

SECOND QUARTER REPORT

2022



KONGSBERG
AUTOMOTIVE

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SECOND QUARTER 2022 AT GLANCE

- > Revenue from continuing operation amounted to **MEUR 225.6** in Q2 2022, MEUR 10.2 (+4.7%) higher than last year's second quarter, including positive currency translation effects of MEUR 13.2. This was equally driven by both segments, Specialty Products and Powertrain & Chassis.
- > Adjusted EBIT amounted to **MEUR 4.0**, which was MEUR 8.9 lower than in Q2 2021. This significant decline in profitability was mainly driven by the abnormally high costs of raw materials, electronic components and freight caused by the semiconductor supply-chain bottlenecks and by the higher inflation rates in most of countries KA's Group companies operate. Price increases to customers are increasingly offsetting these effects.
- > Lifetime revenues business wins in the second quarter 2022 amounted to **MEUR 167.9** (MEUR 54.4 in annualized revenue).
- > On April 6, 2022, Kongsberg Automotive has successfully completed the sale of its Light Duty Cable (LDC) business unit to Suprajit Engineering Limited for an enterprise value of MEUR 37.7. The Q2 2022 net profit from discontinued operation of MEUR 3.4 contains the initial net profit on this transaction of MEUR 0.4.
- > In Q2 2022 the Board of Directors of Kongsberg Automotive has agreed to sell part of the Off-Highway business to BRP. Thus, the relevant assets and liabilities are classified as held for sale as of June 30, 2022.

KEY FIGURES

(MEUR)	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Revenues	225.6	215.4	444.4	433.0	831.4
EBITDA	10.6	20.5	26.9	49.4	79.6
<i>in % revenues</i>	4.7%	9.5%	6.0%	11.4%	9.6%
Adjusted EBIT¹	4.0	12.9	11.6	34.3	50.7
<i>in % revenues</i>	1.8%	6.0%	2.6%	7.9%	6.1%
Operating profit / EBIT	2.0	13.0	10.0	34.3	47.5
<i>in % revenues</i>	0.9%	6.0%	2.2%	7.9%	5.7%
Net profit / (loss) from continuing operation	(2.8)	7.3	(0.9)	24.7	28.5
Net profit / (loss) from discontinued operation	3.3	(8.7)	17.8	(11.0)	(23.0)
Net profit / (loss)	0.5	(1.4)	16.9	13.7	5.5
NIBD / Adjusted EBITDA (LTM) ²	2.0	2.7	2.0	2.7	3.8
<i>excluding IFRS 16</i>	1.1	2.1	1.1	2.1	3.3
Equity ratio ³	35.6%	28.1%	35.6%	28.1%	27.0%
<i>excluding IFRS 16</i>	39.0%	31.4%	39.0%	31.4%	30.4%

¹ adjusted for restructuring costs and impairment losses (see APM section)

² includes all items classified as discontinued business and assets and liabilities held for sale as of December 31, 2021

³ includes assets and liabilities held for sale as of June 30, 2022, and December 31, 2021

- > The adjusted gearing ratio (NIBD/adj. EBITDA) on LTM basis for continuing operations improved to 2.0 compared to 2.7 in Q2 2021. This is due to the proceeds received from the divestures amounting to MEUR 204.0.
- > The equity ratio increased from 28.1% as of June 30, 2021, to 35.6% as of the end of the second quarter of 2022. This was caused by the ICS and LDC sale as well as the subsequent redemption of bond notes at MEUR 75.0 and repayment of RCF at MEUR 20.0.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS (CONTINUING OPERATION)

(MEUR)	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Revenues	225.6	215.4	444.4	433.0	831.4
OPEX	(215.0)	(194.9)	(417.5)	(383.5)	(751.9)
EBITDA	10.6	20.5	26.9	49.5	79.6
<i>in % revenues</i>	4.7%	9.5%	6.0%	11.4%	9.6%
Depreciation and amortization	(8.6)	(7.5)	(16.9)	(15.2)	(32.1)
Operating profit / EBIT	2.0	13.0	10.0	34.3	47.5
<i>in % revenues</i>	0.9%	6.0%	2.2%	7.9%	5.7%
Adjusted EBIT¹	4.0	12.9	11.6	34.4	50.7
<i>in % revenues</i>	1.8%	6.0%	2.6%	7.9%	6.1%
Net financial items	(5.6)	(6.4)	(9.2)	(3.8)	(9.5)
Profit / (loss) before taxes	(3.6)	6.6	0.8	30.5	38.0
Income taxes	0.8	0.7	(1.7)	(5.8)	(9.5)
Net profit / (loss) from continuing operations	(2.8)	7.3	(0.9)	24.7	28.5

¹ See APM section for the reconciliation

REVENUES

Group revenues from continuing operations amounted to MEUR 225.6 in the second quarter of 2022, being higher than the revenues in the second quarter of 2021 by MEUR 10.2 (+4.7%), including positive currency translation effects of MEUR 13.2. The decrease at constant currencies is attributable to both, the passenger car, and commercial vehicles market.

Revenues generated in the passenger car market amounted to MEUR 51.8, respectively MEUR 47.7 at constant currencies, a decrease of MEUR 4.9 (-9.3%) compared to Q2 2021. The highest decline was reported in China, where revenues decreased by MEUR 4.7 (-20.2%) to MEUR 20.4, and in Europe, where revenues declined by MEUR 3.6 (-21.2%) to MEUR 13.1. The overall market in these regions shrank by 5.9% and 4.9%, respectively. Revenues in North America amounted to MEUR 17.6, MEUR 3.0 (+24.3%) higher compared to Q2 2021 at constant currency, whereas the market in North America grew by 11.7%.

The revenues in the commercial vehicles market amounted to MEUR 90.4, respectively MEUR 86.7 at constant currencies, which was lower by MEUR 0.8 (-0.9%) than in Q2 2021. In Europe the revenues were MEUR 55.6 (despite negative translation effects of MEUR 0.2), exceeding the revenues of Q2 2021 by MEUR 7.5 (+15.6%) at constant currencies. Kongsberg Automotive was able to significantly outperform the market in this region which decreased by 15.2%. Whilst revenues in Asia (including China) decreased by MEUR 4.4 (-34.0%) compared to Q2 2021 at constant currencies, Kongsberg Automotive was still above the market which shrank by 44.0% compared to Q2 2021.

The revenues generated in other markets amounted to MEUR 83.4 in Q2 2022, including positive translation effects of MEUR 5.5, compared to MEUR 75.3 in Q2 2021.

