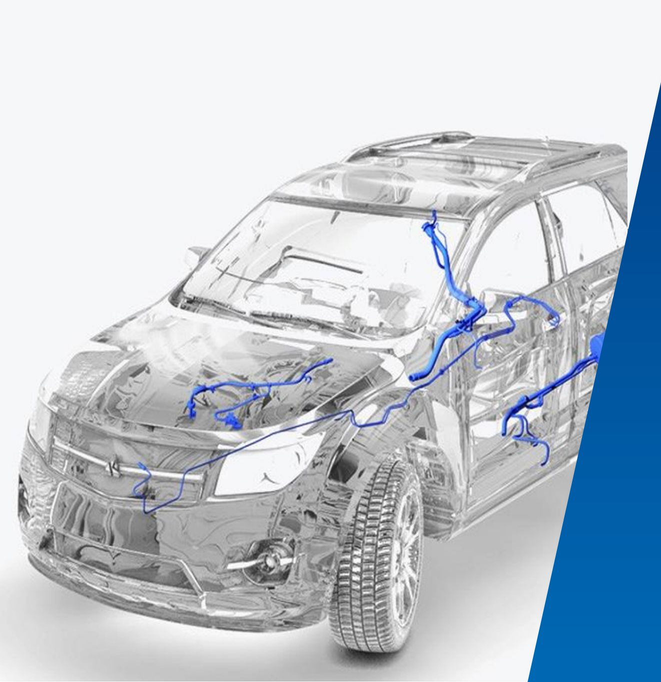

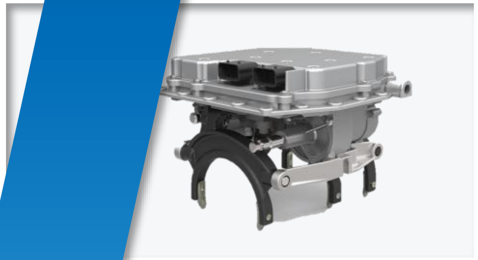

KONGSBERG
AUTOMOTIVE

Kongsberg Automotive
Investor Presentation

May 19th, 2020

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Kongsberg Automotive

Disclaimer

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Non-IFRS Measures

Where we have used non-IFRS financial measures, reconciliations to the most comparable IFRS measure are provided, along with a disclosure on the usefulness of the non-IFRS measure, in the annual report.

Risk factors

An investment in the Company's shares (the "Shares") or the contemplated issue of convertible bonds (the "Convertible Bonds") in the Company involves inherent risk. Any potential investor in the Company should carefully consider the risk factors set out below in addition to the information included in this presentation and otherwise publicly reported and announced by the Company. The risks and uncertainties described below are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Company. An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The risk factors included below are not exhaustive with respect to all risks relating to the Company and its subsidiaries (the "Group"), the Shares and the Convertible Bonds, but are limited to risk factors that are considered specific to the Group, the Shares and the Convertible Bonds. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Company, the Group and/or their business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and/or trading price of the Shares and the Convertible Bonds, resulting in the loss of all or part of an investment in the same. Additional specific risk factors of which the Company is currently unaware, or which it currently deems not to be material risks, may also have corresponding negative effects. Before making any investment decision, any potential investor must also take into account that a number of general risk factors that are not included below still applies to the Group, the Shares and the Convertible Bonds.

Risks related to market conditions

<u>The corona pandemic has caused a shutdown in the automotive industry and a corresponding liquidity need for the Group:</u> The Group has been and will continue to be significantly affected by the outbreak of the global corona pandemic caused by the COVID-19 virus. It is difficult to predict how the Group will be affected by the corona pandemic going forward, but the Group has already experienced a reduction in revenues and results, and expects a significant need for additional liquidity in 2020 and 2021. The Group is also dependent on securing sources of founding in addition to the contemplated private placement of new Shares (the "**Private Placement**") and issuance of Convertible Bonds (the "**Convertible Bond Issue**") to fully cover its expected liquidity need. The Group is currently in negotiations regarding additional alternatives for funding, but there is no guarantee that these alternatives will be made available to the Group or, if made available, on favourable terms, and, thus, there is a risk that the Group will face a significant liquidity shortage going forward. If such risk were to materialize, the Group may not be able to fulfil its obligations towards suppliers, distributors and customers, and the Group may default on its current outstanding debt.

<u>It is not possible to accurately predict the Group's liquidity need going forward and the Group's expectations may materially differ from the actual results of the Group:</u> Because of the prevailing uncertainties relating to the corona pandemic, it is close to impossible to predict if and when the Group's operations will return to a more normal level from a historical point of view. The Group's actual income and results for the periods in which it is currently expecting a liquidity shortage may be significantly lower than its most modest expectations and there are no guarantees that the Group's activities and financial results will return or be close to its historical levels. If such risks where to materialise, the Group may have a significantly higher liquidity need than anticipated and may have a need for funding additional to the funding alternatives it is currently aiming to conclude.

<u>The corona pandemic or other pandemics may have a significant impact on the global economy, which in turn may impact the Group's business activities for an uncertain period of time:</u> Even if the Group is able to raise sufficient funding for its liquidity shortage in the short term, there are also great uncertainties associated with the long term impact of the current corona pandemic on the global economy, or other future pandemics, in general and more specifically on the automotive industry and the Group's activities. The current shutdowns in the Group's operations, or at the Group's suppliers, distributors and/or customers, may be longer than anticipated, and commencement of activities to a "normal" level after start-up may be slower than expected. Even though recent development in April 2020 has indicated that original equipment manufacturers (OEMs) are slowly restarting their operations, there are no guarantees that such OEMs or other key players in the automotive industry will have available equity, third party funding options or government support systems enabling them to carry out operations close to historical high levels, or, in the worst case scenario, even survive, which may affect the Group's operating activities and income significantly as the Group is heavily dependent on the output from the automotive industry and is part of a complex supply and delivery chain and (see below).

Moreover, the Company believes that the general expectation is that global economy will have a recession following the corona pandemic related shutdowns. The Group's income and results of operations have been, and will continue to be, strongly influenced by the general state and performance of the global economy. The risk for a possible recession creates an equally significant risk that the Group's activity level, revenues and/or results will be significantly lower than prior to the outbreak of the corona pandemic for a significant period in time, which impacts, inter alia, the valuation of the Group, the Shares and the Convertible Bonds.

<u>The Group operates in a cyclical industry and the demand for the Group's products is largely dependent on the industrial output of the automotive industry:</u> Substantially all of the Group's business is directly related to vehicle sales and production by the Group's customers, which consists primarily of large OEMs and other automotive suppliers and the demand for the Group's products is largely dependent on the industrial output of the automotive industry. The Group's operations and performance is directly related to the levels of global vehicle production, in particular the light duty vehicle market. The automotive industry is sensitive to factors such as consumer demand, consumer confidence, disposable income levels, and availability of credit, fuel prices and general economic conditions. Given the variety of economic parameters influencing global automotive demand, the volume of automotive production is characterised by a certain level of fluctuation, making it difficult for the Group to accurately predict demand levels for the Group's products. Because the Group's business is characterised by high fixed costs, the Group is exposed to risks of underutilisation of its facilities or having insufficient capacity to meet customer demand if the markets in which the Group is active either decline or grow faster than anticipated.

<u>The Group is exposed to risk relating to current market trends and developments in the automotive industry, including increasing trends towards electric mobility</u>: The automotive market is characterized by progressive development towards fuel-efficiency, less polluting and quieter engines, growing demands by customers and stricter regulations with respect to engine efficiency and emissions, as well as towards medium range cars and hybrid and electric vehicles.

Risk factors (cont.)

The Group may be particularly negatively affected by the increasing trends towards electric mobility. The Group's Powertrain & Chassis segment produces gear shifters, shift cables and gear clutches control systems, which are only needed if a vehicle has a powertrain. Currently, electric cars does not have a powertrain and, thus, an increase in the market share for electric cars may reduce demand for the Group's products within the Powertrain & Chassis segment. If the Group is not successful in developing new strategies and products as a response to such trend, there is a risk for a significant decline in the Group's revenues and earnings.

Risks relating to the United Kingdom's exit from the EU (Brexit): The Group supplies UK-based customers from plants based in the EU and the Group's Normanton plant sources its products from EU-based third-party suppliers. Inversely, the Group's Normanton plant supplies products to EU-based customers. In addition, the Group's EU-based plants source products from UK-based third-party suppliers. The total costs for logistics and import and export associated with these transaction and the timelines of the supply chain may be adversely affected by Brexit.

Risks related to the business of the Group and the industry in which the Group operates

The Group is part of a complex supply and delivery chain and disruption could cause one or more of the Group's suppliers or customers to halt production: The Group's suppliers, customers and the Group rely on complex supply and delivery chains with short lead times and frequent deliveries, which make the logistics supply chain in the Group's industry very vulnerable to disruptions. Disruptions may result from many reasons, including shutdowns caused by future pandemics with similar restrictions imposed such as the corona pandemic, but also labour strikes, mechanical breakdowns, electrical outages, fire, explosions, as well as logistical complications resulting from weather or other natural disasters, mechanical failures and delayed customs processing. Moreover, as the Group expand its global manufacturing footprint, it will need to rely on suppliers in local markets that have not yet proven their ability to meet the Group's requirements. The lack of even a small single subcomponent necessary to manufacture one of the Group's products, for whatever reason, could force the Group to cease production or prolong the Group's production period. Any supply chain disruption entailing that the Group is not able to deliver products to its customers in a timely manner could cause the complete shutdown of an assembly line of one of the Group's customers, which exposes the Group to material claims for compensation.

The Group operates worldwide and is exposed to fluctuations in prices of raw materials and components: The primary raw materials used in many of the Group's products are steel, brass (zinc and copper), aluminium and polymer resin. The prices of such raw materials have fluctuated significantly in recent years. Such volatility in the prices of these products could increase the costs of manufacturing the Group's products and providing services. In addition, supply shortages or delays in delivery of raw materials or components can also result in increased costs. If costs of raw materials should rise significantly, and if the Group is not able to undertake cost saving measures in the Group's operations or increase the selling prices of products, the Group may not be able to absorb such cost increases.

