

# **THIRD QUARTER REPORT**

2023



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## EXECUTIVE SUMMARY

### REVENUES:

- > Quarterly revenues grew by 14.8% at constant currency rates, excluding revenues of MEUR 40.2 divested to BRP from Q3 2022

### ADJUSTED EBIT:

- > Supported by positive operational effects of MEUR 5.7, partly related to retroactive price increases and one-time compensations from customers

### FREE CASH FLOW:

- > Impacted by increase in NWC to support future growth and to facilitate footprint optimization

### LEVERAGE RATIO/NIBD:

- > Improved due to the proceeds received from the divestiture to BRP in Q4 2022

### NEW BUSINESS WINS:

- > Significant increase especially due to substantial contracts being awarded to P&C

### OTHER EVENTS:

- > KA's Board of Directors and the Senior Management have decided to conclude the strategic review with respect to structural considerations initiated in March 2023
- > KA has acquired innovative patents from Romoline for camera cleaners, developed in Norway. With this acquisition, KA now directly and indirectly controls 28 patents for technologies relevant to autonomous vehicles
- > As part of the KA's cost optimization measures announced in October 2023, the global workforce will be reduced by estimated 150-200 employees which is expected to result in total savings of MEUR 15-20 through the financial year 2024
- > Launch of a new share buyback program of 2.5% of the total outstanding shares or upwards limited to MEUR 4.2

### OUTLOOK FY 2023:

- > Based on YTD Q3 2023, KA maintains the full year 2023 guidance for revenues of MEUR 880 - 900 and adjusted EBIT of MEUR 20 - 25

## THIRD QUARTER 2023 AT A GLANCE

- > Revenues amounted to **MEUR 220.6** in Q3 2023, a decrease of MEUR 25.4 (-10.3%) compared to last year's third quarter, including negative currency translation effects of MEUR 15.5. This decrease was primarily driven by the divestment of Powersports business to BRP, partially offset by the significant growth in the commercial vehicle markets in all key regions. Excluding those revenues divested to BRP of MEUR 40.2 from Q3 2022, the growth at constant currency rates amounted to MEUR 30.4 (+14.8%).
- > Adjusted EBIT amounted to **MEUR 14.3** in Q3 2023, which was MEUR 1.4 higher than in Q3 2022. The prior disclosure for customs claims was successfully settled resulting in the release of provision of MEUR 1.1 for the Group. Customer reimbursements as well as price increases with retroactive effect contributed MEUR 4.6. In Q3 2022, the Powersports business divested to BRP contributed the adjusted EBIT of MEUR 12.6 including a prior period effect of MEUR 8.2.
- > Lifetime revenue business wins in the third quarter 2023 amounted to **MEUR 207.1** (MEUR 67.0 in annualized revenue) compared to MEUR 128.9 (MEUR 44.3 in annualized revenue) in Q3 2022.

### KEY FIGURES

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
<b>Revenues</b>	<b>220.6</b>	<b>246.0</b>	<b>673.9</b>	<b>690.4</b>	<b>905.6</b>
Other income	0.1	0.0	1.4	0.0	44.2
EBITDA	17.6	18.1	25.5	45.0	98.0
<i>in % revenues</i>	<i>8.0%</i>	<i>7.4%</i>	<i>3.8%</i>	<i>6.5%</i>	<i>10.8%</i>
<b>Operating profit (loss) / EBIT</b>	<b>9.7</b>	<b>9.2</b>	<b>0.8</b>	<b>19.2</b>	<b>63.1</b>
<i>in % revenues</i>	<i>4.4%</i>	<i>3.7%</i>	<i>0.1%</i>	<i>2.8%</i>	<i>7.0%</i>
Adjustments <sup>1</sup> :					
Impairment losses	0.1	0.0	10.7	0.0	1.3
Gain on sale of part of the Off-Highway business	0.0	0.0	0.0	0.0	(41.1)
Other restructuring items	4.5	3.7	7.2	5.4	12.3
<b>Adjusted EBIT</b>	<b>14.3</b>	<b>12.9</b>	<b>18.7</b>	<b>24.6</b>	<b>35.6</b>
<i>in % revenues</i>	<i>6.5%</i>	<i>5.2%</i>	<i>2.8%</i>	<i>3.6%</i>	<i>3.9%</i>
<b>Net profit / (loss) from continuing operation</b>	<b>5.8</b>	<b>8.5</b>	<b>(32.7)</b>	<b>7.6</b>	<b>20.8</b>
<b>Net profit from discontinued operation</b>	<b>0.0</b>	<b>(1.8)</b>	<b>0.0</b>	<b>16.1</b>	<b>5.9</b>
<b>Net profit / (loss)</b>	<b>5.8</b>	<b>6.7</b>	<b>(32.7)</b>	<b>23.7</b>	<b>26.7</b>
NIBD / Adjusted EBITDA (LTM) <sup>2</sup>	1.4	2.0	1.4	2.0	0.8
<i>excluding IFRS 16</i>	<i>0.6</i>	<i>1.1</i>	<i>0.6</i>	<i>1.1</i>	<i>(0.3)</i>
Equity ratio <sup>3</sup>	33.4%	35.9%	33.4%	35.9%	35.2%
<i>excluding IFRS 16</i>	<i>36.4%</i>	<i>39.2%</i>	<i>36.4%</i>	<i>39.2%</i>	<i>38.5%</i>

<sup>1</sup> see APM section for details of adjusting items

<sup>2</sup> includes all items classified as discontinued business and assets and liabilities held for sale as of September 30, 2022

<sup>3</sup> includes assets and liabilities held for sale as of September 30, 2022

- > The adjusted gearing ratio (NIBD/adj. EBITDA) on LTM basis improved to 1.4 compared to 2.0 in Q3 2022. This is mainly due to the proceeds received from the divestiture to BRP completed in Q4 2022.
- > The equity ratio decreased from 35.9% as of September 30, 2022, to 33.4% as of the end of the third quarter of 2023, mainly as a result of the accumulated net loss of MEUR 32.7 in Q3 2023 YTD.

## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
<b>Revenues</b>	<b>220.6</b>	<b>246.0</b>	<b>673.9</b>	<b>690.4</b>	<b>905.6</b>
Other income	0.1	0.0	1.4	0.0	44.2
OPEX	(203.0)	(227.9)	(639.1)	(645.4)	(850.5)
Impairment losses	(0.1)	0.0	(10.7)	0.0	(1.3)
<b>EBITDA</b>	<b>17.6</b>	<b>18.1</b>	<b>25.5</b>	<b>45.0</b>	<b>98.0</b>
<i>in % revenues</i>	<i>8.0%</i>	<i>7.4%</i>	<i>3.8%</i>	<i>6.5%</i>	<i>10.8%</i>
Depreciation and amortization	(7.9)	(8.9)	(24.7)	(25.9)	(34.9)
<b>Operating profit (loss) / EBIT</b>	<b>9.7</b>	<b>9.2</b>	<b>0.8</b>	<b>19.2</b>	<b>63.1</b>
<i>in % revenues</i>	<i>4.4%</i>	<i>3.7%</i>	<i>0.1%</i>	<i>2.8%</i>	<i>7.0%</i>
<b>Adjusted EBIT<sup>1</sup></b>	<b>14.3</b>	<b>12.9</b>	<b>18.7</b>	<b>24.6</b>	<b>35.6</b>
<i>in % revenues</i>	<i>6.5%</i>	<i>5.2%</i>	<i>2.8%</i>	<i>3.6%</i>	<i>3.9%</i>
Net financial items	2.5	0.0	(18.6)	(9.2)	(16.8)
<b>Profit / (loss) before taxes</b>	<b>12.2</b>	<b>9.2</b>	<b>(17.8)</b>	<b>10.0</b>	<b>46.3</b>
Income taxes	(6.4)	(0.7)	(14.9)	(2.4)	(25.5)
<b>Net profit / (loss) from continuing operation</b>	<b>5.8</b>	<b>8.5</b>	<b>(32.7)</b>	<b>7.6</b>	<b>20.8</b>

<sup>1</sup> See APM section for the reconciliation

#### REVENUES

Group revenues amounted to MEUR 220.6 in the third quarter of 2023, a decrease of MEUR 25.4 (-10.3%) compared to Q3 2022, including negative currency translation effects of MEUR 15.5. This was primarily driven by the divestment of Powersports business to BRP, partially offset by the significant growth in the commercial vehicle markets in China, Europe and Americas. Excluding those revenues divested to BRP of MEUR 40.2 from Q3 2022, the growth at constant currency rates amounted to MEUR 30.4 (+14.8%).

