<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker(s)</th>
<th>Position(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:45</td>
<td>WELCOME</td>
<td>JAN ERIK HOFF</td>
<td>VP IR</td>
</tr>
<tr>
<td>09:50</td>
<td>KONGSBERG GRUPPEN</td>
<td>GEIR HÅØY, PRESIDENT &amp; CEO</td>
<td>HANS JØRGEN WIBSTAD, CFO</td>
</tr>
<tr>
<td>10:25</td>
<td>KONGSBERG MARITIME</td>
<td>EGIL HAUGSDAL</td>
<td>EVP KM</td>
</tr>
<tr>
<td>10:45</td>
<td>KONGSBERG DEFENCE SYSTEMS</td>
<td>HARALD AARØ</td>
<td>EVP BUSINESS DEVELOPMENT</td>
</tr>
<tr>
<td>11:20</td>
<td>KONGSBERG PROTECH SYSTEMS</td>
<td>ESPEN HENRIKSEN</td>
<td>EVP KPS</td>
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<tr>
<td>11:35</td>
<td>KONGSBERG DIGITAL</td>
<td>HEGE SKRYSETH</td>
<td>PRESIDENT KDI</td>
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<tr>
<td>11:50</td>
<td>Q &amp; A</td>
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<td>12:00</td>
<td>LUNCH</td>
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<td>12:45</td>
<td>SUBSEA</td>
<td>BJØRN JALVING</td>
<td>EVP KM</td>
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<tr>
<td>13:05</td>
<td>MERCHANT MARINE</td>
<td>MORTEN HASÅS</td>
<td>EVP KM</td>
</tr>
<tr>
<td>13:15</td>
<td>SPACE &amp; SURVEILLANCE</td>
<td>CHRISTIAN HAUGLIE-HANSSEN</td>
<td>EVP KDS</td>
</tr>
<tr>
<td>13:30</td>
<td>WRAP-UP</td>
<td>GEIR HÅØY</td>
<td>PRESIDENT &amp; CEO</td>
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<tr>
<td>13:35</td>
<td>GUIDED TOUR SUBSEA</td>
<td>END 15:00</td>
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KONGSBERG GRUPPEN

Geir Håøy, President & CEO
Hans-Jørgen Wibstad, EVP & CFO

CMD 2016
CAPITAL MARKETS DAY
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AGENDA

THIS IS KONGSBERG

AMBITIONS

TECHNOLOGY

FINANCIAL STATUS
EXTREME PERFORMANCE FOR EXTREME CONDITIONS

We develop and deliver advanced systems and technology for people working under extreme conditions.

Our solutions ensure efficiency, safety, security and high performance in operations ranging from deep sea to outer space.
THE ORGANISATION

KONGSBERG MARITIME
Global market leader within offshore, subsea and merchant marine applications
EGIL HAUGSDAL

KONGSBERG DEFENCE SYSTEMS
Modern product portfolio in growing defence and aerospace niches
EIRIK LIE (acting)

KONGSBERG PROTECH SYSTEMS
Unrivalled global market leader in remote weapon stations
ESPEN HENRIKSEN

KONGSBERG DIGITAL
Provider of next generation digital solutions to customers within maritime, oil & gas, defence and renewables & utilities
HEGE SKRYSETH
GLOBAL REACH, LOCAL PRESENCE – IN DIVERSE MARKETS

Revenues and employees 2015
AGENDA

THIS IS KONGSBERG

AMBITIONS

TECHNOLOGY

FINANCIAL STATUS
DEVELOPMENT SINCE CMD 2015

1) Source: SEB’s 18th Annual E&P Survey, August 2016
2) Source: Jane’s Defence Budgets, 14 October 2016. Procurement and RDT&E in 102 countries (excl. Russia & China). Figures in constant 2016 USD.
A MIXED MARKET OUTLOOK

DEFENCE
Global security challenges
Good outlook within KONGSBERG-niches

MERCHANT MARINE
Mixed short/medium term outlook
Very cyclical business

OFFSHORE, OIL & GAS
Generally weak market with low investment levels expected in the near term
Cost pressure will drive new technology and new execution models

SPACE & SURVEILLANCE
Increasing demand for KONGSBERG’s solutions

SUBSEA TECHNOLOGY
Increasing demand for KONGSBERG’s leading underwater technology solutions

