



KONGSBERG

Quarterly report

1st quarter

2024

#protectingpeopleandplanet



Geir Håøy,
President & CEO

KONGSBERG

“2024 carries on from where we left off last year, with high activity and efficient project execution. The global landscape remains tumultuous and uncertain, with security and sustainability taking center stage on the international agenda. Our customers acknowledge KONGSBERG as a key contributor, offering solutions to address the world’s pressing challenges.

We have delivered another quarter with growth and good results. Our key performance indicators have aligned with our projections, and our robust order intake and expanded backlog have set the stage for sustained progress in the coming years.

The results achieved in the first quarter of this year stem from decades of focused effort, adeptness in seizing opportunities, adaptability, and strategic prioritization. We recognize that the decisions we make today shape not only our trajectory but also that of future generations. Recently, the Norwegian Government unveiled a proposal for a new long-term defence plan spanning from 2025 to 2036. KONGSBERG will play an important role in realizing this plan by further enhancing and fortifying Norway’s defence capabilities across land, sea, and air domains. Our commitment to meeting Norway’s defence requirements also underpins the export of our cutting-edge systems.

While the security landscape, especially in Europe and the Middle East, has witnessed decline in recent times, the global community faces substantial climate-related hurdles. The shift toward cleaner energy sources and optimizing energy utilization play pivotal roles in overcoming these challenges. KONGSBERG’s involvement spans the entire energy value chain, from initial feasibility studies to transportation and energy consumption. Our substantial investments and strong market demand for solutions from our various business domains position us to address multiple aspects of these critical challenges.

In June, we are set to inaugurate our new missile production facility. The demand for increased production capacity validates the strategic choice made back in 1995 to develop an anti-ship missile. Our existing facilities have already witnessed substantial production scaling, and the addition of this new factory will empower us to efficiently deliver even larger volumes.

KONGSBERG is well positioned, offering solutions that enhance safety and foster a more sustainable society. Our order backlog has reached an all-time high, and market activity has never been higher. Our unwavering commitment to substantial investments in cutting-edge technology and expanded capacity lays a robust groundwork for future growth.”

Highlights in the quarter



Financial

- MNOK 11,450 in operating revenues corresponding to 26 per cent growth from first quarter 2023.
- All business areas contributed to the growth.
- Robust growth in both EBIT and EBIT margin. The absolute growth was driven by the two largest business areas, while the margin increase was driven by Kongsberg Maritime.

Market og order intake

- Very high market- and tender activity throughout the Group, book/bill 1.11 in the first quarter.
- Book/bill over 1 in all business areas.
- Two contracts in Kongsberg Defence and Aerospace contributed to an order intake totalling MNOK 2,600.

Other

- Decided to further expand missile production capacity, supported partly with funds from Norway and the EU's ASAP program.
- In April, the Norwegian Government presented the Defence Long-Term Plan for 2025-2036. This is relevant for several of the Group's business areas.



MNOK	Q1				
	Operating revenues	EBITDA	EBIT	Order intake	Order backlog
Kongsberg Maritime	5 402	888	753	6 157	20 053
Kongsberg Defence & Aerospace	4 917	846	700	5 190	65 667
Kongsberg Discovery	1 052	139	114	1 157	3 110
Kongsberg Digital	393	(30)	(93)	531	2 224
Other/eliminations	(315)	(23)	(12)	(289)	(850)
Kongsberg Gruppen	11 450	1 820	1 463	12 746	90 204

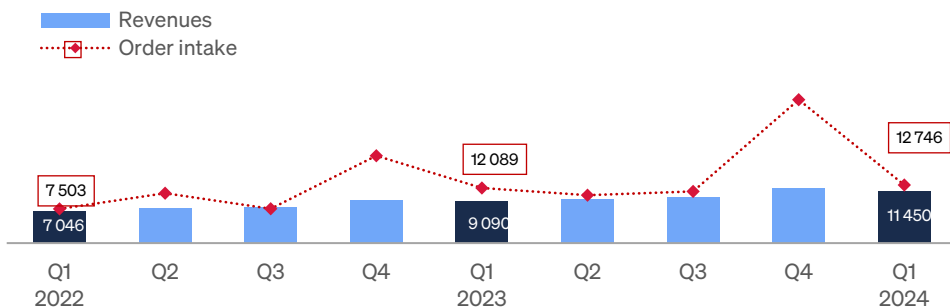
Key figures

MNOK	1.1 - 31.3		1.1-31.12
	2024	2023	2023
Operating revenues	11 450	9 090	40 617
EBITDA	1 820	1 357	6 037
EBITDA (%)	15,9	14,9	14,9
EBIT	1 463	1 019	4 600
EBIT (%)	12,8	11,2	11,3
Share of net income from associated companies	37	12	358
Earnings before tax	1 433	988	4 675
Earnings after tax	1 123	771	3 715
EPS (NOK)	6,36	4,21	21,08
Order Intake	12 746	12 089	65 401

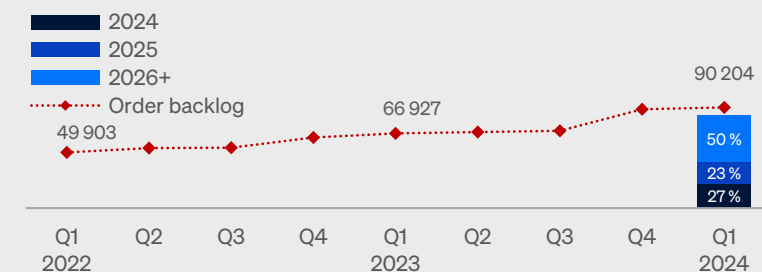
MNOK	31.3	31.12
	2024	2023
Equity ratio (%)	32,0	30,9
Net interest-bearing debt ¹⁾	(3 581)	(2 975)
Working Capital ²⁾	40	(445)
ROACE (%) ³⁾	35,5	33,3
Order backlog	90 204	88 550
Net interest-bearing debt incl. leasing liabilities/EBITDA ⁴⁾	(0,2)	(0,2)
No. of employees	13 602	13 341

- 1) Net interest-bearing debt is the net amount of the accounting lines "Cash and cash equivalents" and "Short- and long-term interest-bearing liabilities, excluding leasing commitments"
- 2) Current assets (except cash and cash equivalents) minus non-interest-bearing liabilities (except taxes payable). Financial instruments recognised at fair value are not included in working capital.
- 3) 12-month rolling EBIT excluding IFRS 16 divided by the 12-month mean of recognised equity and net interest-bearing debt.
- 4) 12-month rolling EBITDA

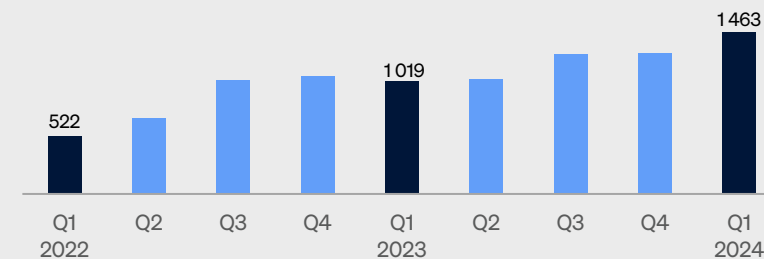
Operating revenues and order intake



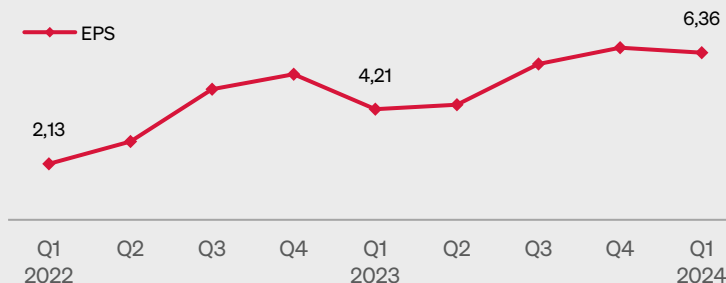
Order backlog



EBIT



EPS



KONGSBERG



Performance and order intake

MNOK	1.1 - 31.3		1.1-31.12
	2024	2023	2023
Operating	11 450	9 090	40 617
EBITDA	1 820	1 357	6 037
EBITDA (%)	15,9	14,9	14,9
EBIT	1 463	1 019	4 600
EBIT (%)	12,8	11,2	11,3
Order Intake	12 746	12 089	65 401
Order backlog	90 204	66 927	88 550

Operating revenues in the first quarter was MNOK 11 450,

compared to MNOK 9 090 in the same quarter last year, an increase of 26 per cent. There was solid growth in all business areas compared to Q1 2023. Kongsberg Defence & Aerospace continued to grow, particularly driven by missile and weapon stations. About MNOK 500 of the growth is abnormal high delivery volumes in the quarter in Kongsberg Defence & Aerospace. Kongsberg Maritime had increased activity in both the newbuilding and aftermarket. The growth in Kongsberg Discovery was mainly driven by deliveries of mapping and positioning systems to both commercial and public customers. In Kongsberg Digital, operating revenues and recurring

operating revenues increased as a result of the roll-out of systems and an increase in the number of users for the solutions.