Revenues in the commercial vehicles market amounted to MEUR 108.3, respectively MEUR 116.1 at constant currencies, an increase of MEUR 19.9 (+20.6%) compared to Q3 2022. Revenues in Europe amounted to MEUR 60.2, an increase of MEUR 8.8 (+17.3%) compared to Q3 2022 at constant currencies, while the market in this region grew by 18.9%. In Americas the revenues were MEUR 42.6, exceeding the revenues of Q3 2022 by MEUR 4.6 (+12.2%) at constant currencies. Kongsberg Automotive convincingly outperformed the market in this region, in which production output declined by 8.2%. Revenues in China more than doubled compared to Q3 2022 and increased by MEUR 6.4 (+146.4%) at constant currencies, whereas the market in this region grew by 43.9% compared to Q3 2022.

Revenues generated in the passenger car market amounted to MEUR 75.1, respectively MEUR 80.0 at constant currencies, an increase of MEUR 7.4 (+10.2%) compared to Q3 2022. Revenues in Asia (incl. China) amounted to MEUR 17.1, a slight decrease of MEUR 0.3 (-1.8%) compared to Q3 2022 at constant currencies, whereas the market declined by 3.0%. In Europe revenues increased by MEUR 3.2 (+14.2%) to MEUR 25.9 at constant currencies, while the market in this region grew by 8.5%. Revenues in Americas amounted to MEUR 37.0 and increased by MEUR 4.5 (+13.9%). Kongsberg Automotive outperformed the market in this region, in which production output grew by only 3.2%.

The revenues generated in other markets (mainly off-road markets for various industries) amounted to MEUR 37.2 in Q3 2023, respectively MEUR 39.9 at constant currencies, compared to MEUR 77.1 in Q3 2022. This decrease was attributable to the divestment of Powersports business which contributed revenues of MEUR 40.2 in Q3 2022.

#### ADJUSTED EBIT / EBIT

Adjusted EBIT was MEUR 14.3 in Q3 2023, which was MEUR 1.4 higher than in Q3 2022. The adjusted EBIT of Q3 2023 benefitted from positive one-time effects of MEUR 5.7. The prior disclosure for customs claims was successfully settled resulting in the release of provision of MEUR 1.1 for the Group. Customer reimbursements as well as price increases with retroactive effect contributed MEUR 4.6. In Q3 2022, the Powersports business divested to BRP including one-time effects of MEUR 8.2 contributed adjusted EBIT of MEUR 12.6.

Operating profit in Q3 2023 was slightly higher than in Q3 2022 and amounted to MEUR 9.7.

#### NET FINANCIAL ITEMS

Net financial items amounted to positive MEUR 2.5 in the third quarter of 2023, compared to MEUR 0.0 in the same period in 2022. This was driven by the foreign exchange gains amounting to MEUR 5.6 in Q3 2023 compared to gains of MEUR 3.5 in Q3 2022. Net interests of MEUR 3.2 remained stable compared to Q3 2022 and consisted of interest expenses of MEUR 3.7 (Q3 2022: MEUR 3.5) and interest income of MEUR 0.5 (Q3 2022: MEUR 0.3).

#### PROFIT (LOSS) BEFORE TAXES / NET PROFIT (LOSS)

Profit before taxes amounted to MEUR 12.2 in the third quarter of 2023, compared to profit before taxes of MEUR 9.2 in the same quarter of 2022. Net profit amounted to MEUR 5.8 in Q3 2023, compared to a net profit of MEUR 8.5 in Q3 2022. The higher tax expense of MEUR 6.4 (Q3 2022: MEUR 0.7) was predominantly a result of the losses considered not to be usable in the foreseeable future and therefore not capitalizable as DTA in Q3 2023 as well as prior year tax effects.

## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION - CASH FLOW

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Operating activities (Continuing operations)	(1.4)	7.5	1.7	14.6	64.5
Operating activities (Discontinued operation)	0.0	1.6	0.0	35.7	37.9
<b>Cash flow - Operating activities</b>	<b>(1.4)</b>	<b>9.1</b>	<b>1.7</b>	<b>50.3</b>	<b>102.4</b>
Investing activities (Continuing operations)	(7.6)	(7.0)	(18.4)	(16.1)	38.6
Investing activities (Discontinued operation)	0.0	0.0	0.0	162.8	164.0
<b>Cash flow - Investing activities</b>	<b>(7.6)</b>	<b>(7.0)</b>	<b>(18.4)</b>	<b>146.7</b>	<b>202.6</b>
Financing activities (Continuing operations)	(14.8)	(18.2)	(34.0)	(135.3)	(152.2)
Financing activities (Discontinued operation)	0.0	0.0	0.0	(1.8)	(1.8)
<b>Cash flow - Financing activities</b>	<b>(14.8)</b>	<b>(18.2)</b>	<b>(34.0)</b>	<b>(137.1)</b>	<b>(154.0)</b>
Currency and translation effects on cash flow	4.6	7.0	(0.6)	16.8	3.6
Change in cash	(19.2)	(9.1)	(51.3)	76.7	154.6
Cash as of beginning of period	180.8	144.1	212.9	58.3	58.3
<b>Cash as of end of period</b>	<b>161.6</b>	<b>135.0</b>	<b>161.6</b>	<b>135.0</b>	<b>212.9</b>

#### CASH FLOW FROM (USED BY) OPERATING ACTIVITIES

Cash flow used by operating activities amounted to MEUR 1.4 in Q3 2023, compared to the positive operating cash flow of MEUR 7.5 in Q3 2022 (continuing operations). This was mainly driven by the increase in net working capital of MEUR 15.0 in Q3 2023 compared to a decrease in net working capital of MEUR 8.9 in Q3 2022.

#### CASH FLOW FROM (USED BY) INVESTING ACTIVITIES

Cash flow used by investing activities amounted to MEUR 7.6 compared to MEUR 7.0 in Q3 2022. Cash flows used for investments in tangible and intangible assets at the amount of MEUR 7.1 in Q3 2023 were slightly lower than in Q3 2022, which was MEUR 7.3. In Q3 2023 Kongsberg Automotive invested MEUR 2.0 and completed the purchase of 20% of shares in Chassis Autonomy SBA AB, expanding its autonomous driving product portfolio.

#### CASH FLOW USED BY FINANCING ACTIVITIES

Cash flow used by financing activities was MEUR 14.8 in the third quarter of 2023, compared to MEUR 18.2 (continuing operations) in the same quarter last year. The difference was mainly driven by the lower amount used to repurchase own bond notes in Q3 2023 (MEUR 5.8) compared to the amount used to repurchase treasury shares in Q3 2022 (MEUR 9.9).

Furthermore, payments related to interest on bond notes in Q3 2023 amounted to MEUR 5.0. The repayment of lease liabilities amounted to MEUR 2.3 in Q3 2023, which was stable compared to Q3 2022. Total payment for interest on lease liabilities was MEUR 1.1 in Q3 2022.

#### CHANGE IN CASH

The change in cash in Q3 2023 amounted to negative MEUR 19.2 compared to the balance as of June 30, 2023. The cash position was MEUR 161.6 at the end of the third quarter of 2023.

#### LIQUIDITY RESERVE

The liquidity reserve was MEUR 216.1 (excluding the restricted cash of MEUR 0.5) at the end of the third quarter 2023, compared to MEUR 287.4 as of December 31, 2022. The unutilized RCF amounted to MEUR 30.0 as of September 30, 2023. The unutilized Securitization facility was MEUR 25.0.

