

# FOURTH QUARTER REPORT

2023



**KONGSBERG**  
AUTOMOTIVE





# THE FOURTH QUARTER AND FULL YEAR 2023 EXECUTIVE SUMMARY

KONGSBERG AUTOMOTIVE ENDS A CHALLENGING 2023 WITH FLAT REVENUES, POSITIVE FREE CASH FLOW AND STRONG ORDER INTAKE.

## COMMENTS FROM LINDA NYQUIST-EVENRUD, PRESIDENT & CEO



*It was my honor to have been appointed as the interim President & CEO of Kongsberg Automotive (KA) in July 2023, and to have officially assume the role as the President & CEO from January 2024. I have been a proud member of the automotive industry for the last two decades, 16 years of which I have spent in KA. Before my appointment, I successfully led the Flow Control Systems business unit as the Executive Vice President.*

*Revenues in Q4 were fairly stable compared to Q4 last year, while both adjusted EBIT and free cash flow came in positively in the quarter. For the fiscal year 2023, we are clearly not satisfied with our financial performance, even though we are showing underlying growth, and have turned every stone with the aim of regaining profitability and positive free cash flow in 2024.*

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***Substantial cost reduction initiatives have been implemented, while we also have assessed – and continue to assess – parts of our operational set-up.***

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*The operational improvements throughout the company have positioned us well to mitigate the impact of the disruptions in the supply chain, raw material and energy cost, inflation, and declining volumes within our Driveline business. KA launched a cost optimization program in the second half of 2023, which will contribute to the lowering of our overhead cost in 2024.*

*Our performance over the past year makes me confident that we are heading in the right direction, and I expect that all operational measures we have taken in 2023 and 2024 will improve the profitability of KA considerably in 2024.*

### FOURTH QUARTER 2023 FINANCIAL HIGHLIGHTS

- > REVENUES EUR 211 M (215 M)
- > ADJUSTED EBIT EUR 5 M (11 M)
- > NET RESULT AFTER TAX EUR -26 M (13 M)
- > NEW BUSINESS WINS OVER EUR 412 M LIFETIME AND 82 M ANNUALIZED REVENUES (224 M AND 73 M)
- > FREE CASH FLOW EUR 4 M (85 M\*)

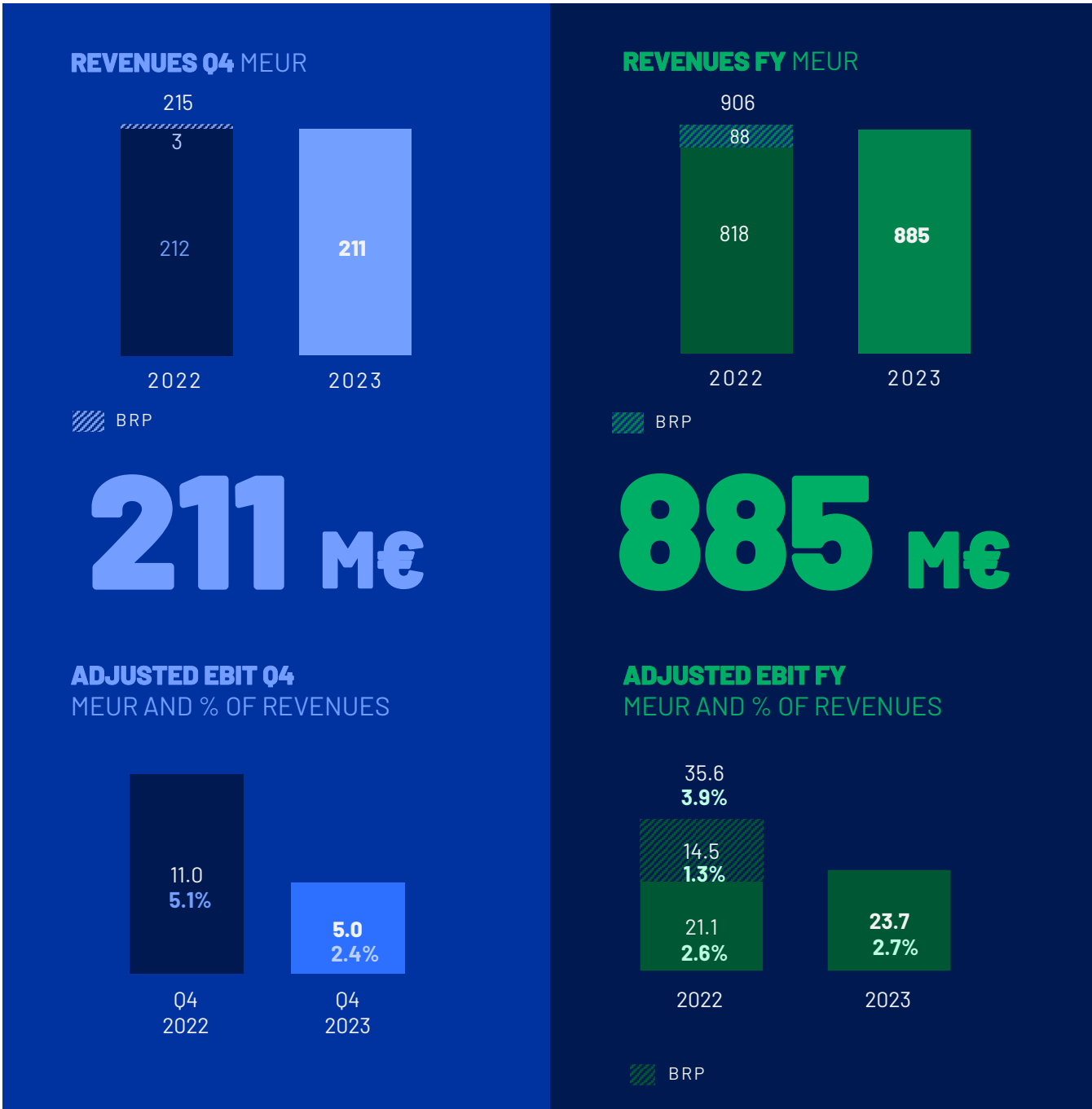
### 2023 FULL-YEAR FINANCIAL HIGHLIGHTS

- > REVENUES EUR 885 M (906 M) REPRESENTING A 12.9% UNDERLYING INCREASE\*\*
- > ADJUSTED EBIT EUR 24 M (36 M) IN LINE WITH LATEST GUIDANCE. REPRESENTING A 12.1% UNDERLYING INCREASE\*\*\*
- > NET RESULT AFTER TAX EUR -59 M (21 M)
- > NEW BUSINESS WINS EUR 989 M LIFETIME AND 297 M ANNUALIZED REVENUES (760 M AND 247 M)
- > FREE CASH FLOW EUR -35 M (77 M\*)

\*Including proceeds from divestments

\*\*On constant currencies and without the revenues divested to BRP in 2022

2 \*\*\*On constant currencies and without the EBIT divested to BRP in 2022



### SUMMARY 2023

Looking back at 2023, KA is coming off another year in which the company faced a challenging market environment. Despite all the headwinds, KA continued to **deliver on its revised guidance**. However, impairments in the Driveline business led to significant after-tax loss and an overall unsatisfactory result.

Group revenues amounted to EUR 884.9 million in 2023, a decrease of EUR 20.7 million (-2.3%) compared to last year, including negative currency translation effects of EUR 38.0 million. **Excluding revenues from operations divested to BRP of EUR 88.1 million in 2022, year-on-year growth at constant currency rates amounted to EUR 105.2 million (+12.9%).**

Our revenue growth in the commercial vehicles area was above market for the third year in a row. This was mainly driven by the **significant outperformance in revenues in the European truck market**. KA's revenue included

sustainable price increases as well active reimbursements of the increased cost due to volatile prices of raw material, logistics costs, energy as well as labor cost inflation.

Adjusted EBIT amounted to EUR 23.7 million in 2023 compared to EUR 35.6 million. **Excluding adjusted EBIT of EUR 14.5 million from the Powersports business divested to BRP in 2022, current year's adjusted EBIT increased by EUR 2.6 million.** The earnings from the positive development in the commercial vehicle markets in China and Europe were partially offset by the missing fall through from the declining revenues in the passenger car markets especially in China and increase of warranty expenses.

Total adjusting and restructuring items amounted to negative EUR 43.3 million, compared to positive EUR 27.5 million in 2022. Whereas in 2022 the adjusting items included the gain on the sale of Powersports business to BRP at the amount of EUR 41.1 million, **the adjusting and restructuring items in 2023 comprised cost related to the impairment on the Driveline assets at EUR 27.0 million, EUR 5.6 million related to restructuring cost for the overhead optimization program announced in Q3 2023** and right-sizing of a Driveline plant as well as other one-time costs related to e.g. strategic review and portfolio optimization.

EBIT for the full year amounted to EUR -19.7 million.

Total financial items amounted to EUR -26.0 million, compared to EUR -16.8 million in 2022. The **weakening NOK led to unrealized currency losses on the EUR 199 million back-to-back loan** denominated in EUR held by the Kongsberg Automotive ASA.

The income tax expense in 2023 amounted to EUR 13.4 million, consisting of EUR 12.2 million current tax expense and EUR 1.2 million deferred income tax expense. **Most of the losses were deemed not to be capitalizable in accordance with the requirements of IAS 12.**

**The cash and cash equivalents balance as of 31 December 2023 was EUR 164.7 million compared to EUR 212.9 million as of 31 December 2022.** The operational cash flow amounted to EUR 21.6 million, whereas EUR 29.1 million was used for investing activities. The cash flow from financing activities amounted to negative EUR 39.7 million of which EUR 3.9 million was for the share repurchase and EUR 9.4 million for the repurchase of bond notes.

Total non-current assets decreased by EUR 24.1 million, mainly due to the impairment of the Driveline assets. Total net working capital remained at a comparable level. **Interest bearing liabilities was EUR 264.9 million in 2023 compared to EUR 267.6 million due to the repurchase of bond notes offset by an increase of lease liabilities.**

Due to the net loss of EUR -59.1 million the equity ratio decreased from 35.2% from 31 December 2022 to 30.2% as of 31 December 2023.

Over the course of 2023, **KA has taken a concrete step forward, as annualized business wins have increased by 20% year-on-year, which also led to a positive book-to-bill ratio of 1.1.** The main contributors have been FCS' Fluid Transfer Systems and On-Highway business unit accounting for 70% of the achieved bookings, contributing to our favorable book-to-bill ratio. As per our stated strategic goals, over 80% of our business wins came from the non-passenger car segments, primarily truck & bus and industrial. This confirms our valued customers' trust and confidence in KA's products and employees, underlining the competitiveness of our products.

KA also launched a **comprehensive cost optimization program in the second half of 2023**, which will contribute to lowering our overhead costs in 2024.

During 2023 KA **acquired innovative patents from Romoline for camera cleaners**, developed in Norway. The products' intention is to improve functionality, quality, environmental impact, customer satisfaction, and cost of use. Developing the product into complete systems and sensor cleaning solutions are the potential next steps for KA to expand in this product area.

