



KONGSBERG

KONGSBERG DEFENCE & AEROSPACE

EIRIK LIE,
*President Kongsberg
Defence & Aerospace*

CMD²⁰₁₇
CAPITAL MARKETS DAY



KEY TAKEAWAYS

- Very strong positions within our core product areas
- Increased worldwide demand within these areas
- Will materialize in solid order intake both short- and long term



AGENDA



KONGSBERG

- KONGSBERG DEFENCE & AEROSPACE
- LONG TERM POSITIONS & HIGHLIGHTS



KONGSBERG

KONGSBERG DEFENCE & AEROSPACE



Integrated
Defence Systems
Missile Systems
Space & Surveillance
Aerostructures
Defence Communications
Protech Systems
Patria

33 offices
in 17 countries
2,444 employees
Revenues LTM 6.5 BNOK
Order backlog 8.5 BNOK
International success
in selected niches
Q3 2017

*A joint defence business paves the way for
continued growth and securing jobs in the long-term*

CMD²⁰₁₇
CAPITAL MARKETS DAY

WHY MERGE OUR TWO DEFENCE BUSINESSES?



KONGSBERG



- To ensure long term growth and profitability
- Many opportunities in the defence market, experiencing increased competition
- Strengthen and coordinate better sales and marketing, product development and production
- Coordinated approach towards authorities and governments, customers and partners
- Expected to give 100MNOK in annual cost savings from 2018.



KONGSBERG

KDA JOINT ORGANIZATION

Distributed responsibility, but well coordinated



KDA shall have a distributed responsibility, but well coordinated

Strengthen the focus on core capabilities and products in each division



INTEGRATED DEFENCE SYSTEMS
System: Land, Sea, Air



MISSILE SYSTEMS



AEROSTRUCTURES



SPACE & SURVEILLANCE



DEFENCE COMMUNICATIONS



PROTECH SYSTEMS



PATRIA

COLLABORATION

*Internally across divisional borders,
with KM and KDI,
Partners and Customers*

AGENDA



KONGSBERG

- KONGSBERG DEFENCE & AEROSPACE
- LONG TERM POSITIONS & HIGHLIGHTS

LONG-TERM POSITIONS



Kongsberg Satellite Services
Global Presence



JSM offered and supported
as standard F-35 weapon



F-35 manufacturing
partner for 30-40 years



Raytheon

Teaming Agreement with Raytheon
Air Defence



NSM selected as standard missile
for German Navy

LONG-TERM STRATEGY SECURES FOUNDATION FOR THE FUTURE



Helicopter MRO agreements



MCT-30 contracted in
US Stryker Brigade



tkMS partner providing
Submarine Combat System

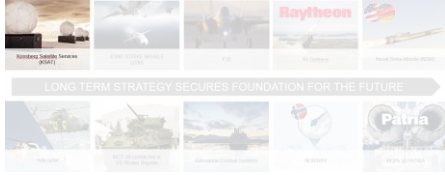


Portfolio matches priorities
In NORWAY



Patria

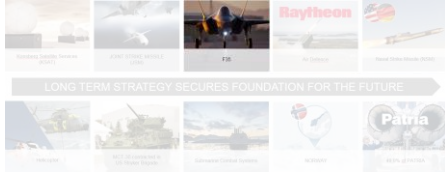
49,9% of PATRIA



KONGSBERG SATELLITE SERVICES (KSAT) GLOBAL PRESENCE



- #1 position in the world for Satellite Operations
- Unique geographical position through Svalbard and Troll
- Largest global network of ground stations with polar and extensive Mid-Latitude presence
- Strong value proposition by supply of near real time, multi-mission, Earth Observation data
- Very strong customer portfolio: ESA, NASA, EUMETSAT, Digital Globe, Planet Inc.
- One Web contract positions KSAT in “New Space”



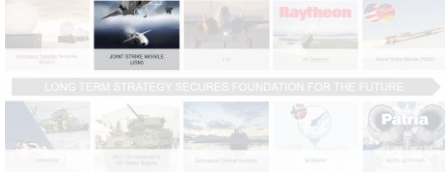
F-35 MANUFACTURING PARTNER FOR 30-40 YEARS



