

# SECOND QUARTER REPORT

2021



**KONGSBERG**  
AUTOMOTIVE

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## SECOND QUARTER 2021 AT GLANCE

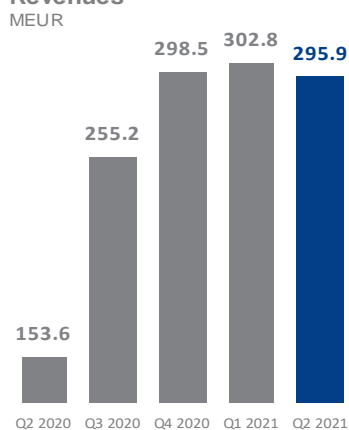
- > Revenues came in at **MEUR 295.9**, MEUR 142.3 (+92.6%) more than last year's second quarter, despite negative currency translation effects of MEUR 5.3. However, revenues slightly declined in Q2 2021 compared to previous quarters, mainly due to the ongoing electronic components supply chain crisis which has negatively impacted the production volumes in the current quarter.
- > Adjusted EBIT amounted to **MEUR 5.2**, which was MEUR 38.7 higher than in Q2 2020, despite the electronic components supply chain crisis.
- > Lifetime revenues business wins in the second quarter amounted to **MEUR 455.1** (MEUR 86.0 in annualized revenue).
- > The adjusted gearing ratio (NIBD/adj. EBITDA) on LTM basis improved to 2.7 compared to 6.1 in Q2 2020.
- > Positive operating cash flow of MEUR 23.0 contributed to the increase in cash of **MEUR 3.9** in Q2 2021, resulting in total cash and cash equivalents of MEUR 75.2 at the end of the quarter.

### KEY FIGURES

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Revenues</b>	<b>295.9</b>	<b>153.6</b>	<b>598.8</b>	<b>415.6</b>	<b>969.3</b>
EBITDA	17.2	(104.7)	48.9	(85.3)	(26.3)
<i>in % revenues</i>	5.8%	-68.2%	8.2%	-20.5%	-2.7%
Impairment losses	0.0	(82.7)	0.0	(82.7)	(82.7)
<b>Adjusted EBIT<sup>1</sup></b>	<b>5.2</b>	<b>(33.5)</b>	<b>25.2</b>	<b>(25.7)</b>	<b>10.7</b>
<i>in % revenues</i>	1.8%	-21.8%	4.2%	-6.2%	1.1%
Operating profit / EBIT	5.1	(116.5)	25.1	(109.1)	(76.2)
<i>in % revenues</i>	1.7%	-75.9%	4.2%	-26.3%	-7.9%
<b>Net Profit / (Loss)</b>	<b>(1.4)</b>	<b>(116.7)</b>	<b>13.7</b>	<b>(128.8)</b>	<b>(118.0)</b>
NIBD / Adjusted EBITDA (LTM)	2.7	6.1	2.7	6.1	5.4
<i>excluding IFRS 16</i>	2.2	6.5	2.2	6.5	5.1
Equity ratio	27.9%	27.2%	27.9%	27.2%	27.3%
<i>excluding IFRS 16</i>	31.1%	31.3%	31.1%	31.3%	30.9%

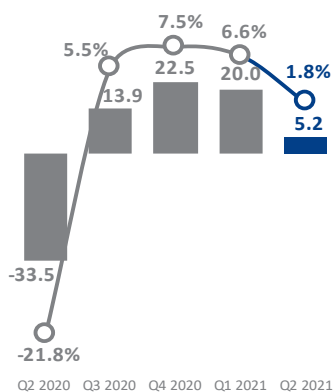
<sup>1</sup> Adjusted for restructuring costs and impairment losses (see APM section)

#### Revenues



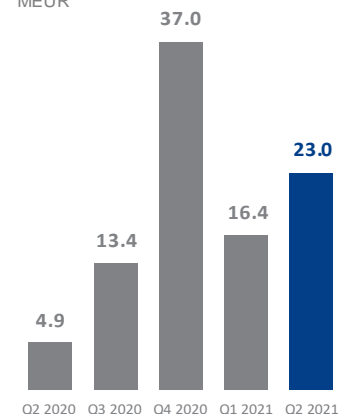
#### Adjusted EBIT

MEUR and in % revenues



#### Operating Cash Flow

MEUR





## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Revenues</b>	<b>295.9</b>	<b>153.6</b>	<b>598.8</b>	<b>415.6</b>	<b>969.3</b>
OPEX	(278.7)	(175.5)	(549.9)	(418.2)	(913.0)
Impairment losses	0.0	(82.7)	0.0	(82.7)	(82.7)
<b>EBITDA</b>	<b>17.2</b>	<b>(104.7)</b>	<b>48.9</b>	<b>(85.3)</b>	<b>(26.3)</b>
<i>in % revenues</i>	<i>5.8%</i>	<i>-68.2%</i>	<i>8.2%</i>	<i>-20.5%</i>	<i>-2.7%</i>
Depreciation and amortization	(12.1)	(11.9)	(23.8)	(23.8)	(49.9)
Operating profit / EBIT	5.1	(116.5)	25.1	(109.1)	(76.2)
<i>in % revenues</i>	<i>1.7%</i>	<i>-75.9%</i>	<i>4.2%</i>	<i>-26.3%</i>	<i>-7.9%</i>
<b>Adjusted EBIT<sup>1</sup></b>	<b>5.2</b>	<b>(33.5)</b>	<b>25.2</b>	<b>(25.7)</b>	<b>10.7</b>
<i>in % revenues</i>	<i>1.8%</i>	<i>-21.8%</i>	<i>4.2%</i>	<i>-6.2%</i>	<i>1.1%</i>
Net financial items	(6.8)	(6.6)	(4.9)	(24.1)	(47.0)
<b>Profit / (loss) before taxes</b>	<b>(1.6)</b>	<b>(123.1)</b>	<b>20.3</b>	<b>(133.2)</b>	<b>(123.2)</b>
Income taxes	0.2	6.4	(6.6)	4.4	5.2
<b>Net profit / (loss)</b>	<b>(1.4)</b>	<b>(116.7)</b>	<b>13.7</b>	<b>(128.8)</b>	<b>(118.0)</b>

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

#### REVENUES

Group revenues amounted to MEUR 295.9 in the second quarter of 2021, exceeding the Covid-19 impacted second quarter of 2020 by MEUR 142.3 (+92.6%), despite negative currency translation effects of MEUR 5.3. All operating segments contributed to the increase in revenues.