KA also **acquired 20% of Chassis Autonomy, a company providing solutions for the autonomous driving industry.** This highly innovative technology will allow KA to empower customers to incorporate fail-operational steer-by-wire solutions in their vehicles today, preparing them for autonomous driving (L3-5) for road and farming vehicles.

## SUBSEQUENT EVENTS, OUTLOOK, AND GUIDANCE FOR 2024

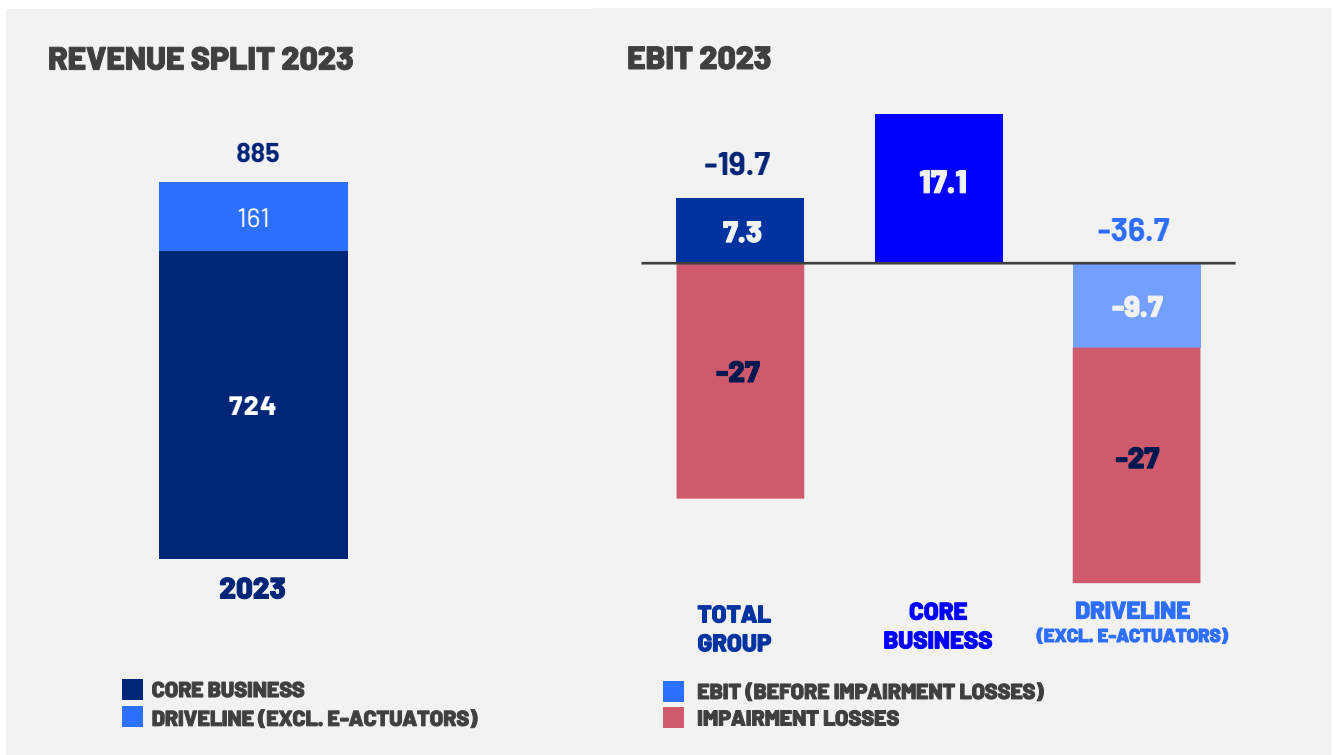
As an outcome of the strategic review conducted in 2023 and concluded in November 2023, management and the Board of Directors of KA holds the view that KA's shareholders are best served by retaining all current activities:

- > Focusing on growth areas where KA is well positioned
- > Regaining profitability and positive free cash flow in the next year
- > Exploring options to mitigate earnings pressure from the declining business unit
- > Allow for bolt-on acquisitions in the coming year to strengthen its core businesses

However, Driveline (excluding e-actuators) is no longer considered as core business. The outlook for Driveline shows declining revenues, which has led to a final impairment of the assets associated with the business unit. Whilst KA will continue to serve its existing customers in the Driveline unit, the business unit will be carved out as a separate segment and reported on separately. This will ensure displaying the underlying positive development of the core business of KA.

KA believes that this reporting format will give the shareholders of KA a better and more precise picture of KA's profitability, growth opportunities and development going forward. The Board and Management has also decided to focus on EBIT rather than the adjusted EBIT. Guidance for 2024 will therefore be given on EBIT.

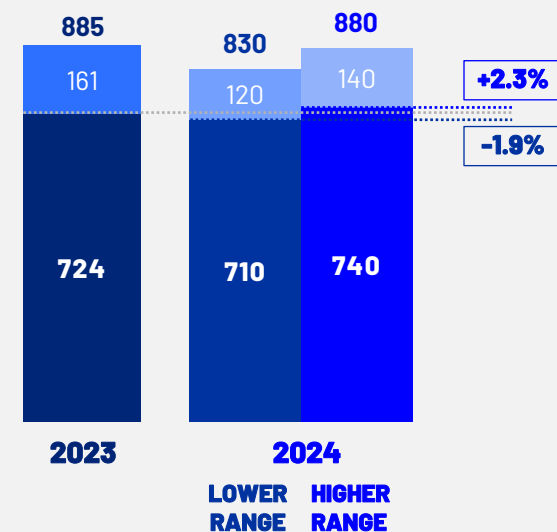
KA has also initiated the process of refinancing the outstanding bond which matures in July 2025, and the RCF with maturity early the same year. KA expects to conclude the refinancing process in 2024.



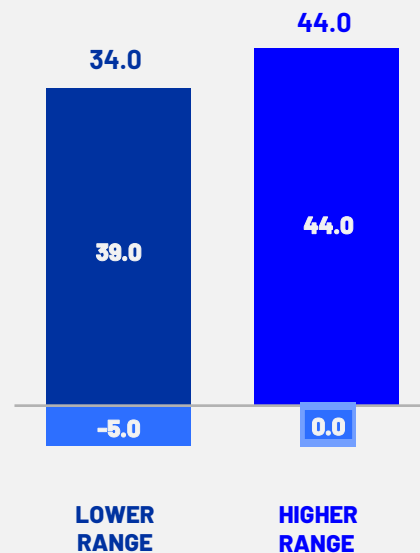
## FOR 2024, KA HAS THE FOLLOWING EXPECTATIONS:

- > REVENUE EUR 830-880M OF WHICH
  - » CORE BUSINESS IS EXPECTED TO BE BETWEEN EUR 710M AND EUR 740M, REPRESENTING UP TO 2-3% PERCENT GROWTH
  - » DRIVELINE WITHOUT E-ACTUATORS IS EXPECTED TO DECLINE FROM EUR 161M IN 2023 TO EUR 120-140M IN 2024
- > EBIT EUR 34-44M OF WHICH
  - » CORE BUSINESS IS EXPECTED TO DELIVER EUR 39M TO 44M
  - » DRIVELINE IS EXPECTED TO DELIVER BETWEEN EUR -5M AND EUR 0M
- > NEW BUSINESS WINS ARE EXPECTED TO EXCEED 2023 BOOK-TO-BILL RATIO OF 1.1 AND LIFETIME REVENUES OF EUR 989M
- > KA EXPECTS TO OUTPERFORM THE MARKETS IN 2024 (BASED ON MARKET DATA, SUCH AS IHS AND LMC)

### REVENUE SPLIT GUIDANCE 2024

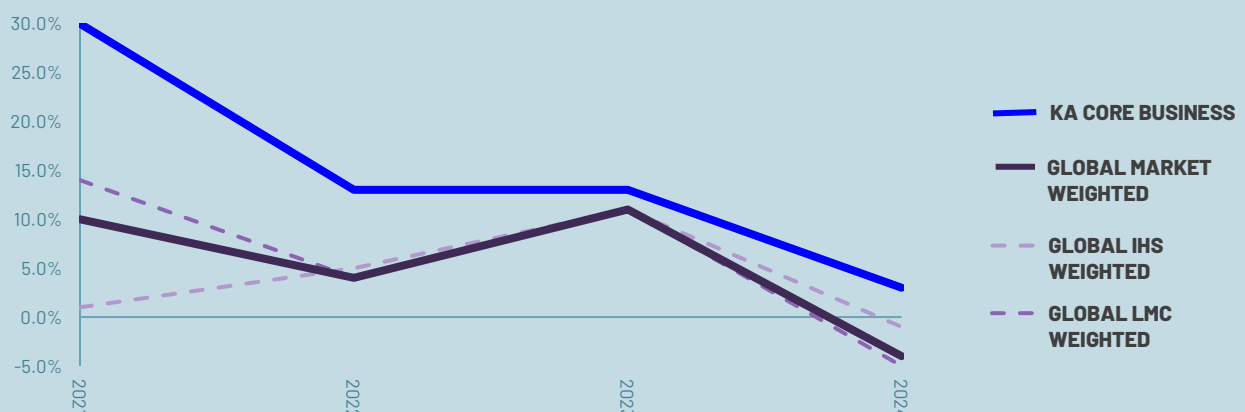


### EBIT GUIDANCE 2024



■ CORE BUSINESS  
■ DRIVELINE (EXCL. E-ACTUATORS)