INDUSTRIAL DIGITALIZATION
A wave of digitalization in most of KONGSBERG’s markets
POSITIONING FOR MAJOR OPPORTUNITIES – ADAPTING TO CHANGING MARKETS

**MARITIME**
- Launching new technology concepts and solutions
- Adjusting capacity
- Streamlining organization

**DEFENCE SYSTEMS**
- World class program execution
- Pursuing several major opportunities, some expected to be concluded over the next 12 months

**PROTECH SYSTEMS**
- Breakthrough contract on MCT-30
- Campaining continues
- Securing and expanding market position
- Significant potential, but campaign conclusion takes time

**DIGITAL**
- Building a strong business on an already solid platform
- Significant opportunities related to digitalization
AMBITIONS 2016-2020

10% AVERAGE ANNUAL GROWTH
Combination of organic and acquired

ONGOING CONSOLIDATION PHASE – MAJORITY OF ORGANIC GROWTH IN LATTER HALF OF PERIOD
- Oil and gas/maritime consolidation
- Defence order backlog build-up
- New opportunities/segments

REVENUES
10% average growth over the period

EBITA-MARGIN
>10%

INCREASED MARGIN PRESSURE – AMBITION FULFILLMENT EXPECTED TO BE CHALLENGING NEAR-TERM
- Volume
- Contracts
- Markets

EBITA MARGIN
Re-established above 10%

RETURN ON CAPITAL EMPLOYED
10-15%

NEW INITIATIVES EVALUATED AGAINST 10-15% ROCE
- Optimize capital allocation
- Efficient working capital

ROCE
Solid level maintained
DELTAONE HAS SECURED OUR COMPETITIVENESS

CMD 2013:

**Accelerated efforts to increase shareholder return and improve competitiveness**

- Strong operational performance in all business areas
- Continuous focus on competitiveness
- Group wide program to strengthen profitability and competitiveness

*Ambition in addition to our ongoing improvements:
  - MNOK 500 annual cost improvements by 2016
  - The initiative will be further detailed on Q4 2013 presentation

Q413 PRESENTATION:

**DELTAONE target: NOK 1 billion**

- Program has concluded the ambition
  - Large potential identified
  - Potentials identified throughout the whole organization, both group-wide and within business areas
- Program is now entering into solution development phase by leveraging external and internal best practices
  - Process innovation
  - Sourcing
  - Design to value
- NOK 1 billion annual improvements will be realized by end 2018

All business areas have delivered on or above agreed targets

Cost improvement efforts continue

Continuous improvements, especially within:

- Process innovation
- Sourcing
- Sharing best practices
STRATEGIC PRIORITIES

- Improvement and cost saving programs
- Kongsberg Digital
- Scope expansion
- Exploiting new opportunities
- M & A
- Defence market development

PROFITABILITY

GROWTH
REVENUE DEVELOPMENT NEXT FIVE YEARS


DEFENCE
- PROJECT EXECUTION • ORDER BACKLOG BUILD-UP
- ADAPTING AND EXECUTING

MARITIME
- EXECUTION • ADAPTATION • R&D
- LARGER SCOPE • NEW TECHNOLOGY APPLICATIONS • DIGITALIZATION • NEW GROWTH PLATFORMS
- FURTHER GROWTH AND WIDER DEPLOYMENT • F-35, MCT-30, NSM, NASAMS, JSM...
AGENDA

THIS IS KONGSBERG AMBITIONS

TECHNOLOGY

FINANCIAL STATUS
INNOVATING THROUGH OUR CORE COMPETENCIES

CORE COMPETENCIES

- Integrating sensors and software
- Supporting human decision making, precision, safety, security
- Cybernetics, software, signal processing and system engineering
- Project and supplier management
OUR R&D FOCUS REFLECTS OUR BELIEF IN TECHNOLOGY LEADERSHIP

Total costs of product development and maintenance, including customer financed efforts, constitutes ~10% of operating revenues over time.

EQUITY-FINANCED R&D

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D expensed</th>
<th>R&amp;D capitalised</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
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</tbody>
</table>

* Last 12 months
INNOVATION DRIVES NEW OPPORTUNITIES

KEY OPPORTUNITY AREAS FOCUSES GROUP LONG-TERM EFFORTS

SMART COMMUNITIES

KONGSBERG technologies enabling and protecting the intelligent – but vulnerable – society. Optimizing, securing and protecting critical interests, such as supply-, distribution- and consumption of resources.