ADJUSTED EBIT / EBIT

Adjusted EBIT from continuing operations was MEUR 4.0 in the second quarter 2022, lower by MEUR 8.9 than in Q2 2021. The overall positive operational performance was generally stable but still notably offset by rapidly increasing raw material costs (resin, brass, and steel), electronic components and associated freight costs resulting directly from the significant disruptions in the supply chain throughout the automotive sector and indirectly from the consequences of the war in Ukraine in higher inflation rates worldwide.

Operating profit in Q2 2022 amounted to MEUR 2.0, compared to the operating profit of MEUR 13.0 in Q2 2021.

NET FINANCIAL ITEMS

Net financial items came to an expense of MEUR 5.6 in the second quarter of 2022, compared to an expense of MEUR 6.4 in the same period in 2021. This change was mainly driven by the higher foreign exchange losses in Q2 2022 than in Q2 2021, offset by the lower interest expenses due to the partial repayment of the bond notes in March 2022 (see Note 5).

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

Loss before taxes amounted to MEUR 3.6 in the second quarter of 2022, compared to the profit before taxes of MEUR 6.6 in the same quarter of 2021. Net loss amounted to MEUR 2.8 in Q2 2022, compared to the net profit of MEUR 7.3 in Q2 2021. The effective tax rate was 25%.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION - CASH FLOW

(MEUR)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Operating activities (Continuing operations)	8.1	27.7	7.1	38.5	56.7
Operating activities (Discontinued operation)	(0.4)	(4.7)	34.2	0.9	(20.6)
Cash flow - Operating activities	7.7	23.0	41.3	39.4	36.1
Investing activities (Continuing operations)	(5.0)	(7.2)	(9.1)	(11.0)	(26.7)
Investing activities (Discontinued operation)	34.9	(2.2)	162.8	(4.4)	(16.6)
Cash flow - Investing activities	29.9	(9.4)	153.7	(15.4)	(43.2)
Financing activities (Continuing operations)	(8.8)	(3.2)	(117.1)	(14.6)	(11.1)
Financing activities (Discontinued operation)	0.0	(2.0)	(1.8)	(4.0)	(9.1)
Cash flow - Financing activities	(8.8)	(5.2)	(118.9)	(18.6)	(20.3)
Currency and translation effects on cash flow	4.6	(4.5)	9.7	2.3	18.3
Change in cash	33.4	3.9	85.8	7.8	(9.1)
Cash as of beginning of period	110.7	71.3	58.3	67.4	67.4
Cash as of end of period	144.1	75.2	144.1	75.2	58.3

CASH FLOW FROM (USED BY) OPERATING ACTIVITIES

Cash flow from operating activities amounted to MEUR 7.7 in Q2 2022, compared to MEUR 23.0 in Q2 2021. This included a negative change in net working capital of MEUR 9.7 in Q2 2022, compared to a positive change of MEUR 3.1 in Q2 2021.

CASH FLOW FROM (USED BY) INVESTING ACTIVITIES

Cash flow from investing activities was at MEUR 29.9 in the second quarter of 2022, compared to cash flow used by the investing activities of MEUR 9.4 in Q2 2021. The difference results from the net proceeds of MEUR 34.9 received from the sale of subsidiaries, relating to the LDC sale to Suprajit Engineering Limited.

CASH FLOW USED BY FINANCING ACTIVITIES

Cash flow used by financing activities was MEUR 8.8 in the second quarter of 2022, compared to MEUR 5.2 in the same quarter last year. The difference was mainly driven by the purchase of treasury shares of MEUR 4.2, offset by the lower repayment of lease liabilities and payments for interests on lease liabilities in comparison to Q2 2021.

The repayment of lease liabilities amounted to MEUR 2.1 in Q2 2022 versus MEUR 3.3 in Q2 2021. Total payment for interests on lease liabilities was at MEUR 0.9.

CHANGE IN CASH

The change in cash in the first six months of 2022 for the whole Group amounted to MEUR 85.8 compared to the balance as of December 31, 2021. The cash position was MEUR 144.1 at the end of the quarter.

LIQUIDITY RESERVE

The liquidity reserve was MEUR 218.7 (excluding the restricted cash of MEUR 0.5) at the end of the second quarter, compared to MEUR 140.9 as of December 31, 2021. The unutilized RCF as of June 30, 2022, amounted to MEUR 50.0. During the second quarter of 2022 the unutilized Securitization facility was reduced to MEUR 25.0.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	30.06.22	30.06.21	31.12.21
Non-current assets	321.8	456.3	332.1
Cash and cash equivalents	144.1	75.2	51.3
Other current assets	326.2	417.0	363.2
Assets held for sale	41.3	0.0	238.2
Total assets	833.4	948.5	984.8
Equity	297.0	266.4	265.5
Interest-bearing liabilities	269.6	372.4	367.1
Other liabilities	263.4	309.6	281.4
Liabilities directly associated with the assets held for sale	3.4	0.0	70.8
Total equity and liabilities	833.4	948.5	984.8
NIBD ¹	125.5	297.3	316.4
Equity ratio ²	35.6%	28.1%	27.0%

¹ excludes assets and liabilities held for sale as of December 31, 2021

² includes assets and liabilities held for sale as of June 30, 2022, and December 31, 2021

ASSETS

Total assets were MEUR 833.4 at the end of the second quarter, of which MEUR 41.3 were related to the divestment of part of the OFH-business and thus classified as Assets held for sale. The decrease of the asset held for sale is due to the completion of the sale of ICS business to Lear on February 28, 2022, and the sale of LDC business to Suprajit Engineering Limited on April 6, 2022. Assets and liabilities held for sale as of June 30, 2022, related to the envisaged sale of part of the Off-Highway business to BRP.

EQUITY

Equity as of June 30, 2022, increased by MEUR 31.5 (+11.8%) to MEUR 297.0 in comparison with December 31, 2021.

During the second quarter of 2022, the net profit of MEUR 0.5 and other comprehensive income of MEUR 13.8 resulted in total comprehensive income of MEUR 14.3. The share-based compensation of MEUR 0.7 contributed to the change of the equity as of June 30, 2022. In addition, the Share Buy-back program initiated in May 2022 led to an increase of treasury shares in the amount of MEUR 4.2.

INTEREST BEARING LIABILITIES

Total interest-bearing liabilities amounted to MEUR 269.6 consisting mainly of the issued bond of MEUR 200.0 (MEUR 197.5 after netted with the capitalized fees of MEUR 2.5) and IFRS 16 lease interest-bearing liabilities of MEUR 72.4.

As of June 30, 2022, long-term interest-bearing debt amounted to MEUR 260.5.