EBIT in the first quarter was MNOK 1,463, corresponding to an EBIT margin of 12.8 per cent, compared to MNOK 1,019 (11.2 per cent) in the same quarter last year. Favourable project-mix, volume effects and efficient project execution contributed to the increased margin.

Order intake in the first quarter was MNOK 12 74, compared to MNOK 12 089 in the same quarter last year. This gave a book/bill in the quarter of 1.11. Order intake may vary considerably between quarters. All business areas had book/bill over 1 in the quarter and have built up order backlog. The largest individual contracts came from Kongsberg Defence & Aerospace, which signed a NASAMS contract with the Norwegian Defence Materiel Agency and an RWS contract with Patria.

The order backlog at the end of Q1 2024 was MNOK 90,204, an increase of MNOK 1,654 in the quarter and MNOK 23,277 since first quarter 2023.

Cash flow

The Group had MNOK 6,581 in cash and cash equivalents at the end first quarter compared to MNOK 5,975 at the end of 2023, an increase of MNOK 606 in the quarter. Cash flow in the quarter was mainly impacted by positive EBITDA, minus increased working capital and capital expenditures, mainly related to capacity expansions and a new missile factory.

Net cash flow from operating activities was MNOK 1,177, driven by a positive EBITDA of MNOK 1,820, partly reduced by increased working capital and taxes paid. Working capital increased as a result of higher net contract balances as a consequence of payments to subcontractors following receipt of large customer advances in the previous quarter.

The Group's cash flow from investment activities was MNOK -452. KONGSBERG is investing significantly in increased capacity and product development.

Cash flow from financing activities was MNOK -262, mainly related to principal payments and interest on leasing obligations, and interest on bond loans.

Balance sheet

MNOK	31.3	31.12
	2024	2023
Equity	17 791	16 465
Equity ratio (%)	32,0	30,9
Total assets	55 660	53 222
Working capital ¹⁾	40	(445)
Gross interest-bearing debt	3 000	3 000
Cash and cash equivalents	6 581	5 975
Net interest bearing debt ¹⁾	(3 581)	(2 975)
Net interest bearing debt incl. leasing liabilities/EBITDA ¹⁾	(0,2)	(0,2)

¹⁾ See definition note 12

At the end of the quarter the Group's interest-bearing debt was total MNOK 3,000. The debt consisted of four bond issues, see Note 7 for further information. KOG13 of MNOK 500 matures in June 2024 and is classified as current liabilities.

Net interest-bearing debt at the end of 1 July was MNOK -3 581, compared to MNOK -2 975 at the end of 2023.

The Group has a syndicated and committed loan facility of MNOK 2,500, as well as an overdraft facility of MNOK 1,500.

KONGSBERG has a long-term issuer rating of A- with a «stable prospect» awarded by the credit rating agency Nordic Credit Rating. The standalone credit assessment is BBB+. The rating was last updated on 19 April 2024 and can be found on www.nordiccreditrating.com.

Product development

KONGSBERG continuously invests in product development, through self-financed and customer-financed programs. Self-financed product development and maintenance was a total of MNOK 662 in the quarter, of which MNOK 85 was capitalised. Capitalised development in the quarter was mainly related to projects in Kongsberg Digital and Kongsberg Defence & Aerospace. See table in note 8 to the financial statement.

In the balance sheet as of Q1, the largest capitalised projects were related to the development of the Kognifai digital platform and associated applications, Joint Strike Missile and other missile technology, weapons stations (MCT and RWS), communication solutions and remote airport control towers.

In addition, there is customer-financed development, either as part of a project or as a specified development assignment. The total scope of product development and maintenance accounts for about ten per cent of operating revenues over time.

Employees

The company had **13,602 employees** at the end of Q1 2024, representing an increase of 261 during the quarter and 1,054 over the past year. All business areas in KONGSBERG are growing and capacity will continue to increase in the future to meet this growth. As of 1 January 2024, more than 200 employees in the Group's IT organisation have been transitioned from Kongsberg Defence & Aerospace to Others. Historical figures in tables have been restated and reflect this.



**Kongsberg
Maritime**

6 771



**Kongsberg Defence
& Aerospace**

4 270



**Kongsberg
Discovery**

1 108

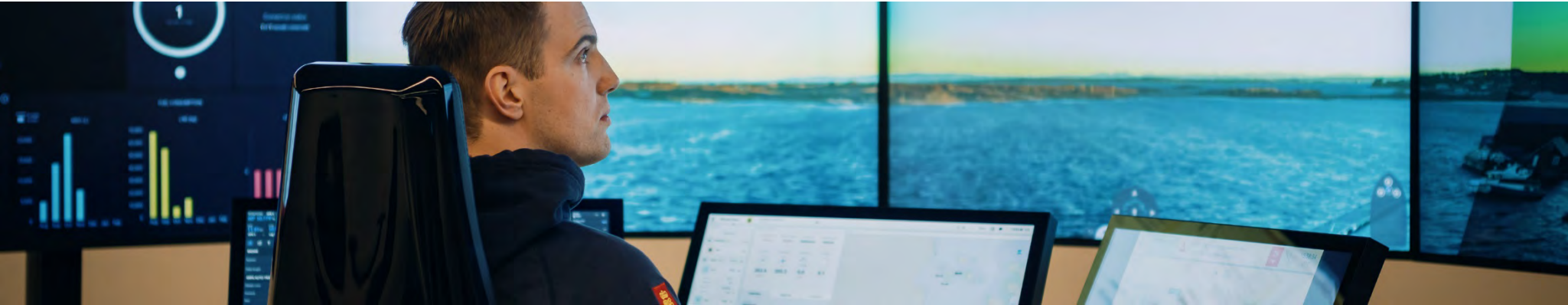


**Kongsberg
Digital**

1 138

Number of employees by business area

Kongsberg Maritime

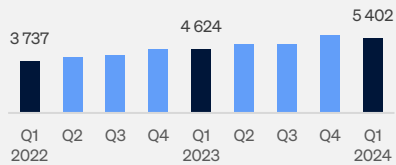


Key figures

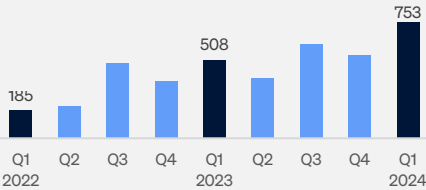
	1.1 - 31.3		1.1-31.12
MNOK	2024	2023	2023
Operating revenues	5 402	4 624	20 180
EBITDA	888	640	2 601
EBITDA (%)	16,4	13,8	12,9
EBIT	753	508	2 053
EBIT (%)	13,9	11,0	10,2
Order Intake	6 157	6 999	22 408

	31.3	31.12
MNOK	2024	2023
Order backlog	20 053	19 097
No. of employees	6 771	6 643

