



Kongsberg Automotive ASA

(a public limited liability company organized under the laws of Norway)

**Listing of 6,910,947,867 Private Placement Shares on Oslo Børs
Subsequent Offering and listing on Oslo Børs of up to 3,000,000,000 Offer Shares
Subscription price: NOK 0.10 per Offer Share**

Subscription Period: from 09:00 hours (CEST) on 6 July 2020 to 24 July 2020 at 16:30 hours (CEST)

This prospectus (the "**Prospectus**") has been prepared by Kongsberg Automotive ASA (the "**Company**", and together with its subsidiaries, the "**Group**") in connection with (i) the listing on Oslo Børs of 6,910,947,867 new ordinary shares in the Company (the "**Private Placement Shares**") issued in tranche 2 of a private placement raising gross proceeds of in aggregate NOK 700,000,000 (the "**Private Placement**"), and (ii) a subsequent offering of new ordinary shares in the Company (the "**Subsequent Offering**") and the listing on Oslo Børs of the shares to be issued in the Subsequent Offering.

The Subsequent Offering comprises an offer by the Company to raise an amount of up to NOK 300,000,000 by issuing up to 3,000,000,000 new shares, each with a nominal value of NOK 0.10 (the "**Offer Shares**"). The Offer Shares are issued at a subscription price of NOK 0.10 per Offer Share (the "**Subscription Price**"). The Subsequent Offering is divided into two tranches, where tranche A consists of up to 2,304,600,000 Offer Shares to raise gross proceeds of up to NOK 230,460,000 ("**Tranche A**") and tranche B consists of up to 695,400,000 Offer Shares to raise gross proceeds of up to NOK 69,540,000 ("**Tranche B**"). Tranche A of the Subsequent Offering is, subject to applicable securities laws, directed towards shareholders in the Company as of the end of 20 May 2020, as registered in the Norwegian Securities Depository (the "**VPS**") on 25 May 2020 (the "**Record Date**") who (i) were not invited to participate in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus, filing, registration or similar action ("**Eligible Shareholders**"). Tranche B of the Subsequent Offering is directed at the Company's shareholder Teleios Capital Partners and is limited to up to 23.18 % of the total allocation in the Subsequent Offering. Any shares not subscribed for in Tranche B will be made available for oversubscription in Tranche A.

Eligible Shareholders in Tranche A of the Subsequent Offering will receive subscription rights (the "**Subscription Rights**") based on their shareholding as of the Record Date. The Subscription Rights will, subject to any restrictions under applicable law, give Eligible Shareholders a preferential right to subscribe for and be allocated shares in Tranche A of the Subsequent Offering at the Subscription Price. Each Eligible Shareholder will be granted 7.031 Subscription Rights for each share in the Company registered as held by such Eligible Shareholder as of the end of the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will give the right to subscribe for one (1) Offer Share. Oversubscription in the Subsequent Offering by Eligible Shareholders will be allowed. Subscription without Subscription Rights is allowed, however, with last priority allocation rights. No guarantees are made for allocation of Offer Shares not covered by Subscription Rights.

The subscription period in the Subsequent Offering commences at 09:00 hours (CEST) on 6 July 2020 and expires on 24 July 2020 at 16:30 hours (CEST) (the "**Subscription Period**"). The Subscription Rights are non-transferable and will not be tradeable or listed on Oslo Børs.

Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and in particular consider Section 2 "Risk Factors" before investing in the Offer Shares and the Company.

The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside Norway. The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offer of the Offer Shares may lawfully be made. For more information regarding restrictions in relation to the Subsequent Offering, see Section 13 "Selling and Transfer Restrictions".

The payment date for allocated Offer Shares is expected to be on or about 29 July 2020 (the "**Payment Date**"). Assuming due payment of the Offer Shares subscribed for and allocated in the Subsequent Offering, delivery of the Offer Shares in the VPS is expected to take place on or about 31 July 2020, following and subject to the registration of the share capital increase pertaining to the Offer Shares in the Norwegian Register of Business Enterprises. The Company's issued and outstanding shares are referred to as "**Shares**", which, unless the context indicates otherwise indicate, also cover the Private Placement Shares and the Offer Shares.

Manager:

SpareBank 1 Markets AS

The date of this Prospectus is 3 July 2020

IMPORTANT INFORMATION

This Prospectus has been prepared solely for use in connection with the listing of the Private Placement Shares on Oslo Børs and the offer and listing on Oslo Børs of the Offer Shares in the Subsequent Offering.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been approved by the Financial Supervisory Authority of Norway (the "**NFSA**"), as the competent authority under the EU Prospectus Regulation. The NFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

This Prospectus has been prepared solely in the English language. Please see Section 15 "Definitions and glossary" for definitions of terms used throughout this Prospectus.

The Company has engaged SpareBank 1 Markets AS as manager in connection with the Subsequent Offering (the "**Manager**"). The Manager is acting for the Company and no one else in connection with the Subsequent Offering. The Manager will not be responsible to anyone other than the Company for providing the protections afforded to clients of the Manager or for providing advice in relation to the transaction.

The Company has furnished the information in this Prospectus. The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus that may affect the assessment of the Shares, including the Offer Shares, between the time of approval of this Prospectus by the NFSA and listing of the Offer Shares on Oslo Børs, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Company or in connection with the Subsequent Offering other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Manager or by any of their affiliates, advisers or selling agents.

The distribution of this Prospectus and the Subsequent Offering may be restricted by law in certain jurisdictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit the Subsequent Offering to occur outside Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except as permitted by applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Shares, including the Offer Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. For further information on the sale and transfer restrictions of the Offer Shares, see Section 13 "Selling and transfer restrictions".

Neither the Company, the Manager nor any of their respective affiliates, representatives, advisers or selling agents, are making any representation to any offeree or purchaser of the Shares regarding the legality or suitability of an investment in the Shares. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Shares or the use of Subscription Rights to subscribe for Offer Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk Factors".

In the ordinary course of their businesses, the Manager and certain of their respective affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company and its subsidiaries.

This Prospectus and the Subsequent Offering are governed by Norwegian law. The courts of Norway, with Oslo as legal venue, have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus.

All sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares. The Shares and the Subscription Rights have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, the Offer Shares are being offered and sold: (i) in the United States only to QIBs in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act. See Section 13.2 "United States".

Any Offer Shares or Subscription Rights offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made the acknowledgements, representations and agreements as set forth under Section 13 "Selling and transfer restrictions".

Neither the Shares nor the Subscription Rights have been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Subsequent Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Manager or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire any Shares. Investors confirm their agreement to the foregoing by accepting the delivery of this Prospectus.

NOTICE TO UNITED KINGDOM INVESTORS

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Subscription Rights and the Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Manager has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "EEA") that has implemented the EU Prospectus Regulation, other than Norway (each, a "Relevant Member State"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Subscription Rights and Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for an offer of securities. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Subsequent Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or the Manager to publish a prospectus or a supplement to a prospectus under the EU Prospectus Regulation for such offer. Neither the Company nor the Manager have authorized, nor do they authorize, the making of any offer of Shares through any financial intermediary.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to the Manager and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Regulation; and
- b) in the case of any Offer Shares acquired by it as a financial intermediary, (i) such Offer Shares acquired by it in the Subsequent Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares and in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Regulation in that Relevant Member State, and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129.

See Section 13 "Selling and Transfer Restrictions" for certain other notices to investors.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Company's shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**" or the "**Board**") and the members of the senior management of the Group (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its board members or members of the Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of the Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

TABLE OF CONTENTS

1.	SUMMARY	9
2.	RISK FACTORS	16
2.1	Risks related to market conditions	16
2.2	Risks related to the business of the Group and the industry in which the Group operates	17
2.3	Risks related to laws, regulations and litigation	20
2.4	Risk relating to financial and tax matters	21
2.5	Risk factors relating to the Group's indebtedness.....	22
2.6	Risks relating to the Shares and the Subsequent Offering	23
3.	RESPONSIBILITY FOR THE PROSPECTUS	25
4.	GENERAL INFORMATION	26
4.1	The approval of this Prospectus by the Financial Supervisory Authority of Norway.....	26
4.2	Presentation of financial information	26
4.3	Presentation of other information	28
4.4	Cautionary note regarding forward-looking statements	28
5.	LISTING OF THE PRIVATE PLACEMENT SHARES.....	30
5.1	Overview of the Private Placement	30
5.2	Use of proceeds	30
5.3	Resolution to issue the Private Placement Shares	30
5.4	Share capital following completion of the Private Placement.....	31
5.5	Dilution.....	31
5.6	Rights attaching to the Private Placement Shares.....	31
5.7	VPS registration, delivery and listing of the Private Placement Shares.....	31
5.8	Selling and transfer restrictions	32
5.9	Lock-up and restrictions on transferability.....	32
5.10	Participation of major existing shareholders and members of Management, supervisory and administrative bodies.....	32
5.11	Interest of natural and legal persons involved in the Private Placement	32
6.	THE SUBSEQUENT OFFERING.....	33
6.1	Introduction.....	33
6.2	Resolution to issue the Offer Shares.....	33
6.3	Timetable.....	34
6.4	Subscription price	34
6.5	Subscription Period	34
6.6	Subscription Rights.....	34
6.7	Subscription procedures.....	35
6.8	Financial intermediaries	35
6.9	Allocation of Offer Shares	36
6.10	Payment for the Offer Shares.....	37
6.11	Delivery and listing of the Offer Shares.....	38
6.12	Rights attaching to the Offer Shares	39
6.13	Dilution.....	39
6.14	VPS account.....	39
6.15	Mandatory anti-money laundering procedures.....	39
6.16	National Client Identifier and Legal Entity Identifier	40

6.17	Expenses related to and use of proceeds from the Subsequent Offering	40
6.18	Lock-up and restrictions on transferability.....	40
6.19	Selling and transfer restrictions	40
6.20	Interests of natural and legal persons involved in the Subsequent Offering.....	40
6.21	Participation of major existing Shareholders and members of the Company's management, supervisory and administrative bodies in the Subsequent Offering	41
6.22	Publication of information relating to the Subsequent Offering	41
6.23	Advisors in the Subsequent Offering.....	41
6.24	Governing law and jurisdiction	41
7.	THE BUSINESS OF THE GROUP.....	42
7.1	Overview.....	42
7.2	Strategy	43
7.3	Product offering	45
7.4	Engineering and development.....	51
7.5	Quality	52
7.6	Manufacturing.....	52
7.7	Property, Plant and Equipment	53
7.8	Suppliers of raw and prefabricated materials and components	53
7.9	IT systems	53
7.10	Intellectual Property.....	54
7.11	Material contracts outside ordinary course of business	54
7.12	Legal proceedings	54
7.13	Investments	54
7.14	Related party transactions.....	55
7.15	Significant changes impacting the Group's operations and principal activities since 31 December 2019.....	55
7.16	Trend information and significant changes in the Group's financial position	55
8.	CAPITALISATION AND INDEBTEDNESS	58
8.1	Introduction.....	58
8.2	Capitalization	58
8.3	Net financial indebtedness	59
8.4	Financing Agreements.....	59
8.5	Liquidity and working capital	60
9.	BOARD OF DIRECTORS AND MANAGEMENT.....	62
9.1	Board of directors	62
9.2	Management.....	64
9.3	Board committees.....	68
9.4	Fraudulent offence, bankruptcy, incrimination and disqualification.....	68
9.5	Conflicts of interests and other information	68
10.	CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL	70
10.1	General corporate information.....	70
10.2	Regulatory disclosures	70
10.3	Major shareholders.....	73
10.4	Shareholder rights	74
10.5	Dividends.....	74
10.6	Convertible instruments, warrants and share options	74

10.7	Outstanding authorisations to increase the share capital	75
10.8	Authorisation to acquire treasury shares	75
10.9	Certain aspects of Norwegian corporate law	75
11.	SECURITIES TRADING IN NORWAY	80
11.1	Introduction	80
11.2	Trading and settlement	80
11.3	Information, control and surveillance	80
11.4	The VPS and transfer of shares	81
11.5	Shareholder register – Norwegian law	81
11.6	Foreign investment in Norwegian shares	81
11.7	Disclosure obligations	81
11.8	Insider trading	81
11.9	Mandatory offer requirements	82
11.10	Compulsory acquisition	83
11.11	Foreign exchange controls	83
12.	NORWEGIAN TAXATION	84
12.1	Introduction	84
12.2	Taxation of dividends	84
12.3	Taxation of capital gains on realization of shares	86
12.4	Net wealth tax	86
12.5	VAT and transfer taxes	87
12.6	Inheritance tax	87
13.	SELLING AND TRANSFER RESTRICTIONS	88
13.1	General	88
13.2	United States	89
13.3	United Kingdom	91
13.4	EEA selling restrictions	91
14.	ADDITIONAL INFORMATION	92
14.1	Auditor	92
14.2	Advisors	92
14.3	Documents on display	92
14.4	Incorporation by reference	92
15.	DEFINITIONS AND GLOSSARY	94

APPENDIX

APPENDIX 1 - Subscription Form in the Subsequent Offering	A1
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1. SUMMARY

Introduction

Warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Company's Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
The securities	The Company has one class of shares in issue. The Shares are registered in book-entry form with VPS with international securities identification number (" ISIN ") NO0003033102.
The issuer and offeror	Name of the issuer: Kongsberg Automotive ASA Business registration number: 942 593 821 Legal entity identifier (" LEI "): 5967007LIEEXZXJDCG21 Registered office and address: Dyrmyrgata 48, 3611 Kongsberg Tel: +47 32 77 05 00 Website: www.kongsbergautomotive.com
Approval of the Prospectus	The Prospectus was approved by the NFSA on 3 July 2020. Contact information: Financial Supervisory Authority of Norway, with address: Revierstredet 3, N-0151 Oslo, Norway, tel: +47 22 93 98 00 and e-mail: post@finanstilsynet.no .

Key information on the issuer

Who is the issuer of the securities?

Corporate information..... The issuer is the Company, Kongsberg Automotive ASA, a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act of 13 June 1987 no. 45 (the "**Norwegian Public Limited Companies Act**"). The Company was incorporated in Norway on 24 March 1987 and the Company's registration number with the Norwegian Register of Business Enterprises is 942 593 821 and its LEI is 5967007LIEEXZXJDCG21.

Principal activities The Group is a large supplier of components and systems for light duty vehicles, heavy-duty vehicles, recreational vehicles, agricultural machinery, construction machinery and other industrial markets, as well as to the aftermarket. The Group's diversified product offering includes fluid & air handling systems, steering columns, hand controls, powertrain & chassis products, interior comfort products and cable products. The Group has operations in 19 countries and 27 production facilities and deliver products to a range of original equipment manufacturers (each an "**OEM**"), Tier 1 and other customers in Europe, the Americas and the Asia-Pacific region. The Group's portfolio covers a wide range of products, from components to sub-systems to highly sophisticated fully integrated systems across a wide price range.

The Group has three business segments, Interior, Powertrain & Chassis and Specialty Products:

- **Interior:** The Group's Interior segment serves customers with interior comfort systems (such as seat ventilation, seat heat, lumbar support or seat massage systems) and light duty cables (such as seat cables, hood/bonnet release cables, trunk/tailgate/boot release cables and handles or interior and exterior door release cables) for the light duty vehicles market. The Group believes it is one of the only suppliers of fully integrated seat comfort systems.
- **Powertrain & Chassis:** The Group's Powertrain & Chassis segment serves customers with mechanically and electronically actuated gear shift systems for light and heavy duty vehicles. In addition, this segment delivers vehicle dynamics

systems and chassis stabilizers to the heavy duty market. The Group also has a large aftermarket presence in this segment.

- **Specialty Products:** The Group's Specialty Product segment operates in highly specialized niche markets. This segment contains three business units: Couplings (air couplings), Fluid Transfer Systems (hoses and tubes) and Off-Highway (steering columns, hand controls, pedals and displays). The Group's Off-Highway unit operates only in the non-automotive market, while the Couplings unit is exclusively focused on heavy duty vehicles and the Fluid Transfer Systems unit serves the light duty and heavy duty vehicle, industrial, and agricultural and construction machinery markets. The Company believes the Group is one of the global top three PTFE hose producers by revenue, among the two top suppliers by revenue in the Couplings business and one of the top three suppliers based on number of products supplied in pedals and electronic controls.

The Group sells its products to its customers across Europe, North America, South America and Asia. The Group currently has 27 production facilities worldwide, with the largest facilities located in lower labor cost countries such as Poland, Slovakia, Mexico and China. As these are also the Group's manufacturing facilities with the highest growth rates, this is where the Company focus its growth investments.

The Group benefits from a well-diversified customer base and supplies almost all major European and North American light duty vehicle and heavy-duty vehicle OEMs and many Tier 1 suppliers. The Group's customers include Volvo, Renault, Nissan, Bombardier Recreational Products (“**BRP**”), Fiat Chrysler Automobiles (“**FCA**”), Volkswagen, Geely, PSA, Ford, PACCAR, Daimler, Tata, BMW, General Motors, Adient, Lear and Magna.

Major shareholders..... Shareholders owning 5 % of more of the Shares in the Company have an interest in the Company's share capital that is notifiable pursuant to the Norwegian Securities Trading Act. Based on information derived from the VPS as of 30 June 2020 and notifications on major shareholdings, the following shareholders has a shareholding in the Company that is notifiable: Teleios Global Partners (23.15 %), mutual funds managed by Nordea Funds Ltd. (15.47 %), Pareto Asset Management (7.39 %), Handelsbanken (5.30 %), Apollo Asset Limited (5.04 %) and Tycoon Industrier AS and Saga Tankers ASA (together 5.04 %).

Key managing directors..... The Company's key management comprise of the following members:

Name	Position
Henning E. Jensen.....	CEO
Norbert Loers	CFO
Virginia Grando	EVP Quality
Dzeki Mackinowski.....	EVP Purchasing
Jon Munthe	General Counsel
Linda Nyquist-Evenrud.....	SVP Couplings
Robert Pigg	SVP Off-Highway
Marcus von Pock.....	EVP HRM/Communication/HSE
David Redfearn	EVP Fluid Transfer Systems
Bob Riedford	President P&C
Doug Tushar	VP of IS&T Corporate
Ralf Voss.....	President Interior

Statutory auditor .. The Company's statutory auditor is Deloitte AS, with business registration number 980 211 282 in the Norwegian Register of Business Enterprises and registered address at Dronning Eufemias gate 14, 0191 Oslo, Norway.

What is the key financial information regarding the issuer?

Selected historical key financial information..... The tables below set out selected historical financial information for the Group derived from the Group's unaudited interim financial statements for the three months ended 31 March 2020 and 2019, and the Group's audited financial statements for the year ended 31 December 2019:

Income statement and other comprehensive income

<i>MEUR</i>	Three months ended		Year ended
	31 March 2020		31 December
	2020	2019	2019
Total operating revenue	262.1	306.5	1,160.9
Operating profit	7.4	20.3	62.4
Net profit / (loss)	(12.1)	13.8	28.8
Other comprehensive income	(9.9)	3.9	(0.8)
Earnings per share.....	(0.03)	0.03	0.06

Statement of financial position

<i>MEUR</i>	Three months ended		Year ended
	31 March 2020		31 December
	2020	2019	2019
Total assets	911.0	935.4	927.0
Total equity	261.4	271.5	282.9
Total liabilities	649.7	663.9	644.0

Statement of cash flow

<i>MEUR</i>	Three months ended		Year ended
	31 March 2020		31 December
	2020	2019	2019
Net cash flow from operating activities.....	18.8	(4.4)	51.4
Net cash flow from investing activities	(13.0)	(13.5)	(63.3)
Net cash flow from financing activities	(1.7)	(11.2)	(22.9)
Currency effects on cash	(1.9)	2.5	0.7
Change in cash	2.2	(26.6)	(34.0)
Cash at start of period.....	25.2	59.2	59.2
Cash at end of period.....	27.4	32.6	25.2

What are the key risks that are specific to the issuer?

- Key risks specific to the issuer
- The Corona Pandemic (as defined below) caused a shutdown in the automotive industry and had a dramatic negative effect on the Group's activities and revenues for the first six months of 2020. The Corona Pandemic may have significant impact on the global economy and the automotive industry for an uncertain period of time. This leads to likely reductions in the expected demand for the Company's products and a corresponding liquidity need for the Group. There is a risk that sufficient funding will not be available to the Group and that the Group faces a significant liquidity shortage going forward. The long term impacts of the Corona Pandemic may also significantly affect the Group's activity level, revenues and/or results. It is not possible to accurately predict the Group's liquidity need going forward and the Group's expectations may materially differ from the actual results of the Group. The Group may have a higher liquidity need than anticipated and may have a need for funding additionally to the funding alternatives it has secured or is currently negotiating.
 - The Group's operations is largely dependent on the industrial output of the automotive industry, which is characterized by being a cyclical industry with periodic downturns, complex supply and delivery chains vulnerable for disruptions causing halt in the Group's production and annual price reductions, which if materialized could affect the Group's cash flow, results of operations and financial condition.
 - The Group operates in highly competitive markets for automotive components and the Group's major competitors have significant financial resources and technological capabilities. The Group cannot assure that additional competitors will not enter its markets, nor that the Group will be able to compete successfully against existing or new competitors.
 - The Group is exposed to fluctuations in prices of raw materials and components and the Group's results are sensitive to raw material availability, quality and cost.

- Many of the industries to which the Group sells its products, as well as many of the industries from which the Group buys materials, have become increasingly concentrated in recent years. These trends may adversely affect the profit margins on the Group's products, particularly for commodity components.
- The Group is dependent on the automotive industry as approximately 75 % of the Group's net sales for the financial year 2019 were to customers in the automotive industry.
- The Group's future success is substantially dependent on its ability to attract and retain highly qualified technical, and managerial personnel. If unsuccessful, the Group will, inter alia, be unable to anticipate the direction of technological change or that the Group will be unable to develop and market new products and applications in a timely fashion to satisfy customer demands.
- The Group's product development and improvement activities are associated with a range of risks, including delays in time-to-market, deviations from product specifications and quality requirements, deviations from development budgets, and potential infringements of third-party intellectual property rights, which, if materialized, could materially and adversely affect the Group's financial condition, results of operations and cash flow.
- The Group faces risk relating to intellectual property rights. If the Group infringes intellectual property rights of third parties, it could be liable to pay compensation for infringements or could be forced to purchase licenses. The Group has in the past also experienced infringement of their own intellectual property, including copies and replicas of proprietary products and innovations, and there is a risk for infringement in the future. Policing unauthorized use of the Group's technology is difficult and there can be no assurance that the steps taken by the Group will prevent misuse of its technology.
- The Company could face extensive warranty costs, product liability claims, and recalls related to the Group's products, which could materially and adversely affect the Group's business, financial condition and/or cash flow.
- As of 31 March 2020, the Group had EUR 148.1 million of goodwill recorded in its statement of financial position, representing 17 % of the Group's total assets that could be subject to impairment. Any future impairment charge on the Group's goodwill could have a material adverse effect on the Group's results of operations and financial position.
- The international scope of the Group's operations and the Group's corporate and financing structure may expose the Group to potentially adverse tax consequences
- The Group is subject to restrictive debt covenants that may limit ability to finance future operations and capital needs and to pursue business opportunities and activities. A breach of any of the covenants could result in an event of default and outstanding amounts with accrued interest could immediately become due and payable. If the Group is unable to pay outstanding amounts, creditors could proceed against security interests.
- The Group may not be able to generate sufficient cash to service its indebtedness and may be forced to take other actions to meet the Group's obligations under the indebtedness, which may not be successful. If the Group is unable to refinance, it may be forced to reduce or delay the Group's business obligations, activities or capital expenditures, sell assets, raise additional debt or equity financing in amounts that could be substantial. The terms of the Group's indebtedness will also restrict the Group's ability to, inter alia, transfer or sell assets and the use of proceeds from any such disposal.

Key information the securities

What are the main features of the securities?

Type, class and ISIN.....	All Shares in the Company are common shares and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form under the VPS with ISIN NO0003033102.
Currency, number of shares and nominal value	The Shares are issued in NOK and traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's registered share capital is NOK 744,799,101.20 divided on 7,447,991,012 Shares, each with a nominal value of NOK 0.10.

Rights attaching to the securities ...	The Company has one class of Shares and all Shares carry equal rights in the Company in accordance with the Norwegian Public Limited Companies Act. Each Share carries one vote. The Private Placement Shares are, and the Offer Shares will be, ordinary shares in the Company.
Seniority in the event of insolvency.....	Pursuant to Norwegian law, rights of holders of the Company's Shares are subordinated any other Company creditor in the event of insolvency.
Restrictions on transfer	The Shares are freely transferable and the Company's Articles of Association does not provide for any restrictions on the transfer of Shares or a right of first refusal. Share transfers are not subject to approval by the Board of Directors. Transfer of Shares in the Company in or into various jurisdictions other than Norway may be restricted or affected by law in such jurisdictions,
Dividend and dividend policy.....	As of the date of this Prospectus, the Company prioritizes reinvestment of proceeds and debt reduction to maintain future prospects and achieve leverage targets over payment of dividends and share buy backs. The Company did not pay any dividend for the financial year 2018 and the Company's Board of Directors has not proposed any dividend payments for the financial year 2019.

Where will the securities be traded?

Admission to trading..... The Company's Shares are, and the Private Placement Shares and the Offer Shares will be, listed and traded on Oslo Børs.

What are the key risks that are specific to the securities?

Key risks specific to the securities ...

- Shareholders not participating in the Subsequent Offering or in future issuance of Shares or new convertible securities in the Company carried out in connection with, inter alia, future liquidity need, funding of future acquisitions or the Group's employee incentive program, will be diluted.

Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in the security?

Terms and conditions of the offering..... The Subsequent Offering comprises an offer by the Company to raise an amount of up to NOK 300,000,000 by issuing up to 3,000,000,000 Offer Shares, each with a nominal value of NOK 0.10 at the Subscription Price of NOK 0.10. The Subsequent Offering is divided into two tranches. Tranche A consists of up to 2,304,600,000 Offer Shares to raise gross proceeds of up to NOK 230,460,000 and Tranche B consists of up to 695,400,000 Offer Shares to raise gross proceeds of up to NOK 69,540,000. Tranche A of the Subsequent Offering is directed towards Eligible Shareholders, being shareholders in the Company as of the end of 20 May 2020, as registered in the VPS on the Record Date (25 May 2020) who (i) were not invited to participate in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus, filing, registration or similar action. Tranche B is directed at the Company's shareholder Teleios Capital Partners and is limited to up to 23.18 % of the total allocation in the Subsequent Offering. Any shares not subscribed for in Tranche B will be made available for oversubscription in Tranche A.

Eligible Shareholders in Tranche A of the Subsequent Offering will receive non-tradeable Subscription Rights based on their shareholding as of the Record Date. The Subscription Rights will, subject to any restrictions under applicable law, give Eligible Shareholders a preferential right to subscribe for and be allocated shares in Tranche A of the Subsequent Offering at the Subscription Price. Each Eligible Shareholder will be granted 7.031 Subscription Rights for each Share registered as held by such Eligible Shareholder as of the end of the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will give the right to subscribe for one (1) Offer Share. Oversubscription in the Subsequent Offering by Eligible Shareholders will be allowed. Subscription without Subscription Rights is allowed, however, with last priority allocation rights.

The Subscription Period in the Subsequent Offering commences at 09:00 hours (CEST) on 6 July 2020 and expires on 24 July 2020 at 16:30 hours (CEST). The Subscription Rights are non-transferable and will not be tradeable or listed on Oslo Børs. **Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the**

Subscription Period will have no value and will lapse without compensation to the holder.

Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and the subscription form attached hereto as Appendix 1 and that the receipt of Subscription Rights does not in itself constitute a subscription of Offer Shares. The Payment Date for the allocated Offer Shares is expected to be on or about 29 July 2020. Delivery of the allocated Offer Shares is expected to take place on or about 31 July 2020 through the facilities of the VPS.

Timetable in the offering.....

Key indicative dates in the Subsequent Offering are set out below:

Event	Date
Last day of trading in the Shares including Subscription Rights	20 May 2020
First day of trading in the Shares excluding Subscription Rights	22 May 2020
Record Date	25 May 2020
Start of Subscription Period.....	6 July 2020
End of Subscription Period	24 July 2020
Allocation of Offer Shares	On or about 27 July 2020
Allocation letters distributed.....	On or about 27 July 2020
Payment Date.....	On or about 29 July 2020
Delivery of the Offer Shares	On or about 31 July 2020
Listing and start of trading in the Offer Shares on Oslo Børs	On or about 31 July 2020

Admission to trading.....

The Private Placement was divided into two tranches, whereby 89,052,133 new Shares in the Company was issued in tranche 1 and the 6,910,947,867 Private Placement Shares were issued in tranche 2. The new Shares in tranche 1 of the Private Placement were listed and tradeable on Oslo Børs upon issuance in the VPS pursuant to applicable listing prospectus exemptions. The Private Placement Shares issued in tranche 2 of the Private Placement have been provisionally registered in the VPS under ISIN NO0010883630 and been temporarily admitted to trading on Merkur Market, a multilateral trading facility operated by Oslo Børs, since 17 June 2020 pending the publication of this Prospectus. The Private Placement Shares will be transferred to the Company's ordinary ISIN together with the Company's other Shares as soon as practically possible following publication of this Prospectus. The Offer Shares will be listed on Oslo Børs after completion of the Subsequent Offering and issuance of the Offer Shares, expected on or about 31 July 2020. Other than the aforementioned, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

Allocation.....

Allocation of the Offer Shares will take place after the expiry of the Subscription Period on or about 27 July 2020. The Offer Shares in Tranche A of the Subsequent Offering will be allocated to Eligible Shareholders who have subscribed for Offer Shares by exercise of Subscription Rights. Any Offer Shares remaining in Tranche A of the Subsequent Offering that has not been allocated on the basis of Subscription Rights will be allocated to Eligible Shareholders who have oversubscribed, pro rata based on the number of Subscription Rights exercised by such Eligible Shareholder.

In the event that pro rata allocation is not possible due to the number of remaining Offer Shares, the Company will determine the allocation by lot drawing. Any Offer Shares remaining in Tranche A that are neither allocated on the basis of Subscription Rights nor oversubscription by Eligible Shareholders may be allocated to subscribers not holding Subscription Rights who did not participate in the Private Placement at the sole discretion of the Board of Directors. No guarantees are made as to allocation of Offer Shares pursuant to oversubscription by Eligible Shareholders or subscription without Subscription Rights. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. The Offer Shares in Tranche B of the Subsequent Offering will be allocated to Teleios Capital Partners, limited up to 23.18 % of the total allocation in the Subsequent Offering. Any shares not subscribed for in Tranche B will be made available for oversubscription in Tranche A. The Company will not allocate fractional Offer Shares. Allocation and issuance of the Private Placement Shares is completed as of the date of this Prospectus and is not subject to any offer or allocation.

