

INVESTOR PRESENTATION

SEPTEMBER 29, 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.



AGENDA

- > **TODAY'S PRESENTERS**
- > **KONGSBERG AUTOMOTIVE & THE "SHIFT GEAR" PROGRAM**
- > **1ST GEAR: PERFORMANCE IMPROVEMENT**
- > **2ND GEAR: PORTFOLIO OPTIMIZATION**
- > **3RD GEAR: IMPROVED SUSTAINABILITY**
- > **CONCLUDING REMARKS AND Q&A**



TODAY'S PRESENTERS



JOERG BUCHHEIM

President & CEO

Joerg has more than 20 years of international executive leadership experience in the automotive supply industry. In his previous positions, he successfully shaped a profitable growth path as President and CEO for the automotive roof specialist Inalfa Roof Systems. He also played a pivotal role in profitably growing the Chinese market as President and CEO of HELLA, a leading Tier 1 lighting and electronics company.



FRANK HEFFTER

CFO

Frank recently joined Kongsberg Automotive from OC Oerlikon Corporation, where he was the Head of Group Controlling. He brings over two decades of experience in the energy, automotive, aerospace, mechanical engineering, and healthcare industries. Frank has worked at a number of globally leading companies, including Siemens and McKesson Europe (formerly Celesio).



An aerial photograph of a winding asphalt road with white dashed lines, cutting through a dense forest. The entire image is covered with a semi-transparent blue overlay. In the upper right, there is a large white chevron arrow pointing to the right.

KONGSBERG AUTOMOTIVE & THE SHIFT GEAR PROGRAM

COMPANY OVERVIEW

- Headquartered in Zurich, Switzerland and listed on the Oslo Stock Exchange
- Three segments:
 - » **Interior:** interior comfort systems and light duty cables
 - » **Powertrain & Chassis:** clutch and gearshift systems, actuators and vehicle dynamics applications
 - » **Specialty Products:** couplings, fluid transfer systems and off-highway applications
- We estimate that approximately one out of five light duty (LDV) or heavy duty (HDV) vehicles contain our products globally
- Much of our portfolio is well positioned for the transition to EV, both in LDV and HDV space
- Diverse customer and end-market base with strong market positions



WORLDWIDE FOOTPRINT



~11,000
EMPLOYEES IN
19
COUNTRIES
WORLDWIDE



SHIFT GEAR: A TRANSFORMATIONAL PROGRAM, ALREADY WELL UNDER WAY



> **1st GEAR: PERFORMANCE IMPROVEMENT** to counteract the impact of market disruptions, and prepare the company for future transformation

> **PERFORMANCE IMPROVEMENT PROGRAM** launched in May with **central program management office** ensuring BU and central targets are being reached

> Focus on short-term improvements (e.g., implementation of spend control tower) as well as **structural measures** (e.g., renegotiation of supplier contracts)

> **2nd GEAR: PORTFOLIO OPTIMIZATION**, combining the full potential of our technology advantage with structural measures to create a future-proof product portfolio

> **3rd GEAR: SUSTAINABILITY** to leverage both the 1st and 2nd gears to improve the sustainability of KA and its customers, from both an environmental and financial perspective





1ST GEAR PERFORMANCE IMPROVEMENT

PERFORMANCE IMPROVEMENT PROGRAM IS A KEY ELEMENT IN LIMITING IMPACT OF THE SEMICONDUCTOR AND RAW MATERIALS CRISES

DIFFICULT TO GUIDE DUE TO INCREASED UNCERTAINTY

- The current order book represents very solid production and topline numbers for the remainder of the year, but the reliability of this is significantly affected by the unavailability of raw materials, especially semiconductors, resin and special metals to our customers and their suppliers.
- In some cases, customers are leaving finished parts uncollected due to production stops caused by shortages of parts from other suppliers. This increases the short-term volatility of our forecasting.

INTERIORS BUSINESS UNIT MOST IMPACTED

- Global semiconductor shortage is stressing the whole automotive sector, but especially impacts the Interior Comfort Systems business unit, which has a high share of products containing semiconductors.
- Shortages cause much longer lead-times, spot-market purchases at significantly higher costs, special freight, labor variances and potentially production shortfalls in case the needed materials cannot be secured in time.

