

FOURTH QUARTER REPORT

2021



KONGBERG
AUTOMOTIVE

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FOURTH QUARTER 2021 AT GLANCE

- > On October 28, 2021, two separate Sale and Purchase Agreements were signed to sell the Interior Comfort System business unit and the Light Duty Cable business unit with the cable-related part of the Off-Highway business. Thus, these businesses are reported as discontinued operation and prior periods are restated accordingly. All impacted balance sheet items are classified as Assets held for sale and Liabilities associated with assets held for sale, respectively.
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 EUR 175.0 million.
- > Revenues from the continuing operation came in at **MEUR 205.7** in Q4 2021, MEUR 3.4 (-1.6%) lower than last year's fourth quarter, despite positive currency translation effects of MEUR 9.2. Revenues in Q4 2021 were impacted by disruptions in the electronic components supply chain to a greater extent than Q4 2020.
- > Adjusted EBIT amounted to **MEUR 8.3**, which was MEUR 9.8 lower than in Q4 2020. This significant decline in profitability was mainly driven in Q4 2021 by the still abnormally high costs of raw materials, electronic components and freight caused by the disruptions in the automotive supply chain throughout the whole year 2021.
- > Lifetime revenues business wins in the fourth quarter amounted to **MEUR 61.1** (MEUR 28.2 in annualized revenue).

KEY FIGURES

(MEUR)	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Revenues	205.7	209.1	831.4	686.9
EBITDA	15.2	25.1	79.6	15.4
<i>in % revenues</i>	7.4%	12.0%	9.6%	2.2%
Impairment losses	0.0	0.1	0.0	(30.3)
Adjusted EBIT¹	8.3	18.1	50.7	15.6
<i>in % revenues</i>	4.0%	8.7%	6.1%	2.3%
Operating profit / EBIT	6.8	17.6	47.5	(18.0)
<i>in % revenues</i>	3.3%	8.4%	5.7%	-2.6%
Net profit / (loss) from continuing operation	0.5	6.1	28.5	(58.5)
Net profit / (loss) from discontinued operation	(9.1)	3.0	(23.0)	(59.5)
Net profit / (loss)	(8.6)	9.1	5.5	(118.0)
NIBD / Adjusted EBITDA (LTM) ²	3.8	5.4	3.8	5.4
<i>excluding IFRS 16</i>	3.3	5.1	3.3	5.1
Equity ratio ³	27.0%	27.3%	27.0%	27.3%
<i>excluding IFRS 16</i>	30.4%	30.9%	30.4%	30.9%

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 December 31, 2021

- > The adjusted gearing ratio (NIBD/adj. EBITDA) on LTM basis improved to 3.8 compared to 5.4 in Q4 2020.
- > The equity ratio decreased from 27.3% as of the end of 2020 to 27.0% as of December 31, 2021. Had the ICS sale transaction been completed as of December 31, 2021, the equity ratio would amount to 30.3%.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS (CONTINUING OPERATION)

(MEUR)	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Revenues	205.7	209.1	831.4	686.9
OPEX	(190.5)	(184.1)	(751.9)	(641.2)
Impairment losses	0.0	0.1	0.0	(30.3)
EBITDA	15.2	25.1	79.6	15.4
<i>in % revenues</i>	<i>7.4%</i>	<i>12.0%</i>	<i>9.6%</i>	<i>2.2%</i>
Depreciation and amortization	(8.4)	(7.5)	(32.1)	(33.4)
Operating profit / EBIT	6.8	17.6	47.5	(18.0)
<i>in % revenues</i>	<i>3.3%</i>	<i>8.4%</i>	<i>5.7%</i>	<i>-2.6%</i>
Adjusted EBIT¹	8.3	18.1	50.7	15.6
<i>in % revenues</i>	<i>4.0%</i>	<i>8.7%</i>	<i>6.1%</i>	<i>2.3%</i>
Net financial items	(1.6)	(11.0)	(9.5)	(45.5)
Profit / (loss) before taxes	5.2	6.6	38.0	(63.5)
Income taxes	(4.8)	(0.5)	(9.5)	5.0
Net profit / (loss) from continuing operation	0.5	6.1	28.5	(58.5)

¹ See APM section for the reconciliation

REVENUES

Group revenues from the continuing operation amounted to MEUR 205.7 in the fourth quarter of 2021, being lower than the revenues in the fourth quarter of 2020 by MEUR 3.4 (-1.6%), despite positive currency translation effects of MEUR 9.2. This decline was mainly driven by Powertrain & Chassis, partially offset by the increase in revenues of Specialty Products.

Revenues generated in the passenger car market amounted to MEUR 62.8, a decrease of MEUR 9.0 (-13.1%) compared to Q4 2020 on a constant currency basis. The highest decline was reported in Europe, where revenues decreased by MEUR 11.3 (-44.9%), and in North America, where revenues decreased by MEUR 1.9 (-10.9%) to MEUR 16.2. The markets in Europe and North America shrank in Q4 2021 by 25.8% and 14.7%, respectively, compared to Q4 2020. Revenues in China grew by MEUR 4.5 (+18.1%) in Q4 2021 compared to Q4 2020, whilst the overall market performance in this region decreased by 5.6%.

The revenues in the commercial vehicles market amounted to MEUR 73.1 which was lower than in Q4 2020 by MEUR 4.1 (-5.5%) on a constant currency basis. With revenues of MEUR 63.7 (including positive translation effects of MEUR 2.5) being stable at constant currency basis in Europe and North America, Kongsberg Automotive was able to outperform the market performance in these regions which decreased by 2.3% and 3.8%, respectively. In Asia (including China), where revenues decreased by MEUR 3.9 (-30.6%) compared to Q4 2020, Kongsberg Automotive still managed to outperform the market as the market in Asia shrank by 40.8% in comparison to Q4 2020.