Dilution.....	The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement was approximately 94 %. Assuming subscription and issuance of all Offer Shares in the Subsequent Offering, the immediate dilutive effect on the ownership of the Company's shareholders who do not participate in the Subsequent Offering is approximately 24 %. For Eligible Shareholders participating in the Subsequent Offering, issuance of the Offer Shares in Tranche B of the Subsequent Offering will, assuming subscription and issuance of all Offer Shares in the Subsequent Offering, have a dilutive effect on the ownership of such Eligible Shareholders of approximately 7 %. The aggregate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement and do not participate in the Subsequent Offering is 96 %.
Expenses.....	Total expenses for the Private Placement and the Subsequent Offering is estimated to NOK 43 million, giving net proceeds of NOK 957 million if all Offer Shares are subscribed issued and paid. No expenses will be charged to the investors by the Company.

Who is the offeror and/or the person asking for admission to trading?

Brief description of the offeror(s)... The Company is the offeror of the Offer Shares. Reference is made to "Issuer and offeror" under the introduction above for details about the Company.

Why is the Prospectus being produced?

Reasons for the offer/admission to trading..... This Prospectus is being produced in connection with listing of the Private Placement Shares in the Private Placement on Oslo Børs and the offer and listing on Oslo Børs of the Offer Shares in the Subsequent Offering. The purpose of the Private Placement and the Subsequent Offering is to raise equity to mitigate the dramatic impact on income and cash flows that the outbreak of the COVID-19 pandemic (the "**Corona Pandemic**") has and is expected to further have on the Company and the Group. The Subsequent Offering also to a certain extent mitigates the dilutive effect of the Private Placement on existing shareholders' ownership as of the time of the Private Placement.

Use of proceeds . In accordance with the reason for the Private Placement and the Subsequent Offering, the net proceeds from the Private Placement and any proceeds from the Subsequent Offering will be used to strengthen the Group's liquidity as well as for general corporate purposes.

Underwriting agreements Not applicable.

Conflicts of interest..... The Private Placement was managed by SpareBank 1 Markets AS and Pareto Securities AS (together the "**Private Placement Managers**"), and the Subsequent Offering is managed by SpareBank 1 Markets AS (the "**Manager**"), who have from time to time provided, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. Further, in connection with the Subsequent Offering, the Manager, their respective employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Private Placement Managers does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Private Placement Managers and the Manager received and will receive a management fee in connection with the Private Placement and the Subsequent Offering, respectively, and, as such, have an interest in the Private Placement and the Subsequent Offering. The Offer Shares in Tranche B of the Subsequent Offering will be allocated to Teleios Capital Partners, which is represented in the Board of Directors by the chairman, Firas Abi-Nassif. Other than this, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Private Placement or the Subsequent Offering.

2. RISK FACTORS

An investment in the Shares, including the Offer Shares, involves inherent risk. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors set out in this Section 2 and all information contained in this Prospectus. The risks and uncertainties described in this Section 2 are the known principal risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section are not exhaustive with respect to all risks relating to the Group and the Shares, but are limited to risk factors that are considered specific and substantial to the Group and the Shares. The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiary and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence.

If any of the following risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Company and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the same. Additional specific risk factors of which the Company is currently unaware, or which it currently deems not to be material risks, may also have corresponding negative effects. Before making any investment decision, any potential investor must also take into account that a number of general risk factors that are not included in this Section 2 still applies to the Group and the Shares.

2.1 Risks related to market conditions

2.1.1 The Corona Pandemic has had a dramatic negative impact on the Group's operations and income and there is great uncertainty associated with how the Corona Pandemic will continue to affect the Group's operations, income and liquidity need going forward

The outbreak of the Corona Pandemic at the start of 2020 caused a sudden shutdown in the global automotive industry, lasting for several of months in certain parts of the world. This has had a dramatic negative effect on the Group's activities, which in turn resulted in a significant decline in the Group's revenues for the first six months of 2020 compared to 2019 and a corresponding liquidity need for the Group. See Section 7.16 "Trend information and significant changes in the Group's financial position" for further information on the Corona Pandemic and its impact on the Group's business activities and financial performance.

It is difficult to predict how the Group will be affected by the Corona Pandemic going forward as this depends greatly on the overall vehicle demand following the Corona Pandemic. Moreover, there is a risk for a "second wave" of the Corona Pandemic; the potential consequences of a "second wave" are very difficult to predict as it depends heavily on multiple factors that are all very challenging to estimate.

The Company believes that the general expectation is that the global economy will experience a recession following the Corona Pandemic related shutdowns. The Group's income and results of operations have been, and will continue to be, strongly influenced by the general state and performance of the Corona Pandemic related declines in the global economy. The risk for a possible recession creates an equally significant risk that the Group's activity level, revenues and/or results will be significantly lower than prior to the outbreak of the Corona Pandemic for a significant period in time, which impacts, inter alia, the valuation of the Group and the Shares.

Due to the prevailing uncertainties relating to the Corona Pandemic, it is very difficult to predict if and when the Group's operations will return to a more normal level from a historical point of view. The Group's actual income and results for the periods in which it has estimated a liquidity shortage may be significantly lower than its most modest expectations and there are no guarantees that the Group's activities and financial results will return to or be close to its historical levels. If such risks were to materialize, the Group may have a higher liquidity need than anticipated and may need funding in addition to the funding alternatives it has secured, including the Private Placement, or is currently negotiating.

As the above illustrates, the Group is significantly exposed to any global pandemic, particularly a pandemic such as the Corona Pandemic as this led to shutdowns of large parts of the world economy with its dramatic effects on

the Group's supply chains and end markets. The Corona Pandemic thus has had and could continue to have a material adverse effect on the Group's financial condition, results of operations and cash flows.

2.1.2 The Group operates in a cyclical industry and the demand for the Group's products is largely dependent on the industrial output of the automotive industry and the Group's other end markets

Substantially all of the Group's business is directly related to vehicle sales and production by the Group's customers, which consists primarily of large OEMs and other automotive suppliers and the demand for the Group's products is largely dependent on the industrial output of the automotive industry. The Group's operations and performance is directly related to the levels of global vehicle production, in particular the light duty vehicle market. The automotive industry is sensitive to factors such as consumer demand, consumer confidence, disposable income levels, and availability of credit, fuel prices and general economic conditions. Given the variety of economic parameters influencing global automotive demand, the volume of automotive production is characterized by a certain level of fluctuation, making it difficult for the Group to accurately predict future demand levels for the Group's products. Because the Group's business is characterized by high fixed costs, the Group is exposed to risks of underutilization of its facilities or having insufficient capacity to meet customer demand if the markets in which the Group is active either decline or grow faster than anticipated.

Consequently, the Group is heavily dependent on the end-market industry dynamics for its products, and the Group's operating results can be adversely affected by the cyclical demand patterns of these markets. The periodic downturns in the Group's customers' industries can significantly reduce demand for certain of the Group's products, which could have a material adverse effect on the Group's financial condition, results of operations and cash flows.

2.1.3 Risks relating to the United Kingdom's exit from the European Union (Brexit)

The Group partly supplies its customers based in the United Kingdom (“UK”) from plants based outside of the UK and the Group's UK based plant supplies customers outside of the UK. Furthermore, the Group's UK based plant sources its components and materials partly from non-UK based third-party suppliers. Inversely, some of the Group's non-UK plants source parts of their components and materials from UK based third party suppliers.

In the event of a non-orderly Brexit, there is a high degree of likelihood that logistics and supply chains will be delayed, disturbed or broken which could impact the Group's ability to serve its customers both within the UK and outside the UK. Also, assuming that the product flows are not affected, there is the risk that the Group's imports to and exports from the UK will be subject to significantly higher tariffs than what currently is the case thus increasing the overall costs for the Group.

If the Brexit process leads to large differences in the relative attractiveness of the UK as a manufacturing base, this could lead to customers and suppliers moving their operations into or out of the UK with the logistical and possible cost effects this could have on the Group. This could even lead to the Group being forced to shut down and transfer certain plant operations, either moving manufacturing into or out of the UK with associated transfer and restructuring costs.

The potential interruption of UK cross border product flows and potential increased tariffs for goods entering into or being exported from the UK with potential follow on effects could have a material adverse effect on the Group's financial condition, results of operations and cash flows.

2.2 Risks related to the business of the Group and the industry in which the Group operates

2.2.1 The Group is part of a complex supply and delivery chain and disruption could cause one or more of the Group's suppliers or customers to halt production. The Group may use components and products manufactured by third parties.

Both the Group and the Group's suppliers and customers rely on complex supply and delivery chains with short lead times and frequent deliveries, which make the logistics supply chain in the Group's industry very vulnerable to disruptions. Disruptions in the supply chain, including closures of supplier facilities or critical manufacturing lines, may result from many reasons, including shutdowns caused by future pandemics with similar restrictions imposed such as the Corona Pandemic, but also labor strikes, mechanical breakdowns, electrical outages, fire, explosions, as well as logistical complications resulting from weather or other natural disasters, mechanical failures and delayed customs processing.

The Group may rely on third-party suppliers for the components and raw materials used in its products and may rely on third-party manufacturers to manufacture certain of the Group's assemblies and finished products. Such third parties include but are not limited to 1) traditional raw material suppliers for metals, composite materials and surface materials (leather/plastic), 2) component manufacturers for electronic components, stamped metal, metal castings, decor parts, molded parts, rubber products and housings, 3) service providers and 4) so-called EMS providers (for example suppliers of electronics assemblies). The Group's financial condition, results of operations and cash flows could be adversely affected if such third parties lack sufficient quality control or if there are significant changes in their financial or business condition. As described above, the Group has third-party arrangements for the manufacture of certain products, parts and components. If these third parties fail to deliver quality products, parts and components on time and at reasonable prices, the Group's commercial reputation could be damaged, the Group could have difficulties fulfilling its orders and the Group's sales and profits could decline.

Moreover, as the Group expands its global manufacturing footprint, it will need to rely on suppliers in local markets that have not yet proven their ability to meet the Group's requirements. The lack of even a small single subcomponent necessary to manufacture one of the Group's products, for whatever reason, could force the Group to cease production or prolong the Group's production period. Similarly, a potential quality issue could force the Group to halt deliveries while validating products.

Any supply chain disruption entailing that the Group is not able to deliver products to its customers in a timely manner could cause the shutdown of an assembly line of one of the Group's customers, which could expose the Group to material claims for compensation.

2.2.2 The Group encounters competition in substantially all of its segments

The Group operates in highly competitive markets for automotive components. The competition the Group experiences across product lines from other companies ranges in size from large, diversified manufacturers to small, highly specialized manufacturers. The automotive components industry has continued to become increasingly concentrated and globalized in recent years, and the Group's major competitors have significant financial resources and technological capabilities. A number of these competitors compete with the Group primarily on price, and in some instances may enjoy lower production costs for certain products. The Group cannot assure that additional competitors will not enter its markets, nor that the Group will be able to compete successfully against existing or new competitors.

2.2.3 The Group is exposed to fluctuations in prices of raw materials and components and the Group's results are sensitive to raw material availability, quality and cost

The Group is a large buyer of resin, copper, aluminum, steel, chemicals, and zinc. Many of these raw materials are produced in a limited number of regions around the world or are only available from a limited number of suppliers. In addition, the price of many of these raw materials, including copper, has increased dramatically in recent years and there is a risk that such trend will continue in the future.

The Group does not actively hedge against the risk of rising prices of raw materials purchased through derivative financial instruments. Over the last years, the Group has only been partially able to offset increases in raw materials through higher selling prices and in most cases, the Group cannot increase prices under existing programs and contracts. To the extent the Group is not able to pass on to customers or compensate for cost increases relating to raw materials through productivity improvements or price increases to customers, margins may decline. The Group also faces risk of claims for customers relating to delayed delivery or faulty products caused by limited availability of raw materials and/or the quality of raw materials used. Should any of these risks materialize, the Group's financial condition, results of operations and cash flows may be materially and adversely affected.

2.2.4 The Group may be negatively affected as the Group's customers and vendors continue to consolidate their supply base

Many of the industries to which the Group sells its products, as well as many of the industries from which the Group buys materials, have become increasingly concentrated in recent years. As the Group's customers buy in larger volumes, their volume buying power has increased, and they have been able to negotiate more favorable pricing and find alternative sources from which to purchase. The Group's materials suppliers similarly have increased their ability to negotiate favorable pricing. These trends may adversely affect the profit margins on the Group's products, particularly for commodity components.

2.2.5 The Group is dependent on the automotive industry

Approximately 75 % of the Group's net sales for the financial year 2019 were to customers in the automotive industry. The automotive market is dominated by several large manufacturers who can exert significant price pressure on their suppliers. In addition, as a supplier of automotive electronics products, the Group's sales of these products and profitability could be negatively affected by changes in the operations, products, business models, part-sourcing requirements, financial condition and market share of automobile manufacturers.

2.2.6 The Group's future success is substantially dependent on its ability to attract and retain highly qualified technical, and managerial personnel

The Group's success depends upon continued ability to hire and retain key employees at its operations around the world. The Group depends on highly skilled technical personnel to design, manufacture and support its wide range of electronic components. Additionally, the Group relies upon experienced managerial and support personnel to manage the business effectively and to successfully promote the Group's wide range of products. Any difficulties in obtaining or retaining the necessary management and human resource skills to achieve the Group's objectives may have adverse effects on its financial condition, results of operations and cash flows. The markets in which the Group operates is subject to rapid technological change. The Group's long-term operating results depend substantially upon the Group's ability to continually develop, introduce and market new and innovative products, to modify existing products, to respond to technological change and to customize certain products to meet customer requirements. The primary dependencies for highly qualified personnel are in the areas of engineering (electronics hard- and soft-ware engineers, mechatronics engineers and automotive systems integration specialists), manufacturing engineering (the design, construction and maintenance of manufacturing equipment), design for manufacturing engineers interfacing between the product and production engineers and general management personnel with automotive experience. There are numerous risks inherent in this process, including the risks that the Group will be unable to anticipate the direction of technological change or that the Group will be unable to develop and market new products and applications in a timely fashion to satisfy customer demands.

2.2.7 The Group generates a significant amount of revenues from a limited number of large customers

Although the Group supplies products to several leading OEMs and Tier 1 suppliers, it depends on certain large value customers for a significant proportion of its revenues. In 2019, the Group's top ten customers represented 59 % of revenues in aggregate. The loss of all or a substantial portion of sales to any of the Group's large volume customers could have a material adverse impact on the Group's business, financial condition and results of operations.

Substantially all of the Group's business is directly related to vehicle sales and production by the Group's customers, which consists primarily of large OEMs and other automotive suppliers and the demand for the Group's products is largely dependent on the industrial output of the automotive industry. The Group's operations and performance is directly related to the levels of global vehicle production, in particular the light duty vehicle market. The automotive industry is sensitive to factors such as consumer demand, consumer confidence, disposable income levels, and availability of credit, fuel prices and general economic conditions. Given the variety of economic parameters influencing global automotive demand, the volume of automotive production is characterized by a certain level of fluctuation, making it difficult for the Group to accurately predict future demand levels for the Group's products. Because the Group's business is characterized by high fixed costs, the Group is exposed to risks of underutilization of its facilities or having insufficient capacity to meet customer demand if the markets in which the Group is active either decline or grow faster than anticipated.

Loss of or lower sales to large customers may occur for a number of reasons, including, inter alia, materialization of the risks described herein relating to the Group not being able to provide necessary product certifications or to develop new products meeting the customers' rapidly changing preferences. Shutdowns as experienced in connection with the Corona Pandemic or other shutdowns or cyclical downturns that disproportionately affect the automotive industry may also entail reduced demand for the Group's customers' products.

2.2.8 The Group is exposed to risk relating to its product development, production and project management

The Group's product development and improvement activities are associated with a range of risks, including delays in time-to-market, deviations from product specifications and quality requirements, deviations from development budgets, and potential infringements of third-party intellectual property rights. The Group is also subject to risk in manufacturing processes, such as, inter alia, bottlenecks and delays as a result of insufficient production resources. The launch of new products also requires comprehensive and long-term planning of

customer project management, which are subject to risks such as poor communication, selecting wrong manufacturing equipment, missing project timelines and cost budgets, which has materialized in the past on some of the Group's projects. If these risks materialize, the Group's financial condition, results of operations and cash flows would be materially and adversely affected.

2.2.9 The Group is exposed to risks associated with changes in currency exchange rates

The Group is exposed to a variety of market risks, including the Group's worldwide operations and effects of changes in foreign currency exchange rates. Changes in the relative values of currencies occur from time to time and, in some instances, may have a significant effect on the Group's financial condition, results of operations and cash flows. The Group's primary exposure is to the euro/U.S. dollar exchange rate and to a lower degree to the exchange rate of the euro to the Norwegian kroner, the Swedish krona, the Polish zloty, the Hungarian forint, the Canadian dollar, the Mexican peso and the Chinese renminbi. Currency exchange fluctuations could cause losses if assets denominated in currencies with a falling exchange rate lose value, while at the same time liabilities denominated in currencies with a rising exchange rate appreciate. In addition, fluctuations in foreign exchange rates could enhance or minimize fluctuations in the prices of materials, since the Group purchases parts of its raw materials with foreign currencies.

2.2.10 Divestitures of some of the Group's businesses or product lines may materially adversely affect the Group's financial condition, results of operations and cash flows

The Group continues to evaluate the performance of all of its businesses and may sell businesses or product lines. Any divestitures may result in significant write-offs, including those related to goodwill and other intangible assets, which could have a material adverse effect on the Group's financial condition, results of operations and cash flows. Divestitures could involve additional risks, including difficulties in the separation of operations, services, products and personnel, the diversion of management's attention from other business concerns, the disruption of the Group's business, and the potential loss of key employees. There can be no assurance that the Group will be successful in addressing these or any other significant risks encountered.

2.3 Risks related to laws, regulations and litigation

2.3.1 There is a risk that the Group infringes intellectual property rights of third parties

The Group's competitors, suppliers and customers submits a large number of inventions for intellectual property protection. Even after extensive background researches, it is not always possible for the Group to determine with certainty whether there are effective and enforceable third party intellectual property rights to certain processes, methods or applications. As a consequence, third parties could assert infringement claims including illegitimate claims against the Group and the Group could be required to cease manufacturing, using or marketing related technologies or products in certain countries or be forced to make changes to manufacturing processes or products. Moreover, the Group could be liable to pay compensation for infringements or could be forced to purchase licenses to make use of technology from third parties. Even in the case of illegitimate claims, the Group may have to use considerable resources to defend itself against such claim.

2.3.2 The Group could be unsuccessful in adequately protecting its intellectual property and technical expertise

The Company's business and business strategy are highly dependent on the Group's technology. The Group regularly applies for and have been granted patented rights relating to its innovations. However, the process of seeking patent protection may be lengthy and expensive and current pending or future application may not be of sufficient scope or strength to provide meaningful protection for the Group's technology. Other parts of the Group's intellectual property comprise know-how and industrial secrets that are not patentable and only can be protected by confidentiality procedures and contractual provisions. Despite the Group's efforts to protect its intellectual property and industrial secrets, the Group has in the past experienced infringement of their intellectual property, including copies and replicas of their proprietary products and innovations, and there is a risk that the Group's intellectual property rights may be infringed in the future. Policing unauthorized use of the Group's technology is difficult and there can be no assurance that the steps taken by the Group will prevent misuse of its technology. This can lead to so-called "copycats" copying the Group's products without authorization from the Group. This may lead to loss of market share and existing supply contracts that could cause a material adverse effect on the Group's financial condition, results of operations and cash flows.

2.3.3 The Group faces risk relating to warranty, product liability and recalls

The consequences on non-conformity of products is especially high since a majority of automotive components are considered safety critical. Consequently, the automotive industry has very high standards relating to safety in all phases of a product's lifetime from the design phase to component sourcing (automotive grade) to manufacturing. Product warranty is also stringent.

The Group has insurance policies in place for product liability and recalls. However, such insurance is associated with significant deductible amounts that may not exceed the overall liability of each instance. Also, the insurance premium for such insurance depends on the Company's product liability and recall history so that a high amount of cases may lead to strongly increased costs.

In the event of non-conformity of the Company's products the Company could face extensive warranty costs, product liability claims, and recalls related to the Group's products.

Typical warranty costs include the cost to replace the Group's product and may further include other costs arising from the defective product, such as the labor costs to remove and replace the defective product.

Product liability claims are typically raised by end customers or third parties alleging that one of the Group's products has caused bodily injury, loss of life or material damage. Product liability claims may be expensive to defend and may result in substantial damage awards against the Group and harm its reputation.

The costs the Group incurs in connection with recalls include the same types of costs as in warranty cases, though they may be incurred on a larger vehicle population. In addition, product recalls can harm the Group's reputation and cause the Group to lose customers, particularly if those recalls cause consumers to question the safety or reliability of the Group's products. Any costs incurred or lost sales caused by future product recalls could materially and adversely affect the Group's business, financial condition and/or cash flow.

2.4 Risk relating to financial and tax matters

2.4.1 An impairment of the Group's goodwill could result in a reduction of net income and equity

Goodwill represents the excess of the cost of an acquisition of a business over the fair value of the net assets acquired and is initially recorded in the Group's statement of financial position at cost established at the date of the acquisition of the business. IFRS requires that goodwill be periodically evaluated for impairment based on the fair value of the cash-generating unit. Declines in the Group's profitability or the value of comparable companies may impact the fair value of the Group's cash generating units, which could result in write-off of goodwill and a reduction in the Group's profit attributable to equity holders. As of 31 March 2020, the Group had EUR 148.1 million of goodwill recorded in its statement of financial position, representing 17 % of the Group's total assets that could be subject to impairment. In addition, if the Group acquires any further businesses in the future, the Group may recognize additional goodwill that may be significant. The Group estimates that it will incur an impairment charge of between EUR 75 and 100 million in the second quarter of 2020 as a direct consequence of the Corona Pandemic of which goodwill write-offs will most likely be around 50-70 % of the total impairment amount. Any future impairment charge on the Group's goodwill could have a material adverse effect on the Group's results of operations and financial position.

2.4.2 The value of the Group's deferred tax assets could become impaired or the Group could be unable to utilize tax losses

As of 31 December 2019, the Group had EUR 19.9 million in deferred tax assets. These deferred tax assets include net operating losses carry forwards that can be utilized to offset taxable income in future periods and reduce income tax payable in those future periods. The Group periodically assess the probability of the realization of deferred tax assets, using significant estimates and judgments with respect to, among other things, market developments, and the success of the Group's customers and timing of future profits. If the Group determines that in the future there is not sufficient positive evidence to support the valuation of its deferred tax assets, the Group may be required to write-off all or a part of these assets. The Group may also be materially and adversely affected by any changes in the applicable tax laws, leading to future limitations on the Group's capacity to carry forward losses.

2.4.3 The international scope of the Group's operations and the Group's corporate and financing structure may expose the Group to potentially adverse tax consequences

The Company operates more than 35 sites in 19 countries. There are significant intercompany cross-border transactions for product and component deliveries, equipment transfers, services, development work, intellectual property and trademark licensing. In addition, the Company has large intercompany loan balances between many of its many legal entities.

The Group is subject to taxation, tax laws and regulations of multiple jurisdictions. The Group is also subject to intercompany pricing laws and OECD principles, applicable for, inter alia, the Group's inter-company purchasing and licensing arrangements. Any adverse change in these laws or regulations or in the position of the relevant authority, could adversely affect the Group's business, the results of operations and financial condition. Moreover, if any applicable tax authorities were to successfully challenge the tax treatment of any of the Group's intercompany transactions including intercompany loans, it could result in outcomes that would be very unfavorable to the Company. Such outcomes include disallowance of tax deductions, limitation of the Group's ability to tax-deduct interest expenses, increased withholding taxes, and application of significant penalties including accrued interest penalties. Furthermore, the Company's internal capitalization of its own legal structure is capitalized through a combination of equity and intercompany loans. In some jurisdictions this could lead to so-called thin-capitalization limitations on the tax deductibility of certain expenses. The Company also engage in internal transfers of Company owned equipment and particularly for older equipment this poses a risk as to the valuation for balance sheet, depreciation and customs purposes. Negative aspects from any of the above issues could have a material and adverse effect on the Group's business, financial condition and results of operations.

2.5 Risk factors relating to the Group's indebtedness

2.5.1 The Group is subject to restrictive debt covenants that may limit ability to finance future operations and capital needs and to pursue business opportunities and activities

The Indenture (as defined and further described in Section 8.4.2 "The Indenture"), which governs an EUR 275 million 5.00 % senior secured notes due 2025 (the "**Notes**") issued by the Company's subsidiary Kongsberg Actuation Systems B.V., restricts, among other things, the Group's ability to make certain loans or investments; incur or guarantee additional indebtedness; create or incur certain liens; make certain payments, including dividends or other distributions, with respect to the shares of such entity; agree to limitations on the ability of the Company's subsidiaries to pay dividends or make other distributions; sell, lease or transfer certain assets, including stock of restricted subsidiaries; engage in certain transactions with affiliates; consolidate or merge with other entities; and impair the security interests for the benefit of the holders of the Notes.

In addition, the Group is subject to the affirmative and negative covenants under a Revolving Credit Facility Agreement of EUR 50 million and an Additional Revolving Facility of EUR 20 million (as defined and further described in Section 8.4.1 "The Revolving Credit Facility"), which are substantially similar to the covenants in the Indenture.

Although all of these restrictions are subject to exceptions and qualifications, the covenants to which the Group is subject could limit the Group's ability to finance future operations and capital needs and ability to pursue business opportunities and activities.

A breach of any of those covenants could result in an event of default under the Revolving Credit Facility Agreement which could lead to cancellation of the Revolving Credit Facility Agreement and all amounts outstanding under the Revolving Credit Facility Agreement, together with accrued interest, could immediately become due and payable. Further, a default or event of default under the Revolving Credit Facility Agreement could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Indenture. If the Group's creditors, including the creditors under the Revolving Credit Facility Agreement, accelerate the payment of amounts owing to them under such other debt instruments, the Group cannot assure that it will either obtain satisfactory financing or that its assets would be sufficient to repay in full those amounts, to satisfy all other liabilities of the companies within the Group which would be due and payable and to make payments to enable the Group to repay the Notes, in full or in part. In addition, if the Group is unable to repay those amounts, the Group's creditors could proceed against any security interests granted to them to secure repayment of those amounts.

- 2.5.2 The Group may not be able to generate sufficient cash to service its indebtedness and may be forced to take other actions to meet the Group's obligations under the indebtedness, which may not be successful

The Group has significant debt service obligations, and the Group's ability to make principal or interest payments when due on its indebtedness, and to fund ongoing operations, will depend on future performance and the Group's ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors as may be described herein, many of which are beyond the Group's control.

The Additional Revolving Facility, Revolving Credit Facility Agreement and the Notes will mature in 2021, 2025 and 2025, respectively, see Section 8.4 "Financing Agreements" for further information about the Company's indebtedness. At the maturity of loans outstanding under the Revolving Credit Facility Agreement, Additional Revolving Facility, and of the obligations under the Notes and any other debt which the Group may incur, if the Group does not have sufficient cash flows from operations and other capital resources to pay the Group's debt obligations, or to fund the Group's other liquidity needs, or the Group is otherwise restricted from doing so due to corporate, tax or contractual limitations, the Group may be required to refinance its indebtedness. If the Group is unable to refinance, it may be forced to reduce or delay the Group's business obligations, activities or capital expenditures, sell assets, raise additional debt or equity financing in amounts that could be substantial, or restructure or refinance all or a portion of the Group's debt on or before maturity. The terms of the Group's indebtedness will also restrict the Group's ability to, inter alia, transfer or sell assets and the use of proceeds from any such disposal. The Group cannot guarantee that it would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all, or that those actions would secure sufficient funds to meet the Group's obligations under its indebtedness.

- 2.5.3 Drawings under the Group's Revolving Credit Facility Agreement will bear interest at floating rates that could rise significantly, increasing the Group's costs and reducing cash flow

The Group's drawings under its current Revolving Credit Facility Agreement (as defined and further described in Section 8.4.1 "The Revolving Credit Facility") will, and future indebtedness in the Group may, bear interest at floating rates of interest per annum equal to EURIBOR plus an interest rate spread. The interest rate spread for the Group's Revolving Credit Facility is set at 2.25 percentage points although until March 2021 this spread is set at 4.00 percentage points. These interest rates and spreads could rise significantly in the future. Although the Group may enter into certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. To the extent that interest rates, spreads or any drawings were to increase significantly, the Group's interest expense would correspondingly increase, reducing the Group's cash flow.

- 2.5.4 The Group is exposed to risks in connection with its pension obligations, which may lead to unexpected funding obligations

The Group provides defined benefit plans in Norway, Germany, France and Switzerland. As of 31 December 2019, the Group's defined benefit pension obligations (defined as the Group's projected benefit obligations less the fair value of pension assets) amounted to EUR 19.8 million. The fair value of the Group's pension assets is subject to market fluctuations that are beyond the Group's control. Unfavorable market conditions could result in a substantial increase of the Group's defined benefit obligations, which could have a material adverse effect on the Group's financial condition and liquidity.

2.6 Risks relating to the Shares and the Subsequent Offering

- 2.6.1 Shareholders not participating in the Subsequent Offering or in future issuance of Shares will be further diluted

The Private Placement had an immediate dilutive effect on the ownership of the Company's existing shareholders who did not participate in the Private Placement of approximately 94 %. In order to partly mitigate this dilution, the Company resolved to carry out the Subsequent Offering in which Eligible Shareholders are given Subscription Rights to participate. If an Eligible Shareholder participates in the Subsequent Offering by exercise of all granted Subscription Rights, the dilutive effect of the Private Placement will be reduced to approximately 66 %.

Subscription Rights that are not exercised by the end of the Subscription Period will automatically expire without any compensation to the holder. To the extent a shareholder does not exercise granted Subscription Rights, or to the extent a shareholder is not permitted to be granted or exercise Subscription Rights, such shareholder's

proportionate ownership and voting interests in the Company after completion of the Subsequent Offering will be diluted with a total of approximately 96 %.

Moreover, it is not possible to accurately predict the Group's liquidity need going forward and the Company may in the future seek to issue additional Shares or new convertible securities in the Company to cover such future liquidity need. The Company may also issue new Shares in the Company to fund future acquisitions and/or in connection with the Group's employee incentive program. If shareholders at that time are not able to or is excluded from participating in such future issuance of Shares or securities, such shareholders may suffer a substantial dilution of its shareholding.