IMPACT OF PERFORMANCE IMPROVEMENT

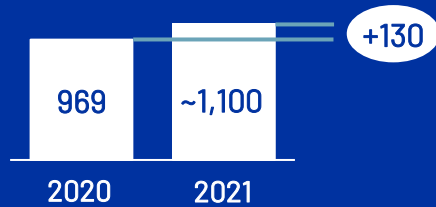
- Mitigation efforts to offset the difficult market conditions include adding new suppliers to second source more materials, as well as further streamlining of production processes.
- In addition, customers reimbursing us for spot buying materials reduces the impact on costs, as do other forms of cost recovery from clients.



2021 GUIDANCE WAS MODERATELY REVISED FOLLOWING REVENUE IMPACT

KA's globally and industrially well diversified business model is still coping well with the double effects of the ongoing Corona crisis and the raw material shortages. We have moderately revised our previous FY guidance for Revenues and Adjusted Ebit.

REVENUES

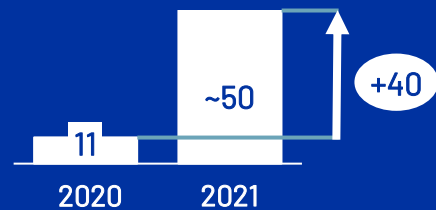


- > While we have a strong order book, we have seen some impact from customers reduced production levels
- > Continue to defend position and build on our strong book-to-bill ratio in all segments incl. EV-related products, OFH & electronics
- > Further expand our global customer base and continue to gain market shares

These forward-looking statements are based on several key assumptions on:

- > FX rates
- > Market demand
- > Electronics and other key components availability

ADJ. EBIT





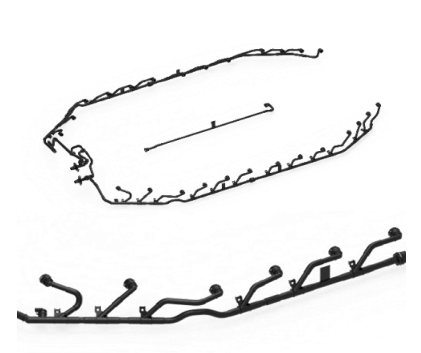

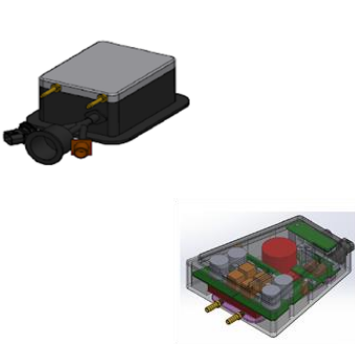
- > The performance improvement element of Shift Gear has helped mitigate impact of higher costs and lower capacity utilization
- > Further build on operational improvements and stability achieved in the last years and continue to improve overall profitability
- > Effectively manage increasing shortages of electronics components while keeping additional costs to a minimum



An aerial photograph of a winding asphalt road with dashed white lines, curving through a dense green forest. The entire image is covered with a semi-transparent blue overlay. In the upper right, there is a large white chevron arrow pointing to the right.

2ND GEAR PORTFOLIO OPTIMIZATION

KONGSBERG AUTOMOTIVE TODAY HAS A NUMBER OF IMPORTANT PRODUCT LINES WHICH ARE ESSENTIAL TO ELECTRIFICATION AND AUTONOMOUS VEHICLES

DECOUPLING ACTUATOR FOR ELECTRIC DRIVE		ELECTRIC PEDALS AND HAND CONTROLS
		
COOLANT	AIR SUSPENSION	BATTERY MANAGEMENT
		

> Specialty Products

- » Fluid Transfer: clear applications for battery thermal management and alternative fuels, as well as air suspension and brake lines
- » Couplings: no-leakage air couplings for pneumatic brakes, light weight materials to save energy and improve payloads of commercial vehicles
- » Off-highway: efficient steering actuators for autonomous vehicles, brake by wire, throttle by wire

> Powertrain & Chassis

- » Gear boxes and related components still required for heavy electric vehicles
- » Future Actuators for EV are available