KONGSBERG



- Advanced , High end manufacturing
- Single source provider of composite and titanium parts
- F-35 production line estimated to more than 3500 aircraft
- Full Rate Production will be 160 aircrafts/year
- Excellent performance with Delivery on time, Zero defects
- Opportunities for increased scope for well performing suppliers

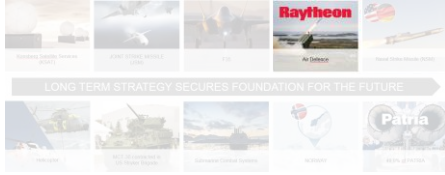


JSM OFFERED AND SUPPORTED AS STANDARD F-35 WEAPON



- Only long range precision strike missile being integrated on F-35
- On track with missile development and flight testing
- Cooperation with Australia for development of dual mode sensor
- Significant market potential with an increasing base of F-35 customers





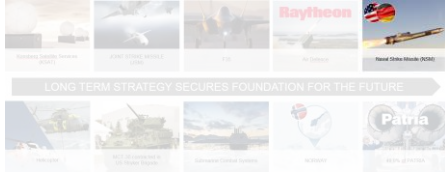
TEAMING AGREEMENT WITH RAYTHEON AIR DEFENCE



KONGSBERG



- 20 years Teaming Agreement with Raytheon
- NASAMS is the most sold Air Defence system in NATO
- NASAMS deployed in Washington DC since 2005
- NASAMS is unique with its network architecture, high firepower and dual-use of effector
- Increased demand for this fundamental defence capability
- Downselected in Australia
- Signed contract with Lithuania



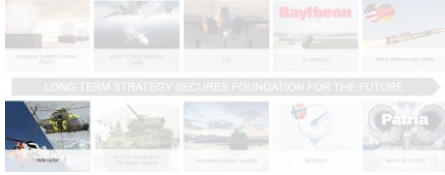
NSM SELECTED AS STANDARD MISSILE FOR GERMAN NAVY



- Most advanced long-range surface launched strike missile
- Operational in Norway and Poland, integrated on Gowind class for Malaysia
- Selected as the Harpoon replacement by German Navy
- Teaming agreement with Raytheon
- In competition to be the US Navy Over-The-Horizon missile for the LCS class
- NSM is selected by US Army for test firing in a coastal defence role



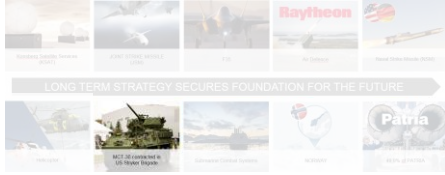
KONGSBERG



HELICOPTER MRO AGREEMENTS



- 30 years MRO experience with helicopter dynamic components
- Future growth through agreements with Leonardo covering more than 100 helicopter
- New agreement signed covering Sea King support through 2020 with 3 year option
- New Multi Purpose Test Facility for gear boxes operational in 2018



