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## **NKT will sign joint venture agreement to support construction of the first offshore cable factory in Taiwan**

NKT will sign a joint venture agreement with Taiwanese cable company, Walsin Lihwa, to provide technical support for the construction of the first subsea power cable factory in Taiwan. The factory will produce high- and medium-voltage AC offshore power cables mainly for the Taiwanese offshore wind market. This is expected to grow rapidly in the next decade to drive the green transition of the country.

Aside from establishing a joint venture, the agreement also includes a Service Agreement for the construction of the factory and a Technology License Agreement licensing NKT technology to the joint venture. NKT will own a share of the joint venture and will act as the technical partner. Aside from establishing a joint venture, the agreement also includes a Service Agreement for the construction of the factory and a Technology License Agreement licensing NKT technology to the joint venture. NKT will own a share of the joint venture and will act as the technical partner. The construction of the factory will not include CAPEX investments from NKT. When the factory is in operation, expectedly in 2027, NKT will generate revenue based on a royalty scheme and dividend from the joint venture. Final constitution of the joint venture is subject to customary regulatory procedures

“We expect high growth in the Asian market in the coming decades. Taiwan is targeting to install additional 15GW of offshore wind by 2035. The joint venture is an attractive opportunity for NKT from a financial perspective and an opportunity for us to participate in a new, growing market, which is otherwise challenging to serve. It is an important first step for NKT to establish presence in the Asian high- and medium-voltage market and a platform for future growth in the region” says NKT President and CEO, Alexander Kara.

“Taiwan is blessed with an abundance of wind resources, presenting vast commercial opportunities in offshore wind power and submarine cable. Walsin is honored to enter into a win-win partnership with NKT, a world class cable solutions provider with leading technology, to further our clean energy strategy and contribute towards Taiwan’s green energy future” says Yu-Lon Chiao, Chairman of Walsin Lihwa.

Walsin Lihwa is a leading industrial conglomerate publicly listed in Taiwan. Wire and cable is one of its core business segments. The company aspires to grow while committing to environmental protection, energy efficiency, R&D and innovation which means a good fit with NKT’s strategic focus within growth, innovation and sustainability.

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

### **Contact**

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