



# FIRST QUARTER REPORT

2024



**KONGSBERG**  
AUTOMOTIVE

# THE FIRST QUARTER 2024 EXECUTIVE SUMMARY

## KONGSBERG AUTOMOTIVE REPORTS INCREASED OPERATING PROFITABILITY IN THE FIRST QUARTER OF 2024

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



We have put all our focus on regaining profitability and generating positive free cash flow. The first quarter therefore marks a significant step in the right direction.

Even though our industry has experienced a somewhat lower sequential activity, we are very pleased to see that several of our recently introduced measures are positively contributing to our operational and financial results, in combination with less unfavorable currency effects.

In the first quarter we are showing a significant improvement in free cash flow compared to Q1 last year. I'm confident that the measures we have taken will lead to a positive free cash flow for the full year 2024.

New business wins in the quarter amounted to MEUR 450, which is an increase from MEUR 198 in the same quarter last year. I'm glad to see increased interest in our wide range of products from our top-tier customers and I am especially pleased with the development and interest in our electric actuators. This leads us to upgrade our full year expectations for New Business Wins and book-to-bill ratio.

We have high ambitions to lower our cost base and are fully on track to deliver on our promises. The results are already shown in Q1. In line with our cost optimization program, we continue to evaluate our current footprint, and are also relocating to countries and areas with lower costs.

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### **Q1 marks a significant step in the right direction.**

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Our significantly improved performance makes me confident that we are heading in the right direction: I expect that all operational measures we are taking will continue to improve the profitability of KA considerably in 2024 and onwards.

## FIRST QUARTER 2024 FINANCIAL HIGHLIGHTS



## SUBSEQUENT ACTIVITIES

KA has mandated legal and financial advisors and started preparing for the refinancing of the company's senior secured bond and revolving credit facility. KA is well on track with the process and expects to conclude the refinancing in 2024, well ahead of the maturity date of the current instruments.

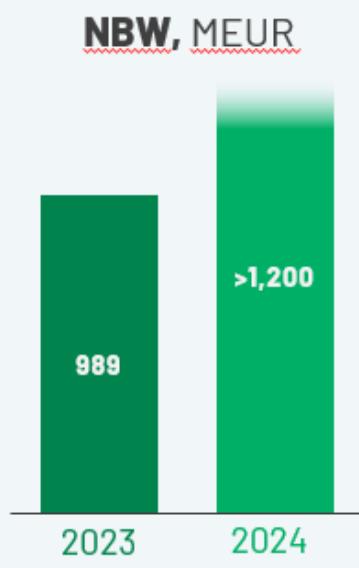
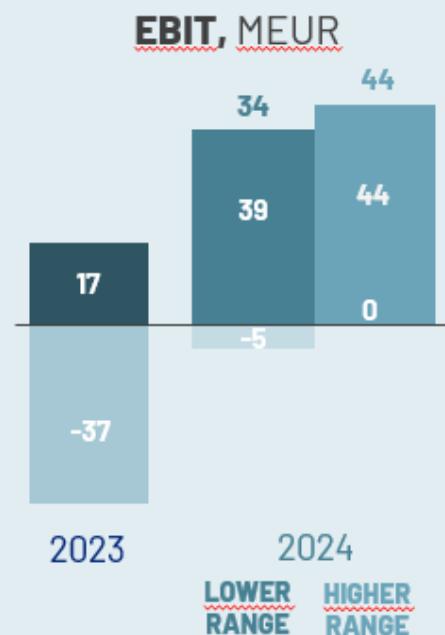
On April 26, 2024, KA issued an asset disposition offer for MEUR 36 of the company's outstanding senior secured bond, according to the requirements set forth in the bond loan agreement from 2018. The offer will expire on May 28, 2024.

KA has released a Liquidity Policy to be applied going forward. It contains detailed rules on its financing strategy, capital allocation priorities as well as return to shareholders by way of share buy-back or dividends. Further details can be found on the Company's website.

KA will host a Capital Markets Day on May 13, 2024, and welcomes all stakeholders to attend the physical and/or digital event.

## GUIDANCE FOR 2024

KA reiterates the guidance for revenue, EBIT, communicated in Q4 2023 Earnings Call. We are increasing our new business wins guidance to above MEUR 1.200 and a book-to-bill ratio above 1.2.



CORE      OTHER OPERATIONS

# KEY FIGURES

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
<b>Sales/Earnings</b>					
1 Operating revenues	212.1	228.8	212.1	228.8	884.9
2 Operating revenues at constant currencies	213.7	231.5	213.7	231.5	922.9
3 Operating profit/(loss) (EBIT)	10.1	3.6	10.1	3.6	(19.7)
4 EBIT margin(%)	4.8%	1.6%	4.8%	1.6%	(2.2)%
5 Adjusted EBIT	11.6	4.1	11.6	4.1	23.7
6 Adjusted EBIT margin(%)	5.5%	1.8%	5.5%	1.8%	2.7%
7 EBITDA	17.3	12.0	17.3	12.0	13.2
8 EBITDA margin(%)	8.2%	5.2%	8.2%	5.2%	1.5%
9 Adjusted EBITDA	18.8	12.5	18.8	12.5	56.6
10 Adjusted EBITDA margin(%)	8.9%	5.5%	8.9%	5.5%	6.4%
11 Net income	(0.4)	(16.9)	(0.4)	(16.9)	(59.1)
<b>Cash flow</b>					
12 Cash flow from (used by) operating activities	(1.9)	(9.6)	(1.9)	(9.6)	21.5
13 Cash flow from (used by) investing activities	(5.3)	(6.1)	(5.3)	(6.1)	(29.1)
14 Cash flow from (used by) financing activities	(10.9)	(11.5)	(10.9)	(11.5)	(39.7)
15 Free cash flow	(14.9)	(30.8)	(14.9)	(30.8)	(34.9)
<b>Balance sheet</b>					
16 Balance sheet total	717.0	780.2	717.0	780.2	721.5
17 Equity	221.5	264.7	221.5	264.7	218.1
18 Equity ratio (%)	30.9%	33.9%	30.9%	33.9%	30.2%
19 Net interest-bearing debt	114.9	84.0	114.9	84.0	100.2
20 Leverage ratio	1.8	1.3	1.8	1.3	1.8
21 Capital employed*	331.2	357.0	331.2	357.0	319.9
22 Return on capital employed(%) (LTM)*	(3.9)%	14.7%	(3.9)%	14.7%	(5.9)%
23 Liquidity reserve	202.2	254.2	202.2	254.2	219.2
<b>Personnel</b>					
24 Employees (as at end of quarter)	5,090	5,572	5,090	5,572	5,286
<b>New Business Wins</b>					
25 Annualized new business wins	126.2	71.3	126.2	71.3	296.9
26 Lifetime new business wins	450.0	198.0	450.0	198.0	989.4

\* definitions of Capital Employed and Return on capital employed have been changed in Q1 2024 (see APM section); figures in 2023 adjusted accordingly.