NET INTEREST BEARING DEBT

At the end of the second quarter 2022, net interest-bearing debt amounted to MEUR 125.5, a decrease of MEUR 190.9 compared to year-end 2021, driven by the receipt of the proceeds from the ICS and LDC sale transactions of MEUR 165.9 and MEUR 38.1, respectively. In Q1 2022 these proceeds were subsequently used to partially repay the bond notes of MEUR 75.0 and to repay the drawn Revolving Credit Facility of MEUR 20.0.

POWERTRAIN & CHASSIS

SEGMENT REPORTING

Powertrain & Chassis is a global Tier 1 supplier of driver control and driveline products into the passenger and commercial vehicle automotive markets. The portfolio includes custom-engineered cable controls and complete shift systems, clutch actuation systems, vehicle dynamics, shift cables and shift towers for transmissions.

Powertrain & Chassis serves the passenger car and the commercial vehicle markets, with particularly strong positions in Europe and the Americas. With a global footprint, Powertrain & Chassis can support customers worldwide. Key customers include Ford, General Motors, Stellantis, Volvo, Scania, DAF, John Deere, Renault-Nissan and Geely.

KEY FIGURES

(MEUR)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Revenues	114.2	109.6	225.0	219.5	429.9
Adjusted EBITDA	6.1	10.6	14.9	22.1	42.8
<i>in % revenues</i>	<i>5.3%</i>	<i>9.7%</i>	<i>6.6%</i>	<i>10.1%</i>	<i>10.0%</i>
Adjusted EBIT	1.5	6.4	6.0	14.0	25.2
<i>in % revenues</i>	<i>1.3%</i>	<i>5.9%</i>	<i>2.7%</i>	<i>6.4%</i>	<i>5.9%</i>
Restructuring	(0.7)	0.0	(0.1)	0.0	(0.4)
Operating profit / EBIT	0.9	6.4	5.8	14.0	24.8
<i>in % revenues</i>	<i>0.8%</i>	<i>5.9%</i>	<i>2.6%</i>	<i>6.4%</i>	<i>5.8%</i>
Investments	(3.1)	(2.4)	(4.6)	(4.4)	(10.3)
Capital employed ¹	189.0	192.6	189.0	192.6	196.0

¹ Includes PP&E, intangible assets, inventories, trade receivables and trade payables

FINANCIAL UPDATE

Revenues in Powertrain & Chassis increased by MEUR 4.6 (+4.2%) to MEUR 114.2 in the second quarter 2022 compared to the same quarter in 2021, including positive currency translation effects of MEUR 7.0. On a constant currency basis, revenues in Q2 2022 decreased by MEUR 2.3 compared to Q2 2021, which was mainly driven by decreases in the European and Chinese passenger car markets of MEUR 3.6 and MEUR 4.7, respectively, and the decline in the commercial vehicles end market in the United States of MEUR 4.5. This was partially offset by the increase of revenues in the passenger car end market in Americas and in the commercial vehicles end market in Europe, which grew by MEUR 3.0 and MEUR 4.9, respectively. Furthermore, in Q2 2022 the Headrest business in Sweden, which had previously been part of the Interior segment, became a part of the Powertrain & Chassis segment. It contributed the additional revenues of MEUR 3.9 in Q2 2022 to the total revenues of the segment.

Adjusted EBIT was MEUR 1.5 in the second quarter 2022, a significant decline of MEUR 4.9 (-76.6%) compared to the

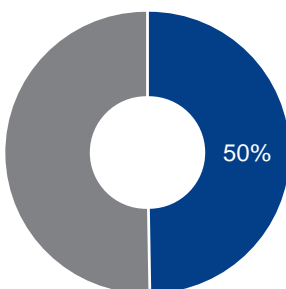
adjusted EBIT in Q2 last year. This was mainly driven by the highly detrimental material shortages of electronic components, resin, and steel as well as the continuing high costs of raw materials. However, this negative impact was partially mitigated by the successful implementation of the Shift Gear measures.

COMMERCIAL AND OPERATIONAL UPDATE

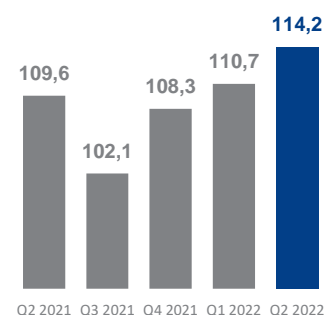
Business wins amounted to MEUR 114.2 of lifetime revenues (MEUR 28.6 in annualized revenues) in the second quarter of 2022.

Within the quarter, Powertrain & Chassis was awarded two significant contracts: one to supply head restrains to a Chinese automobile manufacturer (MEUR 42.5 in expected lifetime revenue and MEUR 6.1 in expected annualized revenue) and one to supply Gear Shift Systems to a German automobile manufacturer (MEUR 18.1 in expected lifetime revenue and MEUR 2.6 in expected annualized revenue).

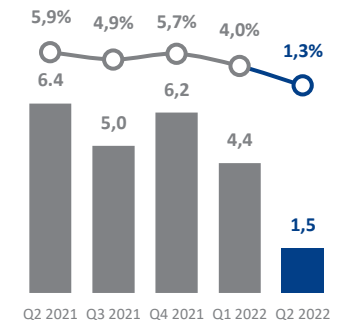
Group revenue share
Q2 2022



Revenues
MEUR



Adjusted EBIT
MEUR and in % revenues



SPECIALTY PRODUCTS

SEGMENT REPORTING

Specialty Products designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, couplings systems for compressed-air circuits in heavy-duty vehicles, operator control systems for power sports construction, agriculture, outdoor power equipment and power electronics-based products.

Key customers include Volvo Trucks/Group, Scania, Navistar, Paccar/DAF, Ford, Jaguar Land Rover, Club Car, John Deere, CAT, Husqvarna, CNH, BRP and several Tier 1 customers in addition to an industrial customer base.

KEY FIGURES

(MEUR)	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Revenues	113.3	103.7	219.3	208.9	393.2
Adjusted EBITDA	14.3	16.8	26.8	38.6	61.1
<i>in % revenues</i>	12.6%	16.2%	12.2%	18.5%	15.5%
Adjusted EBIT	10.6	13.4	19.7	32.3	48.4
<i>in % revenues</i>	9.3%	12.9%	9.0%	15.4%	12.3%
Restructuring	(0.2)	0.0	(0.2)	0.0	0.0
Operating profit / EBIT	10.4	13.4	19.5	32.3	48.4
<i>in % revenues</i>	9.1%	12.9%	8.9%	15.4%	12.3%
Investments	(2.1)	(4.4)	(4.8)	(6.5)	(16.5)
Capital employed ¹	242.5	202.5	242.5	202.5	217.1

¹ Includes PP&E, intangible assets, inventories, trade receivables and trade payables

FINANCIAL UPDATE

Excluding the divested part of the Off-Highway business, revenues in Specialty Products increased by MEUR 9.6 (+9.3%) to MEUR 113.3 compared to the second quarter of 2021, including positive currency translation effects of MEUR 6.2. On the constant currency basis, revenues of the Off-Highway business declined by MEUR 1.5 compared to Q2 2021, which was offset by the increase of the Fluid Transfer Systems' revenues of MEUR 4.3 versus the second quarter of previous year. Revenues of the Couplings business remained stable.

