



KONGSBERG

COMPANY UPDATE

Credit Investor Presentation

May 2023

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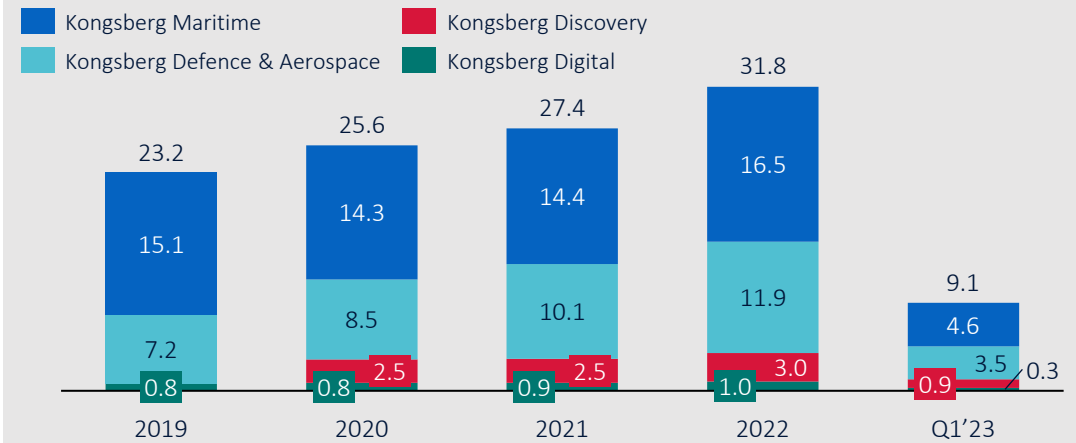
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Globally leading high technology provider

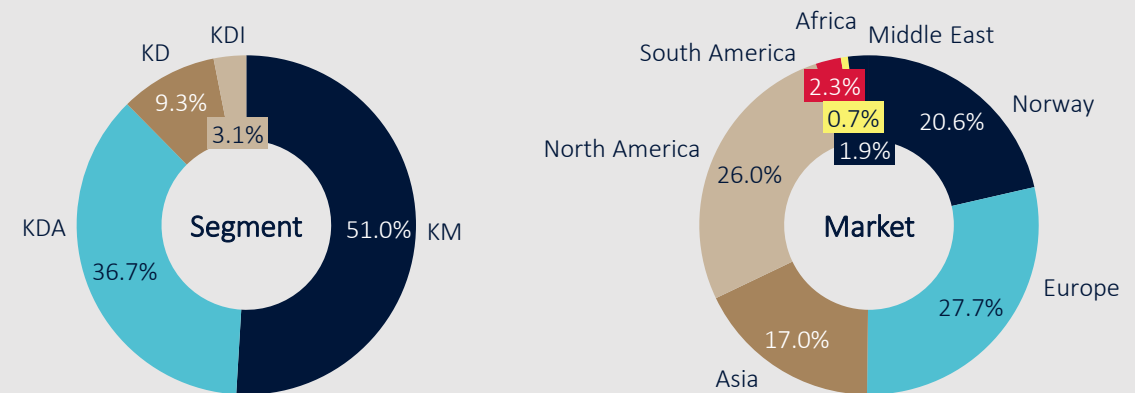
Kongsberg Gruppen at a glance

- 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 ~83.1bn¹, with the Norwegian Government as the main shareholder (50.004%)

Revenue split by segment²



Revenue split (2022)