### EXPECTED MARKET DEVELOPMENT



## KEY FIGURES

| (MEUR)  | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|---|---------|---------|---------|---------|
| <b>Sales/Earnings<sup>1</sup></b>               |         |         |         |         |
| 1 Operating revenues                            | 211.0   | 215.3   | 884.9   | 905.6   |
| 2 Operating revenues at constant currencies     | 220.0   | 208.7   | 922.9   | 855.9   |
| 3 Operating profit/(loss) (EBIT)                | (20.5)  | 43.9    | (19.7)  | 63.1    |
| 4 EBIT margin(%)                                | (9.7)%  | 20.4%   | (2.2)%  | 7.0%    |
| 5 Adjusted EBIT                                 | 5.0     | 11.0    | 23.7    | 35.6    |
| 6 Adjusted EBIT margin(%)                       | 2.4%    | 5.1%    | 2.7%    | 3.9%    |
| 7 EBITDA  | (12.3)  | 53.0    | 13.2    | 98.0    |
| 8 EBITDA margin(%)                              | (5.8)%  | 24.6%   | 1.5%    | 10.8%   |
| 9 Adjusted EBITDA                               | 13.2    | 20.1    | 56.6    | 70.5    |
| 10 Adjusted EBITDA margin(%)                    | 6.3%    | 9.3%    | 6.4%    | 7.8%    |
| 11 Net income                                   | (26.4)  | 13.2    | (59.1)  | 20.8    |
| <b>Cash flow</b>                                |         |         |         |         |
| 12 Cash flow from(used by) operating activities | 19.8    | 52.1    | 21.5    | 102.4   |
| 13 Cash flow from(used by) investing activities | (10.7)  | 55.9    | (29.1)  | 202.6   |
| 14 Cash flow from(used by) financing activities | (5.7)   | (16.9)  | (39.7)  | (154.0) |
| 15 Free cash flow                               | 4.5     | 84.5    | (34.9)  | 76.5    |
| <b>Balance sheet<sup>1</sup></b>                |         |         |         |         |
| 16 Balance sheet total                          | 721.5   | 797.9   | 721.5   | 797.9   |
| 17 Equity                                       | 218.1   | 280.5   | 218.1   | 280.5   |
| 18 Equity ratio(%)                              | 30.2%   | 35.2%   | 30.2%   | 35.2%   |
| 19 Net interest-bearing debt                    | 100.2   | 54.7    | 100.2   | 54.7    |
| 20 Gearing ratio                                | 1.8     | 0.8     | 1.8     | 0.8     |
| 21 Capital employed                             | 472.8   | 538.8   | 472.8   | 538.8   |
| 22 Return on capital employed (%) (LTM)         | 4.7%    | 6.8%    | 4.7%    | 6.8%    |
| 23 Liquidity reserve                            | 219.2   | 287.4   | 219.2   | 287.4   |
| <b>Personnel</b>                                |         |         |         |         |
| 24 Employees (as at end of quarter)             | 5,286   | 5,270   | 5,286   | 5,270   |
| <b>New Business Wins</b>                        |         |         |         |         |
| 25 Annualized new business wins                 | 82.1    | 73.1    | 296.9   | 246.9   |
| 26 Lifetime new business wins                   | 412.8   | 224.3   | 989.4   | 760.2   |

<sup>1</sup> Items of the Statement of Comprehensive Income classified as Discontinued operation in Q4 2022, and FY 2022 are excluded.

### DEFINITIONS

|    |  |    |   |
|----|--|----|---|
| 4  | (Operating profit / (loss)) / Operating revenues   | 18 | Equity / Balance sheet total  |
| 6  | (Adjusted EBIT) / Operating revenues   | 20 | Adjusted EBITDA / NIBD  |
| 8  | ((Operating profit / (loss)) + depreciation and amortization) / Operating revenues   | 22 | Adjusted EBIT (LTM) / Average capital employed                          |
| 10 | (Adjusted EBITDA) / Operating revenues   | 23 | Cash + Unutilized revolving credit facility and securitization facility |
| 15 | Net change in cash - sum of draw-down/repayment of debt, proceeds received from capital increase and purchase of treasury shares |    |   |

# GROUP FINANCIALS

## SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

| (MEUR)   | Q4 2023       | Q4 2022      | FY 2023       | FY 2022      | FY 2022<br>excl. BRP |
|--|---------------|--------------|---------------|--------------|----------------------|
| <b>Revenues</b>                                      | <b>211.0</b>  | <b>215.3</b> | <b>884.9</b>  | <b>905.6</b> | <b>817.5</b>         |
| Other income   | 0.1           | 42.6         | 1.5           | 44.2         | 2.8                  |
| OPEX   | (207.1)       | (203.6)      | (846.2)       | (850.5)      | (778.4)              |
| Impairment losses                                    | (16.3)        | (1.3)        | (27.0)        | (1.3)        | (1.3)                |
| <b>EBITDA</b>  | <b>(12.3)</b> | <b>53.0</b>  | <b>13.2</b>   | <b>98.0</b>  | <b>40.6</b>          |
| <i>in % revenues</i>                                 | -5.8%         | 24.6%        | 1.5%          | 10.8%        | 5.0%                 |
| Depreciation and amortization                        | (8.2)         | (9.1)        | (32.9)        | (34.9)       | (33.4)               |
| <b>Operating profit (loss) / EBIT</b>                | <b>(20.5)</b> | <b>43.9</b>  | <b>(19.7)</b> | <b>63.1</b>  | <b>7.2</b>           |
| <i>in % revenues</i>                                 | -9.7%         | 20.4%        | -2.2%         | 7.0%         | 0.9%                 |
| <b>Adjusted EBIT<sup>1</sup></b>                     | <b>5.0</b>    | <b>11.0</b>  | <b>23.7</b>   | <b>35.6</b>  | <b>21.1</b>          |
| <i>in % revenues</i>                                 | 2.4%          | 5.1%         | 2.7%          | 3.9%         | 2.6%                 |
| Net financial items                                  | (7.4)         | (7.6)        | (26.0)        | (16.8)       | (16.8)               |
| <b>Profit / (loss) before taxes</b>                  | <b>(27.9)</b> | <b>36.3</b>  | <b>(45.7)</b> | <b>46.3</b>  | <b>(9.6)</b>         |
| Income taxes   | 1.5           | (23.1)       | (13.4)        | (25.5)       | (12.4)               |
| <b>Net profit / (loss) from continuing operation</b> | <b>(26.4)</b> | <b>13.2</b>  | <b>(59.1)</b> | <b>20.8</b>  | <b>(22.0)</b>        |

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

### REVENUES

Group revenues amounted to MEUR 211.0 in the fourth quarter of 2023, a decrease of MEUR 4.3 (-2.0%) compared to Q4 2022, including negative currency translation effects of MEUR 8.9. This decrease was primarily driven by the declining revenues in the passenger car markets in all key regions, partially offset by the significant growth in the commercial vehicle markets in China and Europe.

Revenues in the commercial vehicles market amounted to MEUR 114.3, respectively MEUR 119.6 at constant currencies, an increase of MEUR 15.1 (+14.4%) compared to Q4 2022. Revenues in Europe amounted to MEUR 64.6, an increase of MEUR 6.5 (+11.2%) compared to Q4 2022 at constant currencies, while the market in this region shrank slightly by 0.4%. In Americas the revenues were MEUR 36.5, exceeding the revenues of Q4 2022 by MEUR 1.3 (+3.7%) at constant currencies. Kongsberg Automotive outperformed the market in this region, in which production output declined by 7.0%. Revenues in China more than doubled compared to Q4 2022 and increased by MEUR 6.9 (+103.3%) at constant currencies, whereas the market in this region grew by 54.8% compared to Q4 2022.

Revenues generated in the passenger car market amounted to MEUR 62.7, respectively MEUR 64.7 at constant currencies, a decrease of MEUR 10.7 (-14.2%) compared to Q4 2022. Revenues in Asia (incl. China) amounted to MEUR 11.1, a significant decrease of MEUR 7.2 (-39.4%) compared to Q4 2022 at constant currencies, whereas the market grew by 11.8%. In Europe revenues decreased by MEUR 1.1 (-14.2%) to MEUR 27.8 at constant currencies, while the market in this region grew by 6.6%. Revenues in the Americas amounted to MEUR 25.8 and decreased by MEUR 2.4 (-8.5%). Kongsberg Automotive did not keep up with the market in this region, in which production output grew by only 3.6%.

The revenues generated in other markets (mainly off-road applications for various industries) amounted to MEUR 34.1 in

Q4 2023, respectively MEUR 35.6 at constant currencies, compared to MEUR 35.4 in Q4 2022.

### ADJUSTED EBIT / EBIT

Adjusted EBIT was MEUR 5.0 in Q4 2023, which was MEUR 6.0 lower than in Q4 2022. The earnings from the positive development in the Commercial vehicle markets in China and Europe could not fully compensate the missing fall through from the declining revenues in the passenger car markets especially in China. In Q4 2022 KA benefitted from higher one-time customer reimbursements and retroactive price increases than this year's quarter.

EBIT in Q4 2023 was substantially lower by MEUR 64.4 than in Q4 2022 and amounted to negative MEUR 20.5. In Q4 2022 the gain of MEUR 41.1 on sale of Powersport business to BRP contributed significantly to the earnings. In Q4 2023 the earnings were impacted by the impairment of Driveline assets at the amount of MEUR 16.3.

### NET FINANCIAL ITEMS

Net financial items amounted to negative MEUR 7.4 in the fourth quarter of 2023, compared to negative MEUR 7.6 in the same period in 2022, which represents a slight improvement of MEUR 0.2. Foreign currency losses were slightly higher by MEUR 0.2 in Q4 2023 and amounted to MEUR 4.2. Net interests of MEUR 3.3 were slightly improved in Q4 2023 and consisted of interest expenses of MEUR 3.8 (Q4 2022: MEUR 4.6) and interest income of MEUR 0.5 (Q4 2022: MEUR 0.8).

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

Loss before taxes amounted to MEUR 27.9 in the fourth quarter of 2023, compared to profit before taxes of MEUR 36.3 in the same quarter of 2022. Net loss amounted to MEUR 26.4 in Q4 2023, compared to a net profit of MEUR 13.2 in Q4 2022. The decrease in income tax expense in Q4 2023 compared to Q4 2022, excluding taxes on the gain on the sale to BRP, is mainly due to a significant decrease of deferred tax expense.



# GROUP FINANCIALS

## SELECTED FINANCIAL INFORMATION - CASH FLOW

| (MEUR)  | Q4 2023       | Q4 2022       | FY 2023       | FY 2022        |
|---|---------------|---------------|---------------|----------------|
| Operating activities (Continuing operations)  | 19.8          | 49.9          | 21.5          | 64.5           |
| Operating activities (Discontinued operation) | 0.0           | 2.2           | 0.0           | 37.9           |
| <b>Cash flow - Operating activities</b>       | <b>19.8</b>   | <b>52.1</b>   | <b>21.5</b>   | <b>102.4</b>   |
| Investing activities (Continuing operations)  | (10.7)        | 54.7          | (29.1)        | 38.6           |
| Investing activities (Discontinued operation) | 0.0           | 1.2           | 0.0           | 164.0          |
| <b>Cash flow - Investing activities</b>       | <b>(10.7)</b> | <b>55.9</b>   | <b>(29.1)</b> | <b>202.6</b>   |
| Financing activities (Continuing operations)  | (5.7)         | (16.9)        | (39.7)        | (152.2)        |
| Financing activities (Discontinued operation) | 0.0           | 0.0           | 0.0           | (1.8)          |
| <b>Cash flow - Financing activities</b>       | <b>(5.7)</b>  | <b>(16.9)</b> | <b>(39.7)</b> | <b>(154.0)</b> |
| Currency and translation effects on cash flow | (0.3)         | (13.2)        | (0.9)         | 3.6            |
| Change in cash                                | 3.1           | 77.9          | (48.2)        | 154.6          |
| Cash as of beginning of period                | 161.6         | 135.0         | 212.9         | 58.3           |
| <b>Cash as of end of period</b>               | <b>164.7</b>  | <b>212.9</b>  | <b>164.7</b>  | <b>212.9</b>   |

### CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities amounted to MEUR 19.8 in Q4 2023, compared to the positive operating cash flow of MEUR 49.9 in Q4 2022 (continuing operations). This was mainly driven by the decrease in net working capital of MEUR 23.6 in Q4 2023 compared to a decrease in net working capital of MEUR 59.0 in Q4 2022. The previous year's quarter included proceeds received for inventory and other NWC items as part of the sale of Powersport business to BRP.