> Interior

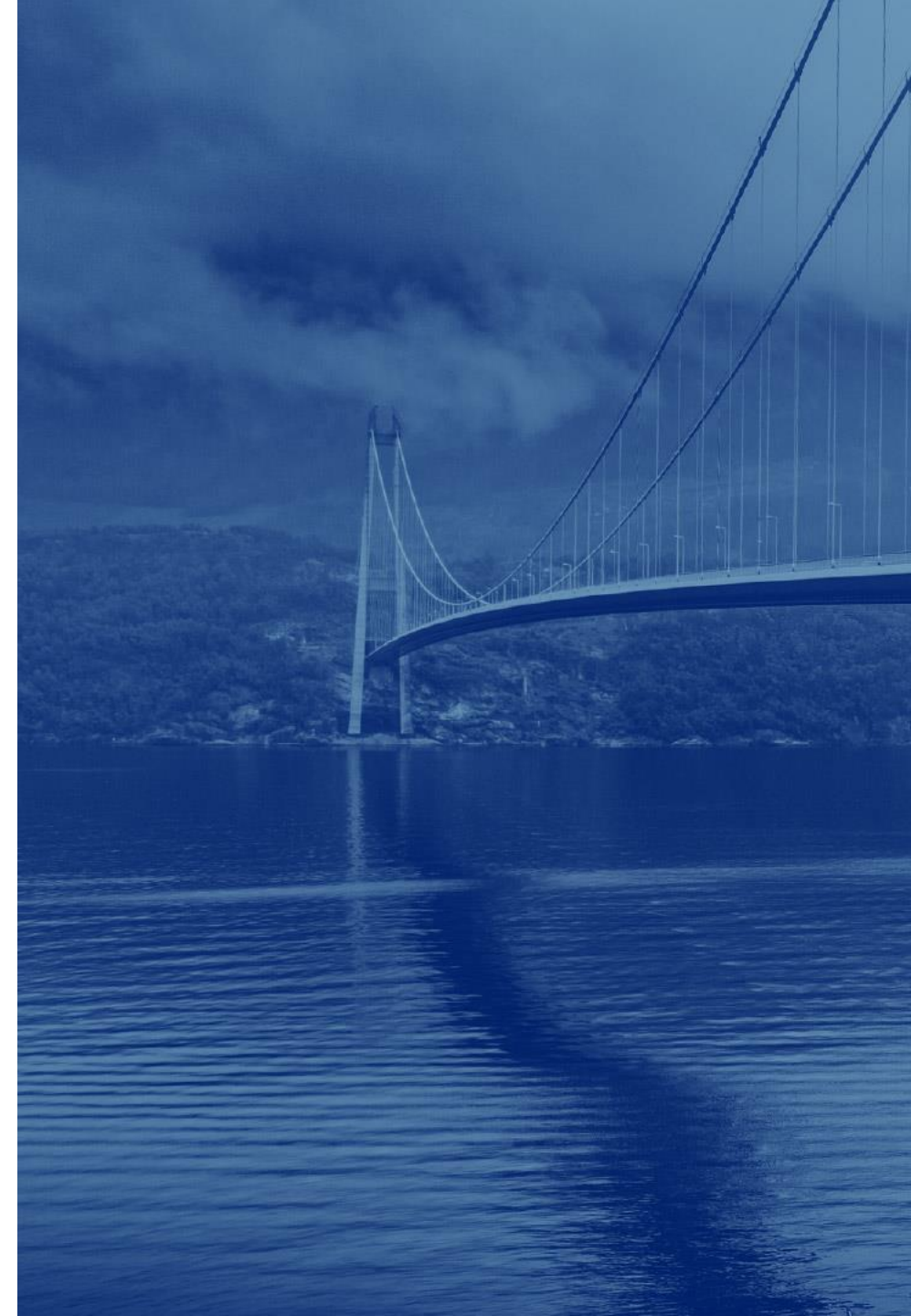
- » Energy efficient seat climate solutions (ventilation massage and heating) as well as premium comfort systems

For an extensive overview of the Kongsberg Automotive product portfolio and its applications for XEVs please refer to the May 2021 investor presentation [here](#).



