



NKT A/S

(incorporated as a public limited liability company in Denmark)

EUR 150,000,000
Callable Subordinated Capital Securities due 3018
ISIN DK0030427661

This prospectus (the "**Prospectus**") has been prepared by NKT A/S ("**NKT**" or the "**Issuer**" and, together with its subsidiaries from time to time, the "**Group**") for the admittance to trading and official listing on the regulated market of Nasdaq Copenhagen A/S of the EUR 150,000,000 Callable Subordinated Capital Securities due 3018 (the "**Securities**") to be issued on 12 September 2018 (the "**Issue Date**") by the Issuer. An application has been made for admission of the Securities to trading and official listing on the regulated market of Nasdaq Copenhagen A/S.

This Prospectus has been prepared in compliance with the Danish Capital Markets Act (as defined below in Section 5 ("**Definitions**") below), the Danish Executive Order No. 1176 of 31 October 2017 on prospectuses (*bekendtgørelse om prospekter*), Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**"), Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended (the "**Prospectus Regulation**"), and the "Rules for issuers of bonds", issued by Nasdaq Copenhagen A/S in January 2018. This Prospectus has been prepared in compliance with the following schedules of the Prospectus Regulation:

- Annex IX: Minimum disclosure requirements for the debt and derivative securities registration document (schedule) (Debt and derivative securities with a denomination per unit of at least EUR 100,000); and
- Annex XIII: Minimum Disclosure Requirements for the Securities Note for debt securities with a denomination per unit of at least EUR 100,000 (Schedule).

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**"). Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to U.S. persons. The Securities may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the US Securities Act. For a description of certain restrictions on offers, sales and deliveries of the Securities and on the distribution of this Prospectus and other offering material relating to the Securities, see Section 7 ("**Subscription and Sale (Selling and Transfer Restrictions)**").

MIFID II product governance / Retail investors, professional investors and eligible counterparties target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate and (iii) the following channels for distribution of the Securities to retail clients are appropriate - investment advice, portfolio management, and non-advised sales or execution with appropriateness test, subject to the distributor's (as defined below) suitability and appropriateness obligations under MiFID II, as applicable. The target market assessment indicates that Securities are incompatible with the needs, characteristic and objectives of clients which are fully risk averse or are seeking on-demand full repayment of the amounts invested. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

The 4-year Swap Rate is provided by ICE Benchmark Administration Limited. As at the date hereof, ICE Benchmark Administration Limited appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended.

This Prospectus is governed by Danish law and is subject to the jurisdiction of the Copenhagen City Court.

Investing in the Securities involves certain risks. The principal risks that could affect the ability of the Issuer to satisfy its obligations with respect to the Securities are described under the section entitled "*Risk factors*" below.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners to subscribe for or purchase, any Securities.

Structuring Adviser

NORDEA

Joint Bookrunners

Danske Bank

NORDEA

Nykredit Bank

Prospectus dated 10 September 2018

This Prospectus should be read and construed together with any documents incorporated by reference herein (see Section 6 ("*List of Documents/Information Incorporated into this Prospectus by Reference*")).

The Issuer has confirmed to Danske Bank A/S, Nordea Bank AB (publ) and Nykredit Bank A/S (the "**Joint Bookrunners**") that this Prospectus is true, accurate and complete in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held, are based on reasonable assumptions and are not misleading; that there are no other facts in relation to the information contained or incorporated by reference in this Prospectus the omission of which would, in the context of the issue of the Securities, make any statement herein or opinions or intentions expressed herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

No person has been authorised by the Issuer or the Joint Bookrunners to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Joint Bookrunners.

The information contained in this Prospectus has been provided by the Issuer and the other sources identified herein. Neither the Joint Bookrunners nor any of their affiliates have authorised the whole or any part of this Prospectus. No representation or warranty is made or implied by the Joint Bookrunners or any of their affiliates, and neither the Joint Bookrunners nor any of their respective affiliates make any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Prospectus or for any statement purported to be made by or on behalf of the Joint Bookrunners. The Joint Bookrunners accordingly disclaim all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Prospectus or any such statement. Neither the delivery of this Prospectus nor the offering, sale or delivery of the Securities shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or that any other information supplied in connection with the Securities is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions (see Section 7 ("*Subscription and Sale (Selling and Transfer Restrictions)*").

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase the Securities and should not be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Prospectus should subscribe for or purchase the Securities. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for princi-

pal or interest payments, i.e. EUR, is different from the currency in which such potential investor's financial activities are principally denominated; (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. The Securities are complex financial instruments and may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

1.	RISK FACTORS	4
2.	REGISTRATION DOCUMENT FOR THE SECURITIES	18
3.	SECURITIES NOTE FOR THE SECURITIES	33
4.	TERMS AND CONDITIONS OF THE SECURITIES	39
5.	DEFINITIONS	59
6.	LIST OF DOCUMENTS/INFORMATION INCORPORATED INTO THIS PROSPECTUS BY REFERENCE	61
7.	SUBSCRIPTION AND SALE (SELLING AND TRANSFER RESTRICTIONS)	61
8.	PARTIES	64

1. RISK FACTORS

1.1 Introduction

Any investment in the Securities is subject to a number of risks. Prior to investing in the Securities, prospective investors should carefully consider risk factors associated with any investment in the Securities, the business of the Issuer and the industry in which it operates, including in particular the factors described below. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The factors are not listed in any order of priority with regard to significance or likelihood of occurrence.

Securityholders should be aware that the Securities are exposed to market conditions of a general nature. Accordingly, the market price of the Securities may be influenced by numerous factors that cannot be foreseen at the time of investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Securities may occur for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus, including any information incorporated by reference, and reach their own conclusions prior to making any investment decision. Prospective investors are recommended to seek independent advice concerning legal, accounting, tax and other issues relating to the specific circumstances of individual Securityholders before deciding whether or not to invest in the Securities.

Words and expressions defined in Section 4 ("*Terms and Conditions of the Securities*") below or elsewhere in this Prospectus have the same meanings in this section, unless otherwise stated. References to a numbered "Condition" shall be to the relevant Condition in Section 4 ("*Terms and Conditions of the Securities*").

The occurrence of any of the following risks could have a material adverse effect on the Issuer or the Issuers business, financial condition, revenue, cash flow and/or results of operations, and consequently have a negative effect on the Issuer and its ability to satisfy and fulfil its obligations under the Securities or may be material for the purpose of assessing the market risks associated with the Securities.

1.2 Risks related to the Issuer's business

1.2.1 Product liability

Many of the Group's products expose it to product liability risks or allegations that such products could cause harm to persons and property, with potential civil and criminal liabilities to clients and third parties in the countries where the Group operates.

A judgment against a Group Company in such a liability claim could result in a loss of reputation and marketability for the Group.

1.2.2 Contracts related to large projects and turnkey projects

The majority of contracts for the supply and installation of cables as part of turnkey infrastructure projects involve submarine and land high-voltage cable operations. The sales generated on such projects vary from one year to another and represent approximately 25-60 per cent. of total consolidated sales at constant non-ferrous metal

prices. The individual value of these contracts is often high and they contain penalty and liability clauses that could be triggered if a Group Company does not comply with the delivery schedule (delay) and/or with quality requirements (for example, technical defects requiring major intervention after installation due to product non-conformity resulting from production anomalies).

In order to enter the tender phase and be eligible to bid for certain projects NKT and other participating cable producers have to pass certain type or prequalification tests to show the suitability and durability of the relevant cable technology. If NKT does not have the technology or capability to pass such tests, NKT may face not being able to participate in certain specific tenders. Being excluded from such tenders could have a material adverse effect on the Group.

Cables – which have to comply with a certain number of specifications and international standards – are tested before they are delivered or brought into service. In view of the growing complexity of technical standards, increases in transmission voltage and high customer expectations, the need to successfully complete certain tests after the contract signature can lead to delays in the manufacturing schedule and/or require certain cables to be remanufactured.

Likewise, successfully carrying out turnkey infrastructure projects can depend on and/or be affected by the occurrence of unforeseen events or the existence of circumstances that were not taken into account during the project preparation phase. When such events or circumstances arise, the Group Company concerned sometimes negotiates with the customer to amend the related contractual provisions, which can result in that company having to temporarily or permanently bear extra production or installation costs.

If a Group Company is held liable for a problem in connection with a turnkey contract (i) heavy penalties may be incurred, (ii) all or some of the cables concerned, or parts thereof, may have to be replaced (before or after delivery), (iii) damage claims may be filed against the Group Company involved, including in some cases liability for consequential damages without liability caps, (iv) warranty periods may have to be extended, and/or (v) the liability may result in other more far-reaching consequences such as production delays for other projects.

In addition, a number of turnkey contracts are performed as part of consortia set up between one or more of the Group's operating companies and a manufacturer and/or service provider or with the large-scale involvement of a manufacturer or subcontractor. In this case, the Group Companies share to a certain extent their partners' performance risks.

1.2.3 **Competition in the market**

The low- and medium voltage cable industry is still very fragmented both regionally and internationally, whereas the high voltage/project segment is less fragmented. The cable and cabling system markets are extremely competitive. The number and size of competitors of the Group's operating companies vary depending on the market, geographical area and product line concerned. Consequently, they have several and strong competitors in each of their businesses.

Furthermore, for some businesses and in certain regional markets, the main competitors of the Group's operating companies may have a stronger position competition wise or have access to greater know-how or resources, including financial resources.

Also, wholesale buyers have recently gained more bargaining power. The Issuer faces pricing pressures in each of its markets as a result of significant competition or over-capacity. While the Issuer continually works towards reducing costs to respond to the pricing pressures that may continue, the Issuer may not be able to achieve pro-

portionate reductions in costs. As a result of over-capacity and economic and industry downturn, pricing pressures have increased in the last several quarters. Further pricing pressures, without offsetting cost reductions, could adversely affect the financial results.

In addition to large-scale global competitors, new market players have more recently emerged, which are drawing on low-cost production equipment and organizational structures and therefore creating additional capacity and an extremely competitive environment (in both domestic and international markets). These players have emerged over the last ten years and are growing rapidly, particularly in Southern and Eastern Europe, the Middle East, South Korea and China.

1.2.4 Insufficient projects or framework contracts may be won

The Group's activities span a broad range of businesses, encompassing cables for the infrastructure, building and industry markets for both energy and telecommunications purposes, lasers and fibers and it has many different types of end-customers – including distributors, installers, equipment manufacturers, general manufacturers and operators of public energy, transport and telecommunications networks – in a wide variety of countries. In some countries, a customer may represent a significant portion of a particular production unit's business, and the loss of one such customer could have a significant impact on a local level, potentially leading to the closure of certain manufacturing lines. In addition, given the level of operating income involved and the current difficult market conditions, the loss of one customer, particularly in markets with a small number of players could affect the Group's earnings. Lastly, the demand for certain products depends on the economic environment of the related business sector, such as in the oil & gas or mining industries. The sharp falls seen since 2014 in the price of oil and certain minerals have led to fewer capital expenditure projects and therefore lower demand for cables in the oil & gas and mining industries. If the Issuer fails to win sufficient projects and framework contracts from customers, the Issuer may face over-capacity and under utilization of its manufacturing and installation assets, including the vessel NKT Victoria.

1.2.5 Dependency on suppliers

Interruptions of supplies from key suppliers, including as a result of catastrophes such as hurricanes, earthquakes, floods or terrorist activities, could disrupt production or impact the ability to increase production and sales. Any unanticipated problems with copper or aluminum rod suppliers could have a material adverse effect on the business. Additionally, NKT uses a limited number of sources for most of the other raw materials and is in some cases in a single source of supply position. NKT does not have long-term or volume purchase agreements with most of the suppliers and may have limited options in the short-term for alternative supply if these suppliers fail to continue the supply of material or components for any reason, including their business failure, trade embargoes, inability to obtain raw materials or financial difficulties. Moreover, identifying and accessing alternative sources may increase NKT's costs.

1.2.6 Dependency on key assets

The NKT submarine cables business is heavily dependent on certain key assets, such as the Karlskrona plant in Sweden, Cologne plant in Germany and the "NKT Victoria" cable lay vessel due to their very specified technical capabilities, which are hard to replace in the market. Any material unanticipated or prolonged interruption of operations of such assets could materially affect the Issuer's ability to meet its obligations towards customers.

1.2.7 **Technologies used**

In order to remain competitive, NKT must anticipate technological advances when developing its own products and manufacturing processes. The growing demand for low-energy consumption, recyclable and less polluting products as well as value-for-money solutions requires the creation of innovative manufacturing processes, the use of new materials and the development of new products. Most of the markets in which the Group's operating subsidiaries are present tend to favour the use of highly technological products; it is therefore important that the Group undertakes fundamental research in its research centers into materials and manufacturing processes in order to have access to cutting-edge technologies. Any delay in identifying, developing and obtaining certification for new technologies could hold up the Group's access to strategic market segments, particularly those with high added value and strong growth potential.

Conversely, by offering its customers ever-more innovative solutions and despite carrying out strict tests prior to launching a new product or manufacturing process, the Group cannot rule out the risk that once they are marketed, its new innovations might reveal certain problems or shortcomings that were not identified before. This could have major consequences on critical applications of the Group.

The Group takes steps to protect its innovations by filing patent applications in strategic market segments. However, if it does not obtain intellectual property rights in countries where there are market development prospects, or if it is unable to defend its rights, its competitors could develop and use similar technologies and products to those developed by the Group's operating subsidiaries which are insufficiently protected. Such developments could have an impact on the competitiveness of the Group's offerings as well as on its image.

Moreover, despite the Group's significant R&D efforts, and the ongoing monitoring of potentially competitive technologies, there is no guarantee that the technologies currently used by the Group's operating subsidiaries will not be subject to claims for alleged patent infringement. In the event of a patent infringement case, the Group could be compelled to stop using the technologies protected by the disputed intellectual property rights.

1.2.8 **Retention of key employees**

NKT's success has been largely dependent on the skills, experience and efforts of the key employees. The loss of several key employees at the same time, without a properly executed transition plan, could have an adverse effect on NKT's business. The loss of key employees who have intimate knowledge of NKT's core processes could lead to increased competition to the extent that those employees are hired by a competitor and are able to recreate NKT's processes. Future success will also depend in part upon NKT's continuing ability to attract and retain highly qualified personnel, who are in great demand.