On a constant currency basis, revenues generated in the commercial vehicles market increased by MEUR 42.1 (+74.6%) compared to Q2 2020, when revenues were heavily impacted by the Covid-19 pandemic outbreak. The highest growth was reported in North America, where revenues amounted to MEUR 28.7 and grew by MEUR 20.6 (+255.2%), and in Europe, where revenues increased by MEUR 23.0 (+100.0%) to MEUR 46.0. The Group significantly outperformed the market in these two regions. The market in North America grew in Q2 2021 by 93.6% compared to Q2 2020, while the European market grew by 63.2%. After reporting significant revenue growth in the previous quarters, revenues in China declined by MEUR 1.3 (-10.5%) in Q2 2021 compared to Q2 2020. This is still above the overall market performance which decreased by 13.2%.

The revenues in the passenger car market amounted to MEUR 168.7 exceeding the revenues in Q2 2020 by MEUR 77.5 (+85.0%) on a constant currency basis. With the revenue increase of MEUR 28.5 (+67.7%) in Asia (including China), Kongsberg Automotive was able to significantly outperform the market, while growth in revenues in North America of MEUR 27.1 (+164.3%) was slightly better than regional market developments. Revenue increase in Europe of MEUR 21.9 (+67.2%) was lower than the market growth (+97.7%) but maintained the positive trend.

#### ADJUSTED EBIT / EBIT

Adjusted EBIT for the Group was MEUR 5.2 in the second quarter 2021, which is MEUR 38.7 higher than in Q2 2020. This significant increase is due to the successful recovery from the negative consequences of the Covid-19 pandemic outbreak in Q2 2020. However, this positive performance was notably offset by increased raw material costs (like resin, brass, and steel), electronic components and associated freight costs resulting from the ongoing constraints in the supply chain throughout the automotive sector.

Operating profit in Q2 2021 amounted to MEUR 5.1, compared to the operating loss of MEUR 116.5 in Q2 2020.

#### NET FINANCIAL ITEMS

Net financial items came to an expense of MEUR 6.8 in the second quarter of 2021, compared to an expense of MEUR 6.6 in the same period in 2020 (see Note 5).

There were no significant changes in the interest expenses compared to the second quarter of last year.

#### LOSS BEFORE TAX / NET LOSS

Loss before taxes amounted to MEUR 1.6 in the second quarter of 2021, compared to the loss before taxes of MEUR 123.1 in the same quarter of 2020. Net loss amounted to MEUR 1.4 in Q2 2021, compared to the net loss of MEUR 116.7 in Q2 2020. The tax income in Q2 2021 reflected the expected effective tax rate.

## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION – CASH FLOW

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Cash flow - Operating activities	23.0	4.9	39.4	23.7	74.1
Cash flow - Investing activities	(9.3)	(8.2)	(15.3)	(21.2)	(58.6)
Cash flow - Financing activities	(5.2)	36.8	(18.6)	35.1	41.6
Currency and translation effects on cash flow	(4.6)	(4.5)	2.3	(6.5)	(14.9)
Change in cash	3.9	28.9	7.8	31.1	42.2
Cash as of beginning of period	71.3	27.4	67.4	25.2	25.2
<b>Cash as of end of period</b>	<b>75.2</b>	<b>56.3</b>	<b>75.2</b>	<b>56.3</b>	<b>67.4</b>
<i>Of this, restricted cash</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>

#### CASH FLOW FROM OPERATING ACTIVITIES

Cash from operating activities amounted to MEUR 23.0 including the change in net working capital of MEUR 3.1 in Q2 2021, compared to a change of MEUR 4.6 in Q2 2020.

#### CASH FLOW USED BY INVESTING ACTIVITIES

Cash used by investing activities amounted to MEUR 9.3 in the second quarter of 2021. The Q2 2021 investment activity was in line with the current drive to reduce spending.

#### CASH FLOW USED BY FINANCING ACTIVITIES

Cash flow used by financing activities was MEUR 5.2 in the second quarter of 2021, compared to cash flow of MEUR 36.8 generated in the same quarter last year. The difference is primarily due to the net proceeds from the Private Placement capital increase of MEUR 63.0 in Q2 2020 which was partially offset by the repayment of the revolving facility of MEUR 20.0 in the same quarter.

The repayment of lease liabilities amounted to MEUR 3.3 in Q2 2021. Total payments for interest on lease liabilities were equal to MEUR 1.2.

#### CHANGE IN CASH

Cash increased by MEUR 3.9 during the second quarter, resulting in a cash position of MEUR 75.2 at the end of the quarter, compared to the balance of MEUR 67.4 at the end of Q4 2020.

#### LIQUIDITY RESERVE

The liquidity reserve was MEUR 204.8 (excluding the restricted cash of MEUR 0.4) at the end of the second quarter, compared to MEUR 125.9 in Q2 2020. The unutilized RCF as of June 30, 2021 amounted to MEUR 70.0. Moreover, the Company had an unutilized Securitization facility of MEUR 60.0 as of the end of Q2 2021.

## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	30.06.21	30.06.20	31.12.20
Non-current assets	456.3	437.1	456.1
Cash and cash equivalents	75.2	56.3	67.4
Other current assets	424.1	274.0	374.5
<b>Total assets</b>	<b>955.6</b>	<b>767.4</b>	<b>898.0</b>
Equity	266.4	208.5	245.5
Interest-bearing liabilities	372.3	372.6	376.9
Other liabilities	316.9	186.3	275.6
<b>Total equity and liabilities</b>	<b>955.6</b>	<b>767.4</b>	<b>898.0</b>
NIBD	297.2	316.3	309.5
Equity ratio	27.9%	27.2%	27.3%

#### ASSETS

Total assets were MEUR 955.6 at the end of the second quarter, an increase of MEUR 57.6 from year-end 2020. Increase in total assets as of June 30, 2021 was mainly driven by the increase of inventories and accounts receivables by MEUR 27.1 and MEUR 16.1, respectively, reflecting the high revenues level in Q2 2021.

#### EQUITY

Equity as of June 30, 2021 increased by MEUR 20.9 (+8.5%) to MEUR 266.4 in comparison with December 31, 2020.

During the second quarter of 2021, the net loss of MEUR 1.4 and other comprehensive income of MEUR 1.7 resulted in total comprehensive income of MEUR 0.3. In addition, the vesting event that took place in Q2 was settled using already owned treasury shares resulting in a zero impact on equity. Finally, regular share-based compensation of MEUR 0.4 contributed to the change of the equity as of June 30, 2021.

The equity ratio increased from 27.3% as of the end of 2020 to 27.9% as of June 30, 2021.

#### INTEREST BEARING LIABILITIES

Total interest-bearing liabilities amounted to MEUR 372.3 including IFRS 16 lease interest-bearing liabilities of MEUR 99.1 and the issued bond of MEUR 275.0, netted with the capitalized fees of MEUR 4.4. In addition, a loan of MEUR 1.4 is drawn in relation to the Accounts Receivables Securitization program.

