Q4 2025

QUARTERLY REPORT

KONGSBERG AUTOMOTIVE

THE FOURTH QUARTER 2025 EXECUTIVE SUMMARY

Strong earnings momentum and cash generation in a stabilizing market

- Q4 revenue was MEUR 167.5, down 9.6% from 2024 Q4 of MEUR 185.2.
  - Up 2.8% from Q3 2025, reflecting a stabilized market environment.
- Q4 EBIT was MEUR 9.4 (EBIT margin 5.6%), significantly up from Q4 2024 of MEUR 1.1 (EBIT margin 0.6%), driven by structural cost improvement and one-time positive effects of MEUR 4.9
- Q4 cash flow was MEUR 11.5, Q4 2024 was MEUR 4.2, an improvement of MEUR 7.3
- Risk of certain warranty liabilities remains
- Capital Market Day was held in December 2025 where a long-term EBIT target of 6.5% was presented
- Slightly improved market outlook for second half of 2026

COMMENTS FROM TROND FISKUM, PRESIDENT & CEO

For the fourth quarter of 2025, Kongsberg Automotive (KA) reports revenues of MEUR 167.5, a decline of MEUR 17.7 (-9.6%) compared to MEUR 185.2 in Q4 2024. This includes a negative currency impact of MEUR 6.7, primarily driven by a weaker USD against EUR. The revenue decline reflects the reduced demand in the global vehicle market, with North America being the most affected region.

Despite the challenging market environment, KA delivers a positive Q4 EBIT of MEUR 9.4 (EBIT margin 5.6%), up from MEUR 1.1 (EBIT margin 0.6%) for the corresponding period last year. EBIT is impacted positively by structural cost improvement initiatives, and a one-time effect of 4.9 MEUR. This one-time effect is a result of a comprehensive year-end evaluation of accruals related to customer contracts and operating costs. Free cash flow continues the positive trend from previous quarters and improves significantly to MEUR 11.5, an increase of MEUR 7.3 year-over-year, driven by improved net working capital, disciplined cost management and improved operational efficiency.

As a result of improved cash flow and earnings, the NIBD / Adjusted EBITDA leverage ratio has been materially reduced from 3.7 at end of Q2 2025 to 2.2 at the end of Q4 2025. This provides increased financial flexibility going forward.

Warranty costs from certain legacy contracts remain a concern. For Q4, warranty expenses totaled MEUR 2.2. Risks of further future warranty liabilities to these contracts still exist. The warranty accrual per Q4 is based on best estimate of the total liabilities, but the complexity and variability of potential outcomes KA may be held accountable for is significant. We are actively addressing these contractual shortcomings and have implemented a more proactive approach to warranty management. Further details cannot be disclosed at this time due to ongoing dialogue and discussions with the affected customers. We will provide our stakeholders with more information as soon as we have more clarity on the potential financial impact.

Estimated lifetime revenues from contracts awarded in Q4 amounted to MEUR 77.6. During the year 2025, KA secured contracts worth MEUR 339.0 in lifetime revenues. These include both replacement of existing programs and new incremental business wins. Our pipeline of business opportunities remains strong. Importantly, no major contract opportunities were lost in 2025.

On December 16, 2025, KA held a Capital Markets Day (CMD) at KA's Tech Center in Kongsberg, Norway. KA presented an updated long-term EBIT target of 6.5%, based on the current revenue level and identified improvement initiatives. KA is investing in innovation and growth, with a clear ambition to be a leading player in its core areas.

Looking ahead, we expect EBIT margins to continue improving through 2026, supported by ongoing cost-saving initiatives and operational enhancements. Market conditions in H1 2026 are expected to be weaker than in H1 2025 but slightly improved compared with H2 2025. The outlook for H2 2026 has strengthened, driven by anticipated growth in the US truck market. Based on recent experience, uncertainties persist, and we therefore maintain a cautiously optimistic overall market outlook in the short term.

We continue working on the strategy and implementing the plan that was presented in the CMD on December 16, 2025, with the following top priorities:

- Drive cost-efficiency and operational improvements
- Improve cash flow generation
- Rebuilding a high-performance KA culture
- Accelerate innovation and growth

Restoring shareholder value remains my highest priority. I am fully committed to taking the necessary actions to unlock KA's full potential.

Sincerely,

Trond Fiskum

President & CEO

FINANCIAL HIGHLIGHTS Q4 2025 & YTD 2025 (2024 FIGURES IN BRACKETS)

IN MEUR	Q4 2025	YTD 2025
REVENUES	167.5 (185.2) ↓	712.8 (788.2) ↓
EBIT	+9.4 (+1.1) ↑	+13.6 (+18.7) ↓
NET PROFIT/LOSS	+2.8 (-13.1) ↑	+0.2 (-18.2) ↑
FREE CASH FLOW	+11.5 (+4.2) ↑	+6.7 (-20.3) ↑

KEY FIGURES

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Sales/Earnings				
1 Operating revenues	167.5	185.2	712.8	788.2
2 Change in sales (adjusted for currency effects)	(6.0)%	(12.1)%	(7.4)%	(10.7)%
3 Operating profit/(loss) (EBIT)	9.4	1.1	13.6	18.7
4 EBIT margin (%)	5.6%	0.6%	1.9%	2.4%
5 EBITDA	16.9	9.6	43.7	48.5
6 EBITDA margin (%)	10.1%	5.2%	6.1%	6.2%
7 Adjusted EBITDA	15.9	6.3	48.6	48.9
8 Adjusted EBITDA margin (%)	9.5%	3.4%	6.8%	6.2%
9 Net income	2.8	(13.1)	0.2	(18.2)
Cash flow				
10 Cash flow from (used by) operating activities	22.4	13.7	58.5	32.4
11 Cash flow from (used by) investing activities	(4.3)	(6.9)	(14.8)	(21.4)
12 Cash flow from (used by) financing activities	(6.7)	(9.0)	(27.6)	(92.8)
13 Free cash flow	11.5	4.2	6.7	(20.3)
Balance sheet				
14 Balance sheet total	565.1	602.9	565.1	602.9
15 Equity	180.9	203.0	180.9	203.0
16 Equity ratio (%)	32.0%	33.7%	32.0%	33.7%
17 Net interest-bearing debt	107.9	121.9	107.9	121.9
18 NIBD/ Adjusted EBITDA (LTM)	2.2	2.5	2.2	2.5
19 Leverage ratio per bond term definition	2.2	2.1	2.2	2.1
20 Capital employed	295.0	319.5	295.0	319.5
21 Return on capital employed (%)(LTM)	4.4%	5.8%	4.4%	5.8%
22 Liquidity reserve	105.8	99.2	105.8	99.2
Personnel				
23 Employees (as at end of quarter)	4,291	4,714	4,291	4,714

DEFINITIONS

4 EBIT / Operating revenues
6 (EBIT + depreciation and amortization) / Operating revenues
8 Adjusted EBITDA / Operating revenues
13 Net change in cash – sum of draw-down/repayment of debt, proceeds received from capital increase and purchase of treasury shares
16 Equity / Balance sheet total
19 Adjusted EBITDA under the bond definition abstracts from any non-cash expenses and restricts the adjustments for restructuring to 15% of EBITDA
20 Intangible Assets + PPE's + Right-of-use assets + Net Working Capital - Lease liabilities
21 EBIT (LTM) / Average capital employed
22 Cash + Unutilized revolving credit facility + Accounts receivable securitization facility (excl. restricted cash)