Operating revenues

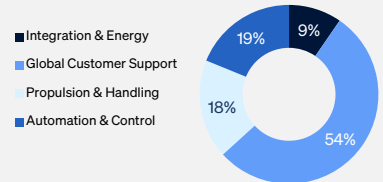


EBIT

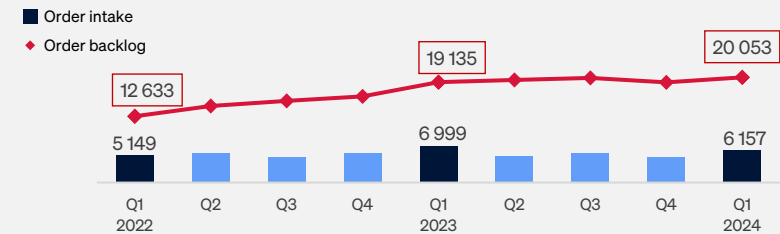


Operating revenues

YTD per division

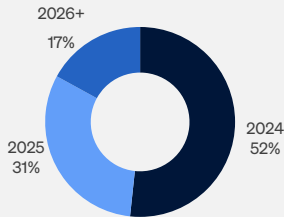


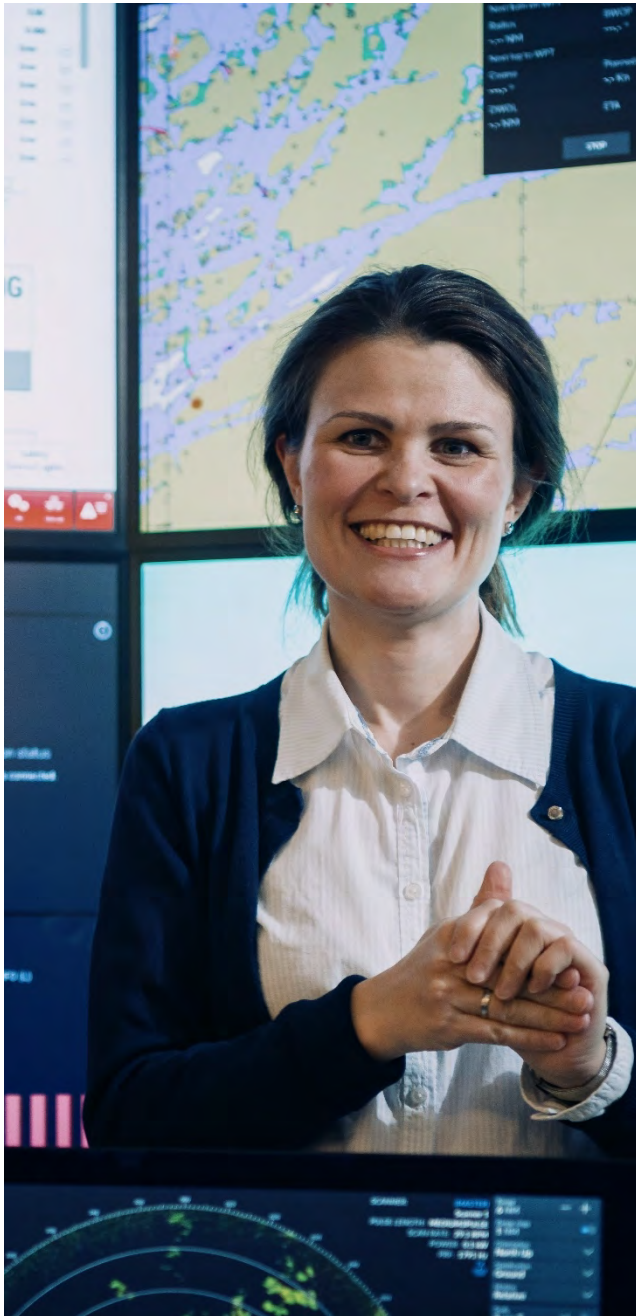
Orders



Order backlog

Breakdown by delivery date





Results

Operating revenues was to MNOK 5,402 in the first quarter, an increase of 17 per cent compared to the same quarter last year. All divisions increased operating revenues, and there was a high level of activity in deliveries to both existing fleets and new vessels. The growth in the newbuilding market was partly due to deliveries to LNG vessels, a class of vessels from which the business area has had a strong order intake in recent years. Activity in the aftermarket increased 14 per cent compared to the same quarter in 2023. In the aftermarket, there has still been a high level of activity related to both upgrades and reactivation, especially of offshore vessels. In addition, spare parts sales have been at a high level in the quarter.

EBIT was MNOK 753 in the first quarter, corresponding to an EBIT margin of 13.9 per cent compared to MNOK 508 (11.0 per cent) in the same quarter last year. The EBIT improvement resulted from a blend of favourable project mix, increased volume, and enhanced cost efficiency.

Market and orders

Order intake in the quarter was MNOK 6,157, corresponding to a book/bill of 1.14. Order intake in Q1 2023 was MNOK 6,999.

Approximately half of the order intake in the first quarter originated from the aftermarket. Order intake from the aftermarket was the highest ever, 8 per cent higher than Q3 2023 which was the previous record quarter. The order intake from new buildings was lower than first quarter of 2023, as a result of fewer large integration contracts, but the book/bill for orders from new builds was more than 1.1. The business area is experiencing significant demand for emission-reducing and emission-free solutions. Customers ordering vessel freight expect more environmentally friendly transportation options, placing additional strain on the industry. Balancing the decision between constructing new vessels and upgrading existing fleets remains crucial. Despite ample capacity, especially in the container freight market, the demand for new vessels continues to drive orders. Growing technological demands have expanded the scope of deliveries. Notably, Kongsberg Maritime has secured contracts for deliveries to container vessels exceeding MNOK 50 per vessel—a significantly broader scope than typical contracts in this segment just a few years ago.

The average age of the world fleet has increased significantly over the past ten years. At the same time, the world's shipping industry meets significant demands and expectations related to reduced emissions and increased energy efficiency. Kongsberg Maritime has delivered solutions related to safety and streamlining of vessel operations and operations for decades. Close cooperation with both the shipyard and the owner of the vessel and the operator has given the business area a unique domain knowledge that provides an advantage in both existing and new markets. This provides a good foundation for significant demand for Kongsberg Maritime's solutions in both the short and long term.

Kongsberg Maritime had an order backlog of MNOK 20,053 at the end of the first quarter of 2024.

Kongsberg Defence & Aerospace

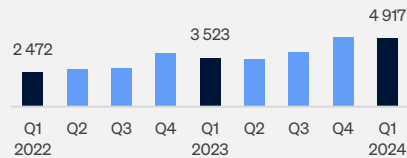


Key figures

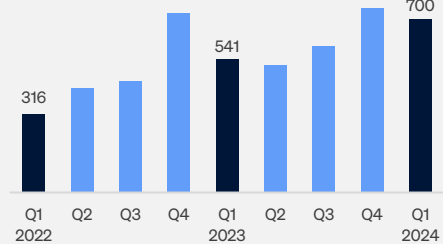
MNOK	1.1 - 31.3		1.1-31.12
	2024	2023	2023
Operating revenues	4 917	3 523	15 949
EBITDA	846	689	3 005
EBITDA (%)	17,2	19,5	18,8
EBIT	700	541	2 397
EBIT (%)	14,2	15,4	15,0
Share of netincome associated companies	37	12	406
Order Intake	5 190	3 849	37 771

MNOK	31.3	31.12
	2024	2023
Order backlog	65 667	65 377
No. of employees	4 270	4 129

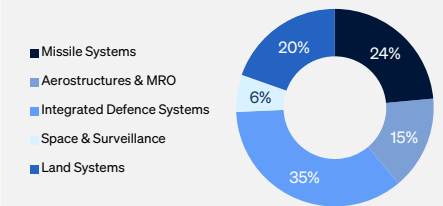
Operating revenues



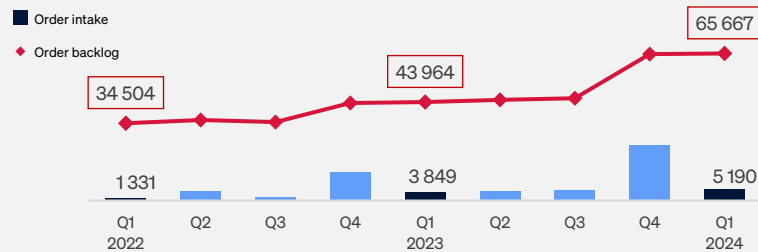
EBIT



Operating revenues YTD per division

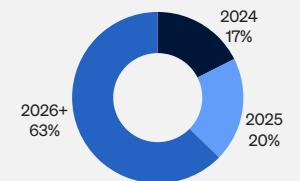


Orders



Order backlog

Breakdown by delivery date





Results

Operating revenues was to MNOK 4,917 in the first quarter, up 40 per cent from the same quarter last year. All five divisions of Kongsberg Defence & Aerospace experienced robust revenue growth in comparison to the first quarter of 2023. About MNOK 500 of the growth is abnormal high delivery volumes in the quarter. This effect is isolated for first quarter 2024. While the missile division showed strong growth in the quarter, the Land Systems division, responsible for supplying the Remote Weapon Station weapons control system, also achieved substantial growth. During the winter, we observed a substantial rise in volume due to increased capacity utilization and the successful completion of deliveries that had faced delays related to the component situation in 2022 and 2023.