Adjusted EBIT was MEUR 10.6 in the second quarter of 2022, a decrease of MEUR 2.8 (-20.9%) compared to the same quarter of last year. Adjusted EBIT declined mainly due to the

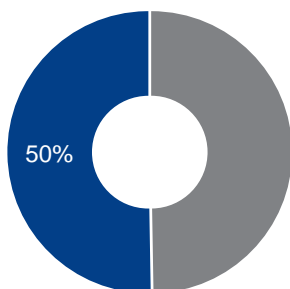
disproportional increase in costs related to impacts of the electronic components supply chain crisis and higher raw material cost.

COMMERCIAL AND OPERATIONAL UPDATE

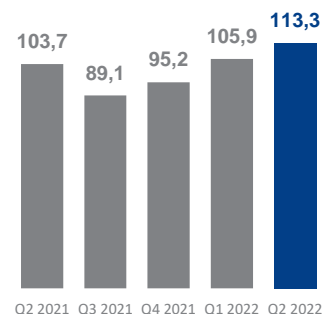
During the second quarter 2022, total business wins amounted to MEUR 53.7 of lifetime revenues (MEUR 25.8 in annualized revenues).

Within the quarter, Fluid Transfer Systems (FTS) has secured a contract with a Swedish automobile manufacturer that totals MEUR 2.6 in expected annualized revenue and MEUR 15.3 in expected lifetime revenue.

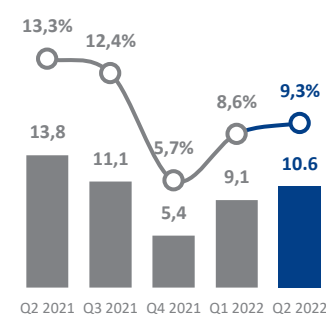
Group revenue share
Q2 2022



Revenues
MEUR



Adjusted EBIT
MEUR and in % revenues



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Revenues	225.6	215.4	444.4	433.0	831.4
OPEX	(215.0)	(194.9)	(417.5)	(383.6)	(751.9)
EBITDA	10.6	20.5	26.9	49.4	79.6
<i>in % revenues</i>	4.7%	9.5%	6.0%	11.4%	9.6%
Depreciation and amortization	(8.6)	(7.5)	(16.9)	(15.1)	(32.1)
Operating profit / EBIT	2.0	13.0	10.0	34.3	47.5
<i>in % revenues</i>	0.9%	6.0%	2.2%	7.9%	5.7%
Adjusted EBIT¹	4.0	12.9	11.6	34.4	50.7
<i>in % revenues</i>	1.8%	6.0%	2.6%	7.9%	6.1%
Net financial items	(5.6)	(6.4)	(9.2)	(3.8)	(9.5)
Profit / (loss) before taxes	(3.6)	6.6	0.8	30.5	38.0
Income taxes	0.8	0.7	(1.7)	(5.8)	(9.5)
Net profit / (loss) from continuing operations	(2.8)	7.3	(0.9)	24.7	28.5
Discontinued operation					
Net profit / (loss) from discontinued operation	3.3	(8.7)	17.8	(11.0)	(23.0)
Net profit / (loss)	0.5	(1.4)	16.9	13.7	5.5
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on foreign operations	44.0	11.6	34.8	(9.2)	(7.5)
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on non-foreign operations	(30.2)	(9.9)	(16.8)	15.6	20.9
Remeasurement of net pension benefit obligation	0.0	0.0	0.0	0.0	0.2
Tax on net pension benefit obligation remeasurement	0.0	0.0	0.0	0.0	0.0
Other comprehensive income	13.8	1.7	18.0	6.4	13.6
Total comprehensive income	14.3	0.3	34.9	20.1	19.1
Net profit attributable to:					
Equity holders (parent company)	0.5	(1.6)	16.8	13.3	5.1
Non-controlling interests	0.0	0.2	0.1	0.4	0.4
Total	0.5	(1.4)	16.9	13.7	5.5
Total comprehensive income attributable to:					
Equity holders (parent company)	14.3	(0.1)	34.8	19.6	18.3
Non-controlling interests	0.0	0.4	0.1	0.6	0.8
Total	14.3	0.3	34.9	20.1	19.1
Earnings per share (EUR):					
Basic earnings per share	0.00	(0.00)	0.02	0.01	0.00
Diluted earnings per share	0.00	(0.00)	0.02	0.01	0.00
Earnings per share (EUR) - Continuing operation:					
Basic earnings per share	(0.00)	0.01	(0.00)	0.02	0.03
Diluted earnings per share	(0.00)	0.01	(0.00)	0.02	0.03

¹ Adjusted for restructuring costs, see APM section for the reconciliation

Restatement relates entirely to the requirement of IFRS 5 to present the discontinued operation separately from the continuing operation in the comparative periods.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(MEUR)	30.06.22	30.06.21	31.12.21
Intangible assets	80.2	94.3	90.0
Property, plant and equipment	133.2	232.9	140.7
Right-of-use assets	64.0	90.0	66.6
Deferred tax assets	41.3	27.8	31.3
Other non-current assets	3.1	11.3	3.5
Non-current assets	321.8	456.3	332.1
Inventories	102.1	116.0	94.1
Accounts receivable	188.2	246.9	229.6
Other short-term receivables	35.9	54.0	39.5
Cash and cash equivalents	144.1	75.2	51.3
Assets held for sale	41.3	0.0	238.2
Current assets	511.6	492.1	652.7
Total assets	833.4	948.5	984.8
Share capital	100.3	105.3	105.6
Share premium reserve	207.9	218.0	217.8
Other equity	(15.7)	(61.3)	(62.1)
Non-controlling interests	4.5	4.4	4.2
Total equity	297.0	266.4	265.5
Long-term interest-bearing liabilities	260.5	358.2	338.7
Deferred tax liabilities	26.3	16.0	27.0
Other long-term liabilities	20.0	21.1	20.0
Non-current liabilities	306.8	395.3	385.7
Bank overdraft	0.0	0.0	0.6
Other current interest-bearing liabilities	0.0	0.0	20.0
Current lease liabilities	9.1	14.2	8.4
Current income tax liabilities	6.2	4.3	4.2
Trade and other payables	210.9	268.3	229.6
Liabilities directly associated with the assets held for sale	3.4	0.0	70.8
Current liabilities	229.6	286.8	333.6
Total liabilities	536.4	682.1	719.3
Total equity and liabilities	833.4	948.5	984.8

