



KONSGBERG
AUTOMOTIVE

Fourth Quarter Report 2020



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FOURTH QUARTER 2020 AT GLANCE

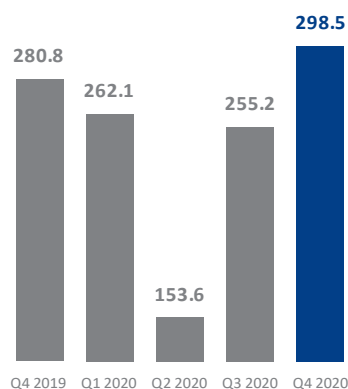
- > Fourth-quarter sales remained strong following the recovery from the Corona virus pandemic lockdowns imposed in Q2 2020 and came in at **MEUR 298.5**, MEUR 17.7 (+6.3%) more than last year's fourth quarter, despite negative currency translation effects of MEUR 14.3.
- > Adjusted EBIT amounted to **MEUR 22.5** in the fourth quarter, which was MEUR 7.4 higher than in Q4 2019.
- > Lifetime revenues business wins in the fourth quarter amounted to **MEUR 471.3** (MEUR 86.7 in annualized revenue).
- > The adjusted gearing ratio (NIBD/adj. EBITDA) was 5.4 compared to 3.1 in Q4 2019.

KEY FIGURES

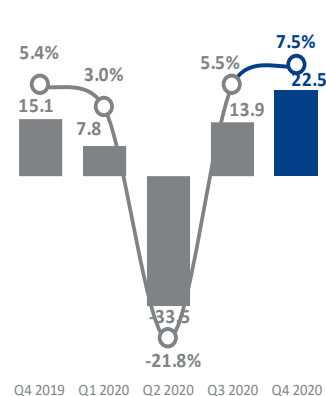
(MEUR)	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenues	298.5	280.8	969.3	1,160.9
EBITDA	34.3	25.1	(26.3)	110.4
<i>in % revenues</i>	11.5%	8.9%	-2.7%	9.5%
Impairment losses	0.0	0.0	(82.6)	0.0
Adjusted EBIT¹	22.5	15.1	10.7	70.9
<i>in % revenues</i>	7.5%	5.4%	1.1%	6.1%
Operating profit (loss) / EBIT	21.7	11.0	(76.2)	62.4
<i>in % revenues</i>	7.3%	3.9%	-7.9%	5.4%
Net Profit / (Loss)	9.1	5.7	(118.0)	28.8
NIBD / Adjusted EBITDA (LTM)	5.4	3.1	5.4	3.1
<i>excluding IFRS 16</i>	5.1	2.5	5.1	2.5
Equity ratio	27.3%	30.6%	27.3%	30.6%
<i>excluding IFRS 16</i>	30.9%	34.5%	30.9%	34.5%

¹ Adjusted for restructuring costs and impairment losses (see APM section)

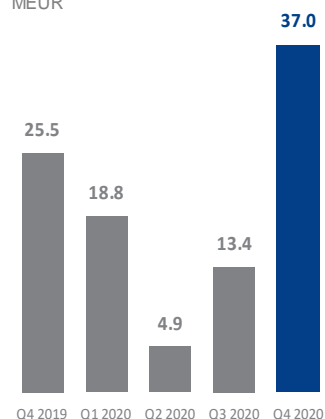
Revenues
MEUR



Adjusted EBIT
MEUR and in % revenues



Operating Cash Flow
MEUR



GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

(MEUR)	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenues	298.5	280.8	969.3	1,160.9
OPEX	(264.2)	(255.7)	(913.0)	(1,050.4)
Impairment losses	0.0	0.0	(82.7)	0.0
EBITDA	34.3	25.1	(26.3)	110.4
<i>in % revenues</i>	<i>11.5%</i>	<i>8.9%</i>	<i>-2.7%</i>	<i>9.5%</i>
Depreciation/Amortization/Write-off of tangible and intangible assets	(12.6)	(14.1)	(49.9)	(48.0)
Operating profit (loss) / EBIT	21.7	11.0	(76.2)	62.4
<i>in % revenues</i>	<i>7.3%</i>	<i>3.9%</i>	<i>-7.9%</i>	<i>5.4%</i>
Adjusted EBIT¹	22.5	15.1	10.7	70.9
<i>in % revenues</i>	<i>7.5%</i>	<i>5.4%</i>	<i>1.1%</i>	<i>6.1%</i>
Net financial items	(12.3)	(5.4)	(47.0)	(18.9)
Profit / (loss) before taxes	9.4	5.6	(123.2)	43.5
Income taxes	(0.3)	0.1	5.2	(14.8)
Net profit / (loss)	9.1	5.7	(118.0)	28.8

¹ See APM section for the reconciliation

REVENUES

Revenues for the Group amounted to MEUR 298.5 in the fourth quarter of 2020, MEUR 17.7 (+6.3%) more than Q4 2019, despite negative currency translation effects of MEUR 14.3. The higher revenue levels are attributable to all operating segments.

In the Powertrain & Chassis segment, which serves the passenger car and commercial vehicle end markets, revenues increased by MEUR 4.1 (+3.7%) year over year, despite negative currency translation effects of MEUR 4.8. On a constant currencies' basis, revenues in the commercial vehicle end market increased by MEUR 9.7 in total, attributable to China (MEUR 2.1) and United States (MEUR 3.0) and in Europe (MEUR 3.6). The revenues in the passenger car end markets declined by MEUR 9.3 in Europe, offset by an increase of MEUR 8.5 in China. Revenues in United States remained at a comparable level.

In the Specialty Products segment, which serves the passenger car, commercial vehicle end markets and general industrial customers, revenues increased by MEUR 2.7 (+3.0%) compared to the same quarter in 2019, despite negative currency translation effects of MEUR 5.0. Excluding negative translation effects, revenues in all regions have shown an upward trend: Europe by MEUR 3.9, America by MEUR 2.4 and Asia by MEUR 1.3.

In the Interior segment, which serves the passenger car end markets, revenues increased by MEUR 10.9 (+14.3%) compared to the fourth quarter of 2019, despite negative currency translation effects of MEUR 4.5. Interior Comfort System significantly contributed to the increase of revenues (MEUR 13.3).