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

Revenues by end market and by region *(in MEUR)*	Q4 2025	Q4 2024	FY 2025	FY 2024
A. Heavy-duty vehicles	**95.7**	**105.8**	**401.6**	**439.1**
1. Europe	58.0	60.9	238.1	243.3
2. North America	24.0	29.8	104.0	125.7
3. China	7.1	6.3	26.1	32.5
4. Other regions[1]	6.6	8.8	33.4	37.6
B. Passenger cars	**49.6**	**59.8**	**221.2**	**253.8**
1. Europe	15.8	19.0	73.7	92.9
2. North America	23.1	25.5	104.5	107.8
3. China	7.4	11.6	30.0	39.5
4. Other regions[1]	3.3	3.7	13.0	13.6
B. Industrial, off-road & other	**22.2**	**19.6**	**90.0**	**95.3**
1. Europe	9.5	7.9	37.2	35.8
2. North America	12.0	10.6	49.1	54.6
3. China	0.2	0.7	1.6	2.7
4. Other regions[1]	0.5	0.4	2.1	2.2
Total external revenues	**167.5**	**185.2**	**712.8**	**788.2**

[1] South America & APAC (without China)

Q4 2025 REVENUES

Group revenues in Q4 2025 totaled MEUR 167.5, a decrease of MEUR -17.7 compared to Q4 2024. This includes negative currency effects of MEUR -6.7, representing a -6.0% decline in constant currencies. The decline was primarily driven by lower sales in the commercial vehicle markets across North America and Europe, as well as in the passenger car segments in China and Europe. These were partially offset by stronger sales in China's commercial vehicle market.

Commercial vehicles revenues (57.2% of total) reached MEUR 95.7 (or MEUR 98.6 at constant currencies), marking a year-over-year decline of MEUR -10.1 (-9.5%).

- **Europe:** Revenues fell by MEUR -2.9 to MEUR 58.0 (MEUR 3.1 / -5.2% at constant currencies), while market production shrank by -6.6%.
- **North America:** Revenues declined by MEUR -5.8 to MEUR 24.0 (MEUR -3.6 / -12.1% at constant currencies), mainly due to reduced sales of KA's Gear Shift Systems to a Tier 1 customer. Despite this, the business outperformed the regional market, which contracted by -26.8%.
- **China:** Revenues grew to MEUR 7.1, an increase of MEUR +0.8 (MEUR +1.3 / +21.1% at constant currencies), while market production increased by +42.6%.

Passenger car revenues (29.6% of total) amounted to MEUR 49.6 (or MEUR 52.1 at constant currencies), down MEUR -10.2 (-17.2%) compared to Q4 2024.

- **Europe:** Revenues were MEUR 15.8, a decline of MEUR -3.2 (MEUR -3.3 / -17.4% at constant currencies).
- **North America:** Revenues declined by MEUR -2.4 to MEUR 23.1 (MEUR -0.4 / -3.6% at constant currencies).
- **China:** Revenues reached MEUR 7.4, down MEUR -4.2 (MEUR -3.6 / -30.9% at constant currencies).

Revenues in other markets (mainly in Europe's industrial applications and North America's off-road) totaled MEUR 22.2 in Q4 2025, an increase of MEUR +2.6 (MEUR +3.8 / +19.3% at constant currencies). This was mainly due to stronger sales in the Industrial and Agriculture & Construction segments in North America.

FULL YEAR 2025 REVENUES

Group revenues for full year 2025 amounted to MEUR 712.8, a decline of MEUR -75.4 compared to 2024. This includes negative currency translation effects of MEUR -16.7, resulting in a -7.4% decline in constant currencies. The revenue drop was primarily driven by significantly lower sales in the European passenger car market, a sharp decline in commercial vehicle market in North America and reduced sales in China.

Commercial vehicles revenues (56.6% of total) reached MEUR 401.6 (or MEUR 410.4 at constant currencies), marking a year-over-year decline of MEUR -37.5 (-8.5%).

- **Europe:** Revenues were MEUR 238.1, a decline of MEUR -5.2 (MEUR -5.1 / -2.1% at constant currencies), while market production declined by -2.6%.
- **North America**: Revenues dropped by MEUR -21.7 to MEUR 104.0 (MEUR -17.0 / -13.5% at constant currencies), outperforming the market, which contracted at -27.6%. The decline was mainly due to reduced sales of KA's gear control units to a Tier 1 customer, driven by lower OEM demand.
- **China:** Revenues totaled MEUR 26.1, down MEUR -6.4 (MEUR -5.3 / -16.2% in constant currencies), significantly underperforming the market, which grew by +24.2%. The drop was largely due to weaker sales of Gear Shift Systems.

Passenger car revenues (30.8% of total) amounted to MEUR 221.2 (or MEUR 227.1 at constant currencies), a decrease of MEUR -32.6 (-12.8%) compared to 2024.

- **Europe:** Revenues fell by MEUR -19.2 to MEUR 73.7 (MEUR -20.0 / -21.5% at constant currencies).
- **North America:** Revenues slightly decreased by MEUR -3.3 to MEUR 104.5 (MEUR +1.0 / +0.9% at constant currencies).
- **China:** Revenues were MEUR 30.0, down MEUR -9.5 (MEUR -8.3 / -20.9% at constant currencies).

In full year 2025, **revenues generated in other markets** totaled MEUR 90.0 (or MEUR 92.0 at constant currencies), down from MEUR 95.3 in FY 2024. The decline was mainly due to reduced market activity in North America.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS (CONTINUED)

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Revenues	**167.5**	**185.2**	**712.8**	**788.2**
Other income	1.7	2.0	2.2	5.0
EBITDA	16.9	9.6	43.7	48.5
in % revenues	*10.1%*	*5.2%*	*6.1%*	*6.2%*
Operating profit (loss) / EBIT	**9.4**	**1.1**	**13.6**	**18.7**
in % revenues	*5.6%*	*0.6%*	*1.9%*	*2.4%*
Net financial items	(4.3)	(6.7)	(13.3)	(21.0)
Profit / (loss) before taxes	**5.1**	**(5.6)**	**0.3**	**(2.3)**
Income taxes	(2.3)	(7.5)	(0.1)	(15.9)
Net profit / (loss)	**2.8**	**(13.1)**	**0.2**	**(18.2)**
NIBD/ Adjusted EBITDA (LTM)	2.2	2.5	2.2	2.5
Leverage ratio per bond term definition	2.2	2.1	2.2	2.1
Equity ratio	32.0%	33.7%	32.0%	33.7%

EBIT

EBIT for **Q4 2025** amounted to MEUR +9.4, corresponding to a margin of +5.6%, a significant increase from MEUR +1.1 (margin +0.6%) in Q4 2024. This was mainly driven by:

- Favorable mix effects on contribution margin of MEUR +2.7 were more than offset by the MEUR -5.5 shortfall from lower sales volume.
- Additions in warranty accruals were lower by MEUR +5.4.
- Cost savings of MEUR +3.3 were achieved in manufacturing overhead and administrative expenses, reflecting continued efficiency initiatives and operational streamlining.
- Q4 2025 result affected positively by reversal of prior period accruals of MEUR 4.9, related to customer contracts and operating costs.