As of June 30, 2021, long-term interest-bearing debt amounted to MEUR 358.2.

#### NET INTEREST BEARING DEBT

At the end of the second quarter 2021, net interest-bearing debt amounted to MEUR 297.2, an improvement of MEUR 12.4 compared to year-end 2020, mainly driven by the increase of cash balances as of June 30, 2021.

## INTERIOR

### SEGMENT REPORTING

Interior is a global leader in the development, design and manufacture of seat comfort systems and mechanical and electro-mechanical light-duty motion controls to Tier 1 and OEM customers. The product range includes seat adjuster cables and other cabling systems, lumbar support and side bolsters, seat heating, ventilation and massage systems and head restraints.

Interior addresses the passenger car market, with particularly strong positions on premium car platforms in Europe and North

America. The product penetration for products such as seat heating, seat ventilation and massage systems are especially high in medium to higher end cars, while headrests and light duty cables are found in all ranges of cars. Customers include all major European and North American car and seat manufacturers and most premium OEMs such as Adient, Magna, Faurecia, Lear, Jaguar, Land Rover, Audi, Volvo Cars, Daimler, BMW and Tesla.

### KEY FIGURES

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Revenues</b>	<b>77.3</b>	<b>38.6</b>	<b>159.5</b>	<b>110.9</b>	<b>272.5</b>
Adjusted EBITDA	(4.2)	(8.1)	(2.3)	(5.1)	8.0
<i>in % revenues</i>	-5.4%	-21.0%	-1.4%	-4.6%	2.9%
<b>Adjusted EBIT</b>	<b>(8.6)</b>	<b>(12.0)</b>	<b>(10.9)</b>	<b>(12.8)</b>	<b>(8.7)</b>
<i>in % revenues</i>	-11.1%	-31.0%	-6.8%	-11.5%	-3.2%
Restructuring	(0.1)	0.0	(0.2)	(0.0)	(0.5)
Impairment losses	0.0	(52.2)	0.0	(52.2)	(52.2)
<b>Operating profit / EBIT</b>	<b>(8.7)</b>	<b>(64.2)</b>	<b>(11.0)</b>	<b>(65.0)</b>	<b>(61.4)</b>
<i>in % revenues</i>	-11.2%	-166.3%	-6.9%	-58.6%	-22.5%
Investments	(2.2)	(3.1)	(4.4)	(11.1)	(27.9)
Capital employed <sup>1</sup>	164.6	180.7	164.6	180.7	166.6

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

### FINANCIAL UPDATE

Revenues of MEUR 77.3 in Q2 2021 significantly exceeded the revenues of Q2 2020 by MEUR 38.7 (+100.3%), despite negative currency translation effects of MEUR 2.7. Interior Comfort System revenues increased by MEUR 31.9 compared to Q2 2020 on a constant currency basis. This increase was supported by all regions, especially by Europe and America, where revenues increased by MEUR 14.8 (+73.7%) and MEUR 14.4 (+259.9%), respectively, compared to Q2 2020. Revenues in Light Duty Cables has significantly exceeded revenues in Q2 2020 by MEUR 9.5 (excluding negative currency effects of MEUR 0.9).

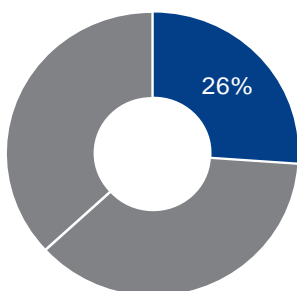
Adjusted EBIT was negative and amounted to MEUR 8.6 in the second quarter, an improvement of MEUR 3.4 compared to the adjusted EBIT in Q2 last year. The positive effects of higher sales volume were outweighed by the ongoing constraints in the electronic components supply chain.

### COMMERCIAL AND OPERATIONAL UPDATE

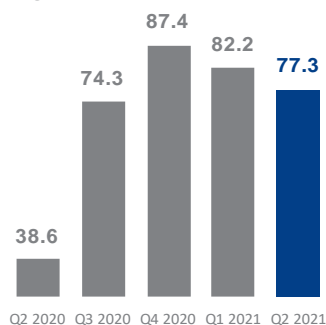
Business wins in Q2 2021 amounted to MEUR 98.2 of lifetime revenues (MEUR 8.9 in annualized revenues) in the second quarter 2021.

Within the quarter, Interior was awarded one large contract to supply seat support systems to a major Chinese automobile manufacturer. The program totals MEUR 3.9 in expected annualized revenues and MEUR 27.0 in expected lifetime revenues.

Group revenue share  
Q2 2021

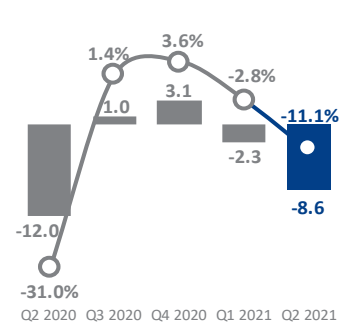


Revenues  
MEUR



Adjusted EBIT

MEUR and in % revenues



# 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, FCA, Volvo, Scania, DAF, John Deere, PSA, Renault-Nissan and Geely.

## KEY FIGURES

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Revenues</b>	<b>109.6</b>	<b>58.5</b>	<b>219.5</b>	<b>152.9</b>	<b>372.9</b>
Adjusted EBITDA	10.6	(7.1)	22.1	(3.6)	19.2
<i>in % revenues</i>	9.7%	-12.1%	10.1%	-2.4%	5.2%
<b>Adjusted EBIT</b>	<b>6.5</b>	<b>(11.8)</b>	<b>14.0</b>	<b>(13.1)</b>	<b>(0.6)</b>
<i>in % revenues</i>	5.9%	-20.2%	6.4%	-8.6%	-0.2%
Restructuring	(0.0)	(0.0)	(0.0)	(0.1)	(1.8)
Impairment losses	0.0	(30.4)	0.0	(30.4)	(30.4)
<b>Operating profit / EBIT</b>	<b>6.4</b>	<b>(42.2)</b>	<b>14.0</b>	<b>(43.7)</b>	<b>(32.8)</b>
<i>in % revenues</i>	5.9%	-72.3%	6.4%	-28.6%	-8.8%
Investments	(2.4)	(3.2)	(4.4)	(7.3)	(18.3)
Capital employed <sup>1</sup>	192.6	187.9	192.6	187.9	191.1

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

### FINANCIAL UPDATE

Revenues in Powertrain & Chassis increased by MEUR 51.1 (+87.4%) to MEUR 109.6 in the second quarter 2021 compared to the same quarter in 2020, despite negative currency translation effects of MEUR 2.3. On a constant currency basis, revenues in Q2 2021 increased by MEUR 53.4 in total compared to Q2 2020, which was supported by all regions: United States (MEUR 22.4), Europe (MEUR 16.7) and China (MEUR 11.0). The revenues in the commercial vehicle end markets have shown a strong growth of MEUR 17.1 and MEUR 11.8 in the United States and Europe, respectively. Revenues in the passenger car end markets showed significant growth of MEUR 11.1 and MEUR 5.3 in China and the United States, respectively.