ADJUSTED EBIT / EBIT

Adjusted EBIT for the Group was MEUR 22.5 in the fourth quarter 2020, which is higher by MEUR 7.4 (+49.3%) than in Q4 2019. This increase is due to strict cost control and improved efficiency, as well as the increased revenues in Asia with higher profit margins.

Including restructuring costs of MEUR 0.8, operating profit in Q4 2020 amounted to MEUR 21.7, compared to the operating profit of MEUR 11.0 in Q4 2019.

NET FINANCIAL ITEMS

Net financial items came to an expense of MEUR 12.3 in the fourth quarter of 2020, compared to an expense of MEUR 5.4 in the same period in 2019 (see Note 6).

The main driver for the higher financial expenses was the increase of foreign currency losses amounting to MEUR 5.7 compared to the foreign currency gains of MEUR 0.6.

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

PROFIT BEFORE TAX / NET PROFIT

Profit before tax amounted to MEUR 9.4 in the fourth quarter of 2020, an improvement of MEUR 3.8 to the same quarter of 2019. Net profit amounted to MEUR 9.1 in Q4 2020, being an increase of MEUR 3.4 compared to the net profit of MEUR 5.7 in Q4 2019. Any tax expense related to the positive result in Q4 2020 was offset by deferred tax income on future deductible differences and losses.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – CASH FLOW

(MEUR)	Q4 2020	Q4 2019	FY 2020	FY 2019
Cash flow - Operating activities	37.0	25.5	74.1	51.3
Cash flow - Investing activities	(26.6)	(17.0)	(58.6)	(63.3)
Cash flow - Financing activities	(6.8)	(6.6)	41.6	(22.9)
Currency effects on cash	(7.1)	(1.2)	(14.9)	0.7
Change in cash	(3.4)	0.7	42.2	(34.0)
Cash as of beginning of period	70.8	24.5	25.2	59.2
Cash as of end of period	67.4	25.2	67.4	25.2
<i>Of this, restricted cash</i>	<i>0.4</i>	<i>0.8</i>	<i>0.4</i>	<i>0.8</i>

CASH FLOW FROM OPERATING ACTIVITIES

Cash from operating activities increased by MEUR 11.5 in comparison with the fourth quarter last year. The change in net working capital amounted to MEUR 11.7 in Q4 2020 compared to a change of MEUR 15.6 in Q4 2019.

CASH FLOW USED BY INVESTING ACTIVITIES

Cash used by investing activities amounted to MEUR 26.6 in the fourth quarter of 2020. The higher investment activity in Q4 2020 was to catch up reduced investment activity due to the Corona virus pandemic.

CASH FLOW USED BY FINANCING ACTIVITIES

Cash flow used by financing activities was MEUR 6.8 in the fourth quarter, compared to MEUR 6.6 in the same quarter last year. The main change compared to Q4 2020 is the Intermediate Subordinated Loan Notes of MEUR 1.4 received from Finacity Corporation with an interest rate of 2.5% and a government-backed loan of MEUR 0.8 that was applied for under a COVID-19 relief program.

The repayment of lease liabilities amounted to MEUR 3.1 in Q4 2020.

Interest payments in the fourth quarter of 2020 amounted to MEUR 1.8 related solely to leases.

CHANGE IN CASH

Cash decreased by MEUR 3.4 during the fourth quarter, resulting in a cash position of MEUR 67.4 at the end of the quarter, compared to the balance of MEUR 70.8 at the end of Q3 2020.

LIQUIDITY RESERVE

The liquidity reserve was MEUR 197.0 (excluding the restricted cash of MEUR 0.4) at the end of the fourth quarter, compared to MEUR 64.4 at year-end 2019. The unutilized RCF as of December 31, 2020 amounted to MEUR 70.0. Moreover, the Company has an unutilized Securitization facility of MEUR 60.0 as of the end of Q4 2020.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

<i>(MEUR)</i>	31.12.20	31.12.19
Non-current assets	456.1	531.5
Cash and cash equivalents	67.4	25.2
Other current assets	374.5	370.2
Total assets	898.0	927.0
Equity	245.5	282.9
Interest-bearing liabilities	376.9	386.5
Other liabilities	275.6	257.5
Total equity and liabilities	898.0	927.0
NIBD	309.5	361.3
Equity ratio	27.3%	30.6%

ASSETS

Total assets were MEUR 898.0 at the end of the fourth quarter, a decrease of MEUR 29.0 from year-end 2019. The decrease in value of total assets as of December 31, 2020 is mainly driven by the impairment losses of MEUR 82.7 booked in Q2 2020. Total current assets increased mainly due to the increase of accounts receivables by MEUR 21.1 reflecting the high sales level in Q4 2020 and cash and cash equivalents changed by MEUR 42.2.

EQUITY

Equity as of December 31, 2020 decreased by MEUR 37.4 (-13.2%) to MEUR 245.5 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 63.4 net of transaction fees) completed in Q2 2020.
- > Successful completion of the Subsequent Offering capital increase of in aggregate NOK 300.000.000 (MEUR 27.3) in Q3 2020.
- > Total comprehensive income of MEUR (129.0) for the whole year 2020, consisting of net profit of MEUR (118.0), mainly impacted by the impairment losses of MEUR 82.7 booked in Q2 2020, and
- > Negative other comprehensive income of MEUR (11.0).

During the fourth quarter of 2020 the following movements have contributed to the change of the equity as of December 31, 2020:

- > Total comprehensive income for the quarter of MEUR 12.3.

The equity ratio decreased from 30.6% in 2019 to 27.3% by 3.3 as at December 31, 2020.

INTEREST BEARING LIABILITIES

Total interest-bearing liabilities amounted to MEUR 376.9 comprising IFRS 16 lease interest-bearing liabilities of MEUR 103.4 and the issued bond of MEUR 275.0, netted with the capitalized fees of MEUR 4.9. In addition, a loan at MEUR 1.4 in relation to the Accounts Receivables Securitization program and a government backed loan of MEUR 0.8 was drawn.

As at December 30, 2020, long-term interest-bearing debt amounted to MEUR 363.1.

NET INTEREST BEARING DEBT

At the end of the fourth quarter 2020, net interest-bearing debt amounted to MEUR 309.5, a decrease of MEUR 51.9 compared to year-end 2019, mainly driven by the increase of cash balances as of December 31, 2020.