For full year 2025, EBIT totaled MEUR +13.6 (margin +1.9%), down from MEUR +18.7 (margin +2.4%) in 2024. The net decline was primarily driven by:

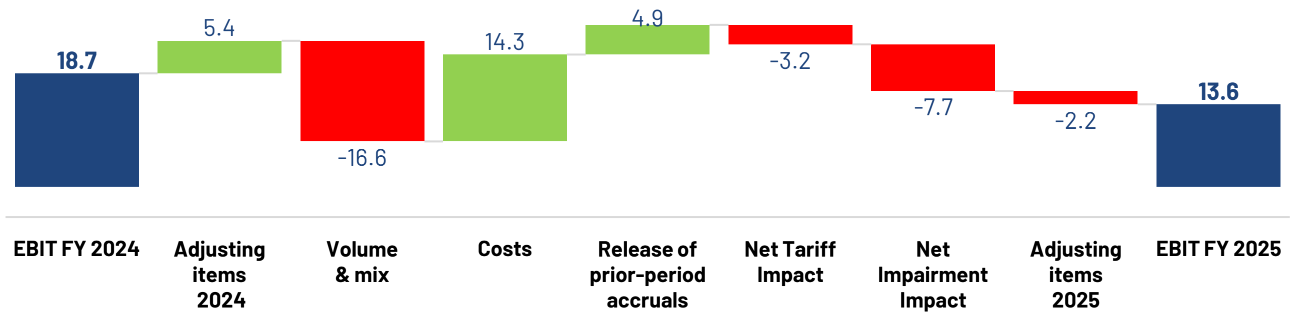
- Favorable mix effects of MEUR +9.4 were more than offset by the missing contribution of MEUR -26.0 from lower sales.
- Cost reductions of MEUR +14.3 in manufacturing overhead, administrative expenses, and bonuses were achieved.
- Positive effect from reversal of prior period accruals of MEUR 4.9 related to customer contracts and operating costs.
- In 2025 impairment cost amounted to MEUR -2.7, while in 2024 reversal of impairment resulted in MEUR +5.0. In addition, net tariff costs in 2025 were MEUR -3.1. There is a delay between when the tariff costs occur and when KA is reimbursed by customers.

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

Net financial items in Q4 2025 were negative MEUR -4.3 versus negative MEUR -6.7 in Q4 2024. Interest expenses declined from MEUR -4.4 in Q4 2024 to MEUR -3.7 in Q4 2025 and the currency result was slightly negative at MEUR -0.7, compared to positive currency effects MEUR +0.7 in the prior year's quarter. In addition, Q4 2024 was impacted by impairment of equity investments and loans granted to at equity and at cost investments by MEUR -2.4. Profit before tax reached MEUR +5.1. Net profit for Q4 2025 was MEUR +2.8, compared to a net loss of MEUR -5.6in Q4 2024.

For full year 2025, net financial items totaled MEUR -13.3, an improvement from MEUR -21.0 in 2024. Interest expenses decreased by MEUR +1.2, while interest income declined by MEUR -0.8. Foreign currency gains, primarily related to intercompany balances in USD, amounted to MEUR +2.0, compared to a foreign currency loss of MEUR -1.9 in 2024, which had been mainly caused by the weakening NOK against EUR. In addition, 2024 was impacted by other financial items of in total MEUR -4.4, whereas in 2025 they amounted to MEUR -1.4. Profit before tax was MEUR +0.3, followed by marginal tax expense of MEUR -0.1. This resulted in a net profit of MEUR +0.2 for full year 2025, compared to a net loss of MEUR -18.2 in 2024.

Group's Full Year 2025 EBIT Bridge *(in MEUR)*



GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – CASH FLOW

(MEUR)	**Q4 2025**	**Q4 2024**	**FY 2025**	**FY 2024**
Cash flow - Operating activities	22.4	13.7	58.5	32.4
Cash flow - Investing activities	(4.3)	(6.9)	(14.8)	(21.4)
Cash flow - Financing activities	(6.7)	(9.0)	(27.6)	(92.8)
Currency and translation effects on cash flow	(0.1)	6.2	(9.6)	1.4
Change in cash	11.3	4.0	6.5	(80.4)
Cash as of beginning of period	79.5	80.3	84.3	164.7
Cash as of end of period	**90.8**	**84.3**	**90.8**	**84.3**
Of this, restricted cash	*0.0*	*0.1*	*0.0*	*0.1*

CASH FLOW - OPERATING ACTIVITIES

In Q4 2025, the Group generated positive operating cash flow of MEUR +22.4, a solid improvement from MEUR +13.7 in Q4 2024. The improvement was driven primarily by stronger underlying profitability as well as lower tax and warranty payments.

Operating cash flow reached MEUR +58.5 in full year 2025, significantly exceeding MEUR +32.4 recorded last year. The increase was mainly driven by lower tax payments of MEUR +5.6 and reduced payments related to warranty and other provisions amounting to MEUR +11.8. Additionally, the change in net working capital improved slightly, reaching MEUR +11.4 in 2025 compared to a positive MEUR +9.9 in the prior year. Many of the factors negatively affecting the EBIT margin in full year 2025, such as net impairment charges and increase in warranty provisions, had no impact on Cash flow.

CASH FLOW - INVESTING ACTIVITIES

Cash flow used by investing activities was MEUR -4.3 in Q4 2025 compared to MEUR -6.9 in Q4 2024. The reduction is mainly driven by stricter control over spending on investments in tangible and intangible assets of MEUR -5.4 compared to MEUR -8.4 in Q4 2024. In Q4 2025 as well as in Q4 2024 subsequent proceeds from a divestment were received at MEUR 1.6 and MEUR 1.9 respectively.

The full year 2025 investing cash flow improved to MEUR -14.8 million, compared to MEUR -21.4 in full year 2024, reflecting reduced investment intensity.

CASH FLOW - FINANCING ACTIVITIES

Cash flow used for financing activities resulted in a net outflow of MEUR -6.7, lower than the MEUR -9.0 outflow in Q4 2024.

Cash used in financing activities for the full year 2025 amounted to MEUR –27.6, a significant reduction compared with MEUR –92.8 in 2024. The higher outflow in 2024 was mainly driven by the refinancing completed in June 2024, which resulted in a net repayment of MEUR –57.7 as well as accelerated interest payments on legacy bond notes, which increased interest outflows in 2024.

CURRENCY AND TRANSLATION EFFECTS

This reflects a combination of currency translation effects on bank balances denominated in currencies other than the Euro, as well as the currency translation effect on the change in trade net working capital reported under cash flow from operating activities.

CHANGE IN CASH

The cash balance at end of Q4 2025 was MEUR 90.8, a significant increase from the MEUR 79.5 at end of Q3 2025. The cash balance was 84.3 at the end of 2024.

LIQUIDITY RESERVE

The liquidity reserve was MEUR 105.8 at the end of Q4 2025, compared to MEUR 99.2 as of December 31, 2024. The liquidity reserve consisted of MEUR 90.8 of cash and cash equivalents and the revolving credit facility (RCF) of MEUR 15.0.

