

KONGSBERG AUTOMOTIVE

CAPITAL MARKETS DAY

DECEMBER 9, 2021



KONGSBERG
AUTOMOTIVE

CAPITAL MARKETS DAY

CEO PRESENTATION / PART I

DECEMBER 9, 2021



KONGSBERG
AUTOMOTIVE

FORWARD-LOOKING STATEMENTS AND NON-IFRS MEASURES

FORWARD-LOOKING STATEMENTS

This presentation contains certain “forward-looking statements”. These statements are based on management’s current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance, financial condition or achievements to differ materially from anticipated results, performance, financial condition or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words “anticipate,” “believe,” “expect,” “estimate,” “plan,” and similar expressions are generally intended to identify forward-looking statements. We have no intention and are under no obligation to update or alter (and expressly disclaim any such intention or obligation to do so) our forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by law. The forward-looking statements in this presentation include statements addressing our future financial condition and operating results. Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, business, economic, competitive and regulatory risks, such as conditions affecting demand for products, particularly in the automotive industries; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; and the possible effects on us of changes in tax laws, tax treaties and other legislation. More detailed information about these and other factors is set forth in the 2020 Kongsberg Automotive Annual Report and the Kongsberg Automotive Quarterly Reports.

NON-IFRS MEASURES

Where we have used non-IFRS financial measures, reconciliations to the most comparable IFRS measure are provided, along with a disclosure on the usefulness of the non-IFRS measure, in this presentation.



TOPICS FOR TODAY

- > INTRODUCING OUR NEW VISION**
- > KONGSBERG AUTOMOTIVE CURRENT STATUS**
- > SHIFT GEAR – CORE IMPACT AREAS**
- > FINANCIAL TARGETS**
- > ROADMAP**
- > KEY TAKEAWAYS**



TOP MANAGEMENT TEAM



JOERG BUCHHEIM

PRESIDENT & CEO // Zurich (Switzerland)

*// previously
CEO INALFA Roof systems Group (2016-2021),
CEO HELLA China and Member of the Group
Management Board (2012-2016)*



FRANK HEFFTER

CHIEF FINANCIAL OFFICER // Zurich (Switzerland)

*// previously
Head Group Controlling OC Oerlikon
CFO of an affiliate entity of Siemens PT&D*



DR. CHRISTIAN AMSEL

CHIEF TECHNOLOGY OFFICER // Zurich (Switzerland)

*// previously
CFO INALFA Roof Systems
Executive Board of Electronic at HELLA*



**INTRODUCING
OUR NEW TAGLINE,
VISION AND MISSION**





KONGSBERG
A U T O M O T I V E

**MOBILITY SOLUTIONS
FOR THE FUTURE**

TAGLINE

VISION

**WE DRIVE THE GLOBAL TRANSITION
TO SUSTAINABLE MOBILITY**

MISSION

**ON OUR PATH TO BECOMING A TRUE GLOBAL LEADER, WE PUT
ENGINEERING, SUSTAINABILITY, AND INNOVATION INTO PRACTICE.**

We seek to constantly improve our products, leverage our experience in cutting-edge engineering, and widen our scope to find new solutions and technologies that make mobility safer and cleaner.

Our ambition is to be second to none in all we do. This is how we unlock growth potential and create substantial value for our customers, our employees, and shareholders.

We take responsibility as a strong global team. We are committed to making a difference by developing our skillset and delivering excellent products.

KONGSBERG AUTOMOTIVE CURRENT STATUS



GLOBAL FOOTPRINT



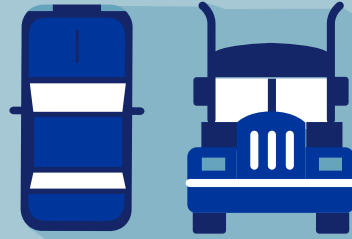
40
LOCATIONS
11,000
EMPLOYEES IN
19
COUNTRIES
WORLDWIDE

- △ HEADQUARTERS
- PLANT
- ⬡ SITE OFFICE
- TECHNICAL CENTER
- ◇ WAREHOUSE

POWERTRAIN & CHASSIS

35% REVENUE

CLUTCH AND GEARSHIFT
SYSTEMS, ACTUATORS
AND VEHICLE DYNAMICS
APPLICATIONS



APPROXIMATELY
ONE OUT OF FIVE
VEHICLES CONTAINS
OUR PRODUCTS



HEADQUARTERED IN ZURICH,
SWITZERLAND AND LISTED ON
THE OSLO STOCK EXCHANGE



SPECIALTY PRODUCTS

38% REVENUE

COUPLINGS,
FLUID TRANSFER SYSTEMS,
AND OFF-HIGHWAY
APPLICATIONS



INTERIOR

27% REVENUE

INTERIOR COMFORT SYSTEMS
AND LIGHT DUTY CABLES

*Interior divestment ongoing
(all figures pre-divestment)*



FULL IN-HOUSE
PROTOTYPE, TEST AND
VALIDATION
CAPABILITY

AT A GLANCE

KA BUSINESS UNITS AND PRODUCTS

POWERTRAIN & CHASSIS

DRIVER CONTROL AND DRIVELINE PRODUCTS

€420M
REVENUES



SPECIALTY PRODUCTS

FLUID TRANSFER SYSTEMS, AIR COUPLINGS
SYSTEMS, AND OPERATOR CONTROL SYSTEMS

€400M
REVENUES



INTERIOR

SEAT COMFORT SYSTEMS AND MECHANICAL
AND ELECTRO-MECHANICAL LIGHT-DUTY
MOTION CONTROLS

€320M
REVENUES

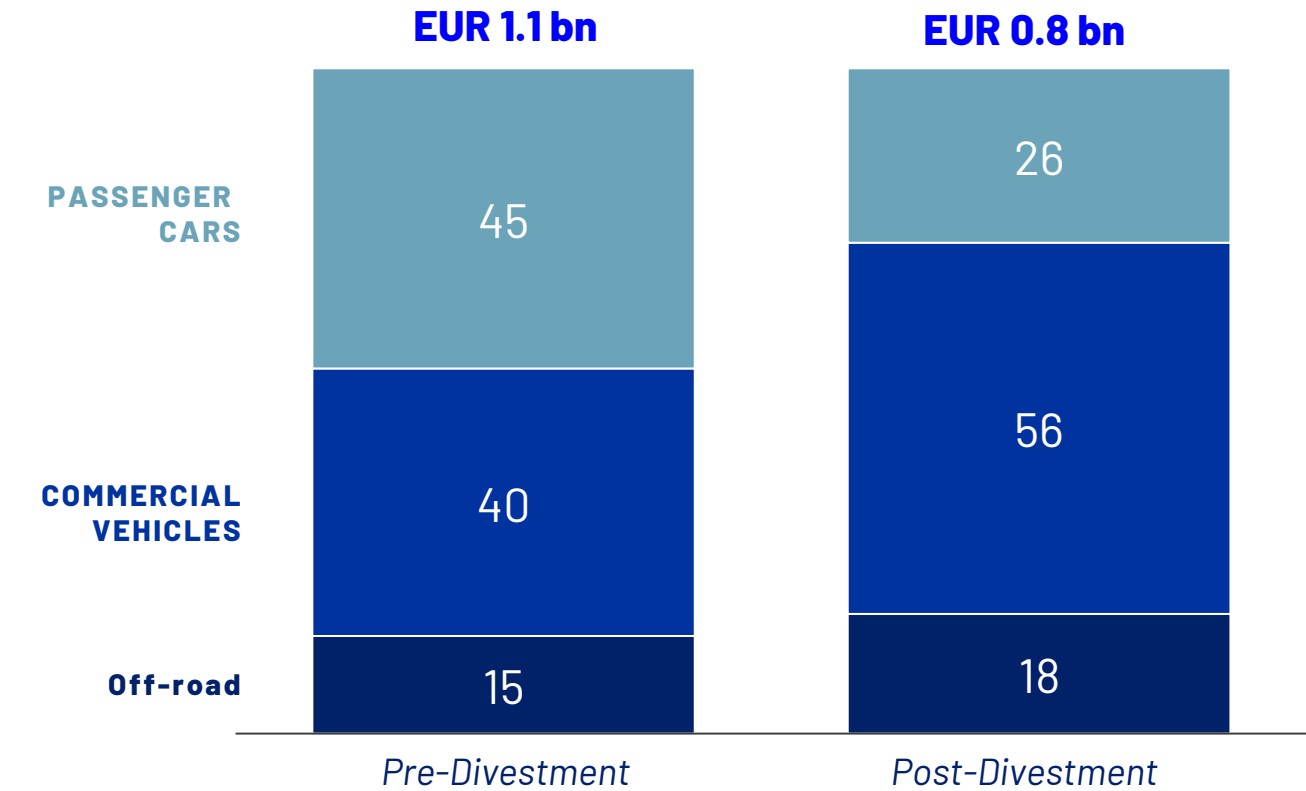
INTERIOR DIVESTMENT ONGOING

- > 2022 – start of product portfolio transformation
- > Strategic move, coping with vertical integration trend.



THE DIVESTMENT STRENGTHENS OUR EXPOSURE TO COMMERCIAL VEHICLE AND OFF-ROAD SEGMENTS

REVENUE IN EUR bn / REVENUE SHARE BY CUSTOMER SEGMENT IN %



After our divestment we generate ~75% of our revenue in the CV and Off-road business

NEW KA - BUSINESS UNITS AND PRODUCTS

SEGMENT VIEW

Passenger Car products are mostly delivered by DRIVELINE (DRL) -
ON-HIGHWAY (ONH) and FLUIDS (FTS) mostly focus on Commercial Vehicles,
while OFF-HIGHWAY (OFH) and COUPLINGS (COU) largely focus on SPP

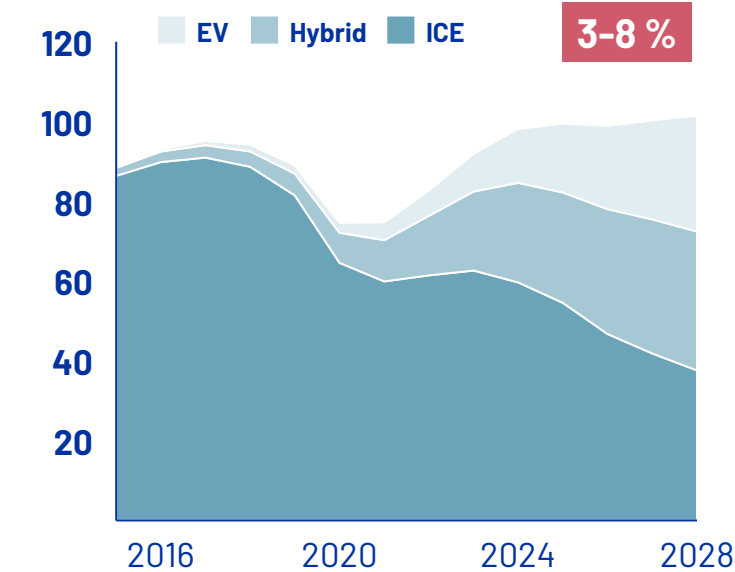
PASSENGER CARS	LVP (DRL)	COMMERCIAL VEHICLES	CVP (ONH,FTS)	OFF HIGHWAY	SPP (OFH,COU)
					
					



PERSISTENT MARKET TRENDS SHOW POWERTRAIN SHIFT AND HIGHER PROFITABILITY IN CV AND OFF-ROAD SEGMENTS

NUMBER OF VEHICLES SOLD, IN MLN; x % x % PROFITABILITY

PASSENGER VEHICLES (INCL. LCV)



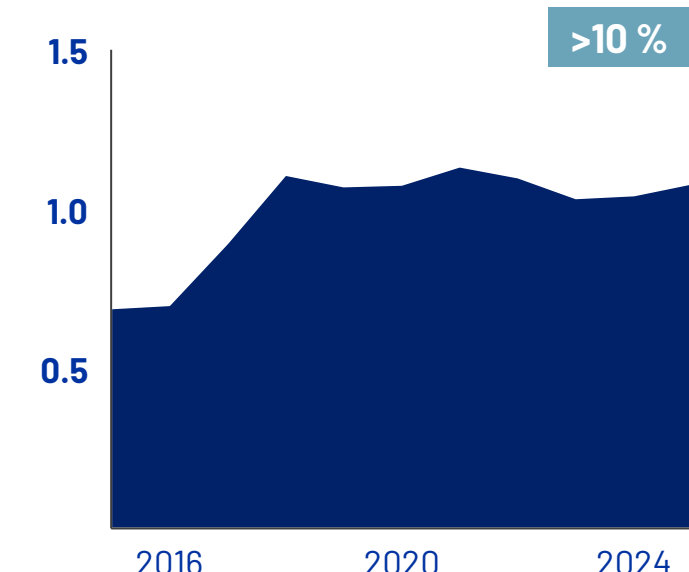
- > **Shift in powertrain solutions** towards EV
- > **Strong competition** and high number of suppliers
- > **EV investment** increases strongly at supplier's shoulders along entire supply chain with uncertain ROI
- > **Highly volatile** and crisis impacted

MEDIUM AND HEAVY COMMERCIAL VEHICLES



- > **Industry consolidation** due to competition where long term partnerships and fairness counts
- > **Growing** Segment with increasing technology content **less volatile**
- > Higher **emission standards** drives higher quality products (TOC)

OFF-ROAD

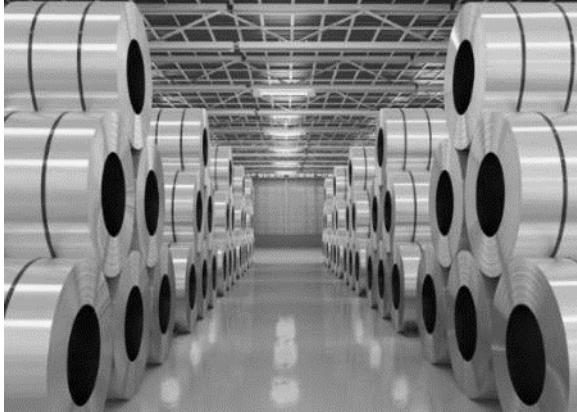


- > **Fueled by infrastructure** projects across the globe
- > **Strong Growth** forecast as Construction/ Industry/Agro Economy/Outdoor-Powersports Actively level expected to grow Post Corona
- > **Autonomy** of the construction & mining value chain