Adjusted EBIT was MEUR 6.5 in the second quarter 2021, an increase of MEUR 18.3 compared to the adjusted EBIT in Q2 last year. Higher profitability is driven by strong sales volume and

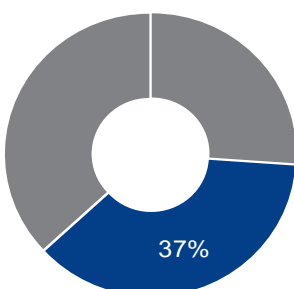
productivity enhancements partially offset by material shortages of electronic components (like resin and steel) throughout the automotive sector.

### COMMERCIAL AND OPERATIONAL UPDATE

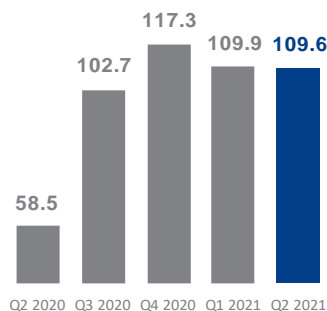
Business wins amounted to MEUR 49.3 of lifetime revenues (MEUR 13.7 in annualized revenues) in the second quarter of 2021.

Within the quarter, Powertrain & Chassis was awarded two significant contracts: one to supply vehicle dynamics to a major European automobile manufacturer and one to supply shift by wire to a Chinese automobile manufacturer with start of production in Q1 2024 and Q4 2021. The programs respectively total MEUR 2.5 and MEUR 1.7 in expected annualized revenues and MEUR 12.5 and MEUR 11.6 in expected lifetime revenues.

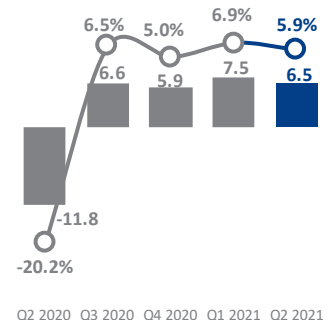
Group revenue share  
Q2 2021



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 power sports 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, BRP and several Tier 1 customers in addition to an industrial customer base.

### KEY FIGURES

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Revenues</b>	<b>109.1</b>	<b>56.5</b>	<b>219.8</b>	<b>151.9</b>	<b>324.0</b>
Adjusted EBITDA	17.6	(0.5)	40.6	17.3	53.9
<i>in % revenues</i>	16.2%	-0.9%	18.5%	11.4%	16.6%
<b>Adjusted EBIT</b>	<b>14.6</b>	<b>(3.2)</b>	<b>34.7</b>	<b>11.9</b>	<b>42.4</b>
<i>in % revenues</i>	13.4%	-5.7%	15.8%	7.8%	13.1%
Restructuring	0.0	(0.4)	0.0	(0.3)	0.7
Impairment losses	0.0	0.0	0.0	0.0	0.0
<b>Operating profit / EBIT</b>	<b>14.6</b>	<b>(3.6)</b>	<b>34.7</b>	<b>11.6</b>	<b>43.1</b>
<i>in % revenues</i>	13.4%	-6.3%	15.8%	7.6%	13.3%
Investments	(4.8)	(1.2)	(6.8)	(4.6)	(14.2)
Capital employed <sup>1</sup>	202.5	233.6	202.5	233.6	211.2

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

### FINANCIAL UPDATE

Revenues in Specialty Products increased by MEUR 52.6 (+93.1%) to MEUR 109.1 compared to the second quarter of 2020, despite negative currency translation effects of MEUR 0.4. The revenue growth in this segment was driven by the Off-Highway segment where revenues increased by MEUR 20.6 in Canadian and US plants, and fluid handling systems, mainly in European and US plants.

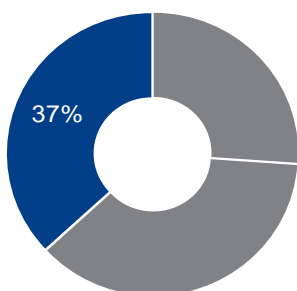
Adjusted EBIT was MEUR 14.6 in the second quarter of 2021, an increase of MEUR 17.8 compared to the same quarter of last year. The increase in adj. EBIT is driven by higher sales volume. This increase is to a limited extent offset by impacts of the electronic components supply chain crisis.

### COMMERCIAL AND OPERATIONAL UPDATE

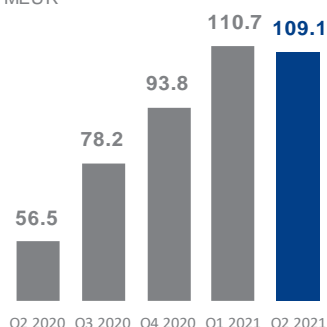
During the second quarter 2021, total business wins amounted to MEUR 307.6 of lifetime revenues (MEUR 54.5 in annualized revenues).

Within the quarter, Off-Highway was awarded a large contract with a major American OEM. This program totals MEUR 33.7 in expected annualized revenues and MEUR 263.5 in expected lifetime revenues.

