



# FOURTH QUARTER REPORT

2024



**KONGSBERG**  
AUTOMOTIVE



# THE FOURTH QUARTER AND FULL YEAR 2024 EXECUTIVE SUMMARY

## IMPROVED FINANCIAL PERFORMANCE DESPITE WEAK MARKET DEMAND IN 2024

ONGOING ADJUSTMENTS OF THE COST BASE AND EXCEPTIONALLY HIGH BUSINESS WINS HAVE LAID A FOUNDATION FOR FUTURE PROFITABLE GROWTH.

Kongsberg Automotive (KA) reported EBIT of MEUR 18.7 (EBIT margin 2.4%) for the full year 2024, marking an improvement versus MEUR -19.7 (EBIT margin -2.2%) for the full year 2023. Full year revenues declined by -10.7% (adjusted for currency), to MEUR 788.2 due to the weak market demand, which aggravated during the second half of 2024. Return on capital employed was 5.8% in 2024 compared to -5.9% in 2023.

In the fourth quarter, KA reported revenues of MEUR 185.2, a decrease of -12.1% (adjusted for currency). EBIT came in at MEUR 1.1, an improvement from MEUR -20.4 in Q4 2023, which had been impacted by the impairment of assets and onerous contracts in the non-core business as well as restructuring provisions. Successfully implemented cost reduction measures partially offset lost contribution from declining volumes and higher warranty expenses.

Free cash flow was positive at MEUR 4.2 in the fourth quarter, coming from a strong focus to lower inventory and improve receivables collection.

In 2024, cost reductions and operational efficiency improvement were KA's top priorities. Various cost adjustment programs have successfully reduced our cost base. By end of the year the company has reduced the total number of employees by -11% compared to the year-end 2023.

By the third quarter of 2025, when the latest cost adjustment program will be fully implemented, the number of positions in Manufacturing Overhead, Engineering, Sales and General Administration will have been reduced by more than -13 %. In 2025, KA will launch additional cost reduction initiatives. KA is on good track to become a leaner, more agile and more competitive company.

In 2024, the company conducted a product portfolio profitability analysis, as well as a review of our manufacturing footprint. KA has launched several cross functional activities with clearly defined actions to improve profitability on some of our existing offerings. Priorities are also set when it comes to adjustments to our manufacturing footprint.

2024 has been a year of exceptionally high business wins. Renewals and new incremental business awards amounted to MEUR 1,526. KA is pleased to note the confidence top-tier customers have in the company as a business partner for the future. It also proves that KA's product offerings are well-aligned with the customers' evolving needs, a future built on four megatrends: electrification, autonomation, safety, and sustainability. This shows that improving market shares is possible even in a declining market.

The global automotive market demand in 2024 and 2025, based on vehicle production data, have been gradually revised downwards in each forecast since last spring. Commercial vehicle as well as passenger car production in 2025 are presently forecasted to remain at the same level as in 2024.

The newly announced customs tariff increases in North America, and potential escalating counter measures will potentially lead to increased inflation, higher vehicle prices and, by that, impact market demand negatively.

Looking ahead, we expect 2025 to be a challenging year for the automotive industry with no market growth and continued geopolitical risks.

For 2025, we expect revenues to be relatively unchanged in the first half year versus the second half of 2024 with a potential upside in the second half of the year. Based on the successful implementation of various cost optimization and efficiency initiatives, we expect a positive development of EBIT margin for 2025. This excludes further potential effects coming from increased geopolitical uncertainty.

We continue our focus to improve efficiency, profitability and to preserve cash. We are confident that by successfully navigating the ongoing transformation we will further strengthen KA's position and take further steps towards our 2028 financial targets.

On December 20, 2024, KA held an extraordinary general meeting and elected three new members to KA's Board of Directors in accordance with the proposed candidates announced on November 29, 2024.

On January 29, 2025, KA announced the appointment of Trond Fiskum as the new President & CEO of KA. Fiskum will start as soon as possible and no later than July 1, 2025. In the meantime, I have been appointed by the Board of Directors as the interim President & CEO, while I continue as the CFO of the company.

I take this opportunity to thank my colleagues at KA for their dedication and hard work during 2024. I also would like to thank KA's shareholders and our creditors for the trust, patience and the understanding of our past and present situation.

### **FINANCIAL HIGHLIGHTS Q4 2024**

- > **REVENUES MEUR 185.2** (MEUR 211.0)
- > **EBIT MEUR +1.1** (MEUR -20.4)
- > **NET PROFIT/LOSS MEUR -13.1** (MEUR -26.3)
- > **FREE CASH FLOW MEUR +4.2** (MEUR +4.4)
- > **BUSINESS WINS MEUR 295 LIFETIME AND MEUR 75 ANNUALIZED REVENUES** (MEUR 413 AND MEUR 82)

### **FINANCIAL HIGHLIGHTS FULL YEAR 2024**

- > **REVENUES MEUR 788.2** (MEUR 884.9)
- > **EBIT MEUR +18.7** (MEUR -19.7)
- > **NET PROFIT / LOSS MEUR -18.2** (MEUR -59.1)
- > **FREE CASH FLOW MEUR -20.3** (MEUR -34.9)
- > **BUSINESS WINS MEUR 1,526 LIFETIME AND MEUR 383 ANNUALIZED REVENUES** (MEUR 989 AND MEUR 297)

## KEY FIGURES

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Sales/Earnings</b>				
1 Operating revenues	185.2	211.0	788.2	884.9
2 Change in sales (adjusted for currency effects)	(12.1)%	2.2%	(10.7)%	(5.3)%
3 Operating profit/(loss) (EBIT)	1.1	(20.4)	18.7	(19.7)
4 EBIT margin(%)	0.6%	(9.7)%	2.4%	(2.2)%
5 Adjusted EBIT	(2.2)	5.1	19.1	23.7
6 Adjusted EBIT margin(%)	(1.2)%	2.4%	2.4%	2.7%
7 EBITDA	9.6	(12.3)	48.5	13.2
8 EBITDA margin(%)	5.2%	(5.8)%	6.2%	1.5%
9 Adjusted EBITDA	6.3	13.2	48.9	56.6
10 Adjusted EBITDA margin(%)	3.4%	6.3%	6.2%	6.4%
11 Net income	(13.1)	(26.3)	(18.2)	(59.1)
<b>Cash flow</b>				
12 Cash flow from (used by) operating activities	13.7	19.9	32.4	21.5
13 Cash flow from (used by) investing activities	(6.9)	(10.7)	(21.4)	(29.1)
14 Cash flow from (used by) financing activities	(6.3)	(5.8)	(90.1)	(39.7)
15 Free cash flow	4.2	4.4	(20.3)	(34.9)
<b>Balance sheet</b>				
16 Balance sheet total	602.9	721.5	602.9	721.5
17 Equity	203.0	218.1	203.0	218.1
18 Equity ratio (%)	33.7%	30.2%	33.7%	30.2%
19 Net interest-bearing debt	121.9	100.2	121.9	100.2
20 Leverage ratio	2.5	1.8	2.5	1.8
21 Capital employed*	319.5	319.9	319.5	319.9
22 Return on capital employed (%) (LTM)*	5.8%	(5.9)%	5.8%	(5.9)%
23 Liquidity reserve	99.2	219.2	99.2	219.2
<b>Personnel</b>				
24 Employees (as at end of quarter)	4,714	5,286	4,714	5,286
<b>Business Wins</b>				
25 Annualized business wins	74.7	82.1	382.8	296.9
26 Lifetime business wins	295.2	412.8	1,526.0	989.4

\* Definitions of Capital Employed and Return on capital employed have been changed in Q1 2024 (see APM section); figures in 2023 adjusted accordingly.

