

Company Announcement

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NKT awarded record orders for world's first 525 kV XLPE HVDC submarine cable projects for offshore wind

NKT has been awarded three turnkey high-voltage power cable projects for the IJmuiden Ver and Nederwiek Offshore Wind Zones in the Netherlands. The projects have a combined order value of approx. EUR 2bn (approx. EUR 1.9bn in std. metal prices) making the award a new company record for NKT as the largest combination of orders ever received.

The wind zones are located in the Dutch part of North Sea, where the Dutch-German Transmission System Operator (TSO) TenneT is preparing the grid connection for several offshore wind farms. NKT has been awarded the turnkey projects to design, produce, install and commission approx. 1,700 km of 525 kV XLPE high-voltage direct current (HVDC) covering both on- and offshore power cable systems for the project lots Beta, Gamma and Nederwiek 2 with total installed capacity of 6 GW.

NKT President and CEO Alexander Kara says:

- I am very satisfied with the award which confirms our strong position in the high-voltage power cable market and our long-standing relationship with TenneT. I am excited that our leading turnkey expertise within 525 kV XLPE HVDC technology results in NKT being the first power cable manufacturer to apply this technology to sea cables. We welcome that TenneT increases the focus on sustainability factors by introducing Environmental Cost Indicators in the projects with the aim to reduce the carbon footprint of power cable systems.

In order to decrease carbon emissions, NKT plans to use a partial amount of recycled metal for the conductors and manufacture the cables at the high-voltage factory in Karlskrona, Sweden, which is running on renewable electricity. Furthermore, installation is planned to be done by NKT Victoria, one of the most advanced and fuel-efficient cable laying vessels in the industry.

The six wind farms in the IJmuiden Ver and Nederwiek Offshore Wind Zones have a total capacity of 12 GW. The zones are key in supporting the European transition to renewable energy and play an integral part in realizing the Dutch ambition of having 21 GW offshore wind installed around 2030.

Tim Meyerjürgens, COO TenneT says:

- Recent geopolitical developments have again underlined the need to invest in electricity transmission, to ensure energy security by accelerating the energy transition. By realising the world's first 525 kV XLPE HVDC offshore cable systems to connect 2 GW projects, we jointly reconfirm our front runner position in offshore grid development and our commitment to deliver on the joint ambition to develop the North Sea into the green power plant of Europe.

Production of the power cables for the three projects are scheduled to start between 2024-27 with expected commissioning in 2028-30.

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

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