With respect to reorganizations, the Group may negotiate restructuring plans whose final costs might exceed the related provisions initially set aside. Furthermore, although the restructuring plans implemented by the Group are carried out in compliance with the applicable laws and regulations, it cannot be ruled out that the employees affected by the plans may take legal action. The total compensation claimed in this type of lawsuit can represent material amounts, especially when the restructuring concerns a site closure.

1.2.9 **Labor agreements**

Labor agreements are generally negotiated at regular intervals and the risk exists that labor agreements may not be renewed at all or on reasonably satisfactory terms. NKT cannot predict what issues may be raised by the collective bargaining units representing employees and, if raised, whether negotiations concerning such issues will

be successfully concluded. A protracted work stoppage could result in a disruption of operations with significant financial losses as a result.

Also, the Group cannot guarantee that there will be no industrial unrest for other reasons that could lead to lengthy operational stoppages.

1.2.10 **IT and cyber risks**

NKT is subject to IT and cyber risks, including: (i) systems may be hacked and data locked, and the hackers then demand a ransom to release the data; (ii) hackers attack with the intention to harm or even destroy NKT's IT infrastructure with no obvious monetary benefit; or (iii) hackers attack with the intent to obtain sensitive data, such as confidential industrial information, bank details or personal data, in order to gain monetary benefits by selling or misappropriating such data. While the vast majority of these attacks do not reach a level of sophistication that could pose a threat to NKT or its customers, NKT may not be able to stop cyberattacks. In addition, NKT may not be able to adapt to new threats.

Material errors, breakdowns or interruptions of IT systems could result in the loss of existing or potential business relationships, and/or give rise to regulatory implications.

1.2.11 **Terrorist and other attacks or acts of war**

The attacks of September 11, 2001 and subsequent events, including the military actions in Afghanistan, Iraq and elsewhere in the Middle East, have caused and may continue to cause instability in markets and have led, and may continue to lead, to further armed hostilities or further acts of terrorism worldwide, which could cause further disruption in markets. Acts of terrorism and those of guerilla groups or drug cartels may impact any or all of the facilities and operations, or those of NKT's customers or suppliers and may further limit or delay purchasing decisions of NKT's customers. Depending on the specific circumstances of each affected facility, it is possible that NKT could be liable for indebtedness or other obligations related to the facility.

1.2.12 **Growth by acquisitions, joint ventures, partnerships and divestments**

The Group carries out transactions as part of its overall expansion strategy. These include acquiring new business activities and companies, setting up joint ventures and entering into partnerships.

Aside from the difficulties involved in carrying out acquisitions or forging partnerships under satisfactory conditions, the Group may encounter difficulties with integrating acquired companies or in realizing the full potential of acquisitions, joint ventures or partnerships (notably in terms of synergies). In turn, this can limit the benefits expected from such transactions or even lead the Group to withdraw from them.

The Group is party to a certain number of partnership agreements, including consortiums. These agreements can only work if the partners have the same objectives, and there is always a risk that these objectives may diverge, leading to operational difficulties for the entities concerned.

Further, guarantees and warranties which might materialize have been provided in previous years, in connection with disposal of companies.

1.2.13 **Impairment of long-lived assets and goodwill**

Significant negative industry or economic trends, disruptions to the business of NKT, unexpected significant changes or planned changes in use of the assets, divestitures and market capitalization declines may result in impairments to goodwill and other long-lived assets. Future impairment charges could significantly affect the results of operations in the period recognized.

1.2.14 **Sources of financing**

The Group has various committed and un-committed credit and guarantee facilities. The un-committed credit and guarantee facilities may be terminated at will by the credit providers.

The contractual documentation relating to the committed credit and guarantee facilities contains a series of financial and non-financial covenants with which the Group must comply. Furthermore, although the above restrictions are subject to materiality exceptions and qualifications, breach of any of the covenants could result in an event of default under the relevant contractual documentation.

If the uncommitted credit and guarantee facilities are terminated or if an event of default occurs under the committed credit and guarantee facilities, the indebtedness may be accelerated. If repayment of the indebtedness were to be accelerated (and therefore fall due immediately), the Group can offer no assurances that its assets would be sufficient to repay such indebtedness in full.

In addition, further financial resources may be needed, if the market develops significantly worse than anticipated by NKT, or if large projects continue to be postponed, do not materialize or NKT is unsuccessful in winning certain large projects. The availability of such additional financial resources and the terms available to NKT at such time is unknown.

1.3 **Risks related to development in macroeconomic factors, politics and financial markets**

1.3.1 **Volatility in the price of copper, other raw materials and energy**

The costs of copper and aluminum, the most significant raw materials used by the Issuer, have been subject to considerable volatility over the past few years. Volatility in the price of polyethylene, petrochemicals, and other raw materials, as well as fuel, natural gas and energy, may in turn lead to significant fluctuations in cost of sales. Sharp increases in the price of raw materials can also reduce demand if customers decide to defer their purchases of cable products, delay their investments or seek to purchase substitute products.

1.3.2 **Interest rate risk**

Changes in interest rates affect both the market value of NKT's financial assets and liabilities and its net finance costs. The interest rate risk to which the Group is exposed relates mainly to long-term financial liabilities, which bear variable rates. Variable rate debt exposes the Group to rate volatility risk (cash flow risk). The protection offered by the Group's interest hedge contracts is limited in amount and time and, as a result, fluctuations in interest rates, including a potential rise in rates from the record lows reached in recent years, may have a material negative impact on the Group's financial condition and results of operations.

1.3.3 **Credit risk**

NKT faces risk from exposure to potential losses arising from the failure of trade or financial counterparties to discharge their obligations. While NKT does not have significant concentrations of credit risk, were a significant counterparty to default such risk could negatively affect the Group's financial condition and results of operations.

1.3.4 **Exchange rate fluctuations**

NKT operates internationally and is therefore exposed to exchange rate risk in respect of the various currencies in which it operates (principally the United States Dollar, British Pound, Swedish Krona, and Norwegian Krona). Since the Group prepares its consolidated financial statements in EUR, there is a risk that fluctuations in the exchange rates used to translate the financial statements of subsidiaries, which were originally calculated in a foreign currency, could adversely affect the Group's results of operations and financial condition.

1.3.5 **Counterparties in hedging**

From time to time NKT enters into arrangements with financial institutions to hedge exposure to fluctuations in commodity prices, currency and interest rates, including forward contracts and swap agreements. The failure of one or more counterparties to hedging arrangements to fulfill or renew their obligations could adversely affect the results of operations.

1.3.6 **Geopolitical dependency**

The Group has a significant European footprint and dependency of the European market with 96 pct. of its sales in 2017 coming from Europe. The political developments currently happening, or due to happen, in the United States and Europe are also factors of risk and uncertainty for the Group's operations in view of the proportion of revenue generated by the Group in these two regions.

Particularly significant risks are Brexit and its potential political and economic consequences for Europe, as well as the future trade policy changes that may occur in the United States in terms of customs protection and embargoes.

1.4 **Risks related to law and regulation**

1.4.1 **Compliance**

Various laws and regulations associated with NKT's current international operations are complex and increase the cost of doing business. Furthermore, these laws and regulations expose NKT to fines and penalties if NKT fails to comply with them. These laws and regulations include import and export requirements and local laws prohibiting corrupt payments to governmental officials and other corrupt practices. Any such violations could subject NKT to civil or criminal penalties, including substantial fines or prohibitions on its ability to offer cable products and projects in one or more countries.

1.4.2 **Environmental liabilities**

NKT is subject to local and foreign environmental protection laws and regulations governing its operations and the use, handling, disposal and remediation of hazardous substances. A risk of environmental liability is inherent in NKT and its affiliates' current and former manufacturing activities in the event of a release or discharge of a hazardous substance generated by NKT or its affiliates. Under certain environmental laws, NKT could be held jointly

and severally responsible for the remediation of any hazardous substance contamination at its facilities and at third party waste disposal sites and could also be held liable for any consequences arising out of human exposure to such substances or other environmental damage.

1.4.3 **Competition law**

The Group is subject to competition law in Europe and every other country in the world in which it operates, each with more or less strict rules on the civil, administrative and criminal liability of the perpetrators of anti-competitive practices. In the last decade, local competitive authorities have shown increasing attention to commercial activities by market players. The geographical distribution of employees, the lack of knowledge at times of local regulations as well as market dynamics, make it difficult to monitor anti-competitive conduct by third parties like suppliers and competitors, exposing the Group to the risk of incurring economic sanctions with extremely high negative repercussions for the Group's reputation.

1.4.4 **Fines and legal proceedings**

On 2 April 2014 NKT received a fine of EUR 4m following the investigation conducted by the European Commission into alleged price-fixing activities with regard to high voltage power cable projects. NKT filed an appeal, however on 12 July 2018 the fine was confirmed by the court of appeal. As a consequence of the European Commission's decision, NKT faces exposure to claims for damages in proceedings brought by customers or other third parties, including claims that have been filed by National Grid, Scottish Power and Vattenfall in the UK, which could have a substantial influence on NKT's financial results.

1.5 **Risks related to the Securities and trades in the Securities**

1.5.1 **The Securities are subordinated obligations**

The Securities will be subordinated obligations of the Issuer and the Securities will rank pari passu with each other in a winding-up of the Issuer. Upon the occurrence of any winding-up of the Issuer, payments on the Securities will be subordinated in right of payment to the prior payment in full of all creditors of the Issuer, except for payments in respect of any Parity Securities or Issuer Shares. The obligations of the Issuer under the Securities are intended to be senior only to its obligations to the holders of the Issuer Shares.

Securityholders are advised that unsubordinated liabilities of the Issuer may also arise out of events that are not reflected in the financial statements of the Issuer, including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Issuer which, in a winding-up of the Issuer, will need to be paid in full before the obligations under the Securities may be satisfied.

Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Securities will lose all or some of his investment should the Issuer become insolvent.

1.5.2 **Dependence on Subsidiaries as a Holding Company**

As the Issuer is the parent and holding company of the Group, it is dependent on the operation and results of NKT Photonics A/S and its subsidiaries and NKT Cables Group A/S and its subsidiaries. The Issuer is accordingly de-

pendent on dividends, distributions and other payments from its subsidiaries to make payments under the Securities.

1.5.3 **Fixed Rate Securities**

The Securities bear interest at a fixed rate until the First Call Date (and thereafter will be subject to a reset of the initial fixed rate on every Reset Date as set out in the Conditions).

A holder of a fixed interest rate security is exposed to the risk that the price of such security may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate security is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (the "**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of such security tends to change in the opposite direction (barring other factors influencing the price). If the market interest rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate security typically increases, until the yield of such security is approximately equal to the market interest rate. Securityholders should be aware that during the period in which the Securities bear interest at a fixed rate, movements of the market interest rate can adversely affect the price of the Securities and can lead to losses for the Securityholders if they sell Securities while the market interest rate exceeds the fixed interest rate of the Securities.

1.5.4 **Risks relating to the reset of interest rates linked to the 4-year swap rate**

From and including the First Call Date to but excluding the Maturity Date or the date on which the Issuer redeems the Securities in whole pursuant to the Conditions, the Securities bear interest at a rate which will be determined on each Interest Determination Date at the 4-year Swap Rate (the "**4-year Swap Rate**") for the relevant Reset Period plus the relevant Margin for the relevant Reset Period. Potential investors should be aware that the performance of the 4-year Swap Rate and the interest income on the Securities cannot be anticipated. Due to varying interest income, potential investors are not able to determine a definite yield of the Securities at the time they purchase them, therefore their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after Interest Payment Dates, Securityholders are exposed to the reinvestment risk if market interest rates decline. That is, Securityholders may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Potential investors in the Securities should bear in mind that neither the current nor the historical level of the 4-year Swap Rate is an indication of the future development of such 4-year Swap Rate during the term of the Securities. Furthermore, during each Reset Period, it cannot be ruled out that the price of the Securities may fall as a result of changes in the market interest rate, as the market interest rate fluctuates. During each of these periods, the Securityholders are exposed to the risks, please see Section 1.5.3 ("*Fixed Rate Securities*").

1.5.5 **Risks associated with the reform of EURIBOR and other interest rate benchmarks**

The EURIBOR and other interest rate indices which are deemed to be benchmarks are subject to recent international reform. On 30 June 2016, the "Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014" (the "**Benchmark Regulation**") entered into force. Subject to various transitional provisions, the Benchmark Regulation applied from 1 January 2018. The scope of the Benchmark Regulation is wide and, in ad-

dition to so-called 'critical benchmark' indices such as EURIBOR, will apply to many other interest rate indices, which could also include the 4-year Swap Rate. Accordingly, Securities linked to a benchmark whose administrator does not obtain authorization or meet the other requirements in the Benchmark Regulation could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.

Any of the international or national proposals for reform of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks. The disappearance of a benchmark or changes in the manner of administration of a benchmark could result in adjustment to the Conditions, discretionary valuation by the Joint Bookrunners, delisting or other consequence in relation to Securities linked to such benchmark.

1.5.6 **Optional Interest Deferral**

The Issuer may elect to defer any interest payment for any period of time. Payment of such deferred interest payment, together with any interest accrued thereon (Condition 7 (*Cumulative optional Interest Deferral*)), may be subject to certain conditions.

Any such deferral of interest payments will not constitute a default for any purpose. Any deferral of interest payments will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities (Condition 7 (*Cumulative optional Interest Deferral*)), the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferral and may be more sensitive generally to adverse changes in the Issuer's financial condition.

1.5.7 **The Securities are long-dated securities**

The Securities will mature on the Maturity Date. The Issuer is under no obligation to redeem or repurchase the Securities prior to such date, although it may elect to do so in certain circumstances. Securityholders have no right to call for the redemption of the Securities and the Securities will only become due and payable in certain circumstances relating and limited to payment default and a liquidation of the Issuer (see Condition 11 (*Event of Default*)). Securityholders should therefore be aware that they may be required to bear the financial risks associated with an investment in long-term securities.