Employees
~12 500

Revenue (LTM)
NOK 33.8bn

EBIT (LTM)
NOK 3.8bn

Note: LTM number per Q1 2023

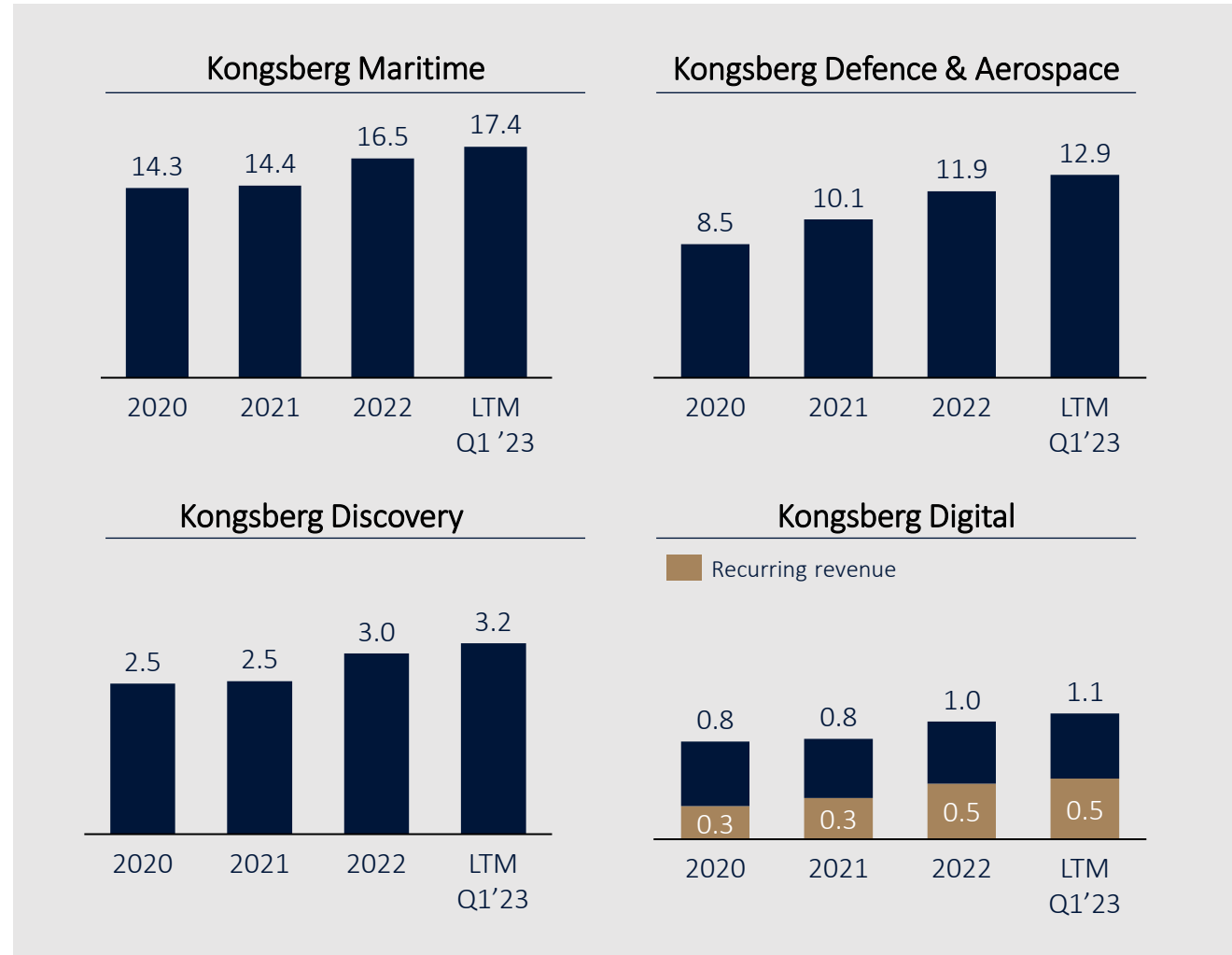
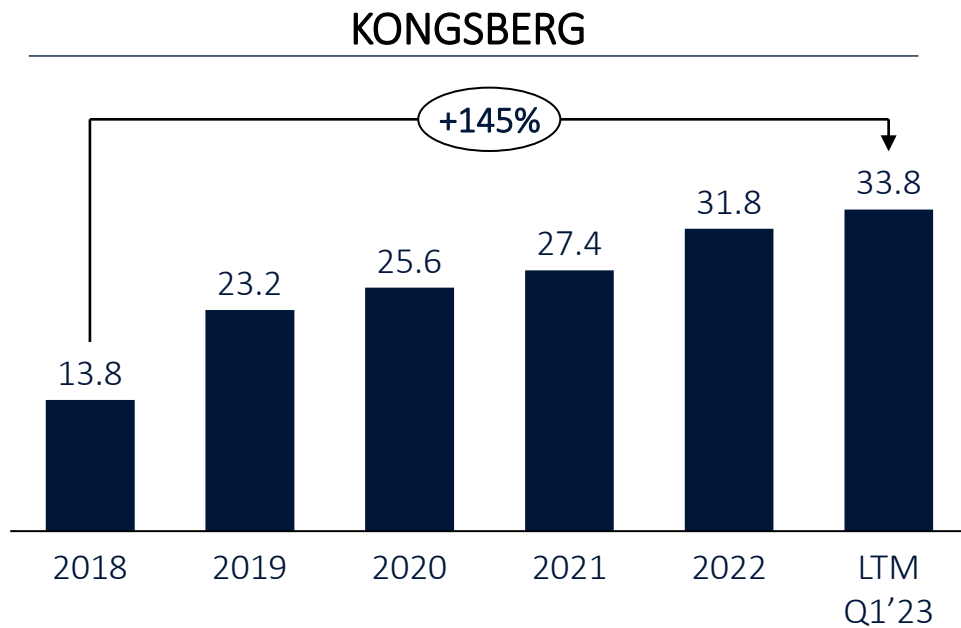
1) Market capitalization as of 16 May 2023 2) Totals have been adjusted for eliminations.



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Revenue

(NOKbn)