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)	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenues	87.4	76.5	272.5	304.0
Adjusted EBITDA	8.4	7.4	8.0	23.8
<i>in % revenues</i>	9.6%	9.7%	2.9%	7.8%
Adjusted EBIT	3.1	3.7	(8.7)	10.3
<i>in % revenues</i>	3.6%	4.9%	-3.2%	3.4%
Restructuring	(0.2)	(0.5)	(0.5)	(0.5)
Impairment losses	0.0	0.0	(52.2)	0.0
Operating profit (loss) / EBIT	2.9	3.2	(61.4)	9.8
<i>in % revenues</i>	3.3%	4.2%	-22.5%	3.2%
Investments	(10.1)	(7.9)	(27.9)	(25.3)
Capital employed ¹	166.6	222.8	166.6	222.8

¹ Includes PP&E, intangible assets, inventories, trade receivables and trade payables

FINANCIAL UPDATE

Revenues of MEUR 87.4 in Q4 2020 significantly exceeded the revenue level in Q4 2019 by MEUR 10.9 (+14.3%), despite negative currency translation effects of MEUR 4.5 Interior Comfort System revenues increased by MEUR 13.3 compared to Q4 2019 on constant currency basis. This increase was supported by all regions, especially by China, where revenues amounted to MEUR 12.5, MEUR 6.1 (+96%) more than in Q4 2019. Revenues in Light Duty Cables has slightly exceeded revenues in Q4 2019 by MEUR 1.0.

Adjusted EBIT was MEUR 3.1 in the fourth quarter, a decrease of MEUR 0.6 compared to the adjusted EBIT in Q4 last year. The positive effects of operational improvements and strict cost controls were offset by one-time costs and supply chain stress.

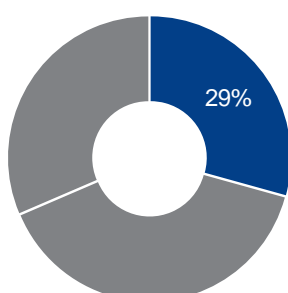
The global supply crisis for electronic components already increased Interior's expenses by approximately MEUR 0.5 in Q4.

COMMERCIAL AND OPERATIONAL UPDATE

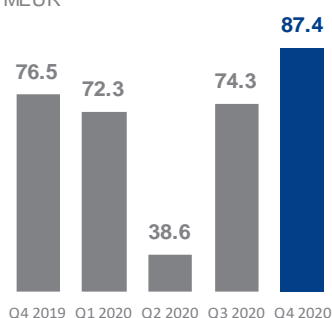
New business wins in Q4 2020 has hit all-time highs (since 2016) in lifetime revenue. Business wins amounted to MEUR 326.9 lifetime revenues (MEUR 41.3 in annualized revenue) in the fourth quarter 2020.

Within the quarter, Interior was awarded two large contracts: one to supply seat support systems to a major European car maker and one to supply seat support systems to a major US car maker with start of production in Q4 2022 and Q3 2021. The programs total MEUR 17.0 and MEUR 11.6 in expected annualized revenues and MEUR 153.3 and MEUR 80.9 in expected lifetime revenues.

Group revenue share
Q4 2020

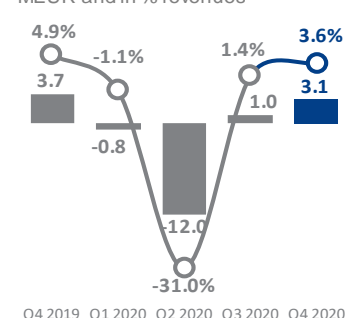


Revenues
MEUR



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)	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenues	117.3	113.2	372.9	461.1
Adjusted EBITDA	10.1	10.8	19.2	38.1
<i>in % revenues</i>	<i>8.6%</i>	<i>9.5%</i>	<i>5.2%</i>	<i>8.3%</i>
Adjusted EBIT	5.9	5.4	(0.6)	19.0
<i>in % revenues</i>	<i>5.0%</i>	<i>4.7%</i>	<i>-0.2%</i>	<i>4.1%</i>
Restructuring	(1.6)	(0.2)	(1.8)	(0.2)
Impairment losses	0.0	0.0	(30.4)	0.0
Operating profit (loss) / EBIT	4.2	5.2	(32.8)	18.7
<i>in % revenues</i>	<i>3.6%</i>	<i>4.6%</i>	<i>-8.8%</i>	<i>4.1%</i>
Investments	(9.3)	(3.8)	(18.3)	(22.8)
Capital employed ¹	191.1	221.1	191.1	221.1

¹ Includes PP&E, intangible assets, inventories, trade receivables and trade payables

FINANCIAL UPDATE

Revenues in Powertrain & Chassis increased by MEUR 4.1 (+3.7%) to MEUR 117.3 in the fourth quarter 2020 compared to the same quarter in 2019, despite negative currency translation effects of MEUR 4.8. The increase was mainly driven by the significant expansion in China where revenues increased by MEUR 10.4 compared to Q4 2019. On the other hand, it was partially offset by the decrease in Europe where revenues in Q4 2020 decreased by MEUR 5.7.

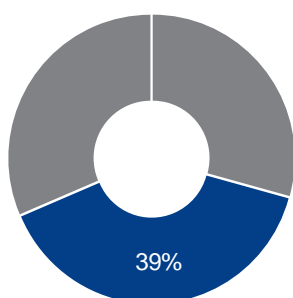
Adjusted EBIT was MEUR 5.9 in the fourth quarter 2020, an increase of MEUR 0.5 compared to the adjusted EBIT in Q4 last year. Higher profitability is driven by efficient control of variable and fixed costs in European and American plants. However, this was partially offset by a warranty charge of around MEUR 5.0.

COMMERCIAL AND OPERATIONAL UPDATE

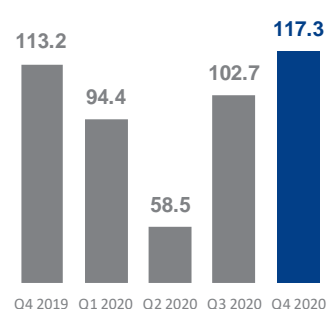
Business wins amounted to MEUR 52.6 lifetime revenue (MEUR 18.6 in annualized revenue) in the fourth quarter of 2020.

