HIGHLIGHTS Q1

GROUP:
- Continued strong order intake
- Margins affected by sales of subsidiary and integration costs

DEFENCE:
- First JSM delivery contract secured
- NASAMS-selection in Australia confirmed

MARITIME:
- Solid order intake
- Successful closing of RRCM 1st April 2019

DIGITAL:
- Growth and improved profitability
- Continued good order intake

3 627
REVENUES

3 766
NEW ORDERS

414
EBITDA

11.4%
EBITDA MARGIN
“NEW” KONGSBERG

11 000 EMPLOYEES

22 600* MNOK REVENUES

40 COUNTRIES

WORLD CLASS – Through people, technology and dedication

*Preliminary proforma consolidated figures 2018
FINANCIAL STATUS

Gyrid Skalleberg Ingerø, CFO
IFRS 16 effects
Q1 2019

<table>
<thead>
<tr>
<th></th>
<th>KOG incl. IFRS 16</th>
<th>KM</th>
<th>KDA</th>
<th>Others</th>
<th>KOG ex. IFRS 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>3 627</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3 627</td>
</tr>
<tr>
<td>EBITDA</td>
<td>414</td>
<td>-51</td>
<td>-33</td>
<td>8</td>
<td>338</td>
</tr>
<tr>
<td>EBIT</td>
<td>239</td>
<td>-7</td>
<td>-4</td>
<td>1</td>
<td>229</td>
</tr>
<tr>
<td>EPS</td>
<td>0.95</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.02</td>
</tr>
</tbody>
</table>
Q1 2019

**REVENUES**
- KM MNOK 2 072 (1 796)
- KDA MNOK 1 369 (1 585)

**EBITDA**
- KM MNOK 187 (134)
- KDA MNOK 138 (172)

**EBITDA MARGIN**
- KM 9.0% (7.5 %)
- KDA 10.1% (10.9 %)

**ORDER INTAKE**
- KM MNOK 2 413 (1 900)
- KDA MNOK 1 137 (798)

**REVENUES**
- 3 627 MNOK (3 554)

**EBITDA**
- 338 MNOK (286)

**EBITDA MARGIN**
- 9.3% (8.0%)

**ORDER INTAKE**
- 3 766 MNOK (2 939)
Special items Q1
Kongsberg Maritime

Revenues
EVOTEC-sale: MNOK 107

<table>
<thead>
<tr>
<th>Segment</th>
<th>Reported Revenues</th>
<th>Sale EVOTEC</th>
<th>&quot;Clean&quot; Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOG</td>
<td>3,627</td>
<td>107</td>
<td>3,520</td>
</tr>
<tr>
<td>KM</td>
<td>2,072</td>
<td></td>
<td>1,965</td>
</tr>
<tr>
<td>KDA + OTHERS</td>
<td>1,555</td>
<td></td>
<td>1,555</td>
</tr>
</tbody>
</table>

EBITDA
EVOTEC sale: MNOK 107
Integration costs: MNOK 79

<table>
<thead>
<tr>
<th>Segment</th>
<th>Reported EBITDA*</th>
<th>Integration Costs</th>
<th>Sale Evotec</th>
<th>&quot;Clean&quot; EBITDA*</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOG</td>
<td>338</td>
<td>79</td>
<td>107</td>
<td>310</td>
</tr>
<tr>
<td>KM</td>
<td>187</td>
<td></td>
<td></td>
<td>159</td>
</tr>
<tr>
<td>KDA + OTHERS</td>
<td>151</td>
<td></td>
<td></td>
<td>151</td>
</tr>
</tbody>
</table>

* Without IFRS 16 effects
ROLLING LTM

UNDERLYING/REPORTED PERFORMANCE

KOG
Adjustments include: <=2017: Released provisions, impairment and restructuring, >=2018: acquisition costs, integration costs