1.5.8 **Early redemption risk**

The Issuer may redeem all but not some only of the Securities on the First Call Date or on any Interest Payment Date thereafter, at their principal amount together with any accrued interest in respect of the immediately preceding Interest Period and any Outstanding Payments. In addition, upon the occurrence of certain other specified events (for taxation reasons (including on the occurrence of a Tax Event based on the Danish Tax Council's ruling in response to the Tax Ruling Request), for accounting reasons, on the occurrence of a Replacing Capital Event or on the occurrence of a Change of Control Event, all as set out in the Conditions), the Issuer shall have the option to redeem the Securities at the prices set out in the Conditions, in each case together with any accrued interest to the redemption date and any Outstanding Payments. Finally, the Securities may be redeemed at the option of the Issuer in whole, but not in part, if the Issuer or any of its subsidiaries has purchased and holds and/or has

cancelled Securities with an aggregate principal amount of equal to or greater than 80 per cent. of the initial aggregate principal amount of the Securities.

During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem the Securities when its cost of borrowing, generally or in respect of instruments which provide similar benefits to the Issuer, is lower than the interest payable on the Securities. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Securities being redeemed and may only be able to reinvest the redemption proceeds at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

1.5.9 No limitation on issuing senior or pari passu securities

There is no restriction on the amount of securities or other liabilities which the Issuer may issue, guarantee or incur and which rank senior to, or pari passu with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on a winding-up of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Securities.

1.5.10 Default and Limited Remedies

The only remedy against the Issuer available to the Securityholders for recovery of amounts which have become due in respect of the Securities will be the institution of proceedings for bankruptcy of the Issuer and/or proving in such bankruptcy and/or claiming in the liquidation of the Issuer.

1.5.11 Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who do not attend and vote at the relevant meeting and Securityholders who vote in a manner contrary to the majority.

1.5.12 Absence of prior public markets

The Securities constitute a new issue of securities by the Issuer. Prior to such issue, there will have been no public market for the Securities. Although applications have been made for the Securities to be listed, there can be no assurance that an active public market for the Securities will develop and, if such a market were to develop, neither the Joint Bookrunners nor any other person is under any obligation to maintain such a market. The liquidity and the market prices for the Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and the Group and other factors that generally influence the market prices of securities. Illiquidity may have an adverse effect on the market value of the Securities.

1.5.13 Securityholders will lose their rights to Outstanding Payments on the Maturity Date

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Maturity Date at their principal amount, together with accrued interest in respect of the Interest Period ending on (but excluding) the Maturity Date. Any Outstanding Payments will automatically be cancelled on the Maturity Date. Consequently, if the

Securities are not redeemed until the Maturity Date, Securityholders will lose all rights and claims in respect of Outstanding Payments at that date.

1.5.14 **Securityholders have no voting rights**

The Securities are non-voting with respect to general meetings of the Issuer. Consequently, the holders of the Securities cannot influence, *inter alia*, any decisions by the Issuer to defer payments of interest or to optionally settle Outstanding Payments or any other decisions by the Issuer's shareholders concerning the capital structure of the Issuer.

1.6 **Risks related to the market generally**

1.6.1 **Risks related to incidental costs related in particular to the purchase and sale of Securities**

When Securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Securities. These incidental costs may significantly reduce or eliminate any profit from holding the Securities. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to such costs directly related to the purchase of Securities (direct costs), investors must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Securities before investing in the Securities. These additional costs may significantly reduce or eliminate any profit from holding the Securities.

1.6.2 **The trading market for debt securities may be volatile and may be adversely impacted by many events**

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in the Kingdom of Denmark as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialized countries. There can be no assurance that events in Denmark, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Securities or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which a holder will be able to sell his Securities may be at a discount, which could be substantial, from the issue price or the purchase price paid by such holder.

1.6.3 **The proposed financial transactions tax**

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of the Securities should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a Participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate and/or Participating Member States may decide to discard the Commission's Proposal. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

1.6.4 **The Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "**FATCA**", a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Denmark) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to 1 January 2019. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, the Issuer will not pay any additional amounts as a result of the withholding.

The FATCA provisions are particularly complex and their application to the Issuer and the Securities is uncertain. Nothing in this section constitutes or purports to constitute tax advice and Securityholders are not entitled to rely on any provision set out in this section for the purposes of making any investment decision, tax decision or otherwise. Each investor should consult its own tax adviser to obtain a more detailed explanation of the FATCA provisions and to learn how this legislation might affect it in its particular circumstances.

1.6.5 **Exchange rate risk and exchange controls**

The Issuer will pay principal and interest on the Securities in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currencies (the "**Investor's Currency**") other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of the EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease (a) the Investor's Currency equivalent yield on the Securities, (b) the Investor's Currency equivalent value of the principal payable on the Securities and (c) the

Investor's Currency equivalent market value of the Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

2. REGISTRATION DOCUMENT FOR THE SECURITIES

This registration document has been prepared on the basis of and in accordance with Annex IX of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended.

2.1 Persons responsible

2.1.1 This Prospectus has been prepared by NKT A/S ("**NKT**" or the "**Issuer**"), a Danish public limited liability company (*aktieselskab*) registered with the Danish Business Authority (*Erhvervsstyrelsen*) under company registration number (CVR-nr.): 62725214 with its registered office at Vibeholms Allé 20, DK-2605 Brøndby, Denmark, and telephone number +45 43 48 20 00.

The Issuer is responsible for the information provided in this Prospectus.

2.1.2 Each member of the Issuer's Board of Directors and each member of the Issuer's Executive Management declares to have taken all reasonable care to ensure that, to the best of his/her knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect its import. The Prospectus is signed by the Board of Directors and the Executive Management.

Brøndby, 10 September 2018.

Board of Directors:

Jens Peter Due Olsen
Chairman of the Board of Directors

René Svendsen-Tune
Deputy Chairman of the Board of Directors

Andreas Nauen
Member of the Board of Directors

Jack Ejlertsen
Member of the Board of Directors
Employee-elected member

Jens Maaløe
Member of the Board of Directors

Jutta af Rosenborg
Member of the Board of Directors

Lars Sandahl Sørensen
Member of the Board of Directors

Peter Wennevold
Member of the Board of Directors
Employee-elected member

Stig Nissen Knudsen
Member of the Board of Directors
Employee-elected member

Executive Management:

Michael Hedegaard Lyng
Chief Executive Officer

Roland M. Andersen
Chief Financial Officer

2.2 Statutory auditors

2.2.1 The external auditors of NKT A/S for the period covered by the 2016 Annual Report and the 2017 Annual Report are:

Anders Vad Dons and Lars Siggard Hansen, State Authorised Public Accountant from:

Deloitte Statsautoriseret Revisionspartnerselskab
Company registration number (CVR-nr.): 33 96 35 56
Weidekampsgade 6
2300 København S

Anders Vad Dons and Lars Siggard Hansen are members of FSR - Danish Auditors (*FSR - Danske Revisorer*).

2.2.2 None of the persons mentioned in Section 2.1.1 have resigned, been removed or not been reappointed in the period covered by the historical financial information referred to in Section 1.12.11.1.

2.3 Risk Factors

2.3.1 For the risk factors that may affect the Issuer's ability to satisfy and fulfil its obligations towards the Securityholders under the Securities, please refer to Section 1 above.

2.4 Information about the Issuer

2.4.1 *History and development of the Issuer*

NKT commenced its business in 1891 and has been listed on Nasdaq Copenhagen (and its predecessors) since 1898. NKT has a proven track record of successful long-term development of industrial businesses through exercise of active ownership. Strategic focus, targeted investments and stringent financial governance combined with acquisitions are key elements to grow the businesses and to achieve superior value creation for its shareholders.

Below is a list of selected major events in the history of the Issuer and its Group. The list is not exhaustive.

1993: The shares of Śląska Fabryka Kabli (Poland) were acquired by NKT.

1999: NKT completed the acquisition of Felten & Guillaume Kabelwerke GmbH in Germany.

2000: NKT established several R&D companies. Among them were Crystal Fibre and Koheras (Ionas at the time) that would form the foundation of NKT Photonics.

2007: The acquisitions of Kablo Electro, Czech Republic, and of CCC GmbH, Germany were completed by NKT.

2009: Crystal Fibre, the largest commercial supplier of microstructured specialty fiber, and Koheras, the leading company within low noise lasers and SuperK supercontinuum white light lasers, merged and became NKT Photonics.

2012: NKT divested its 51 per cent. stake in NKT Flexibles.

2013: NKT acquired Ericsson's power cable operations, Sweden.

2016: NKT Photonics acquired UK fiber laser manufacturer Fianium.

2017:

1) NKT completed the acquisition of ABB HV Cables and continued refocusing the cables business by divesting non-core activities. Included in the acquisition was the cable-laying vessel NKT Victoria.

2) NKT Photonics acquired Swiss ultrafast laser manufacturer Onefive.

3) NKT demerged Nilfisk as a separately listed entity on Nasdaq Copenhagen.

2.4.1.1 The main legal and commercial name of the Issuer is NKT A/S. The Issuer is registered with the following secondary names:

1. Aktieselskabet Nordiske Kabel- og Traadfabriker
2. NKT Holding A/S

2.4.1.2 The Issuer has its place of registration in the Municipality of Brøndby (*Brøndby Kommune*). The Issuer is registered with the Danish Business Authority (*Erhvervsstyrelsen*) under company registration number (CVR-nr.) 62725214.

2.4.1.3 The Issuer was formally incorporated on 21 February 1898.

2.4.1.4 The Issuer has its domicile at Vibeholms Allé 20, DK-2605 Brøndby, Denmark. The Issuer is a Danish public limited liability company (*aktieselskab*) incorporated under Danish law and registered with the Danish Business Authority (*Erhvervsstyrelsen*). The telephone number of the Issuer's registered office is +45 43 48 20 00.

2.4.1.5 No recent events particular to the Issuer are to a material extent relevant to the evaluation of the Issuer's solvency.

2.5 Business Overview

2.5.1 *Principal activities*

2.5.1.1 The Group consists of two main companies: NKT (acting through its main operational subsidiary NKT Cables Group A/S ("**NKT Cables Group**")), a leading provider of power cable solutions, and NKT Photonics A/S ("**NKT Photonics**"), a leading supplier of fiber lasers and photonic crystal fibers. Both companies report to the Board of Directors of NKT. The Group employs approximately 3,800 people. In a following section a business overview of NKT and NKT Photonics will be provided.

2.5.1.1.1 NKT

NKT (acting through NKT Cables Group) has pioneered the cable industry since 1891 and is today still proactively meeting the world's constantly growing needs for power. NKT achieves this with its energy transportation expertise and cost-effective manufacturing at the highest technological level, and with the regeneration of the environment in sharp focus. NKT has a "glocal" mindset valuing trusted partnerships, and NKT firmly believes that by working together, both internally but also with customers and business partners, NKT can shape the future and use its passion to bring power to life.

Purpose

"Our passion brings power to life"

In a globalized and interconnected world, everything depends on power. Power is the foundation of all the things NKT takes for granted in modern civilization. NKT plays an important role in supplying energy to global societies and bringing power to life.

The NKT purpose builds on its long and proud history within the cable business and the products are technical by nature. But for NKT they are more than that.

There is a three-fold meaning in the NKT purpose:

1. NKT cables ensure the physical transportation of energy,
2. NKT contributes to society by enabling transformation to sustainable energy, and
3. NKT empowers its organization to become excellent and capture the essence of its business.

Vision

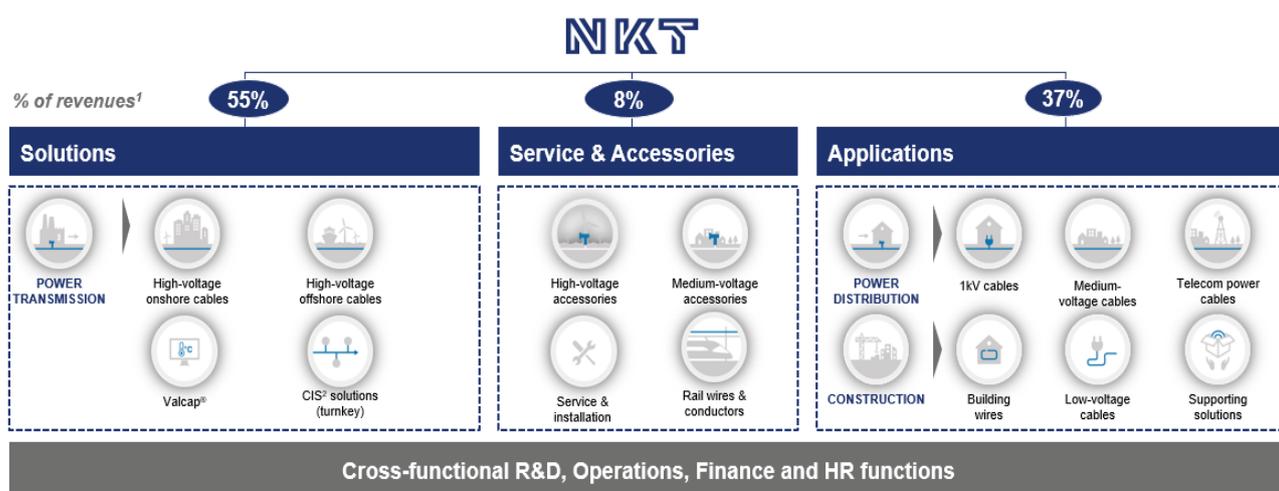
"By driving 'excellence' we will be the best power cable company by 2020 in the eyes of our customers and our people".

NKT's vision is simple and ambitious.

By best, NKT means the company that its customers prefer to do business with. NKT wants its customers to choose NKT, because of NKT's excellent expertise and NKT's world-class products and solutions. NKT also wants to be an excellent workplace, where the best people in the industry prefer to build their careers and develop new, excellent ideas together with highly skilled colleagues across the organization as one company.

Company overview

NKT is a global and recognized provider of turnkey AC/DC power cable solutions headquartered in Denmark. NKT Cables Group employs approximately 3,500 people, and in 2017 the total revenue of NKT Cables Group was EUR 1,428m in market prices, corresponding to EUR 1,058m in std. metal prices. The financial reporting of NKT comprises three business lines: Solutions, Applications and Service & Accessories. The business lines are presented below.



Solutions

This business line includes the high-voltage power cable solutions. NKT has a broad range of solutions available for on- and offshore purposes and can supply power cables based on both AC and DC technology. With the cable-laying vessel NKT Victoria, NKT offers end-to-end turnkey solutions for its customers.

