



**KONSGBERG**  
AUTOMOTIVE

# Third Quarter Report 2020



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## THIRD QUARTER 2020 AT GLANCE

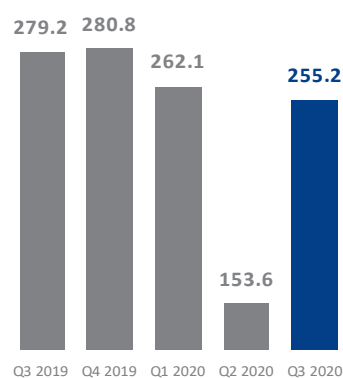
- > Third-quarter sales started to recover from the Corona virus pandemic lockdowns imposed in Q2 2020 and came in at **MEUR 255.2** in the third quarter, MEUR 24.0 (-8.6%) less than last year's third quarter, including negative currency translation effects of MEUR 10.7.
- > Adjusted EBIT amounted to **MEUR 13.9** in the third quarter, which was equal to Q3 2019.
- > Lifetime revenues business wins in the third quarter amounted to **MEUR 223.8** (MEUR 49.6 in annualized revenue).
- > The adjusted gearing ratio (NIBD/adj. EBITDA) deteriorated to 5.8 compared to 3.0 in Q3 2019.
- > In July 2020, the Company completed the Subsequent Offering with a net equity effect of **MEUR 27.3**.
- > The Company increased its total liquidity reserve to MEUR 200.8 by entering into a receivables securitization agreement with committed MEUR 60.0 facility with a three year tenure.

### KEY FIGURES

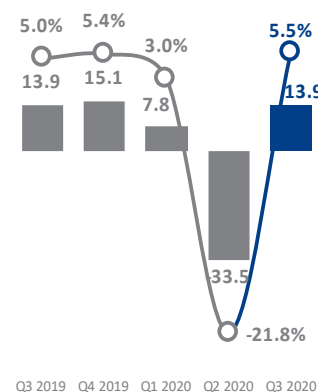
(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
<b>Revenues</b>	<b>255.2</b>	<b>279.2</b>	<b>670.8</b>	<b>880.1</b>	<b>1,160.9</b>
EBITDA	22.3	23.4	(63.0)	85.4	110.4
in % revenues	8.8%	8.4%	-9.4%	9.7%	9.5%
Impairment losses	0.0	0.0	(82.7)	0.0	0.0
<b>Adjusted EBIT<sup>1</sup></b>	<b>13.9</b>	<b>13.9</b>	<b>(11.8)</b>	<b>55.8</b>	<b>70.9</b>
in % revenues	5.5%	5.0%	-1.8%	6.3%	6.1%
Operating profit / EBIT	11.2	11.9	(97.9)	51.4	62.4
in % revenues	4.4%	4.3%	-14.6%	5.8%	5.4%
<b>Net Profit / (Loss)</b>	<b>1.7</b>	<b>4.4</b>	<b>(127.1)</b>	<b>23.1</b>	<b>28.8</b>
NIBD / Adjusted EBITDA (LTM)	5.8	3.0	5.8	3.0	3.1
excluding IFRS 16	6.2	2.4	6.2	2.4	2.5
Equity ratio	27.5%	30.1%	27.5%	30.1%	30.6%
excluding IFRS 16	31.0%	33.6%	31.0%	33.6%	34.5%

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

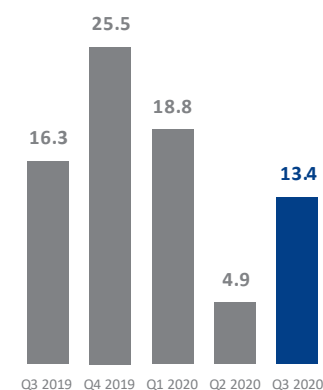
#### Revenues MEUR



#### Adjusted EBIT MEUR and in % revenues



#### Operating Cash Flow MEUR



## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
<b>Revenues</b>	<b>255.2</b>	<b>279.2</b>	<b>670.8</b>	<b>880.1</b>	<b>1,160.9</b>
OPEX	(232.9)	(255.8)	(651.1)	(794.7)	(1,050.4)
Impairment losses	0.0	0.0	(82.7)	0.0	0.0
<b>EBITDA</b>	<b>22.3</b>	<b>23.4</b>	<b>(63.0)</b>	<b>85.4</b>	<b>110.4</b>
<i>in % revenues</i>	8.8%	8.4%	-9.4%	9.7%	9.5%
Depreciation and amortization	(11.1)	(11.5)	(34.9)	(33.9)	(48.0)
Operating profit / EBIT	11.2	11.9	(97.9)	51.4	62.4
<i>in % revenues</i>	4.4%	4.3%	-14.6%	5.8%	5.4%
<b>Adjusted EBIT<sup>1</sup></b>	<b>13.9</b>	<b>13.9</b>	<b>(11.8)</b>	<b>55.8</b>	<b>70.9</b>
<i>in % revenues</i>	5.5%	5.0%	-1.8%	6.3%	6.1%
Net financial items	(10.7)	(6.5)	(34.7)	(13.5)	(18.9)
<b>Profit / (loss) before taxes</b>	<b>0.6</b>	<b>5.4</b>	<b>(132.6)</b>	<b>37.9</b>	<b>43.5</b>
Income taxes	1.2	(1.1)	5.5	(14.8)	(14.8)
<b>Net profit / (loss)</b>	<b>1.7</b>	<b>4.4</b>	<b>(127.1)</b>	<b>23.1</b>	<b>28.8</b>

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

#### REVENUES

Revenues for the Group amounted to MEUR 255.2 in the third quarter of 2020, MEUR 24.0 (-8.6%) less than Q3 2019, including negative currency translation effects of MEUR 10.7. The lower revenue levels are attributable to the following operating segments: Powertrain & Chassis and Specialty Products.

In the Powertrain & Chassis segment, which serves the passenger car and commercial vehicle end markets, revenues decreased by MEUR 10.5 (-9.3%) year over year, including negative currency translation effects of MEUR 4.0. On a constant currencies basis revenues in the commercial vehicle end market declined by MEUR 4.9 in total, attributable to Europe and America (decreases of MEUR 1.4 and MEUR 5.2 respectively) and partially offset by an increase of revenue in China (increase of MEUR 2.4). On the other hand, the decrease in total revenues in the passenger car market in Europe and America (declined by MEUR 7.8 and MEUR 3.2 respectively) in Q3 2020 has been partially offset by the increase of MEUR 9.4 in China revenues, excluding negative foreign exchange rate effects.

In the Specialty Products segment, which serves the passenger car, commercial vehicle end markets and general industrial customers, revenues decreased by MEUR 13.0 (-14.2%) compared to the same quarter in 2019, including negative currency translation effects of MEUR 3.8.

In the Interior segment, which serves the passenger car end markets, revenues decreased by MEUR 0.5 (-0.7%) compared to the third quarter of 2019, including negative currency translation effects of MEUR 2.8. Excluding the currency impact, revenues in both Interior Comfort System and Light Duty Cables recovered fully to the pre-Covid level and even exceeded Q3 2019 revenues.