KDA
Adjustments: Released provisions & restructuring

KM
Adjustments: Impairment, restructuring & integration costs

LTM Revenues
LTM EBITDA %
LTM Underlying EBITDA %
REVENUES Q1

TOTAL REVENUES UP 2.1% YoY
Adjusted for Evotec, down 1.0%

KM revenues up 15.4% YoY
Adjusted for Evotec, up 9.4% YoY

KDA revenues down -13.6% YoY
Mainly related to lower MCT30 volumes
EBITDA Q1

9.3 % OVERALL EBITDA MARGIN (8.0%)
8.8 % EBITDA margin adjusted for special items

9.0 % EBITDA MARGIN IN KM (7.5%)
8.1 % EBITDA margin adjusted for special items

10.1 % EBITDA MARGIN IN KDA (10.9%)
Weaker contribution from Patria

KDA / 138
10.1 % MARGIN

KM / 187
9.0 % MARGIN

OTHER / 13

FEBRUARY 14, 2019
Q4 FINANCES

UNANIMOUS SUPPORT ON RIGHTS ISSUE FROM NORWEGIAN PARLIAMENT

9.3 % OVERALL EBITDA MARGIN (8.0%)
8.8 % EBITDA margin adjusted for special items

9.0 % EBITDA MARGIN IN KM (7.5%)
8.1 % EBITDA margin adjusted for special items

10.1 % EBITDA MARGIN IN KDA (10.9%)
Weaker contribution from Patria

KDA / 138
10.1 % MARGIN

KM / 187
9.0 % MARGIN

OTHER / 13

**Status integration - Rolls-Royce Commercial Marine**

**INTEGRATION COSTS**

- Act2018: 110
- Act2019: 79
- Remaining: 261
- TOT: 450

**ACTIONS COMPLETED PRIOR TO CLOSING**

- Approximately 6,000 actions completed prior to closing
- Largest external costs related to IT, legal, new organization design, separation actions and re-branding
- Verification of potential for cost improvements and synergies
- Development of detailed plans for realization
- Successful closing took place 1st April, 2019
NEW ORDERS Q1

BOOK/BILL 1.07 (adjusted for special items)
MNOK 17 301 total order backlog

KM BOOK/BILL 1.23 (adjusted for special items)
Order backlog increased 26.2 % YoY

KDA BOOK/BILL 0.83
Order backlog increased 14.7 % YoY

NEW ORDERS

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>13 430</td>
<td>16 574</td>
<td>16 574</td>
</tr>
<tr>
<td>Q2</td>
<td>798</td>
<td>2 413</td>
<td>2 413</td>
</tr>
<tr>
<td>Q3</td>
<td>1 137</td>
<td>3 451</td>
<td>3 451</td>
</tr>
<tr>
<td>Q4</td>
<td>2 939</td>
<td>2 939</td>
<td>2 939</td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td>3 766</td>
</tr>
</tbody>
</table>

Q1 FINANCES

MAY 10, 2019
NEW ORDERS
KONGSBERG
MARITIME

Q1 2018: MNOK 1 900
Q1 2019: MNOK 2 413

Q1 2018

- 23% GLOBAL CUSTOMER SUPPORT*
- 33% INTEGRATED SOLUTIONS
- 44% SENSORS & ROBOTICS**

Q1 2019

- 23% GLOBAL CUSTOMER SUPPORT*
- 44% INTEGRATED SOLUTIONS
- 33% SENSORS & ROBOTICS**

*Global Customer Support does not include Sensors & Robotics aftermarket
** Sensors and Robotics also includes aftermarket
NEW ORDERS
KONGSBERG DEFENCE AND AEROSPACE

Q1 2018  MNOK 798
Q1 2019  MNOK 1 137
<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross interest bearing debt</td>
<td>4 348</td>
<td>4 332</td>
<td>3 340</td>
</tr>
<tr>
<td>Cash and short-term deposits</td>
<td>10 389</td>
<td>10 038</td>
<td>2 956</td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>-6 041</td>
<td>-5 706</td>
<td>384</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>43.3%</td>
<td>45.7%</td>
<td>35.6%</td>
</tr>
<tr>
<td>ROACE</td>
<td>13.6%</td>
<td>12.5%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>
DEBT POSITION

HEALTHY MATURITY PROFILE

NET INTEREST BEARING DEBT
DIVIDEND

THE BOARD PROPOSES FOR THE ANNUAL GENERAL MEETING ON 14 MAY 2019 A DIVIDEND OF NOK 2,50 PER SHARE FOR FY 2018

Dividends shall over time constitute between 40 and 50 per cent of the company’s ordinary net profit after tax, future capital requirements taken into account.

