

Company Announcement

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NKT confirms capacity reservation from SSEN Transmission for Scottish power cable projects

Following the announced status as preferred bidder, NKT has now reserved production and offshore installation capacity for SSEN Transmission for power cables for the two HVDC transmission links Western Isles and Spittal-Peterhead. The projects will strengthen the interconnection of the Scottish transmission grid.

As announced on 21 July 2023, NKT was selected as preferred bidder by Scottish transmission system operator SSEN Transmission for a framework agreement and the two transmission link projects Western Isles and Spittal-Peterhead.

Now, the parties have entered into agreements ensuring production and offshore installation capacity for the 525 kV XLPE high-voltage direct current (HVDC) power cable systems for the two Scottish projects. For NKT, the two turnkey projects will comprise design, production and installation of both on- and offshore cable systems. The combined value of the two projects is not yet firmly fixed, however, NKT estimate it to be over EUR 1bn upon clarification of final scope. Both projects are scheduled for completion in 2030.

NKT President and CEO Claes Westerlind says:

- The reservation of production and offshore installation capacity is an important milestone in the great collaboration with SSEN Transmission and our continuous support of the green transition in Scotland. The projects are an excellent fit with our decision to expand our high-voltage production capacity in Karlskrona and add a new market leading cable-laying vessel to our fleet. We are excited to leverage our extensive expertise in large turnkey HVDC-projects to strengthen the interconnection of the Scottish power grid.

SSEN Transmission Director of Offshore Delivery, Sandy Mactaggart, says:

- We are delighted to announce we have successfully secured for manufacturing and installation capacity with our supply chain partners for the Western Isles and Spittal-Peterhead HVDC converter systems and cables which is another hugely important step to support the timely delivery of these projects. Recognising the unprecedented global demand for HVDC technology, we have acted with pace to secure these key components at the earliest opportunity and we now look forward to concluding contractual arrangements and building on our long-established and strong working relationship with NKT.

The Western Isles and Spittal-Peterhead offshore HVDC transmission links are part of The Pathway to 2030 Holistic Network Design (HND) which is a major upgrade of the electricity transmission network across Great Britain that is required to help meet UK and Scottish Governments 2030 renewable energy and climate change targets. HND sets out a single, integrated design that supports the large-scale delivery of electricity generated from offshore wind.

Project specific contracts for the two projects are conditional upon successful conclusion of the commercial negotiations and final investment decision. In addition, the parties intend to enter into a framework agreement for future projects.

The capacity reservation agreements do not change the 2023 financial outlook for NKT.

Facts:

Western Isles

- **Cable route:** approx. 160 km of 525 kV HVDC combined on- and offshore route length
- **Transmission link capacity:** 1.8GW
- **Schedule:** the final construction contract is expected to be called off before the end of 2025.

Spittal-Peterhead

- **Cable route:** approx. 220 km of 525kV HVDC combined on- and offshore route length
- **Transmission link capacity:** 2.0GW
- **Schedule:** the final construction contract is expected to be called off before the end of 2025.

Contact

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