NKT has a long track record of delivering power cable solutions to offshore wind projects, oil & gas platforms, and interconnector projects. The high-voltage production facilities are located in Cologne, Germany, and Karlskrona, Sweden, which is close to the market opportunities in Northern Europe, but also provides a global reach. The production facilities are technologically advanced and efficient as the Cologne facility was inaugurated in 2010 and the facility in Karlskrona has been significantly upgraded in the past years.

In 2017, Solutions recorded revenue of EUR 680.2m (EUR 589.0m in std. metal prices) and operational EBITDA of EUR 110.6m, see page 23 of the Q2 2018 Interim Report.

Applications

In Applications, a broad range of low- and medium voltage power cables are offered. NKT offers high-quality products meeting regulatory requirements for flame-retardant material and has developed a number of ergonomic solutions. Furthermore, the business line develops and markets telecom power cables.

NKT has long-standing relationships with several key customers (utility companies and wholesalers) in the markets it is operating in. The largest geographical markets for the Applications business line are Czech Republic, Denmark, Germany, Poland and Sweden, and with growing opportunities within France, UK and other selected

European countries. The production footprint for Applications is also reflecting end-market exposure as the main sites are in Czech Republic, Denmark, Germany, Poland and Sweden.

In 2017, Applications recorded revenue of EUR 668.3m (EUR 399.9m in std. metal prices) and operational EBITDA of EUR 23.2m, see page 23 of the Q2 2018 Interim Report.

Service & Accessories

This recently established business line focuses on asset management services with service and installation teams for on- and offshore power cables. Additionally, the business line offers a full power cable accessories portfolio across medium- and high-voltage levels.

NKT has the ability to offer turnkey solutions in the power cable market as a CIS (Cable system, Installation and Service) provider. Essentially, NKT can provide R&D, engineering, production, testing and project management of the power cables, install the power cables, and finally service the installed power cables. NKT aims to create service contracts for installed power cables to ensure higher reliability. The accessories business is global with a sales footprint on all continents. Production of the accessories takes place at three NKT sites in Germany and Sweden.

In 2017, Service & Accessories recorded revenue of EUR 106.9m (EUR 88.7m in std. metal prices) and operational EBITDA of EUR 11.4m, see page 23 of the Q2 2018 Interim Report.

Market description

Overall, the power cable market - relevant for NKT - can be divided into two segments with diverse characteristics and competitive dynamics: High-voltage power cables, and low- and medium-voltage power cables.

High-voltage power cables

The high-voltage segment has differing characteristics depending on technological solution and can primarily be divided into two categories based on the market dynamics: 1) High-voltage DC on and offshore and AC offshore, and 2) High-voltage AC onshore.

High-voltage DC on- and offshore and AC offshore

The market primarily consists of large projects related to the interconnector and offshore wind farm markets, where high-voltage cables are required to transport large power volumes. Expected significant growth drivers are 1) a continuing transition towards greener energy sources such as wind power, and 2) the political agenda to improve interconnection of power grids between countries to create better balance between demand and supply of power market and secure power supply. Projects awarded in the high-voltage power cable market was at a relatively low level in 2017. Forecasted average annual growth in the high-voltage power cable market is 14 per cent. from 2016 to 2020 (source: NKT and the market research provider CRU, all offshore projects above 60 kV and all underground projects above 230 kV).

High-voltage AC onshore

The market covers land-based power cable projects with voltage levels above 72kV. The number of market players is higher than for the high-voltage AC offshore and DC segments, leading to different competitive dynamics. The market is driven by a combination of factors such as continued urbanization, shift towards renewable power generation with an associated requirement for grid extension as well as grid reinforcement. In certain areas the

trend towards increased usage of underground cables also creates market demand. Market development differs from country to country and is more locally driven.

Low- and medium-voltage power cables

In the lower-voltage segments, the market can be separated into two categories with different characteristics: 1) Medium-voltage and 2) Low-voltage.

Medium-voltage: Stable growth market

The power distribution network is served by medium-voltage cables. The market is driven by ongoing grid maintenance, replacement of ageing infrastructure, and the trend towards underground cables instead of overhead lines. The gradual transition towards greater reliance on renewable energy is also benefitting this market. The medium-voltage market usually delivers stable but moderate growth. Going forward, European market growth is expected to average almost 2 per cent. annually from 2016 to 2020 (source: NKT and the market research provider CRU).

Low-voltage: Benefitting from positive construction sentiment

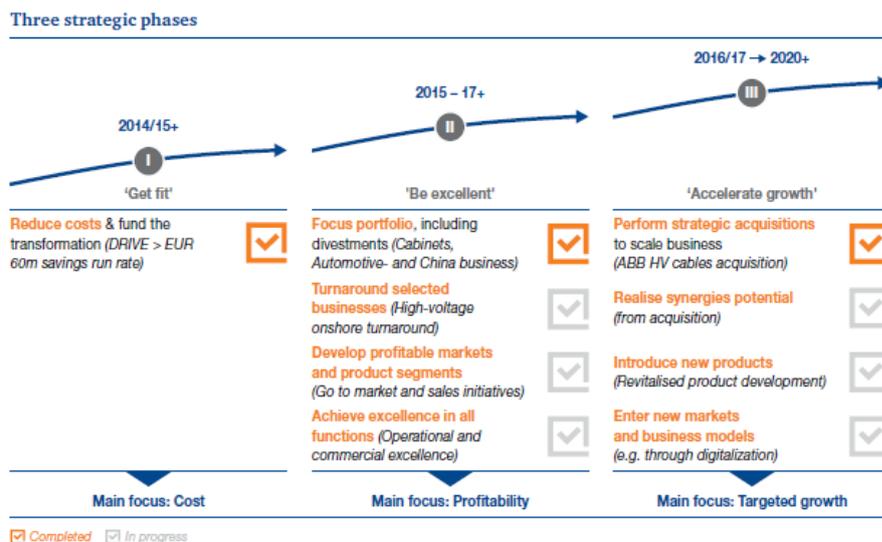
The drivers in the market for low-voltage cables and building wires are primarily construction sentiment as well as the need for further electrification of cities due to increased urbanization. The enforcement of the EU Construction Products Regulation (CPR), introduced in July 2017, will ensure harmonized rules for low-voltage cables in buildings. The low-voltage market developed favourably in 2017, with regional differences. In the years ahead the low-voltage market forecast is for positive development in Europe with expected growth averaging almost 3 per cent. annually from 2016 to 2020 (source: NKT and the market research provider CRU).

EXCELLENCE 2020

Launched in 2015, EXCELLENCE 2020 is the strategic roadmap by which NKT intends to become the best power cable company in the eyes of customers and employees. EXCELLENCE 2020 is a follow-up to the successful DRIVE efficiency improvement programme, completed in 2015. DRIVE was the first phase (Get fit) of the company’s strategic journey and focused on reducing costs.

On the second phase of the journey ("Be excellent"), NKT has established operational and commercial excellence functions across the company to further exploit the value potential. At the same time, the creation of a more focused NKT continued in 2016 and 2017 with divestments of non-core parts of the business.

With the acquisition of ABB HV Cables in March 2017, NKT also positioned itself for the third phase of the EXCELLENCE 2020 strategy (Accelerate growth), covering the years ahead. The strengthened market position in the high-voltage segment is expected to add further growth opportunities.



The EXCELLENCE 2020 strategy comprises **must-win battles** to be won across the organization and a number of **segment initiatives** supporting each underlying segment within the three business lines.

The four cross-organizational must-win battles are illustrated below.



All initiatives have been launched to support the cross-organizational must-win battles.

NKT has defined three strategic segment directions - 1. Develop and grow, 2. Focus on profitable growth and 3. Turnaround - to guide each business segment towards individual operating targets and thereby create further value for the company.

The strategic segment directions are illustrated below.

Develop and grow

Attractive markets with growth potential:

- Focus on innovation and differentiation
- Improve offshore services and expertise

Focus on profitable growth

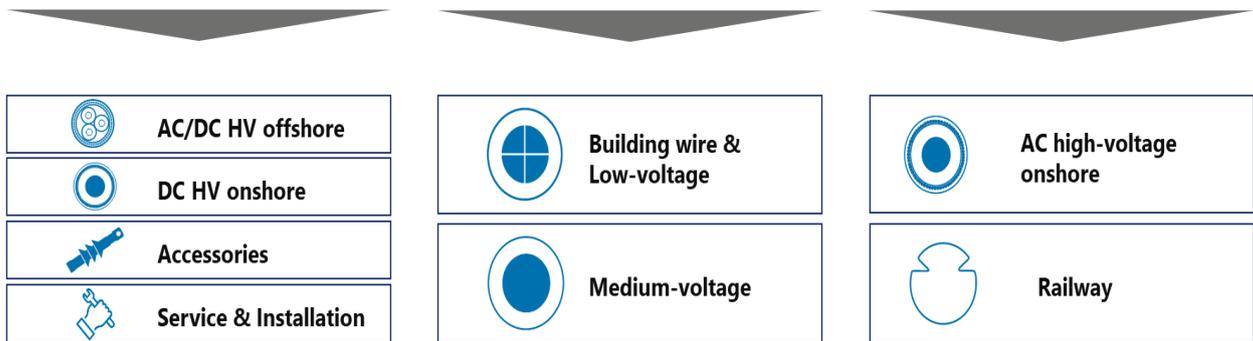
Fragmented commodity markets:

- Focus on costs
- Concentrate on profitable customers and markets
- Service level improvements

Turnaround

Market NKT believes in, but with a need to restructure:

- Improve sales excellence & close product gaps
- Fix operating model & reduce costs



2.5.1.1.2 NKT Photonics

NKT Photonics is one of the leading suppliers of high performance fiber lasers, fiber optic sensing systems, and photonic crystal fibers. The main markets are within imaging, sensing and material processing, and products include ultrafast lasers, supercontinuum white light lasers, low noise fiber lasers, distributed temperature sensing systems and a wide range of specialty fibers. NKT Photonics is headquartered in Denmark with sales and service worldwide, and employs more than 300 people.

Vision

"Through optical fiber and laser technology, we deliver state-of-the-art commercial solutions in collaboration with our partners for the benefit of mankind".

Mission

"We will lead the transformation of photonics products by setting new standards for fiber lasers and systems. Our products must have volume potential, with key optical functionalities embedded in optical fibers. We will strive to become the market leader wherever we engage, and we will thereby create a scalable and truly commercial business."

Market description

The global photonics market is worth around EUR 115bn (source: Optech Consulting report for Photonics21 / EU Commission: 2015 Global Photonics Market for Medical, Components and systems, Measurement and Production technology), of which the part addressable by NKT Photonics is estimated at around EUR 1.9bn. NKT Photonics has divided this addressable portion into three segments which are considered to be among the fastest growing areas of the entire photonics market.

Imaging & Metrology

NKT Photonics mainly serves the Imaging & Metrology market through its SuperK supercontinuum white light lasers and portfolio of Onefive ultrafast lasers. The Imaging & Metrology market is relatively fragmented, ranging from advanced scientific customers and life science to industrial OEMs within microelectronics and semiconductors.

Sensing & Energy

The Sensing & Energy market is targeted through Koheras single frequency lasers and LIOS distributed sensing systems, for which the main applications are fire detection, power cable and pipeline monitoring, and wind LIDAR. The market is dominated by major infrastructure projects such as pipelines, power cables and tunnels/metros. Segment revenue can therefore fluctuate significantly between quarters.

Material Processing

Material Processing is the fastest growing segment for NKT Photonics. The primary product lines in this segment are the Onefive ultrafast lasers and the aeroGAIN fiber gain modules. The former are sold directly to end-users and system integrators, while the latter are aimed at other ultrafast laser manufacturers. NKT Photonics addresses the micro-processing part of the material processing market, which is driven by advances in medical procedures and the microelectronics industry.

Strategy

In 2015, NKT Photonics introduced its current strategy to increase business profitability in the medium-term by prioritizing focus on commercialization moving away from mainly addressing the scientific markets. The strategy is built on four key focus areas as outlined below.

Move up in value chain

As part of the progression from primarily serving the scientific market towards a more industrial profile, the products which NKT Photonics offers are rising higher in the value chain. This is partly to capture a larger part of the value in the market, and partly a natural consequence of the change in the customer base, as industrial customers are inclined to choose complete solutions rather than the flexible building blocks sought after in the scientific market.

Focus on organic growth

Following the recent acquisitions the product and competence matrix is more balanced. As a result, the primary focus of NKT Photonics in the coming years is on integration and growing existing business areas that offer significant growth opportunities, particularly in the Imaging & Metrology and Material Processing segments.

LEAN operations

As NKT Photonics grows larger, scale in production and LEAN become increasingly important to improve profitability and manage working capital. The various manufacturing sites are tied together with centralized functions like purchasing and order handling. To operate the sites as efficiently as possible across borders and drive the LEAN process, NKT Photonics appointed a Chief Operating Officer in 2017.

Fast introduction of new products

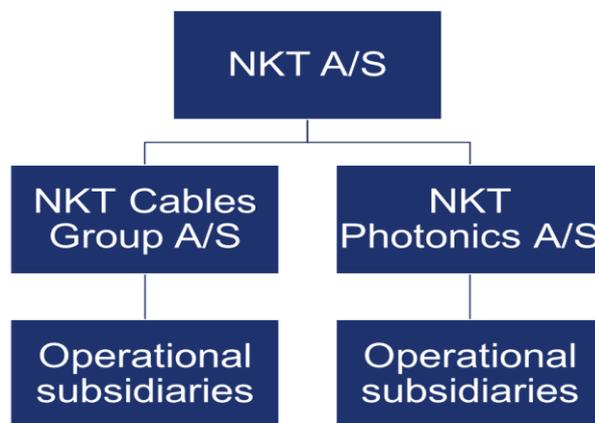
The NKT Photonics product technology platform is maturing, and focus has changed from fundamental development to faster introduction of new products and customer-specific variants. This also supports the move into more industrial market segments where product cycles are shorter and products are typically tailored to

the needs of each customer.

2.5.1.2 The basis for any statements made by NKT and NKT Photonics regarding its competitive position is based on own analysis and assumptions.

2.6 Organisational Structure

2.6.1 The structure of the Group and the Issuer's position therein is shown below.



The operational subsidiaries of the Issuer include both production, development, and sales companies as well as various holding companies.

