

## KONGSBERG AUTOMOTIVE ASA – PRIVATE PLACEMENT SUCCESSFULLY COMPLETED

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### KONGSBERG AUTOMOTIVE ASA – PRIVATE PLACEMENT SUCCESSFULLY COMPLETED

Kongsberg Automotive ASA (the "**Company**") is pleased to announce that it has successfully completed a private placement raising gross proceeds of NOK 700,000,000 and, on basis of commitments received from investors, it has conditionally allocated 7,000,000,000 new shares (the "**Private Placement Shares**") at a subscription price of NOK 0.10 per share (the "**Subscription Price**") (the "**Private Placement**"). The Subscription Price was determined following an accelerated bookbuilding process on 20 May 2020.

The background for the Private Placement is the Company's need to raise liquidity in order to mitigate the dramatic impact on income and cash flows that the corona pandemic has and is expected to further have on the Company. For further details, reference is made to stock exchange announcements by the Company in April and May 2020 relating to the need for a capital raise in the Company including the announcement on 29 April 2020 to cancel the extraordinary general meeting convened to approve the originally proposed capital raise.

The Private Placement is subject to approval by an extraordinary general meeting in the Company, scheduled to be held on or about 15 June 2020 (the "**EGM**"). A notice to the EGM will be distributed separately, expected on 25 May 2020. As the subscription price in the Private Placement is set below the current par value of the Company's shares, the Company's board of directors (the "**Board**") will propose to the EGM that the par value of the shares is decreased from NOK 0.50 to NOK 0.10. (the "**Share Capital Decrease**").

The Company's largest shareholder, Teleios Capital Partners has been allocated 1,620,000,000 Private Placement Shares, corresponding to its pro rata share of the Private Placement based on its current shareholding of 23.18%. The other Private Placement Shares have been allocated to some of the Company's other existing large shareholders and new investors.

Existing shareholders who have subscribed for Private Placement Shares, holding in total about 29% of the currently outstanding shares in the Company, have undertaken to vote on behalf of all their shares in the Company at the EGM in favour of resolutions to (i) issue the Private Placement Shares, (ii) approve issuance of, or alternatively authorise the Board to issue, additional new shares in a subsequent offering of up to NOK 300,000,000 (the "**Subsequent Offering**") and (iii) carry out the Share Capital Decrease (together the "**EGM Resolutions**").

Completion of the Private Placement is subject to (i) approval by the EGM of the EGM Resolutions, (ii) full payment of the subscription amount for all the Private Placement Shares and registration of the share capital increase pertaining to the Private Placement in the Norwegian Register of Business Enterprises ("**NRBE**") and (iii) issuance of the Private Placement Shares in the Norwegian Central Securities Depository ("**VPS**").

After registration of the Share Capital Decrease and the share capital increase pertaining to the Private Placement Shares with the NRBE, the Company will have a share capital of NOK 744,799,101.20 divided into 7,447,991,012 shares, each with a nominal value of NOK 0.10.

Subject to approval by the EGM of the Private Placement, the Private Placement Shares will be pre-funded by Sparebank 1 Markets AS to facilitate a swift registration of the share capital increase in the NRBE and delivery of the Private Placement Shares on a delivery versus payment basis to the subscribers on or about 17 June 2020.

The Private Placement is divided into two tranches, whereby 89,052,133 Private Placement Shares will be issued in tranche 1 (the "**Tranche 1 Private Placement Shares**") and 6,910,947,867 Private Placement Shares will be issued in tranche 2 (the "**Tranche 2 Private Placement Shares**"). The Tranche 1 Private Placement Shares will be listed and tradeable on the Oslo Stock Exchange upon issuance in the VPS, while the Tranche 2 Private Placement Shares will not be listed or tradable on the Oslo Stock Exchange until publication of a listing prospectus approved by the Financial Supervisory Authority of Norway, expected on or about ultimo August 2020. Pending publication of the prospectus, the Company will apply for temporary admission to trading of the Tranche 2 Private Placement Shares on Merkur Market under an ISIN separate from the Company's other shares, with the expected first day of trading on or about 18 June 2020.