## DEFINITIONS

4 EBIT / Operating revenues	18 Equity / Balance sheet total
6 Adjusted EBIT / Operating revenues	20 NIBD / Adjusted EBITDA (LTM)
8 (EBIT + depreciation and amortization) / Operating revenues	21 Intangible Assets + PPE's + Right-of-use assets + Net Working Capital - Lease liabilities
10 Adjusted EBITDA / Operating revenues	22 EBIT (LTM) / Average capital employed
15 Net change in cash - sum of draw-down/repayment of debt, proceeds received from capital increase and purchase of treasury shares	23 Cash + Unutilized revolving credit facility and securitization facility

# GROUP FINANCIALS

## SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

(MEUR)	Q12024	Q12023	YTD 2024	YTD 2023	FY 2023
<b>Revenues</b>	<b>212.1</b>	<b>228.8</b>	<b>212.1</b>	<b>228.8</b>	<b>884.9</b>
Other income	2.8	0.3	2.8	0.3	1.5
OPEX	(197.6)	(217.1)	(197.6)	(217.1)	(846.2)
Impairment losses	0.0	0.0	0.0	0.0	(27.0)
<b>EBITDA</b>	<b>17.3</b>	<b>12.0</b>	<b>17.3</b>	<b>12.0</b>	<b>13.2</b>
in % revenues	8.2%	5.2%	8.2%	5.2%	1.5%
Depreciation and amortization	(7.2)	(8.4)	(7.2)	(8.4)	(32.9)
<b>Operating profit (loss) / EBIT</b>	<b>10.1</b>	<b>3.6</b>	<b>10.1</b>	<b>3.6</b>	<b>(19.7)</b>
in % revenues	4.8%	1.6%	4.8%	1.6%	-2.2%
<b>Adjusted EBIT<sup>1</sup></b>	<b>11.6</b>	<b>4.1</b>	<b>11.6</b>	<b>4.1</b>	<b>23.7</b>
in % revenues	5.5%	1.8%	5.5%	1.8%	2.7%
Net financial items	(5.5)	(14.4)	(5.5)	(14.4)	(26.0)
<b>Profit / (loss) before taxes</b>	<b>4.6</b>	<b>(10.8)</b>	<b>4.6</b>	<b>(10.8)</b>	<b>(45.7)</b>
Income taxes	(5.0)	(6.1)	(5.0)	(6.1)	(13.4)
<b>Net profit / (loss)</b>	<b>(0.4)</b>	<b>(16.9)</b>	<b>(0.4)</b>	<b>(16.9)</b>	<b>(59.1)</b>

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

### REVENUES

Group revenues totaled to MEUR 212.1 in the first quarter of 2024, a decrease of MEUR 16.7 (-7.3%) compared to Q1 2023, including negative currency translation effects of MEUR 1.6. This decrease was primarily attributed to reduced revenues in the commercial and passenger car markets in Europe, partially offset by the growth in the commercial vehicle markets in China.

In the commercial vehicles market, revenues amounted to MEUR 106.9, or MEUR 107.7 at constant currencies, reflecting a decrease of MEUR 8.2 (-7.0%) compared to Q1 2023. Revenues in Europe amounted to MEUR 58.8, showing a decline of MEUR 9.3 (-13.7%) at constant currencies compared to Q1 2023, which saw exceptionally high revenues in Clutch Actuation Systems, Vehicle Dynamics products and Brass Couplings. The market in the region increased by 6.6% from a very low Q1 2023. In the Americas, revenues decreased by MEUR 1.7 (-4.4%) to MEUR 37.6 at constant currencies, whereas the market in this region shrank by 5.8%. Revenues in Asia (incl. China) amounted to MEUR 11.3 in Q1 2024, representing an increase of MEUR 2.8 (+33.6%) compared to Q1 2023 at constant currencies. Kongsberg Automotive significantly outperformed the market in this region, in which production output grew by 8.7%.

Revenues from the passenger car market totaled MEUR 69.0, or MEUR 69.4 at constant currencies, a decrease of MEUR 2.1 (-3.0%) compared to Q1 2023. In Europe, revenues amounted to MEUR 27.5, a significant decrease of MEUR 3.1 (-10.3%) compared to Q1 2023 at constant currencies, while the market declined by 4.5%. Revenues in Americas increased by MEUR 0.9 (+2.9%) to MEUR 30.4 at constant currencies, although the market in this region slightly declined by 0.6%. In Asia (incl. China) revenues amounted to MEUR 11.5, showing a slight increase of MEUR 0.2 (+1.3%), whereas the production output in this region grew by 0.5%.

The revenues generated in other markets (mainly off-road applications for various industries) amounted to MEUR 36.3 in

Q1 2024, MEUR 36.6 at constant currencies respectively, compared to MEUR 41.3 in Q1 2023.

### EBIT / ADJUSTED EBIT

EBIT in Q1 2024 exceeded the result in Q1 2023 by MEUR 6.5 and amounted to MEUR 10.1. EBIT of the core operating segments DCS and FCS amounted to MEUR 5.9 and MEUR 4.5, respectively. The EBIT of other operating segment which comprises the former Driveline business except Electronic Actuators (non-core business) amounted to MEUR 5.0, benefiting from one-time effects of MEUR 1.3 as well as from the impaired assets and onerous contracts provisions of 2023. Operating results related to the non-operating segment (Corporate) amounted to negative MEUR 5.2, an improvement of MEUR 1.3 compared to Q1 2023, which is in line with the cost optimization program announced in Q4 2023.

Adjusted EBIT in Q1 2024 amounted to MEUR 11.6, compared to MEUR 4.1 in Q1 2023

### NET FINANCIAL ITEMS

Net financial items amounted to negative MEUR 5.5 in the first quarter of 2024, compared to negative MEUR 14.4 in the same period in 2023, a significant improvement of MEUR 8.9. Foreign currency losses were significantly lower by MEUR 8.7 in Q1 2024 and amounted to MEUR 2.5. Net interests of MEUR 2.9 slightly improved in Q1 2024 and consisted of interest expenses of MEUR 3.4 (Q1 2023: MEUR 3.8) and interest income of MEUR 0.5 (Q1 2023: MEUR 0.4).

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

Profit before taxes amounted to MEUR 4.6 in the first quarter of 2024, compared to loss before taxes of MEUR 10.8 in the same quarter of 2023. Despite this significant increase, income tax expenses in Q1 2024 compared to Q1 2023 were lower, mainly due to a reduced impact from deferred tax assets not recognized. Net loss amounted to MEUR 0.4 in Q1 2024, compared to a net loss of MEUR 16.9 in Q1 2023.

## GROUP FINANCIALS

### SELECTED FINANCIAL INFORMATION - CASH FLOW

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
Cash flow - Operating activities	(1.9)	(9.6)	(1.9)	(9.6)	21.5
Cash flow - Investing activities	(5.3)	(6.1)	(5.3)	(6.1)	(29.1)
Cash flow - Financing activities	(10.9)	(11.5)	(10.9)	(11.5)	(39.7)
Currency and translation effects on cash flow	1.1	(6.0)	1.1	(6.0)	(0.9)
Change in cash	(17.0)	(33.2)	(17.0)	(33.2)	(48.2)
Cash as of beginning of period	164.7	212.9	164.7	212.9	212.9
<b>Cash as of end of period</b>	<b>147.7</b>	<b>179.7</b>	<b>147.7</b>	<b>179.7</b>	<b>164.7</b>

#### CASH FLOW USED BY OPERATING ACTIVITIES

Cash flow used by operating activities amounted to MEUR 1.9 in Q1 2024, compared to the negative operating cash flow of MEUR 9.6 in Q1 2023. Tax payments in Q1 2024 amounted to MEUR 1.6 whereas in Q1 2023 taxes on the divestment to BRP and withholding tax on the subsequent dividend distribution at a total of MEUR 7.6 were paid. In addition, the change in NWC was negative MEUR 9.4 compared to negative MEUR 16.4 in Q1 2023.