The Group is exposed to risks associated with changes in currency exchange rates: The Group operates worldwide and is therefore exposed to financial risks that arise from changes in exchange rates. The Group's primary exposure is to the euro/U.S. dollar exchange rate and to a lower degree to the exchange rate of the euro to the Norwegian kroner, the Swedish krona, the Polish zloty, the Hungarian forint, the Canadian dollar, the Mexican peso and the Chinese renminbi. Currency exchange fluctuations could cause losses if assets denominated in currencies with a falling exchange rate lose value, while at the same time liabilities denominated in currencies with a rising exchange rate appreciate. In addition, fluctuations in foreign exchange rates could enhance or minimize fluctuations in the prices of materials, since the Group purchases parts of its raw materials with foreign currencies.

The Group generates a significant amount of revenues from a limited number of large customers: In 2019, the Group's top ten customers represented 59 % of revenue in aggregate. The loss of sales to any of the Group's large volume customers could have a material adverse impact on the Group's business, financial condition and results of operations, which may occur for a number of reason, including, inter alia, materialisation of the risks described herein relating to the Group not being able to provide necessary product certifications or to develop new products meeting the customers' rapidly changing preferences.

The Group is exposed to risks in connection with its pension obligations, which may lead to unexpected funding obligations: The Group provides defined benefit plans in Norway, Germany, France and Switzerland. As of 31 December 2019, the Group's defined benefit pension obligations (defined as the Group's projected benefit obligations less the fair value of pension assets) amounted to EUR 19.8 million. The fair value of the Group's pension assets are subject to market fluctuations that are beyond the Group's control. Unfavourable market conditions could result in a substantial increase of the Group's defined benefit obligations, which may affect, inter alia, the Group's financial results.

The Group may not be able to respond quickly enough to changes in technology, technical standards and consumer preferences: The markets for the products that the Group offers are characterized by rapidly changing technology, evolving technical standards, changes in customer preferences and frequent introduction of new products. Changes in competitive technologies may render certain of the Group's products obsolete or less attractive, and the Group may not able to develop and produce new products or enhanced versions of existing products to meet customers' demands in a timely manner. The Group depends on being able to anticipate changes in technology and regulatory standards and if there is a shift away from technologies in which the Group is currently investing, the Group's costs may not be fully recovered and any decrease in the Group's engineering and development expenditure may adversely affect the Group's ability to remain technological competitive. Moreover, if competitors of the Group are able to patent certain new innovations, the Group may have to procure licenses for new technology, which may significantly increase the Group's operating expenses or require the Group to restrict business activities in one or more respects.

The Group is required to obtain and maintain quality and product certifications for certain markets and customers: In some countries in which the Group operates, certain certifications for products with regard to specifications and quality standards are required or preferred in order for these products to be accepted by customers and markets. As such, the Group's is dependent on obtaining and maintaining the relevant certifications so that the Group's customers are able to sell products that includes components that are manufactured by the Group in such countries. Many customers also require that the Group maintains certain standards, e.g. ISO certifications etc, and conducts inspections at regular intervals to ensure that the Group maintain these standards. If the Group fails to meet or maintain requirements needed to secure or renew such certifications could have a material adverse effect on the Group's business activities, financial conditions and results.

Risk factors (cont.)

The Group is exposed to risk relating to its product development, production and project management: The Group's product development and improvement activities are associated with a range of risks, including delays in time-to-market, deviations from product specifications and quality requirements, deviations from development budgets, and potential infringements of third-party intellectual property rights. The Group is also subject to risk in manufacturing processes, such as, inter alia, bottlenecks and delays as a result of insufficient production resources. The launch of new products also requires comprehensive and long-term planning of customer project management, which are subject to risks such as poor communication, selecting wrong manufacturing equipment, missing project timelines and cost budgets, which has materialised in the past on some of the Group's projects.

The Group is exposed to cyber-crime: The Group uses various digital technologies for communication and process management. Like other multinational companies, the Group is facing active cyber threats which pose risks to the security of its processes, systems and networks as well as the confidentiality, availability, and integrity of data. There is a risk that confidential information may be stolen or that the integrity of the Group's portfolio may be compromised, for example through attacks into the Group's networks, social engineering, data manipulation in critical applications, and loss of critical resources, resulting in financial damages.

Rating risk: The Group is subject to non-public solvency ratings by external business partners and institutions and to public ratings by the rating agencies Moody's and Standard and Poor's.

Risks related to laws, regulations and litigation

The Group could be unsuccessful in adequately protecting its intellectual property and technical expertise: The Company's business and business strategy are highly dependent on the Group's technology. The Group regularly apply for and have been granted patented rights relating to its innovations. However, the process of seeking patent protection may be lengthy and expensive and current pending or future application may not be of sufficient scope or strength to provide meaningful protection for the Group's technology. Other parts of the Group's intellectual property comprise know-how and industrial secrets that are not patentable and only can be protected by confidentiality procedures and contractual provisions. Despite the Group's efforts to protects its intellectual property and industrial secrets, the Group has in the past experienced infringement of their intellectual property, including copies and replicas of their proprietary products and innovations, and there is a risk that the Group's intellectual property rights may be infringed in the future. Policing unauthorized use of the Group's technology is difficult and there can be no assurance that the steps taken by the Group will prevent misuse of its technology.

There is a risk that the Group infringes intellectual property rights of third parties: The Group's competitors, suppliers and customers submits a large number of inventions for intellectual property protection. Even after extensive background researches, it is not always possible for the Group to determine with certainty whether there are effective and enforceable third party intellectual property rights to certain processes, methods or applications. As a consequence, third parties could assert infringement claims (including illegitimate ones) against the Group and the Group could be required to cease manufacturing, using or marketing technologies or products in certain countries or be forced to make changes to manufacturing processes or products. Moreover, the Group could be liable to pay compensation for infringements or could be forced to purchase licenses to make use of technology from third parties. Even in the case of illegitimate claims, the Group may have to use considerable resources to defend itself against such claim.

The Group may face risks relating to climate change that could have an adverse impact on the Group's business: Future greenhouse gas emission laws may affect the Group in various aspects, including; modification of existing or new permits; implementation of additional pollution control technology; price reductions requirements from customer to account for their increased costs; reduction in automobile sales and reduced demand for the Group's products, which in turn could affect the Group's business, results of operations, financial condition, reputation, product demand and liquidity.

Risk relating to tax matters and financial reporting

The value of the Group's deferred tax assets could become impaired or the Group could be unable to utilize tax losses: As of 31 December 2019, the Group had EUR 19.9 million in deferred tax assets. These deferred tax assets include net operating losses carry forwards that can be utilized to offset taxable income in future periods and reduce income tax payable in those future periods. The Group periodically assess the probability of the realization of deferred tax assets, using significant estimates and judgments with respect to, among other things, market developments, and the success of the Group's customers and timing of future profits. If the Group determines that in the future there is not sufficient positive evidence to support the valuation of its deferred tax assets, the Group may be required to write-off all or a part of these assets. The Group may also be materially and adversely affected by any changes in the applicable tax laws, leading to future limitations on the Group's capacity to carry forward losses.

An impairment of the Group's substantial goodwill could result in a reduction of net income and equity: Goodwill represents the excess of the cost of an acquisition of a business over the fair value of the net assets acquired and is initially recorded in the Group's statement of financial position at cost established at the date of the acquisition of the business. IFRS requires that goodwill be periodically evaluated for impairment based on the fair value of the cash-generating unit. Declines in the Group's profitability or the value of comparable companies may impact the fair value of the Group's cash generating units, which could result in write-off of goodwill and a reduction in the Group's profit attributable to equity holders. As of 31 March 2020, the Group had EUR 148.1 million of goodwill recorded in its statement of financial position, representing 17 % of the Group's total assets that could be subject to impairment. In addition, if the Group acquires any further businesses in the future, the Group may recognize additional goodwill that may be significant. Any future impairment charge on the Group's goodwill could have a material adverse effect on the Group's results of operations and financial position.

The international scope of the Group's operations and the Group's corporate and financing structure may expose the Group to potentially adverse tax consequences: As a result of its international activities, the Group is subject to taxation in, and the tax laws and regulations of multiple jurisdictions. The Group is also subject to intercompany pricing laws, applicable for, inter alia, the Group's inter-company purchase and licensing arrangements. Any adverse change in these laws or regulations or in the position by the relevant authority, could adversely affect the Group's business, results of operations and financial condition. Moreover, if any applicable tax authorities were to successfully challenge the tax treatment of any of the Group's intercompany loans or transactions, it could result in disallowance of deductions, a limitation on the Group's ability to deduct interest expenses, imposition of withholding taxes, the application of significant penalties and accrued interest on intercompany loans or internal deemed transfers, application of significant penalties and accrued interest or other consequences that could have a material and adverse effect on the Group's business, financial condition and results of operations.

Risk factors (cont.)

Changes in accounting standards may materially impact the reporting of the Group's financial condition and results of operations: The Group's consolidated financial statements are prepared in accordance with IFRS. Accounting principles as per IFRS and related accounting pronouncements, implementation guidelines and interpretations for many aspects of the Group's business are complex and involve subjective judgments. Changes in these rules or their interpretation many significantly change or add significant volatility to the Group's reported financial condition or results of operations.

Risk factors relating to the Group's indebtedness

The Group is subject to restrictive debt covenants that may limit ability to finance future operations and capital needs and to pursue business opportunities and activities: The Group is subject to the affirmative and negative covenants under its current debt obligations, which restricts, among other things, the Group's ability to make certain loans or investments; incur or guarantee additional indebtedness; create or incur certain liens; make certain payments, including dividends or other distributions, with respect to the shares of such entity; agree to limitations on the ability of the Company's subsidiaries to pay dividends or make other distributions; sell, lease or transfer certain assets, including stock of restricted subsidiaries; engage in certain transactions with affiliates; consolidate or merge with other entities; and impair the security interests. Although all of these restrictions are subject to exceptions and qualifications, the covenants to which the Group is subject could limit the Group's ability to finance future operations and capital needs and ability to pursue business opportunities and activities.