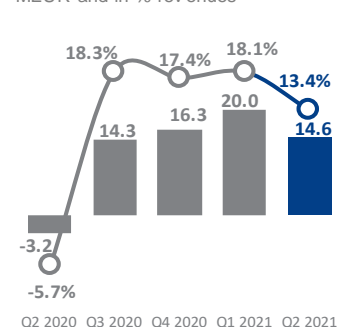
Group revenue share  
Q2 2021



Revenues  
MEUR



Adjusted EBIT  
MEUR and in % revenues



## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Revenues</b>	<b>295.9</b>	<b>153.6</b>	<b>598.8</b>	<b>415.6</b>	<b>969.3</b>
OPEX	(278.7)	(175.5)	(549.9)	(418.2)	(913.0)
Impairment losses	0.0	(82.7)	0.0	(82.7)	(82.7)
<b>EBITDA</b>	<b>17.2</b>	<b>(104.7)</b>	<b>48.9</b>	<b>(85.3)</b>	<b>(26.3)</b>
<i>in % revenues</i>	5.8%	-68.2%	8.2%	-20.5%	-2.7%
Depreciation and amortization	(12.1)	(11.9)	(23.8)	(23.8)	(49.9)
Operating profit / EBIT	5.1	(116.5)	25.1	(109.1)	(76.2)
<i>in % revenues</i>	1.7%	-75.9%	4.2%	-26.3%	-7.9%
<b>Adjusted EBIT<sup>1</sup></b>	<b>5.2</b>	<b>(33.5)</b>	<b>25.2</b>	<b>(25.7)</b>	<b>10.7</b>
<i>in % revenues</i>	1.8%	-21.8%	4.2%	-6.2%	1.1%
Net financial items	(6.8)	(6.6)	(4.9)	(24.1)	(47.0)
<b>Profit / (loss) before taxes</b>	<b>(1.6)</b>	<b>(123.1)</b>	<b>20.3</b>	<b>(133.2)</b>	<b>(123.2)</b>
Income taxes	0.2	6.4	(6.6)	4.4	5.2
<b>Net profit / (loss)</b>	<b>(1.4)</b>	<b>(116.7)</b>	<b>13.7</b>	<b>(128.8)</b>	<b>(118.0)</b>
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on foreign operations	11.6	(38.4)	(9.2)	31.3	(2.8)
Tax on translation differences	0.0	14.6	0.0	5.4	1.4
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on non-foreign operations	(9.9)	24.6	15.6	(45.8)	(9.4)
Remeasurement of net pension benefit obligation	0.0	0.0	0.0	0.0	(0.1)
Tax on net pension benefit obligation remeasurement	0.0	0.0	0.0	0.0	0.0
Other comprehensive income	1.7	0.8	6.4	(9.1)	(11.0)
<b>Total comprehensive income</b>	<b>0.3</b>	<b>(115.9)</b>	<b>20.1</b>	<b>(138.0)</b>	<b>(129.0)</b>
Net profit attributable to:					
Equity holders (parent company)	(1.6)	(116.8)	13.3	(128.9)	(118.3)
Non-controlling interests	0.2	0.1	0.4	0.1	0.4
<b>Total</b>	<b>(1.4)</b>	<b>(116.7)</b>	<b>13.7</b>	<b>(128.8)</b>	<b>(118.0)</b>
Total comprehensive income attributable to:					
Equity holders (parent company)	0.1	(116.0)	19.6	(138.0)	(129.3)
Non-controlling interests	0.2	0.0	0.6	0.1	0.3
<b>Total</b>	<b>0.3</b>	<b>(115.9)</b>	<b>20.1</b>	<b>(138.0)</b>	<b>(129.0)</b>
Earnings per share (EUR) <sup>2</sup> :					
Basic earnings per share	(0.00)	(0.77)	0.01	(0.84)	(0.21)
Diluted earnings per share	(0.00)	(0.76)	0.01	(0.84)	(0.21)

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

<sup>2</sup> Due to the reverse share split in Q1 2021, the basic and diluted earnings per share for prior periods have been adjusted by the same factor (for further information please see Note 1)

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION

<i>(MEUR)</i>	<b>30.06.21</b>	<b>30.06.20</b>	<b>31.12.20</b>
Intangible assets	94.3	100.2	93.2
Property, plant and equipment	232.9	210.7	228.8
Right-of-use assets	90.0	93.4	94.3
Deferred tax assets	27.8	21.2	28.7
Other non-current assets	11.3	11.6	11.1
<b>Non-current assets</b>	<b>456.3</b>	<b>437.1</b>	<b>456.1</b>
Inventories	116.0	87.4	88.9
Accounts receivable	254.0	149.9	237.9
Other short-term receivables	54.0	36.7	47.7
Cash and cash equivalents	75.2	56.3	67.4
<b>Current assets</b>	<b>499.3</b>	<b>330.4</b>	<b>441.9</b>
<b>Total assets</b>	<b>955.6</b>	<b>767.4</b>	<b>898.0</b>
Share capital	103.6	68.3	100.5
Share premium reserve	214.1	201.6	208.1
Other equity	(55.7)	(65.3)	(67.2)
Non-controlling interests	4.4	3.9	4.1
<b>Total equity</b>	<b>266.4</b>	<b>208.5</b>	<b>245.5</b>
Long-term interest-bearing liabilities	358.2	359.6	363.1
Deferred tax liabilities	16.0	23.0	14.9
Other long-term liabilities	21.1	20.4	21.3
Non-current liabilities	395.3	403.0	399.3
Short-term interest-bearing liabilities	14.1	13.0	13.8
Accounts payable	163.2	55.9	137.8
Other short-term liabilities	116.5	87.0	101.6
Current liabilities	293.9	155.9	253.2
<b>Total liabilities</b>	<b>689.2</b>	<b>558.9</b>	<b>652.5</b>
<b>Total equity and liabilities</b>	<b>955.6</b>	<b>767.4</b>	<b>898.0</b>

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF CHANGE IN EQUITY

<i>(MEUR)</i>	<b>30.06.21</b>	<b>30.06.20</b>	<b>31.12.20</b>
<b>Equity as of start of period</b>	<b>245.5</b>	<b>282.9</b>	<b>282.9</b>
Net profit / (loss) for the period	13.7	(128.8)	(118.0)
Translation differences	6.4	(14.6)	(12.2)
Tax on translation differences	0.0	5.4	1.4
Remeasurement of the net pension benefit obligation	0.0	0.0	(0.1)
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	0.0
<b>Total comprehensive income</b>	<b>20.1</b>	<b>(138.0)</b>	<b>(129.0)</b>
Stock-based compensation	0.7	0.5	2.1
Increase in equity	0.0	63.0	90.7
Purchase of treasury shares	(0.0)	0.0	(1.3)
<b>Equity as of end of period</b>	<b>266.4</b>	<b>208.5</b>	<b>245.5</b>