#### CASH FLOW USED BY INVESTING ACTIVITIES

Cash flow used by investing activities amounted to MEUR 5.3 in Q1 2024 compared to MEUR 6.1 in Q1 2023. Cash flows used for investments in tangible and intangible assets at the amount of MEUR 6.0 in Q1 2024 were lower by MEUR 0.8 than in Q1 2023.

#### CASH FLOW USED BY FINANCING ACTIVITIES

Cash flow used by financing activities was MEUR 10.9 in the first quarter of 2024, compared to MEUR 11.5 in the same quarter last year.

In Q1 2024, the repayments of lease liabilities and interest on lease liabilities amounted to MEUR 2.3 and MEUR 1.1, respectively, which was equal to payments made in Q1 2023.

The share buy-back in the amount of MEUR 2.4 in Q1 2024 was at a similar level than in Q1 2023.

#### CHANGE IN CASH

The change in cash in Q1 2024 amounted to negative MEUR 17.0 compared to the balance as of December 31, 2023. The cash position was MEUR 147.7 at the end of the first quarter of 2024.

#### LIQUIDITY RESERVE

The liquidity reserve was MEUR 202.2 (excluding the restricted cash of MEUR 0.5) at the end of the first quarter 2024, compared to MEUR 219.2 as of December 31, 2023. The unutilized RCF amounted to MEUR 30.0 as of March 31, 2024. The unutilized Securitization facility was MEUR 25.0.

# GROUP FINANCIALS

## SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	31.03.24	31.03.23	31.12.23
Non-current assets	263.8	277.1	264.6
Cash and cash equivalents	147.7	179.7	164.7
Other current assets	305.5	323.4	292.2
<b>Total assets</b>	<b>717.0</b>	<b>780.2</b>	<b>721.5</b>
Equity	221.5	264.7	218.1
Interest-bearing liabilities	262.6	263.7	264.9
Other liabilities	232.9	251.8	238.5
<b>Total equity and liabilities</b>	<b>717.0</b>	<b>780.2</b>	<b>721.5</b>
NIBD	114.9	84.0	100.2
Equity ratio	30.9%	33.9%	30.2%

### ASSETS

Total assets were MEUR 717.0 at the end of the first quarter of 2024, a decrease of MEUR 4.5 from year-end 2023. The property, plant and equipment amounted to MEUR 116.1, representing an increase of MEUR of 0.3 compared to year-end 2023, to which the reversal of impairment contributed MEUR 1.1 in Q1 2024 as some Driveline assets impaired in 2023 have been transferred to other operational business units to be used for profitable projects. Furthermore, intangible assets rose by MEUR 1.9 to MEUR 80.2, mainly due to capitalized development costs of MEUR 1.1.

In total, Group recognized additions from investments in property, plant, and equipment (excluding additions from leases) and intangible assets of MEUR 6.0 (Q1 2023: MEUR 6.8).

Current assets amounted to MEUR 453.2 in Q1 2024 compared to MEUR 456.9 as of year-end 2023. The decrease was mainly driven by the decline in cash balance of MEUR 17.0 compared to December 31, 2023, partially offset by the increase of Accounts receivable of MEUR 11.7.

### NET WORKING CAPITAL

Net working capital, which encompasses inventories and account receivables less account payables, totaled MEUR 155.8 as of March 31, 2024, marking an increase of MEUR 9.4 (+6.0%) compared to December 31, 2023. This increase was mainly driven by the higher account receivables and the lower account payables, partially offset by lower inventories, compared to year-end 2023.

Expressed as a percentage of revenues for the past twelve months, the net working capital ratio as of March 31, 2024, was 17.9%, compared to 16.5% as of year-end 2023.

### EQUITY

Equity as of March 31, 2024, increased by MEUR 3.4 (+1.6%) to MEUR 221.5 in comparison with December 31, 2023.

In Q1 2024, the net loss of MEUR 0.4 and positive other comprehensive income of MEUR 5.8 resulted in total comprehensive income of MEUR 5.4. The other comprehensive income of MEUR 5.4 in this period resulted from positive translation differences on foreign operations of MEUR 16.1 exceeding the negative translation differences on non-foreign operations of MEUR 10.3, of which MEUR 10.0 were attributable to share capital, share premium and treasury shares. The share-based compensation of MEUR 0.4 contributed to the change in equity as of March 31, 2024. In Q1 2024, Kongsberg Automotive repurchased its own shares, which led to the change in equity of MEUR 2.4. On March 11, 2024, Kongsberg Automotive ASA completed a share purchase program, initiated in November 2023, according to which it purchased back up to 2.5% of its outstanding shares in the open market limited to a maximum total consideration of up to MEUR 4.2.

### INTEREST BEARING LIABILITIES

In Q1 2024, total interest-bearing liabilities amounted to MEUR 262.6, consisting mainly of the partially redeemed bond of MEUR 189.5 (MEUR 190.6 after netting with the unamortized capitalized arrangement fees of MEUR 1.1) and lease interest-bearing liabilities of MEUR 72.8 as well as a bank overdraft of MEUR 0.3.

As of March 31, 2024, long-term interest-bearing debt amounted to MEUR 252.1.

### NET INTEREST BEARING DEBT

At the end of the first quarter of 2024, net interest-bearing debt amounted to MEUR 114.9, an increase of MEUR 14.7 compared to year-end 2023, mainly driven by the decrease of the cash balance during Q1 2024.

# DRIVE CONTROL SYSTEMS

## SEGMENT REPORTING

Drive Control Systems develops and manufactures a comprehensive range of drive control products for heavy and light duty vehicles, including clutch actuation systems, advanced vehicle systems, 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, Scania, Eaton, Traton, Changan Group, FAW Group, Club Car and Paccar.

## KEY FIGURES<sup>1</sup>

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
<b>Revenues</b>	<b>92.5</b>	<b>102.7</b>	<b>92.5</b>	<b>102.7</b>	<b>410.4</b>
EBITDA	9.3	6.4	9.3	6.4	33.3
in % revenues	10.1%	6.2%	10.1%	6.2%	8.1%
<b>Operating profit (loss) / EBIT</b>	<b>5.9</b>	<b>3.1</b>	<b>5.9</b>	<b>3.1</b>	<b>19.7</b>
in % revenues	6.4%	3.0%	6.4%	3.0%	4.8%
Adjusting and restructuring items	(0.3)	(0.2)	(0.3)	(0.2)	(1.3)
<b>Adjusted EBIT</b>	<b>6.2</b>	<b>3.3</b>	<b>6.2</b>	<b>3.3</b>	<b>21.0</b>
in % revenues	6.7%	3.2%	6.7%	3.2%	5.1%
Investments	(3.2)	(2.5)	(3.3)	(2.5)	(11.8)
Capital employed <sup>2</sup>	139.7	112.0	139.7	112.0	124.8

<sup>1</sup> Figures in 2023 were restated due to implementation of new segment structure as announced in Q4 2023

<sup>2</sup> Includes intangible assets, PP&E, right-of-use assets, inventories, trade receivables less trade payables and lease liabilities

## FINANCIAL UPDATE

Revenues in Drive Control Systems decreased by MEUR 10.2 (-9.9%) to MEUR 92.5 in the first quarter 2024 compared to Q1 2023, including negative currency translation effects of MEUR 1.1. On a constant currency basis, Q1 2024 revenues in commercial vehicles market decreased by MEUR 5.6 compared to Q1 2023, which was mainly driven by decline in the European and American commercial vehicle markets of MEUR 5.7 and MEUR 2.0, respectively, partially offset by the increase of 2.1 in Asia (incl. China). Revenue in the passenger car market declined by MEUR 1.8 on a constant currency basis, which was mainly driven by the decrease in China of MEUR 1.6. In Off-Highway, revenues were lower by MEUR 1.7 (at constant currencies), which was mainly due to the decline of MEUR 1.5 in the North American market.

