



KONGSBERG

NORDIC DEFENCE INDUSTRY INTEGRATION

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PRESIDENT, KONGSBERG DEFENCE & AEROSPACE

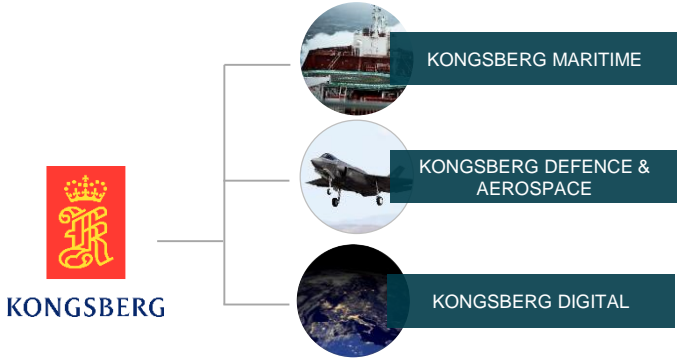
KONGSBERG GRUPPEN ASA



Key data 2017	
Revenues	NOK 14.5 billion
EBITDA	NOK 1.3 billion
Sales outside Norway	83%
Listed on Oslo Stock Exchange since 1993 (KOG.OL)	
Largest shareholder	Norwegian State (50.001%)
Number of shareholders	>9,000
Headquarter	Kongsberg, Norway
Number of employees	~6,830
...employed outside Norway	36%
...employed in	>30 countries



From deep sea to outer space



KONGSBERG – A DIVERSIFIED COMPANY



KONGSBERG



KONGSBERG MARITIME

Global market leader within offshore, subsea and merchant marine applications

- Dynamic positioning
- Integrated automation and control systems
- Hydroacoustic technologies
- Solutions for sustainable fisheries
- Autonomous underwater vehicles, underwater robotics



KONGSBERG DEFENCE
& AEROSPACE

Modern product portfolio in growing defence and aerospace niches

- 5th generation strike missiles
- Air defence
- Command & control systems for land and naval applications
- Complex lightweight structures for the F-35
- Tactical communication
- Space technologies, satellite services and surveillance
- PROTECTOR RWS and MCT



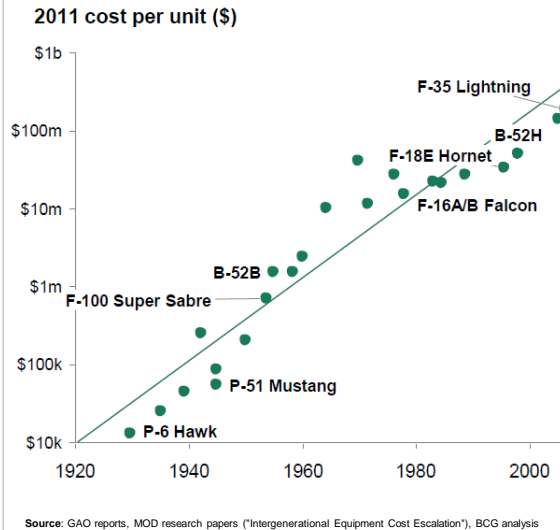
KONGSBERG DIGITAL

Next generation digital solutions within maritime, oil & gas, renewables & utilities

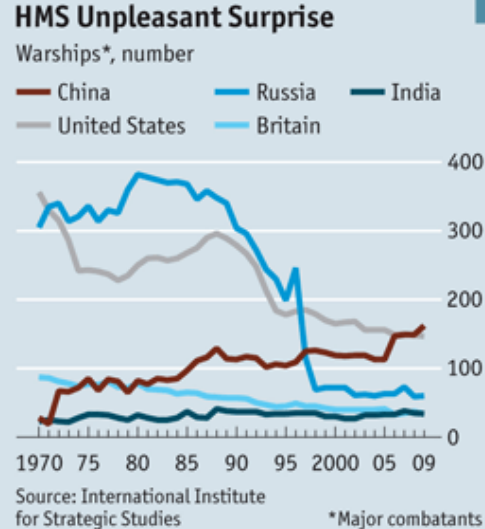
- Oil and gas software
- Maritime simulation
- Renewables and utilities
- Digital Platform
- Group Digital Center of Expertise