SHORT-TERM SUPPLY CHAIN DIFFICULTIES PUT THE AUTOMOTIVE INDUSTRY UNDER PRESSURE

RAW MATERIAL PRICES



>130% y-o-y
price increase for steel

>130% y-o-y
price increase for copper

COST INFLATION



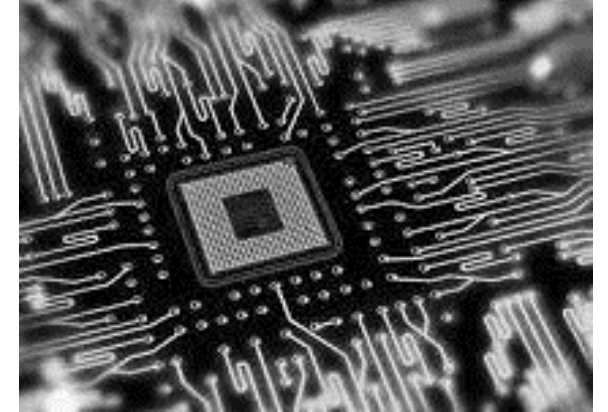
Significant y-o-y price
increases for freight, labor
salaries, electricity, oil,
and others

VOLATILE PRODUCTION



Automotive sales plummeted
during COVID and only
recovered:
80% in Europe,
70% in China, and
50% in the US

SHORTAGES



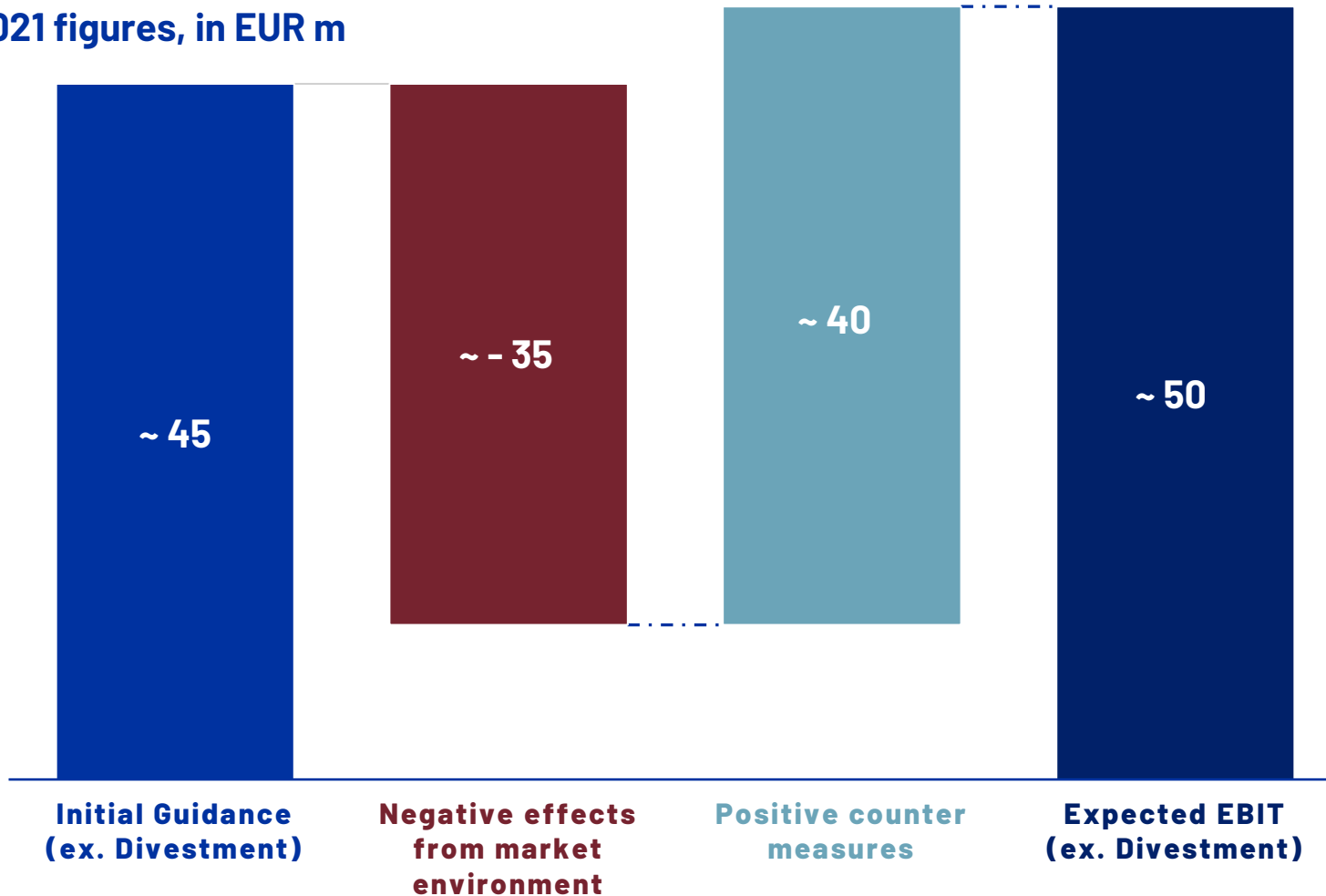
Since first quarter of 2021
semiconductor shortage
has halted assembly lines



Current status

MARKET HEADWINDS COUNTERED WITH STRINGENT COUNTER MEASURES

2021 figures, in EUR m



MARKET HEADWINDS INCLUDE:

- Raw material shortage and price increases
- Higher freight costs
- Dynamic demands from customers

COUNTER MEASURES INCLUDE:

- Customer negotiations
- Operational excellence
- Supplier negotiations

Current status

**KA FINANCIALS SHOW RESILIENCE
IN DYNAMIC ENVIRONMENT**

✓ €~800 M REVENUE On continuing business	✓ €~50M ADJ. EBIT On continuing business
✓ 1.1 BOOK-TO-BILL RATIO On continuing business	✓ € ≥1 M FREE CASH FLOW On continuing business

✓ achieved

**WE EXPECT TO RECEIVE
€175M NET PROCEEDS
BY END OF Q1 2022**



SHIFT GEAR CORE IMPACT AREAS



KA FOCUSES ON THREE IMPACT AREAS TO SHAPE ITS FUTURE



GEAR I



OPERATIONAL EXCELLENCE AND PERFORMANCE

Focus on profitability improvement

GEAR II



STRATEGIC SHIFT TO GROW IN PROFITABLE SEGMENTS

Clear strategic roadmap for each business including M&A activities

GEAR III

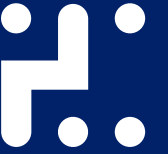


SUSTAINABLE TRANSFORMATION

Sustainable organization preparing for future market trends

KA-wide performance improvement program launched in May with **central program management office** ensuring BU and central targets are being reached





MASTERPLAN: 6 SPECIFIC WORK PACKAGES ON THE WAY TO A NEW KA TO ACHIEVE MAXIMUM IMPACT

GEAR I



1

**PERFORMANCE
IMPROVEMENT
PROGRAM**

2

**ORGANIZATION
AND OPERATING MODEL**

GEAR II



3

**SECURE & INNOVATE
(P&C)**

4

**ACCELERATE
& INNOVATE
(SPECIALTY PRODUCTS)**

GEAR III



5

**ENVIRONMENT, SOCIAL,
AND GOVERNANCE**

6

**DIGITIZATION &
AUTOMATION OF CORE
PROCESSES**



We aim for **superior results** with an EBIT margin > 10%, a **winning portfolio** focused 75% on commercial vehicles and off-road customers, as well as a diverse management to drive our **sustainable future**



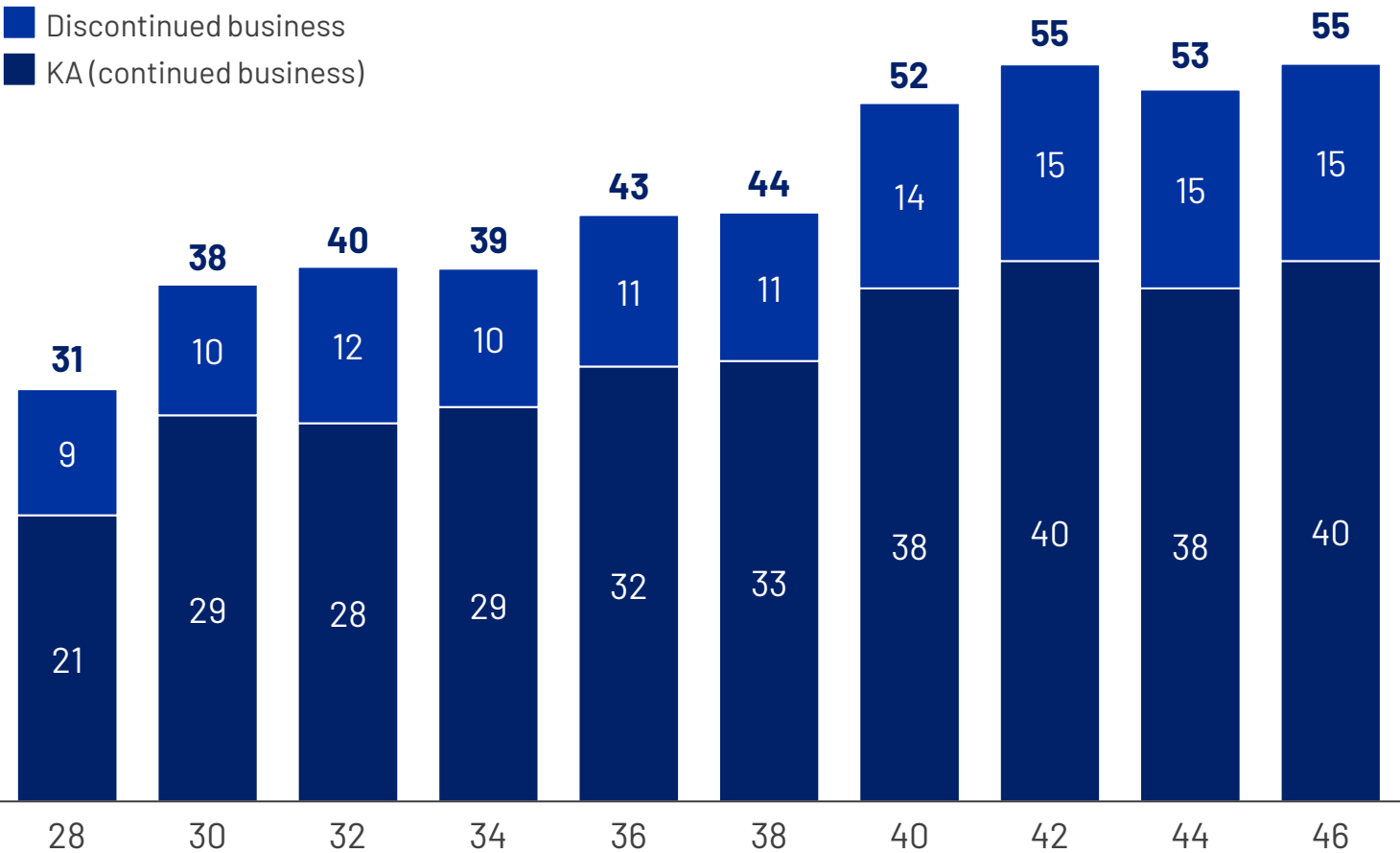
1 THE PERFORMANCE PUSH

- **5 core workstreams:** Commercial Excellence, Direct and Indirect Purchasing, Operations, and Cash Management
- **Strong performance infrastructure** including a rigorous drumbeat, KA-wide cloud-based measure tracking tool, clear targets, and regular performance reviews
- **Mobilization of all organizational units**, ensuring KA's full potential is reached and capabilities are utilized as best as possible
- **Focus on short-term improvements** (e.g., via implementation of spend control tower) as well as **structural measures** (e.g., renegotiation of supplier contracts)



1 THE MEASURES WE HAVE IMPLEMENTED IN 2021 WILL HAVE SIGNIFICANT CARRY-OVER EFFECTS TO 2022 AND BEYOND

Group measure impact for 2021 per calendar week, in EUR m

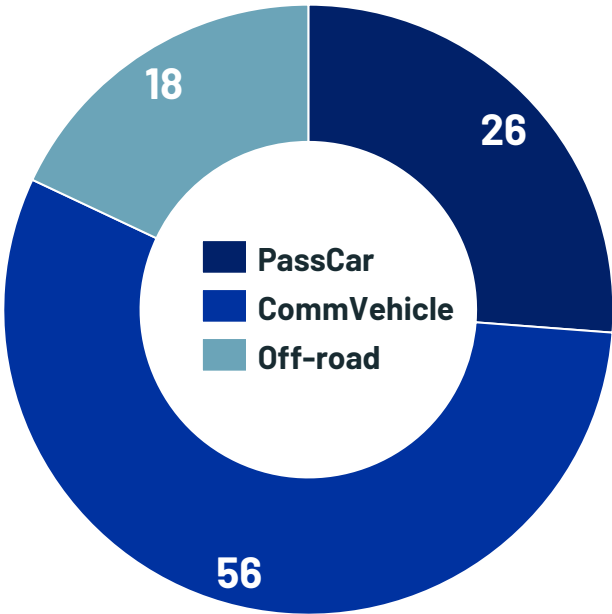


- KA-wide performance improvement
- EUR 56m in measures already implemented
- Most measures with positive carry-over effects for 2022 onwards

2 AFTER OUR DIVESTMENT WE HAVE IMPROVED PROFITABILITY, AND ARE WORKING ON RESHAPING AND RIGHTSIZING OUR ORGANIZATION

OUR NEW KEY FIGURES

SALES 2021: EUR 0.8bn
ADJ. EBIT 2021: EUR ~ 50m (6%)
CAPEX / SALES: 4%
SALES SPLIT, in %:



DIVESTMENT IMPLICATION

STATUS

EBIT and cash flow improved by divestment of low-margin and cash-intensive business



Rightsizing to match new KA structure



Adapted operating model, with strong regional footprints, and cross-BU centers of competence



2

WE WILL FOCUS ON HIGHLY PROFITABLE SPECIALTY PRODUCTS IN NICHE MARKET SEGMENTS WITH A REGIONAL PRESENCE (GLOBAL)

MAINTAIN & STRENGTHEN
STRONG MARKET POSITION



ESTABLISH KA AS CORE PLAYER
AND ENTER WHITE SPOTS



LONG-TERM ADDITIONAL
POTENTIAL MARKETS



KA is in the process to set up **regional sales companies** target customers in our adapted operating model based on regional market knowledge and the **full KA product portfolio**

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WE AIM IN 2030 FOR A HIGHLY PROFITABLE BUSINESS WITH 2.0–2.5X THE REVENUE OF TODAY

Revenue and EBIT trajectory, vs. 2021 post-divestment

MID-TERM PLAN 2024		LONG-TERM AMBITION 2026	
ASIA +90%	TOPLINE 1.3 – 1.5x	TOPLINE 1.5 – 1.7x	
AMER +50%			
EMEA +40%	ADJ. EBIT 9% – 10%	ADJ. EBIT 11%–12%	

OUR GROWTH AND PROFITABILITY TRAJECTORY IS ACCOMPANIED BY A TOP-POSITION IN COVERED MARKETS, AND A SUSTAINABLE FREE CASH FLOW