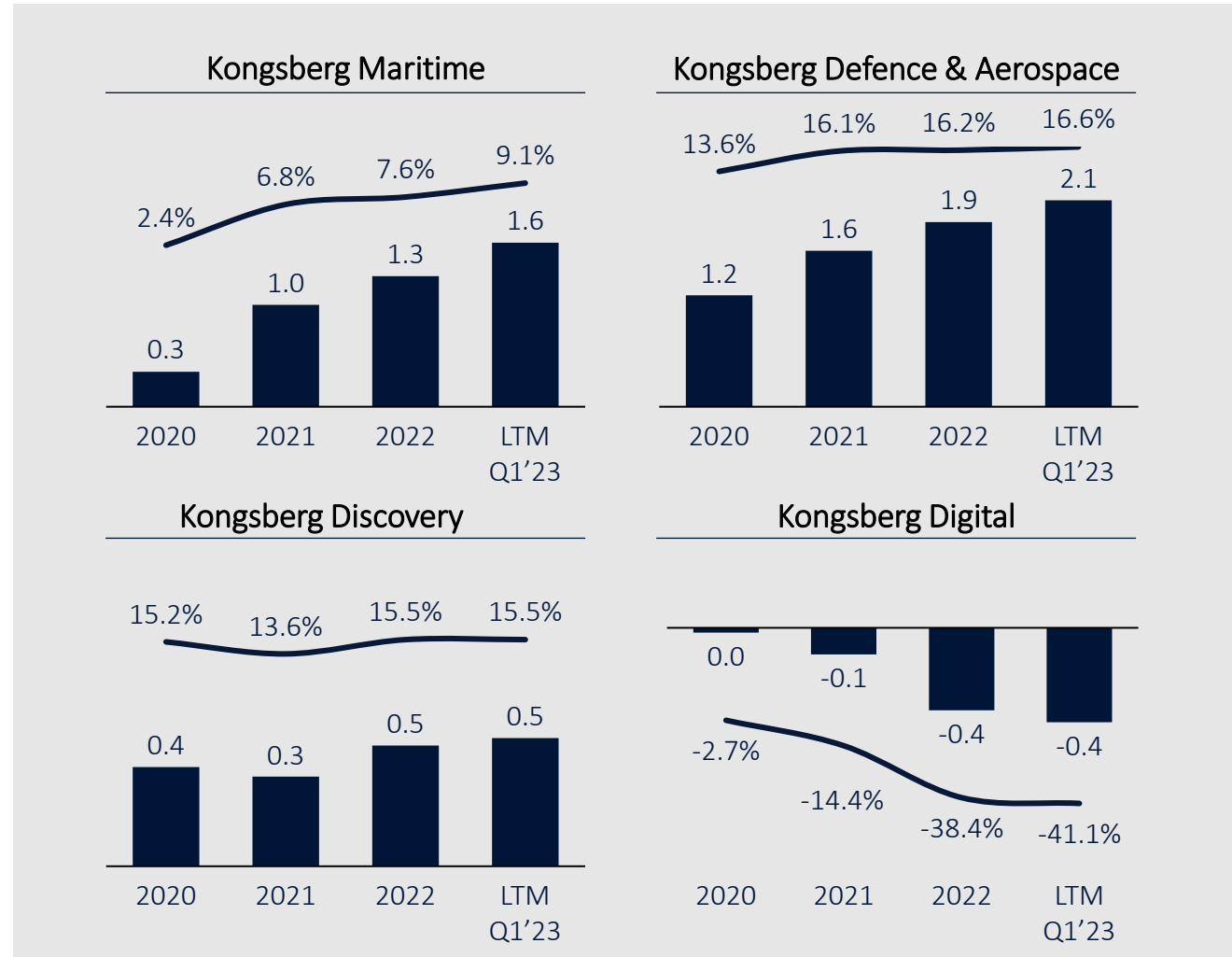
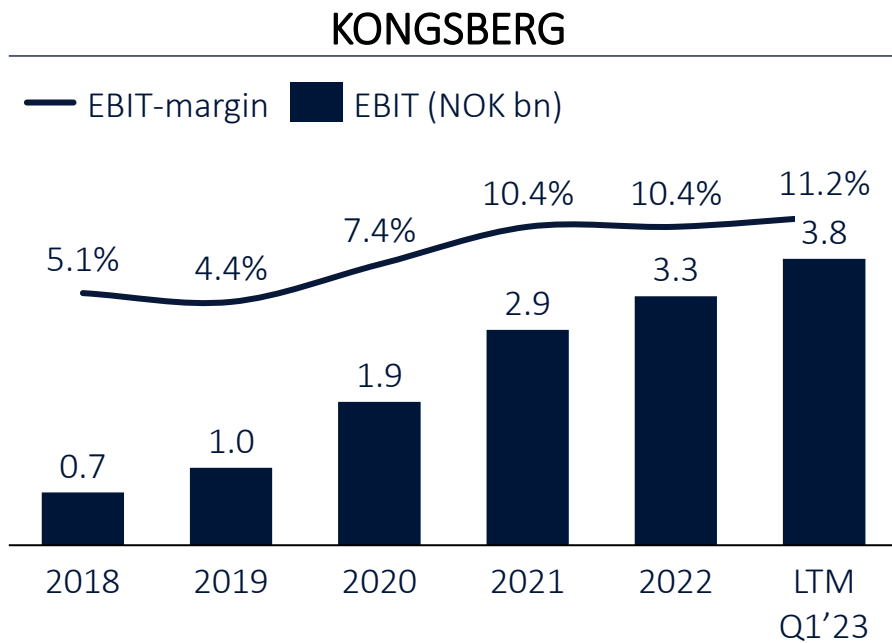




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EBIT and EBIT-margin

(NOKbn, %)

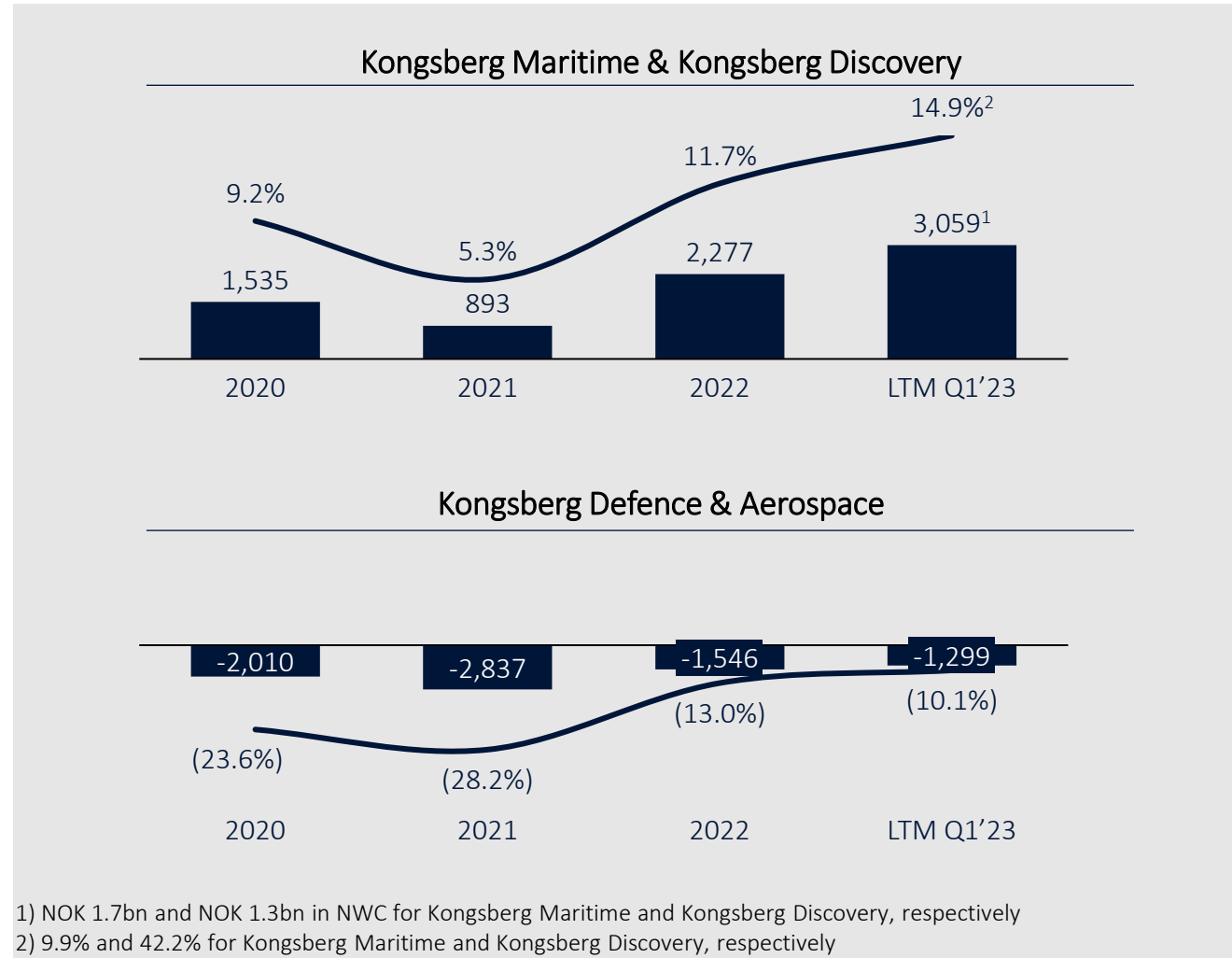
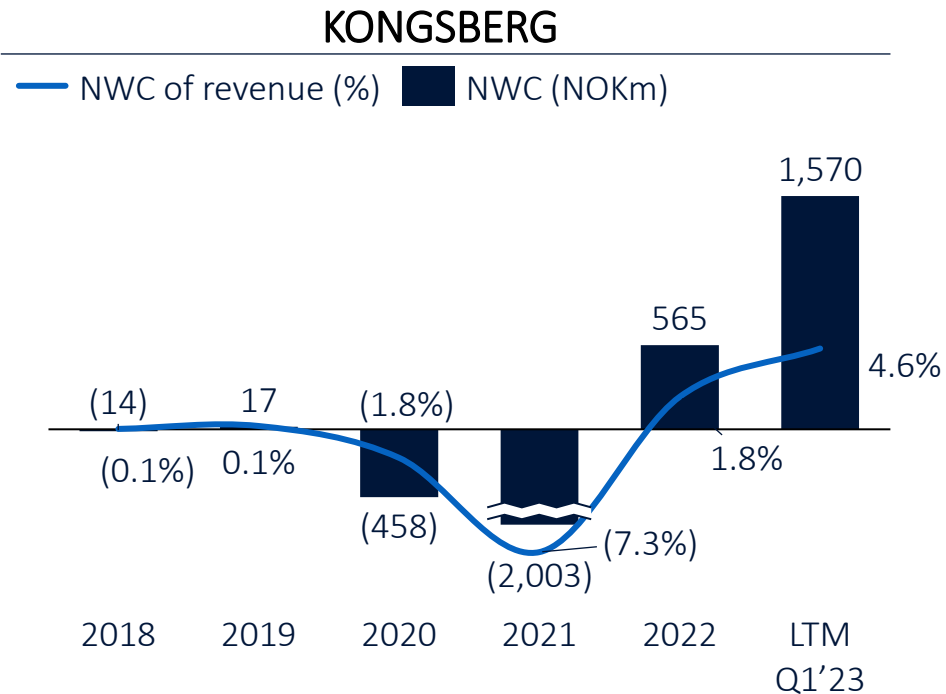