### CASH FLOW FROM INVESTING ACTIVITIES

Cash flow used by investing activities amounted to MEUR 10.7 compared to the positive investing cash flow of MEUR of 54.7 in Q4 2022. Cash flows used for investments in tangible and intangible assets at the amount of MEUR 9.5 in Q4 2023 were slightly lower than in Q4 2022, which was MEUR 9.7. In Q4 2022 cash flows used in investments for tangible and intangible assets were more than offset by the proceeds of MEUR 63.0 from the sale of tangible and intangible assets to BRP in October 2022.

### CASH FLOW USED BY FINANCING ACTIVITIES

Cash flow used by financing activities was MEUR 5.7 in the fourth quarter of 2023, compared to MEUR 16.9 (continuing operations) in the same quarter last year. The difference was mainly driven by the share buy-back of MEUR 9.4 in Q4 2022 compared to the MEUR 1.4 in Q4 2023.

Furthermore, the repayment of lease liabilities amounted to MEUR 2.8 in Q4 2023, which was stable compared to Q4 2022. Total payment for interest on lease liabilities was MEUR 1.3 in Q4 2023.

### CHANGE IN CASH

The change in cash in Q4 2023 amounted to positive MEUR 3.1 compared to the balance as of September 30, 2023. The cash position was MEUR 164.7 at the end of the fourth quarter of 2023.

### LIQUIDITY RESERVE

The liquidity reserve was MEUR 219.2 (excluding the restricted cash of MEUR 0.5) at the end of the fourth quarter 2023, compared to MEUR 287.4 as of December 31, 2022. The unutilized RCF amounted to MEUR 30.0 as of December 31, 2023. The unutilized Securitization facility was MEUR 25.0.

# GROUP FINANCIALS

## SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

| (MEUR)                              | 31.12.23     | 31.12.22     |
|-------------------------------------|--------------|--------------|
| Non-current assets                  | 264.6        | 288.7        |
| Cash and cash equivalents           | 164.7        | 212.9        |
| Other current assets                | 292.2        | 296.3        |
| <b>Total assets</b>                 | <b>721.5</b> | <b>797.9</b> |
| Equity                              | 218.1        | 280.5        |
| Interest-bearing liabilities        | 264.9        | 267.6        |
| Other liabilities                   | 238.5        | 249.8        |
| <b>Total equity and liabilities</b> | <b>721.5</b> | <b>797.9</b> |
| NIBD                                | 100.2        | 54.7         |
| Equity ratio                        | 30.2%        | 35.2%        |

### ASSETS

Total assets were MEUR 721.5 at the end of the fourth quarter of 2023, a decrease of MEUR 76.4 from year-end 2022. The decrease in non-current assets was predominantly driven by impairment of assets at MEUR 27.0 related to the Driveline business due to the declining revenue prospects. Current assets amounted to MEUR 456.9 compared to MEUR 509.2 as of year-end 2022. The decrease was mainly driven by the decline in cash balance of MEUR 48.2 compared to December 31, 2022.

### EQUITY

Equity as of December 31, 2023, decreased by MEUR 62.4 (-22.2%) to MEUR 280.5 in comparison with December 31, 2022.

This was mainly caused by the net loss of MEUR 59.1 in 2023. The slightly negative other comprehensive income of MEUR 0.9 in this period resulted from a positive change in translation differences on foreign operations of MEUR 33.4 exceeding the negative change on translation differences on non-foreign operations of MEUR 33.9, of which MEUR 18.7 were attributable to share capital, share premium and treasury shares. The share-based compensation of MEUR 1.5 contributed to the change in equity as of December 31, 2023. In Q1 2023, Kongsberg Automotive repurchased its own shares, which led to the change in equity of MEUR 2.3. On November 15, 2023, the Board of Directors of Kongsberg Automotive ASA resolved to initiate a new share purchase program. The company is expected to purchase back up to 2.5% of its outstanding shares in the open market limited to a maximum total consideration of up to MEUR 4.2 starting on November 15, 2023. In Q4 2023, Kongsberg Automotive repurchased its own shares in the amount of MEUR 1.4.

### INTEREST BEARING LIABILITIES

Total interest-bearing liabilities amounted to MEUR 264.9, consisting mainly of the partially redeemed bond of MEUR 189.3 (MEUR 190.6 after netting with the unamortized capitalized arrangement fees of MEUR 1.3) and lease interest-bearing liabilities of MEUR 75.6.

As of December 31, 2023, long-term interest-bearing debt amounted to MEUR 254.7.

### NET INTEREST BEARING DEBT

At the end of the fourth quarter of 2023, net interest-bearing debt amounted to MEUR 100.2, an increase of MEUR 45.5 compared to year-end 2022, mainly driven by the decrease of the cash balance during 2023.

# POWERTRAIN & 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, Stellantis, Volvo, Scania, DAF, John Deere, Renault-Nissan and Geely.

## KEY FIGURES

| (MEUR)                            | Q4 2023       | Q4 2022      | FY 2023       | FY 2022      |
|-----------------------------------|---------------|--------------|---------------|--------------|
| <b>Revenues</b>                   | <b>114.8</b>  | <b>122.7</b> | <b>488.8</b>  | <b>466.0</b> |
| Adjusted EBITDA                   | 6.7           | 14.7         | 31.6          | 35.5         |
| <i>in % revenues</i>              | 5.8%          | 12.0%        | 6.5%          | 7.6%         |
| <b>Adjusted EBIT</b>              | <b>2.6</b>    | <b>9.6</b>   | <b>13.7</b>   | <b>16.9</b>  |
| <i>in % revenues</i>              | 2.3%          | 7.8%         | 2.8%          | 3.6%         |
| Adjusting and restructuring items | (6.7)         | (2.2)        | (8.2)         | (2.8)        |
| Impairment losses                 | (16.3)        | (1.3)        | (27.0)        | (1.3)        |
| <b>Operating profit / EBIT</b>    | <b>(20.4)</b> | <b>6.1</b>   | <b>(21.5)</b> | <b>12.7</b>  |
| <i>in % revenues</i>              | -17.8%        | 5.0%         | -4.4%         | 2.7%         |
| Investments                       | (3.7)         | (3.4)        | (12.2)        | (12.2)       |
| Capital employed <sup>1</sup>     | 134.8         | 182.2        | 134.8         | 182.2        |

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

## FINANCIAL UPDATE

Revenues in Powertrain & Chassis decreased by MEUR 7.9 (-6.4%) to MEUR 114.8 in the fourth quarter 2023 compared to Q4 2022, including negative currency translation effects of MEUR 5.4. On a constant currency basis, Q4 2023 revenues in commercial vehicles market increased by MEUR 11.0 compared to Q4 2022, which was mainly driven by increases in the Chinese and European commercial vehicle markets of MEUR 5.7 and MEUR 5.4, respectively. Revenue in the passenger car market declined by MEUR 13.4 on a constant currency basis, which was mainly driven by the decreases in China and Europe in the amount of MEUR 6.9 and MEUR 4.1, respectively.

Adjusted EBIT amounted to MEUR 2.6 in the fourth quarter 2023, a decrease of MEUR 7.0 compared to Q4 last year. This was mainly driven by substantially declining sales in passenger car markets in all key regions resulting in erosion

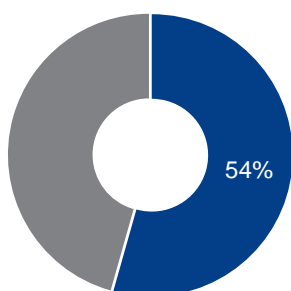
of segment's margin (especially in Asia) which could not be fully offset by significantly growing sales in the commercial vehicles markets.

## COMMERCIAL AND OPERATIONAL UPDATE

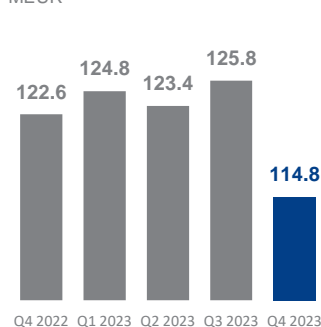
Business wins amounted to MEUR 301.1 of lifetime revenues (MEUR 43.8 in annualized revenues) in the fourth quarter of 2023.

Within the quarter, P&C was awarded two significant contracts: (1) to supply the Gear Shift Systems to a major Chinese OEM (MEUR 20.6 in expected annual revenue, MEUR 205.7 in expected lifetime revenue) and (2) to supply the Clutch Actuation Systems to a major Chinese automobile manufacturer (MEUR 3.6 in expected annual revenue, MEUR 32.3 in expected lifetime revenue).

Group revenue share  
Q4 2023

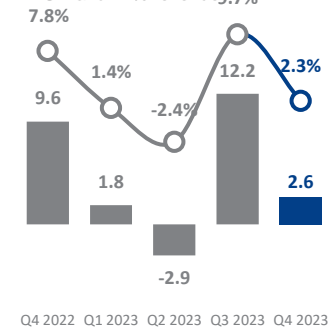


Revenues  
MEUR



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 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 several Tier 1 customers in addition to an industrial customer base.

## KEY FIGURES

| (MEUR)   | Q4 2023     | Q4 2022     | FY 2023      | FY 2022      | FY 2022<br>excl. BRP |
|--|-------------|-------------|--------------|--------------|----------------------|
| <b>Revenues</b>                                  | <b>96.2</b> | <b>92.8</b> | <b>396.1</b> | <b>439.6</b> | <b>351.5</b>         |
| Adjusted EBITDA                                  | 14.0        | 9.8         | 48.4         | 60.6         | 44.6                 |
| <i>in % revenues</i>                             | 14.6%       | 10.6%       | 12.2%        | 13.8%        | 12.7%                |
| <b>Adjusted EBIT</b>                             | <b>10.3</b> | <b>6.4</b>  | <b>34.8</b>  | <b>46.3</b>  | <b>31.7</b>          |
| <i>in % revenues</i>                             | 10.7%       | 6.9%        | 8.8%         | 10.5%        | 9.0%                 |
| Adjusting and restructuring items                | (0.5)       | (1.6)       | (1.0)        | (2.5)        | (2.5)                |
| Gain on sale of part of the Off-Highway business | 0.0         | 41.1        | 0.0          | 41.1         | 0.0                  |
| <b>Operating profit / EBIT</b>                   | <b>9.8</b>  | <b>45.8</b> | <b>33.8</b>  | <b>84.9</b>  | <b>28.9</b>          |
| <i>in % revenues</i>                             | 10.2%       | 49.4%       | 8.5%         | 19.3%        | 8.2%                 |
| Investments                                      | (5.8)       | (6.3)       | (16.1)       | (14.1)       | N/A                  |
| Capital employed <sup>1</sup>                    | 209.8       | 193.7       | 209.8        | 193.7        | N/A                  |

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

## FINANCIAL UPDATE

Revenues in Specialty Products increased by MEUR 3.4 (+3.8%) to MEUR 96.2 compared to the fourth quarter of 2022, despite negative currency translation effects of MEUR 3.5. This was mainly driven by the growth of the Flow Control Systems' revenues in Europe at MEUR 2.9, as well as the Off-Highway revenues in Americas at MEUR 2.5.