2.6.2 As the Issuer is the parent and holding company of the Group, it is dependent on the operation and results of NKT Photonics A/S and its subsidiaries and NKT Cables Group A/S and its subsidiaries. The Issuer is accordingly dependent on dividends, distributions and other payments from its subsidiaries to make payments under the Securities.

2.7 Trend Information

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

2.8 Profit forecasts or estimates

The Issuer has chosen not to include a profit forecast or profit estimate in the Prospectus as in the Issuer's view such profit forecasts or profit estimates are non-material with respect to the Issuer's ability to fulfil its obligations under the Securities.

2.9 Administrative, Management and Supervisory Bodies

2.9.1 Members of the Issuer's Board of Directors and Executive Management

The business address of the Board of Directors and the Executive Management is at NKT A/S at Vibeholms Allé 20, DK-2605 Brøndby, Denmark.

Board of Directors:

The Issuer's Board of Directors comprises 9 members including 3 employee representatives.

Jens Due Olsen

Chairman. Born in 1963. Joined: 2006

Professional board member

Chairman: Nilfisk Holding A/S, KMD A/S, KMD Holding A/S, KMD Holdco 4 A/S, AI Keymde 2 ApS, AI Keymde 3 ApS, Auris Luxemburg III S.A. Advisory Board, BørneBasketFonden

Deputy Chairman: Danish Committee on Corporate Governance

Board member: Danske Bank A/S

Committee memberships: Nomination Committee, NKT Photonics Committee

Jens Due Olsen has special skills in the fields of industrial management, management of listed companies and specialist expertise in economic and financial matters.

René Svendsen-Tune

Deputy Chairman. Born in 1955. Joined: 2016

CEO: GN Store Nord A/S and GN Audio A/S

Board member: Nilfisk Holding A/S

René Svendsen-Tune has special skills in the fields of international management, management of listed companies and specialist expertise in technology, service business and large account sales.

Jens Maaløe

Born in 1955. Joined: 2004

CEO: Terma A/S

Chairman: Terma A/S, Terma Aerostructures A/S, Innovation Fund Denmark

Board member: Grundfos Holding A/S, Nilfisk Holding A/S, Niras Gruppen A/S, Fremstillingsindustrien, Danish Defence and Security Industries Association, Member of the General Council of Confederation of Danish Industries

Committee memberships: Remuneration Committee, Audit Committee and NKT Photonics Committee (Chairman)

Jens Maaløe has special skills in the fields of industrial management, management of listed companies and specialist expertise in technology and technological development.

Andreas Nauen

Born in 1964. Joined: 2017

CEO: Offshore, Siemens Gamesa Renewable Energy A/S

Board member: Semco Maritime A/S

Andreas Nauen has special skills in the fields of international and industrial management, management of listed companies and specialist expertise in technology and large infrastructure projects.

Jutta af Rosenberg

Born in 1958. Joined: 2015

Board member: Nilfisk Holding A/S, Standard Life Aberdeen plc., JPMorgan European Investment Trust plc., PGA European Tour, BBGI SICAV S.A.

Committee memberships: Remuneration Committee (Chairman), Audit Committee (Chairman)

Jutta af Rosenberg has special skills in the fields of international management, optimisation of business processes, risk management and finance and controlling.

Lars Sandahl Sørensen

Born in 1963. Joined: 2013.

Group Executive Director and COO at SAS

CEO: Sandahl Sørensen Holding ApS

Chairman: SAS Cargo Group A/S

Deputy Chairman: Nilfisk Holding A/S

Board member: Wexøe Holding A/S, Wexøe A/S, Industry Foundation of Denmark, Fund of 3 June 1986, General Council of the Confederation of Danish Industries, VEGA, SAS Danmark A/S, SAS Management Denmark A/S, Industriens Arbejdsgivere i København

Committee memberships: Nomination Committee

Lars Sandahl Sørensen has special skills in the fields of international services management, management of listed companies, specialist expertise in corporate trading, international business, development, leadership development in various industrial sectors, sales and marketing.

Peter Wennevold

Employee representative

Born in 1966. Joined: 2018

Finance BP SCM, NKT A/S

Stig Nissen Knudsen

Employee representative

Born in 1969. Joined: 2018

Production Development Engineer, NKT Photonics A/S

Jack Ejlertsen

Employee representative

Born in 1987. Joined: 2018

Operator, NKT A/S

Executive Management:

Michael Hedegaard Lyng

President & CEO

Born in 1969. Joined: 2007

Joined the Executive Management in 2008, became President and CEO of NKT in 2014

Chairman: Industriselskabet af 1. januar 2002 A/S, Industriselskabet af 17. juli 2007 A/S, Industriselskabet af 2. maj 2002 A/S, Industriselskabet af 23. juni 2007 A/S, Industriselskabet af 26. januar 2002 A/S, Lyng og Leander ApS

Board member: Burmeister & Wain Scandinavian Contractor A/S, Investeringselskabet Luxor A/S

Roland M. Andersen

CFO

Born in 1968. Joined: 2015

Joined the Executive Management in 2018 and became CFO of NKT in 2015

Chairman: PPC Ejendomme A/S

Board member: Unifeeder A/S, Unicorn ApS

CEO: R52888 ApS

- 2.9.2 No potential conflicts of interest exist between the duties to the Issuer of the persons on the Board of Directors and the Executive Management and their private interests and/or other duties listed above.

2.10 Major Shareholders

- 2.10.1 As at the date of this Prospectus, to the Issuer's knowledge, no shareholder directly or indirectly owns or controls a majority of the shares or votes in the Issuer. Shareholders holding between 5 and 10 per cent. of the owner interest and/or voting rights in the Issuer are Ferd AS, Nordea Funds Ltd., Kirkbi Invest A/S, and Arbejdsmarkedets Tillægspension.

- 2.10.2 The Issuer has no knowledge of any arrangements, the operation of which may at a subsequent date result in a change in control of the Issuer.

2.11 Financial Information concerning the Assets and Liabilities as well as the Financial Position and the Profits and Losses of the Issuer**2.11.1 Historical Financial Information**

Reference is made to the two most recent audited consolidated Annual Reports of the Issuer, the 2017 Annual Report and the 2016 Annual Report and the non-audited consolidated Interim Reports, the Q2 2017 Interim Report and the Q2 2018 Interim Report. As set out in Section 6 below, the 2017 Annual Report and the 2016 Annual Report as well as the Q2 2017 Interim Report and the Q2 2018 Interim Report is incorporated into this Prospectus by reference.

The 2017 Annual Report and the 2016 Annual Report, being the most recent years' historical financial information, have been prepared and presented in a form consistent with that which will be adopted in the Issuer's next published annual financial statements having regard to accounting standards and policies as well as legislation applicable to such annual financial statements.

The Issuer's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU and Danish disclosure requirements for listed companies. The Issuer's accounting policies are shown in the 2017 Annual Report, page 73.

Because of the complexity in the historical financial information and financial statements, this information is incorporated by reference to the 2017 Annual Report and the 2016 Annual Report. Please see Section 6 ("*List of Documents/Information incorporated into this prospectus by reference*") for complete references.

2.11.2 *Financial statements*

The Issuer incorporates the 2017 Annual Report and the 2016 Annual Report as well as the Q2 2017 Interim Report and the Q2 2018 Interim Report in the Prospectus.

2.11.3 *Auditing of historical annual financial information*

2.11.3.1 The historical financial information for 2017 and 2016 (i.e. the 2017 Annual Report and the 2016 Annual Report) has been audited. The audit of the 2017 Annual Report and 2016 Annual Report has not resulted in any qualification.

2.11.3.2 No information other than as set out in Section 2.11.3.1 has been audited.

2.11.3.3 The Issuer is the source of the financial information contained in the Annual Reports and the Interim Reports.

2.11.4 *Age of latest financial information*

The latest year of audited financial information is 2017.

2.11.5 *Legal and arbitration proceedings*

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering the previous 12 months which may have or have had in the recent past significant effects on the Issuer and/or the Group's financial position or profitability, except as disclosed in Section 1.4.4 of the Risk Factors.

2.11.6 *Significant change in the Issuer's financial or trading position*

There has been no significant change in the financial or trading position of the Issuer since the release of the Q2 2018 Interim Report on 15 August 2018.

2.12 **MATERIAL CONTRACTS**

The Issuer has not entered into any material contracts, other than contracts entered into in the ordinary course of business, which may result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Securityholders in respect of the Securities being issued.

2.13 THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

2.13.1 No statement or report attributed to a person as an expert is included in this Prospectus.

2.13.2 Third party information

The information on expected market share growth as described in Section 2.5.1.1.1 is based on information provided by the market research provider CRU and the information on the photonics market worth in Section 2.5.1.1.2 is based on information extracted from Optech Consulting report for Photonics21 and EU Commission: 2015 Global Photonics Market for Medical, Components and systems, Measurement and Production technology. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from the information provided by CRU and the information published by Optech Consulting and the EU Commission, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2.14 DOCUMENTS ON DISPLAY

The Issuer declares that copies of the Issuer's memorandum of association (*stiftelsesdokument*), articles of association (*vedtægter*), and historical financial information will be available for inspection during the life of the Prospectus.

Copies of the Annual Reports and the Interim Reports as well as the Issuer's memorandum of association and articles of association, and copies of the annual reports of the Issuer's subsidiaries for the two most recent financial years, are available on request from the Issuer's registered office located at Vibeholms Allé 20, DK-2605 Brøndby, Denmark between 9 – 15 on week days.

3. SECURITIES NOTE FOR THE SECURITIES

This securities note has been prepared on the basis of and in accordance with Annex XIII of the Prospectus Regulation (as defined on the first page of this Prospectus).

3.1 Persons Responsible

3.1.1 Persons responsible for information in this Prospectus

For the persons responsible for the information given in this Prospectus, please refer to Section 2.1.1 above.

3.1.2 Declarations relating to this Prospectus

For the declaration by those responsible for this Prospectus that, having taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import, please refer to Section 2.1.2 above.

3.2 Risk Factors

For the risk factors that are material to the Securities in order to assess the market risk associated with the Securities, please refer to Section 1 ("*Risk factors*") above.

3.3 Essential information

Interest of natural and legal persons involved in the issue

The Issuer is not aware of any interest, including conflicting ones, which are material to the issue of the Securities.

The Joint Bookrunners have received a fee for their service in connection with the issue of the Securities, and certain of the Joint Bookrunners have made credit facilities available to the Group which are being partly re-financed by proceeds of the issue of the Securities.

The Joint Bookrunners or their affiliates may have provided from time to time, and may provide in the future, investment and commercial banking services to the Group in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions and may come to have interests that may not be aligned or could potentially conflict with the interests of the Issuer and investors in the Issuer. The Joint Bookrunners do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Use of proceeds

The proceeds from the Securities will be applied towards the refinancing of certain outstanding indebtedness and general corporate purposes of the Issuer.

3.4 Information concerning the Securities to be admitted to trading

3.4.1 Total amount of Securities

The total amount of the Securities that will be admitted to trading and official listing on the regulated market of Nasdaq Copenhagen A/S is EUR 150,000,000.

3.4.2 Securities type, class and ISIN code

The Securities are debt securities with a denomination of EUR 1,000. All trades in Securities as well as the initial subscription shall be in a minimum amount of EUR 100,000.

The Securities are unsecured, callable and subordinated to the extent set out in the Terms and Conditions.

The International Securities Identification Number (ISIN) of the Securities is DK0030427661. The CFI code of the Securities is DBFUFB. The FISN of the Securities is NKT/5.38/ NKT 3018.

3.4.3 Legislation under which the Securities have been created

The Securities and the Terms and Conditions are governed by, and shall be construed in accordance with, Danish law.

3.4.4 Information on form of the Securities

The Securities are issued in uncertificated and dematerialised book-entry form through the Danish Central Securities Depository (VP Securities A/S), the Securities Depository. The Securities will not be evidenced by any physical bond, note or document of title other than statements of account made by the Securities Depository in its capacity as central securities depository. The Securities Depository is a Danish limited liability company registered

with the Danish Business Register under registration number 21599336, with its registered address at Weidekampsgade 14, 2300 København S, Denmark.

3.4.5 *Currency applied*

The Securities are denominated in euro (EUR).

3.4.6 *Ranking of the Securities*

The status of the Securities and their ranking is set out in Condition 4 (*Status of the Securities*).

3.4.7 *A description of the rights attached to the Securities and the procedure for the exercise thereof*

The rights attaching to the Securities is set out in Section 4 ("*Terms and Conditions of the Securities*").

3.4.8 *The nominal interest rate and provisions relating to interest payable*

The provisions regarding the interest rate and interest payable is set out in Condition 5 (*Interest*), Condition 6 (*Payments*), Condition 7 (*Cumulative optional Interest Deferral*) and Condition 8 (*Settlement of Outstanding Payments*) of the Terms and Conditions.

The Securities bear interest at a fixed rate corresponding to the First Fixed Rate from (and including) the Issue Date to (but excluding) 12 September 2022 (First Call Date).

From (and including) the First Call Date to (but excluding) the next subsequent Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next subsequent Reset Date and from (and including) the last Reset Date prior to the Maturity Date to (but excluding) the Maturity Date, the Securities bear interest at the relevant Reset Fixed Rate for the relevant Interest Period.

Subject to Condition 9 (*Redemption and purchase*) any Outstanding Payments shall automatically be cancelled on the Maturity Date.

Interest on the Securities is payable annually, with the initial Interest Payment Date falling on 12 September 2019.

Payments in respect of the Securities will, subject to the Terms and Conditions, be made to the Securityholders in accordance with Condition 6 (*Payments*).

Claims against the Issuer for payment in respect of the Securities are subject to limitation under the Danish Consolidated Act No. 1238 of 9 November 2015, as amended, on limitation (*lov om forældelse af fordringer (forældelsesloven)*) in accordance with Condition 18 (*Prescription*).

Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige will perform the tasks of the Issuing Agent, Paying Agent and Calculation agent, including:

- a) **Issuing Agent:** The task of registering the Securities in the book entry system of the Securities Depository.
- b) **Paying Agent:** The task of arranging for payment of any amount due under the Securities through the Securities Depository (subject to in each case having received the relevant amount from the Issuer) in accordance with the Terms and Conditions of the Securities.