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Net working capital development

(NOKm, %)

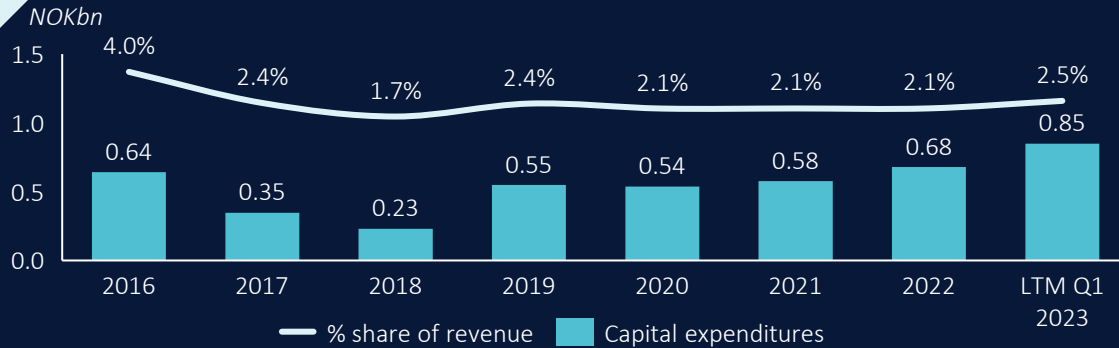




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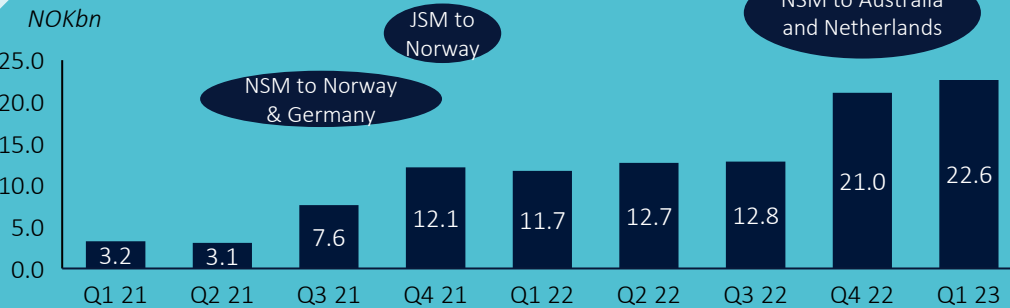
Ramping up production capacity to meet demand

GROUP capital expenditures 2016-LTM Q1 2023



- 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

Backlog Missile Division





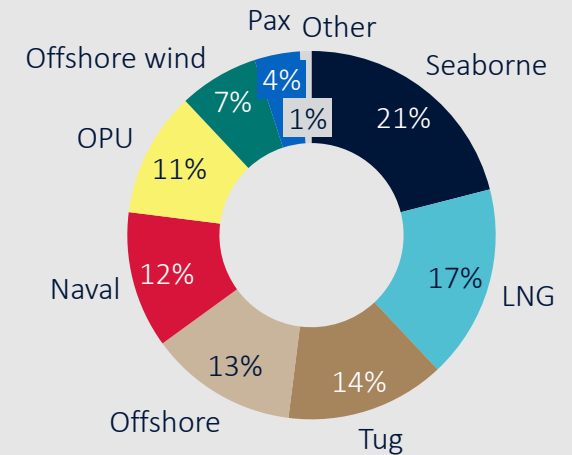
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Business update Kongsberg Maritime