PORTFOLIO WILL BE FURTHER FUTURE-PROOFED WITH BOTH IN-HOUSE AND NEW TECHNOLOGY

- New management includes significant EV and autonomous vehicle experience
- Solid base of engineering excellence both in Norway and abroad can be leveraged to improve existing product portfolio
- Strong customer relationships and a history of co-design will help KA remain relevant in the green transition
- Structural measures are also being considered to ensure the portfolio is future proof
- As a rule, KA should be top 3 in all areas it operates, and we will consider investment or divestment as necessary to ensure this

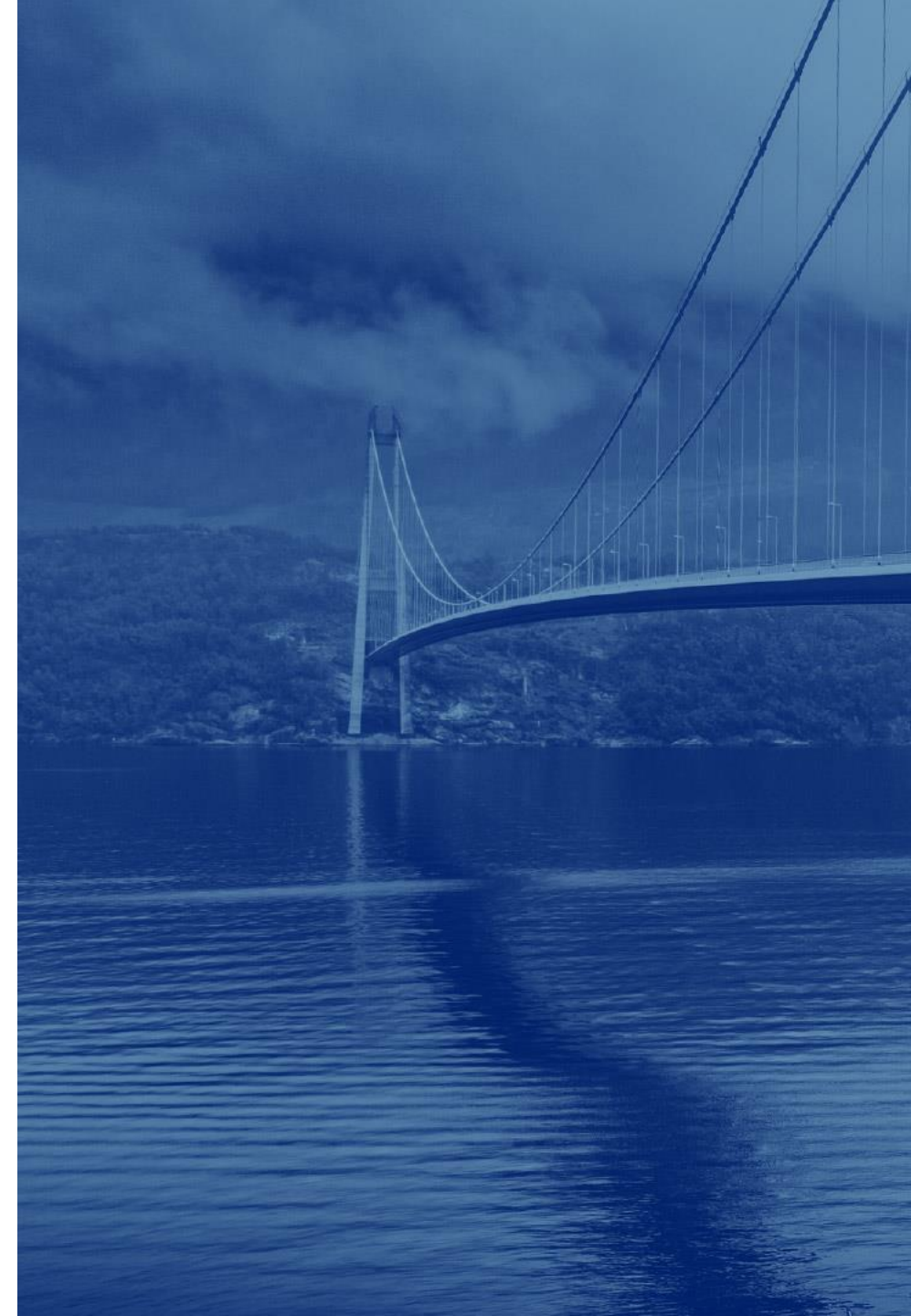


An aerial photograph of a winding asphalt road with dashed white lines, cutting through a dense, green forest. The entire image is overlaid with a semi-transparent blue filter. In the upper right corner, there is a large white chevron symbol pointing to the right.