On July 6, 2023, the Revolving Credit Facility was successfully extended by 18 months and is now maturing in January 2025. In the course of the RCF extension, the existing facility was reduced from MEUR 50.0 to MEUR 30.0.

## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	30.09.23	30.09.22	31.12.22
Non-current assets	265.0	329.3	288.7
Cash and cash equivalents	161.6	135.0	212.9
Other current assets	321.8	335.8	296.3
Assets held for sale	0.0	40.9	0.0
<b>Total assets</b>	<b>748.4</b>	<b>841.0</b>	<b>797.9</b>
Equity	250.3	302.0	280.5
Interest-bearing liabilities	250.8	267.6	267.6
Other liabilities	247.3	267.9	249.8
Liabilities directly associated with the assets held for sale	0.0	3.5	0.0
<b>Total equity and liabilities</b>	<b>748.4</b>	<b>841.0</b>	<b>797.9</b>
NIBD <sup>1</sup>	89.2	132.6	54.7
Equity ratio <sup>2</sup>	33.4%	35.9%	35.2%

<sup>1</sup> excludes assets and liabilities held for sale as of September 30, 2022

<sup>2</sup> includes assets and liabilities held for sale as of September 30, 2022

#### ASSETS

Total assets were MEUR 748.4 at the end of the third quarter of 2023, a decrease of MEUR 49.5 from year-end 2022. Current assets amounted to MEUR 483.4 compared to MEUR 509.2 as of year-end 2022. The decrease was mainly driven by the decline in cash balance of MEUR 51.3 compared to December 31, 2022. Account receivables and inventories increased by MEUR 17.3 and MEUR 10.2, respectively. Current liabilities remained at the same level compared to the year-end 2022 with trade payables marginally decreasing by MEUR 1.4.

#### EQUITY

Equity as of September 30, 2023, decreased by MEUR 30.2 (-10.0%) to MEUR 250.3 in comparison with December 31, 2022.

This was mainly caused by the net loss of MEUR 32.7 in the first nine months of 2023. The positive other comprehensive income of MEUR 3.8 in this period resulted from a positive change in translation differences on foreign operations of MEUR 33.5 exceeding the negative change on translation differences on non-foreign operations of MEUR 29.7, of which MEUR 18.7 were attributable to share capital, share premium and treasury shares. The share-based compensation of MEUR 1.0 contributed to the change in equity as of September 30, 2023. In Q1 2023, Kongsberg Automotive repurchased its own shares, which led to the change in equity of MEUR 2.3.

#### INTEREST BEARING LIABILITIES

Total interest-bearing liabilities amounted to MEUR 250.8, consisting mainly of the partially redeemed bond of MEUR 189.1 (MEUR 190.6 after netting with the unamortized capitalized arrangement fees of MEUR 1.5) and lease interest-bearing liabilities of MEUR 61.7. In Q2 2023 and Q3 2023, own bond notes at the amount of MEUR 3.5 and MEUR 5.8, respectively, were repurchased which resulted in a corresponding decrease in the outstanding balance of the bond notes.

As of September 30, 2023, long-term interest-bearing debt amounted to MEUR 241.4.

#### NET INTEREST BEARING DEBT

At the end of the third quarter of 2023, net interest-bearing debt amounted to MEUR 89.2, an increase of MEUR 34.5 compared to year-end 2022, mainly driven by the decrease of the cash balance during the first nine months of 2023.

# POWERTRAIN & CHASSIS

## SEGMENT REPORTING

Powertrain & Chassis is a global Tier 1 supplier of driver control and driveline products into the passenger and commercial vehicle automotive markets. The portfolio includes custom-engineered cable controls and complete shift systems, clutch actuation systems, vehicle dynamics, shift cables and shift towers for transmissions.

Powertrain & Chassis serves the passenger car and the commercial vehicle markets, with particularly strong positions in Europe and the Americas. With a global footprint, Powertrain & Chassis can support customers worldwide. Key customers include Ford, General Motors, Stellantis, Volvo, Scania, DAF, John Deere, Renault-Nissan and Geely.

## KEY FIGURES

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
<b>Revenues</b>	<b>125.8</b>	<b>118.4</b>	<b>374.0</b>	<b>343.3</b>	<b>466.0</b>
Adjusted EBITDA	16.5	6.0	24.9	20.9	35.6
<i>in % revenues</i>	13.1%	5.1%	6.7%	6.1%	7.6%
<b>Adjusted EBIT</b>	<b>12.2</b>	<b>1.3</b>	<b>11.1</b>	<b>7.3</b>	<b>16.9</b>
<i>in % revenues</i>	9.7%	1.1%	3.0%	2.2%	3.6%
Adjusting and restructuring items	(0.3)	(0.6)	(1.5)	(0.7)	(2.9)
Impairment losses	(0.1)	0.0	(10.7)	0.0	(1.3)
<b>Operating profit / EBIT</b>	<b>11.8</b>	<b>0.7</b>	<b>(1.1)</b>	<b>6.6</b>	<b>12.7</b>
<i>in % revenues</i>	9.4%	0.6%	-0.3%	1.9%	2.7%
Investments	(3.1)	(4.2)	(8.5)	(8.9)	(12.2)
Capital employed <sup>1</sup>	161.3	187.0	161.3	187.0	182.2

<sup>1</sup> Includes PP&E, intangible assets, inventories, trade receivables and trade payables

## FINANCIAL UPDATE

Revenues in Powertrain & Chassis increased by MEUR 7.4 (+6.2%) to MEUR 125.8 in the third quarter 2023 compared to Q3 2022, despite negative currency translation effects of MEUR 10.0. On a constant currency basis, Q3 2023 revenues in commercial vehicles market increased by MEUR 14.5 compared to Q3 2022, which was mainly driven by increases in the Chinese and European commercial vehicle markets of MEUR 6.2 and MEUR 5.1, respectively. Retroactive price increases also supported growth. Revenue in the passenger car market grew by MEUR 2.5 on a constant currency basis, which was mainly driven by the increase of MEUR 5.1 in the United States. Revenues in the Headrest business increased by 18.0% (MEUR 0.4) compared to Q3 2022.

Adjusted EBIT amounted to MEUR 12.2 in the third quarter 2023, an increase of MEUR 10.9 compared to Q3 last year. This was mainly driven by the positive one-time effects of MEUR 4.0,

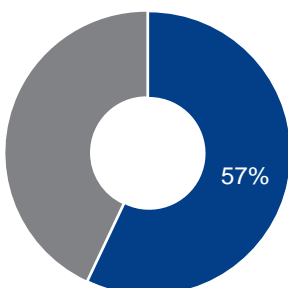
predominantly related to one-time reimbursements from customers and the release of the provision for customs claims. Furthermore, adjusted EBIT in Q3 2023 benefitted from cost savings in engineering and other OPEX. In Q3 2022 adjusted EBIT was impacted by the provision of MEUR 2.5 for custom claims.

## COMMERCIAL AND OPERATIONAL UPDATE

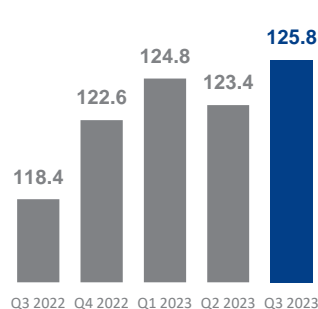
Business wins amounted to MEUR 140.1 of lifetime revenues (MEUR 39.6 in annualized revenues) in the third quarter of 2023.

Within the quarter, P&C was awarded two significant contracts: (1) to supply the Electronic Actuators to a major European Tier 1 supplier (MEUR 9.2 in expected annual revenue, MEUR 73.4 in expected lifetime revenue) and (2) to supply the Gear Shift Systems to a major American OEM (MEUR 20.0 in expected annual revenue, MEUR 40.1 in expected lifetime revenue).