2.6.2 Shareholders may be exposed to material price volatility of the Company's Shares

After the outbreak of the Corona Pandemic and the Company's announcement of a liquidity need and intention to raise new equity, the trading prices of the Company's Shares declined materially during a short period of time and has been subject to significant fluctuations since. Moreover, upon publication of this Prospectus, the Private Placement Shares will be listed on Oslo Børs, representing an increase in number of Shares tradable on Oslo Børs of approximately 1,287 %. Depending on the level of subscriptions, the Subsequent Offering will involve a further increase in the number of listed Shares. Taking into consideration the significant number of new Shares and the significant discount in the subscription price for the Private Placement compared to trading prices immediately prior to the Private Placement, the trading prices of the Company's Shares going forward may be subject to significant volatility. Furthermore, assuming that the Subsequent Offering is fully subscribed to, this will lead to an increase in the Company's share count of approximately 40% compared to the share count following the Private Placement and this Prospectus.

A subscription of Offer Shares in the Subsequent Offering is binding and irrevocable and cannot be withdrawn, cancelled or modified by the applicant after registration of the application in the VPS online subscription system or the subscription form being received by the Manager, as applicable. There are no guarantees that the Corona Pandemic, the listing of the Private Placement Shares and/or Offer Shares on Oslo Børs or other circumstances, within or out of the Company's control, will not have (or continue to have) a significant effect on the trading prices of the Company's Shares. Thus, there is a risk that the trading prices of the Company's Shares will decline materially between the time of subscription of Offer Shares by an Eligible Shareholder in the Subsequent Offering and the time of delivery of the Offer Shares to such Eligible Shareholder.

3. RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with listing of the Private Placement Shares and the offer and listing of the Offer Shares in the Subsequent Offering.

The Board of Directors of Kongsberg Automotive ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

3 July 2020

The Board of Directors of
Kongsberg Automotive ASA

Firas Abi-Nassif
chairman

Ellen M. Hanetho
board member

Emese Weissenbacher
board member

Gerard Cordonnier
board member

Peter Schmitt
board member

Bjørn Ivan Ødegård
board member

Tonje Sivesindtjet
board member

Leif Håvard Strømhaug
board member

4. GENERAL INFORMATION

4.1 The approval of this Prospectus by the Financial Supervisory Authority of Norway

This Prospectus has been reviewed and approved by the NFSA as competent authority under the EU Prospectus Regulation. The NFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation and such approval shall not be considered as an endorsement of the company that is subject of this Prospectus. Any investor should make their own assessment as to the suitability of investing in the Company's Shares.

The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the EU Prospectus Regulation.

4.2 Presentation of financial information

4.2.1 Historical Financial information

The Group has published consolidated financial statements for the year ended 31 December 2019 (the "**Financial Statements**") and consolidated interim financial statements for the three months ended 31 March 2020 (the "**Interim Financial Statements**").

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). The Financial Statements have been audited by Deloitte AS. The audit report for the financial year 2019 did not contain any qualifications, modifications of opinion, or disclaimers or an emphasis of matters.

The Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. The Interim Financial Statements are not audited.

The Financial Statements, the auditor's report for the Financial Statements and the Interim Financial Statements are incorporated by reference hereto, see Section 14.4 "Incorporation by reference".

4.2.2 Alternative performance measures

The Group uses alternative performance measures ("**APMs**"), such as earnings before interest and tax (EBIT), as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures published on 5 October 2015, to measure operating performance of the Group.

APMs are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures which could not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not present APMs in a uniform way and, therefore, the APMs presented in this Prospectus may not be comparable with similarly named measures presented by other companies. Furthermore, these APMs may not be indicative of the Group's historical results of operations and are not meant to be predictive of potential future results. The APMs presented in this Prospectus are unaudited, unless otherwise stated. Accordingly, undue reliance should not be placed on the APMs presented in this Prospectus.

For further description of the Group's APMs, please refer the Interim Financial Statements, incorporated by reference hereto in Section 14.4 "Incorporation by reference".

4.2.3 No profit forecasts

At the beginning of April 2020, the Company initiated a process to raise capital in the Group due to an anticipated significant liquidity need caused by the sudden shutdowns in the automotive industry relating to the outbreak of the Corona Pandemic. Reference is made to Section 7.16 "Trend information and significant changes in the Group's financial position" for further information on the Corona Pandemic and its effect on the automotive industry and the Group.

Several alternative processes for raising needed liquidity in the Group were discussed and proposed following the shutdowns in the automotive industry, including a proposed structure for a private placement and convertible bond issue that was later cancelled. The capital raise process finally lead up to the completed Private Placement, which was approved by an extraordinary general meeting in the Company on 15 June 2020.

In order to assess the Group's future liquidity need and minimum required proceeds to be raised in the Private Placement, it was crucial for the Company to establish reference points and working tools as to the expected revenues and profits to be able to estimate cash flows until the end of 2021. Moreover, in order to enable potential investors and the market at such time to fully understand the background for the Group's liquidity assessments and all relevant aspects of an investment in the Company, the Company considered it necessary to disclose a high level overview of the scenario assumptions on which it had developed its estimated liquidity need ranges.

On this background, three different modelled scenarios of future results were outlined and presented as "high", "medium" and "low" cases, respectively. Due to the great uncertainties of future activity levels in the automotive industry, and, thus, for the revenues and operations of the Group, these figures were not intended to provide any predictions on the future performance of the Group as such predictions would be subject to changes on an ongoing basis due to the currently unpredictable worldwide Corona Pandemic situation and related restrictions, but had an objective of illustrating the Group's best estimate of its highest liquidity need going forward under various assumption sets.

The figures presented for the abovementioned liquidity need model scenarios were based on various assumptions at the time given as to when the automotive industry would restart its activities, with the "high" case representing a situation with quick restart of the industry during the first two weeks of May 2020 and the "low" case representing a situation in which the industry would not ramp up activities before June 2020 and the first week of July 2020. See Section 8.5.1 "The Group's future liquidity need" for further information on the model scenarios.

The Company's model scenarios developed on a continuous basis, due to the development in the Corona Pandemic and the changes in expectations for the length of the industry shutdown in various markets in which the Company operates, and represented at all times the current expectations by the Company at the time given. Development in the industry throughout the second quarter of 2020 proved that the Company's "high" case scenario was no longer applicable and, thus, left the Group with only a "medium" case and "low" case scenario. This information was disclosed by the Company by way of an updated investor presentation on 26 June 2020. In other words, the model was successively updated with the latest market and shutdown information available.

The liquidity model scenarios presented in the various investor presentations by the Group in Q2 2020 contained information about future results in the Group, including, inter alia, EBITDA and, thus, constituted a profit forecast.

As further described in various Sections throughout this Prospectus, the Group has no control over how the Corona Pandemic will continue to affect the automotive industry in general and the Group's future performance specifically. The restart of the automotive industry has been and continues to be very dynamic, a process over which the Group has no influence as the Group is dependent on OEM production rates which again are end market performance dependent. In short, the Group's performance over the next quarters will depend on numerous factors such as new local outbreaks of the Covid-19 in jurisdictions in which the Group operates, the future financial positions of the Group's customers, the overall global economy and consumer demand.

Even though operations have now commenced in the form of substantially all of the Group's customers having restarted their operations, the continued uncertainty relating to the activity in the industry involves that profit forecasts included in the model scenarios are subject to continued changes on a short term basis depending on numerous factors such as, regional Covid-19 outbreak rates, possible government mandated Covid-19 related regulations and the development and robustness of the end market demand for vehicles. The Company recognizes that the current market conditions are and will continue to be highly volatile and short term changes related to detailed future profit expectations are almost inevitable. Accordingly the Group does not intend to provide market updates on a continuous basis. The need for updated model scenarios is also reduced given that the Group believes it has raised sufficient liquidity for its present requirements.

As a consequence of the above, and in particular that the profit forecasts used as input to the liquidity model scenarios represented the current view of the Company at the time given and is subject to change on short term basis, the Company considers that the profit forecasts included in the Group's investor presentations published in Q2, latest on 26 June 2020, are no longer representative as reference points when assessing the Group's future performance and, thus, can no longer be considered valid as possible scenarios for EBITDA and cash flow in 2020 and 2021.

At the same time, the Group still believes that information on revenues presented in the investor presentation as of 26 June 2020 is representative for future assumed activities for the Group. Moreover, the Group still believes that its estimates for additional liquidity continue to amount to approximately EUR 10 million in Q4 2021, please see Section 8.5.3 "Need for working capital beyond the next twelve months" for further information about the Group's future liquidity at such point in time.

4.3 Presentation of other information

4.3.1 Industry and marked data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which the Group operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend to, and does not assume any obligations to update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.3.2 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.4 Cautionary note regarding forward-looking statements

This Prospectus contains forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. All statements contained in this Prospectus including statements regarding the Group's future results of operations and financial position, its business strategy and plans, and its objectives for future operations, are forward-looking statements. The words "believe", "may", "will", "estimate," "continue", "anticipate", "intend", "expect", and similar expressions are intended to identify forward-looking statements. These forward-looking statements are not historic facts. The Company has based these forward-looking statements largely on its current expectations and projections about future events and trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs.

Prospective investors in the Company's Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown, risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- changes and fluctuations in earnings, cash flows and financial results and conditions;
- changes in general and sector-specific economic conditions, including competition, tax and pricing environments;
- competitive pressure and changes to the competitive environment in general;
- inadequate insurance coverages within the Group;
- technical developments;
- logistics and distribution infrastructure changes in general;
- risks associated with product liability claims that could result in adverse publicity and potential monetary damage;
- the ability to attract and retain skilled personnel;
- risks associated with use of third-party suppliers;
- risks relating to international trade;
- failure to implement strategy and ability to further expand its business and growth;
- unsuccessful acquisitions;
- failure to protect and enforce intellectual property right and liability from intellectual property claim;
- failure of IT systems;
- fluctuations of exchange and interest rates; and
- changes in laws and regulations in the jurisdictions in which the Group operates or their interpretation or enforcement.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. Except as required by applicable law, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5. LISTING OF THE PRIVATE PLACEMENT SHARES

Please note that the Private Placement Shares described in this Section 5 have been resolved, subscribed, issued and delivered to the subscribers as of the date of this Prospectus.

5.1 Overview of the Private Placement

On 20 May 2020, the Company announced that it had carried out the Private Placement by conditionally allocating a total of 7,000,000,000 new shares in the Company, each with a par value of NOK 0.10, at a subscription price of NOK 0.10, entailing gross proceeds of approximately NOK 700,000,000. The Private Placement was divided into two tranches, whereby 89,052,133 new Shares were issued in tranche 1 of the Private Placement and 6,910,947,867 new Shares (the Private Placement Shares) were issued in tranche 2 of the Private Placement. The Private Placement was directed towards certain existing shareholders in the Company and new investors.

The background for the Private Placement was the Company's need for equity caused by the dramatic impact on income and cash flows that the Corona Pandemic has and is expected to further have on the Company. The Private Placement followed other unsuccessful initiatives by the Company to raise capital following the Corona Pandemic. See Section 7.16 "Trend information and significant changes in the Group's financial position" for a further description of how the Group has been impacted by the Corona Pandemic.

The subscription price in the Private Placement was determined by the Board based on an accelerated book building process managed by SpareBank 1 Markets AS and Pareto Securities AS (the "**Private Placement Managers**"). Allocations in the Private Placement were conditionally made on 20 May 2020, subject to approval from an extraordinary general meeting in the Company.

The Private Placement was approved by an extraordinary general meeting in the Company held on 15 June 2020 (the "**EGM**").

5.2 Use of proceeds

The gross proceeds to the Company from the Private Placement amounted to NOK 700,000,000. The costs and expenses relating to the Private Placement amounted to approximately NOK 30 million, entailing net proceeds from the Private Placement of approximately NOK 670 million.

In accordance with the background for the Private Placement as described in Section 5.1 "Overview of the Private Placement", the net proceeds from the Private Placement will primarily be used to strengthen the Group's liquidity as a result of the Corona Pandemic driven decline in the Group's business levels as well as for general corporate purposes.

5.3 Resolution to issue the Private Placement Shares

The Private Placement Shares were issued pursuant to the following resolution from the EGM:

- (i) *"The Company's share capital is increased by NOK 700,000,000, through the issuance of 7,000,000,000 new shares, each with a par value of NOK 0.10 (the "Private Placement")."*
- (ii) *The subscription price shall be NOK 0.10 per share.*
- (iii) *Existing shareholders' preferential rights to subscribe the new shares in accordance with section 10-4 first paragraph in the Norwegian Public Limited Liability Companies Act are set aside in accordance with section 10-5 of the Norwegian Public Limited Liability Companies Act.*
- (iv) *The new shares shall be subscribed by the Company's manager in the Private Placement, SpareBank1 Markets AS, on behalf of, and pursuant to proxies from, the investors which have conditionally been allocated shares by the board of directors in the Private Placement as set out in Appendix 3 to the minutes from the general meeting. Subscription shall be made on a separate subscription form.*
- (v) *The deadline to subscribe the new shares shall be 15 June 2020.*
- (vi) *The total subscription amount shall be paid to a bank account designated for share issue purposes within 15 June 2020.*
- (vii) *The new shares entitle the holder to dividend and other shareholder rights as from the time of registration of the share capital increase with the Register of Business Enterprises.*
- (viii) *The Company's costs associated with the Private Placement is estimated up to approximately NOK 30-33 million excl. VAT.*

- (ix) *Section 4 of the Company's articles of association shall be amended so as to reflect the share capital and the number of shares after the share capital increase.*
- (x) *This resolution is made subject to the general meeting resolving to approve the board of directors' proposal under items 5 (Reduction of the share capital by reduction of par value) and 7 (Authorisation to the board of Directors to increase the share capital – the Subsequent Offering)."*

The Private Placement represented a deviation from existing shareholders' preferential rights to subscribe for new Shares in the Company to the benefit of the participants in the Private Placement. The Board concluded that the Private Placement was in the best interest of the Company and its shareholders and, thus, that the Private Placement could be carried out in compliance with applicable equal treatment obligations. The Board's considerations were in particular based on the Company's need to strengthen liquidity in order to mitigate the dramatic impact of the Corona Pandemic for the Company, and that the Company had already cancelled a proposed process for a capital raise in April 2020 and was highly dependent on securing funding going forward. On this background and after exploration of alternative options, the Board considered the Private Placement to be the best available option for the Company at the then current situation with an urgent need to raise capital. The structure (including (but not limited to) the subscription price) of, and allocation in, the Private Placement were also impacted by conditions for allocation on individual orders that were necessary to accept in order to achieve the combined level of required funding, as well as by size and structure requirements for the Private Placement and the Subsequent Offering set in connection with such orders. The size of the Private Placement was also determined in light of alternative funding arrangements. The Private Placement ensured that the Company was able to raise capital in an efficient manner with lower transaction costs and completion risk than alternative means. The Board also took into consideration that the Subsequent Offering would partly mitigate the dilutive effect of the Private Placement on existing shareholders' ownership in the Company who were not invited to participate in the Private Placement.

5.4 Share capital following completion of the Private Placement

The Company's share capital following completion of the Private Placement is NOK 744,799,101.20 divided into 7,447,991,012 Shares, each with a nominal value of NOK 0.10.

5.5 Dilution

The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement was approximately 94 %.

The Company's total assets and total liabilities as at 31 March 2020 (being the latest balance sheet before the Private Placement) and as set out in the Company's consolidated balance sheet as at that date was MEUR 911.00 and MEUR 649.7, respectively, which translate into approximately EUR 0.58 in net asset value per Share at that date.

5.6 Rights attaching to the Private Placement Shares

The Private Placement Shares were issued in accordance with the Norwegian Public Limited Liability Companies Act and rank *pari passu* in all respects with the Company's other Shares and carry full shareholder rights in the Company from the date the share capital increase pertaining to the Private Placement was registered in the Norwegian Register of Business Enterprises, including the right to dividend.

For a further description of rights attached to the Private Placement Shares, see Section 10.4 "Shareholder rights".

5.7 VPS registration, delivery and listing of the Private Placement Shares

The Private Placement Shares were delivered to the participants in the Private Placement on 17 June 2020.

The new Shares issued in tranche 1 of the Private Placement were listed and tradeable on Oslo Børs upon issuance in the VPS pursuant to applicable exemptions from listing prospectus requirements. The Private Placement Shares issued in tranche 2 of the Private Placement were provisionally registered in the VPS under ISIN NO0010883630 and been temporary admitted to trading on Merkur Market, a multilateral trading facility operated by Oslo Børs, since 17 June 2020 pending the publication of this Prospectus.

Other than the above, the Company has not applied for admission to trading of the Private Placement Shares or the Company's other Shares on any other stock exchange or regulated market.

As soon as practically possible after the publication of this Prospectus, the Private Placement Shares issued in tranche 2 of the Private Placement will be transferred to listing on Oslo Børs together with, and assume the ISIN of, the Company's other Shares (ISIN NO0003033102), expected on or about 6 July 2020.

5.8 Selling and transfer restrictions

For a description of selling restrictions applicable to the Company's Shares, see Section 13 "Selling and transfer restrictions".

5.9 Lock-up and restrictions on transferability

No lock-up agreements were entered into in connection with the Private Placement. Subject to restrictions imposed by applicable securities law, there are no restrictions on the transferability of the Private Placement Shares.

5.10 Participation of major existing shareholders and members of Management, supervisory and administrative bodies

The following major existing shareholder in the Company as of the date of the Private Placement participated in the Private Placement:

Name	No. of Private Placement Shares	Shareholding after Private Placement (no. /%)
Teleios Capital Partners (existing shareholder)	1,620,000,000	1,723,846,758 / 23.15

Teleios Capital Partners is also represented in the Company's board of directors by the chairman, Firas Abi-Nassif.

5.11 Interest of natural and legal persons involved in the Private Placement

The Private Placement Managers and/or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Private Placement Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Private Placement Managers received a fee equaling 3.1 % of the gross proceeds of the Private Placement and, as such, had an interest in the Private Placement.

Except as set out above, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Private Placement.

6. THE SUBSEQUENT OFFERING

6.1 Introduction

The Subsequent Offering consists of an offer by the Company to issue up to 3,000,000,000 Offer Shares at a Subscription Price of NOK 0.10 per Offer Share. The Subsequent Offering is divided into two tranches. Tranche A consists of up to 2,304,600,000 Offer Shares to raise gross proceeds of up to NOK 230,460,000 and Tranche B consists of up to 695,400,000 Offer Shares to raise gross proceeds of up to NOK 69,540,000.

Tranche A of the Subsequent Offering is directed towards Eligible Shareholders in the Company, being shareholders in the Company as of the end of 20 May 2020, as registered in the VPS on the Record Date (25 May 2020) who (i) were not invited to participate in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus, filing, registration or similar action. Tranche B of the Subsequent Offering is directed at the Company's shareholder Teleios Capital Partners and is limited to up to 23.18 % of the total allocation in the Subsequent Offering. Any shares not subscribed for in Tranche B will be made available for oversubscription in Tranche A.

Eligible Shareholders will based on their registered holding of Shares in VPS at the end of the Record Date be granted non-transferable Subscription Rights which, subject to applicable laws, give a preferential right to subscribe for and be allocated Offer Shares in Tranche A of the Subsequent Offering. See Section 6.6 "Subscription Rights" for further information. Over-subscription in the Subsequent Offering is allowed. Subscriptions without Subscription Rights is allowed, however, with last priority allocation rights.

All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in compliance with Regulation S of the U.S. Securities Act. This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see the "Important Information" at the beginning of the Prospectus and Section 13 "Selling and Transfer Restrictions".

6.2 Resolution to issue the Offer Shares

Issuance of the Offer Shares in the Subsequent Offering will be resolved by the Board after the expiry of the Subscription Period pursuant to the following authorization granted by the Company's EGM held on 15 June 2020:

- (i) *"The board of directors is authorised under section 10-14 (1) of the Public Limited Companies Act to increase the Company's share capital by up to NOK 300,000,000 through the issuance of up to 3,000,000,000 new shares, each of par value NOK 0.10.*
- (ii) *The subscription price shall be NOK 0.10 per share.*
- (iii) *The preferential rights of the shareholders under the Norwegian Public Limited Companies Act section 10-4 may be set aside.*
- (iv) *The authorisation includes the right to increase the Company's share capital against cash contributions. The authorisation does not cover share capital increases against contribution in kind, cf. section 10-2 of the Norwegian Public Limited Liability Act. The authority does not cover resolutions on mergers in accordance with section 13-5 of the Norwegian Public Limited Companies Act.*
- (v) *The authorisation is valid until 31 December 2020.*
- (vi) *The authorisation shall co-exist with other existing authorisations.*
- (vii) *The board of directors is authorised to amend section 4 of the Company's articles of association as required by any capital increase resolved by the board of directors pursuant to this authorisation.*
- (viii) *This resolution is made subject to the general meeting resolving to approve the board of directors' proposal under items 5 (Reduction of the share capital by reduction of par value) and 6 (Increase of the share capital by Private Placement)."*

The Subsequent Offering entails a deviation of preferential rights to subscribe for new shares for existing shareholders who were invited to participate in the Private Placement. The reason for the deviation is the purpose of the Subsequent Offering to mitigate the dilutive effect of the Private Placement and, thus, the Subscription Price in the Subsequent Offering is equal to the subscription price in the Private Placement.

6.3 Timetable

The timetable set out below provides certain indicative key dates for the Subsequent Offering (subject to shortening or extensions):

Event	Date
Last day of trading in the Shares including Subscription Rights	20 May 2020
First day of trading in the Shares excluding Subscription Rights.....	22 May 2020
Record Date	25 May 2020
Start of Subscription Period.....	6 July 2020
End of Subscription Period	24 July 2020
Allocation of Offer Shares	On or about 27 July 2020
Allocation letters distributed	On or about 27 July 2020
Payment Date.....	On or about 29 July 2020
Delivery of the Offer Shares	On or about 31 July 2020
Listing and start of trading in the Offer Shares on Oslo Børs	On or about 31 July 2020

The above dates are indicative and may change.

6.4 Subscription price

The Subscription Price in the Subsequent Offering is NOK 0.10 per Offer Share, which is equal to the Subscription Price in the Private Placement.

6.5 Subscription Period

The Subscription Period in the Subsequent Offering commences on 6 July 2020 at 09:00 (CEST) and ends on 24 July 2020 at 16:30 (CEST).

The Subscription Period may not be shortened or extended unless required by applicable law.

6.6 Subscription Rights

Subject to applicable legal restrictions, the Company will grant Subscription Rights to Eligible Shareholders, being shareholders in the Company:

- who were registered as holders of Shares in the Company's register of shareholders with the VPS as of expiry of the Record Date (25 May 2020);
- who were not invited to participate in the Private Placement; and
- who are not resident in a jurisdiction where the Subsequent Offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus filing, registration or similar action,

Assuming ordinary T+2 settlement, Shares that were acquired until and including 20 May 2020 will give the right to receive Subscription Rights, whereas Shares that were acquired from and including 22 May 2020 will not give the right to receive Subscription Rights.

For each Share registered as held in the Company as of the expiry of the Record Date, each Eligible Shareholder will receive 7.031 Subscription Rights, rounded down to the nearest whole Subscription Right.

One (1) Subscription Right will give the right to subscribe for and be allocated one (1) Offer Share, subject to the selling and transfer restrictions set out in Section 13 "Selling and Transfer Restrictions".

The Subscription Rights may be used to subscribe for Offer Shares in Tranche A of the Subsequent Offering before the expiry of the Subscription Period on 24 July 2020 at 16:30 CEST. Subscription Rights that are not exercised before expiry of the Subscription Period will have no value and lapse without compensation to the holder.

Subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus.

The Subscription Rights will not be tradable, but will be visible as credited the individual Eligible Shareholder's investor account with the VPS. Eligible Shareholders who do not use their Subscription Rights will experience a significant dilution.

Upon expiry of the Subscription Period, the Subscription Rights will expire and have no value.

Oversubscription by Eligible Shareholders is allowed. Subscription without Subscription Rights is allowed, however, with last priority allocation rights. No guarantees are made as to allocation of Offer Shares pursuant to oversubscription or subscription without Subscription Rights.

6.7 Subscription procedures

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form as set out in Appendix 1 (the "**Subscription Form**") to the Manager or by way of online subscription as described below.

Eligible Shareholders will receive Subscription Forms that include information about the number of Subscription Rights granted to the Eligible Shareholder and certain other matters relating to the shareholding.

Subscribers who are Norwegian residents with a Norwegian personal identification number (Norwegian: "personnummer") are encouraged to subscribe for Offer Shares by following the link www.sb1markets.no, which will redirect the subscriber to the VPS online subscription system. In order to use the online subscription system, the subscriber must have, or obtain, a VPS account number. Legal persons cannot subscribe for Offer Shares via the VPS online subscription system and must submit the Subscription Form to the Manager to subscribe.

Online subscriptions must be submitted, and accurately completed Subscription Forms must be received by the Manager, by the end of the Subscription Period at 16:30 (CEST) on 24 July 2020. Neither the Company nor the Manager may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all.

Correctly completed Subscription Forms must be received by the Manager at the following address:

SpareBank 1 Markets AS
Olav V's gate 5,
P.O. Box 1398 Vika, Norway
E-mail: subscription@sb1markets.no
Tel: +47 24 14 74 00
www.sb1markets.no

The Company may disregard any subscriptions that are incomplete, incorrectly completed, received after the end of the Subscription Period or which, in the Company's opinion may be unlawful without further notice to the subscriber. The Company may at its sole discretion waive any defect or delay in a subscription.

Subscriptions are binding and irrevocable, and cannot be withdrawn or modified by the subscriber after having been received by a Manager or registered in the VPS online subscription system. The subscriber is responsible for the correctness of the information it provides in connection with the subscription.

There is no minimum subscription amount for subscriptions in the Subsequent Offering. Multiple subscriptions (i.e. subscriptions on more than one subscription form) is allowed, however, two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

The formal subscription of allocated Offer Shares will be conducted by the Manager on behalf of the subscriber in a separate subscription form on the basis of the resolution to increase the share capital in connection with the Subsequent Offering to be made by the Board following the expiry of the Subscription Period. By signing the Subscription Form or registering a subscription online through the VPS online subscription system, the subscriber authorizes and instructs the Manager (or someone appointed by it) to on its behalf formally subscribe the number of Offer Shares allocated to it in accordance with such resolution by the Board.

6.8 Financial intermediaries

6.8.1 Overview

All persons or entities holding Shares or Subscription Rights through financial intermediaries (i.e., brokers, custodians and nominees) should read this Section 6.8. All questions concerning the timeliness, validity and form

of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

6.8.2 Subscription Rights

If an Eligible Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Shareholders who hold their Shares through a financial intermediary but are not Eligible Shareholders will not be entitled to exercise their Subscription Rights.

6.8.3 Subscription Period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadlines will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

6.8.4 Subscription

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the Manager of their exercise instructions.

Please refer to Section 13 "Selling and transfer restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

6.8.5 Method of payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in the Prospectus. Payment by the financial intermediary for the Offer Shares must be made to the Manager no later than the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

6.9 Allocation of Offer Shares

Allocation of the Offer Shares will take place after the expiry of the Subscription Period on or about 27 July 2020.

The Offer Shares in Tranche A of the Subsequent Offering will be allocated to Eligible Shareholders who have subscribed for Offer Shares by exercise of Subscription Rights. Any Offer Shares remaining in Tranche A of the Subsequent Offering that has not been allocated on the basis of Subscription Rights will be allocated to Eligible Shareholders who have oversubscribed, pro rata based on the number of Subscription Rights exercised by such Eligible Shareholder. In the event that pro rata allocation is not possible due to the number of remaining Offer Shares, the Company will determine the allocation by lot drawing.

Any Offer Shares remaining in Tranche A that are neither allocated on the basis of Subscription Rights nor oversubscription by Eligible Shareholders may be allocated to subscribers not holding Subscription Rights who did not participate in the Private Placement at the sole discretion of the Board of Directors. No guarantees are made as to allocation of Offer Shares pursuant to oversubscription by Eligible Shareholders or subscription without Subscription Rights.

Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

The Offer Shares in Tranche B of the Subsequent Offering will be allocated to Teleios Capital Partners, limited up to 23.18 % of the total allocation in the Subsequent Offering. Any shares not subscribed for in Tranche B will be made available for oversubscription in Tranche A.

The Company will not allocate fractional Offer Shares.

General information regarding the result of the Subsequent Offering is expected to be published on or about 27 July 2020 through Oslo Børs' information system. Notifications of allocation of Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter by the Manager on or about 27 July 2020. Subscribers who have access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 15:00 CEST on 27 July 2020. Subscribers who do not have access to investor services through their VPS account manager may contact the Manager from 15:00 CEST on 27 July 2020 to obtain information about the number of Offer Shares allocated to them.

6.10 Payment for the Offer Shares

6.10.1 Payment date

Payment for Offer Shares must be made on the Payment Date (29 July 2020). Payment must be made in accordance with the requirements set out in Sections 6.10.2 or 6.10.3 below.

6.10.2 Subscribers who have a Norwegian bank account

Each subscriber who has a Norwegian bank account must, and will by subscribing for Offer Shares be deemed to, provide the Manager with a one-time irrevocable authorization to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares allocated to such subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Manager is only authorized to debit such account once, but reserves the right to make up to three debit attempts during a period of up to seven working days after the Payment Date.

By subscribing for Offer Shares, the subscriber authorizes the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds on the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply:

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payers bank account.
4. In case of withdrawal of the authorization for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if a payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.

5. The payer cannot authorize for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account is being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorization for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorization has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

6.10.3 Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact the Manager for further details and instructions.

6.10.4 Late Payments

If Offer Shares are, for any reason, not paid when due, interest will be charged on the outstanding amount at the applicable rate under the Norwegian Act on Interest on Overdue Payment on 17 December 1976 no. 100, currently 8.00 % per annum.

If a subscriber does not make full payment for the Offer Shares in accordance with the instructions in this Prospectus and the allocation notice, the Offer Shares will not be delivered to the subscriber.

The Company and the Manager reserve the right to, at the cost and risk of the subscriber, cancel the allocation and to reallocate, sell, assume ownership of or otherwise dispose of all or parts of the allocated Offer Shares on such terms and in such manner as the Company and the Manager may decide in accordance with applicable Norwegian law, without further notice to the subscriber in question in accordance with section 10-12, fourth paragraph of the Norwegian Public Limited Liability Companies Act if payment has not been received within the third day after the Payment Date.