OCEAN SPACE

Leveraging our’s and Norway’s unique position to take a leading role in exploring innovative opportunities in the ocean space.

SUBSEA, AQUACULTURE AND CRITICAL INFRASTRUCTURE
AGENDA

THIS IS KONGSBERG
AMBITIONS
TECHNOLOGY
FINANCIAL STATUS
FROM STRONG TO MODEST GROWTH

REVENUES 2005-2016*

CAGR 21.8%

CAGR 1.9%

CAGR 9.2%

EX. KPS

* Last 12 months
MIXED PROFITABILITY DEVELOPMENT
EBITDA / MARGIN 2005-2016*

CAGR 42.4%

CAGR -4.2%

* Last 12 months
PRO FORMA CONSOLIDATED REVENUES 2011-2016
INCLUDING ASSOCIATED COMPANIES

1) KSAT was proportionally consolidated in KOG’s accounts up to 2013. 2) Last 12 months. 3) Last 12 months, proportionally consolidated. The purchase of the shares in Patria was concluded on 24 May 2016. Patria owns 50% of the shares in Nammo.

OWNERSHIP:

KSAT 50%
Patria 49.9%
Nammo 25%
BACKLOG STILL AT A SOUND LEVEL
SOMEWHAT LOWER VISIBILITY THAN IN 2015

Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog.
NET INTEREST BEARING DEBT DEVELOPMENT

- EBITDA
- Other operating items
- Financial items
- Investments
- ~40% hedge roll-over
SOLID BALANCE SHEET

KONGSBERG aims to maintain a strong balance sheet

• Shall remain a solid credit
• Enables us to take advantage of attractive terms in debt markets
• Long-term customer relationships – a strong balance sheet is a competitive factor

Capital structure is assessed on an ongoing basis

EQUITY RATIO

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>16Q3</th>
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<tr>
<td>Ratio</td>
<td>39%</td>
<td>38%</td>
<td>31%</td>
<td>32%</td>
<td>31%</td>
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</table>
ROBUST DEBT STRUCTURE

• Issued two bonds in May 2016
  – 1 BNOK floating 5 yr, due in 2021
  – 1 BNOK fixed 10 yr, due in 2026

• Partly used to repay existing debt
  – 243 MNOK buy-back of KOG06
  – 130 MEUR repayment of bridge facility, rest 160 MEUR falls due in 2019

• Bond KOG06 (MNOK 257) falls due in 2017

• Bond KOG07 (MNOK 250) falls due in 2019

• BNOK 1.5 revolving credit facility
KONGSBERG hedges all contracts in foreign currencies and a portion of anticipated future order intake

Hedging strategy:
- Reduce P/L fluctuations due to currency effects
- Result predictability in business areas/projects

**TEMPORARY EFFECTS DUE TO HEDGING**

- **EQUITY**
  Fair value of hedging portfolio continuously adjusted against equity

- **BALANCE SHEET**
  Balance sheet fluctuates due to change in fair value of current assets and liabilities

- **CASH**
  Temporary cash in- or outflow depending on currency rate at the time of hedge-rollover
DIVIDEND

"Dividend shall over time constitute between 40 and 50 per cent of the company’s ordinary profit after tax. Expected future capital requirements will be considered."

<table>
<thead>
<tr>
<th>Year</th>
<th>Ordinary</th>
<th>Extraordinary</th>
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<tbody>
<tr>
<td>2009</td>
<td>29.3 %</td>
<td>30.1 %</td>
</tr>
<tr>
<td>2010</td>
<td>31.7 %</td>
<td>34.4 %</td>
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<tr>
<td>2011</td>
<td>41.5 %</td>
<td>51.3 %</td>
</tr>
<tr>
<td>2012</td>
<td>58.4 %</td>
<td>127.1 %</td>
</tr>
<tr>
<td>2013</td>
<td>68.2 %</td>
<td>50.0 %</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
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<td>Policy</td>
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<table>
<thead>
<tr>
<th>TOTAL DIVIDEND</th>
<th>PAYOUT RATIO</th>
<th>EXCL. IMPAIRMENT</th>
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<tbody>
<tr>
<td>MNOK 510</td>
<td>68.2 %</td>
<td>50.0 %</td>
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BUSINESS UPDATE

KONGSBERG DEFENCE SYSTEMS

KONGSBERG PROTECH SYSTEMS

KONGSBERG MARITIME

KONGSBERG DIGITAL