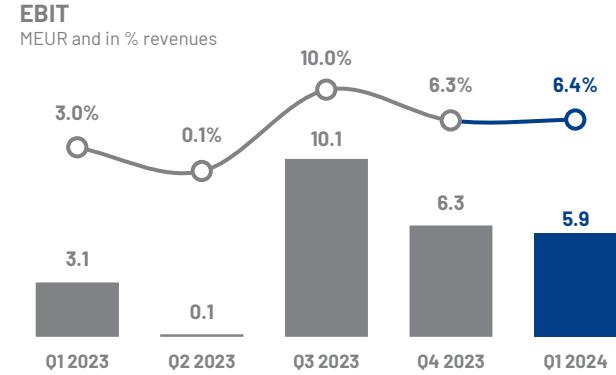
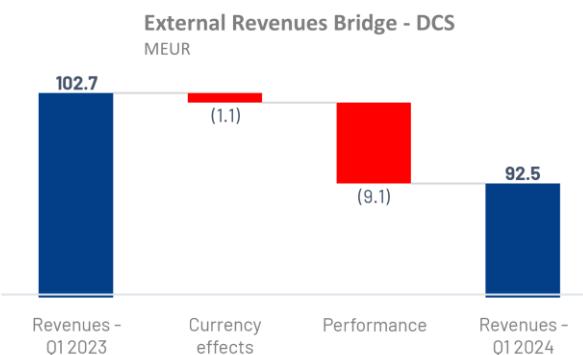
EBIT amounted to MEUR 5.9 in the first quarter 2024, an increase of MEUR 2.8 compared to Q1 last year. The impact of declining volumes was offset by benefits from operational improvements in variable costs and other operational costs.

Compared to Q1 2023, the change in impact from valuation in relation to inventory was negative MEUR 2.3. The settlement with a supplier on a warranty claim led to a one-time income of MEUR 2.8.

## COMMERCIAL AND OPERATIONAL UPDATE

Business wins amounted to MEUR 282.7 of lifetime revenues (MEUR 79.2 in annualized revenues) in the first quarter of 2024.

Within the quarter, Drive Control Systems was awarded two large contract extensions by a leading European manufacturer of commercial vehicles: (1) to supply the V-Stay (Rear Axle Suspension) (MEUR 19.0 in expected annual revenue, MEUR 76.0 in expected lifetime revenue) and (2) to supply the Rear Axle Anti-Roll Bar (MEUR 17.7 in expected annual revenue, MEUR 70.9 in expected lifetime revenue). Furthermore, a contract worth MEUR 40.0 in expected lifetime revenue (MEUR 5.7 in expected annual revenue) to supply a rotary actuator in electric vehicles to a major European car manufacturer was won.



# 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<sup>1</sup>

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
<b>Revenues</b>	<b>82.7</b>	<b>84.2</b>	<b>82.7</b>	<b>84.2</b>	<b>313.0</b>
EBITDA	7.8	10.7	7.8	10.6	41.5
in % revenues	9.4%	12.7%	9.4%	12.6%	13.3%
<b>Operating profit / EBIT</b>	<b>4.5</b>	<b>7.6</b>	<b>4.5</b>	<b>7.6</b>	<b>28.8</b>
in % revenues	5.4%	9.0%	5.4%	9.0%	9.2%
Adjusting and restructuring items	0.0	0.0	0.0	0.0	(0.6)
<b>Adjusted EBIT</b>	<b>4.5</b>	<b>7.6</b>	<b>4.5</b>	<b>7.6</b>	<b>29.4</b>
in % revenues	5.4%	9.0%	5.4%	9.0%	9.4%
Investments	(2.8)	(3.6)	(2.8)	(3.6)	(14.1)
Capital employed <sup>2</sup>	155.1	149.9	155.1	149.9	152.3

<sup>1</sup> Figures in 2023 were restated due to implementation of new segment structure as announced in Q4 2023

<sup>2</sup> Includes intangible assets, PP&E, right-of-use assets, inventories, trade receivables less trade payables and lease liabilities

## FINANCIAL UPDATE

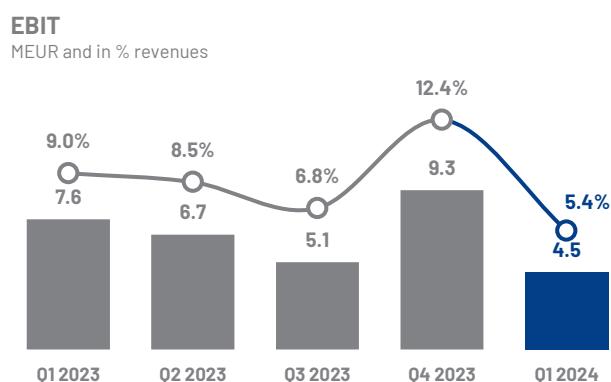
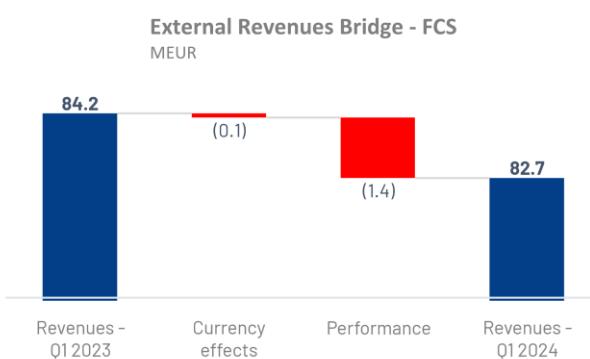
Revenues in Flow Control Systems decreased by MEUR 1.5 (-1.7%) to MEUR 82.7 compared to the first quarter of 2023, including negative currency translation effects of MEUR 0.1. This was mainly driven by the decline of the Couplings' revenues at MEUR 3.3, partially offset by the increase of the Fluid Transfer Systems at MEUR 1.8. Flow Control Systems' revenues in Europe and Americas decreased by MEUR 1.7 and MEUR 0.2, respectively, partially offset by the increase of MEUR 0.4 in Asia (incl. China).