The revenues of the other businesses amounted to MEUR 69.8 in Q4 2021, compared to MEUR 66.0 including positive translation effects of MEUR 3.0.

ADJUSTED EBIT / EBIT

Adjusted EBIT from the continuing operation for the Group was MEUR 8.3 in the fourth quarter 2021, which was MEUR 9.8 lower than in Q4 2020. The overall positive operational performance was notably offset by increased raw material costs (resin, brass, and steel), electronic components and associated freight costs resulting from the significant disruptions in the supply chain throughout the automotive sector.

Operating profit in Q4 2021 amounted to MEUR 6.8, compared to the operating profit of MEUR 17.6 in Q4 2020.

NET FINANCIAL ITEMS

Net financial items came to an expense of MEUR 1.6 in the fourth quarter of 2021, compared to an expense of MEUR 11.0 in the same period in 2020. This change was mainly driven by the positive shift from foreign currency losses in Q4 2020 to foreign currency gains in Q4 2021 (see Note 5).

There were no significant changes in the interest expenses compared to the fourth quarter of last year.

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

Profit before taxes amounted to MEUR 5.2 in the fourth quarter of 2021, compared to the profit before taxes of MEUR 6.6 in the same quarter of 2020. Net profit amounted to MEUR 0.5 in Q4 2021, compared to the net profit of MEUR 6.1 in Q4 2020. The tax rate for full year 2021 amounts to 25%, whereas the tax rate last year was impacted by non-deductible items like goodwill impairment.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – CASH FLOW (CONTINUING OPERATION)

<i>(MEUR)</i>	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Cash flow - Operating activities	(9.9)	20.9	56.7	57.7
Cash flow - Investing activities	(10.4)	(16.5)	(26.7)	(30.7)
Cash flow - Financing activities	15.2	(4.7)	(11.1)	48.9
Currency and translation effects on cash flow	11.6	(7.1)	18.3	(14.9)
Change in cash	6.5	(3.4)	37.2	42.2

CASH FLOW FROM (USED BY) OPERATING ACTIVITIES

Excluding operation classified as discontinued operation, cash used by operating activities amounted to MEUR 9.9 including a negative change in net working capital of MEUR 18.2 in Q4 2021, compared to a positive change of MEUR 4.8 in Q4 2020. For the total year 2021 the change in net working capital was negative MEUR 24.3 compared to positive change of MEUR 5.8 in 2020.

CASH FLOW USED BY INVESTING ACTIVITIES

Cash used by investing activities amounted to MEUR 10.4 in the fourth quarter of 2021. The Q4 2021 investment activity reflected the ongoing drive to curtail spending.

CASH FLOW FROM (USED BY) FINANCING ACTIVITIES

Cash flow from financing activities was MEUR 15.2 in the fourth quarter of 2021, compared to cash flow of MEUR 4.7 used by financing activities in the same quarter last year. The difference was primarily due to the drawdown of the Revolving Credit Facility in Q4 2021 at the amount of MEUR 20.0.

The repayment of lease liabilities amounted to MEUR 2.4 in Q4 2021.

Interest payments in the fourth quarter of 2021 amounted to MEUR 1.8.

CHANGE IN CASH

The change in cash in Q4 2021 attributable to the continued business amounted to MEUR 6.5. For the total year 2021 it amounted to MEUR 37.2. The cash position attributable to continuing operation was MEUR 51.3 at the end of the quarter, compared to the balance of MEUR 67.4 at the end of Q4 2020. Cash of MEUR 6.9 has been reclassified to Assets held for sale.

LIQUIDITY RESERVE

The liquidity reserve was MEUR 140.9 (excluding the restricted cash of MEUR 0.5) at the end of the fourth quarter, compared to MEUR 197.0 in Q4 2020. The unutilized RCF as of December 31, 2021, amounted to MEUR 30.0. Moreover, the Company had an unutilized Securitization facility of MEUR 60.0 as of the end of Q4 2021.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	31.12.21	31.12.20
Non-current assets	332.1	456.1
Cash and cash equivalents	51.3	67.4
Other current assets	363.2	374.5
Assets held for sale	238.2	0.0
Total assets	984.8	898.0
Equity	265.5	245.5
Interest-bearing liabilities	367.1	376.8
Other liabilities	281.4	275.6
Liabilities directly associated with the assets held for sale	70.8	0.0
Total equity and liabilities	984.8	898.0
NIBD ¹	316.4	309.5
Equity ratio ²	27.0%	27.3%

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

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

ASSETS

Total assets were MEUR 984.8 at the end of the fourth quarter, out of which MEUR 238.2 is classified as Assets held for sale. It shows an increase of MEUR 86.8 from year-end 2020. Increase in total assets as of December 31, 2021, was mainly driven by the increase of inventories by MEUR 41.7 and net increase of MEUR 18.8 in Property, Plant and Equipment (PPE), including the assets classified as Assets held for sale.

EQUITY

Equity as of December 31, 2021 increased by MEUR 20.0 (+8.2%) to MEUR 265.5 in comparison with December 31, 2020.

During the year 2021, the net profit of MEUR 5.5 and other comprehensive income of MEUR 13.6 resulted in total comprehensive income of MEUR 19.1. The share-based compensation of MEUR 1.7 and dividend of MEUR 0.7 allocated to the minority shareholder contributed to the change of the equity as of December 31, 2021.

