



KONGSBERG

INVESTOR PRESENTATION

Q4 2020

Geir Håøy, President & CEO

Gyrid Skalleberg Ingerø, EVP & Group CFO



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Highlights 2020

- Book/Bill of 1.13 and record-high order backlog
- BNOK 25.6 in revenues and BNOK 3.3 in EBITDA
- Solid operational performance and high degree of adaptability throughout the organization
- Successful divestment of Hydroid Inc.
- “Value Capture” program delivered above target
- Strong momentum on Dynamic Digital Twin®
- Proposed dividends of NOK 3 + 5 per share and MNOK 400 share buy back





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Highlights fourth quarter 2020

- Strong order intake in defence and key milestones achieved



- 11.4 BNOK order intake, book/bill of 1.59
 - major defence orders
 - record-high order backlog entering 2021
- BNOK 7.1 in revenues and BNOK 0.95 in EBITDA
- Challenging newbuild market and COVID continue to affect order intake and revenue in maritime
- Ramp-up in digital and defence
- RWS # 20.000 delivered



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Important contracts signed in the quarter



NASAMS to Hungary



Remote Weapon Stations (RWS) to the British Army MIV program



JSM to Japan



Propeller systems for five F110 frigates to Spanish Navy



Pile Gripper Guidance System (PGGS) for the OHT Alfa Lift to MacGregor



Remote Tower System for Air Traffic Control at Menorca Airport



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Business update fourth quarter

Decreased revenues in Maritime offset by improved project mix and reduced cost

- Market continues to be challenging with low contracting of new vessels
- Improved project mix
- Cost focus and solid contribution from “*Value capture*” improves KM’s competitiveness



High order intake in Defence and continued solid operations

- Significant order intake results in “*All-time-high*” backlog
- Good progress and solid execution of projects, minimal COVID-19 effects
- MRO initiatives continue to grow and increase profitability



Dynamic digital twin® and SaaS business continue to gain momentum

- Continued roll-out and seize new opportunities for dynamic digital twin Kognitwin®
- Positive development for SaaS business and real time drilling software, SiteCom®
- Increased interest for e-learning solution K-SIM® connect





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Financial status

Gyrid Skalleberg Ingerø, EVP & Group CFO

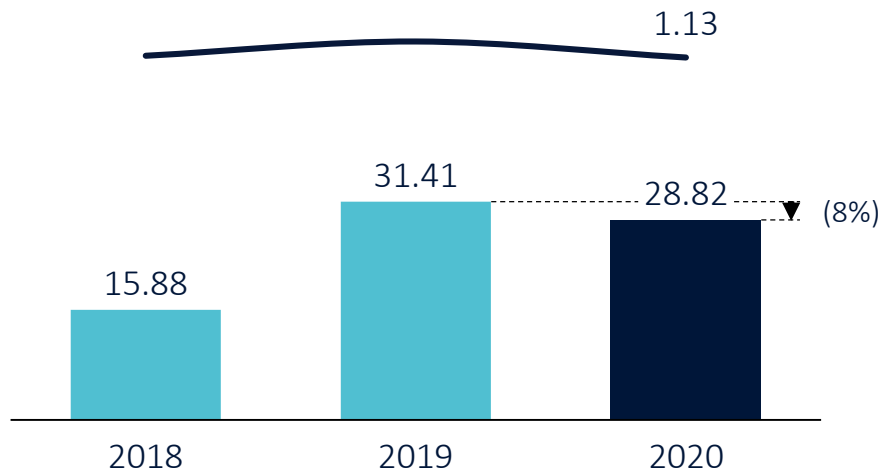


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2020 order intake support book/bill above 1

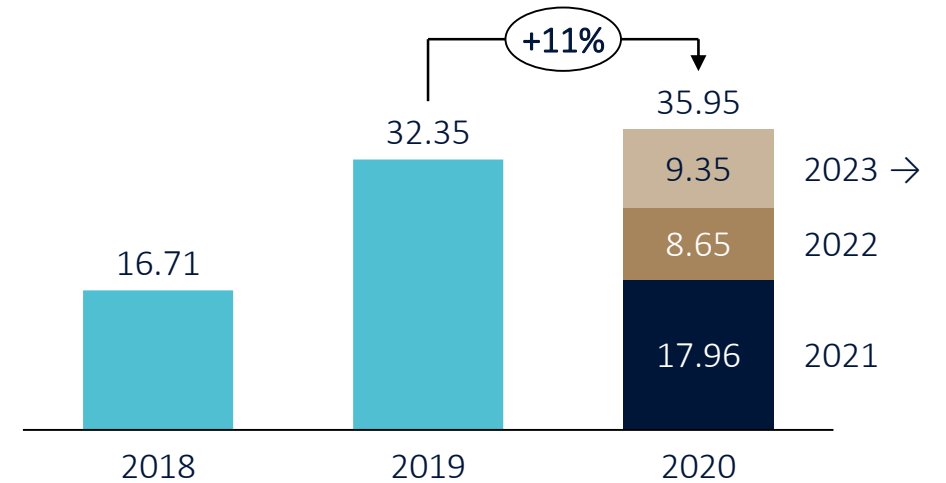
Strong order intake

— Book/bill ■ Order intake (BNOK)



All-time-high backlog

(BNOK)