The liquidity reserve was MEUR 94.4 at the end of Q3 2025.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	31.12.25	31.12.24
Non-current assets	246.4	269.4
Cash and cash equivalents	90.8	84.3
Other current assets	227.9	249.2
Total assets	**565.1**	**602.9**
Equity	180.9	203.0
Interest-bearing liabilities	198.7	206.2
Other liabilities	185.5	193.7
Total equity and liabilities	**565.1**	**602.9**
Net working capital (NWC)	125.1	136.5
NIBD	107.9	121.9
Equity ratio	32.0%	33.7%

ASSETS

Total assets were MEUR 565.1 as of December 31, 2025, a decrease of MEUR -37.8 (-6.3%) from year-end 2024, including negative currency translation effects of MEUR -27.9. The total net book value of property, plant and equipment, intangible assets and right-of-use assets decreased by MEUR -21.2 to MEUR 235.5 compared to year-end 2024, of which MEUR -10.7 was attributable to translation effects during the year 2025.

Additions from investments in property, plant and equipment (excluding additions from leases) and intangible assets were MEUR 16.3 (FY 2024: MEUR 24.7) during 2025. The initial consolidation of Chassis Autonomy SBA AB resulted in the recognition of MEUR 1.6 in intangible assets and MEUR 0.1 in tangible assets.

Current assets amounted to MEUR 318.7 as of December 31, 2025, compared to MEUR 333.5 at year-end 2024. The decrease was mainly driven by decreases in account receivables of MEUR -13.1 and in inventory of MEUR -4.2, partially offset by an increase in the cash balance of MEUR +6.5.

NET WORKING CAPITAL

Net working capital, comprising inventories and account receivables less account payables, totaled MEUR 125.1 at year-end 2025, marking a decrease of MEUR -11.4 (-8.4%) compared to December 31, 2024. This decrease was primarily driven by a decline in account receivables and inventories of MEUR -13.1 and MEUR -4.2, respectively, partially offset by a decrease in account payables of MEUR-5.9.

As a percentage of revenues for the past twelve months, the net working capital ratio as of December 31, 2025, was 17.6%, compared to 17.3% at year-end 2024.

EQUITY

Equity was MEUR 180.9 as of December 31, 2025, a decrease of MEUR -22.1 (-10.9%) from year-end 2024.

The total comprehensive income for full year 2025 was negative MEUR -19.9, comprising the net profit of MEUR+0.2 and negative other comprehensive income of MEUR -20.1. The latter resulted from negative translation differences on foreign operations of MEUR -21.8, mainly driven by weakened USD against EUR, as well as remeasurement of net pension benefit obligation of MEUR +1.7 (net of tax). During Q3 2025, the Group acquired the remaining 25% shares in one of its subsidiaries from the minority shareholder, which resulted in a reduction of non-controlling interests (MEUR -3.3) and a corresponding adjustment to equity attributable to owners of the parent (MEUR +1.1). No gain or loss was recognized in profit or loss.

INTEREST BEARING LIABILITIES

As of December 31, 2025, total interest-bearing liabilities were MEUR 198.7, consisting mainly of the senior secured bonds of MEUR 108.1 (MEUR 110.0 after netting with the unamortized capitalized arrangement fees of MEUR 1.9), the drawn Securitization facility of MEUR 25.0 and lease liabilities of MEUR 65.6. Long-term interest-bearing debt amounted to MEUR 188.5 as of December 31, 2025.

NET INTEREST BEARING DEBT

At the year-end 2025, net interest-bearing debt was MEUR 107.9, a decrease of MEUR -14.0 (-11.5%) compared to MEUR 121.9 at year-end 2024.

The NIBD / Adjusted EBITDA leverage ratio has been materially reduced from 3.7 at the end of Q2 25 to 2,2 at the end of Q4 25, providing increased financial flexibility.

DRIVE CONTROL SYSTEMS

SEGMENT REPORTING

Drive Control Systems develops and manufactures a comprehensive range of drive control and driveline products for heavy and light duty vehicles, including clutch actuation systems, vehicle dynamics, custom-engineered cable controls and complete shift systems, shift cables and shit towers for transmissions, operator control systems for construction, agriculture, outdoor power equipment and power electronics-based products.

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

KEY FIGURES[3]

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Revenues	**98.3**	**111.7**	**414.3**	**480.9**
EBITDA[1]	10.6	5.6	13.0	24.4
in % revenues	*10.8%*	*5.0%*	*3.1%*	*5.1%*
EBIT[1]	**6.5**	**1.1**	**(2.8)**	**9.1**
in % revenues	*6.6%*	*1.0%*	*-0.7%*	*1.9%*
Investments	(2.3)	(2.3)	(7.2)	(10.0)
Capital employed[2]	124.3	140.1	124.3	140.1

[1] EBIT and EBITDA in Q4 2024 and FY 2024 have been accordingly restated, and include the allocated corporate and other costs
[2] Includes intangible assets, PP&E, right-of-use assets, inventories, trade receivables, less trade payables and lease liabilities
[3] In Q3 2025 the Driveline segment (which excludes Electric Actuators; (previously presented as Other operations in Note 2) was incorporated into the Drive Control System segment. Figures for 2024 (Q4, FY) have been accordingly restated to reflect this change in segment reporting

FINANCIAL UPDATE

Revenues in Drive Control Systems declined by MEUR -13.4 to MEUR 98.3 in **Q4 2025** compared to Q4 2024, impacted by negative currency translation effects of MEUR -4.6 (MEUR 8.8 / -8.0% in constant currencies). The decrease was mainly driven by lower sales in commercial vehicle markets in Europe which fell by MEUR -4.6 (-15.0%) to MEUR 26.5 and in North America which was down by MEUR -1.7 (-7.1%) to MEUR 20.4, partially offset by the Chinese market which grew by MEUR +1.1 (+28.5%) to MEUR 4.4. In the passenger car segment, revenues declined in Europe by MEUR -2.0 (-23.5%) to MEUR 6.5 and in China by MEUR -4.4 (-39.9%) to MEUR 6.1, while North America saw an increase of MEUR +0.8 (+5.1%) to MEUR 14.7. Off-road and industrial markets generated MEUR 11.5, up MEUR +2.3 (+23.8%), mainly due to growth in Europe and North America.

Revenues for full year 2025 declined year-over-year by MEUR -66.6 (MEUR -54.9 / -11.4% at constant currencies) to MEUR 414.3. This decrease was mainly driven by lower sales in the commercial vehicle markets in North America (MEUR -16.6 / -15.8%), Europe (MEUR -6.6 / -5.7%) and China (MEUR -6.3 / -27.0%), as well as in the passenger car markets in Europe (MEUR -14.5 / -31.7%) and China (MEUR -9.3 / -25.6%). These declines were partially offset by growth in the Brazilian and North American passenger car markets, which increased by MEUR +1.0 (+10.0%) and MEUR +2.2 (+3.4%), respectively.

EBIT reached MEUR +6.5 (margin of 6.6%) in **Q4 2025**, an increase of MEUR +5.4 compared to Q4 2024. This improvement was mainly driven by savings in manufacturing and administrative expenses, a reduction in warranty costs, and the subsequent income from divestment of MEUR +1.6. These positive effects were partially offset by a lost contribution margin primarily due to lower revenues versus the prior year as well as reversal of impairment positively impacting profitability in Q4 2024, creating a non-recurring comparison effect. The revised allocation of corporate costs resulted in a charge of MEUR -2.3 in Q4 2025, compared to MEUR -3.0 in Q4 2024.