MCT-30 CONTRACTED IN US STRYKER BRIGADE



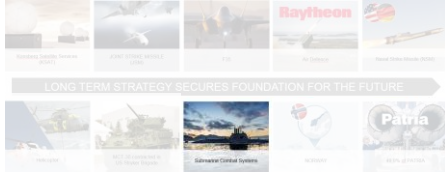
KONGSBERG



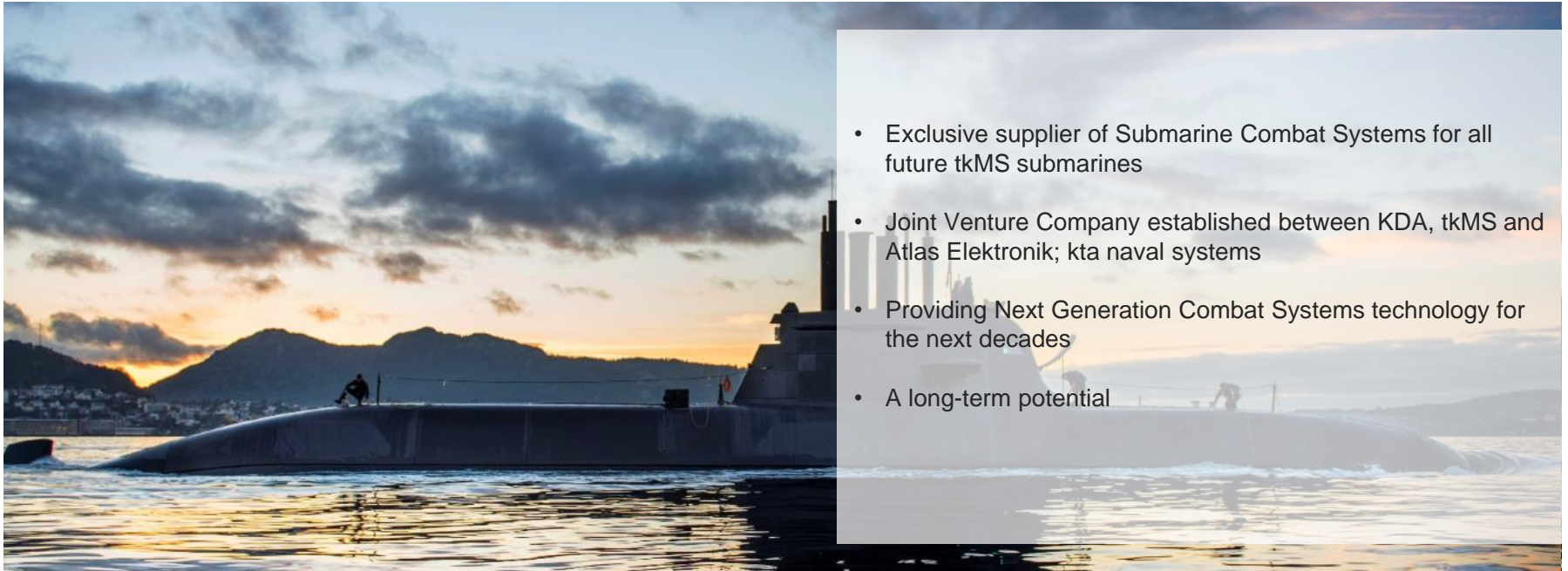
- Selected by US Army to provide increased lethality on the Stryker vehicle
- Only operational remote controlled medium caliber turret to be deployed
- US Army will deploy first brigade of Strykers to Europe in early 2018 with increased lethality
- Strong position as the market moves towards remotely controlled weapon systems



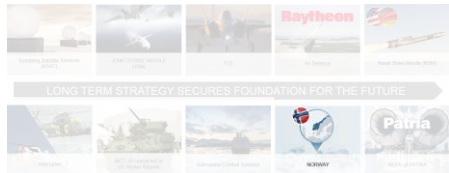
KONGSBERG



tkMS PARTNER PROVIDING SUBMARINE COMBAT SYSTEM



- Exclusive supplier of Submarine Combat Systems for all future tkMS submarines
- Joint Venture Company established between KDA, tkMS and Atlas Elektronik; kta naval systems
- Providing Next Generation Combat Systems technology for the next decades
- A long-term potential



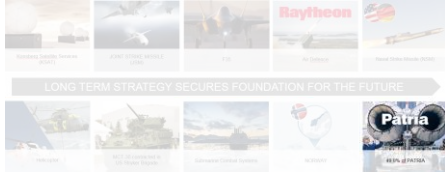
PORTFOLIO MATCHES PRIORITIES IN NORWAY



- Our products match Norwegian short- and long-term budget
- Increased demand for ground based air defence
- Increased demand for long-range precision strike weapon systems
- Need for new capabilities will create new products and technology shifts & innovation
- Support, maintenance and services
- Focus on industrial co-operation and offset



KONGSBERG



49.9% OF PATRIA

Patria

- Enhancing KONGSBERG's Northern Europe strategy
- Increased focus on MRO and sustainment
- Patria is a complete strategic partner to Finnish Armed forces and expanding outside Finland
- Expansion opportunities in Norway together with KONGSBERG



KEY TAKEAWAYS

- Very strong positions within our core product areas
- Increased worldwide demand within these areas
- Will materialize in solid order intake both short- and long-term





KONGSBERG

WORLD CLASS

THROUGH PEOPLE, TECHNOLOGY AND DEDICATION