Group revenue share  
Q3 2023

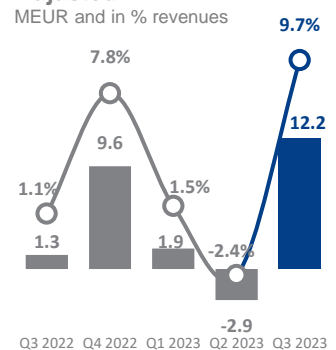


Revenues  
MEUR



Adjusted EBIT

MEUR and in % revenues



## SPECIALTY PRODUCTS

### SEGMENT REPORTING

Specialty Products designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, couplings systems for compressed-air circuits in heavy-duty vehicles, operator control systems for construction, agriculture, outdoor power equipment and power electronics-based products.

Key customers include Volvo Trucks/Group, Scania, Navistar, Paccar/DAF, Ford, Jaguar Land Rover, Club Car, John Deere, CAT, Husqvarna, CNH, and several Tier 1 customers in addition to an industrial customer base.

### KEY FIGURES

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
<b>Revenues</b>	<b>94.8</b>	<b>127.5</b>	<b>299.9</b>	<b>346.8</b>	<b>439.6</b>
Adjusted EBITDA	11.1	24.0	34.4	50.8	60.6
<i>in % revenues</i>	11.7%	18.8%	11.5%	14.6%	13.8%
<b>Adjusted EBIT</b>	<b>7.8</b>	<b>20.2</b>	<b>24.5</b>	<b>39.9</b>	<b>46.3</b>
<i>in % revenues</i>	8.2%	15.8%	8.2%	11.5%	10.5%
Adjusting and restructuring items	(0.3)	(0.6)	(0.5)	(0.9)	(2.5)
Gain on sale of part of the Off-Highway business	0.0	0.0	0.0	0.0	41.1
<b>Operating profit / EBIT</b>	<b>7.5</b>	<b>19.6</b>	<b>24.0</b>	<b>39.0</b>	<b>84.9</b>
<i>in % revenues</i>	7.9%	15.4%	8.0%	11.2%	19.3%
Investments	(3.9)	(3.0)	(10.4)	(7.8)	(14.1)
Capital employed <sup>1</sup>	209.3	249.1	209.3	249.1	193.7

<sup>1</sup> Includes PP&E, intangible assets, inventories, trade receivables and trade payables

### FINANCIAL UPDATE

Revenues in Specialty Products decreased by MEUR 32.7 (-25.6%) to MEUR 94.8 compared to the third quarter of 2022, including negative currency translation effects of MEUR 5.5. Excluding the sales from business divested to BRP (MEUR 40.2 in Q3 2022) the segment grew by MEUR 12.9 (+14.8%) on a constant currency basis. This was mainly driven by the growth of the Flow Control Systems' revenues in Europe at MEUR 8.6, as well as the Off-Highway revenues in Americas at MEUR 3.9, supported by retroactive prices increase as well as one-time reimbursements of MEUR 1.7.

Adjusted EBIT was MEUR 7.8 in the third quarter of 2023, a decrease of MEUR 12.4 (-61.4%) compared to the same quarter of last year. Excluding the result from business divested to BRP (MEUR 12.6 in Q3 2022), adjusted EBIT of the segment increased by MEUR 0.2 compared to Q3 2022. This increase was mainly

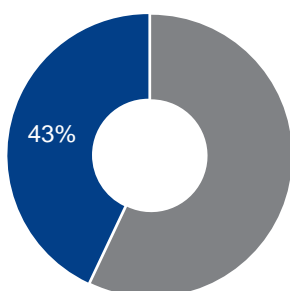
attributable to the higher sales volume, partially offset by the unfavorable product mix (after excluding sales to BRP in Q3 2022).

### COMMERCIAL AND OPERATIONAL UPDATE

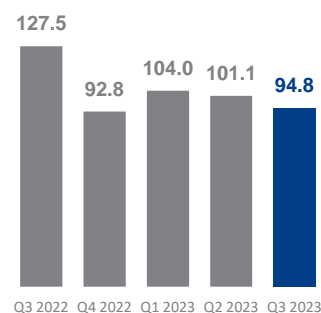
During the third quarter 2023, total business wins amounted to MEUR 62.6 of lifetime revenues (MEUR 27.5 in annualized revenues).

Within the quarter, Specialty Products was awarded two significant contracts: (1) to supply Fluid Transfer Assemblies to an American truck manufacturer (MEUR 2.5 in expected annual revenue, MEUR 8.9 in expected lifetime revenue) and (2) to supply Couplings Composite to various customers (MEUR 12.6 in expected annual revenue, MEUR 20.7 in expected lifetime revenue).

Group revenue share  
Q3 2023

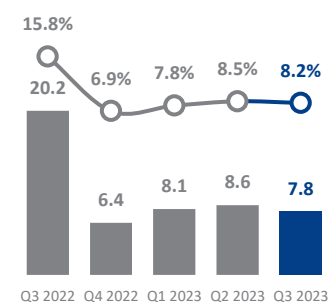


Revenues  
MEUR



Adjusted EBIT

MEUR and in % revenues





# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
<b>Revenues</b>	<b>220.6</b>	<b>246.0</b>	<b>673.9</b>	<b>690.4</b>	<b>905.6</b>
Other income	0.1	0.0	1.4	0.0	44.2
OPEX	(203.0)	(227.9)	(639.1)	(645.4)	(850.5)
Impairment losses	(0.1)	0.0	(10.7)	0.0	(1.3)
<b>EBITDA</b>	<b>17.6</b>	<b>18.1</b>	<b>25.5</b>	<b>45.0</b>	<b>98.0</b>
<i>in % revenues</i>	<i>8.0%</i>	<i>7.4%</i>	<i>3.8%</i>	<i>6.5%</i>	<i>10.8%</i>
Depreciation and amortization	(7.9)	(8.9)	(24.7)	(25.9)	(34.9)
<b>Operating profit (loss) / EBIT</b>	<b>9.7</b>	<b>9.2</b>	<b>0.8</b>	<b>19.2</b>	<b>63.1</b>
<i>in % revenues</i>	<i>4.4%</i>	<i>3.7%</i>	<i>0.1%</i>	<i>2.8%</i>	<i>7.0%</i>
Net financial items	2.5	0.0	(18.6)	(9.2)	(16.8)
<b>Profit / (loss) before taxes</b>	<b>12.2</b>	<b>9.2</b>	<b>(17.8)</b>	<b>10.0</b>	<b>46.3</b>
Income taxes	(6.4)	(0.7)	(14.9)	(2.4)	(25.5)
<b>Net profit / (loss) from continuing operation</b>	<b>5.8</b>	<b>8.5</b>	<b>(32.7)</b>	<b>7.6</b>	<b>20.8</b>
<b>Discontinued operation</b>					
<b>Net profit from discontinued operation</b>	<b>0.0</b>	<b>(1.8)</b>	<b>0.0</b>	<b>16.1</b>	<b>5.9</b>
<b>Net profit / (loss)</b>	<b>5.8</b>	<b>6.7</b>	<b>(32.7)</b>	<b>23.7</b>	<b>26.7</b>
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on foreign operations	(16.8)	21.5	33.5	53.2	29.8
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on non-foreign operations	17.2	(10.7)	(29.7)	(27.6)	(24.3)
Remeasurement of net pension benefit obligation	0.0	0.0	0.0	0.0	6.2
Tax on net pension benefit obligation remeasurement	0.0	0.0	0.0	0.0	(1.5)
Other comprehensive income	0.4	10.8	3.8	25.6	10.2
<b>Total comprehensive income</b>	<b>6.2</b>	<b>17.5</b>	<b>(28.9)</b>	<b>49.3</b>	<b>36.9</b>
Net profit attributable to:					
Equity holders (parent company)	5.8	6.6	(33.1)	23.4	26.5
Non-controlling interests	0.0	0.1	0.4	0.2	0.2
<b>Total</b>	<b>5.8</b>	<b>6.7</b>	<b>(32.7)</b>	<b>23.6</b>	<b>26.7</b>
Total comprehensive income attributable to:					
Equity holders (parent company)	6.4	17.4	(29.1)	49.0	36.8
Non-controlling interests	(0.2)	0.1	0.2	0.3	0.1
<b>Total</b>	<b>6.2</b>	<b>17.5</b>	<b>(28.9)</b>	<b>49.3</b>	<b>36.9</b>
<b>Earnings per share (EUR):</b>					
Basic earnings per share	0.01	0.01	(0.03)	0.02	0.03
Diluted earnings per share	0.01	0.01	(0.03)	0.02	0.03
<b>Earnings per share (EUR) - Continuing operation:</b>					
Basic earnings per share	0.01	0.01	(0.03)	0.01	0.02
Diluted earnings per share	0.01	0.01	(0.03)	0.01	0.02