New Business Wins included a gear shift system project to an American car maker with expected annualized revenues of MEUR 4.3 and MEUR 25.7 in expected lifetime revenues.

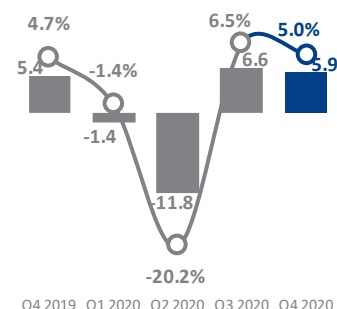
Group revenue share
Q4 2020



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)	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenues	93.8	91.1	324.0	395.7
Adjusted EBITDA	19.2	14.7	53.9	70.5
<i>in % revenues</i>	<i>20.5%</i>	<i>16.1%</i>	<i>16.6%</i>	<i>17.8%</i>
Adjusted EBIT	16.3	11.4	42.4	58.8
<i>in % revenues</i>	<i>17.4%</i>	<i>12.5%</i>	<i>13.1%</i>	<i>14.9%</i>
Restructuring	1.0	(2.2)	0.7	(2.1)
Impairment losses	0.0	0.0	0.0	0.0
Operating profit / EBIT	17.3	9.2	43.1	56.8
<i>in % revenues</i>	<i>18.4%</i>	<i>10.1%</i>	<i>13.3%</i>	<i>14.3%</i>
Investments	(7.2)	(5.9)	(14.2)	(16.7)
Capital employed ¹	211.2	228.8	211.2	228.8

¹ Includes PP&E, intangible assets, inventories, trade receivables and trade payables

FINANCIAL UPDATE

Revenues in Specialty Products increased by MEUR 2.7 (+3.0%) to MEUR 93.8 compared to the fourth quarter of 2019, despite negative currency translation effects of MEUR 5.0. The revenue growth in this segment was driven by the couplings systems in the heavy-duty vehicles market and fluid handling systems, mainly in European and US plants.

Adjusted EBIT was MEUR 16.3 in the fourth quarter, an increase of MEUR 4.9 compared to last year. Strong productivity in the growing Chinese market, favorable foreign exchange rate effects and positive development of brass and resin prices for Couplings products led to a more than proportional increase of adjusted EBIT.

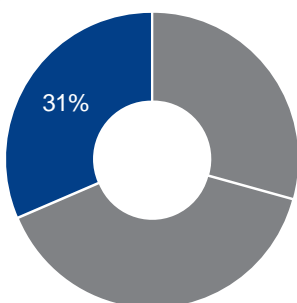
COMMERCIAL AND OPERATIONAL UPDATE

During the fourth quarter 2020, total business wins amounted to MEUR 91.9 in lifetime revenue (MEUR 26.8 in annualized revenue).

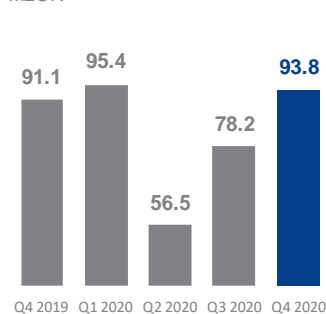
Within the quarter, Couplings was awarded a contract with a major European Truck OEM. This program totals MEUR 6.1 in expected annualized revenues and MEUR 43.0 in expected lifetime revenues.

Likewise, Off-Highway secured three contracts with major construction OEMs. These programs total MEUR 5.4 in expected annualized revenues and MEUR 16.2 in expected lifetime revenues.

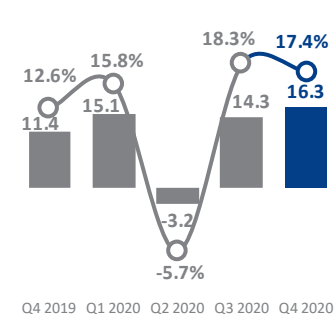
Group revenue share
Q4 2020



Revenues
MEUR



Adjusted EBIT
MEUR and in % revenues



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenues	298.5	280.8	969.3	1,160.9
OPEX	(264.2)	(255.7)	(913.0)	(1,050.4)
Impairment losses	0.0	0.0	(82.7)	0.0
EBITDA	34.3	25.1	(26.3)	110.4
<i>in % revenues</i>	<i>11.5%</i>	<i>8.9%</i>	<i>-2.7%</i>	<i>9.5%</i>
Depreciation/Amortization/Write-off of tangible and intangible assets	(12.6)	(14.1)	(49.9)	(48.0)
Operating profit (loss) / EBIT	21.7	11.0	(76.2)	62.4
<i>in % revenues</i>	<i>7.3%</i>	<i>3.9%</i>	<i>-7.9%</i>	<i>5.4%</i>
Adjusted EBIT¹	22.5	15.1	10.7	70.9
<i>in % revenues</i>	<i>7.5%</i>	<i>5.4%</i>	<i>1.1%</i>	<i>6.1%</i>
Net financial items	(12.3)	(5.4)	(47.0)	(18.9)
Profit / (loss) before taxes	9.4	5.6	(123.2)	43.5
Income taxes	(0.3)	0.1	5.2	(14.8)
Net profit / (loss)	9.1	5.7	(118.0)	28.8
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>				
Translation differences on foreign operations	(27.8)	(4.3)	(2.8)	(0.8)
Tax on translation differences	(2.5)	1.9	1.4	(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	33.6	1.6	(9.4)	3.7
Remeasurement of net pension benefit obligation	(0.1)	(3.3)	(0.1)	(3.3)
Tax on net pension benefit obligation remeasurement	0.0	0.2	0.0	0.2
Other comprehensive income	3.2	(3.8)	(11.0)	(0.8)
Total comprehensive income	12.3	1.9	(129.0)	28.0
Net profit attributable to:				
Equity holders (parent company)	9.0	5.6	(118.3)	28.6
Non-controlling interests	0.1	0.1	0.4	0.2
Total	9.1	5.7	(118.0)	28.9
Total comprehensive income attributable to:				
Equity holders (parent company)	12.2	1.8	(129.3)	27.8
Non-controlling interests	0.1	0.1	0.3	0.2
Total	12.3	1.9	(129.0)	28.0
Earnings per share (EUR):				
Basic earnings per share	0.00	0.01	(0.02)	0.06
Diluted earnings per share	0.00	0.01	(0.02)	0.06