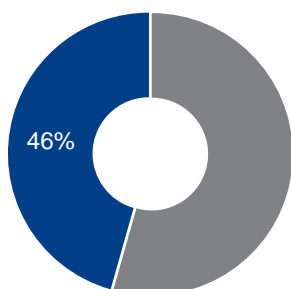
Adjusted EBIT was MEUR 10.3 in the fourth quarter of 2023, an increase of MEUR 3.9 (+60.9%) compared to the same quarter of last year. This increase was mainly attributable to the price recovery achieved in Q4, positive inventory valuation effects and positive operational variances.

## COMMERCIAL AND OPERATIONAL UPDATE

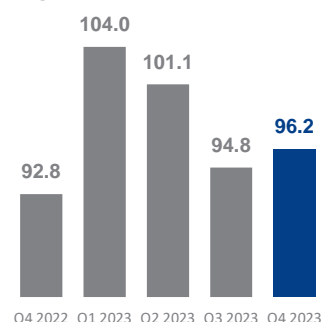
During the fourth quarter 2023, total business wins amounted to MEUR 111.7 of lifetime revenues (MEUR 38.4 in annualized revenues).

Within the quarter, Specialty Products was awarded two significant contracts: (1) to supply Fluid Transfer Assemblies to a British Tier-1 supplier (MEUR 2.9 in expected annual revenue, MEUR 34.8 in expected lifetime revenue) and (2) to supply Couplings Composite to multinational supplier (MEUR 10.1 in expected annual revenue, MEUR 30.4 in expected lifetime revenue).

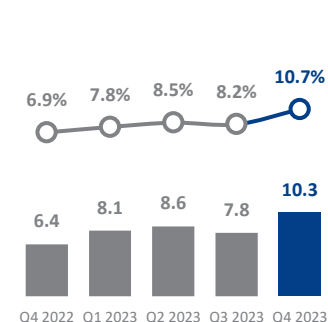
Group revenue share  
Q4 2023



Revenues  
MEUR



Adjusted EBIT  
MEUR and in % revenues



# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

| (MEUR)   | 04 2023       | 04 2022       | FY 2023       | FY 2022      |
|--|---------------|---------------|---------------|--------------|
| <b>Revenues</b>  | <b>211.0</b>  | <b>215.3</b>  | <b>884.9</b>  | <b>905.6</b> |
| Other income   | 0.1           | 42.6          | 1.5           | 44.2         |
| OPEX   | (207.1)       | (203.6)       | (846.2)       | (850.5)      |
| Impairment losses  | (16.3)        | (1.3)         | (27.0)        | (1.3)        |
| <b>EBITDA</b>  | <b>(12.3)</b> | <b>53.0</b>   | <b>13.2</b>   | <b>98.0</b>  |
| <i>in % revenues</i>   | -5.8%         | 24.6%         | 1.5%          | 10.8%        |
| Depreciation and amortization  | (8.2)         | (9.1)         | (32.9)        | (34.9)       |
| <b>Operating profit (loss) / EBIT</b>  | <b>(20.5)</b> | <b>43.9</b>   | <b>(19.7)</b> | <b>63.1</b>  |
| <i>in % revenues</i>   | -9.7%         | 20.4%         | -2.2%         | 7.0%         |
| Net financial items  | (7.4)         | (7.6)         | (26.0)        | (16.8)       |
| <b>Profit / (loss) before taxes</b>  | <b>(27.9)</b> | <b>36.3</b>   | <b>(45.7)</b> | <b>46.3</b>  |
| Income taxes   | 1.5           | (23.1)        | (13.4)        | (25.5)       |
| <b>Net profit / (loss) from continuing operation</b>   | <b>(26.4)</b> | <b>13.2</b>   | <b>(59.1)</b> | <b>20.8</b>  |
| <b>Discontinued operation</b>  |               |               |               |              |
| <b>Net profit from discontinued operation</b>  | <b>0.0</b>    | <b>(10.2)</b> | <b>0.0</b>    | <b>5.9</b>   |
| <b>Net profit / (loss)</b>   | <b>(26.4)</b> | <b>3.0</b>    | <b>(59.1)</b> | <b>26.7</b>  |
| <i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>      |               |               |               |              |
| Translation differences on foreign operations  | (1.7)         | (23.5)        | 31.8          | 29.8         |
| <i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i> |               |               |               |              |
| Translation differences on non-foreign operations  | (2.6)         | 3.3           | (32.3)        | (24.3)       |
| Remeasurement of net pension benefit obligation  | (0.5)         | 6.2           | (0.5)         | 6.2          |
| Tax on net pension benefit obligation remeasurement  | 0.1           | (1.5)         | 0.1           | (1.5)        |
| Other comprehensive income   | (4.7)         | (15.5)        | (0.9)         | 10.2         |
| <b>Total comprehensive income</b>  | <b>(31.1)</b> | <b>(12.5)</b> | <b>(60.0)</b> | <b>36.9</b>  |
| Net profit attributable to:  |               |               |               |              |
| Equity holders (parent company)  | (26.4)        | 3.0           | (59.5)        | 26.5         |
| Non-controlling interests  | 0.0           | 0.0           | 0.4           | 0.2          |
| <b>Total</b>   | <b>(26.4)</b> | <b>3.0</b>    | <b>(59.1)</b> | <b>26.7</b>  |
| Total comprehensive income attributable to:  |               |               |               |              |
| Equity holders (parent company)  | (30.8)        | (12.5)        | (60.1)        | 36.8         |
| Non-controlling interests  | (0.3)         | 0.0           | 0.1           | 0.1          |
| <b>Total</b>   | <b>(31.1)</b> | <b>(12.5)</b> | <b>(60.0)</b> | <b>36.9</b>  |
| <b>Earnings per share (EUR):</b>   |               |               |               |              |
| Basic earnings per share   | (0.03)        | 0.00          | (0.06)        | 0.03         |
| Diluted earnings per share   | (0.03)        | 0.00          | (0.06)        | 0.03         |
| <b>Earnings per share (EUR) - Continuing operation:</b>  |               |               |               |              |
| Basic earnings per share   | (0.03)        | 0.01          | (0.06)        | 0.02         |
| Diluted earnings per share   | (0.03)        | 0.01          | (0.06)        | 0.02         |

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

(MEUR)

|  | 31.12.23     | 31.12.22     |
|--|--------------|--------------|
| Intangible assets                      | 78.3         | 78.7         |
| Property, plant and equipment          | 115.8        | 133.6        |
| Right-of-use assets                    | 55.0         | 60.7         |
| Deferred tax assets                    | 11.4         | 14.3         |
| Other non-current assets               | 4.1          | 1.4          |
| <b>Non-current assets</b>              | <b>264.6</b> | <b>288.7</b> |
| Inventories                            | 101.5        | 96.5         |
| Accounts receivable                    | 161.5        | 166.5        |
| Other short-term receivables           | 29.2         | 33.3         |
| Cash and cash equivalents              | 164.7        | 212.9        |
| <b>Current assets</b>                  | <b>456.9</b> | <b>509.2</b> |
| <b>Total assets</b>                    | <b>721.5</b> | <b>797.9</b> |
| Share capital                          | 84.6         | 100.4        |
| Treasury shares                        | (3.2)        | (23.9)       |
| Share premium                          | 180.6        | 208.2        |
| Other equity                           | (48.3)       | (8.4)        |
| Non-controlling interests              | 4.4          | 4.3          |
| <b>Total equity</b>                    | <b>218.1</b> | <b>280.5</b> |
| Long-term interest-bearing liabilities | 254.7        | 258.3        |
| Deferred tax liabilities               | 21.0         | 24.2         |
| Other long-term liabilities            | 15.7         | 20.5         |
| <b>Non-current liabilities</b>         | <b>291.4</b> | <b>303.0</b> |
| Current lease liabilities              | 10.2         | 9.3          |
| Current income tax liabilities         | 4.2          | 7.8          |
| Trade payables                         | 116.6        | 121.9        |
| Other current payables                 | 81.0         | 75.4         |
| <b>Current liabilities</b>             | <b>212.0</b> | <b>214.4</b> |
| <b>Total liabilities</b>               | <b>503.4</b> | <b>517.4</b> |
| <b>Total equity and liabilities</b>    | <b>721.5</b> | <b>797.9</b> |



# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CHANGE IN EQUITY

| (MEUR)   | 31.12.23      | 31.12.22     |
|--|---------------|--------------|
| <b>Equity as of start of period</b>                        | <b>280.5</b>  | <b>265.5</b> |
| Net profit / (loss) for the period                         | (59.1)        | 26.7         |
| Translation differences                                    | (0.5)         | 5.5          |
| Remeasurement of the net pension benefit obligation        | (0.5)         | 6.2          |
| Tax on remeasurement of the net pension benefit obligation | 0.1           | (1.5)        |
| <b>Total comprehensive income</b>                          | <b>(60.0)</b> | <b>36.9</b>  |
| Stock-based compensation                                   | 1.5           | 1.6          |
| Purchase of treasury shares                                | (3.9)         | (23.5)       |
| <b>Equity as of end of period</b>                          | <b>218.1</b>  | <b>280.5</b> |