EBIT ended at MNOK 700 in the first quarter, corresponding to an EBIT margin of 14.2 per cent, compared to MNOK 541 (15.4 per cent) in the same quarter last year. Over the past year, the composition of the projects has shifted, leading to a predictable decrease in the EBIT margin. However, this change in project composition was partially mitigated by increased volumes.

The share of net income from associated companies amounted to MNOK 37 (MNOK 12) in the quarter. See also note 5.

Market and Orders

The order intake was MNOK 5,190 in the first quarter, corresponding to a book/bill of 1.06. At the end of the quarter, the business area had an order backlog of MNOK 65,667, an increase of MNOK 290 from the end of 2023.

Largest contracts in the quarter:

1. In January, the business area signed a contract with the Norwegian Defence Materiel Agency for new NASAMS air defence systems. The contract had a value of MNOK 1,400 and is expected to be delivered in 2026.
2. In March, the business area signed a contract with Patria for the supply of PROTECTOR weapon control systems worth approximately MNOK 1,200. The weapon control systems will be installed on more than 300 Patria vehicles to be delivered to Finland and Sweden. Deliveries will start in 2025 and continue into the 2030s.

Regarding the NASAMS contract mentioned earlier, Norway's Minister of Defence stated: "These are investments that safeguard the country. We have taken extraordinary steps to speed up the procurement. The contract for the re-procurement of donated materials is the first step." The Norwegian Armed Forces' willingness to invest was further confirmed both through the Norwegian Government's proposal to order critical components in order to speed up future procurements of NASAMS, as well as the presentation of the long-term plan on 5 April 2024. In addition to other initiatives, there were proposals put forth for expanding the NASAMS program and making substantial investments in naval capabilities.

There is significant market activity in all divisions of the business area.

Other factors

Kongsberg Defence & Aerospace has almost half of its order backlog secured against inflation through escalation clauses in the contracts. For the part of the order backlog that is not secured, long-term agreements with the supply chain are used to create a predictable cost picture throughout the delivery process.

During the second quarter, the missile division will begin the transfer of missile production to new and modern facilities. The order backlog in the division is about NOK 35 billion, which lays the groundwork for ongoing substantial growth in the future. Simultaneously, the transition to a new facility and the gradual integration of contracts in the portfolio will temporarily moderate growth over the next 1-2 quarters, after which it is expected to resume an upward trajectory. In March, KONGSBERG announced that an additional MNOK 640 will be invested in increased production capacity for missiles. The investment is supported by both the Norwegian authorities and the EU's ASAP programme, which contribute MNOK 200 and MEUR 10 respectively of the investment.

As of Q2 2024, changes were made to the divisional structure of the business area. Kongsberg Defence & Aerospace now consists of 4 divisions: Missile Systems, Aerostructures & MRO, Space & Surveillance and Defence Systems. Defence Systems is a merger of the two former divisions Integrated Defence Systems and Land Systems. The purpose of the reorganization is to an even greater extent to be able to handle growth and streamline the organization.

Kongsberg Discovery

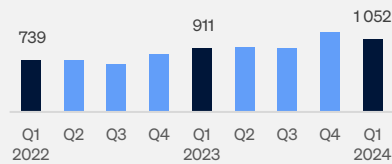


Key Figures

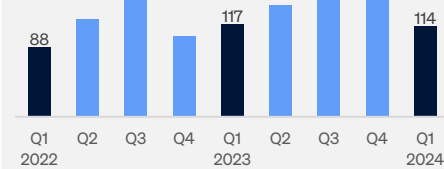
MNOK	1.1 - 31.3		1.1-31.12
	2024	2023	2023
Operating revenues	1 052	911	3 913
EBITDA	139	144	646
EBITDA (%)	13,2	15,8	16,5
EBIT	114	117	556
EBIT (%)	10,9	12,8	14,2
Order Intake	1 157	1 041	4 305

MNOK	31.3	31.12
	2024	2023
Order backlog	3 110	2 948
No. of employees	1 108	1 074

Operating revenues



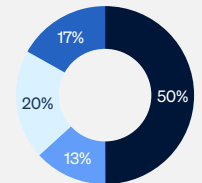
EBIT



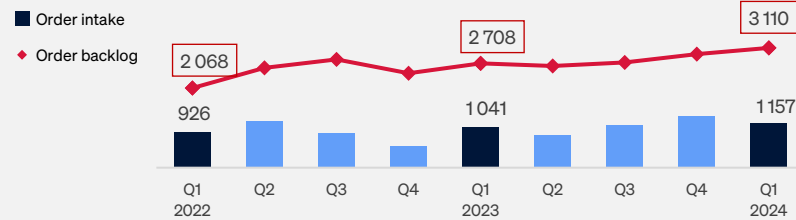
Operating revenues YTD per division

YTD per division

- Ocean Technologies
- Marine Life Technologies
- Uncrewed platforms
- Seatex

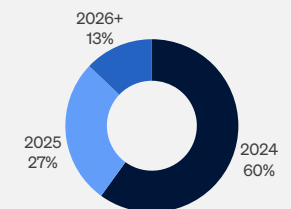


Order



Order backlog Breakdown by delivery date

Breakdown by delivery date





Results

Operating revenues in the first quarter was MNOK 1,052, an increase of 16 per cent compared to the same quarter last year. The main drivers for the increased turnover were deliveries of mapping and positioning systems to both commercial and public customers.

EBIT was MNOK 114 in the first quarter, corresponding to an EBIT margin of 10.9 per cent, compared to MNOK 117 (12.8 per cent) in the same quarter last year. The reduced EBIT margin compared to the first quarter 2023 was mainly due to increased development activity related to a delivery project.

Market and Orders

The order intake in the first quarter was MNOK 1,157, corresponding to a book/bill of 1.10. The order intake was MNOK 1,041 in the first quarter 2023. In the past year, the business sector has witnessed significant demand for advanced sensors from both commercial and public customers. This surge in demand has translated into a positive influx of orders.

The most important key drivers for Kongsberg Discovery are sustainability and safety. The business area is exposed to these drivers in major market segments such as ocean-based energy production, commercial fishing, seabed mapping, security and monitoring of critical infrastructure. The demand for solutions from commercial players, public administration and defence customers is increasing. Sustainable management of resources below sea level is also an important driver for several of the business area's divisions and segments.

The business area offers a wide range of products and solutions in all of the aforementioned areas. In Q1, the business area signed a contract with an international player for delivery of a system for monitoring movements in the seabed. The system will monitor unintended movements in the seabed during oil and gas production. The system consists of a large number of special sensors that will operate in deep water, which imposes significant requirements on the system. The field in question is located in water depths of around 2000 metres, which places great demands on the system. The purpose is to ensure increased and more efficient extraction from tail production from existing reservoirs, but the technology is also relevant in connection with carbon capture and storage.

The business area is experiencing high demand for the autonomous underwater vehicles of the HUGIN family. There is great demand from research and mapping communities for these vessels in order to streamline data collection. In addition, there is an increased demand related to subsea monitoring and safety. The latest model in the HUGIN family is the Endurance, which can be equipped with a highly advanced sensor package and carry out missions down to a depth of 6,000 metres. It is equipped with significant energy capacity that enables autonomous operations lasting up to 15 days. This allows for operations with both duration and complexity not previously performed by this type of solution.

Kongsberg Discovery had an order backlog of MNOK 3,110 at the end of the first quarter of 2024.