The Group may not be able to generate sufficient cash to service its indebtedness and may be forced to take other actions to meet the Group's obligations under the indebtedness, which may not be successful: The Group has significant debt service obligations, and the Group's ability to make principal or interest payments when due on its indebtedness, and to fund ongoing operations, will depend on future performance and the Group's ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors as may be described herein, many of which are beyond the Group's control. If the Group does not have sufficient cash flows from operations and other capital resources to pay the Group's debt obligations, or to fund the Group's other liquidity needs, or the Group is otherwise restricted from doing so due to corporate, tax or contractual limitations, the Group may be required to refinance its indebtedness. If the Group is unable to refinance, it may be forced to reduce or delay the Group's business obligations, activities or capital expenditures, sell assets, raise additional debt or equity financing in amounts that could be substantial, or restructure or refinance all or a portion of the Group's debt on or before maturity. The terms of the Group's indebtedness, including the proposed Convertible Bond Issue, will also restrict the Group's ability to, inter alia, transfer or sell assets and the use of proceeds from any such disposal. The Group cannot guarantee that it would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all, or that those actions would secure sufficient funds to meet the Group's obligations under its indebtedness.

Drawings under the Group's revolving credit facility agreement will bear interest at floating rates that could rise significantly, increasing the Group's costs and reducing cash flow: The Group's drawings under its current revolving credit facility agreement will, and future indebtedness that the Group may incur could, bear interest at floating rates of interest per annum equal to EURIBOR. These interest rates could rise significantly in the future. Although the Group may enter into certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. To the extent that interest rates or any drawings were to increase significantly, the Group's interest expense would correspondingly increase, reducing the Group's cash flow.

Risks relating to Shares and the Convertible Bonds

Shareholders not participating in future issuance of Shares will be diluted: The Company may seek to issue additional Shares or convertible securities in the Company in case of future need of additional equity, to fund future acquisitions and in connection with the Group's employee incentive program. If shareholders in the Company are not able to or is excluded from participating in such future issuance of Shares or securities, such shareholders may suffer a substantial dilution of its shareholding. Moreover, should any future holder of Convertible Bonds in the Company exercise its right to convert Convertible Bonds into Shares, the Company's shareholders will experience a dilution of their shareholding.

The Convertible Bonds are only subject to limited anti-dilution protection related to consolidation or subdivision of Shares, and thus there will be no adjustments of the conversion rights under the Convertible Bonds upon capital issues, mergers or demergers or other changes to the share capital of the Company: As the Convertible Bonds will not be adjusted for any future issuance of Shares or other convertible securities in the Company (other than consolidation or subdivision of the Shares), any future issuance of new securities in the Company will have a dilutive effect on the rights to Shares attaching to the Convertible Bonds. Any such dilution from future issuance of securities in the Company or other changes to the share capital of the Company (other than consolidation or subdivision of the Shares) may also affect, inter alia, the value and/or the market price for the Convertible Bonds.

The corona pandemic creates stock market volatility, which may affect the market price for the Shares: The corona pandemic has had a significant impact in the financial markets in Norway and in other countries, including causing high volatility in the stock markets. If the corona pandemic continues for a prolonged period, both the Norwegian and the global economy may experience a significant slowdown in its growth rate or even a decline, which in turn may affect the performance of the Company's Shares on Oslo Børs as well as any future listing and/or performance of the Convertible Bonds on an exchange.

Risk relating to future distribution of dividends and the conversion price of the Convertible Bonds: The conversion price of the Convertible Bonds will not be adjusted for dividends paid by the Company including non-cash dividends and spin-off securities (as further defined). Thus, future dividend payments may have a negative effect on the conversion price and/or the market price of the Convertible Bonds.

Risk factors relating to restrictions applicable to U.S. shareholders or other jurisdictions: The Shares and the Convertible Bonds have not been registered under the U.S. Securities Act or any state securities laws in the United States or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares and the Convertible Bonds may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. Moreover, offer and sale of Shares and Convertible Bonds are subject to specific legal or regulatory restrictions in certain jurisdictions and any failure to comply with these restrictions may constitute violation of the securities laws of any such jurisdiction. In addition, there can be no assurances that shareholders residing or domiciled in the United States or jurisdictions other than Norway will be able to participate in future capital increases or rights offerings.

Today's Presenter

Henning Jensen, President and Chief Executive Officer

Professional experience

Kongsberg Automotive Oslo, Norway & Zürich, Switzerland *June 2016 - Present*
President and Chief Executive Officer

Kistefos AS Oslo, Norway *2011 - 2015*
Chief Executive Officer

RHI AG Vienna, Austria *2010 – 2011*
Chief Executive Officer, Chief Financial Officer and Chairman

Tyco Electronics / TE Connectivity Frankfurt, Germany and US *2001 – 2009*
SVP, Divisional Head (Automotive),
Chief Financial Officer (Electronic Components) and
other executive positions

General Motors / Delphi Automotive Systems Germany and US *1995 – 2001*
Various management and executive positions

Education

Hochschule St. Gallen (Switzerland)
Doctoral Studies

University of San Francisco (USA)
BA & MBA

Kongsberg Automotive

Key investment highlights

- Kongsberg Automotive – a truly global mid-sized automotive supplier with a diversified customer base
- Diversified revenue base with ~75% from OE-automotive (LD&HD) and ~25% from non-automotive markets including aftermarket
- Strong market positions in our segments with leadership positions in attractive niche markets
- Strong and improving financial performance driven by the improvement program initiated in 2016
- Since 2016, following a turn-around, Kongsberg Automotive developed into a healthy business and achieved
  - above-market revenue growth through strong new business wins
  - doubling of adj. EBIT margins through operational improvements
  - improvements of virtually all KPIs
- In FY 2019, Kongsberg Automotive
  - achieved above-market revenue growth, maintained an adjusted EBIT margin greater than 6% and increased Net Income.
    - The main drivers were a very challenging macro environment that was more than offset by the reduction in restructuring costs.
  - had significant negative cash flow due to high investments and increases in working capital mainly driven by growth / new business wins.
- With the consequences of the Corona virus on the automotive industry, as is the case with most automotive suppliers, Kongsberg Automotive is facing a shortage of liquidity.

Kongsberg Automotive

Management team

Virginia Grando, EVP Quality, Zürich, Switzerland
With KA since: November 2017
Head of Corporate Quality Planning, MAHLE Group, Stuttgart, Germany, 2013-2017
Quality Manager, MAHLE Powertrain Ltd, Northampton, UK, 2005-2013
Education: Politecnico di Torino, Italy, Master Engineering

Norbert Loers, CFO, Zürich, Switzerland
With KA since: January 2017
CFO-Hay Group/Musashi Automotive, Bad Sobernheim, Germany, 2013–2016
CFO-Neumayer Tekfor Holding Int., Offenburg, Germany, 2007–2013
Education: University of Bonn, Master of Economics

Dzeki Mackinovski, EVP Purchasing, Zürich, Switzerland
With KA since: May 2019
SVP- Global Purchasing, Knorr-Bremse, Munich, Germany, 2014- 2019
VP Purchasing Projects & Operations APAC and GM, Volvo Trucks, Shanghai, China, 2009-2014
Several leadership function within Volvo 1998-2009
Education: Business Administration Courses, IHM Business School

Jon Munthe, General Counsel, Oslo, Norway
With KA since: March 2008
Chief Legal Counsel, Aibel, Oslo, Norway, 2003-2008
Corporate Legal Counsel, ABB, 1992-2002
Lawyer, Wikborg Rein, Oslo, Norway, 1989-1992
Education: University of Oslo, Norway, Law School

Linda Nyquist-Evenrud, SVP Couplings, Raufoss, Norway
With KA since: January 2008
Sales & Marketing Director, Couplings, Raufoss, 2016-2017
Sales & Marketing Manager, Couplings, Raufoss, 2008-2016
Market & Project Coordinator, Raufoss Technology AS, 2004–2007
Education: Halmstad University, BA- Product development and innovation management

Robert Pigg, SVP Off-Highway, Willis, Texas, USA
With KA since: May 2006,
Several leadership functions within KA
Engineering Manager - Briggs & Stratton, Tennessee, US 2005-2006
Category Manager, Murray, Incorporated, Tennessee, US, 2002-2005
Senior Project Engineer, Husqvarna Group, Georgia, US, 2002
Education: Auburn University, BA Mechanical Engineering, Freed-Hardeman University, BA-Physical Sciences

Marcus von Pock, EVP HRM/Communication/HSE, Zurich, Switzerland
With KA since: November 2017
SVP HR and Head of Corporate Academy, FLG Group, Haiger, Germany, 2014-2017
Head of Corporate HRM, Kardex AG, Zurich, Switzerland, 2010-2014
Director HR Carl Zeiss AG, Oberkochen, Germany, 1998-2010
Education: University of Mittweida, Germany, Master in International Management

David Redfearn, EVP Fluid Transfer Systems (FTS), Gothenburg, Sweden
With KA since: 1993
Vice President Of Sales, FTS, Gothenburg, Sweden, March 2013-April 2016
Sales Director - FTS, Gothenburg, Sweden, Apr. 2008-June 2013
Several leadership functions within KA & Teleflex Incorporated (Merger with KA)
Education: Stockholm School of Economics, MBA

Bob Riedford, President P&C, Zürich, Switzerland
With KA since: January 2016
VP Americas, P&C, Novi, Michigan, USA; 2016-2017
Automotive Consultant, Cary, NC, Aug. 2012–Jan. 2017
President Buehler Motor US, 2007-2012
Various positions Delphi Automotive Systems 1986-2007
Education: University of Evansville, BS-Electrical Engineering

Doug Tushar, VP of IS&T Corporate, Novi, Michigan, USA
With KA since: January 2008,
Global Director Information Technology, Teleflex Automotive, Detroit MI, US, 2006-2008,
Global Business Process Analyst at Teleflex Corp, Limerick Pennsylvania, US, 2004-2006,
Business Logistics and Operations Manager at Teleflex Electronics, Sarasota Florida, US, 2002-2004,
Business Logistics Manager at Morse Hynautic, Sarasota Florida, US, 2001-2002
Plant Manager at Morse Marine, Clearwater Florida, US, 2000-2001
Education: SBA Business Accounting, Kent State University

Dr. Ralf Voss, President Interior, Zürich, Switzerland
With KA since: March 2018
Interim Management, 2015-2017
Member of the management board, Knorr-Bremse, Systems Rail Vehicles GmbH (SfS), Munich, Germany, 2009-2015
EVP, Division Electronics, Hella KGaA, Lippstadt, Germany, 2005-2009
Director Vehicle Engineering, Daimler Benz AG, International USA, 1989-2005
Education: Ludwig-Maximilians Universität, Munich, Master Crystallography and Mineralogy

Henning Jensen, CEO & President, Zürich, Switzerland

The Kongsberg Automotive (KA) management is an experienced team with on average more than 20 years of industry experience and around 7 years of KA tenure.

