

Q2 2025

EARNINGS CALL PRESENTATION



AUGUST 12, 2025

FORWARD-LOOKING STATEMENTS AND NON-IFRS MEASURES

FORWARD-LOOKING STATEMENTS

This presentation contains certain “forward-looking statements”. These statements are based on management’s current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance, financial condition or achievements to differ materially from anticipated results, performance, financial condition or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words “anticipate,” “believe,” “expect,” “estimate,” “plan,” and similar expressions are generally intended to identify forward-looking statements. We have no intention and are under no obligation to update or alter (and expressly disclaim any such intention or obligation to do so) our forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by law. The forward-looking statements in this presentation include statements addressing our future financial condition and operating results. Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, business, economic, competitive and regulatory risks, such as conditions affecting demand for products, particularly in the automotive industries; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; and the possible effects on us of changes in tax laws, tax treaties and other legislation. More detailed information about these and other factors is set forth in the 2024 Kongsberg Automotive Annual Report and the Kongsberg Automotive Quarterly Reports.

NON-IFRS MEASURES

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

TODAY'S PRESENTERS



TROND FISKUM
PRESIDENT & CEO



ERIK MAGELSSSEN
CFO

AGENDA

EXECUTIVE SUMMARY

MARKET UPDATE

FINANCIAL UPDATE

SUMMARY & OUTLOOK

Q&A

EXECUTIVE SUMMARY

KONGSBERG AUTOMOTIVE TURNAROUND INITIATED TO DELIVER LONG-TERM VALUE

- > Launched an additional cost reduction program of 15 MEUR annual impact**
- > Renewed executive leadership team and reinforced a performance-oriented KA culture**
- > Closure of Zurich office**
- > Consolidation of Sweden plant footprint**
- > Strategic acquisition of Chassis Autonomy, positioning KA for long-term growth**

STRATEGIC ACQUISITION OF CHASSIS AUTONOMY POSITIONING KA FOR LONG-TERM GROWTH

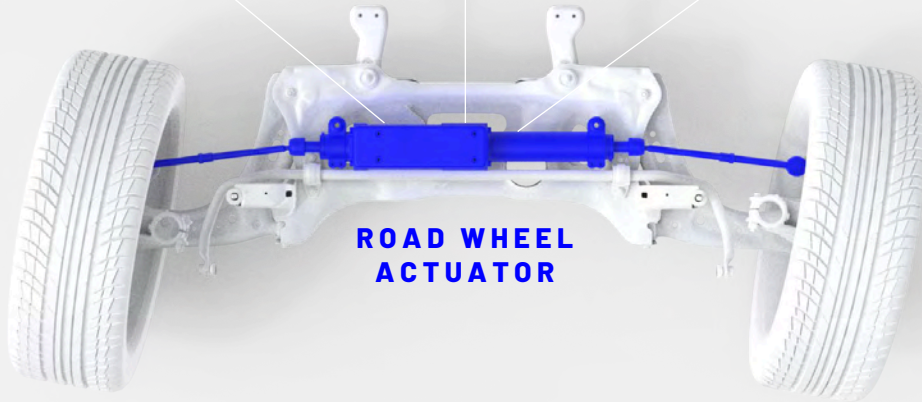
**L3 HIGHLY AUTOMATED
PASSENGER VEHICLES**



**L4-5 AUTONOMOUS
SHUTTLES**



**L4-5 AUTONOMOUS
HEAVY GOODS AND
OFF-HIGHWAY VEHICLES**



SUPERIOR SAFETY, RELIABILITY, AND DURABILITY COMPARED TO CONVENTIONAL SYSTEMS
UNIQUE GROUND-UP DESIGN SPECIFICALLY FOR AUTOMATED AND AUTONOMOUS VEHICLES

L3 EYES OFF
Conditional autonomy

L4 ATTENTION OFF
High driving automation

L5 DRIVERLESS
Full automation



Chassis Autonomy, based in Trollhättan, Sweden, develops steer-by-wire road wheel actuators and holds 31 patents (granted and pending), along with a unique portfolio of intellectual property.

In a steer-by-wire system, the actuator uses electronic signal to control steering of a vehicle, instead of a mechanical connection. It ensures steering functionality even in the event of a system failure.

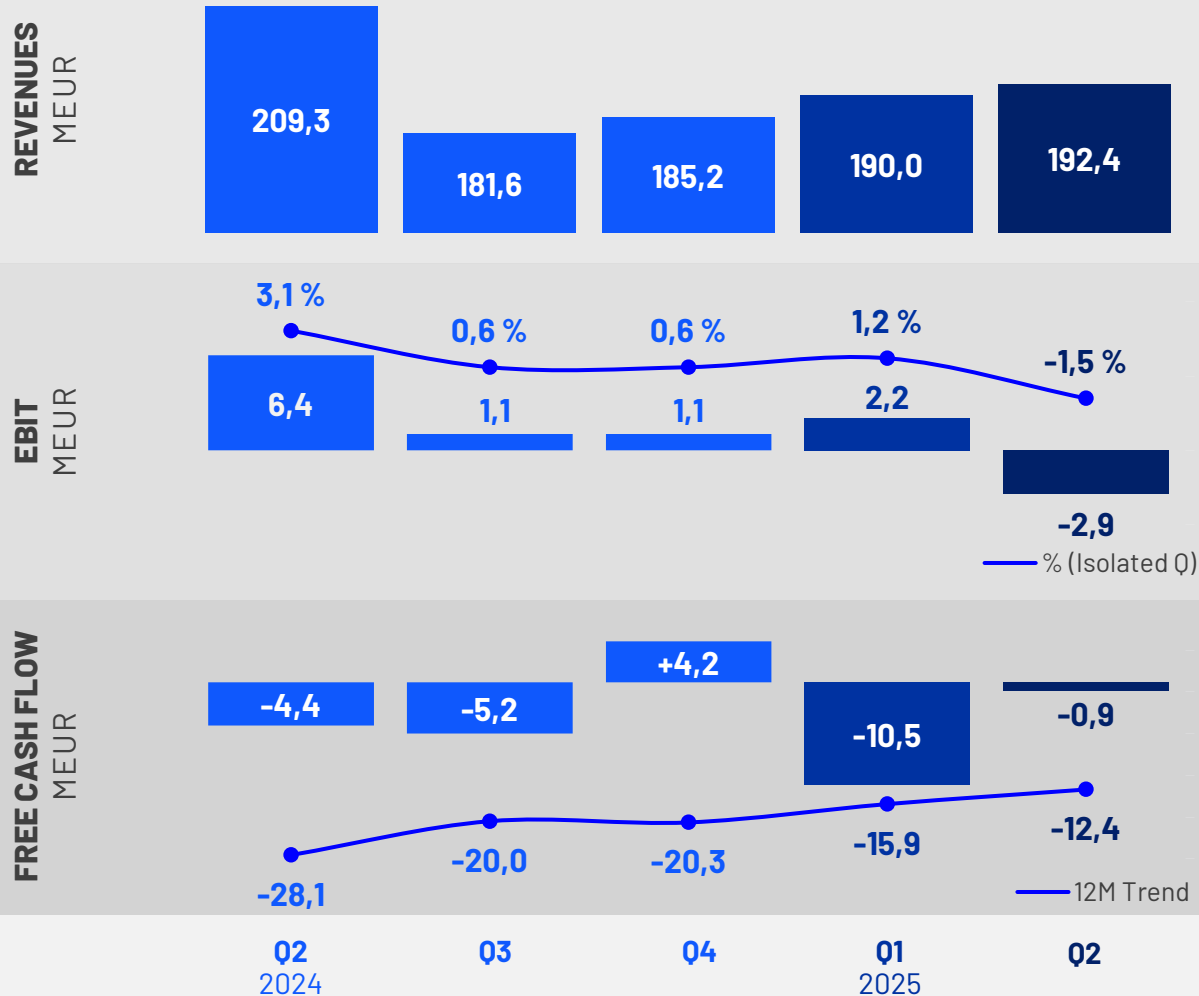
The steer-by-wire market is projected to grow substantially over the next decade, with estimates reaching per EUR 3.5 billion by 2035*.

