

REPORT ON REMUNERATION TO SENIOR EXECUTIVES AND BOARD MEMBERS FOR 2023

KITRON ASA

Prepared for the annual general meeting 25 April 2024

1. Introduction

This report on remuneration to senior executives (the "**Report**") is prepared by the board of directors of Kitron ASA ("**Kitron**" or the "**Company**" and together with its subsidiaries the "**Group**"). The Report has been prepared in accordance with the Norwegian Public Limited Liability Companies Act 1997 section 6-16b, the Norwegian Regulation on Guidelines and Report on Remuneration of Leading Employees of 2020 (Nw.: Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer) section 6 and the Norwegian Accounting Act section 7-31b.

The Report comprises remuneration to the Company's CEO, CFO and other members of the management who report directly to the CEO ("**Senior Executives**"), as well as members of the board of directors who are or have been employed by, or held office in, the Company. The purpose of the Report is to provide a comprehensive, clear and understandable overview over awarded and due gross salary and remuneration to Senior Executives and board members for the last financial year and how the remuneration is in accordance with the guidelines for remuneration of Senior Executives adopted by the annual general meeting 2021 of the Company (the "**Remuneration Guidelines**") and to what extent the remuneration is linked to the performance of the Company. The Report provides details, both in total and individualised, on the remuneration of the Company's Senior Executives as well as the remuneration received by members of the Company's board of directors in their capacity as board members in the Company.

Remuneration of the members of the board of directors of the Company is covered in section 6 of this Report.

This report covers the information requirements in RL § 7-31 b. The company has not given any loans or security for directors or senior executives at 31 December 2023.

The Report on Remuneration to senior executives and board members for 2022 was approved by the Annual General Meeting on 28 April 2023.

2. Company highlights in 2023

Overall company performance in 2023

Kitron's revenue for the year reached EUR 775.2 million (EUR 641.0 million), which represented a 21 per cent increase compared with 2022. The increased revenue reflects underlying growth. EBITDA for the group reached EUR 88.3 million compared to EUR 61.2 million in 2022. Operating profit (EBIT) was EUR 70.7 million compared to EUR 45.2 million in 2022. Net profit for the year amounted to EUR 51.1 million (EUR 28.3 million), corresponding to EUR 0.26 per share (EUR 0.14). ROOC R3 for the year was 26.9 % compared to 25.9 % for 2022. Revenue growth year-on-year was 20.9%. For further details on the Company's performance in 2023, reference is made to the Company's consolidated annual accounts for 2023.

Overview of the application of the remuneration guidelines in 2023

Under the Remuneration Guidelines, remuneration of Senior Executives shall be competitive and based on market terms, relate to responsibility and authority, and may consist of the following components: fixed salary, bonus scheme, share-based long term investment program, pension benefits, and other benefits.

The Remuneration Guidelines, adopted by the annual general meeting 2021 can be found on the Company's website <https://kitron.com/investors>.

The Remuneration Guidelines, adopted by the general meeting 2021, have been fully implemented. No deviations from the Remuneration Guidelines have been decided and no derogations from the procedure for implementation of the Remuneration Guidelines have been made.

No remuneration has been reclaimed by the Company during the reported financial year.

3. Total remuneration of Senior Executives in the Company

Table 1 below sets out total remuneration, split by component, earned by each current or previous Senior Executive in the Company for the last financial year.

Table 1a – Total remuneration of Senior Executives in the Company in 2023 and 2022

Name of Senior Executive Position (amounts in EUR 1,000)	Reported financial year	1 Fixed remuneration			2 Variable remuneration		4 Pension expense (4)	5 Total remuneration	6 Proportion of fixed and variable remuneration Total remuneration
		Base Salary	Fees	Other benefits [1]	Short-term incentive earned [2]	Long-term incentive [3]			
Peter Nilsson CEO	2023	315	0	13	358	1 068	137	1 890	25%/75%
	2022	309	0	29	260	635	149	1 383	35%/65%
Cathrin Nylander CFO	2023	202	0	27	240	313	29	810	32%/68%
	2022	220	0	28	185	272	29	734	38%/62%
Stian Haugen CTO	2023	128	0	21	152	311	10	623	26%/74%
	2022	138	0	21	118	0	10	287	59%/41%
Kristoffer Asklöf COO	2023	222	0	10	261	262	52	807	35%/65%
	2022	229	0	11	192	84	35	550	50%/50%

¹ Other benefits include the value of any benefits or prerequisites, such as non-business or non-assignment related travel, medical, car, education and training, residence or housing, credit cards, and other benefits in kind or prerequisites.