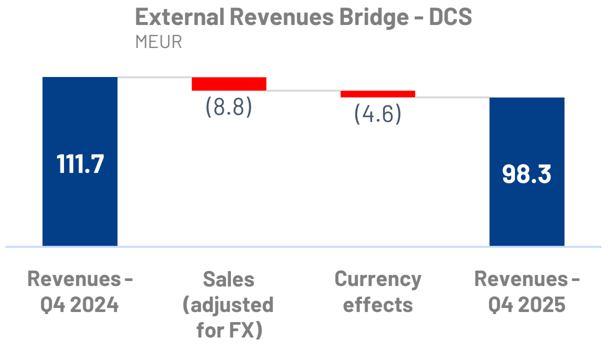
For **full year 2025, EBIT** amounted to MEUR -2.8, down from MEUR +9.1 in the prior year. The decline was primarily due to a lost margin of significantly lower sales, and net impairment effect of MEUR -2.4 in 2025 versus positive effect of MEUR +4.5 in 2024 from reversal of impairment. Additionally, tariff costs of MEUR -4.7 negatively outweighed the tariff reimbursements of MEUR +2.1. The prior year's result benefited from a one-time supplier reimbursement of MEUR 2.7 related to a warranty case.

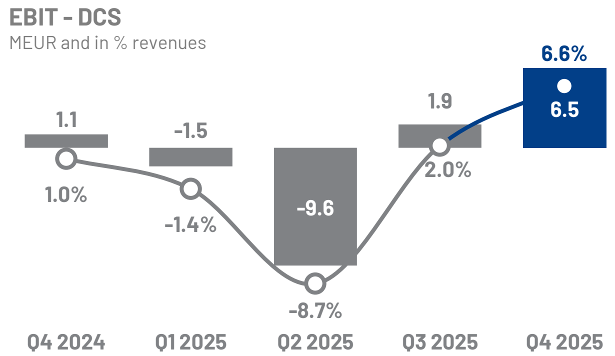
COMMERCIAL AND OPERATIONAL UPDATE

In Q4 2025, business wins amounted to MEUR 21.1 of lifetime revenues (MEUR 10.8 in annualized revenues).

In the quarter, KA secured a contract worth MEUR 5.4 in lifetime revenues (MEUR 1.4 in annualized revenues) for Shift Tower to be supplied to one of the global OEMs.

During the year 2025, DCS secured contracts worth MEUR 104.3 in lifetime revenues (MEUR 35.7 in annualized revenues).





FLOW CONTROL SYSTEMS

SEGMENT REPORTING

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

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

KEY FIGURES

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Revenues	**69.2**	**73.5**	**298.5**	**307.3**
EBITDA[1]	6.3	4.0	30.7	24.1
in % revenues	*9.1%*	*5.4%*	*10.3%*	*7.8%*
EBIT[1]	**2.9**	**0.0**	**16.4**	**9.6**
in % revenues	*4.2%*	*0.0%*	*5.5%*	*3.1%*
Investments	(3.1)	(5.8)	(9.1)	(14.2)
Capital employed[2]	170.3	181.4	170.3	181.4

[1] EBIT and EBITDA in Q4 2024 and FY 2024 have been accordingly restated and include the allocated corporate and other costs
[2] Includes intangible assets, PP&E, right-of-use assets, inventories, trade receivables less trade payables and lease liabilities

FINANCIAL UPDATE

Revenues in Q4 2025 decreased by MEUR -4.3 to MEUR 69.2 compared to Q4 2024, including negative currency translation effects of MEUR -2.1 (MEUR -2.2 / -2.9% in constant currencies). Declining sales in the European passenger car market (MEUR -1.2 / -11.1%) as well as in North American commercial vehicles (MEUR -1.9 / -32.3%) and passenger car (MEUR -1.2 / -11.8%) markets were partially offset by higher sales in North American industrial applications market (MEUR +1.2 / +25.9%) and higher sales in the European commercial vehicle market (MEUR +1.5 / +5.2%).

Revenues in full year 2025 amounted to MEUR 298.5 and were lower by MEUR -8.8, including negative currency effects of MEUR -5.1 (MEUR -3.7 / -1.2% in constant currencies). This was mainly due to lower sales in passenger cars markets in Europe (MEUR -4.9 / -10.7%) and in North America (MEUR -1.1 / -2.6%) markets in Europe as well as lower sales in the Brazilian heavy-duty vehicles market (MEUR -1.5 / -16.8%), partially offset by higher sales in the heavy-duty vehicles markets in Europe (MEUR +1.5 / +1.2%) and Chinese commercial vehicles market (MEUR +1.0 / +11.3%) as well as higher sales in the North American industrial applications market (MEUR +1.4 / +6.4%).

EBIT totaled MEUR +2.9 (margin of +4.2%) in **Q4 2025**, an increase of MEUR +2.9 compared to the same quarter last year. It was mainly driven by higher positive mix effects and reduction in manufacturing and administrative costs, which more than compensated for the lost margins due to lower sales, negative tariffs effects and higher impairment charges. The allocation of corporate costs had an impact of MEUR -1.5 in Q4 2025 compared to MEUR -2.0 in Q4 2024.

For **full year 2025, EBIT** increased by MEUR +6.8 to MEUR 16.4 compared to the prior year, which was mainly driven by favorable product mix effects (partially offset by negative volume effect) and reduction of manufacturing and administrative costs, partially offset by higher severance costs and impairment losses. Allocation of corporate costs had an impact of MEUR -4.5 compared to last year's MEUR -7.8.

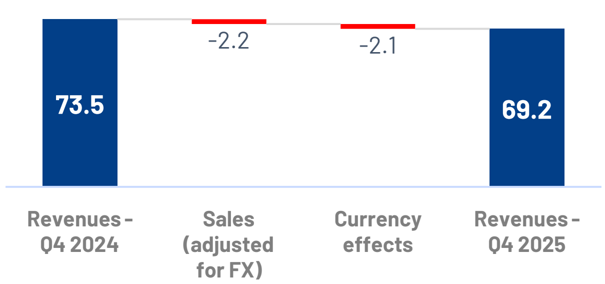
COMMERCIAL AND OPERATIONAL UPDATE

During the fourth quarter of 2025, total business wins amounted to MEUR 56.5 of lifetime revenues (MEUR 22.2 in annualized revenues).

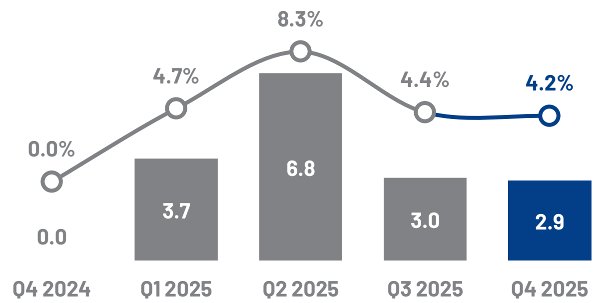
In Q4 2025, Flow Control Systems secured a contract worth MEUR 22.1 in lifetime revenues (MEUR 3.7 in annualized revenues) for the supply of ABC Twist Lock to a major European OEM.

During the year 2025, FCS secured contracts worth MEUR 234.7 in lifetime revenues (MEUR 84.2 in annualized revenues).