EBIT was MEUR 4.5 in the first quarter of 2024, a decline of MEUR 3.1 (-40.9%) compared to the same quarter of last year. One-time valuation effects in relation to inventory in Q1 2023 were positive at MEUR 1.0, whereas in Q1 2024 they were negative at MEUR 2.0. Disregarding this one-time effect, FCS benefitted from a significant improvement in variable cost.

## COMMERCIAL AND OPERATIONAL UPDATE

During the first quarter 2024, total business wins amounted to MEUR 144.7 of lifetime revenues (MEUR 42.6 in annualized revenues).

Within the quarter, Flow Control Systems was awarded by a European OEM a large contract worth MEUR 105.7 in expected lifetime revenue (MEUR 21.1 in expected annual revenue) to supply metal and plastic fluid transfer assemblies used in heavy-duty truck engines.



# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
<b>Revenues</b>	<b>212.1</b>	<b>228.8</b>	<b>212.1</b>	<b>228.8</b>	<b>884.9</b>
Other income	2.8	0.3	2.8	0.3	1.5
OPEX	(197.6)	(217.1)	(197.6)	(217.1)	(846.2)
Impairment losses	0.0	0.0	0.0	0.0	(27.0)
<b>EBITDA</b>	<b>17.3</b>	<b>12.0</b>	<b>17.3</b>	<b>12.0</b>	<b>13.2</b>
in % revenues	8.2%	5.2%	8.2%	5.2%	1.5%
Depreciation and amortization	(7.2)	(8.4)	(7.2)	(8.4)	(32.9)
<b>Operating profit (loss) / EBIT</b>	<b>10.1</b>	<b>3.6</b>	<b>10.1</b>	<b>3.6</b>	<b>(19.7)</b>
in % revenues	4.8%	1.6%	4.8%	1.6%	-2.2%
Net financial items	(5.5)	(14.4)	(5.5)	(14.4)	(26.0)
<b>Profit / (loss) before taxes</b>	<b>4.6</b>	<b>(10.8)</b>	<b>4.6</b>	<b>(10.8)</b>	<b>(45.7)</b>
Income taxes	(5.0)	(6.1)	(5.0)	(6.1)	(13.4)
<b>Net profit / (loss)</b>	<b>(0.4)</b>	<b>(16.9)</b>	<b>(0.4)</b>	<b>(16.9)</b>	<b>(59.1)</b>
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on foreign operations	16.1	38.6	16.1	38.6	31.8
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on non-foreign operations	(10.3)	(35.5)	(10.3)	(35.5)	(32.3)
Remeasurement of net pension benefit obligation	0.0	0.0	0.0	0.0	(0.5)
Tax on net pension benefit obligation remeasurement	0.0	0.0	0.0	0.0	0.1
Other comprehensive income	5.8	3.1	5.8	3.1	(0.9)
<b>Total comprehensive income</b>	<b>5.4</b>	<b>(13.8)</b>	<b>5.4</b>	<b>(13.8)</b>	<b>(60.0)</b>
Net profit attributable to:					
Equity holders (parent company)	(0.4)	(17.0)	(0.4)	(17.0)	(59.5)
Non-controlling interests	0.0	0.1	0.0	0.1	0.4
<b>Total</b>	<b>(0.4)</b>	<b>(16.9)</b>	<b>(0.4)</b>	<b>(16.9)</b>	<b>(59.1)</b>
Total comprehensive income attributable to:					
Equity holders (parent company)	5.4	(13.8)	5.4	(13.8)	(60.1)
Non-controlling interests	0.0	0.0	0.0	0.0	0.1
<b>Total</b>	<b>5.4</b>	<b>(13.8)</b>	<b>5.4</b>	<b>(13.8)</b>	<b>(60.0)</b>
<b>Earnings per share (EUR):</b>					
Basic earnings per share	(0.00)	(0.02)	(0.00)	(0.02)	(0.06)
Diluted earnings per share	(0.00)	(0.02)	(0.00)	(0.02)	(0.06)

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
<i>Operating activities</i>					
Profit / (loss) before taxes	4.6	(10.8)	4.6	(10.8)	(45.7)
Depreciation	7.0	8.1	7.0	8.1	31.9
Amortization	0.2	0.3	0.2	0.3	1.0
Impairment losses	(1.1)	0.0	(1.1)	0.0	27.0
Interest income	(1.0)	(0.7)	(1.0)	(0.7)	(1.9)
Interest and other financial expenses <sup>1</sup>	4.0	4.0	4.0	4.0	16.9
Taxes paid	(1.7)	(8.8)	(1.7)	(8.8)	(14.7)
(Gain) / loss on sale of non-current assets	(0.1)	0.0	(0.1)	0.0	(0.8)
Changes in receivables	(11.7)	(16.6)	(11.7)	(16.6)	5.0
Changes in inventory	5.2	(8.5)	5.2	(8.5)	(5.0)
Changes in payables	(2.9)	8.7	(2.9)	8.7	(5.3)
Currency (gain) / loss	3.8	10.7	3.8	10.7	5.7
Difference between pension funding contributions paid / pensions paid and the net pension cost	0.0	0.0	0.0	0.0	(1.2)
Changes in other items <sup>2</sup>	(8.2)	4.0	(8.2)	4.0	8.6
<b>Cash flow - Operating activities</b>	<b>(1.9)</b>	<b>(9.6)</b>	<b>(1.9)</b>	<b>(9.6)</b>	<b>21.5</b>
<i>Investing activities</i>					
Investments	(6.0)	(6.8)	(6.0)	(6.8)	(28.5)
Sale of tangible and intangible assets	0.1	0.0	0.1	0.0	0.8
Interest received	1.1	0.7	1.1	0.7	1.2
Investments / Loans in associates/other	(0.5)	0.0	(0.5)	0.0	(2.6)
<b>Cash flow - Investing activities</b>	<b>(5.3)</b>	<b>(6.1)</b>	<b>(5.3)</b>	<b>(6.1)</b>	<b>(29.1)</b>
<i>Financing activities</i>					
Purchase of treasury shares	(2.4)	(2.5)	(2.4)	(2.5)	(3.9)
Net draw down of debt / (Repayment) of debt	0.3	0.1	0.3	0.1	(9.4)
Interest paid and other financial items	(6.5)	(6.8)	(6.5)	(6.8)	(16.6)
Repayment of lease liabilities and other	(2.3)	(2.3)	(2.3)	(2.3)	(9.8)
<b>Cash flow - Financing activities</b>	<b>(10.9)</b>	<b>(11.5)</b>	<b>(10.9)</b>	<b>(11.5)</b>	<b>(39.7)</b>
Currency and translation effects on cash flow	1.1	(6.0)	1.1	(6.0)	(0.9)
Change in cash	(17.0)	(33.2)	(17.0)	(33.2)	(48.2)
Cash as of beginning of period	164.7	212.9	164.7	212.9	212.9
<b>Cash as of end of period</b>	<b>147.7</b>	<b>179.7</b>	<b>147.7</b>	<b>179.7</b>	<b>164.7</b>
<i>Of this, restricted cash</i>	0.5	0.5	0.5	0.5	0.5

<sup>1</sup> Includes other financial items and interests on lease liabilities – See Note 5