Several leading OEMs have shown strong interest in Chassis Autonomy technology.

Through this acquisition, KA aims to secure a meaningful share of this fast-expanding segment.

The acquisition is expected to be completed during Q3 2025.

Q2 FINANCIALS – EBIT IMPACTED BY REVENUE DECLINE AND WARRANTY ACCRUALS. POSITIVE TREND ON CASH FLOW MAINTAINED



- Q2 revenues down -8.1% from Q2 2024, including negative currency impact of MEUR -5.5. Reduction a direct result of a weaker market
- EBIT lower vs Q2 2024 primarily driven by reduced revenues, additional accruals for estimated future warranty expenses, additional tariff costs and impairment of non-current assets
- Free Cash Flow improved vs prior year's Q2, close to breakeven, mainly due to positive NWC development

IMPROVED COST BASE

REDUCTION IN INDIRECT COST BASE ONGOING

MEASURES IN 2024

~17 M€

- > OVERHEAD COST REDUCTION
- > SUPPORT FUNCTION OPTIMIZATION



MEASURES IN 2025

~10 M€

- > REDUCTION OF ~150 POSITIONS
- > ADDITIONAL ANNUAL SAVINGS OF AT LEAST MEUR 10 WITH FULL EFFECT FROM Q3 2025

... ON TRACK

NEW PROGRAM LAUNCHED MAY 2025

~15 M€

- > REDUCTION OF ~150 POSITIONS
- > FULL EFFECT FROM Q3 2026
- > INCLUDES SIGNIFICANT REDUCTION OF CORPORATE AND SUPPORT STAFF FUNCTIONS

...INITIATED

Reduction of >500 indirect cost positions, a reduction of approximately 20% of indirect cost positions from Q1 2024 until the programs are fully implemented.

>42 MEUR in improved annual cost base which will give, when fully implemented, an EBIT improvement of 4-5% points with stable revenues.

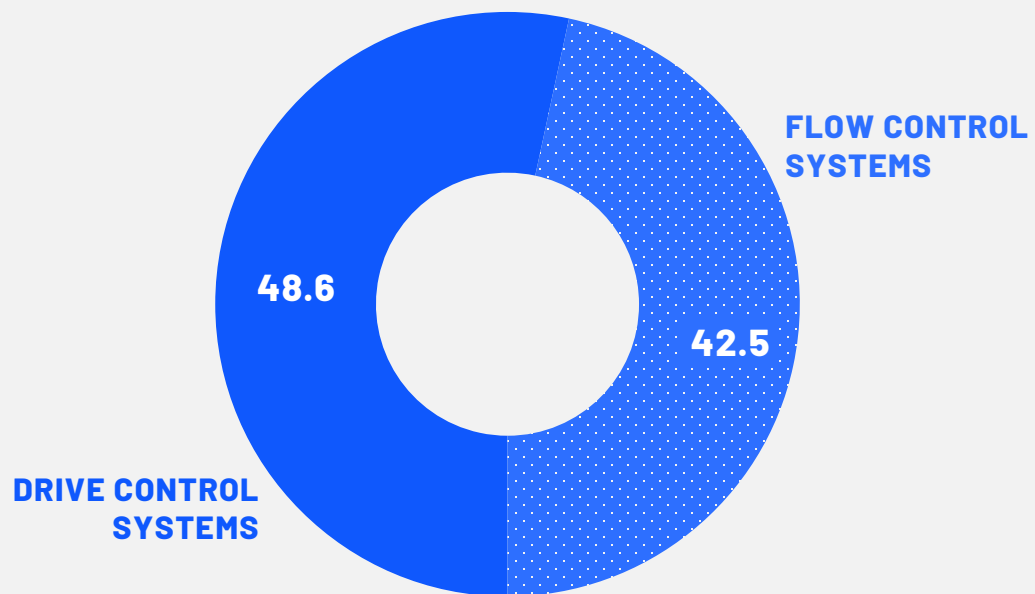
The full impact of these programs is starting to materialize, with full impact coming during 2026.