INTEREST BEARING LIABILITIES

Total interest-bearing liabilities amounted to MEUR 367.1 consisting mainly of the issued bond of MEUR 275.0 (netted with the capitalized fees of MEUR 3.9) and IFRS 16 lease interest-bearing liabilities of MEUR 75.0.

As of December 31, 2021, long-term interest-bearing debt amounted to MEUR 338.7.

NET INTEREST BEARING DEBT

At the end of the fourth quarter 2021, net interest-bearing debt amounted to MEUR 316.4, an increase of MEUR 6.9 compared to year-end 2020, mainly driven by drawdown of the Revolving Credit Facility of MEUR 20.0 and reclassification of cash of MEUR 6.9 to Assets held for sale.

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, FCA, Volvo, Scania, DAF, John Deere, PSA, Renault-Nissan and Geely.

KEY FIGURES

(MEUR)	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenues	108.3	117.3	429.9	372.5
Adjusted EBITDA	10.8	10.1	42.8	19.2
<i>in % revenues</i>	9.9%	8.6%	10.0%	5.2%
Adjusted EBIT	6.2	5.9	25.2	(0.6)
<i>in % revenues</i>	5.7%	5.0%	5.9%	-0.2%
Restructuring	(0.0)	(1.6)	(0.4)	(1.8)
Impairment losses	0.0	0.0	0.0	(30.4)
Operating profit / EBIT	6.1	4.2	24.8	(32.8)
<i>in % revenues</i>	5.7%	3.6%	5.8%	-8.8%
Investments	(4.2)	(9.3)	(10.3)	(18.3)
Capital employed ¹	196.0	191.1	196.0	191.1

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

FINANCIAL UPDATE

Revenues in Powertrain & Chassis decreased by MEUR 9.0 (-7.7%) to MEUR 108.3 in the fourth quarter 2021 compared to the same quarter in 2020, despite positive currency translation effects of MEUR 4.6. On a constant currency basis, revenues in Q4 2021 decreased by MEUR 13.6 in total compared to Q4 2020, which was mainly driven by decrease in the European passenger car market (MEUR 11.8). However, revenues in the Chinese passenger car end markets grew by MEUR 4.3. Revenues in the commercial vehicles end market declined by MEUR 3.1 and MEUR 2.1 in China and the United States, respectively.

Despite the reduced sales volume, adjusted EBIT was MEUR 6.2 in the fourth quarter 2021, a slight increase of MEUR 0.3 compared to the adjusted EBIT in Q4 last year. On the one hand, the negative impact of the material shortages of electronic components, resin, and steel was mitigated by the improvement

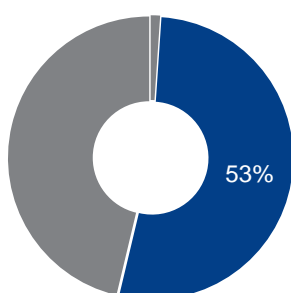
programs. On the other hand, the increasing passenger car business in China and the commercial car business in America as well as successful implementation of the Shift Gear measures contributed to the increased profitability in Q4 2021.

COMMERCIAL AND OPERATIONAL UPDATE

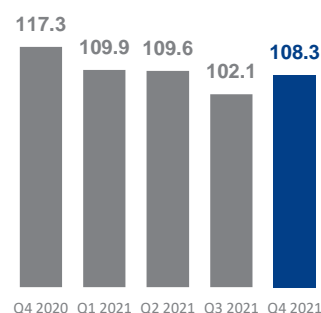
Business wins amounted to MEUR 35.5 of lifetime revenues (MEUR 10.0 in annualized revenues) in the fourth quarter of 2021.

Within the quarter, Powertrain & Chassis was awarded a significant contract to supply Gear Shift Systems to a Chinese automobile manufacturer (MEUR 21.4 in expected lifetime revenues and MEUR 3.0 in expected annualized revenues) with start of production in Q3 2022.

Group revenue share
Q4 2021

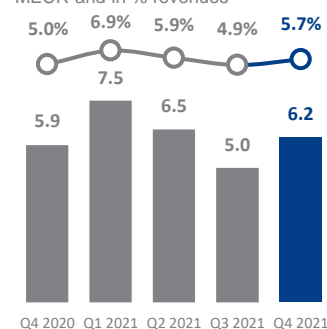


Revenues
MEUR



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)	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Revenues	95.2	88.8	393.2	306.3
Adjusted EBITDA	9.0	18.0	61.1	50.1
<i>in % revenues</i>	9.4%	20.3%	15.5%	16.4%
Adjusted EBIT	5.4	15.1	48.4	39.1
<i>in % revenues</i>	5.7%	17.0%	12.3%	12.8%
Restructuring	0.0	1.0	0.0	0.7
Impairment losses	0.0	0.0	0.0	0.0
Operating profit / EBIT	5.2	16.1	48.4	39.4
<i>in % revenues</i>	5.5%	18.1%	12.3%	12.9%
Investments	(6.3)	(7.2)	(16.5)	(14.2)
Capital employed ¹	217.1	211.2	217.1	211.2

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

FINANCIAL UPDATE

Excluding the cable-related part of the Off-Highway business, which is included in discontinued operation, revenues in Specialty Products increased by MEUR 6.4 (+7.2%) to MEUR 95.2 compared to the fourth quarter of 2020, including positive currency translation effects of MEUR 4.6. All business units contributed to the revenue increase.