- c) **Calculation Agent:** The task of calculating any rate of interest and any amount, including any interest amounts, due under the Securities in accordance with the Terms and Conditions of the Securities, and such other tasks set out in the Terms and Conditions of the Securities.

3.4.9 *Maturity date and arrangements for amortisation and repayment procedures*

The maturity date of the Securities is 12 September 2018, cf. Condition 9 (*Redemption and purchase*). Subject to Condition 11 (*Event of Default*), if the Issuer fails to pay any interest on any of the Securities when due, any Securityholder may take such steps or actions or institute proceedings to obtain payment of the amounts due or take such steps or actions or institute proceedings for the bankruptcy of the Issuer.

If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer, the Securityholders may prove or claim in such proceedings in respect of the Securities pursuant to Condition 12 (*Enforcement*).

3.4.10 *Yield*

The yield in respect of the Securities from the Issue Date to the First Call Date is 5.375 per cent. p.a. calculated on the basis of the issue price of the Securities and the First Fixed Rate. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method.

3.4.11 *Representation of Securityholders*

No person has been appointed as representative for the Securityholders, cf. Sections 15-20 of the Danish Capital Markets Act.

3.4.12 *Resolutions, authorisations and approvals*

The Issuer has obtained all necessary resolutions, authorisations and approvals in order to issue and admit the Securities to trading and official listing on the regulated market of Nasdaq Copenhagen A/S by the Board of Directors on 14 August 2018.

3.4.13 *The issue date of the Securities*

The Securities will be issued on 12 September 2018.

3.4.14 *Transferability of the Securities*

Subject to the selling and transfer restrictions described in the beginning of this Prospectus and under Section 7 (*"Subscription and Sale (Selling and Transfer Restrictions)"*), the Securities are freely transferable, but the Securityholders may be subject to purchase or transfer restrictions with regard to the Securities, as applicable, under the local laws to which a Securityholder may be subject.

3.5 **Admission to Trading and Dealing Arrangements**

3.5.1 *Admission to trading and official listing of the Securities*

An application has been made for the Securities to be admitted to trading and official listing on the regulated market of Nasdaq Copenhagen A/S on or about 12 September 2018. Admission to trading and official listing on the regulated market of Nasdaq Copenhagen A/S shall not be considered a guarantee that an active secondary mar-

ket for the Securities will develop and, if such an active market were to develop, neither NKT nor the Joint Bookrunners will have a duty to maintain such market.

3.5.2 *Issuing Agent, Paying Agent and Calculation Agent*

The Issuing Agent, Paying Agent and Calculation Agent is Nordea Danmark, filial af Nordea Bank AB (publ), Sverige, Grønøjordsvej 10, DK 2300 Copenhagen S, Denmark.

3.6 **Expenses of the Admission to Trading**

The Issuer estimates that the total expenses related to the admission to trading and official listing on the regulated market of Nasdaq Copenhagen A/S of the Securities will amount to DKK 44.500,00.

3.7 **Additional Information**

3.7.1 **Advisers**

Legal advisor to the Issuer:

Kromann Reumert
Company registration number (CVR-no.): 62 60 67 11
Sundkrogsgade 5
DK-2100 Copenhagen Oe
Denmark

Legal advisor to the Joint Bookrunners:

Gorrissen Federspiel Advokatpartnerselskab
Company registration number (CVR-no.): 38 05 24 97
Axeltorv 2
DK-1609 Copenhagen V
Denmark

3.7.2 *Audit of the securities note*

The external auditor of NKT, Deloitte Statsautoriseret Revisionspartnerselskab, company registration number (CVR-no.): 33 96 35 56, Weidekampsgade 6, DK-2300 Copenhagen S, has not audited, reviewed or produced a report on any information in this Prospectus other than on certain of the financial information incorporated by reference into this Prospectus (see Section 6 ("*List of Documents/Information incorporated into this prospectus by reference*").).

3.7.3 *Statements or reports attributed to an expert*

No statement or report attributed to a person as an expert is included in this Prospectus.

3.7.4 *Information from third parties*

With respect to information in this Prospectus sourced from third parties, reference is made to Section 2.13.2.

3.7.5 *Credit rating*

The Securities are unrated.

3.8 Taxes

The following is a summary description of the expected taxation in Denmark of the Securities according to the Danish tax laws in force at the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Securities, and does not purport to deal with the tax consequences applicable to all categories of Securityholders, some of which may be subject to special rules. Potential Securityholders are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment in, holding of and disposal of the Securities. While the Danish tax qualification of the Securities is not 100% clear, the Issuer is of the view that the Securities qualify as debt instruments for Danish tax purposes and the below summary has been made on this basis. However, the Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Securities or of the Danish tax qualification of the Securities.

3.8.1 *Taxation at source*

Under existing Danish tax law no withholding tax is levied on payments of interest or principal or other amounts due on the Securities to the owner of such payment, except if the owner is a corporate entity that is "related to" the Issuer within the meaning of Section 3B of the Danish Tax Inspection Act (consolidated act No. 1264 of 31 October 2013 as amended). If the owner is related to the Issuer, then a withholding tax may in certain circumstances apply (22 per cent. withholding tax).

This will not have any impact on holders of Securities who are not "related to" the Issuer.

3.8.2 *Resident holders of Securities*

Under existing Danish tax laws, private individuals and companies, funds and other entities that are considered separate taxable entities for Danish tax purposes and who are domiciled in Denmark for tax purposes, are (save for certain exceptions) liable to pay tax on capital gains and payments on interest on the Securities.

As a starting point, capital gains are for individuals taxed pursuant to a realisation-principle, while a mark-to-market principle as a starting point applies for companies.

3.8.3 *Non-resident holders of Securities*

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident holders of Securities are not subject to taxation in Denmark. No withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of Securities will not be subject to taxation in Denmark, except as set out in the Section entitled Taxation at source above.

This tax treatment applies solely to holders of Securities who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

4. TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities. The Securities will not be evidenced by any physical security, bond, note or document of title other than statements of account made by VP Securities A/S. Ownership of the Securities will be recorded and transfer effected only through the book entry system and register maintained by VP Securities A/S.

1 Introduction

- 1.1 The EUR 150,000,000 Callable Subordinated Capital Securities due 3018 (the "**Securities**", which expression shall in these terms and conditions of the Securities (the "**Conditions**"), unless the context otherwise requires, include any further securities issued pursuant to Condition 17 (*Further issues*) and forming a single series with the Securities) are issued by NKT A/S, CVR no. 62725214 (the "**Issuer**").
- 1.2 The Securities will be issued on 12 September 2018 (the "Issue Date"). The Securities will be issued at an issue price of 100.00 per cent.
- 1.3 The issue of the Securities was authorised and approved by the Issuer's Board of Directors at a meeting held on 14 August 2018.
- 1.4 Nordea Danmark, filial af Nordea Bank AB (publ), Sverige, Grønjørdsvej 10, DK 2300 Copenhagen S, Denmark will perform the tasks of the Issuing Agent, Paying Agent and Calculation Agent, which, as applicable, shall be defined and construed as follows:
- a) **Issuing Agent:** The task of registering the Securities in the book entry system of VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark ("**VP**").
 - b) **Paying Agent:** The task of arranging for payment of any amount due under the Securities through VP (subject to in each case having received the relevant amount from the Issuer) in accordance with these Conditions.
 - c) **Calculation Agent:** The task of calculating any rate of interest and any amount, including any interest amounts, due under the Securities in accordance with these Conditions, and such other tasks set out in the Conditions.

2 Definitions

In addition to the terms defined above the following expressions have the following meanings in these Conditions:

"**4-year Swap Rate**" means the rate for a Reset Period determined by the Calculation Agent on the Interest Determination Date for the relevant Reset Period and will be:

- a) the mid swap rate for euro swap transactions with a maturity of 4 years, as published on Reuters screen "ICESWAP2" (formerly called "ISDAFIX2") under "Euribor Basis EUR" (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in euro) (the "Mid-Swap Page"), as at approximately 11.00 a.m. (Central European time) on the Interest Determination Date applicable to such Reset Period; or
- b) if, on the Interest Determination Date applicable to such Reset Period, no rate is calculated and published on the Mid-Swap Page, the arithmetic mean (rounded if necessary, to the nearest second decimal place, with

0.005 being rounded upwards) of the quotations offered by the Reset Reference Banks at approximately 11.00 a.m. (Central European time) on such Interest Determination Date, to prime banks in the European market for the mid swap rate for euro swap transactions with a maturity of 4 years in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; provided that if fewer than two rates are so quoted, the 4-Year Swap Rate shall be (i) in the case of each Reset Period other than the Reset Period commencing on the First Call Date, the 4-year Swap Rate for the immediately preceding Reset Period, or (ii) in the case of the Reset Period commencing on the First Call Date, the Initial 4-Year Swap Rate.

"4-year Swap Rate Quotations" mean the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (x) has a term of five years commencing on the date on which the relevant Interest Period commences, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

"Accounting Principles" means the generally accepted accounting principles, standards and practices in Denmark, including the International Financial Reporting Standards (IFRS) applied on a consistent basis subject to any changes required by any regulation.

"Additional Amounts" has the meaning given to it in Condition 10 (*Taxation*).

"Business Day" means a day on which both the VP settlement system is open and which is a TARGET Day.

"Calculation Period" has the meaning given to it in Condition 5.1 (*Interest and payment dates*).

"Capital Markets Act" means the Danish Act on Capital Markets (in Danish: *lov om kapitalmarkeder*), Consolidated Act no. 12 of 8 January 2018 as amended.

"Change of Control Event" means that any person or group of persons acting in concert, directly or indirectly, gains Control of the Issuer.

"Code" has the meaning given to it in Condition 6.2 (*Payments subject to fiscal laws*).

"Compulsory Payment Event" means any of the following events:

- a) the shareholders of the Issuer have resolved at a general meeting on the proposal by, or with the consent of, the Board of Directors of the Issuer or the Board of Directors of the Issuer based on an authorization from the general meeting has resolved, to pay or distribute a dividend or make a payment on any Issuer Shares, other than a dividend, distribution or payment which is made in the form of any Issuer Shares;
- b) the Issuer or any of its subsidiaries pays any dividend, other distribution or other payment in respect of any Parity Security (other than a dividend, distribution or payment which is made in the form of any Issuer Shares); or

c) the Issuer or any of its subsidiaries redeems, repurchases or otherwise acquires any Issuer Share or any Parity Security,

provided that, in the cases of (a) and (b) above, no Compulsory Payment Event shall be deemed to occur if:

- i) the Issuer or the relevant subsidiary repurchases or otherwise acquires (in each case directly or indirectly) the Issuer Shares pursuant to its obligations under any existing share-based incentive plans with or for the benefit of employees, officers or directors; or
- ii) as a result of the exchange or conversion of one class of Issuer Shares for another class.

"Control" means:

- a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - i) cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Issuer;
 - ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Issuer; or
 - iii) give directions with respect to the operating and financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are obliged to comply; or
- b) the holding beneficially of more than 50 per cent. of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

"Deferred Payment" has the meaning given to it in Condition 7 (*Cumulative optional Interest Deferral*).

"Determination Period" has the meaning given to it in Condition 5.1 (*Interest and payment dates*).

"Early Redemption Amount" means 101.00 per cent. of the principal amount per Security.

"Event of Default" has the meaning given to it in Condition 11 (*Event of Default*).

"FATCA" has the meaning given to it in Condition 6.2 (*Payments subject to fiscal laws*).

"First Call Date" has the meaning given to it in Condition 5.1 (*Interest and payment dates*).

"First Fixed Rate" means the sum of the Initial 4-year Swap Rate and the Initial Margin, corresponding to 5.375 per cent. per annum.

"Initial 4-year Swap Rate" means 0.150 per cent. per annum.

"Initial Margin" means 5.225 per cent. per annum.

"Interest Determination Date" means the second TARGET Business Day prior to the date on which the relevant Reset Period commences.

"Interest Payment Date" has the meaning given to it in Condition 5.1 (*Interest and payment dates*).

"Interest Period" means the period from (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Rate" means, before (and excluding) the First Call Date, the First Fixed Rate and, from (and including) the First Call Date, the Reset Fixed Rate.

"ISIN" means International Securities Identification Number – the identification number of the Securities.

"Issuer Shares" mean Ordinary Shares and any other shares of any class of the Issuer (if any) ranking pari passu among themselves and pari passu with Ordinary Shares.

"Mandatory Settlement Date" means the earliest of:

- a) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- b) the date falling 10 Business Days after the date on which a Compulsory Payment Event has occurred;
- c) the date, other than the Maturity Date, on which the Securities fall due for redemption in accordance with Conditions 9.2 (*Redemption at the option of the Issuer*), 9.3 (*Redemption for taxation reasons*), 9.4 (*Redemption for accounting reasons*), 9.5 (*Redemption due to a Replacing Capital Event*), 9.6 (*Redemption due to a Change of Control Event*) or 9.7 (*Redemption for a minimum outstanding principal amount*); and
- d) the date on which an order is made for the bankruptcy (in Danish: *konkurs*), winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

"Margin" means for each Interest Period from (and including) the First Call Date to (but excluding) the Maturity Date, the sum of the Initial Margin and the Step-up Margin.

"Maturity Date" means 12 September 3018.

"Optional Deferral Notice" has the meaning given to it in Condition 7 (*Cumulative optional Interest Deferral*).

"Optional Redemption Notice" has the meaning given to it in Condition 9.2 (*Redemption at the option of the Issuer*).

"Optional Settlement Date" has the meaning given to it in Condition 8 (*Settlement of Outstanding Payments*).

"Ordinary Shares" mean ordinary shares in the capital of the Issuer, having on the Issue Date a minimum principal value of DKK 20 each.

"Outstanding Payments" has the meaning given to it in Condition 7 (*Cumulative optional Interest Deferral*).

"Outstanding Securities" mean any Securities issued in accordance with these Terms and Conditions to the extent not redeemed or otherwise discharged.

"Parity Securities" mean, in respect of the Issuer, any securities or obligations issued or owed by the Issuer (including guarantees or indemnities given by the Issuer in respect of securities or obligations owed by other persons) which rank or by their terms are expressed to rank pari passu with the Securities, in each case described by their respective initial issuance amount.

