COMPANY UPDATE

Credit Investor Presentation

May 2023

Mette Toft Bjørgen, EVP & CFO
Jan Erik Hoff, GVP IR
Jan Edvin Pedersen, GVP Finance & Treasurer
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Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.
Kongsberg Gruppen at a glance

- Kongsberg Gruppen is an international technology group which supplies high technology systems and solutions. The company has had continuous operations since the foundation of Kongsberg weapons factory in 1814.
- Currently operated within four segments: Kongsberg Maritime, Kongsberg Defence & Aerospace, Kongsberg Discovery and Kongsberg Digital.
- A global presence, currently present in 39 countries.
- Listed on Oslo Stock Exchange since 1993 with a current market capitalization of NOK ~83.1bn\(^1\), with the Norwegian Government as the main shareholder (50.004%).

Kongsberg Gruppen at a glance

- Employees: \(~12\ 500\)
- Revenue (LTM): NOK 33.8bn
- EBIT (LTM): NOK 3.8bn

Revenue split by segment\(^2\)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Q1'23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kongsberg Maritime</td>
<td>23.2</td>
<td>25.6</td>
<td>27.4</td>
<td>31.8</td>
<td>31.8</td>
</tr>
<tr>
<td>Kongsberg Defence &amp; Aerospace</td>
<td>15.1</td>
<td>14.3</td>
<td>14.4</td>
<td>11.9</td>
<td>9.1</td>
</tr>
<tr>
<td>Kongsberg Discovery</td>
<td>7.2</td>
<td>8.5</td>
<td>10.1</td>
<td>11.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Kongsberg Digital</td>
<td>0.8</td>
<td>2.5</td>
<td>2.5</td>
<td>3.0</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Note: LTM number per Q1 2023
1) Market capitalization as of 16 May 2023
2) Totals have been adjusted for eliminations.

Revenue split (2022)

Segment: KDA (36.7%), KM (51.0%), KDI (9.3%)
Market:
- North America: 26.0%
- Europe: 27.7%
- Asia: 17.0%
- South America: 2.3%
- Middle East: 1.9%
- Africa: 0.7%
- Norway: 20.6%

World Class – Through people, technology and dedication
Revenue
(NOKbn)

Kongsberg Maritime

- 2020: 14.3
- 2021: 14.4
- 2022: 16.5
- LTM Q1'23: 17.4

Kongsberg Defence & Aerospace

- 2020: 8.5
- 2021: 10.1
- 2022: 11.9
- LTM Q1'23: 12.9

Kongsberg Discovery

- 2020: 2.5
- 2021: 2.5
- 2022: 3.0
- LTM Q1'23: 3.2

Kongsberg Digital

- Recurring revenue:
  - 2020: 0.8
  - 2021: 0.8
  - 2022: 1.0
  - LTM Q1'23: 1.1

Revenue growth:
- Kongsberg Maritime: +145%
EBIT and EBIT-margin
(NOKbn, %)

Kongsberg Maritime

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (NOK bn)</th>
<th>EBIT-margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0.3</td>
<td>2.4%</td>
</tr>
<tr>
<td>2021</td>
<td>1.0</td>
<td>6.8%</td>
</tr>
<tr>
<td>2022</td>
<td>1.3</td>
<td>7.6%</td>
</tr>
<tr>
<td>LTM Q1’23</td>
<td>1.6</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

Kongsberg Defence & Aerospace

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (NOK bn)</th>
<th>EBIT-margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1.2</td>
<td>13.6%</td>
</tr>
<tr>
<td>2021</td>
<td>1.6</td>
<td>16.1%</td>
</tr>
<tr>
<td>2022</td>
<td>1.9</td>
<td>16.2%</td>
</tr>
<tr>
<td>LTM Q1’23</td>
<td>2.1</td>
<td>16.6%</td>
</tr>
</tbody>
</table>

Kongsberg Discovery

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (NOK bn)</th>
<th>EBIT-margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0.4</td>
<td>15.2%</td>
</tr>
<tr>
<td>2021</td>
<td>0.3</td>
<td>13.6%</td>
</tr>
<tr>
<td>2022</td>
<td>0.5</td>
<td>15.5%</td>
</tr>
<tr>
<td>LTM Q1’23</td>
<td>0.5</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