Kongsberg Digital

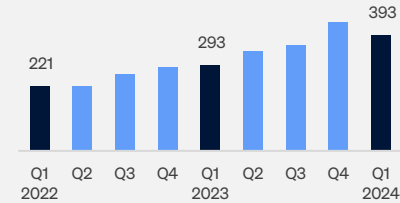


Key Figures

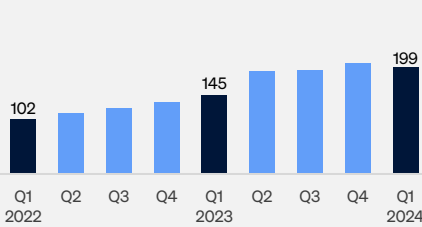
MNOK	1.1 - 31.3		1.1-31.12
	2024	2023	2023
Operating revenues	393	293	1433
of this Recurring revenues*	199	145	735
EBITDA	(30)	(83)	(252)
EBITDA (%)	(7,7)	(28,4)	(17,6)
EBIT	(93)	(127)	(479)
EBIT (%)	(23,6)	(43,3)	(33,4)
Order Intake	531	553	2 285

MNOK	31.3	31.12
	2024	2023
Order backlog	2 224	2 034
No. of employees	1 138	1 188

Operating revenues

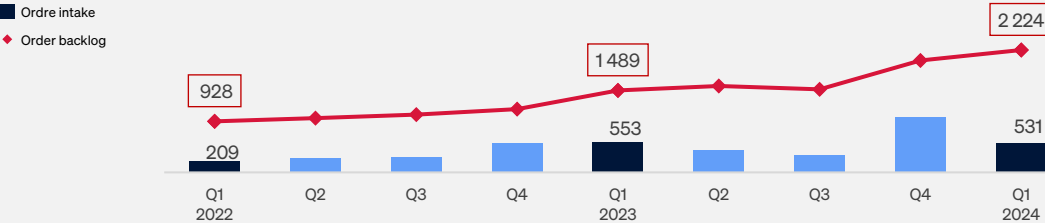


Recurring revenues



*Recurring revenues (RR) consist of revenues from Software as a Service, Software Leases and Software Maintenance & User Support

Orders





Results

Operating revenues was MNOK 393 in the first quarter, up 34 per cent from the same period in 2023. Recurring operating revenues was MNOK 199 in the quarter, on a par with Q4 2023 and up from MNOK 145 in Q1 2023. The growth compared to Q1 last year was mainly driven by higher activity in the simulation business and an increased user base for the dynamic digital twin solution Kognitwin. The latter was also the main driver of the growth in recurring income.

EBIT in the first quarter was MNOK (93), compared to MNOK -127 in the same quarter last year. The negative operating result was due to investments in product development and sales and marketing activities.

Market and order intake

The order intake was MNOK 531 in the first quarter, corresponding to a book/bill of 1.35. At the end of the quarter the business area had an order backlog of MNOK 2,224, an increase of MNOK 190 from the end of 2023. A key driver for order intake was the Kognitwin agreement with Shell, signed in December 2022, under which Shell will digitise a significant number of units over a longer period. This agreement generates a continuous order intake for Kongsberg Digital. In addition to the agreement with Shell, Kongsberg Digital has a multi-year agreement with Chevron for the digitalisation of their installations. This agreement was extended from two years to five years in October 2023. At the end of the first quarter of 2024, Kongsberg Digital had 44 digital twins in operation with a total of about 24,000 associated user licenses.

Kongsberg Digital's digital solution for "ship-to-cloud" infrastructure, Vessel Insight, has been sold to approximately 2,700 vessels, represented by a significant number of shipowners.

Since Kongsberg Digital was established in 2016, the business area has established itself as a leading supplier of digital solutions to the energy sector and maritime industry. Digitalisation is an important contributor to increased efficiency and reduction in greenhouse gas emissions in these industries.

Software as a Service (SaaS) solutions are the key drivers of growth. In recent years, positioning in the market has been in focus and Kongsberg Digital has therefore increased capacity related to development, sales and delivery during this period. There is good and growing interest, especially related to Kognitwin where the number of

twins in surgery has more than doubled in the last year. Demand for the Vessel Insight solution has also picked up over the past 2 years and the number of vessels ordering the solution is 25 per cent higher than one year ago.

KONGSBERG has high growth ambitions for Kongsberg Digital, and significant investments are being made in scaling and rolling out new solutions and applications.



Outlook

In recent years, KONGSBERG has experienced positive development, showcased adaptability, achieved substantial growth, and improved results.

At the end of Q1 2024, the Group had an order backlog of NOK 90.2 billion, of which NOK 24.1 billion will be delivered during the Q2-Q4 2024. This serves as a solid foundation for ongoing expansion. Order intake from the aftermarket is to a lesser extent included in the order backlog. The order backlog in associated companies, along with framework agreements, comes in addition to the reported order backlog.

Kongsberg Maritime is exposed to newbuilds and aftermarkets in a wide range of segments, from traditional merchant fleets to more advanced vessels performing complex marine operations. Numerous shipyards currently maintain nearly full order books for the upcoming years. Consequently, Kongsberg Maritime's order backlog extends over time, ensuring robust activity. The aging vessel fleet and increasingly stringent emissions requirements underscore the need for fleet modernization. The business area, with its advanced portfolio of systems and solutions, combined with deep domain knowledge, is an enabler for the decarbonization of the maritime industry.

Kongsberg Defence & Aerospace has grown continuously in recent years and has an order backlog of NOK 65.7 billion at the end of Q1 2024. The business area is well positioned for several significant orders in the short and medium term, which gives expectations of an increased order backlog over the next few years. Profitability varies between different product groups and different geographies. The

composition of projects is therefore an important driver for profitability in the business area. The business area's long-term target for EBITDA margin is 17 per cent in 2025, but this will vary between quarters. In order to maintain the ability to fulfill existing orders and meet the substantial demand, substantial investments are being directed toward expanding missile production capacity. A new factory will be operational by the summer of 2024.

Kongsberg Discovery has a broad world-leading technology portfolio combined with deep domain knowledge and software that is important within fisheries, marine research, marine operations, ocean-based energy production and monitoring of critical infrastructure. There exists significant demand for technology across various segments.

Kongsberg Digital has significantly increased both operating revenues and recurring operating revenues in recent years. There is considerable market interest in the business area's digital solutions, encompassing both operational efficiency enhancements and climate-related aspects. In 2024, substantial investments are earmarked for expanding capacity, developing, and launching digital solutions. However, KONGSBERG's aspiration is for Kongsberg Digital to achieve positive EBITDA in the latter half of 2024.

Today's global landscape is characterized by turbulence and unpredictability. Simultaneously, there exists a pressing demand for solutions that address critical issues such as enhanced energy efficiency, sustainable energy sources, and robust security and monitoring. KONGSBERG boasts a portfolio of cutting-edge products and systems that can contribute to overcoming these challenges. Furthermore, the combination of a robust order backlog and a strong financial position positions us well for further growth in 2024.

Kongsberg, 29 April 2024

The Board of Directors of Kongsberg Gruppen ASA



Numbers & Notes

Key figures by quarter

KONGSBERG MNOK	2024		2023					2022				
	2024	Q1	2023	Q4	Q3	Q2	Q1	2022	Q4	Q3	Q2	Q1
Operating revenues	11 450	11 450	40 617	11 936	9 978	9 614	9 090	31 803	9 444	7 745	7 567	7 046
EBITDA	1 820	1 820	6 037	1 672	1 626	1 381	1 357	4 602	1 401	1 360	1 012	829
EBITDA (%)	15,9	15,9	14,9	14,0	16,3	14,4	14,9	14,5	14,8	17,6	13,4	11,8
EBIT	1 463	1 463	4 600	1 273	1 270	1 038	1 019	3 309	1 068	1 035	683	522
EBIT (%)	12,8	12,8	11,3	10,7	12,7	10,8	11,2	10,4	11,3	13,4	9,0	7,4
Share of net income associated companies	37	37	358	177	148	21	12	387	174	144	47	23
Order intake	12 746	12 746	65 401	31 461	11 339	10 512	12 089	45 150	19 166	7 535	10 945	7 503
Order backlog	90 204	90 204	88 550	88 550	69 233	68 130	66 927	63 256	63 256	54 127	53 788	49 903

KONGSBERG MARITIME MNOK	2024		2023					2022				
	2024	Q1	2023	Q4	Q3	Q2	Q1	2022	Q4	Q3	Q2	Q1
Operating revenues	5 402	5 402	20 180	5 589	4 990	4 978	4 624	16 486	4 608	4 136	4 005	3 737
EBITDA	888	888	2 601	671	762	529	640	1 825	531	622	360	312
EBITDA (%)	16,3	16,3	12,8	11,8	15,2	10,6	13,8	11,1	11,5	15,1	9,0	8,3
EBIT	753	753	2 053	538	615	392	508	1 255	374	486	211	185
EBIT (%)	13,9	13,9	10,1	9,5	12,3	7,8	10,9	7,6	8,1	11,8	5,3	4,9
Order intake	6 157	6 157	22 408	4 798	5 534	5 077	6 999	21 335	5 672	4 931	5 583	5 149
Order backlog	20 053	20 053	19 097	19 097	19 942	19 553	19 135	16 423	16 423	15 565	14 594	12 633

KONGSBERG DEFENCE AEROSPACE MNOK	2024		2023					2022				
	2024	Q1	2023	Q4	Q3	Q2	Q1	2022	Q4	Q3	Q2	Q1
Operating revenues	4 917	4 917	15 949	5 017	3 940	3 468	3 523	11 860	3 894	2 802	2 692	2 472
EBITDA ¹⁾	846	846	3 005	900	752	664	689	2 463	874	588	554	447
EBITDA (%)	17,2	17,2	18,8	17,9	19,1	19,1	19,5	20,8	22,4	21,0	20,6	18,1
EBIT ¹⁾	700	700	2 397	748	594	514	541	1 919	727	452	424	316
EBIT (%)	14,2	14,2	15,0	14,9	15,0	14,8	15,3	16,2	18,7	16,1	15,7	12,8
Share of net income associated companies	37	37	406	191	147	56	12	330	172	74	61	24
Order intake	5 190	5 190	37 771	24 839	4 646	4 438	3 849	19 560	12 530	1 619	4 080	1 331
Order backlog	65 667	65 667	65 377	65 377	45 667	44 938	43 964	43 540	43 540	35 027	35 950	34 504

¹⁾ EBITDA and EBIT for 2023 and 2022 are restated due to Kongsberg IT being reported as a part of other from 2024.