¹ Adjusted for restructuring costs, see APM section for the reconciliation

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

<i>(MEUR)</i>	31.12.20	31.12.19
Intangible assets	93.2	160.3
Property, plant and equipment	228.8	232.1
Right-of-use assets	94.3	103.8
Deferred tax assets	28.7	19.9
Other non-current assets	11.1	15.3
Non-current assets	456.1	531.5
Inventories	88.9	102.9
Accounts receivable	237.9	216.8
Other short-term receivables	47.7	50.6
Financial instruments	0.0	0.0
Cash and cash equivalents	67.4	25.2
Current assets	441.9	395.4
Total assets	898.0	927.0
Share capital ¹	100.5	22.8
Share premium reserve	208.1	207.6
Other equity	(67.2)	48.8
Non-controlling interests	4.1	3.8
Total equity	245.5	282.9
Long-term interest-bearing liabilities	363.1	362.7
Deferred tax liabilities	14.9	21.8
Other long-term liabilities	21.3	21.6
Non-current liabilities	399.3	406.1
Short-term interest-bearing liabilities	13.8	23.8
Accounts payable	137.8	130.5
Other short-term liabilities	101.6	83.5
Current liabilities	253.2	237.9
Total liabilities	652.5	644.0
Total equity and liabilities	898.0	927.0

¹ 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>	31.12.20	31.12.19
Equity as of start of period	282.9	253.5
Net profit / (loss) for the period	(118.0)	28.8
Translation differences	(12.2)	2.9
Tax on translation differences	1.4	(0.6)
Remeasurement of the net pension benefit obligation	(0.1)	(3.3)
Tax on remeasurement of the net pension benefit obligation	0.0	0.2
Total comprehensive income	(129.0)	28.0
Stock based compensation	2.1	1.4
Increase in equity	90.7	0.0
Purchase of treasury shares	(1.3)	0.0
Equity as of end of period	245.5	282.9

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(MEUR)	Q4 2020	Q4 2019	FY 2020	FY 2019
<i>Operating activities</i>				
Profit / (loss) before taxes	9.4	5.7	(123.2)	43.5
Depreciation & Write-off of tangible assets	11.6	12.4	43.7	42.9
Amortization & Write-off of intangible assets	1.0	1.6	6.2	5.1
Impairment losses	0.0	0.0	82.7	0.0
Interest income	(0.0)	(0.1)	(0.2)	(0.6)
Interest and other financial expenses ¹	6.6	6.0	24.2	22.5
Taxes paid	(7.0)	(5.1)	(11.9)	(14.4)
(Gain) / loss on sale of non-current assets	(0.0)	0.1	(0.3)	(0.3)
Changes in receivables	(16.1)	13.4	(21.1)	(6.0)
Changes in inventory	(5.5)	10.2	14.0	17.6
Changes in payables	33.3	(8.0)	7.3	(29.1)
Currency (gain) / loss	5.7	(0.6)	23.0	(3.0)
Difference between pension funding contributions paid/pensions paid and the net pension cost	(0.9)	1.1	(1.0)	0.9
Changes in other items ²	(1.2)	(11.4)	30.7	(27.7)
Cash flow - Operating activities	37.0	25.5	74.1	51.3
<i>Investing activities</i>				
Investments	(26.7)	(17.3)	(60.6)	(65.0)
Sale of fixed assets	0.0	0.2	1.8	1.2
Interest received	0.0	0.1	0.2	0.6
Cash flow - Investing activities	(26.6)	(17.0)	(58.6)	(63.3)
<i>Financing activities</i>				
Proceeds from increases in equity	(0.6)	0.0	89.7	(0.0)
Purchase of treasury shares	(0.9)	0.0	(1.3)	0.0
Net draw down of debt	0.7	(0.0)	(9.3)	10.3
Interest paid and other financial items	(1.8)	(2.4)	(24.1)	(21.3)
Repayment of lease liabilities	(4.3)	(4.1)	(13.5)	(11.9)
Cash flow - Financing activities	(6.8)	(6.6)	41.6	(22.9)
Currency effects on cash	(7.1)	(1.2)	(14.9)	0.7
Change in cash	(3.4)	0.7	42.2	(34.0)
Cash as of beginning of period	70.8	24.5	25.2	59.2
Cash as of end of period	67.4	25.2	67.4	25.2
<i>Of this, restricted cash</i>	<i>0.4</i>	<i>0.8</i>	<i>0.4</i>	<i>0.8</i>

¹ Includes Other financial items and the repayment of lease liabilities – See Note 6

² 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.

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 twelve months ended December 31, 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, 2020, 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 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 successfully completed 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.

Moreover, the Company entered into an account receivables securitization program in Q3 2020 where trade receivables held by the Company’s subsidiaries in the US, Canada, Poland and Slovakia (with the option for French subsidiaries’ receivables to be added in the future) will be sold to Kongsberg Automotive Finance B.V., a special purpose entity (SPE) 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. In determining whether to consolidate the SPE, the Company has evaluated whether it has control over the SPE, whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As a conclusion, Company is considered to have control over the SPE as it is exposed to variable returns and has the ability to affect those returns through its power over the investee.

Based on that, KA is consolidating the SPE.

