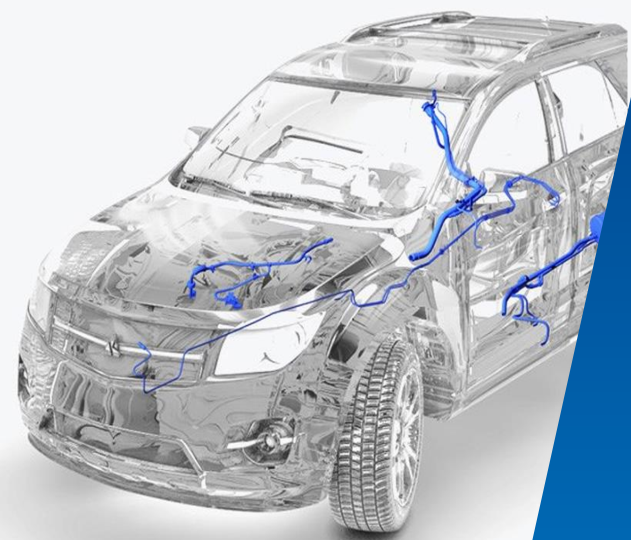

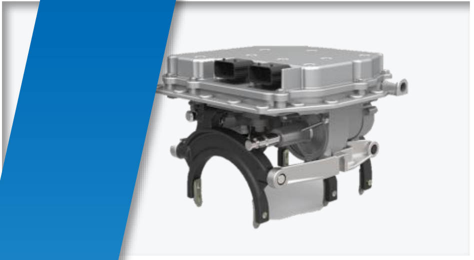

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Kongsberg Automotive
Trading update – update to Investor Presentation from May 19, 2020

June 26, 2020

Kongsberg Automotive

Disclaimer

This presentation should be read together with the investor presentation dated 19 May 2020. Readers should in particular refer to the risk factors set out on page 4-7 of the investor presentation dated 19 May 2020.

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, pandemics including but not limited to the corona pandemic and political, economic and military instability in countries in which we operate; developments in the credit markets; future 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 2019 Kongsberg Automotive Annual Report and the Kongsberg Automotive Quarterly Reports.

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Non-IFRS Measures

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

Update to the Investor presentation from May 19th based on recent events

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- Since completing the Private Placement on June 15th, the overall business environment has improved slightly versus the previous assumptions made by Kongsberg Automotive ("KA" or the "Company"). The major changes are summarized in this update to the investor presentation:
  - We now have April, May and the majority of June behind us.
  - All the KA factories are operating except for India. All the Company's customers are operating their factories again except some minor customers.
    - The uncertainties relating to the length of the industry wide closures are practically behind us thus eliminating the differences between the "low case" and the "medium case" in previous investor presentations for 2020 as the difference between the low and medium cases were the length of the shutdowns and the timing of the "restart".
  - This has led to a lower expected liquidity need for KA through the end of 2021 under the assumptions from the previous investor presentations.
  - Combined with the successful Private Placement and the renegotiations of KA's revolving credit facility ("RCF") this leads to a funding situation where KA based on revised estimates is practically fully funded through the end of 2021 under the assumptions made in the investor presentation even without additional funding.
    - The Company will, depending on subscriptions in the subsequent offering and its ability to agree and implement the factoring program, potentially create significant liquidity headroom under the assumptions of the Medium and Low Cases.
- As the overall business conditions have changed significantly due to the Corona Pandemic KA is examining the carrying value of the Company's assets in an extraordinary impairment test process. We estimate that this will lead to an impairment charge in Q2.
- The successful Private Placement capital increase has enabled KA to:
    - Successfully renegotiate the Company's RCF terms for the next 12 months
    - Position the Company for more attractive terms for the planned factoring program
    - Confirm the Moody's and S&P credit ratings at B1 and B-, respectively. These ratings are unchanged from pre-Corona.
- The expected liquidity and impairment effects are further described on the next slides

Impairment of assets as a result of the market downturn from the Corona Pandemic

- Given the abrupt market declines driven by the Corona Pandemic, the underlying assumptions in KA's impairment testing have changed since the end of 2019, the time of our last impairment test. In KA's 2019 annual report KA stated that no impairments took place in 2019 as the value in use amounts exceeded the carrying values for all of the Company's cash generating units ("CGU"). Furthermore, the 2019 annual report stated that for some of the CGUs, there was little headroom.
- As a consequence of the Corona Pandemic and its expected impact on the general economy and the Company's end markets in the future, the Company expects to need to impair assets in conjunction with the conclusion of the second quarter 2020. Due to the unknown mid-term effects of the Corona Pandemic it is very difficult to predict what the market conditions will be for the next years and this obviously affects the impairment calculations. Based on the Company's current assumptions, the Company estimates that it will have an impairment charge of around €75-100 million in the second quarter of 2020. This is a non-cash charge that will affect net income, but not KA's liquidity.