The Company and the Manager reserve the right to have the Manager pre-fund payment on behalf of subscribers who have not made payment for the Offer Shares within the Payment Date. Irrespective of such pre-funding (if any), if the subscriber fails to comply with the terms of payment, the non-paying subscribers will remain fully liable for payment for the Offer Shares together with any interest, costs, charges and expenses accrued irrespective of such payment by the Manager. If the Offer Shares are sold on behalf of the subscriber, the subscriber will be liable for any loss, costs, charges and expenses suffered or incurred by the Company and/or the Manager as a result of or in connection with such sales (but will not be entitled to any profits from such sale). The Company and/or the Manager may enforce payment of any amounts outstanding in accordance with applicable law.

Any excess amount paid by a subscriber will be returned as soon as practicable following the Payment Date.

6.11 Delivery and listing of the Offer Shares

Subject to timely payment of the subscription amount of all subscribers in the Subsequent Offering, the share capital increase through which the Offer Shares will be issued is expected to be registered with the Norwegian Register of Business Enterprises on or about 30 July 2020 and the Offer Shares is expected to be delivered to the subscribers' VPS accounts on or about 31 July 2020. The final deadline for registration of the share capital increase relating to the Offer Shares is, pursuant to the Norwegian Public Limited Liability Companies Act, three months from the expiry of the Subscription Period (i.e. 24 October 2020).

Delivery of Offer Shares to a subscriber will only take place if such subscriber has made full payment for the Offer Shares in accordance with the payment instructions set out in Section 6.10 "Payment for the Offer Shares".

Trading in the Offer Shares cannot take place until delivery of the Offer Shares.

All Offer Shares will be subject to admission to trading on Oslo Børs under the same ticker code as the Company's other Shares ("KOA") as soon as practically possible after issuance, expected to take place on or about 31 July 2020.

6.12 Rights attaching to the Offer Shares

If all Offer Shares are subscribed for and issued in the Subsequent Offering, the share capital of the Company will be NOK 1,044,799,101.20 divided on 10,447,991,012.00 Shares, each with a nominal value of NOK 0.10.

The Offer Shares will be ordinary Shares of the Company and rank equal in all respects to all other Shares of the Company, including rights to any dividends. The Offer Shares will be created under the Norwegian Public Limited Liability Companies Act. The Offer Shares will be registered in book-entry form with the VPS under ISIN NO0003033102.

For a further description of rights attached to the Offer Shares see Section 10.4 "Shareholder rights".

6.13 Dilution

Assuming subscription and issuance of all Offer Shares in the Subsequent Offering, the immediate dilutive effect on the ownership of the Company's shareholders who do not participate in the Subsequent Offering is approximately 24 %.

For Eligible Shareholders participating in the Subsequent Offering, issuance of the Offer Shares in Tranche B of the Subsequent Offering will, assuming subscription and issuance of all Offer Shares in the Subsequent Offering, have a dilutive effect on the ownership of such Eligible Shareholders of approximately 7 %.

The aggregate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement and do not participate in the Subsequent Offering is 96 %.

The Company's total assets and total liabilities as at 31 March 2020 (being the latest balance sheet before the Private Placement) and as set out in the Company's consolidated balance sheet as at that date was MEUR 911.00 and MEUR 649.7, respectively, which translate into approximately EUR 0.58 in net asset value per Share at that date.

6.14 VPS account

To participate in the Subsequent Offering, each subscriber must have a VPS account. The VPS account number must be stated when registering a subscription through the VPS online application system or on the Subscription Form. VPS accounts can be established with authorized VPS registrars, which can be Norwegian banks, authorized investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Norwegian Ministry of Finance.

Establishment of VPS accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation, see Section 6.15 "Mandatory anti-money laundering procedures".

6.15 Mandatory anti-money laundering procedures

The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of the Manager must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form, or subscribed through the VPS online application system, are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period may not be allocated Offer Shares.

6.16 National Client Identifier and Legal Entity Identifier

6.16.1 Overview

In order to participate in the Subsequent Offering, applicants will need a global identification code. Physical persons will need a so called National Client Identifier ("**NCI**") and legal entities will need a so called Legal Entity Identifier (LEI).

6.16.2 NCI code for physical persons

Physical persons need a NCI code to participate in a financial market transaction. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (Norwegian: fødselsnummer). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

6.16.3 LEI code for legal entities

Legal entities need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application. For more information visit www.gleif.org.

6.17 Expenses related to and use of proceeds from the Subsequent Offering

Fees and expenses related to the Subsequent Offering are estimated to approximately NOK 13 million. Subject to all Offer Shares being subscribed, paid and issued, the Subsequent Offering will give net proceeds of approximately NOK 287 million. Subscribers in the Subsequent Offering will not incur any costs in connection with their participation in the Subsequent Offering.

Any proceeds from the Subsequent Offering will be used for the same purpose as the proceeds from the Private Placement, see Sections 5.1 "Overview of the Private Placement" and Section 5.2 "Use of proceeds".

6.18 Lock-up and restrictions on transferability

No lock-up agreements have been entered into in connection with the Subsequent Offering. Subject to restrictions imposed by applicable securities law, there are no restrictions on the transferability of the Offer Shares.

6.19 Selling and transfer restrictions

Subscription and transfer of Shares, including the Offer Shares, may be restricted by law. Please refer to Section 13 "Selling and transfer restrictions" for a further description of certain restrictions and prohibitions applicable to the offer and transfer of Offer Shares and exercise of Subscription Rights in certain jurisdictions outside Norway.

6.20 Interests of natural and legal persons involved in the Subsequent Offering

The Manager or its affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. Further, the Manager, their respective employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Manager will receive a management fee equaling 3.1 % of the gross proceeds of the Subsequent Offerings and, as such, have an interest in the Subsequent Offering.

The Offer Shares in Tranche B of the Subsequent Offering will be allocated to Teleios Capital Partners, which is represented in the Board of Directors by the chairman, Firas Abi-Nassif.

Except as set out above, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Subsequent Offering.

6.21 Participation of major existing Shareholders and members of the Company's management, supervisory and administrative bodies in the Subsequent Offering

The Company is not aware of whether any major shareholders of the Company or any members of the Company's management, supervisory or administrative bodies intend to subscribe for Offer Shares, or whether any person intends to subscribe for more than 5 % of the Subsequent Offering. However, members of Management and Board Members who owns Shares in the Company and are Eligible Shareholders, will receive Subscription Rights giving preferential rights to participate in the Subsequent Offering. Also, Tranche B of the Subsequent Offering does involve priority allocation of up to 23.18 % of the Offer Shares to the Company's shareholder Teleios Capital Partners, which is represented in the Board of Directors by the Chairman.

6.22 Publication of information relating to the Subsequent Offering

In addition to press releases at the Company's website, the Company will use Oslo Børs' information system to publish information regarding the Subsequent Offering.

General information on the result of the Subsequent Offering is expected to be published on or about 27 July 2020 in the form of a release through Oslo Børs' information system and the Company's website, www.kongsbergautomotive.com. All subscribers being allocated Offer Shares will receive a letter from the VPS confirming the number of Offer Shares transferred to the subscribers' VPS account.

6.23 Advisors in the Subsequent Offering

SpareBank 1 Markets AS will act as Manager in the Subsequent Offering. Advokatfirmaet Wiersholm AS acts as legal advisor to the Company as regards Norwegian law.

6.24 Governing law and jurisdiction

The Subsequent Offering is governed by, and the Offer Shares will be issued pursuant to, Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo as legal venue.

7. THE BUSINESS OF THE GROUP

7.1 Overview

The Group is a large supplier of components and systems for light duty vehicles, heavy-duty vehicles, recreational vehicles, agricultural machinery, construction machinery and other industrial markets, as well as to the aftermarket. The Group's diversified product offering includes fluid & air handling systems, steering columns, hand controls, powertrain & chassis products, interior comfort products and cable products.

The Group has operations in 19 countries and 27 production facilities and deliver products to a range of original equipment manufacturers (each an "OEM"), Tier 1 and other customers in Europe, the Americas and the Asia-Pacific region.

Generally speaking, the Company operates mostly as a so-called tier-1 supplier ("**Tier-1**"). This implies that the Company directly supplies an OEM. In some cases, the Group also operates as a so-called tier-2 supplier ("**Tier-2**"), which means that the Group supplies directly to a Tier-1 supplier. Most of the Group's Tier-2 relationships are in the Group's Interior segment. For the Interior Tier-2 business, the Company has the contractual relationship directly with the OEM that regulates product design and specifications, warranty conditions, pricing, and delivery and logistics details. However, as the OEMs typically outsource the assembly of the seats, in which the Group's Interior products are installed, the OEM requests that the Group ships the products to and invoice the Tier-1 customer at the prices agreed with the OEM. In some cases this is called a tier 1.5 relationship. There are some other instances of the Group's business being of Tier-2 nature. This is the case in a portion of the business of the FTS and Couplings business units where FTS delivers to assemblers of hoses and Couplings delivers to so-called component aggregate manufacturers ("**CAM**"). The CAMs typically are manufacturers of integrated control units which in this example are fitted with Couplings products. An example of this would be Couplings for manufacturers of anti-lock braking systems. In virtually all instances of the Group operating as a Tier-2 supplier, the ultimate OEM customer has approved the Company as a sub-supplier, a normal process in the automotive industry for components viewed as vehicle and or safety critical or components that interface directly with other components in the vehicle.

Sales to customers in the commercial and light duty vehicle markets generated approximately 29 % and 54 % of the Group's revenues in 2019, respectively, with the remainder derived from sales to customers in other end markets and the aftermarket. Within the light duty vehicle market, the Group was listed in 2017 by the "Automotive News" magazine as a top 100 global automotive supplier. The Company believes that the Group's diversified portfolio exposes the Group to attractive growth trends in the markets in which it operates and minimizes its dependency on a single technology or development. For example, only a small amount of the Group's revenues are derived from products that are directly related to internal combustion engines.

By working in close collaboration with its customers, the Group continuously develop and invest in new and improved products. As of the date of this Prospectus, the Group has more than 500 engineering and development staff worldwide, with seven technical centers strategically located in close proximity to the Group's customers in Canada, China, Germany, the Netherlands, Norway, Sweden and the United States. The Company believes that the Group's strong product development capabilities, paired with customized engineered products, differentiate the Group's portfolio from competitors. Moreover, the deep customization of most of the Group's products makes it costly to replace them within an OEM model cycle. The Group's portfolio covers a wide range of products, from components to sub-systems to highly sophisticated fully integrated systems across a wide price range. The Company believes that being a medium-sized automotive supplier enables the Group to tailor product solutions to a greater extent than many larger automotive suppliers as smaller capacity production lines enables more flexibility with respect to customer's need, while still having sufficient scale to deliver what the customers require. In addition, the Group's global operations provide the ability to serve customers locally, with strategically located production capabilities in the same regions as customers' facilities. As a result of these factors, the Company believes that the Group competes primarily on technical solutions, its ability to customize products and product quality rather than on price alone. Consequently, the Group enjoys stable and long-standing relationships with its OEM and Tier1 customers, for whom it often is the single supplier on a platform. The Group also has strong positions in most of the product and geographical markets in which it is active.

The Group has three business segments, Interior, Powertrain & Chassis and Specialty Products:

- **Interior:** The Group's Interior segment serves customers with interior comfort systems (such as seat ventilation, seat heat, lumbar support or seat massage systems) and light duty cables (such as seat cables, hood/bonnet release cables, trunk/tailgate/boot release cables and handles or interior and exterior door

release cables) for the light duty vehicles market. The Group believes it is one of the only suppliers of fully integrated seat comfort systems.

- **Powertrain & Chassis:** The Group's Powertrain & Chassis segment serves customers with mechanically and electronically actuated gear shift systems for light and heavy duty vehicles. In addition, this segment delivers vehicle dynamics systems and chassis stabilizers to the heavy duty market. The Group also has a large aftermarket presence in this segment.
- **Specialty Products:** The Group's Specialty Product segment operates in highly specialized niche markets. This segment contains three business units: Couplings (air couplings), Fluid Transfer Systems (hoses and tubes) and Off-Highway (steering columns, hand controls, pedals and displays). The Group's Off-Highway unit operates only in the non-automotive market, while the Couplings unit is exclusively focused on heavy duty vehicles and the Fluid Transfer Systems unit serves the light duty and heavy duty vehicle, industrial, and agricultural and construction machinery markets. The Company believes the Group is one of the global top three PTFE hose producers by revenue, among the two top suppliers by revenue in the Couplings business and one of the top three suppliers based on number of products supplied in pedals and electronic controls.

The Group's broad manufacturing footprint across geographies enables the Group to serve customers locally through production facilities that are located in the same region as the Group's customers' facilities. The Group sells its products to its customers across Europe, North America, South America and Asia. In the year ended 31 December 2019, the Group generated 48 % of revenues in Europe, 37 % in North America, 13 % in Asia and 2 % in South America. The Group currently have 27 production facilities worldwide, with the largest facilities located in lower labor cost countries such as Poland, Slovakia, Mexico and China. As these are also the Group's manufacturing facilities with the highest growth rates, this is where the Company focus its growth investments.

Like other suppliers to the automotive industry, the Group is subject to continuing pressure to lower its prices as the automotive supplier market is a very competitive industry. Over the past several years, the Group has experienced, and expects to continue to experience, pressure each year to lower the Group's prices. In recent years, the Group has experienced annual price erosion averaging from 1 % to 3 %. In order to maintain margins, the Group must continue to reduce costs by similar amounts. In addition to the price erosion, the Group faces inflationary pressures particularly for labor costs. Purchasing savings and operational improvements either partly, fully or more than offset these effects depending on the Group's performance.

The Group benefits from a well-diversified customer base and supply almost all major European and North American light duty vehicle and heavy-duty vehicle OEMs and many Tier 1 suppliers. The Group's customers include Volvo, Renault, Nissan, Bombardier Recreational Products ("BRP"), Fiat Chrysler Automobiles ("FCA"), Volkswagen, Geely, PSA, Ford, PACCAR, Daimler, Tata, BMW, General Motors, Adient, Lear and Magna. During 2019, approximately 59 % of the Group's product revenues were generated from its top ten customers, with one single customer group representing more than 10 % of the Group's revenues.

7.2 Strategy

7.2.1 Overview

The Group's long-term strategic goals is to become a world class automotive supplier with a flexible cost structure, earnings and net income performance levels comparable to a representative selection of peer companies and attractive cash conversion rates, while generating sustainable and profitable growth. The Group plans to achieve these goals through a number of strategic initiatives.

7.2.2 Continue to deliver on improvement program and enhance operational model

The Group plans to enhance its operational model by executing an improvement program announced in 2016. The Group is in the process of further ramping-up production at new manufacturing sites and improving their operational efficiencies with a view to realizing full improvement potential. The Group's long-term goal is to achieve a best-in-class cost structure that is flexible and makes the Group more resilient against cyclical down turns in end markets. The Group will continue to closely monitor its cost base in order to identify further potential for cost savings.

In addition to lowering the cost base, the Group will continue to implement the "Principal Model" with a target of reducing effective income tax rate to 25 % in the medium term and making organizational changes to better align the Group's segments and business units with the opportunities and challenges they face.

The Group believes that its operational model and engineering efficiency can be improved by strengthening the Group's engineering capabilities in emerging markets and being closer to new customers. To this end, the Group may increase its engineering staff in emerging markets, in particular China. The Group believe that this will enable it to develop technical solutions specifically tailored to the needs of local customers more efficiently and quickly.

7.2.3 Successfully commercialize new products and continue to be an innovation partner to OEMs

The Group is focused on launching its recent product innovations and maintaining and strengthening its close technology partnerships with key OEM and Tier 1 customers through the continued development of innovative products, a strong customer focus that meets customers' expectations regarding technical requirements for innovation, flexibility and responsiveness to the trends in the Group's underlying end markets. The Group intends to grow its most attractive businesses through its product offering, with a particular focus on attractive niche markets. As a mid-sized automotive supplier, the Group believes it can benefit from bringing automotive scale and efficiency these niche markets, including, in particular, the power sports and industrial markets.

The Company believes that the Group has a portfolio of new products responsive to significant trends in its end markets and that presents attractive growth opportunities. These trends include premiumization and higher penetration rates for comfort features that are currently mainly present in premium light duty vehicles for the Group's Interior segment. Innovative products in the Interior segment include massage and ventilation systems where particularly the massage systems contain advanced pneumatic systems that are electronically actuated. In the Powertrain and Chassis segment; the Group is benefitting from a trend towards so-called automated manual transmissions (“AMT”) systems in heavy duty vehicles where the Group has innovative pneumatics and electric motor based actuators for entire transmissions and for clutch actuation systems. In the Specialty Products segment, the Group has innovative products in the FTS business unit relating to new materials and processes that enable the Group's products to improve the price/performance relationship. In Couplings, the Group has innovative solutions that enable the OEMs to significantly reduce assembly time in their assembly operations. Also these products are at the forefront of safety and environmental standards ensuring safe operations of the vehicle and less energy consumption through less leakage which again reduces the time when the high energy consumption air compressor is running. In Off-Highway, the Group believes it is leading in the transition from mainly mechanically actuated systems towards electronically actuated systems for products that serve the power sports, agricultural machines and construction machinery markets.

In the Interior segment, the Group intends to participate in these trends by continuing to develop advanced products that can meet increasing customer requirements, as well as by developing comfort solutions that are more suitable for use in mass-market light duty vehicles.

In the Powertrain & Chassis segment, the Group intends to capture growth in the commercial and light duty vehicles markets. For example, the Group's newly developed actuation control unit for a major North American transmission supplier is well positioned to address increasing demand for automated manual transmission solutions in the North American and Chinese heavy duty vehicle markets, which has already resulted in the Group's customer significantly increasing its expected order volume. In the light duty vehicles market, the Group intends to serve increasing demand for shift-by-wire applications, in particular in China, by the Group's advanced product offering.

In the Specialty Products segment, the Group plans to strongly participate in the need for more high performance hoses. On the one hand, the trend to downsizing internal combustion engines leads to smaller engine compartments. Smaller engine compartments in turn results in a harsher environment in the engine compartment (including, in particular higher temperatures), thus driving demand for flexible and durable fuel and other hoses. On the other hand, an increased trend to electric mobility could drive demand for battery coolant systems, a new application for the Group's high performance tube solutions. The Company believes this strategy is supported by the recent win of the Group's first battery coolant hoses contract for a European premium OEM.

7.2.4 Grow in selected markets and through expansion of the Group's product, competence and technology portfolio

The Company believes there is an opportunity to grow the Group's business by increasing its presence in selected geographic markets (such as China), increasing Group's aftermarket sales, selectively complementing Group's product, competence and technology portfolio and strengthening the Group's position in the industrial market.

The Group targets to further grow the share of revenues from Asian customers, in particular in China. The Group plans to selectively expand its capacity in China and win new business from Asian, European and North American

OEMs and Tier 1 suppliers in the region. The Company believes that the Group's focus on tailored solutions, flexible production and local footprint positions the Group well to execute on these plans.

The Group is also expanding its aftermarket sales globally. To achieve this, the Group has hired a dedicated aftermarket VP, hired a sales team in North America, expanded operations in China and developed distributors in critical new markets, including Eastern Africa. In addition, new pass through products are being developed/tested to complement current Group offerings and increasing original equipment sales should result in growth of Group's aftermarket sales opportunities in the future.

The Group is seeking to complement its manufacturing processes and existing product portfolio, for example by insourcing certain production processes that are critical to most of Group's business units. The Group believes this will provide a competitive advantage and attractive pricing for the Group's products. The Group has also seen a trend of electric and electronic systems becoming more important for the products it offers and increasingly becoming a competitive factor. The Group may therefore consider expanding its value chain, including by targeted add-on acquisitions, to cover the design and manufacture of such components itself rather than relying on third-party suppliers. Any such acquisition would have to be accretive, allowing the Group to benefit from meaningful synergies and further enhance Group's profitability, as well as being achievable and affordable within the framework of the Group's leverage target. Considering the current general uncertainty in the Group's end markets and the potential effects this uncertainty may have on the Group's financial position the Company would most likely not engage in acquisitions in the short-term unless such acquisitions provide a unique opportunity and is safely affordable for the Group.

7.3 Product offering

7.3.1 Introduction

The Group operates its business through the following three segments:

- Interior
- Powertrain & Chassis
- Specialty Products

In the year ended 31 December 2019, the Group generated approximately 54 % of the Group's revenues in the passenger car market, approximately 29 % in the commercial vehicle market, approximately 7 % in the recreational vehicle market, approximately 3 % in the heavy equipment market and approximately 7 % in industrial and other markets.

7.3.2 Interior

The Group's Interior segment is a global participant in the development, design and manufacture of seat comfort systems and mechanical and electro-mechanical light duty motion controls to Tier 1 and OEM customers. The product range includes seat adjuster cables and other cabling systems, lumbar support and side bolsters, and seat heating, ventilation and massage systems. The Company believes the Group supplied the first serially produced seat heating system in 1973 and were the first to market with pneumatic lumbar support systems. Since then, the Group has continually developed and enhanced its products.

The Group's Interior segment consists of the operations of the Group's Interior Comfort Systems and Light Duty Cables business units, which focus exclusively on the light duty vehicle market.

Key Product Offerings

Interior Comfort Systems

The Group's Interior Comfort Systems business unit offers comfort and safety related products for vehicle interiors. The product offering of the Interior Comfort Systems business unit comprises seat heating, seat ventilation, lumbar support and massage system products. The Group integrates various seat functionalities and offers a complete package of interior seat comfort products. To the Company's knowledge, the Group is one of few suppliers offering a one-stop shop for seat comfort systems integration. The Group has the ability to offer full models or individual products. The Group also offer low-cost seat support solutions for entry-level vehicles.

The Group is developing products that are fully compliant to customer requirements and are easy to integrate. The Group's seat heating solutions offer systems and components matching any known market application. The seat heating solutions are designed for different types of customer requirements relating to performance, durability and quality and comes with very accurate in temperature control. The Group's seat ventilation solutions work to reduce temperatures in the occupant to seat interface in a vehicle and can be integrated with any type of seat comfort system including seat heating. The Group's ventilation blowers are made in house.

The Group offers both powered and manually adjustable lumbar support systems that is are custom build for any type of standard or compact seat. The Group's main offer is in the area of pneumatic support systems, servicing all vehicles segments. These systems range from one to seven individually controlled pneumatic functions, with the upper limit of functions being the sky. Fitting these system the desired travel and contour adjustment of the seat can be achieved whilst at the same time saving space and system weight. The Group's massage systems integrate with the other products in the product portfolio such as seat heating, seat ventilation or seat support systems. The massage system is based on a series of small air bladders that alternately inflate and deflate and can be fitted to any type of seat. The Group's pneumatic offerings are enabled by a vertically integrated design and manufacturing capability of its core components such as pumps and valves, facilitating scalability and offering the market leading technology with its shape memory alloy ("**SMA**") and solenoid coil based valves.

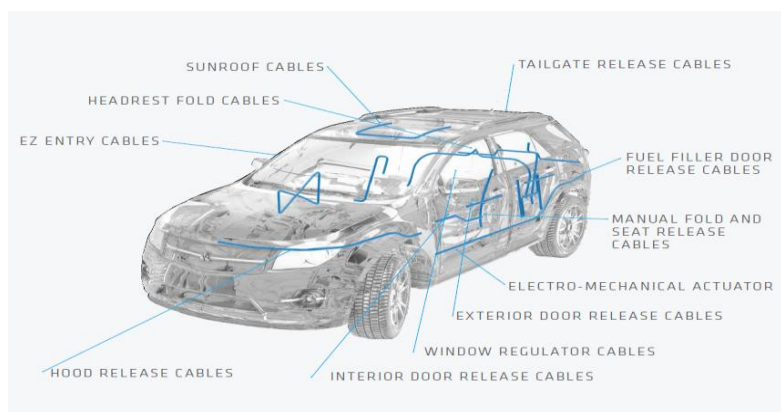


Light Duty Cables

The Group's Light Duty Cables business unit comprises a range of products including hood/bonnet release cables and handles, trunk/tailgate/boot release cables and handles, interior and exterior door release cables, window regulator cables and sunroof opening and closing cables, electromechanical actuators used for the power and auto release seat folding applications and the opening of door, fuel, hood and trunk/boot applications. The Group has taken the cable and plastic molding technology developed for seating cables and applied this to the range of cables and handles for body closure applications. Through expertise in cable and conduit design, the Group can offer solutions for all cables applications found in vehicles. The Group has also developed a range of products which offer corrosion resistance and continued functionality in harsh outdoor environments and meet vehicle security and specifications. Light Duty Cables represents a core competence across multiple of the Group's business units and the Group has a strong product technology and knowledge base. Some traditional Light Duty Cables are moving towards actuators and the Group is able to use electromechanical actuator competencies from other business units in this area.

The Group's manual release cabling systems, handle solutions and electromechanical solutions which consist of hood/bonnet, truck/tailgate/boot, door, window systems and seats offer multiple input options customized to provide comfort, styling, ease of use and mechanical advantage while being placed in virtually any position in the vehicle's interior or exterior to provide efficient motion control and a flexible means of transmitting force. Through a range of electromechanically actuated release systems, the Group offer push button communication that allows

for easy remote operation of the fold and/or tumble functions of second and/or third row seats and easy fore-aft and recline adjustment for the first and second row seating.



Customers

The Interior segment addresses the light duty vehicle market, with a focus from entry level to premium car platforms in Europe, North America and China. The product penetration for cabling and electromechanical actuators are found in all ranges of cars due to the need for manual and electrically power functionality for the end user. Customers include most major European, North American, Chinese and Japanese car OEMs such as Jaguar, Land Rover, Toyota, Great Wall, Audi, Daimler, FCA, GM, Ford and Tier 1 customers such as Adient, Faurecia, Lear and Magna to name a few.

The product penetration for products such as seat ventilation and massage systems are especially high in medium to higher end cars, while seat heating can be found in all ranges of cars. Customers include all major European and North American car and seat manufacturers and large OEMs such as GM, FCA, Ford, Jaguar, Land Rover, Audi, Volvo Cars, Daimler and BMW and Tier 1 customers such as Adient, Magna, Faurecia, Lear, Tesla.

The Company believes that its Light Duty Cable Group is one of the only suppliers to have manufacturing in the regions of Europe, North America and China, which positions the Group well to satisfy customers' delivery expectations which is currently being challenged in the market. They also believe that the Interiors Group of comfort products is one of the only suppliers to have almost all main luxury and premium OEMs as customers. While the Group is in regular contract with Tier 1 suppliers, sourcing decisions, product specifications and pricing in the European and North American markets are often driven by OEMs.

Competition

The market in which the Group's Light Duty Cables business unit operates is highly fragmented with no dominant market participants. Competitors include Leggett & Platt, Hilex, Grand Rapids Control, Toyoflex Corporation, Suprajit, Ficosa, Dura and Ningbo Gaofa Automotive Control System. In contrast, the market for seat comfort systems is more concentrated and characterized by a smaller number of mostly international participants. For seat heating and seat ventilation systems, primary competitors are Gentherm, with a strong market share globally, AEW, Kurabe (seat heating systems only) and IGB. In the lumbar support markets, the Group mainly compete with Alfmeier, Leggett & Platt, AEW and Nitring. The Group's main competitors for seat massage systems are Alfmeier and Leggett & Platt.

7.3.3 Powertrain & Chassis

Overview

The Group's Powertrain & Chassis segment is a global supplier of driver control and driveline products into the light duty and heavy-duty vehicle automotive markets.

Key Product Offerings

The Powertrain & Chassis segment develops and manufactures a comprehensive range of powertrain systems and chassis related products for heavy duty vehicles and light duty vehicles. It comprises products within transmission control, mechatronic actuation and vehicle dynamics. The Group's product range within transmission

control consists of Automated Manual Transmission (“**AMT**”) actuators, clutch actuation modules (e.g., pumps supporting the movement of the clutch pedal), shift-by-wire shifters, “PRND” actuators, Park-lock actuators for EV/Hybrid vehicles, shift cables and manual gear shifters.

The electrification trend in the automotive industry has changed the products within the Group's Powertrain & Chassis segment. From being a major supplier of conventional mechanical automatic transmission gear shift systems, the Group started its transition to electrical gear shifter systems and shift-by-wire shifters. In order to continue supplying full gear shifter systems, the Group developed an electromechanical actuator that can be bolted on transmissions to allow shift-by-wire (SBW) controls to be used on traditional mechanical (non-electrified) transmission systems. The Group's focus is on profitable growth regarding new technology as well as maintaining a share in conventional mechanical systems.

The Group has also been working on a range of AMT related products for the heavy-duty vehicle market, which combine manual and automatic transmission. Vehicles equipped with an AMT have a gear shift and a clutch, but the shifts are completed automatically without the need for a clutch pedal. AMT products increase comfort and lower emissions. The Group's solutions combine the fuel economy and performance of manual transmission with the driving comfort of an automatic transmission. Key features and benefits of Group's AMT solutions include: computer operated clutch and gearing with no clutch pedal, higher fuel efficiency than with manual transmission, increased driver comfort and safety as well as improved driveline durability which results in lower maintenance cost. The Group's transmission actuation technology can be applied to any Medium-Duty and Heavy-Duty transmission application and can also be used in combination with hybrid systems.

The Group's product range within vehicle dynamics consists of three categories: chassis stabilizers, v-stays, which are metal braces to stabilize the chassis and cabin anti-roll bars on which truck cabins are being mounted. The Group's long design and manufacturing experience provides competitive and robust products. All products within vehicle dynamics are tailor-made to suit the specific application of each truck. Within chassis stabilizers, the Group delivers v-stays and reaction rods that reduce component size and weight and provide a considerable range of angular motion. The Group delivers advanced rear axle anti-roll bars. The Group's cabin anti-roll bars offer, amongst others, induction hardening on highly loaded torsion bars as well as an advanced torsion tube forming process to meet more stringent weight targets.

Customers

The Group's Powertrain & Chassis segment serves both the light duty and the heavy-duty vehicle market, with particularly strong positions in Europe and the Americas and rapidly growing business in Asia. With a global footprint, the Powertrain & Chassis segment serves as a strategic partner to leading heavy duty vehicle customers and is able to support customers worldwide. Primary customers include FCA, Volvo, PSA, Renault-Nissan, Ford, Geely, VW, Daimler, DongFeng, General Motors, Volvo Trucks, Scania, PACCAR/DAF and Eaton-Cummins JV.

Competition

The Powertrain & Chassis market is highly fragmented with no dominant market participants. The Group's primary competitors in the Powertrain & Chassis segment in the light duty vehicle market include ZF, Kostal, Ficosa, Denso, Ningbo GaoFa, Dura, Aolian, Jopp, Kuster, PREH, Sila and Tram. The Group's primary competitors in the Powertrain & Chassis segment in the truck market include Knorr-Bremse, ZF, WABCO, Dafeng, Jinhua, Aolian, Yili, SORL, XZN, VIE and Meichen.