"Replacing Capital Event" means one or more issuances of equity by the Issuer during the period from (and including) the Issue Date to but (excluding) the first Reset Date the aggregate proceeds of which (net of commissions) is equal to or greater than the outstanding aggregate amount of the Securities provided that such proceeds have not been used, directly or indirectly, to repurchase or redeem, or make any payments in respect of, any shares or securities of the Issuer which rank, or by their terms are expressed to rank, pari passu with, or junior to, the Securities.

"Reset Date" means the First Call Date, and thereafter each date which is the fourth anniversary of the First Call Date to (but excluding) the Maturity Date.

"Reset Fixed Rate" for each Interest Period from (and including) the First Call Date to (but excluding) the Maturity Date means the 4-year Swap Rate for the relevant Reset Period in which the Interest Period falls plus the Margin, as determined by the Calculation Agent.

"Reset Period" means the period from (and including) the first Reset Date to (but excluding) the following Reset Date and thereafter each period from (and including) a Reset Date to (but excluding) the next subsequent Reset Date.

"Reset Reference Banks" means four major banks in the European inter-bank market selected by the Issuer or the Calculation Agent (in consultation with the Issuer).

"Securityholder" means a person who is registered in VP as directly registered owner or nominee holder of a Security.

"Securityholders' Meeting" means a Securityholders' meeting held pursuant to Condition 14 (*Securityholders' Meeting*).

"Senior Creditors" mean, in respect of the Issuer, all creditors of the Issuer other than (i) creditors whose claims are in respect of the Securities; (ii) Parity Securities; or (iii) Issuer Shares.

"Step-up Margin" means 5.000 per cent. per annum.

"TARGET Day" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

"Tax Event" has the meaning given to it in Condition 9.3 (*Redemption for taxation reasons*).

"**Tax Ruling Request**" means a request for a binding ruling submitted on behalf of the Issuer to SKAT (the Danish tax authorities) on 13 July 2018 concerning the treatment of interest with respect to the Securities as an interest expense for Danish tax purposes.

"**Taxes**" has the meaning given to it in Condition 10 (*Taxation*).

"**Written Procedure**" means a written procedure held pursuant to Condition 15 (*Written Procedure*).

3 Form, denomination, nominal amount, trades, transferability and title

3.1 Form of Securities, denomination, nominal amount and trades

The Securities are issued in uncertificated and dematerialised book-entry form through VP.

The Securities are denominated in euro (EUR), being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union. The Securities shall be registered in VP in multiples of EUR 1,000. All trades in Securities as well as the initial subscription shall be in a minimum amount of EUR 100,000. A Securityholder who, as a result of trading such amounts, holds an amount which is less than EUR 100,000 in its account with the relevant clearing system will not be able to sell the remainder of such holding without first purchasing a principal amount of the Securities at or in excess of EUR 100,000 such that its holding amounts to EUR 100,000 or above.

The ISIN code of the Securities is DK0030427661. The CFI code of the Securities is DBFUFB. The FISN of the Securities is NKT/5.38/ NKT 3018.

3.2 Transferability and title

The Securities are freely transferable but the Securityholders may be subject to purchase or transfer restrictions with regard to the Securities under Condition 3.1 or under laws to which a Securityholder may be subject. Each Securityholder must ensure compliance with such restrictions at its own cost and expense.

Legal title to the Securities will pass by electronic registration in the book entry system and register maintained by VP in accordance with the rules and procedures of VP from time to time. Each Securityholder shall (except as otherwise required by law) be treated as absolute owner for all purposes and no person shall be liable for so treating such Securityholder.

The Issuer shall, to the extent permitted under applicable regulations, and the rules and procedures of VP from time to time, have access on demand to static data and ownership of the Securityholders registered in the securities register.

4 Status of the Securities

- 4.1 The Securities constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves.
- 4.2 The rights and claims of the Securityholders against the Issuer in respect of the Securities shall, save for such exceptions as may be provided by applicable legislation, rank behind the claims of Senior Creditors, pari passu with the rights and claims of holders of Parity Securities and in priority only to the rights and claims of holders of all Issuer Shares.
- 4.3 No Securityholder, who is in the event of the liquidation or bankruptcy of the Issuer indebted to the Issuer, shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Securities held by such Securityholder.

5 Interest

5.1 Interest and payment dates

- a) From (and including) the Issue Date to (but excluding) 12 September 2022 (the "**First Call Date**"), the Securities bear interest at a rate corresponding to the First Fixed Rate.
- b) From (and including) the First Call Date to (but excluding) the next subsequent Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next subsequent Reset Date and from (and including) the last Reset Date prior to the Maturity Date to (but excluding) the Maturity Date, the Securities bear interest at the relevant Reset Fixed Rate for the relevant Interest Period.
- c) During each such period, interest is scheduled to be paid annually in arrear on 12 September in each year, commencing on 12 September 2019 (each an "**Interest Payment Date**"), and will be due and payable in accordance with Conditions 7 (*Cumulative optional Interest Deferral*) and 8 (*Settlement of Outstanding Payments*). If any Interest Payment Date would otherwise fall on a day which is not a Business Day, the relevant payment shall be made on the next day which is a Business Day. No further interest or other payment will be made as a consequence of the postponement.
- d) Where interest is to be calculated in respect of any period (from (and including) the first such day to (but excluding) the last) (the "**Calculation Period**") which is equal to or shorter than the Determination Period during which it falls, the day count fraction used will be calculated on the basis of the number of days in the Calculation Period divided by the number of days in such Determination Period (Act/Act), where "**Determination Period**" means each period from (and including) 12 September in any year, to (but excluding) the next 12 September. For the avoidance of doubt, the first Determination Period will be period from and including 12 September 2018 to but excluding 12 September 2019.

5.2 Cessation of interest accrual

Each Security will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 5 (both before and after judgment) until the day on which all sums due in respect of such Security up to that day are received by or on behalf of the relevant Securityholder.

5.3 Reset Reference Banks and Calculation Agent

The Issuer will procure that, so long as any Security is outstanding, there shall at all times be identified a number of Reset Reference Banks (where the relevant Reset Fixed Rate, as applicable, is to be calculated by reference to them) and a Calculation Agent for the purposes of the Securities. If any such bank (acting through its relevant office) is unable or unwilling to continue to act as a Reset Reference Bank or the Calculation Agent, as the case may be, or if the Calculation Agent fails to establish the relevant Reset Fixed Rate, as applicable, for any Reset Period, the Issuer shall appoint another leading bank engaged in the Euro-zone interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

5.4 Notifications etc. to be binding

All notifications, opinions, determinations, certifications, conditions, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5, whether by the Calculation Agent (or its agent), shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agent and on all Securityholders and (in the absence of the aforesaid) no liability to the Securityholders or the Issuer shall attach to the Calculation Agent or the Paying Agent in connection with the exercise or non-exercise by them of any of their powers, duties or discretions.

6 Payments

6.1 Payments of principal and interest

Payments of principal, interest and any other amounts in respect of the Securities shall be made to the Securityholders shown in the relevant records of VP in accordance with and subject to the rules and regulations from time to time governing VP.

6.2 Payments subject to fiscal laws

All payments in respect of the Securities are subject in all cases to (1) any applicable fiscal or other laws and regulations and (2) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Section 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**") or any law implementing an intergovernmental approach to FATCA, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Securityholders in respect of such payments.

6.3 Payments on Business Days

If the due date for payment of any amount in respect of any Security is not a Business Day, the payment shall be postponed to the following Business Day, and the Securityholders shall not be entitled to any further interest or other payment in respect of such delay.

7 Cumulative optional Interest Deferral

Interest which accrues during an Interest Period ending on (but excluding) an Interest Payment Date will be due and payable on that Interest Payment Date, unless the Issuer, by giving notice to the Securityholders in accordance with Condition 20 (*Notices*), the Calculation Agent and the Paying Agent, not less than 15 Business Days

prior to the relevant Interest Payment Date (an "**Optional Deferral Notice**"), elects to defer the relevant interest payment in whole but not in part.

If the Issuer elects not to pay accrued interest on an Interest Payment Date, it will not have any obligation to pay interest on such Interest Payment Date.

Each such interest payment that is not due and payable in accordance with this Condition 7 due to an election made by the Issuer shall be referred to as a "**Deferred Payment**". Any such Deferred Payment will bear interest at the then current rate of interest on the Securities from (and including) the Interest Payment Date on which such Deferred Payment would otherwise than by reason of the operation of this Condition 7 become due to (but excluding) the date on which the Deferred Payment is satisfied in accordance with Condition 8 (*Settlement of Outstanding Payments*) or cancelled in accordance with the second sentence of Condition 9.1 (*Maturity Date*). The non-payment of any interest deferred by the giving of any Optional Deferral Notice in respect thereof shall not constitute an Event of Default or otherwise constitute a default of the Issuer or any other breach of its obligations under the Securities or for any other purpose or be subject to enforcement (in accordance with Condition 11 (*Event of Default*)) until such time as such interest shall have become due under Condition 8 (*Settlement of Outstanding Payments*) and remain unpaid.

If there are several amounts of Deferred Payment they shall accumulate until paid in full on the Optional Settlement Date.

The amount of any Deferred Payments, together with any interest accrued thereon, shall constitute "**Outstanding Payments**" from the day following the Interest Payment Date on which such Deferred Payment would have become due if the interest had not been deferred pursuant to this Condition 7.

8 **Settlement of Outstanding Payments**

8.1 **Optional Settlement of Outstanding Payments**

The Issuer will be entitled to pay Outstanding Payments in whole (but not in part) at any time by giving notice to the Securityholders in accordance with Condition 20 (*Notices*), the Calculation Agent and the Paying Agent, not less than 15 Business Days prior to the date fixed by the Issuer for such payment (the "**Optional Settlement Date**") which notice shall be irrevocable and shall specify (x) the amount of Outstanding Payments to be paid and (y) the Optional Settlement Date.

Upon such notice being given, the amount of Outstanding Payments specified in the relevant notice will become due and payable to the Securityholders recorded in VP on the relevant record date designated in accordance with the rules of VP from time to time in respect of a payment on the Optional Settlement Date, and the Issuer shall pay such amount of Outstanding Payments on the specified Optional Settlement Date.

8.2 **Mandatory Settlement of Outstanding Payments.**

The Issuer must pay all Outstanding Payments (in whole but not in part) then outstanding on any Mandatory Settlement Date.

9 **Redemption and purchase**

9.1 **Maturity Date**

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Maturity Date at their principal amount together with accrued interest in respect of the Interest Period ending on (but excluding) the Maturity Date. Any Outstanding Payments shall automatically be cancelled on the Maturity Date. The Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 9.

9.2 **Redemption at the option of the Issuer**

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Securityholders in accordance with Condition 20 (*Notices*), the Issuer may redeem all but not some only of the Securities on the First Call Date or on any Interest Payment Date thereafter as specified in the Optional Redemption Notice at their principal amount (together with interest accrued to (but excluding) the relevant call date and any Outstanding Payments).

9.3 **Redemption for taxation reasons**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 20 (*Notices*), if:

- a) the Issuer is satisfied immediately prior to the giving of such notice based on the receipt by the Issuer of an opinion of a recognised tax counsel or tax adviser that:
 - i) the Issuer either has or will become obliged to pay Additional Amounts as provided or referred to in Condition 10 (*Taxation*) (as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, in which case the Issuer will be entitled to redeem each Security at its principal amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments); or
 - ii) the Issuer's treatment of items of expense with respect to the Securities as deductible interest expense for Danish tax purposes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a de minimis amount of additional taxes, duties or governmental charges, in which case the Issuer will be entitled to redeem the Securities (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Call Date at their principal amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments),

(each, a "**Tax Event**"), and

- b) such Tax Event cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Securities then due and (ii) in respect of paragraph (a)(ii) where the occurrence of the Tax Event is based on the Danish Tax Council's ruling in response to the Tax Ruling Request, later than 3 months after the Issuer's receipt of the Danish

Tax Council's ruling. Any notice of redemption pursuant to this Condition 9.3 shall include a description by the Issuer of the basis for (i) the occurrence of a Tax Event and (ii) that the obligation referred to in paragraph (a) of this Condition 9.3 cannot be avoided by the Issuer taking reasonable measures available to it.

9.4 **Redemption for accounting reasons**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 20 (*Notices*), (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Call Date, at their principal amount, (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments), if a recognised accountancy firm, acting upon instructions of the Issuer (and at the Issuer's expense), has delivered an opinion to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date the obligations of the Issuer in respect of the Securities may not or may no longer be recorded as "equity" in the consolidated financial statements of the Issuer pursuant to the Accounting Principles or any other accounting principles that may replace the Accounting Principles for the purposes of preparing the annual consolidated financial statements of the Issuer.

9.5 **Redemption due to a Replacing Capital Event**

Upon the occurrence of a Replacing Capital Event, the Issuer may, if it gives not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 20 (*Notices*), redeem the Securities in whole, but not in part, at any time after the occurrence of such event, at 103.00 per cent. of their principal amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments).

9.6 **Redemption due to a Change of Control Event**

9.6.1 Upon the occurrence of a Change of Control Event, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders from the date of such Change of Control Event (which notice shall be irrevocable) in accordance with Condition 20 (*Notices*), (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Call Date, at their principal amount, (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments).

9.6.2 If such notice is not published within such 60 days of the Change of Control Event occurring, the Issuer will notify the Securityholders, no later than 60 days following the effective Change of Control Event specifying the nature of the Change of Control Event, the circumstances giving rise to it and the date on which it became effective.

9.6.3 If after the occurrence of a Change of Control Event the Issuer has not redeemed the Securities within 60 days after the date of the Change of Control Event, the Interest Rate applicable to the Securities (including any amount of current or future Deferred Payments) shall be increased by an additional margin of 5.00 per cent. per annum. This increase shall become effective **on the date which is 60 days after the date of the Change of Control Event.**

9.7 **Redemption for a minimum outstanding principal amount**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 20 (*Notices*) at their principal amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments), if the Issuer or any of its subsidiaries has purchased and holds and/or has cancelled Securities with an aggregate principal amount of equal to or greater than 80 per cent. of the initial aggregate principal amount of the Securities.

9.8 **Notice of redemption**

Where a notice of redemption is given under this Condition 9 all Securities shall be redeemed on the date specified in such notice in accordance with this Condition 9.