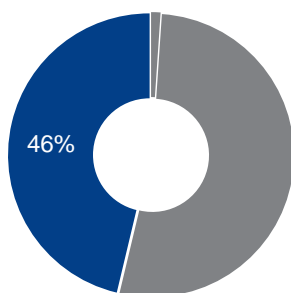
Adjusted EBIT was MEUR 5.4 in the fourth quarter of 2021, a decrease of MEUR 9.7 compared to the same quarter of last year. Despite higher revenues in Q4 2021, adjusted EBIT declined mainly due to the disproportional increase in costs related to impacts of the electronic components supply chain crisis and higher raw material cost.

COMMERCIAL AND OPERATIONAL UPDATE

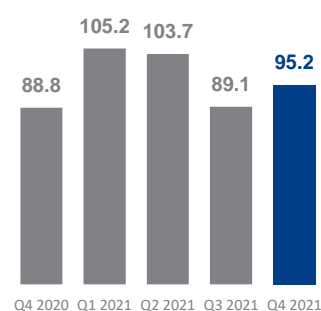
During the fourth quarter 2021, total business wins amounted to MEUR 25.6 of lifetime revenues (MEUR 18.2 in annualized revenues).

Within the quarter, Couplings was awarded a contract with a major German OEM that totals MEUR 0.9 in expected annualized revenues and MEUR 3.1 in expected lifetime revenues.

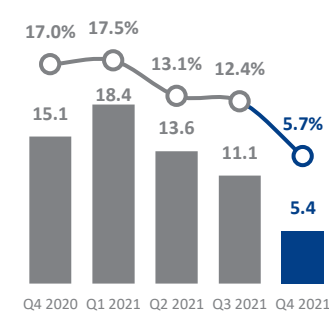
Group revenue share
Q4 2021



Revenues
MEUR



Adjusted EBIT
MEUR and in % revenues



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME (RESTATED³)

(MEUR)	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Revenues	205.7	209.1	831.4	686.9
OPEX	(190.5)	(184.1)	(751.9)	(641.1)
Impairment losses	0.0	0.1	0.0	(30.3)
EBITDA	15.2	25.1	79.6	15.4
<i>in % revenues</i>	<i>7.4%</i>	<i>12.0%</i>	<i>9.6%</i>	<i>2.2%</i>
Depreciation and amortization	(8.4)	(7.5)	(32.1)	(33.4)
Operating profit / EBIT	6.8	17.6	47.5	(18.0)
<i>in % revenues</i>	<i>3.3%</i>	<i>8.4%</i>	<i>5.7%</i>	<i>-2.6%</i>
Adjusted EBIT¹	8.3	18.1	50.7	15.6
<i>in % revenues</i>	<i>4.0%</i>	<i>8.7%</i>	<i>6.1%</i>	<i>2.3%</i>
Net financial items	(1.6)	(11.0)	(9.5)	(45.5)
Profit / (loss) before taxes	5.2	6.6	38.0	(63.4)
Income taxes	(4.8)	(0.5)	(9.5)	5.0
Net profit / (loss) from continuing operation	0.5	6.1	28.5	(58.4)
Discontinued operation				
Net profit / (loss) from discontinued operation	(9.1)	3.0	(23.0)	(59.6)
Net profit / (loss)	(8.6)	9.1	5.5	(118.0)
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>				
Translation differences on foreign operations	(3.9)	(27.8)	(7.5)	(2.9)
Tax on translation differences	0.0	(2.5)	0.0	1.4
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>				
Translation differences on non-foreign operations	8.0	33.6	20.9	(9.4)
Remeasurement of net pension benefit obligation	0.2	(0.1)	0.2	(0.1)
Tax on net pension benefit obligation remeasurement	0.0	0.0	0.0	0.0
Other comprehensive income	4.3	3.3	13.6	(11.0)
Total comprehensive income	(4.3)	12.3	19.1	(129.0)
Net profit attributable to:				
Equity holders (parent company)	(8.6)	9.0	5.1	(118.4)
Non-controlling interests	(0.0)	0.1	0.4	0.4
Total	(8.6)	9.1	5.5	(118.0)
Total comprehensive income attributable to:				
Equity holders (parent company)	(4.5)	12.4	18.3	(129.3)
Non-controlling interests	0.1	(0.0)	0.8	0.3
Total	(4.3)	12.3	19.1	(129.0)
Earnings per share (EUR)²:				
Basic earnings per share	(0.01)	0.02	0.00	(0.21)
Diluted earnings per share	(0.01)	0.02	0.00	(0.21)
Earnings per share (EUR) - Continuing operation:				
Basic earnings per share	0.00	0.01	0.03	(0.11)
Diluted earnings per share	0.00	0.01	0.03	(0.11)

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

² Due to the reverse share split in Q1 2021, the basic and diluted earnings per share for prior periods have been adjusted by the same factor

³ Restatement relates entirely to the requirement of IFRS 5 to present the discontinued operation separately from the continuing operations in the comparative periods.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

<i>(MEUR)</i>	31.12.21	31.12.20
Intangible assets	90.0	93.2
Property, plant and equipment	140.7	228.8
Right-of-use assets	66.6	94.3
Deferred tax assets	31.3	28.7
Other non-current assets	3.5	11.1
Non-current assets	332.1	456.1
Inventories	94.1	88.9
Accounts receivable	229.6	237.9
Other short-term receivables	39.5	47.7
Cash and cash equivalents	51.3	67.4
Assets held for sale	238.2	0.0
Current assets	652.7	441.9
Total assets	984.8	898.0
Share capital	105.6	100.8
Share premium reserve	217.8	207.8
Other equity	(62.1)	(67.2)
Non-controlling interests	4.2	4.1
Total equity	265.5	245.5
Long-term interest-bearing liabilities	338.7	363.0
Deferred tax liabilities	27.0	14.9
Other long-term liabilities	20.0	21.3
Non-current liabilities	385.7	399.3
Bank overdraft	0.6	0.0
Other current interest-bearing liabilities	20.0	0.0
Current lease liabilities	8.4	13.8
Current income tax liabilities	4.2	1.9
Trade and other payables	229.6	237.5
Liabilities directly associated with the assets held for sale	70.8	0.0
Current liabilities	333.6	253.2
Total liabilities	719.3	652.5
Total equity and liabilities	984.8	898.0