TAKE AWAY

Second to None *Wherever we are operating, we want to be positioned among the **TOP 3** within the Industry in Market share and Technology. This **unlocks** strong **growth potential***

Specialty product business to be developed and adapted

*"We **consolidate our strengths** across the BUs to accelerate growth"*

Strong growth in Asia Pacific –
China Korea and India – untapped

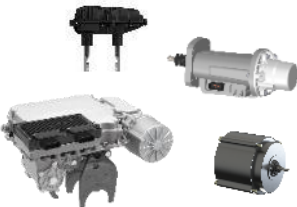
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COMPETITIVE & PERFORMANCE CHECK – SECOND TO NONE UNLOCKS STRONG GROWTH POTENTIAL

COUPLINGS	OFF-HIGHWAY
REVENUE EMPLOYEES CAGR 2019-2021 115 (EST. 2021) 400 42% COUNTRY FOCUS¹:  74%  4%  GROW 19%  3%  SECOND TO NONE INDEX #RANKING (based on market share): #RANKING (based on technology): <i>Self assessment</i> SEGMENTS OPERATIVE: <i>Automotive, Industry, OFH</i> CUSTOMERS 2 1 ✓ 3 +100	REVENUE EMPLOYEES CAGR 2019-2021 242M 920 7% COUNTRY FOCUS¹:  16%  84%  SECOND TO NONE INDEX #RANKING (based on market share): #RANKING (based on technology): <i>self assessment</i> SEGMENTS OPERATIVE: <i>automotive, industry, ofh</i> CUSTOMERS 2 2 ✓ 4 +25
GROWTH AMBITION UNTIL 2025 x 2  POLE POSITION IN ELECTRICAL VEHICLE SEGMENT CAGR '21 – '25 NEW PRODUCTS / MARKETS EMEA: 13 % AMERICAS: 60 % APAC: 35 %  AIR SUSPENSION  SMART SYSTEMS (E.G. THERMAL MGMT.)  MEDICAL (UNDER REVIEW)	GROWTH AMBITION UNTIL 2025 x 2 CAGR '21 – '25 NEW PRODUCTS / MARKETS EMEA: 12 % AMERICAS: 11 % APAC: 26 %  AGRICULTURE +200%  CONSTRUCTION +95%  EPS +100%

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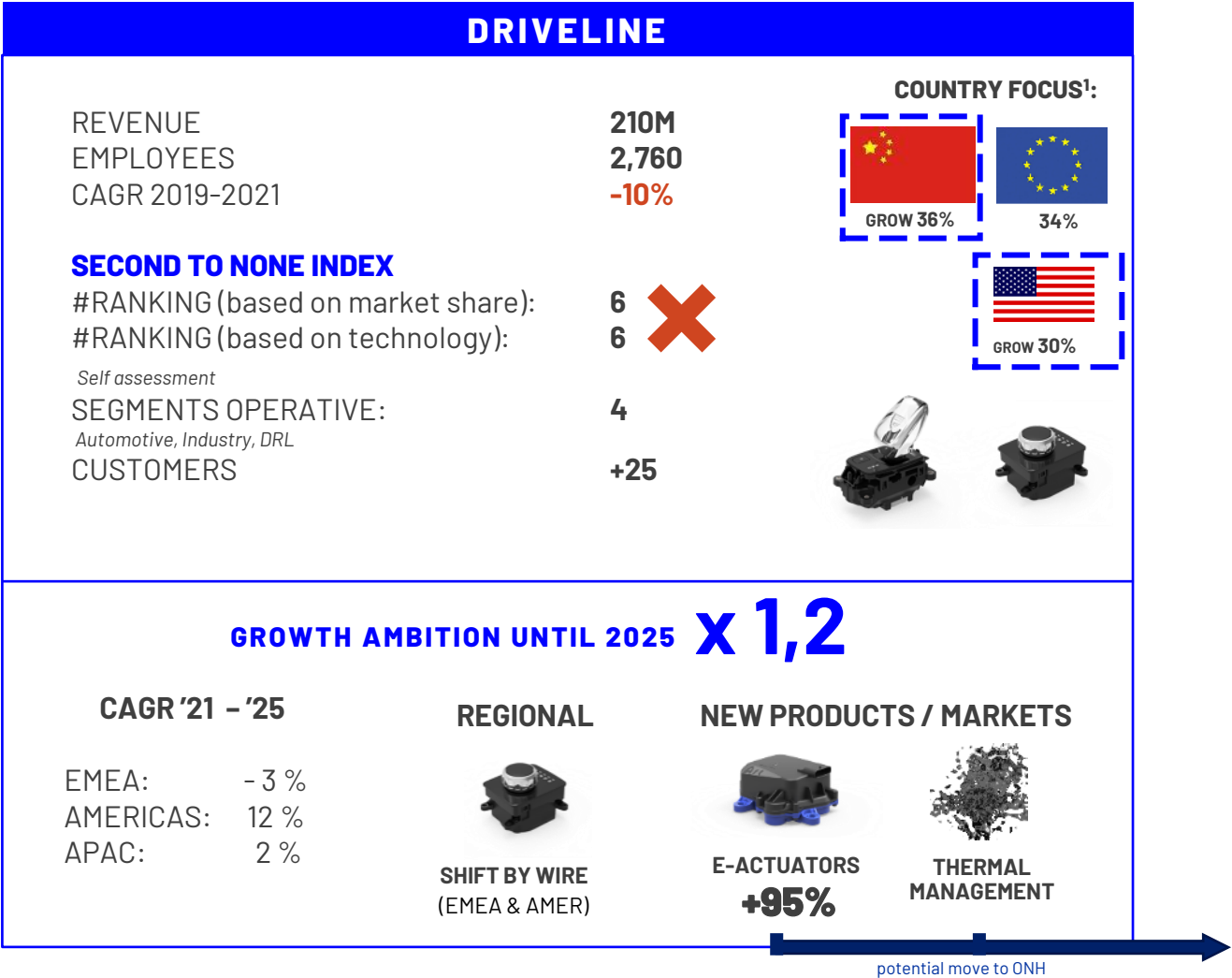
COMPETITIVE & PERFORMANCE CHECK – SECOND TO NONE
UNLOCKS STRONG GROWTH POTENTIAL

FTS	ON-HIGHWAY
REVENUE EMPLOYEES CAGR 2019-2021 132MEUR 1000 20% COUNTRY FOCUS¹:  51%46%  Grow2%  SECOND TO NONE INDEX #RANKING (Fluoropolymer based hose products): #RANKING (Fluoro-comp® product based): # INDUSTRIAL PTFE Self assessment SEGMENTS OPERATIVE: Passenger cars, Commercial vehicles, Off-road, Industry CUSTOMERS Top 3 Top 2 ✓ 4 +100	REVENUE EMPLOYEES CAGR 2019-2021 242M 920 7% COUNTRY FOCUS¹:  43%36%  21%  Second To None Index #RANKING (based on MARKET SHARE): #RANKING (based on Technology): Self assessment SEGMENTS OPERATIVE: Automotive, Industry, OFH CUSTOMERS 2 ✓ 2 ✓ 4 +25
GROWTH AMBITION UNTIL 2025 x 1,6 CAGR '21 – '25 NEW PRODUCTS / MARKETS EMEA: 11 % AMERICAS: 8 % APAC: 16 %  TRUCK +85%  PC +35%  INDUSTRIAL +35%	GROWTH AMBITION UNTIL 2025 x 1,6 CAGR '21 – '25 NEW PRODUCTS / MARKETS EMEA: 11 % AMERICAS: 5 % APAC: 38 %  SMART SYSTEMS  E-ACTUATORS  THERMAL MANAGEMENT



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COMPETITIVE & PERFORMANCE CHECK – SECOND TO NONE UNLOCKS STRONG GROWTH POTENTIAL