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF CASH FLOW

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<i>Operating activities</i>					
Profit / (loss) before taxes	(1.6)	(123.1)	20.3	(133.2)	(123.2)
Depreciation & Write-off of tangible assets	11.5	11.0	22.6	22.0	43.7
Amortization & Write-off of intangible assets	0.6	0.9	1.2	1.8	6.2
Impairment losses	0.0	82.7	0.0	82.7	82.7
Interest income	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)
Interest and other financial expenses <sup>1</sup>	5.7	6.7	11.5	12.1	24.2
Taxes paid	(9.0)	(1.6)	(7.6)	(3.6)	(11.9)
(Gain) / loss on sale of non-current assets	0.4	0.2	0.4	(0.1)	(0.3)
Changes in receivables	17.3	64.5	(16.1)	66.9	(21.1)
Changes in inventory	(13.4)	19.3	(27.1)	15.4	14.0
Changes in payables	(0.8)	(79.2)	25.4	(74.7)	7.3
Currency (gain) / loss	3.9	(0.1)	(2.3)	12.1	23.0
Difference between pension funding contributions paid/pensions paid and the net pension cost	(0.1)	0.0	(0.2)	0.0	(1.0)
Changes in other items <sup>2</sup>	8.5	23.7	11.3	22.4	30.7
<b>Cash flow - Operating activities</b>	<b>23.0</b>	<b>4.9</b>	<b>39.4</b>	<b>23.7</b>	<b>74.1</b>
<i>Investing activities</i>					
Investments	(9.4)	(8.1)	(15.6)	(23.1)	(60.6)
Sale of fixed assets	0.1	(0.1)	0.2	1.8	1.8
Interest received	0.0	0.0	0.1	0.1	0.2
<b>Cash flow - Investing activities</b>	<b>(9.3)</b>	<b>(8.2)</b>	<b>(15.3)</b>	<b>(21.2)</b>	<b>(58.6)</b>
<i>Financing activities</i>					
Proceeds from increases in equity	0.0	63.0	(0.0)	63.0	89.7
Sale/purchase of treasury shares	0.0	0.0	0.0	0.0	(1.3)
Net draw down of debt	(0.1)	(20.0)	(1.0)	(10.0)	(9.3)
Interest paid and other financial items	(1.8)	(3.1)	(11.0)	(11.6)	(24.1)
Repayment of lease liabilities and other	(3.3)	(3.1)	(6.6)	(6.2)	(13.5)
<b>Cash flow - Financing activities</b>	<b>(5.2)</b>	<b>36.8</b>	<b>(18.6)</b>	<b>35.1</b>	<b>41.6</b>
Currency and translation effects on cash flow	(4.6)	(4.5)	2.3	(6.5)	(14.9)
Change in cash	3.9	28.9	7.8	31.1	42.2
Cash as of beginning of period	71.3	27.4	67.4	25.2	25.2
<b>Cash as of end of period</b>	<b>75.2</b>	<b>56.3</b>	<b>75.2</b>	<b>56.3</b>	<b>67.4</b>
<i>Of this, restricted cash</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</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 three months ended June 30, 2021, 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 December 31, 2020, 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 December 31, 2020, 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

In particular due to the Covid-19 pandemic, 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.

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 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, resin, zinc, aluminum, steel, and electronic components.

As an indirect consequence of the Covid-19 crisis, the entire automotive industry, including Kongsberg Automotive, has been facing the challenges of the worldwide shortage of supply of semiconductor components and above mentioned raw materials as well as the limited transportation capacities. These risks have already significantly affected the business in the first half of the year and Kongsberg Automotive assumes that these will still negatively impact its operations as the year progresses. All risks are continuously and closely monitored by Kongsberg Automotive in order to mitigate the potential impact.

### 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 (SECOND QUARTER 2021)

Q2 2021 (MEUR)	Interior	Powertrain & Chassis	Speciality Products	Other <sup>1</sup>	Total Group
<b>Revenues<sup>2</sup></b>	<b>77.3</b>	<b>109.6</b>	<b>109.1</b>	<b>0.0</b>	<b>295.9</b>
<b>Adjusted EBITDA</b>	<b>(4.2)</b>	<b>10.6</b>	<b>17.6</b>	<b>(6.7)</b>	<b>17.3</b>
Depreciation <sup>3</sup>	(4.3)	(3.7)	(2.9)	(0.5)	(11.5)
Amortization <sup>3</sup>	(0.1)	(0.4)	(0.1)	(0.1)	(0.6)
<b>Adjusted EBIT</b>	<b>(8.6)</b>	<b>6.5</b>	<b>14.6</b>	<b>(7.3)</b>	<b>5.2</b>
<i>Timing of revenue recognition</i>					
<b>Ownership transferred at a point in time</b>	<b>77.3</b>	<b>109.6</b>	<b>109.1</b>	<b>0.0</b>	<b>295.9</b>
<i>Assets and liabilities</i>					
Goodwill	3.9	16.5	66.6	0.0	87.0
Other intangible assets	0.5	5.7	0.9	0.2	7.3
Property, plant and equipment	100.3	67.1	64.5	0.9	232.9
Right-of-use assets	30.9	25.1	23.8	10.2	90.0
Inventories	28.4	37.9	49.7	0.0	116.0
Trade receivables	30.9	95.3	52.5	75.3	254.0
Other assets	16.7	3.6	6.6	0.1	27.1
<b>Segment assets</b>	<b>211.7</b>	<b>251.2</b>	<b>264.6</b>	<b>86.8</b>	<b>814.3</b>
Unallocated assets				141.3	141.3
<b>Total assets</b>	<b>211.7</b>	<b>251.2</b>	<b>264.6</b>	<b>228.1</b>	<b>955.6</b>
Trade payables	42.3	53.2	60.1	7.7	163.2
Non-current lease interest-bearing liabilities	27.3	25.3	23.2	9.2	85.0
Current lease interest-bearing liabilities	4.8	5.5	2.1	1.7	14.1
<b>Segment liabilities</b>	<b>74.4</b>	<b>84.0</b>	<b>85.3</b>	<b>18.6</b>	<b>262.4</b>
Unallocated liabilities				426.8	426.8
<b>Total liabilities</b>	<b>74.4</b>	<b>84.0</b>	<b>85.3</b>	<b>445.4</b>	<b>689.2</b>
<b>Total equity</b>				<b>266.4</b>	<b>266.4</b>
<b>Total equity and liabilities</b>	<b>74.4</b>	<b>84.0</b>	<b>85.3</b>	<b>711.8</b>	<b>955.6</b>
Capital expenditure	(2.2)	(2.4)	(4.9)	(0.0)	(9.4)

<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 the revenues are only external revenues, the related expenses are adjusted accordingly. The adjusted EBIT is thus excluding IC profit.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2 – SEGMENT REPORTING (SECOND QUARTER 2020)