<sup>1</sup> Adjusted for restructuring costs, see APM section for the reconciliation

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

(MEUR)	30.09.23	30.09.22	31.12.22
Intangible assets	80.1	82.7	78.7
Property, plant and equipment	123.9	135.6	133.6
Right-of-use assets	48.8	61.2	60.7
Deferred tax assets	8.7	47.3	14.3
Other non-current assets	3.5	2.5	1.4
<b>Non-current assets</b>	<b>265.0</b>	<b>329.3</b>	<b>288.7</b>
Inventories	106.7	103.3	96.5
Accounts receivable	183.8	191.3	166.5
Other short-term receivables	31.3	41.2	33.3
Cash and cash equivalents	161.6	135.0	212.9
Assets held for sale	0.0	40.9	0.0
<b>Current assets</b>	<b>483.4</b>	<b>511.7</b>	<b>509.2</b>
<b>Total assets</b>	<b>748.4</b>	<b>841.0</b>	<b>797.9</b>
Share capital	84.6	99.8	100.4
Treasury shares	(1.4)	(14.6)	(23.9)
Share premium	180.4	206.8	208.2
Other equity	(17.8)	5.4	(8.4)
Non-controlling interests	4.5	4.6	4.3
<b>Total equity</b>	<b>250.3</b>	<b>302.0</b>	<b>280.5</b>
Long-term interest-bearing liabilities	241.4	257.9	258.3
Deferred tax liabilities	25.4	30.6	24.2
Other long-term liabilities	17.4	22.5	20.5
<b>Non-current liabilities</b>	<b>284.2</b>	<b>311.0</b>	<b>303.0</b>
Bank overdraft	0.0	0.6	0.0
Current lease liabilities	9.4	9.1	9.3
Current income tax liabilities	1.5	9.5	7.8
Trade payables	120.5	113.2	121.9
Other current payables	82.5	92.1	75.4
Liabilities directly associated with the assets held for sale	0.0	3.5	0.0
<b>Current liabilities</b>	<b>213.9</b>	<b>228.0</b>	<b>214.4</b>
<b>Total liabilities</b>	<b>498.1</b>	<b>539.0</b>	<b>517.4</b>
<b>Total equity and liabilities</b>	<b>748.4</b>	<b>841.0</b>	<b>797.9</b>

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF CHANGE IN EQUITY

(MEUR)

	30.09.23	30.09.22	31.12.22
<b>Equity as of start of period</b>	<b>280.5</b>	<b>265.5</b>	<b>265.5</b>
Net profit / (loss) for the period	(32.7)	23.7	26.7
Translation differences	3.8	25.6	5.5
Remeasurement of the net pension benefit obligation	0.0	0.0	6.2
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	(1.5)
<b>Total comprehensive income</b>	<b>(28.9)</b>	<b>49.3</b>	<b>36.9</b>
Stock-based compensation	1.0	1.3	1.6
Purchase of treasury shares	(2.3)	(14.1)	(23.5)
<b>Equity as of end of period</b>	<b>250.3</b>	<b>302.0</b>	<b>280.5</b>

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
<i>Operating activities</i>					
Profit / (loss) before taxes	12.2	11.8	(17.8)	34.2	64.6
Depreciation	7.8	7.5	24.0	24.2	33.2
Amortization	0.1	0.5	0.7	1.8	1.9
Impairment losses	0.1	0.0	10.7	0.0	1.3
Interest income	(1.1)	(0.4)	(2.3)	(0.7)	(1.7)
Interest and other financial expenses <sup>1</sup>	4.2	3.9	11.8	16.7	21.7
Taxes paid	(0.7)	(2.2)	(12.2)	(7.3)	(9.4)
(Gain) / loss on sale of non-current assets	0.5	0.0	(0.2)	(27.9)	(72.3)
Changes in receivables	4.9	(3.2)	(17.3)	36.9	61.7
Changes in inventory	(3.8)	(0.8)	(10.2)	(5.0)	20.5
Changes in payables	(16.1)	(6.6)	(1.4)	(30.0)	(21.3)
Currency (gain) / loss	(5.7)	(1.9)	5.0	(2.9)	0.4
Difference between pension funding contributions paid/pensions paid and the net pension cost	0.0	0.1	0.1	0.0	(1.4)
Changes in other items <sup>2</sup>	(3.8)	0.4	10.8	10.3	3.2
<b>Cash flow - Operating activities</b>	<b>(1.4)</b>	<b>9.1</b>	<b>1.7</b>	<b>50.3</b>	<b>102.4</b>
<i>Investing activities</i>					
Investments	(7.1)	(7.3)	(19.0)	(19.2)	(28.9)
Sale of tangible and intangible assets	0.3	0.0	0.3	126.0	189.5
Investments in subsidiaries - Chassis Autonomy SBA AB	(2.0)	0.0	(2.0)	0.0	0.0
Interest received	1.2	0.3	2.3	0.7	1.6
Net proceeds from sale of subsidiaries	0.0	0.0	0.0	39.2	40.4
<b>Cash flow - Investing activities</b>	<b>(7.6)</b>	<b>(7.0)</b>	<b>(18.4)</b>	<b>146.7</b>	<b>202.6</b>
<i>Financing activities</i>					
Purchase of treasury shares	0.0	(9.9)	(2.5)	(14.1)	(23.5)
Net draw down of debt / (Repayment) of debt	(5.8)	0.6	(9.4)	(97.9)	(98.5)
Interest paid and other financial items	(6.7)	(6.8)	(15.1)	(17.7)	(22.1)
Repayment of lease liabilities and other	(2.3)	(2.2)	(7.0)	(7.4)	(9.9)
<b>Cash flow - Financing activities</b>	<b>(14.8)</b>	<b>(18.2)</b>	<b>(34.0)</b>	<b>(137.1)</b>	<b>(154.0)</b>
Currency and translation effects on cash flow	4.6	7.0	(0.6)	16.8	3.6
Change in cash	(19.2)	(9.1)	(51.3)	76.7	154.6
Cash as of beginning of period	180.8	144.1	212.9	58.3	58.3
<b>Cash as of end of period</b>	<b>161.6</b>	<b>135.0</b>	<b>161.6</b>	<b>135.0</b>	<b>212.9</b>
<i>Of this, restricted cash</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>

<sup>1</sup> Includes Other financial items and the repayment of lease liabilities – See Note 5

<sup>2</sup> Includes changes in accruals, provisions, contract assets and contract liabilities, other current receivables like receivables from public duties, customer developments and prepaid expense, and other non-current assets

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 – DISCLOSURES

### GENERAL INFORMATION

Kongsberg Automotive ASA and its subsidiaries develop, manufacture and sell products to the automotive and commercial vehicle industry globally. Kongsberg Automotive ASA is a limited liability company, which is listed on the Oslo Stock Exchange. The consolidated interim financial statements are not audited.

### BASIS OF PREPARATION

This condensed consolidated interim financial information, for the nine months ended September 30, 2023, has been prepared in accordance with IAS 34 “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended on December 31, 2022, which have been prepared in accordance with IFRS.

### ACCOUNTING POLICIES

The accounting policies are consistent with those of the annual financial statements for the year ended on December 31, 2022, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the estimated effective tax rate.