### DEFINITIONS

4 EBIT / Operating revenues	18 Equity / Balance sheet total
6 Adjusted EBIT / Operating revenues	20 NIBD / Adjusted EBITDA (LTM)
8 (EBIT + depreciation and amortization) / Operating revenues	21 Intangible Assets + PPE's + Right-of-use assets + Net Working Capital - Lease liabilities
10 Adjusted EBITDA / Operating revenues	22 EBIT (LTM) / Average capital employed
15 Net change in cash - sum of draw-down/repayment of debt, proceeds received from capital increase and purchase of treasury shares	23 Cash + Unutilized revolving credit facility + Accounts receivable securitization facility (excl. restricted cash)

# GROUP FINANCIALS

## SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

Revenues pro customer industry and region (in MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>A. Heavy-duty vehicles</b>	<b>105.8</b>	<b>121.0</b>	<b>439.1</b>	<b>487.9</b>
1. Europe	60.9	67.8	243.3	277.5
2. North America	29.8	31.3	125.7	137.6
3. China	6.3	12.6	32.5	38.0
4. Other regions (South America & APAC w/o China)	8.8	9.3	37.6	34.8
<b>B. Passenger cars</b>	<b>59.8</b>	<b>63.6</b>	<b>253.8</b>	<b>283.2</b>
1. Europe	19.0	27.4	92.9	114.1
2. North America	25.5	22.5	107.8	108.9
3. China	11.6	10.7	39.5	47.8
4. Other regions (South America & APAC w/o China)	3.7	3.0	13.6	12.4
<b>B. Industrial, off-road &amp; other</b>	<b>19.6</b>	<b>26.4</b>	<b>95.3</b>	<b>113.8</b>
1. Europe	7.9	8.5	35.8	37.2
2. North America	10.6	17.4	54.6	71.9
3. China	0.7	0.5	2.7	2.5
4. Other regions (South America & APAC w/o China)	0.4	0.0	2.2	2.2
<b>Total external revenues</b>	<b>185.2</b>	<b>211.0</b>	<b>788.2</b>	<b>884.9</b>

### Q4 2024 REVENUES

Group revenues totaled MEUR 185.2 in Q4 2024, a decrease of MEUR 25.8 vs Q4 2023, including negative currency translation effects of MEUR 0.3 (-12.1%). The decrease reflected the lower automotive markets demand in Europe, China and North America.

Commercial vehicles revenues (57.1% of total revenues) were MEUR 105.8, or MEUR 106.4 in constant currencies, a decrease of MEUR 14.7 (-12.1%) versus Q4 2023. Revenues in Europe declined by MEUR 6.9 (-10.2%) to MEUR 60.9 (in constant currencies), which, was significantly better than the market performance (-25.5%). In North America, revenues declined by MEUR 1.6 (-5.3% in constant currencies) to MEUR 29.8. Similarly to the European market, Kongsberg Automotive significantly outperformed the market in North America which declined by -15.3%. In China, revenues were MEUR 6.3 in Q4 2024, representing a decline of MEUR 6.4 (-50.5%) in constant currencies, while the production output in this region shrank only by -1.6%. The sales decline in China was related to considerably lower sales to a large Tier1 customer due to OEM customer demand reduction.

Passenger car revenues (32.3% of total revenues) totaled MEUR 59.7, or MEUR 59.6 at constant currencies, representing a decrease of MEUR 4.0 (-6.3%) versus Q4 2023. This reflects the declining QoQ production output in the European market (-8.3%) and the wind-down of the Driveline business. In Europe, revenues were MEUR 19.0, down by MEUR 8.7 (-31.7%) compared to Q4 2023 in constant currencies. Revenues in North America were MEUR 25.5 in Q4 2024, MEUR 2.9 (+13.1%) higher than in Q4 2023 (in constant currencies) due to higher sales of KA's Gear Shift Systems, while the market output in this region decreased by -3.4%. In China, revenues amounted to MEUR 11.6, an increase of MEUR 0.8 (+7.1%) at constant currencies, following a 7.9% growth in the region's market production output.

Revenues in other markets (mainly in Europe's industrial applications and North America's off-road) amounted to MEUR 19.6 in Q4 2024, a decrease of MEUR -7.7 (-28.5%) in constant currencies, mainly because of declining sales of Industrial and Agriculture & Construction segments in North America.

### FY 2024 REVENUES

In full year 2024, revenues totaled MEUR 788.2, a decrease of MEUR 96.7 compared to 2023, including negative currency translation effects of MEUR 2.3 (-10.7%). The decrease was driven by significantly lower sales in the European commercial vehicles and passenger cars markets, following the current low production output and sales in Europe.

Commercial vehicles revenues (55.7% of total revenues) were MEUR 439.1, or MEUR 441.9 in constant currencies, a decrease of MEUR 45.9 (-9.4%) compared to full year 2023. Coming off the high level of orders received in the whole year 2023, revenues in Europe declined by MEUR 34.2 (-12.3% in constant currencies) to MEUR 243.3. Still, the development was better than the market performance (-20.8%). Revenues in North America declined by MEUR 11.7 (-8.5% in constant currencies) to MEUR 125.7, compared to the market which shrank by -1.8%. The weaker sales in North America were attributable to lower sales of KA's gear control units to a large Tier1 customer due to OEM customer demand reduction. In China, revenues were MEUR 32.5 in 2024, representing an organic decline of MEUR 4.9 (-12.8%) which was below market performance (-0.5%) due to the declining sales of Couplings and Shift-by-wire products.

Passenger car revenues (32.2% of total revenues) totaled MEUR 253.8, or MEUR 253.5 at constant currencies, representing a decrease of MEUR 29.7 (-10.5%) compared to 2023. This was mainly driven by the ongoing wind-down process of the Driveline business. In Europe, revenues in 2024 were MEUR 92.9, down by MEUR 23.3 (-20.4% in constant currencies) compared to 2023, while the market decline was at -4.7%. Revenues in North America were MEUR 107.8, EUR 1.0 (-0.9% in constant currencies) lower than in last year. This was still slightly better than the decline of this region's production output in 2024 vs 2023 (-1.4%). Revenues in China amounted to MEUR 39.5, a decrease of MEUR 7.6 (-15.9%) at constant currencies, while the market grew by +3.8% in 2024.

In 2024, revenues generated in other markets were MEUR 95.3 (MEUR 95.0 at constant currencies), compared to MEUR 113.8 which was mainly attributable to the overall declining Agriculture / Construction market.

# GROUP FINANCIALS

## SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS (CONTINUED)

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Revenues</b>	<b>185.2</b>	<b>211.0</b>	<b>788.2</b>	<b>884.9</b>
EBITDA	9.6	(12.3)	48.5	13.2
in % revenues	5.2%	(5.8)%	6.2%	1.5%
<b>Operating profit (loss)/ EBIT</b>	<b>1.1</b>	<b>(20.4)</b>	<b>18.7</b>	<b>(19.7)</b>
in % revenues	0.6%	(9.7)%	2.4%	(2.2)%
Net financial items	(6.7)	(7.4)	(21.0)	(26.0)
<b>Profit / (loss) before taxes</b>	<b>(5.6)</b>	<b>(27.8)</b>	<b>(2.3)</b>	<b>(45.7)</b>
Income taxes	(7.5)	1.5	(15.9)	(13.4)
<b>Net profit / (loss)</b>	<b>(13.1)</b>	<b>(26.3)</b>	<b>(18.2)</b>	<b>(59.1)</b>
Leverage ratio	2.5	1.8	2.5	1.8
Equity ratio	33.7%	30.2%	33.7%	30.2%

### EBIT

Q4 2024 EBIT was MEUR 1.1 (margin 0.6%) compared to MEUR -20.4 (margin -9.7%) in Q4 2023, which was impacted by negative adjusting items of MEUR -25.5, relating to impairment of assets and onerous contracts in the non-core business (MEUR 18.3 in total) as well as restructuring provisions, severance payments and other adjusting items.

Lost contribution of MEUR -10.5 due to declining revenues in the current quarter was to a large extent offset by reduction of manufacturing costs and administrative expenses of MEUR +8.0, resulting from various cost reduction initiatives. However, warranty expenses were higher by MEUR -4.8 in the quarter and the adjusting items were positive by MEUR 3.3 (including a reversal of impairment due to alternative use of assets of MEUR 3.2).

FY 2024 EBIT was MEUR 18.7 (margin 2.4%) compared to MEUR -19.7 (margin -2.2%) in FY 2023, which was negatively impacted by adjusting items, such as: impairment of assets and onerous contracts in the non-core business (MEUR 29.0 in total) as well as restructuring provisions, severance payments and other adjusting items.