Kongsberg Automotive at a glance (1/2)

KONGSBERG AUTOMOTIVE

Overview

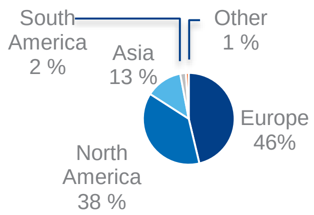
- Listed on Oslo Stock Exchange, parent company in Norway.
- 3 segments: Interior, Powertrain & Chassis, Specialty Products
  - Interior: interior comfort systems and light duty cables
  - Powertrain & Chassis: gearshift systems and vehicle dynamics applications
  - Specialty Products: air couplings, FTS and off-highway applications
- We estimate that approximately one out of five LD or HD vehicles contain our products globally
- Diverse customer and end-market exposure with strong market positions

Selected KPIs

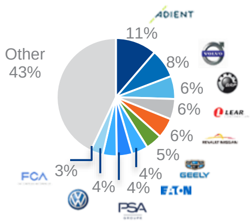
Revenue (2016A/2017A / 2018A / 2019A)	**Adjusted EBIT** (2016A/2017A / 2018A / 2019A)
€986m / €1,057m / €1,123m / €1,161m	**€28 m / €50 m / €75 m / €71 m**
Revenue growth / Adj. EBIT growth (2016-2017A, 2017A-2018A & 2018A-2019A)	**Booked business / Revenue** (avg. 2017A, 2018A, 2019A)
7% / 78%, 6% / 49% & 3% / -5%	**1.4x**

2019A revenue breakdown

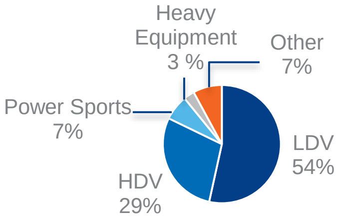
By geography



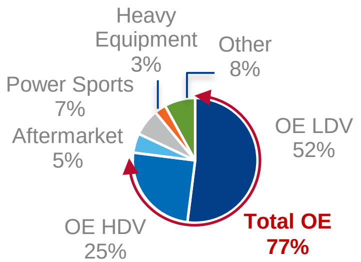
By customer



By end-market



By channel



Total revenue 2019A: €1,161 m

Kongsberg Automotive at a glance (2/2)

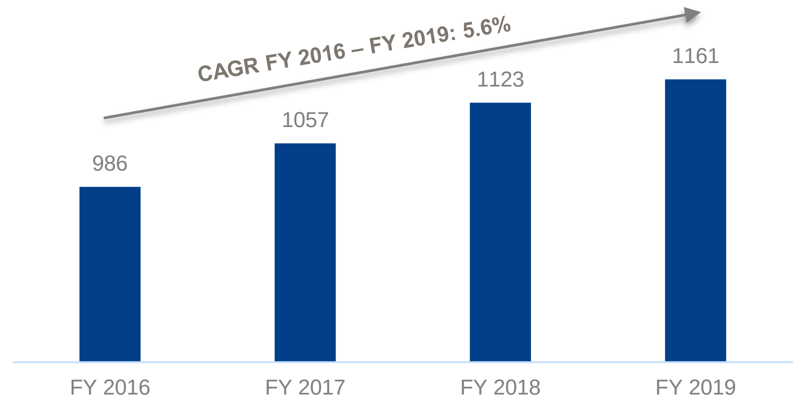
KONGSBERG AUTOMOTIVE

	Interior		Powertrain & Chassis Products		Specialty Products		
	Light Duty Cables	Interior Comfort Systems	Transmission Control	Vehicle Dynamics	Air Couplings	FTS	Off Highway
Revenue % 2019A	5%	21%	36%	4%	9%	11%	14%
Market position	Fragmented market with no dominant player	#1 / #2 in integrated comfort systems	Strong position in actuation systems		#1 / #2 (Europe)	#1 in PTFE hoses	Top 3 in pedals and electronic controls
% LDV/HDV/ Non-Auto/ Aftermarket	98% / 2% / 0% / 0%		55% / 34% / 1% / 10%		15% / 34% / 48% / 3%		
Key customers	BMW, Audi, ADIENT, Volvo, Ford		Ford, PEUGEOT, GEELY, RENAULT NISSAN, FCA, GM		VOLVO, MAN, LAND ROVER, Ford, BRP		
Key competitors	GENTHERM, Suprajit, IGB, Leggett & Platt AUTOMOTIVE, ALFMEIER		FICOSA, ZF, KOSTAL, WABCO, DURA		CURTISS-WRIGHT, Suprajit, CooperStandard, VOSS		
Kongsberg Automotive Value Proposition	➢ Broadest capabilities in the market ➢ Strong underlying addressable market growth driven by trend towards premiumisation, comfort and convenience ➢ Trickling down from premium segment into volume segments ➢ Strong customer relationships ➢ Sophisticated cable design and high quality ➢ One-stop shop for systems		➢ Strong product development capabilities in a market moving from mechanical to electronically controlled automated actuation ➢ Well positioned on truck and LV actuators ➢ High design flexibility through standardized modules, adaptable to OEM preferences ➢ Significant business booked in US and China ➢ Complete shifter systems ➢ Long design and manufacturing expertise		➢ Deep vertical integration and full capability in-house, hereunder strong electronic engineering capabilities ➢ Strong growth driven by innovative products and capturing market share: couplings (HDV, aftermarket), FTS (LDV, HDV, industrial), off-highway (power sports, construction, agriculture) ➢ Growth potential in North America and Asia ➢ OEM advancement through better TCO ➢ Bringing automotive scale and efficiency to industrial customers ➢ Market leader in niche markets		

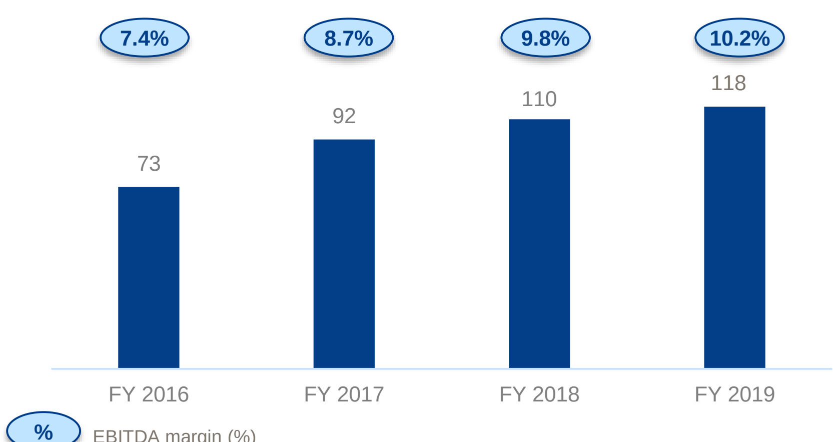
Historical financials overview

The growth in top-line and profitability is a result of the changes initiated in 2016

Revenue performance (€m)



Adj. EBITDA performance (€m)



Revenues including HRAR

Key financials (€m)

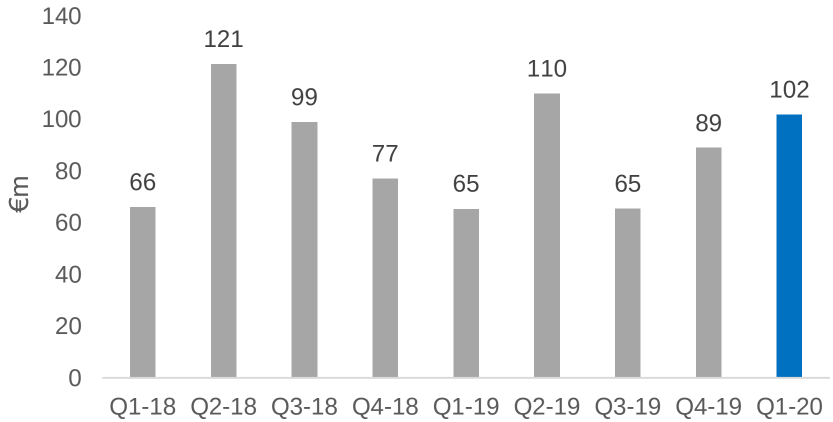
P&L

€m	FY 2016*	FY 2017*	FY 2018*	FY 2019
Revenue	**986**	**1,057**	**1,123**	**1,161**
% growth	*(3.0%)*	*7.2%*	*6.2%*	*3.4%*
Adj. EBITDA	**73**	**92**	**110**	**118**
% margin	*7.4%*	*8.7%*	*9.8%*	10.2%
Adj. EBIT	**28**	**50**	**75**	**71**
% margin	*2.9%*	*4.7%*	*6.7%*	6.1%
Capex	**(51)**	**(53)**	**(68)**	**(65)**
% of revenue	*(5.2%)*	*(5.0%)*	*(6.1%)*	(5.6%)
Adj. EBITDA - Capex	**22**	**40**	**42**	**53**

