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AGENDA

THIS IS KONGSBERG PROTECH SYSTEMS

DEVELOPMENT SINCE CMD 2015
MARKET OUTLOOK
THE DRONE THREAT
KEY TAKEAWAYS
The world leading provider of RWS systems

Offices in Norway, USA, Canada and Australia
605 employees
Revenues LTM 2.1 BNOK
Order backlog 3.0 BNOK

KONGSBERG
PROTECH SYSTEMS

The main product is the remotely operated weapon system PROTECTOR. The PROTECTOR family of products has achieved a leading position in this market.
REVENUES NORMALISING
MODEST MARGINS REFLECT INVESTMENTS FOR FUTURE GROWTH

EBITDA 2014 reflects net positive non-recurring items of MNOK 200
EBITDA 2015 reflects net positive non-recurring items of MNOK 221
EBITDA 2016* reflects net positive non-recurring items of MNOK 65
Dark column represents EBITDA adjusted for non-recurring items

* Last 12 months
SOMEWHAT LOWER REVENUE VISIBILITY FOR NEXT YEAR

BACKLOG

2012 2013 2014 2015 16Q3

3 218 2 805 3 523 3 325 3 036

2016 21% 2017 43% 2018+ 36%

BREAKDOWN BY DELIVERY YEAR

Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog.
AGENDA

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DEVELOPMENT SINCE CMD 2015

MCT 30 FOR STRYKER
Contract signed with GDLS for US Army. First delivery 1st September.

CROWS LOW PROFILE
CROWS Low Profile serial deliveries on contract.

CROWS TECH. REFRESH
Major technology upgrade contract signed with USG.

CANADIAN TAPV
System approved and deliveries ongoing.

NEW INNOVATIONS:

MCT-S40
Demonstration of MCT variant with 40mm cannon.

Drone fight with PROTECTOR
First official demo performed. Development will continue.

RWS LF230
Demonstrated to the market in September. Significant interest.
ROLL-OUT FIRST STRYKER WITH MCT-30 – 27 OCTOBER

• First four systems delivered
• 8 + 83 systems on contract
• To be fielded to the 2nd Cavalry Regiment in Germany
• Government testing commences December 2016
• Operational early 2018
• The US Army has 9 Stryker brigades

Acquisition Land
Army Rolls Out Upgunned Stryker: 30m Autocannon Vs. Russians
By SYDNEY J. FREEDBERG JR.
on October 27, 2016 at 2:47 PM

Prototype XM1296 Infantry Carrier Vehicle – Dragoon.

Today, after 18 months of urgent work, the Army rolled out its first upgunned Stryker vehicle, nicknamed Dragoon. The armored eight-wheel-drive troop transport, built by General Dynamics and normally armed with no more than a 0.50 calibre (12.7 millimeter) machinegun in an unprotected mount, has been rebuilt with an armored turret containing a 30 mm quickfiring cannon.
CROWS LOW PROFILE

- Now in serial production
- Orders for approx. 400 systems (modified and new)
- Potentially 1,200 more to come for Abrahms
- Creates interest also for other Main Battle Tanks, Leclerc and Leopard
AGENDA

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DEVELOPMENT SINCE CMD 2015

MARKET OUTLOOK

THE DRONE THREAT

KEY TAKEAWAYS
MARKET OUTLOOK - RWS

• Market projections shows a stable development for the global RWS niche
  – KPS experience US stable to negative
  – KPS experience RoW stable to positive

• The market for Medium Caliber is immature
  – No specific market projections are available
  – KPS experience increased interest in the market

• Lead time from project initiation to contract has increased
AGENDA

THIS IS KONGSBERG PROTECH SYSTEMS
DEVELOPMENT SINCE CMD 2015
MARKET OUTLOOK
THE DRONE THREAT
KEY TAKEAWAYS
THE DRONE THREAT

- Small drones have become a significant threat
  - Drones for surveillance
  - Drones that can carry weapons

- How to detect?
- How to defeat?

- The PROTECTOR has one solution
AGENDA

THIS IS KONGSBERG PROTECH SYSTEMS DEVELOPMENT SINCE CMD 2015
MARKET OUTLOOK
THE DRONE THREAT

KEY TAKEAWAYS
KEY TAKEAWAYS

• First MCT-30 for Stryker delivered
• The US Army as reference customer for MCT-30 prove the quality of the system for other customers
• KONGSBERG maintains a strong position in the US for RWS, but revenues expected to stay at a relatively low level near term – major opportunities going forward for new RWS models and features
• Continued strong interest for RWS and MCT-30 out side the US
• Continuous growth in the after market, sustainment and upgrades
• The customers are back to normal procurement process – time from programs are established until Contract Award is normally 2-3 years