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGE IN EQUITY

(MEUR)

	31.12.21	31.12.20
Equity as of start of period	245.5	282.9
Net profit / (loss) for the period	5.5	(118.0)
Translation differences	13.4	(12.3)
Tax on translation differences	0.0	1.4
Remeasurement of the net pension benefit obligation	0.2	(0.1)
Tax on remeasurement of the net pension benefit obligation	0.0	0.0
Total comprehensive income	19.1	(129.0)
Stock-based compensation	1.7	2.1
Increase in equity	0.0	90.7
Purchase of treasury shares	0.0	(1.3)
Dividends allocated or paid	(0.7)	0.0
Equity as of end of period	265.5	245.5

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(MEUR)	Q4 2021	Q4 2020	FY 2021	FY 2020
<i>Operating activities</i>				
Profit / (loss) before taxes	(6.3)	9.4	12.6	(123.2)
Depreciation & Write-off of tangible assets	9.2	11.6	43.8	43.7
Amortization & Write-off of intangible assets	0.7	1.0	2.9	6.2
Impairment losses	0.0	0.0	0.0	82.7
Interest income	(0.1)	(0.0)	(0.2)	(0.2)
Interest and other financial expenses ¹	6.8	6.6	24.1	24.2
Taxes paid	(1.0)	(7.0)	(8.3)	(11.9)
(Gain) / loss on sale of non-current assets	0.2	(0.0)	0.6	(0.3)
Changes in receivables	(31.5)	(16.1)	(8.0)	(21.1)
Changes in inventory	0.6	(5.5)	(41.7)	14.0
Changes in payables	9.0	33.3	13.7	7.3
Currency (gain) / loss	(7.7)	5.7	(11.4)	23.0
Difference between pension funding contributions paid/pensions paid and the net pension cost	(0.0)	(0.9)	(0.3)	(1.0)
Changes in other items ²	(6.5)	(1.2)	8.2	30.7
Cash flow - Operating activities	(26.6)	37.0	36.1	74.1
<i>Investing activities</i>				
Investments	(20.3)	(26.7)	(43.7)	(60.6)
Sale of fixed assets	0.1	0.0	0.3	1.8
Interest received	0.1	0.0	0.2	0.2
Cash flow - Investing activities	(20.1)	(26.6)	(43.2)	(58.6)
<i>Financing activities</i>				
Proceeds from increases in equity	0.0	(0.6)	0.0	89.7
Sale/purchase of treasury shares	0.0	(0.9)	0.0	(1.3)
Net draw down of debt	20.5	0.7	18.1	(9.3)
Interest paid and other financial items	(3.3)	(1.8)	(23.4)	(24.1)
Repayment of lease liabilities and other	(5.1)	(4.3)	(15.0)	(13.5)
Cash flow - Financing activities	12.2	(6.8)	(20.3)	41.6
Currency and translation effects on cash flow	11.6	(7.1)	18.3	(14.9)
Change in cash	(23.0)	(3.4)	(9.1)	42.2
Cash as of beginning of period	81.3	70.8	67.4	25.2
Cash as of end of period	58.3	67.4	58.3	67.4
<i>Of this, restricted cash</i>	<i>0.5</i>	<i>0.4</i>	<i>0.5</i>	<i>0.4</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 three months ended December 31, 2021, 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.

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, resin, zinc, aluminum, steel, and electronic components.

In 2021, 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.

Due to the geopolitical situation in Q1 2022, in particular in relation to the conflict in Ukraine, global macroeconomic risks have significantly increased and will lead to uncertain further increases in costs for raw material, energy and transportation.

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 (FOURTH QUARTER 2021)

Q4 2021 (MEUR)	Interior ⁴	Powertrain & Chassis	Specialty Products	Other ¹	Total Group
Revenues²	91.5	108.3	100.9	0.0	300.7
Revenues from discontinued operation	89.3	0.0	5.7	0.0	95.0
Revenues from continuing operations	2.2	108.3	95.2	0.0	205.7
Adjusted EBITDA	5.2	10.8	10.3	(3.5)	22.8
Depreciation ³	(1.5)	(4.0)	(3.5)	(0.2)	(9.2)
Amortization ³	(0.0)	(0.6)	(0.0)	(0.1)	(0.7)
Adjusted EBIT	3.7	6.2	6.7	(3.7)	12.9
Adjusted EBIT from discontinued operation	3.4	0.0	1.3	(0.1)	4.7
Adjusted EBIT from continuing operation	0.3	6.2	5.4	(3.6)	8.3
<i>Timing of revenue recognition</i>					
Ownership transferred at a point in time	2.2	108.3	95.2	0.0	205.7
<i>Assets and liabilities</i>					
Goodwill	0.0	16.9	67.3	0.0	84.2
Other intangible assets	0.0	5.0	0.8	0.1	5.9
Property, plant and equipment	0.7	68.1	70.8	1.1	140.7
Right-of-use assets	0.0	30.0	24.7	11.9	66.6
Inventories	0.8	38.4	55.0	0.0	94.1
Trade receivables	63.1	96.5	71.4	0.0	230.9
Other assets	0.1	2.1	6.6	0.0	8.8
Segment assets	64.6	256.9	296.4	13.1	631.1
Unallocated assets				115.5	115.5
Assets held for sale	223.4	0.0	6.6	8.2	238.2
Total assets	288.0	256.9	303.0	136.9	984.8
Trade payables	42.2	52.3	42.9	6.0	143.5
Non-current lease interest-bearing liabilities	0.0	31.5	24.1	11.1	66.7
Current lease interest-bearing liabilities	0.0	4.4	2.4	1.6	8.4
Segment liabilities	42.3	88.1	69.4	18.7	218.5
Unallocated liabilities				429.9	429.9
Liabilities directly associated with the assets held for sale	70.7	0.0	0.0	0.1	70.8
Total liabilities	112.9	88.1	69.4	448.8	719.3
Total equity				265.6	265.6
Total equity and liabilities	112.9	88.1	69.4	714.4	984.8
Capital expenditure	(9.7)	(4.2)	(6.4)	0.0	(20.3)