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

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

(MEUR)	31.03.24	31.03.23	31.12.23
Intangible assets	80.2	77.5	78.3
Property, plant and equipment	116.1	131.1	115.8
Right-of-use assets	51.9	56.5	55.0
Deferred tax assets	11.7	10.5	11.4
Other non-current assets	3.9	1.5	4.1
<b>Non-current assets</b>	<b>263.8</b>	<b>277.1</b>	<b>264.6</b>
Inventories	96.3	105.0	101.5
Accounts receivable	173.2	183.1	161.5
Other short-term receivables	36.0	35.3	29.2
Cash and cash equivalents	147.7	179.7	164.7
<b>Current assets</b>	<b>453.2</b>	<b>503.1</b>	<b>456.9</b>
<b>Total assets</b>	<b>717.0</b>	<b>780.2</b>	<b>721.5</b>
Share capital	81.3	92.6	84.6
Treasury shares	(5.2)	(24.5)	(3.2)
Share premium	173.5	192.1	180.6
Other equity	(32.6)	0.1	(48.3)
Non-controlling interests	4.5	4.4	4.4
<b>Total equity</b>	<b>221.5</b>	<b>264.7</b>	<b>218.1</b>
Long-term interest-bearing liabilities	252.1	254.4	254.7
Deferred tax liabilities	23.1	22.8	21.0
Other long-term liabilities	14.0	20.0	15.7
<b>Non-current liabilities</b>	<b>289.2</b>	<b>297.2</b>	<b>291.4</b>
Bank overdraft	0.3	0.1	0.0
Current lease liabilities	10.2	9.2	10.2
Current income tax liabilities	4.3	0.8	4.2
Trade payables	113.7	130.7	116.6
Other current payables	77.8	77.5	81.0
<b>Current liabilities</b>	<b>206.3</b>	<b>218.3</b>	<b>212.0</b>
<b>Total liabilities</b>	<b>495.5</b>	<b>515.5</b>	<b>503.4</b>
<b>Total equity and liabilities</b>	<b>717.0</b>	<b>780.2</b>	<b>721.5</b>

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CHANGE IN EQUITY

(MEUR)	31.03.24	31.03.23	31.12.23
<b>Equity as of start of period</b>	<b>218.1</b>	<b>280.5</b>	<b>280.5</b>
Net profit / (loss) for the period	(0.4)	(16.9)	(59.1)
Translation differences	5.8	3.1	(0.5)
Remeasurement of the net pension benefit obligation	0.0	0.0	(0.5)
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	0.1
<b>Total comprehensive income</b>	<b>5.4</b>	<b>(13.8)</b>	<b>(60.0)</b>
Stock-based compensation	0.4	0.5	1.5
Purchase of treasury shares	(2.4)	(2.5)	(3.9)
<b>Equity as of end of period</b>	<b>221.5</b>	<b>264.7</b>	<b>218.1</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 – DISCLOSURES

### GENERAL INFORMATION

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

### BASIS OF PREPARATION

This condensed consolidated interim financial information, for the year ended March 31, 2024, has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended on December 31, 2023, which have been prepared in accordance with IFRS.

### ACCOUNTING POLICIES

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

### RISK AND UNCERTAINTIES

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

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

The single most important risk that Kongsberg Automotive is exposed to is the development of demand in the end markets for light duty and commercial vehicles worldwide. As

Kongsberg Automotive operates in many countries, Kongsberg Automotive is vulnerable to currency risk. The most significant external currency exposure is associated with the USD exchange rate. As most of the revenues are earned from automotive OEMs and automotive Tier 1 and Tier 2 customers, the financial health of these automotive companies is critical to the credit risk.

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

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 March 31, 2024, climate risk changes have not resulted in adjustments to the useful lives of long-term assets. Further, climate related risk considerations have not resulted in adjustments of the carrying amounts of assets or liabilities.

### SEASONALITY

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 2 – SEGMENT REPORTING (FIRST QUARTER 2024)

Q12024 (MEUR)	Drive Control	Flow Control	Corporate &	Total Core	Other operations	Total Group
	Systems	Systems	Other			
<b>Revenues<sup>1</sup></b>	<b>92.5</b>	<b>82.7</b>	<b>0.0</b>	<b>175.2</b>	<b>36.9</b>	<b>212.1</b>
<b>EBITDA</b>	<b>9.3</b>	<b>7.8</b>	<b>(4.8)</b>	<b>12.3</b>	<b>5.0</b>	<b>17.3</b>
Depreciation	(3.3)	(3.4)	(0.5)	(7.2)	0.0	(7.1)
Amortization	(0.1)	0.0	0.0	(0.1)	0.0	(0.2)
<b>EBIT</b>	<b>5.9</b>	<b>4.5</b>	<b>(5.3)</b>	<b>5.1</b>	<b>5.0</b>	<b>10.1</b>
<i>Timing of revenue recognition</i>						
<b>Ownership transferred at a point in time</b>	<b>92.5</b>	<b>82.7</b>	<b>0.0</b>	<b>175.2</b>	<b>36.9</b>	<b>212.1</b>
<i>Assets and liabilities</i>						
Goodwill	16.3	55.4	0.0	71.7	0.0	71.7
Other intangible assets	5.0	3.1	0.2	8.3	0.2	8.5
Property, plant and equipment	52.7	61.7	1.7	116.1	0.0	116.1
Right-of-use assets	19.0	30.8	2.1	51.9	0.0	51.9
Inventories	35.5	44.6	0.0	80.1	16.2	96.3
Trade receivables	86.5	58.7	0.0	145.2	28.0	173.2
Other assets	0.8	4.6	0.0	5.4	0.9	6.3
<b>Segment assets</b>	<b>215.8</b>	<b>258.9</b>	<b>4.0</b>	<b>478.7</b>	<b>45.3</b>	<b>524.0</b>
Unallocated assets				193.0		193.0
<b>Total assets</b>	<b>215.8</b>	<b>258.9</b>	<b>197.0</b>	<b>671.7</b>	<b>45.3</b>	<b>717.0</b>
Trade payables	42.1	41.9	1.6	85.6	28.1	113.7
Accrued expenses	17.1	13.6	6.1	36.8	22.0	58.8
Provisions	4.4	0.2	6.9	11.5	2.0	13.5
Non-current lease interest-bearing liabilities	15.6	33.8	3.7	53.1	9.5	62.6
Current lease interest-bearing liabilities	3.2	2.0	1.2	6.4	3.8	10.2
<b>Segment liabilities</b>	<b>82.4</b>	<b>91.5</b>	<b>19.5</b>	<b>193.4</b>	<b>65.4</b>	<b>258.8</b>
Unallocated liabilities				236.7		236.7
<b>Total liabilities</b>	<b>82.4</b>	<b>91.5</b>	<b>256.2</b>	<b>430.1</b>	<b>65.4</b>	<b>495.5</b>
<b>Total equity</b>			<b>221.5</b>	<b>221.5</b>		<b>221.5</b>
<b>Total equity and liabilities</b>	<b>82.4</b>	<b>91.5</b>	<b>477.7</b>	<b>651.6</b>	<b>65.4</b>	<b>717.0</b>
Capital expenditure	(3.2)	(2.8)	0.0	(6.0)	0.0	(6.0)

<sup>1</sup> For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 2 – SEGMENT REPORTING (FIRST QUARTER 2023)<sup>1</sup>