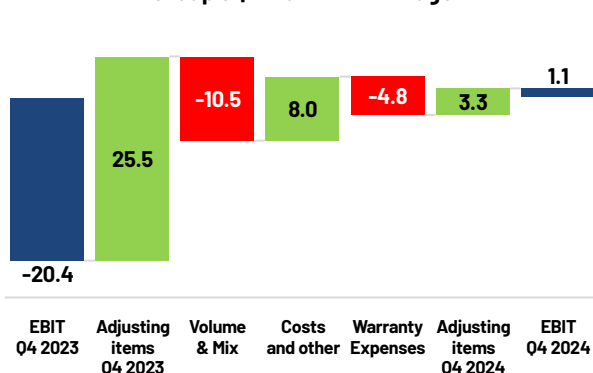
Lost contribution of MEUR -26.6 due to declining revenues was compensated by cost reduction in manufacturing overhead and administrative expenses of MEUR +30.4. Warranty expenses were higher by MEUR 8.4 (all related to a DCS product as mentioned in Q3).

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

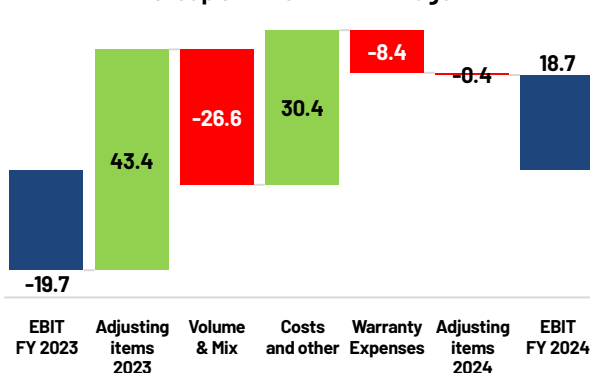
Net financial items in Q4 2024 were negative MEUR 6.7 versus negative MEUR 7.4 in Q4 2023. While interest expense increased by MEUR 0.6, mainly due to usage of the AR securitization facility, the currency result in Q4 2024 was positive MEUR 0.7, compared to negative MEUR 4.2 in Q4 2023. In addition, the impairment on net investments in an associate and a non-consolidated entity amounted to negative MEUR 2.6.

Net financial items in FY 2024 were negative MEUR 21.0 compared to negative MEUR 26.0 in FY 2023. While interest expense increased by MEUR 0.7, mainly due to usage of the AR securitization facility, the currency result in FY 2024 was negative MEUR 1.9, compared to negative MEUR 13.3 in FY 2023. The significantly improved currency result is mainly due to more favorable development of NOK compared to EUR and USD versus FY 2023. The loss before taxes of MEUR 2.3 led to an income tax expense of MEUR 15.9, as losses could not be capitalized. In addition, MEUR 3.0 withholding taxes on intercompany dividends were included in income taxes.

Group's Q4 2024 EBIT Bridge



Group's FY 2024 EBIT Bridge



# GROUP FINANCIALS

## SELECTED FINANCIAL INFORMATION - CASH FLOW

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
Cash flow - Operating activities	13.7	19.9	32.4	21.5
Cash flow - Investing activities	(6.9)	(10.7)	(21.4)	(29.1)
Cash flow - Financing activities	(6.3)	(5.8)	(90.1)	(39.7)
Currency and translation effects on cash flow	3.5	(0.3)	(1.3)	(0.9)
Change in cash	4.0	3.1	(80.4)	(48.2)
Cash as of beginning of period	80.3	161.6	164.7	212.9
<b>Cash as of end of period</b>	<b>84.3</b>	<b>164.7</b>	<b>84.3</b>	<b>164.7</b>
<i>Of this, restricted cash</i>	<i>0.1</i>	<i>0.5</i>	<i>0.1</i>	<i>0.5</i>

### CASH FLOW - OPERATING ACTIVITIES

Net cash from operating activities was MEUR 13.7 in Q4 2024, compared to positive operating cash flow of MEUR 19.9 in Q4 2023. The change in Net Working Capital (NWC) resulted in an operating cash inflow of MEUR 14.2 compared to a cash inflow of MEUR 23.5 in Q4 2023.

Cash Flow from operating activities in FY 2024 amounted to MEUR 32.4 compared to MEUR 21.5 in FY 2023. This improvement resulted from a positive change in NWC of MEUR 9.9 in 2024 compared to negative MEUR 5.3 in FY 2023. In addition, tax payments in 2024 amounted to MEUR 11.1 compared to MEUR 14.7 in 2023.

### CASH FLOW - INVESTING ACTIVITIES

Cash flow used by investing activities were MEUR 6.9 in Q4 2024 compared to MEUR 10.7 in Q4 2023. In Q4 2024, subsequent proceeds of MEUR 1.9 resulting from the Powersports business divestment in Q4 2022 were released from the escrow.

In FY 2024 cash flow used by investing activities was MEUR 21.4 compared to MEUR 29.1 in FY 2023. The reduction is partially explained by a reduced spending on investments in tangible and intangible assets of MEUR 24.7 compared to MEUR 28.5 in 2023. Furthermore, the subsequent proceeds (mentioned above) led to an inflow of MEUR 1.9, whereas in 2023 investments in associates resulted in an outflow of MEUR 2.6.

### CASH FLOW - FINANCING ACTIVITIES

Cash flow used by financing activities was MEUR 6.3 in Q4 2024, compared to MEUR 5.8 in the same quarter last year.

In Q4 2024, payments related to interests on bond notes were MEUR 2.6, whereas in Q4 2023 there were none. This reflects quarterly interest payments on the new bond issued in FY 2024, whereas the former bond notes had bi-annual interest payments.

In FY 2024 cash used in financing activities amounted to MEUR 90.1 compared to MEUR 39.7 in 2023. The refinancing in June 2024 led to a net repayment of MEUR 57.7, whereas in 2023 a repurchase of bond notes was made at MEUR 9.4. In addition, the change from bi-annual interests to quarterly payments under the new bond and usage of the AR securitization facility led to higher interest payments in 2024.

### CHANGE IN CASH

The cash balance at end of Q4 2024 was MEUR 84.3, an increase of MEUR 4.0 compared to MEUR 80.3 at the end of Q3 2024. The decrease from MEUR 164.7 as of December 31, 2023, is due to the net refinancing-related repayment of MEUR 57.7, a negative free cash flow of MEUR -20.3 and purchase of treasury share of MEUR -2.4.

### LIQUIDITY RESERVE

The liquidity reserve was MEUR 99.2 (excluding the restricted cash of MEUR 0.1) at the end of Q4 2024, compared to MEUR 219.2 as of December 31, 2023. At the end Q4 2024, the liquidity reserve consisted of MEUR 84.2 of cash and cash equivalents (excluding the restricted cash of MEUR 0.1) and the revolving credit facility (RCF) of MEUR 15.0.

# GROUP FINANCIALS

## SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	31.12.24	31.12.23
Non-current assets	269.4	264.6
Cash and cash equivalents	84.3	164.7
Other current assets	249.2	292.2
<b>Total assets</b>	<b>602.9</b>	<b>721.5</b>
Equity	203.0	218.1
Interest-bearing liabilities	206.2	264.9
Other liabilities	193.7	238.5
<b>Total equity and liabilities</b>	<b>602.9</b>	<b>721.5</b>
Net working capital (NWC)	136.5	146.4
NIBD	121.9	100.2
Equity ratio	33.7%	30.2%

### ASSETS

Total assets were MEUR 602.9 at December 31, 2024, a decrease of MEUR 118.6 (-16.4%) from year-end 2023, despite positive currency translation effects of MEUR 7.2. The total net book value of property, plant and equipment, intangible assets and right-of-use assets increased by MEUR 7.6 to MEUR 256.7 compared to year-end 2023, of which MEUR 1.3 was attributable to translation effects in 2024.

Additions from investments in property, plant and equipment (excluding additions from leases) and intangible assets were MEUR 8.4 (Q4 2023: MEUR 9.5) in the quarter and MEUR 24.7 in full year 2024 (2023: MEUR 28.5).