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total dividends</td>
<td>MNOK 450</td>
<td>MNOK 450</td>
<td>MNOK 450</td>
</tr>
<tr>
<td>Payout ratio</td>
<td>68.9 %</td>
<td>81.2 %</td>
<td>64.2 %</td>
</tr>
</tbody>
</table>

* Proposal for 2018

HISTORICAL PAYOUTS RATIOS

- Total dividends MNOK 450
- Payout ratio:
  - 2009: 29.3 %
  - 2010: 30.1 %
  - 2011: 31.7 %
  - 2012: 34.4 %
  - 2013: 51.3 %
  - 2014: 68.7 %
  - 2015: 127.1 %
  - 2016: 68.9 %
  - 2017: 81.2 %
  - 2018*: 64.2 %

* Proposal for 2018
BUSINESS UPDATE

Geir Håøy, President & CEO
BUSINESS UPDATE KONGSBERG
DEFENCE & AEROSPACE

Good activity in general
- Revenue improvement in most divisions
- Low MCT30 activity
- Solid project execution
- Closing of AIM acquisition expected in Q2

Missile breakthroughs
- Japan signs contract for JSM deliveries
- US Marine Corps to integrate NSM

NASAMS contract approaching
- Australia confirms selection of NASAMS
Joint Strike Missile
First commercial order received

Development finished

9 Countries have selected F-35

Increased number of potential F-35 clients
Continued positive development in revenues, margins and order intake

- Revenue growth within Sensors & Robotics and Global Customer Support

Delivering and integrating

- We have started the largest integration in the company’s history. At the same time our customers always have priority

Solid order intake

- Strong order intake for LNG Carriers and fisheries
- Awarded contracts for specialized offshore vessels
- Certain vessel segments remain weak
SOLID AND DIVERSIFIED ORDER INTAKE AT KM

TOTAL ORDER INTAKE Q1 2018: MNOK 1,900
TOTAL ORDER INTAKE Q1 2019: MNOK 2,413
BUSINESS UPDATE KONGSBERG DIGITAL AND PATRIA

KDI

REVENUES INCREASED 38% - ACCELERATING DEVELOPMENT

Book/bill 1.09 in Q1, margin improvement

Experiencing substantial attention on strategic offerings from a broad range of clients

Accelerating development and initiated a strategy process to secure enough resources and attention to establish a global number one position

PATRIA

Q1 REVENUES AT MEUR 105.1, DOWN 9.9%

Lower activity within Aviation and Land business. Continued lack of new orders for Land business.

Good development within remaining MRO business

KONGSBERG’s share of net profit was MNOK -17 in Q1 (5 in Q1 2018)
THE “NEW” KONGSBERG MARITIME
BROADENING OUR PORTFOLIO FOR THE MARITIME INDUSTRY

INTEGRATED SOLUTIONS

PROPULSIONS & ENGINES

SENSORS AND ROBOTICS

SHIP DESIGN

DECK MACHINERY
Kongsberg Maritime from 1 April 2019
- A strong and scalable business

---

**Sensors & Robotics**
- ~BNOK 2.9
- ~1,100 Employees
- Advanced hydroacoustic technology and Autonomous Underwater Vehicles to various subsea applications
  - Underwater sensor solutions, Fish finding, AUV, USV

**Integrated Solutions**
- ~BNOK 2.6
- ~2,100 Employees
- Integrated Control Systems provides automation, monitoring and operational safety for several vessel segments