External Revenues Bridge - FCS
MEUR



EBIT - FCS
MEUR and in % revenues



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Revenues	**167.5**	**185.2**	**712.8**	**788.2**
Other income	1.7	1.9	2.2	5.0
OPEX	(152.5)	(180.7)	(668.6)	(749.7)
Reversal of impairment / (Impairment losses)	0.2	3.2	(2.7)	5.0
EBITDA	**16.9**	**9.6**	**43.7**	**48.5**
in % revenues	*10.1%*	*5.2%*	*6.1%*	*6.2%*
Depreciation and amortization	(7.5)	(8.5)	(30.1)	(29.8)
Operating profit (loss) / EBIT	**9.4**	**1.1**	**13.6**	**18.7**
in % revenues	*5.6%*	*0.6%*	*1.9%*	*2.4%*
Net financial items	(4.3)	(6.7)	(13.3)	(21.0)
Profit / (loss) before taxes	**5.1**	**(5.6)**	**0.3**	**(2.3)**
Income taxes	(2.3)	(7.5)	(0.1)	(15.9)
Net profit / (loss)	**2.8**	**(13.1)**	**0.2**	**(18.2)**
Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):				
Translation differences on foreign operations	0.9	9.8	(21.8)	19.1
Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):				
Translation differences on non-foreign operations	(0.1)	(0.7)	0.0	(12.7)
Remeasurement of net pension benefit obligation	2.2	(1.0)	2.2	(1.0)
Tax on net pension benefit obligation remeasurement	(0.5)	0.2	(0.5)	0.2
Other comprehensive income	2.5	8.3	(20.1)	5.6
Total comprehensive income	**5.3**	**(4.8)**	**(19.9)**	**(12.6)**
Net profit attributable to:				
Equity holders (parent company)	2.8	(13.2)	0.2	(18.2)
Non-controlling interests	0.0	0.1	0.0	0.0
Total	**2.8**	**(13.1)**	**0.2**	**(18.2)**
Total comprehensive income attributable to:				
Equity holders (parent company)	5.3	(5.0)	(19.6)	(12.7)
Non-controlling interests	0.0	0.2	(0.3)	0.1
Total	**5.3**	**(4.8)**	**(19.9)**	**(12.6)**
Earnings per share (EUR):				
Basic earnings per share	0.00	(0.01)	0.00	(0.02)
Diluted earnings per share	0.00	(0.01)	0.00	(0.02)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Operating activities				
Profit / (loss) before taxes	5.1	(5.6)	0.3	(2.3)
Depreciation	7.2	8.4	29.2	29.1
Amortization	0.3	0.1	0.9	0.7
Impairment losses / (Reversal of impairment)	(0.2)	(3.2)	2.7	(5.0)
Interest and other financial income	(0.4)	(0.3)	(1.1)	(2.4)
Interest and other financial expenses	3.8	7.8	16.3	21.6
Taxes paid	(1.0)	(3.4)	(5.5)	(11.1)
(Gain) / loss on sale of non-current assets	(1.4)	(2.0)	(1.7)	(2.0)
Changes in receivables	4.8	8.4	13.1	20.7
Changes in inventory	6.2	13.1	4.2	21.0
Changes in payables	(1.6)	(7.3)	(5.9)	(31.8)
Currency (gain) / loss	(0.4)	(0.1)	(6.9)	3.6
Difference between pension funding contributions paid/pensions paid and the net pension cost	(0.6)	0.4	(0.8)	0.4
Change in provisions	(2.1)	(2.4)	9.1	(13.9)
Changes in other items[1]	2.7	(0.2)	4.6	3.8
Cash flow - Operating activities	**22.4**	**13.7**	**58.5**	**32.4**
Investing activities				
Investments	(5.4)	(8.4)	(16.3)	(24.7)
Sale of tangible and intangible assets	1.7	1.9	2.0	2.1
Acquisition of Chassis Autonomy, net of cash acquired	0.0	0.0	0.2	0.0
Interest received and other financial items	0.3	0.3	1.0	2.5
Investments / Loans in associates/other	(1.2)	(0.7)	(1.7)	(1.3)
Other investing activities	0.3	0.0	0.0	0.0
Cash flow - Investing activities	**(4.3)**	**(6.9)**	**(14.8)**	**(21.4)**
Financing activities				
Purchase of treasury shares	0.0	0.0	0.0	(2.4)
Net proceeds from issuing the new bond notes	0.0	(0.1)	0.0	107.5
Payments for redemption/repurchase of the old bond notes	0.0	0.0	0.0	(190.2)
Securitization facility drawn / (repaid)	0.0	0.0	0.0	25.0
Purchase of remaining 25% of shares in KAMS[2]	0.0	0.0	(2.0)	0.0
Dividends paid to the subsidiary's minority interest	0.0	(0.5)	0.0	(1.1)
Other debt drawn / (paid)	(0.2)	(0.1)	(0.2)	0.0
Interest paid and other financial items	(3.8)	(5.0)	(15.4)	(21.9)
Repayment of lease liabilities	(2.7)	(3.3)	(10.0)	(9.7)
Cash flow - Financing activities	**(6.7)**	**(9.0)**	**(27.6)**	**(92.8)**
Currency and translation effects on cash flow	(0.1)	6.2	(9.6)	1.4
Change in cash	11.3	4.0	6.5	(80.4)
Cash as of beginning of period	79.5	80.3	84.3	164.7
Cash as of end of period	**90.8**	**84.3**	**90.8**	**84.3**
Of this, restricted cash	*0.0*	*0.1*	*0.0*	*0.1*

[1] Includes changes in contract assets and contract liabilities, other current receivables like receivables from public duties, customer developments and prepaid expense, and other non-current assets.
[2] It relates to the acquisition of the remaining 25% shares in Kongsberg Automotive Morse Shanghai Co. Ltd., from Dongfeng Electronic Technology Co., Ltd. This means KA now owns 100% of the company.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(MEUR)	31.12.25	31.12.24
Intangible assets	80.6	84.6
Property, plant and equipment	103.5	117.3
Right-of-use assets	51.4	54.8
Deferred tax assets	8.5	10.0
Other non-current assets	2.4	2.7
Non-current assets	**246.4**	**269.4**
Inventories	76.3	80.5
Accounts receivable	127.7	140.8
Other short-term receivables	23.9	27.9
Cash and cash equivalents	90.8	84.3
Current assets	**318.7**	**333.5**
Total assets	**565.1**	**602.9**
Share capital	80.6	80.6
Treasury shares	(5.2)	(5.2)
Share premium	172.0	172.0
Other equity	(66.5)	(47.7)
Non-controlling interests	0.0	3.3
Total equity	**180.9**	**203.0**
Long-term interest-bearing liabilities	188.5	196.3
Deferred tax liabilities	20.3	25.4
Other long-term liabilities	11.1	13.7
Non-current liabilities	**219.9**	**235.4**
Current lease liabilities	10.2	9.9
Current income tax liabilities	0.8	1.3
Trade payables	78.9	84.8
Other current payables	74.4	68.5
Current liabilities	**164.3**	**164.5**
Total liabilities	**384.2**	**399.9**
Total equity and liabilities	**565.1**	**602.9**

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGE IN EQUITY

(MEUR)	31.12.25	31.12.24
Equity as of start of period	**203.0**	**218.1**
Net profit / (loss) for the period	0.2	(18.2)
Translation differences	(21.8)	6.4
Remeasurement of the net pension benefit obligation	2.2	(1.0)
Tax on remeasurement of the net pension benefit obligation	(0.5)	0.2
Total comprehensive income	**(19.9)**	**(12.6)**
Stock-based compensation	0.0	1.1
Decrease in non-controlling interests due to acquisition	(2.2)	0.0
Purchase of treasury shares	0.0	(2.4)
Dividends allocated or paid	0.0	(1.2)
Equity as of end of period	**180.9**	**203.0**

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 period ended on December 31, 2025, 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, 2024, 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 ending on December 31, 2024, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the estimated effective tax rate.