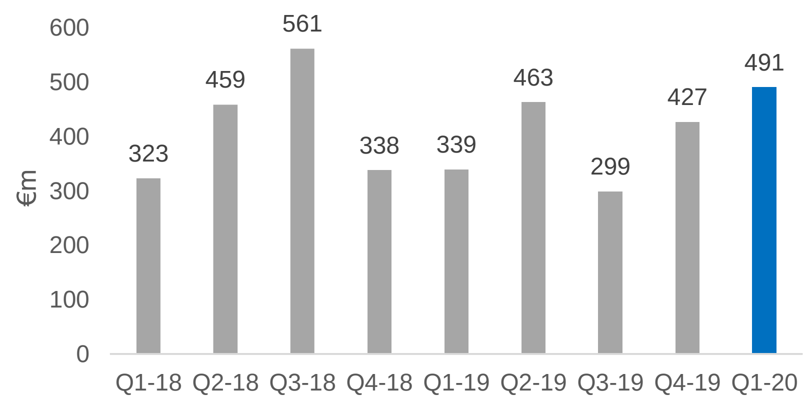
**Excluding IFRS 16 effects*

New Business Wins – KA Group

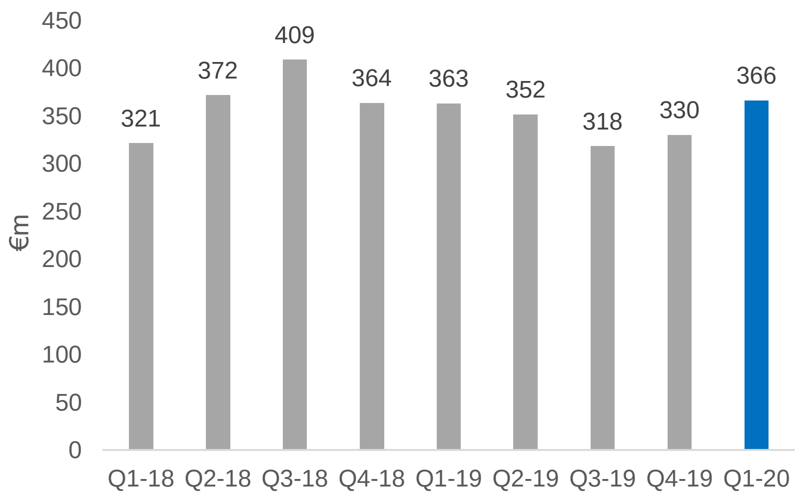
New business wins per quarter (Annualized revenues)



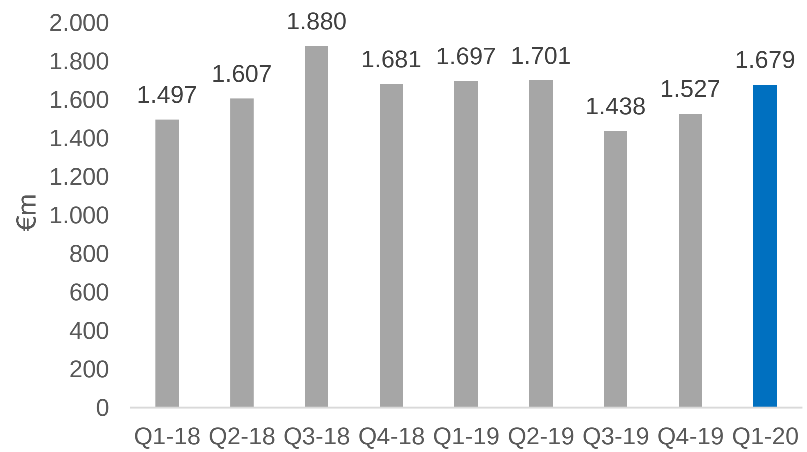
New business wins per quarter (Lifetime revenues)



New business wins LTM (Annualized revenues)

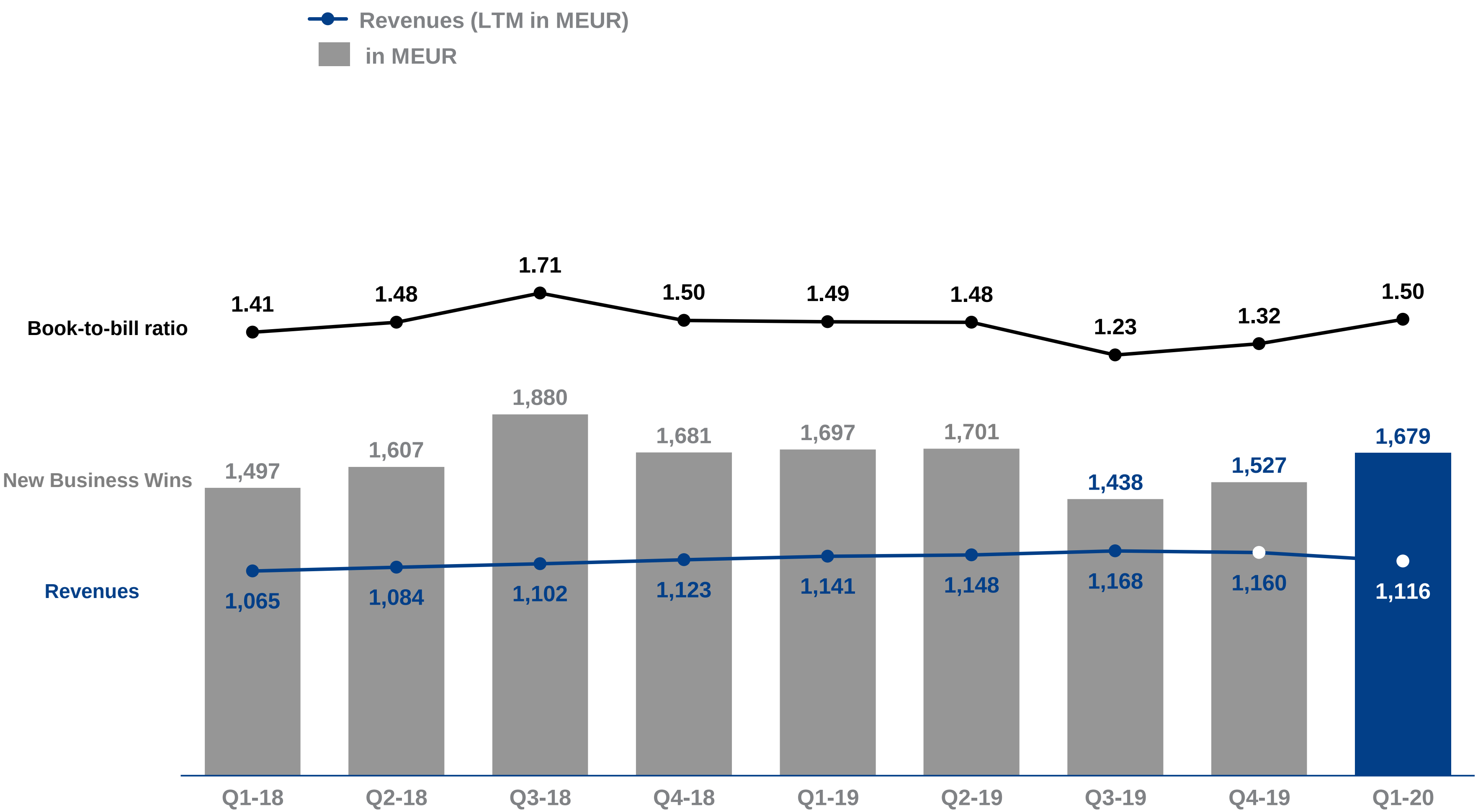


New business wins LTM (Lifetime revenues)



Book-to-bill performance

High number of new business wins over the last 2 years ensure long term growth relative to the market



Lifetime revenue assumptions are based on IHS and LMC production estimates at the time of the booking.

Corona Virus and its impact on the automotive industry

KONGSBERG AUTOMOTIVE

- The corona virus (Corona) has impacted the automotive industry significantly.
  - The Corona outbreak started in China slightly before the Chinese new year vacation.
    - This led to shutdowns in China extending beyond the normal new year shut down periods.
    - Due to very strict and effective measures, China has returned to somewhat normal automotive operations in early April.
  - As we all have since learned, the economic impact outside of China has been much stronger as the Corona virus has spread rapidly throughout the world.
  - As the first countries European countries started “shutting down”, essentially the entire global automotive industry shut down. The shutdowns are both health and supply chain related.
    - The supply chains in the automotive industry are very global, complex, and intertwined.
    - Under normal circumstances, these automotive supply chains are very “well oiled machines”. However, when shock is inserted into the system, it stops functioning.
  - For all practical purposes, the automotive industry has shut down outside of China and portions of Japan and South Korea.
    - This has led to sudden and very sharp declines in revenues for all automotive suppliers.
  - There is great uncertainty as to how long the current situation will last and also at what level the economy will “restart” following the reopening of operations.
    - There is a general expectation, that we will have a recession following the Corona related shutdowns. There is great uncertainty as to whether the recovery from the Corona effects will follow the patterns of other downcycles.
  - The automotive industry is in general considered by most large industrial nations as “too big to fail” and will receive significant support from governments. Such efforts, though, will mostly focus on the OEMs, not on the suppliers.

The impact on the Corona virus on Kongsberg Automotive

- In Q1, 2020, Kongsberg Automotive (KA) saw revenues decline of more than 15% YoY to €262 million. This was driven by a combination of declines in China following the Chinese new year shutdown extension and the almost complete shutdown of Western OEMs in the last 10 days of March.
  - KA's Q1 2020 adjusted EBIT declined by almost 75% to slightly less than €8 million.
  - In the seasonally weak first quarter, we had a negative cash flow of around €8 million. The cash flow performance was strengthened primarily by strong working capital measures..
  - Paradoxically enough, we had strong new business wins (NBW) in Q1 2020 of around €100 million in annualized business, above the levels of previous years' Q1 NBWs (as seen on slides 14 and 15). It should, however, be noted that we saw almost no NBWs in March.
    - As has been the case over the last years, these strong NBWs should enable Kongsberg Automotive to outperform the automotive sector in top line growth.
- For the remainder of 2020, and for that matter also for 2021, there is great uncertainty. There are three key questions:
  - How long will the current shutdowns last?
  - When, at what pace and to what level will the restart take place?
  - Following 2020, at what level will the business levels be in 2021?
- In order to plan for the future, KA has developed various scenarios for 2020 and 2021 which are based mainly on management estimates. These scenarios do not reflect any guidance or forecasts and the actual results for 2020 and 2021 could differ from the scenario outputs. These are described on the next slide.
  - Each scenario models the expected P&L performance, working capital levels, capex, and cash flow.
  - Many scenarios have been worked out. For simplicity purposes, this presentation covers three scenarios; high case, medium case, and low case where the "high case" represents the most favorable outcome and the low case represents the least favorable outcome among the scenarios. The difference between the various scenarios is the underlying market assumptions which ultimately drive the revenues of the company and which the company does not control.
- All the scenarios lead to a significant need for additional liquidity.