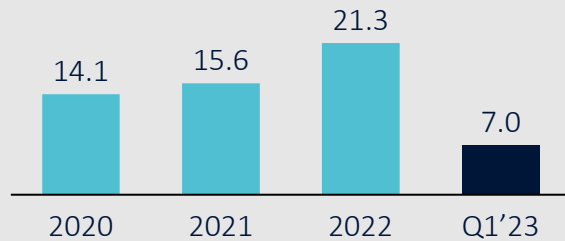
- NOK 7bn order intake and 1.51 book/bill
- Diversified and solid newbuild order intake
- Continued strong pace in the aftermarket, especially related to spares and sustainability upgrades



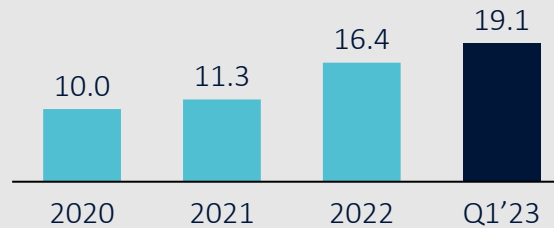
New build order intake (per Q1'23)



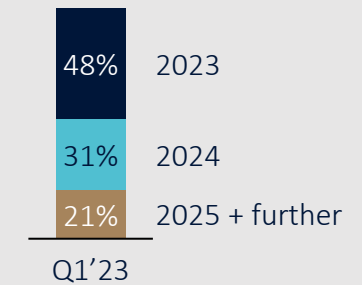
Order intake (NOK bn)



Order backlog (NOK bn)



Order backlog distribution



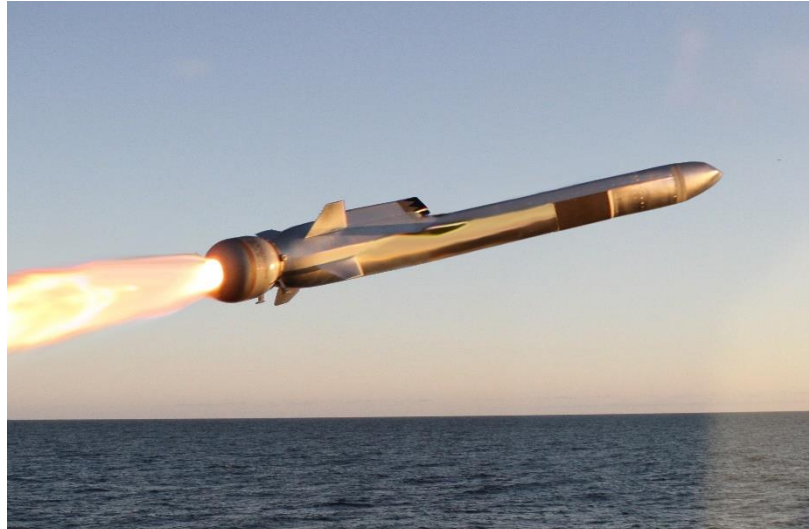


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Business update

Kongsberg Defence & Aerospace

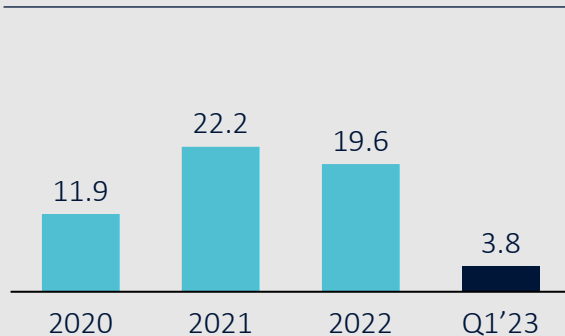
- NOK 3.8bn order intake and book/bill 1.09
- Growth driven by solid missiles- and NASAMS-progress
- Continues to sign missile orders – two new contracts, totalling NOK 2.4bn



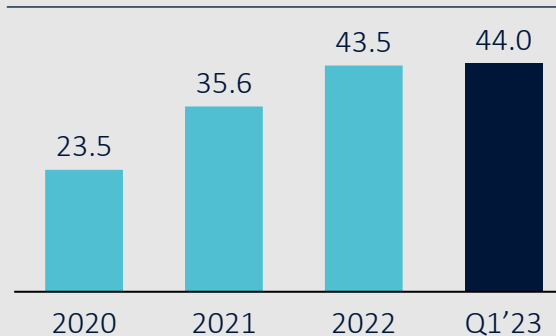
Strong missile opportunities

- 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

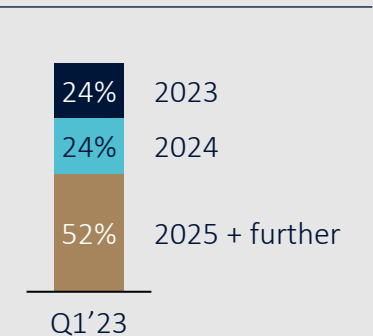
Order intake (NOK bn)



Order backlog (NOK bn)



