

## Company Announcement

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# NKT secures framework agreement and record order for five power cable projects supporting the German Energiewende

*NKT has been awarded a combination of five on- and offshore power cable projects embedded in a long-term framework agreement by the German TSO 50Hertz. With a combined value of approx. EUR 3.5bn, the order is a new company record for NKT.*

50Hertz, a German transmission system operator, has selected NKT to provide several 525 kV XLPE high-voltage direct current (HVDC) on- and offshore power cable systems for the ongoing development of the German power grid. The award is a multi-year framework agreement with firm contracts for five specific turnkey projects enabling the German transition to renewable energy. The five projects have a combined order value of approx. EUR 3.5bn which sets a new company record for NKT and increases the high-voltage order backlog to more than EUR 10bn.

NKT President and CEO Claes Westerlind says:

- This is a historic order and a major milestone for NKT and we are very excited to continue the collaboration with 50Hertz in their ambitious development of the 525 kV HVDC transmission grid. We are looking forward to further strengthening this relationship, where we are currently executing the cable projects for the two SuedOstLink transmission lines and the offshore cable link Ostwind 2. With this record award, we confirm the strength and versatility of our HVDC power cable program, our strong position in the market and continue to be a key supplier for the German Energiewende.

50Hertz CEO Stefan Kapferer says:

- With these contracts, we are taking a major step towards enabling Germany to achieve the goal of climate neutrality by 2045. High-capacity power lines – whether overhead lines, cables on the seabed or underground cables on land – are the backbone of the energy transition. Their production and installation require exceptional technological expertise. In NKT, we have a partner with whom we have already worked on other projects and who represent 'Made in Europe' quality. We look forward to the cooperation.

The contracts awarded to NKT under the framework agreement are for the five projects SuedOstLink+ (SOL+), Ostwind 4, DC32 (NordOstLink+), LanWin 6 and the German part of the Bornholm Energy Island project, covering approx. 2.500 km of core cables. The five projects range from offshore wind export cable systems, onshore energy connections as well as a hybrid interconnector for an offshore energy island and are expected to be commissioned from 2029 to 2035. Additional HVDC projects can be added under the framework agreement.

In recent years, NKT has invested in high-voltage capabilities and capacity in Cologne, Germany, and Karlskrona, Sweden, after growing its order backlog significantly. In Q2 2023, NKT launched an approx. EUR 1bn investment program in Karlskrona to support the transition to renewable energy. The award from 50Hertz is an excellent fit with the decisions made to expand high-voltage production capacity and add a new market leading cable-laying

vessel to the fleet. NKT will continue to assess the need for additional investments across both sites.

### Increased sustainability focus

To ensure a strong sustainability profile of the upcoming projects, 50Hertz has included Environmental Cost Indicators as key selection criteria in the projects awarded to NKT. Thereby both parties agree to the highest standards for the environmental focus in the projects and set a continuous incentive to reduce the carbon footprint of the power cable systems.

In order to decrease carbon emissions, NKT will produce the power cables at its high-voltage factories in Cologne and Karlskrona. Both sites are operating on renewable electricity and are located close to the installation sites in the North Sea, Baltic Sea and in Germany thereby reducing the carbon footprint from transportation. Furthermore, NKT will complete the offshore cable installation using the cable-laying vessel NKT Victoria, which is one of the most energy and fuel-efficient in the industry, and/or the new market leading cable-laying vessel operational from 2027.

With the project awards, 50Hertz continues the ambitious extension of its high-voltage transmission grid and increased generation of energy from offshore wind as a key element in the acceleration of the Energiewende – Germany's long-term strategy for the transition to renewable energy by 2050.

The order does not change the 2023 financial outlook for NKT.

### Key facts:

- **Customer:** 50Hertz Transmission GmbH and 50Hertz Offshore GmbH
- **Combined contract value of five specific projects:** Approx. EUR 3.5bn in market prices (EUR 3.1bn in std. metal prices).
- **Subjects in contracts:** None. All contracts are firm from 29 September 2023.
- **Project specifications:**
  - **SuedOstLink+** (SOL+): Northern extension of the onshore German corridor. SuedOstLink with approx. 440 km of core cables.
  - **Ostwind 4:** Approx. 345 km of core cables to connect 2GW offshore wind in the Baltic Sea.
  - **DC32** (NordOstLink+): Onshore corridor projects with approx. 375 km of core cables.
  - **LanWin 6:** Approx. 900 km of core cables to connect 2GW offshore wind in the North Sea.
  - **Bornholm Energy Island** (German part): Offshore interconnection of the energy island to be located close to Danish island Bornholm located in the Baltic Sea. Approx. 490 km of core cables.
- **Cable specifications:** In total 2.500 km of core cables (DC and metallic return).
- **Schedule:** The five projects are expected to be commissioned from 2029 to 2035.

### Contact

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