BUSINESS WINS Q2 2025

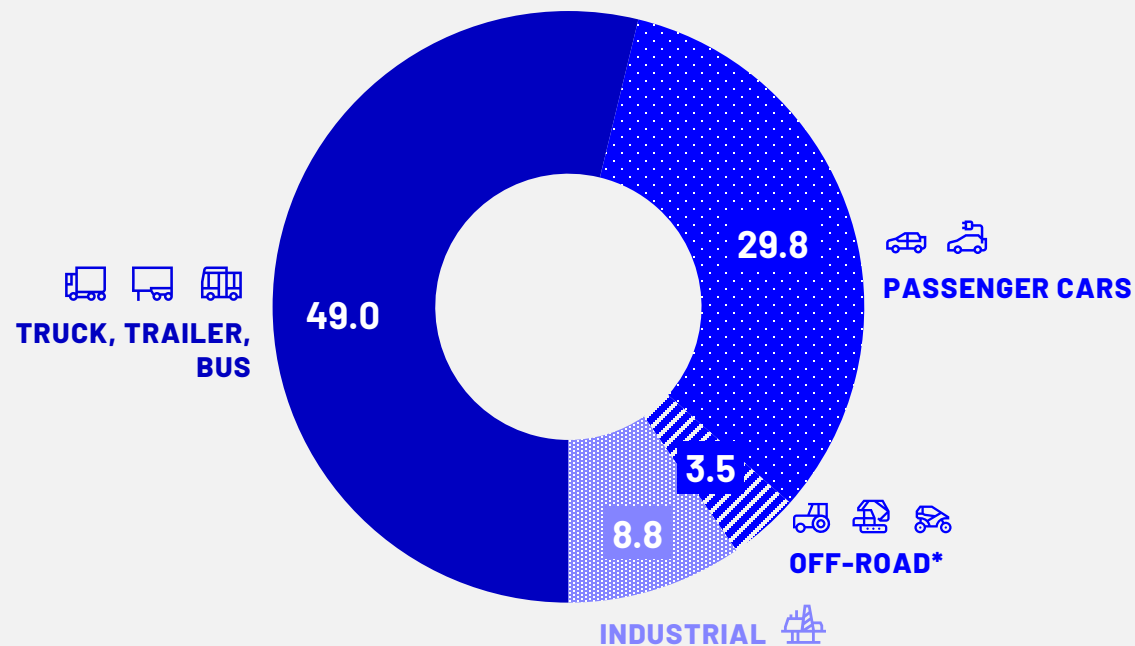
LIFETIME REVENUES, MEUR

91.1M€

PER BUSINESS AREA



PER CUSTOMER SEGMENT



> Tariffs and market uncertainty has led to a slowdown in the business wins

> KA remains with a strong pipeline of business opportunities

DRIVE CONTROL SYSTEMS

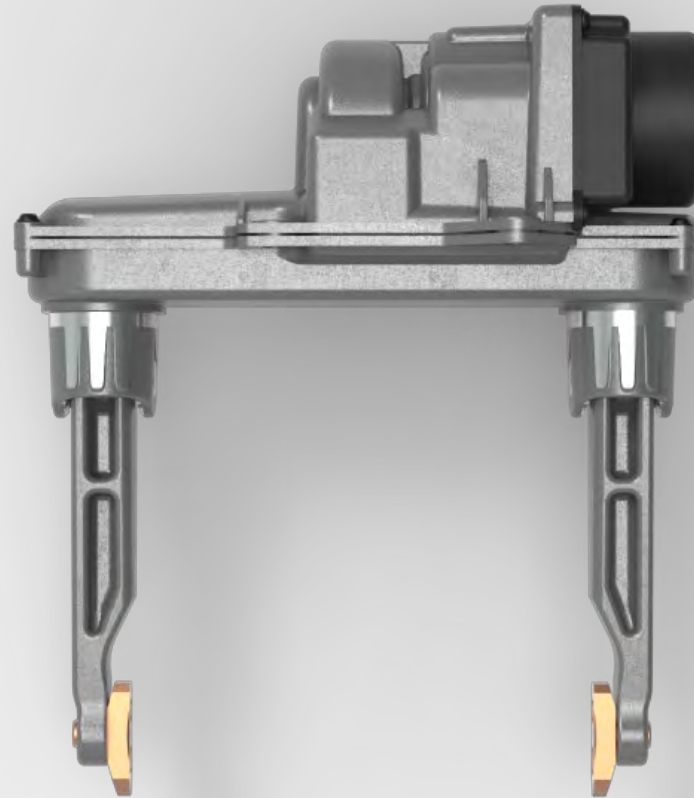
A NEW CONTRACT FOR DOG CLUTCH ACTUATOR (DCA) IN FAST-GROWING EV SEGMENT

APPROX. MEUR 20

IN ESTIMATED LIFETIME REVENUE

ANNOUNCED ON MAY 7, 2025

- > **ROBUST AND DURABLE DESIGN**
- > **MAXIMUM COMFORT AND PERFORMANCE FOR THE DRIVER**
- > **BOTH SHIFTING AND DE-COUPLING**
- > **SPACE EFFICIENT**
- > **OUTSTANDING SERVICEABILITY**
- > **USE ON CHINESE COMMERCIAL EV**
- > **4-YEAR CONTRACT WITH START OF PRODUCTION DURING 2025**



TARIFFS IMPACT AND MITIGATION ACTIONS

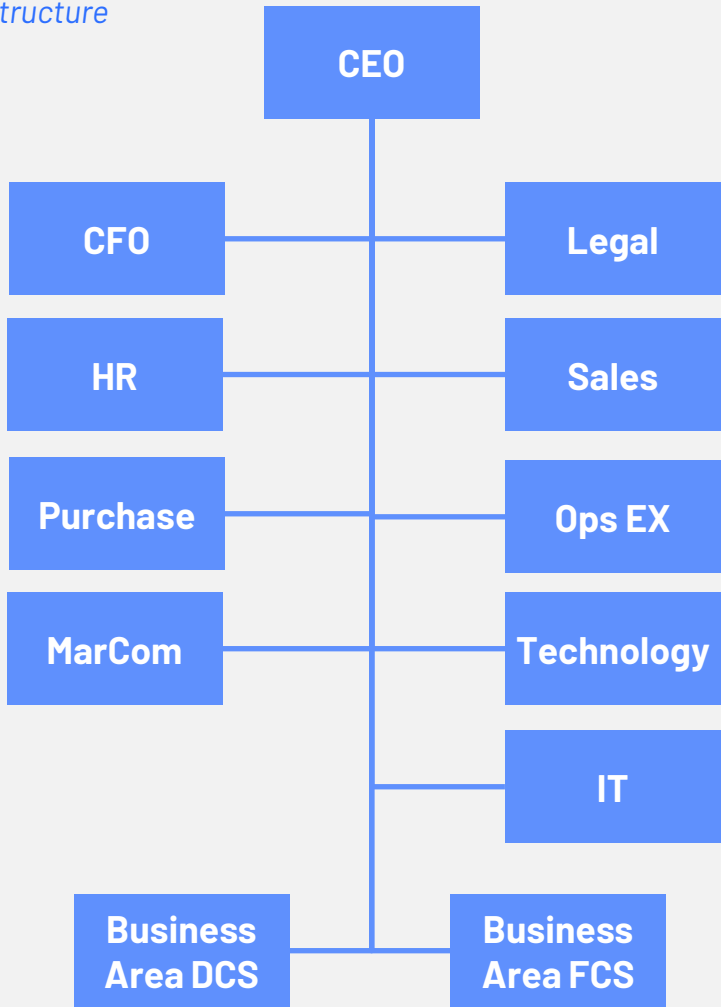
- The tariff costs in Q2 are in the range of MEUR 2.7, of which MEUR 0.7 has so far been reimbursed by customers
- Ongoing engagement with customers to recover all tariff-related costs. Process takes time due to customer documentation requirements and commercial negotiations, but KA expectation is to recover close to 100% of tariff costs
- Other actions have been implemented and are ongoing to mitigate the direct impact of tariffs, e.g. change of shipment locations, resourcing, refund of tariff costs incorrectly charged by US authorities
- Primary negative consequence of tariffs for KA remains the impact on overall market demand – most notably in the United States



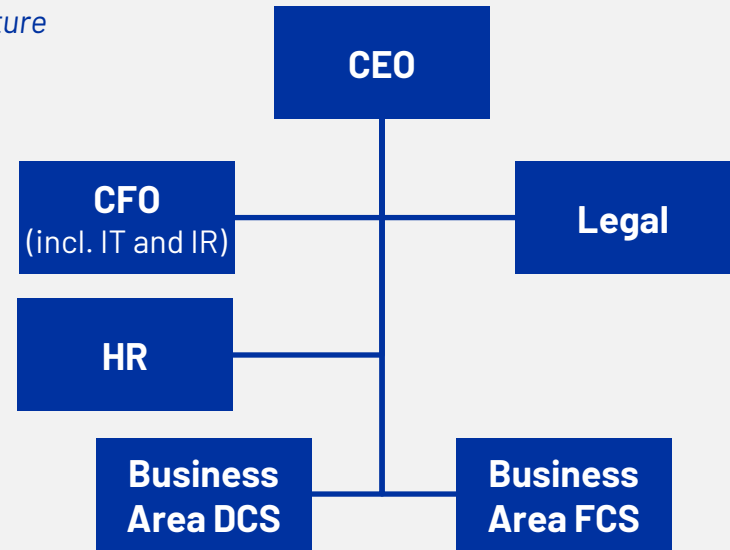
NEW COMPANY STRUCTURE AND EXECUTIVE LEADERSHIP TEAM

AIMED AT ENHANCING BUSINESS PERFORMANCE, OPERATIONAL EFFICIENCY AND ACCOUNTABILITY ACROSS THE COMPANY

Previous structure



New structure



- > Various corporate functions eliminated - or scaled down and merged or included into business areas
- > Strengthening of the two business areas to include full business and P&L responsibility with all key functions integrated
- > Reinforcing a performance-oriented KA culture - will lead to greater accountability and ownership, stronger multidisciplinary and high performing teams across all areas of the organization