Three Scenarios – Revenue impact for Kongsberg Automotive

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- As mentioned, we have modeled three scenarios/cases:

Revenues	High case	Medium Case	Low case
2019 (for reference)	€1,161 million	€1,161 million	€1,161 million
2020	€ 914.6 million This assumes shutdowns as we currently experience through April with a quick ramp up in the first two weeks of May.	€892.8 million This assumes shutdowns as we currently experience through April with a slow ramp up in May and the first week of June.	€832.5 million This assumes shutdowns as we currently experience through May with a slow ramp up in June and the first week of July.
2021	€1,091 million This assumes 2021 revenue levels of around 6% less than in 2019.	€1,068 million This assumes 2021 revenue levels of around 8% less than in 2019.	€1,043 million This assumes 2021 revenue levels of around 10% less than in 2019.

- We believe that the “High case” is probably overly optimistic, as the challenges surrounding a quick restart in 2020 are large and the recovery speed for 2021 under this scenario would be aggressive.
- We believe that the “Low case” is probably overly pessimistic, particularly for 2020 as such a long shutdown period will almost be unbearable for an industry that is broadly seen as “too big to fail”.
- Consequently, we believe that the most likely outcome is somewhere between the “High” and “Low” cases. This is what the “Medium case” represents.
- Note that for the revenue assumptions for 2021 one should bear in mind that due to KA’s strong business wins, we have typically outperformed the market in top line growth by around 4-7% points. Taking this into account, the assumptions for the 2021 revenues reflect underlying market declines of 14-17%, 12-15% and 10-13% for the Low, Medium and High scenarios, respectively. This would represent a drop larger than in previous downcycles/recessions.

Revenue assumptions used for the “Medium” and “Low” scenarios:

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- The below table illustrates the China & South Korea revenue developments during Q1:

China & South Korea (Euro 000)	Jan	Feb	Mar	Q1
2019 ACT	9,255	6,215	9,327	24,796
2020 ACT	9,321	4,903	9,355	23,579
% decline YoY	1%	-21%	0%	-5%

  - As can be derived from the table, the decline in China and South Korea in February was smaller than could be expected and the recovery was faster than what one might have expected.

- The below table gives an overview of the assumed % declines in 2020 vs. 2019 under the “medium” and “low” scenarios grouped by end markets we have assumed have unique behaviors:

Assumptions used for the Medium case

2020 vs 2019 revenue levels by month, quarter and FY

(Euro 000)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4	FY
China	-10%	-10%	-10%	-10%	-10%	-10%	-10%	-10%	-10%	-5%	-10%	-10%	-10%	-9%
Off Highway*	-60%	-50%	-30%	-10%	-10%	-10%	-5%	-5%	-5%	-7%	-48%	-10%	-5%	-18%
Industrial & Aftermarket*	-2%	-2%	-2%	0%	0%	0%	0%	0%	0%	-2%	-2%	0%	0%	-1%
OEM AUT*	-77%	-71%	-39%	-30%	-23%	-17%	-8%	-6%	-1%	-18%	-63%	-23%	-5%	-28%
KA Total	-65%	-60%	-33%	-23%	-19%	-15%	-7%	-6%	-3%	-17%	-53%	-19%	-6%	-23%

* excludes China and South Korea revenues

OEM Automotive accounts for approximately 77% of our business

Assumptions used for the Low case

2020 vs 2019 revenue levels by month, quarter and FY

(Euro 000)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4	FY
China	-10%	-10%	-10%	-10%	-10%	-10%	-10%	-10%	-10%	-5%	-10%	-10%	-10%	-9%
Off Highway*	-60%	-60%	-50%	-30%	-10%	-10%	-10%	-10%	-10%	-7%	-57%	-16%	-10%	-23%
Industrial & Aftermarket*	-2%	-2%	-2%	-2%	0%	0%	0%	0%	0%	-2%	-2%	-1%	0%	-1%
OEM AUT*	-82%	-82%	-75%	-45%	-19%	-17%	-12%	-10%	-10%	-18%	-80%	-26%	-11%	-34%
KA Total	-68%	-69%	-61%	-36%	-16%	-15%	-11%	-9%	-9%	-17%	-66%	-22%	-10%	-28%

* excludes China and South Korea revenues

OEM Automotive accounts for approximately 77% of our business

- The recovery speed for the markets outside of China and South Korea are assumed to be significantly slower than for China and South Korea.
  - We have assumed that the Chinese market will decline somewhat from what we assume was a catch-up effect in March

Three Scenarios – KPI impact for Kongsberg Automotive

- The below table provides the expected liquidity needs from the various scenario models:

(Euro 000)	2020 High	2021 High	2020 Medium	2021 Medium	2020 Low	2021 Low
Revenues	914,616	1,091,390	892,856	1,068,169	832,508	1,043,000
EBITDA	15,774	90,098	14,790	81,721	-19,530	72,642
EBITDA%	1.7%	8.3%	1.7%	7.7%	-2.3%	7.0%
Adj. EBIT	-36,613	34,476	-30,527	26,099	-71,917	17,020
Adj EBIT %	-4.0%	3.2%	-3.4%	2.4%	-8.6%	1.6%
Net Income	-76,845	9,629	-72,912	-421	-112,149	-9,501
EBITDA	15,774	90,098	14,790	81,721	-19,530	72,642
Δ Net Working Capital	1,000	22,000	-26,000	17,000	9,000	21,000
Capex	-63,000	-58,000	-57,000	-58,000	-55,000	-53,000
Taxes & Interest	-25,000	-25,000	-25,000	-27,000	-25,000	-25,000
Other non CF EBITDA items incl IFRS 16	-28,000	-20,000	4,591	-20,000	-28,000	-20,000
Cash Flow (all in)	-99,226	9,098	-88,619	-6,279	-118,530	-4,358
Highest cumulative liquidity need in period	-91,000	-105,000	-73,000	-97,000	-99,000	-123,000

- The liquidity need is calculated on the basis of not utilizing the RCF more than 40%, thus not triggering covenant testing.
  - The RCF increase of €20 million in April 2020 and the RCF reduction of €20 million (due in October 2021) have been considered in the model above.
- The liquidity need is smaller than the cumulative cash flow due to liquidity reserves at the beginning of 2020.
  - The highest cumulative liquidity need in the period is generally higher than the end of year need due to large intra-year liquidity variation driven mostly by working capital swings due to intra-year volume swings.
- The above includes furlough and short time work actions in place for the duration of shutdowns.
- The above financials have considered the approved and mostly received government grants of €2.3 million both from a cash and P&L standpoint.
- The cash burn rate for an extra month of shutdowns is between €25 million and €30 million with significant delays in the CF timing.
- The cash breakeven point for the KA operations in a steady state is at an annual revenue level of around €1,080 million at low growth and around €1,150 million in the previous growth mode.
- In order to fully fund the Corona related downturn and the following expected recession, according to the model parameters, we need to secure additional liquidity of around €110-130 million. This leaves some safety margin. See the next page.
- Please note that the actual figures for 2020 and 2021 may be outside of the ranges of the high-medium-low cases above.
- **Even in the low scenario, Kongsberg Automotive would return to positive EBITDA figures in 2021.**

Sources of funding

Potentially very likely sources of Funds in € 000:			
Capital raise	Gross amount: 62,000-89,000	75,000	expenses deducted, middle of range selected
Government loan Program (CH + smaller amounts from others)		4,000	In addition to already approved grants/loans
Factoring Scandinavia		10,000	under negotiation – term sheet stage
Factoring NA & EMEA		60,000	following NA - term sheet stage
Total "likely" Funding sources		149,000	

- Sources of funding does not include any proceeds from potential divestitures
- Under the assumption that up to €130 million in liquidity is needed by the end of 2021, the net debt of the company would be between €200 million and €240 million depending on scenario/case.
- We believe KA should get back to and surpass the historical adjusted EBITDA levels (2019: €118 million) following the Corona recovery in the medium to long term.
- We have additional sources of funding that have not been included in this overview due to the greater uncertainty in timing and size. See the overview in the backup section (slide 31).

Debt overview and Bond & RCF Indentures

- 2019 Year End NIBD amounted to €256 million of which €271 million Bond, €10 million RCF, €25 million cash excluding IFRS16 related liabilities.
- Bond and RCF maturity: July 2025.
  - €20 million out of the €70 million RCF matures in October 2021.
- Bond Coupon: 5% payable in Q1 and Q3, RCF interest rate: EURIBOR + 2.25 % pts.
- Undertaking of additional debt.
  - Total super senior RCF is capped at € 80 million of which we currently have an RCF credit line of € 70 million.
  - Up to € 20 million in additional guaranteed debt may be undertaken with guarantor assets.
  - Up to € 20 million in additional guaranteed debt may be undertaken with non-guarantor assets.
  - Additional unsecured debt may be undertaken as long as the LTM EBITDA/Interest cost > 2.0 at the time of undertaking the additional unsecured debt.
- Covenants:
  - Covenant testing takes place if >40% of the RCF is drawn at quarter end.
    - The covenant is LTM NetDebt/EBITDA*<3.5 in additional guaranteed debt may be undertaken with guarantor assets.
    - This is a springing RCF covenant.

* "Normalized EBITDA"

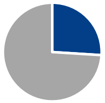
Conclusion

- Since 2016, following a turn-around, Kongsberg Automotive (KA) developed into a healthy business and achieved above-market revenue growth through strong new business wins, more than doubling of adj. EBIT margins and tripling of absolute adj. EBIT amounts through operational improvements.
- Through improved focus and increased competitiveness, we have built a strong book of business evidenced by our strong new business wins and better than the sector revenue growth. Our current book to bill ratio has been around 1.2-1.5X over the past years.
    - Strong growth in Sales and adj. EBIT 2017-2019 – better than sector.
- Virtually all the significant global automotive OEMs are KA's end customers. These are critical operations in the economy and considered "too big to fail". If needed, they will receive the required financial support from governments to not fail.
- Although the Corona situation is currently overwhelming to most parts of society, it will not last forever. We believe KA is well positioned following the "Corona recovery".
    - However, the Corona disruption has led to a shortage of liquidity for KA which we plan to fund through a capital raise of NOK 700 – 1,000 million. Combined with other sources of liquidity, this should fully fund KA through the Corona crisis according to the scenario parameters.
- Corona will not last forever – we will get back to normal. And normal is pretty attractive to KA! We believe KA should get back to and surpass the historical adjusted EBITDA levels following the Corona recovery in the medium to long term.