To enhance segment accountability for all attributable Group costs, a new reporting approach was implemented on January 1, 2025, under which all costs previously included in the Corporate & Other segment are allocated to the reportable segments (DCS & FCS). The allocation is performed based on usage, applying Sales and FTE as the primary drivers. As this constitutes a change in accounting policies, the prior year's periods have been restated. Please see pages 8 and 9 and Note 2 of the report for more information.

In Q3 2025, the Driveline (excluding Electric Actuators) segment (previously presented as Other operations in Note 2) was incorporated into the Drive Control System segment. Figures for 2024 have been restated to reflect this change in segment reporting.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The accounting estimates and judgements are consistent with those of the annual financial statements for the year ended on December 31, 2024, as described in those annual financial statements with certain exceptions. The parent company's presentation currency is the euro, and its functional currency was assessed to be changed from Norwegian krone to euro effective January 1, 2025. This change eliminates foreign-exchange gains and losses on EUR-denominated financial instruments and removes translation exposure related to the Norwegian holding operations. The evaluation of warranty costs is also a critical accounting estimate and judgement.

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.

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.

The uncertainty and risks arising from the tariffs imposed by the United States in Q1 2025 could disrupt supply chains, increase costs, and contribute to inflationary pressures. Any new, increased, or changed tariffs, along with related trade restrictions, may heighten business risks and have a negative impact on existing business and supplier relationships. These developments are closely monitored by Kongsberg Automotive, necessitating sustained attention to mitigate potential adverse impacts. To mitigate the negative effects, Kongsberg Automotive is in continuous dialogue with customers to negotiate and agree on compensation. In addition, we are considering adjusting the sourcing strategy to mitigate the effects from tariffs and their subsequent impact on demand.

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, 2025, 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 the varying number of working days in each quarter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SEGMENT REPORTING

PROFIT & LOSS STATEMENT

(MEUR)	Q4 2025			Q4 2024		
	Drive Control Systems	Flow Control Systems	Total Group	Drive Control Systems	Flow Control Systems	Total Group
Revenues[1]	**98.3**	**69.2**	**167.5**	**111.7**	**73.5**	**185.2**
EBITDA	**10.6**	**6.3**	**16.9**	**5.6**	**4.0**	**9.6**
Depreciation	(3.8)	(3.4)	(7.2)	(4.3)	(4.1)	(8.4)
Amortization	(0.3)	0.0	(0.3)	(0.2)	(0.1)	(0.3)
EBIT	**6.5**	**2.9**	**9.4**	**1.1**	**0.0**	**1.1**
Impairment losses (-) and Reversal of impairment losses (+), thereof:	0.4	(0.2)	0.2	3.1	0.1	3.2
- allocated to Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
- allocated to assets other than Goodwill	0.4	(0.2)	0.2	3.1	0.1	3.2
Timing of revenue recognition						
Ownership transferred at a point in time	**98.3**	**69.2**	**167.5**	**111.7**	**73.5**	**185.2**

[1] For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly.

BALANCE SHEET

(MEUR)	Q4 2025				Q4 2024			
	Drive Control Systems	Flow Control Systems	Corporate & Other[2]	Total Group	Drive Control Systems	Flow Control Systems	Corporate & Other[2]	Total Group
Assets and liabilities								
Goodwill	16.1	52.0	0.0	68.1	16.5	57.3	0.0	73.8
Other intangible assets	7.5	4.6	0.4	12.5	6.2	4.5	0.1	10.8
Property, plant and equipment	43.1	59.0	1.4	103.5	51.5	63.7	2.1	117.3
Right-of-use assets	18.2	29.0	4.2	51.4	18.9	32.9	3.0	54.8
Inventories	33.9	42.4	0.0	76.3	38.1	42.4	0.0	80.5
Trade receivables	80.2	47.1	0.4	127.7	89.1	51.9	(0.1)	140.9
Other assets	3.8	2.4	0.0	6.2	3.7	3.7	0.0	7.4
Segment assets	**202.8**	**236.5**	**6.4**	**445.7**	**224.0**	**256.4**	**5.1**	**485.5**
Unallocated assets			119.4	119.4			117.4	117.4
Total assets	**202.8**	**236.5**	**125.8**	**565.1**	**224.0**	**256.4**	**122.5**	**602.9**
Trade payables	49.8	27.8	1.3	78.9	50.8	31.2	2.7	84.7
Accrued expenses	24.4	14.7	2.5	41.6	31.6	11.5	3.3	46.4
Provisions	23.6	0.1	2.4	26.1	12.6	0.3	3.0	15.9
Non-current lease liabilities	18.7	33.0	3.7	55.4	22.8	37.4	3.5	63.7
Current lease liabilities	6.2	3.0	1.0	10.2	6.3	2.6	1.0	9.9
Segment liabilities	**122.7**	**78.6**	**10.9**	**212.2**	**124.1**	**83.0**	**13.5**	**220.6**
Unallocated liabilities			172.0	172.0			179.3	179.3
Total liabilities	**122.7**	**78.6**	**182.9**	**384.2**	**124.1**	**83.0**	**192.8**	**399.9**
Total equity			**180.9**	**180.9**			**203.0**	**203.0**
Total equity and liabilities	**122.7**	**78.6**	**363.8**	**565.1**	**124.1**	**83.0**	**395.8**	**602.9**
Capital expenditure	(2.3)	(3.1)	0.0	(5.4)	(2.2)	(5.9)	(0.2)	(8.3)

[2] The column "Corporate & Other" mainly includes balance sheet items related to tax, pension, and financing.

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 2025	%	FY 2024	%
Europe	322.6	45.3%	344.9	43.8%
Northern America	237.4	33.3%	271.4	34.4%
Southern America	46.6	6.5%	46.3	5.9%
Asia	101.6	14.3%	122.0	15.5%
Other	4.6	0.6%	3.6	0.5%
Total revenues	**712.8**		**788.2**	

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

(MEUR)	31.12.25	%	31.12.24	%
Europe	141.6	60.1%	146.4	57.0%
Northern America	74.4	31.6%	86.5	33.7%
Southern America	1.3	0.6%	1.6	0.6%
Asia	18.2	7.7%	22.2	8.6%
Total intangible assets, PPE and RoU	**235.5**		**256.7**	

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)	**31.12.25**	**31.12.24**
Long-term interest-bearing loan and borrowing	110.0	110.0
Capitalized arrangement fees	(1.9)	(2.5)
Drawn Securitization facility	25.0	25.0
IFRS 16 long-term lease liabilities	55.4	63.8
IFRS 16 short-term lease liabilities	10.2	9.9
Total interest-bearing liabilities	**198.7**	**206.2**

Interest-bearing liabilities by currency

(MEUR)	**31.12.25**	**31.12.24**
EUR	168.0	170.7
USD	11.4	14.8
Other currencies	21.2	23.2
Capitalized arrangement fees	(1.9)	(2.5)
Total interest-bearing liabilities	**198.7**	**206.2**