7.3.4 Specialty Products

Overview

The Group's Specialty Products segment provides driver control and fluid handling systems for heavy duty vehicles and light duty vehicles, as well as innovation products and software. The Group's Specialty Products segment consists of the operations of Group's Couplings, Fluid Transfer Systems and Off-Highway business units which focus on specialized niche products.

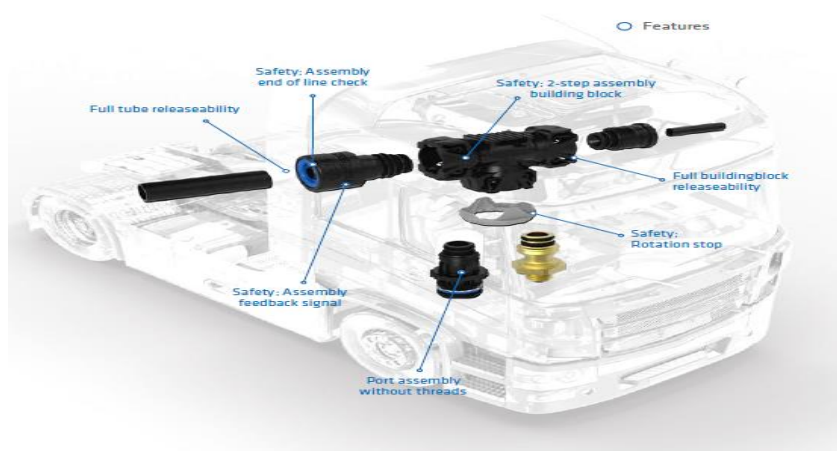
Couplings

Key Product Offerings

The Group's Couplings business unit is exclusively focused on compressed air applications for trucks, buses, trailers and off-highway, namely couplings which are required to connect tubes in compressed air systems. The

Company believes that the Group is a technology leader with a growing market share and the potential for growth in North America and Asia.

The Group offer premium priced products due to advantageous design leading to lower total cost of ownership and savings to OEMs through simplified assembly processes. One of the Group's key products includes the Raufoss ABC™ system. In co-operation with various heavy duty vehicle manufacturers, the Group has developed a new air coupling system based on composite material and brass for use with plastic tubing for the compressed air circuits used on heavy duty vehicles. Features and benefits of Group's Raufoss ABC™ system include design flexibility, full releasability, integrated safety, system cost reduction, one global system and 83 % weight reduction. The system consists of the following elements: push-in couplings, ABC™ Swivels, ABC™ Building Blocks, Bulkhead couplings, test points, hose nipples and accessories. New composite materials reduce system cost, weight, article numbers and increase design flexibility, while brass components secure structural integrity in highly stressed areas. Unlike traditional air coupling systems, which are typically pre-assembled, the Group's Raufoss ABC™ system allows for compressed air systems to be assembled and installed at the customer's manufacturing plant thereby increasing flexibility. The Raufoss ABC™ system also allows for easier repair as the defective part can be disconnected and replaced without the need to replace the complete compressed air system.



Customers

The Couplings business unit serves the heavy duty vehicles market, with a particularly strong position in Europe. The Group is currently expanding its footprint to North America and China. The Group's primary customers include truck manufacturers such as Scania and Volvo Trucks/Group, manufacturers of trailers such as Schmitz Cargobull and Krone Trailer and manufacturers of passenger buses such as Iveco, Volvo, Scania and Van Hool.

Competition

The market for compressed air applications is rather concentrated and characterized by a small number of participants. The Group's primary competitor within the Couplings business unit is Voss. Other competitors within Europe include Sirit and WIRA. Within the United States competitors include SMC, Parker and Norgren and within Asia Nittamore and other various local competitors.

Fluid Transfer Systems

Key Product Offerings

The Company believes that the Group is a technology leader within certain fields and certain sub-segments of the Fluid Transfer Systems market. The Fluid Transfer Systems business unit provides fluid handling and high performance tube and hose products for light duty vehicles, trucks and buses and industrial markets (including factories and refineries). The product range of the Fluid Transfer Systems business unit includes specialty hose products including PTFE and High Performance Plastics, tubes and assemblies for harsh and critical applications (used for light duty vehicles, trucks/buses and industrial markets) as well as specialized and tailor made products for tight packaging and weight savings. The Group offers a solid product line with upwards potential through

structural cost improvement and vertical integration. The Group also offer a broad portfolio of advanced forming technologies and processes as well as a broad range of advanced assembly methods and processes.

Customers

The Group's Fluid Transfer Systems business unit serves the light duty vehicles, heavy duty vehicles and the industrial market, with particularly strong positions in North America and Europe. Primary customers include Jaguar Land Rover, Ford, Volvo group, Cooper, DAF and TI as well as an industrial customer base.

Competition

The Fluid Transfer Systems market is partly fragmented with many market participants and applications. Primary competitors include Voss, Norma, Reflex Allen, Imperial Auto, Cooper Standard, Contitech, Titeflex, Aflex and Polyhose.

Off-Highway

Key Product Offerings

The Group's Off-Highway business is a highly specialized unit focused on a variety of end-markets with various products and technologies. It provides off-road products for various industries including steering columns, electronic power steering units, electronic foot and hand controls, control modules and mechanical cables. The Off-Highway business unit develops driver control systems for power sports and recreation vehicles, motorcycles, construction machinery, and agricultural machinery as well as for the outdoor power equipment industry. Off-Highway vehicle markets are migrating from mechanical controls to electronic controls or electronically assisted controls. The Group's target is to become the largest supplier of steering system products for the power sports, agriculture and construction markets.

The Off-Highway business portfolio consists of four product areas:

- Steering systems, which include both mechanical steering columns and electronic power steering units. These products are sold to the power sports and recreation vehicles, construction machinery and agricultural machinery market segments.
- Electronic foot and hand controls, which include throttle pedals, pedal groups (both throttle and brake), clutch pedals, thumb throttles and hand throttles. These products are sold to the power sports and recreation vehicles, construction machinery and agricultural machinery market segments.
- Human machine interface / electronics, which include control modules, keypads, actuators, "Smart" keys and displays. These products are sold to the power sports and recreation vehicles market segment.
- Mechanical cables and controls, which include mechanical cables, throttle pedals, brake pedals, gear shifters. These products are sold to the motorcycle, construction machinery, agricultural machinery, and outdoor power equipment market segments.

Customers

The Off-Highway business unit serves various industries, including the power sports and recreation vehicles, motorcycles, construction machinery, agricultural machinery as well as outdoor power equipment industry, with particularly strong positions in North America and Europe. The Group's primary customers include Bombardier Recreational Products, Textron Specialized Vehicles and Club Car for power sports and recreation vehicles; ALO, AGCO and John Deere for agricultural machinery; CAT, CNH, JCB, and Volvo CE for construction; Husqvarna, Toro, and Stihl for outdoor power equipment; Honda, Yamaha and Suzuki for motorcycle.

Competition

The Off-Highway market is highly fragmented. The Group's primary competitors include Cobo and Coram for steering columns; Curtiss Wright and MCS for electronic foot and hand controls; Globe and KYB for electronic power steering; and Suprajit/Wescon for mechanical cables.

7.4 Engineering and development

7.4.1 Introduction

During the financial year ended 31 December 2019, the Group had gross engineering and development expenses of MEUR 53.7, which totaled 4.6 % of sales, respectively.

As of the date of this Prospectus, the Group employs more than 500 engineering & development staff worldwide. The Group's engineering & development organization provides local engineering support close to the customer from seven global innovation centers. The Group's engineering & development engineers develop engineering solutions for customers with specific assignments. The innovation centers are located in Canada, China, India, Germany, the Netherlands, Norway, Sweden, and the United States. This strategy enables the Group to maintain resources near key customers and at the same time have scale benefits in the competency and end-market-based innovation centers by having concentrated competence in specific locations through engineering & development engineers.

7.4.2 Engineering & development relating to Interior Comfort Systems and Light Duty Cables

In 2019, the Group's engineering & development efforts in the Interior Comfort Systems and Light Duty Cables business units focused on Shape Memory Alloy technology for valves and smart electronics as well as on increasing overall efficiency in engineering. Since SW and Electronics plays more and more an important role in the Group's mechatronic systems, the Group has strengthened in-house competence by establishing a Center of Technology in Pune, India, with focus on embedded hardware and software engineering.

The Group believes it is in a strong position to offer solutions for comfort needs due to the Group's broad product portfolio supported by a highly skilled engineering team with fundamental understanding of comfort in terms of product know-how, ergonomics, human factors and biomechanics using a broad range of analytical, simulation and testing methodologies.

The Group's Light Duty Cables business unit developed an electronically activated seat actuation system that is lighter, smaller and quieter than current products. This system allows for track release, fold and/or tumble of the seat for all vehicle segments and can be used in other applications that require the release of a lock or latch.

7.4.3 Engineering & development relating to Powertrain & Chassis

In 2019, the Group's engineering & development efforts in the Powertrain & Chassis segment focused on expanding the range of high power density actuators, growing capability for functional safety in shift-by-wire, expanding the Group's product portfolio for AMT transmissions and creating solutions for the ever growing electrification segment.

During 2019, the Group's Powertrain & Chassis segment expanded its range of AMT actuation units for both clutch and gearshift actuation within heavy duty vehicles. The Group believes that these units have advantages in terms of serviceability and clutch actuation performance. The proprietary system, closely developed with Eaton-Cummins JV, has a best-in-class shift feel, fuel consumption and durability.

Manual Transmission (MT) systems for gearshift and clutch actuation as well as cables continue to be important for both light and heavy-duty vehicles. The Group is working on new innovations within steering, hybridization, anti-vibration systems.

7.4.4 Engineering & development relating to Specialty Products

Couplings

In 2019, the Group's engineering & development efforts in the Couplings business unit have been focused on the continued development of next generation of air couplings, ABC XETM. The ABC system was successfully launched in Asia with large truck OEM customers.

Fluid Transfer Systems

In 2019, the Group's engineering & development efforts in the Fluid Transfer Systems business unit focused on further product development, continuous product improvement and implementation of new programs in the Group's plants.

Off-Highway

In 2019, the Group's engineering & development efforts in the Off-Highway business unit focused on three strategic areas: steering systems, electronic foot and hand controls and electronic controls.

7.5 Quality

The Group's quality management system develops programs and requirements for improving and standardizing quality management of the Group across the entire product life cycle, from development through manufacturing to end of life, and the supplier chain.

The quality of the Group's products is of critical importance to the Group's business. All of the Group's products undergo rigorous internal qualification processes to ensure that high quality products are being provided to customers. The Group's comprehensive quality management system defines regulations and prescribed processes applicable group-wide in compliance with the requirements of the worldwide automotive standard IATF16949. Compliance with and monitoring of these requirements are monitored through audits and reviews, which are designed to ensure a uniform global level of quality. In addition, each segment has managers specifically responsible for quality or other quality experts working closely with the relevant management in order to ensure that the quality management system in the manufacturing facilities and locations is continuously improved. Furthermore, OEMs and other customers regularly audit the Group's manufacturing procedures to verify if they comply with the customer's production standards.

The Group also requires its suppliers to undergo a qualification or certification process to ensure the quality of material supplied to us. The Group measures individual and departmental quality metrics. The Group collaborates with key customers to evaluate and improve existing arrangements, secure key partnerships and confirm the compliance of the Group's manufacturing processes with the customer's quality standards. In addition, the Group regularly monitor and analyze customer satisfaction feedback.

7.6 Manufacturing

The Group operates manufacturing facilities located in the Americas, Europe and Asia, see the table in Section 7.7 "Property, Plant and Equipment" below.

The Group has over the last years optimized its manufacturing footprint to drive productivity and reduce complexity by consolidating various manufacturing sites. The closure of relatively small, sub-scale facilities and the transfer into larger manufacturing sites is aimed at improving economies of scale and the relative weight of lower-cost manufacturing locations such as Mexico, Poland, Slovakia, Hungary and China, in the Group.

The Group has completed several closure projects. In 2017, two plant closures and production transfers were completed: Basildon in the United Kingdom and Heiligenhaus in Germany, whose production was transferred to the existing factory in Slovakia. In 2018, the closures of Rollag, Norway and Burton, United Kingdom were completed with the production moved to its new production site in Brześć, Poland. The closure of the Group's production site in Easley, United States was also completed in 2018 and its production moved to a new production site in Ramos Arizpe, Mexico.

The Group's operations were further improved in 2019 by expansion of the couplings plant in Raufoss and establishing of manufacturing of couplings at the plant in Cluses, France. The company further opened two new engineering centers in Wuxi, China and Pune, India.

Through this optimization of its manufacturing footprint, the Group has achieved reduction of manufacturing overhead, increased levels of shared resources in the new sites and benefited from lower labor costs.

On one hand, the Company is dependent on having manufacturing sites in the Regions, and ideally in the proximity, of the Group's customers. However, in the past the Group has had a manufacturing footprint that was too spread out and often sub-scale, particularly in geographical areas without significant customers. Through the optimization efforts over the past years this situation has improved. The Group still has a manufacturing footprint that can be further optimized although no immediate plans for further factory closures.

Due to significant business expansion in the Interior segment in China, the Group has established a new manufacturing facility in Shuofang/Wuxi for Interior Comfort System. Serial production started in April 2020.

7.7 Property, Plant and Equipment

The Group's operational headquarters are located in Zurich, Switzerland. As of the date of this Prospectus, the Group operates 27 manufacturing facilities, of which the vast majority is leased.

The following table provides an overview of the Group's principal manufacturing facilities as of the date of this Prospectus, including location, business, size and whether the property is owned or leased.

Location	Business	Building space (sqm)	Owned/Leased
Shawinigan, Canada	Off-Highway	9,600	Leased
Wuxi, China	Interior Comfort Systems / Powertrain & Chassis / Fluid Transfer Systems / Couplings	29,737	Leased
Cluses, France	Powertrain & Chassis / Couplings	10,500	Owned
Matamoros, Mexico	Light Duty Cables / Off-Highway	16,816	Leased
Nuevo Laredo, Mexico	Powertrain & Chassis	30,681	Leased
Reynosa, Mexico	Interior Comfort Systems	17,000	Leased
Hvittingfoss, Norway	Powertrain & Chassis	11,000	Owned
Raufoss, Norway	Couplings	12,258	Leased
Brześć, Poland	Interior Comfort Systems / Fluid Transfer Systems	15,918	Leased
Koluszki, Poland	Powertrain & Chassis	16,981	Leased
Pruszkow, Poland	Interior Comfort Systems / Couplings	16,715	Leased
Mullsjö, Sweden	Powertrain & Chassis / Interior Comfort Systems	19,267	Owned
Vráble, Slovakia	Powertrain & Chassis / Off-Highway	25,931	Leased
Willis, United States	Off-Highway / Powertrain & Chassis / Couplings	34,285	Owned

7.8 Suppliers of raw and prefabricated materials and components

Steel, brass (zinc and copper), aluminum and polymer resin are the principal raw materials used in many of the Group's products. Other important production materials include electronics, plastic (PET/PU/PE), Nickel and Chrome.

The Group obtains raw and prefabricated materials and components from a variety of sources and in general from more than one supplier. The Group purchases raw materials from global suppliers with whom they work closely to assure quality of the materials purchased. All of the Group's raw and prefabricated materials and components are subject to category management (“**CM**”) on global or regional level. CM is at the center of the Group's purchasing activities and has been given the mandate to consolidate volume and commit agreements globally or regionally for all categories on behalf of the Group's work where it provides leverage or is otherwise assessed beneficial for the Group. The general principle is to source regionally/locally with preferable global suppliers.

Prices and supplies of raw and prefabricated materials are subject to change or curtailment due to, among other things, new laws or regulations, changes in demand levels, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels.

The Group does not actively hedge against the risk of rising prices of raw and prefabricated materials by using derivative financial instruments, but generally enter into long-term purchasing contracts relating to raw and prefabricated materials on an opportunistic basis. The general principle is to base raw material agreements on relevant index development to ensure participation in price reductions.

7.9 IT systems

The IT infrastructure employed by the Group is characterized by a high level of standardization. The Group's IT application landscapes rely mainly on SAP software and the Group is in the final stages to replace its few remaining non-SAP software with SAP systems. The Group's network is also highly standardized, operating on a consolidated domain. All access and information security controls and processes are centralized and globally employed.

The Group has centralized the majority of its IT applications and standardized business processes in order to meet customers' needs and to implement security and efficiency. In addition, to this end, the Group rely on centrally managed, competent IT personnel, who manage programs for training the Group's systems user employees, and also heavily engage the design, implementation and support of the Group's business processes.

7.10 Intellectual Property

The Group has obtained patents and licenses to protect its products, their design and manufacturing processes and are continuously seeking to secure further patents on the Group's developments.

As of the date of this Prospectus, the Group held around 519 patents registered worldwide, 384 patent applications pending and 133 new patents registered in the year ended 31 December 2019. The Group devotes significant resources to the filing and monitoring of its patents and other intellectual property rights, to the prosecution of infringements thereof and to the protection of the Group's proprietary information. The Group has an in-house team of intellectual property specialists, tightly connected to the Group's global business teams. The Group's intellectual property specialists work closely with engineering & development activities and processes in order to maximize the ability to identify and protect the Group's inventive efforts.

7.11 Material contracts outside ordinary course of business

For the two years immediately preceding publication of this Prospectus, neither the Company nor any of its subsidiaries has entered into any material contracts being outside the ordinary course of business. As of the date of this Prospectus, neither the Company nor any of its subsidiaries has entered into any contract outside the ordinary course of business that contains provisions under which they have any obligation or entitlement that is material to the Group.

7.12 Legal proceedings

From time to time, the Group may become involved in litigation, disputes and other legal proceedings arising in the normal course of business. Legal proceedings have been initiated against Kongsberg Automotive sp. z o.o (Poland) at the Landegericht in Düsseldorf. The proceedings concern the Company's manufacturing and sale of valves for pressurized air used to control features of the company's seat comfort products. The valves are operated using SMA wire. The plaintiff alleges the manufacturing and sale of the valve infringe Plaintiff's patent relating to SMA technology. The Company contests that its product infringe said patent. The Company has further initiated legal proceedings to have said patent declared invalid due to the existence of prior art.

The Company is not, nor has it been during the course of the preceding 12 months, involved in any legal governmental or arbitration proceedings that may have, or has had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings that are pending or threatened.

7.13 Investments

Since 31 December 2019, the Group has invested EUR 25.8 million mostly in capacity expansions in the Group's Polish, Slovakian and Chinese production facilities of which EUR 9.9 million was invested in April and May. Most of the Group's investments represent program specific equipment. Only in certain business segments and business units are the investment related to pure capacity increases. Due to the effects of the Corona Pandemic, all capacity investments have naturally been halted. The program specific investments have only partially been slightly delayed as only insignificant OEM programs have been delayed. The Company has more than 2,000 specific active or in development customer programs and the vast majority of these customer specific programs and applications have program dedicated manufacturing equipment associated with them. A few of these programs are large with annual revenues in excess of EUR 40 million, other programs are very small with annual revenues of less than EUR 100,000. However, the Company has, as earlier mentioned, slightly delayed some program specific investments as the Group has compressed the respective project timelines. It should be noted that most of the Group's capital investments represent special order and often tailor-made equipment with lead-times exceeding 9-12 months which also limits the Company's ability to quickly adjust its capital spending.

For the remainder of the year, the Group estimates that it will invest between EUR 20-27 million of which around EUR 17 million is committed. Future investments are planned for in the Group's cash planning and will be funded through the operational cash flow and working capital. There are two levels of commitments; commitments towards equipment suppliers and commitments versus customers that are related to investment schedules for awarded programs. Of the EUR 17 million in committed investments, around EUR 10 million represents binding orders that have been with equipment manufacturers, the remaining EUR 7 million are scheduled investment where equipment orders have not been made but will need to be made in order to meet the project timelines for the respective projects in 2020 and 2021.

7.14 Related party transactions

Since 31 December 2019 and up until the date of this Prospectus, the Group has not entered into any related party transactions.

7.15 Significant changes impacting the Group's operations and principal activities since 31 December 2019

As described above under Section 7.6 "Manufacturing", the Group has established a new manufacturing facility in China for the Interior Comfort Systems business unit due to significant business expansion in Interior China. Serial production commenced during April 2020.

Other than the above and the Corona Pandemic affecting the Group's business as further described below in Section 7.16 "Trend information and significant changes in the Group's financial position", there have been no significant changes impacting the Group's operations and principal activities since 31 December 2019.

7.16 Trend information and significant changes in the Group's financial position

7.16.1 Significant trends since 31 December 2019

Since 31 December 2019, the outbreak of the Corona Pandemic and the related extraordinary health measures imposed have significantly affected the global economy and impacted most industries in the world. Some industries have been hit harder than others. Examples of such industries are almost all activities associated with travel and entertainment, any industry heavily dependent on consumer confidence, especially for big ticket consumer goods, and industries that depend on global supply chains. The automotive industry is represented in both of the last categories in the previous sentence. The Group operates globally, its products go into big ticket items such as automobiles, and due to the nature of the industry the Group operates in, the Group is part of a complex supply chain in addition to having its own complex supply chain.

The outbreak of the Corona Pandemic has significantly impacted the automotive industry, effectively leading to the automotive industry shutting down for a period of time. Such shut down period was swift in China and South Korea and longer in other geographies. In the western world, the shutdown periods lasted longer driven by both safeguarding the health of the respective countries' populations and the more complex supply chains in the western world as compared to China and South Korea. To elaborate more on the supply chain issues, the European OEMs managed to continue producing for around one month following the lockdowns in Italy. When France shut down its entire industry almost overnight, that led to almost all western automotive OEMs needing to shut down their vehicle assembly operations as the supply chains broke down. The Japanese OEMs were less affected than the western OEMs, but more affected than the Chinese and South Korean OEMs. The automotive supply chains are very well-oiled machines in normal times. However, when shock is inserted into the system, they easily break down.

The total and final impact on the Group from the Corona Pandemic is difficult to estimate and the Group has already experienced significant declines in operating revenues year to date. In the first quarter of 2020, the Group saw revenue declines of 15 % compared to the first quarter of 2019. The revenue decline was driven by a combination of declines in China due to the Corona virus related extended shutdowns in China above and beyond the normal one week Chinese new year shutdown, and the close to complete shutdown of Westerns OEMs driven by collapses in the supply chain and Corona virus related government mandates during the last ten days of March, both related to the Corona Pandemic. Consequently, the Group's earnings before interest and tax for the first three months of 2020 declined by almost 64 %. The Group also had a negative cash flow of approximately EUR 6 million, with the cash flow performance being strengthened primarily by a reduction in accounts receivables due to the declining revenues. Inventories increased by around EUR 4 million in the first quarter primarily because of outstanding orders for new material and components that had been committed prior to the shutdowns in the western world. To a certain degree, the Company faces long lead times for incoming material and components and once the purchase order is issued it is very difficult to stop the inflow of material in the very short term. In the first quarter of 2020, the Company had no changes of significance to its selling prices as these are regulated through long term agreements. From a cost and production cost perspective, in spite of cost reducing actions, also described further down in this section, initiated in the last weeks of March 2020, the Group experienced a cost under-absorption due to the reduced volumes leading to an increase in unit costs.

At the same time, the Group had strong new business wins during the first three months of 2020 of approximately EUR 100 million in annualized business, which is above the historical levels during comparable periods. New

business wins did, however, primarily take place in January and February as the awarding of new contracts were deprioritized by the OEMs in March.

Since the outbreak of the Corona Pandemic, the Group has implemented various cost savings actions, including stopping orders of incoming material and reduced and or delayed the Group's capital expenditures. Moreover, the Group has entered into an Additional Revolving Facility of EUR 20 million, see Section 8.4 "Financing Agreements" below for a further description and definition of this facility and the Group's other debt and Section 8.5.1 "The Group's future liquidity need" for a further description of the Group's explorations of additional funding. The Group has also taken strong action relating to its workforce. At the beginning of the year, the Company had a global headcount of 11,390 (10,908 FTEs) people. Since then, practically all of the more than 600 temporary and agency employees have been terminated. In addition, the Company furloughed or used "short-time work" and similar instruments for more than 6,500 employees in the months of April and May. As of the end of May, the Company had an effective full-time headcount of less than 3,900 people, around one third of the full-time headcount pre-corona. As the June revenue levels continued to improve, the Group flexed back its furloughed workers. Approximately one-third of the Group's employees was in furlough at the end of June. As of the date of this Prospectus, the Group has a headcount, which includes the furloughed workforce, of around 10,000 people.

The restart, after the shut-downs, has, as expected, been slow but relatively steady although the output levels have not yet recovered to previous levels by a large margin. As the Group now is in the face of recovery following the restart of most of the world's automotive assembly plants, the Group is faced with the economic effects of the Corona Pandemic and its impact on end user demand. Most likely, it will take a significant time before the automotive markets return to previous production levels as the demand for vehicles will most likely have declined. Consequently, the Corona Pandemic creates great uncertainty for the Group's business activities going forward, including uncertainty relating to (i) at what pace and to what level the "restart" of the industry will take place and (ii) at what level business activities will be in 2021, which in turn creates great uncertainty relating to the Group's financial performance during the remainder of 2020 and in 2021.

7.16.2 Significant changes in the financial performance and position of the Group since 31 March 2020

In the months of April and May, due to the strong effects of the shutdowns and lockdowns in Europe and North America, the Group has experienced what it believes will be the strongest year over year declines in revenues of 65 % and 58 %, respectively. Inventories have been relatively stable since the end of the first quarter as the Group has slowed the incoming flow of material and components. Accounts receivables have been reduced significantly as the revenues have declined. From an operational cash flow perspective, the performance was somewhat compensated by the reductions in accounts receivables so that in each of April and May 2020 the negative operating cash flow amounted to slightly less than EUR 10 million. The net losses for the second quarter of 2020 are expected to be significant. This is mostly, if not completely, caused by the strong revenue declines which currently are estimated at slightly above 50 % for the second quarter of 2020 versus the same period in 2019. As was the case in the first quarter, the Group has seen no real change in its product pricing due to the long-term nature of its pricing agreements. From a cost perspective, in spite of having more than two-thirds of the Group's workforce in short-time work or on furlough, the costs have not declined as steeply as the revenue declines.

In June 2020, the Group saw the recovery continuing at virtually all of its customers with strong growth rates versus May. However, the expected revenue levels for the coming months are still expected to be significantly below those of 2019. Also, the accuracy of customer schedules is poor as the OEMs struggle with both supply chain issues and end demand challenges.

Regarding the financial position of the Group, there are changes in the second quarter of 2020 that are significant. First and foremost, the Group has net losses driven by the Corona Pandemic volume declines that are only partly compensated for through reductions of costs. Secondly, the Group has experienced negative cash flows from operations driven by the net losses partly offset by the reductions in inventories and accounts receivables. The Group also reduced its accounts payables. The Company expects the overall negative cash flow for the second quarter 2020 to be around EUR 10 million. Thirdly, the Group has increased its effective utilization rate of its Revolving Credit Facility (as defined below) by EUR 28 million which provides the Group with additional liquidity. Lastly, the Group has received the proceeds from the Private Placement. All in all, the Company's liquidity and financial position has been significantly strengthened during the second quarter 2020, primarily through the Private Placement and the increase in the Revolving Credit Facility utilization allowance. Other than aforementioned, there are no significant changes in the Company's financial position since 31 March 2020.

In the Group's 2019 annual report, the Company stated that no impairments took place in 2019 as the value in use amounts exceeded the carrying values for all of the Company's cash generating units ("CGU"). Furthermore,

the 2019 annual report stated that for some of the CGUs, there was little headroom. As a consequence of the Corona Pandemic and its expected impact on the general economy and the Company's end markets in the future, the Company expects to need to impair assets in conjunction with the conclusion of the second quarter 2020. As described above in this Prospectus, due to the unknown mid-term effects of the Corona Pandemic it is very difficult to predict what the market conditions will be for the next years and this obviously affects the impairment calculations. Based on the Company's current assumptions, the Group estimates that it will have an impairment charge of around EUR 75-100 million in the second quarter of 2020.

8. CAPITALISATION AND INDEBTEDNESS

8.1 Introduction

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular the Interim Financial Statements and related notes, incorporated by reference hereto, see Section 14.4 "Incorporation by reference".

This section provides information about the Group's unaudited capitalization and financial indebtedness on an actual basis as at 31 March 2020 and, in the "As adjusted" column, the Group's capitalization and net financial indebtedness on an adjusted basis to reflect material post-balance sheet events and the effects of (i) the repayment of the entire outstanding balance of the Revolving Credit Facility of EUR 20.0 million (the size of the Revolving Credit Facility is EUR 70 million), (ii) decrease of the nominal value of the Company's Shares from NOK 0.50 to NOK 0.10 and (iii) the net proceeds from the Private Placement capital increase of EUR 61.5 million completed in June 2020.

8.2 Capitalization

(In MEUR)

	As of 31 March 2020^{d)}	Adjustments^{e)}	As adjusted
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Indebtedness			
Total current debt	244.5	-20.0	224.5
- Guaranteed ^{b)}	12.5		12.5
- Secured ^{a)}	20.0	-20.0	0.0
- Unguaranteed/unsecured ^{d)}	212.0		212.0
Total non-current debt	405.1		405.1
- Guaranteed ^{b)}	87.6		87.6
- Secured ^{c)}	270.6		270.6
- Unguaranteed/unsecured ^{d)}	46.9		46.9
Total indebtedness	649.7	-20.0	629.7
Shareholders' equity			
a. Share capital.....	19.6	45.0	64.6
b. Share premium.....	177.7	16.5	194.2
c. Other reserves.....	60.2		60.2
d. Non-controlling interests.....	3.8		3.8
Total shareholders' equity	261.4	61.5	322.9
Total capitalization	911.0	41.5	952.5

- a) Revolving Credit Facility repaid in June, see Section 8.4.1 "The Revolving Credit Facility" below.
- b) Lease liabilities in accordance with IFRS 16 (short- and long-term part) – mainly parent guarantees of the repayment of future lease liabilities issued to lessors; include lease liabilities for buildings and machinery & equipment.
- c) 5.00 % senior secured notes due 2025, see Section 8.4.2 "The Indenture" below.
- d) The figures are derived from the Interim Financial Statements. Included in the figures under current and non-current "Unguaranteed/unsecured debt" are retirement benefit liabilities, deferred tax liabilities other non-interest-bearing liabilities and accruals and provisions.
- e) No adjustments have been made for anticipated net income or losses, from operational cash flows or from any expected impairments in Q2 2020.