ENHANCING FOOTPRINT EFFICIENCY AND INNOVATION

CLOSING LJUNGSARP PLANT AND MOVING ALL OPERATIONS TO MULLSJÖ

- Consolidating production and knowledge
- Utilizing existing infrastructure and fully owned production locations in Mullsjö
- Strengthening the operational capabilities
- Various cost synergies
- Move to be completed by Q3 2026

STRENGTHENING MULLSJÖ TECH CENTER

- Relocation of Steering Column development from Willis, Texas in the US, to Mullsjö
- Strong focus on innovation



Together with the acquisition of Chassis Autonomy, this marks a strategic bid on Sweden and advanced steering systems

CLOSURE OF ZURICH OFFICE

- Following a strategic decision by KA's Executive Leadership Team, the Zurich office will be closed by 31 March 2026
- This decision aligns with the relocation of KA's headquarters to Kongsberg and reflects a broader review of the company's global footprint and cost structure
- The Zurich office currently hosts primarily finance-related activities, as well as legal and HR functions
- These functions will be scaled down and transitioned to other KA locations, with the majority moving to Kongsberg
- The full transition will be completed by the end of March 2026

POSITIONING KA FOR GROWTH IN CHINA

- KA TAKES FULL OWNERSHIP OF JV IN CHINA

- We are pleased to announce that Kongsberg Automotive in July 2025 acquired the remaining 25% of shares in our joint venture in China, Kongsberg Automotive Morse Shanghai Co. Ltd., from our partner DETC (a JV between DongFeng and Nissan). This means KA now owns 100% of the company
- The JV has been an important part of our operations in China, with production facilities in Shanghai and Shiyan, an annual turnover of around €10 million, and several strategic Chinese OEMs as customers
- Taking full ownership is a strategic step that positions KA to grow in the Chinese truck and bus market, which continues to expand and evolve
- This move gives us greater flexibility and control to align the business with our long-term goals in the region. We're looking forward to building on the strong foundation we've established and continuing to serve our customers with quality and innovation



AT A GLANCE

- Opened in 1995 as a Joint Venture between DETC – a Nissan-DongFeng company and Kongsberg Automotive
- A full-service organization, including engineering, sales, program management and purchasing.
- The factory exports to external as well as intercompany customers in Asia, Europe and US.
- Product range includes cables, clutch servos, pedals, truck shifters, and steering columns

KEY PRIORITIES 2025



FURTHER COST BASE ADJUSTMENTS



IMPROVED CASH FLOW



**STRENGTHENING THE LEADERSHIP TEAMS
AND KA CULTURE**

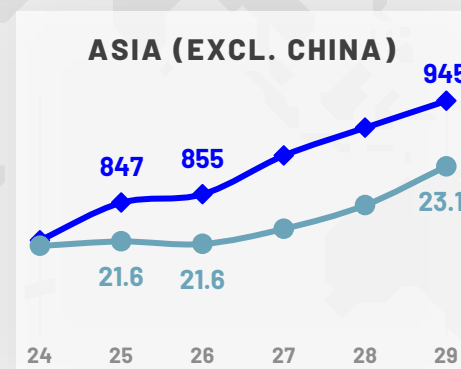
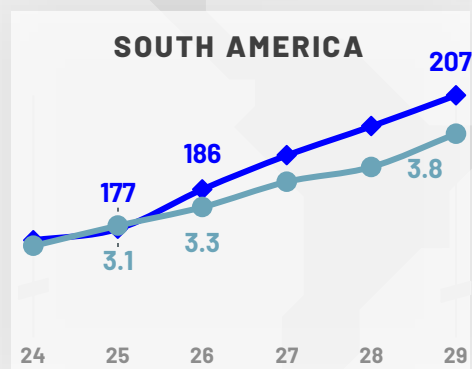
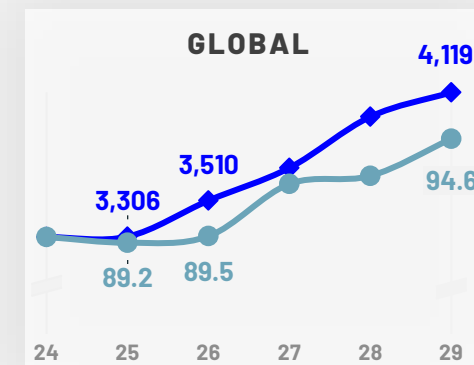
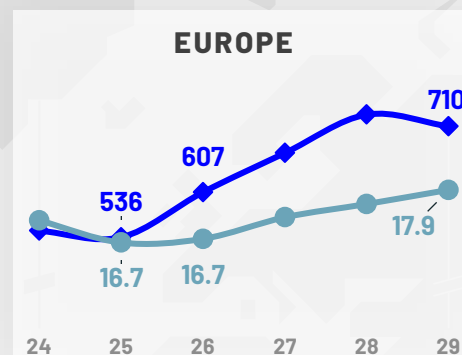
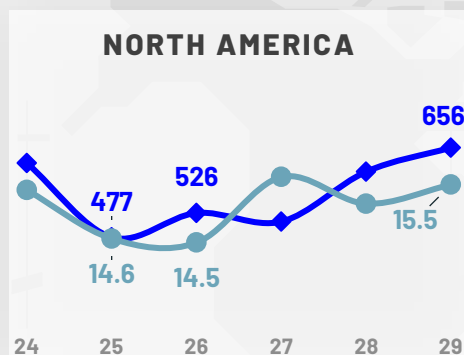


INNOVATION AND PROFITABLE GROWTH

- The priorities were communicated during Q1 2025 Earnings Call in May
- Since then, until today, KA has taken decisive steps to deliver on these priorities

MARKET UPDATE

MARKET GROWTH FORECASTED IN THE NEXT COMING YEARS (2026-2029)



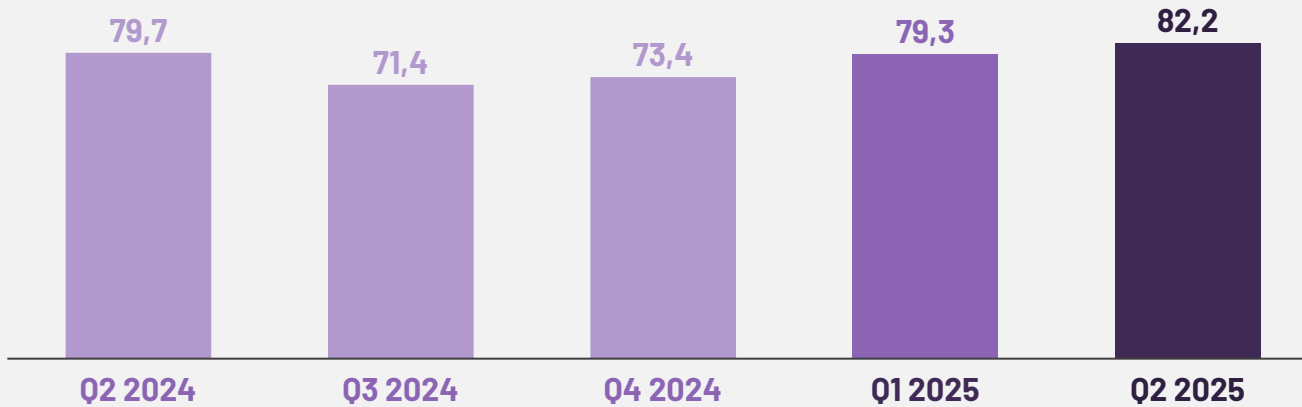
◆ COMMERCIAL VEHICLES [THOUSAND UNITS]
● PASSENGER CARS [MILLION UNITS]