Order backlog distribution

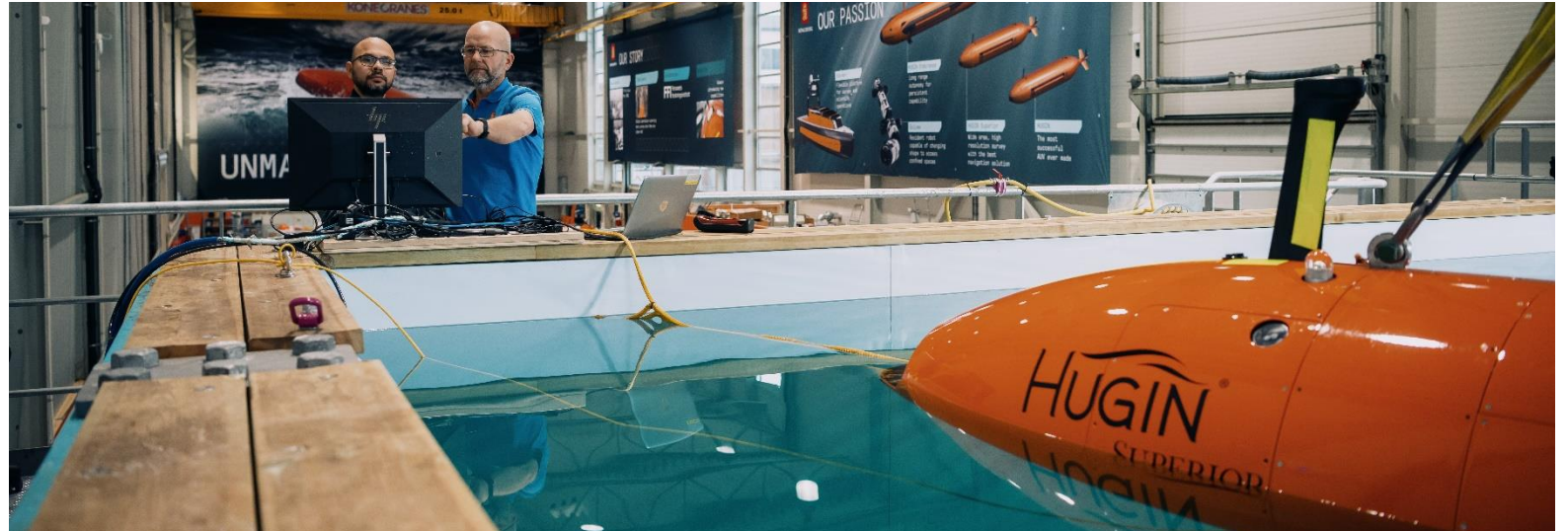




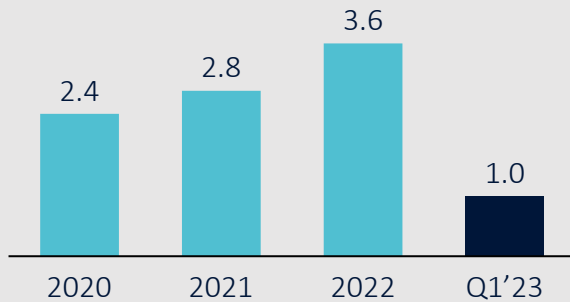
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Business update Kongsberg Discovery

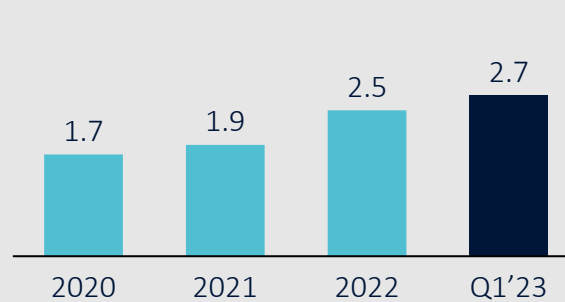
- NOK 1bn order intake and 1.14 book/bill
 - Hugin Superior to European defence customer
- Solid exposure towards energy, fisheries, research, security and surveillance



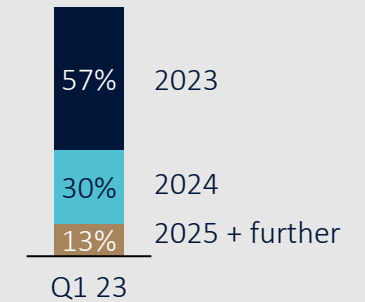
Order intake (NOK bn)



Order backlog (NOK bn)



Order backlog distribution

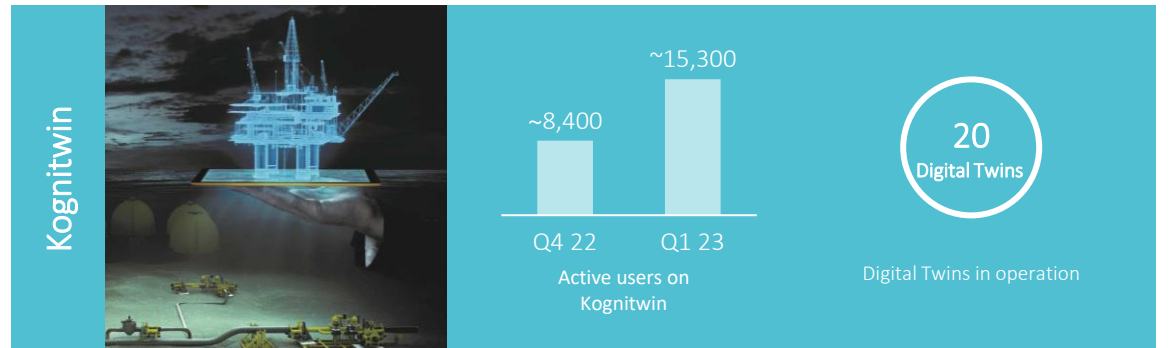
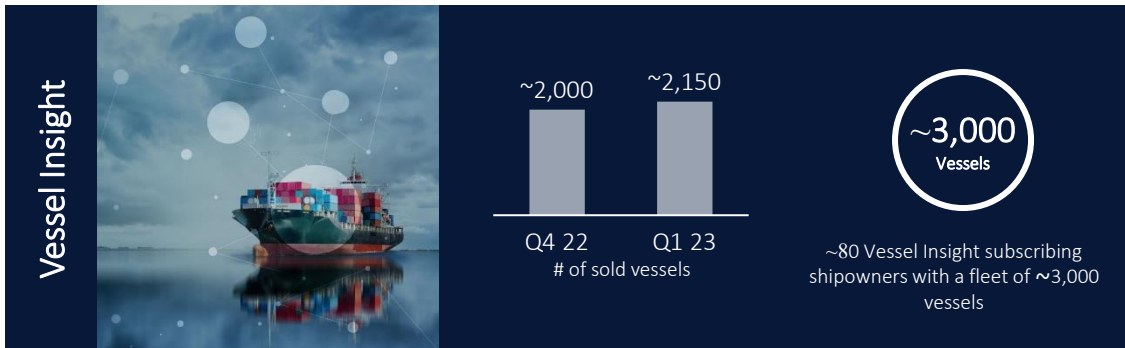




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Business update Kongsberg Digital

- 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





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Outlook

Kongsberg Defence & Aerospace



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

Kongsberg Maritime



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

Kongsberg Digital



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

Kongsberg Discovery



- Strong positions and solid demand from areas such as fishery, marine research operations, energy, security and surveillance
- Positioned for growth in 2023