### RISK AND UNCERTAINTIES

Risks and opportunities for the financial year are subject to a high level of uncertainty and are continuously monitored, evaluated and, if applicable, taken into account in planning during the year.

Due to the geopolitical risks, especially due to the Russia-Ukraine war, global macroeconomic risks have significantly increased and have led to further increases in costs for raw material, energy and transportation and considerably higher inflation rates worldwide than in comparable periods. Rising inflation rates could reduce purchasing power, adversely affect end customer behavior, and put a damper on demand on the products offered to customers.

The single most important risk that Kongsberg Automotive is exposed to is the development of demand in the end markets for light duty and commercial vehicles worldwide. As Kongsberg Automotive operates in many countries, Kongsberg Automotive is vulnerable to currency risk. The most significant external currency exposure is associated with the USD exchange rate. As most of the revenues are earned from automotive OEMs and automotive Tier 1 and Tier 2 customers, the financial health of these automotive companies is critical to the credit risk.

On the supply side Kongsberg Automotive is exposed to risks related to the availability and cost of copper, brass, resin, zinc, aluminum, steel, and electronic components.

During the last few months energy prices in Europe have shown a reduction after peaking in Q4 2022, raw materials are coming down, however labor costs and overall inflation remain high. Furthermore, the Company’s business operations kept being impacted by the volatility in the supply of semiconductors directly and indirectly impacting production at many OEMs. It requires effective management as this had an adverse impact on business, financial condition, results of operations or cash flows. This has created the need to adapt to new challenges by the creation of new programs that allow to mitigate the negative operational and financial consequences of such disruptions.

Kongsberg Automotive faces both climate change related risks and opportunities arising from climate change itself and from actions taken in climate change mitigating. These are embedded in the Company’s risk management and business strategy. The financial implications of risks of climate change can be classified into two types of risks: physical risks and transition risks. Physical risks are related to the increase and severity of extreme weather and long-term climate changes. Transition risks are related to decarbonization including new technological advances and requirements imposed by regulators or public opinion. Both are considered in the Company’s risk assessment as part of the annual budget process and in impairment testing at year end. There is still significant uncertainty about the future financial impact of climate risks and opportunities. During the budget process, several scenarios are considered, and the best estimate is included in the assumptions for the final budget. As of September 30, 2023, climate risk changes have not resulted in adjustments to the useful lives of long-term assets. Further, climate related risk considerations have not resulted in adjustments of the carrying amounts of assets or liabilities.

### SEASONALITY

The Group’s quarterly results are to some extent influenced by seasonality. The seasonality is mainly driven by the vacation period in the third quarter and December each year having lower sales. Also, year-over-year seasonality differences may occur as a result of varying number of working days in each quarter.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2 – SEGMENT REPORTING (THIRD QUARTER 2023)

Q3 2023 (MEUR)	Powertrain & Chassis	Speciality Products	Other <sup>1</sup>	Total Group
<b>Revenues<sup>2</sup></b>	<b>125.8</b>	<b>94.8</b>	<b>0.0</b>	<b>220.6</b>
<b>Adjusted EBITDA</b>	<b>16.5</b>	<b>11.1</b>	<b>(5.4)</b>	<b>22.2</b>
Depreciation <sup>3</sup>	(4.2)	(3.3)	(0.3)	(7.8)
Amortization <sup>3</sup>	(0.1)	0.0	0.0	(0.1)
<b>Adjusted EBIT</b>	<b>12.2</b>	<b>7.8</b>	<b>(5.7)</b>	<b>14.3</b>
<i>Timing of revenue recognition</i>				
<b>Ownership transferred at a point in time</b>	<b>125.8</b>	<b>94.8</b>	<b>0.0</b>	<b>220.6</b>
<i>Assets and liabilities</i>				
Goodwill	16.4	56.3	0.0	72.7
Other intangible assets	5.0	2.3	0.1	7.4
Property, plant and equipment	56.5	66.4	1.0	123.9
Right-of-use assets	22.1	23.5	3.2	48.8
Inventories	47.8	58.9	0.0	106.7
Trade receivables	110.6	73.2	0.0	183.8
Other assets	1.7	5.5	0.0	7.2
<b>Segment assets</b>	<b>260.1</b>	<b>286.1</b>	<b>4.3</b>	<b>550.5</b>
Unallocated assets			197.9	197.9
<b>Total assets</b>	<b>260.1</b>	<b>286.1</b>	<b>202.2</b>	<b>748.4</b>
Trade payables	69.8	45.6	5.1	120.5
Non-current lease interest-bearing liabilities	25.5	24.4	2.4	52.3
Current lease interest-bearing liabilities	6.0	2.2	1.2	9.4
<b>Segment liabilities</b>	<b>101.3</b>	<b>72.2</b>	<b>8.7</b>	<b>182.2</b>
Unallocated liabilities			315.9	315.9
<b>Total liabilities</b>	<b>101.3</b>	<b>72.2</b>	<b>324.6</b>	<b>498.1</b>
<b>Total equity</b>			<b>250.3</b>	<b>250.3</b>
<b>Total equity and liabilities</b>	<b>101.3</b>	<b>72.2</b>	<b>574.9</b>	<b>748.4</b>
Capital expenditure	(3.1)	(3.9)	(0.1)	(7.1)

<sup>1</sup> The column Other includes corporate costs, transactions and balance sheet items related to tax, pension and financing. Trade receivables include the In-House Bank balances.

<sup>2</sup> For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly. Adjusted EBIT excludes IC profit.

<sup>3</sup> Excluding restructuring costs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2 – SEGMENT REPORTING (THIRD QUARTER 2022)

Q3 2022 (MEUR)	Interior <sup>4</sup>	Powertrain & Chassis	Speciality Products	Other <sup>1</sup>	Total Group
<b>Revenues<sup>2</sup></b>	<b>0.0</b>	<b>118.4</b>	<b>127.5</b>	<b>0.1</b>	<b>246.0</b>
Revenues from discontinued operation	0.0	0.0	0.0	0.0	0.0
<b>Revenues from continuing operation</b>	<b>0.0</b>	<b>118.4</b>	<b>127.5</b>	<b>0.1</b>	<b>246.0</b>
<b>Adjusted EBITDA</b>	<b>(1.7)</b>	<b>6.0</b>	<b>24.0</b>	<b>(8.1)</b>	<b>20.2</b>
Depreciation <sup>3</sup>	0.9	(4.3)	(3.6)	(0.5)	(7.5)
Amortization <sup>3</sup>	0.0	(0.3)	(0.2)	0.0	(0.5)
<b>Adjusted EBIT</b>	<b>(0.7)</b>	<b>1.3</b>	<b>20.2</b>	<b>(8.6)</b>	<b>12.2</b>
Adjusted EBIT from discontinued operation	(0.7)	0.0	0.0	0.0	(0.7)
<b>Adjusted EBIT from continuing operation</b>	<b>0.0</b>	<b>1.3</b>	<b>20.2</b>	<b>(8.6)</b>	<b>12.9</b>
<i>Timing of revenue recognition</i>					
<b>Ownership transferred at a point in time</b>	<b>0.0</b>	<b>118.4</b>	<b>127.5</b>	<b>0.1</b>	<b>246.0</b>
<i>Assets and liabilities</i>					
Goodwill	0.0	17.1	60.1	0.0	77.2
Other intangible assets	0.0	4.8	0.7	0.0	5.5
Property, plant and equipment	0.0	70.2	63.8	1.6	135.6
Right-of-use assets	0.0	26.8	21.9	12.5	61.2
Inventories	0.0	43.2	60.1	0.0	103.3
Trade receivables	6.1	101.7	82.9	0.6	191.3
Other assets	0.0	1.6	5.0	0.0	6.6
<b>Segment assets</b>	<b>6.1</b>	<b>265.4</b>	<b>294.5</b>	<b>14.7</b>	<b>580.7</b>
Assets held for sale	0.0	0.0	40.9	0.0	40.9
Unallocated assets				219.4	219.4
<b>Total assets</b>	<b>6.1</b>	<b>265.4</b>	<b>335.4</b>	<b>234.1</b>	<b>841.0</b>
Trade payables	1.0	56.7	55.1	0.4	113.2
Non-current lease interest-bearing liabilities	0.0	27.8	21.7	11.3	60.8
Current lease interest-bearing liabilities	0.0	4.6	2.4	2.2	9.2
<b>Segment liabilities</b>	<b>1.0</b>	<b>89.1</b>	<b>79.2</b>	<b>13.9</b>	<b>183.2</b>
Liabilities directly associated with assets held for sale	0.0	0.0	3.5	0.0	3.5
Unallocated liabilities				352.3	352.3
<b>Total liabilities</b>	<b>1.0</b>	<b>89.1</b>	<b>82.7</b>	<b>366.2</b>	<b>539.0</b>
<b>Total equity</b>				<b>302.0</b>	<b>302.0</b>
<b>Total equity and liabilities</b>	<b>1.0</b>	<b>89.1</b>	<b>82.7</b>	<b>668.2</b>	<b>841.0</b>
Capital expenditure	0.0	(4.3)	(3.0)	0.0	(7.3)