² Short-term incentive earned includes the total monetary value of annual bonuses from the short-term incentive program for the financial year.

³ Long term incentive program includes programs that have vested during the year and shows total benefit of shares and cash consideration.

⁴ Pension expense includes contributions that effectively took place during the reported financial year to finance a fund or other pension scheme for future pension payout for the senior executive.

Table 1b – Remuneration of Senior Executives from undertakings of Kitron

Name of Senior Executive Position (amounts in EUR 1,000)	Reported financial year	1 Fixed remuneration			2 Variable remuneration		4 Pension expense (4)	5 Total remuneration	6 Proportion of fixed and variable remuneration Total remuneration
		Base Salary	Fees	Other benefits [1]	Short-term incentive earned [2]	Long-term incentive [3]			
Zygmantas Dirse Managing Director, Kitron Electronics Manufacturing (Ningbo) CO Ltd., China	2023	149	0	65	201	303	8	726	31%/69%
	2022	162	0	52	142	296	9	660	34%/66%
Stefan Hansson Mutas Managing Director, Kitron AB, Sweden	2023	159	0	7	191	314	71	742	32%/68%
	2022	160	0	8	140	273	78	659	37%/63%
Mindaugas Sestokas Managing Director, UAB Kitron, Lithuania & VP Central Eastern Europe	2023	217	0	7	254	303	0	781	29%/71%
	2022	207	0	6	174	296	0	683	31%/69%
Hans Petter Thomassen Managing Director, Kitron AS, Norway & VP North America	2023	172	0	18	204	312	22	729	29%/71%
	2022	188	0	20	158	271	22	660	35%/65%
Carsten Christensen CEO Kitron A/S, Denmark (joined 10.01.2022)	2023	295	0	33	354	24	0	706	46%/54%
	2022	288	0	30	240	0	0	558	57%/43%

4. Share based remuneration

The Company has implemented a share option program for its Senior Executives comprising of up to 5,000,000 shares. The share option program was implemented in 2018 and is divided into four three-year subprograms, each with an allocation of 1,250,000 options, where the first program started in 2019, and is followed by one program every year until 2022.

The share option program entails that Senior Executives, on certain terms, may be granted a right to subscribe for shares in Kitron at NOK 0.10 per share after a vesting period of three years. The number of options that are vested for each subprogram are linked to the development of the market capitalization at Oslo Stock Exchange, adjusted for dividends and share buy-backs. For each program to vest fully, the market capitalization adjusted for dividends and share buy-backs must increase 50 per cent. The program starts to vest at an increase of 20 per cent and will vest linearly between 20 per cent to 50 per cent.

Each subprogram is capped at 200 per cent increase of the market capitalization, adjusted for dividends and share buy-backs.

Any shares delivered as a result of exercising options are subject to a three-year lock-up period. During the first year of the lock-up period, no sales are allowed. The following two years, 1/8 of the option shares are released each quarter of the calendar year. Further, the program has a claw back clause that provides the Company with a right to purchase option shares at a price equivalent to the strike price if the option holder's employment with the Company is terminated and the criteria of the program are not met during the lock-up program.

Table 2 – Share options awarded or due to the Senior Executives for the financial year 2023