THE CHALLENGE - DEFENCE CUSTOMERS NEED A NEW DYNAMIC

UNSUSTAINABLE COST SPIRAL



DECLINING ARMED FORCES



of warships cut in more than half last 40 years by US, Russia and UK

GLOBAL SECURITY CHALLENGES

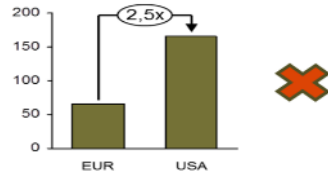




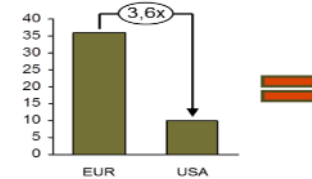
EUROPEAN DEFENCE INDUSTRY NEEDS TO RESTRUCTURE AND CONSOLIDATE

EUROPE IS FRAGMENTED

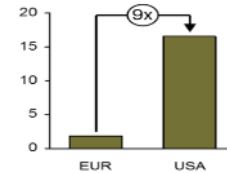
Defence procurement
BUSD, 2014



Military systems
in production



\$bn pr system



DECLINING TECHNOLOGY POSITION

- US spends 7 times more on R&D compared to Europe
- Asia has recently overtaken Europe in R&D spending

FIERCER COMPETITION

- US competing more aggressively in the international market
- Asian defence industry emerging from lower cost and improving technology

IT HAS BEGUN

EUROPEAN
COUNTRIES JOIN
FORCES



Source: The Netherlands EU Presidency 2016 website (english.eu2016.nl)

EUROPEAN
DEFENCE
INDUSTRY
CONSOLIDATING



WHITE PAPER
February 2015

Consolidation Ahead:

Europe's Defense Industry Verges on a
Historic Market-Led Transformation



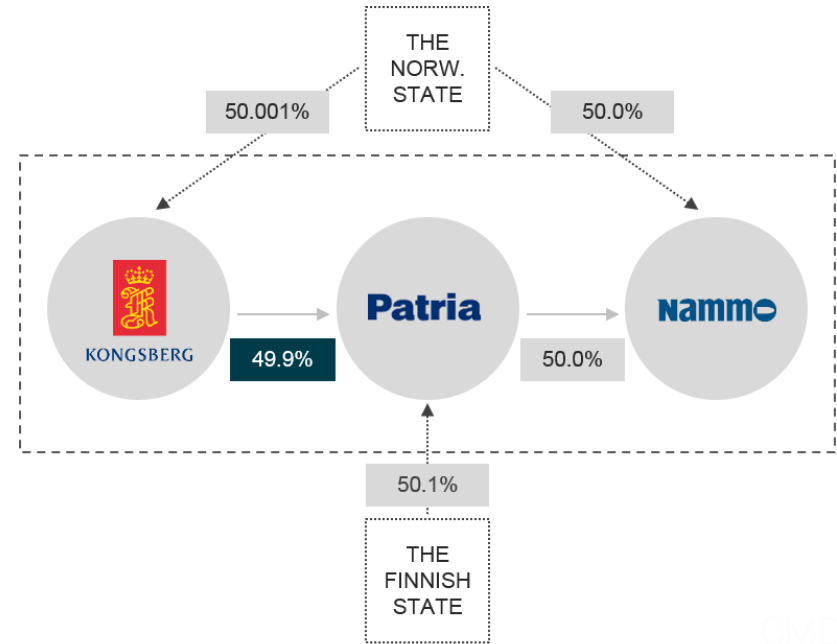
A PROACTIVE STRATEGIC STEP IN A CHANGING EUROPEAN DEFENCE INDUSTRY

- Creating a leading Nordic defence partnership
- Strong position in the Northern European defence industry
- Broader base for technology development through participation in development programs in new countries
- Better positioned for multi-national defence programs
- Stronger position in the international defence market



KONGSBERG'S 49.9% OWNERSHIP IN PATRIA

- Seals a unique and real cross border partnership
- Consolidation with national control
- Supported by national governments (Fin-Nor defence cooperation MoU, 2015)
- Interests of the stakeholders of the three companies are aligned