<sup>1</sup> The column Other includes corporate costs, transactions and balance sheet items related to tax, pension, and financing.

<sup>2</sup> For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly. Adjusted EBIT excludes IC profit.

<sup>3</sup> Excluding restructuring costs.

<sup>4</sup> Balances not classified as Discontinued operation relate to the Head- and Armrest business in Sweden that was not part of the divestitures.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3 – REVENUES AND NON-CURRENT ASSETS BY GEOGRAPHICAL LOCATION

#### 3.1 REVENUES BY GEOGRAPHICAL LOCATION OF CUSTOMERS

(MEUR)	YTD 2023		YTD 2022	
		%		%
Europe	309.1	45.9%	265.5	38.5%
Northern America	228.6	33.9%	278.2	40.3%
Southern America	36.3	5.4%	34.2	5.0%
Asia	95.3	14.1%	109.4	15.8%
Other	4.6	0.6%	3.1	0.4%
<b>Total revenues from continuing operations</b>	<b>673.9</b>		<b>690.4</b>	
Revenues from discontinued operation	0.0		69.4	
<b>Total operating revenues</b>	<b>673.9</b>		<b>759.8</b>	

#### 3.2 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT (PP&E) AND RIGHT-OF USE ASSETS BY GEOGRAPHICAL LOCATION

(MEUR)	30.09.23		30.09.22	
		%		%
Europe	139.7	55.3%	158.3	56.6%
Northern America	87.3	34.5%	84.5	30.2%
Southern America	2.9	1.1%	3.3	1.2%
Asia	22.9	9.1%	33.4	11.8%
<b>Total intangible assets, PPE and RoU - Continuing operations</b>	<b>252.8</b>		<b>279.5</b>	
Total Intangible assets, PP&E and RoU - Classified as Assets held for sale	0.0		20.4	
<b>Total Intangible assets, PP&amp;E and RoU</b>	<b>252.8</b>		<b>299.9</b>	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4 – INTEREST-BEARING LOANS AND BORROWINGS

#### 4.1 INTEREST-BEARING LIABILITIES AS PRESENTED IN CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MEUR)	30.09.23	30.09.22	31.12.22
Long-term interest-bearing loan and borrowing	190.6	199.3	200.0
IFRS 16 long-term lease liabilities	52.3	60.8	60.4
Capitalized arrangement fees	(1.5)	(2.3)	(2.1)
Current IFRS 16 long-term lease liabilities	9.4	9.2	9.3
Other current interest-bearing liabilities	0.0	0.6	0.0
<b>Total interest-bearing liabilities</b>	<b>250.8</b>	<b>267.6</b>	<b>267.6</b>

In Q2 2023 and Q3 2023, own bond notes at the amount of MEUR 3.5 and MEUR 5.8, respectively, were repurchased which resulted in a corresponding decrease in the outstanding balance of the bond notes.

#### Interest-bearing liabilities by currency

(MEUR)	30.09.23	30.09.22	31.12.22
EUR	222.4	231.8	235.5
USD	7.9	9.8	8.7
Other currencies	22.0	28.3	25.5
Capitalized arrangement fees	(1.5)	(2.3)	(2.1)
<b>Total interest-bearing loan and borrowing</b>	<b>250.8</b>	<b>267.6</b>	<b>267.6</b>

#### 4.2 LIQUIDITY RESERVE

The liquidity reserve of the Group consists of cash equivalents in addition to undrawn RCF and securitization facilities.

(MEUR)	30.09.23	30.09.22	31.12.22
Cash reserve	161.6	135.0	212.9
Restricted cash	(0.5)	(0.5)	(0.5)
Undrawn RCF facility <sup>1</sup>	30.0	50.0	50.0
Undrawn Securitization facility	25.0	25.0	25.0
<b>Liquidity reserve</b>	<b>216.1</b>	<b>209.5</b>	<b>287.4</b>

<sup>1</sup> On July 06, 2023, the Revolving Credit Facility has been extended by 18 months and decreased from MEUR 50.0 to MEUR 30.0.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 5 – NET FINANCIAL ITEMS

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Interest income	0.5	0.3	1.5	0.7	1.5
Interest expenses	(3.7)	(3.5)	(11.3)	(12.0)	(16.6)
Foreign currency gains (losses) <sup>1</sup>	5.6	3.5	(9.1)	6.4	2.4
Change in fair value of investments	0.2	0.2	1.4	0.3	0.6
Account receivables securitization - Expenses	(0.1)	(0.2)	(0.6)	(0.8)	(1.0)
Other financial items	0.0	(0.3)	(0.5)	(3.8)	(3.7)
<b>Net financial items</b>	<b>2.5</b>	<b>0.0</b>	<b>(18.6)</b>	<b>(9.2)</b>	<b>(16.8)</b>

<sup>1</sup> Is made up of realized currency loss of MEUR 0.1 and unrealized currency gain of MEUR 5.7 in Q3 2023 (Q3 2022: realized currency gain of MEUR 1.6 and unrealized currency gain of MEUR 1.9)

### NOTE 6 – SUBSEQUENT EVENTS

#### NEW RESTRUCTURING PROGRAM TO OPTIMIZE COSTS

On October 23, 2023, Kongsberg Automotive announced to implement cost optimization measures. This foresees optimizing costs, rightsizing the company and enhancing its competitiveness. As part of this process, global workforce adjustments, restructuring of its geographic footprint and other cost optimization measures will be undertaken. The global workforce will be reduced by estimated 150-200 employees which is expected to result in total savings of MEUR 15-20 through the financial year 2024. As part of this action, effective January 01, 2024, the corporate office in Dortmund, Germany, will be closed to optimize the global footprint.

Kongsberg Automotive expects to incur one-time costs related to the workforce reduction of approximately MEUR 3.0, substantially all of which are cash expenditures. These costs are anticipated to be incurred primarily in the fourth quarter of 2023 and the first quarter of 2024.

## ALTERNATIVE PERFORMANCE MEASURES (APM)

This section describes the non-GAAP financial measures that are used in this report and in the quarterly presentation.

The following measures are neither defined nor specified in the applicable financial reporting framework of IFRS. They may be considered as non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to IFRS.

- > Operating profit (loss)- EBIT/Adjusted EBIT
  - > EBITDA/Adjusted EBITDA
  - > Restructuring per segment
  - > Free cash flow
- > NIBD
  - > Capital employed
  - > ROCE (last twelve months)

### OPERATING PROFIT (LOSS) - EBIT/ADJUSTED EBIT

EBIT, earnings before interest and tax, is defined as the earnings excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses. Adjusted EBIT is defined as EBIT excluding unusual or non-recurring items as well as restructuring items. Restructuring items include consultancy fees in relation to the Company's performance improvement program and portfolio transformation.

EBIT is used as a measure of operational profitability. Consequently, the Group also reports the adjusted EBIT, which is the EBIT excluding restructuring items and impairment losses.