FINANCIAL UPDATE

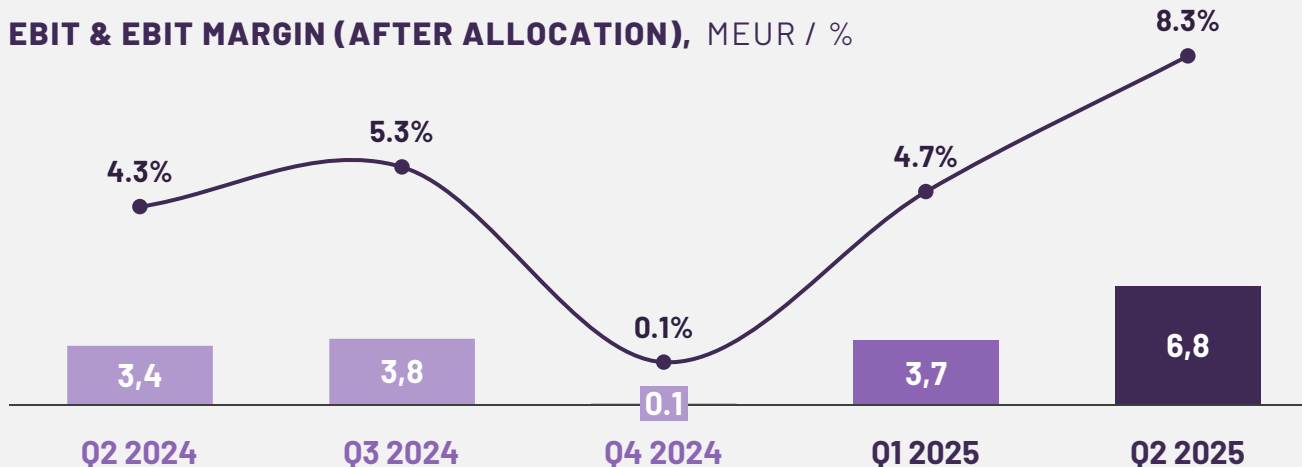
FLOW CONTROL SYSTEMS

BUSINESS AREA UPDATE

REVENUES, MEUR



EBIT & EBIT MARGIN (AFTER ALLOCATION), MEUR / %



Q2 2025 vs. Q2 2024

> Revenues:

- > Negative translation effects of MEUR -1.7
- > Higher sales in the European and North American commercial vehicle markets
- > Higher sales of industrial applications in North America
- > Decreased sales in South America's commercial vehicles and lower sales of industrial applications in Europe

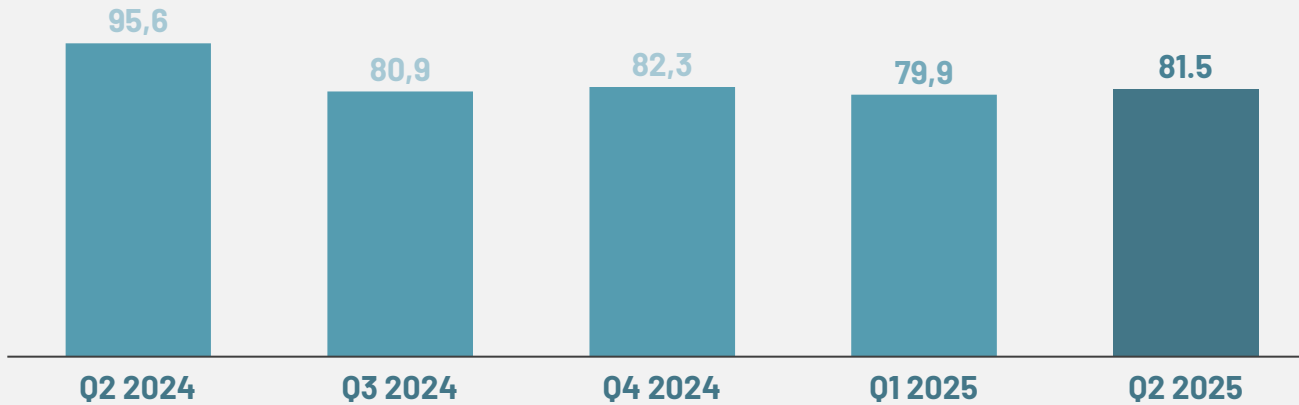
> EBIT:

- > Higher contribution due to increased sales (volume effect)
- > Favorable product mix effects
- > Reduction of manufacturing & administrative costs within Segment
- > Reduction in corporate costs compared to Q2 2024, giving a lower allocation to business area

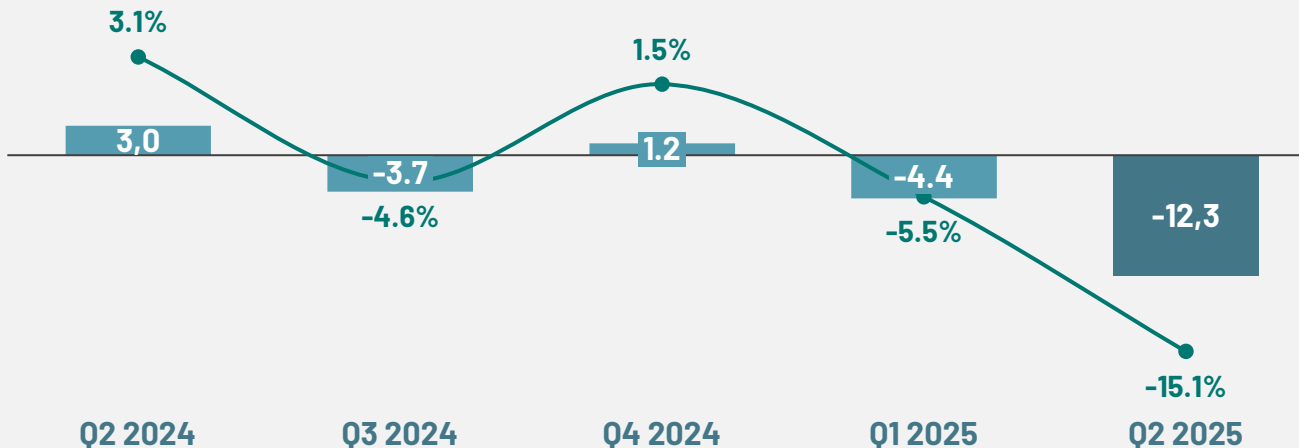
DRIVE CONTROL SYSTEMS

BUSINESS AREA UPDATE

REVENUES, MEUR



EBIT & EBIT MARGIN (AFTER ALLOCATION), MEUR / %



Q2 2025 vs. Q2 2024

> Revenues:

- > Negative translation of MEUR -2.4
- > Increased sales in the European heavy-duty vehicles market
- > Declined revenues in commercial vehicle markets in China and North America
- > Lower sales of North America's industrial applications and in the Chinese passenger cars market