Q2 2020 (MEUR)	Interior	Powertrain & Chassis	Speciality Products	Other <sup>1</sup>	Total Group
<b>Revenues<sup>2</sup></b>	<b>38.6</b>	<b>58.5</b>	<b>56.5</b>	<b>(0.0)</b>	<b>153.6</b>
<b>Adjusted EBITDA</b>	<b>(8.1)</b>	<b>(7.1)</b>	<b>(0.5)</b>	<b>(6.0)</b>	<b>(21.7)</b>
Depreciation <sup>3</sup>	(3.8)	(4.1)	(2.6)	(0.4)	(10.9)
Amortization <sup>3</sup>	(0.1)	(0.7)	(0.1)	(0.2)	(1.0)
<b>Adjusted EBIT</b>	<b>(12.0)</b>	<b>(11.8)</b>	<b>(3.2)</b>	<b>(6.6)</b>	<b>(33.5)</b>
Impairment losses, thereof:	(52.2)	(30.4)	0.0	0.0	(82.7)
- allocated to Goodwill	(52.2)	(6.5)	0.0	0.0	(58.7)
- allocated to assets other than Goodwill	0.0	(23.9)	0.0	0.0	(23.9)
<i>Timing of revenue recognition</i>					
<b>Ownership transferred at a point in time</b>	<b>38.6</b>	<b>58.5</b>	<b>56.5</b>	<b>(0.0)</b>	<b>153.6</b>
<i>Assets and liabilities</i>					
Goodwill	4.0	16.3	68.4	0.0	88.7
Other intangible assets	0.4	9.7	0.9	0.4	11.5
Property, plant and equipment	92.5	60.9	56.4	1.0	210.7
Right-of-use assets	29.5	26.2	25.2	12.5	93.4
Inventories	23.2	31.5	34.0	(1.3)	87.4
Trade receivables	40.0	63.0	54.3	(7.4)	149.9
Other assets	13.9	9.6	3.7	1.5	28.7
<b>Segment assets</b>	<b>203.5</b>	<b>217.1</b>	<b>243.0</b>	<b>6.8</b>	<b>670.4</b>
Unallocated assets				97.1	97.1
<b>Total assets</b>	<b>203.5</b>	<b>217.1</b>	<b>243.0</b>	<b>103.8</b>	<b>767.4</b>
Trade payables	19.4	23.9	7.2	5.4	55.9
Non-current lease interest-bearing liabilities	26.2	27.0	24.7	10.9	88.7
Current lease interest-bearing liabilities	3.5	5.3	2.2	2.1	13.0
<b>Segment liabilities</b>	<b>49.0</b>	<b>56.2</b>	<b>34.1</b>	<b>18.3</b>	<b>157.6</b>
Unallocated liabilities				401.3	401.3
<b>Total liabilities</b>	<b>49.0</b>	<b>56.2</b>	<b>34.1</b>	<b>419.6</b>	<b>558.9</b>
<b>Total equity</b>				<b>208.5</b>	<b>208.5</b>
<b>Total equity and liabilities</b>	<b>49.0</b>	<b>56.2</b>	<b>34.1</b>	<b>628.1</b>	<b>767.4</b>
Capital expenditure	(3.1)	(3.2)	(1.2)	(0.0)	(8.1)

<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 the revenues are only external revenues, the related expenses are adjusted accordingly. The adjusted EBIT is thus excluding IC profit.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### 3.1 REVENUES BY GEOGRAPHICAL LOCATION OF CUSTOMERS

<i>(MEUR)</i>	YTD 2021	%	YTD 2020	%
Europe	252.9	42.2%	185.9	44.7%
Northern America	214.2	35.8%	148.8	35.8%
Southern America	11.2	1.9%	6.7	1.6%
Asia	117.9	19.7%	72.4	17.4%
Other	2.7	0.4%	1.8	0.4%
<b>Total operating revenues</b>	<b>598.8</b>		<b>415.6</b>	

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

<i>(MEUR)</i>	30.06.21	%	30.06.20	%
Europe	247.9	59.4%	238.4	59.0%
Northern America	118.7	28.5%	122.0	30.2%
Southern America	2.9	0.7%	2.5	0.6%
Asia	47.7	11.4%	41.4	10.2%
<b>Total intangible assets, PPE and RoU</b>	<b>417.2</b>		<b>404.3</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

(MEUR)	30.06.21	30.06.20	31.12.20
Long-term interest-bearing loan and borrowing	277.6	276.3	278.4
IFRS 16 long-term lease liabilities	85.0	88.7	89.6
Capitalized arrangement fees <sup>1</sup>	(4.4)	(5.4)	(4.9)
Current interest-bearing liabilities	14.1	13.0	13.8
<b>Total interest-bearing liabilities</b>	<b>372.3</b>	<b>372.7</b>	<b>376.9</b>

<sup>1</sup> As at June 30, 2021, the fees relate to the bond and are amortized over the 7-year period of the bond.

#### Interest-bearing liabilities by currency

(MEUR)	30.06.21	30.06.20	31.12.20
EUR	318.0	286.2	317.3
USD	14.4	7.3	18.8
Other currencies	44.4	84.6	45.7
Capitalized arrangement fees	(4.4)	(5.4)	(4.9)
<b>Total interest-bearing loan and borrowing</b>	<b>372.3</b>	<b>372.7</b>	<b>376.9</b>

#### 4.2 LIQUIDITY RESERVE

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

(MEUR)	30.06.21	30.06.20	31.12.20
Cash reserve	75.2	56.3	67.4
Restricted cash	(0.4)	(0.4)	(0.4)
Undrawn RCF facility	70.0	70.0	70.0
Undrawn Securitization facility	60.0	0.0	60.0
<b>Liquidity reserve</b>	<b>204.8</b>	<b>125.9</b>	<b>197.0</b>

### NOTE 5 – NET FINANCIAL ITEMS

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Interest income	0.0	0.0	0.1	0.1	0.1
Interest expenses	(5.0)	(5.2)	(9.9)	(10.2)	(20.9)
Foreign currency gains (losses) <sup>1</sup>	(1.1)	0.1	6.6	(12.1)	(23.0)
Account receivables securitization - Expenses	(0.4)	0.0	(0.8)	0.0	(0.5)
Other financial items	(0.4)	(1.5)	(0.8)	(1.9)	(2.7)
<b>Net financial items</b>	<b>(6.8)</b>	<b>(6.6)</b>	<b>(4.9)</b>	<b>(24.1)</b>	<b>(47.0)</b>

<sup>1</sup> Is made up of a realized currency gains of MEUR 2.8 and of an unrealized currency losses of MEUR 3.9 (Q2 2020: realized loss of MEUR 0.5 and unrealized gain of MEUR 0.6)

### NOTE 6 – SUBSEQUENT EVENTS

No significant subsequent event occurred.



## RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of consolidated financial statements for the period January 1, 2021 to June 30, 2021 has been prepared in accordance with IAS34 – Interim Financial Reporting, and gives a true and fair view of Kongsberg Automotive ASA and its Group companies' assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year 2021 and their impact on the condensed set of consolidated financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Kongsberg, July 29, 2021

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Firas Abi-Nassif  
Chairman  
(Sign.)

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Peter Schmitt  
Board member  
(Sign.)

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Siw Reidun Wærås  
Employee representative  
(Sign.)

---

Emese Weissenbacher  
Board member  
(Sign.)

---

Bjørn Ivan Ødegård  
Employee representative  
(Sign.)

---

Ellen M. Hanetho  
Board member  
(Sign.)