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



KONGSBERG

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 2030¹



REDUCE EMISSIONS FROM OUR VALUE CHAIN

2/3 of our suppliers will set science-based CO₂ emission reduction targets within the next 5-year period¹



THE PRODUCT AND MARKET PERSPECTIVE

Technology and expertise for innovative and sustainable solutions

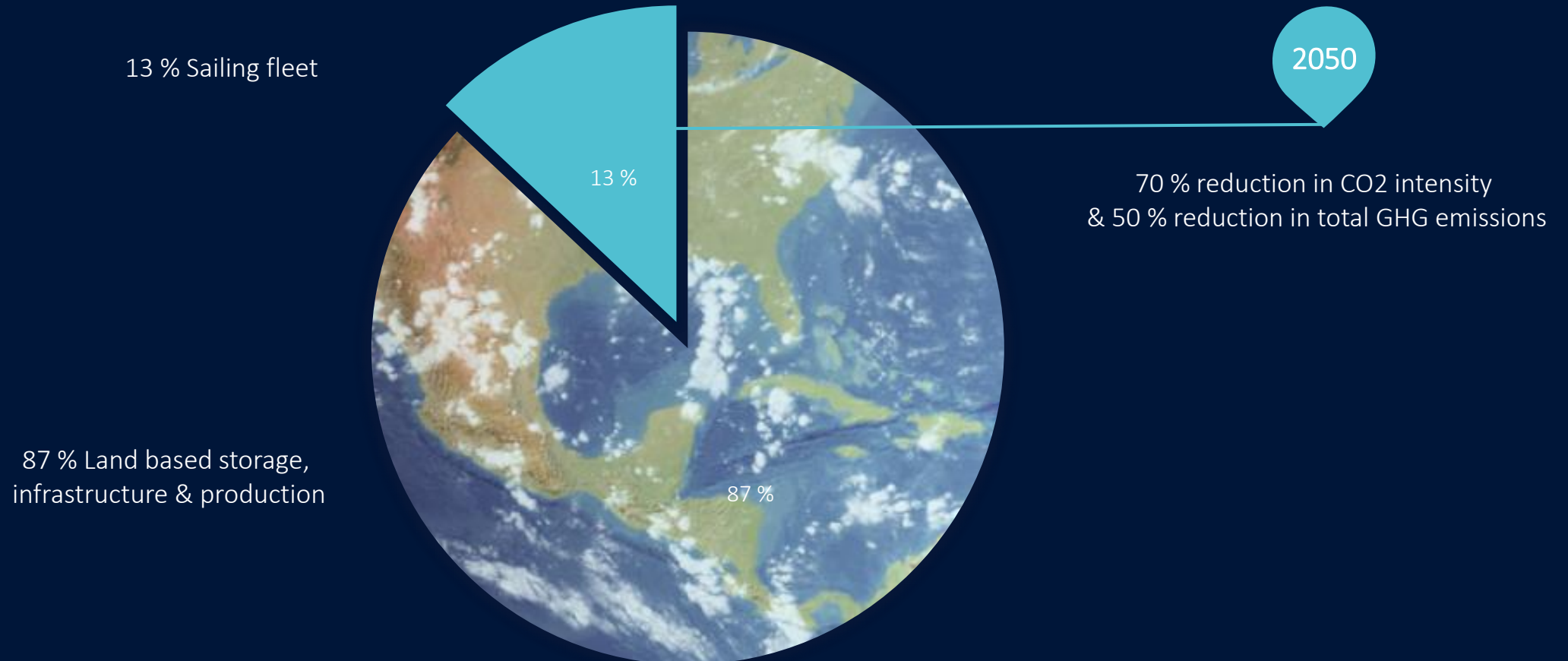
1: Preliminary targets



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Shared objectives for a sustainable ocean

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



Source: Transition Strategy Report. UMAS, London 2021



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How we support the mission

Drivers impacting pace of decarbonisation

Competence unlocking each vessel's potential

Products and services supporting the green transition of our customers

AVAILABLE TECHNOLOGY

FUEL AVAILABILITY

ACCESS TO FUNDS

COST OF NON-COMPLIANCE

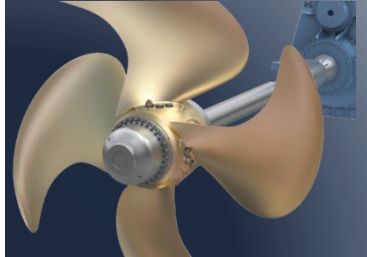
ELECTRICAL
electrification of our product offerings

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



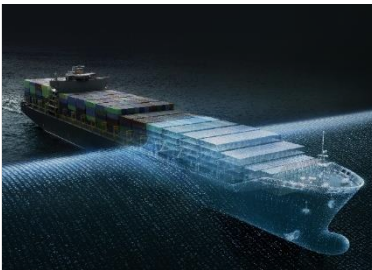
SHIP DESIGN & ENGINEERING



PROPULSION EFFICIENCY



HULL OPTIMISATION



INFO MANAGEMENT & DIGITAL



ENERGY SYSTEMS & MANAGEMENT



OPERATIONS & ADVISORY



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Maintaining capital allocation priorities