Current assets amounted to MEUR 333.5 as of December 31, 2024, compared to MEUR 456.9 at year-end 2023. The decrease reflected a reduction in the cash balance of MEUR 80.4 during 2024, predominantly resulting from the financing activities, as well as a decrease in inventory and account receivables of MEUR 21.0 and MEUR 20.7, respectively.

### NET WORKING CAPITAL

Net working capital, comprising inventories and account receivables less account payables, totaled MEUR 136.5 at end of Q4 2024, marking a decrease of MEUR 9.9 (-6.8%) compared to December 31, 2023. This decrease was primarily driven by a significant reduction in inventory and account receivables by MEUR 21.0 and MEUR 20.7, respectively, following the decline in revenues, partially offset by decreases in account payables of MEUR 31.8. Net positive translation effects of MEUR 2.5 partially offset the decrease of net working capital.

As a percentage of revenues for the past twelve months, the net working capital ratio at December 31, 2024, was 17.3%, compared to 16.5% at year-end 2023.

### EQUITY

Equity was MEUR 203.0 at December 31, 2024, a decrease of MEUR 15.1 (-6.9%) from year-end 2023.

The total comprehensive income in 2024 was negative MEUR 12.6, comprising the net loss of MEUR 18.2, offset by positive other comprehensive income of MEUR 5.6. The latter resulted from net remeasurement of net pension benefit obligation of MEUR -0.8 (net of tax) as well as negative translation differences on non-foreign operations of MEUR -12.7 (fully attributable to share capital, share premium and treasury shares caused by weakening NOK against EUR), which were more than offset by the positive translation differences on foreign operations of MEUR +19.1. Furthermore, Kongsberg Automotive repurchased its own shares in Q1 2024, which led to the change in equity of MEUR 2.4. The dividend of MEUR 1.2 allocated to the minority shareholder contributed to the change of the equity as of December 31, 2024, offset by the equity increase of MEUR 1.1 due to share-based compensation.

### INTEREST BEARING LIABILITIES

At December 31, 2024, total interest-bearing liabilities were MEUR 206.2, consisting mainly of the new senior secured bonds of MEUR 107.5 (MEUR 110.0 after netting with the unamortized capitalized arrangement fees of MEUR 2.5), the drawn Securitization facility of MEUR 25.0 and lease liabilities of MEUR 73.7.

Long-term interest-bearing debt amounted to MEUR 196.3.

### NET INTEREST BEARING DEBT

At period-end, net interest-bearing debt was MEUR 121.9, an increase of MEUR 21.7 compared to year-end 2023.



# DRIVE CONTROL SYSTEMS

## SEGMENT REPORTING

Drive Control Systems develops and manufactures a comprehensive range of drive control products for heavy and light duty vehicles, including clutch actuation systems, advanced vehicle systems, operator control systems for construction, agriculture, outdoor power equipment and power electronics-based products.

Drive Control Systems serves the commercial vehicle, and the off-highway and passenger car markets, with particularly strong positions in Europe and the Americas. With a global footprint, Drive Control Systems can support customers worldwide. Key customers include Volvo, Scania, Eaton, Traton, Changan Group, FAW Group, Club Car and Paccar.

## KEY FIGURES<sup>1</sup>

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Revenues</b>	<b>82.3</b>	<b>101.0</b>	<b>351.2</b>	<b>410.4</b>
EBITDA	7.3	9.9	26.4	33.4
<i>in % revenues</i>	8.9%	9.8%	7.5%	8.1%
<b>Operating profit (loss) / EBIT</b>	<b>3.1</b>	<b>6.3</b>	<b>12.0</b>	<b>19.7</b>
<i>in % revenues</i>	3.8%	6.3%	3.4%	4.8%
Investments	(2.3)	(3.9)	(9.8)	(11.8)
Capital employed <sup>2</sup>	137.4	143.7	137.4	143.7

<sup>1</sup> Figures in 2023 were restated due to implementation of new segment structure as announced in Q4 2023

<sup>2</sup> Includes intangible assets, PP&E, right-of-use assets, inventories, trade receivables less trade payables and lease liabilities

## FINANCIAL UPDATE

Revenues in Drive Control Systems decreased by MEUR 18.7 to MEUR 82.3 in Q4 2024 compared to Q4 2023, including negative currency translation effects of MEUR 0.2 (-18.4%). Coming off the exceptionally high levels in the commercial vehicles market in 2023, revenues declined in Europe by MEUR 2.5 (-7.4%) to MEUR 30.8 at constant currencies, which was still significantly better than the market performance (-25.5%). Revenues in North America declined by MEUR 2.8 (-10.4%) to MEUR 23.7 (in constant currencies), slightly overperforming the market which shrank by 15.3%. In Off-Highway, revenues amounted to MEUR 13.7, down by MEUR 7.3 (-34.8% in constant currencies), which was mainly due to a significant decline in the North American market.

Revenues in full year 2024 declined by MEUR 59.2 to MEUR 351.2 compared to 2023. This was mainly driven by lower sales volumes in the European and North American commercial vehicles market with sales decline of -14.1% and -9.3%. While the sales in Europe performed better than the market (-20.8%), the market production in North America shrank by only -1.9%. Sales in South America benefitted from growing commercial vehicles market and increased by +20.3%. In line with the overall declining Agriculture / Construction market, KA's sales in 2024 decreased by -30.5%.

EBIT amounted to MEUR 3.1 in Q4 2024, a decrease of MEUR 3.2 compared to Q4 2023. The missing contribution from reduced sales volumes could not fully be offset by the savings in administrative expenses. In addition, warranty expenses were higher by MEUR 6.5 in the quarter. Positive adjusting items were MEUR 4.4, including income of MEUR 1.9 related to subsequent proceeds from Power-sports divestment and reversal of impairment of MEUR 3.2.

The same applies to the full year 2024 EBIT of MEUR 12.0, which could not match the prior year's EBIT of MEUR 19.7, primarily due to additional warranty expenses of MEUR 9.9 in the current year, partially offset by positive adjusting items.

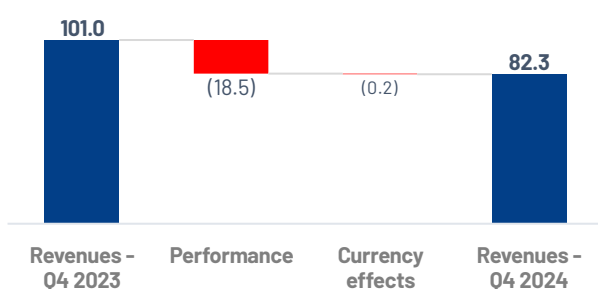
## COMMERCIAL AND OPERATIONAL UPDATE

In Q4 2024, business wins amounted to MEUR 110.3 of lifetime revenues (MEUR 28.4 in annualized revenues).

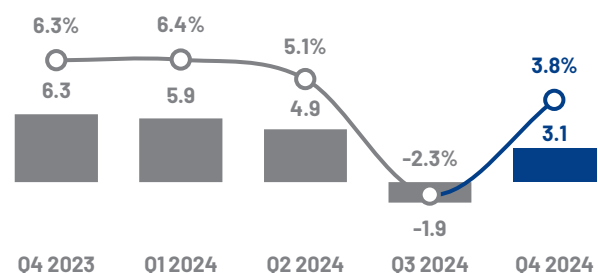
In the quarter, KA secured a contract extension worth MEUR 47.2 in lifetime revenues (MEUR 11.4 in annualized revenues) for pedal group systems used in golf carts and utility vehicles.

Business Wins in full year 2024 were MEUR 1,044.8 of lifetime revenues (MEUR 241.6 in annualized revenues).

**External Revenues Bridge - DCS**  
MEUR



**EBIT - DCS**  
MEUR and in % revenues



# FLOW CONTROL SYSTEMS

## SEGMENT REPORTING

Flow Control Systems designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, as well as industrial applications, couplings systems for compressed-air circuits in heavy-duty vehicles.

Key customers include Volvo Trucks/Group, Jaguar Land Rover, Scania, Martinrea, Paccar/DAF, Mercedes Benz, ZF, Renault Trucks, and several Tier 1 customers in addition to an industrial customer base.