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 the revenues are only external revenues, the related expenses are adjusted accordingly. The adjusted EBIT is thus excluding IC profit.

³ Excluding restructuring costs.

⁴ Balances not classified as Assets held for sale and Discontinued operation relate to the Head- and Armrest business in Sweden as well as account receivables and account payables that were not part of the divestiture transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SEGMENT REPORTING (FOURTH QUARTER 2020)

Q4 2020 (MEUR)	Interior ⁴	Powertrain & Chassis	Speciality Products	Other ¹	Total Group
Revenues²	87.4	117.3	93.8	0.0	298.5
Revenues from discontinued operation	84.5	0.0	4.9	0.0	89.5
Revenues from continuing operations	2.9	117.3	88.8	0.0	209.1
Adjusted EBITDA	8.2	9.8	19.1	(2.6)	34.6
Depreciation ³	(5.1)	(3.5)	(2.8)	(0.1)	(11.4)
Amortization ³	(0.1)	(0.4)	(0.1)	(0.2)	(0.8)
Adjusted EBIT	3.1	5.9	16.3	(2.9)	22.5
Adjusted EBIT from discontinued operation	3.2	0.0	1.2	(0.1)	4.3
Adjusted EBIT from continuing operations	(0.1)	5.9	15.1	(2.8)	18.0
<i>Timing of revenue recognition</i>					
Ownership transferred at a point in time	2.9	117.3	88.8	0.0	209.1
<i>Assets and liabilities</i>					
Goodwill	3.9	16.2	65.3	0.0	85.4
Other intangible assets	0.6	6.2	0.8	0.3	7.8
Property, plant and equipment	100.4	66.5	60.9	1.0	228.8
Right-of-use assets	32.7	26.7	24.2	10.8	94.3
Inventories	21.7	29.5	37.7	0.0	88.9
Trade receivables	36.0	101.3	47.6	53.0	237.9
Other assets	12.9	6.2	5.2	0.0	24.3
Segment assets	208.1	252.5	241.8	65.1	767.5
Unallocated assets				130.5	130.5
Total assets	208.1	252.5	241.8	195.6	898.0
Trade payables	39.7	55.9	28.5	13.6	137.8
Non-current lease interest-bearing liabilities	29.0	27.4	23.5	9.8	89.6
Current lease interest-bearing liabilities	4.7	5.4	2.1	1.7	13.8
Segment liabilities	73.4	88.7	54.1	25.1	241.2
Unallocated liabilities				411.3	411.3
Total liabilities	73.4	88.7	54.1	436.3	652.5
Total equity				245.5	245.5
Total equity and liabilities	73.4	88.7	54.1	681.9	898.0
Capital expenditure	(10.1)	(9.3)	(7.2)	0.0	(26.7)

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

² For segment reporting purposes the revenues are only external revenues, the related expenses are adjusted accordingly. The adjusted EBIT is thus excluding 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>	FY 2021		FY 2020 (Restated)	
		%		%
Europe	331.9	39.9%	289.3	42.1%
Northern America	298.0	35.8%	250.5	36.5%
Southern America	26.4	3.2%	14.4	2.1%
Asia	170.8	20.5%	129.9	18.9%
Other	4.3	0.5%	2.8	0.4%
Total operating revenues	831.4		686.9	
Revenues from discontinued operation	335.4		282.0	
Total operating revenues	1,166.8		968.9	

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

<i>(MEUR)</i>	31.12.21		31.12.20	
		%		%
Europe	260.1	58.1%	250.1	60.1%
Northern America	129.9	29.0%	115.1	27.6%
Southern America	3.0	0.7%	2.4	0.6%
Asia	54.7	12.2%	48.7	11.7%
Total intangible assets, PPE and RoU	447.6		416.3	
Total Intangible assets, PP&E and RoU - Classified as Assets held for sale	150.3			
Total Intangible assets, PP&E and RoU - Continuing operation	297.3			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – INTEREST-BEARING LOANS AND BORROWINGS

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

(MEUR)	31.12.21	31.12.20
Long-term interest-bearing loan and borrowing	276.0	278.4
IFRS 16 long-term lease liabilities	66.7	89.6
Capitalized arrangement fees ¹	(3.9)	(4.9)
Current IFRS 16 long-term lease liabilities	8.4	13.8
Other current interest-bearing liabilities	20.6	0.0
Total interest-bearing liabilities	367.7	376.9

¹ Fees relate to the bond and are amortized over the 7-year period of the bond.

