

Attachment: Additional information regarding Kitron's agreement to acquire the EMS division of API Technologies Corp.

(2018-11-30) The following is a presentation of additional information regarding the above-mentioned agreement pursuant to section 3.4 of the "Continuing obligations of stock exchange listed companies" issued by Oslo Børs.

Transaction

Kitron ASA, through its subsidiary Kitron Inc, ("**Kitron**") and API Technologies Corp. have today entered into a share purchase agreement, whereby Kitron Inc shall purchase 100 per cent of the shares of API Defence USA, Inc., a subsidiary of API Technologies Corp (the "**Transaction**"). API Defence USA, Inc. owns 100 per cent of the capital stock of API Defense, Inc. and API Systems, Inc., which will also be part of the Transaction.

Completion of the Transaction is expected to take place in the first quarter of 2019, subject to satisfaction or waiver of customary closing conditions, pre-closing undertakings and necessary governmental approvals. Inter alia, the Transaction is subject to clearance by the Committee on Foreign Investment in the United States ("CFIUS") and the Directorate of Defense Trade Controls ("DDTC"). Kitron has an existing U.S. defence business that is registered with and operates under DDTC rules. Kitron is confident that the Transaction will be cleared and completed, although no guarantee can be made that all conditions will be fulfilled or waived, or that closing will take place within the contemplated timeline.

Each of Kitron or API can terminate the Transaction if closing has not occurred within 31 May 2019.

Consideration

The consideration is USD 15.9 million, equal to net asset value, subject inter alia to adjustments for changes in working capital and net debt in the period up to closing of the Transaction. The purchase price payable to API Technologies Corp. is to be settled in cash, of which 85 per cent is payable upon closing. The remaining 15 per cent will be held in escrow for 15 months to secure claims Kitron may have under the agreement. The transaction will be financed through a long-term loan with DNB.

Description of acquired business

Collectively, the operations covered by the agreement constitute the Electronics Manufacturing Services (EMS) division of API Technologies Corp. The division's main focus is defence, aerospace, medical/industrial, and communications/consumer. The division operates a production facility in Windber, Pennsylvania, close to Kitron Inc in Johnstown, Pennsylvania, with approximately 100 employees operating a total of six production lines and a facility of approximately 10 000 square meters.

The boards of the relevant entities, representing API Technologies Corp. and its owners, are not expected to continue their involvement with the business after the closing of the transaction and will be replaced by representatives selected by Kitron.

The businesses have not been subject to separate financial reporting and has been carved out of the existing company structure. The following financial information is derived from unaudited financial statements as well as management accounts, prepared by API Technologies Corp. and presented to Kitron:

MUSD	2018 LTM until Sep.	2017	2016
Revenue	24.4	30.9	18.0
EBITDA	-0.9	2.0	-2.2

Net working capital	10.1
Other assets	5.8
Net asset value	15.9

Formerly, the division also included a production facility in Rochester, New York. This has been discontinued, and the business has been partly transferred to Windber during 2018. The closing of the Rochester site, which has been implemented in 2018, impacts the financial figures provided above. The restructuring was in all material respects completed by the third quarter 2018.

Significance

The transaction expands Kitron's footprint and growth capacity in the United States. The Windber plant is close to Kitron's existing site in Johnstown, and the facilities complement each other. The acquired business has a full-service EMS offering and a strong position in the defence business.

Agreements

No agreements have been, or are expected to be, entered into in connection with the transaction for the benefit of Kitron's senior employees or members of the board of directors, or members of the board of directors of API Technologies Corp. or any of its direct or indirect subsidiaries.

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This information is subject to the disclosure requirements set out in section 5 -12 of the Norwegian Securities Trading Act, and section 3-4 of the Oslo Stock Exchange continuing obligations for listed companies.