Backup Slides

Interior Segment

Revenue 2019A: €304mm



	Description	% of Interior revenue
Interior Comfort Systems	➢ Exclusively focused on LDV market ➢ Core Interior Comfort Systems – strong market growth – Technology leader in integration of the various seat functionalities – Ability to offer full models or individual products	81%
Light Duty Cables	➢ Exclusively focused on LDV market ➢ Cables represent core competence – Strong product technology and knowledge base – Traditional LDC applications moving towards actuators – Uses actuator designs from other business units, thus offering competitive benefits vs other pure LDC players	19%

Products

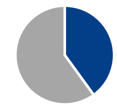
End-markets

[1] % 2019 revenue

Powertrain & Chassis Segment

KONGSBERG AUTOMOTIVE

Revenue 2019A: €461mm



Description	% of P&C revenue	Products	End-markets

Transmission control

- Technology shift from mechanically based systems towards electronically controlled actuation systems
- Product range include:
  - AMT Actuators and PRND Actuators
  - Clutch Actuation Modules
  - Shift-By-Wire Shifters and Manual Gear Shifters
  - Shift Cables
- Focus:
  - Profitable growth for new technology
  - Maintain share in conventional mechanical systems
- Well positioned on both HDV and LDV actuators

90%

ATrAct™ Gear Control Unit

Gear shift cables

AT Shifter

Shift by Wire

Vehicle dynamics

- Product range consists of 3 technologies
  - Chassis Stabilizer
  - V-Stays
  - Cabin Anti-roll Bar
- Well positioned in the market
- No ICE exposure

10%

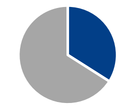
Cabin Anti-roll Bar

V-stays

[1] % 2019 revenues

Specialty Products segment

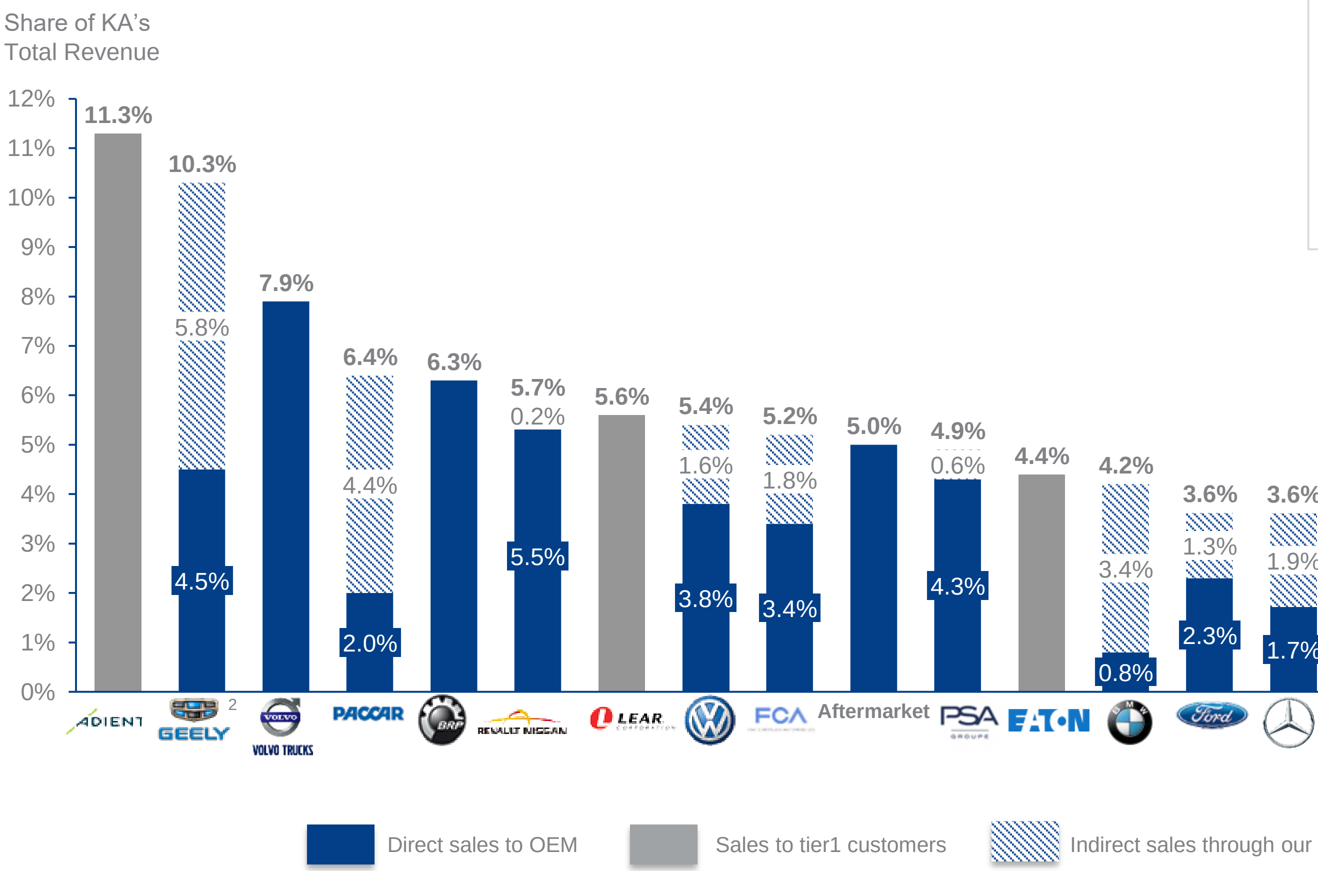
Revenue 2019A: €396mm

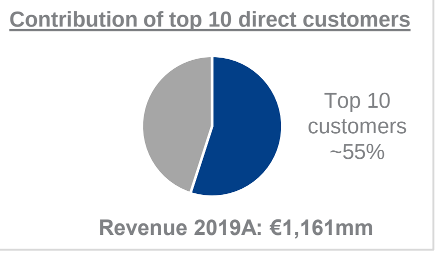


Segment	Description	% of SP revenue	Products	End-markets
Air Couplings	➢ Focused on air brake applications for HDVs ➢ Technology leader with growing market share – Premium priced products – Savings to OEMs through simplified processes – Potential for growth in NA and Asia	26%	 Raufoss ABC™ Couplings System	
Fluid Transfer Systems	➢ Specialty hoses for harsh applications ➢ Market and technology leader in PTFE hoses ➢ Growing market with strong competition in assemblies ➢ Focus on product differentiation and scale benefits ➢ Fragmented market in assemblies' segment	33%	 Twin Turbo Drain  Twin Turbo Feed	 
Off Highway	➢ Target: become largest supplier of steering system products for the Power Sports, Agriculture, and Construction markets ➢ Steering columns, displays, pedals and hand controls ➢ Supplier of HMI and custom electronic products	41%	 Pedal Box  Tilt & Telescope Columns  KAntrak 1700	

[1] % 2019 revenues

Kongsberg Automotive benefits from a well diversified customer base[1]





Our broad customer base prevents any dominant single customer dependency

[1] This graphical overview represents approximately 78% of our total end customer revenues.
[2] The Volvo passenger car brand is included in the Geely Group.
[3] The Land Rover passenger car is included in the Tata Motors Group.

Corporate Responsibility

We commit to operate in an economically, socially & environmentally responsible manner

Guiding Principles

Leadership & Talent
We aim to develop our employees in an inclusive culture that respects diversity and exemplifies our values.

Human Rights & Labor Practices
We advance initiatives which respect human rights and fair labor practices within our organization and throughout our supply chain.

Supply-chain Management
We implement practices that consider and support responsible and sustainable sourcing.

Environmental Performance
We commit to minimizing the use of natural resources and hazardous materials in the development and manufacture of our products.

Integrity & Ethics
We require all employees to comply with applicable laws and observe the highest standards of business and personal ethics in the conduct of duties and responsibilities.

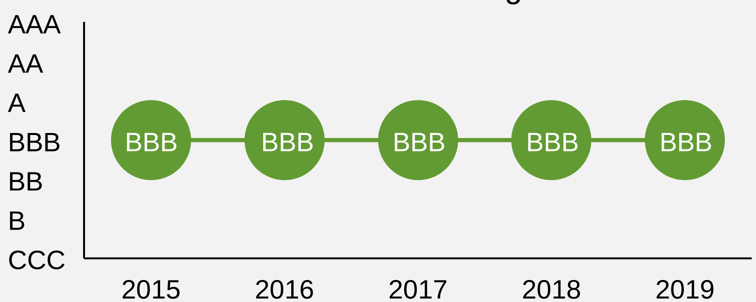
Community Engagement
We contribute our time and financial support to the communities where we work and live.

For Kongsberg Automotive, Corporate Responsibility means to manage our operations so that we achieve an overall positive impact on society

Corporate Responsibility

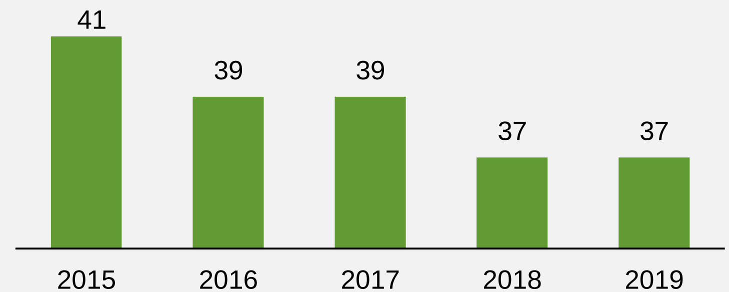
Highlights and Key Figures

MSCI ESG Rating



The MCSI ESG "BBB" rating was confirmed in Jan. 2020. Only 29% of auto suppliers rated by MSCI have a better rating. 57% have a worse ESG rating than Kongsberg.