Adjustments have been made for the following:

- 1) Repayment of the entire outstanding balance from 31 March 2020 of EUR 20 million in the Revolving Credit Facility in June 2020. The facility size is EUR 70 million.
- 2) Adjusted for the impact of the reduction in nominal value per Share from NOK 0.50 to NOK 0.10 for 447,991,012 Shares (EUR -16.5 million) and the net proceeds from the Private Placement of 7,000,000,000 new Shares at NOK 0.10 nominal value on 15 June 2020 (EUR +61.5 million).

- 3) Adjusted for the impact of the reduction in nominal value per Share from NOK 0.50 to NOK 0.10 for 447,991,012 Shares (EUR +16.5 million).

8.3 Net financial indebtedness

(in MEUR)

		As of 31 March 2020	Adjustments^{c)}	As adjusted
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
(A) Cash.....	(1)	27.4	41.5	68.9
(B) Restricted cash.....		(0.9)		(0.9)
(C) Trading securities.....		0.0		0.0
(D) Liquidity (A)+(B)+(C).....		26.5	41.5	68.0
(E) Current financial receivables^{a)}.....		0	0	0
(F) Current bank debt.....	(2)	(20.0)	20.0	0.0
(G) Current portion of non-current debt.....		(12.5)		(12.5)
(H) Other current financial debt ^{b)}				
(I) Current financial debt (F)+(G)+(H).....		(32.5)	20.0	(12.5)
(J) Net current financial indebtedness (I)-(E)-(D).....		(6.0)	61.5	55.5
(K) Non-current bank loans.....		0.0		0.0
(L) Bonds issued.....		(269.4)		(269.4)
(M) Other non-current debt.....		(88.8)		(88.8)
(N) Non-current financial indebtedness (K)+(L)+(M)...		(358.2)		(358.2)
(O) Net financial indebtedness (J)+(N).....		(364.2)	61.5	(302.7)

a) The Group has no financial receivables as the trade receivables are non-interest bearing.

b) The Group's trade payables have not been included as these are non-interest bearing

c) No adjustments have been made adjusted for anticipated operational cash flows in Q2 2020.

Adjustments have been made for the following:

- 1) The repayment of the outstanding Revolving Credit Facility balance amounted to EUR -20.0 million. In addition, the proceeds from the Private Placement in June 2020 of EUR 61.4 million have been adjusted. No adjustment have been made for the operational cash flow for Q2 2020.
- 2) The repayment of the outstanding Revolving Credit Facility balance of MEUR 20 in Q2 2020 (see Section 8.4.1 "The Revolving Credit Facility" below).

As of the date of this Prospectus, the Group does not have any indirect or contingent indebtedness.

8.4 Financing Agreements

8.4.1 The Revolving Credit Facility

The Group has entered into a super senior revolving facility agreement dated 23 July 2018 concluded by and between, among others, the Company's subsidiary KA Group AG as original borrower, company and obligors' agent, the Company as original borrower and original guarantor, Danske Bank A/S and J.P. Morgan Securities plc as mandated lead arrangers, Danske Bank A/S as agent and The Law Debenture Trust Corporation plc. as security agent (the "**Revolving Credit Facility Agreement**") pursuant to which a revolving credit facility with total commitment of EUR 50 million was provided (the "**Revolving Credit Facility**" or "**RCF**"). The Group is subject to covenant testing if more than 40 % of the RCF is drawn at quarter end. The covenant is last twelve months ("**LTM**") $\text{NetDebt/EBITDA}^* < 3.5$.

The Revolving Credit Facility will mature in July 2025 and has an interest rate of EURIBOR+2.25 % pts.

The Group's obligations under the Revolving Credit Facility are guaranteed by certain of the companies within the Group, including the Company, Kongsberg Automotive Holding 2 AS, Kongsberg Automotive AS, Kongsberg

Holding III, Inc., Kongsberg Actuation Systems II, Inc., Kongsberg Power Products Systems I, Inc., Kongsberg Automotive, Inc., Kongsberg Driveline Systems I, Inc., Kongsberg Interior Systems II, Inc. KA Group AG, Kongsberg Automotive AB, Kongsberg Power Products Systems AB, Kongsberg Driveline Systems SAS, Kongsberg Raufoss Distribution SAS, Kongsberg Actuation Systems Ltd, Kongsberg Automotive s.r.o., Kongsberg Interior Systems Kft., Kongsberg Inc. and Kongsberg Automotive Sp. z.o.o (the "**Guarantors**") (the "**Guarantees**").

The Group's obligations under the Revolving Credit Facility are also secured by first priority security interests in (i) the entire issued share capital of, *inter alia*, the Guarantors (excluding the Company) and (ii) intercompany receivables and proceeds loan receivables owed to, *inter alia*, the Guarantors (together with the Guarantees and the share pledge described under (i), the "**Transaction Security**").

On 20 March 2020, KA Group AG in its own name and as obligors' agent on behalf of the other obligors under the Revolving Credit Facility Agreement entered into an additional facility notice pursuant to which an additional revolving facility in a total amount of EUR 20 million (the "**Additional Revolving Facility**") was provided. The Additional Revolving Facility was established as a separate facility to the Revolving Credit Facility and not as an increase of the Revolving Credit Facility. The Additional Revolving Facility matures in October 2021. The Group's obligations under the Additional Revolving Facility are guaranteed and secured by the Transaction Security.

On 29 June 2020, the Group entered into a relief agreement (the "**Relief Agreement**") with the RCF banks, JP Morgan and Danske Bank. Under the Relief Agreement, the Company can utilize up to 80 % of its RCF line without being subject to the NIBD/EBITDA covenant testing. The utilization rate under the original RCF agreement before covenant testing was 40 %. The Relief Agreement is effective until the end of the first quarter 2021 and calls for certain additional covenants and reporting requirements. The additional Relief Agreement covenant is that LTM gross margin for the Company shall not fall below EUR 75 million and this will be tested monthly for the duration of the Relief Agreement. During the relief period, the RCF will carry an interest rate of EURIBOR+4.0 % pts.

In the liquidity need calculations of the Company, there is no drawing of the RCF in excess of what is allowed for under the Revolving Credit Facility Agreement, the Additional Revolving Facility or the Relief Agreement of 29 June 2020. In other words, the Company does not see it as likely to enter into covenant testing or breach within the 2020-2021 timeframe.

8.4.2 The Indenture

The Company's subsidiary Kongsberg Actuation Systems B.V. has issued EUR 275 million 5.00 % senior secured notes due 2025 under an indenture dated 23 July 2018 entered into between, *inter alia*, Kongsberg Actuation Systems B.V as issuer, certain companies within the Group as guarantors, including the Company, and The Law Debenture Trust Corporation plc. as trustee and security agent (the "**Indenture**"). Pursuant to the terms of the Indenture, the Group may issue additional Notes.

The Notes mature on 15 July 2025, and interest on the Notes are payable in cash semi-annually.

The Group's obligations under the Notes are guaranteed and secured by the Transaction Security.

8.5 Liquidity and working capital

8.5.1 The Group's future liquidity need

As further described in Section 7.16 "Trend information and significant changes in the Group's financial position", the Corona Pandemic has created great uncertainty as to the financial performance of the Group going forward, which creates a corresponding uncertainty as to the Group's need for additional liquidity in the future.

The Group has created and assessed various scenarios regarding the Group's future liquidity need in connection with, *inter alia*, the capital raise process leading up to the Private Placement and the Subsequent Offering. Even though it is virtually impossible to predict the future development of the Corona Pandemic and related restrictions and particularly the direct and indirect economic consequences, the Group has worked with three different scenarios as to the Group's possible revenues and corresponding liquidity need during 2020 and 2021; a "high" case, a "medium case" and a "low case", where the "high case" represents the most favorable outcome and the "low case" represents the least favorable outcome among the scenarios. The difference between the various scenarios is underlying market assumptions that ultimately drive the revenues of the Group and that the Group does not control. The scenarios do not represent any expectations or predictions as to the Group's future

performance but is a necessary working and modelling tool and reference point when describing and analyzing the Group's anticipated future need for liquidity.

The main differences between the "high", "medium" and "low" cases for 2020 was the length of the industry shutdowns. As the Group now has these shutdowns behind it, the Group only has one case output for 2020. For 2021, the Group is considering only the "low" and "medium" cases. The "low case" entails revenues in 2020 and 2021 of approximately EUR 884 million and EUR 1,043 million, respectively. The "medium case" reflects revenues of approximately EUR 884 million in 2020 and EUR 1,068 million in 2021.

Based on the above revenue scenarios and the completed Private Placement and the Relief Agreement as described in section 8.4.1 "The Revolving Credit Facility", the Group has estimated that its highest cumulative additional liquidity need amounts to EUR 10 million, in Q4 2021. Prior to Q4 2021, the Company assumes to be fully funded with the completion of the Private Placement and the entering into the Relief Agreement.

The Group also assumes that there will be additional funding from the Subsequent Offering and the planned factoring program. If the Company is able to secure such funding, it should fill the liquidity gap for Q4 2021 and provide additional liquidity headroom. For further details, please see section 8.5.3 "Need for working capital beyond the next twelve months".

8.5.2 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Prospectus.

8.5.3 Need for working capital beyond the next twelve months

The Company estimates that it may run out of working capital around October 2021 unless additional working capital sources are secured. If the vehicle markets recover at lower rates than assumed in the liquidity models or if a second wave of the Corona Pandemic occurs with dramatic shut down effects the working capital may run out at an earlier time.

The additional working capital funding required through 2021 is estimated by the Company to be around EUR 10 million.

The Company's action plan to cover the abovementioned working capital shortfall consists of two main activities; 1) the Subsequent Offering that may raise gross proceeds of up to NOK 300 million and the 2) the Company's ongoing process to agree to and implement a factoring program for the Group on a global basis. The Subsequent Offering will, if fully subscribed and carried out as contemplated, at the end of July 2020 bring in proceeds of around EUR 23-27 million depending on the NOK/EUR exchange rate. The factoring program will ramp gradually as the Group includes customers and Group legal entities into the program expected to start around July 2020. The factoring program will, if implemented, be a North American and European program where accounts receivables for approved customers are factored at costs similar to our RCF costs. The Company is currently working to agree to and implement the program with an aim that the factoring program should reach its potential of around EUR 70 million of additional liquidity by December 2020. In addition to these two action plans, the Company is pursuing cost effective government loans and grants although these are not expected to have significant impact on the overall working capital situation of the Company. The Company considers it likely that the combination of the Subsequent Offering and the factoring program will prove sufficiently successful in rectifying the working capital shortfall before September 2021.

If both the two pillars of the action plan described above relating to the Subsequent Offering and factoring program fails, the Company can consider to raise more equity, divest businesses, renegotiate existing debt and or undertake new debt.

If all the above action plans and alternate plans to improve the working capital situation of the Company fails, the Company may become insolvent and, if no other alternatives exist, enter into administration.

9. BOARD OF DIRECTORS AND MANAGEMENT

9.1 Board of directors

9.1.1 Overview of the Board of Directors

In accordance with Norwegian law, the Board of Directors of the Company is responsible for administering the Company's affairs and ensuring that the Company's activities are organized in a satisfactory manner.

Pursuant to the Company's Articles of Association, the Company's Board of Directors shall consist of three to nine members, whereby up to five members and two deputy members are elected by the Company's general meeting and, subject to the Company not having a corporate assembly, up to four members with up to six deputy members are elected by and among employees.

As of the date of this Prospectus, the Board of Directors consists of:

Name	Position
Firas Abi-Nassif	Chairman
Ellen M. Hanetho	Board Member
Emese Weissenbacher	Board Member
Gerard Cordonnier	Board Member
Peter Schmitt	Board Member
Bjørn Ivan Ødegård	Board Member (employee representative)
Tonje Sivesindtjet	Board Member (employee representative)
Leif Håvard Strømhaug	Board Member (employee representative)

9.1.2 Brief biographies of the Board Members

Set out below are brief biographies of the members of the Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Board of Directors is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

Firas Abi-Nassif, Chairman

Mr. Firass Abi-Nassif was elected as chairman of the Board of Directors in 2019. He is an experienced senior investment professional focusing both on listed and private companies, as well as having experience from various key engineering roles, including being special advisor to the President and CEO of 3Com Corp, and an advisor on sector reform to the Lebanese Cabinet Minister of Telecommunications. Mr. Abi-Nassif is the co-founder of Teleios Capital Partners, an investment firm based in Switzerland with over USD 1 billion in assets under management. He has also been the member of the founding team of Airvana, a worldwide vendor of telecommunications infrastructure equipment, acquired by a consortium of private equity funds for \$535 million, after going public on Nasdaq. Mr. Abi-Nassif holds an engineering degree in Computer and Communications with Distinction from the American University of Beirut, a MS in Electrical Engineering from Northeastern University and an MBA with honors from Harvard Business School in 2007. Mr. Abi-Nassif's holds a business address at Baarerstrasse 12, 6300 Zug, Switzerland.

<i>Current directorships and senior management positions.....</i>	Teleios Capital Partners (co-founder and managing partner).
<i>Previous directorships and senior management positions last five years.....</i>	None.

Ellen M. Hanetho, Board Member

Ms. Ellen M. Hanetho was elected Board Member in 2016. She is founder and chairman of clean tech investment company Cercis based in Oslo. Her previous business experience includes positions at the Brussels Stock Exchange and Citibank, Brussels, Goldman Sachs Investment Banking Division, London, Credo Partners and Credo Kapital and Frigaardgruppen, Oslo. She also has held various board positions, including current directorships in MPC Container Ships ASA, Stokke Industri AS, Fearnley Securities AS and Stor-Oslo Eiendom AS. Ms. Hanetho has a BSBA from Boston University, Boston and an MBA from Solvay Business School, Brussels

in addition to executive education from Insead, Fontainebleau and Harvard Business School, Boston. Ms. Hanetho holds a business address at Dronning Eufemias gate 12, 0191 Oslo, Norway.

Current directorships and senior management positions.....

MPC Container Ships ASA (board member), Stokke Industri AS (board member), Fearnley Securities AS (board member) and Cercis AS (founder and chairman).

Previous directorships and senior management positions last five years.....

NextGenTel Holding ASA (board member), Scanarc ASA (board member), Crudecorp AS (board member) and Frigaard Invest AS (CEO).

Emese Weissenbacher, Board Member

Ms. Emese Weissenbacher was elected Board Member in the Company in 2019. Ms. Weissenbacher has spent her entire 25-year professional career in the automotive sector for Mann+Hummel where she started in the HR area. She soon transitioned into Controlling and Marketing before taking on general management leadership roles in operations and business units, and holding the position as CFO and member of the management board of Mann+Hummel since 2015. Ms. Weissenbacher has studied economics at the Babes-Bolyai University in Cluj Napoca, Romania followed by a degree from the University of Stuttgart as technisch orientierte Diplom Kauffrau in Controlling and Business Development. Ms. Emese holds a business address at Schwieberdingerstr.128, Ludwigsburg, Germany.

Current directorships and senior management positions.....

Schmalz Group / Glatten / Germany (board member).

Previous directorships and senior management positions last five years.....

None.

Gerard Cordonnier, Board Member

Mr. Gerard Cordonnier was elected Board Member in the Company in 2019. Mr. Cordonnier has 25 years of experience in the automotive industry mostly with Continental AG and Grammer AG. In Continental, he held various finance and controlling positions including the interim CFO position until 2012. Mr. Cordonnier was CFO of Grammer AG from 2015 to 2019 and currently working as an independent consultant. During his diverse career, Mr. Cordonnier has worked across the world including Japan, China and the US and has extensive experience in M&A and restructuring activities. He has also served on numerous subsidiary boards. Mr. Cordonnier holds a Degree in Economics and Law, from the University of Namur, Belgium. Mr. Cordonnier holds a business address at Rue de Verviers 40, 4700 Eupen, Belgium.

Current directorships and senior management positions.....

Co & Co consulting SRL (board member).

Previous directorships and senior management positions last five years.....

Grammer AG (CFO).

Peter Schmitt, Board Member

Mr. Peter Schmitt was elected Board Member in the Company in 2019. He has spent 22 years in the automotive industry working most of his career for various divisions and business units of Siemens. In addition to his automotive experience, he also has experience from the energy sector of Siemens and from Osram, a Siemens spinoff in the lighting and semiconductor industry. Most of Mr. Schmitt's previous positions have been in the areas of finance and general management. Mr. Schmitt is educated from Abitur, Gregor-Mendel-Gymnasium, Amberg and subsequently attended the Head Office Training (Stammhauslehre) with Siemens AG, Nürnberg, Erlangen, Düsseldorf, Berlin, and Rosslyn (ZA), which can be considered a Siemens internal equivalent of an academic degree. Mr. Schmitt's business address is located in Lappersdorf, Germany.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

Bjørn Ivan Ødegård, Board Member (employee representative)

Mr. Bjørn Ivan Ødegård was elected as an employee representative Board Member in 2017. He currently holds the position as an industrial mechanic, specialty products (couplings) at Raufoss, Norway. He has previously worked as an apprentice in Raufoss ASA, as an industrial mechanic in Steertec and as an industrial mechanic in Kongsberg Automotive Raufoss. Mr. Ødegård has a trade certificate as an industrial mechanic since 2001. His business address is at Raufoss Industrial park, 2830 Raufoss, Norway.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

Tonje Sivesindtjet, Board Member (employee representative)

Ms. Tonje Sivesindtjet was elected as an employee representative Board Member in 2019. She currently holds the position as Team Coordinator Manufacturing, Couplings. She has previous experience as a toolmaker and operator at Kongsberg Automotive Raufoss. Her business address is at Raufoss Industrial park, 2830 Raufoss, Norway.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

Leif Håvard Strømhaug, Board Member (employee representative)

Mr. Leif Håvard Strømhaug has served as an employee representative in the Board since 2020. Mr. Strømhaug joined the Group in 1989 and works as a CNC (Computer Numerical Control) machinist. His business address is at Gravidalsveien 94, 3647 Hvitvingfoss, Norway.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

9.2 Management

9.2.1 Overview of Management

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors.

As of the date of this Prospectus, the members of Management consist of:

Name	Position
Henning E. Jensen	CEO
Norbert Loers	CFO
Virginia Grando	EVP Quality
Dzeki Mackinowski.....	EVP Purchasing
Jon Munthe	General Counsel
Linda Nyquist-Evenrud	SVP Couplings
Robert Pigg	SVP Off-Highway
Marcus von Pock.....	EVP HRM/Communication/HSE
David Redfearn	EVP Fluid Transfer Systems
Bob Riedford	President P&C
Doug Tushar	VP of IS&T Corporate

Ralf Voss.....

President Interior

9.2.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

Henning E. Jensen, CEO

Mr. Henning E. Jensen joined the Group as CEO in 2016. Mr. Jensen has more than 25 years' experience from various management positions, including several managerial and executive positions at General Motors, divisional head, CFO and senior level management positions in TE Connectivity/Tyco Electronics Ltd, CEO, CFO and chairman of the board of RHI AG and CEO and managing director in Kistefos AS. Mr. Jensen holds a BA and MBA degree from the University of San Francisco, USA and has completed doctoral studies at Hochschule St. Gallen, Switzerland. Mr. Jensen holds a business address at Europaallee 39, 8004 Zurich, Switzerland.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... Kongsberg Automotive ASA (chairman).

Norbert Loers, CFO

Mr. Norbert Loers has held the position as CFO with responsibility for all finance and IT functions in the Group since 2017. His previous experience includes being the CFO of global automotive supplier Hay Group in Bad Sobernheim Germany with around EUR 500 million in annual revenues and 10 plants in Europe and Asia. Mr. Loers has also been the CFO of global Neumayer Tekfor, held various senior management positions at Ingersoll Rand in Belgium, Ireland, the Czech Republic and Germany, as well as working for heavy-duty vehicle manufacturer MAN. Mr. Loers holds a master's degree in economics from the University of Bonn, Germany. Mr. Loers holds a business address at Europaallee 39, 8004 Zurich, Switzerland.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

Virginia Grando, EVP Quality

Ms. Virginia Grando joined the Group in 2017 as the Group's EVP for quality management. She has extensive experience from engineering and quality management, including being head of corporate quality planning at MAHLE Group. Ms. Grando holds a master's degree engineering from the Politecnico of Torino, Italy. Ms. Grando holds a business address at Europaallee 39, 8004 Zurich, Switzerland.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

Dzeki Mackinovski, EVP Purchasing

Mr. Dzeki Mackinovski has held the position as EVP of Purchasing in the Group since 2019. Mr. Mackinovski has over 30 years of experience within the automotive industry. He started his career in 1984 at Volvo Trucks Operations and Logistics, where he had several larger roles, such as Director for Electrical/Electronic Purchasing at Volvo North America and Mack Trucks. He has also previously held the position as Vice President for Cab, Electrical/Electronics Purchasing in Gothenburg focusing on the full renewal products of Volvo and Renault, and Vice President Purchasing Projects and Operations Asia Pacific and General Manager for the Volvo site in Shanghai. Prior to the joining the Group, Mr. Mackinovski was Senior Vice President Global Purchasing at Knorr-

Bremse GmbH for Commercial Vehicles. Mr. Mackinovski's education includes Business Administration Courses at IHM Business School. His business address is at Europaallee 39, 8004 Zurich, Switzerland.

Current directorships and senior management positions..... KA Mullsjö (board member).
Previous directorships and senior management positions last five years..... None.

Jon Munthe, General Counsel

Mr. Jon Munthe joined the Group as general counsel in 2008. Mr. Munthe has extensive experience as corporate legal counsel in various other industrial enterprises, including being chief legal counsel in Aibel and corporate legal counsel in ABB. He has also worked as a lawyer in major Oslo law firm, Wikborg Rein. Mr. Munthe holds a master of law degree from the University of Oslo. Mr. Munthe holds a business address at Vollsveien 2A, Lysaker, Norway.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

Linda Nyquist-Evenrud, SVP Couplings

Ms. Linda Nyquist-Evenrud joined the Group in 2008 and holds the position as SVP of the Group's Coupling's business. Before becoming SVP Couplings, Ms. Nyquist-Evenrud held a manager and director position within sales & marketing in the Group. Her previous experience also includes being market & project coordinator at Raufoss Technology AS. Ms. Nyquist-Evenrud holds a bachelor degree in product development and innovation management from Halmstad University. Her business address is at Raufoss Industrial Park, 2830 Raufoss, Norway.

Current directorships and senior management positions..... FKG (Automotive Association Sweden) (board member) and NCE Manufacturing (Manufacturing Association Norway) (board member).
Previous directorships and senior management positions last five years..... None.

Robert Pigg, SVP Off-Highway

Mr. Robert Pigg joined the Group in 2006. Prior to becoming the SVP of the Group's Off-Highway products, he has held several other leadership functions within the Group and managerial positions in other industries. His experience includes being engineering manager at Briggs & Stratton, Category Manager at Murray Incorporated and senior project engineering at Husqvarna Group. Mr. Pigg holds a bachelor degree in mechanical engineering from the Auburn University and a bachelor degree in physical science from the Freed-Hardeman University. His business address is at 300 South Cochran, Willis, TX 33738, United States.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

Marcus von Pock, EVP HRM/Communication/HSE

Mr. Marcus von Pock joined the Group in 2017 as EVP of HRM, communication, including responsibility for HSE and CSR. Mr. von Pock's has extensive experience in international HR management (strategic/operational/environment), including being SP HR and head of corporate academy in FLG Group and head of corporate HRM in Kardex AG. He has also held the position as HR director in Carl Zeiss AG. Mr. von Pock holds an MBA in International Management from the University of Mittweida, Germany. His business address is at Europaallee 39, 8004 Zurich, Switzerland.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

David Redfearn, EVP Fluid Transfer Systems

Mr. Redfearn joined the Group in 1990. Prior to becoming the EVP of the Group's Fluid Transfer Systems, he was vice president of sales and sales director for Fluid Transfer Systems. Mr. Redfearn has also held several other leadership functions within the Group. Mr. Redfearn holds a master degree from the Stockholm School of Economics. His business address is at Flöjelbergsgatan 2A, Mölndal, Sweden.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

Bob Riedford, President P&C

Mr. Bob Riedford joined the Group in January 2016 and holds the position as President of the Group's Powertrain & Chassis segment. Mr. Riedford has more than 30 years of experience in the automotive industry. His previous experience includes holding the position as president in Buehler Motor US and various positions at Delphi Automotive Systems and president at Buehler Motor US. Mr. Riedford has a bachelor degree in electrical engineering with an electronics / software focus from the University of Evansville. Mr. Riedford holds a business address at Europaallee 39, 8004 Zurich, Switzerland.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... Founding Partner / President, Riedford Management, Inc. incorporated in North Carolina, USA.

Doug Tushar, VP of Information Systems & Technology

Mr. Doug Tushar has been employed with the Group since 2008 and holds the position as vice president of IS&T corporate. Prior to joining the Group, Mr. Tushar has held various managerial positions, including being global IT director in Teleflex Automotive, Global Business Process Analyst at Teleflex Corp and Business logistics and operations manager at Teleflex Electronics. Mr. Tushar holds an SBA in Business Accounting from Kent State University. Mr. Tushar holds a business address at 27275 Haggerty Road, Suite 610, Novi, MI 48377, United States.

Current directorships and senior management positions..... None.
Previous directorships and senior management positions last five years..... None.

Ralf Voss, President Interior

Mr. Ralf Voss joined the company in March 2018. Mr. Voss has 25 years' experience in the automotive industry and owned several management positions, including various senior management positions at Daimler, Hella, Knorr-Bremse and Preh. From 2015-2017 he run his own business as Interim Manager and Senior Advisor. Before this he was Member of the management board, Knorr-Bremse, Systems Rail Vehicles GmbH (SfS), Munich, Germany from 2009-2015. From 2005-2009 he was EVP of the Division Electronics, Hella KGaA, Lippstadt, Germany. From 1989-2005 he held several positions at Daimler Benz AG, the last was Director Vehicle Engineering, Daimler Benz AG, International USA. Mr. Voss holds a Master degree in Science from the Ludwig-Maximilians Universität, Munich, Germany and has completed doctoral studies at Freie University of Berlin, Germany, and he holds an MBA degree from Michigan State University, East Lansing, USA. Mr. Voss holds a business address at Europaallee 39, 8004 Zurich, Switzerland.

Current directorships and senior management positions..... SafeRide old. Tel Aviv (board member) and Guardian Optech Ltd., Tel. Aviv, (Member of Advisory Board).

Previous directorships and senior management positions last five years None.

9.3 Board committees

9.3.1 Nomination committee

Pursuant to section 5 of the Company's Articles of Association, the Company shall have a nomination committee elected by the Company's general meeting consisting of three members elected by the general meeting for a three-year period unless otherwise determined by the Company's general meeting. To the extent possible, each annual general meeting shall elect one member to the nomination committee to ensure continuity. The nomination committee's members shall not have other functions in the Company. The general meeting adopts further instructions to the general meeting.

As of the date of this Prospectus, the Company's nomination committee consists of Tor Himberg-Larsen (chairman), Synnøve Gjønnnes and Lasse Johan Olsen.

9.3.2 Audit committee

In accordance with the Norwegian Public Limited Liability Companies Act, the Company has an audit committee consisting of Emese Weissenbacher (chairman) and Ellen M Hanetho.

Pursuant to Norwegian law, the audit committee is a preparatory and advisory body and its main tasks are to prepare the Board of Directors' in its follow-up of the financial reporting process, to monitor the systems for internal control and risk management, as well as the Company's internal audit if applicable, to have continuing correspondence with the Company's auditor regarding the audit of the annual accounts and to assess and evaluate the auditor's independence.

9.3.3 Compensation committee

The Company has established a compensation committee consisting of Firass Abi-Nassif (chairman), Peter Schmitt and Gerard Cordonnier.

The tasks of the compensation committee are to monitor decisions on matters regarding remuneration and terms for executive members of management in the Company.

9.4 Fraudulent offence, bankruptcy, incrimination and disqualification

No member of the Board of Directors or the Management has during the last five years preceding the date of this Prospectus:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company, or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

9.5 Conflicts of interests and other information

Chairman of the board, Firas Abi-Nassif, represents the Company's largest shareholders as of the date of this Prospectus, Teleios Capital Partners. The relations between Firas Abi-Nassif and Teleios Capital Partners indicates that Firas Abi-Nassif is not independent and may give raise to conflicts of interests.

To the Company's knowledge, there are no other actual or potential conflicts of interests between the Company and the private interests or other duties of any of the members of the Board of Directors and Management, including any family relationships between such persons.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any member of the Board of Directors and Management is elected.

Other than a lock-up restriction for 146,870 Shares held by the CEO, Henning Jensen, and 24,017 Shares held by board member Ellen Hanetho pursuant to which they cannot sell, transfer or otherwise dispose of her shareholding as long as he is employed and during her time as a board member, respectively, in the Company, there are no restrictions on any holdings of Shares by any member of the Board of Directors or Management regarding disposal within a certain period of time.

10. CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL

10.1 General corporate information

The Company's legal and commercial name is Kongsberg Automotive ASA domiciled in Norway. The Company is a public limited company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Kongsberg, Norway. The Company's registered office is located at Dyrmyrgata 48, 3611 Kongsberg, Norway and the Company's main telephone number at that address is +47 32 77 05 00. The Group's operational headquarters are located in Zurich, Switzerland.

The Company was incorporated in Norway on 24 March 1987 and is registered in the Norwegian register of Business Enterprises with business registration number 942 593 821. The Company's LEI is 5967007LIEEXZXJDCG21. The Company's Shares are registered in book-entry form with the VPS under ISIN NO0003033102. The Company's register of shareholders in the VPS is administrated by Nordea Bank Apb, Norwegian Branch.

The Company's website can be found at www.kongsbergautomotive.com. The content of the Company's website is not incorporated by reference into and does not otherwise form a part of this Prospectus.

10.2 Regulatory disclosures

The descriptions below contain a summary of certain information published by the Company in accordance with the Norwegian Securities Trading Act and related legislation over the last 12 months, which is relevant as at the date of the Prospectus. The summary also includes notifications of major shareholdings and from primary insiders in the Company. The summary is not exhaustive with respect to all information published by the company during the last 12 months. The announcements are available in its entirety on Oslo Børs' webpages www.newsweb.no under ticker code "KOA".