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGE IN EQUITY

<i>(MEUR)</i>	30.06.22	30.06.21	31.12.21
Equity as of start of period	265.5	245.5	245.5
Net profit / (loss) for the period	16.9	13.7	5.5
Translation differences	18.0	6.4	13.4
Remeasurement of the net pension benefit obligation	0.0	0.0	0.2
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	0.0
Total comprehensive income	34.9	20.1	19.1
Stock-based compensation	0.8	0.7	1.7
Purchase of treasury shares	(4.2)	0.0	0.0
Dividends allocated or paid	0.0	0.0	(0.7)
Equity as of end of period	297.0	266.4	265.5

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(MEUR)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
<i>Operating activities</i>					
Profit / (loss) before taxes	(1.8)	(1.6)	22.4	20.3	12.6
Depreciation & Write-off of tangible assets	8.0	11.5	16.6	22.6	43.8
Amortization & Write-off of intangible assets	0.6	0.6	1.3	1.2	2.9
Interest income	(0.2)	0.0	(0.4)	(0.1)	(0.2)
Interest and other financial expenses ¹	4.3	5.7	12.8	11.5	24.1
Taxes paid	(1.8)	(9.0)	(5.1)	(7.6)	(8.3)
(Gain) / loss on sale of non-current assets	(1.4)	0.4	(28.0)	0.4	0.6
Changes in receivables	28.5	17.3	40.0	(9.0)	(8.0)
Changes in inventory	(14.2)	(13.4)	(4.2)	(27.1)	(41.7)
Changes in payables	(24.0)	(0.8)	(23.4)	18.3	13.7
Currency (gain) / loss	3.4	3.9	(0.9)	(2.2)	(11.4)
Difference between pension funding contributions paid/pensions paid and the net pension cost	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)
Changes in other items ²	6.4	8.3	10.3	11.3	8.2
Cash flow - Operating activities	7.7	23.0	41.3	39.4	36.1
<i>Investing activities</i>					
Investments	(5.2)	(9.4)	(11.9)	(15.6)	(43.7)
Sale of tangible and intangible assets	0.0	0.1	126.0	0.2	0.3
Interest received	0.2	0.0	0.4	0.1	0.2
Net proceeds from sale of subsidiaries	34.9	0.0	39.2	0.0	0.0
Cash flow - Investing activities	29.9	(9.4)	153.7	(15.4)	(43.2)
<i>Financing activities</i>					
Proceeds from increases in equity	0.0	0.0	0.0	(0.0)	0.0
Sale/purchase of treasury shares	(4.2)	0.0	(4.2)	0.0	0.0
Net draw down of debt	(0.9)	(0.1)	(98.5)	(1.0)	18.1
Interest paid and other financial items	(1.5)	(1.8)	(10.9)	(11.0)	(23.4)
Repayment of lease liabilities and other	(2.2)	(3.3)	(5.2)	(6.6)	(15.0)
Cash flow - Financing activities	(8.8)	(5.2)	(118.9)	(18.6)	(20.3)
Currency and translation effects on cash flow	4.6	(4.5)	9.7	2.3	18.3
Change in cash	33.4	3.9	85.8	7.8	(9.1)
Cash as of beginning of period	110.7	71.3	58.3	67.4	67.4
Cash as of end of period	144.1	75.2	144.1	75.2	58.3
<i>Of this, restricted cash</i>	<i>0.5</i>	<i>0.4</i>	<i>0.5</i>	<i>0.4</i>	<i>0.5</i>

¹ Includes Other financial items and the repayment of lease liabilities – See Note 5

² 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

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 six months ended June 30, 2022, 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 December 31, 2021, 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 December 31, 2021, 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

In particular due to the Covid-19 pandemic, 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.

Furthermore, due to the geopolitical risks, especially in relation to the war in Ukraine, 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.

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 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.

In 2021 and the first half of 2022, the Company’s business operations were significantly impacted by the disruption of global supply chains and in particular the supply bottlenecks for electronic components in the aftermath of the COVID-19 pandemic. It requires effective management as this had an adverse impact on business, financial condition, results of operations or cash flows. This has created the need to adapt to new challenges by the creation of new programs that allow to mitigate the negative operational and financial consequences of such disruptions.

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 (SECOND QUARTER 2022)

Q2 2022 (MEUR)	Interior ⁴	Powertrain & Chassis	Speciality Products	Other ¹	Total Group
Revenues²	(1.3)	114.2	113.3	0.1	226.4
Revenues from discontinued operation	0.8	0.0	0.0	0.0	0.8
Revenues from continuing operations	(2.1)	114.2	113.3	0.1	225.6
thereof:					
Reallocation of Q1 2022 revenues to Powertrain & Chassis ⁵	(2.1)	2.1	0.0	0.0	0.0
Adjusted EBITDA	0.6	6.1	14.3	(7.1)	13.8
Depreciation ³	0.0	(4.1)	(3.5)	(0.4)	(8.0)
Amortization ³	0.0	(0.4)	(0.2)	(0.0)	(0.6)
Adjusted EBIT	0.6	1.5	10.6	(7.5)	5.2
Adjusted EBIT from discontinued operation	1.3	0.0	0.8	(0.0)	1.1
Adjusted EBIT from continuing operations	(0.7)	1.5	9.8	(7.5)	4.1
<i>Timing of revenue recognition</i>					
Ownership transferred at a point in time	(2.1)	114.2	113.3	0.1	225.6
<i>Assets and liabilities</i>					
Goodwill	0.0	17.1	57.2	0.0	74.3
Other intangible assets	0.0	4.9	0.8	0.1	5.8
Property, plant and equipment	0.0	68.3	63.2	1.7	133.2
Right-of-use assets	0.0	28.2	23.1	12.7	64.0
Inventories	0.0	47.2	54.9	0.0	102.1
Trade receivables	6.4	99.6	80.9	1.3	188.2
Other assets	0.0	2.8	4.9	0.0	7.7
Segment assets	6.4	268.1	285.0	15.8	575.3
Unallocated assets				216.8	216.8
Assets held for sale	0.0	0.0	41.3	0.0	41.3
Total assets	6.4	268.1	326.3	232.6	833.4
Trade payables	2.9	60.5	54.5	2.0	119.9
Non-current lease interest-bearing liabilities	0.0	29.2	22.6	11.5	63.3
Current lease interest-bearing liabilities	0.0	4.5	2.5	2.2	9.1
Segment liabilities	2.9	94.1	79.6	15.6	192.3
Unallocated liabilities				340.7	340.7
Liabilities directly associated with the assets held for sale	0.0	0.0	3.4	0.0	3.4
Total liabilities	2.9	94.1	83.0	356.3	536.4
Total equity				297.0	297.0
Total equity and liabilities	2.9	94.1	83.0	653.4	833.4
Capital expenditure	0.0	(3.1)	(2.1)	0.0	(5.2)

¹ The column Other includes corporate costs, transactions and balance sheet items related to tax, pension and financing. Trade receivables include the In-House Bank balances.

