3RD QUARTER 2017
INVESTOR PRESENTATION, 26 OCTOBER 2017

Geir Håøy, President & CEO
Harald Aarø, Acting CFO
HIGHLIGHTS

• Adaption continues, cost- and organizational initiatives are giving positive impact
  – KM revenues stabilizing, margins improving

• Solid operations
  – All major projects on plan across the group

• Important contract wins
  – Integrated concepts delivery to advanced LNG-driven ferry
  – Integrated combat solutions (ICS) to Finland’s new artillery

• Well positioned for future, major opportunities
  – Both short-term and long-term

Revenues: 3 279  
EBITDA: 274  
New orders: 2 429
ONE KDA!

- KPS and KDS merged to one business area; Kongsberg Defence & Aerospace
- The purpose is to establish a more integrated, coordinated and strong defence business, rather than having two separate business areas

A joint defence business paves the way for continued growth and securing jobs in the long-term
FINANCIAL STATUS
REVENUES Q3

Q3 revenues down 4.3 % YoY mainly due to lower revenues from KPS

- KM revenues down 1.8 % YoY, down 15.1 % YTD
- KDS revenues down 0.8 % YoY, up 10.8 % YTD
- KPS revenues down 19.8 % YoY, down 20.0 % YTD

Revenues: 3 279
ORDERS Q3

New orders: 2 429

Backlog: 14 298
EBITDA Q3

- Profitability improving
- MNOK 90 special items
- KM EBITDA margin 9.7%
## SPECIAL ITEMS IN EBITDA Q3 AND YTD

<table>
<thead>
<tr>
<th></th>
<th>Q3</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring costs (KM, KPS, KDS)</td>
<td>−90</td>
<td>−171</td>
</tr>
<tr>
<td>Buy-back of FX hedges + released provisions (KPS)</td>
<td>0</td>
<td>−60</td>
</tr>
<tr>
<td><strong>Total(^1))</strong></td>
<td>−90</td>
<td>−231</td>
</tr>
</tbody>
</table>

1) List is not exhaustive
### PATRIA

**REVENUES (EUR)**

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tr>
<td>94</td>
<td>109</td>
<td>89</td>
<td>136</td>
<td>102</td>
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<td>141</td>
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<td>116</td>
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<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
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<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<td>5</td>
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<td>20</td>
<td>24</td>
<td>19</td>
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<td>25</td>
<td>9</td>
<td>14</td>
<td>11</td>
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**EBITDA (EUR)**

**Patria delivers according to plan**

- Performance expected to catch up towards year-end
- Adjustments to the organization to streamline and further strengthen the business
- Acquired 60% of Estonian Army Defence maintenance contractor, Milrem LCM
CASH FLOW AND NET DEBT Q3 AND YTD

Operating cash flow MNOK -196 in Q3, MNOK 1,150 year to date

- Working capital reduced by MNOK 375 YTD

- In Q3 bond issue KOG06 was repaid, MNOK 257.

<table>
<thead>
<tr>
<th></th>
<th>Q3 2017</th>
<th>Q2 2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross interest bearing debt</td>
<td>3 630</td>
<td>3 899</td>
<td>4 083</td>
</tr>
<tr>
<td>Cash and short-term deposits</td>
<td>1 639</td>
<td>2 257</td>
<td>1 888</td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>1 991</td>
<td>1 642</td>
<td>2 195</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>33,6 %</td>
<td>32,4 %</td>
<td>31,7 %</td>
</tr>
<tr>
<td>ROACE*</td>
<td>7,5 %</td>
<td>3,8 %</td>
<td>8,2 %</td>
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</table>

* 12 months rolling EBIT divided by 12 month average equity and interest net bearing debt
BUSINESS UPDATE
KM:  
Revenues stabilizing, margins improving  
• Organizational adaptations are becoming visible in P/L  
• Another important contract win for integrated concepts; LNG-driven Passenger Ferry

KDS:  
Delivering on plan  
• Large projects progressing as planned and important contract wins  
  • KSAT Ground Services to NASA  
  • SeaKing Maintenance  
  • Integrated Combat Solution to Finland’s new artillery  
• Positioned for major short- and long-term opportunities

KPS:  
Well positioned for significant opportunities long term.  
• KPS merged into KDA as a division  
  • Capacity adjustments and other efficiency synergies will generate cost savings of approx. MNOK 100  
• Project execution on plan, MCRWS-activity expected to pick up in Q4
OUTLOOK

GROUP
- Good overall outlook for KONGSBERG
- Positive effects from restructuring measures in both maritime and defence
- Increase in order intake expected going forward

KONGSBERG MARITIME
- Strong position and growth within complex, integrated solutions
- Revenues expected to stabilize in 2018 – profitability will gradually improve

KONGSBERG DEFENCE SYSTEMS
- Strong positions in selected niches and several important opportunities in a generally stronger defence market
- Increase in order intake expected in Q4 – high potential for strong order intake in 2018

KONGSBERG PROTECH SYSTEMS
- Global leader in remote weapon systems with a well positioned product portfolio and strong long-term growth potential
- Higher activity within MCT-30 is expected in Q4
- Weak order coverage for 2018 might entail a reduction in revenues

OTHER
- KDI has secured important positions and invests significantly in development – a basis for growth from 2019-2020

See quarterly report for full text
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