Information relating to the Private Placement and Subsequent Offering

Date	Summary of disclosed information
20 May 2020	Announcement of completion of the Private Placement and information that the company will propose to carry out the Subsequent Offering, including terms and conditions for the placement and description of reasons for deviating existing shareholders preferential rights to subscribe for new shares in the Company.
20 May 2020	Publication of an investor presentation regarding the Company dated 19 May 2020.
20 May 2020	Disclosure of key information relating to the Subsequent Offering, including key dates applicable for participation and number of shares and subscription price.
22 May 2020	Notice that the Shares in the Company would be traded exclusive the right to participate in the Subsequent Offering as of such date (22 May 2020).
22 May 2020	Notice of extraordinary general meeting in which the Board proposed approval of a share capital decrease by way of decrease of the Company's shares from NOK 0.50 to NOK 0.10, the share capital increase relating to the Private Placement and an authorization to the Board to increase the Company's share capital in connection with the Subsequent Offering.
25 May 2020	Update of financial calendar. Date for extraordinary general meeting on 15 June 2020 and new date for annual general meeting set to 30 June 2020.
8 June 2020	Announcement regarding an invitation to an information meeting regarding the proposed Private Placement
10 June 2020	Publication of a shareholders' presentation regarding the information meeting regarding the proposed Private Placement.
15 June 2020	At 10:00 (CEST): Information from Oslo Børs of a matching halt in trading of the Company's Shares until publication of results from the EGM.
15 June 2020	At 11:11 (CEST): Notification regarding approval of the resolutions in the EGM, including a capital decrease by way of decrease of the Company's shares from NOK 0.50 to NOK 0.10, the share capital increase relating to the Private Placement and an authorization to the Board to increase the Company's share capital in connection with the Subsequent Offering.
15 June 2020	At 11:24 (CEST): Information from Oslo Børs that matching halt will end at 11:30.
15 June 2020	Disclosure of minutes from the EGM.
15 June 2020	Notice from Oslo Børs that they had received an application for trading on Merkur Market of the Private Placement Shares.
16 June 2020	Notice that the share capital decrease and share capital increase relating to the Private Placement as resolved by the EGM had been registered with the Norwegian Register of Business Enterprises, and information about the Company's new registered share capital and new nominal value of the Company's shares.

16 June 2020	Standardized notice that the Company's Shares will be traded on Oslo Børs with new nominal value from 17 June 2020.
16 June 2020	Information from Oslo Børs on admission to temporary trading of the Private Placement Shares on Oslo Børs from 17 June 2020.
17 June 2020	Repeated information from Oslo Børs on admission to temporary trading of the Private Placement Shares on Oslo Børs from 17 June 2020.
26 June 2020	Publication of trading update to the investor presentation dated 19 May 2020 (published on 20 May 2020).

Information relating to the contemplated, but later cancelled, capital raise in April 2020

Date	Summary of disclosed information
3 April 2020	Business update from the Company in which the Group informed about, inter alia, revenue declines, measures to improve liquidity and its intention to carry out a capital raise.
3 April 2020	Invitation to business update conference call on 3 April 2020.
8 April 2020	Information regarding a notice for an extraordinary general meeting for approval of a capital raise including a private placement, a convertible bond issue and a subsequent offering, to be held on 30 April 2020.
8 April 2020	Update of financial calendar relating to the extraordinary general meeting to be held on 30 April 2020.
14 and 15 April 2020	Publication of investor presentation relating to the capital raise.
23 April 2020	Publication of updated investor presentation from 14 April 2020.
26 April 2020	Publication of an updated investor presentation.
27 April 2020	Publication of corrections to investor presentation published on 26 April 2020.
29 April 2020	Announcement that the contemplated capital raise had been cancelled.
29 April 2020	Update of financial calendar relating to cancellation of the extraordinary general meeting to be held on 30 April 2020.

Periodical financial reporting

Date	Summary of disclosed information
11 July 2019.....	Invitation to second quarter 2019 earnings call following release of second quarter 2019 financial report.
26 July 2019.....	Disclosure of second quarter 2019 report.
18 October 2019	Invitation to third quarter 2019 earnings call following release of third quarter 2019 financial report.
7 November 2019.....	Disclosure of third quarter 2019 financial report.
14 February 2019.....	Invitation to fourth quarter 2019 earnings call following release of fourth quarter 2019 financial report
27 February 2020.....	Disclosure of fourth quarter 2019 financial report.
27 February 2020.....	Disclosure of annual report for the financial year 2019.
20 March 2020	Updated financial calendar relating to the Company's quarterly report for the period ended 31 March 2020 (24 April 2020) and the annual general meeting (24 June 2020).
20 April 2020	Update of financial calendar regarding change of timing of Q1 report (new date 23 April 2020).
20 April 2020	Invitation to first quarter 2020 earnings call following release of first quarter 2020 financial report.
23 April 2020	Disclosure of first quarter 2020 financial report.

Other disclosed information

Date	Summary of disclosed information
10 July 2020.....	Information that a capital increase in the Company relating to issuance of 546,069 new Shares to senior managers in the Company under the Group's long-term incentive program had been registered with the Norwegian Register of Business Enterprises.
2 September 2019.....	Notification that the CEO will present at the J.P. Morgan 2019 European High Yield & Leveraged Finance Conference in London on 4 September 2019, including an outlook for the financial year 2019.
26 November 2019.....	Notification that the Company's CEO will present at an investor event hosted by SpareBank 1 Markets AS, including an outlook for financial year 2019 and 2020.
8 June 2020	Announcement regarding notice of the annual general meeting to be held on 30 June 2020.
14 June 2020	Information regarding renegotiated terms for the Group's Revolving Credit Facility, including thresholds for covenant testing and release of effective liquidity by EUR 28 million until 31 March 2021.

30 June 2020 Information that the annual general meeting in the Company had been held 30 June 2020 and disclosure of minutes from the meeting.

Transactions in own shares

Date	Summary of disclosed information
18 October 2019	Information regarding exercise of 70,000 share options, corresponding to 70,000 Shares in the Company. The Shares were provided by transfer from the Company's holding of treasury Shares to the employees at a selling price of NOK 4.8032.

Major shareholder notifications

Date	Summary of disclosed information
8 November 2019.....	Notification that mutual funds managed by Nordea Funds Ltd. have passed a disclosure threshold of 10 % due to acquisition of Shares.
30 March 2020	Notification that Makuria Investment Management LLP sold 1,967,708 shares in the Company after which it holds 20,955,886 Shares, equivalent to 4.6 %.
7 April 2020	Notification that mutual funds managed by Nordea Funds Ltd. have passed a disclosure threshold of 10 % due to disposal of Shares.
27 April 2020	Notification that mutual funds managed by Nordea Funds Ltd. have passed a disclosure threshold of 5 % due to disposal of Shares.
28 April 2020	Notification that RCW Asset Management LLP has passed a disclosure threshold of 5 % due to disposal of Shares.
25 May 2020	Notice of large shareholding from Pareto Asset Management AS that they would own 6.30 % of the Shares in the Company if the Private Placement and Subsequent Offering is carried out as proposed.
15 June 2020	Notice of large shareholding from Apollo Asset Limited that they had acquired 740,000,000 new Shares in the Private Placement, after which they own 9.94% of the share capital and voting rights in the Company.
15 June 2020	Notice of large shareholding from that Tycoon Industrier AS and Saga Tankers ASA, both controlled by Øystein Stray Spetalen, had in aggregate acquired 740 million new Shares in the Private Placement, representing 9.94 % of the Company.
15 June 2020	Notice of large shareholding that funds managed by KLP Fondsforvaltning AS had acquired 430,000,000 new Shares in the Private Placement, after which they manage 430,510,945 Shares equaling 5.78 % of the total number of shares in the Company.
15 June 2020	Notification that mutual funds managed by Nordea Funds Ltd. had acquired 1,324,473,728 new Shares in the Private Placement, after which they manage 17.97 % of voting rights in the Company.
16 June 2020	Notification that Handelsbanken Fonder AB had acquired 394,911,307 new Shares in the Private Placement, after which they own 5.38 % of the share capital in the Company.
17 June 2020	Notification that funds managed by KLP Fondsforvaltning had sold shares after which they own shares representing 4.98 % of the total number of Shares in the Company.

Primary insider disclosures

Date	Summary of disclosed information
2 October 2019	Primary insider notice and major shareholder notification relating to that Teleios Capital Partners LLC, represented in the Board of Directors by the chairman, Firas Abi-Nassif, had terminated a management agreement with an entity holding shares in the Company. As a result, the holding in the Company controlled by Teleios was reduced by 21,660,030 Shares to 102,430,407 Shares, corresponding to 22.86 % of the issued share capital.
14 November 2019.....	Notice that CFO of the Company, Norbert Loers, had purchased 26.736 Shares in the Company at NOK 5.24 per share.
21 November 2019.....	Notice the EVP for Global Purchasing Executive, Dzeki Mackinovski, had purchased 89,500 Shares in the Company at NOK 5.15 per Share.
21 November 2019	Notice that EVP for Quality Assurance, Virginia Paula Grando, had purchased 52,500 Shares in the Company at NOK 5.121429 per Share.
29 November 2019.....	Notice that EVP for Fluid Transfer Systems, David Redfearn, had purchased 8,000 Shares in the Company at NOK 4.88 per Share.
2 December 2019.....	Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company, had purchased 915,454 Shares in the Company at NOK 4.7857 per Share.
6 December 2019.....	Notice that SVP for Off-Highway BU, Robert Pigg, had purchased 10,200 Shares in the Company at NOK 4.88 per Share.

13 December 2019.....	Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company, had purchased 500,897 Shares in the Company at NOK 5.1485 per Share.
28 February 2020.....	Notice that EVP for Fluid Transfer Systems, David Redfearn, had purchased 12,500 Shares in the Company at NOK 4.125 per Share.
6 March 2020	Notice that EVP for Global Purchasing, Dzeki Mackinovski, had purchased 84,300 Shares in the Company at NOK 3.45 per Share.
10 March 2020	Notice that EVP for Fluid Transfer Systems, David Redfearn, had purchased 8,000 Shares in the Company at NOK 3.19 per Share.
12 March 2020	Notice that EVP for Fluid Transfer Systems, David Redfearn, had purchased 4,000 Shares in the Company at NOK 2.69 per Share.
12 March 2020	Notice that board member and employee representative, Bjørn Ivan Ødegård had purchased 15,000 Shares in the Company at NOK 2.12 per Share
13 March 2020	Notice that EVP for Fluid Transfer Systems, David Redfearn, had purchased 9,000 Shares in the Company at NOK 2.12 per Share.
8 May 2020	Notice that Martina Schüle, VP Finance Accounting and Reporting, had purchased 5,000 Shares in the Company at EUR 0.20 per Share.
15 June 2020	Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company, had on 15 June 2020 subscribed to and been allocated 1,620,000,000 new Shares in the Private Placement at subscription price of NOK 0.10.
18 June 2020	Notice that Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company, had on 17 June 2020 acquired on Merkur Market 51,455,965 Shares at an average price of 0.1738 NOK per share and sold on Oslo Børs 51,455,965 Shares at an average price of 0.4143 NOK per share.
19 June 2020	Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company, had on 18 June 2020 acquired on Merkur Market 18,000,000 Shares at an average price of NOK 0.1567 per Shares and sold on Oslo Børs 18,000,000 Shares at an average price of NOK 0.3345 per Share.
22 June 2020	Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company, had on 19 June 2020 acquired on Merkur Market 14,000,000 Shares at an average price of NOK 0.1501 per Share and sold on Oslo Børs 14,000,000 Shares at an average price of NOK 0.3009 per Share.
23 June 2020	Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company had on 22 June 2020 acquired on Merkur Market 14,000,000 Shares at an average price of NOK 0.1498 per Share and sold on Oslo Børs 14,000,000 Shares at an average price of NOK 0.2588 per Share.
24 June 2020	Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company had on 23 June 2020 acquired on Merkur Market 8,000,000 Shares at an average price of NOK 0.1498 per Share and sold on Oslo Børs 8,000,000 Shares at an average price of NOK 0.2673 per Share.
25 June 2020	Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company had on 24 June 2020 acquired on Merkur Market 13,500,000 Shares at an average price of NOK 0.1329 per Share and sold on Oslo Børs 13,500,000 Shares at an average price of NOK 0.2307 per Share.
25 June 2020	Notice that Teleios Capital Partners LLC, represented on the board of directors of the Company had on 25 June 2020 acquired on Merkur Market 5,500,000 Shares at an average price of NOK 0.1300 per Share and sold on Oslo Børs 5,500,000 Shares at an average price of NOK 0.2435 per Share.
29 June 2020	Notice that Ellen Hanetho, represented on the Board of the Company, had on 26 June 2020 acquired on Merkur Market 500,000 Shares at an average price of NOK 0.1390 per share and sold on Oslo Børs 24,017 Shares at an average price of NOK 0.300 per Share.
30 June 2020	Notice that Ellen Hanetho, represented on the Board of the Company, had on 30 June 2020 acquired on Merkur Market 300,000 Shares at an average price of NOK 0.1550 per Share.

10.3 Major shareholders

Shareholders owning 5 % or more of the Shares have an interest in the Company's share capital that is notifiable pursuant to Norwegian Securities Trading Act. Based on information derived from the VPS as of 30 June 2020 and notifications on major shareholdings, the following shareholders has a shareholding in the Company that is notifiable: Teleios Global Partners (23.15 %), mutual funds managed by Nordea Funds Ltd. (15.47 %), Pareto Asset Management (7.39 %), Handelsbanken (5.30 %), Apollo Asset Limited (5.04 %) and Tycoon Industrier AS and Saga Tankers ASA (together 5.04 %).

See Section 11.7 "Disclosure obligations" for a further description of the disclosure obligations under the Norwegian Securities Trading Act.

To the Company's knowledge, there are no person or entities who, directly or indirectly, joint or severally, exercises or could exercise control over the Company. The Company is not aware of any arrangements that may at a subsequent date result in a change of control of the Company.

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

10.4 Shareholder rights

The Company has one class of Shares in issue and, in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company. Each of the Company's Shares carries one vote and all Shares carries equal rights in all respects, including the right to dividend.

The Company's Articles of Association do not stipulate any restrictions on transfer of the Shares, or right of first refusal upon transfer of Shares. Rights attaching to the Shares are further described in Section 10.9 "Certain aspects of Norwegian corporate law".

10.5 Dividends

As of the date of this Prospectus, the Company prioritizes reinvestment of proceeds and debt reduction to maintain future prospects and achieve leverage targets over payment of dividends and share buy backs.

The Company did not pay any dividend for the financial year 2018 and the Company's Board of Directors has not proposed any dividend payments for the financial year 2019.

10.6 Convertible instruments, warrants and share options

10.6.1 Employee incentive programs

Employee share option program up until 2017

As of the date of this Prospectus, the Company has an aggregate of 1,974,970 outstanding share options issued under a former share option program for executives and selected managers in the Company, giving right to an equal number of new Shares in the Company. Exercise of the options is subject to the option holder being employed by the Company and that the employee holds a certain number of Shares in the Company, minimum 10 % of the number of options exercised. The share option program was replaced by a new long-term incentive program in 2018 as further described below.

Long-term incentive program from 2018

In 2018, the Company introduced a new long-term incentive program pursuant to which half of the program's target value is allocated into performance-contingent stock-options and the remaining half is based on time-vested restricted share units. This program replaced the old share option program described above.

The vesting of the performance-contingent stock options is based on the total shareholder return performance against a defined relative peer group of dedicated automotive companies. Only if the Group clearly outperforms this peer group with more than one standard deviation from average, will 100 % of granted stock options vest. With a performance at average level of the peer group, 75 % of options will vest. If the Group is lower than one standard deviation from average, no manager will receive any performance-contingents stock options. The vesting period is defined as three years from being granted, and the overall lifetime of the plan is additionally seven years to exercise (10 years in total).

The time-vested restricted shares will have a defined vesting period of three years. In 2018 – to mitigate the cash flow impacts of the substantial pay-mix adjustment – there was a staggered vesting for each vesting year of one third of the total restricted shares. In 2019, the staggered vesting offered 25 % in Year 1, 25 % in Year 2, and 50 % in Year 3. Based on the individual target of each eligible participant, the number of performance-contingent stock options and restricted shares were derived.

As of the date of this Prospectus, an aggregate of 6,069,693 performance-contingent stock options and 3,270,018 time-vested restricted share units were outstanding. The unvested restricted share units are dilution protected

and the Company will therefore have to compensate for the dilution following from the Private Placement and Subsequent Offering, after which in aggregate minimum 50,574,403 and maximum 70,945,428 restricted shares units will be outstanding depending on how many Offer Shares are issued in the Subsequent Offering.

Employee share offering in 2020

There will be no new awards under the Group's long-term incentive program in 2020. However, the Company has resolved to offer shares to carry out a separate employee offering of shares to eligible participants in the long term incentive program to subscribe to shares in the Company on the same terms as the Subsequent Offering for up to 25 % of each such employee's annual base pay. The eligible participants exclude employees and citizens from the US, Canada, China, Brazil and India due to legal requirements. Total maximum subscriptions under the offer shall consist of maximum 300 million new Shares issued at a subscription price of NOK 0.10 per share.

10.6.2 Other convertible instruments, warrants and share options

Other than the above and the Subscription Rights giving right to subscribe for Offer Shares in the Subsequent Offering as further described in Section 6 "The Subsequent Offering", there are no convertible securities, exchangeable securities or securities with warrants giving right to Shares in the Company.

10.7 Outstanding authorisations to increase the share capital

At the Company's annual general meeting held on 30 June 2020, the Board of Directors were granted with an authorization to increase the Company's share capital by up to NOK 36,000,000 for the purpose of honoring its obligations under the employee incentive program and the employee offering further described above in Section 10.6.1 "Employee incentive programs". The authorization expires at the date of the Company's annual general meeting in 2021, however, no later than 30 June 2021.

As of the date of this Prospectus, the Company has not yet used the authorization to issue Shares in the Company.

The Board of Directors is also authorized to increase the Company's share capital in connection with the Subsequent Offering, see Section 6.2 "Resolution to issue the Offer Shares".

10.8 Authorisation to acquire treasury shares

At the Company's annual general meeting held on 30 June 2020, the Board of Directors were granted with an authorization to acquire Shares in the Company with a total nominal value of NOK 74,479,910.1 at current market prices within a range between NOK 0.10 and NOK 10 per Share. The authorization expires at the date of the Company's annual general meeting in 2021, however, no later than 30 June 2021.

As of the date of this Prospectus, the Company has not used the authorization to acquire own shares.

10.9 Certain aspects of Norwegian corporate law

10.9.1 General meetings

The Company's shareholders exercise supreme authority in the Company through the general meeting.

In accordance with Norwegian law, the annual general meeting of the Company's shareholders is required to be held each year on or prior to 30 June. Pursuant to the Company's Articles of Association, the annual general meeting shall consider:

- adoption of the annual accounts and annual report, including use of any profits or coverage of any deficit;
- election of board members, members of the Nomination Committee and any election of auditor and determination of the remuneration to board members, auditor, members of the Nomination Committee, Audit Committee and the Compensation Committee; and
- any other business, which by law or in accordance with the company's Articles of Association shall be transacted at the general meeting.

Norwegian law requires that written notice of general meetings be sent to all shareholders with a known address no later than 21 days prior to the date of the meeting. The notice shall set forth the time and date of the meeting and specify the agenda of the meeting. It shall also name the person appointed by the Board of Directors to open the meeting. A shareholder may attend general meetings either in person or by proxy, and the Company is

required to include a proxy form with notices of general meetings. Pursuant to section 7 of the Company's Articles of Association, shareholders wishing to attend a general meeting must register with the Company no later than five days prior to the general meeting.

Any shareholder is entitled to have an issue discussed at a general meeting if such shareholder provides the Board of Directors with notice of the issue within seven days before the mandatory notice period, together with a proposal to a draft resolution or a basis for putting the matter on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

In addition to the annual general meeting, extraordinary general meetings of shareholders may be held if deemed necessary by the Board of Directors. An extraordinary general meeting must also be convened for the consideration of specific matters at the written request of the Company's auditors or shareholders representing a total of at least 5 % of the share capital.

10.9.2 Voting rights

Each of the Shares carries one vote at general meetings of the Company. No voting rights can be exercised for any Shares held in treasury by the Company.

In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes are elected. However, as required under Norwegian law, certain decisions, including resolutions to set aside preferential rights to subscribe in connection with any share issue, to approve a merger or demerger, to amend the Company's Articles of Association, to authorize an increase or reduction of share capital, to authorize an issuance of convertible loans or warrants, to authorize the Board of Directors to purchase shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting.

Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association. Decisions that (i) would reduce the rights of some or all shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of shares, require that at least 90 % of the share capital represented at the general meeting vote in favor of the resolution, as well as the majority required for amending the articles of association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby, as well as the majority required for amending the articles of association.

There are no quorum requirements for general meetings.

In general, a shareholder must be registered as the owner of Shares in the VPS in order to vote at a general meeting. Under Norwegian law, a beneficial owner of Shares registered through a VPS-registered nominee may not be able to exercise its right to vote unless ownership is re-registered in the name of the beneficial owner prior to the relevant general meeting. Investors should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote on behalf of nominee-registered shares. In the Company's view, a nominee may not meet or vote on behalf of Shares registered on a nominee account. A shareholder must, in order to be eligible to register, meet and vote on behalf of such Shares at the general meeting, transfer the Shares from the nominee account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

10.9.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus shares (i.e. new Shares issued by a transfer of funds that the Company is allowed to use to distribute dividends), the Company's Articles of Association must be amended, which requires the support of at least two-thirds of the votes cast and two-thirds of the share capital represented at the relevant General Meeting. Pursuant to Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares on a pro rata basis in accordance with their then current shareholdings in the Company. Preferential rights may be set aside by a resolution from a general meeting of shareholders passed by the same majority required to approve amendments of the Articles of Association.

The general meeting of the Company may, in a resolution supported by at least two-thirds of the votes cast and two-thirds of the share capital represented at the relevant general meeting, authorize the Board of Directors to

issue new Shares. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50 % of the nominal share capital as at the time the authorization is registered with the Norwegian Register of Business Enterprises. The shareholders' preferential right to subscribe for Shares issued against consideration in cash may be set aside by the Board of Directors only if explicitly stated in the resolution to authorize the Board of Directors.

Under Norwegian law, bonus shares may be issued subject to approval by a general meeting with a majority votes as for amendment of the Articles of Association and provided, amongst other requirements, that the transfer is made from funds that the Company is allowed to use to distribute dividends. Any bonus issues may be effectuated either by issuing Shares or by increasing the nominal value of the outstanding Shares. If the increase in share capital is to take place by the issuing of new Shares, these new Shares must be allocated to the shareholders of the Company in proportion to their current shareholdings. Setting aside the shareholders' preferential rights in respect of bonus issues requires the approval of the holders of all outstanding Shares.

Any issue of Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under U.S. securities law. Should the Company in such situation decide not to file a registration statement, any U.S. shareholders may not be able to exercise their preferential rights. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, and does not intend to do so, and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their preferential rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced as a result of the additional share issuance.

10.9.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders in a company, including, but not limited, those described in this and the preceding paragraphs, against oppression by the majority, including but not limited to those described in this and preceding and following paragraphs. Any shareholder may petition the courts to have a decision of the Board of Directors or general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. In certain grave circumstances, shareholders may require the courts to dissolve the Company as a result of such decisions. Shareholders holding in the aggregate 5 % or more of the Company's share capital have a right to demand that the Company convenes an extraordinary General Meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company's Board of Directors is notified within seven days before the deadline for convening the General Meeting, and the demand is accompanied by a proposed resolution or a reason for why the item should be on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for the issuing of notice of the General Meeting has not expired.

10.9.5 Rights of redemption and repurchase of shares

The Company's share capital may be reduced by reducing the nominal value of the Shares or by cancelling Shares, which requires the approval of at least two-thirds of the aggregate number of votes cast and share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of Shares to be redeemed.

The Company may purchase its own Shares if an authorization to the Board of Directors to do so has been granted by the shareholders at a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and the share capital represented. The aggregate nominal value of treasury Shares so acquired may not exceed 10 % of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the Shares. The authorization by the shareholders at the General Meeting cannot be valid for more than two years. A Norwegian public limited liability company may not subscribe for its own shares.

10.9.6 Shareholder vote on certain reorganizations

A decision to merge with another company or to demerge requires a resolution of the Company's shareholders at a general meeting passed by at least two-thirds of the votes cast and two-thirds of the share capital represented

at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation must be made available at the business offices, and the web pages of the Company at least one month prior to the general meeting convened to resolve the matter. The Company must also send such documents by ordinary mail free of charge to any shareholder requesting to receive the documents by mail.

10.9.7 Distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividend to the extent that the Company's net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealized gains. The Company's total nominal value of treasury shares which the Company has acquired for ownership or security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.
- The calculation of the distributable equity shall be made on the basis of the balance sheet in the approved annual accounts for the last financial year, but so that the registered share capital as of the date of the resolution to distribute dividend shall apply. Following the approval of the annual accounts for the last financial year, the general meeting may also authorize the Board of Directors to declare dividend on the basis of the Company's annual accounts.
- Dividend may also be distributed by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.
- Dividend can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Distribution of dividends is resolved by a majority vote at the general meeting of the shareholders of the Company, and on the basis of a proposal from the Board of Directors. The general meeting cannot distribute a larger amount than what is proposed or accepted by the Board of Directors.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due.

There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. Investors registered in the VPS whose address is outside Norway will receive payment of dividends to the bank account registered with its VPS account, in the local currency of the bank used. Any exchange rate(s) that is applied will be the Company's share registrar's rate on the date of issuance.

10.9.8 Liability of board members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or willfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided to the general meeting of the Company's shareholders that passed a resolution in the matter. If a resolution to discharge the Company's Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that which is required to amend the Articles of Association, shareholders representing more than 10 % of the share capital or, if there are more than 100 shareholders, more than 10 % of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility, but may be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's Board Members from liability or not to

pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

10.9.9 Indemnification of board members

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

10.9.10 Claims against the Company, members of Management and/or the Board of Directors by non-Norwegian shareholders

Norwegian law may limit shareholders' ability to bring an action against the Company. The rights of holders of the Shares and the Subscription Rights are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions

10.9.11 Distribution of assets on liquidation

Under Norwegian law, the Company may be liquidated by a resolution of the Company's shareholders at a general meeting passed by the same vote as required with respect to amendments to the Articles of Association. The Shares rank equally in the event of a return on capital by the Company upon liquidation or otherwise.

11. SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. The summary does not purport to be a comprehensive description of securities trading in Norway. Shareholder who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.

11.1 Introduction

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. Oslo Børs ASA is wholly owned by Oslo Børs VPS Holding ASA which was acquired by Euronext on 18 June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

Oslo Børs has entered into a strategic cooperation with the London Stock Exchange group with regards to, inter alia, trading systems for equities, fixed income and derivatives.

11.2 Trading and settlement

Trading of equities on Oslo Børs is carried out in the electronic trading system Millennium Exchange. This trading system was developed by the London Stock Exchange and is used by all markets operated by the London Stock Exchange, as well as by the Borsa Italiana and the Johannesburg Stock Exchange.

Official trading on Oslo Børs takes place between 09:00 hours (Norwegian time) and 16:20 hours (Norwegian time) each trading day, with pre-trade period between 08:15 hours (Norwegian time) and 09:00 hours (Norwegian time), closing auction from 16:20 hours (Norwegian time) to 16:25 hours (Norwegian time) and a post-trade period from 16:25 hours (Norwegian time) to 17:30 hours (Norwegian time). Reporting of after exchange trades can be done until 17:30 hours (Norwegian time).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, market-making activities do not as such require notification to the NFSA or Oslo Børs except for the general obligation of investment firms that are members of Oslo Børs to report all trades in listed securities.

11.3 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The NFSA controls the issuance of securities in both the equity and the bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would be unlawful to carry out the issuance. Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of

the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

11.4 The VPS and transfer of shares

The Company's shareholder register is operated through the VPS. The VPS is a Norwegian paperless centralized securities register. It is a computerized bookkeeping system in which the ownership of, and transactions relating to, Norwegian listed shares may be recorded. All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is generally prima facie evidence in determining the legal rights of parties against the issuing company or any third party claiming an interest in the given security.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control, which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the NFSA on an on-going basis, as well as any information that the NFSA requests. Furthermore, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

11.5 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the NFSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the issuer and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote on behalf of shares at general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. See Section 10.9 "Certain aspects of Norwegian corporate law".

11.6 Foreign investment in Norwegian shares

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

11.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in an issuer with its shares listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5 %, 10 %, 15 %, 20 %, 25 %, 1/3, 50 %, 2/3 or 90 % of the share capital or the voting rights of that issuer, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are reached or crossed due to other circumstances, such as a change in the Company's share capital.

11.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

11.9 Mandatory offer requirements

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third (or more than 40 % or 50 %) of the voting rights of a company with its shares listed on a Norwegian regulated market to (except for certain foreign companies), within four weeks, make an unconditional general offer for the purchase of the remaining shares in that issuer. A mandatory offer obligation may also be triggered when a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the issuer, and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the issuer in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the issuer or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is required to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant mandatory offer threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains unfulfilled, exercise rights in the issuer, such as voting on shares at general meetings of the issuer's shareholders, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that accrues until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a Norwegian issuer with its shares listed on a Norwegian regulated market is required to make an offer to purchase the remaining shares of the issuer (repeated offer obligation) if the person, entity or consolidated group, through acquisition, becomes the owner of shares representing 40 % or more of the votes in the issuer. The same applies correspondingly if the person, entity or consolidated group, through acquisition, becomes the owner of shares representing 50 % or more of the votes in the issuer. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, required to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of no less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

In the absence of a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

11.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90 % or more of the total number of issued shares in a Norwegian public limited company, as well as 90 % or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90 % of the total number of issued shares, as well as more than 90 % of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90 % of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

11.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a Norwegian issuer who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the NFSA have electronic access to the data in this register.

12. NORWEGIAN TAXATION

12.1 Introduction

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

The summary regarding Norwegian taxation set out in this Section 12 is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law, administrative practice or interpretation occurring after such date. Such changes could possibly be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be residents in Norway for tax purposes (under domestic tax law or under tax treaties) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

12.2 Taxation of dividends

12.2.1 Norwegian Personal Shareholders

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22 %, to the extent the dividends exceed a statutory tax-free allowance (Nw. skjermingsfradrag). The taxable amount is multiplied by a factor of 1.44, resulting in an effective tax rate of 31.68 % (22 % x 1.44).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: statskasseveksler) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2019 was 1.3 %.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw. Aksjesparekonto). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68 %, cf. the description above concerning taxation of dividends.

The tax-free allowance is, when investing through share saving accounts, calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account.