Name of Senior Executive Position	Options granted and unvested at the beginning of the year (01.01.2023)	Options granted 2023	Options vested 2023	Options granted and unvested at the end of the year (31.12.2023)	Options exercised 2023	Option shares subject to a lock-up period (31.12.2023)	Exercise price
Peter Nilsson CEO	905 000		410 000	495 000	293 800	345 975	0,10
Cathrin Nylander CFO	295 000		120 000	175 000	86 008	126 365	0,10
Kristoffer Asklov COO	300 000		100 000	200 000	71 673	87 519	0,10
Stian Hagen CTO	295 000		120 000	175 000	86 008	49 290	0,10
Zygmantas Dirse Managing Director, Kitron Electronics Manufacturing (Ningbo) CO Ltd., China	295 000		120 000	175 000	86 008	144 141	0,10
Stefan Hansson Mutas Managing Director, Kitron AB, Sweden	295 000		120 000	175 000	86 008	121 283	0,10
Mindaugas Sestokas Managing Director, UAB Kitron, Lithuania & VP Central Eastern Europe	295 000		120 000	175 000	86 008	163 641	0,10
Hans Petter Thomassen Managing Director, Kitron AS, Norway & VP North America	295 000		120 000	175 000	86 008	130 197	0,10
Carsten Christensen CEO Kitron A/S, Denmark	300 000		10 000	290 000	7 167	7 167	0,10

5. Application of performance criteria

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel. The Company must therefore offer a competitive total remuneration, and the Company's Remuneration Guidelines enable the Company to offer Senior Executives such competitive total remuneration. Under the Remuneration Guidelines of the Company, remuneration of Senior Executives shall be competitive and based on market terms, relate to responsibility and authority, and may consist of the following components: fixed salary, bonus scheme, share-based long term investment program, pension benefits, and other benefits.

The performance measures for the Senior Executive's variable remuneration for 2023 have been selected to promote the Company's strategy and to encourage behaviour which is in the long-term interest of the Company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2023 have been taken into account. In accordance with the Remuneration Guidelines, the variable remuneration for 2023 has been determined by the achievement of predetermined and measurable criteria at both individual and company level. The Senior Executives of the Company have, both individually and as a group, been given the opportunity to influence the attainment of the criteria and the goals which have formed the basis for the assessment of the variable remuneration in 2023. Kitron's long term strategy has communicated targets for growth, EBIT and ROOC R3¹. These long-term targets are broken down into annual budgets, and the annual short-term incentive is derived from the budget for those targets. In addition, in 2023 an ESG target has been added, measuring the energy consumption as % of renewal energy. The short-term incentive program has no claw back clause.

In accordance with the Remuneration Guidelines, the Senior Executives had an annual variable pay scheme during 2023 with a maximum potential of 85% percent of the base salary. For 2023 the board approved stepped targets representing 0-100% of bonus achievement for EBIT, ROOC R3, Growth and ESG separately. The bonus payments were then calculated based on the actual performance on these targets. For 2023, the bonus achievement on the targets were 100 %.

In 2023, the board, based on the recommendation of the HR & remuneration committee, decided to introduce an additional remuneration of a maximum potential of 35% of the base salary, in accordance with the deviation rule in the remuneration guidelines. The additional remuneration was contingent a certain EBIT level was achieved, a maximum potential of 10% of the base salary was related to extended EBIT target and a maximum potential of 25% of the base salary was related to an extended growth target. For 2023, The additional remuneration contingent level was achieved, and the achievement on the extended targets was 100%

6. Remuneration to the board of directors

This section describes the remuneration received by the Company's board members in their capacity as board members of the Company, i.e. it does not include remuneration employee elected board members have received in their capacity as employees.

The proposal for remuneration of the board of directors is, pursuant to the Company's articles of association, prepared by the Company's nomination committee. The remuneration for the Company's board members is then resolved by the Company's general meeting.

¹ Return on Operating Capital (Last 3 months Operating profit (EBIT))*4/ (Last 3 months Operating Capital /3)

The Company has in 2023 had a structure for board remuneration where the members of the board of directors have had the opportunity to choose to receive remuneration either (i) partly in cash and partly with shares of the company or (ii) fully in cash.

Under the "cash and shares alternative", the board members were obligated to acquire a number of shares in the Company having a market value corresponding to at least 25% of the gross total remuneration paid to such board member (excluding remuneration as chair/member of board committees).

The acquisition of shares under the "cash and shares alternative" was based on the following key principles:

- The shares shall be acquired at market price.
- The shares shall be acquired by the board members as soon as practically possible after, and preferably at the same time as, the annual general meeting resolving the board remuneration.
- The acquisition of shares shall be made in accordance with applicable legislation and Kitron's internal routines for handling inside information and rules for primary insiders.
- The shares shall be acquired with a long-term ownership perspective.
- Deputy board members will not have the opportunity to choose to participate in the share remuneration.
- Each board member shall be responsible for taxes, charges and fees levied upon them as a consequence of acquiring shares in the Company as part of the share remuneration.

