

To the shareholders in
Kongsberg Automotive ASA



Kongsberg, 7 January 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

The shareholders are hereby notified that an Extraordinary General Meeting of Kongsberg Automotive ASA (the "**Company**") will be held on

Friday 29 January, 2021 at 10:00 hrs Norwegian time

Venue: Felix Conference Centre, Bryggetorget 3, 0250 Oslo, Norway

The following items are on the agenda:

- 1. Opening of the Extraordinary General Meeting**
The Extraordinary General Meeting will be opened by Mr. Firass Abi-Nassif.
- 2. Registration of attending shareholders and shares represented by proxy**
- 3. Election of a chairperson of the meeting and a co-signer for the minutes**
The board of directors proposes that Mr. Simen Mejl ander is elected to chair the meeting.
- 4. Approval of the notice and agenda**
The board of directors proposes that the notice and agenda are approved.
- 5. Share capital increase to facilitate consolidation of shares**
Please refer to further information below as well as Appendix 1 for the board of directors' proposal for resolution to be passed by the Extraordinary General Meeting.
- 6. Consolidation of the Company's shares**
Please refer to further information below as well as Appendix 1 for the board of directors' proposal for resolution to be passed by the Extraordinary General Meeting.

Please note: Due to the corona pandemic and meeting restrictions, shareholders are urged not to attend the Extraordinary General Meeting in person. Shareholders are urged to vote in advance or deliver a proxy with voting instructions. Please refer to further information under the heading "*Registration procedures and general information*".

Background information on item 5 and 6 on the agenda

Pursuant to section 4.1 of Oslo Rulebook II - Issuer Rules, the market value for shares listed on the Oslo B rs shall not be lower than NOK 1. If the shares have been trading lower than NOK 1 over a six-month period, the board of directors shall implement measures to satisfy this requirement. The Company's shares have been trading below this threshold for such time period and the board of directors has accordingly proposed adequate measures, as further set out herein.

On this background, the board of directors proposes to consolidate the Company's shares in the ratio 10:1. The share consolidation shall be implemented through an amendment to the articles of

association in which the par value of the shares are amended from NOK 0.10 to NOK 1.00 and the number of shares is reduced accordingly.

As the Public Limited Companies Act does not allow for fraction shares, the total number of shares in the Company must be divisible by 10 when implementing the share consolidation. To achieve this it is proposed that the share capital is increased by issuance of 7 shares with par value NOK 0.10, which is the number of shares required to obtain a total outstanding number of shares divisible by 10. The Company's largest shareholder, Teleios Capital Partners, has accepted to subscribe the new shares at par value NOK 0.10 per share, i.e. a total subscription price of NOK 0.70. The purpose of the share capital increase requires that the shareholders' pre-emptive rights are set aside.

In order to avoid any individual shareholder receiving fractional shares, which is not allowed under the Public Limited Companies Act, the board of directors proposes to facilitate the share consolidation by transferring from the Company's existing holdings of treasury shares to each individual shareholder who does not have a holding of shares divisible by 10 at the time of implementation, such number of shares with par value NOK 0.10 required to obtain a shareholding divisible by 10. The treasury shares will be transferred free of charge from the Company to the relevant shareholders. Based on the current trading level this represents a value of minimum approximately NOK 0.41 and maximum approximately NOK 3.7 per relevant shareholder, corresponding to between 1 and 9 treasury shares with par value NOK 0.10. The Company currently estimates that treasury shares with a total market value of between NOK 13,000 and 17,000 will be needed for such transfers. The actual number may however deviate from this estimate, depending on the number of treasury shares required at the time of implementation and the trading price of the shares at such time. The board of directors proposes that the Extraordinary General Meeting approves that the required number of treasury shares, based on the share register at the time of the implementation of the share consolidation, acquired under the board's existing authorization as granted by the Annual General Meeting on 30 June 2020, cf. §§ 9-2 ff. of the Norwegian Public Limited Companies Act, can be distributed to such relevant shareholders to avoid any shareholder receiving fractional shares upon implementation of the share consolidation and thereby facilitating the share consolidation.