² For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly. Adjusted EBIT excludes IC profit.

³ Excluding restructuring costs.

⁴ Outstanding balances of Trade Receivables and Trade Payables relate to the items that were not part of the divestiture transactions.

⁵ Headrest business in Sweden that was not part of the divestiture transactions was moved from Interior segment to Powertrain and Chassis segment. All relevant Q1 revenues and other P&L items were then reallocated from ICS business unit to Powertrain & Chassis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SEGMENT REPORTING (SECOND QUARTER 2021)

Q2 2021 (MEUR)	Interior ⁴	Powertrain & Chassis	Speciality Products	Other ¹	Total Group
Revenues²	77.3	109.6	109.1	0.0	295.9
Revenues from discontinued operation	75.1	0.0	5.4	0.0	80.5
Revenues from continuing operations	2.2	109.6	103.7	0.0	215.5
Adjusted EBITDA	(4.2)	10.6	17.6	(6.7)	17.3
Depreciation ³	(4.3)	(3.7)	(2.9)	(0.4)	(11.4)
Amortization ³	(0.1)	(0.4)	(0.1)	(0.2)	(0.7)
Adjusted EBIT	(8.6)	6.5	14.6	(7.4)	5.2
Adjusted EBIT from discontinued operation	(8.8)	0.0	1.1	(0.1)	(7.8)
Adjusted EBIT from continuing operations	0.2	6.5	13.6	(7.3)	13.1
<i>Timing of revenue recognition</i>					
Ownership transferred at a point in time	2.2	109.6	103.7	0.0	215.5
<i>Assets and liabilities</i>					
Goodwill	3.9	16.5	66.6	0.0	87.0
Other intangible assets	0.5	5.7	0.9	0.2	7.3
Property, plant and equipment	100.3	67.1	64.5	0.9	232.9
Right-of-use assets	30.9	25.1	23.8	10.2	90.0
Inventories	28.4	37.9	49.7	0.0	116.0
Trade receivables	64.7	98.5	83.6	0.0	246.9
Other assets	16.7	3.6	6.6	0.1	27.1
Segment assets	245.5	254.5	295.7	11.5	807.2
Unallocated assets				141.3	141.3
Total assets	245.5	254.5	295.7	152.7	948.5
Trade payables	42.9	52.6	57.1	3.5	156.1
Non-current lease interest-bearing liabilities	27.3	25.3	23.2	9.2	85.0
Current lease interest-bearing liabilities	4.8	5.5	2.1	1.7	14.1
Segment liabilities	75.0	83.5	82.3	14.4	255.3
Unallocated liabilities				426.8	426.8
Total liabilities	75.0	83.5	82.3	441.2	682.1
Total equity				266.4	266.4
Total equity and liabilities	75.0	83.5	82.3	707.6	948.5
Capital expenditure	(2.2)	(2.4)	(4.9)	(0.0)	(9.4)

¹ The column Other includes corporate costs, transactions and balance sheet items related to tax, pension, and financing.

² For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly. Adjusted EBIT excludes IC profit.

³ Excluding restructuring costs.

⁴ Balances not classified as Discontinued operation relate to the Head- and Armrest business in Sweden that was not part of the divestiture transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – REVENUES AND NON-CURRENT ASSETS BY GEOGRAPHICAL LOCATION

3.1 REVENUES BY GEOGRAPHICAL LOCATION OF CUSTOMERS

<i>(MEUR)</i>	YTD 2022		YTD 2021 (Restated)	
		%		%
Europe	181.9	40.9%	178.5	41.2%
Northern America	163.5	36.8%	156.8	36.2%
Southern America	20.8	4.7%	11.0	2.5%
Asia	75.9	17.1%	84.6	19.5%
Other	2.1	0.5%	2.1	0.5%
Total operating revenues	444.2		433.0	
Revenues from discontinued operation	69.4		165.7	
Total operating revenues	513.7		598.8	

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

<i>(MEUR)</i>	30.06.22		30.06.21	
		%		%
Europe	161.2	58.1%	247.9	59.4%
Northern America	78.7	28.4%	118.7	28.5%
Southern America	3.3	1.2%	2.9	0.7%
Asia	34.1	12.3%	47.7	11.4%
Total intangible assets, PPE and RoU - Continuing operations	277.3		417.2	
Total Intangible assets, PP&E and RoU - Classified as Assets held for sale	20.8			
Total Intangible assets, PP&E and RoU	298.1			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – INTEREST-BEARING LOANS AND BORROWINGS (CONTINUING OPERATIONS)

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

(MEUR)	30.06.22	30.06.21	31.12.21
Long-term interest-bearing loan and borrowing	199.7	277.6	276.0
IFRS 16 long-term lease liabilities	63.3	85.0	66.7
Capitalized arrangement fees ¹	(2.5)	(4.4)	(3.9)
Current IFRS 16 long-term lease liabilities	9.1	14.1	8.4
Other current interest-bearing liabilities	0.0	0.0	20.6
Total interest-bearing liabilities	269.6	372.3	367.7

¹ Fees relate to the bond and are amortized over the 7-year period of the bond. In Q1 2022 the arrangement fees of MEUR 1.0 were derecognized due to the partial repayment of the bond notes.

Interest-bearing liabilities by currency

(MEUR)	30.06.22	30.06.21	31.12.21
EUR	231.8	318.0	325.9
USD	10.9	14.4	12.2
Other currencies	29.3	44.4	33.6
Capitalized arrangement fees	(2.5)	(4.4)	(3.9)
Total interest-bearing loan and borrowing	269.6	372.4	367.7

4.2 LIQUIDITY RESERVE

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

(MEUR)	30.06.22	30.06.21	31.12.21
Cash reserve	144.1	75.2	51.3
Restricted cash	(0.5)	(0.4)	(0.5)
Undrawn RCF facility	50.0	70.0	30.0
Undrawn Securitization facility ¹	25.0	60.0	60.0
Liquidity reserve	218.7	204.8	140.9

¹ Effective from June 25, 2022, the Securitization facility has been reduced from MEUR 60.0 to MEUR 25.0.