#### ADJUSTED EBIT / EBIT

Adjusted EBIT for the Group was MEUR 13.9 in the third quarter 2020, which is equal to Q3 2019. This is on the one hand due to strict cost control and improved efficiency, and on the other hand due to the increased revenues in Asia with higher profit margins.

Including restructuring costs of MEUR 2.7, operating profit in Q3 2020 amounted to MEUR 11.2, compared to the operating profit of MEUR 11.9 in Q3 2019.

#### NET FINANCIAL ITEMS

Net financial items came to an expense of MEUR 10.7 in the third quarter of 2020, compared to an expense of MEUR 6.5 in the same period in 2019 (see Note 6).

The main driver for the variance between financial items in Q3 2020 and Q3 2019 was the increase of foreign currency losses by MEUR 5.1 in Q3 2020.

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

#### PROFIT BEFORE TAX / NET PROFIT

Profit before tax amounted to MEUR 0.6 in the third quarter of 2020, a decrease of MEUR 4.9 to the same quarter of 2019. Net profit amounted to MEUR 1.7 in Q3 2020, being a decrease of MEUR 2.7 compared to the net profit of MEUR 4.4 in Q3 2019. Tax income in Q3 2020 was impacted by a reduction of valuation allowances on deferred tax asset.

## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION – CASH FLOW

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Cash flow - Operating activities	13.4	16.3	37.0	25.9	51.4
Cash flow - Investing activities	(10.7)	(16.4)	(31.9)	(46.3)	(63.3)
Cash flow - Financing activities	13.2	(10.7)	48.3	(15.6)	(22.9)
Currency effects on cash	(1.4)	(0.3)	(7.8)	1.2	0.7
Change in cash	14.5	(11.1)	45.6	(34.7)	(34.0)
Cash as of beginning of period	56.3	35.6	25.2	59.2	59.2
<b>Cash as of end of period</b>	<b>70.8</b>	<b>24.5</b>	<b>70.8</b>	<b>24.5</b>	<b>25.2</b>
<i>Of this, restricted cash</i>	<i>0.4</i>	<i>1.1</i>	<i>0.4</i>	<i>1.1</i>	<i>0.8</i>

#### CASH FLOW FROM OPERATING ACTIVITIES

Cash from operating activities decreased by MEUR 3.0 in comparison with the third quarter last year. The change in net working capital amounted to MEUR (19.3) in Q3 2020 compared to a change of MEUR (1.9) in Q3 2019.

#### CASH FLOW USED BY INVESTING ACTIVITIES

Cash used by investing activities amounted to MEUR 10.7 in the third quarter of 2020. This reflects the reduced investments activity as a consequence of the Corona virus pandemic.

#### CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was MEUR 13.2 in the third quarter, compared to MEUR 10.7 used in the same quarter last year. The main change compared to Q3 2019 is the net proceeds received from the Subsequent Offering at MEUR 27.3.

The repayment of lease liabilities amounted to MEUR 2.9 in Q3 2020.

Interest payments in the third quarter of 2020 amounted to MEUR 9.1, of which interests for the bond amounted to MEUR 6.9 and for the leases MEUR 1.2.

#### CHANGE IN CASH

Cash increased by MEUR 14.5 during the third quarter, resulting in a cash position of MEUR 70.8 at the end of the quarter, compared to the balance of MEUR 56.3 at the end of Q2 2020.

Change in cash, excluding net draw-down/repayment of debt and proceeds received from capital increase/purchase of treasury shares, amounted to MEUR (12.4).

#### LIQUIDITY RESERVE

The liquidity reserve was MEUR 200.8 (including the restricted cash of MEUR 0.4) at the end of the third quarter, compared to MEUR 64.4 at year-end 2019. The unutilized RCF as at September 30, 2020 amounted to MEUR 70.0. The Company entered into a receivables securitization agreement that increased its liquidity reserve by MEUR 60.0 to MEUR 200.8 as of the end of Q3 2020.

## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	30.09.20	30.09.19	31.12.19
Non-current assets	429.1	511.3	531.5
Cash and cash equivalents	70.8	24.5	25.2
Other current assets	348.8	396.9	370.2
<b>Total assets</b>	<b>848.7</b>	<b>932.7</b>	<b>927.0</b>
Equity	233.4	280.4	282.9
Interest-bearing liabilities	367.3	379.6	386.5
Other liabilities	248.0	272.6	257.5
<b>Total equity and liabilities</b>	<b>848.7</b>	<b>932.7</b>	<b>927.0</b>
NIBD	296.5	355.1	361.3
Equity ratio	27.5%	30.1%	30.5%

#### ASSETS

Total assets were MEUR 848.7 at the end of the third quarter, a decrease of MEUR 78.3 from year-end 2019. The decrease in value of total assets as of September 30, 2020 is mainly driven by the impairment losses of MEUR 82.7 and MEUR 2.4 booked in Q2 2020 and Q3 2020, respectively.

#### EQUITY

Equity as of September 30, 2020 decreased by MEUR 49.5 (-17.5%) to MEUR 233.4 in comparison with December 31, 2019.

During the current year, there were movements in equity as follows:

- > Private Placement capital increase of in aggregate NOK 700.000.000 (MEUR 63.0 net of transaction fees) completed in Q2 2020.
- > Total comprehensive income of MEUR (141.4) for the first three quarters of 2020, mainly impacted by the impairment losses of MEUR 82.7 booked in Q2 2020.

During the third quarter of 2020 the following movements have contributed to the change of the equity as of September 30, 2020:

- > Total comprehensive income for the quarter of MEUR (3.2),
- > Successful completion of the Subsequent Offering capital increase of in aggregate NOK 300.000.000 (MEUR 27.3).

The equity ratio decreased by 3 percentage points to 27.5% compared to December 31, 2019.

#### INTEREST BEARING LIABILITIES

Total interest-bearing liabilities amounted to MEUR 367.3 comprising the issued bond of MEUR 275.0, netted by the capitalized fees of MEUR 5.2 and IFRS 16 lease interest-bearing liabilities of MEUR 96.2 .

As at September 30, 2020, long-term interest-bearing debt amounted to MEUR 354.5 after netting MEUR 5.2 of capitalized arrangements fees.

#### NET INTEREST BEARING DEBT

At the end of the third quarter 2020, net interest-bearing debt amounted to MEUR 296.5, a decrease of MEUR 64.9 compared to year-end 2019, mainly driven by the increase of cash balances as of September 30, 2020. The increase of cash balances in Q3 2020 is mainly driven by the proceeds received from the Subsequent offering capital increase.