**WE EXPECT STRONG GROWTH IN OUR MOST PROFITABLE SEGMENTS,
THANKS TO OUR STRUCTURED INNOVATION PROCESS**

SEGMENT GROWTH RATES 2022-2026

P&C
7 to 9%

SPP
10 to 12%

Average Per annum

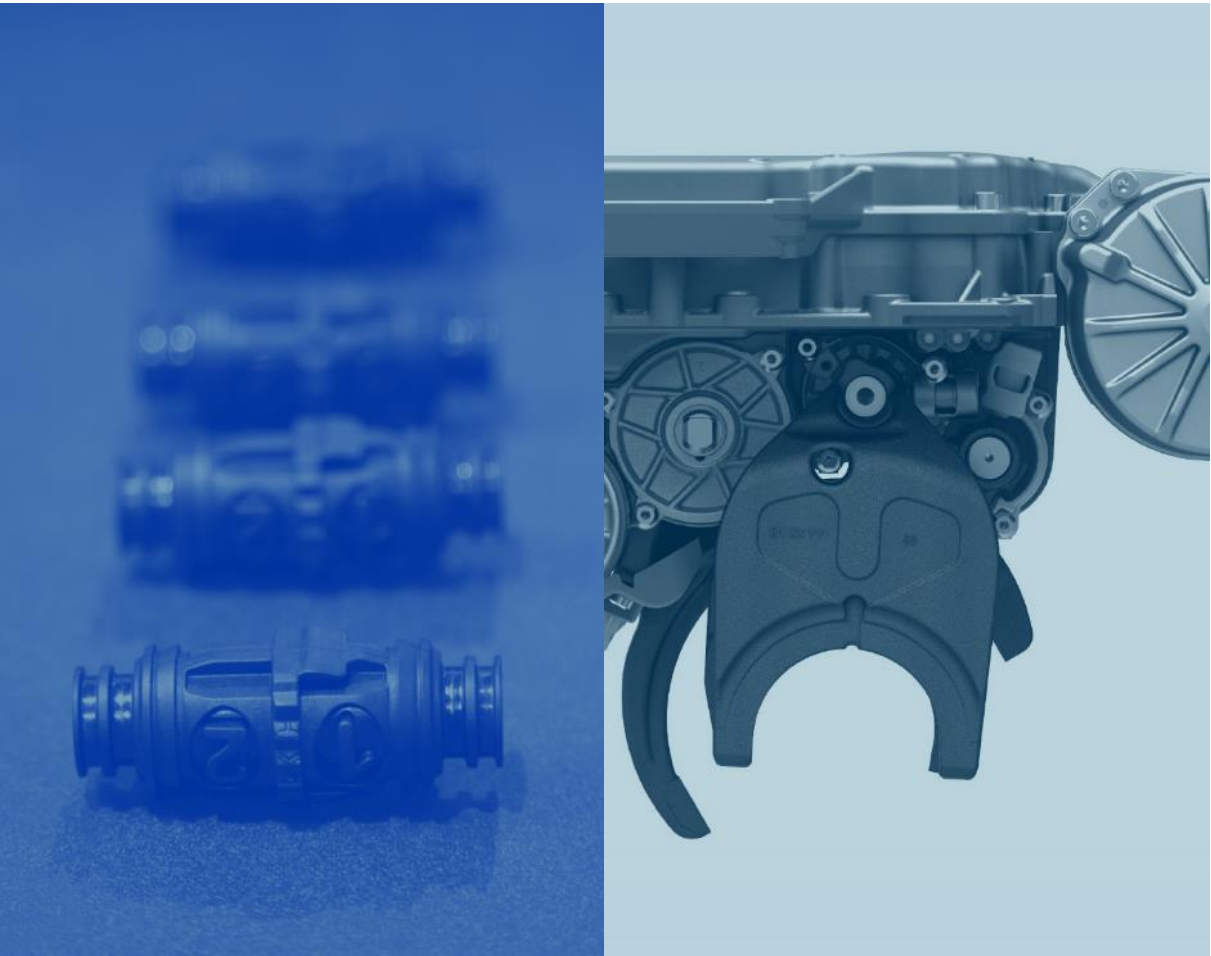
SEGMENT PROFITABILITY 2022-2026

ONH
6 to 10%

DRL
3-5%

SPP
14 to 16%

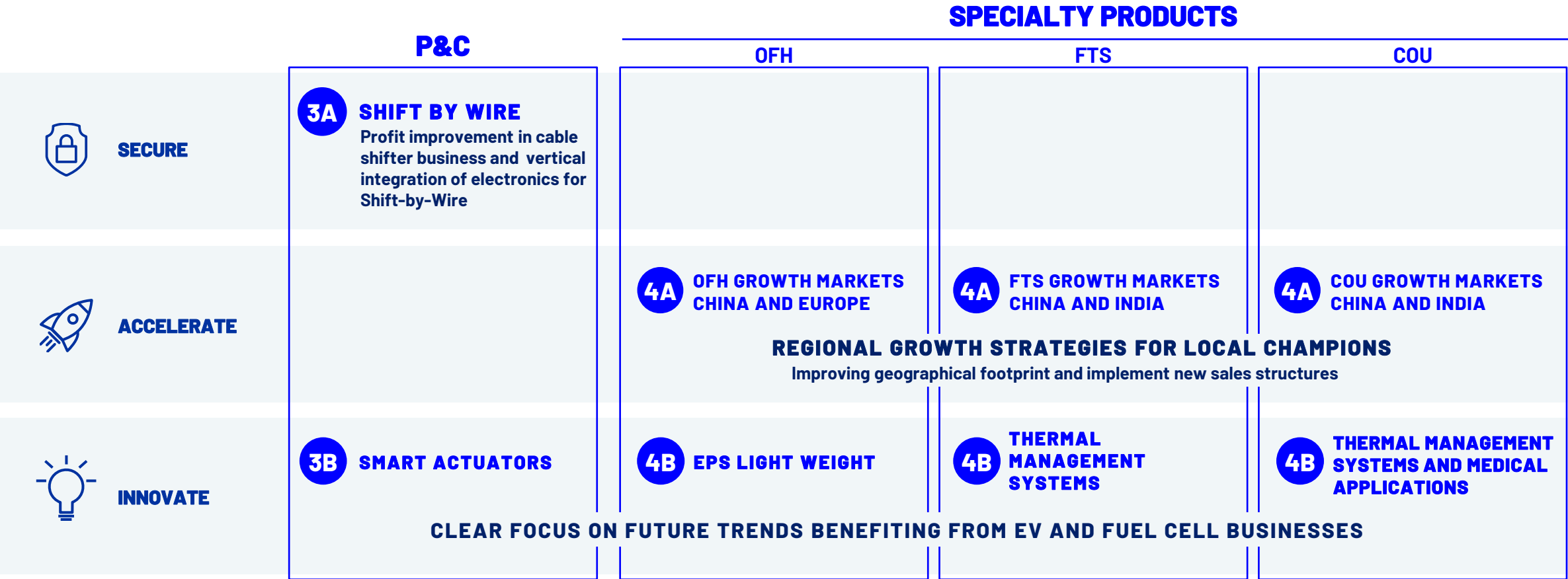
Adjusted EBIT Margin



3 4

STRATEGIC SHIFT TO GROW IN PROFITABLE SEGMENTS

EXAMPLES FOR PORTFOLIO PRODUCT STRATEGIES



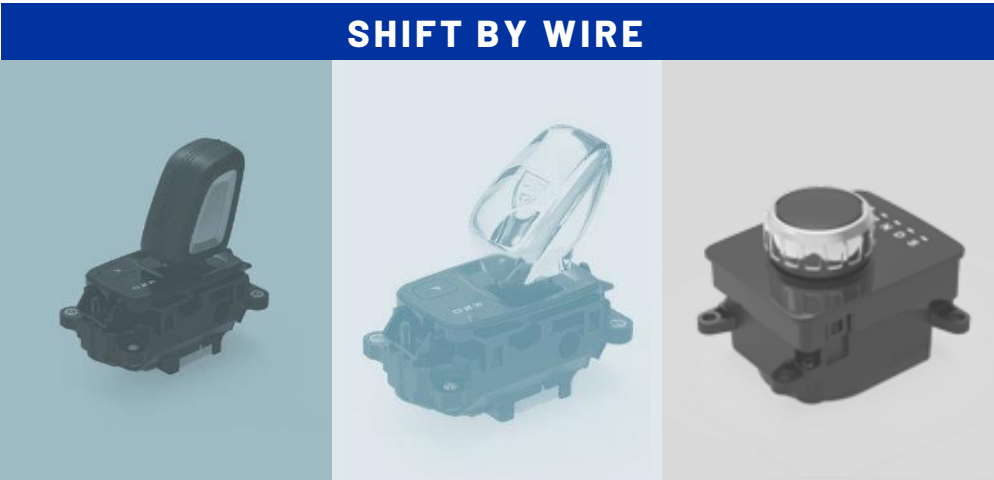
X Deep dives on the following pages

Radically re-assess and innovate business model along mega trends

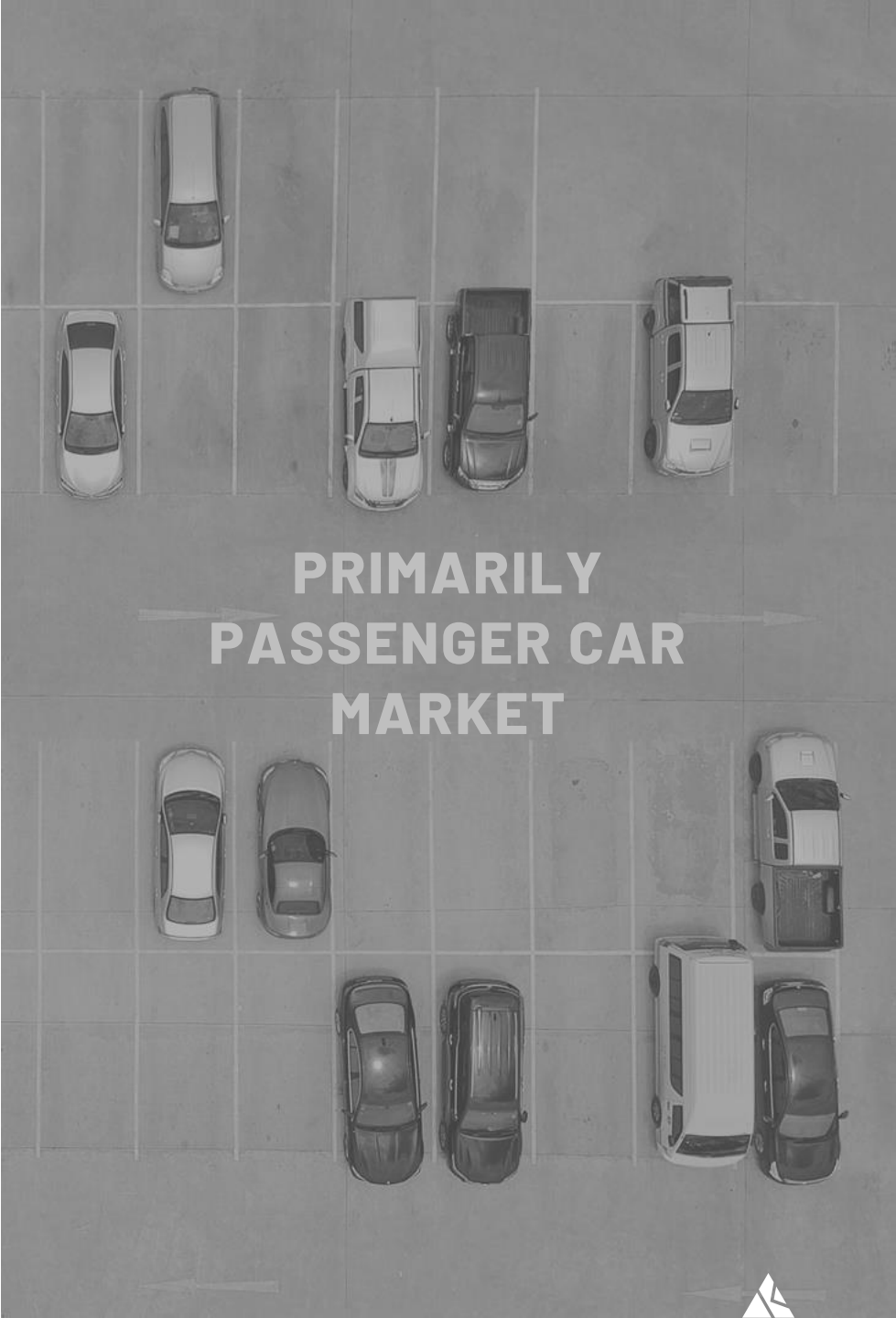
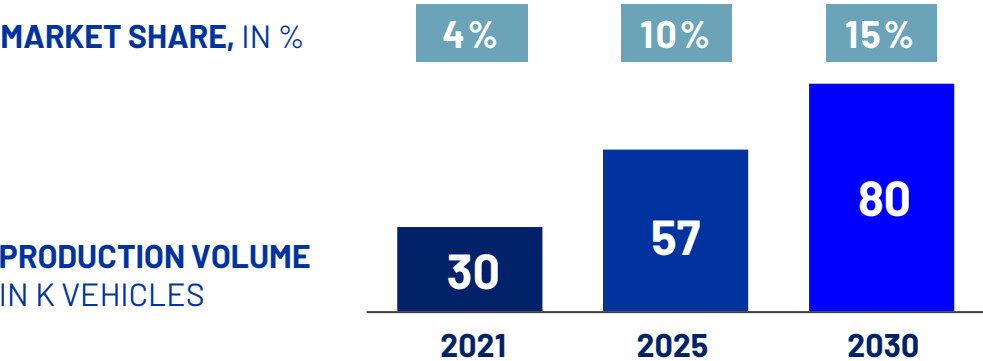
Focus on highly profitable specialty products in niches favored by market trends and addressed through an adapted operating model with regional presence (global)



**3A P&C SECURE: DRIVELINE BUSINESS AS LPV SEGMENT
WITH FURTHER FOCUS ON COST IMPROVEMENT
AND ABOVE-AVERAGE GROWTH POTENTIAL IN CHINA**



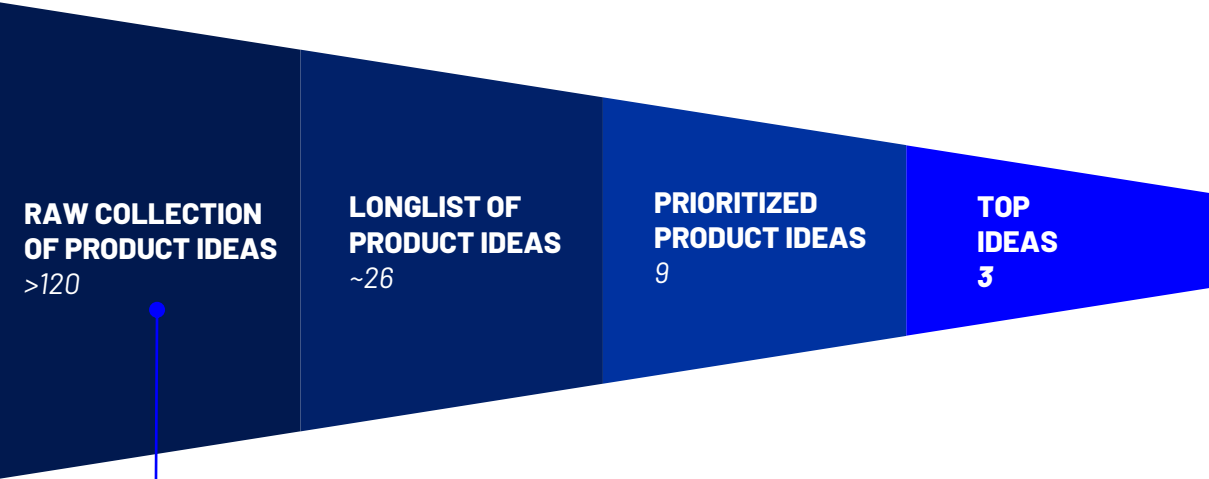
TARGET MARKET SHARE, INCL. RESULTING VOLUMES





STRATEGIC SHIFT TO GROW IN PROFITABLE SEGMENTS

INNOVATION PROJECTS EVALUATED AND DEVELOPED ALONG LEVELS OF MATURITY OF R&D PIPELINE (DEVELOPMENT HORIZONS)



8 ideation sessions w/
24 stakeholders from
different BUs, functions
and regions

FOCUS REGIONS

GR. CHINA



NA



EU 27+3



FOCUS CV SEGMENTS



MDT



HDT



TRAILER



BUS

3B 4B

... AS SHOWN BY THESE OPPORTUNITIES WE HAVE IDENTIFIED BY LEVERAGING OUR EXISTING PORTFOLIO

TOP-INNOVATION OPPORTUNITIES	KA STRENGTHS AND APPLICATIONS
SMART ACTUATORS 	Park Lock actuator in production, currently Dog-Clutch actuator in pre-development. Application also possible for Linear (High Force) Actuators; builds on strength
ELECTRONIC POWER STEERING 	Currently in use at Off-Highway in Power Sports application. Scaling within Power Sports and other customer segments like Material Handling intended.
THERMAL MANAGEMENT SYSTEMS 	Not in production now, but new product family of High Performance Couplings (HPC) designed to meet Thermal Management and Air Suspension demands

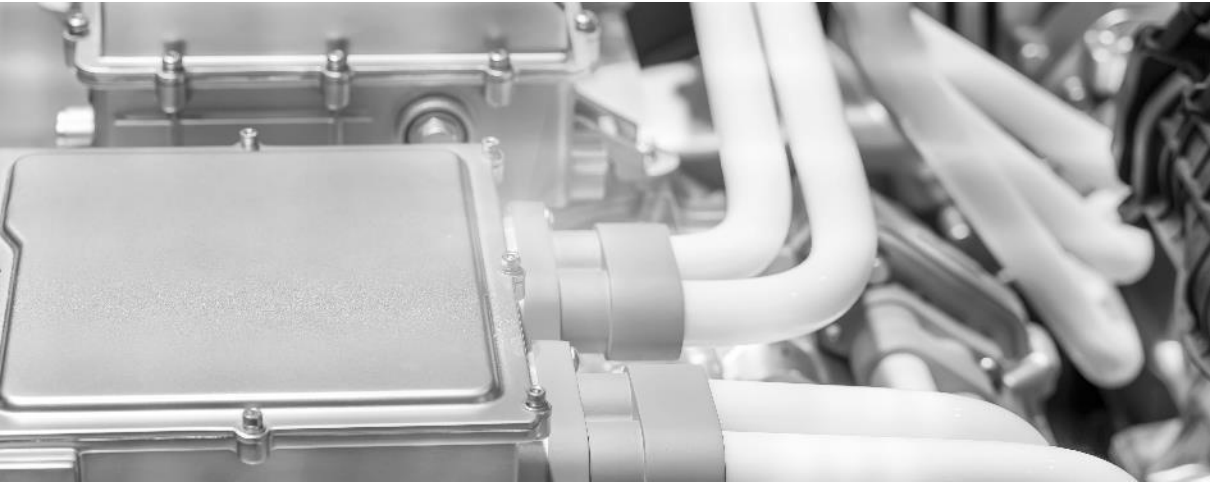
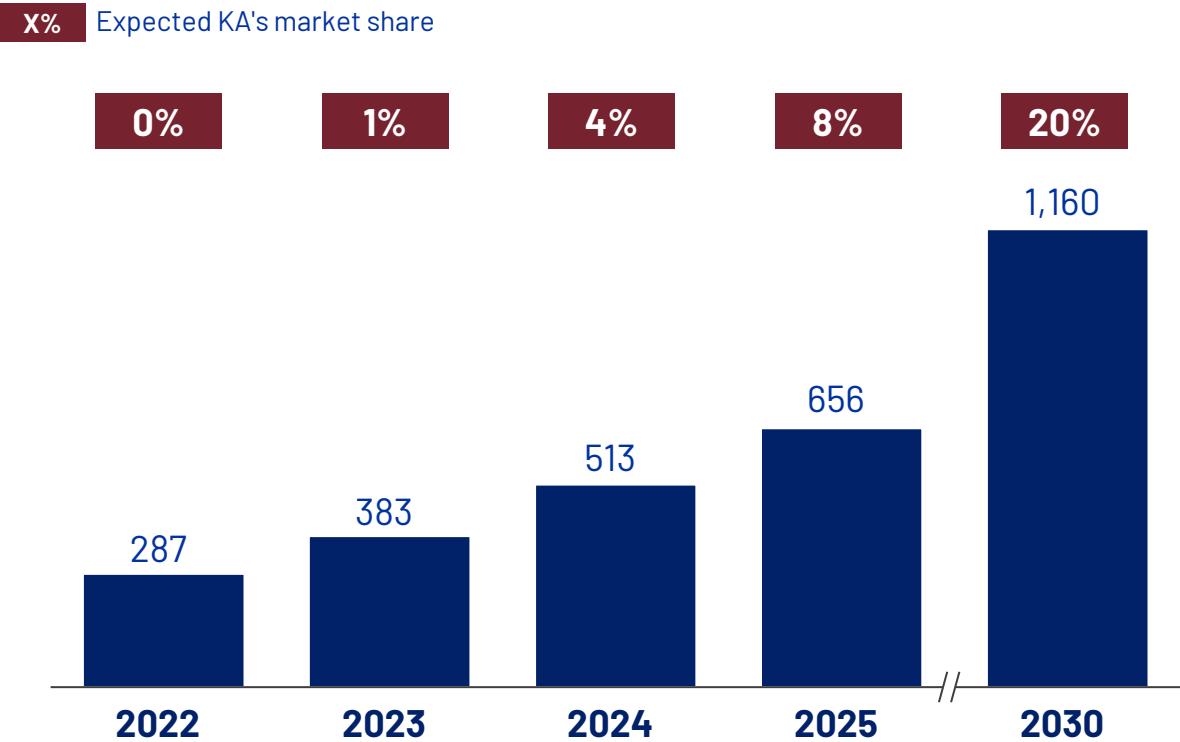
Top-opportunities are thoroughly developed along the R&D funnel and clustered into innovation centres. This leverages KA-wide core competences and knowledge from existing portfolio applications

4B

REFOCUSING BUSINESS MODEL TOWARDS GROWTH IN
HIGH MARGIN BUSINESSES OF NICHE AREAS (BTMS)

FTS/COU: BATTERY THERMAL MANAGEMENT SYSTEMS (BTMS)

BTMS Market Estimate & KA Couplings Target Market Share, in M€



MARKET CAGR

2022-25		2025-30	
VALUE	VOLUME	VALUE	VOLUME
28%	28%	13%	11%

BTMS market linked correlated to electrified vehicles sales.