## KEY FIGURES<sup>1</sup>

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Revenues</b>	<b>73.5</b>	<b>75.2</b>	<b>307.3</b>	<b>313.0</b>
EBITDA	6.1	12.5	31.2	40.9
<i>in % revenues</i>	8.3%	16.6%	10.2%	13.1%
<b>Operating profit / EBIT</b>	<b>2.1</b>	<b>9.3</b>	<b>17.5</b>	<b>28.8</b>
<i>in % revenues</i>	2.9%	12.4%	5.7%	9.2%
Investments	(5.8)	(5.0)	(14.2)	(14.1)
Capital employed <sup>2</sup>	180.5	170.1	180.5	170.1

<sup>1</sup> Figures in 2023 were restated due to implementation of new segment structure as announced in Q4 2023

<sup>2</sup> Includes intangible assets, PP&E, right-of-use assets, inventories, trade receivables less trade payables and lease liabilities

## FINANCIAL UPDATE

Revenues in Q4 2024 decreased by MEUR 1.7 to MEUR 73.5 compared to Q4 2023, despite positive currency translation effects of MEUR 0.1 (-2.5%). This was mainly driven by declining sales in Europe (mainly in commercial vehicles market and slightly in passenger car market) and lower sales of industrial applications in North America, partially offset by positive performance in North American commercial vehicles and passenger cars markets as well as increasing sales for the industrial applications in Europe.

Full year revenues amounted to MEUR 307.3, slightly lower by MEUR 5.7 than in 2023. This was mainly attributable by declining revenues in Europe (MEUR -11.4 (-5.5% YoY)), partially offset by positive development in the Americas (MEUR +2.8 (+3.0% YoY)) and Asia incl. China (MEUR +2.9 (+16.7% YoY)).

EBIT was MEUR 2.1 in Q4 2024, a decrease of MEUR 7.2 compared to the same quarter last year. In addition to the declining volumes of profitable products and unfavorable product mix effects, FCS was impacted in Q4 2024 by negative inventory revaluation effects (versus positive effects in Q4 2023).

EBIT in 2024 decreased by MEUR 11.3 to MEUR 17.5 compared to 2023, which was mainly driven by lower sales, the unfavorable product mix effects and negative inventory revaluation effects from Q4 2024, while it was positive in Q4 2023.

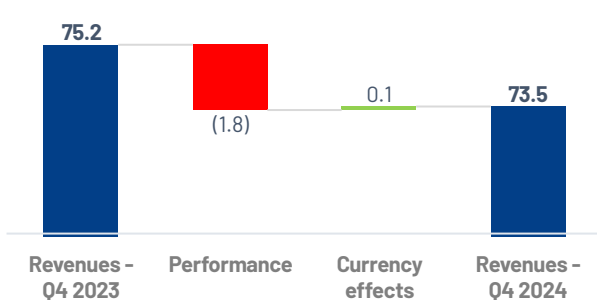
## COMMERCIAL AND OPERATIONAL UPDATE

During the fourth quarter 2024, total business wins amounted to MEUR 180.4 of lifetime revenues (MEUR 45.1 in annualized revenues).

Flow Control Systems was awarded a contract extension worth MEUR 56.0 in lifetime revenues (MEUR 14.0 in annualized revenues) for the supply of Fluoro-Comp® and stainless-steel braided hoses to a global Tier 1 supplier. Moreover, KA has secured a new contract worth MEUR 25.8 in lifetime revenues (MEUR 4.3 in annualized revenues) for nylon lines and connectors to be supplied to one of the largest global electric vehicles (EV) manufacturers.

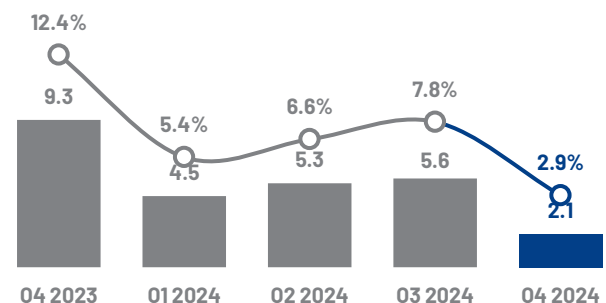
Business Wins in full year 2024 were MEUR 451.4 of lifetime revenues (MEUR 133.7 in annualized revenues).

**External Revenues Bridge - FCS**  
MEUR



**EBIT - FCS**

MEUR and in % revenues



# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Revenues</b>	<b>185.2</b>	<b>211.0</b>	<b>788.2</b>	<b>884.9</b>
Other income	1.9	0.1	5.0	1.5
OPEX	(180.7)	(207.1)	(749.7)	(846.2)
Reversal of impairment / (Impairment losses)	3.2	(16.3)	5.0	(27.0)
<b>EBITDA</b>	<b>9.6</b>	<b>(12.3)</b>	<b>48.5</b>	<b>13.2</b>
in % revenues	5.2%	(5.8)%	6.2%	1.5%
Depreciation and amortization	(8.5)	(8.1)	(29.8)	(32.9)
<b>Operating profit (loss) / EBIT</b>	<b>1.1</b>	<b>(20.4)</b>	<b>18.7</b>	<b>(19.7)</b>
in % revenues	0.6%	(9.7)%	2.4%	(2.2)%
Net financial items	(6.7)	(7.4)	(21.0)	(26.0)
<b>Profit / (loss) before taxes</b>	<b>(5.6)</b>	<b>(27.8)</b>	<b>(2.3)</b>	<b>(45.7)</b>
Income taxes	(7.5)	1.5	(15.9)	(13.4)
<b>Net profit / (loss)</b>	<b>(13.1)</b>	<b>(26.3)</b>	<b>(18.2)</b>	<b>(59.1)</b>
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>				
Translation differences on foreign operations	9.8	(1.7)	19.1	31.8
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>				
Translation differences on non-foreign operations	(0.7)	(2.6)	(12.7)	(32.3)
Remeasurement of net pension benefit obligation	(1.0)	(0.5)	(1.0)	(0.5)
Tax on net pension benefit obligation remeasurement	0.2	0.1	0.2	0.1
Other comprehensive income	8.3	(4.7)	5.6	(0.9)
<b>Total comprehensive income</b>	<b>(4.8)</b>	<b>(31.0)</b>	<b>(12.6)</b>	<b>(60.0)</b>
Net profit attributable to:				
Equity holders (parent company)	(13.3)	(26.3)	(18.3)	(59.5)
Non-controlling interests	0.1	0.0	0.0	0.4
<b>Total</b>	<b>(13.2)</b>	<b>(26.3)</b>	<b>(18.3)</b>	<b>(59.1)</b>
Total comprehensive income attributable to:				
Equity holders (parent company)	(5.0)	(30.7)	(12.7)	(60.1)
Non-controlling interests	0.2	(0.3)	0.1	0.1
<b>Total</b>	<b>(4.8)</b>	<b>(31.0)</b>	<b>(12.6)</b>	<b>(60.0)</b>
<b>Earnings per share (EUR):</b>				
Basic earnings per share	(0.01)	(0.03)	(0.02)	(0.06)
Diluted earnings per share	(0.01)	(0.03)	(0.02)	(0.06)