If the board member chose to receive their full remuneration in cash, the total remuneration was somewhat lower than if the board member had chosen the "cash and shares alternative".

The board members in the Company are not included in any other share-based remuneration programs.

Below is a specification of remuneration to the board of directors in the period 2018-2023 (amounts in EUR 1,000)

Name of board member	Position	2018	2019	2020	2021	2022	2023
Tuomo Juhani Lähdesmäki	Chair	50	52	49	54	60	56
Gro Merete Brækken	Deputy chair person	25	27	25	28	31	28
Espen Gundersen	Board member	28	29	26	29	35	32
Maalfrid Brath	Board member	21	28	24	28	29	27
Michael L. Thomsen	Board member	-	-	-	-	21	29
Petra Grandinson	Board member	-	-	18	29	29	27
Bjørn Martin Gottschlich	Board member	24	25	24	26	27	6
Tanja Rørheim	Board member	24	26	27	29	32	7
Jarle Larsen	Board member	-	21	22	26	27	24
Henriette Stene	Board member	-	-	-	-	-	18
Tone Aas	Board member	-	-	-	-	-	18
Christian Jebesen	Board member	19	28	27	29	9	-
Elisabeth Jacobsen	Board member	27	7	1	-	-	-
Paivi Marttila	Board member	7	-	-	-	-	-
Stefan Charette	Board member	6	-	-	-	-	-

Total remuneration for members of the Audit and Risk committee for 2023 was EUR 18 thousand (2022: EUR 21 thousand). Total remuneration for members of the Remuneration committee for 2023 was EUR 7 thousand (2022: EUR 7 thousand).

7. Comparative information on the change of remuneration and company performance

Table 4a: Comparative table on the change of remuneration and company performance over the last five reported financial years (RFY) (benefit from options excluded for the years 2019, 2022 and 2023)

Director/position (Amounts in EUR 1,000)	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Remuneration 2023
Peter Nilsson CEO	1,3 % 7	13,8 % 77	-25,1 % -159	57,4 % 273	10,0 % 75	822
Cathrin Nylander CFO	17,9 % 56	7,7 % 28	-31,9 % -126	72,0 % 193	7,7 % 36	498
Kristoffer Asklöv COO	- -	- -	- -	359,0 % 365	16,8 % 78	545
Stian Haugen CTO	- -	- -	-29,6 % -60	99,7 % 143	8,5 % 24	311
Zygimantas Dirse Managing Director, Kitron Electronics Manufacturing (Ningbo) CO Ltd., China	0,8 % 2	21,4 % 57	-34,5 % -111	72,6 % 153	15,9 % 58	422
Stefan Hansson Mutas Managing Director, Kitron AB, Sweden	1,5 % 4	31,3 % 82	-25,8 % -89	51,7 % 132	10,9 % 42	428
Mindaugas Sestokas Managing Director, UAB Kitron, Lithuania & VP Central Eastern Europe	39,7 % 72	35,2 % 89	-39,6 % -136	86,8 % 180	23,3 % 90	478
Hans Petter Thomassen Managing Director, Kitron AS, Norway & VP North America	8,4 % 21	24,9 % 66	-33,2 % -111	74,3 % 166	7,2 % 28	416
Carsten Christensen CEO Kitron A/S, Denmark				- -	22,4 % 125	682
Israel L Salvador COO	2,9 % 9	17,1 % 57	-48,0 % -186	- -	- -	
Anne Lise Hjelseth CHROO	6,5 % 15	-68,8 % -164	- -	- -	- -	
Company's performance						
Revenue	22,6 %	10,4 %	-1,1 %	75,5 %	20,9 %	775 199
Operating profit (EBIT)	25,7 %	42,5 %	-18,6 %	90,7 %	56,5 %	70 729
ROOC R3	-14,0 %	27,0 %	-34,0 %	108,9 %	3,9 %	26.9%
ESG	-	-	-	-	-	83 %
Market cap	29,7 %	55,1 %	50,1 %	13,4 %	12,0 %	590 774
Average remuneration on a full-time equivalent basis of employees						
Employees of the company (all employees of the group excluding senior executives)	11.9% 3,4	6.8% 2,0	3.0% 1,0	0.3% 0,1	-7.7% -2,6	31,3