5 ESG IS INCREASINGLY A LICENSE-TO-PLAY FOR OUR INVESTORS, CUSTOMERS, AND TALENTS



OEMS INCREASE REQUIREMENTS

Multiple

increase in OEM supply chain decarbonization commitments in last 24 months



INVESTORS DEMAND SUSTAINABLE RETURNS

Trillions

of assets are managed by ESG investors, and growing at 15+ % p.a.



TALENTS PREFER "GREEN" COMPANIES

Majority

of millennials say ESG purpose and performance are a litmus test for employers

➤ Significant share of corporate profits at risk with environmental requirements



Some of our customers are pushing for **100% clean energy in production by 2025**

Green initiatives allow cheaper financing through green bonds; **potential green-bond issue under investigation**; sustainability-linked bonds can reward us for achieving targets.

Especially at **European sites employees** are increasingly **reluctant to work for companies which do not align with their values**

5

THE SHIFT GEAR PROGRAM HELPS US ACHIEVE OUR SUSTAINABILITY TARGETS WHILE IMPROVING OUR BUSINESS

OUR ESG-TARGETS

- Carbon neutral products by 2039
- 100% carbon free energy used in production by 2030
- Responsible sourcing

PROGRESS OF OUR INITIATIVES

- > Work with suppliers towards carbon neutrality
- > 40% renewable energy in 2020, 7 plants already at 100%
- > Only suppliers with NQC rating >= 70% threshold approved by sourcing board



NEXT STEPS

- Install carbon emissions management system, across own operations and scope 3
- Expand LCA activities to broader product portfolio
- Further develop ESG strategy to be at the leading edge of sustainability /mega trends



5 DIGITALIZATION & AUTOMATION OF CORE PROCESSES IMPROVES EFFICIENCY, QUALITY AND TIME TO MARKET

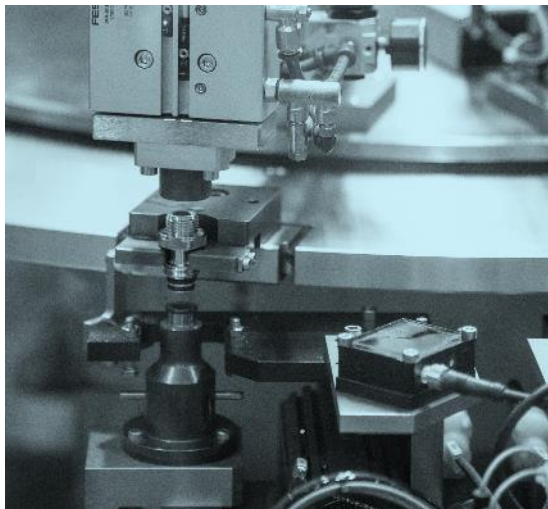


Smart manufacturing
can increase productivity
by 20 % while reducing cost
of non-quality by 30 %

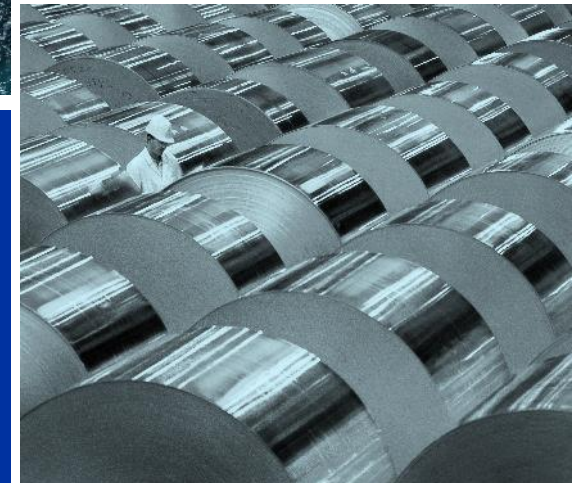


Combining these elements
gives high-quality data on a
fully traceable value chain

**Digital engineering and
product lifecycle
management** can reduce
time to market by 40 % and
increase on-time-delivery
by 20 %



**Digitally connected
supply-chain management**
can improve process
efficiency by 20% and
reduce inventories by 25%



KA will invest up to EUR 1m in 2022 to further develop our ESG Roadmap



COFFEE BREAK

TRANSFORMATION OF THE AUTOMOTIVE SECTOR: TRENDS AND OPPORTUNITIES

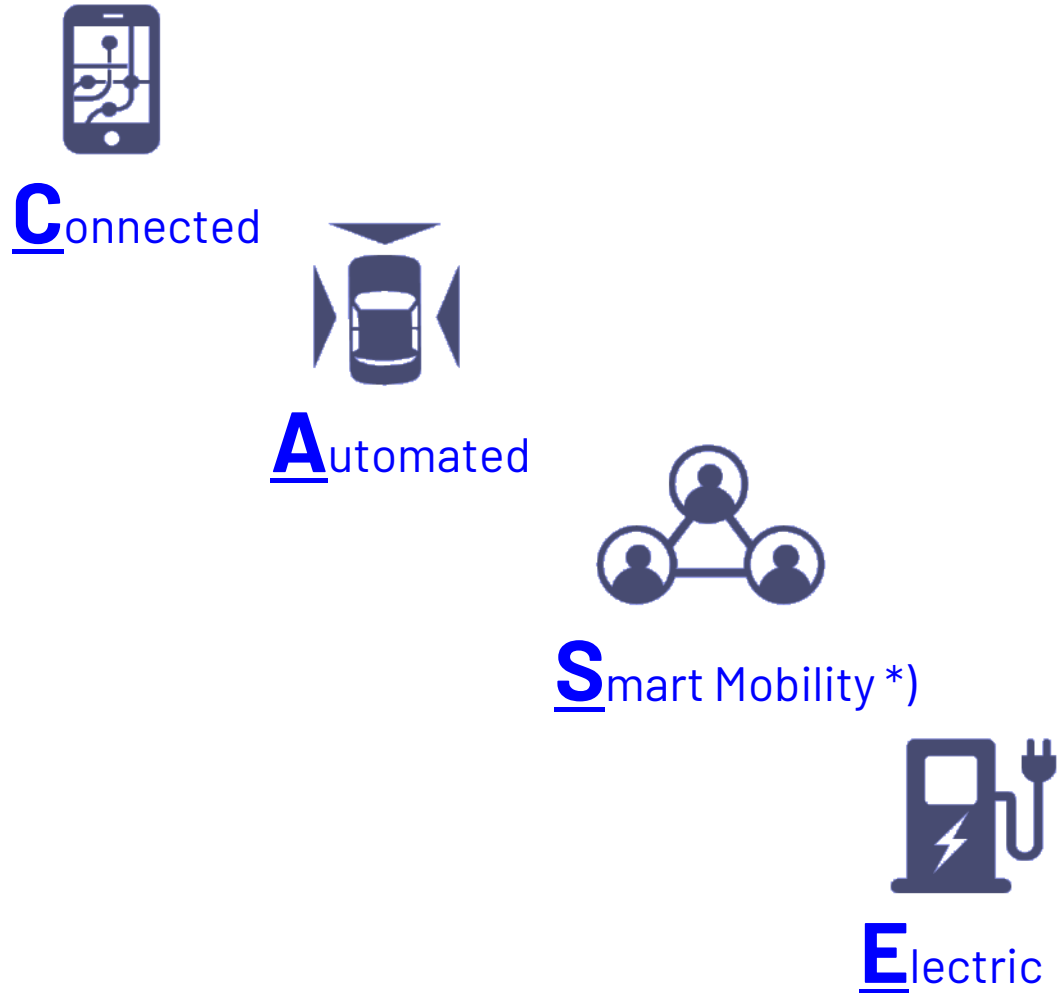
DR. CHRISTIAN AMSEL, CTO

DEC 9, 2021



KONGSBERG
AUTOMOTIVE

CASE THEMES STILL THE DRIVER FOR THE AUTOMOTIVE TRANSFORMATION



“CASE themes continue to drive the Automotive Transformation – ELECTRIC currently has greatest impact”

*) Smart Mobility describes a transportation ecosystem where stakeholders use data and connectivity to move people and goods sustainably and efficiently. Shared mobility remains as a sub-segment and an important value pool in this ecosystem focusing on people transport with passenger vehicles.

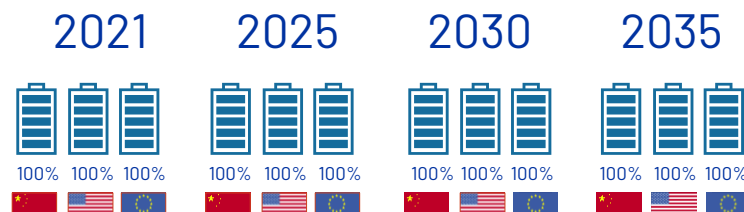


TRANSFORMATION OF THE AUTOMOTIVE SECTOR IS HAPPENING EVERYWHERE, BUT AT DIFFERENT SPEEDS. ELECTRIC HAS GREATEST IMPACT

Total vehicle parc and technology penetration of new car sales – expected new car sales in 2030 in million: China **31**, USA: **17**, Europe: **17**



Smart Mobility

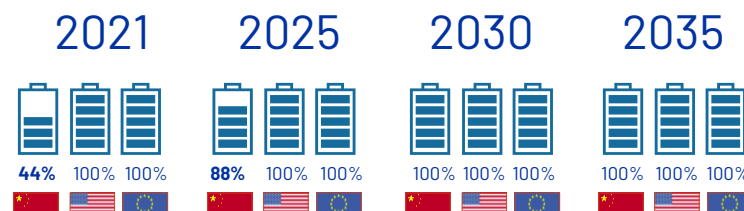


- **Smart mobility** modes **beyond vehicle ownership** are expected to **grow in the long term**.
- With rising number of car-subscription offerings, **share-active** (e.g. rental subscription) is expected to **grow strongest in Europe** (10% of total km by 2025), while **shared-passive** (e.g. ride hailing) is expected to **grow significantly more in China** (10%) vs. USA or Europe 1-3%).



Connected

(eCall, % new LV sales)

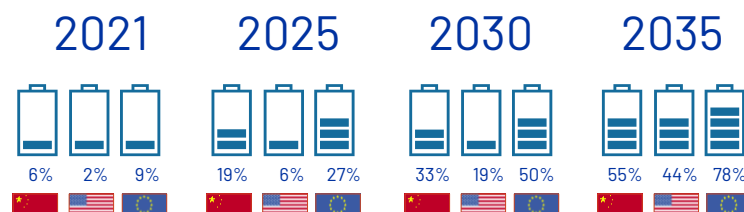


- **Vehicle connectivity** is advancing, with **50% of total parc connected** in Europe by 2025, US by 2023, China by 2029
- While **OEMs** are **reaching a critical size** with their connected service customer base, they will **struggle with reliable service at scale** (over-the-air update functionality)



Electric

(BEV, % new LV sales)

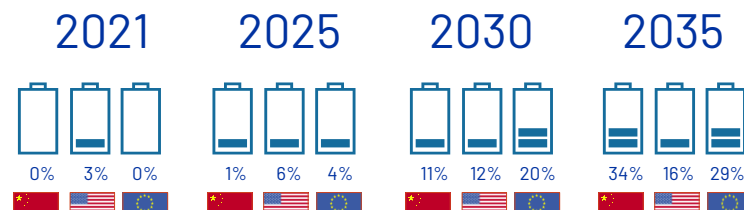


- **E-mobility is at an inflection point in Europe**, driven by strong **government** drive (incentives and regulation), with **27% BEV shares** of new car sales in 2025 – ahead of China (19%), US (6%).
- **Slow charging infrastructure** build-up will soon become the **biggest growth hurdle**



Automated

(L3/L4/L5, % new LV sales)



- **Automated driving** will enter the market in passenger transport with a range of **specific use cases** that are **difficult to scale**.
- **L4 share** of new cars at **14-15% by 2035 in Europe & China**.
- **Industrial and logistics** applications likely to **grow faster**.

3 MAJOR DRIVING FORCES ARE INFLUENCING THE TRANSFORMATION SPEED DRIVEN BY ELECTRIC. MAIN CHALLENGES:



Electric

BEV – Battery

CONSUMERS

- > **Range anxiety** and **charging options** are the biggest obstacles to buy an electric car
- > Further aspects are:
- > **Availability** of Electric vehicles at the dealer
- > **Costs**
- > **Performance**
- > **Image**
- > ...