# INTERIOR

## SEGMENT REPORTING

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

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

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

## KEY FIGURES

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
<b>Revenues</b>	<b>74.3</b>	<b>74.8</b>	<b>185.1</b>	<b>227.5</b>	<b>304.0</b>
Adjusted EBITDA	4.7	5.3	(0.4)	16.4	23.8
<i>in % revenues</i>	6.3%	7.1%	-0.2%	7.2%	7.8%
<b>Adjusted EBIT</b>	<b>1.0</b>	<b>1.9</b>	<b>(11.8)</b>	<b>6.5</b>	<b>10.3</b>
<i>in % revenues</i>	1.4%	2.6%	-6.4%	2.9%	3.4%
Restructuring	(0.4)	0.0	(0.4)	(0.0)	(0.5)
Impairment losses	0.0	0.0	(52.2)	0.0	0.0
<b>Operating profit / EBIT</b>	<b>0.7</b>	<b>1.9</b>	<b>(64.3)</b>	<b>6.5</b>	<b>9.8</b>
<i>in % revenues</i>	0.9%	2.6%	-34.8%	2.9%	3.2%
Investments	(6.7)	(5.9)	(17.8)	(17.4)	(25.3)
Capital employed <sup>1</sup>	192.9	218.3	192.9	218.3	222.8

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

## FINANCIAL UPDATE

Revenues of MEUR 74.3 in Q3 2020 nearly reached the revenue level in Q3 2019, including negative currency translation effects of MEUR 2.8. Excluding those effects, revenues in both Interior Comfort System and Light Duty Cables fully recovered to the normal level and even exceeded revenues in Q3 2019.

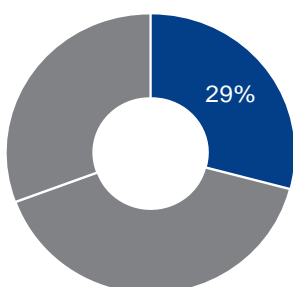
Adjusted EBIT was MEUR 1.0 in the third quarter, a decrease of MEUR 0.9 compared to the positive adjusted EBIT in Q2 last year. Due to a one-off write-down of customer development assets of MEUR 1.5 and higher than expected freight costs (MEUR 0.5), adjusted EBIT is lower than in Q3 2019.

## COMMERCIAL AND OPERATIONAL UPDATE

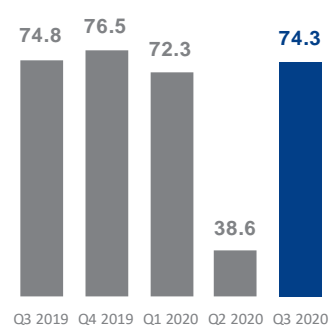
The high level of new business wins in Q3 2020 has significantly made up for shortcomings in Q2 2020. Business wins amounted to MEUR 99.9 lifetime revenue (MEUR 16.6 in annualized revenue) in the third quarter 2020.

Within the quarter, Interior was awarded two large contracts: one to supply seat heat systems to a major premium US car maker and one to supply seat support systems to a major European car maker with start of production in Q2 2022. The programs total MEUR 2.7 and MEUR 2.0 in expected annualized revenues and MEUR 24.5 and MEUR 16.3 in expected lifetime revenues.

Group revenue share  
Q3 2020

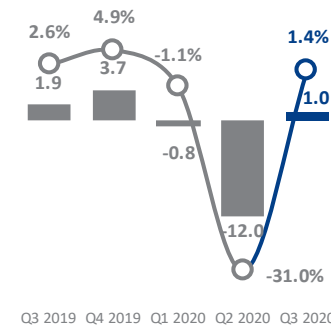


Revenues  
MEUR



Adjusted EBIT

MEUR and in % revenues



# POWERTRAIN AND CHASSIS

## SEGMENT REPORTING

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

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

## KEY FIGURES

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
<b>Revenues</b>	<b>102.7</b>	<b>113.2</b>	<b>255.6</b>	<b>347.9</b>	<b>461.1</b>
Adjusted EBITDA	10.5	9.7	6.8	27.3	38.1
<i>in % revenues</i>	10.2%	8.6%	2.7%	7.9%	8.3%
<b>Adjusted EBIT</b>	<b>6.6</b>	<b>5.1</b>	<b>(6.5)</b>	<b>13.6</b>	<b>19.0</b>
<i>in % revenues</i>	6.5%	4.5%	-2.5%	3.9%	4.1%
Restructuring	(0.1)	(0.0)	(0.1)	(0.1)	(0.2)
Impairment losses	0.0	0.0	(30.4)	0.0	0.0
<b>Operating profit / EBIT</b>	<b>6.6</b>	<b>5.0</b>	<b>(37.1)</b>	<b>13.5</b>	<b>18.7</b>
<i>in % revenues</i>	6.4%	4.5%	-14.5%	3.9%	4.1%
Investments	(1.6)	(4.8)	(9.0)	(18.9)	(22.8)
Capital employed <sup>1</sup>	190.2	239.7	190.2	239.7	221.1

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

### FINANCIAL UPDATE

Revenues in Powertrain & Chassis decreased by MEUR 10.5 (-9.3%) to MEUR 102.7 in the third quarter 2020 compared to the same quarter in 2019, including negative currency translation effects of MEUR 4.0. The decline was mainly driven by the lingering low revenue levels in Europe and US. On the other hand, it was partially offset by the increase in China where revenues in Q3 2020 reached its all-time high also due to an increase of KA's market share in the Chinese passenger car market.

Adjusted EBIT was MEUR 6.6 in the third quarter 2020, an increase of MEUR 1.6 compared to the positive adjusted EBIT in Q2 last year.

The increased profitability was mainly driven by the fall through from the additional revenues in China in conjunction with strictly controlled variable and fixed costs in the European and American plants.

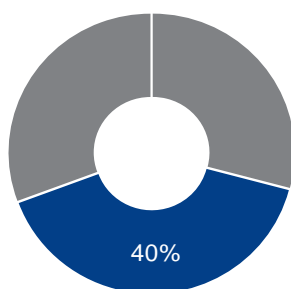
Impairment of intangible assets of MEUR 2.4 negatively impacted operating profit.

### COMMERCIAL AND OPERATIONAL UPDATE

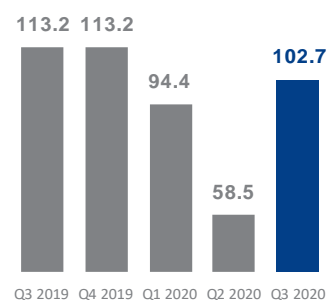
Business wins amounted to MEUR 8.1 lifetime revenue (MEUR 4.9 in annualized revenue) in the third quarter of 2020.

New Business Wins included a shift by wire project to a Chinese customer with expected annualized revenues of MEUR 0.7 and MEUR 2.9 in expected lifetime revenues.