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

| (MEUR)   | Q4 2023       | Q4 2022       | FY 2023       | FY 2022        |
|--|---------------|---------------|---------------|----------------|
| <i>Operating activities</i>  |               |               |               |                |
| Profit / (loss) before taxes   | (27.9)        | 30.4          | (45.7)        | 64.6           |
| Depreciation   | 8.0           | 9.1           | 31.9          | 33.2           |
| Amortization   | 0.3           | 0.2           | 1.0           | 1.9            |
| Impairment losses  | 16.3          | 1.3           | 27.0          | 1.3            |
| Interest income  | 0.4           | (1.0)         | (1.9)         | (1.7)          |
| Interest and other financial expenses <sup>1</sup>   | 5.1           | 5.0           | 16.9          | 21.7           |
| Taxes paid   | (2.6)         | (2.1)         | (14.7)        | (9.4)          |
| (Gain) / loss on sale of non-current assets  | (0.6)         | (44.3)        | (0.8)         | (72.3)         |
| Changes in receivables   | 22.3          | 24.8          | 5.0           | 61.7           |
| Changes in inventory   | 5.2           | 25.5          | (5.0)         | 20.5           |
| Changes in payables  | (3.9)         | 8.7           | (5.3)         | (21.3)         |
| Currency (gain) / loss   | 0.7           | 3.3           | 5.7           | 0.4            |
| Difference between pension funding contributions paid/pensions paid and the net pension cost | (1.3)         | (1.4)         | (1.2)         | (1.4)          |
| Changes in other items <sup>2</sup>  | (2.2)         | (7.4)         | 8.6           | 3.2            |
| <b>Cash flow - Operating activities</b>  | <b>19.8</b>   | <b>52.1</b>   | <b>21.5</b>   | <b>102.4</b>   |
| <i>Investing activities</i>  |               |               |               |                |
| Investments  | (9.5)         | (9.7)         | (28.5)        | (28.9)         |
| Sale of tangible and intangible assets   | 0.5           | 63.5          | 0.8           | 189.5          |
| Interest received  | (1.1)         | 0.9           | 1.2           | 1.6            |
| Net proceeds from sale of subsidiaries   | 0.0           | 1.2           | 0.0           | 40.4           |
| Investments in associates and other  | (0.6)         | 0.0           | (2.6)         | 0.0            |
| <b>Cash flow - Investing activities</b>  | <b>(10.7)</b> | <b>55.9</b>   | <b>(29.1)</b> | <b>202.6</b>   |
| <i>Financing activities</i>  |               |               |               |                |
| Purchase of treasury shares  | (1.4)         | (9.4)         | (3.9)         | (23.5)         |
| Net draw down of debt / (Repayment) of debt  | 0.0           | (0.6)         | (9.4)         | (98.5)         |
| Interest paid and other financial items  | (1.5)         | (4.4)         | (16.6)        | (22.1)         |
| Repayment of lease liabilities and other   | (2.8)         | (2.5)         | (9.8)         | (9.9)          |
| <b>Cash flow - Financing activities</b>  | <b>(5.7)</b>  | <b>(16.9)</b> | <b>(39.7)</b> | <b>(154.0)</b> |
| Currency and translation effects on cash flow  | (0.3)         | (13.2)        | (0.9)         | 3.6            |
| Change in cash   | 3.1           | 77.9          | (48.2)        | 154.6          |
| Cash as of beginning of period   | 161.6         | 135.0         | 212.9         | 58.3           |
| <b>Cash as of end of period</b>  | <b>164.7</b>  | <b>212.9</b>  | <b>164.7</b>  | <b>212.9</b>   |
| <i>Of this, restricted cash</i>  | 0.5           | 0.5           | 0.5           | 0.5            |

<sup>1</sup> Includes Other financial items and the repayment of lease liabilities – See Note 5

<sup>2</sup> Includes changes in accruals, provisions, contract assets and contract liabilities, other current receivables like receivables from public duties, customer developments and prepaid expense, and other non-current assets

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 – DISCLOSURES

### GENERAL INFORMATION

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

### BASIS OF PREPARATION

This condensed consolidated interim financial information, for the year ended December 31, 2023, has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended on December 31, 2023, which have been prepared in accordance with IFRS.

### ACCOUNTING POLICIES

The accounting policies are consistent with those of the annual financial statements for the year ended on December 31, 2023, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the estimated effective tax rate.

### RISK AND UNCERTAINTIES

Risks and opportunities for the financial year are subject to a high level of uncertainty and are continuously monitored, evaluated and, if applicable, taken into account in planning during the year.

Due to the geopolitical risks, especially due to the Russia-Ukraine war, global macroeconomic risks have significantly increased and have led to further increases in costs for raw material, energy and transportation and considerably higher inflation rates worldwide than in comparable periods. Rising inflation rates could reduce purchasing power, adversely affect end customer behavior, and put a damper on demand on the products offered to customers.

The single most important risk that Kongsberg Automotive is exposed to is the development of demand in the end markets for light duty and commercial vehicles worldwide. As Kongsberg Automotive operates in many countries, Kongsberg Automotive is vulnerable to currency risk. The most significant external currency exposure is associated with the USD exchange rate. As most of the revenues are earned from automotive OEMs and automotive Tier 1 and Tier 2 customers, the financial health of these automotive companies is critical to the credit risk.

On the supply side Kongsberg Automotive is exposed to risks related to the availability and cost of copper, brass, resin, zinc, aluminum, steel, and electronic components.

During the last few months energy prices in Europe have shown a reduction after peaking in Q4 2022, raw materials are coming down, however labor costs and overall inflation remain high. Furthermore, the Company's business operations kept being impacted by the volatility in the supply of semiconductors directly and indirectly impacting production at many OEMs. It requires effective management as this had an adverse impact on business, financial condition, results of operations or cash flows. This has created the need to adapt to new challenges by the creation of new programs that allow to mitigate the negative operational and financial consequences of such disruptions.

Kongsberg Automotive faces both climate change related risks and opportunities arising from climate change itself and from actions taken in climate change mitigating. These are embedded in the Company's risk management and business strategy. The financial implications of risks of climate change can be classified into two types of risks: physical risks and transition risks. Physical risks are related to the increase and severity of extreme weather and long-term climate changes. Transition risks are related to decarbonization including new technological advances and requirements imposed by regulators or public opinion. Both are considered in the Company's risk assessment as part of the annual budget process and in impairment testing at year end. There is still significant uncertainty about the future financial impact of climate risks and opportunities. During the budget process, several scenarios are considered, and the best estimate is included in the assumptions for the final budget. As of December 31, 2023, climate risk changes have not resulted in adjustments to the useful lives of long-term assets. Further, climate related risk considerations have not resulted in adjustments of the carrying amounts of assets or liabilities.

### SEASONALITY

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 2 – SEGMENT REPORTING (FOURTH QUARTER 2023)

| Q4 2023<br>(MEUR)                               | Powertrain<br>& Chassis | Speciality<br>Products | Other <sup>1</sup> | Total<br>Group |
|---|-------------------------|------------------------|--------------------|----------------|
| <b>Revenues<sup>2</sup></b>                     | <b>114.8</b>            | <b>96.2</b>            | <b>0.0</b>         | <b>211.0</b>   |
| <b>Adjusted EBITDA</b>                          | <b>6.8</b>              | <b>13.9</b>            | <b>(7.5)</b>       | <b>13.2</b>    |
| Depreciation <sup>3</sup>                       | (4.1)                   | (3.6)                  | (0.3)              | (8.0)          |
| Amortization <sup>3</sup>                       | (0.2)                   | 0.0                    | 0.0                | (0.2)          |
| <b>Adjusted EBIT</b>                            | <b>2.6</b>              | <b>10.3</b>            | <b>(7.9)</b>       | <b>5.0</b>     |
| Impairment losses, thereof:                     | (16.3)                  | 0.0                    | 0.0                | (16.3)         |
| - allocated to assets other than Goodwill       | (16.3)                  | 0.0                    | 0.0                | (16.3)         |
| <i>Timing of revenue recognition</i>            |                         |                        |                    |                |
| <b>Ownership transferred at a point in time</b> | <b>114.8</b>            | <b>96.2</b>            | <b>0.0</b>         | <b>211.0</b>   |
| <i>Assets and liabilities</i>                   |                         |                        |                    |                |
| Goodwill  | 16.2                    | 54.5                   | 0.0                | 70.7           |
| Other intangible assets                         | 4.8                     | 2.7                    | 0.1                | 7.6            |
| Property, plant and equipment                   | 46.2                    | 68.7                   | 0.9                | 115.8          |
| Right-of-use assets                             | 16.7                    | 33.2                   | 5.1                | 55.0           |
| Inventories                                     | 43.7                    | 57.8                   | 0.0                | 101.5          |
| Trade receivables                               | 95.8                    | 65.5                   | 0.2                | 161.5          |
| Other assets                                    | 0.5                     | 4.1                    | 0.0                | 4.6            |
| <b>Segment assets</b>                           | <b>223.9</b>            | <b>286.5</b>           | <b>6.3</b>         | <b>516.7</b>   |
| Unallocated assets                              |                         |                        | 204.8              | 204.8          |
| <b>Total assets</b>                             | <b>223.9</b>            | <b>286.5</b>           | <b>211.1</b>       | <b>721.5</b>   |
| Trade payables                                  | 62.8                    | 49.8                   | 4.0                | 116.6          |
| Accrued expenses                                | 34.8                    | 14.3                   | 6.4                | 55.5           |
| Provisions                                      | 8.9                     | 0.5                    | 7.8                | 17.2           |
| Non-current lease interest-bearing liabilities  | 26.2                    | 34.9                   | 4.3                | 65.4           |
| Current lease interest-bearing liabilities      | 5.8                     | 2.7                    | 1.7                | 10.2           |
| <b>Segment liabilities</b>                      | <b>138.5</b>            | <b>102.2</b>           | <b>24.2</b>        | <b>264.9</b>   |
| Unallocated liabilities                         |                         |                        | 238.5              | 238.5          |
| <b>Total liabilities</b>                        | <b>138.5</b>            | <b>102.2</b>           | <b>262.7</b>       | <b>503.4</b>   |
| <b>Total equity</b>                             |                         |                        | <b>218.1</b>       | <b>218.1</b>   |
| <b>Total equity and liabilities</b>             | <b>138.5</b>            | <b>102.2</b>           | <b>480.8</b>       | <b>721.5</b>   |
| Capital expenditure                             | (3.7)                   | (5.8)                  | 0.0                | (9.5)          |

<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 revenues are only external revenues; related expenses are adjusted accordingly. Adjusted EBIT excludes IC profit.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 2 – SEGMENT REPORTING (FOURTH QUARTER 2022)