TECHNOLOGY

- > **Battery Electric**
- > **Efficiency improvement** and **cost reductions**
- > **High voltage** system and **architecture** for development, production and service
- > **High voltage battery:** system design and cell innovation
- > **Fuel Cell**
- > **“Green” hydrogen** and **charging infrastructure**
- > Stack and tank optimization

ACCELERATION

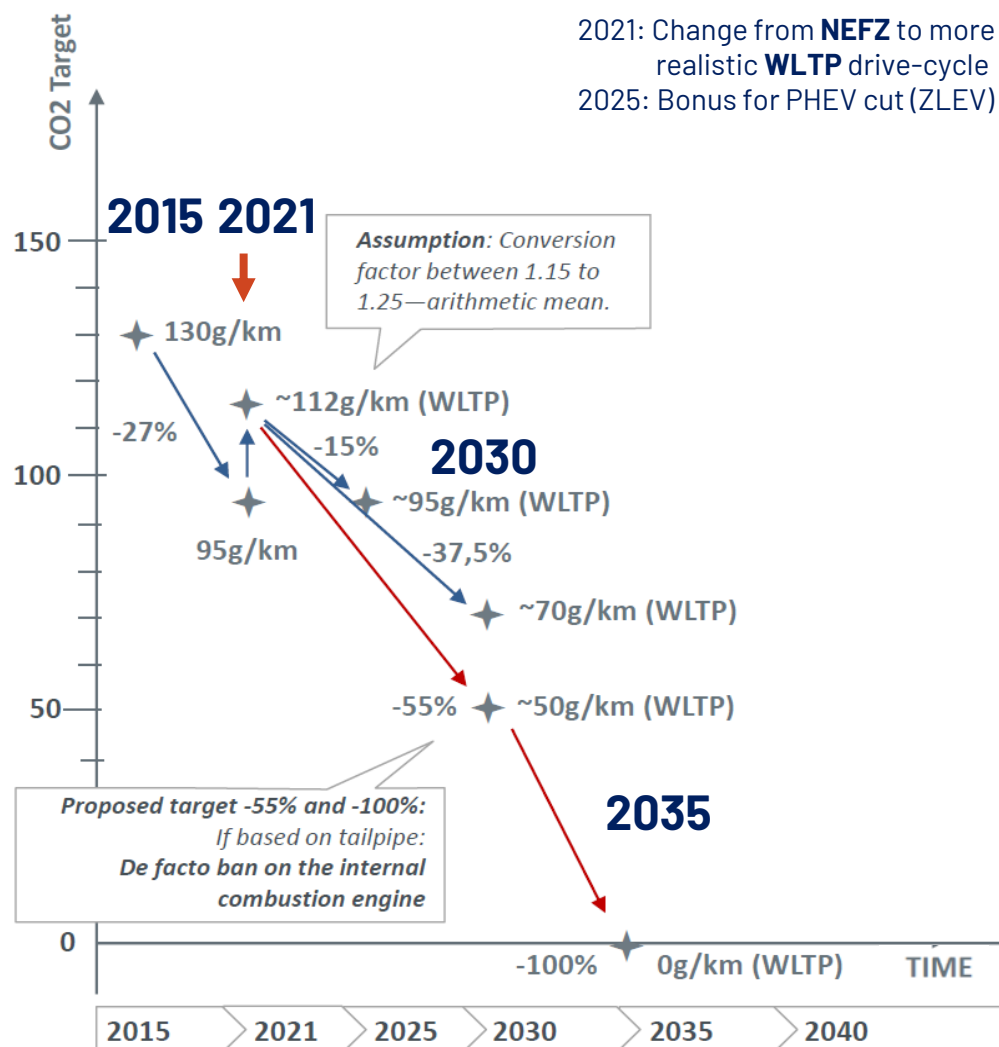
REGULATION

- > EC adopted a package under **European Green Deal** (07/21) aiming for climate neutral in 2030
- > EC promoting **alternative fuels infrastructure** ... and **Strategic Roll Out Plan**
- > China **New Energy Vehicle Industrial Development Plan** (2021-35)(10/20)
- > US lagging behind but recently measures to **accelerate charging infrastructure**

By the end of the decade BEVs will be the most effective powertrain solution for almost all Light Vehicle (LV) segments



LEGISLATION IS GOING TO ACCELERATE THE TRANSFORMATION, EXAMPLE OF EUROPEAN COMMISSION: SIGNIFICANT INCREASE OF CO2 FLEET TARGETS



➤ Top-Down simulations show that **further strengthening of the CO2 reduction targets** is needed until 2030 to achieve the wholistic climate neutral target in 2050:

- » LV -37,5% → **-55% (70g/km)**
- » LCV -31,0% → **-50%**
- » HDT: -30,0% in discussion
- » 2035: **-100%** what is more or less **"STOP of ICE Technology"** for new vehicles!

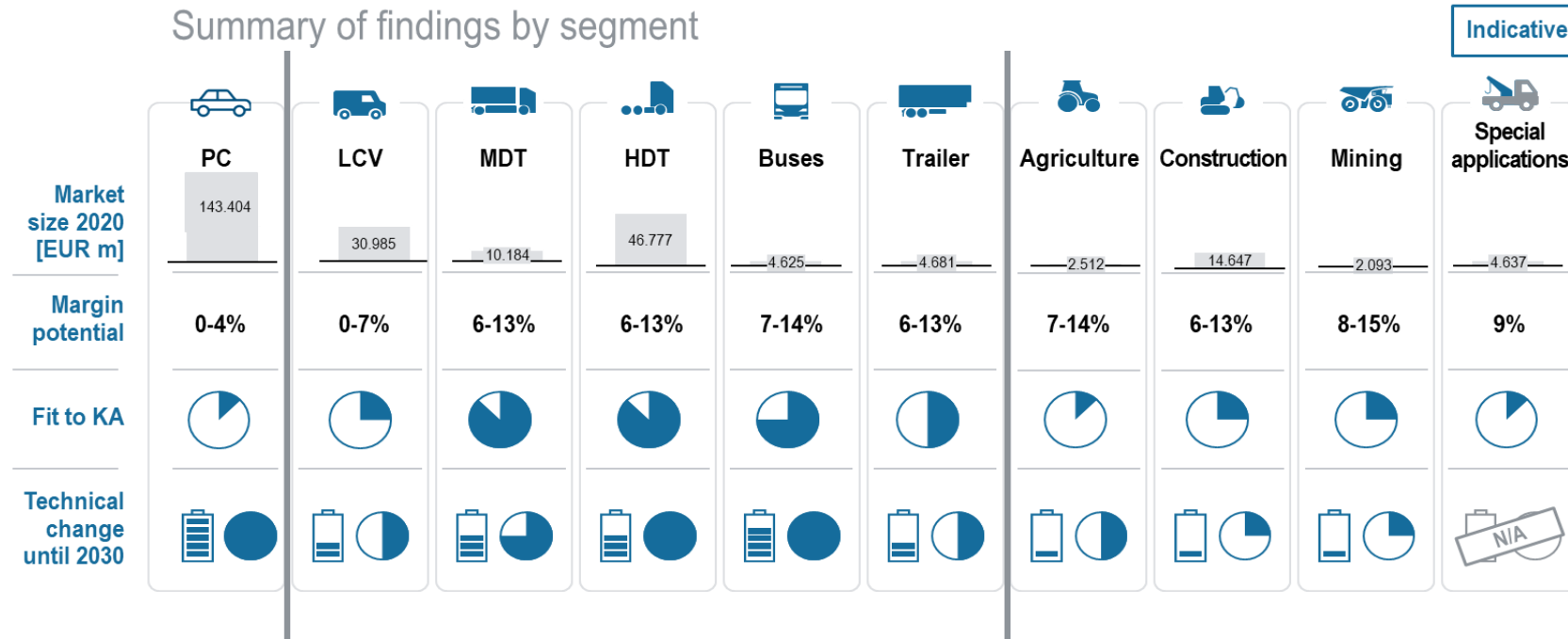
➤ What is the approach to achieve the targets?

- » **Efficiency improvements** (48V architecture, CNG and LPG, hybridization, recuperation, ...)
- » **Emission free drive trains**
 - › PHEV as accelerator
 - › Push for **synthetic** ("E-Fuels") and **Bio-Fuels** as interim solution but no long-term approach
 - › **FCEV** for specific LV, LCV and HDT applications

BEV = Battery Electric Vehicle
PHEV = Plug-in Hybrid Electric Vehicle
FCEV = Fuel Cell Electric Vehicle

LCV = Light Commercial Vehicle < 6t
HDT = Heavy Duty Truck
ZLEV = Zero and Low emitting vehicles

AS PART OF OUR PORTFOLIO MODERNIZATION, WE HAVE MADE A STRUCTURED ASSESSMENT OF THE DIFFERENT SEGMENTS

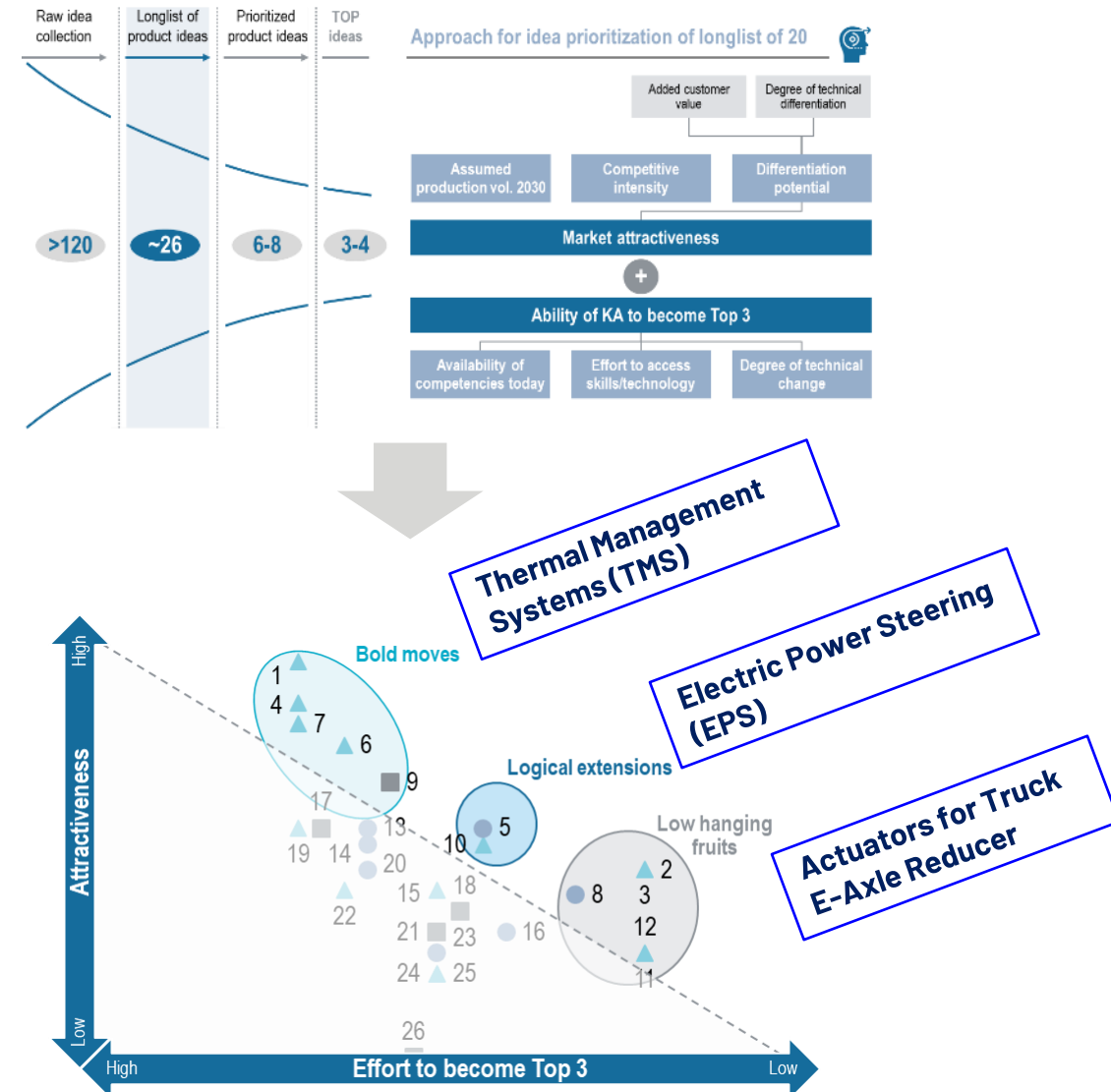


- **General market size and margin potential** as representation for financial attractiveness
- **Fit to KA's current customers and technical capabilities** as indicator for chances to reach aspired **TOP 3 position**
- **Technical change until 2030**

- **Innovation involves uncertainty** – we are managing our risk using a **structured methodology**, ensuring a cost-efficient development process
- We have identified areas where there will be a
 - » **high degree of technical change,**
 - » **high margin potential** and a
 - » **good fit** to our **existing technology, production** and **customer base**
- Major disruptions act as **door opener for suppliers** to access new clients and segments

AS PART OF OUR PORTFOLIO MODERNIZATION, WE SELECTED THE MOST PROMISING PRODUCTS FOR KA

- > The **chosen structured methodology** led to a longlist with more than **120 ideas for KA**
- > A stringent **prioritization** of the longlist clustered into:
 - > **“Bold Moves”,**
 - > **“Logical Extensions”** and
 - > **“Low Hanging Fruits”**
- > led to **3 growth trajectories** in the areas of
 - > **Thermal Management Systems,**
 - > **Electric Power Steering** and
 - > **Actuators for Truck E-axis Reducers**
- > All growths initiatives will be performed as **Innovation Cells** in order to **minimize Time-to-Market**



KA WILL LEVERAGE STRENGTHS IN MORE PROFITABLE SPECIALTY PRODUCT SEGMENT (SPP) BASED ON 3 GROWTH PILLARS:

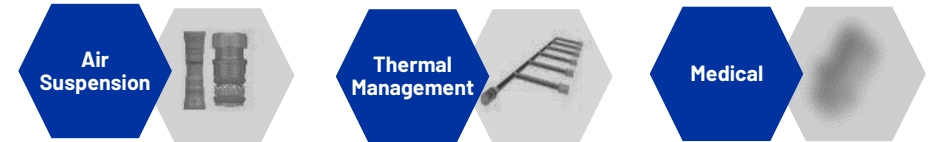
Systematic approach to...