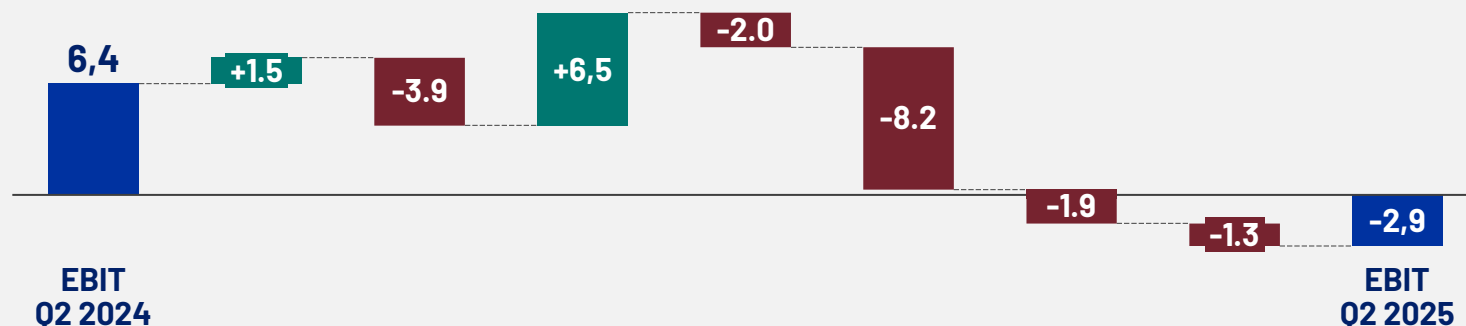
> EBIT:

- > Missing contribution from reduced sales volumes
- > Higher accruals for estimated future warranty expenses
- > Negative impact of newly imposed US tariffs
- > Impairment losses in relation to the assets of the terminated contract with one customer
- > Reduction in corporate costs compared to Q2 2024, giving a lower allocation to business area

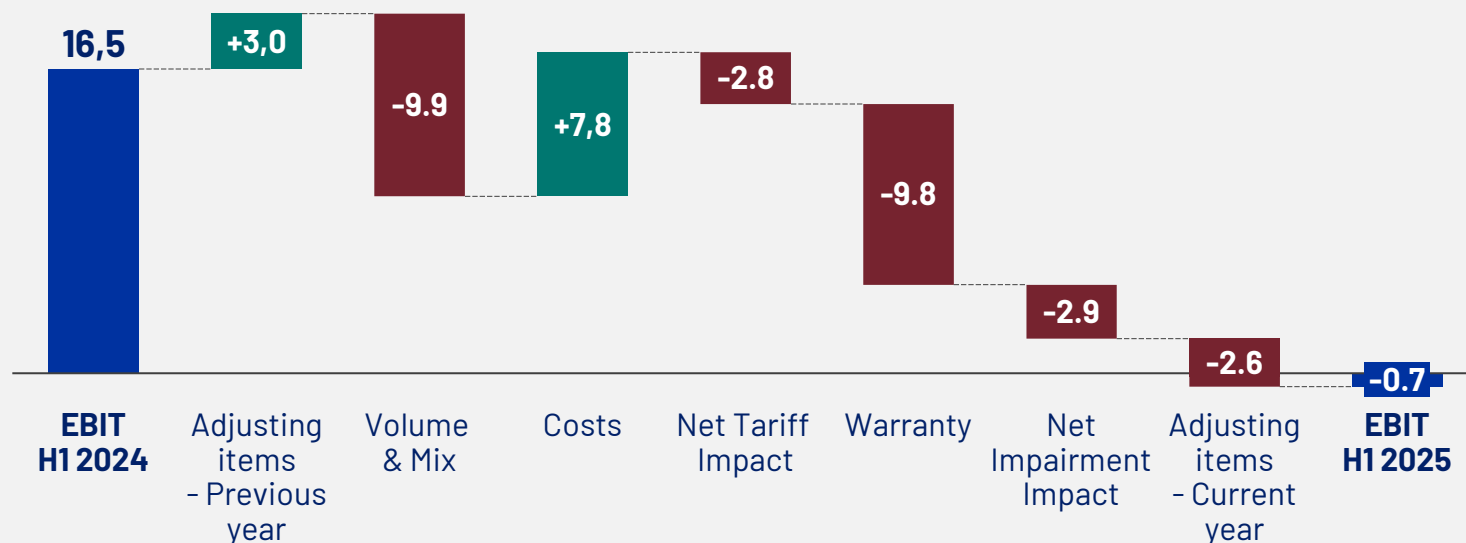
EBIT BRIDGE (Q2 & H1)

LOWER PROFIT DUE TO VOLUME & MIX AND INCREASED ACCRUALS FOR ESTIMATED FUTURE WARRANTY EXPENSES

EBIT (Q2), MEUR



EBIT (H1), MEUR



Adjusting items – as explained in the Q2 2025 Quarterly Report (page 5 and the APM section)

Q2 2025 vs. Q2 2024

VOLUME & MIX

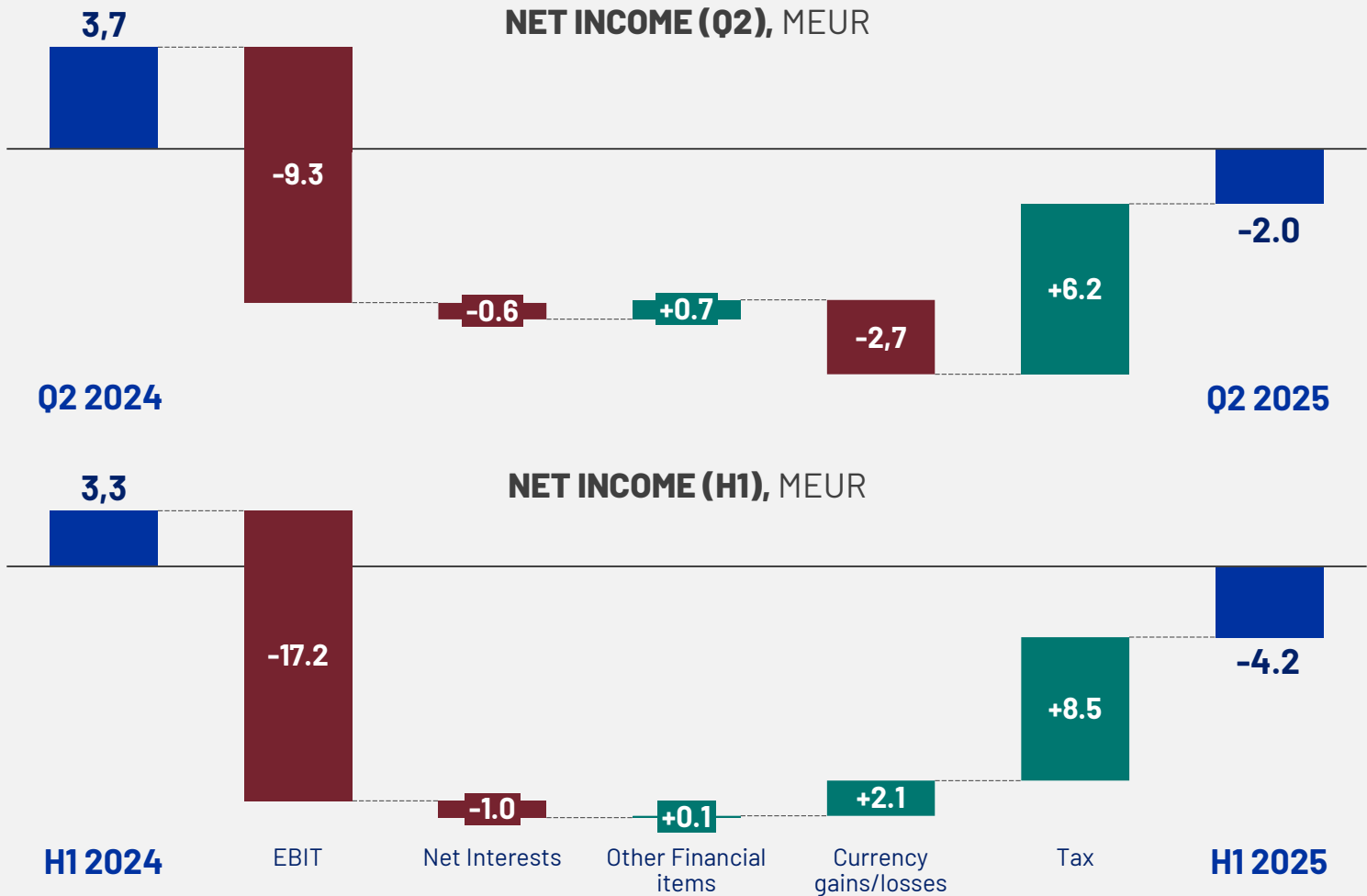
- > Reduced contribution due to lower revenue levels in Drive Control Systems, partially offset by positive volume & mix effects in Flow Control Systems