Interest-bearing liabilities by currency

(MEUR)	31.12.21	31.12.20
EUR	325.9	317.3
USD	12.2	18.8
Other currencies	33.6	45.7
Capitalized arrangement fees	(3.9)	(4.9)
Total interest-bearing loan and borrowing	367.7	376.9

4.2 LIQUIDITY RESERVE

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

(MEUR)	31.12.21	31.12.20
Cash reserve	51.3	67.4
Restricted cash	(0.5)	(0.4)
Undrawn RCF facility	30.0	70.0
Undrawn Securitization facility	60.0	60.0
Liquidity reserve	140.9	197.0

NOTE 5 – NET FINANCIAL ITEMS

(MEUR)	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Interest income	0.1	0.0	0.1	0.1
Interest expenses	(5.6)	(5.1)	(18.9)	(19.3)
Foreign currency gains (losses) ¹	4.4	(4.9)	12.0	(23.3)
Account receivables securitization - Expenses	(0.2)	(0.4)	(1.2)	(0.4)
Other financial items	(0.3)	(0.7)	(1.5)	(2.7)
Net financial items	(1.6)	(11.0)	(9.5)	(45.5)

¹ Is made up of a realized currency loss of MEUR 3.2 and of an unrealized currency gain of MEUR 7.6 in Q4 2021 (Q4 2020: realized loss of MEUR 1.1 and unrealized loss of MEUR 3.8)

NOTE 6 – DISCONTINUED OPERATION 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.

The assets and liabilities of the Interior Comfort System business, the Light Duty Cable business and the cable-related part of Off-Highway business are available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such transactions and their sale is highly probable. Thus, the assets and liabilities are presented as a held for sale.

RESULTS OF DISCONTINUED OPERATION

<i>(MEUR)</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenues	95.0	89.5	335.4	282.0
OPEX	(104.3)	(80.1)	(343.5)	(271.3)
Impairment losses	0.0	(0.1)	0.0	(52.4)
EBITDA	(9.3)	9.2	(8.1)	(41.6)
<i>in % revenues</i>	-9.8%	10.3%	-2.4%	-14.8%
Depreciation and amortization	(1.5)	(5.1)	(14.7)	(16.5)
Operating profit / EBIT	(10.8)	4.1	(22.8)	(58.2)
<i>in % revenues</i>	-11.3%	4.5%	-6.8%	-20.6%
Adjusted EBIT¹	4.7	4.3	(6.8)	(5.3)
<i>in % revenues</i>	4.9%	4.8%	-2.0%	-1.9%
Net financial items	(0.7)	(1.3)	(2.6)	(1.5)
Profit / (loss) before taxes	(11.5)	2.8	(25.4)	(59.7)
Income taxes	2.4	0.2	2.4	0.2
Net profit / (loss) from discontinued operation	(9.1)	3.0	(23.0)	(59.5)

CASH FLOWS FROM (USED BY) DISCONTINUED OPERATION

<i>(MEUR)</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Net cash flow from (used by) operating activities	(16.8)	16.2	(20.6)	16.3
Net cash flow used by investing activities	(9.7)	(10.1)	(16.6)	(27.9)
Net cash flow used by financing activities	(3.1)	(2.1)	(9.1)	(7.3)
Net cash flows for the year	(29.6)	4.0	(46.3)	(18.9)

ASSETS AND LIABILITIES HELD FOR SALE

(MEUR)	Interior Comfort Systems	Light Duty Cables ¹	31.12.21
Intangible assets	4.6	1.8	6.4
Tangible assets	97.9	8.9	106.9
Right-of-use assets	32.9	4.1	37.0
Deferred tax assets	11.8	0.0	11.8
Other non-current assets	6.3	0.5	6.8
NON-CURRENT ASSETS	153.6	15.3	168.9
Inventories	24.3	12.3	36.6
Accounts receivable	1.1	15.2	16.3
Other current receivables	7.0	2.5	9.5
Cash and cash equivalents	0.0	6.9	6.9
TOTAL CURRENT ASSETS	32.3	37.0	69.3
Assets held for sale	185.9	52.3	238.2
Non-current lease liabilities	29.2	1.9	31.1
NON-CURRENT LIABILITIES	29.2	1.9	31.1
Current lease liabilities	4.2	1.7	5.9
Current income tax liabilities	0.8	0.0	0.8
Trade and other payables	20.1	12.9	33.0
CURRENT LIABILITIES	25.1	14.6	39.7
Liabilities directly associated with the assets held for sale	54.3	16.5	70.8

¹includes the cable-related part of the Off-Highway business.

NOTE 7 – SUBSEQUENT EVENTS

SUCCESSFUL COMPLETION OF THE ICS SALE TO LEAR CORPORATION

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 EUR 175.0 million.

Kongsberg Automotive received the initial purchase price proceeds of EUR 165.9 million, subject to further adjustments.

Based on the initial purchase price proceeds, the gain after tax on the ICS sale transaction amounts to approximately EUR 26.5 million. Costs to sale incurred in 2021 amounted to EUR 7.0 million.

PARTIAL REDEMPTION OF THE BOND NOTES

On March 11, 2022, a Notice of Redemption for EUR 75.0 million of the outstanding Senior Secured Notes due 2025 was published. The Notes will be redeemed at 102.5% of the par value, plus accrued interests from January 15, 2022, until the Redemption Date. The Redemption Date is set on March 21, 2022.

Following the partial redemption of the bond notes, the outstanding amount of the Notes will be EUR 200.0 million.