4.2 LIQUIDITY RESERVE

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

(MEUR)	**31.12.25**	**31.12.24**
Cash reserve	90.8	84.3
Restricted cash	0.0	(0.1)
Undrawn RCF facility	15.0	15.0
Undrawn Securitization facility	0.0	0.0
Liquidity reserve	**105.8**	**99.2**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 – NET FINANCIAL ITEMS

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Interest income	0.3	0.4	1.0	1.8
Interest expenses	(3.7)	(4.4)	(14.6)	(15.8)
Foreign currency gains (losses)[1]	(0.7)	0.7	2.0	(1.9)
Change in value of financial derivatives	0.0	(0.1)	0.0	(0.1)
Account receivables securitization - Expenses	(0.1)	(0.1)	(0.3)	(0.4)
Share of net profit (loss) from investments accounted for using the equity method	0.0	(0.2)	0.0	(0.2)
Impairment of the equity investments and loans granted to equity and at cost investments	0.0	(2.4)	(0.5)	(2.4)
Other financial items	(0.1)	(0.6)	(0.9)	(2.0)
Net financial items	**(4.3)**	**(6.7)**	**(13.3)**	**(21.0)**

[1] Is made up of unrealized currency gain of MEUR +0.4 and realized currency loss of MEUR -1.1 in Q4 2025 (Q4 2024: unrealized currency gain of MEUR +0.1 and realized currency gain of MEUR +0.6)

NOTE 6 – SUBSEQUENT EVENTS

No significant subsequent events were identified.

NOTE 7 – CONTINGENT LIABILITY

A comprehensive review of the warranty exposure has been conducted. This review has revealed further challenges related to warranty costs. These issues are not primarily due to product quality but rather stem from historically unfavorable contractual terms and suboptimal warranty management practices. The warranty accrual per Q4 2025 is based on best estimate of the potential liabilities, but the complexity and variability of potential outcomes KA may be held accountable for is significant.

ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

- Operating profit (loss)- EBIT/Adjusted EBIT
- EBITDA/Adjusted EBITDA
- Operating revenues at constant currencies
- Free cash flow
- NIBD
- Capital employed
- ROCE (last twelve months)

OPERATING PROFIT (LOSS) - EBIT/ADJUSTED EBIT

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

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

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Operating profit / EBIT	**9.4**	**1.1**	**13.6**	**18.7**
Impairment losses / (Reversal of impairment)	(0.2)	(3.2)	2.7	(5.0)
Other adjusting and restructuring items	(0.8)	(0.1)	2.2	5.4
Adjusted EBIT	**8.4**	**(2.2)**	**18.5**	**19.1**

EBITDA/ADJUSTED EBITDA

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

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

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Operating profit / EBIT	**9.4**	**1.1**	**13.6**	**18.7**
Depreciation	7.2	8.4	29.2	29.1
Amortization	0.3	0.1	0.9	0.7
EBITDA	**16.9**	**9.6**	**43.7**	**48.5**
Impairment losses / (Reversal of impairment)	(0.2)	(3.2)	2.7	(5.0)
Other adjusting and restructuring items	(0.8)	(0.1)	2.2	5.4
Adjusted EBITDA	**15.9**	**6.3**	**48.6**	**48.9**

ALTERNATIVE PERFORMANCE MEASURES (APM)

OPERATING REVENUES AT CONSTANT CURRENCIES

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

Q3 2025

(MEUR)	Drive Control Systems	Flow Control Systems	GROUP
Operating revenues (incl. currency effects)	**98.2**	**69.3**	**167.5**
Currency translation effects	(4.6)	(2.0)	(6.6)
Operating revenues (excl. currency effects)	**102.8**	**71.3**	**174.1**

FREE CASH FLOW

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

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

(MEUR)	Q4 2025	Q4 2024	FY 2025	FY 2024
Cash flow - Operating activities	22.4	13.7	58.5	32.4
Cash flow - Investing activities	(4.3)	(6.9)	(14.8)	(21.4)
Cash flow - Financing activities	(6.7)	(9.0)	(27.6)	(92.8)
Currency and translation effects on cash flow	(0.1)	6.2	(9.6)	1.4
Add back / less:				
Purchase of treasury shares	0.0	0.0	0.0	2.4
Net proceeds from issuing the new bond notes	0.0	0.1	0.0	(107.5)
Payments for redemption/repurchase of the old bond notes	0.0	0.0	0.0	190.2
Securitization facility (drawn)/ repaid	0.0	0.0	0.0	(25.0)
Other debt (drawn)/ repaid	0.2	0.1	0.2	0.0
Free Cash Flow	**11.5**	**4.2**	**6.7**	**(20.3)**

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)	31.12.25	31.12.24
Long-term interest-bearing liabilities	188.5	196.3
Other short-term interest-bearing liabilities	10.2	9.9
Cash and cash equivalents	(90.8)	(84.3)
Net Interest Bearing Debt	**107.9**	**121.9**

ALTERNATIVE PERFORMANCE MEASURES (APM)

CAPITAL EMPLOYED

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

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

(MEUR)	**31.12.25**	**31.12.24**
Intangible assets	80.6	84.6
Property, plant and equipment	103.5	117.3
Right-of-use assets	51.4	54.8
Net working capital (Inventories and Trade Receivables less Trade Payables)	125.1	136.5
IFRS 16 lease liabilities (long-term and short-term)	(65.6)	(73.7)
Capital Employed	**295.0**	**319.5**

ROCE (LAST TWELVE MONTHS)

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

Return on Capital Employed is used to measure the return on the capital employed and is used to assess the company's profitability and efficiency during the period under review. The Group considers this ratio as appropriate to measure the return of the period.

(MEUR)		**FY 2025**		**FY 2024**
Capital employed beginning[A]	01.01.2025	319.5	01.01.2024	319.9
Capital employed at end[B]	31.12 2025	295.0	31.12 2024	319.5
EBIT (LTM)[C]		13.6		18.7
ROCE $^{(C\ /\ ((A+B)/2))}$		**4.4%**		**5.8%**

OTHER COMPANY INFORMATION

THE BOARD OF DIRECTORS

Olav Volldal	Chair
Bård Klungseth	Deputy Chair
Ulla-Britt Fräjdin-Hellqvist	Director
Synnøve Gjønnes	Director
Brian Kristoffersen	Director
Siw Reidun Wærås	Employee representative
Hilde Yvonne Beggerud	Employee representative
Ørjan Langnes	Employee representative

EXECUTIVE LEADERSHIP TEAM

Active on the Q4 2025 Quarterly Report's publication date:

Trond Fiskum	President & CEO (from 31.03.2025)
Erik Magelssen	Executive Vice President & CFO (from 01.06.2025)
Oscar Jaeger	Executive Vice President, Human Resources
Kristian Rajkovic	General Counsel (from 01.07.2025)
Trond Fiskum	Interim Executive Vice President, Drive Control Systems (from 01.10.2025)
Thomas Danbolt	Executive Vice President, Flow Control Systems (from 01.10.2025)

INVESTOR RELATIONS & CORPORATE COMMUNICATION

Investor Relations investor.relations@ka-group.com

Corporate Communication Therese Skurdal +47 982 14 059 or corporate.communications@ka-group.com

FINANCIAL CALENDAR

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

Annual Report 2025	March 26, 2026
Quarterly Report Q1 2026	April 30, 2026
Quarterly Report Q2 2026	July 16, 2026
Quarterly Report Q3 2026	October 22, 2026

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