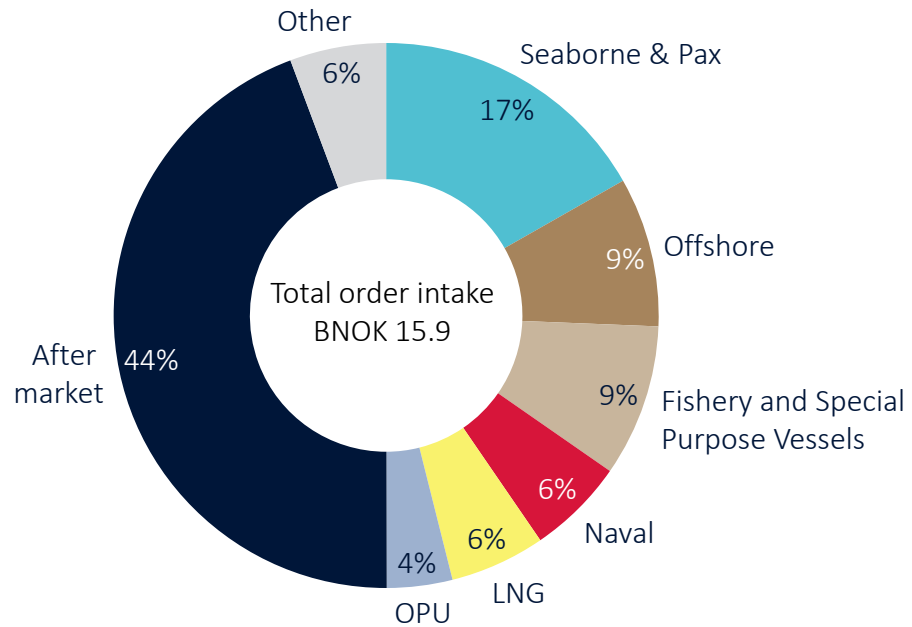




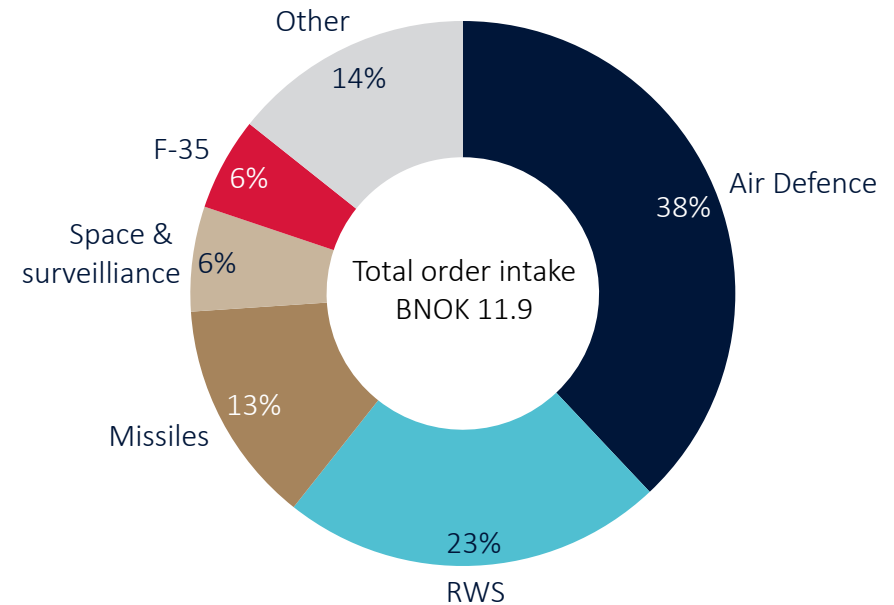
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Order intake 2020

Kongsberg Maritime



Kongsberg Defence & Aerospace



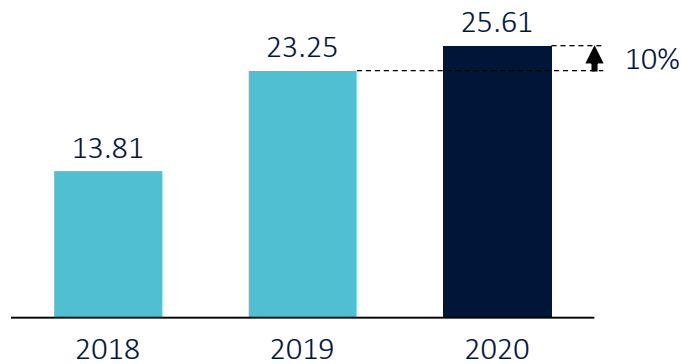


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2020; Revenue growth and increased profitability

Revenues

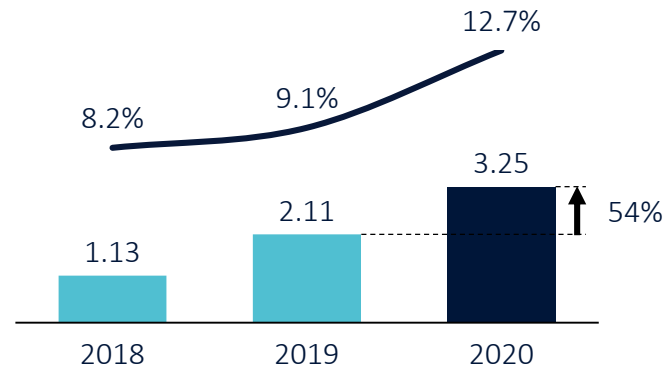
(BNOK)



- Revenue growth driven by growth in defence segment
- Growth in all business areas

EBITDA

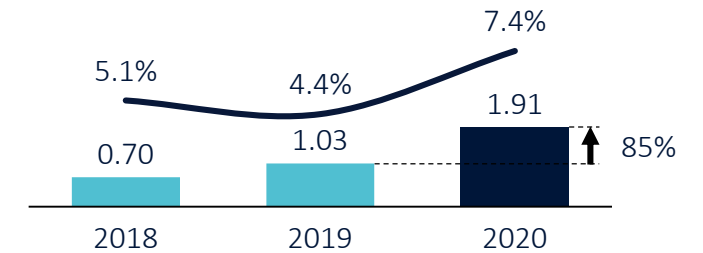
(BNOK, %)



- Increased EBITDA in all business areas driven by;
 - Strong project execution
 - Favourable project mix
 - Significant synergies from “Value Capture”

EBIT

(BNOK, %)



- Stable nominal level of depreciation and amortisation expected going forward
- Including gain from sale of Hydroid Inc. EAT is BNOK 2.9