Registration procedures and general information

Due to the corona pandemic and meeting restrictions, shareholders are urged not to attend the Extraordinary General Meeting in person.

Shareholders with access to VPS Investor Services are urged to use the advance voting function by accessing VPS Investor services or by following the link at the Company's IR pages <https://www.kongsbergautomotive.com/investor-relations/>. Shareholders who do not have access to VPS Investor Services are urged to provide a proxy with voting instructions per item to the chairman of the board of directors Mr. Firass Abi-Nassif, or any person appointed by him, as set out in Appendix 2 to this notice. A voting proxy without instructions can also be granted to the chairman of the board of directors Mr. Firass Abi-Nassif, or any person appointed by him, through VPS Investor Services or by using Appendix 2 to this notice. The registration deadline in VPS Investor Services is 27 January, 2021 at 14:00 hrs (Norwegian time). Proxies sent by post or e-mail must be received at the latest by the same deadline at the following address: Nordea Bank Abp, filial i Norge, Issuer Services, Postbox 1166 Sentrum, 0107 Oslo or nis@nordea.com.

Shareholders who wish to attend the Extraordinary General Meeting in person or with a representative are required to register attendance no later than 25 January 2021 at 12:00 hrs (Norwegian time) through VPS Investor Services or by sending the attendance form enclosed as Appendix 3 to Nordea Bank Abp, filial i Norge, Issuer Services, Postbox 1166 Sentrum, 0107 Oslo, nis@nordea.com. Shareholders or representatives not complying with this deadline, will be denied access to the meeting in accordance with section 7 of the articles of association and the Norwegian Public Limited Companies Act Section 5-3 due to the current corona pandemic restrictions in Oslo.

The Company reserves the right to have the chairman of the board, board members, the CEO or any other person required to be present at the Extraordinary General Meeting, or any representative of such persons, attending the meeting through videolink or phone in accordance

with section 2-3 of the temporary act concerning exemptions from the requirements to hold physical meetings in the company legislation to mitigate consequences of the Covid-19 outbreak. The Company also reserves the right to right to conduct the meeting as an electronic meeting in accordance with the said act, in which case information about access procedures will be sent to all shareholders who have registered for attendance by the deadline set out above.

The Company's annual report, annual accounts and auditor's report for 2019 and subsequent interim reports as well as the attachments to this notice are available at the Company's offices and on the web pages <https://www.kongsbergautomotive.com/investor-relations/>. Other documents that will be presented at the Extraordinary General Meeting and proposals for resolutions are accessible at the same web site.

The company has issued 10,548,606,433 shares each carrying one vote. All shares have equal rights. At the date of this notification, the company owns 37,206,972 treasury shares for which voting rights may not be exercised.

The shareholders have the right to speak at the Extraordinary General Meeting, the right to be accompanied by an advisor, to give such advisor the right to speak, and the right to present alternatives to the board of director's proposals in respect of matters on the agenda at the Extraordinary General Meeting.

Kongsberg, 7 January 2021

For the Board of Directors of Kongsberg Automotive ASA

Firass Abi-Nassif
Chairman of the Board

Appendices:

1. The board of directors' proposals for resolutions to be passed by the Extraordinary General Meeting under items 5 and 6.
2. Proxy form with and without voting instruction
3. Attendance form

Appendix 1: The board of directors' proposals for resolutions to be passed by the Extraordinary General Meeting under items 5 and 6

5 Share capital increase to facilitate consolidation of shares

With reference to the reasons provided under "*Background information on item 5 and 6 on the agenda*", the board of directors proposes that the Extraordinary General Meeting passes the following resolution to increase the Company's share capital:

- (i) *"The share capital is increased with NOK 0.70 by issuance of 7 new shares, each with a par value of NOK 0.10.*
- (ii) *The new shares are issued at a subscription price of NOK 0.10 per share.*
- (iii) *The new shares are issued to Teleios Capital Partners. The pre-emptive rights of the existing shareholders pursuant to § 10-4 of the Public Limited Companies Act are set aside.*
- (iv) *Subscription for the new shares shall be made no later than 1 February 2021 on a separate subscription form.*
- (v) *Payment of the subscription amount shall be made no later than 1 February 2021 to a special share issue account.*
- (vi) *The new shares shall carry rights to dividends from the date on which the capital increase is registered with the Register of Business Enterprises.*
- (vii) *Section 4 of the Company's articles of association shall be amended to read as follows:*

"The Company's share capital is NOK 1,054,860,644.00 divided into 10,548,606,440 shares, each with a par value of NOK 0.10."