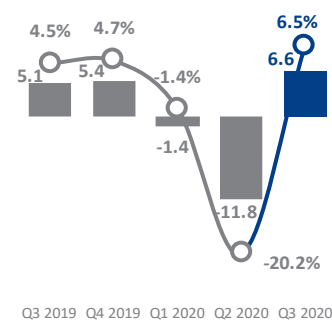
Group revenue share  
Q3 2020



Revenues  
MEUR



Adjusted EBIT  
MEUR and in % revenues





## SPECIALTY PRODUCTS

### SEGMENT REPORTING

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

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

### KEY FIGURES

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
<b>Revenues</b>	<b>78.2</b>	<b>91.2</b>	<b>230.2</b>	<b>304.6</b>	<b>395.7</b>
Adjusted EBITDA	17.3	14.7	34.6	55.8	70.5
<i>in % revenues</i>	22.1%	16.1%	15.0%	18.3%	17.8%
<b>Adjusted EBIT</b>	<b>14.3</b>	<b>11.9</b>	<b>26.2</b>	<b>47.4</b>	<b>58.8</b>
<i>in % revenues</i>	18.3%	13.0%	11.4%	15.6%	14.9%
Restructuring	(0.0)	(0.1)	(0.3)	0.1	(2.1)
Impairment losses	0.0	0.0	0.0	0.0	0.0
<b>Operating profit / EBIT</b>	<b>14.3</b>	<b>11.7</b>	<b>25.8</b>	<b>47.6</b>	<b>56.8</b>
<i>in % revenues</i>	18.3%	12.8%	11.2%	15.6%	14.3%
Investments	(2.3)	(5.7)	(6.9)	(10.9)	(16.7)
Capital employed <sup>1</sup>	236.2	229.5	236.2	229.5	228.8

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

### FINANCIAL UPDATE

Revenues in Specialty Products decreased by MEUR 13.0 (-14.2%) compared to the third quarter of 2019, including negative currency translation effects of MEUR 3.8 which is nearly 30% of total decline in Q3 2020. The revenue declines in this segment were driven by the heavy-duty vehicles market and fluid handling systems, mainly in Canadian and US plants.

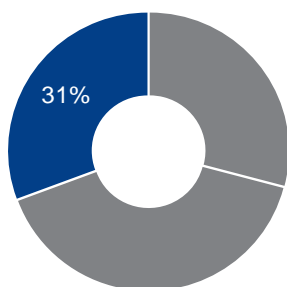
Adjusted EBIT was MEUR 14.3 in the third quarter, an increase of MEUR 2.4 compared to last year. The year over year increase in adjusted EBIT is especially attributable to favorable foreign exchange rate effects and positive development of brass and resin prices for Couplings products.

### COMMERCIAL AND OPERATIONAL UPDATE

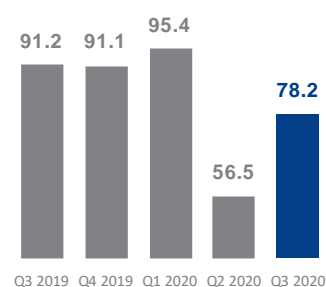
During the third quarter 2020, total business wins amounted to MEUR 115.8 in lifetime revenue (MEUR 28.1 in annualized revenue).

The new business wins included fluid transfer systems to a major European car maker and mechanical cabling projects to a premium European OEM. These programs account for approximately MEUR 2.9 and MEUR 2.3 in annualized revenues, respectively, or MEUR 20.2 and MEUR 11.6 in expected lifetime revenues, respectively.

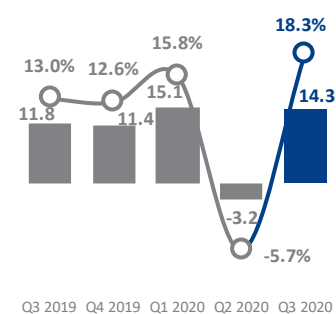
Group revenue share  
Q3 2020



Revenues  
MEUR



Adjusted EBIT  
MEUR and in % revenues



## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
<b>Revenues</b>	<b>255.2</b>	<b>279.2</b>	<b>670.8</b>	<b>880.1</b>	<b>1,160.9</b>
OPEX	(232.9)	(255.8)	(651.1)	(794.7)	(1,050.4)
Impairment losses	0.0	0.0	(82.7)	0.0	0.0
<b>EBITDA</b>	<b>22.3</b>	<b>23.4</b>	<b>(63.0)</b>	<b>85.4</b>	<b>110.4</b>
<i>in % revenues</i>	8.8%	8.4%	-9.4%	9.7%	9.5%
Depreciation and amortization	(11.1)	(11.5)	(34.9)	(33.9)	(48.0)
Operating profit / EBIT	11.2	11.9	(97.9)	51.4	62.4
<i>in % revenues</i>	4.4%	4.3%	-14.6%	5.8%	5.4%
<b>Adjusted EBIT<sup>1</sup></b>	<b>13.9</b>	<b>13.9</b>	<b>(11.8)</b>	<b>55.8</b>	<b>70.9</b>
<i>in % revenues</i>	5.5%	5.0%	-1.8%	6.3%	6.1%
Net financial items	(10.7)	(6.5)	(34.7)	(13.5)	(18.9)
<b>Profit / (loss) before taxes</b>	<b>0.6</b>	<b>5.4</b>	<b>(132.6)</b>	<b>37.9</b>	<b>43.5</b>
Income taxes	1.2	(1.1)	5.5	(14.8)	(14.8)
<b>Net profit / (loss)</b>	<b>1.7</b>	<b>4.4</b>	<b>(127.1)</b>	<b>23.1</b>	<b>28.8</b>
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on foreign operations	7.5	14.7	38.6	3.2	(0.8)
Tax on translation differences	(1.5)	(3.5)	3.9	(2.5)	(0.6)
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on non-foreign operations	(10.9)	(9.5)	(56.8)	2.0	3.7
Remeasurement of net pension benefit obligation	0.0	0.0	0.0	0.0	(3.3)
Tax on net pension benefit obligation remeasurement	0.0	0.0	0.0	0.0	0.2
Other comprehensive income	(5.0)	1.7	(14.3)	2.8	(0.8)
<b>Total comprehensive income</b>	<b>(3.2)</b>	<b>6.1</b>	<b>(141.4)</b>	<b>25.9</b>	<b>28.0</b>
Net profit attributable to:					
Equity holders (parent company)	1.6	4.3	(127.3)	23.0	28.6
Non-controlling interests	0.1	0.0	0.2	0.1	0.2
<b>Total</b>	<b>1.7</b>	<b>4.4</b>	<b>(127.1)</b>	<b>23.1</b>	<b>28.9</b>
Total comprehensive income attributable to:					
Equity holders (parent company)	(3.3)	6.0	(141.6)	25.8	27.8
Non-controlling interests	0.1	0.1	0.2	0.1	0.2
<b>Total</b>	<b>(3.2)</b>	<b>6.1</b>	<b>(141.4)</b>	<b>25.9</b>	<b>28.0</b>
Earnings per share (EUR):					
Basic earnings per share	0.00	0.01	(0.03)	0.05	0.06
Diluted earnings per share	0.00	0.01	(0.03)	0.05	0.06