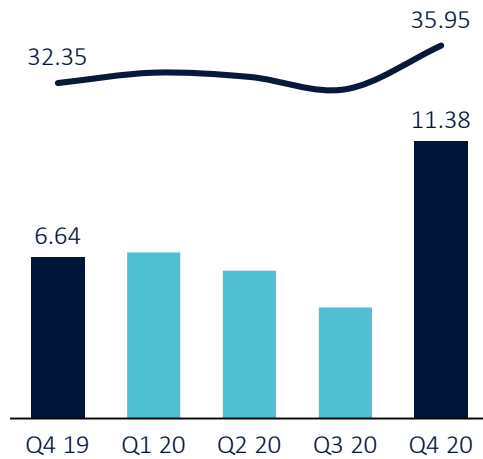
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Q4; Strong order intake and margins

Order intake and backlog

Order Intake 2020 BNOK 28.82 (-8.8%)

(BNOK)

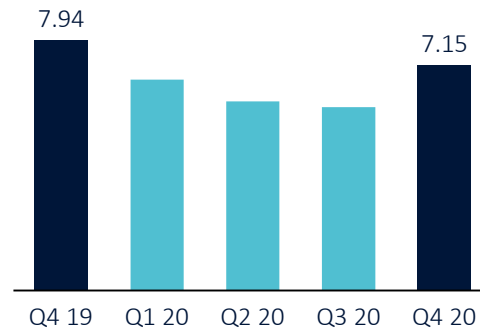


— Order backlog

Revenues

2020 BNOK 25.61 (+10.2%)

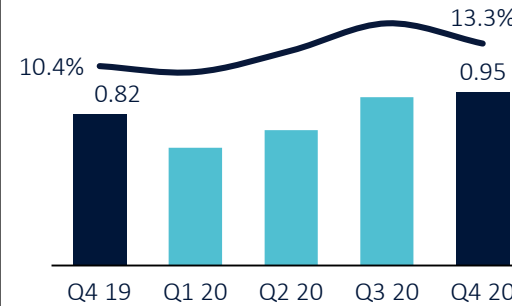
(BNOK)



EBITDA

2020 BNOK 3.25 (+53.8%)

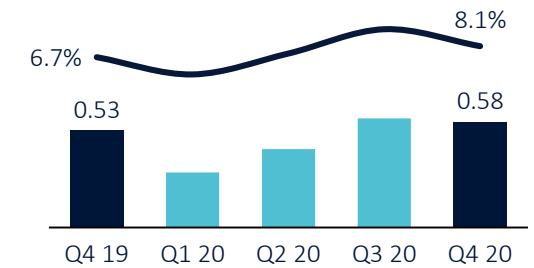
(BNOK, %)



EBIT

2020 BNOK 1.91 (+85.1%)

(BNOK, %)



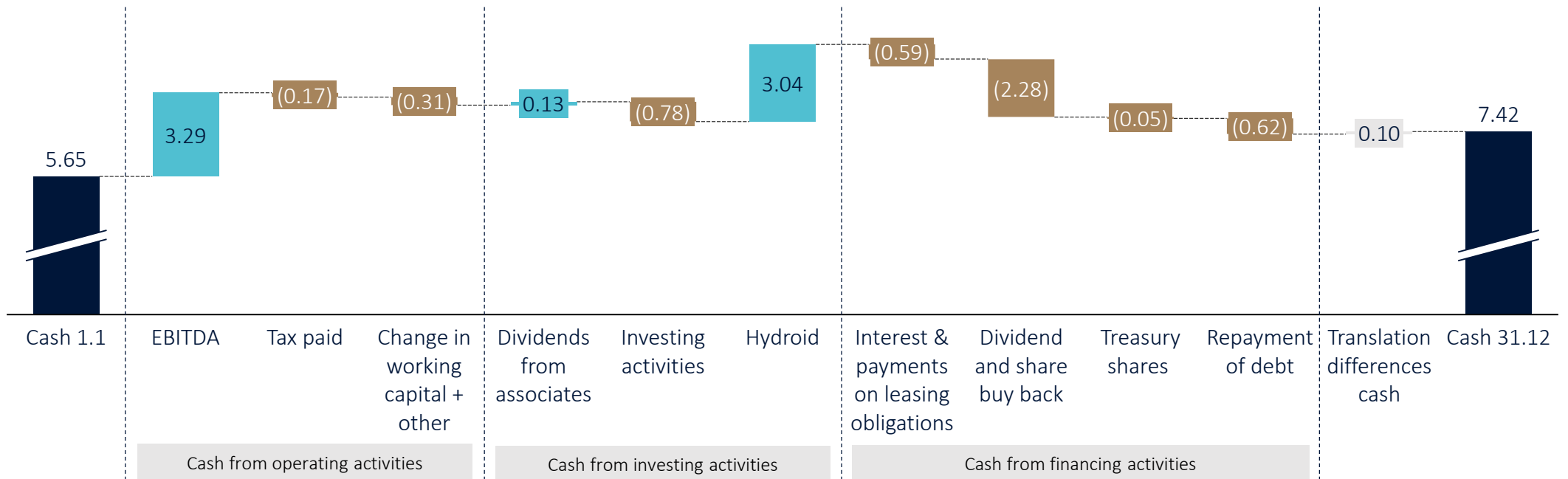


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Cashflow 2020

Strong cashflow from operations and from divestment of Hydroid Inc.