Q12023 (MEUR)	Drive Systems	Control Systems	Corporate & Other	Total Core	Other operations	Total Group
	Control Systems	Corporate & Other				
<b>Revenues<sup>2</sup></b>	<b>102.7</b>	<b>84.2</b>	<b>0.0</b>	<b>186.9</b>	<b>41.9</b>	<b>228.8</b>
<b>EBITDA</b>	<b>6.4</b>	<b>10.6</b>	<b>(5.7)</b>	<b>11.3</b>	<b>0.7</b>	<b>12.0</b>
Depreciation	(3.2)	(2.9)	(0.4)	(6.5)	(1.6)	(8.1)
Amortization	(0.1)	(0.1)	0.0	(0.2)	(0.1)	(0.3)
<b>EBIT</b>	<b>3.1</b>	<b>7.6</b>	<b>(6.1)</b>	<b>4.6</b>	<b>(1.0)</b>	<b>3.6</b>
<i>Timing of revenue recognition</i>						
<b>Ownership transferred at a point in time</b>	<b>102.7</b>	<b>84.2</b>	<b>0.0</b>	<b>186.9</b>	<b>41.9</b>	<b>228.8</b>
<i>Assets and liabilities</i>						
Goodwill	16.6	55.2	0.0	71.8	0.0	71.8
Other intangible assets	3.5	1.3	0.0	4.8	0.9	5.7
Property, plant and equipment	52.2	59.3	1.0	112.5	18.6	131.1
Right-of-use assets	20.1	23.7	3.8	47.6	8.9	56.5
Inventories	40.7	44.7	0.0	85.4	19.6	105.0
Trade receivables	84.0	57.3	1.1	142.4	40.7	183.1
Other assets	1.5	4.2	0.0	5.7	0.9	6.6
<b>Segment assets</b>	<b>218.7</b>	<b>245.7</b>	<b>5.9</b>	<b>470.3</b>	<b>89.5</b>	<b>559.8</b>
Unallocated assets			220.4	220.4		220.4
<b>Total assets</b>	<b>218.7</b>	<b>245.7</b>	<b>226.3</b>	<b>690.7</b>	<b>89.5</b>	<b>780.2</b>
Trade payables	53.0	42.7	4.7	100.4	30.3	130.7
Accrued expenses	18.2	14.4	5.7	38.3	23.9	62.2
Provisions	4.3	0.1	3.5	7.9	0.6	8.5
Non-current lease liabilities	19.0	24.4	3.0	46.4	9.9	56.3
Current lease liabilities	3.1	1.9	1.2	6.2	3.0	9.2
<b>Segment liabilities</b>	<b>97.6</b>	<b>83.5</b>	<b>18.1</b>	<b>199.2</b>	<b>67.7</b>	<b>266.9</b>
Unallocated liabilities			248.6	248.6		248.6
<b>Total liabilities</b>	<b>97.6</b>	<b>83.5</b>	<b>266.7</b>	<b>447.8</b>	<b>67.7</b>	<b>515.5</b>
<b>Total equity</b>			<b>264.7</b>	<b>264.7</b>		<b>264.7</b>
<b>Total equity and liabilities</b>	<b>97.6</b>	<b>83.5</b>	<b>531.4</b>	<b>712.5</b>	<b>67.7</b>	<b>780.2</b>
Capital expenditure	(2.5)	(3.6)	0.0	(6.1)	(0.7)	(6.8)

<sup>1</sup> Figures presented in this table were restated following the adoption of a new segment structure.

<sup>2</sup> For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly.

# 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)	YTD 2024	%	YTD 2023	%
Europe	96.7	45.6%	109.6	47.9%
Northern America	71.3	33.6%	77.9	34.0%
Southern America	12.1	5.7%	11.0	4.8%
Asia	31.0	14.6%	28.9	12.6%
Other	1.1	0.5%	1.4	0.7%
<b>Total revenues</b>	<b>212.1</b>		<b>228.8</b>	

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

(MEUR)	31.03.24	%	31.03.23	%
Europe	145.2	58.5%	148.0	55.8%
Northern America	81.3	32.8%	87.0	32.8%
Southern America	2.2	0.9%	2.8	1.1%
Asia	19.5	7.8%	27.3	10.3%
<b>Total intangible assets, PPE and RoU</b>	<b>248.2</b>		<b>265.1</b>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 4 – INTEREST-BEARING LOANS AND BORROWINGS

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

(MEUR)	31.03.24	31.03.23	31.12.23
Long-term interest-bearing loan and borrowing	190.6	200.0	190.6
IFRS 16 long-term lease liabilities	62.6	56.3	65.4
Capitalized arrangement fees	(1.1)	(1.9)	(1.3)
Current IFRS 16 long-term lease liabilities	10.2	9.2	10.2
Other current interest-bearing liabilities	0.3	0.1	0.0
<b>Total interest-bearing liabilities</b>	<b>262.6</b>	<b>263.7</b>	<b>264.9</b>

Interest-bearing liabilities by currency

(MEUR)	31.03.24	31.03.23	31.12.23
EUR	228.1	230.2	228.3
USD	10.9	9.2	11.7
Other currencies	24.7	26.2	26.2
Capitalized arrangement fees	(1.1)	(1.9)	(1.3)
<b>Total interest-bearing liabilities</b>	<b>262.6</b>	<b>263.7</b>	<b>264.9</b>

### 4.2 LIQUIDITY RESERVE

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

(MEUR)	31.03.24	31.03.23	31.12.23
Cash reserve	147.7	179.7	164.7
Restricted cash	(0.5)	(0.5)	(0.5)
Undrawn RCF facility <sup>1</sup>	30.0	50.0	30.0
Undrawn Securitization facility	25.0	25.0	25.0
<b>Liquidity reserve</b>	<b>202.2</b>	<b>254.2</b>	<b>219.2</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 5 – NET FINANCIAL ITEMS

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
Interest income	0.5	0.4	0.5	0.4	2.0
Interest expenses	(3.4)	(3.8)	(3.4)	(3.8)	(15.1)
Foreign currency gains (losses) <sup>1</sup>	(2.5)	(11.2)	(2.5)	(11.2)	(13.3)
Change in fair value of cash equivalents	0.0	0.5	0.0	0.5	2.8
Account receivables securitization – Expenses	(0.1)	(0.2)	(0.1)	(0.2)	(0.9)
Other financial items	0.0	(0.1)	0.0	(0.1)	(1.5)
<b>Net financial items</b>	<b>(5.5)</b>	<b>(14.4)</b>	<b>(5.5)</b>	<b>(14.4)</b>	<b>(26.0)</b>

<sup>1</sup> Is made up of realized currency gain of MEUR 1.3 and unrealized currency loss of MEUR 3.8 in Q1 2024 (Q1 2023: realized currency loss of MEUR 0.5 and unrealized currency loss of MEUR 10.7).

## NOTE 6 – SUBSEQUENT EVENTS

On April 26, 2024, KA issued an asset disposition offer for MEUR 36 of the company's outstanding senior secured bond, according to the requirements set forth in the bond loan agreement from 2018. The offer will expire on May 28, 2024.