COSTS AND OTHER

- > Continued cost reductions
- > Negative net tariff effect. This is actively being mitigated by passing on the costs incurred to our customers
- > Higher accruals for estimated future warranty expenses
- > Impairment losses in relation to the assets of the terminated contract with one of DCS' customers, partially offset by reversal of impairment due to alternative use of assets

NET INCOME BRIDGE (Q2 & H1)

EBIT DECLINE PARTIALLY OFFSET BY LOWER TAX BURDEN



NET INTERESTS

- > Interest expenses remained at the similar level compared to Q2 2024, less interest income

CURRENCY GAINS/LOSSES

- > The net currency gain in Q2 2025 was MEUR 0.8, compared to a net gain MEUR 3.5 in Q2 2024, giving the negative variance of MEUR 2.7. The weakening USD compared to Euro affecting Q2 2025

TAX

- > Lower tax expenses than in 2024 as losses carryforwards are anticipated to be used for which DTA (Deferred Tax Asset) had not been recognized.

FREE CASH FLOW

FREE CASH FLOW IN Q2 AND H1 IMPROVED

FREE CASH FLOW¹, MEUR



- Free Cash Flow is measured based on sum of cash flow from operating activities, investing activities, financial activities and currency effects on cash (together described as change in cash), excluding net draw-down/repayment of debt, net effects of repayment of old bond and issuing new bond, proceeds received from capital increase and purchase of treasury shares. Thus, it includes payments for interests.
- 12M Trend for Q2-Q3 2023 excluded proceeds of MEUR 82.0 received for the sale of the Powersports business to BRP in Q4 2022, however included the cash flow received from ordinary business with BRP
- Currency and translation effects on cash flow (in MEUR) consist of: Translation effects on cash balances (Q2 2025: -2.5, Q2 2024: -0.1; H1 2025: -3.8, H1 2024: +0.2), and Translation effects on net trade working capital (Q2 2025: -6.4, Q2 2024: -1.1; H1 2025: -6.8, H1 2024: -0.3).

FREE CASH FLOW

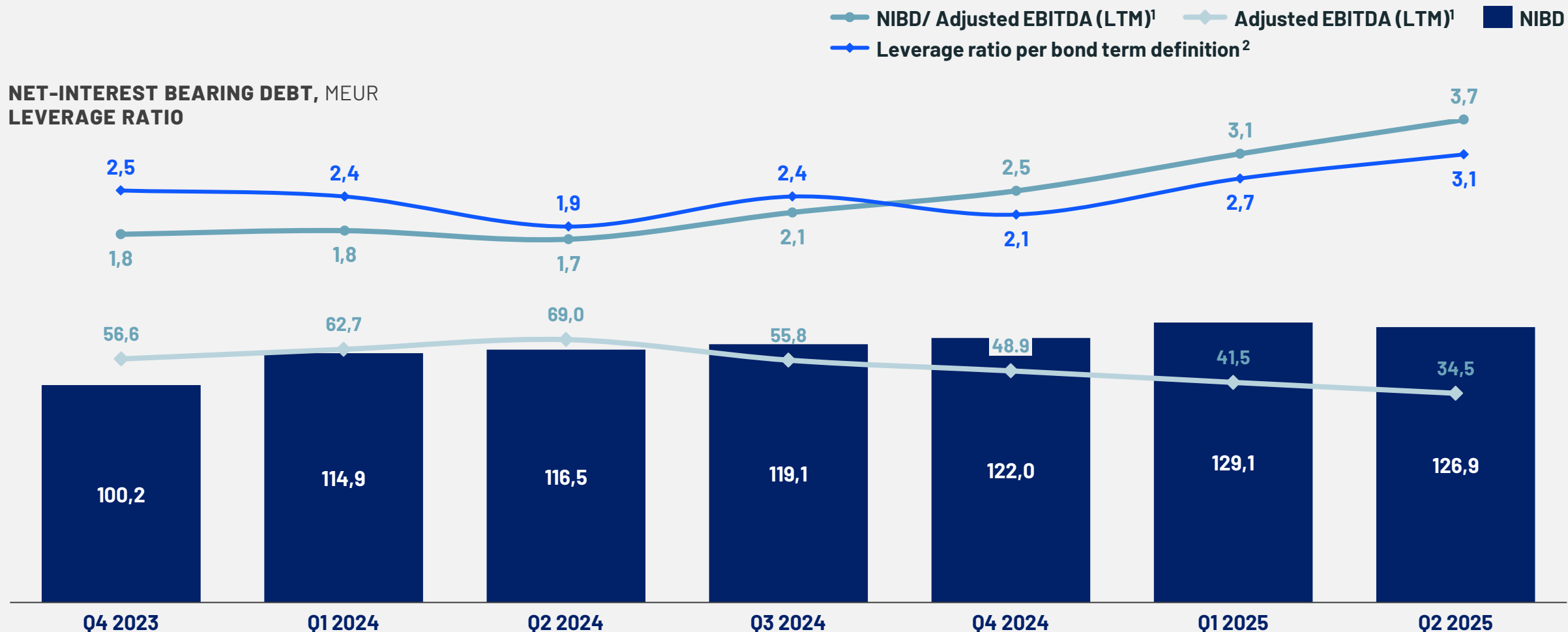
2 4

	Q2 2025	Q2 2024
Operating activities	+17.7	+8.7
Investing activities	-3.6	-4.1
Financing activities	-6.1	-65.3
Currency and translation effects on cash flow ³	-8.9	-1.2
Total	-0.9	-61.9
Add back / less:		
Repayment of old bond and proceeds from issuing new bond	0.0	+57.5
Free Cash Flow	-0.9	-4.4

	H1 2025	H1 2024
Operating activities	+19.4	+6.8
Investing activities	-7.5	-9.4
Financing activities	-12.7	-76.2
Currency and translation effects on cash flow ³	-10.6	-0.1
Total	-11.4	-78.9
Add back / less:		
Repayment of old bond and proceeds from issuing new bond & purchase of treasury shares	0.0	+59.6
Free Cash Flow	-11.4	-19.3