(BNOK)





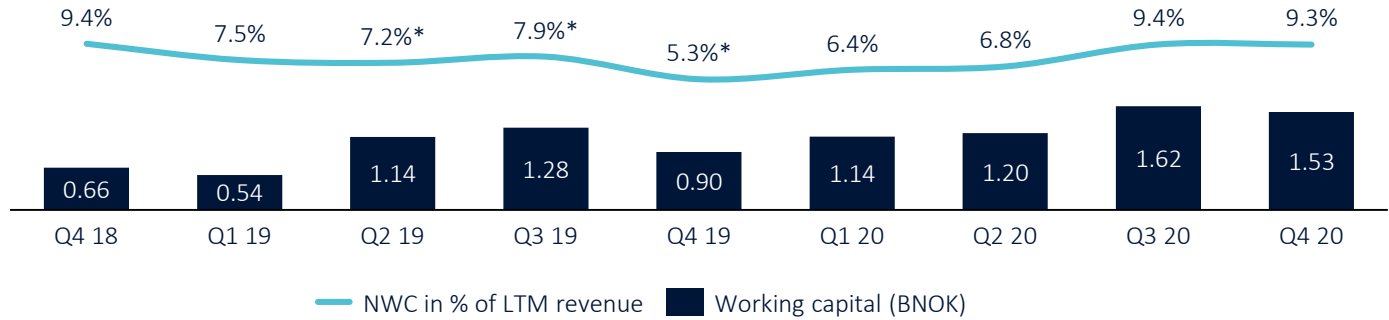
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Net Working Capital

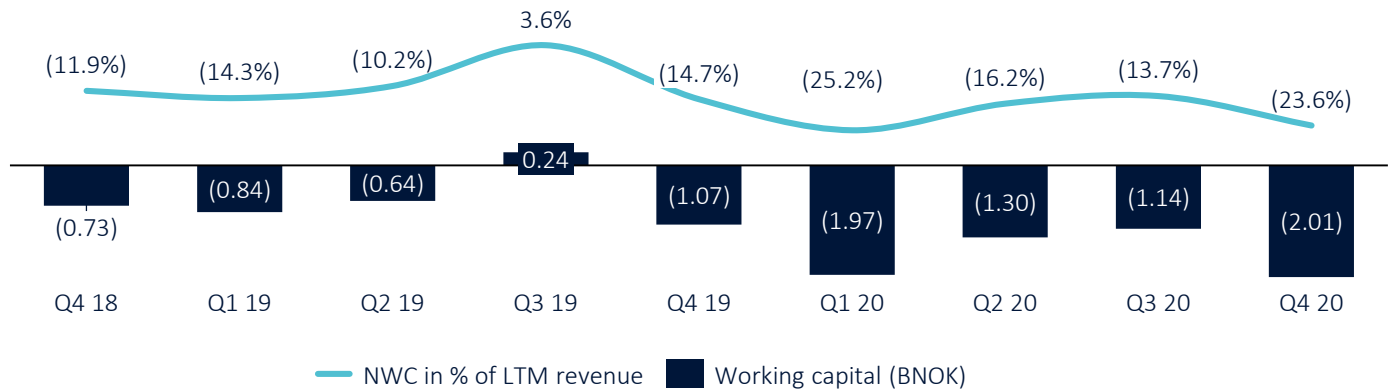
Net Working Capital by Business Area

WORLD CLASS – Through people, technology and dedication

Net Working Capital – Kongsberg Maritime



Net Working Capital – Kongsberg Defence & Aerospace



KONGSBERG PROPRIETARY - See Statement of Proprietary Information



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Kongsberg Maritime

Q3 2020



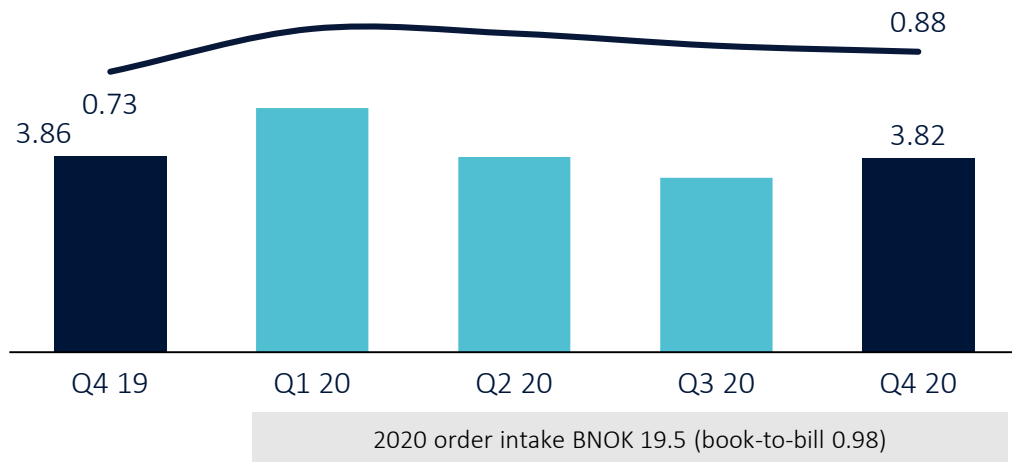


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KM order intake and backlog

Order intake and book-to-bill

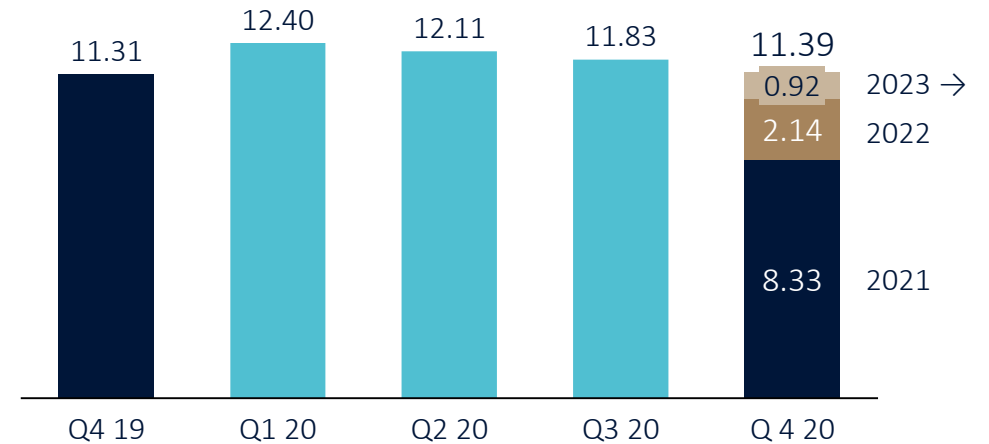
(BNOK)