Table 4b: Comparative table on the change of remuneration and company performance over the last five reported financial years (RFY) (benefit from options included for the years 2019, 2022 and 2023)

Director/position	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Remuneration 2023
(Amounts in EUR 1,000)						
Peter Nilsson CEO	252,1 % 1 386	-67,2 % -1 302	-25,1 % -159	191,1 % 908	36,7 % 507	1 890
Cathrin Nylander CFO	165,2 % 513	-52,1 % -429	-31,9 % -126	173,2 % 465	10,4 % 77	810
Kristoffer Asklöv COO	- -	- -	- -	441,2 % 449	46,6 % 256	807
Stian Haugen CTO	- -	- -	-29,6 % -60	99,7 % 143	116,9 % 336	623
Zygimantas Dirse Managing Director, Kitron Electronics Manufacturing (Ningbo) CO Ltd., China	122,8 % 323	-45,1 % -265	-34,5 % -111	212,7 % 449	10,0 % 66	726
Stefan Hansson Mutas Managing Director, Kitron AB, Sweden	160,6 % 413	-48,9 % -328	-25,8 % -89	159,1 % 405	12,6 % 83	742
Mindaugas Sestokas Managing Director, UAB Kitron, Lithuania & VP Central Eastern Europe	276,9 % 503	-49,9 % -342	-39,6 % -136	229,3 % 475	14,4 % 98	781
Hans Petter Thomassen Managing Director, Kitron AS, Norway & VP North America	171,7 % 424	-50,2 % -337	-33,2 % -111	195,9 % 437	10,5 % 69	729
Carsten Christensen CEO Kitron A/S, Denmark				- -	26,7 % 149	706
Israel L Salvador COO	192,0 % 618	-58,7 % -552	-48,0 % -186	- -	- -	
Anne Lise Hjelseth CHROO	81,8 % 183	-81,7 % -333	- -	- -	- -	
Company's performance						
Revenue	22,6 %	10,4 %	-1,1 %	75,5 %	20,9 %	775 199
Operating profit (EBIT)	25,7 %	42,5 %	-18,6 %	90,7 %	56,5 %	70 729
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Market cap	29,7 %	55,1 %	50,1 %	13,4 %	12,0 %	590 774
Average remuneration on a full-time equivalent basis of employees						
Employees of the company (all employees of the group excluding senior executives)	11.9% 3,4	6.8% 2,0	3.0% 1,0	0.3% 0,1	-7.7% -2,6	31,3

THE BOARD OF DIRECTOR'S STATEMENT ON

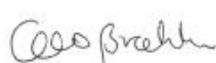
REPORT ON REMUNERATION TO SENIOR EXECUTIVES AND BOARD MEMBERS FOR 2023

The Board of Directors has today considered and adopted the Remuneration Report of Kitron ASA for the financial year 2023. The Remuneration Report is prepared in accordance with section 6-16b of the Norwegian Public Limited Liabilities Companies Act. The Remuneration Report will be presented to the Annual General Meeting 25 April 2024.

Oslo, 20 March 2024



Tuomo Lähdesmäki
Chairman



Gro Brækken
Deputy Chairman



Michael Lundgaard Thomsen
Board Member




Espen Gundersen
Board Member



Petra Grandinson
Board Member



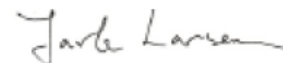
Maalfrid Brath
Board Member



Tone Aas
Employee Elected Board
Member



Henriette Stene
Employee Elected Board
Member



Jarle Larsen
Employee Elected Board
Member



To the General Meeting of Kitron ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Kitron ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".



We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 20 March 2024
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant

(This document has been signed electronically)

ISAE 3000 Uavhengig attestasjonsavtale om lederløn

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Skibrek, Herman	BANKID	2024-03-20 09:27



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