**Propulsion & Engines**
- ~BNOK 2.2
- ~800 Employees
- Propulsion equipment provides the driving force for most vessels segments
  - Thrusters, Propellers, Pods, Waterjets Reduction gears, Gas engines, Diesel engines

**Systems & Deck Machinery**
- ~BNOK 1.2
- ~900 Employees
- Deck Machinery & Motion Control covers a wide range of applications for offshore and merchant vessels
  - Winches, Cranes, Launch & recovery systems Steering Gears, Rudders, Stabilizers

**Global Customer Support**
- ~BNOK 6.8
- ~2,200 Employees
- Servicing 30,000 vessels world wide 24/7

---

1 Consolidated pro-forma figures based on 2018 full-year
2 Includes Ship Design

---

**Revenues**: BNOK 15.8
**Order intake**: BNOK 18.7
**Order backlog at 1 April 2019**: BNOK 12.7

**Employees at 1 April 2019**: ~7,300
PRO FORMA
FINANCIALS AND
ORDERS
Key pro forma financial information*

2018

Unaudited pro forma 2018 revenue (MNOK)

<table>
<thead>
<tr>
<th>Component</th>
<th>KOG</th>
<th>CM</th>
<th>Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHERS</td>
<td>732</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KDA</td>
<td>6104</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KM</td>
<td>7545</td>
<td></td>
<td>8215</td>
</tr>
<tr>
<td>Pro Forma</td>
<td>14381</td>
<td>22596</td>
<td></td>
</tr>
</tbody>
</table>

Unaudited pro forma 2018 EBITDA (MNOK)

<table>
<thead>
<tr>
<th>Component</th>
<th>KOG</th>
<th>CM</th>
<th>Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHERS</td>
<td>129</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KDA</td>
<td>621</td>
<td></td>
<td>273</td>
</tr>
<tr>
<td>KM</td>
<td>453</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pro Forma</td>
<td>945</td>
<td>672</td>
<td></td>
</tr>
</tbody>
</table>

* Without IFRS 16 effects
Key pro forma financial information*
Q1 2019

Unaudited pro forma Q1 2019 revenue (MNOK)

<table>
<thead>
<tr>
<th>Category</th>
<th>Others</th>
<th>KDA</th>
<th>KM</th>
<th>Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOG</td>
<td>3,627</td>
<td>1,369</td>
<td>2,072</td>
<td>5,498</td>
</tr>
<tr>
<td>CM</td>
<td>1,871</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unaudited pro forma Q1 2019 EBITDA (MNOK)

<table>
<thead>
<tr>
<th>Category</th>
<th>Others</th>
<th>KDA</th>
<th>KM</th>
<th>Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOG</td>
<td>338</td>
<td>138</td>
<td>187</td>
<td>274</td>
</tr>
<tr>
<td>CM</td>
<td>64</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Without IFRS 16 effects
Order backlog

«New» KM

<table>
<thead>
<tr>
<th></th>
<th>CM</th>
<th>KM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2018</td>
<td>9,8</td>
<td>4,7</td>
</tr>
<tr>
<td>2018</td>
<td>5,1</td>
<td>5,7</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>6,6</td>
<td>6,0</td>
</tr>
</tbody>
</table>

Order backlog by delivery

- 2019: 63,0%
- 2020: 25,0%
- 2021=>: 12,0%
VALUE CAPTURE
Capturing the synergies
- Our stated ambition is unchanged after closing

Overview of cost improvements and synergies

Key areas of cost savings

<table>
<thead>
<tr>
<th>Planned annual run-rate savings:</th>
<th>Footprint &amp; delivery streamlining</th>
<th>MNOK ~225</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SG&amp;A synergies</td>
<td>MNOK ~225</td>
</tr>
<tr>
<td></td>
<td>Product portfolio optimization</td>
<td>MNOK ~50</td>
</tr>
</tbody>
</table>