— Book-to-bill ■ Order intake (BNOK)

Order backlog

(BNOK)





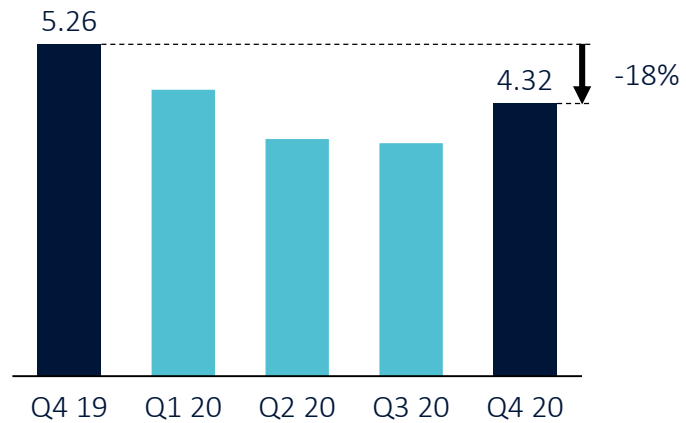
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Reduced volume but increased margins in KM

Revenues

2020 BNOK 16.32 (+10.4%)

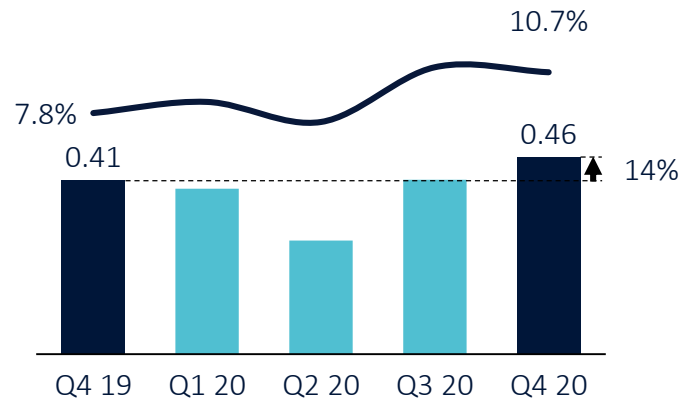
(BNOK)



EBITDA

2020 BNOK 1.53 (+52.4%)

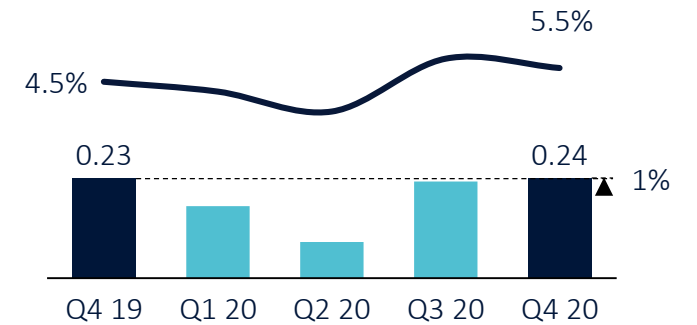
(BNOK, %)



EBIT

2020 BNOK 0.72 (+101.7%)

(BNOK, %)





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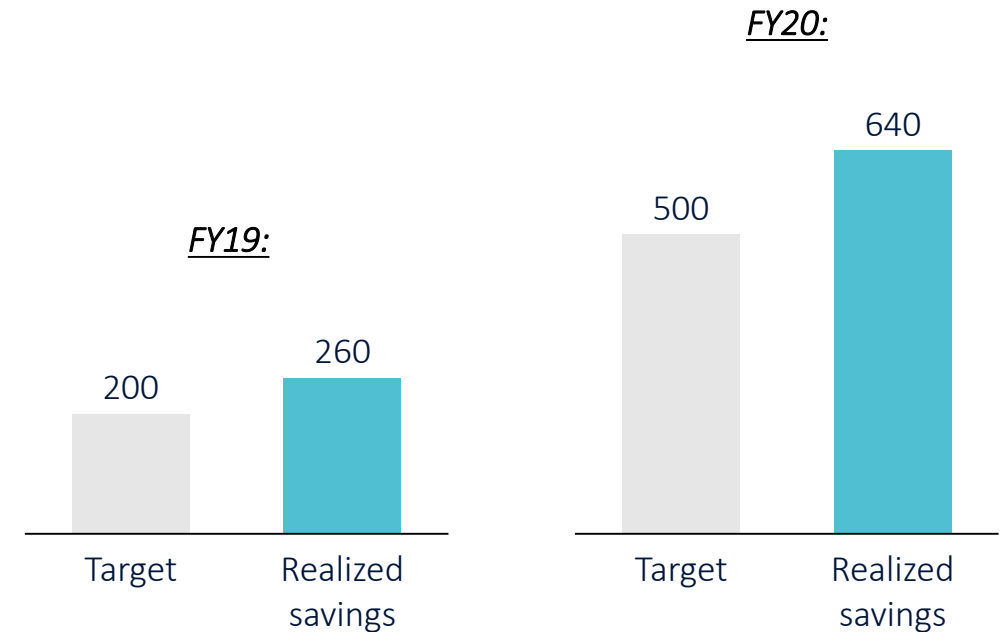
Value Capture exceeding targets

Program summary

- Realized cost savings of MNOK 640 in 2020, MNOK 195 in Q4
- Deck Machinery restructured and turned profitable
- Consolidation and optimization of combined organization, footprint and product portfolio
- Headcount reductions of 485 FTEs
- Strong basis for continued efficiency initiatives
- Program concluded, with results above target