Key figures by quarter continued

KONGSBERG DISCOVERY	2024		2023					2022				
	2024	Q1	2023	Q4	Q3	Q2	Q1	2022	Q4	Q3	Q2	Q1
MNOK												
Operating revenues	1 052	1 052	3 913	1 145	924	934	911	2 998	827	685	747	739
EBITDA	139	139	646	174	160	168	144	565	131	173	147	113
EBITDA (%)	13,2	13,2	16,5	15,2	17,3	18,0	15,8	18,8	15,8	25,3	19,7	15,4
EBIT	114	114	556	150	149	141	117	464	102	151	123	88
EBIT (%)	10,9	10,9	14,2	13,1	16,1	15,1	12,8	15,5	12,3	22,0	16,5	12,0
Order intake	1 157	1 157	4 305	1 326	1 103	835	1 041	3 575	550	885	1 215	926
Order backlog	3 110	3 110	2 948	2 948	2 732	2 641	2 708	2 452	2 452	2 811	2 592	2 068
KONGSBERG DIGITAL												
KONGSBERG DIGITAL	2024		2023					2022				
	2024	Q1	2023	Q4	Q3	Q2	Q1	2022	Q4	Q3	Q2	Q1
MNOK												
Operating revenues	393	393	1 433	439	360	341	293	989	285	262	220	221
-of this recurring revenues	199	199	735	206	193	190	145	469	132	122	112	102
EBITDA	(30)	(30)	(252)	(64)	(36)	(68)	(83)	(259)	(109)	(52)	(50)	(48)
EBITDA (%)	(7,7)	(7,7)	(17,6)	(14,7)	(10,1)	(19,9)	(28,4)	(26,2)	(38,1)	(19,6)	(22,9)	(21,7)
EBIT	(93)	(93)	(479)	(153)	(84)	(114)	(127)	(380)	(146)	(83)	(79)	(73)
EBIT (%)	(23,6)	(23,6)	(33,4)	(34,8)	(23,5)	(33,5)	(43,3)	(38,4)	(51,1)	(31,5)	(36,0)	(32,8)
Order intake	531	531	2 285	1 001	321	411	553	1 275	523	286	257	209
Order backlog	2 224	2 224	2 034	2 034	1 509	1 570	1 489	1 150	1 150	1 050	986	928

Due to eliminations and that Property, Kongsberg IT and Corporate functions are not included, the sum of Business Areas does not add up to Group.

Condensed income statement

MNOK	Note	1.1 - 31.3		1.1 - 31.12
		2024	2023	2023
Operating revenues	4	11 450	9 090	40 617
Operating expenses	8	(9 630)	(7 733)	(34 581)
EBITDA	4	1 820	1 357	6 037
Depreciation		(130)	(118)	(479)
Depreciation, leasing assets	6	(119)	(114)	(493)
Impairment of property, plant and equipment		-	-	(4)
Amortisation		(109)	(105)	(422)
Impairment of intangible assets		-	-	(39)
EBIT	4	1 463	1 019	4 600
Share of net income from joint arrangements and associated companies	5	37	12	358
Interest on leasing liabilities	6	(36)	(32)	(136)
Net financial items	7	(31)	(11)	(147)
Earnings before tax (EBT)		1 433	988	4 675
Income tax expense	11	(310)	(218)	(959)
Earnings after tax (EAT)		1 123	771	3 715
Attributable to:				
Equity holders of the parent		1 119	743	3 712
Non-controlling interests		4	27	4
Earnings per share (EPS) / EPS diluted in NOK				
-Earnings per share		6,36	4,21	21,08
-Earnings per share, diluted		6,36	4,21	21,08

Condensed statement of comprehensive income

MNOK	Note	1.1 - 31.3		1.1-31.12
		2024	2023	2023
Earnings after tax		1 123	771	3 715
Specification of other comprehensive income for the period:				
<i>Items to be reclassified to profit or loss in subsequent periods:</i>				
Change in fair value, financial instruments				
-Cash flow hedges and cross-currency swaps	7	(127)	(327)	93
Tax effect cash flow hedges		28	72	(20)
Translation differences currency		314	422	426
Total items to be reclassified to profit or loss in subsequent periods		214	167	499
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gains/losses pensions		-	-	(53)
Tax effect on actuarial gain/loss on pension		-	-	11
Total items not to be reclassified to profit or loss		-	-	(42)
Comprehensive income		1 337	938	4 173

Condensed statement of financial position

MNOK	Note	31.3	31.12
		2024	2023
Assets			
Property, plant and equipment		5 955	5 588
Leasing assets	6	1 879	1 668
Intangible assets	8	5 936	5 952
Shares in joint arrangements and associated companies	5	4 386	4 259
Other non-current assets		901	871
Total non-current assets		19 057	18 338
Inventories		6 971	6 848
Trade receivables		8 420	8 722
Customer contracts, asset	7	12 244	10 500
Derivatives	7	1 336	1 887
Other short-term receivables		1 052	951
Cash and cash equivalents		6 581	5 975
Total current assets		36 603	34 884
Total assets		55 660	53 222

MNOK	Note	31.3	31.12
		2024	2023
Equity, liabilities and provisions			
Issued capital		5 928	5 928
Retained earnings		9 964	8 855
Other reserves		1 396	1 185
Non-controlling interests		504	497
Total equity		17 791	16 465
Long-term interest-bearing loans	7	2 500	2 500
Long-term leasing liabilities	6	1 678	1 457
Other non-current liabilities and provisions	3	2 091	2 111
Total non-current liabilities and provisions		6 269	6 068
Customer contracts, liabilities	7	19 598	19 825
Derivatives	7	2 697	1 929
Short-term interest-bearing loans	7	500	500
Short-term leasing liabilities	6	428	433
Other current liabilities and provisions	3	8 376	8 001
Total current liabilities and provisions		31 599	30 689
Total equity, liabilities and provisions		55 660	53 222
Equity ratio (%)		32,0	30,9
Net interest-bearing debt		(3 581)	(2 975)

Condensed statement of changes in equity

		31.3	31.12
MNOK	Note	2024	2023
Equity opening balance		16 465	13 744
Total comprehensive income		1 337	4 173
Dividends paid		-	(2 115)
Share buy-back related to share buy-back programme		(10)	(265)
Transactions with treasury shares related to employee share programme		-	4
Capital reduction		-	(2)
Purchase/sale, in non-controlling interests		(1)	927
Equity closing balance		17 791	16 465

Condensed cash flow statement

MNOK	Note	1.1 - 31.3		1.1 - 31.12
		2024	2023	2023
Earnings after tax		1 123	771	3 715
Depreciation/impairment of property, plant and equipment		130	118	483
Depreciation, leasing assets		119	114	493
Amortisation/impairment of intangible assets		109	105	461
Share of net income from joint ventures and associated companies		(37)	(12)	(358)
Net finance items		67	43	283
Income taxes		310	218	959
Gain on sale of business		-	-	(135)
Change in net current assets and other operations-related items		(643)	(1 234)	(74)
Net cash flow from operating activities		1 177	123	5 827
Dividend from joint arrangements and associated companies	5	-	-	170
Purchase/disposal of property, plant and equipment		(417)	(321)	(1 931)
Investment in subsidiaries and associated companies		(9)	-	(163)
Interest received		64	37	120
Sale of business and investment i subsidiaries	24	-	-	1 115
Capitalised internal developed and other intangible assets		(89)	(101)	(403)
Settlement of cross-currency swaps		-	(29)	(59)
Net cash flow from investing activities		(452)	(414)	(1 153)

MNOK	Note	1.1 - 31.3		1.1 - 31.12
		2024	2023	2023
Net change interest-bearing loans		-	(3)	537
Payment of principal portion of lease liabilities	6	(115)	(108)	(477)
Interest paid		(101)	(42)	(222)
Interest paid on leasing liabilities	6	(36)	(32)	(136)
Net payment related to employee share programme		(10)	-	(80)
Share buy-back related to share buy-back programme	23	-	(17)	(266)
Dividends paid to equity holders of the parent		-	-	(2 128)
- of which dividends from treasury shares		-	-	13
Net cash flow from financing activities		(262)	(202)	(2 759)
Effect of changes in exchange rates on cash and cash equivalents		142	201	128
Net change in cash and cash equivalents		606	(293)	2 043
Cash and cash equivalents at the beginning of the period		5 975	3 932	3 932
Cash and cash equivalents at the end of the period		6 581	3 639	5 975

1

General information and principles

General information

The consolidated financial statement for Q1 (interim financial statement) covers Kongsberg Gruppen ASA, its subsidiaries and shares in joint arrangements and associated companies that are included according to the equity method.