• Expected annual run-rate cost synergies in excess of MNOK 500 through optimization and streamlining
• Cost synergies expected to reach 100% run-rate by 2022, with approximately 75% achieved by end of 2020
• Integration costs of approximately MNOK 450
• Potential for revenue synergies from cross-sales, sale of more integrated packages and broader aftermarket scope through combined installed base

Annual P&L effect, MNOK

- 2019: ~200
- 2020: ~375
- 2021: ~475
- 2022: ~500
## Capturing the synergies

- **Key areas for cost improvements and synergies**

<table>
<thead>
<tr>
<th>Area</th>
<th>Key initiatives</th>
<th>Total savings target</th>
</tr>
</thead>
</table>
| **Footprint & delivery streamlining** | - Restructuring of loss-making businesses: Deck Machinery and Ship Design & Systems  
- Co-location of overlapping global footprint (close to 20 sites)  
- Move non-core production activities to supply chain  
- Consolidation of delivery organizations  
- Direct procurement scale savings | MNOK ~225 |
| **SG&A synergies**               | - Leverage scale within sales, support and administrative functions  
- Cost efficient set-up of group support functions  
- Indirect procurement scale savings  
- IT infrastructure synergies | MNOK ~225 |
| **Product portfolio optimization** | - Consolidation of overlapping product portfolios - especially within automation  
- Merge KM and CM efforts to become the leading provider of digital marine solutions in combination with KDI and release duplicated activities  
- Optimize product portfolio to meet future market needs | MNOK ~50 |
### Capturing the synergies - Key activities during 2019

<table>
<thead>
<tr>
<th>Signing - ’19 Q1</th>
<th>’19 Q2</th>
<th>’19 H2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Footprint &amp; delivery streamlining</strong></td>
<td><strong>6 sites co-located from Day 1</strong></td>
<td><strong>Moving non-core production activities to supply chain</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Deck Machinery and Ship Design restructuring initiated</strong></td>
<td><strong>Execution of further international co-locations</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Execution of CM delivery organization rightsizing, P&amp;L effect from end 2019</strong></td>
<td><strong>Execution of synergies arising from selected duplicated SG&amp;A functions</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Prepare Vietnam production facility exit</strong></td>
<td><strong>Realization of indirect procurement scale synergies</strong></td>
</tr>
<tr>
<td><strong>SG&amp;A synergies</strong></td>
<td><strong>Execution of synergies arising from selected duplicated SG&amp;A functions</strong></td>
<td><strong>Initiate consolidation of overlapping product portfolios within automation systems</strong></td>
</tr>
<tr>
<td></td>
<td><strong>IT infrastructure synergies</strong></td>
<td><strong>Total: MNOK ~200</strong></td>
</tr>
<tr>
<td><strong>Product portfolio optimization</strong></td>
<td><strong>Joint plan for digital marine development, including prioritization of activities and streamlining of overlapping efforts</strong></td>
<td><strong>Total:</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Initiate consolidation of overlapping product portfolios within automation systems</strong></td>
<td><strong>Total:</strong></td>
</tr>
</tbody>
</table>

**Savings expected realized in ’19 (MNOK):**

- **Footprint & delivery streamlining:** MNOK ~90
- **SG&A synergies:** MNOK ~100
- **Product portfolio optimization:** MNOK ~10

**Total: MNOK ~200**

*By “time of execution” is to be understood the period of implementation of the measure (e.g. an FTE is dismissed or an asset is sold) as opposed to the period where the P&L effect of the measure is realized, which normally will be at a later stage.*
CAPITAL MARKETS DAY 2019

Date: 24 September 2019
Time: 10:00
Place: Kongsberg

Strategy and business update, including updated financial targets
2019 OUTLOOK

**KM**
Good order backlog and some improvement in lifecycle business founds some revenue growth

Integration of RRCM will impact overall profitability

**KDA**
Current backlog indicates some growth independent of new contracting

Due to sizable contracts in negotiation, time of signing might influence this years’ revenues

**KDI**
Accelerating development and initiated a strategy process to secure a global number one position