Kongsberg Digital

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (NOK bn)</th>
<th>EBIT-margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0.0</td>
<td>-2.7%</td>
</tr>
<tr>
<td>2021</td>
<td>-0.1</td>
<td>-14.4%</td>
</tr>
<tr>
<td>2022</td>
<td>-0.4</td>
<td>-38.4%</td>
</tr>
<tr>
<td>LTM Q1’23</td>
<td>-0.4</td>
<td>-41.1%</td>
</tr>
</tbody>
</table>
Net working capital development
(NOKm, %)

Kongsberg Maritime & Kongsberg Discovery

<table>
<thead>
<tr>
<th>Year</th>
<th>NWC (NOKm)</th>
<th>NWC of revenue (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1,535</td>
<td>9.2%</td>
</tr>
<tr>
<td>2021</td>
<td>893</td>
<td>5.3%</td>
</tr>
<tr>
<td>2022</td>
<td>2,277</td>
<td>11.7%</td>
</tr>
<tr>
<td>LTM Q1’23</td>
<td>3,059³</td>
<td>14.9%²</td>
</tr>
</tbody>
</table>

Kongsberg Defence & Aerospace

<table>
<thead>
<tr>
<th>Year</th>
<th>NWC (NOKm)</th>
<th>NWC of revenue (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-2,010</td>
<td>(23.6%)</td>
</tr>
<tr>
<td>2021</td>
<td>-2,837</td>
<td>(28.2%)</td>
</tr>
<tr>
<td>2022</td>
<td>-1,546</td>
<td>(13.0%)</td>
</tr>
<tr>
<td>LTM Q1’23</td>
<td>-1,299</td>
<td>(10.1%)</td>
</tr>
</tbody>
</table>

1) NOK 1.7bn and NOK 1.3bn in NWC for Kongsberg Maritime and Kongsberg Discovery, respectively
2) 9.9% and 42.2% for Kongsberg Maritime and Kongsberg Discovery, respectively
Ramping up production capacity to meet demand

- Investments in property, plant and equipment averaging 2.4% of revenues over the last years
- Will invest ~NOK 1.5bn in new production facilities and equipment’s during 2022-2024 to meet solid demand
- New missile facilities will provide cost synergies and reduce unit costs due to streamlining and increased efficiency
NOK 7bn order intake and 1.51 book/bill
Diversified and solid newbuild order intake
Continued strong pace in the aftermarket, especially related to spares and sustainability upgrades

Order intake (NOK bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Q1’23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>14.1</td>
<td>15.6</td>
<td>21.3</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Order backlog (NOK bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Q1’23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order backlog</td>
<td>10.0</td>
<td>11.3</td>
<td>16.4</td>
<td>19.1</td>
</tr>
</tbody>
</table>

New build order intake (per Q1’23)

- Seaborne: 21%
- LNG: 17%
- Offshore: 14%
- Naval: 13%
- OPU: 11%
- Offshore wind: 7%
- Tug: 4%
- Other: 1%
- Pax: 1%

Order backlog distribution

- 2023: 48%
- 2024: 31%
- 2025 + further: 21%
Business update
Kongsberg Defence & Aerospace

- NOK 3.8bn order intake and book/bill 1.09
- Growth driven by solid missiles- and NASAMS-progress
- Continues to sign missile orders – two new contracts, totalling NOK 2.4bn

Strong missile opportunities
- Several countries have announced plans or intentions to purchase Naval Strike Missile
- US President’s FY24 Budget proposal
  - Includes both Naval Strike Missile and Joint Strike Missile
  - Naval Strike Missile opportunity potential > NOK 10bn

<table>
<thead>
<tr>
<th>Order intake (NOK bn)</th>
<th>Order backlog (NOK bn)</th>
<th>Order backlog distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020: 11.9</td>
<td>2020: 23.5</td>
<td>2023: 24%</td>
</tr>
<tr>
<td>2021: 22.2</td>
<td>2021: 35.6</td>
<td>2024: 24%</td>
</tr>
<tr>
<td>2022: 19.6</td>
<td>2022: 43.5</td>
<td>2025 + further: 52%</td>
</tr>
<tr>
<td>Q1’23: 3.8</td>
<td>Q1’23: 44.0</td>
<td>Q1’23</td>
</tr>
</tbody>
</table>
Business update
Kongsberg Discovery

- NOK 1bn order intake and 1.14 book/bill
  - Hugin Superior to European defence customer
- Solid exposure towards energy, fisheries, research, security and surveillance

Order intake (NOK bn)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Q1’23</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2.4</td>
<td>2.8</td>
<td>3.6</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Order backlog (NOK bn)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Q1’23</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1.7</td>
<td>1.9</td>
<td>2.5</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Order backlog distribution