Realized cost savings

P&L effect relative to 2018, MNOK





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KDA

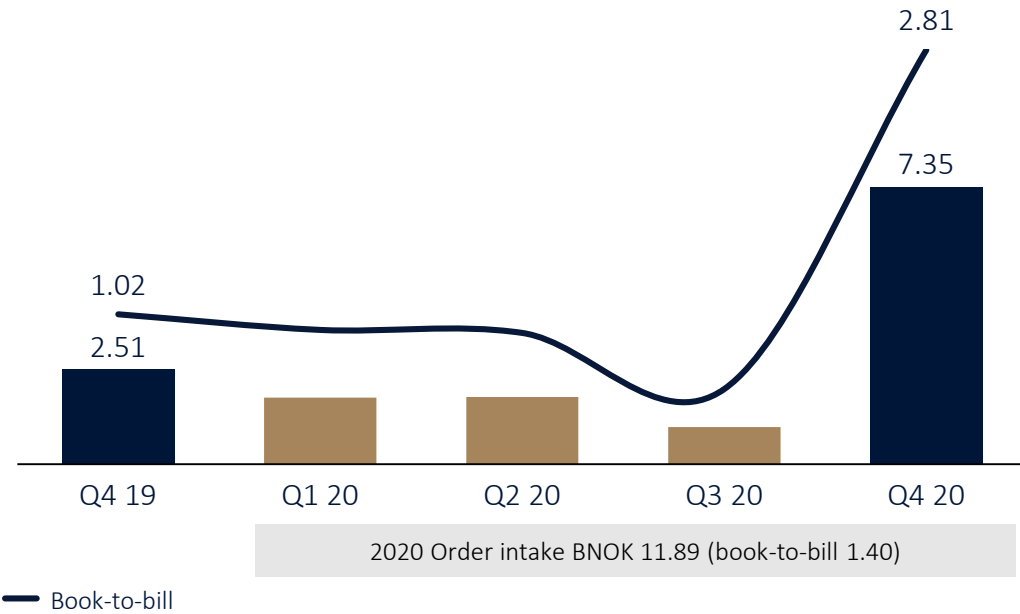


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KDA Backlog supports growth

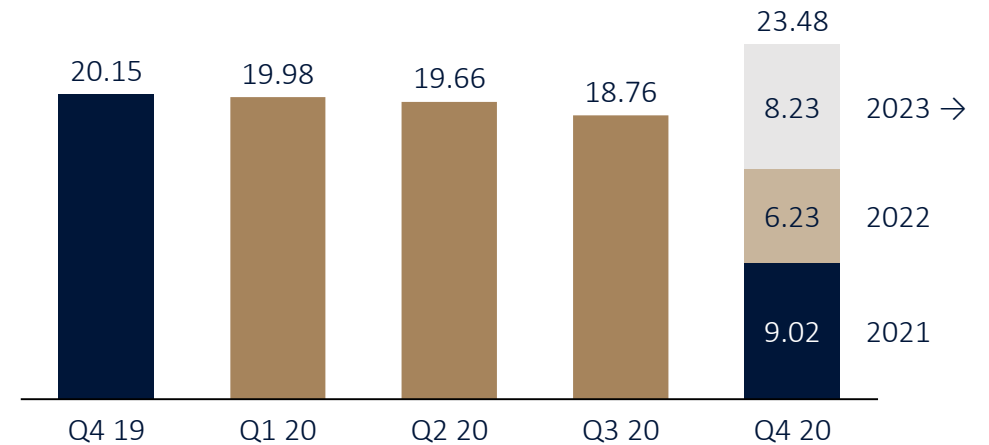
Order intake

(BNOK)



Order backlog

(BNOK)





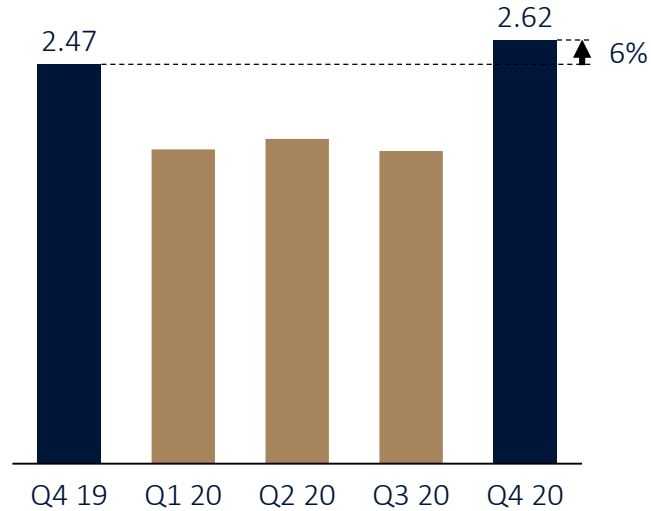
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Revenue growth and strong EBITDA in KDA

Revenues

2020 BNOK 8.50 (+17.4%)

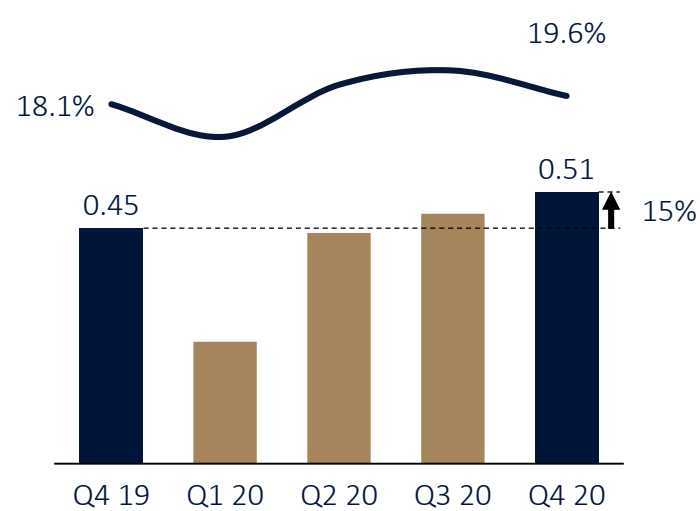
(BNOK)