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 (FOURTH QUARTER 2020)

Q4 2020 (MEUR)	Interior	Powertrain & Chassis	Speciality Products	Other ¹	Total Group
Revenues²	87.4	117.3	93.8	0.0	298.5
Adjusted EBITDA	8.4	10.1	19.2	(2.6)	35.1
Depreciation & Write-off of tangible assets ³	(5.2)	(3.5)	(2.8)	(0.2)	(11.6)
Amortization & Write-off of intangible assets ³	(0.1)	(0.7)	(0.2)	(0.1)	(1.0)
Adjusted EBIT	3.1	5.9	16.3	(2.8)	22.5
Impairment losses, thereof:	0.0	0.0	0.0	0.0	0.0
- allocated to Goodwill	0.0	0.0	0.0	0.0	0.0
- allocated to assets other than Goodwill	0.0	0.0	0.0	(0.0)	(0.0)
<i>Timing of revenue recognition</i>					
Ownership transferred at a point in time	87.4	117.3	93.8	0.0	298.5
<i>Assets and liabilities</i>					
Goodwill	3.9	16.2	65.3	0.0	85.4
Other intangible assets	0.6	6.2	0.8	0.3	7.8
Property, plant and equipment	100.4	66.5	60.9	1.0	228.8
Right-of-use assets	32.7	26.7	24.2	10.8	94.3
Inventories	21.7	29.5	37.7	0.0	88.9
Trade receivables	36.0	101.3	47.6	53.0	237.9
Other assets	12.9	6.2	5.2	0.0	24.3
Segment assets	208.1	252.5	241.8	65.1	767.5
Unallocated assets				130.5	130.5
Total assets	208.1	252.5	241.8	195.6	898.0
Trade payables	39.7	55.9	28.5	13.6	137.8
Non-current lease interest-bearing liabilities	29.0	27.4	23.5	9.8	89.6
Current lease interest-bearing liabilities	4.7	5.4	2.1	1.7	13.8
Segment liabilities	73.4	88.7	54.1	25.1	241.2
Unallocated liabilities				411.3	411.3
Total liabilities	73.4	88.7	54.1	436.3	652.5
Total equity				245.5	245.5
Total equity and liabilities	73.4	88.7	54.1	681.9	898.0
Capital expenditure	(10.1)	(9.3)	(7.2)	0.0	(26.7)

¹ 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.

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

³ Excluding restructuring costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SEGMENT REPORTING (FOURTH QUARTER 2019)

Q4 2019 (MEUR)	Interior	Powertrain & Chassis	Speciality Products	Other ¹	Total Group
Revenues²	76.5	113.2	91.1	0.0	280.8
Adjusted EBITDA	7.4	10.8	14.7	(4.8)	28.1
Depreciation ³	(3.5)	(4.5)	(2.9)	(0.5)	(11.5)
Amortization ³	(0.2)	(0.9)	(0.3)	(0.1)	(1.5)
Adjusted EBIT	3.7	5.4	11.4	(5.4)	15.1
<i>Timing of revenue recognition</i>					
Ownership transferred at a point in time	76.5	113.2	91.1	0.0	280.8
<i>Assets and liabilities</i>					
Goodwill	57.6	22.9	68.6	0.0	149.1
Other intangible assets	0.5	8.9	1.1	0.6	11.2
Property, plant and equipment	90.4	79.9	60.6	1.3	232.1
Right-of-use assets	26.6	35.6	27.9	13.7	103.8
Inventories	19.2	38.4	46.6	(1.3)	102.9
Trade receivables	55.5	80.6	65.3	15.4	216.8
Other assets	13.0	9.8	3.7	1.8	28.3
Segment assets	262.8	276.1	273.7	31.5	844.2
Unallocated assets				82.8	82.8
Total assets	262.8	276.1	273.7	114.3	927.0
Trade payables	36.8	48.9	42.5	2.5	130.7
Non-current lease interest-bearing liabilities	23.1	29.8	27.2	12.1	92.2
Current lease interest-bearing liabilities	3.3	6.1	2.4	2.0	13.8
Segment liabilities	63.2	84.8	72.1	16.7	236.7
Unallocated liabilities				407.3	407.3
Total liabilities	63.2	84.8	72.1	424.0	644.0
Total equity				282.9	282.9
Total equity and liabilities	63.2	84.8	72.1	707.0	927.0
Capital expenditure	(7.9)	(3.8)	(5.9)	(0.1)	(17.3)

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

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

³ 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>	2020	%	2019	%
Europe	418.8	43.2%	551.8	47.5%
Northern America	347.9	35.9%	425.5	36.7%
Southern America	14.7	1.5%	27.8	2.4%
Asia	183.4	18.9%	150.3	12.9%
Other	4.5	0.5%	5.4	0.5%
Total operating revenues	969.3		1,160.9	

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

<i>(MEUR)</i>	31.12.20	%	31.12.19	%
Europe	250.1	60.1%	303.8	61.2%
Northern America	115.1	27.6%	150.9	30.4%
Southern America	2.4	0.6%	3.7	0.7%
Asia	48.7	11.7%	37.8	7.6%
Total Intangible assets, PP&E and RoU	416.3		496.3	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 –IMPAIRMENT LOSSES

The outbreak of the COVID-19 pandemic at the start of the year had a significant impact on the Company's profitability and long-term viability. As a result of the COVID-19 pandemic, in Q2 2020 the Group's Management performed an impairment test in accordance with the requirements of IAS 36 for cash generating units (CGUs) that exhibit indicators of impairment.

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 which was regarded as a triggering event to perform an impairment test in Q2 2020. Based on the market data inputs (LMC and IHS reports) available in Q2 2020, the market, and as such the group's, top line was expected to reach pre COVID-19 levels in 2023. However, due to the fact that the top line for some CGUs has already reached its pre-COVID-19 level in Q4 2020, the outlook for 2022-2023 has been accordingly updated and present a much more optimistic view than the one used in Q2 2020.

The business units Interior Comfort Systems, Light Duty Cables, Driveline, On-highway, Couplings, Fluid Transfer Systems and Off-highway were identified as the respective CGUs.

CASH FLOW PROJECTIONS AND ASSUMPTIONS

The model was based on a three-year projection of discounted cash flows plus a terminal value (calculated using Gordon's growth model with the perpetual growth of 2%). The net discounted cash flows were calculated before tax.

The projected cash flows were derived from the business plans set up by the management of the business units and reviewed and finally approved by the top management in the course of the budget and strategic planning process covering the period until 2023. The business plans were based on the Group's strategic three-year plan (STP), adjusted for relevant recent changes in internal short-term forecasts and market data. Adjustments were made to exclude significant cash flows related to future restructuring, investments, or enhancements. Assumptions on labor inflation, ranging from 2% to 7% depending on the region, as well as on raw material price development increasing by 3%, were provided centrally. The input data on developments of the relevant markets were taken from well-known external sources, such as LMC Automotive, IHS and customers, in addition to all relevant internal information such as change in orders, customer portfolio, fitment rate for products, geographical development, market shares, etc.