Capital allocation priorities

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

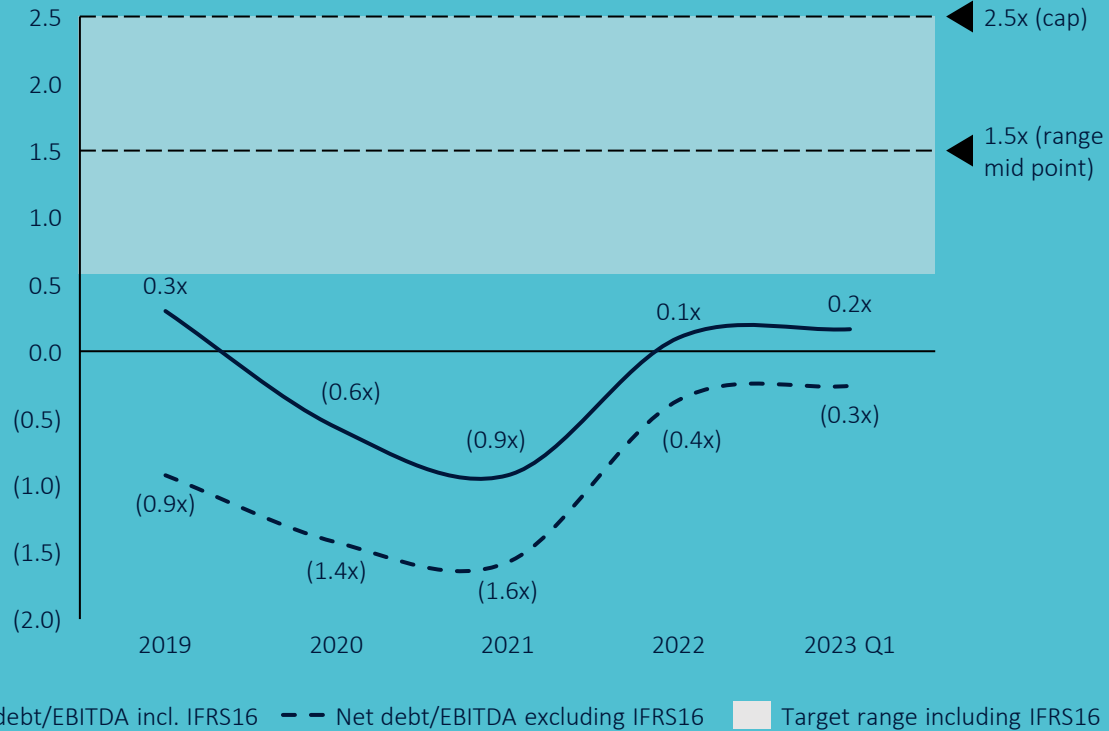




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Solid balance sheet & debt capacity

Net debt/EBITDA
2019-LTM
Q1 2023

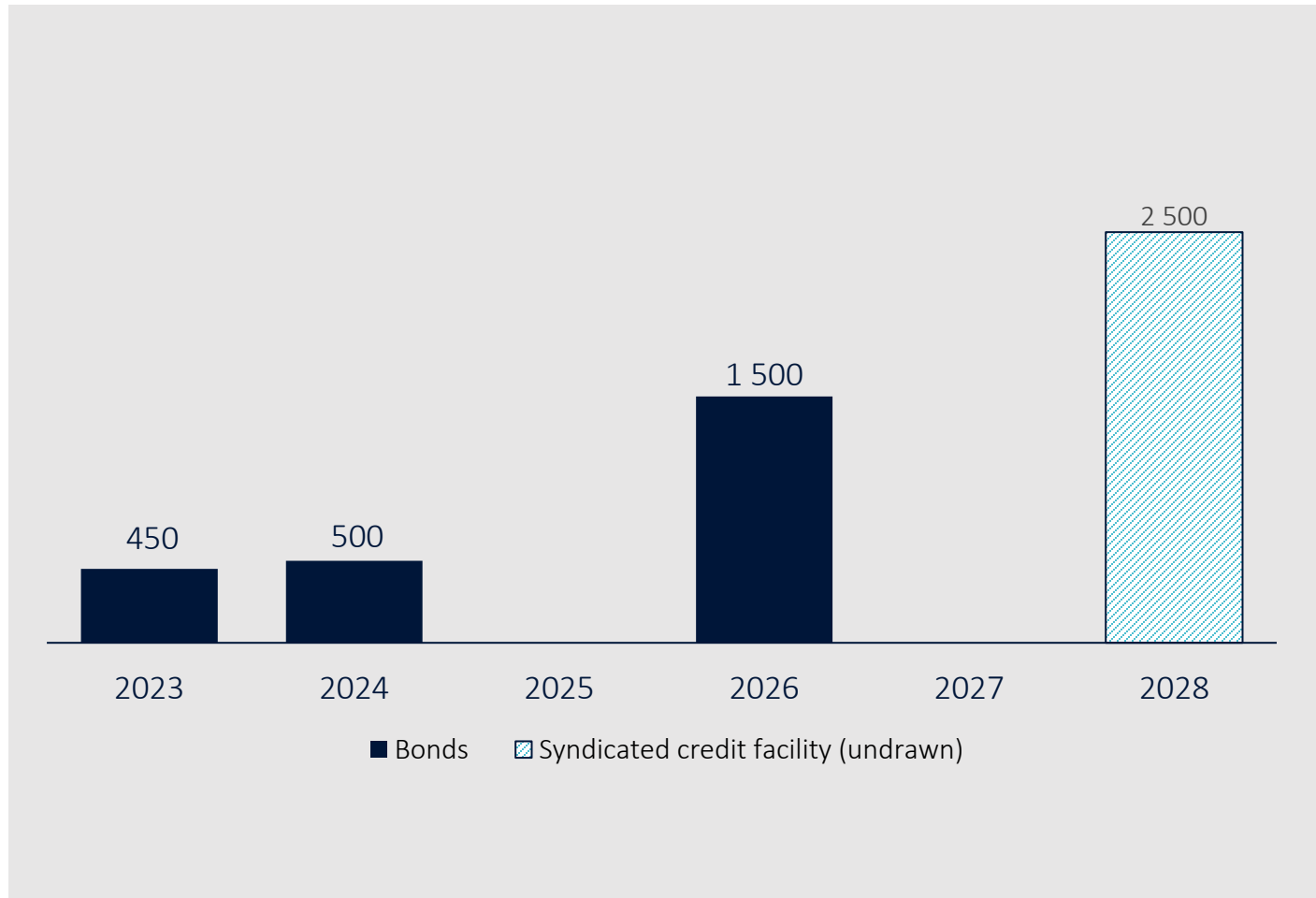


- Long-term target of Net debt / EBITDA of 1.5x +/-1.0x
- Net debt/EBITDA of below 2.5x securing
 - Access to funding
 - Customer confidence
 - Financial flexibility
- Credit rating from Nordic Credit Rating; A-
- Strong commitment to maintaining a solid investment grade rating
- Capacity to invest in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



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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



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KONGSBERG – Protecting people & planet

From deep sea to outer space

Q&A