1 Broaden customer base in current application fields



2 Broaden Product Portfolio for selected applications – e.g. for Couplings



3 Enter new customer segments – to increase potentials e.g. in:



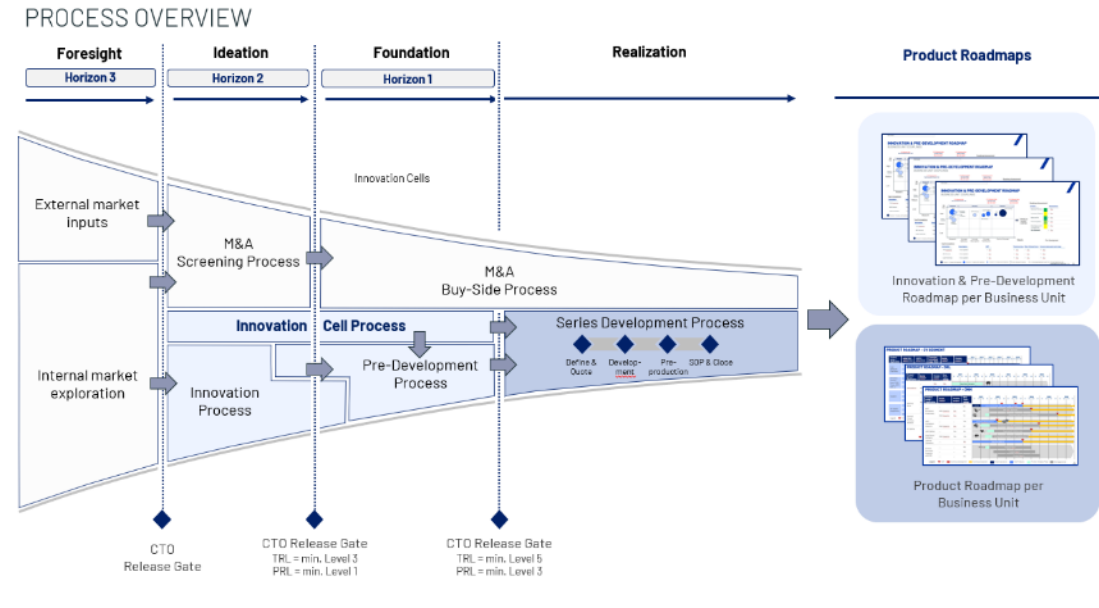
The future of our product portfolio lies in **profitable niche segments** closely related to our current markets with **clear second to none strategy**

WE STREAMLINED OUR INNOVATION AND R&D PROCESSES TO SHORTEN TIME-TO-MARKET SIGNIFICANTLY

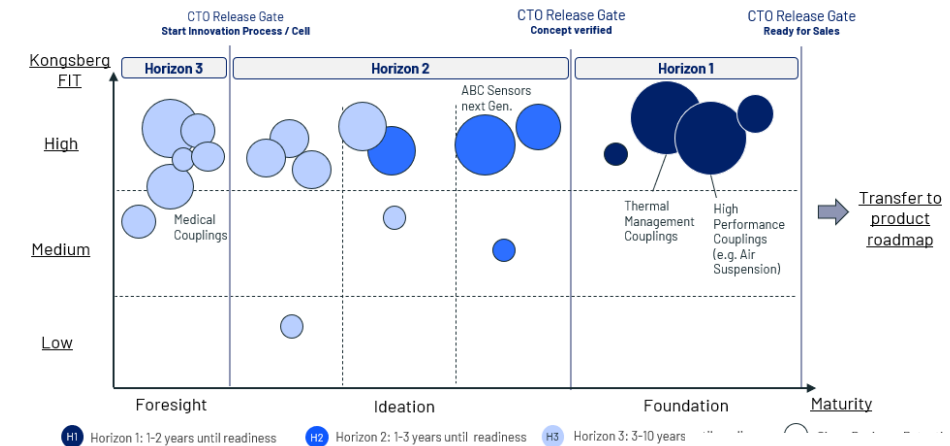
- > The newly defined innovation process provides clear structure for
 - » **Agile and Focused innovations** to shorten Time-to-Market and
 - » for selected **M&A activities**

- > **Structured Gate Releases** to ensure needed maturity levels

- > Our approach is to **grow mainly organically** but selectively also **via M&A in case of product/ technological gaps**



INNOVATION ROADMAP – E.G. COUPLINGS



Couplings EV products

"NO 1 CHOICE FOR ELECTRICAL VEHICLE MANUFACTURERS"

HIGHER SYSTEM REQUIREMENTS OPEN NEW DOORS

- > Pneumatic brake systems continues to shift from ICE to EV.
No negative effect on air couplings
- > **No air leakage** saves energy - increasing driving distance
- > **Optimal airflow** leads to **shorter time for braking, suspension and auxiliary systems**
- > «Click-click» assembly and **disassembly improve installation cost** and reduce vehicle down time
- > **Light weight materials** contributes for light weight vehicle and increased payload

COMPETITIVE POSITIONING

- > **Leverage relationship** with already existing OEMs to enter new, electrical based platforms
- > Provide "**best in class performance**" to capture new customers entering electrical vehicle market
- > Meet future **zero emission** and **safety critical** performance requirements which results in **higher quality** standards and **product differentiation**
- > High focus on **developing new products** and enter **new markets**

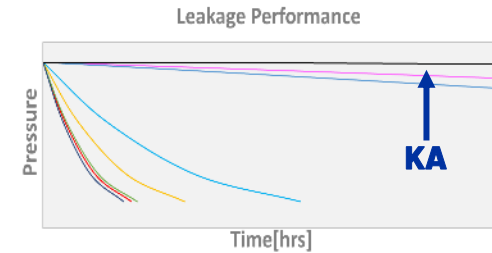


**POLE POSITION
IN ELECTRICAL
VEHICLE SEGMENT**

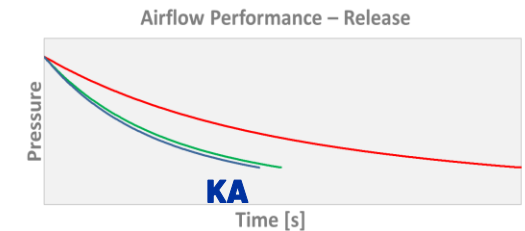
INCREASED GLOBAL MARKET SHARE

FEATURES & BENEFITS

BEST IN CLASS – LEAKAGE LEVEL



OPTIMAL AIRFLOW



EASY BUILDING BLOCK SYSTEM



COMPOSITE MATERIAL BASE



LIGHT WEIGHT



**INSTALLATION
COST BENEFITS**



**PERFORMANCE
BENCHMARKING**

UPDATE - UPDATED PORTFOLIO



AIR SUSPENSION



ABC FIRTREE



TWIST-LOCK

GROWING BUSINESS BENEFITING FROM EV TRANSITION

RELEVANCE					
RELEVANCE	ICEV TODAY	ICEV FUTURE	PHEV	BEV	FCEV
AIR SUSPENSION LINES	✓	✓✓	✓	✓	✓✓
(FLEXIBLE) HYDRAULIC BRAKE LINES	✓	✓	✓	✓	✓
FUEL LINES (BIOFUELS, HYDROGEN)	✓	✓	✓✓		✓
EMISSION CONTROL LINES	✓	✓	✓		
(FLEXIBLE) TURBO LINES	✓	✓✓	✓✓		
COOLANT LINES	✓	✓	✓✓✓	✓✓	✓✓✓

PRODUCT TRENDS	
> Weight savings	» replacement of steel and rubber by high performance plastic fluid transfer lines
> Tighter packaging	» increasing need for flexible high-performance plastic fluid transfer lines » for ICEV increased temperature resistance fluid transfer lines
> Increased durability	» high performance plastic fluid transfer lines
> Increased safety	» increase crash and flammability resistance by high performance plastic fluid transfer lines
> Increased cleanliness	» supports fuel savings and enables hydrogen fuel cell technology

MARKET DYNAMICS



SAFETY REGULATIONS



CO₂ EMISSION LEGISLATIONS FOR ICE VEHICLES



MILES-PER-GALLON LEGISLATION DRIVING NEW ENGINE TECHNOLOGY

COMPETITIVE POSITIONING



#1

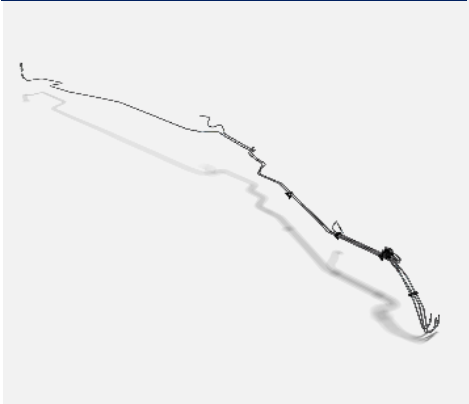
IN HIGH PERFORMANCE LINES

PRODUCT LINES

1st Rfî's received on
Fuel Cell truck
System Cooling

B-Sample order for
next generation EV
truck at European OEM

AIR SUSPENSION



- Increasing comfort by leveling capability
- Extending driving range by optimizing the aerodynamics drag depending driving speed
- Personalizing driving feeling depending actual road conditions
- Improving battery cooling conditions

HYDRAULIC BRAKE



- Guaranteed safety in addition to electrical brake system
- Ultra low volumetric expansion for amazing brake 'feel'
- Negligible water ingress, no loss of brake power over time
- FMVSS-106 compliance
- State of art manufacturing ensuring customers efficiencies

FUEL



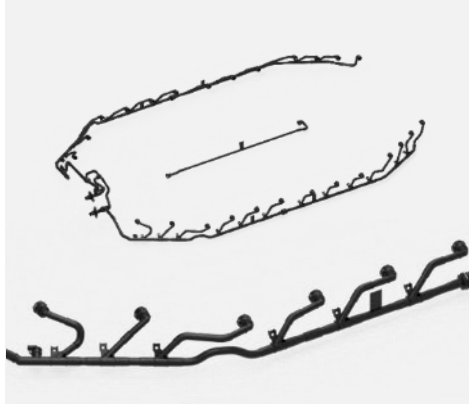
- Resistance to all (aggressive) biofuels
- Meeting the (increasing) vehicle emission legislations for fossil fuels and hydrogen
- Mid to high purity to avoid blockage of fuel injectors or poisoning the fuel cells
- Increased crash resistance and easier to built on vehicle against rigid steel lines

EMISSION CONTROL+ TURBO



- Fluorocomp™ Unique hose design
- Weight savings
- Tight packaging capabilities to enable double drivelines in PHEV and downsizing of engines
- Superior temperature resistance to enable tight packages and emission sensor lines

COOLANT



- Battery coolant lines
- Chassis coolant lines to the electrical engines and in/convertors
- Light weight, tight packaging, leak-tight, serviceable
- OEMs exploring various design concepts and philosophies
- FTS in/depth vehicle hose competencies are key



ELECTRIC VEHICLE MARKET

MARKET DYNAMICS



ELECTRIFICATION,
AUTONOMOUS
& DIGITIZATION

PRODUCTS & OPPORTUNITIES

- > Electric Power Steering
 - » STD EPS for Powersport Vehicles
 - » Lightweight EPS for applications sensitive to size, weight, and power consumption.
- > Electronic Pedals and Hand controls:
 - » Brake by wire
 - » Throttle by wire
 - » Shift by wire
 - » Driver input/button modules
- > Battery Management Systems:
 - » Supporting key customer developing battery management subsystems and components
- > Other compatible devices
 - » Such as power efficient solid-state relays, programmable modules, and sensors

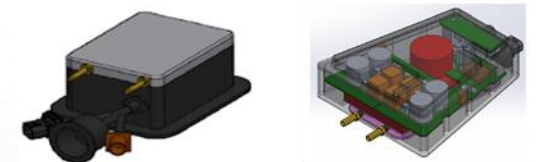
PRODUCT HIGHLIGHTS

ELECTRIC PEDALS AND HAND CONTROLS



- > X by wire products: Throttle, Shift, and Brake
- > Multiple signal and communication protocols supported, including CAN, analog, and PWM
- > Designed specifically for Off Highway Vehicles

BATTERY MANAGEMENT SYSTEMS



- > Manufacturing services for sub-components, such as PCBA assembly
- > Battery Chargers, monitoring & diagnostics, inverters



AUTONOMOUS VEHICLE MARKET

MARKET DYNAMICS



ELECTRIFICATION,
AUTONOMOUS
& DIGITIZATION

PRODUCTS & OPPORTUNITIES

- Electric Power Steering
 - » Demonstrated on agricultural vehicle
 - » Provides precise fine movement and sufficient torque to drive existing hydraulic steering systems
- GPS + Steering actuator
 - » Demonstrated on a watercraft to provide a functional auto-pilot
- Other compatible devices
 - » Such as power efficient solid-state relays programmable modules, and sensors

PRODUCT HIGHLIGHTS

STEERING ACTUATOR



- Contactless torque sensor with a rigid shaft
- Optional integrated torque sensor
- Multi-mode capability
- Designed specifically for Off Highway Applications

GPS + STEERING ACTUATOR



- Small light weight package
- Can be sold as a standalone actuator w/o electronics



DRIVELINE SEGMENT WITH HIGH MARKET DYNAMIC AND NEW EMERGING CUSTOMERS

MARKET DYNAMICS



SHIFT FROM ICE
TO XEV



SHIFT IN CAR
PARC MIX



TRANSFER TO DRIVE
AND SHIFT-BY-WIRE
SYSTEMS



MARKET
CONSOLIDATION

COMPETITIVE POSITIONING

- > Leverage deep skilled R&D team at Mullsjo, Sweden innovation center
- > Build upon 15% shift-by-wire market share in China with innovative products for shift-by-wire shifters and actuators
- > Continue winning new BEV-related applications
- > Sustainably improve customer relationship with existing OEMs
- > Double-down on patents in application process



STRONG POSITION IN
ACTUATION SYSTEMS

PRODUCT HIGHLIGHTS

SHIFT-BY-WIRE



TOGGLE SHIFTER

- > Small packaging & compact design
- > Low noise level vs. competition
- > Designed for BEV and ICE vehicles



ROTARY SHIFTER

- > New locking mechanism w/ low current consumption and quick response
- > Low noise level
- > Designed for BEV and ICE vehicles



DOG CLUTCH ACTUATOR

- > Complete gearshift actuator for BEV T/M
- > Incl. spring assistance and shift fork
- > High performance
- > Compact design



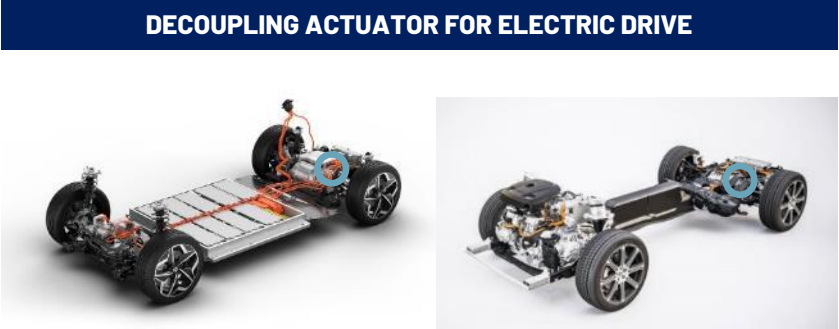
DECOUPLING UNIT

- > Actuator to decouple eAWD to save energy when in 2WD mode
- > Incl. spring assistance

P&C DRIVELINE

PRODUCTS & TECHNOLOGY FOR PHEVs & EVs

VEHICLE TYPE	SBW GEAR & FORWARD/REVERSE SHIFTER	TRANSMISSION ACTUATOR	PARK LOCK ACTUATOR	CONNECT / DISCONNECT E-DRIVE AXLE
PHEV Plug-in Hybrid Electric Vehicle	YES Lever, Stalk, Rotary, Toggle SBW Shifter	YES (PRND) KA ARC <i>Some transmissions</i>	YES KA ARC <i>Some transmissions</i>	YES KA DCA <i>Electrified 2nd axle</i>
EV Electric Vehicle	YES Lever, Stalk, Rotary, Toggle SBW Shifter	YES (2/3 speed EV) KA DCA <i>Some transmissions</i>	YES KA ARC <i>Some transmissions</i>	YES KA DCA 4WD EVs