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
<i>Operating activities</i>				
Profit / (loss) before taxes	(5.6)	(27.8)	(2.3)	(45.7)
Depreciation	8.4	7.9	29.1	31.9
Amortization	0.1	0.2	0.7	1.0
Impairment losses / (Reversal of impairment)	(3.2)	16.3	(5.0)	27.0
Interest and other financial income	(0.3)	0.4	(2.4)	(1.9)
Interest and other financial expenses	7.8	5.2	21.6	16.9
Taxes paid	(3.4)	(2.6)	(11.1)	(14.7)
(Gain)/ loss on sale of non-current assets	(2.0)	(0.5)	(2.0)	(0.8)
Changes in receivables	8.4	22.3	20.7	5.0
Changes in inventory	13.1	5.2	21.0	(5.0)
Changes in payables	(7.3)	(4.0)	(31.8)	(5.3)
Currency (gain)/ loss	(0.1)	0.7	3.6	5.7
Difference between pension funding contributions paid/pensions paid and the net pension cost	0.4	(1.4)	0.4	(1.2)
Changes in other items <sup>1</sup>	(2.6)	(2.0)	(10.1)	8.6
<b>Cash flow - Operating activities</b>	<b>13.7</b>	<b>19.9</b>	<b>32.4</b>	<b>21.5</b>
<i>Investing activities</i>				
Investments	(8.4)	(9.5)	(24.7)	(28.5)
Sale of tangible and intangible assets	1.9	0.5	2.1	0.8
Interest received and other financial items	0.3	(1.1)	2.5	1.2
Investments / Loans in associates/other	(0.7)	(0.6)	(1.3)	(2.6)
<b>Cash flow - Investing activities</b>	<b>(6.9)</b>	<b>(10.7)</b>	<b>(21.4)</b>	<b>(29.1)</b>
<i>Financing activities</i>				
Purchase of treasury shares	0.0	(1.3)	(2.4)	(3.9)
Net proceeds from issuing the new bond notes	(0.1)	0.0	107.5	0.0
Payments for redemption/repurchase of the old bond notes	0.0	0.0	(190.2)	(9.4)
Securitization facility drawn / (repaid)	0.0	0.0	25.0	0.0
Other debt drawn / (repaid)	(0.1)	0.0	0.0	0.0
Interest paid and other financial items	(5.0)	(1.7)	(21.9)	(16.6)
Dividends paid to the subsidiary's minority interest	(0.5)	0.0	(1.1)	0.0
Repayment of lease liabilities	(0.6)	(2.8)	(7.0)	(9.8)
<b>Cash flow - Financing activities</b>	<b>(6.3)</b>	<b>(5.8)</b>	<b>(90.1)</b>	<b>(39.7)</b>
Currency and translation effects on cash flow	3.5	(0.3)	(1.3)	(0.9)
Change in cash	4.0	3.1	(80.4)	(48.2)
Cash as of beginning of period	80.3	161.6	164.7	212.9
<b>Cash as of end of period</b>	<b>84.3</b>	<b>164.7</b>	<b>84.3</b>	<b>164.7</b>
<i>Of this, restricted cash</i>	<i>0.1</i>	<i>0.5</i>	<i>0.1</i>	<i>0.5</i>

<sup>1</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



# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

(MEUR)	31.12.24	31.12.23
Intangible assets	84.6	78.3
Property, plant and equipment	117.3	115.8
Right-of-use assets	54.8	55.0
Deferred tax assets	10.0	11.4
Other non-current assets	2.7	4.1
<b>Non-current assets</b>	<b>269.4</b>	<b>264.6</b>
Inventories	80.5	101.5
Accounts receivable	140.8	161.5
Other short-term receivables	27.9	29.2
Cash and cash equivalents	84.3	164.7
<b>Current assets</b>	<b>333.5</b>	<b>456.9</b>
<b>Total assets</b>	<b>602.9</b>	<b>721.5</b>
Share capital	80.6	84.6
Treasury shares	(5.2)	(3.2)
Share premium	172.0	180.6
Other equity	(47.7)	(48.3)
Non-controlling interests	3.3	4.4
<b>Total equity</b>	<b>203.0</b>	<b>218.1</b>
Long-term interest-bearing liabilities	196.3	254.7
Deferred tax liabilities	25.4	21.0
Other long-term liabilities	13.7	15.7
<b>Non-current liabilities</b>	<b>235.4</b>	<b>291.4</b>
Current lease liabilities	9.9	10.2
Current income tax liabilities	1.3	4.2
Trade payables	84.8	116.6
Other current payables	68.5	81.0
<b>Current liabilities</b>	<b>164.5</b>	<b>212.0</b>
<b>Total liabilities</b>	<b>399.9</b>	<b>503.4</b>
<b>Total equity and liabilities</b>	<b>602.9</b>	<b>721.5</b>

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CHANGE IN EQUITY

(MEUR)	31.12.24	31.12.23
<b>Equity as of start of period</b>	<b>218.1</b>	<b>280.5</b>
Net profit / (loss) for the period	(18.2)	(59.1)
Translation differences	6.4	(0.5)
Remeasurement of the net pension benefit obligation	(1.0)	(0.5)
Tax on remeasurement of the net pension benefit obligation	0.2	0.1
<b>Total comprehensive income</b>	<b>(12.6)</b>	<b>(60.0)</b>
Stock-based compensation	1.1	1.5
Purchase of treasury shares	(2.4)	(3.9)
Dividends allocated or paid	(1.2)	0.0
<b>Equity as of end of period</b>	<b>203.0</b>	<b>218.1</b>

# 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 year ended December 31, 2024, 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, 2023, 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, 2023, 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 and the Israeli-Palestinian conflict, 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.

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 December 31, 2024, 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 (FOURTH QUARTER 2024)

Q4 2024 (MEUR)	Drive Control Systems	Flow Control Systems	Corporate & Other <sup>2</sup>	Total Core	Other operations <sup>3</sup>	Total Group
<b>Revenues<sup>1</sup></b>	<b>82.3</b>	<b>73.5</b>	<b>0.0</b>	<b>155.8</b>	<b>29.4</b>	<b>185.2</b>
<b>EBITDA</b>	<b>7.3</b>	<b>6.1</b>	<b>(4.6)</b>	<b>8.8</b>	<b>0.8</b>	<b>9.6</b>
Depreciation	(4.1)	(4.0)	(0.3)	(8.4)	0.0	(8.4)
Amortization	(0.1)	0.0	0.0	(0.1)	0.0	(0.1)
<b>EBIT</b>	<b>3.1</b>	<b>2.1</b>	<b>(4.9)</b>	<b>0.3</b>	<b>0.8</b>	<b>1.1</b>
Reversal of impairment losses, thereof:	3.1	0.1	0.0	3.2	0.0	3.2
- allocated to assets other than Goodwill	3.1	0.1	0.0	3.2	0.0	3.2
<i>Timing of revenue recognition</i>						
<b>Ownership transferred at a point in time</b>	<b>82.3</b>	<b>73.5</b>	<b>0.0</b>	<b>155.8</b>	<b>29.4</b>	<b>185.2</b>
<i>Assets and liabilities</i>						
Goodwill	16.5	57.3	0.0	73.8	0.0	73.8
Other intangible assets	5.9	4.5	0.1	10.5	0.3	10.8
Property, plant and equipment	51.5	63.7	2.1	117.3	0.0	117.3
Right-of-use assets	19.0	32.8	3.0	54.8	0.0	54.8
Inventories	26.4	42.4	0.0	68.8	11.7	80.5
Trade receivables	69.9	51.9	0.0	121.8	19.0	140.8
Other assets	3.8	3.6	0.0	7.4	0.0	7.4
<b>Segment assets</b>	<b>193.0</b>	<b>256.2</b>	<b>5.2</b>	<b>454.4</b>	<b>31.0</b>	<b>485.4</b>
Unallocated assets			117.5	117.5		117.5
<b>Total assets</b>	<b>193.0</b>	<b>256.2</b>	<b>122.7</b>	<b>571.9</b>	<b>31.0</b>	<b>602.9</b>
Trade payables	30.6	31.2	2.7	64.5	20.3	84.8
Accrued expenses	16.1	11.5	3.3	30.9	15.4	46.3
Provisions	11.4	0.3	3.0	14.7	1.2	15.9
Non-current lease liabilities	17.3	37.4	3.5	58.2	5.6	63.8
Current lease liabilities	3.9	2.6	1.0	7.5	2.4	9.9
<b>Segment liabilities</b>	<b>79.3</b>	<b>83.0</b>	<b>13.5</b>	<b>175.8</b>	<b>44.9</b>	<b>220.7</b>
Unallocated liabilities			179.2	179.2		179.2
<b>Total liabilities</b>	<b>79.3</b>	<b>83.0</b>	<b>192.7</b>	<b>355.0</b>	<b>44.9</b>	<b>399.9</b>
<b>Total equity</b>			<b>203.0</b>	<b>203.0</b>		<b>203.0</b>
<b>Total equity and liabilities</b>	<b>79.3</b>	<b>83.0</b>	<b>395.7</b>	<b>558.0</b>	<b>44.9</b>	<b>602.9</b>
Capital expenditure	(2.3)	(5.8)	(0.3)	(8.4)	0.0	(8.4)

<sup>1</sup> For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly.