- 2023: 57%
- 2024: 30%
- 2025 + further: 13%
Business update
Kongsberg Digital

- 20 dynamic digital twins in operation
- Signed multi-year agreement with Chevron for Kognitwin
- Continued roll-out of digital twins and onboarding of new users on existing solutions

Vessel Insight

- \(~2,000\) \(\sim\) \(~2,150\) # of sold vessels
- \(~3,000\) Vessels
- \(\sim80\) Vessel Insight subscribing shipowners with a fleet of \(~3,000\) vessels

Kognitwin

- \(~8,400\) \(\sim\) \(~15,300\) Active users on Kognitwin
- 20 Digital Twins in operation
Outlook

Solid balance sheet and NOK 66.9bn in order backlog, whereof more than NOK 21bn is for delivery in remaining 2023

- Current backlog secures growth in 2023
- Increasing number of prospects
- Building capacity for the future

- Positive sentiment in “high value” segments
- High activity in aftermarket
- Current backlog secures growth in 2023

- Continued increase in recurring revenues
- Scaling for growth both organic and inorganic

- Strong positions and solid demand from areas such as fishery, marine research operations, energy, security and surveillance
- Positioned for growth in 2023
Sustainable long-term value creation
In line with the ambitions of the Paris agreement

REDUCE THE CO₂ EMISSIONS FROM OUR OWN OPERATIONS
Near 100% reduction of CO₂ emissions (scope 1&2) by 2030

REDUCE EMISSIONS FROM OUR VALUE CHAIN
2/3 of our suppliers will set science-based CO₂ emission reduction targets within the next 5-year period

THE PRODUCT AND MARKET PERSPECTIVE
Technology and expertise for innovative and sustainable solutions

1: Preliminary targets
Shared objectives for a sustainable ocean

Researchers estimate a cost of 1.4 trillion USD to reach IMO 2050 target

- **13 %** Sailing fleet
- **87 %** Land based storage, infrastructure & production

- 70% reduction in CO2 intensity
- 50% reduction in total GHG emissions

How we support the mission

Drivers impacting pace of decarbonisation

- AVAILABLE TECHNOLOGY
- FUEL AVAILABILITY
- ACCESS TO FUNDS
- COST OF NON-COMPLIANCE

Competence unlocking each vessel’s potential

- ELECTRICAL electrification of our product offerings
- ENERGY Advise our customers through the energy transition and deliver optimized solutions
- DIGITAL Improving operations at sea and helping to automate work and drive value

Products and services supporting the green transition of our customers

- SHIP DESIGN & ENGINEERING
- PROPULSION EFFICIENCY
- HULL OPTIMISATION
- INFO MANAGEMENT & DIGITAL
- ENERGY SYSTEMS & MANAGEMENT
- OPERATIONS & ADVISORY
Maintaining capital allocation priorities

Capital allocation priorities

1. Solid balance sheet
2. Invest for organic growth
3. Shareholder remuneration
4. Portfolio management
Solid balance sheet & debt capacity

- Long-term target of Net debt / EBITDA of 1.5x +/- 1.0x
- Net debt/EBITDA of below 2.5x securing
  - Access to funding
  - Customer confidence
  - Financial flexibility
- Credit rating from Nordic Credit Rating; A-
- Strong commitment to maintaining a solid investment grade rating
- Capacity to invest in both organic and inorganic growth initiatives

### Net debt/EBITDA

- **2019-LTM**
- **Q1 2023**

#### Net debt/EBITDA incl. IFRS16
- 2019: 0.9x
- 2020: 1.4x
- 2021: 1.6x
- 2022: 0.4x
- 2023 Q1: 0.3x

#### Net debt/EBITDA excluding IFRS16
- 2019: (0.9x)
- 2020: (1.4x)
- 2021: (1.6x)
- 2022: (0.4x)
- 2023 Q1: (0.3x)

#### Target range including IFRS16
- 1.5x (range mid point)
- 2.5x (cap)

1) Adjusted for NOK2.7bn in dividend paid out in May
Debt maturity profile

- Syndicated credit facility of NOK 2.5bn and an overdraft credit facility of NOK 1.0bn. Neither were utilized as of Q1 2023
- Four bonds outstanding amounting to a total of NOK 2.45bn
- Aims to keep the interest rate duration below 2.5, with the interest rate hedging being assessed based on this policy
- Targets to spread the maturity profile of the bonds to mitigate refinancing risk
KONGSBERG – Protecting people & planet
From deep sea to outer space

Q&A