DISCOUNT RATE ASSUMPTIONS

The required rate of return was calculated using the WACC method. The input data of the WACC was chosen by an individual assessment of each parameter. Information from representative sources, peer groups was used to determine the best estimate. The WACC was calculated to be 9.4% pre-tax. The same WACC was used for all CGUs, the reason being that the long-term risk profiles of the CGUs are not considered to be significantly different. The key parameters were set to reflect the underlying long-term period of the assets and time horizon of the forecast period of the business cases. The following parameters were applied:

- > Risk-free interest rate: 0.44%. Based on 10-year governmental Eurobond rate and US treasury 10-year yield, weighted 50/50.
- > Beta: 1.76. Based on an estimated unlevered beta for the automotive industry levered to the Group's structure.
- > Market Risk Premium: 5.31% (post tax). Based on market sources.
- > Cost of debt: based on the Group's cost of debt.

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.

SENSITIVITY ANALYSIS AND ALLOCATION OF IMPAIRMENT AS OF 31/12/2020

The value in use depends on the free cash flow and discount rate. The cash flow will fluctuate in relation to changes in price, currency, and volume. Business awards, success of the car model, product fitment rates, government regulations, and economic conditions, in turn influence the volume.

> On-Highway:

The value-in-use is significantly higher than the carrying value. The sensitivity analysis indicates a negative headroom only if discount rate increased by 4 percentage points and discounted cash flow was reduced by minimum 40%. Hence, no reasonable change in any of the key assumptions would cause the unit's recoverable amount to be lower than the carrying value.

> Couplings:

The value-in-use is significantly higher than the carrying value. No reasonable change in any of the key assumptions would cause the recoverable amount to be lower than the carrying value.

> Fluid Transfer Systems:

The value-in-use is considerably higher than the carrying value. No reasonable change in any of the key assumptions would cause the recoverable amount to be lower than the carrying value.

> Off-Highway:

No reasonable change in any of the key assumptions would cause the recoverable amount to be lower than the carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – IMPAIRMENT LOSSES (CONTINUED)

(MEUR)	Driveline	Light Duty Cables	Interior Comfort Systems	Total
- Goodwill				
Book value as at 01.01.2020	6.6	34.0	23.6	64.2
Impairment	(6.5)	(33.0)	(19.2)	(58.7)
Additions, Disposals & Translation differences	(0.1)	(0.4)	(1.1)	(1.6)
Book value as at 31.12.2020	0.0	0.6	3.3	3.9
- Other intangible assets				
Book value as at 01.01.2020	7.8	0.1	0.5	8.3
Impairment	(1.6)	0.0	0.0	(1.6)
Amortization	(1.8)	(0.0)	(0.2)	(2.0)
Additions, Disposals & Translation differences	(2.6)	(0.0)	0.3	(2.3)
Book value as at 31.12.2020	1.8	0.1	0.5	2.3
- Property, plant and equipment				
Book value as at 01.01.2020	41.6	6.4	84.0	131.9
Impairment	(16.8)	0.0	0.0	(16.8)
Depreciation	(5.5)	(1.1)	(10.4)	(17.0)
Additions, Disposals & Translation differences	10.8	1.7	19.8	32.3
Book value as at 31.12.2020	30.1	6.9	93.4	130.5
- Right-of-use assets				
Book value as at 01.01.2020	15.8	2.3	24.2	42.3
Impairment	(5.6)	0.0	0.0	(5.6)
Depreciation	(2.5)	(1.2)	(3.6)	(7.3)
Additions, Disposals & Translation differences	1.4	2.1	8.7	12.2
Book value as at 31.12.2020	9.1	3.1	29.4	41.6
Total impairment losses	(30.5)	(33.0)	(19.2)	(82.7)

> Driveline:

The impairment test showed that the Driveline as a CGU is highly sensitive to any changes in assumptions, meaning any sustained declines in free cash flow would trigger a need for additional impairment. However, reasonable increase of free cash flow combined with WACC closer to historic levels would lead to partial reversal of impairment of assets other than the Goodwill booked in Q2 2020. Management is confident that Driveline's carrying value is properly supported by the Group's strategic three-year plan (STP) and assumptions used.

> Light Duty Cables:

The analysis and impairment test based on the Group's STP indicate that value-in-use is significantly higher compared to Q2, resulting from the more optimistic outlook in years 2022 and 2023. Therefore, no reasonable change in any of the key assumptions would cause the recoverable amount to be lower than the carrying value.

> Interior Comfort System:

The impairment test performed as of December 31, 2020 indicates a significantly higher value-in-use compared to Q2 2020. This is due to the more optimistic outlook for the years 2021-2023. The sensitivity analysis based on the Group's STP indicates that no reasonable change in any of the key assumptions would cause the unit's recoverable amount to be lower than its carrying value.

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)	31.12.20	31.12.19
Long-term interest-bearing loan and borrowing	278.4	276.4
IFRS 16 long-term lease liabilities	89.6	92.2
Capitalized arrangement fees ¹	(4.9)	(5.8)
Current interest-bearing liabilities	13.8	23.8
Total interest-bearing liabilities	376.9	386.5

¹ As at December 31, 2020, the fees relate to the bond and are amortized over the 7-year period of the bond.