- (viii) *The Company's estimated costs in connection with the capital increase are NOK 20,000.*
- (ix) *This resolution to increase the share capital is conditional upon the Extraordinary General Meeting approving the consolidation of the Company's shares in item 6. "*

6 Consolidation of the Company's shares

With reference to the reasons provided under "*Background information on item 5 and 6 on the agenda*", the board of directors proposes that the Extraordinary General Meeting passes the following resolution to consolidate the Company's shares 10:1:

- (i) *"A consolidation of the Company's shares shall be carried out whereby 10 existing shares with par value NOK 0.10 each shall be replaced by one new share with par value NOK 1.00.*
- (ii) *The right of each shareholder, who at the time of the implementation of the consolidation does not hold a number of shares divisible by 10, to receive new shares shall be rounded up to the nearest number of whole shares. The Company shall provide such number of shares necessary to effect the rounding-up described in the preceding sentence by use of the required number of treasury shares held by the Company which has been acquired pursuant to the authorization granted by the Annual General Meeting on 30 June 2020, cf. §§ 9-2 ff. of the Norwegian Public Limited Companies Act.*
- (iii) *Section 4 of the articles of association shall be amended to read as follows:*

"The Company's share capital is NOK 1,054,860,644.00 divided into 1,054,860,644 shares, each with a par value of NOK 1.00."

- (iv) *The number of shares that can be acquired pursuant to the existing authorization to acquire treasury shares granted by the Annual General Meeting on 30 June 2020, cf. §§ 9-2 ff. of the Norwegian Public Limited Companies Act shall be reduced in accordance with the consolidation factor of 10:1 and the range for the market prices that shares can be acquired for pursuant to the authorization shall be increased in accordance with the consolidation factor of 10:1. The number of shares that can be issued pursuant to the existing authorization to issue shares cf. § 10-14 of the Norwegian Public Limited Companies Act*

granted by the Annual General Meeting on 30 June 2020 shall be reduced in accordance with the consolidation factor of 10:1.

- (v) Subject to approval by the Extraordinary General Meeting of the share capital increase under item 5 on the agenda and registration of such resolution and the change to the articles of association reflecting the share consolidation set out in this resolution with the Norwegian Register of Business Enterprises, the shares shall trade including the right to the share consolidation to and including 2 February 2021 (record date in VPS on 4 February 2021 to be decisive) and without the right to share consolidation from and including 3 February 2021 (Ex.Date). The board is authorized to adjust the effective date of the share consolidation if required for any reason, subject to announcement of updated key dates and any other required information."*

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PROXY – Kongsberg Automotive ASA – Extraordinary General Meeting

Please note: Due to the corona pandemic and meeting restrictions, shareholders are urged not to attend the Extraordinary General Meeting in person and rather execute this proxy form. Shareholders with access to VPS Investor Services are urged to use the advance voting function in VPS Investor Services.

This proxy form must be returned to Nordea Bank Abp, filial i Norge, Issuer Services, either by post to Nordea Bank Abp, filial i Norge, Issuer Services, P.O. Box 1166 Sentrum, N-0107 Oslo or by e-mail to nis@nordea.com

The proxy form **must be sent in time to be received by Nordea no later than 27 January 2021 at 14:00 (Norwegian time)**. If the deadline is not complied with, participation in the Extraordinary General Meeting for the relevant shares can be denied.

Shareholders with access to VPS Investor Services are noted that they, as an alternative to using this proxy form, can register advance votes or a proxy without voting instructions through VPS Investor Services or the Company's website <https://www.kongsbergautomotive.com/investor-relations/> within the same deadline.