KA ARC GENERIC ROTARY ACTUATOR
for PRND & Park Lock applications

ROTARY ACTUATOR FOR DECOUPLING APPLICATION

KA DCA GENERIC DOG CLUTCH ACTUATOR

CUSTOM SBW SHIFTERS



ON-HIGHWAY HIGH PERFORMING TRANSMISSION BUSINESS

MARKET DYNAMICS



**SHIFT TO
ELECTRIC
POWERTRAIN**



**INCREASING
MODULARIZATION**



**ADOPTION OF AIR
SUSPENSION YIELDS
OPPORTUNITIES**



**FUEL ECONOMY
AND ENERGY
SAVINGS DRIVING
AMT* DEMAND**



**INCREASING TOTAL
COST OF OWNERSHIP
CONSCIOUSNESS**

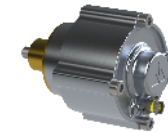
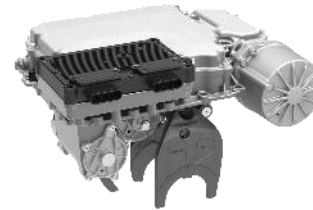
* Automated manual transmission

COMPETITIVE POSITIONING

- Leverage deep skilled R&D team at Kongsberg Automotive, Norway innovation center
- Further enhance system supplier capabilities
- Leverage significant transmission knowledge
- Push high performance actuators
- Double-down on systems applicable for MD and HD commercial vehicles

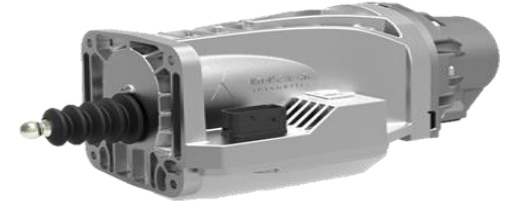
PRODUCT HIGHLIGHTS

GEAR ACTUATION SYSTEMS



- Pneumatic actuation can also be used for BEV trucks in addition to ICE based powertrains like AMT
- Full electric actuator solutions based on existing technology in development
- High performance and precise actuation

CLUTCH ACTUATION SYSTEMS

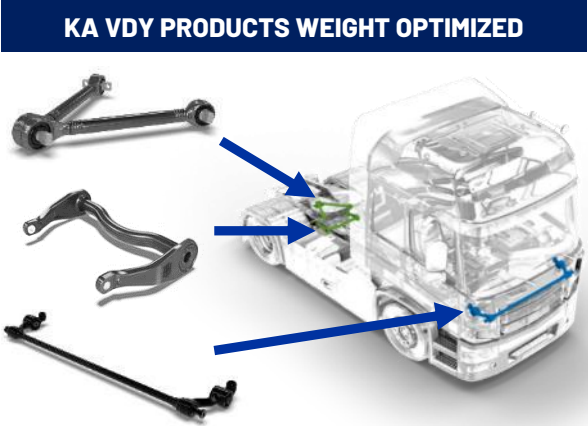


- First high performance full electric clutch actuator for HD transmissions launched
- Qualified for extreme requirements related to robustness and durability to secure uptime for the vehicles
- Spin off and knowledge can be utilized for other actuators as gear actuation etc.
- Can be used for hybrid trucks

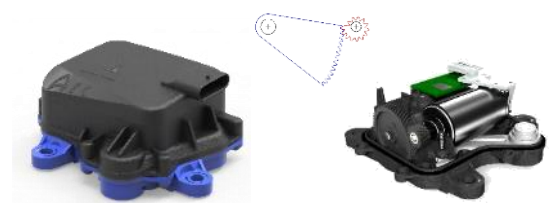


P&C ON-HIGHWAY PRODUCTS & TECHNOLOGY FOR HEVS & EVS

VEHICLE TYPE	CLUTCH ACTUATOR	TRANSMISSION ACTUATOR	PARK LOCK ACTUATOR (24 V)	CONNECT / DISCONNECT E-AXLE AND/OR E-MOTOR(S)	VEHICLE DYNAMICS, CAB AND AXLE SUSPENSION
HEV Hybrid Electric Vehicle	Yes Electric clutch actuator	Yes Electric or pneumatic actuators	N/A	Yes KA DCA	Yes V-Stay, Cab stabilizer and rear axle stabilizer
EV Electric Vehicle	N/A No clutch in a EV	Yes Electric or pneumatic actuators	Yes KA ARC <i>Some transmissions on LDCV</i>	Yes KA DCA	Yes V-Stay, Cab stabilizer and rear axle stabilizer



KA ARC ROTARY ACTUATOR
Park Lock applications



ROTARY ACTUATOR FOR DECOUPLING APPLICATION



KA DCA GENERIC DOG CLUTCH ACTUATOR



ELECTRIC CLUTCH ACTUATOR



ELECTRIC GEAR ACTUATOR

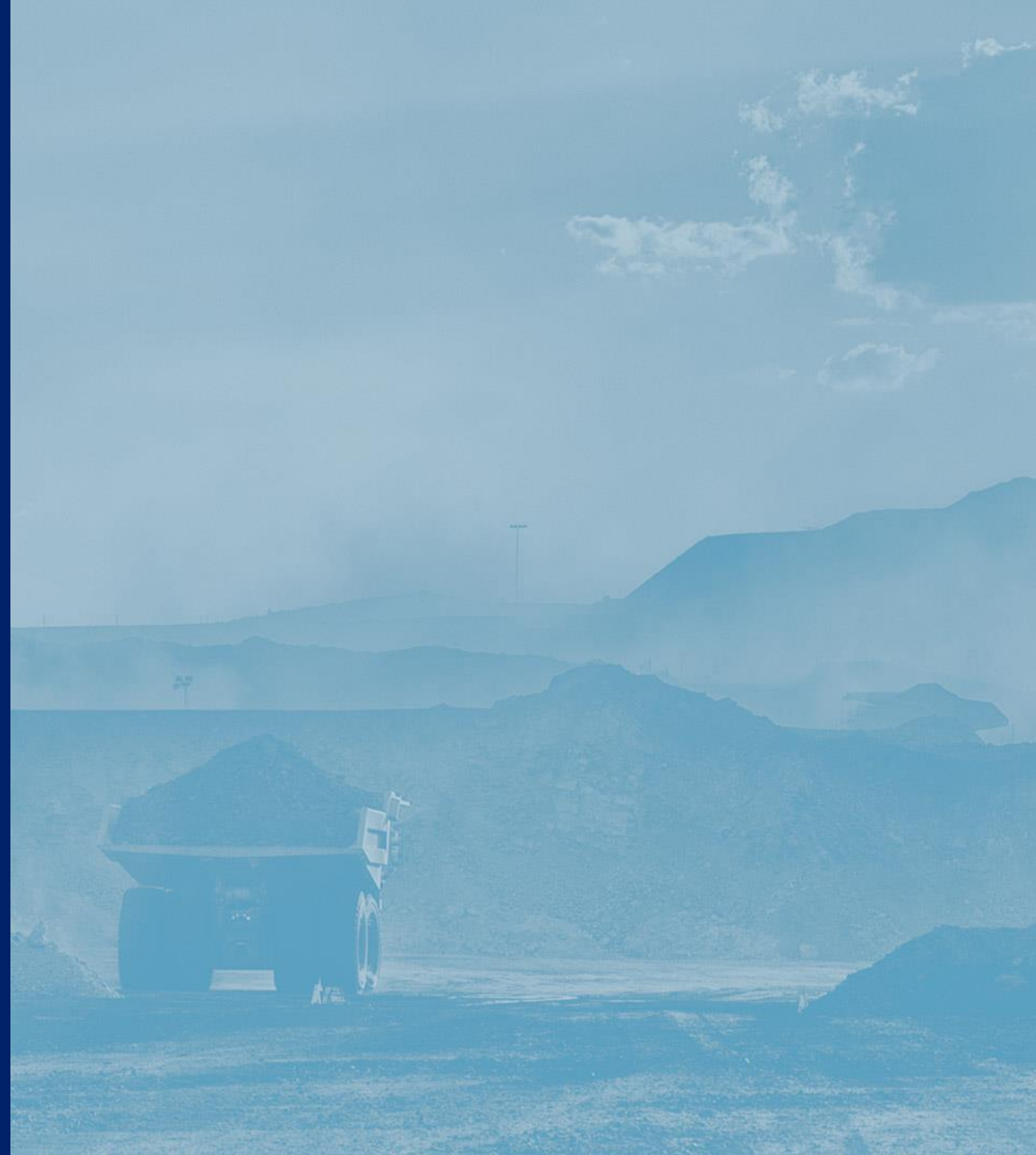


PNEUMATIC GEAR ACTUATOR



WE ARE LEVERAGING OUR STRENGTHS AND IMPROVING OUR FOCUS TO ENSURE WE CAN GROW PROFITABLY INTO THE FUTURE OF THE AUTOMOTIVE INDUSTRY

- We are transforming our product portfolio to better match the future of our industry
- Our key markets will continue to be commercial vehicles and off-highway, with selected exposure to passenger cars
- The future of our product portfolio lies in profitable niche segments closely related to our current markets
- There are segments outside the automotive sector which may also be a good fit



CAPITAL MARKETS DAY

CEO PRESENTATION / PART II

DECEMBER 9, 2021



KONGSBERG
AUTOMOTIVE

TOPICS

- > INTRODUCING OUR NEW VISION
- > KONGSBERG AUTOMOTIVE CURRENT STATUS
- > SHIFT GEAR – CORE IMPACT AREAS
- > **FINANCIAL TARGETS**
- > **ROADMAP**
- > **KEY TAKEAWAYS**



FINANCIAL TARGETS



MAIN FINANCIAL PILLARS TO SUPPORT THE NEW KA

PROFITABLE Growth

- Our long-term goal is to be “second to none” in the sectors where we operate
- This is supported by recent divestments of lower-margin, capex-intensive business

INNOVATIVE Growth

- We will reach this goal through targeted **growth in high-margin sectors**
- Finance supports the **innovation process** by setting and monitoring important **metrics**

MANAGED Growth

- Without careful management of liquidity and leverage, our growth and profitability targets will be jeopardized
- Avoiding negative liquidity events is key to preserving and growing shareholder value



THE DIVESTMENTS WE HAVE MADE WILL
IMPROVE MOST OF OUR KEY METRICS

SELECTED LINE ITEMS		PRE-DIVESTMENT	POST-DIVESTMENT	CHANGE
P&L	Sales	1,150	822	(29%)
	CM (%)	34 %	35 %	+3%
	GM (%)	20 %	22 %	+8%
	R&D / Sales	5.1%	4.8%	(5%)
	Adj. EBIT	~39	~50	+26%
BS / CF	Free cash flow	~(25)	≥1	
	Capex / Sales	3.8%	3.3%	(13%)
	Sales/Assets	1.2	1.1	(9%)
ROCE		6.4%	11.6%	+81%
SALES TO FTE		0.11	0.15	+33%

(Negative numbers in brackets)

Attractive increase on major KPIs despite 2021

- > All **CORONA** limitations
- > With significant **turmoil** in the sub-component **supply chain**
- > Still with the **full STRANDED COST** included

IN THE LONG TERM WE ARE AIMING TO BE “SECOND TO NONE”
ALSO IN FINANCIAL METRICS

COMPETITOR KPIS VS. OUR TARGETS

SELECTED KPIS			
Revenue, EURm	6,380	5,809	1,480
Gross Margin	24%	9%	19%
Adj. EBIT, EURm	510	175	28
R&D / Sales	10%	2%	5%
FCF, EURm	148	178	104
ROCE	12%	3%	2%
FTE, k	37	38	10
Sales per FTE, EURm	0.17	0.15	0.15

MID-TERM 2024	IN 2026
1,250	1,600
25%	30%
>120	>175
4%	4.5%
55-75	95-120
11%-12%	13%-15%
8	9
0.15	0.18

ROADMAP



THE OVERALL KA TRANSFORMATION PLAN UNTIL END OF 2022



NET PROCEEDS WILL DELEVERAGE THE COMPANY, REWARD SHAREHOLDERS AND INVEST IN OUR FUTURE GROWTH

DELEVERAGE	RETURN	INVEST
DE-LEVERAGING: Bond Call 75M EUR Cost 2.5% of call Potential reduction in gearing (NIBD/EBITDA ratio) from 2.8 to 1.75	CASH RETURN TO SHAREHOLDERS: 10% of the Market Cap in share buybacks We will continue to look for opportunities to buy back shares when the stock is undervalued.	LIQUIDITY TO INVEST: CAPEX to fuel organic growth Accelerate productivity improvement measures Investments into environmental footprint M&A
Generate flexibility	Continuous Option	Stay flexible w/ room for maneuver



KEY TAKEAWAYS



EXECUTIVE SUMMARY: IN 2021 WE HAVE WEATHERED THE STORM AND PREPARED FOR THE FUTURE...

FOUNDATION

- **Despite CORONA Year 2** – Kongsberg Automotive limited the damages and delivered in 2021 on their revised Guidance by **Performance Improvement**
- Beside this, Kongsberg Automotive has started to execute the Product **Transformation process** by successfully Divesting Interior in Q1/22
- By this, Kongsberg Automotive consequently is going to increase their Liquidity in 2022 and can start to **Deleverage their debt, Buying back shares** while keeping sufficient **Liquidity** for further Growth and Innovations
- This has laid successfully the runway in 2021 towards the NEW KONGSBERG AUTOMOTIVE “Mobility solutions for the future” determining the companies focus clearly on **ONH** and **OFH** within our Product Portfolio SPP & P&C
- This strategy aims to make Kongsberg Automotive **more independent from low-margins passenger car business** and to a large degree – from critical semiconductor dominated products
- The clear Focus on **more niche** business group, will reduce volatility and provide strong **cash generation capabilities**

2023

8-9% EBIT

2024

9-10% EBIT

2025

≥10% EBIT

WITH A SUSTAINABLE CASH FLOW, WHICH SUPPORTS GROWTH AND AN ATTRACTIVE SHAREHOLDER RETURN



... IN 2022 AND BEYOND WE WILL COMPLETE OUR DIVESTMENTS AND CONTINUE TO EXECUTE OUR PLANS

FORWARD

- In 2022 we will successfully close the divestments and make Kongsberg Automotive further fit for the future.
- This includes post-divestment restructuring, streamlining the organization with a motivating **S2N DNA, strengthening our processes** (best-in-class and meaningful digitalization), and going for ROI-oriented **innovation** and highly **efficient business development**
- 2022-2025 we will foster growth in these niche segments by unlocking **untapped growth opportunities** within “**Regions - New Segments - Customer bases - Product extensions**” supported by innovation and a clear focus on electrification, all in a structured and controlled way
- **Beside this, we will invest into necessary sustainability**, corporate governance and carbon reduction to support global environmental targets
- We are looking forward to **generating shareholder value every day** and telling our shareholders about it!

2026

11-12% EBIT

WITH A SUSTAINABLE CASH FLOW WHICH SUPPORTS
GROWTH AND AN ATTRACTIVE SHAREHOLDER RETURN





KONGSBERG
AUTOMOTIVE

**WE DRIVE THE GLOBAL TRANSITION
TO SUSTAINABLE MOBILITY**