3RD GEAR IMPROVED SUSTAINABILITY

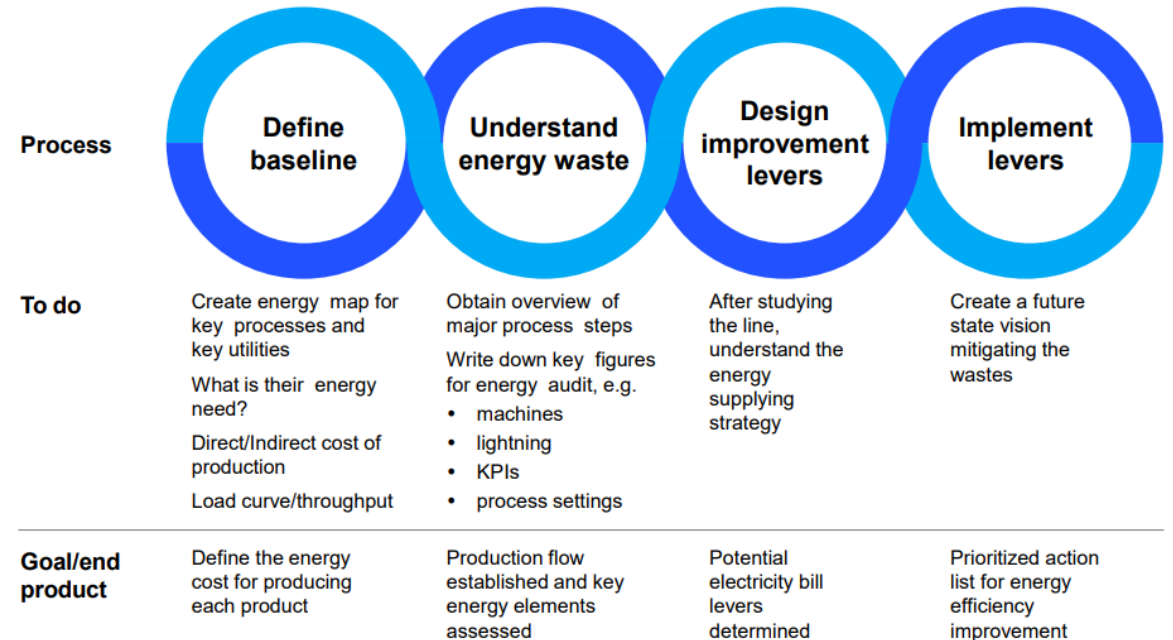
GOING GREEN DRIVES OUR ENVIRONMENTAL SUSTAINABILITY AND DRIVES FINANCIAL STABILITY

- KA has a number of projects already underway to improve our environmental sustainability:
 - » Energy and water use reduction through production process improvements
 - » Target transition to 100% renewable energy in production by 2030, wind power modeling on plant level started
 - » Carbon neutral products by 2039
 - » Provide lightweight and efficient components to help our customers transition to a greener future
- Both the 1st and 2nd Gears will contribute to this process – once these are complete, we can further accelerate our improvement



KA'S SYSTEMATIC ESG APPROACH TO GOING GREEN COMBINES TOP-DOWN GUIDANCE WITH BOTTOM-UP PROBLEM SOLVING

- Our systematic approach to improving sustainability is in line with a lean production management philosophy.
- At Kongsberg Automotive, we use the innovation and technical strengths of our team at plant and line level to deliver our corporate sustainability goals.
- This is best facilitated by a broad capability building effort.
- For example, achieving energy efficiency is a task starts at top and solved down at plant and line level, as shown in the diagram on the right.



IMPROVED REPORTING ON SUSTAINABILITY WITH GRI

- For the 2021 financial year, we are aiming to improve the quality of our ESG reporting by complying with the GRI (Core) standards
- This comes on top of our existing Carbon Disclosure Project reporting and extensive corporate responsibility reporting
- Combined with the 1st and 2nd gears of Shift Gear, this will give our stakeholders better insight to the sustainability of our company