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
<b>Operating profit / EBIT</b>	<b>9.7</b>	<b>9.2</b>	<b>0.8</b>	<b>19.2</b>	<b>63.1</b>
Impairment losses	0.1	0.0	10.7	0.0	1.3
Gain on sale of part of the Off-Highway business	0.0	0.0	0.0	0.0	(41.1)
Other adjusting and restructuring items	4.5	3.7	7.2	5.4	12.3
<b>Adjusted EBIT</b>	<b>14.3</b>	<b>12.9</b>	<b>18.7</b>	<b>24.6</b>	<b>35.6</b>

### EBITDA/ADJUSTED EBITDA

EBITDA is defined as EBIT (previously defined) before depreciation and amortization. Adjusted EBITDA is therefore EBITDA excluding restructuring items and impairment losses.

EBITDA is used as an additional measure of the Group's operational profitability, excluding the impact from depreciation and amortization.

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
<b>Operating profit / EBIT</b>	<b>9.7</b>	<b>9.2</b>	<b>0.8</b>	<b>19.2</b>	<b>63.1</b>
Depreciation	7.7	8.4	24.0	24.1	33.0
Amortization	0.2	0.5	0.7	1.7	1.9
<b>EBITDA</b>	<b>17.6</b>	<b>18.1</b>	<b>25.5</b>	<b>45.0</b>	<b>98.0</b>
Impairment losses	0.1	0.0	10.7	0.0	1.3
Gain on sale of part of the Off-Highway business	0.0	0.0	0.0	0.0	(41.1)
Other adjusting and restructuring items	4.5	3.7	7.2	5.4	12.3
<b>Adjusted EBITDA</b>	<b>22.2</b>	<b>21.8</b>	<b>43.4</b>	<b>50.4</b>	<b>70.5</b>

(\*) Excluding depreciation and amortization

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### ADJUSTING AND RESTRUCTURING ITEMS PER SEGMENT

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Interior	0.0	0.0	0.0	(0.3)	(0.3)
Powertrain & Chassis	0.4	0.6	12.2	0.7	4.1
Specialty Products	0.3	0.7	0.5	0.9	(38.6)
Other	3.9	2.4	5.2	4.1	7.2
<b>Adjusting and restructuring items Total</b>	<b>4.6</b>	<b>3.7</b>	<b>17.9</b>	<b>5.4</b>	<b>12.3</b>

### FREE CASH FLOW

Free Cash Flow is measured based on sum of cash flow from operating activities, investing activities, financial activities, and currency and translation effects on cash flow (together described as Change in cash), excluding net draw-down/repayment of debt and proceeds received from capital increase/purchase of treasury shares.

The Group considers that this measurement illustrates the amount of additional cash generated by the Group that it has at its disposal to pursue additional investments or to repay debt.

The table below includes only the cash flows from the continuing operation.

(MEUR)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Cash flow - Operating activities	(1.4)	7.5	1.7	14.6	64.5
Cash flow - Investing activities	(7.6)	(7.0)	(18.4)	(16.1)	38.6
Cash flow - Financing activities	(14.8)	(18.2)	(34.0)	(135.3)	(152.2)
Currency and translation effects on cash flow	4.6	7.0	(0.6)	16.8	3.6
<i>Add back / less:</i>					
Purchase of treasury shares	0.0	9.9	2.5	14.1	23.5
Repurchase of own bond notes	5.8	0.0	9.4	0.0	0.0
Net draw-down/repayment of debt	0.0	(0.6)	0.0	97.9	98.5
<b>Free Cash Flow</b>	<b>(13.4)</b>	<b>(1.4)</b>	<b>(39.4)</b>	<b>(8.0)</b>	<b>76.5</b>

### NIBD

Net Interest-Bearing Debt (NIBD) consists of interest-bearing liabilities less cash and cash equivalents.

The Group risk of default and financial strength is measured by the net interest-bearing debt. It shows the Group's financial position and leverage. As cash and cash equivalents can be used to repay debt, NIBD shows the net overall financial position of the Group.

(MEUR)	30.09.23	30.09.22	31.12.22
Long-term interest-bearing liabilities	241.4	257.9	258.3
Other short-term interest-bearing liabilities	9.4	9.7	9.3
Cash and cash equivalents	(161.6)	(135.0)	(212.9)
<b>Net Interest Bearing Debt</b>	<b>89.2</b>	<b>132.6</b>	<b>54.7</b>

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### CAPITAL EMPLOYED

Capital Employed is equal to operating assets less operating liabilities. Operating assets and liabilities are items which are involved in the process of producing and selling goods and services. Long-term financial assets and obligations are excluded, as those are involved in raising cash for operations and disbursing excess cash from operations.

Capital Employed is measured to assess how much capital is needed for the operations/business to function and evaluate if the capital employed can be utilized more efficiently and/or if operations should be discontinued.

(MEUR)	30.09.23	30.09.22	31.12.22
Total assets	748.4	841.0	797.9
Deferred tax liabilities	(25.4)	(30.6)	(24.2)
Other long-term liabilities	(17.4)	(22.5)	(20.5)
Current liabilities incl. other short-term interest bearing liabilities	(213.9)	(224.5)	(214.4)
Assets held for sale	0.0	(40.9)	0.0
Liabilities directly associated with the assets held for sale	0.0	3.5	0.0
<b>Capital Employed</b>	<b>491.7</b>	<b>526.0</b>	<b>538.8</b>

### ADJUSTED ROCE (LAST TWELVE MONTHS)

Adjusted Return on Capital Employed (ROCE) is based on adjusted EBIT for the last twelve months divided by the average of capital employed at the beginning and end of the period.

Adjusted Return on Capital Employed is used to measure the return on the capital employed without taking into consideration the way the operations and assets are financed during the period under review. The Group considers this ratio as appropriate to measure the return of the period.

(MEUR)		Q3 2023		Q3 2022	FY 2022
Capital employed beginning <sup>1</sup>	01.10.2022	526.0	01.10.2021	624.3	507.6
Capital employed at end <sup>2</sup>	30.09.2023	491.7	30.09.2022	526.0	538.8
Adjusted EBIT from continuing operations (LTM) <sup>3</sup>		29.6		32.8	35.6
<b>Adjusted ROCE</b> <sup>(3 / (1+2)) * 200%</sup>		<b>5.8%</b>		<b>5.7%</b>	<b>6.8%</b>

## OTHER COMPANY INFORMATION

### THE BOARD OF DIRECTORS

Peter Thostrup	Chairman (proceeded by Firas Abi-Nassif until 27.09.2023)
Emese Weissenbacher	Shareholder elected
Erik Volden	Shareholder elected (proceeded by Ellen M. Hanetho until 27.09.2023)
Junyang (Jenny) Shao	Shareholder elected (proceeded by Mark Wilhelms until 27.09.2023)
Brian Kristoffersen	Shareholder elected (proceeded by Arild Christoffersen until 27.09.2023)
Siw Reidun Wærås	Employee elected
Bjørn Ivan Ødegård	Employee elected
Knut Magne Alfsvåg	Employee elected

### EXECUTIVE COMMITTEE

Linda Nyquist-Evenrud	Interim President & CEO (effective from 25.07.2023)
Joerg Buchheim	President & CEO, EVP Specialty Products (until 24.07.2023)
Dr. Christian Amsel	Executive Vice President & CTO; President, Powertrain & Chassis
Frank Heffter	Executive Vice President & CFO
David Redfearn	Executive Vice President & CSO
Linda Nyquist-Evenrud	Executive Vice President, Specialty Products (acting from 25.07.2023)
Eduardo Pamies	Senior Vice President, Flow Control Systems (from 16.08.2023)
Robert Pigg	Senior Vice President, Off-Highway
Dzeki Mackinowski	Executive Vice President, Purchasing
Jon Munthe	General Counsel
Henrik Ruud	Senior Vice President, Information Systems and Technology

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### FINANCIAL CALENDAR

The 4th quarter 2023 report and annual report 2023 will be published on March 12, 2024.

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