Principles

Interim financial statements are compiled in accordance with IAS 34 (interim reporting), stock exchange regulations and the additional requirements of the Securities Trading Act. Interim financial statements do not include the same amount of information as the full financial statements and should be read in the context of the consolidated financial statements for 2023. The consolidated financial statements for 2023 were prepared in compliance with the Norwegian Accounting Act and international standards for financial reporting (IFRS) established by the EU.

The consolidated financial statements for 2023 are available on www.kongsberg.com.

The interim financial statement has not been audited.

2

New standards as from 1.1.2024

The accounting principles used in the quarterly report are the same principles as those applied to the consolidated financial statements for 2023, with the exception of changes to IFRS 16 "Leases", IAS 1 "Presentation of Financial Statements", IFRS 7 "Financial Instruments – disclosure" and IAS 7 "Statement of Cash Flows" which were implemented 1 January 2023.

The implementation of the changes has not had any significant effect on the consolidated financial statements.

The amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments to IAS 1 clarify how covenants affect the classification of liabilities as current and non-current and the related disclosure requirements. The amendments specify that if the entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants") the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to

comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or a later date. An entity must provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The disclosure must include information about the covenants and the related liabilities as well as any facts and circumstances that indicate the entity may have difficulty complying with the covenants. The amendments in IFRS 7 and IAS 7 concern new disclosure requirements regarding supplier finance arrangements. The requirements regard arrangements where the entity achieve deferred payment or that the supplier achieve pay in advance compared to the agreed terms and conditions between the entity and the supplier.

3

Estimates

Preparing the interim financial statement involves assessments, estimates and assumptions that affect the use of accounting principles and posted amounts for assets and obligations, revenues and expenses. Actual results may deviate from these estimates. The key considerations in connection with the application of the Group's accounting principles and the major sources of uncertainty remain the same as when the 2023 consolidated financial statements was compiled.

MNOK	Operating revenues			EBITDA			EBIT		
	1.1 - 31.3		1.1-31.12	1.1 - 31.3		1.1-31.12	1.1 - 31.3		1.1-31.12
	2024	2023	2023	2024	2023	2023	2024	2023	2023
Kongsberg Maritime	5 402	4 624	20 180	888	640	2 601	753	508	2 053
Kongsberg Defence & Aerospace ²⁾	4 917	3 523	15 949	846	689	3 005	700	541	2 397
Kongsberg Discovery	1 052	911	3 913	139	144	646	114	117	556
Other ¹⁾²⁾	78	32	575	(53)	(116)	(215)	(105)	(147)	(407)
Group	11 450	9 090	40 617	1 820	1 357	6 037	1 463	1 019	4 600

1) Other activities consist of Kongsberg Digital, Kongsberg IT, property, corporate functions and eliminations. For information about Kongsberg Digital see separate section.

Operating revenues YTD by division:

MNOK	2024	2023	MNOK	2024	2023	MNOK	2024	2023
<i>Divisions</i>			<i>Divisions</i>			<i>Divisions</i>		
Global Customer Support	3 099	2 714	Land Systems	1 037	601	Ocean Technologies	539	391
Integration & Energy	553	410	Integrated Defence Systems	1 874	1 393	Marine Life Technologies	143	164
Propulsion & Handling	1 034	902	Aerostructures & MRO	813	660	Uncrewed Platforms	215	207
Automation & Control	1 088	927	Missile Systems	1 245	757	Seatex	182	164
Other/elimination	(372)	(329)	Space & Surveillance	322	265	Annet/eliminerer	(27)	(14)
Kongsberg Maritime¹⁾	5 402	4 624	Other/elimination	(374)	(153)	Kongsberg Discovery	1 052	911
			Kongsberg Defence & Aerospace	4 917	3 523			
						Other/elimination	78	32
						Total revenues	11 450	9 090

1) The 2023 figures are revised according to the new division structure in Kongsberg Maritime.

The table shows the anticipated date on which remaining performance obligations as of 31 March 2024 are recognised as income:

MNOK	2024				2023			
	Date of revenue recognition				Date of revenue recognition			
	Order backlog 31.3.24	2024	2025	2026 and later	Order backlog 31.3.23	2023	2024	2025 and later
Kongsberg Maritime	20 053	10 365	6 273	3 415	19 135	9 079	6 017	4 040
Kongsberg Defence & Aerospace	65 667	11 527	12 978	41 163	43 964	10 615	10 644	22 705
Kongsberg Discovery	3 110	1 867	845	398	2 708	1 547	814	348
Other/elimination	1 374	381	476	517	1 119	477	453	189
Total	90 204	24 140	20 571	45 493	66 927	21 719	17 928	27 282

Specification of movement in the balance sheet line "Shares in joint arrangements and associated companies" 1 January to 31 March

MNOK	Ownership	Carrying amount 1.1	Additions/ disposals	Dividends received	Share of net income ¹⁾	Other items and comprehensive income	Carrying amount 31.3	Share of net income 1.1 - 31.3
Patria Oyj	49,9%	3 331	-	-	(12)	81	3 400	(12)
Kongsberg Satellite Services AS	50,0%	855	-	-	38	-	893	38
Other shares		72	9	-	11	-	92	11
Total		4 259	9	-	37	81	4 386	37

¹⁾ The share of net income is included after tax and amortisation of excess value.

Share of net result from Patria:

MNOK	1.1 - 31.3		1.1-31.12
	2024	2023	2023
KONGSBERG's share (49,9%) ¹⁾	(10)	(24)	244
Amortisation of excess values after tax	(2)	(2)	(10)
Share of net income recognised in KDA for the period	(12)	(25)	233

¹⁾ Share of Patria's net income after tax adjusted for non-controlling interests and net income from KAMS. Share of net income from Patria is recognised as follows during the quarters: Q1: Jan-Feb, Q2: Mar-May, Q3: Jun-Aug and Q4: Sep-Dec.

Share of net income and dividend from associated companies per business area:

MNOK	Share of net income			Dividend		
	1.1 - 31.3		1.1-31.12	1.1 - 31.3		1.1-31.12
	2024	2023	2023	2024	2023	2023
Kongsberg Maritime	-	-	(14)	-	-	-
Kongsberg Defence & Aerospace	37	12	406	-	-	170
Kongsberg Discovery	-	-	(35)	-	-	-
Other	-	-	1	-	-	-
Group	37	12	358	-	-	170

KONGSBERG has leases that are primarily related to land and buildings, as well as leases for machinery, vehicles and equipment.

IFRS 16 effects on condensed statement of financial position:

Opening balance 1 January 2024	1 668
Addition	363
Disposal	(55)
Depreciation Q1	(119)
Translation differences	22
Closing balance 31 March 2024	1 879

Leasing assets and leasing liabilities recognised in the financial position:

	31.3.2024	31.12.2023
Leasing assets	1 879	1 668
Long-term leasing liabilities	1 678	1 457
Short-term leasing liabilities	428	433

IFRS 16 effects on condensed income statement in the period:

	1.1 - 31.3	1.1 - 31.12	
	2024	2023	2023
Returned rental cost earlier included in EBITDA	151	141	613
Profit/Loss on disposed leases	2	-	1
Increased EBITDA in the period	154	141	614
Depreciation on leases	(119)	(114)	(493)
Increased EBIT in the period	34	27	121
Interest cost on leasing liabilities for the period	(36)	(32)	(136)
Reduced EBT in the period	(2)	(6)	(15)

Loans and credit facilities

The group has four bond loans amounting to a total of MNOK 3 000. The loans are classified as long-term loans except KOG13 which is due 6th of June 2024. The maturity dates of the long-term bond loans range from the 26th of February 2026 to the 31st of May 2030. In addition, the group has a syndicated credit facility of MNOK 2,500 and an overdraft credit facility of MNOK 1,500. Neither were utilized at the end of the quarter.