EBITDA

2020 BNOK 1.66 (+47.5%)

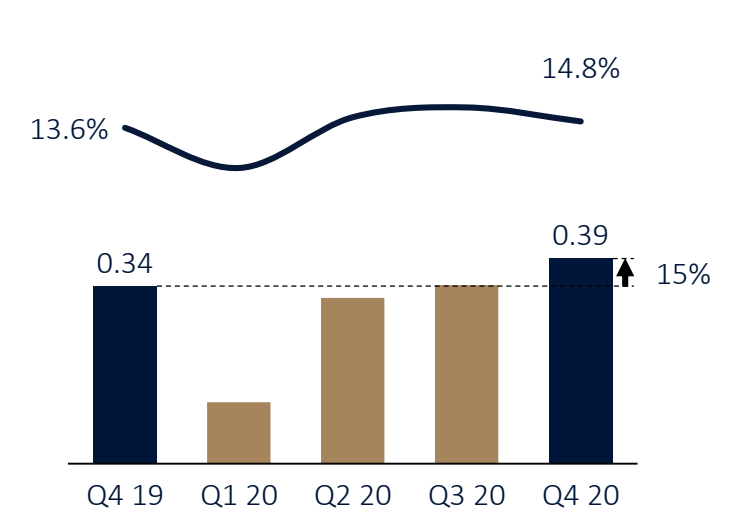
(BNOK, %)



EBIT

2020 BNOK 1.16 (59.5%)

(BNOK, %)



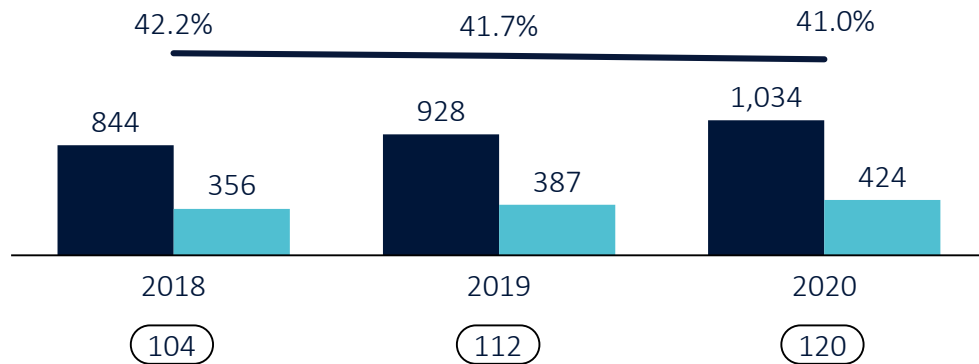


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Associated Companies

KSAT

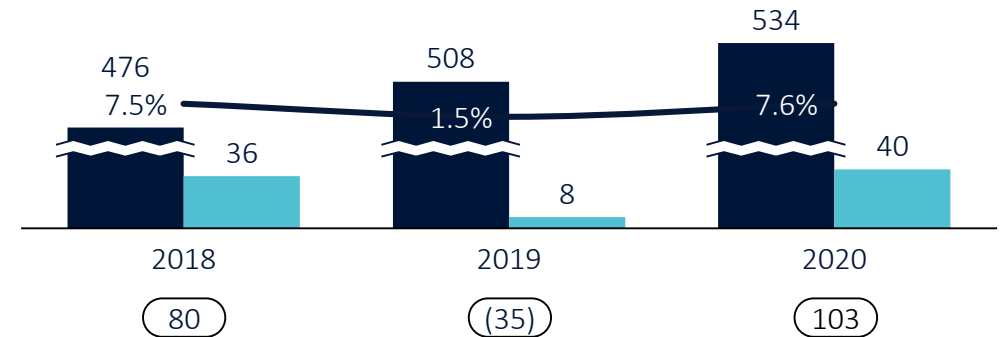
— EBITDA % ■ Revenue (MNOK) ■ EBITDA (MNOK) ○ KOG's share of net profit (MNOK)



- ~3.5 BNOK in backlog
- Demand related to microsattellites continues to increase
- ~50k satellites passes in Dec. 2020 (up from ~40k Dec. 2019)

PATRIA

— EBIT % ■ Revenue (EURm) ■ EBIT (EURm) ○ KOG's share of net profit (MNOK)



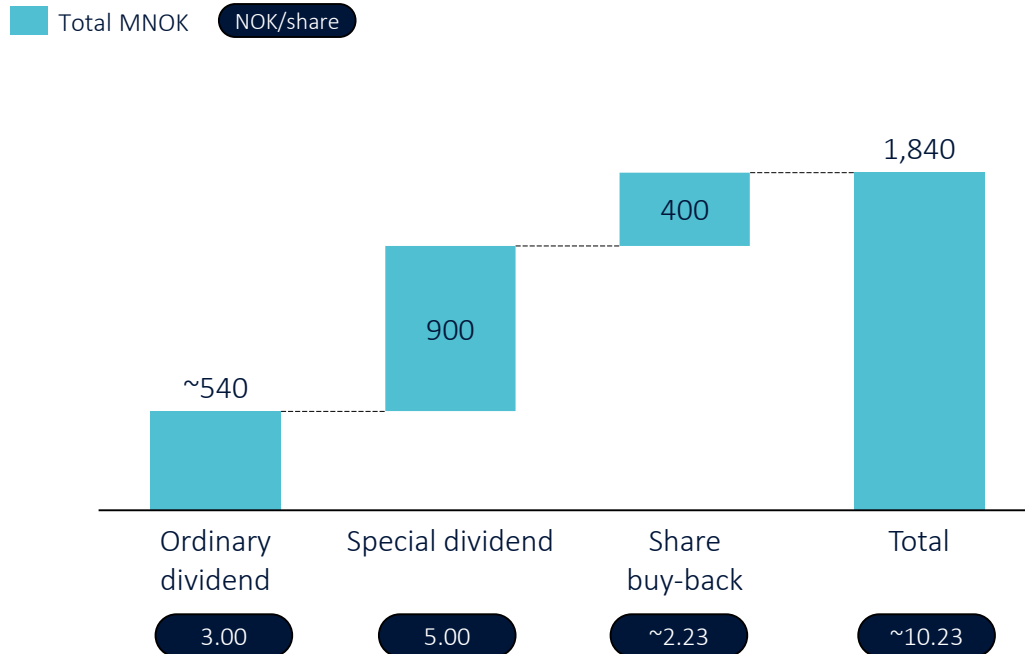
- ~1 500 EURm in backlog
- Results from “close the gap” programme in 2020 has positive impact on the financials