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

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION

(MEUR)	30.09.20	30.09.19	31.12.19
Intangible assets	94.9	163.3	160.3
Property, plant and equipment	208.7	220.7	232.1
Right-of-use assets	87.8	97.9	103.8
Deferred tax assets	26.2	21.0	19.9
Other non-current assets	11.5	8.4	15.3
<b>Non-current assets</b>	<b>429.1</b>	<b>511.3</b>	<b>531.5</b>
Inventories	83.4	113.1	102.9
Accounts receivable	221.8	230.1	216.8
Other short-term receivables	43.6	53.7	50.6
Cash and cash equivalents	70.8	24.5	25.2
<b>Current assets</b>	<b>419.6</b>	<b>421.4</b>	<b>395.4</b>
<b>Total assets</b>	<b>848.7</b>	<b>932.7</b>	<b>927.0</b>
Share capital <sup>1</sup>	94.9	22.7	22.8
Share premium reserve	196.5	206.9	207.6
Other equity	(62.0)	47.1	48.8
Non-controlling interests	4.0	3.7	3.8
<b>Total equity</b>	<b>233.4</b>	<b>280.4</b>	<b>282.9</b>
Long-term interest-bearing liabilities	354.5	359.3	362.7
Deferred tax liabilities	20.6	26.8	21.8
Other long-term liabilities	20.3	22.0	21.6
Non-current liabilities	395.4	408.2	406.1
Short-term interest-bearing liabilities	12.8	20.2	23.8
Accounts payable	104.5	138.5	130.5
Other short-term liabilities	102.7	85.3	83.5
Current liabilities	219.9	244.1	237.9
<b>Total liabilities</b>	<b>615.3</b>	<b>652.2</b>	<b>644.0</b>
<b>Total equity and liabilities</b>	<b>848.7</b>	<b>932.7</b>	<b>927.0</b>

<sup>1</sup> Following the successfully completed Private Placement in Q2 2020 and Subsequent Offering in Q3 2020, the par value of the shares was decreased from NOK 0.50 to NOK 0.10

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF CHANGE IN EQUITY

<i>(MEUR)</i>	<b>30.09.20</b>	<b>30.09.19</b>	<b>31.12.19</b>
<b>Equity as of start of period</b>	<b>282.9</b>	<b>253.5</b>	<b>253.5</b>
Net profit / (loss) for the period	(127.1)	23.1	28.8
Translation differences	(18.2)	5.2	2.9
Tax on translation differences	3.9	(2.5)	(0.6)
Remeasurement of the net pension benefit obligation	0.0	0.0	(3.3)
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	0.2
<b>Total comprehensive income</b>	<b>(141.4)</b>	<b>25.9</b>	<b>28.0</b>
Stock based compensation	1.6	1.0	1.4
Increase in equity	90.3	0.0	0.0
<b>Equity as of end of period</b>	<b>233.4</b>	<b>280.4</b>	<b>282.9</b>

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF CASH FLOW

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
<i>Operating activities</i>					
Profit / (loss) before taxes	0.6	5.4	(132.6)	37.9	43.5
Depreciation	10.1	10.2	32.1	30.5	42.9
Amortization	1.1	1.3	2.9	3.5	5.1
Impairment losses - recognized in adjustment	0.0	0.0	82.7	0.0	0.0
Write-off of intangible assets	2.3	0.0	2.3	0.0	0.0
Interest income	(0.0)	(0.1)	(0.1)	(0.5)	(0.6)
Interest and other financial expenses <sup>1</sup>	5.5	12.4	17.5	16.4	22.5
Taxes paid	(1.4)	(3.9)	(4.9)	(9.3)	(14.4)
(Gain) / loss on sale of non-current assets	0.1	0.0	(0.1)	(0.4)	(0.3)
Changes in receivables	(71.9)	(2.4)	(5.0)	(19.4)	(6.0)
Changes in inventory	4.0	3.9	19.5	7.4	17.6
Changes in payables	48.6	(3.4)	(26.1)	(21.2)	(29.1)
Currency (gain) / loss	5.2	1.0	17.3	(2.3)	(3.0)
Changes in other items	9.3	(8.1)	31.6	(16.6)	(26.9)
<b>Cash flow - Operating activities</b>	<b>13.4</b>	<b>16.3</b>	<b>37.0</b>	<b>25.9</b>	<b>51.4</b>
<i>Investing activities</i>					
Investments	(10.8)	(16.9)	(33.9)	(47.7)	(65.0)
Sale of fixed assets	0.0	0.4	1.8	1.0	1.2
Interest received	0.0	0.1	0.1	0.5	0.6
Net payments for other long-term investments	0.0	(0.0)	0.0	0.0	(0.0)
<b>Cash flow - Investing activities</b>	<b>(10.7)</b>	<b>(16.4)</b>	<b>(31.9)</b>	<b>(46.3)</b>	<b>(63.3)</b>
<i>Financing activities</i>					
Proceeds from increases in equity	27.3	(0.0)	90.3	(0.0)	(0.0)
Sale/purchase of treasury shares	(0.4)	0.0	(0.4)	0.0	0.0
Net draw down of debt	(0.0)	0.0	(10.0)	10.3	10.3
Interest paid and other financial items	(10.7)	(8.2)	(22.4)	(18.2)	(21.3)
Repayment of lease liabilities and other	(2.9)	(2.5)	(9.2)	(7.7)	(11.9)
<b>Cash flow - Financing activities</b>	<b>13.2</b>	<b>(10.7)</b>	<b>48.3</b>	<b>(15.6)</b>	<b>(22.9)</b>
Currency effects on cash	(1.4)	(0.3)	(7.8)	1.2	0.7
Change in cash	14.5	(11.1)	45.6	(34.7)	(34.0)
Cash as of beginning of period	56.3	35.6	25.2	59.2	59.2
<b>Cash as of end of period</b>	<b>70.8</b>	<b>24.5</b>	<b>70.8</b>	<b>24.5</b>	<b>25.2</b>
<i>Of this, restricted cash</i>	<i>0.4</i>	<i>1.1</i>	<i>0.4</i>	<i>1.1</i>	<i>0.8</i>

<sup>1</sup> Includes Other financial items and the repayment of lease liabilities – See Note 6

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 – DISCLOSURES

### GENERAL INFORMATION

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

### BASIS OF PREPARATION

This condensed consolidated interim financial information, for the nine months ended September 30, 2020, has been prepared in accordance with IAS 34 “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year-ended December 31, 2019, which have been prepared in accordance with IFRS.

### ACCOUNTING POLICIES

The accounting policies are consistent with those of the annual financial statements for the year-ended December 31, 2019, 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

The assessment of risks and opportunities for the financial year is subject to a high level of uncertainty and is continuously monitored, evaluated and, if applicable, taken into account in planning during the year. Our activities are exposed to different types of risk.

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. Some of the most important additional risk factors are foreign-exchange rates, raw material prices, credit risks, and an increasing tariffs risk. As we operate in many countries, we are vulnerable to currency risk. The most significant currency exposure for Kongsberg Automotive is associated with EUR, NOK and USD exchange rate. The greatest raw material exposures are for copper, zinc, aluminum and steel. As most of our revenues are earned from automotive OEMs and automotive Tier 1 and Tier 2 customers, the financial health of these automotive companies is critical to our credit risk.

All concerned risk factors that Kongsberg Automotive must face in its normal business operations are additionally impacted by Covid-19 since the World Health Organization declared Covid-19 a global health emergency on 30 January 2020. Any assessment

of risks and uncertainties is made with an assumption that economic conditions in KA’s most important markets normalize and that there will be no further difficulties as a result of the Covid-19 pandemic. However, the development of worldwide demand for certain KA products continued to be affected by the Covid-19 pandemic crisis causing disruption to KA’s operations. An adverse development of the Covid-19 pandemic crisis, especially in the event of a massive second wave of infection, could lead to repeated far-reaching lockdown measures that would result in a deeper slump for the global economy than originally anticipated. Such lockdown measures would affect KA’s development of sales volumes but could also have a significant negative impact on production and supply chains with KA’s major suppliers.