| Q4 2022<br>(MEUR)                               | Interior <sup>4</sup> | Powertrain<br>& Chassis | Speciality<br>Products | Other <sup>1</sup> | Total<br>Group |
|---|-----------------------|-------------------------|------------------------|--------------------|----------------|
| <b>Revenues<sup>2</sup></b>                     | <b>0.0</b>            | <b>122.7</b>            | <b>92.8</b>            | <b>(0.2)</b>       | <b>215.3</b>   |
| <b>Adjusted EBITDA</b>                          | <b>(3.5)</b>          | <b>14.7</b>             | <b>9.8</b>             | <b>(4.5)</b>       | <b>16.5</b>    |
| Depreciation <sup>3</sup>                       | (0.1)                 | (5.0)                   | (3.3)                  | (0.5)              | (8.9)          |
| Amortization <sup>3</sup>                       | 0.0                   | (0.1)                   | (0.1)                  | 0.0                | (0.2)          |
| <b>Adjusted EBIT</b>                            | <b>(3.6)</b>          | <b>9.6</b>              | <b>6.4</b>             | <b>(5.0)</b>       | <b>7.4</b>     |
| Adjusted EBIT from discontinued operation       | <b>(3.6)</b>          | <b>0.0</b>              | <b>0.0</b>             | <b>0.0</b>         | <b>(3.6)</b>   |
| <b>Adjusted EBIT from continuing operation</b>  | <b>0.0</b>            | <b>9.6</b>              | <b>6.4</b>             | <b>(5.0)</b>       | <b>11.0</b>    |
| Impairment losses, thereof:                     | 0.0                   | (1.3)                   | 0.0                    | 0.0                | (1.3)          |
| - allocated to assets other than Goodwill       | 0.0                   | (1.3)                   | 0.0                    | 0.0                | (1.3)          |
| <i>Timing of revenue recognition</i>            |                       |                         |                        |                    |                |
| <b>Ownership transferred at a point in time</b> | <b>0.0</b>            | <b>122.7</b>            | <b>92.8</b>            | <b>(0.2)</b>       | <b>215.3</b>   |
| <i>Assets and liabilities</i>                   |                       |                         |                        |                    |                |
| Goodwill  | 0.0                   | 16.7                    | 56.0                   | 0.0                | 72.7           |
| Other intangible assets                         | 0.0                   | 4.5                     | 1.4                    | 0.1                | 6.0            |
| Property, plant and equipment                   | 0.0                   | 66.5                    | 65.6                   | 1.5                | 133.6          |
| Right-of-use assets                             | 0.0                   | 30.1                    | 26.5                   | 4.1                | 60.7           |
| Inventories                                     | 0.0                   | 39.8                    | 56.7                   | 0.0                | 96.5           |
| Trade receivables                               | 1.2                   | 104.0                   | 60.6                   | 0.7                | 166.5          |
| Other assets                                    | 0.0                   | 0.6                     | 4.9                    | 0.0                | 5.5            |
| <b>Segment assets</b>                           | <b>1.2</b>            | <b>262.2</b>            | <b>271.7</b>           | <b>6.4</b>         | <b>541.5</b>   |
| Unallocated assets                              |                       |                         |                        | 256.4              | 256.4          |
| <b>Total assets</b>                             | <b>1.2</b>            | <b>262.2</b>            | <b>271.7</b>           | <b>262.8</b>       | <b>797.9</b>   |
| Trade payables                                  | 2.3                   | 60.8                    | 49.4                   | 9.5                | 122.0          |
| Accrued expenses                                | 4.1                   | 33.5                    | 12.2                   | 4.7                | 54.5           |
| Provisions                                      | 5.3                   | 4.5                     | 0.4                    | 0.3                | 10.5           |
| Non-current lease liabilities                   | 0.0                   | 30.3                    | 26.9                   | 3.2                | 60.4           |
| Current lease liabilities                       | 0.0                   | 5.8                     | 2.3                    | 1.2                | 9.3            |
| <b>Segment liabilities</b>                      | <b>11.7</b>           | <b>134.9</b>            | <b>91.2</b>            | <b>18.9</b>        | <b>256.7</b>   |
| Unallocated liabilities                         |                       |                         |                        | 260.7              | 260.7          |
| <b>Total liabilities</b>                        | <b>11.7</b>           | <b>134.9</b>            | <b>91.2</b>            | <b>279.6</b>       | <b>517.4</b>   |
| <b>Total equity</b>                             |                       |                         |                        | <b>280.5</b>       | <b>280.5</b>   |
| <b>Total equity and liabilities</b>             | <b>11.7</b>           | <b>134.9</b>            | <b>91.2</b>            | <b>560.1</b>       | <b>797.9</b>   |
| Capital expenditure                             | 0.0                   | (3.4)                   | (6.3)                  | (0.0)              | (9.7)          |

<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 revenues are only external revenues; related expenses are adjusted accordingly. Adjusted EBIT excludes IC profit.

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

<sup>4</sup> Balances not classified as Discontinued operation relate to the Head- and Armrest business in Sweden that was not part of the divestitures.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 3.1 REVENUES BY GEOGRAPHICAL LOCATION OF CUSTOMERS

| (MEUR)   | FY 2023      |       | FY 2022      |       |
|--|--------------|-------|--------------|-------|
|  |              | %     |              | %     |
| Europe   | 406.3        | 45.9% | 364.4        | 40.2% |
| Northern America                                 | 297.5        | 33.6% | 309.7        | 34.2% |
| Southern America                                 | 45.4         | 5.1%  | 80.3         | 8.9%  |
| Asia   | 129.5        | 14.6% | 146.9        | 16.2% |
| Other  | 6.2          | 0.6%  | 4.3          | 0.5%  |
| <b>Total revenues from continuing operations</b> | <b>884.9</b> |       | <b>905.6</b> |       |
| Revenues from discontinued operation             | 0.0          |       | 69.4         |       |
| <b>Total operating revenues</b>                  | <b>884.9</b> |       | <b>975.0</b> |       |

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

| (MEUR)                                      | 31.12.23     |       | 31.12.22     |       |
|---|--------------|-------|--------------|-------|
|   |              | %     |              | %     |
| Europe                                      | 147.4        | 59.2% | 152.5        | 55.9% |
| Northern America                            | 80.4         | 32.3% | 88.9         | 32.6% |
| Southern America                            | 2.1          | 0.8%  | 2.9          | 1.1%  |
| Asia  | 19.2         | 7.7%  | 28.7         | 10.4% |
| <b>Total intangible assets, PPE and RoU</b> | <b>249.1</b> |       | <b>273.0</b> |       |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 4 – INTEREST-BEARING LOANS AND BORROWINGS

### 4.1 INTEREST-BEARING LIABILITIES AS PRESENTED IN CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (MEUR)  | 31.12.23     | 31.12.22     |
|---|--------------|--------------|
| Long-term interest-bearing loan and borrowing | 190.6        | 200.0        |
| IFRS 16 long-term lease liabilities           | 65.4         | 60.4         |
| Capitalized arrangement fees                  | (1.3)        | (2.1)        |
| Current IFRS 16 long-term lease liabilities   | 10.2         | 9.3          |
| <b>Total interest-bearing liabilities</b>     | <b>264.9</b> | <b>267.6</b> |

In Q2 2023 and Q3 2023, own bond notes at the amount of MEUR 3.6 and MEUR 5.8, respectively, were repurchased which resulted in a corresponding decrease in the outstanding balance of the bond notes.

#### Interest-bearing liabilities by currency

| (MEUR)                                    | 31.12.23     | 31.12.22     |
|---|--------------|--------------|
| EUR                                       | 228.3        | 235.5        |
| USD                                       | 11.7         | 8.7          |
| Other currencies                          | 26.2         | 25.5         |
| Capitalized arrangement fees              | (1.3)        | (2.1)        |
| <b>Total interest-bearing liabilities</b> | <b>264.9</b> | <b>267.6</b> |

### 4.2 LIQUIDITY RESERVE

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

| (MEUR)                            | 31.12.23     | 31.12.22     |
|-----------------------------------|--------------|--------------|
| Cash reserve                      | 164.7        | 212.9        |
| Restricted cash                   | (0.5)        | (0.5)        |
| Undrawn RCF facility <sup>1</sup> | 30.0         | 50.0         |
| Undrawn Securitization facility   | 25.0         | 25.0         |
| <b>Liquidity reserve</b>          | <b>219.2</b> | <b>287.4</b> |

<sup>1</sup> On July 06, 2023, the Revolving Credit Facility has been extended by 18 months and decreased from MEUR 50.0 to MEUR 30.0.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 5 – NET FINANCIAL ITEMS

| (MEUR)  | Q4 2023      | Q4 2022      | FY 2023       | FY 2022       |
|---|--------------|--------------|---------------|---------------|
| Interest income                               | 0.5          | 0.8          | 2.0           | 1.5           |
| Interest expenses                             | (3.8)        | (4.6)        | (15.1)        | (16.6)        |
| Foreign currency gains (losses) <sup>1</sup>  | (4.2)        | (4.0)        | (13.3)        | 2.4           |
| Change in fair value of cash equivalents      | 1.4          | 0.3          | 2.8           | 0.6           |
| Account receivables securitization - Expenses | (0.3)        | (0.2)        | (0.9)         | (1.0)         |
| Other financial items                         | (1.0)        | 0.1          | (1.5)         | (3.7)         |
| <b>Net financial items</b>                    | <b>(7.4)</b> | <b>(7.6)</b> | <b>(26.0)</b> | <b>(16.8)</b> |

<sup>1</sup> Is made up of realized currency loss of MEUR 3.5 and unrealized currency loss of MEUR 0.7 in Q4 2023 (Q4 2022: realized currency loss of MEUR 0.7 and unrealized currency loss of MEUR 3.3)

## NOTE 6 – SUBSEQUENT EVENTS

No significant events were identified.

## ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

- > Operating profit (loss)- EBIT/Adjusted EBIT
  - > EBITDA/Adjusted EBITDA
  - > Restructuring per segment
  - > Operating revenues at constant currencies
  - > New Business Wins
- > Free cash flow
  - > NIBD
  - > Capital employed
  - > ROCE (last twelve months)

### OPERATING PROFIT (LOSS) - EBIT/ADJUSTED EBIT

EBIT, earnings before interest and tax, is defined as the earnings excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses. Adjusted EBIT is defined as EBIT excluding unusual or non-recurring items as well as restructuring items. Restructuring items include severance costs related to the overhead cost optimization program and rightsizing of a plant within Driveline business.

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

| (MEUR)   | Q4 2023       | Q4 2022     | FY 2023       | FY 2022     |
|--|---------------|-------------|---------------|-------------|
| <b>Operating profit / EBIT</b>                   | <b>(20.5)</b> | <b>43.9</b> | <b>(19.7)</b> | <b>63.1</b> |
| Impairment losses                                | 16.3          | 1.3         | 27.0          | 1.3         |
| Gain on sale of part of the Off-Highway business | 0.0           | (41.1)      | 0.0           | (41.1)      |
| Other adjusting and restructuring items          | 9.2           | 6.9         | 16.4          | 12.3        |
| <b>Adjusted EBIT</b>                             | <b>5.0</b>    | <b>11.0</b> | <b>23.7</b>   | <b>35.6</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.

| (MEUR)   | Q4 2023       | Q4 2022     | FY 2023       | FY 2022     |
|--|---------------|-------------|---------------|-------------|
| <b>Operating profit / EBIT</b>                   | <b>(20.5)</b> | <b>43.9</b> | <b>(19.7)</b> | <b>63.1</b> |
| Depreciation                                     | 7.9           | 8.9         | 31.9          | 33.0        |
| Amortization                                     | 0.3           | 0.2         | 1.0           | 1.9         |
| <b>EBITDA</b>                                    | <b>(12.3)</b> | <b>53.0</b> | <b>13.2</b>   | <b>98.0</b> |
| Impairment losses                                | 16.3          | 1.3         | 27.0          | 1.3         |
| Gain on sale of part of the Off-Highway business | 0.0           | (41.1)      | 0.0           | (41.1)      |
| Other adjusting and restructuring items          | 9.2           | 6.9         | 16.4          | 12.3        |
| <b>Adjusted EBITDA</b>                           | <b>13.2</b>   | <b>20.1</b> | <b>56.6</b>   | <b>70.5</b> |