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Proposed dividends and share buyback

Total remuneration



Details

- Last day including: 06 May 2021
- Ex. dividend date: 07 May 2021
- Record date: 10 May 2021
- Payment date: 20 May 2021 (“on or about”)



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OUTLOOK



KONGSBERG DEFENCE & AEROSPACE

Current backlog secure growth in 2021
Efficient operations and increased scale
found confidence to EBITDA target



KONGSBERG MARITIME

New building market expected to remain
challenging
Healthy order backlog coverage and
stable lifecycle business



KONGSBERG DIGITAL

Continued roll-out of KogniTwin® and
Vessel Insight
Focus on growth both organic through
SaaS revenues and inorganic

Solid balance sheet and BNOK 35.9 in order backlog, whereof BNOK 17.9 for delivery in 2021

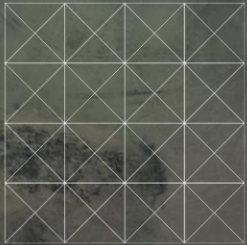
KDA growth to support continued growth for KONGSBERG, some growth in KDI, KM expected at or around 2020-revenues



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Q&A

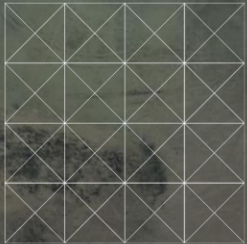




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Appendix





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195 MNOK savings realized in Q4 2020

Realized cost savings

P&L effect of cost savings relative to 2018, MNOK

Area	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Comments to realized savings
Footprint & delivery streamlining	3	11	12	15	34	45	45	59	Effects of co-locations, production facility shutdowns and restructuring of delivery organizations
SG&A savings and synergies	9	52	58	60	81	93	86	111	Cost efficient set-up of support and sales functions, as well as harmonization of terms and benefits
Product portfolio optimization	4	8	13	15	20	22	19	24	Mainly related to streamlining of digital marine spending (Ship Intelligence)
Total	15	72	83	90	135	160	150	195	2020 FY savings of 640 MNOK

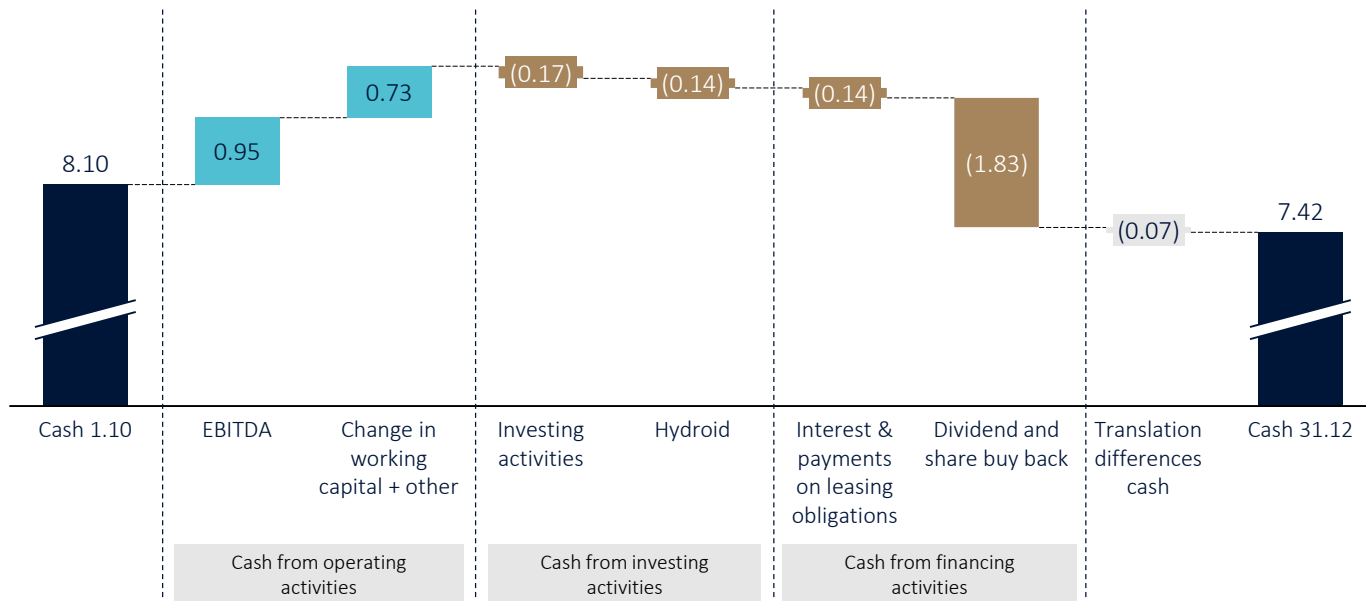


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Cashflow fourth quarter

Positive cashflow from operations and improved working capital

(BNOK)



Comments

- Positive cashflow from operations and working capital
- Improvement in working capital mainly due to prepayment from defence customers
- “Hydroid” tax related to divestment of Hydroid Inc.
- Additional dividend of NOK 10/share paid out in November