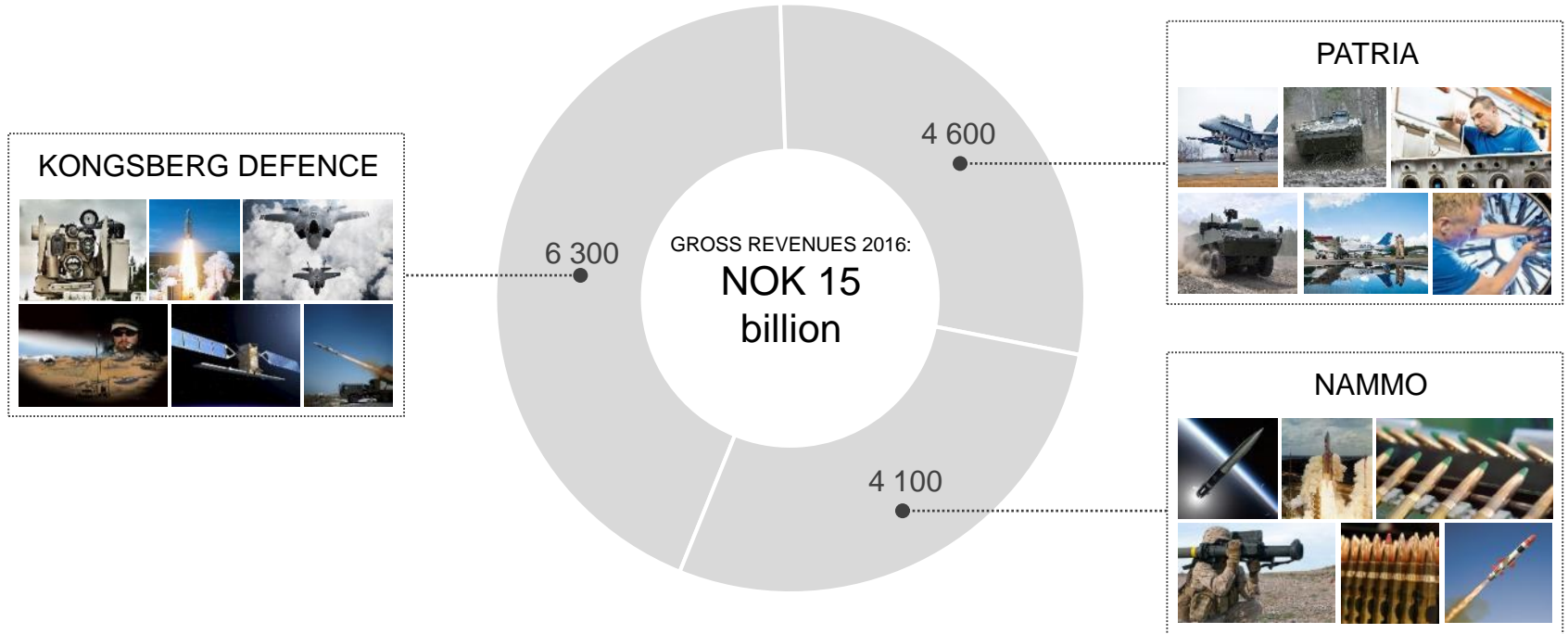
Thus creating a revenue and profitability driver for the partnership

A LEADING NORDIC DEFENCE PARTNERSHIP

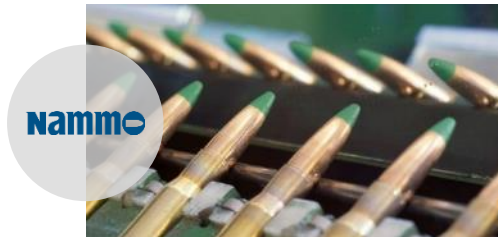
HOME MARKET IN NORWAY AND FINLAND – STRONG OPERATIONS IN SWEDEN



KONGSBERG



A STRONG DEFENCE INDUSTRY ALLIANCE CAN BETTER SERVE THE NORDIC DEFENCE FORCES



- More efficient production of military capabilities that will allow the release of resources in benefit of increased operational capability.
- The ability to maintain and develop nationally-defined operational capabilities.
- Combined and cost-effective contributions to international efforts for peace and security.

Maintaining critical national capabilities in times of crisis



KONGSBERG

WORLD CLASS

THROUGH PEOPLE, TECHNOLOGY AND DEDICATION