NOTE 5 – NET FINANCIAL ITEMS

(MEUR)	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Interest income	0.3	0.0	0.4	0.1	0.1
Interest expenses	(3.8)	(5.0)	(8.4)	(9.4)	(18.9)
Foreign currency gains (losses) ¹	(1.5)	(0.9)	2.9	6.9	12.0
Account receivables securitization - Expenses	(0.3)	(0.3)	(0.6)	(0.6)	(1.2)
Other financial items	(0.3)	(0.3)	(3.5)	(0.7)	(1.5)
Net financial items	(5.6)	(6.4)	(9.2)	(3.8)	(9.5)

¹ Is made up of a realized currency gain of MEUR 1.9 and of an unrealized currency loss of MEUR 3.4 in Q2 2022 (Q2 2021: realized gain of MEUR 2.9 and unrealized loss of MEUR 3.8)

NOTE 6 – DISCONTINUED OPERATION AND ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE

DESCRIPTION

On October 28, 2021, two separate Sale and Purchase Agreements were signed to sell the Interior Comfort System business and the Light Duty Cable business with the cable-related part of Off-Highway business. As these businesses represent a separate major line of Kongsberg Automotive Group, they are presented as discontinued operation.

On February 28, 2022, Kongsberg Automotive has successfully completed the sale of its Interior Comfort Systems (ICS) business unit to Lear Corporation for an enterprise value of MEUR 175.0. The net profit from discontinued operation contains the initial net gain on sale of discontinued operation of MEUR 24.1.

On April 6, 2022, Kongsberg Automotive has successfully completed the sale of its Light Duty Cable (LDC) business unit to Suprajit Engineering Limited for an enterprise value of MEUR 37.7. The Q2 2022 net profit from discontinued operation of MEUR 3.3 contains the initial net gain on the LDC sale of MEUR 0.4.

Independently from the above-mentioned transactions, the Board of Directors has agreed to sell part of the Off-Highway business to BRP. Thus, the relevant assets and liabilities are classified as held for sale as of June 30, 2022.

RESULTS OF DISCONTINUED OPERATION

(MEUR)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Revenues	0.8	80.5	69.4	165.7	335.4
OPEX	(0.2)	(83.8)	(74.5)	(166.4)	(343.5)
EBITDA	0.7	(3.3)	(5.1)	(0.6)	(8.1)
<i>in % revenues</i>	<i>81.2%</i>	<i>-4.1%</i>	<i>-7.3%</i>	<i>-0.4%</i>	<i>-2.4%</i>
Depreciation and amortization	0.0	(4.6)	(1.0)	(8.6)	(14.7)
Operating profit / EBIT	0.7	(7.9)	(6.1)	(9.3)	(22.8)
<i>in % revenues</i>	<i>81.2%</i>	<i>-9.8%</i>	<i>-8.8%</i>	<i>-5.6%</i>	<i>-6.8%</i>
Adjusted EBIT¹	1.1	(7.7)	(4.5)	(9.1)	(6.8)
<i>in % revenues</i>	<i>137.5%</i>	<i>-9.6%</i>	<i>-6.4%</i>	<i>-5.5%</i>	<i>-2.0%</i>
Net financial items	(0.3)	(0.3)	(0.5)	(0.9)	(2.6)
Profit / (loss) before taxes	0.4	(8.2)	(6.6)	(10.2)	(25.4)
Income taxes	0.0	(0.5)	0.0	(0.8)	2.4
Profit / (loss) after taxes	0.4	(8.7)	(6.6)	(11.0)	(23.0)
Gain on sale of discontinued operation	(0.3)	0.0	26.4	0.0	0.0
Realisation of historical translation differences	1.8	0.0	1.8	0.0	0.0
Income tax on gain on sale of discontinued operation	1.5	0.0	(3.7)	0.0	0.0
Net profit / (loss) from discontinued operation	3.3	(8.7)	17.8	(11.0)	(23.0)

CASH FLOWS FROM (USED BY) DISCONTINUED OPERATION

(MEUR)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Net cash flow from (used by) operating activities	(0.4)	(4.7)	34.2	0.9	(20.6)
Net cash flow from (used by) investing activities	34.9	(2.2)	162.8	(4.4)	(16.6)
Net cash flow used by financing activities	0.0	(2.0)	(1.8)	(4.0)	(9.1)
Net cash flows for the year	34.5	(9.0)	195.2	(7.5)	(46.3)

ASSETS AND LIABILITIES HELD FOR SALE

<i>(MEUR)</i>	30.06.22	31.12.21
Intangible assets	13.2	6.4
Tangible assets	7.6	106.9
Right-of-use assets	0.0	37.0
Deferred tax assets	0.0	11.8
Other non-current assets	0.0	6.8
NON-CURRENT ASSETS	20.8	168.9
Inventories	19.1	36.6
Accounts receivable	0.0	16.3
Other current receivables	1.4	9.5
Cash and cash equivalents	0.0	6.9
TOTAL CURRENT ASSETS	20.5	69.3
Assets held for sale	41.3	238.2
Non-current lease liabilities	0.0	31.1
NON-CURRENT LIABILITIES	0.0	31.1
Current lease liabilities	0.0	5.9
Current income tax liabilities	0.0	0.8
Trade and other payables	3.4	33.0
CURRENT LIABILITIES	3.4	39.7
Liabilities directly associated with the assets held for sale	3.4	70.8

NOTE 7 – SUBSEQUENT EVENTS

DIVESTURE OF PART OF OFF-HIGHWAY BUSINESS

On August 8, 2022, Kongsberg Automotive (KA) and BRP entered into a sale and purchase agreement to sell part of the Shawinigan plant of KA's Off-Highway business for a total enterprise value of MCAD 136.0 (MEUR 104.0).

Based on the initial purchase price proceeds, the gain after tax on this sale transaction amounted to approx. MCAD 59.2 (MEUR 44.1).

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of consolidated financial statements for the period January 1, 2022, to June 30, 2022, has been prepared in accordance with IAS34 – Interim Financial Reporting, and gives a true and fair view of Kongsberg Automotive ASA and its Group companies' assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year 2022 and their impact on the condensed set of consolidated financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Kongsberg, August 08, 2022

Firas Abi-Nassif
Chairman
(Sign.)

Rolf Breidenbach
Board member
(Sign.)

Siw Reidun Wærås
Employee representative
(Sign.)

Emese Weissenbacher
Board member
(Sign.)

Bjørn Ivan Ødegård
Employee representative
(Sign.)

Ellen M. Hanetho
Board member
(Sign.)

Mark Wilhelms
Board member
(Sign.)