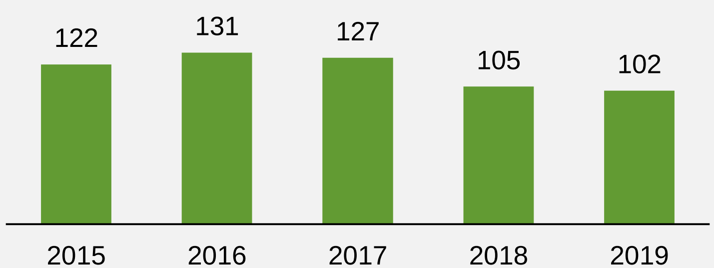
CO_2 Emission Intensity*



Despite the increase in production output, the CO_2 Emission intensity remained flat YoY.

*) tonnes CO_2 per 1,000,000 EUR of product revenues

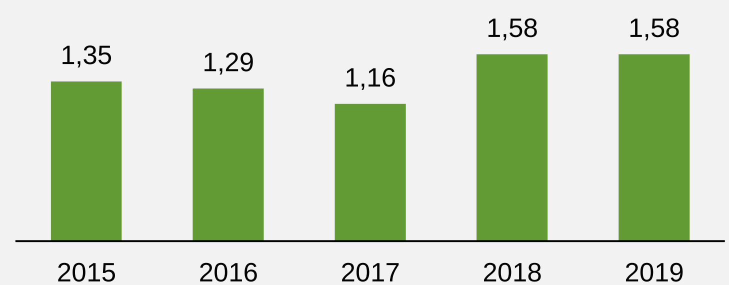
Energy Intensity*



Group energy intensity in 2019 decreased by 2.8% to 102 kilowatt-hours per 1K Euro of total product revenues.

*) kilowatt-hours per 1,000 Euro of product revenues

Waste Index*



KA's waste index remained stable at 1.58 kg/1000€ in 2019 due to plant-restructuring and production transfers.

*) kg per 1,000 Euro of product revenues

Additional Sources of funding

Additional sources of Funds (in Euro millions):		
Supply Chain Financing	5.0-10.0	Could be more if loans
Loan backed with Non Guarantor & Guarantor Assets	20.0-40.0	
RCF increase or better utilization of the RCF	0.0-40.0	
Norwegian “Statens Obligasjonsfond” bonds	50.0-70.0	
Divestitures (1 or 2 non-core business units)	30.0-120.0	Unlikely in the planning period 2020-2021
<u>Total additional funding sources</u>	<u>105.0 – 280.0</u>	

- The additional sources of funding above have not been included in the “base case” as there is uncertainty regarding timing and size. Also, particularly for the Statens Obligasjonsfond bonds, the pricing is not attractive from a relative standpoint.

Quarterly CF estimations

All figures in Euro 000 except where noted	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
External revenues (last view)	262,055	138,553	227,082	265,165	892,856	280,100	271,395	258,081	258,593	1,068,169
CF with no liquidity actions:										
BB Cash	+25,470	+27,400	-7,385	-52,925	+25,470	-45,149	-76,567	-51,398	-66,929	-45,149
RCF Draw / return	10,000	8,000			18,000	+0	+0	+0	-8,000	-8,000
CF for the period	-8,070	-42,785	-45,540	7,776	-88,619	-31,418	+25,169	-15,531	+15,154	-6,626
EB Cash	+27,400	-7,385	-52,925	-45,149	-45,149	-76,567	-51,398	-66,929	-59,775	-59,775

Note: we need Euro 20 million in cash to run the company, This means that the usable cash balance is Euro 20 million less.

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
EB Usable Cash	+7,400	-27,385	-72,925	-65,149	-65,149	-96,567	-71,398	-86,929	-79,775	-79,775
Liquidity actions:										
Equity raise net of fees		61,727	13,227		74,955					+0
factoring Scandinavia		2,000	6,000	2,000	10,000					+0
factoring NA & Europe			20,000	30,000	50,000	+10,000				+10,000
government grants & loans		1,000	3,000		4,000					+0
RCF covenant level renegotiations										+0
Total very likely liquidity sources	+0	+64,727	+42,227	+32,000	+138,955	+10,000	+0	+0	+0	+10,000
Calculation of liquidity surplus/(deficit) with liquidity actions										
EB usable Cash w/no actions	+7,400	-27,385	-72,925	-65,149	-65,149	-96,567	-71,398	-86,929	-79,775	-79,775
Cumulative liquidity sources	+0	+64,727	+106,955	+138,955	+138,955	+148,955	+148,955	+148,955	+148,955	+148,955
Liquidity surplus/(deficit) including likely liquidity	**+7,400**	**+37,342**	**+34,029**	**+73,806**	**+73,806**	**+52,387**	**+77,557**	**+62,026**	**+69,179**	**+69,179**
RCF draw info:										
RCF Line	+50,000	+70,000	+70,000	+70,000	+70,000	+70,000	+70,000	+70,000	+50,000	+50,000
RCF Draw BB	+10,000	+20,000	+28,000	+28,000	+10,000	+28,000	+28,000	+28,000	+28,000	+28,000
RCF Draw EB	+20,000	+28,000	+28,000	+28,000	+28,000	+28,000	+28,000	+28,000	+20,000	+20,000
RCF Utilization	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Memo: would this lead to a covenance test?	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO

Assumptions:

NOK/EUR exchange rate	NOK 11.0 per Euro	
equity raise tranche 1 (June)	NOK 700 millions	
equity raise tranche 2 @ minimum (September)	NOK 150 millions	Note that only 50% subscriptions are assumed for tranche 2 in this simulation.
minimum cash required	+20,000	

Note: All the above is for the most likely/Medium case updated as of May 15.

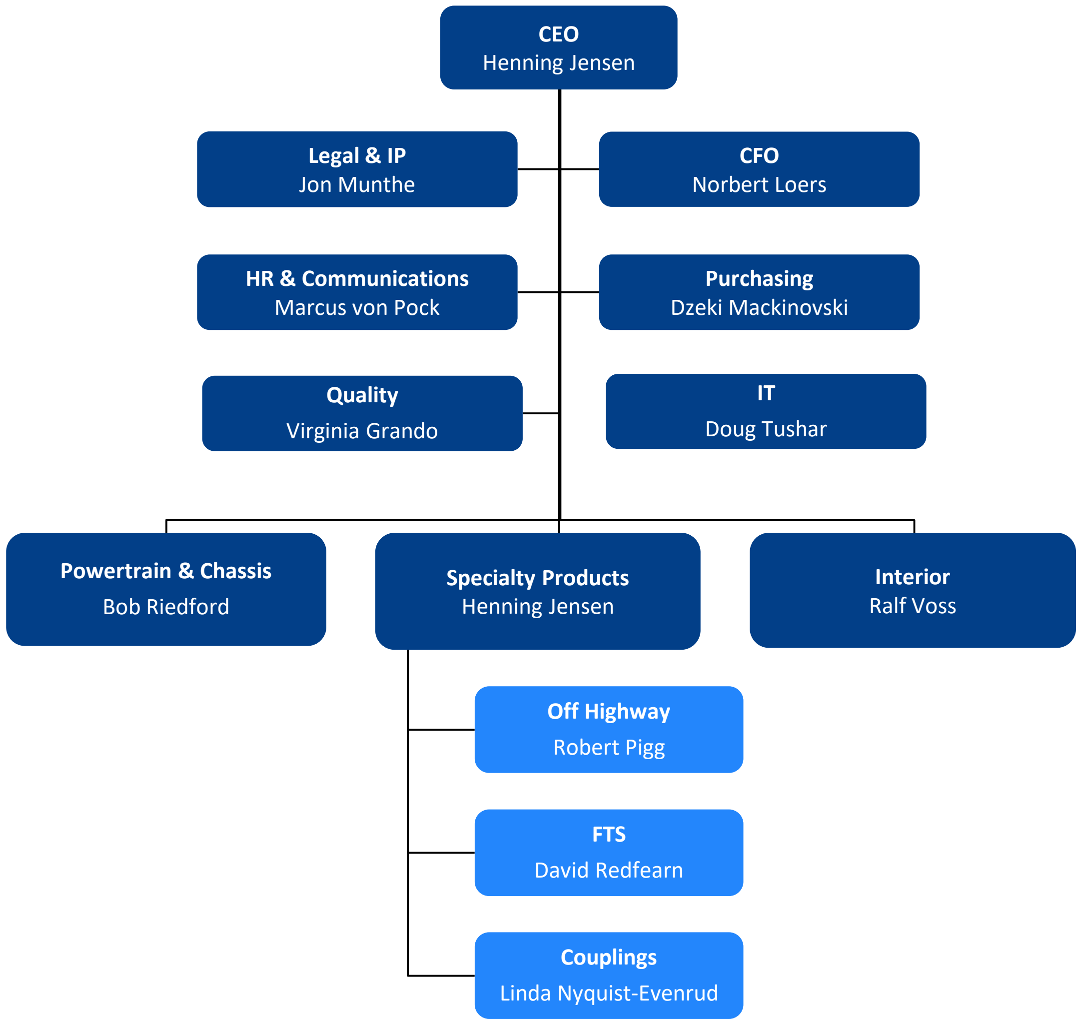
The low case is worse than the medium/most likely case by around Euro 25 million in 2020 at the high point in September.

The liquidity buffer under the most likely scenarioshould be sufficient to cover the low case scenario + a buffer.

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Low case revenues	262,063	99,030	218,381	253,033	832,508	273,500	265,000	252,000	252,500	1,043,000

Kongsberg Automotive

Leadership team



Glossary

Term	Meaning
AMT	Automated Manual Transmission
EV	Electric Vehicle
FTS	Fluid Transfer System
HDV	Heavy Duty Vehicle
HMI	Human Machine Interface
HR / AR	Headrest / Armrest
ICE	Internal Combustion Engine
LDC	Light Duty Cable
LDV	Light Duty Vehicle
OE	Original Equipment
OEM	Original Equipment Manufacturer
PRND	Park Reverse Neutral Drive