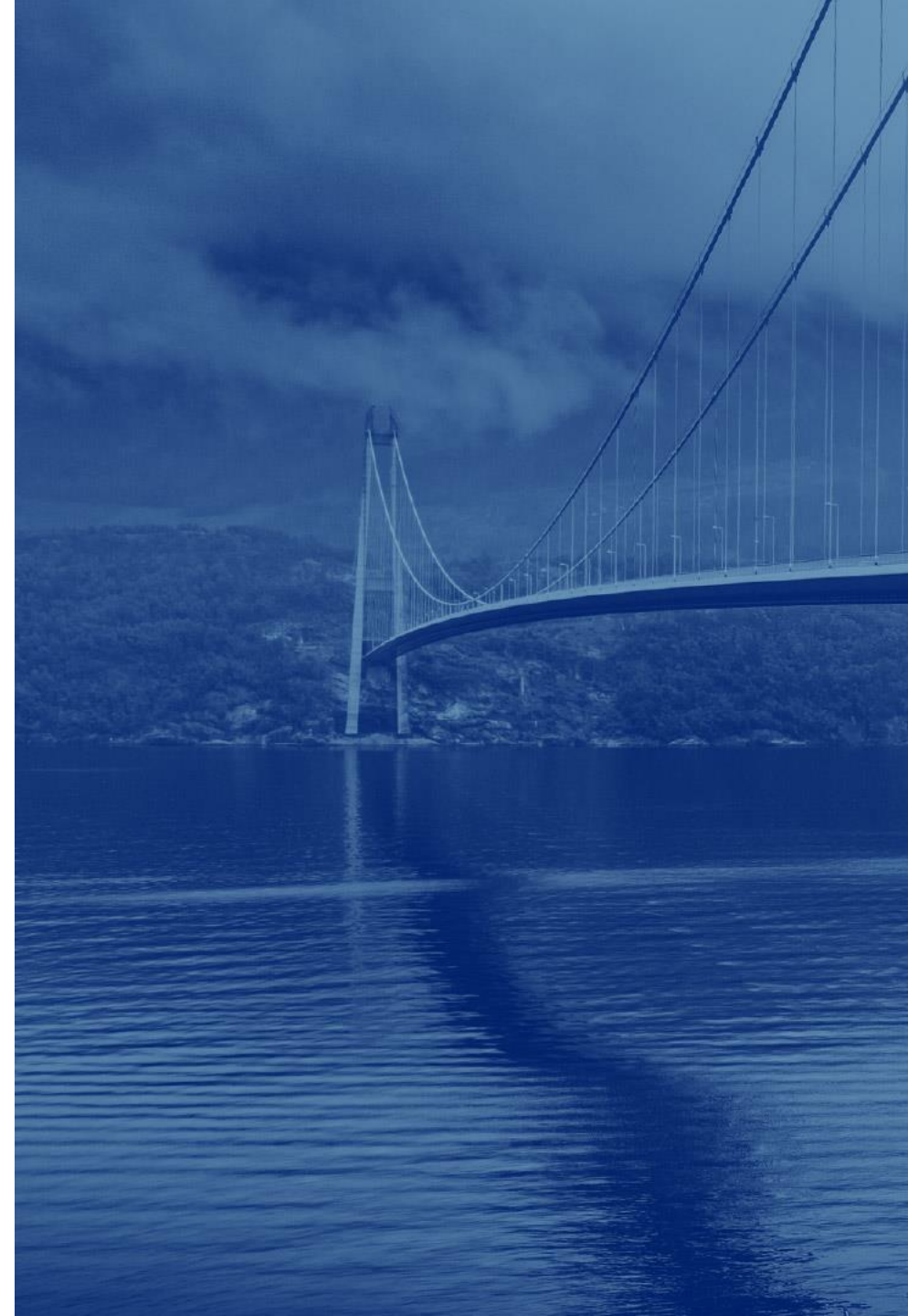


An aerial photograph of a winding asphalt road with dashed white lines, curving through a dense forest. The entire image is covered with a semi-transparent blue overlay. In the upper right, there is a large white chevron arrow pointing to the right.

CONCLUDING REMARKS INCLUDING Q&A

KONGSBERG AUTOMOTIVE IS ON THE ROAD TO FINANCIAL AND ENVIRONMENTAL SUSTAINABILITY

- Performance improvement program is working, has to a large extent mitigated the current dual crises, and will contribute to strong performance in years to come
- Strong customer relationships and a solid base of engineering excellence both in Norway and abroad can be leveraged to improve existing product portfolio
- Rapid modernization of our product portfolio will be combined with improved SG focus to ensure financial and environmental sustainability go hand in hand





KONGSBERG
AUTOMOTIVE

**A GLOBAL SUPPLIER OFFERING SUPERIOR
CUSTOMIZED PRODUCT SOLUTIONS
TO LEADING OEM AND TIER-1 CUSTOMERS.**