In response to the unprecedented situation in which KA has found itself, KA has completed successfully a Private Placement capital increase of in aggregate of NOK 700,000,000 (MEUR 63.0) and renegotiated the Company’s RCF terms (increase of the credit facility by MEUR 20.0) in Q2 2020. Furthermore, KA has completed the subsequent offering with gross proceeds of NOK 300,000,000 (MEUR 27.3) in Q3 2020. This ensures the Company’s ability to continue as a going concern and maintain the value of its assets.

### SIGNIFICANT EVENTS IN Q3 2020

In July 2020, the Company completed the subsequent offering with gross proceeds of MNOK 300.0 (MEUR 27.3) by issuance of 3,000,000,000 new shares at a subscription price of NOK 0.10 per share.

On September 25, 2020, the Company entered into a receivables securitization program where trade receivables held by the Company’s subsidiaries in the US, Canada, Poland and Slovakia (with the option for French subsidiary’s receivables to be added in the future) will be sold to Kongsberg Automotive Finance B.V., a special purpose entity domiciled and incorporated in the Netherlands. The agreement shall provide Kongsberg Automotive Group with a committed MEUR 60.0 facility with a three-year tenure.

### SEASONALITY

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Q3 2020 (MEUR)	Interior	Powertrain & Chassis	Speciality Products	Other <sup>1</sup>	Total Group
<b>Revenues<sup>2</sup></b>	<b>74.3</b>	<b>102.7</b>	<b>78.2</b>	<b>0.0</b>	<b>255.2</b>
<b>Adjusted EBITDA</b>	<b>4.7</b>	<b>10.5</b>	<b>17.3</b>	<b>(7.4)</b>	<b>25.1</b>
Depreciation <sup>3</sup>	(3.6)	(3.0)	(2.9)	(0.4)	(10.0)
Amortization <sup>3</sup>	(0.1)	(0.8)	(0.1)	(0.2)	(1.2)
<b>Adjusted EBIT</b>	<b>1.0</b>	<b>6.6</b>	<b>14.3</b>	<b>(8.0)</b>	<b>13.9</b>
Impairment losses, thereof:	0.0	0.0	0.0	0.0	0.0
- allocated to Goodw ill	0.0	0.0	0.0	0.0	0.0
- allocated to assets other than Goodw ill	0.0	0.0	0.0	0.0	0.0
<i>Timing of revenue recognition</i>					
<b>Ownership transferred at a point in time</b>	<b>74.3</b>	<b>102.7</b>	<b>78.2</b>	<b>0.0</b>	<b>255.2</b>
<i>Assets and liabilities</i>					
Goodw ill	3.9	16.2	66.5	0.0	86.7
Other intangible assets	0.5	6.5	0.8	0.3	8.2
Property, plant and equipment	92.6	59.8	55.2	1.1	208.7
Right-of-use assets	27.8	24.3	23.9	11.7	87.8
Inventories	21.0	28.9	34.8	(1.3)	83.4
Trade receivables	59.9	101.5	73.2	(12.8)	221.8
Other assets	15.0	8.6	4.4	1.4	29.4
<b>Segment assets</b>	<b>220.6</b>	<b>245.9</b>	<b>259.0</b>	<b>0.5</b>	<b>726.0</b>
Unallocated assets				122.7	122.7
<b>Total assets</b>	<b>220.6</b>	<b>245.9</b>	<b>259.0</b>	<b>123.2</b>	<b>848.7</b>
Trade payables	24.3	50.5	20.7	9.0	104.5
Non-current lease interest-bearing liabilities	24.7	25.0	23.6	10.2	83.4
Current lease interest-bearing liabilities	3.4	5.2	2.1	2.0	12.8
<b>Segment liabilities</b>	<b>52.4</b>	<b>80.7</b>	<b>46.4</b>	<b>21.2</b>	<b>200.6</b>
Unallocated liabilities				414.6	414.6
<b>Total liabilities</b>	<b>52.4</b>	<b>80.7</b>	<b>46.4</b>	<b>435.8</b>	<b>615.3</b>
<b>Total equity</b>				<b>233.4</b>	<b>233.4</b>
<b>Total equity and liabilities</b>	<b>52.4</b>	<b>80.7</b>	<b>46.4</b>	<b>669.3</b>	<b>848.7</b>
Capital expenditure	(6.7)	(1.6)	(2.3)	(0.2)	(10.8)

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

<sup>2</sup> For segment reporting purposes the revenues are only external revenues, the related expenses are adjusted accordingly. The adjusted EBIT is thus excluding IC profit.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2 – SEGMENT REPORTING (THIRD QUARTER 2019)

Q3 2019 (MEUR)	Interior	Powertrain & Chassis	Speciality Products	Other <sup>1</sup>	Total Group
<b>Revenues<sup>2</sup></b>	<b>74.8</b>	<b>113.2</b>	<b>91.2</b>	<b>0.0</b>	<b>279.2</b>
<b>Adjusted EBITDA</b>	<b>5.3</b>	<b>9.7</b>	<b>14.7</b>	<b>(4.3)</b>	<b>25.4</b>
Depreciation <sup>3</sup>	(3.2)	(3.8)	(2.6)	(0.5)	(10.2)
Amortization <sup>3</sup>	(0.2)	(0.9)	(0.2)	(0.1)	(1.4)
<b>Adjusted EBIT</b>	<b>1.9</b>	<b>5.1</b>	<b>11.8</b>	<b>(5.0)</b>	<b>13.9</b>
<i>Timing of revenue recognition</i>					
<b>Ownership transferred at a point in time</b>	<b>74.8</b>	<b>113.2</b>	<b>91.2</b>	<b>0.0</b>	<b>279.2</b>
<i>Assets and liabilities</i>					
Goodwill	57.7	23.0	69.6	0.0	150.3
Other intangible assets	0.6	10.6	1.1	0.7	12.9
Property, plant and equipment	84.1	77.5	57.7	1.4	220.7
Right-of-use assets	19.3	37.2	28.8	12.7	97.9
Inventories	22.5	40.9	51.0	(1.3)	113.1
Trade receivables	65.1	96.3	68.3	0.4	230.1
<b>Segment assets</b>	<b>249.2</b>	<b>285.5</b>	<b>276.4</b>	<b>13.9</b>	<b>825.1</b>
Unallocated assets				107.6	107.6
<b>Total assets</b>	<b>249.2</b>	<b>285.5</b>	<b>276.4</b>	<b>121.5</b>	<b>932.7</b>
Trade payables	37.2	55.5	42.8	2.6	138.1
Non-current lease interest-bearing liabilities	16.7	33.3	27.5	11.4	88.9
Current lease interest-bearing liabilities	2.7	4.2	1.8	1.5	10.2
<b>Segment liabilities</b>	<b>56.6</b>	<b>93.0</b>	<b>72.2</b>	<b>15.5</b>	<b>237.2</b>
Unallocated liabilities				415.0	415.0
<b>Total liabilities</b>	<b>56.6</b>	<b>93.0</b>	<b>72.2</b>	<b>430.5</b>	<b>652.2</b>
<b>Total equity</b>				<b>280.4</b>	<b>280.4</b>
<b>Total equity and liabilities</b>	<b>56.6</b>	<b>93.0</b>	<b>72.2</b>	<b>710.9</b>	<b>932.7</b>
Capital expenditure	(5.6)	(4.7)	(5.6)	(0.1)	(15.9)

