669	13,240	98,088
Depreciation and amortisation	-10,395	-2,002	-6,368	-18,765
EBIT	56,784	15,667	6,872	79,323

*) Includes one-off effects of portfolio streamlining

Q2 2024 IN TEUR	EUROPE ^{*)}	GLOBAL	SOFTWARE + SOLUTIONS ^{*)}	TOTAL*
Total revenues	311,012	81,396	144,775	537,183
Internal revenues	-72,265	-22,659	-18,426	-113,350
Revenues	238,747	58,737	126,349	423,833
Gross profit	89,793	21,251	69,180	180,224
EBITDA	25,977	3,868	16,680	46,525
Depreciation and amortisation	-10,366	-2,224	-7,580	-20,170
EBIT	15,611	1,644	9,100	26,355

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

EBITDA is shown before headquarters costs are cleared by Kontron AG. Furthermore, the "Europe" 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 "Europe" segment.

Other information

The 26th Annual General Meeting of Kontron AG was held on June 11, 2025. At this AGM, the following resolutions were passed:

- › Resolution to distribute a dividend of EUR 0.60 per share with dividend entitlement and to carry forward the remaining retained earnings onto new account;
- › Resolution on the election of the auditor and Group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft for the financial year 2025;
- › Resolution on the election of the auditor for non-financial reporting KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft for financial year 2025, provided that the 2025 Non-financial Report has to be audited by an external auditor due to legal requirements;
- › Resolution on the election as members of the Supervisory Board of Claudia Badstöber, Bernhard Chwátal and Mavis Hong, until the conclusion of the Annual General Meeting that presides over the discharge of the board for financial year 2028;
- › Resolution to authorize an increase of the company's capital in accordance with clause 169 of the Austrian Stock Corporation Act (authorized capital) by up to EUR 2,000,000 in exchange for cash or other consideration including authorization of the Executive Board to exclude subscription rights, and the authorization to make the corresponding amendment to the articles of association ("Authorized Capital 2025");
- › Resolution on the authorizations of the Executive Board to repurchase and sell the company's treasury shares, also in ways other than through the stock exchange or a public offer, also combined with the authorization of the Executive Board to exclude the general tendering and purchase rights of shareholders (exclusion of subscription rights) including authorization of the Executive Board to redeem shares and the authorization of the Supervisory Board to amend the company's articles of association in relation to the redemption of shares;

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.

Events after the balance sheet date

On July 11, 2025, Germany decided by law to reduce the corporate income tax rate in stages from the current 15% to 10% starting from the assessment period 2032. The tax rate will be reduced by one percentage point every year starting in 2028. This change affects the valuation of deferred tax assets and tax liabilities. As of June 30, 2025, this change in the law represents an event after the closing date in accordance with IAS 10 ("non-adjusting subsequent event"), because the law was not yet in force at that time. There is therefore no adjustment of deferred taxes as of June 30, 2025.

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, 2025



Dipl.-Ing. Hannes Niederhauser



Dr. Clemens Billek



Dipl.-Ing. Michael Riegert



Mag. 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 report was published on August 6, 2025. 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 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 report. The assumptions and estimates made in this report are not updated.

FINANCIAL CALENDAR

2025

06.08.2025	Half-year report 2025 (Earnings-Call Q2 2025)
03.09.2025	Commerzbank & ODDO BHF Corporate Conference, Frankfurt (03.09.-04.09.2025)
22.09.2025	Berenberg and Goldman Sachs 14th German Corporate Conference, Munich (22.09.-24.09.2025)
23.09.2025	Baader Investment Conference, Munich (22.09.-25.09.2025)
05.11.2025	Q3-quarterly statement 2025 (Earnings-Call Q3 2025)
24.11.2025	Eigenkapitalforum, Frankfurt (24.11.-26.11.2025)

Further details available under

<https://www.kontron.com/en/group/investors/financial-calendar>

Österreich (Headquarters)

Kontron AG, 4020 Linz, Industriezeile 35

Investor Relations: +43 732 7664 153 | ir@kontron.com

www.kontron.com

Austria · Belgium · Bulgaria · Canada · China · Czech Republic · France · Germany · Hungary · Kazakhstan · Lithuania · Malaysia · North Macedonia · Poland · Portugal · Romania · Russia · Singapore · Switzerland · Slovenia · Spain · Taiwan · United Kingdom · USA · Uzbekistan