# 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
- Adjusting and restructuring per segment
- Operating revenues at constant currencies
- New Business Wins
- Free cash flow
- NIBD
- Capital employed
- ROCE (last twelve months)

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

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

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

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
<b>Operating profit / EBIT</b>	<b>10.1</b>	<b>3.6</b>	<b>10.1</b>	<b>3.6</b>	<b>(19.7)</b>
Impairment losses	0.0	0.0	0.0	0.0	27.0
Other adjusting and restructuring items	1.5	0.5	1.5	0.5	16.4
<b>Adjusted EBIT</b>	<b>11.6</b>	<b>4.1</b>	<b>11.6</b>	<b>4.1</b>	<b>23.7</b>

## EBITDA/ADJUSTED EBITDA

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

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

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
<b>Operating profit / EBIT</b>	<b>10.1</b>	<b>3.6</b>	<b>10.1</b>	<b>3.6</b>	<b>(19.7)</b>
Depreciation	7.0	8.1	7.0	8.1	31.9
Amortization	0.2	0.3	0.2	0.3	1.0
<b>EBITDA</b>	<b>17.3</b>	<b>12.0</b>	<b>17.3</b>	<b>12.0</b>	<b>13.2</b>
Impairment losses	0.0	0.0	0.0	0.0	27.0
Other adjusting and restructuring items	1.5	0.5	1.5	0.5	16.4
<b>Adjusted EBITDA</b>	<b>18.8</b>	<b>12.5</b>	<b>18.8</b>	<b>12.5</b>	<b>56.6</b>

# ALTERNATIVE PERFORMANCE MEASURES (APM)

## ADJUSTING AND RESTRUCTURING ITEMS PER SEGMENT

(MEUR)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
Drive Control Systems	0.3	0.2	0.3	0.2	1.3
Flow Control Systems	0.0	0.0	0.0	0.0	0.6
Corporate & Other	0.3	0.2	0.3	0.2	7.2
Other operations (Driveline excl. Electronic Actuators)	0.9	0.1	0.9	0.1	7.3
<b>Adjusting and restructuring items Total</b>	<b>1.5</b>	<b>0.5</b>	<b>1.5</b>	<b>0.5</b>	<b>16.4</b>

## 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).

### Q1 2024

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
<b>Operating revenues (incl. currency effects)</b>	<b>92.5</b>	<b>82.7</b>	<b>36.9</b>	<b>212.1</b>
Currency translation effects	(1.1)	(0.1)	(0.4)	(1.6)
<b>Operating revenues (excl. currency effects)</b>	<b>93.6</b>	<b>82.8</b>	<b>37.3</b>	<b>213.7</b>

### Q1 2023

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
<b>Operating revenues (incl. currency effects)</b>	<b>102.7</b>	<b>84.2</b>	<b>41.9</b>	<b>228.8</b>
Currency translation effects	(1.8)	(1.3)	0.4	(2.7)
<b>Operating revenues (excl. currency effects)</b>	<b>104.5</b>	<b>85.5</b>	<b>41.5</b>	<b>231.5</b>

## NEW BUSINESS WINS

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

### Q1 2024

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
<b>Annualized New Business Wins</b>	79.2	42.6	4.4	<b>126.2</b>
<b>Lifetime New Business Wins</b>	282.8	144.7	22.5	<b>450.0</b>

### Q1 2023

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
<b>Annualized New Business Wins</b>	20.1	22.0	29.2	<b>71.3</b>
<b>Lifetime New Business Wins</b>	41.3	61.9	94.9	<b>198.0</b>

# ALTERNATIVE PERFORMANCE MEASURES (APM)

## 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)	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2023
Cash flow - Operating activities	(1.9)	(9.6)	(1.9)	(9.6)	21.5
Cash flow - Investing activities	(5.3)	(6.1)	(5.3)	(6.1)	(29.1)
Cash flow - Financing activities	(10.9)	(11.5)	(10.9)	(11.5)	(39.7)
Currency and translation effects on cash flow	1.1	(6.0)	1.1	(6.0)	(0.9)
<i>Add back / less:</i>					
Purchase of treasury shares	2.4	2.5	2.4	2.5	3.9
Repurchase of own bond notes / (Net draw-down of debt)	(0.3)	(0.1)	(0.3)	(0.1)	9.4
<b>Free Cash Flow</b>	<b>(14.9)</b>	<b>(30.8)</b>	<b>(14.9)</b>	<b>(30.8)</b>	<b>(34.9)</b>

## 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)	31.03.24	31.03.23	31.12.23
Long-term interest-bearing liabilities	252.1	254.4	254.7
Other short-term interest-bearing liabilities	10.5	9.3	10.2
Cash and cash equivalents	(147.7)	(179.7)	(164.7)
<b>Net Interest Bearing Debt</b>	<b>114.9</b>	<b>84.0</b>	<b>100.2</b>

## 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)	31.03.24	31.03.23*	31.12.23*
Intangible assets	80.2	77.5	78.3
Property, plant and equipment	116.1	131.1	115.8
Right-of-use assets	51.9	56.5	55.0
Net working capital (Inventories and Trade Receivables less Trade Payables)	155.8	157.4	146.4
IFRS 16 lease liabilities (long-term and short-term)	(72.8)	(65.5)	(75.6)
<b>Capital Employed</b>	<b>331.2</b>	<b>357.0</b>	<b>319.9</b>

\* Adjusted to align with the updated capital employed definition starting Q1 2024

## ALTERNATIVE PERFORMANCE MEASURES (APM)

### 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)		Q12024		Q12023*	FY 2023*
Capital employed beginning <sup>1</sup>	01.04.2023	357.0	01.04.2022	439.2	344.4
Capital employed at end <sup>2</sup>	31.03.2024	331.2	31.03.2023	357.0	319.9
EBIT (LTM) <sup>3</sup>		(13.3)		58.4	(19.8)
<b>ROCE <math>(3 / (1+2)) * 200\%</math></b>		<b>-3.9%</b>		<b>14.7%</b>	<b>-5.9%</b>

\* Adjusted to align with the updated capital employed definition and transition from adjusted EBIT to EBIT starting Q1 2024

# OTHER COMPANY INFORMATION

## THE BOARD OF DIRECTORS

Peter Thostrup	Chairman
Emese Weissenbacher	Shareholder elected
Erik Volden	Shareholder elected
Junyang (Jenny) Shao	Shareholder elected
Brian Kristoffersen	Shareholder elected
Siw Reidun Wærås	Employee elected
Bjørn Ivan Ødegård	Employee elected
Knut Magne Alfsvåg	Employee elected

## EXECUTIVE COMMITTEE

Linda Nyquist-Evenrud	President & CEO
Dr. Christian Amsel	Executive Vice President & CTO
Frank Heffter	Executive Vice President & CFO
David Redfearn	Executive Vice President & CSO
Oscar Jaeger	Executive Vice President & CHRO
Robert Pigg	Executive Vice President, Drive Control Systems (effective from 01.01.2024)
Eduardo Pamies	Executive Vice President, Flow Control Systems (effective from 01.03.2024)
Dzeki Mackinovski	Executive Vice President, Purchasing
Jon Munthe	General Counsel
Henrik Ruud	Executive Vice President, Information Systems and Technology

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## FINANCIAL CALENDAR

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

2 <sup>nd</sup> quarter 2024	August 07, 2024
3 <sup>rd</sup> quarter 2024	November 05, 2024

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