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

<sup>2</sup> For segment reporting purposes the revenues are only external revenues, the related expenses are adjusted accordingly. The adjusted EBIT is thus excluding IC profit.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### 3.1 SALES TO CUSTOMERS BY GEOGRAPHICAL LOCATION

<i>(MEUR)</i>	YTD Sept.		YTD Sept.	
		%		%
Europe	291.7	43.5%	416.4	47.3%
Northern America	244.3	36.4%	336.9	38.3%
Southern America	10.0	1.5%	15.8	1.8%
Asia	121.8	18.2%	106.6	12.1%
Other	3.0	0.4%	4.4	0.5%
<b>Total operating revenues</b>	<b>670.8</b>		<b>880.1</b>	

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

<i>(MEUR)</i>	30.09.20		30.09.19	
		%		%
Europe	235.6	60.2%	289.0	60.0%
Northern America	114.5	29.3%	151.5	31.4%
Southern America	2.4	0.6%	3.6	0.7%
Asia	38.9	9.9%	37.7	7.8%
<b>Total Intangible assets, PPE and RoU</b>	<b>391.4</b>		<b>481.9</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4 –IMPAIRMENT LOSSES

Because of COVID-19, the Group's Management performed the impairment testing in Q2 2020 for cash generating units (CGUs) that exhibit indicators of impairment as at the period end and to determine the amount of goodwill impairment attributable to the cash generating units.

The Group used the cash-generating unit's value-in-use to determine the recoverable amount. The projected cash flows were updated to reflect the decreased demand for products and services. Cash flows beyond the three-year period have been extrapolated using a 2.0% growth rate. All other assumptions remained consistent with those disclosed in the annual financial statements for the year ended 31 December 2019.

The discount rate has been adjusted to reflect the current market assessment of the risks specific to the Group's business activity and was estimated based on the weighted average cost of capital for the Group. Further changes to the discount rate may be necessary in the future to reflect changing risks for the industry and changes to the weighted average cost of capital.

As the amount of the impairment needed for one of the CGUs of the Powertrain & Chassis segments exceeded the value of Goodwill as of June 30, 2020, the remaining part of the calculated impairment losses was allocated on pro rata basis to the non-current assets located in Europe.

In Q3 2020, there was no need to record an additional impairment.

<i>(MEUR)</i>	Interior	Powertrain & Chassis	Specialty Products	Other	Total Group
<b>Allocation of impairment losses</b>					
<b>- Goodwill</b>					
Book value prior to impairment	54.3	22.7	66.5	0.0	143.6
Impairment accumulated	(52.2)	(6.6)	(0.0)	0.0	(58.7)
Translation adjustments on accumulated impairment	1.9	0.1	0.0	0.0	2.0
<b>Book value after impairment</b>	<b>4.0</b>	<b>16.2</b>	<b>66.5</b>	<b>(0.0)</b>	<b>86.8</b>
<b>- Other intangible assets</b>					
Book value prior to impairment	0.5	10.3	0.8	0.3	12.0
Impairment accumulated	0.0	(1.6)	0.0	0.0	(1.6)
Contra depreciation charge	0.0	0.2	0.0	0.0	0.2
Translation adjustments on accumulated impairment	0.0	0.0	0.0	0.0	0.0
<b>Book value after impairment</b>	<b>0.5</b>	<b>8.9</b>	<b>0.8</b>	<b>0.3</b>	<b>10.6</b>
<b>- Property, plant and equipment</b>					
Book value prior to impairment	92.6	75.8	55.2	1.1	224.7
Impairment accumulated	0.0	(16.8)	0.0	0.0	(16.8)
Contra depreciation charge	0.0	0.8	0.0	0.0	0.8
Translation adjustments on accumulated impairment	0.0	0.0	0.0	0.0	0.0
<b>Book value after impairment</b>	<b>92.6</b>	<b>59.8</b>	<b>55.2</b>	<b>1.1</b>	<b>208.7</b>
<b>- Right-of-use assets</b>					
Book value prior to impairment	27.8	29.6	23.9	11.7	93.1
Impairment accumulated	0.0	(5.6)	0.0	0.0	(5.6)
Contra depreciation charge	0.0	0.3	0.0	0.0	0.3
Translation adjustments on accumulated impairment	0.0	0.0	0.0	0.0	0.0
<b>Book value after impairment</b>	<b>27.8</b>	<b>24.3</b>	<b>23.9</b>	<b>11.7</b>	<b>87.8</b>
<b>Total impairment losses</b>	<b>(52.2)</b>	<b>(30.5)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(82.7)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 5 – INTEREST-BEARING LOANS AND BORROWINGS

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

(MEUR)	30.09.20	30.09.19	31.12.19
Long-term interest-bearing loan and borrowing	276.2	276.5	276.4
IFRS 16 long-term lease liabilities	83.4	88.9	92.2
Capitalized arrangement fees <sup>1</sup>	(5.2)	(6.1)	(5.8)
Current interest-bearing liabilities	12.8	20.2	23.8
<b>Total interest-bearing liabilities</b>	<b>367.3</b>	<b>379.6</b>	<b>386.5</b>

<sup>1</sup> As at September 30, 2020 and December 31, 2019, the fees relate to the bond and are amortized over the 7-years period of the bond

#### Interest-bearing liabilities by currency

(MEUR)	30.09.20	30.09.19	31.12.19
EUR	285.6	300.1	297.1
USD	6.7	6.5	8.1
Other currencies	80.2	79.0	87.2
Capitalized arrangement fees	(5.2)	(6.1)	(5.8)
<b>Total interest-bearing loan and borrowing</b>	<b>367.3</b>	<b>379.6</b>	<b>386.5</b>

#### 5.2 LIQUIDITY RESERVE

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

(MEUR)	30.09.20	30.09.19	31.12.19
Cash reserve	70.8	24.5	25.2
Restricted cash	(0.4)	(1.1)	(0.8)
Undrawn RCF facility	70.0	40.0	40.0
Undrawn Securitization facility	60.0	0.0	0.0
<b>Liquidity reserve</b>	<b>200.4</b>	<b>63.4</b>	<b>64.4</b>

### NOTE 6 – NET FINANCIAL ITEMS

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Interest income	0.0	0.1	0.1	0.4	0.6
Interest expenses	(5.3)	(5.2)	(15.5)	(15.6)	(21.1)
Foreign currency gains (losses) <sup>1</sup>	(5.2)	(1.0)	(17.3)	2.3	2.9
Change in valuation currency contracts	0.0	0.0	0.0	0.0	0.0
Other financial items	(0.1)	(0.3)	(2.0)	(0.7)	(1.3)
<b>Net financial items</b>	<b>(10.7)</b>	<b>(6.5)</b>	<b>(34.7)</b>	<b>(13.5)</b>	<b>(18.9)</b>

<sup>1</sup> Is made up of an unrealized currency loss of MEUR 5.1 and of a realized currency loss of MEUR 0.1 (Q3 2019: unrealized loss MEUR 1.0)

### NOTE 7 – SUBSEQUENT EVENTS

On October 19<sup>th</sup>, 2020, the Company launched officially the Receivables Securitization project by drawing MEUR 10.0 out of the committed MEUR 60.0.

## ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

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

### OPERATING PROFIT - EBIT/ADJUSTED EBIT

EBIT, earnings before interest and tax, is defined as the earnings excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses. Adjusted EBIT is defined as EBIT excluding unusual or non-recurring items as well as restructuring items, which are defined as any incurred costs or sales reduction of an unusual or non-recurring nature in connection with the considered restructuring of the activities of the Group.

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

<i>(MEUR)</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Operating profit / EBIT <sup>1</sup>	11.2	11.9	(97.9)	51.4	62.4
Restructuring items <sup>2</sup>	2.7	2.0	3.4	4.4	8.5
Impairment losses <sup>3</sup>	0.0	0.0	82.7	0.0	0.0
<b>Adjusted EBIT<sup>1+2+3</sup></b>	<b>13.9</b>	<b>13.9</b>	<b>(11.8)</b>	<b>55.8</b>	<b>70.9</b>

### EBITDA/ADJUSTED EBITDA

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

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

<i>(MEUR)</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
<b>Operating profit / EBIT</b>	<b>11.2</b>	<b>11.9</b>	<b>(97.9)</b>	<b>51.4</b>	<b>62.4</b>
Depreciation	10.1	10.2	32.1	30.4	42.9
Amortization	1.1	1.4	2.8	3.6	5.1
<b>EBITDA<sup>1</sup></b>	<b>22.3</b>	<b>23.4</b>	<b>(63.0)</b>	<b>85.4</b>	<b>110.4</b>
Restructuring items <sup>(*)2</sup>	2.7	2.0	3.4	4.4	7.4
Impairment losses <sup>3</sup>	0.0	0.0	82.7	0.0	0.0
<b>Adjusted EBITDA<sup>1+2+3</sup></b>	<b>25.1</b>	<b>25.4</b>	<b>23.1</b>	<b>89.7</b>	<b>117.9</b>

(\*) Excluding depreciation and amortization

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### RESTRUCTURING ITEMS PER SEGMENT

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Interior	0.4	(0.0)	0.4	0.0	0.5
Powertrain & Chassis	0.1	0.0	0.1	0.1	0.2
Specialty Products	0.0	0.1	0.3	(0.1)	2.1
Other	2.3	1.8	2.6	4.4	5.6
<b>Group total</b>	<b>2.7</b>	<b>2.0</b>	<b>3.4</b>	<b>4.4</b>	<b>8.5</b>

### IMPAIRMENT LOSSES PER SEGMENT

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Interior	0.0	0.0	52.2	0.0	0.0
Powertrain & Chassis	0.0	0.0	30.5	0.0	0.0
Specialty Products	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
<b>Group total</b>	<b>0.0</b>	<b>0.0</b>	<b>82.7</b>	<b>0.0</b>	<b>0.0</b>

### FREE CASH FLOW

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 and proceeds received from capital increase/purchase of treasury shares.

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

(MEUR)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Cash flow - Operating activities	13.4	16.3	37.0	25.9	51.4
Cash flow - Investing activities	(10.7)	(16.4)	(31.9)	(46.3)	(63.3)
Cash flow - Financing activities	13.2	(10.7)	48.3	(15.6)	(22.9)
Currency effects on cash	(1.4)	(0.3)	(7.8)	1.2	0.7
<i>Add back / less:</i>					
Proceeds from capital increase	(27.3)	0.0	(90.3)	0.0	0.0
Purchase of treasury shares	0.4	0.0	0.4	0.0	0.0
Net draw -down n/repayment of debt	0.0	(0.0)	10.0	(10.3)	(10.3)
<b>Free Cash Flow</b>	<b>(12.4)</b>	<b>(11.1)</b>	<b>(34.3)</b>	<b>(45.0)</b>	<b>(44.3)</b>

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### NIBD

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

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

(MEUR)	30.09.20	30.09.19	31.12.19
Long-term interest-bearing liabilities	354.5	359.3	362.7
Other short-term interest-bearing liabilities	12.8	20.2	23.8
Cash and cash equivalents	(70.8)	(24.5)	(25.2)
<b>Net Interest Bearing Debt</b>	<b>296.5</b>	<b>355.1</b>	<b>361.3</b>

### CAPITAL EMPLOYED

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

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

(MEUR)	30.09.20	30.09.19	31.12.19
Total assets	931.4	932.7	927.0
Deferred tax liabilities	(20.6)	(26.8)	(21.8)
Other long-term liabilities	(20.3)	(22.0)	(21.6)
Current liabilities	(219.9)	(244.1)	(237.9)
<b>Capital employed</b>	<b>670.6</b>	<b>639.8</b>	<b>645.6</b>

Capital Employed as at September 30, 2020, does not consider the assets' impairment of MEUR 85.0.

### ADJUSTED ROCE (LAST TWELVE MONTHS)

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

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

(MEUR)		Q3 2020		Q3 2019	FY 2019
Capital employed beginning <sup>1</sup>	01.10.2019	639.8	01.10.2018	515.4	629.2
Capital employed at end <sup>2</sup>	30.09.2020	670.6	30.09.2019	639.8	645.6
Adjusted EBIT last twelve months <sup>3</sup>		1.0		76.4	70.9
<b>Adjusted ROCE</b> <sup>(3 / (1+2)) * 200%</sup>		<b>0.1%</b>		<b>13.2%</b>	<b>11.1%</b>

Capital Employed as at September 30, 2020, does not consider the assets' impairment of MEUR 85.0.

## OTHER COMPANY INFORMATION

### THE BOARD OF DIRECTORS

Firas Abi-Nassif	Chairman
Emese Weissenbacher	Shareholder elected
Peter Schmitt	Shareholder elected
Ellen M. Hanetho	Shareholder elected
Gerard Cordonnier	Shareholder elected
Leif Harvard Stromhaug	Employee elected
Bjørn Ivan Ødegård	Employee elected
Tonje Sivesindtjet	Employee elected

### EXECUTIVE COMMITTEE

Norbert Loers	Co Chief Executive Officer & Chief Financial Officer, Executive Vice President
Robert Pigg	Co Chief Executive Officer & Senior Vice President, Specialty Products
Scott Paquette	Interim President, Interior Systems
Bob Riedford	Executive Vice President, Powertrain & Chassis
Dzeki Mackinowski	Executive Vice President, Purchasing
Virginia Grando	Executive Vice President, Quality
Marcus von Pock	Executive Vice President, Human Resources & Communications
Jon Munthe	General Counsel
Doug Tushar	Senior Vice President, IS&T

### CORPORATE COMMUNICATION

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### FINANCIAL CALENDAR

The 4<sup>th</sup> quarter 2020 report and annual report 2020 will be published on February 26, 2021.

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