<sup>2</sup> The column "Corporate & Other" mainly includes corporate expenses and balance sheet items related to tax, pension, and financing. See next section for specification of unallocated assets and liabilities.

<sup>3</sup> The column relates to Driveline (excluding Electric Actuators), which is no longer considered KA's core business.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 2 – SEGMENT REPORTING (FOURTH QUARTER 2023)<sup>1</sup>

Q4 2023 (MEUR)	Drive Control Systems	Flow Control Systems	Corporate & Other <sup>3</sup>	Total Core	Other operations <sup>4</sup>	Total Group
<b>Revenues<sup>2</sup></b>	<b>101.0</b>	<b>75.2</b>	<b>0.0</b>	<b>176.2</b>	<b>34.8</b>	<b>211.0</b>
<b>EBITDA</b>	<b>9.9</b>	<b>12.5</b>	<b>(9.5)</b>	<b>12.9</b>	<b>(25.2)</b>	<b>(12.3)</b>
Depreciation	(3.5)	(3.1)	(0.3)	(6.9)	(1.0)	(7.9)
Amortization	(0.1)	(0.1)	0.0	(0.2)	0.0	(0.2)
<b>EBIT</b>	<b>6.3</b>	<b>9.3</b>	<b>(9.8)</b>	<b>5.8</b>	<b>(26.2)</b>	<b>(20.4)</b>
Impairment losses, thereof:	0.0	0.0	0.0	0.0	(16.3)	(16.3)
- allocated to assets other than Goodwill	0.0	0.0	0.0	0.0	(16.3)	(16.3)
<i>Timing of revenue recognition</i>						
<b>Ownership transferred at a point in time</b>	<b>101.0</b>	<b>75.2</b>	<b>0.0</b>	<b>176.2</b>	<b>34.8</b>	<b>211.0</b>
<i>Assets and liabilities</i>						
Goodwill	16.2	54.5	0.0	70.7	0.0	70.7
Other intangible assets	4.9	2.6	0.1	7.6	0.0	7.6
Property, plant and equipment	52.8	62.1	0.9	115.8	0.0	115.8
Right-of-use assets	18.0	31.9	5.1	55.0	0.0	55.0
Inventories	37.8	46.7	0.0	84.5	17.0	101.5
Trade receivables	81.3	50.3	0.2	131.8	29.7	161.5
Other assets	0.6	4.0	0.0	4.6	0.0	4.6
<b>Segment assets</b>	<b>211.6</b>	<b>252.1</b>	<b>6.3</b>	<b>470.0</b>	<b>46.7</b>	<b>516.7</b>
Unallocated assets			204.8	204.8		204.8
<b>Total assets</b>	<b>211.6</b>	<b>252.1</b>	<b>211.1</b>	<b>674.8</b>	<b>46.7</b>	<b>721.5</b>
Trade payables	47.4	41.7	4.0	93.1	23.5	116.6
Accrued expenses	17.3	12.6	6.4	36.3	19.2	55.5
Provisions	5.9	0.3	7.8	14.0	3.2	17.2
Non-current lease liabilities	16.6	33.9	4.3	54.8	10.6	65.4
Current lease liabilities	3.3	2.4	1.7	7.4	2.8	10.2
<b>Segment liabilities</b>	<b>90.5</b>	<b>90.9</b>	<b>24.2</b>	<b>205.6</b>	<b>59.3</b>	<b>264.9</b>
Unallocated liabilities			238.5	238.5		238.5
<b>Total liabilities</b>	<b>90.5</b>	<b>90.9</b>	<b>262.7</b>	<b>444.1</b>	<b>59.3</b>	<b>503.4</b>
<b>Total equity</b>			<b>218.1</b>	<b>218.1</b>		<b>218.1</b>
<b>Total equity and liabilities</b>	<b>90.5</b>	<b>90.9</b>	<b>480.8</b>	<b>662.2</b>	<b>59.3</b>	<b>721.5</b>
Capital expenditure	(3.9)	(5.0)	0.0	(8.9)	(0.6)	(9.5)

<sup>1</sup> Figures presented in this table were restated following the adoption of a new segment structure.

<sup>2</sup> For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly.

<sup>3</sup> The column "Corporate & Other" mainly includes corporate expenses and balance sheet items related to tax, pension, and financing. See next section for specification of unallocated assets and liabilities.

<sup>4</sup> The column relates to Driveline (excluding Electric Actuators), which is no longer considered KA's core business.

# 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)	FY2024	%	FY2023	%
Europe	344.9	43.8%	406.3	45.9%
Northern America	271.4	34.4%	297.5	33.6%
Southern America	46.3	5.9%	45.4	5.1%
Asia	122.0	15.5%	129.5	14.6%
Other	3.6	0.5%	6.2	0.7%
<b>Total revenues</b>	<b>788.2</b>		<b>884.9</b>	

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

(MEUR)	31.12.24	%	31.12.23	%
Europe	146.4	57.0%	147.4	59.2%
Northern America	86.5	33.7%	80.4	32.3%
Southern America	1.6	0.6%	2.1	0.8%
Asia	22.2	8.7%	19.2	7.7%
<b>Total intangible assets, PPE and RoU</b>	<b>256.7</b>		<b>249.1</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)	31.12.24	31.12.23
Long-term interest-bearing loan and borrowing	110.0	190.6
Capitalized arrangement fees	(2.5)	(1.3)
Drawn Securitization facility	25.0	0.0
IFRS 16 long-term lease liabilities	63.8	65.4
Current IFRS 16 long-term lease liabilities	9.9	10.2
<b>Total interest-bearing liabilities</b>	<b>206.2</b>	<b>264.9</b>

In Q2 2024, the previous senior secured five-year bonds with the net outstanding principal amount of MEUR 190.6 as of March 31, 2024, was settled and new senior secured four-year bonds with the principal amount of MEUR 110.0 were issued. The bond notes have an interest rate of 3M EURIBOR plus a margin of 5.25% (quarterly payable) and are listed on the Open Market of Frankfurt Stock Exchange and Oslo Stock Exchange.

#### Interest-bearing liabilities by currency

(MEUR)	31.12.24	31.12.23
EUR	170.7	228.3
USD	14.8	11.7
Other currencies	23.2	26.2
Capitalized arrangement fees	(2.5)	(1.3)
<b>Total interest-bearing liabilities</b>	<b>206.2</b>	<b>264.9</b>

### 4.2 LIQUIDITY RESERVE

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

(MEUR)	31.12.24	31.12.23
Cash reserve	84.3	164.7
Restricted cash	(0.1)	(0.5)
Undrawn RCF facility <sup>1</sup>	15.0	30.0
Undrawn Securitization facility	0.0	25.0
<b>Liquidity reserve</b>	<b>99.2</b>	<b>219.2</b>

<sup>1</sup> In Q2 2024, the Revolving Credit has been decreased from MEUR 30.0 to MEUR 15.0 as part of the issuance of the new senior secured four-year bonds.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 5 – NET FINANCIAL ITEMS

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
Interest income	0.4	0.5	1.8	2.0
Interest expenses	(4.4)	(3.8)	(15.8)	(15.1)
Foreign currency gains (losses) <sup>1</sup>	0.7	(4.2)	(1.9)	(13.3)
Change in fair value of cash equivalents	0.0	1.4	0.0	2.8
Change in value of financial derivatives	(0.1)	0.0	(0.1)	0.0
Account receivables securitization - Expenses	(0.1)	(0.3)	(0.4)	(0.9)
Share of net profit (loss) from investments accounted for using the equity method	(0.2)	0.0	(0.2)	0.0
Impairment of the equity investments and loans granted to equity and at cost investments	(2.4)	0.0	(2.4)	0.0
Other financial items	(0.6)	(1.0)	(2.0)	(1.5)
<b>Net financial items</b>	<b>(6.7)</b>	<b>(7.4)</b>	<b>(21.0)</b>	<b>(26.0)</b>

<sup>1</sup> Is made up of unrealized currency gain of MEUR 0.1 and realized currency gain of MEUR 0.6 in Q4 2024 (Q4 2023: realized currency loss of MEUR 3.5 and unrealized currency loss of MEUR 0.7)

## NOTE 6 – SUBSEQUENT EVENTS

No significant subsequent events were identified.