Interest-bearing loans:

<i>MNOK</i>	<i>Due date</i>	<i>Nominal interest rate</i>	31.3.2024	31.12.2023
			<i>Value¹</i>	<i>Value¹</i>
<i>Long-term loans:</i>				
Bond issue KOG09 - fixed interest rate	2.6.26	3,20%	1 000	1 000
Bond issue KOG14 - floating interest rate	26.2.26	5,61%	500	500
Bond issue KOG15 - fixed interest rate	31.5.30	4,85%	1 000	1 000
Other long-term loans			-	-
Total long-term loans			2 500	2 500
<i>Short-term loans:</i>				
Bond issue KOG13 - floating interest rate	6.6.24	5,90%	500	500
Overdraft facility			-	-
Total short-term loans			500	500
Total interest-bearing loans			3 000	3 000
Syndicated credit facility (unutilised credit limit) ²	22.3.29		2 500	2 500
Overdraft facility (max credit limit)			1 500	1 500

¹ Value is equal to nominal amount.

² The credit facility was extended with one year during the quarter.

Forward exchange contracts

Fair value of balances classified as cash flow hedges, as shown in the condensed statement of comprehensive income, decreased by MNOK 127 before tax during the period 1 January – 31 March 2024. The fair value of unrealized forward exchange contracts decreased by MNOK 112 during the period. The total change in net fair value of fair value hedges represented a decrease of MNOK 1 168 from the end of last year. The end-of-quarter spot rates were USD/NOK 10.82, EUR/NOK 11.67 and GBP/NOK 13.65.

Forward exchange contracts classified as cash flow hedges:

MNOK	Due in 2024		Due in 2025 or later		Total		
	Value in NOK on agreed rates	Fair value at 31.3.24	Value in NOK on agreed rates	Fair value at 31.3.24	Value in NOK on agreed rates	Change in fair value from 31.12.23	Fair value at 31.3.24
USD	(1 290)	(201)	2 246	(226)	957	(98)	(426)
EUR	472	13	(63)	2	410	(15)	15
Other	4	13	(23)	1	(18)	1	14
Sum	(813)	(175)	2 161	(222)	1 348	(112)	(398)
Roll-over of currency futures		101		273		24	373
Total	(813)	(74)	2 161	50	1 348	(88)	(24)
Forward exchange contracts cash flow hedges, assets							431
Forward exchange contracts cash flow hedges, liabilities							828
Net forward exchange contracts cash flow hedges							(398)

Fair value is referring to the net present value of the variance between the forward rate as of 31 March 2024 and the forward rate at the time of entering the forward exchange contract. The change in the fair value of cash flow hedges recognised in the statement of comprehensive income is MNOK -127, while the table above show a change in fair value of MNOK -88. The difference between these two amounts of MNOK -39 was ascribable to a change in fair value of cross-currency swaps.

Forward exchange contracts classified as fair value hedges:

MNOK	Due in 2024		Due in 2025 or later		Total		
	Value in NOK on agreed rates	Fair value at 31.3.24	Value in NOK on agreed rates	Fair value at 31.3.24	Value in NOK on agreed rates	Change in fair value from 31.12.23	Fair value at 31.3.24
USD	6 878	(268)	2 969	(149)	9 847	(629)	(417)
EUR	4 041	(77)	7 303	(198)	11 344	(382)	(275)
GBP	955	(32)	226	(34)	1 181	(69)	(66)
Other	385	(49)	271	(45)	656	(88)	(94)
Total	12 258	(426)	10 770	(426)	23 028	(1 168)	(852)
Forward exchange contracts fair value hedges, assets							882
Forward exchange contracts fair value hedges, liabilities							1 734
Net forward exchange contracts fair value hedges							(852)

The net value of fair value hedges which are mainly recognized as derivatives in the statement of financial position, offset against customer contracts, assets by MNOK 118 (decrease) and customer contracts, liabilities by MNOK -950 (decrease).

Specification of derivatives:

	31.3	31.12
MNOK	2024	2023
Forward exchange contracts, cash flow hedges (a)	431	238
Forward exchange contracts, fair value hedges (b)	882	1 617
Cross-currency swaps	23	32
Total derivatives, current assets	1 336	1 887
Forward exchange contracts, cash flow hedges (c)	828	524
Forward exchange contracts, fair value hedges (d)	1 734	1 301
Cross-currency swaps	134	105
Total derivatives, current liabilities	2 697	1 929
Net forward exchange contracts, cash flow hedges (a) - (c)	(398)	(286)
Net forward exchange contracts, fair value hedges (b) - (d)	(852)	316
Total net forward exchange contracts	(1 250)	30

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Product development

Product maintenance cost and development recognised in the income statement during the period:

	1.1 - 31.3		1.1-31.12
MNOK	2024	2023	2023
Product maintenance	152	145	569
Development cost	424	352	1 513
Total	577	497	2 082

Capitalised development recognised during the period:

	1.1 - 31.3		1.1-31.12
MNOK	2024	2023	2023
Capitalised development	85	97	340

In the consolidated statement of financial position at the end of the first quarter the largest capitalised projects were related to the development of the digital platform Kognifai and associated applications, Joint Strike Missile (JSM) and other missile technology, medium-calibre weapon station (MCT and RWS), communication solutions and remote towers for airports.

The Board is not aware of any changes or transactions in the 1st quarter associated with related parties that in any significant way have an impact on the Group's financial position and profit for the period.

KONGSBERG's risk management is described in the 2023 annual report. No new risk and uncertainty factors emerged during this quarter.

The income tax expense per 1st quarter was calculated to be 21.6 per cent of earnings before tax. The income tax expense was mainly affected by income from associates recognized after tax.

Alternative performance measures and definitions

KONGSBERG uses terms in the consolidated financial statements that are not anchored in the IFRS accounting standards. Our definitions and explanations of these terms follow below.

KONGSBERG considers **EBITDA and EBIT** to be normal accounting terms, but they are not included in the IFRS accounting standards. EBITDA is the abbreviation of “Earnings Before Interest, Taxes, Depreciation and Amortisation”. KONGSBERG uses EBITDA in the income statement as a summation line for other accounting lines. These accounting lines are defined in our accounting principles, which are part of the 2023 financial statements. The same applies to EBIT.

Restructuring costs consist of salaries and social security tax upon termination of employment (such as severance and gratuity) in connection with workforce reductions. In addition to this are rent and other related costs and any one-off payments in the event of the premature termination of tenancy agreements for premises that are not in use.

Net interest-bearing debt is the net amount of the accounting lines “Cash and cash equivalents” and “Short- and long-term interest-bearing liabilities, excluding leasing commitments”.

Return on Average Capital Employed (ROACE) is defined as the 12-month rolling EBIT including share of net income from joint arrangements and associated companies, excluding IFRS 16 divided by the 12-month mean of recognised equity and net interest-bearing debt.

Net interest-bearing debt incl. leasing liabilities/EBITDA is defined as net interest-bearing debt incl. leasing liabilities divided by 12-month rolling EBITDA.

Working capital is defined as current assets (except cash and cash equivalents) minus non-interest-bearing liabilities (except taxes payable). Financial instruments classified as cash flow hedges are not included in working capital.

Working capital is calculated as follow:

	31.3	31.12
MNOK	2024	2023
Current assets	36 603	34 884
Current liabilities and provisions	(31 599)	(30 689)
<i>Adjusted for:</i>		
Cash and cash equivalents	(6 581)	(5 975)
Short-term interest-bearing loans	500	500
Short-term leasing liabilities	428	433
Net tax payable	553	393
Financial instruments classified as cash flow hedges	136	8
Working capital	40	(445)

Book/bill is order intake divided by operating revenues.

Recurring revenues consist of revenues from Software as a Service, Software Leases and Software Maintenance & User Support.

Organic growth is change in operating revenues exclusive acquired companies.



KONGSBERG

Disclaimer: In the event of any discrepancy between the Norwegian and English versions of KONGSBERG's quarterly reports, the Norwegian version is the authoritative one.