---

Gerard Cordonnier  
Board member  
(Sign.)

---

Knut Magne Alfsvåg  
Employee representative  
(Sign.)

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Joerg Buchheim  
President and CEO  
(Sign.)

## 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 the IFRS GAAP. They may be considered as non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to the IFRS GAAP.

- > 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, which are defined as any incurred costs or sales reduction of an unusual or non-recurring nature in connection with the considered restructuring of the activities of the Group.

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.

<i>(MEUR)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Operating profit / EBIT <sup>1</sup>	5.1	(116.5)	25.1	(109.1)	(76.2)
Restructuring items <sup>2</sup>	0.1	0.3	0.2	0.7	4.2
Impairment losses <sup>3</sup>	0.0	82.7	0.0	82.7	82.7
<b>Adjusted EBIT<sup>1+2+3</sup></b>	<b>5.2</b>	<b>(33.5)</b>	<b>25.2</b>	<b>(25.7)</b>	<b>10.7</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.

<i>(MEUR)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Operating profit / EBIT</b>	<b>5.1</b>	<b>(116.5)</b>	<b>25.1</b>	<b>(109.1)</b>	<b>(76.2)</b>
Depreciation	11.5	11.0	22.6	22.0	43.7
Amortization	0.6	0.9	1.2	1.8	6.2
<b>EBITDA<sup>1</sup></b>	<b>17.2</b>	<b>(104.7)</b>	<b>48.9</b>	<b>(85.3)</b>	<b>(26.3)</b>
Restructuring items <sup>(*)2</sup>	0.1	0.3	0.2	0.7	4.2
Impairment losses <sup>3</sup>	0.0	82.7	0.0	82.7	82.7
<b>Adjusted EBITDA<sup>1+2+3</sup></b>	<b>17.3</b>	<b>(21.7)</b>	<b>49.0</b>	<b>(1.9)</b>	<b>60.6</b>

(\*) Excluding depreciation and amortization

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### RESTRUCTURING ITEMS PER SEGMENT

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Interior	0.1	0.0	0.2	0.0	0.5
Powertrain & Chassis	0.0	0.0	0.0	0.1	1.8
Specialty Products	0.0	0.3	0.0	0.3	(0.7)
Other	(0.0)	(0.0)	0.0	0.3	2.6
<b>Group total</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.7</b>	<b>4.2</b>

### IMPAIRMENT LOSSES PER SEGMENT

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Interior	0.0	52.3	0.0	52.3	52.3
Powertrain & Chassis	0.0	30.4	0.0	30.4	30.4
Specialty Products	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	(0.0)
<b>Group total</b>	<b>0.0</b>	<b>82.7</b>	<b>0.0</b>	<b>82.7</b>	<b>82.7</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.

(MEUR)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Cash flow - Operating activities	23.0	4.9	39.4	23.7	74.1
Cash flow - Investing activities	(9.3)	(8.2)	(15.3)	(21.2)	(58.6)
Cash flow - Financing activities	(5.2)	36.8	(18.6)	35.1	41.6
Currency and translation effects on cash flow	(4.6)	(4.5)	2.3	(6.5)	(14.9)
<i>Add back / less:</i>					
Proceeds from capital increase	0.0	(63.0)	0.0	(63.0)	(89.7)
Purchase of treasury shares	0.0	0.0	0.0	0.0	1.3
Net draw-down/repayment of debt	0.1	20.0	1.0	10.0	9.3
<b>Free Cash Flow</b>	<b>4.0</b>	<b>(14.1)</b>	<b>8.8</b>	<b>(21.9)</b>	<b>(37.0)</b>

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### 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, this measurement shows the net overall financial position of the Group.

(MEUR)	30.06.21	30.06.20	31.12.20
Long-term interest-bearing liabilities	358.2	359.6	363.1
Other short-term interest-bearing liabilities	14.1	13.0	13.8
Cash and cash equivalents	(75.2)	(56.3)	(67.4)
<b>Net Interest Bearing Debt</b>	<b>297.2</b>	<b>316.3</b>	<b>309.5</b>

### 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)	30.06.21	30.06.20	31.12.20
Total assets	955.6	850.1	980.7
Deferred tax liabilities	(16.0)	(23.0)	(14.9)
Other long-term liabilities	(21.1)	(20.4)	(21.3)
Current liabilities	(293.9)	(155.9)	(253.2)
<b>Capital Employed</b>	<b>624.6</b>	<b>650.8</b>	<b>691.2</b>

Capital Employed as at December 31, 2020, does not consider the assets' impairment of MEUR 82.7.

### ADJUSTED ROCE (LAST TWELVE MONTHS)

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

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)		Q2 2021		Q2 2020	FY 2020
Capital employed beginning <sup>1</sup>	01.07.2020	650.8	01.07.2019	635.8	645.6
Capital employed at end <sup>2</sup>	30.06.2021	624.6	30.06.2020	650.8	691.2
Adjusted EBIT last twelve months <sup>3</sup>		61.7		3.2	10.7
<b>Adjusted ROCE</b> <sup>(3 / (1+2)) * 200%</sup>		<b>9.7%</b>		<b>0.5%</b>	<b>1.6%</b>

Capital Employed as at December 31, 2020, does not consider the assets' impairment of MEUR 82.7.

## OTHER COMPANY INFORMATION

### THE BOARD OF DIRECTORS

Firas Abi-Nassif	Chairman
Emese Weissenbacher	Shareholder elected
Peter Schmitt	Shareholder elected
Ellen M. Hanetho	Shareholder elected
Gerard Cordonnier	Shareholder elected
Siw Reidun Wærås	Employee elected
Bjørn Ivan Ødegård	Employee elected
Knut Magne Alfsvåg	Employee elected

### EXECUTIVE COMMITTEE

Joerg Buchheim	President & CEO
Norbert Loers	Executive Vice President & CFO (until 29.07.2021)
Frank Heffter	Executive Vice President & CFO (from 29.07.2021)
Robert Pigg	Senior Vice President, Off-Highway & ad interim President, Interior Systems
Bob Riedford	President, Powertrain & Chassis
Joerg Buchheim	Executive Vice President, Specialty Products (acting)
Dzeki Mackinowski	Executive Vice President, Purchasing
Virginia Grando	Executive Vice President, Quality
Marcus von Pock	Executive Vice President, Human Resources & Communications
Jon Munthe	General Counsel
Doug Tushar	Senior Vice President, IS&T

### CORPORATE COMMUNICATION

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For investor relations please contact: [investor.relations@ka-group.com](mailto:investor.relations@ka-group.com)

### FINANCIAL CALENDAR

The quarterly reports and financial statements will be published on the following days:

3<sup>rd</sup> quarter 2021      October 29, 2021

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