Knut Magne Alfsvåg
Employee representative
(Sign.)

Joerg Buchheim
President and CEO
(Sign.)

ALTERNATIVE PERFORMANCE MEASURES (APM)

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

All figures were adjusted and exclude the figures disclosed as discontinued business in 2021 and 2020 and as assets and liabilities held for sale as of December 31, 2021 (see Note 6).

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

- > Operating profit (loss)- EBIT/Adjusted EBIT
 - > EBITDA/Adjusted EBITDA
 - > Restructuring per segment
 - > Free cash flow
- > NIBD
 - > Capital employed
 - > ROCE (last twelve months)

OPERATING PROFIT (LOSS) - EBIT/ADJUSTED EBIT (CONTINUING OPERATION)

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 consultancy fees in relation to the Company's portfolio transformation.

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.

<i>(MEUR)</i>	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Operating profit / EBIT ¹	2.0	13.0	10.0	34.3	47.5
Restructuring items ²	2.0	0.0	1.6	0.1	3.2
Adjusted EBIT¹⁺²⁺³	4.0	13.0	11.6	34.4	50.7

EBITDA/ADJUSTED EBITDA (CONTINUING OPERATION)

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.

<i>(MEUR)</i>	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Operating profit / EBIT	2.0	13.0	10.0	34.3	47.5
Depreciation	8.0	7.1	15.7	14.1	29.4
Amortization	0.6	0.6	1.2	1.1	2.7
EBITDA¹	10.6	20.6	26.9	49.5	79.6
Restructuring items ^{(*)2}	2.0	0.0	1.6	0.1	3.2
Adjusted EBITDA¹⁺²⁺³	12.6	20.6	28.5	49.6	82.8

(*) Excluding depreciation and amortization

ALTERNATIVE PERFORMANCE MEASURES (APM)

RESTRUCTURING ITEMS PER SEGMENT (CONTINUING OPERATION)

(MEUR)	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Interior	0.0	0.0	(0.3)	0.0	0.0
Powertrain & Chassis	0.7	0.0	0.1	0.0	0.4
Specialty Products	0.2	0.0	0.2	0.0	0.0
Other	1.1	0.0	1.6	0.1	2.8
Group total	2.0	0.0	1.6	0.1	3.2

FREE CASH FLOW (CONTINUING OPERATION)

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.

The table below includes only the cash flows from the continuing operation in Q2 2022, Q2 2021 and full year 2021.

(MEUR)	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Cash flow - Operating activities	8.1	27.7	7.1	38.5	56.7
Cash flow - Investing activities	(5.0)	(7.2)	(9.1)	(11.0)	(26.7)
Cash flow - Financing activities	(8.8)	(3.2)	(117.1)	(14.6)	(11.1)
Currency and translation effects on cash flow	4.6	(4.5)	9.7	2.3	18.3
<i>Add back / less:</i>					
Purchase of treasury shares	4.2	0.0	4.2	0.0	0.0
Net draw-down/repayment of debt	0.9	0.1	98.5	1.0	(18.1)
Free Cash Flow	4.0	12.9	(6.7)	16.2	19.1

ALTERNATIVE PERFORMANCE MEASURES (APM)

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, this measurement shows the net overall financial position of the Group.

(MEUR)	30.06.22	30.06.21	31.12.21
Long-term interest-bearing liabilities	260.5	358.2	338.7
Other short-term interest-bearing liabilities	9.1	14.1	29.0
Cash and cash equivalents*	(144.1)	(75.2)	(51.3)
Net Interest Bearing Debt	125.5	297.2	316.4

* does not include Cash and cash equivalents classified as held for sale.

CAPITAL EMPLOYED

Capital Employed is equal to operating assets less operating liabilities. Operating assets and liabilities are items, which are involved in the process of producing and selling goods and services. Long-term financial assets and obligations are excluded, as those are involved in raising cash for operations and disbursing excess cash from operations.

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)	30.06.22	30.06.21	31.12.21
Total assets	833.4	948.5	984.8
Deferred tax liabilities	(26.3)	(16.0)	(27.0)
Other long-term liabilities	(20.0)	(21.1)	(20.0)
Current liabilities incl. other short-term interest bearing liabilities	(226.2)	(286.8)	(262.8)
Assets held for sale	(41.3)	0.0	(238.2)
Liabilities directly associated with the assets held for sale	3.4	0.0	70.8
Capital Employed	523.0	624.6	507.6

ADJUSTED 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 without taking into consideration the way the operations and assets are financed during the period under review. The Group considers this ratio as appropriate to measure the return of the period.

(MEUR)		Q2 2022		Q2 2021	FY 2021
Capital employed beginning ¹	01.07.2021	624.6	01.07.2020	650.8	691.2
Capital employed at end ²	30.06.2022	523.0	30.06.2021	624.6	507.6
Adjusted EBIT from continuing operations last twelve months ³		28.1		65.3	50.7
Adjusted ROCE ^{(3 / (1+2)) * 200%}		4.9%		10.2%	8.5%

As restatement of the balance sheet for prior year is not required by IFRS 5, thus capital employed as of June 30, 2021 contains assets and liabilities of the whole Group. The capital employed as of June 30, 2022, does not contain the net assets classified as assets held for sale.

OTHER COMPANY INFORMATION

THE BOARD OF DIRECTORS

Firas Abi-Nassif	Chairman
Emese Weissenbacher	Shareholder elected
Peter Schmitt	Shareholder elected (until 30.06.2022)
Ellen M. Hanetho	Shareholder elected
Gerard Cordonnier	Shareholder elected (until 30.06.2022)
Rolf Breidenbach	Shareholder elected (from 01.07.2022)
Mark Wilhelms	Shareholder elected (from 01.07.2022)
Siw Reidun Wærås	Employee elected
Bjørn Ivan Ødegård	Employee elected
Knut Magne Alfsvåg	Employee elected

EXECUTIVE COMMITTEE

Joerg Buchheim	President & CEO
Dr. Christian Amsel	Executive Vice President & Chief Technology Officer
Frank Heffter	Executive Vice President & CFO
Robert Pigg	Senior Vice President, Off-Highway & ad interim President, Interior Systems
Bob Riedford	President, Powertrain & Chassis
Joerg Buchheim	Executive Vice President, Specialty Products (acting)
Dzeki Mackinovski	Executive Vice President, Purchasing
Jon Munthe	General Counsel
Doug Tushar	Senior Vice President, IS&T

CORPORATE COMMUNICATION

Jakob Bronebakk	Investor Relations	+47 906 39 637	or	investor.relations@ka-group.com
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FINANCIAL CALENDAR

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

3rd quarter 2022	November 08, 2022
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