12.2.2 Norwegian Corporate Shareholders

Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are largely exempt from tax on dividends distributed from the Company, pursuant to the Norwegian participation exemption method (Nw. fritaksmetoden). However, unless the Norwegian Corporate Shareholder holds more than 90 % of the shares and the voting rights of the company, 3 % of the

dividend income distributed to the Norwegian Corporate Shareholder is taxable as ordinary income at a rate of 22 %, resulting in an effective tax rate of 0.66 % (22 % x 3 %).

12.2.3 Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are natural persons not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**") are as a general rule subject to withholding tax at a rate of 25 %. The withholding tax rate of 25 % is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends, and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see Section 12.2.1 Taxation of dividends - Norwegian Personal Shareholders above). However, the tax-free allowance deduction does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25 % less the tax-free allowance.

If a Non-Norwegian Personal Shareholder carries out business activities in or managed from Norway and the shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have been deducted a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted, if certain documentation requirements are met. Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

12.2.4 Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are as a general rule subject to withholding tax at a rate of 25 %. The withholding tax rate of 25 % is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempted from Norwegian withholding tax, provided that the shareholder is the beneficial owner of the shares and is considered to be "genuinely established and performs genuine economic activity" in the relevant EEA jurisdiction for Norwegian tax purposes.

If a Non-Norwegian Corporate Shareholder carries out business activities in or managed from Norway and the shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption method.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, certain other documentation requirements must be met, and the relevant documentation must be provided to either the nominee or the account operator registered with the Norwegian Central Securities Depository (VPS). Non-Norwegian Corporate Shareholders should consult their own advisers regarding the possibility of effectively obtaining a reduced withholding tax rate pursuant to either an applicable tax treaty or the participation exemption method.

12.3 Taxation of capital gains on realization of shares

12.3.1 Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22 %. However, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax deductible loss shall be adjusted by a factor of 1.44, resulting in a marginal effective tax rate of 31.68 %.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realizations of the share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer Section 12.2.1 "Taxation of dividends - Norwegian Personal Shareholders" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realizations of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68 % (please see Section 12.2.1 "Taxation of dividends - Norwegian Personal Shareholders" above for more information regarding share saving accounts).

12.3.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are generally exempt from tax on capital gains derived from the realization of shares, pursuant to the Norwegian exemption method. Correspondingly, losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

12.3.3 Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the shares held by the Non-Norwegian Personal Shareholder are, in effect, connected to business activities carried out in or managed from Norway, or the shares are held by a Non-Norwegian Personal Shareholders who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation of Norwegian tax residency.

Please refer Section 12.2.3 "Taxation of dividends – Non-Norwegian Personal Shareholders" above for a description of the availability of a Norwegian share saving account for Non-Norwegian Personal Shareholders.

12.3.4 Non-Norwegian Corporate Shareholders

Capital gains derived from the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shares held by the Non-Norwegian Corporate Shareholder are, in effect, connected with business activities carried out in or managed from Norway.

12.4 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85 % of the value assessed. The value for assessment purposes for listed shares is currently equal to 75 % of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant financial year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75 %).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

12.5 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

12.6 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

13. SELLING AND TRANSFER RESTRICTIONS

13.1 General

The grant of Subscription Rights and issue of Offer Shares upon exercise of Subscription Rights to persons resident in or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares.

The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction other than Norway. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed.

Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer the Offer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section 13.

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the Subscription Rights and Offer Shares being granted or offered, respectively, in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Members States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada, Japan, the United States or any other jurisdiction in which it would not be permissible to offer the Subscription Rights and/or the Offer Shares (the "**Ineligible Jurisdictions**") (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the crediting of Subscription Rights to an account of an Ineligible Shareholder or other person who is a resident of an Ineligible Jurisdiction (referred to as "**Ineligible Persons**") does not constitute an offer to such persons of the Subscription Rights or the Offer Shares. Ineligible Persons may not exercise Subscription Rights.

If an investor exercises Subscription Rights to obtain Offer Shares or trades or otherwise deals in the Offer Shares, unless the Company in its sole discretion determines otherwise on a case-by-case basis, that investor will be deemed to have made or, in some cases, be required to make, the following representations and warranties to the Company and any person acting on the Company's or its behalf:

- (i) the investor is not located in an Ineligible Jurisdiction;
- (ii) the investor is not an Ineligible Person;
- (iii) the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;
- (iv) the investor acknowledges that the Company is not taking any action to permit a public offering of the Subscription Rights or the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway; and
- (v) the investor may lawfully be offered, take up, subscribe for and receive Subscription Rights and Offer Shares in the jurisdiction in which it resides or is currently located.

The Company and any persons acting on behalf of the Company, including the Manager, will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or representations deemed to have been made by its subscription or purchase of Offer Shares is no longer accurate, it will promptly notify the Company and the Manager. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with respect to the exercise of Subscription Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorize the

allocation of any of the Subscription Rights and Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) is located outside Norway and wishes to exercise or otherwise deal in or subscribe for Subscription Rights and/or Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this Section 13 is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights or subscribe for the Offer Shares, such investor should consult its professional advisor without delay.

Subscription Rights will initially be credited to financial intermediaries for the accounts of all shareholders who hold Shares registered through a financial intermediary on the Record Date. Subject to certain exceptions, financial intermediaries, which include brokers, custodians and nominees, may not exercise any Subscription Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of Subscription Rights to provide certifications to that effect.

Subject to certain exceptions, financial intermediaries are not permitted to send this Prospectus or any other information about the Subsequent Offering into any Ineligible Jurisdiction or to any Ineligible Persons. Subject to certain exceptions, exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and Offer Shares will not be delivered to an addressee in any Ineligible Jurisdiction. The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Subscription Rights and Offer Shares, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is acting on a non-discretionary basis for such persons, or who appears to the Company or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit a holder to exercise its Subscription Rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company does not accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting the holder's exercise of Subscription Rights.

No action has been or will be taken by the Manager to permit the possession of this Prospectus (or any other offering or publicity materials or application form(s) relating to the Subsequent Offering) in any jurisdiction where such distribution may lead to a breach of any law or regulatory requirement.

Neither the Company nor the Manager, nor any of their respective representatives, is making any representation to any offeree, subscriber or recipient of Subscription Rights and/or Offer Shares regarding the legality of an investment in the Subscription Rights and/or the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisors before subscribing for Offer Shares or purchasing Subscription Rights and/or Offer Shares. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of a subscription for Offer Shares or a purchase of Offer Shares.

A further description of certain restrictions in relation to the Subscription Rights and the Offer Shares in certain jurisdictions is set out below.

13.2 United States

The Subscription Rights and Shares have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction in the United States, and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Private Placement was directed towards investors (i) outside the United States in reliance on Regulation S under the U.S. Securities Act and (ii) in the United States to QIBs, as defined in Rule 144A under the U.S. Securities Act, as well as to institutional "accredited investors" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act.

Pursuant to this Prospectus, the Subscription Rights and Offer Shares are being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act. In addition, concurrently with the offers and sales in reliance on Regulation S, the Company may effect private placement transactions to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) or institutional "accredited investors" (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act) pursuant to an exemption from the registration requirements of the U.S. Securities Act who have executed and returned an investor letter to the Company prior to exercising any Subscription Rights. A form investor letter may be obtained by contacting the Company or the Manager.

Until 40 days after the commencement of the Subsequent Offering, any offer or sale of the Subscription Rights and Offer Shares within the United States by any dealer (whether or not participating in the Subsequent Offering) may violate the registration requirements of the U.S. Securities Act.

Offers and sales of the Offer Shares in the United States will only be made by the Company pursuant to an exemption from the registration requirements of the U.S. Securities Act, which requires an investor letter to be executed and returned. In accordance with the investor letter, each person to which Offer Shares are offered or sold by the Company in the United States, by its subscription of the Offer Shares, will be deemed to have represented, warranted, agreed and acknowledged to the Company, on its behalf and on behalf of any investor accounts for which it is subscribing for Offer Shares, as the case may be, that:

- (i) it is a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act or an institutional "accredited investor" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act, it is not purchasing Offer Shares with a view to their distribution in the United States within the meaning of U.S. federal securities laws, and, if it is subscribing for the Offer Shares as a fiduciary or agent for one or more accounts, each such account is a qualified institutional buyer or an institutional accredited investor, with full investment discretion with respect to each such account, and the full power and authority to make (and does make) the acknowledgements, representations, warranties and agreements in the investor letter on behalf of each such account;
- (ii) it acknowledges that the Subscription Rights and the Offer Shares have not been (nor will they be) registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and cannot be resold or otherwise transferred unless they are registered under the U.S. Securities Act or unless an exemption from such registration is available as set out in the investor letter; and
- (iii) it understands and acknowledges that the foregoing representations, agreements and acknowledgements are requirements in connection with United States and other securities laws and that the Company, its affiliates and others are entitled to rely on the truth and accuracy of the representations, agreements and acknowledgements contained herein. It agrees that if any of the representations, agreements and acknowledgements made herein and are no longer accurate, it will promptly notify the Company.

Each person to which Subscription Rights and/or Offer Shares are distributed, offered or sold pursuant to this Prospectus will be deemed, by its subscription for Offer Shares or purchase of Subscription Rights and/or Offer Shares, to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for Offer Shares or purchasing Subscription Rights and/or Offer Shares, as the case may be, that:

- (i) the purchaser is, and the person, if any, for whose account or benefit the purchaser is exercising the Subscription Rights or acquiring the Offer Shares is, outside the United States at the time the exercise or buy order for the Subscription Rights or the Offer Shares is originated and continues to be located outside the United States, and the person, if any, for whose account or benefit the purchaser is exercising the Subscription Rights or acquiring the Offer Shares reasonably believes that the purchaser is outside the United States, and neither the purchaser nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States;
- (ii) the Subscription Rights and Offer Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States; and

- (iii) it acknowledges that the Company and the Manager and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or representations deemed to have been made by its purchase of Offer Shares is no longer accurate, it will promptly notify the Company and the Manager.

13.3 United Kingdom

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities and other persons to whom it may lawfully be communicated falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

13.4 EEA selling restrictions

In relation to each Relevant Member State, no Offer Shares have been offered or will be offered to the public in that Relevant Member State, pursuant to the Subsequent Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- a) to persons who are "qualified investors" within the meaning of Article 2(e) in the EU Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Manager for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation;

provided that no such offer of Offer Shares shall require the Company or the Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offered Shares under, the Subsequent Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company and the Manager that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

14. ADDITIONAL INFORMATION

14.1 Auditor

The Company's statutory auditor is Deloitte AS, with business registration number 980 211 282 in the Norwegian Register of Business Enterprises and registered address at Dronning Eufemias gate 14, 0191 Oslo, Norway. Deloitte AS is a member of Den Norske Revisorforeningen (the Norwegian Institute of Public Accountants).

The Financial Statements for the year ended 31 December 2019 have been audited by Deloitte AS and the auditor's report is, together with the Financial Statements for the year ended 31 December 2019, incorporated by reference to this Prospectus, see Section 14.4 "Incorporation by reference" below. Deloitte AS has not audited, reviewed or produced any report on any other information provided in this Prospectus. The Interim Financial Statements have not been audited.

14.2 Advisors

SpareBank 1 Markets AS, Olav V's gate 5, P.O. Box 1398 Vika, Norway acted as Sole Global Coordinator and Joint Bookrunner and Pareto Securites AS, Dronning Mauds gate 3, 0250 Oslo, Norway, acted as Joint Bookrunner in the Private Placement. SpareBank 1 Markets AS acts as Manager in the Subsequent Offering.

Advokatfirmaet Wiersholm AS, Dokkveien 1, 0250 Oslo, Norway is acting as legal adviser to the Company in respect to Norwegian Law.

14.3 Documents on display

Copies of the following documents are available for inspection at the Company's offices at Dyrmyrgata 48, 3611 Kongsberg, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Articles of Association of the Company;
- All reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- This Prospectus.

The documents are also available at www.kongsbergautomotive.com.

14.4 Incorporation by reference

The following table sets forth an overview of documents incorporated by reference in this Prospectus. No information other than information referred to in the table below is incorporated by reference. Where parts of the document are referenced and not documented as a whole, the remainder of such document is either deemed irrelevant to an investor in the context of the requirements of this Prospectus, or the corresponding information is covered elsewhere in this Prospectus.

Minimum disclosure requirement of the Prospectus	Reference document and link	Page in reference document
Annex 3, item 11.1	Financial Statements for the year ended 31 December 2019 https://www.kongsbergautomotive.com/globalassets/investor-relations/financial-reports/kongsberg_automotive_annual_report_2019.pdf	51 - 98
Annex 3, item 11.2	Auditor's report for the year ended 31 December 2019 https://www.kongsbergautomotive.com/globalassets/investor-relations/financial-reports/kongsberg_automotive_annual_report_2019.pdf	130 - 134
Annex 3, item 11.1	Interim Financial Report for the three months ended 30 March 2020 https://www.kongsbergautomotive.com/globalassets/investor-relations/financial-reports/koa-q1-2020-report.pdf	10 – 18 (accounts and notes) 19 – 21 (APMs)

References in the table above to "Annex" and "Items" are references to the disclosure requirements as set forth in Commission Delegated Regulation (EU) of the Europe Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) no 809/2004.

15. DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

Additional Revolving Facility	An additional facility notice pursuant to which an additional revolving facility in a total amount of EUR 20 million was granted under the Revolving Credit Facility Agreement.
Anti-Money Laundering Legislation.....	The Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324
APMs	Alternative performance measures
Articles of Association.....	The Company's articles of association.
Board Members	Members of the Board of Directors.
Board of Directors or Board	The Company's board of directors.
CAM.....	Component aggregate manufacturers.
Company	Kongsberg Automotive ASA.
Corona Pandemic	The outbreak of the global corona pandemic caused by the COVID-19 virus.
EEA.....	The European Economic Area
EGM.....	The extraordinary general meeting in the Company held on 15 June 2020.
Eligible Shareholders	Holders of Shares registered in the VPS as of the end of the Record Date who were not invited to participate in the Private Placement and who are not resident in a jurisdiction where the Subsequent Offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus filing, registration or similar action.
Financial Statements	The Group's consolidated financial statements for the year ended 31 December 2019.
FSMA	The Financial Services and Markets Act 2000.
FTE	Fulltime worker
Guarantees	The Group's obligations under the Revolving Credit Facility guaranteed by the Guarantors.
Guarantors.....	The guarantors under the Revolving Credit Facility, including the Company, Kongsberg Automotive Holding 2 AS, Kongsberg Automotive AS, Kongsberg Holding III, Inc., Kongsberg Actuation Systems II, Inc., Kongsberg Power Products Systems I, Inc., Kongsberg Automotive, Inc., Kongsberg Driveline Systems I, Inc., Kongsberg Interior Systems II, Inc. KA Group AG, Kongsberg Automotive AB, Kongsberg Power Products Systems AB, Kongsberg Driveline Systems SAS, Kongsberg Raufoss Distribution SAS, Kongsberg Actuation Systems Ltd, Kongsberg Automotive s.r.o., Kongsberg Interior Systems Kft., Kongsberg Inc. and Kongsberg Automotive Sp. z.o.o.
Group.....	The Company together with its subsidiaries.
CGU.....	Cash generating units.
IFRS.....	International Financial Reporting Standards as adopted by the EU
Indenture.....	The Company's subsidiary Kongsberg Actuation Systems B.V. issuance of a EUR 275 million 5.00 % senior secured notes due 2025 under an indenture dated 23 July 2018 entered into between, <i>inter alia</i> , Kongsberg Actuation Systems B.V as issuer, certain companies within the Group as guarantors, including the Company, and The Law Debenture Trust Corporation plc. as trustee and security agent.
Ineligible Jurisdictions	Members States of the EEA that have not implemented the Prospectus regulation, Australia, Canada, Japan, the United States or any other jurisdiction in which it would not be permissible to offer the Subscription Rights and/or the Offer Shares.
Ineligible Persons.....	Any person who is a resident of an Ineligible Jurisdiction.
Interim Financial Statements	The Group's consolidated interim financial statements for the three months ended 31 March 2020.
ISIN	International securities identification number
IT.....	Information technology.
LEI	Legal identity finder.
LTM.....	Last twelve months.
Management.....	Members of the senior Management of the Group.
Manager.....	SpareBank 1 Markets AS.
MiFID II	The EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
NCI.....	National Client Identifier.
NFSA	The Financial Supervisory Authority of Norway.

Norwegian Corporate Shareholders.....	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are natural persons not resident in Norway for tax purposes.
Norwegian Personal Shareholders	Shareholders who are natural persons resident in Norway for tax purposes.
Notes	The senior secured notes governed by the Indenture.
The Norwegian Public Limited Companies Act	Norwegian Public Limited Liability Companies Act of 13 June 1987 no. 45.
Norwegian Securities Trading Act.....	The Norwegian Securities Trading Act of 29 June 2007 No. 75.
Offer Shares	Up to 3,000,000,000 new Shares, each with a nominal value of NOK 0.10, offered in the Subsequent Offering.
OEM.....	Original equipment manufacturer.
Order.....	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
Payment Date	The payment date for allocated Offer Shares in the Subsequent Offering, expected to be on or about 29 July 2020.
Private Placement.....	The private placement of new Shares in two tranches, whereby the Private Placement Shares were issued in tranche 2.
Private Placement Managers	SpareBank 1 Markets AS and Pareto Securities AS.
Private Placement Shares	The 6,910,947,867 new Shares issued in Tranche 2 of the Private Placement.
Prospectus.....	This prospectus dated 3 July 2020.
EU Prospectus Regulation.....	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market as amended, as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act.
Record Date.....	25 May 2020.
Relevant Member State	Any member state in EEA that has implemented the EU Prospectus Regulation, other than Norway.
Relevant Persons.....	Persons who are outside the UK or investment professionals falling within Article 19(5) of the Order or high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Relief Agreement	The relief agreement for the RCF entered into by the Group with the RCF banks, JP Morgan and Danske Bank on 29 June 2020.
Revolving Credit Facility or RCF	The Group's revolving credit facility with total commitment of EUR 50 million provided under the Revolving Credit Facility Agreement.
Revolving Credit Facility Agreement	The Group's super senior revolving facility agreement dated 23 July 2018 concluded by and between, among others, the Company's subsidiary KA Group AG as original borrower, company and obligors' agent, the Company as original borrower and original guarantor, Danske Bank A/S and J.P. Morgan Securities plc as mandated lead arrangers, Danske Bank A/S as agent and The Law Debenture Trust Corporation p.l.c. as security agent.
Shares	The Company's issued and outstanding shares, unless the context indicates otherwise indicate, also covering the Private Placement Shares and the Offer Shares.
SMA	Shape memory alloy
Subscription Form.....	The subscription form in the Subsequent Offering as set out in Appendix 1 to the Prospectus.
Subscription Period.....	The subscription period in the Subsequent Offering commencing at 09:00 (CEST) on 6 July 2020 and expiring on 24 July 2020 at 16:30 (CEST).
Subscription Price	The subscription price of NOK 0.10 in the Subsequent Offering.
Subsequent Offering	The offering of the Offer Shares.
Subscription Rights	Subscription rights in the Subsequent Offering giving, subject to any restrictions under applicable law, give Eligible Shareholders a preferential right to subscribe for and be allocated shares in Tranche A of the Subsequent Offering at the Subscription Price.
Target Market Assessment	A product approval process for the Shares, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID.
Tier 1.....	A tier-1 supplier, directly supplying to an OEM.
Tier 2.....	A Tier-2 supplier, supplying directly to a Tier-1 supplier.

Transaction Security	The Guarantees under the Revolving Credit Facility together with first priority security interests in (i) the entire issued share capital of, <i>inter alia</i> , the Guarantors (excluding the Company) and (ii) intercompany receivables and proceeds loan receivables owed to, <i>inter alia</i> , the Guarantors.
UK.....	The United Kingdom.
U.S. Exchange Act.....	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Securities Act.....	The United States Securities Act of 1933, as amended.
VPS.....	The Norwegian Central Securities Depository.

APPENDIX 1

SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

KONGSBERG AUTOMOTIVE ASA**SUBSCRIPTION FORM****SUBSEQUENT OFFERING****Securities number: ISIN NO NO0003033102**

General information: The terms and conditions of the subsequent offering (the "Subsequent Offering") by Kongsberg Automotive ASA (the "Company") of up to 3,000,000,000 new shares in the Company with a par value of NOK 0.10 each (the "Offer Shares") are set out in the prospectus dated 3 July 2020 (the "Prospectus"). Terms defined in the Prospectus shall have the same meaning in this Subscription Form (the "Subscription Form"). All announcements referred to in this Subscription Form will be made through the Oslo Stock Exchange's information system under the Company's ticker "KOA". The notice of, and the minutes from, the Company's extraordinary general meeting held on 15 June 2020 (with enclosures), containing the resolution to authorize the Board to increase the share capital in connection with the Subsequent Offering, and the Company's articles of association and the annual accounts and directors' reports for the last two years are available at the Company's registered office at Dyrmyrgata 48, 3611 Kongsberg, Norway.

Subscription procedure: The subscription period will commence at 09:00 hours (CEST) on 6 July 2020 and expire at 16:30 hours (CEST) on 24 July 2020 (the "Subscription Period"). The Subscription Period may be extended if required by law due to the publication of a supplemental prospectus. Correctly completed Subscription Forms must be received by SpareBank 1 Markets AS (the "Manager") at the address set out below, or, in the case of online subscriptions, be registered by no later than 16:30 hours (CEST) on 24 July 2020:

SpareBank 1 Markets AS
Olav V's gate 5, P.O. Box 1398 Vika, Norway
Tel: +47 24 14 74 00
E-mail: subscription@sb1markets.no
Website: www.sb1markets.no

The subscriber is responsible for the correctness of the information included herein. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Manager without notice to the subscriber.

Subscribers who are Norwegian residents with a Norwegian personal identity number (Nw.: "fødselsnummer") are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.sb1markets.no which will redirect the subscriber to the VPS online subscription system). Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

Neither the Company nor the Manager may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after being received by the Manager or, in the case of subscriptions through the VPS online subscription system, the online subscription registration. Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of applications through the VPS online subscription system, upon registration of the subscription. By signing and submitting this Subscription Form, or registering a subscription through the VPS online subscription system, the subscriber confirms and warrants to have read the Prospectus and to be eligible to subscribe for Offer Shares under the terms set forth therein.

Subscription Price: The subscription price in the Subsequent Offering is NOK 0.10 per Offer Share (the "Subscription Price").

Subscription Rights: The shareholders of the Company as of 20 May 2020 (and being registered as such in the VPS at the expiry of 25 May 2020 pursuant to the two days' settlement procedure (the "Record Date")), except for shareholders who (i) were invited to participate in the Private Placement or (ii) are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (the "Eligible Shareholders") will be granted non-transferable subscription rights (the "Subscription Rights"). Each Eligible Shareholder will be granted 7.031 Subscription Rights for every existing Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to certain limitations based on applicable law and regulations, give the right to subscribe for, and be allocated, one (1) Offer Shares in Tranche A of the Subsequent Offering. Over-subscription is permitted. Subscription without Subscription Rights is permitted, however with last priority allocation rights. **Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period (i.e. 24 July 2020 at 16:30 hours (CEST)) will have no value and will lapse without compensation to the holder.**

Allocation and formal subscription of Offer Shares: The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. The Company reserves the right to reject or reduce any subscription for Offer Shares not covered by Subscription Rights in accordance with the allocation criteria. No fractional Offer Shares will be allocated. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter from the VPS on or about 27 July 2020. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 15:00 hours (CEST) on 27 July 2020. Subscribers who do not have access to investor services through their VPS account manager may contact the Manager from 15:00 hours (CEST) on 27 July 2020 to obtain information about the number of Offer Shares allocated to them. The formal subscription of allocated Offer Shares will be conducted by the Manager on behalf of the subscriber in a separate subscription form on the basis of the Board's resolution to increase the share capital in connection with the Subsequent Offering. By signing this Subscription Form or registering a subscription online through the VPS online subscription system, the subscriber authorizes and instructs the Manager (or someone appointed by it) to on its behalf subscribe the number of Offer Shares allocated to it in a formal subscription form in accordance with such resolution by the Board.

Payment: The payment for Offer Shares allocated to a subscriber falls due on 29 July 2020 (the "Payment Date"). By signing this Subscription Form, or registering a subscription through the VPS online subscription system, subscribers having a Norwegian bank account provide the Manager with a one-time irrevocable authorization to debit the bank account specified below for the subscription amount payable for the Offer Shares allocated to the subscriber. The Manager is only authorized to debit such account once, but reserves the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Date. The subscriber furthermore authorizes the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Manager on telephone number +47 24 14 74 00 for further details and instructions. Should any subscriber have insufficient funds on his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

PLEASE SEE PAGE 2 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION.

DETAILS OF THE SUBSCRIPTION:

Subscriber's VPS account	Number of Subscription Rights	Number of Offer Shares subscribed (incl. over-subscription)
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SUBSCRIPTION RIGHTS' SECURITIES NUMBER: ISIN NO 001 0887045

Subscription Price per Offer Share	Subscription amount to be paid
NOK 0.10	= NOK _____

IRREVOCABLE AUTHORIZATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 0.10).	<input type="text"/>
	(Norwegian bank account no.)

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably (i) apply for the number of Offer Shares specified above, (ii) authorize and instruct SpareBank 1 Markets AS (or someone appointed by it) to on my/our behalf formally subscribe the number of Offer Shares allocated to me/us and take all other actions required to ensure formal subscription of and delivery of such Offer Shares to me/us in the VPS, (iii) grant SpareBank 1 Markets AS authorization to debit my/our bank account as set out in this Subscription Form for the payment of the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein. By signing this Subscription Form, subscribers subject to direct debiting accept the terms and conditions for "Payment by Direct Debiting – Securities Trading" set out on page 2 of this Subscription Form.

Place and date
Must be dated in the Subscription Period

Binding signature
The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorization, documentation in the form of a company certificate or power of attorney must be attached.

INFORMATION ABOUT THE SUBSCRIBER – ALL FIELDS MUST BE COMPLETED

First name:	
Surname/company:	
Street address:	
Postal code / district / country:	
Personal ID number / company organization number:	
Legal Entity Identifier ("LEI") / National Client Identifier ("NCI"):	
Nationality:	
E-mail address:	
Daytime telephone number:	

ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

THE DISTRIBUTION OF THIS SUBSCRIPTION FORM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW.

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive (MiFID II) of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect, the Manager must categorise all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of the Manager will be categorised as non-professional clients. Subscribers can, by written request to the Manager, ask to be categorised as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorisation, the subscriber may contact the Manager. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

The Manager will receive a consideration from the Company in connection with the Subsequent Offering and will in conducting its work have to take into consideration the requirements of the Company and the interests of the investors subscribing under the Subsequent Offering and the rules regarding inducements pursuant to the requirements of the Norwegian MiFID II Regulations (implementing the European Directive for Markets in Financial Instruments (MiFID II)).

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to 13 ("Selling and transfer restrictions") in the Prospectus. The making or acceptance of the Subsequent Offering to or by persons who have registered addresses outside Norway, or who are resident in, or citizens of, countries outside Norway, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person outside Norway wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy himself/herself/itself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and the Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Subscription Rights and Offer Shares in the United States. Notwithstanding the foregoing, the Offer Shares may be offered to and the Subscription Rights may be exercised by or on behalf of, persons in the United States reasonably believed to be "qualified institutional buyers" (QIBs) as defined by the U.S. Securities Act, in offerings exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, provided such persons satisfy the Company that they are eligible to participate on such basis. Persons in the United States exercising Subscription Rights to acquire Offer Shares will be required to execute an investor letter in a form acceptable to the Company and the Manager. The Subscription Rights and the Offer Shares have not been and will not be registered under the applicable securities laws of Members States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Members States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada, or Japan except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, Members States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada or Japan. Except as otherwise provided in the Prospectus, the Subscription Rights and the Offer Shares may not be transferred, sold or delivered in the Members States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada or Japan. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid.

Execution Only: The Manager will treat the Subscription Form as an execution-only instruction. The Manager is not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Manager, there is a duty of secrecy between the different units of the Manager, as well as between the Manager and other entities in the Manager's group. This may entail that other employees of the Manager or the Manager's group may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the Manager will not have access to in their capacity as Manager for the Subsequent Offering.

Information Barriers: The Manager is securities firm that offers a broad range of investment services. In order to ensure that assignments undertaken in the Manager's corporate finance departments are kept confidential, the Manager's other activities, including analysis and stock broking, are separated from the Manager's corporate finance department by information walls. The subscriber acknowledges that the Manager's analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions of the Shares, including the Offer Shares, as a consequence of such information walls.

VPS Account and Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act No. 23 of 1 June 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively, the "Anti-Money Laundering Legislation"). Subscribers who are not registered as existing customers with the Manager must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Offer Shares. Further, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the European Economic Area (the "EEA"). Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

Personal data: The applicant confirms that it has been provided information regarding the Manager's processing of personal data, and that it is informed that the Manager will process the applicant's personal data in order to manage and carry out the Subsequent Offering and the application from the applicant, and to comply with statutory requirements.

The data controller who is responsible for the processing of personal data is the Manager. The processing of personal data is necessary in order to fulfil the application and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Manager processes and stores information about clients and trades, and control and document activities. The applicant's data will be processed confidentially, but if it is necessary in relation to the purposes, the personal data may be shared between the Manager, the company(ies) participating in the offering, with companies within the Manager's group, the VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. If the Manager transfers personal data to countries outside the EEA, that have not been approved by the EU Commission, the Manager will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses. As a data subject, the applicants have several legal rights. This includes inter alia the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the applicants will have the right to impose restrictions on the processing or demand that the information is deleted. The applicants may also complain to a supervisory authority if they find that the Manager's processing is in breach of the law. Supplementary information on processing of personal data and the applicants' rights can be found at the Manager's website.

Terms and Conditions for Payment by Direct Debiting - Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

- The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
- Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
- The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
- In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- The payer cannot authorize payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payment: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.0 % per annum as of the date of the Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber. The Manager, on behalf of the Company, reserves the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Manager may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law. The Company and the Manager further reserve the right (but have no obligation) to have the Manager advance the subscription amount on behalf of subscribers who have not paid for the Offer Shares allocated to them within the Payment Date. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Manager.

National Client Identifier and Legal Entity Identifier: In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("NCI") and legal entities will need a so-called Legal Entity Identifier ("LEI").

NCI code for physical persons: Physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (Nw: "fødselsnummer"). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information.

LEI code for legal entities: Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, and obtaining the code can take some time. Subscribers should obtain a LEI code in time for the subscription. For more information visit www.gleif.org. Further information is also included in Section 6.16.3 ("LEI codes for legal entities") of the Prospectus.



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