The undersigned shareholder in Kongsberg Automotive ASA hereby authorises: **Shareholders complete name and address**

- Chairman of the board of directors, Mr. Firass Abi-Nassif (or a person authorised by him)
- Other person (name)

to attend and vote for my/our shares in Kongsberg Automotive ASAs Extraordinary General Meeting on 29 January 2021.

If none of the alternatives above has been ticked the chairman of the board of directors, Mr. Firass Abi-Nassif will be considered appointed as proxy. If the chairman of the board of directors, Mr. Firass Abi-Nassif has been appointed as proxy, he can appoint any member of the board of directors or the management to represent and vote for the shares covered by the proxy.

In the event that proxy is given to the chairman of the board of directors, Mr. Firass Abi-Nassif, instructions regarding the exercise of voting rights according to proxy may, if desirable, be given by filling in of the form below

		In favor	Against	Abstain
Item 3	Election of a chairperson of the meeting and a co-signer for the minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Approval of the notice and agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Share capital increase to facilitate consolidation of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Consolidation of the Company's shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If voting instructions are given, the following applies:

If the box "*In favor*" has been ticked, the proxy is instructed to vote for the proposal in the notice, with any changes suggested by the board of directors or the chairman of the board.

If the box "*Against*" has been checked, this implies that the proxy is instructed to vote against the proposal in the notice, with any changes suggested by the board of directors or the chairman of the board.

If the box "*Abstain*" has been ticked, the proxy is instructed to abstain from voting the shares.

If none of the boxes have been ticked for an item on the agenda, this is interpreted as if the box "*In favour*" had been ticked for such agenda item.

In respect of a vote over matters that are not included on the agenda and which may validly come before the meeting the proxy holder is free to decide how the shares shall be voted. The same applies for votes over matters of formal nature, such as election of the chairperson of the meeting, voting order or voting procedure.

If a shareholder has inserted another person than the chairman of the board of directors, Mr. Firass Abi-Nassif as proxy, and wants to give such person instructions on voting, this is a matter between the shareholder and the proxy holder. In such a situation the company does not undertake any responsibility to verify that the proxy votes in accordance with the instructions.

**If the proxy is given on behalf of a company or other legal entity, relevant evidence of authority must be attached so as to evidence that the person signing the proxy form is properly authorised. The receiver of the proxy is free in his/her own discretion to use or reject the proxy in case relevant evidence of authority has not been received.*



Appendix 3

Shareholders' complete name and address

NOTICE OF EXTRAORDINARY GENERAL MEETING

Extraordinary General Meeting in Kongsberg Automotive ASA to be held on 29 January 2021 at 10:00 hrs (Norwegian time) in Felix Conference Centre, Bryggetorget 3, 0250 Oslo, Norway

Please note: Due to the corona pandemic and meeting restrictions, shareholders are urged not to attend the Extraordinary General Meeting in person and rather execute the proxy form attached as Appendix 2 to the notice. Shareholders with access to VPS Investor Services are urged to use the advance voting function in VPS Investor Services.

ATTENDANCE SLIP – Kongsberg Automotive ASA – Extraordinary General Meeting

The Attendance slip **must be received by Nordea Bank Abp, filial i Norge, Issuer Services no later than 12:00 hrs (Norwegian time) on 25 January 2021.** Address: Nordea Bank Abp, filial i Norge, Issuer Services, P.O. Box 1166 Sentrum, N- 0107 Oslo or by e-mail to nis@nordea.com. Shareholders not complying with this deadline, will be denied access to the meeting in accordance with section 7 of the articles of association and the Norwegian Public Limited Companies Act Section 5-3 due to the current corona pandemic restrictions in Oslo.

The undersigned will attend Kongsberg Automotive ASA
Extraordinary General Meeting on 29 January 2021

**Shareholders complete name
and address**

vote for my/our shares

vote for shares in accordance with proxy(ies) enclosed

Shareholder's phone number

Date

Shareholder's signature*

Registration of attendance may also be made through VPS Investor Services or the Company's website <https://www.kongsbergautomotive.com/investor-relations/> by the same deadline as set out above.

**If the shareholder is a legal entity, please enclose documentation evidencing the representation by the signatory.*