(<sup>1</sup>) Excluding depreciation and amortization

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### ADJUSTING AND RESTRUCTURING ITEMS PER SEGMENT

| (MEUR)   | Q4 2023    | Q4 2022    | FY 2023     | FY 2022     |
|--|------------|------------|-------------|-------------|
| Interior                                       | 0.0        | 0.0        | 0.0         | (0.3)       |
| Powertrain & Chassis                           | 6.7        | 2.1        | 8.2         | 2.8         |
| Specialty Products                             | 0.5        | 1.6        | 1.0         | 2.5         |
| Other  | 2.0        | 3.2        | 7.2         | 7.3         |
| <b>Adjusting and restructuring items Total</b> | <b>9.2</b> | <b>6.9</b> | <b>16.4</b> | <b>12.3</b> |

### OPERATING REVENUES AT CONSTANT CURRENCIES

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

#### Q4 2023

| (MEUR)   | Powertrain & Chassis | Speciality Products | Others     | GROUP        |
|--|----------------------|---------------------|------------|--------------|
| <b>Operating revenues (incl. currency translation effects)</b> | <b>114.8</b>         | <b>96.3</b>         | <b>0.0</b> | <b>211.1</b> |
| Currency translation effects                                   | (5.4)                | (3.5)               | 0.0        | (8.9)        |
| <b>Operating revenues (excl. currency translation effects)</b> | <b>120.2</b>         | <b>99.8</b>         | <b>0.0</b> | <b>220.0</b> |

#### Q4 2022

| (MEUR)   | Powertrain & Chassis | Speciality Products | Others       | GROUP        |
|--|----------------------|---------------------|--------------|--------------|
| <b>Operating revenues (incl. currency translation effects)</b> | <b>122.7</b>         | <b>92.8</b>         | <b>(0.2)</b> | <b>215.3</b> |
| Currency translation effects                                   | 4.0                  | 2.6                 | 0.0          | 6.6          |
| <b>Operating revenues (excl. currency translation effects)</b> | <b>118.7</b>         | <b>90.2</b>         | <b>(0.2)</b> | <b>208.7</b> |

#### 2023

| (MEUR)   | Powertrain & Chassis | Speciality Products | Others     | GROUP        |
|--|----------------------|---------------------|------------|--------------|
| <b>Operating revenues (incl. currency translation effects)</b> | <b>488.8</b>         | <b>396.1</b>        | <b>0.0</b> | <b>884.9</b> |
| Currency translation effects                                   | (23.7)               | (14.3)              | 0.0        | (38.0)       |
| <b>Operating revenues (excl. currency translation effects)</b> | <b>512.5</b>         | <b>410.4</b>        | <b>0.0</b> | <b>922.9</b> |

#### 2022

| (MEUR)  | Interior Products | Powertrain & Chassis | Speciality Products | Others     | GROUP        |
|---|-------------------|----------------------|---------------------|------------|--------------|
| <b>Operating revenues (incl. currency translation effect)</b> | <b>0.0</b>        | <b>466.0</b>         | <b>439.6</b>        | <b>0.0</b> | <b>905.6</b> |
| Currency translation effects                                  | 0.0               | 25.6                 | 24.1                | 0.0        | 49.7         |
| <b>Operating revenues (excl. currency translation effect)</b> | <b>0.0</b>        | <b>440.4</b>         | <b>415.5</b>        | <b>0.0</b> | <b>855.9</b> |



## ALTERNATIVE PERFORMANCE MEASURES (APM)

### NEW BUSINESS WINS

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

#### Q4 2023

| (MEUR)                              | Powertrain<br>& Chassis | Speciality<br>Products | GROUP        |
|-------------------------------------|-------------------------|------------------------|--------------|
| <b>Annualized New Business Wins</b> | <b>43.8</b>             | <b>38.4</b>            | <b>82.1</b>  |
| <b>Lifetime New Business Wins</b>   | <b>301.1</b>            | <b>111.7</b>           | <b>412.8</b> |

#### Q4 2022

| (MEUR)                              | Interior<br>Products | Powertrain<br>& Chassis | Speciality<br>Products | GROUP        |
|-------------------------------------|----------------------|-------------------------|------------------------|--------------|
| <b>Annualized New Business Wins</b> | <b>0.0</b>           | <b>44.8</b>             | <b>28.3</b>            | <b>73.1</b>  |
| <b>Lifetime New Business Wins</b>   | <b>0.0</b>           | <b>129.1</b>            | <b>95.2</b>            | <b>224.3</b> |

#### 2023

| (MEUR)                              | Powertrain<br>& Chassis | Speciality<br>Products | GROUP        |
|-------------------------------------|-------------------------|------------------------|--------------|
| <b>Annualized New Business Wins</b> | <b>183.6</b>            | <b>113.4</b>           | <b>296.9</b> |
| <b>Lifetime New Business Wins</b>   | <b>663.3</b>            | <b>326.1</b>           | <b>989.4</b> |

#### 2022

| (MEUR)                              | Interior<br>Products | Powertrain<br>& Chassis | Speciality<br>Products | GROUP        |
|-------------------------------------|----------------------|-------------------------|------------------------|--------------|
| <b>Annualized New Business Wins</b> | <b>0.0</b>           | <b>118.2</b>            | <b>128.7</b>           | <b>246.9</b> |
| <b>Lifetime New Business Wins</b>   | <b>0.0</b>           | <b>422.3</b>            | <b>337.8</b>           | <b>760.2</b> |

### FREE CASH FLOW

Free Cash Flow is measured based on sum of cash flow from operating activities, investing activities, financial activities, and currency and translation effects on cash flow (together described as Change in cash), excluding net draw-down/repayment of debt and proceeds received from capital increase/purchase of treasury shares.

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

The table below includes only the cash flows from the continuing operation.

| (MEUR)  | Q4 2023    | Q4 2022     | FY 2023       | FY 2022     |
|---|------------|-------------|---------------|-------------|
| Cash flow - Operating activities              | 19.8       | 49.9        | 21.5          | 64.5        |
| Cash flow - Investing activities              | (10.7)     | 54.7        | (29.1)        | 38.6        |
| Cash flow - Financing activities              | (5.7)      | (16.9)      | (39.7)        | (152.2)     |
| Currency and translation effects on cash flow | (0.3)      | (13.2)      | (0.9)         | 3.6         |
| <i>Add back / less:</i>                       |            |             |               |             |
| Purchase of treasury shares                   | 1.4        | 9.4         | 3.9           | 23.5        |
| Repurchase of own bond notes                  | 0.0        | 0.0         | 9.4           | 0.0         |
| Net draw-down/repayment of debt               | 0.0        | 0.6         | 0.0           | 98.5        |
| <b>Free Cash Flow</b>                         | <b>4.5</b> | <b>84.5</b> | <b>(34.9)</b> | <b>76.5</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, NIBD shows the net overall financial position of the Group.

| (MEUR)  | 31.12.23     | 31.12.22    |
|---|--------------|-------------|
| Long-term interest-bearing liabilities        | 254.7        | 258.3       |
| Other short-term interest-bearing liabilities | 10.2         | 9.3         |
| Cash and cash equivalents                     | (164.7)      | (212.9)     |
| <b>Net Interest Bearing Debt</b>              | <b>100.2</b> | <b>54.7</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)  | 31.12.23     | 31.12.22     |
|---|--------------|--------------|
| Total assets  | 721.5        | 797.9        |
| Deferred tax liabilities  | (21.0)       | (24.2)       |
| Other long-term liabilities   | (15.7)       | (20.5)       |
| Current liabilities incl. other short-term interest bearing liabilities | (212.0)      | (214.4)      |
| <b>Capital Employed</b>   | <b>472.8</b> | <b>538.8</b> |

### ADJUSTED ROCE (LAST TWELVE MONTHS)

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

Adjusted 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 2023     |            | FY 2022     |
|---|------------|-------------|------------|-------------|
| Capital employed beginning <sup>1</sup>                     | 01.01.2023 | 538.8       | 01.01.2022 | 507.6       |
| Capital employed at end <sup>2</sup>                        | 31.12.2023 | 472.8       | 31.12.2022 | 538.8       |
| Adjusted EBIT from continuing operations (LTM) <sup>3</sup> |            | 23.7        |            | 35.6        |
| <b>Adjusted ROCE <sup>(3 / (1+2)) * 200%</sup></b>          |            | <b>4.7%</b> |            | <b>6.8%</b> |

## OTHER COMPANY INFORMATION

### THE BOARD OF DIRECTORS

|                      |   |
|----------------------|---|
| Peter Thostrup       | Chairman (preceded by Firas Abi-Nassif until 27.09.2023)                |
| Emese Weissenbacher  | Shareholder elected   |
| Erik Volden          | Shareholder elected (preceded by Ellen M. Hanetho until 27.09.2023)     |
| Junyang (Jenny) Shao | Shareholder elected (preceded by Mark Wilhelms until 27.09.2023)        |
| Brian Kristoffersen  | Shareholder elected (preceded by Arild Christoffersen until 27.09.2023) |
| Siw Reidun Wærås     | Employee elected  |
| Bjørn Ivan Ødegård   | Employee elected  |
| Knut Magne Alfsvåg   | Employee elected  |

### EXECUTIVE COMMITTEE

|                       |   |
|-----------------------|---|
| Linda Nyquist-Evenrud | President & CEO (effective from 31.01.2024; interim from 25.07.2023 until 31.01.2024) |
| Joerg Buchheim        | President & CEO, EVP Specialty Products (until 24.07.2023)                            |
| Dr. Christian Amsel   | Executive Vice President & CTO; President, Powertrain & Chassis                       |
| Frank Heffter         | Executive Vice President & CFO  |
| David Redfearn        | Executive Vice President & CSO  |
| Oscar Jaeger          | Executive Vice President & CHRO   |
| Linda Nyquist-Evenrud | Executive Vice President, Specialty Products (acting from 25.07.2023)                 |
| Eduardo Pamies        | Executive Vice President, Flow Control Systems (effective from 01.03.2024)            |
| Dzeki Mackinovski     | Executive Vice President, Purchasing  |
| Robert Pigg           | Executive Vice President, Drive Control Systems (effective from 01.01.2024)           |
| Jon Munthe            | General Counsel   |
| Henrik Ruud           | Executive Vice President, Information Systems and Technology                          |

### CORPORATE COMMUNICATION

|                 |                          |                |  |
|-----------------|--------------------------|----------------|--|
| Mads Langaard   | Investor Relations       | +47 905 81 264 | or investor.relations@ka-group.com       |
| Therese Skurdal | Corporate Communications | +47 982 14 059 | or corporate.communications@ka-group.com |

### FINANCIAL CALENDAR

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

|                              |                   |
|------------------------------|-------------------|
| 1 <sup>st</sup> quarter 2024 | May 07, 2024      |
| 2 <sup>nd</sup> quarter 2024 | August 07, 2024   |
| 3 <sup>rd</sup> quarter 2024 | November 05, 2024 |

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