NET INTEREST-BEARING DEBT (NIBD) & LEVERAGE RATIO

NIBD RELATIVELY STABLE SINCE REFINANCING IN Q2 2024, LEVERAGE RATIO INCREASE REFLECT WEAKER EARNINGS FROM SOFTER DEMAND



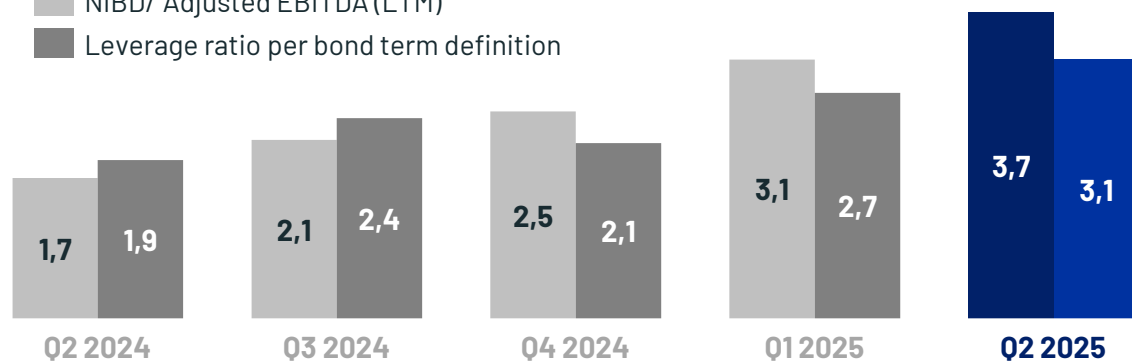
1. Adjusted EBITDA as defined in the APM section of the Quarterly Report

2. Definition in relation to the MEUR 110 bond issued in 2024. See also page 3 in the Q2 report

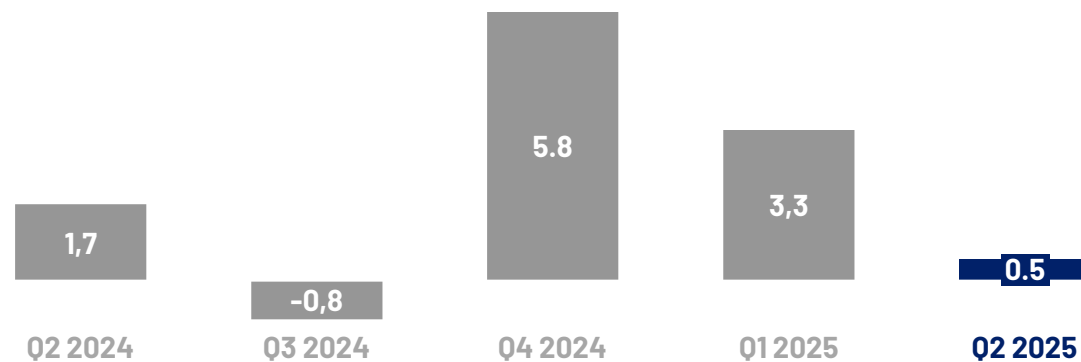
FINANCIAL RATIOS

LEVERAGE RATIO, NIBD¹/ ADJUSTED EBITDA⁴, LTM

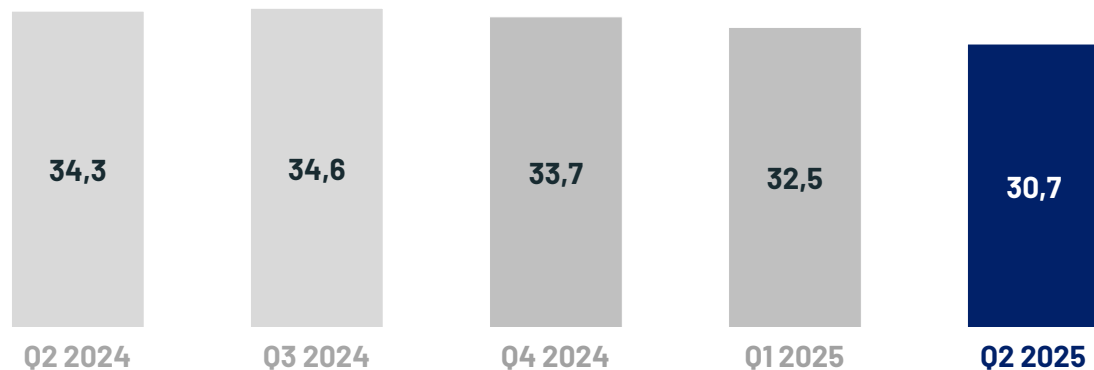
■ NIBD/ Adjusted EBITDA (LTM)
■ Leverage ratio per bond term definition



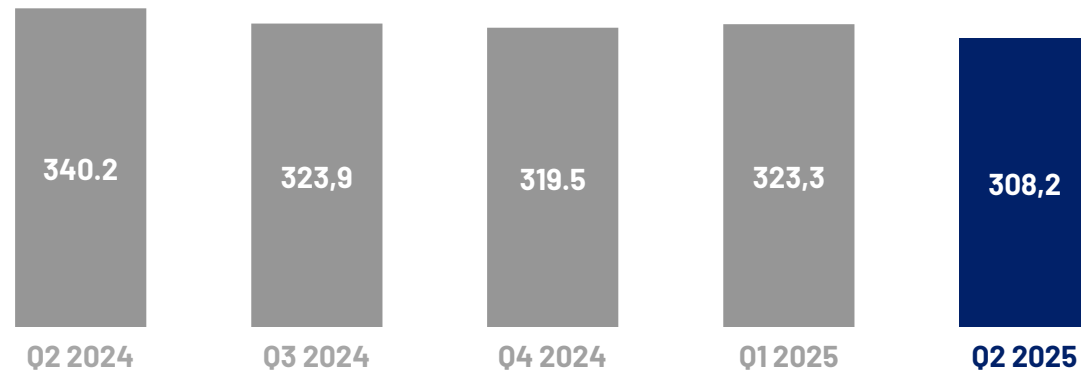
ROCE², %, LTM



EQUITY RATIO, %



CAPITAL EMPLOYED³, MEUR



1. Net interest-bearing debt

2. EBIT (LTM) / Average capital employed

3. Capital employed consists of Intangible Assets, PPE's, Right-of-use assets, Net Working Capital less Lease liabilities at quarter end

4. Adjusted EBITDA as defined in the APM section of the Quarterly Report

SUMMARY & OUTLOOK

SUMMARY

- EBIT in Q2 2025 impacted by revenue decline and increased warranty accruals
- Positive trend on Cash Flow
- Additional cost reduction initiated – the full impact of cost reduction programs to take full effect during 2026 with EBIT improvements in the range of 4-5 % points considering stable revenues
- KA remains focused on cost reductions, operational efficiency, increasing product portfolio profitability, preserving cash while winning new business
- Renewed executive leadership team and a reinforced performance-oriented KA culture
- Closure of Zurich office and consolidation of Sweden plant footprint
- Strategic acquisition of Chassis Autonomy and taking full ownership of Chinese JV, positioning KA for long-term growth

Restoring value creation for shareholders remains top priority

We strongly believe in the future of KA and are determined to make changes required to realize KA's full potential

OUTLOOK

- Despite a decline in sales volumes, the EBIT margin for H2 2025 is expected to surpass both H1 2025 and H2 2024 levels, supported by continued execution of cost-saving initiatives and operational efficiencies.
- For H2 2025, the market outlook is not favorable. Revenues are expected to fall below both H1 2025 and H2 2024 levels. 2026 market outlook is positive.

Q&A

FINANCIAL CALENDAR 2025:

➤ Quarter 3 Report 2025, November 5



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