- Note that the financials on page 6 of this presentation do not include any effects from any impairment charge.

Revenue Update – based on MTD June performance

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- In the Investor presentation of 19 May 2020, we presented alternative scenario models for estimated liquidity needs with three cases; high, medium and low. Currently, we are operating at levels approximately at the medium case level. The changes made to the medium and low cases in this update reflect our current liquidity outlook for 2020 (both for the medium and low cases).
  - The rationale for modifying the 2020 low case is that the main difference between the medium and low cases were in the months of May and June 2020 which are now behind us. In other words, this uncertainty has been removed.
  - No changes have been made to the original 2021 assumptions for the medium and low cases.
  - For 2020, the updated estimate implies that there are no differences between the Low and medium cases.
  - The High case has been removed as this case was dependent on shorter shutdown periods than what took place.

Revenues	Medium Case	Low case
2019 (for reference)	€1,161 million	€1,161 million
2020	€884 million This is based on the YTD figures combined with the current forecasts from our customers.	
2021	€1,068 million (unchanged) This assumes 2021 revenue levels of around 8% less than in 2019.	€1,043 million (unchanged) This assumes 2021 revenue levels of around 10% less than in 2019.

- The revenue adjustments have been made on the basis of June MTD (month to date) shipments/invoices that have been generated and the forecasts from the Company's customers. The changes made to the revenue assumptions in this update are summarized below.
- Generally speaking, we see stronger revenues in Q2 than expected in the previous models while we expect slightly weaker revenues in the summer vacation quarter (Q3).
  - The April and May figures represent actuals. We have high confidence in the June figure below as this represents the run rate of June "month to date". The July-December figures represent estimates.

Medium case - Revenues vs. 2019	Apr 2020	May 2020	June 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
Previous Presentation	-68%	-63%	-37%	-16%	-14%	-11%	-9%	-9%	-9%
Updated presentation	-65%	-58%	-25%	-28%	-20%	-15%	-12%	-8%	-10%
Δ to old assumptions in % points	3%	5%	13%	-12%	-6%	-4%	-3%	1%	-1%

KPI and liquidity need impact for Kongsberg Automotive

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- The below table provides the updated expected liquidity needs from the Medium and Low cases:

(Euro 000)	2020 Medium	2021 Medium	2020 Low	2021 Low
Revenues	884,430	1,068,169	884,430	1,043,000
EBITDA	11,169	83,828	11,169	72,642
EBITDA%	1.3%	7.8%	1.3%	7.0%
Adj. EBIT	-35,374	31,028	-35,374	17,020
Adj EBIT %	-4.0%	2.9%	-4.0%	1.6%
Net Income	-80,457	4,521	-80,457	-9,501
EBITDA	11,169	83,828	11,169	72,642
Δ Net Working Capital	-1,611	3,949	-1,611	6,148
Capex	-59,158	-58,000	-59,158	-53,000
Taxes & Interest	-25,000	-25,251	-25,000	-21,750
Other non CF EBITDA items incl IFRS 16	251	-19,866	251	-20,000
Cash Flow (all in)	-74,349	-15,340	-74,349	-15,961
Highest cumulative liquidity need in period	0	10,000	0	10,000

- With reference to the previous investor presentation, the anticipated “Highest cumulative liquidity needs in period” were:

(Euro 000)	2020 Medium	2021 Medium	2020 Low	2021 Low
Highest cumulative liquidity need in period	73,000	97,000	99,000	123,000

- In other words, the additional liquidity need has almost been removed under the assumptions of the Medium and Low Cases through the combination of the completion of the Private Placement and the improvements in the expected business performance.
- **The primary drivers behind the reduction in expected highest cumulative liquidity need are:**
  - The Private Placement with net proceeds of €63 million
  - The additional flexibility from the Company’s RCF banks (Danske Bank and JP Morgan)
  - Improvements in both revenue levels and performance of the business, primarily in Q2 2020.
- If we are able to obtain additional liquidity of at least €10 million from the combination of the Subsequent Offering and the planned factoring program, we will be fully funded under the assumptions of the Medium and Low Cases.
- We expect to raise up to €70 million from the planned factoring program. We expect proceeds from the Subsequent Offering in the range of €0 – €25 million depending on investor interest and the NOK/EUR exchange rate. With the anticipated additional liquidity, we believe we will be fully funded through 2021 for the effects resulting from the Corona related shut down in Q1/Q2 2020 and the following expected recession, according to the model parameters with a “safety headroom” through 2021.
  - The medium and low cases models do not account for effects from a potential “second wave” of the Corona Pandemic including potential future shutdowns.