The Private Placement entails a deviation from existing shareholders preferential rights to subscribe for new shares in the Company. The Board has carefully considered the Private Placement in light of the equal treatment obligations under the Norwegian Securities Trading Act, Oslo Børs' Circular no. 2/2014 and related guidelines and is of the opinion that the Private Placement complies with the equal treatment obligations. The Board's considerations are in particular based on the Company's need to strengthen liquidity in order to mitigate the dramatic impact on income and cash flows that the corona pandemic has caused, and that the Company has already cancelled a proposed process for a capital raise in April 2020 and is highly dependent on securing funding going forward. The Company has explored its options since and in connection with the previously cancelled attempt to raise capital and considers the Private Placement to be the best available option for the Company in the current situation with an urgent need to raise capital. The structure (including (but not limited to) the Subscription Price) of, and allocation in, the Private Placement are also impacted by conditions for allocation on individual orders which was necessary to accept in order to achieve the combined level of required funding, as well as by size and structure requirements for the Private Placement and the Subsequent Offering set in connection with such orders. The size of the Private Placement has also taken into consideration alternative funding arrangements that may be available to the Company. The Private Placement ensures that the Company is able to raise capital in an efficient manner with lower transaction costs and completion risk than alternative means. The Subsequent Offering will partly mitigate the dilutive effect of the Private Placement on existing shareholders' ownership in the Company which were not invited to participate in the Private Placement.

On the above background, and based on an assessment of the current market conditions, the Board has considered that the Private Placement is in the common interest of the Company and its shareholders.

The Board proposes a Subsequent Offering of up to 3,000,000,000 new shares (the "**Subsequent Offering Shares**") raising gross proceeds of up to NOK 300,000,000 at a subscription price per Subsequent Offering Share equal to the Subscription Price in the Private Placement. The Subsequent Offering will be divided into two tranches, where tranche A will raise gross proceeds of up to NOK 230.46 million ("**Tranche A**") and tranche B will raise gross proceeds of up to NOK 69.54 million ("**Tranche B**"). Tranche A of the Subsequent Offering will, subject to applicable securities laws, be directed towards shareholders in the Company as of close on 20 May 2020, as registered in the VPS on 25 May 2020 (the "**Record Date**") who (i) were not invited to participate in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus, filing, registration or similar action ("**Eligible Shareholders**"). Tranche B will be directed at the Company's shareholder Teleios Capital Partners and is limited to up to 23.18% of the total allocation in the Subsequent Offering in order to meet the conditions set in its order required to raise the required amount in the Private Placement. Any shares not subscribed for in Tranche B will be made available for oversubscription in Tranche A.

Eligible Shareholders in the Subsequent Offering Tranche A will receive non-tradeable subscription rights based on their shareholding as of the Record Date. The subscription rights

will give Eligible Shareholders a preferential right to subscribe for and be allocated shares in the Subsequent Offering Tranche A. Oversubscription by Eligible Shareholders will be allowed. Subscription without subscription rights will also be allowed, however with last priority allocation.

The Subsequent Offering is conditional on (i) completion of the Private Placement, (ii) the EGM approving, or alternatively, authorising the Board to resolve, the capital increase pertaining to the Subsequent Offering and (iii) approval and publication of an offering prospectus approved by the Financial Supervisory Authority of Norway, expected to take place on or about ultimo August 2020. Further details of the Subsequent Offering, if approved, will be included in the prospectus to be issued by the Company. The Board may cancel the Subsequent Offering, depending on the prevailing market conditions and considerations of the Company.

The Company has retained SpareBank 1 Markets AS ("**SB1M**") as Global Coordinator and Joint Bookrunner and Pareto Securities AS ("**Pareto**", and together with SB1M, the "**Managers**") as Joint Bookrunner for the Private Placement. Advokatfirmaet Wiersholm AS is legal advisor to the Company.

For further information, please contact:

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About Kongsberg Automotive:

Kongsberg Automotive provides world-class products to the global vehicle industry. Kongsberg Automotive's business has a global presence with revenues of more than EUR 1.1 billion and approximately 11,000 employees in 19 countries in 2019. The parent company is based in Norway and our stock is publicly traded on the Oslo stock Exchange.

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