Interest-bearing liabilities by currency

(MEUR)	31.12.20	31.12.19
EUR	317.3	297.1
USD	18.8	8.1
Other currencies	45.7	87.2
Capitalized arrangement fees	(4.9)	(5.8)
Total interest-bearing loan and borrowing	376.9	386.5

5.2 LIQUIDITY RESERVE

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

(MEUR)	31.12.20	31.12.19
Cash reserve	67.4	25.2
Restricted cash	(0.4)	(0.8)
Undrawn RCF facility	70.0	40.0
Undrawn Securitization facility	60.0	0.0
Liquidity reserve	197.0	64.4

NOTE 6 – NET FINANCIAL ITEMS

(MEUR)	Q4 2020	Q4 2019	FY 2020	FY 2019
Interest income	0.0	0.0	0.1	0.6
Interest expenses	(5.4)	(5.6)	(20.9)	(21.1)
Foreign currency gains (losses) ¹	(5.7)	0.6	(23.0)	2.9
Change in valuation currency contracts	0.0	0.0	0.0	0.0
Account receivables securitization - Expenses	(0.5)	0.0	(0.5)	0.0
Other financial items	(0.7)	(0.4)	(2.7)	(1.3)
Net financial items	(12.3)	(5.4)	(47.0)	(18.9)

¹ Is made up of a realized currency loss of MEUR 1.4 and of an unrealized currency loss of MEUR 4.3 (Q4 2019: realized loss of MEUR 2.0 and unrealized gain of MEUR 2.6)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 – SUBSEQUENT EVENTS

REVERSE SPLIT OF THE COMPANY'S SHARES

The Company has consolidated its shares by a consolidation factor of 10:1, increasing par value per share from NOK 0.10 to NOK 1. In order to facilitate the share consolidation, the Company increased the share capital by NOK 0.70 (7 shares each of par value NOK 0.10) to obtain a total number of shares outstanding divisible by 10.

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 (loss)- EBIT/Adjusted EBIT
 - > EBITDA/Adjusted EBITDA
 - > Restructuring per segment
 - > 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, 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>	Q4 2020	Q4 2019	FY 2020	FY 2019
Operating profit (loss) / EBIT ¹	21.7	11.0	(76.2)	62.4
Restructuring items ²	0.8	4.1	4.2	8.5
Impairment losses ³	0.0	0.0	82.7	0.0
Adjusted EBIT¹⁺²⁺³	22.5	15.1	10.7	70.9

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>	Q4 2020	Q4 2019	FY 2020	FY 2019
Operating profit (loss) / EBIT	21.7	11.0	(76.2)	62.4
Depreciation & Write-off of tangible assets	11.6	12.5	43.7	42.9
Amortization & Write-off of intangible assets	1.0	1.5	6.2	5.1
EBITDA¹	34.3	25.1	(26.3)	110.4
Restructuring items ^{(*) 2}	0.8	3.1	4.2	7.4
Impairment losses ³	0.0	0.0	82.7	0.0
Adjusted EBITDA¹⁺²⁺³	35.1	28.1	60.6	117.9

(*) Excluding depreciation and amortization

ALTERNATIVE PERFORMANCE MEASURES (APM)

RESTRUCTURING ITEMS PER SEGMENT

<i>(MEUR)</i>	Q4 2020	Q4 2019	FY 2020	FY 2019
Interior	0.2	0.5	0.5	0.5
Powertrain & Chassis	1.6	0.2	1.8	0.2
Specialty Products	(1.0)	2.2	(0.7)	2.1
Other	(0.0)	1.2	2.6	5.6
Group total	0.8	4.1	4.2	8.5

IMPAIRMENT LOSSES PER SEGMENT

<i>(MEUR)</i>	Q4 2020	Q4 2019	FY 2020	FY 2019
Interior	0.0	0.0	52.3	0.0
Powertrain & Chassis	0.0	0.0	30.4	0.0
Specialty Products	0.0	0.0	0.0	0.0
Other	(0.0)	0.0	(0.0)	0.0
Group total	0.0	0.0	82.7	0.0

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.

<i>(MEUR)</i>	Q4 2020	Q4 2019	FY 2020	FY 2019
Cash flow - Operating activities	37.0	25.5	74.1	51.3
Cash flow - Investing activities	(26.6)	(17.0)	(58.6)	(63.3)
Cash flow - Financing activities	(6.8)	(6.6)	41.6	(22.9)
Currency effects on cash	(7.1)	(1.2)	(14.9)	0.7
<i>Add back / less:</i>				
Proceeds from capital increase	0.6	(0.0)	(89.7)	0.0
Purchase of treasury shares	0.9	0.0	1.3	0.0
Net draw-down/repayment of debt	(0.7)	0.0	9.3	(10.3)
Free Cash Flow	(2.7)	0.7	(37.0)	(44.4)

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)	31.12.20	31.12.19
Long-term interest-bearing liabilities	363.1	362.7
Other short-term interest-bearing liabilities	13.8	23.8
Cash and cash equivalents	(67.4)	(25.2)
Net Interest Bearing Debt	309.5	361.3

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)	31.12.20	31.12.19
Total assets	980.7	927.0
Deferred tax liabilities	(14.9)	(21.8)
Other long-term liabilities	(21.3)	(21.6)
Current liabilities	(253.2)	(237.9)
Capital employed	691.2	645.6

Capital Employed as at December 31, 2020, does not consider the assets' impairment of MEUR 82.7.

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)		Q4 2020		FY 2019
Capital employed beginning ¹	01.01.2019	645.6	01.01.2018	629.2
Capital employed at end ²	31.12.2020	691.2	31.12.2019	645.6
Adjusted EBIT last twelve months ³		10.7		70.9
Adjusted ROCE ^{(3 / (1+2)) * 200%}		1.6%		11.1%

Capital Employed as at December 31, 2020, does not consider the assets' impairment of MEUR 82.7.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of consolidated financial statements for the year ended on December 31, 2020, has been prepared in accordance with IAS34 – Interim Financial Reporting and gives a true and fair view of Kongsberg Automotive ASA and its Group companies' assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the year 2020 and their impact on the condensed set of consolidated financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Kongsberg, February 25, 2021

Firas Abi-Nassif
Chairman
(Sign.)

Peter Schmitt
Board member
(Sign.)

Leif Harvard Stromhaug
Employee representative
(Sign.)

Emese Weissenbacher
Board member
(Sign.)

Bjørn Ivan Ødegård
Employee representative
(Sign.)

Ellen M. Hanetho
Board member
(Sign.)

Gerard Cordonnier
Board member
(Sign.)

Tonje Sivesindtjet
Employee representative
(Sign.)

Norbert Loers
co-CEO ad interim and CFO
(Sign.)

Robert Pigg
co-CEO ad interim and CFO
(Sign.)

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

Marcus von Pock	Communications	+41 43 508 94 93
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FINANCIAL CALENDAR

The quarterly reports and financial statements will be published on the following days:

1 st quarter 2021	May 12, 2021
2 nd quarter 2021 and Half-yearly Report	July 30, 2021
3 rd quarter 2021	October 29, 2021

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