## 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
  - > Operating revenues at constant currencies
  - > Business Wins
- > 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 severance costs related to the overhead cost optimization program and rightsizing of a plant within Driveline business.

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 / reversal of impairment.

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Operating profit / EBIT</b>	<b>1.1</b>	<b>(20.4)</b>	<b>18.7</b>	<b>(19.7)</b>
Impairment losses	(3.2)	16.3	(5.0)	27.0
Other adjusting and restructuring items	(0.1)	9.2	5.4	16.4
<b>Adjusted EBIT</b>	<b>(2.2)</b>	<b>5.1</b>	<b>19.1</b>	<b>23.7</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 / reversal of impairment.

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

(MEUR)	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Operating profit / EBIT</b>	<b>1.1</b>	<b>(20.4)</b>	<b>18.7</b>	<b>(19.7)</b>
Depreciation	8.4	7.9	29.1	31.9
Amortization	0.1	0.2	0.7	1.0
<b>EBITDA</b>	<b>9.6</b>	<b>(12.3)</b>	<b>48.5</b>	<b>13.2</b>
Impairment losses	(3.2)	16.3	(5.0)	27.0
Other adjusting and restructuring items	(0.1)	9.2	5.4	16.4
<b>Adjusted EBITDA</b>	<b>6.3</b>	<b>13.2</b>	<b>48.9</b>	<b>56.6</b>

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### OPERATING REVENUES AT CONSTANT CURRENCIES

To measure the actual revenue development and to have it comparable year-over-year, currency translation effects are excluded. For that reason, the actual operating revenues are remeasured at prior year's currency rates (constant currencies).

#### Q4 2024

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
<b>Operating revenues (incl. currency effects)</b>	<b>82.3</b>	<b>73.5</b>	<b>29.4</b>	<b>185.2</b>
Currency translation effects	(0.2)	0.1	(0.1)	(0.2)
<b>Operating revenues (excl. currency effects)</b>	<b>82.5</b>	<b>73.4</b>	<b>29.5</b>	<b>185.4</b>

### BUSINESS WINS

Business Wins are reported when KA is awarded: (1) new contracts, (2) extension of the existing contract, (3) price or volume adjustments to existing programs/business awards. Annualized Business Wins are calculated as the annual average of total awarded future revenues, disregarding the sales in years of start of production and end of production.

#### Q4 2024

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
<b>Annualized Business Wins</b>	28.4	45.1	1.2	<b>74.7</b>
<b>Lifetime Business Wins</b>	110.3	180.4	4.5	<b>295.2</b>

#### Q4 2023

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
<b>Annualized Business Wins</b>	42.9	37.4	1.9	<b>82.1</b>
<b>Lifetime Business Wins</b>	295.6	102.1	15.1	<b>412.8</b>

#### FY 2024

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
<b>Annualized Business Wins</b>	241.6	133.7	7.4	<b>382.8</b>
<b>Lifetime Business Wins</b>	1,044.8	451.4	29.8	<b>1,526.0</b>

#### FY 2023

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
<b>Annualized Business Wins</b>	147.0	110.2	39.7	<b>296.9</b>
<b>Lifetime Business Wins</b>	538.4	297.4	153.6	<b>989.4</b>

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### 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)	Q4 2024	Q4 2023	FY 2024	FY 2023
Cash flow - Operating activities	13.7	19.9	32.4	21.5
Cash flow - Investing activities	(6.9)	(10.7)	(21.4)	(29.1)
Cash flow - Financing activities	(6.3)	(5.8)	(90.1)	(39.7)
Currency and translation effects on cash flow	3.5	(0.3)	(1.3)	(0.9)
<i>Add back / less:</i>				
Purchase of treasury shares	0.0	1.3	2.4	3.9
Net proceeds from issuing the new bond notes	0.1	0.0	(107.5)	0.0
Payments for redemption/repurchase of the old bond notes	0.0	0.0	190.2	9.4
Securitization facility drawn / (repaid)	0.0	0.0	(25.0)	0.0
Other debt drawn / (repaid)	0.1	0.0	0.0	0.0
<b>Free Cash Flow</b>	<b>4.2</b>	<b>4.4</b>	<b>(20.3)</b>	<b>(34.9)</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)	31.12.24	31.12.23
Long-term interest-bearing liabilities	196.3	254.7
Other short-term interest-bearing liabilities	9.9	10.2
Cash and cash equivalents	(84.3)	(164.7)
<b>Net Interest Bearing Debt</b>	<b>121.9</b>	<b>100.2</b>

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### CAPITAL EMPLOYED

Capital employed includes the total sum of intangible assets, property, plant and equipment, net working capital (which in turn comprises trade receivables and inventories net of trade payables) and right-of-use assets less lease liabilities.

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)	31.12.24	31.12.23*
Intangible assets	84.6	78.3
Property, plant and equipment	117.3	115.8
Right-of-use assets	54.8	55.0
Net working capital (Inventories and Trade Receivables less Trade Payables)	136.5	146.4
IFRS 16 lease liabilities (long-term and short-term)	(73.7)	(75.6)
<b>Capital Employed</b>	<b>319.5</b>	<b>319.9</b>

\* Adjusted to align with the updated capital employed definition starting Q1 2024

### 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 and is used to assess the company's profitability and efficiency during the period under review. The Group considers this ratio as appropriate to measure the return of the period.

(MEUR)		FY 2024		FY 2023*
Capital employed beginning <sup>1</sup>	01.01.2024	319.9	01.01.2023	344.3
Capital employed at end <sup>2</sup>	31.12.2024	319.5	31.12.2023	319.9
EBIT (LTM) <sup>3</sup>		18.7		(19.7)
<b>ROCE <sup>(3 / (1+2)) * 200%</sup></b>		<b>5.8%</b>		<b>-5.9%</b>

\* Adjusted to align with the updated capital employed definition and transition from adjusted EBIT to EBIT starting Q1 2024

## OTHER COMPANY INFORMATION

### THE BOARD OF DIRECTORS

#### Board of Directors (from 20.12.2024)

- Olav Volldal Chairman
- Bård Klungseth Shareholder elected
- Synnøve Gjønnes Shareholder elected
- Junyang (Jenny) Shao Shareholder elected
- Brian Kristoffersen Shareholder elected
- Siw Reidun Wærås Employee elected
- Bjørn Ivan Ødegård Employee elected
- Knut Magne Alfsvåg Employee elected

#### Board of Directors (until 20.12.2024)

- Peter Thostrup Chairman
- Christina Hallin Shareholder elected
- Erik Volden Shareholder elected
- Junyang (Jenny) Shao Shareholder elected
- Brian Kristoffersen Shareholder elected
- Siw Reidun Wærås Employee elected
- Bjørn Ivan Ødegård Employee elected
- Knut Magne Alfsvåg Employee elected

### EXECUTIVE COMMITTEE

Christian Johansson	Interim President & CEO (effective from 29.01.2025) & CFO (effective from 03.06.2024)
Linda Nyquist-Evenrud	President & CEO (until 29.01.2025)
Frank Heffter	Executive Vice President & CFO (until 02.06.2024)
Dr. Christian Amsel	Executive Vice President & CTO
David Redfearn	Executive Vice President & CSO
Oscar Jaeger	Executive Vice President & CHRO
Robert Pigg	Executive Vice President, Drive Control Systems
Eduardo Pamies	Executive Vice President, Flow Control Systems
Dzeki Mackinovski	Executive Vice President, Purchasing
Henrik Ruud	Executive Vice President, Information Systems and Technology
Jon Munthe	General Counsel

### INVESTOR RELATIONS & CORPORATE COMMUNICATION

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### FINANCIAL CALENDAR

Next quarterly report and financial statements will be published on the following days:

Annual Report 2024	March 27, 2025
1 <sup>st</sup> quarter 2025	May 07, 2025
2 <sup>nd</sup> quarter 2025	August 12, 2025
3 <sup>rd</sup> quarter 2025	November 05, 2025

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