CONFLICT IN UKRAINE

The conflict in Ukraine escalated in February 2022. Currently, Group's Management assesses that the Group's operations are not directly impacted by the conflict as none of the Group's plants are located in Ukraine nor Russia and most of KA's customers do not have close economic ties with these countries. However, the Group's financials will be impacted by the unpredictable indirect consequences of this conflict, such as uncertain further increases in costs for raw materials, energy, and transportation.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of consolidated financial statements for the year ended on December 31, 2021, 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 quarterly report includes a fair review of important events that have occurred during the financial year 2021 and their impact on the condensed set of consolidated financial statements, a description of the principal risks and uncertainties, and major related parties' transactions.

Kongsberg, March 14, 2022

Firas Abi-Nassif
Chairman
(Sign.)

Peter Schmitt
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.)

Gerard Cordonnier
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>	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Operating profit / EBIT ¹	6.8	17.6	47.5	(18.0)
Restructuring items ²	1.5	0.4	3.2	3.7
Impairment losses ³	0.0	0.0	0.0	30.3
Adjusted EBIT¹⁺²⁺³	8.3	18.0	50.7	16.0

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>	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Operating profit / EBIT	6.8	17.6	47.5	(18.0)
Depreciation	7.7	6.4	29.4	27.3
Amortization	0.7	1.0	2.7	6.0
EBITDA¹	15.2	25.1	79.6	15.3
Restructuring items ^{(*) 2}	1.5	0.0	3.2	3.3
Impairment losses ³	0.0	0.0	0.0	30.3
Adjusted EBITDA¹⁺²⁺³	16.7	25.1	82.8	48.9

(*) Excluding depreciation and amortization

ALTERNATIVE PERFORMANCE MEASURES (APM)

RESTRUCTURING ITEMS PER SEGMENT (CONTINUING OPERATION)

(MEUR)	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Pow ertrain & Chassis	0.0	1.5	0.4	1.8
Specialty Products	0.0	(1.0)	0.0	(0.7)
Other	1.5	(0.0)	2.8	2.6
Group total	1.5	0.5	3.2	3.7

IMPAIRMENT LOSSES PER SEGMENT (CONTINUING OPERATION)

(MEUR)	Q4 2021	Q4 2020	FY 2021	FY 2020
Pow ertrain & Chassis	0.0	0.0	0.0	30.3
Specialty Products	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Group total	0.0	0.0	0.0	30.3

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 2021 and 2020.

(MEUR)	Q4 2021	Q4 2020 (Restated)	FY 2021	FY 2020 (Restated)
Cash flow - Operating activities	(9.9)	20.9	56.7	57.7
Cash flow - Investing activities	(10.4)	(16.5)	(26.7)	(30.7)
Cash flow - Financing activities	15.2	(4.7)	(11.1)	48.9
Currency and translation effects on cash flow	11.6	(7.1)	18.3	(14.9)
<i>Add back / less:</i>				
Proceeds from capital increase	0.0	0.6	0.0	(89.7)
Purchase of treasury shares	0.0	0.9	0.0	1.3
Net draw -dow n/repayment of debt	(20.5)	(0.7)	(18.1)	9.3
Free Cash Flow	(14.0)	(6.7)	19.1	(18.1)

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)	31.12.21	31.12.20
Long-term interest-bearing liabilities	338.7	363.0
Other short-term interest-bearing liabilities	29.0	13.8
Cash and cash equivalents*	(51.3)	(67.4)
Net Interest Bearing Debt	316.4	309.5

* 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)	31.12.21	31.12.20
Total assets	984.8	980.7
Deferred tax liabilities	(27.0)	(14.9)
Other long-term liabilities	(20.0)	(21.3)
Current liabilities incl. other short-term interest bearing liabilities	(262.8)	(253.2)
Assets held for sale	(238.2)	0.0
Liabilities directly associated with the assets held for sale	70.8	0.0
Capital Employed	507.6	691.2

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)		FY 2021		FY 2020
Capital employed beginning ¹	01.01.2021	691.2	01.01.2020	645.6
Capital employed at end ²	31.12.2021	507.6	31.12.2020	691.2
Adjusted EBIT from continuing operations last twelve months ³		50.7		16.0
Adjusted ROCE ^{(3 / (1+2)) * 200%}		8.5%		2.4%

As restatement of the balance sheet for prior year is not required by IFRS 5, thus capital employed as of December 31, 2020 contains assets and liabilities of discontinued operation.

OTHER COMPANY INFORMATION

THE BOARD OF DIRECTORS

Firas Abi-Nassif	Chairman
Emese Weissenbacher	Shareholder elected
Peter Schmitt	Shareholder elected
Ellen M. Hanetho	Shareholder elected
Gerard Cordonnier	Shareholder elected
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
Norbert Loers	Executive Vice President & CFO (until 29.07.2021)
Frank Heffter	Executive Vice President & CFO (from 29.07.2021)
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
Virginia Grando	Executive Vice President, Quality
Marcus von Pock	Executive Vice President, Human Resources & Communications
Jon Munthe	General Counsel
Doug Tushar	Senior Vice President, IS&T

CORPORATE COMMUNICATION

Marcus von Pock	Communications	+41 43 508 94 93		
Jakob Bronebakk	Investor Relations	+47 906 39 637	or	investor.relations@ka-group.com

FINANCIAL CALENDAR

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

1st quarter 2022	May 13, 2022
2nd quarter 2022 and Half-yearly Report	August 09, 2022
3rd quarter 2022	November 08, 2022

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