9.9 **Issuer's purchase of Securities**

The Issuer and any of its subsidiaries may when there are no unsatisfied Outstanding Payments purchase and hold Securities at any time subsequent to the Issue Date and such Securities may be retained, sold or cancelled in the Issuer's sole discretion.

10 **Taxation**

All payments in respect of the Securities by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Kingdom of Denmark or any political subdivision of, or any authority in, or of, the Kingdom of Denmark having power to tax, unless the withholding or deduction of the Taxes is required by Danish law. If withholding or deduction of Taxes is required by Danish law, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Securityholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Securities in the absence of the withholding or deduction (such amounts being "**Additional Amounts**"), except that no Additional Amounts shall be payable in relation to any payment in respect of any Securities to, or to a third party on behalf of, a Securityholder who is liable to Taxes in respect of the Securities by reason of its having some connection with the Kingdom of Denmark other than the mere holding of the Security.

11 **Event of Default**

11.1 **Default and liquidation**

- 11.1.1 Subject to Condition 7 (*Cumulative optional Interest Deferral*), if the Issuer fails to pay any interest on any of the Securities when due (an "**Event of Default**"), any Securityholder may, at its own discretion, by written notice addressed to the Issuer, take such steps or actions or institute proceedings to obtain payment of the amounts due or take such steps or actions or institute proceedings in the Kingdom of Denmark (but not elsewhere) for the bankruptcy (in Danish: *konkurs*) of the Issuer, provided that no amount in respect of the Securities shall, as a result of such proceedings, be or become payable sooner than the same would otherwise have been payable by the Issuer had no such proceedings been instituted.

11.1.2 On a bankruptcy of the Issuer, each Security shall entitle the holder thereof to claim for an amount equal to the principal amount of such Security plus all accrued but unpaid interest in respect of the then current Interest Period and Outstanding Payments, if any, subject to Condition 4 (*Status of the Securities*).

11.2 Breach of obligations

Subject to Condition 7 (*Cumulative optional Interest Deferral*), any Securityholder may at its discretion institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under these Conditions (other than as provided in Condition 11.1 (*Default and liquidation*)), provided that and without prejudice to Condition 11.1.2, the Issuer shall not by virtue of the institution of any such steps, actions or proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

11.3 Other remedies and rights of Securityholders

No remedy against the Issuer, other than the institution of the proceedings or the taking of steps or actions by the Securityholders referred to in Conditions 11.1 (*Default and liquidation*) and 11.2 (*Breach of obligations*) or the proving or claiming in any liquidation, bankruptcy or dissolution of the Issuer, shall be available to the Securityholders whether for the recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any other obligation, condition, undertaking or provision binding on it under the Securities, provided that the proviso to Condition 11.2 (*Breach of obligations*) shall apply to this Condition 11.3 and includes reference to proving or claiming in the liquidation, bankruptcy or dissolution of the Issuer.

12 Enforcement

12.1.1 At any time after the Securities become due and payable and subject to Condition 11 (*Event of Default*), any Securityholder may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce the terms of these Conditions.

13 Decisions by Securityholders

13.1 Powers of meetings:

13.1.1 A Securityholders' Meeting or a Written Procedure shall, subject to the Conditions, have power:

- a) to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Securityholders against the Issuer, whether or not those rights arise under the Securities;
- b) to sanction the exchange or substitution for the Securities of, or the conversion of the Securities into, shares, Securities or other obligations or securities of the Issuer or any other entity;
- c) to assent to any modification of the Securities or the Conditions proposed by the Issuer;
- d) to appoint and elect a representative on behalf of the Securityholders pursuant to the Capital Markets Act;
- e) to appoint any persons (whether Securityholders or not) as a committee or committees to represent the Securityholders' interests and to confer on them any powers or discretions which the Securityholders could themselves exercise; and

f) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Securities or the Conditions.

13.1.2 The Issuer shall upon request provide the convening Securityholder(s) with the information available in the securities register kept by the Securities Depository in respect of the Securities in order to convene and hold the Securityholders' Meeting or a Written Procedure, as the case may be.

13.1.3 Decisions to be taken by the Securityholders may be dealt with, at the option of the Issuer, at a Securityholders' Meeting or by way of a Written Procedure.

13.1.4 A Securityholders' Meeting will be held in accordance with the procedure pursuant to Condition 14 (*Securityholders' Meeting*).

13.1.5 A Written Procedure will be held in accordance with the procedure pursuant to Condition 15 (*Written Procedure*).

13.2 Attendance:

13.2.1 At the Securityholders' Meeting, each Securityholder must document its holdings of Securities by presenting a custody account statement from the Securities Depository or an authorised account institution evidencing that such Securityholder was registered as a Securityholder on the Business Day specified in the notice pursuant to Condition 14.1.2 or by providing other proof of holding satisfactory to the chairman of the Securityholders' Meeting. The following may attend and speak at a Securityholders Meeting:

- a) Securityholders and proxies;
- b) any representative of the Securityholders appointed pursuant to the Capital Markets Act;
- c) the chairman; and
- d) the Issuer, the Issuing Agent, the Calculation Agent and their respective financial and legal advisers.

13.2.2 No one else may attend or speak.

13.3 **Chairman**

The chairman of the Securityholders' Meeting shall be such person as the Issuer may nominate or, if no nomination is made, the person elected by the Securityholders present at such meeting.

13.4 **Voting rights**

13.4.1 Each Securityholder holds one vote for each Security. The Issuer has no voting rights in respect of Securities held by the Issuer or any of its subsidiaries.

13.4.2 Only a person who is, or who has been provided with a power of attorney from a person who is, able to document its holdings of Securities by

- a) presenting a custody account statement from VP or an authorised institution that is not more than three Business Days old (where the three Business Days shall be counted from the date of the submission of the vote or power of attorney authorising a person to vote); or
- b) provide other proof of holding which, in the case of a Securityholders' Meeting is satisfactory to the chairman of the Securityholders' Meeting or in the case of a Written Procedure is satisfactory to the Issuer having consulted with a reputable financial institution,

may exercise voting rights as a Securityholder at such Securityholders' Meeting or in such Written Procedure.

13.5 Percentage of Securityholders required to consent

13.5.1 The following matters shall require the consent of Securityholders representing at least 66 2/3 per cent. of the nominal amount of the Securities for the time being outstanding for which Securityholders are voting at a Securityholders' Meeting or for which Securityholders reply in a Written Procedure in accordance with the instructions given pursuant to Condition 15.1:

- a) a change to the terms of any provision of Condition 4 (*Status of the Securities*);
- b) a reduction of the amount payable upon the redemption or repurchase of any Security pursuant to Condition 9 (*Redemption and purchase*) other than as permitted or required by the Conditions;
- c) a change to the interest rate or the nominal amount of the Securities (other than as permitted or required by the Conditions);
- d) a change to the terms dealing with the requirements for Securityholders' consent set out in this Condition 13.5.1;
- e) a change of Issuer, an extension of the tenor of the Securities or any delay of the due date for payment of any principal or interest on the Securities;
- f) a mandatory exchange of the Securities for other securities; and
- g) early redemption of the Securities, other than upon an acceleration of the Securities pursuant to Condition 12 (*Enforcement*), or as otherwise permitted or required by the Conditions.

13.5.2 Any matter not covered by Condition 13.5.1 above shall require the consent of Securityholders representing more than 50 per cent. in nominal amount of the Securities for the time being outstanding for which Securityholders are voting at a Securityholders' Meeting or for which Securityholders reply in a Written Procedure.

13.6 Quorum

13.6.1 A quorum at a Securityholders' Meeting or in respect of a Written Procedure only exists if a Securityholder (or Securityholders) representing at least 50 per cent. in nominal amount of the Securities for the time being outstanding in case of a matter pursuant to Condition 13.5.1, and otherwise 20 per cent. in nominal amount of the Securities for the time being outstanding:

- a) attend the meeting in person or by telephone conference (or appear through duly authorised representatives), in the case of a Securityholders' Meeting; or
- b) reply to the request, in the case of a Written Procedure.

13.6.2 No resolution may be passed if it is clear that that resolution is likely to give certain Securityholders or others an undue advantage over other Securityholders.

13.7 Issuer's, Paying Agent's, Issuing Agent's or Calculation Agent's consent required

Any decision which extends or increases the obligations of the Issuer, the Paying Agent, the Issuing Agent or the Calculation Agent or limits, reduces or extinguishes the rights or benefits of the Issuer, the Paying Agent, the Issuing Agent or the Calculation Agent under the Securities shall be subject to the Issuer's, the Paying Agent's, the Issuing Agent's or the Calculation Agent's consent, as the case may be.

13.8 Decisions binding on all Securityholders and information to Securityholders

13.8.1 A matter decided at a duly convened and held Securityholders' Meeting or by way of Written Procedure is binding on all Securityholders, irrespective of them being present or represented at the Securityholders' Meeting or responding in the Written Procedure. The Securityholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Securityholders.

13.8.2 Information about decisions taken at a Securityholders' Meeting or by way of a Written Procedure shall promptly be notified to the Securityholders, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Securityholders' Meeting or Written Procedure shall at the request of a Securityholder be sent to it by the Issuer.

13.9 Minutes

Minutes shall be made of all resolutions and proceedings at every Securityholders' Meeting or Written Procedure and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

14 Securityholders' Meeting

14.1 Convening a Securityholders' Meeting

14.1.1 The Issuer may at any time, and shall, if so requested by a Securityholder (or Securityholders) representing at least 10 per cent. of the Outstanding Principal Amounts of the Securities convene a Securityholders' Meeting or initiate a Written Procedure. The Issuer may refrain from convening a Securityholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Securityholders and such person has informed the Issuer that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

14.1.2 The Issuer shall call the Securityholders by notice to each Securityholders' Meeting no later than 14 days after having received request to convene such Securityholders' Meeting from the Securityholders containing the subject of such meeting. If the Issuer does not call the Securityholders' Meeting within the deadline, the Securityholders shall be entitled to call the Securityholders' Meeting.

14.2 **Notice to convene a Securityholders' Meeting**

14.2.1 The notice pursuant to Condition 14.1 shall include the following:

- a) time for the Securityholders' Meeting, which must be at least 10 days but not more than 30 days after the notice to the Securityholders;
- b) place for the Securityholders' Meeting;
- c) agenda for the meeting (including each request for a decision by the Securityholders); and
- d) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Securityholders' Meeting.

14.2.2 Should prior notification by the Securityholders be required in order to attend the Securityholders' Meeting, such requirement shall be included in the notice.

14.3 **Venue for Securityholders' Meetings**

All Securityholders' Meetings shall be held in the Copenhagen area and the Issuer shall pay expenses associated with the meeting other than travel and other expenses incurred by the Securityholders which shall be borne by each individual Securityholder.

15 **Written Procedure**

15.1 **Instigating a Written Procedure**

15.1.1 The Issuer may instigate a Written Procedure at any time by sending a communication to each such person who is registered as a Securityholder on the third Business Day prior to the date on which the communication is sent.

15.1.2 A communication pursuant to Condition 15.1.1 shall include the following:

- a) each request for a decision by the Securityholders;
- b) a description of the reasons for each request;
- c) a specification of the Business Day on which a person must be registered as a Securityholder in order to be entitled to exercise voting rights;
- d) instructions and directions on replying to the request (including a form for such reply containing an option to vote yes or no for each request) as well as a form of power of attorney; and
- e) the stipulated time period within which the Securityholder must reply to the request (such time period to last at least 15 Business Days from the communication pursuant to Condition 15.1.1).

15.1.3 If the voting shall be made electronically, instructions for such voting shall be included in the communication.

15.2 **Decisions**

When the requisite majority consents of the principal amount of the Securities outstanding pursuant to Condition 13.5 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Condition 13.5 even if the time period for replies in the Written Procedure has not yet expired.

16 Modification

- 16.1 The Issuer may, without the consent of the Securityholders, make any modification to the Securities or these Conditions
- a) to correct a manifest error; and
 - b) any modification to the Securities or these Conditions which is not prejudicial to the interests of the Securityholders.
- 16.2 Subject as provided in these Conditions, no other modification may be made to the Securities or these Conditions except with the sanction of a Securityholders' Meeting or a Written Procedure or as may be required by applicable laws or a court ruling or decision by a relevant authority.
- 16.3 Any such modification shall be binding on the Securityholders and any such modification shall be notified to the Securityholders in accordance with Condition 20 (*Notices*) as soon as practicable thereafter.

17 Further issues

- 17.1 The Issuer may from time to time, without the consent of the Securityholders, create and issue further Securities having the same Conditions as the Securities in all respects (or in all respects except for the first payment of interest, if any, on them and/or the issue date or the issue price thereof) so as to form a single series with the Securities.

18 Prescription

- 18.1 Claims against the Issuer for payment in respect of the Securities shall be subject to limitation under the Danish Limitation Act (in Danish: *lov om forældelse af fordringer*) and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within 10 years (in the case of principal) or three years (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of Section 2 of the Danish Limitation Act.

19 Replacement of Agents

- 19.1 The Issuer reserves the right to appoint a successor paying agent or calculation agent in accordance with the rules and procedures of VP from time to time, provided, however, that the Issuer shall at all times maintain a Paying Agent which is authorized to act as an account holding institution with VP and a Calculation Agent (which may be the Paying Agent).

20 Notices

- 20.1 All notices regarding the Securities will be deemed to be validly given if published in accordance with the procedures of VP in force from time to time or in a manner which complies with the rules of any stock exchange or other relevant authority on which the Securities may later be listed or admitted to trading.

21 Force majeure

- 21.1 Even in areas where a stricter statutory liability applies, neither the Issuer nor the Issuing Agent, the Paying Agent or the Calculation Agent shall be liable for losses due to:
- a) the breakdown of or lack of access to IT systems or damage to the data of these systems which can be attributed to paragraphs (b) to (d) below regardless of whether the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or an external supplier is responsible for the operation of the systems;
 - b) failures in the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrections, civil riots, sabotage, terror or vandalism (including computer viruses and backing);
 - c) strike, lockout, boycott or blockade regardless of whether the conflict is directed at or initiated by the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or its or their organisation and regardless of the reason for the conflict and whether the conflict affects all or part of the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant); or
 - d) other circumstances beyond the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) control.
- 21.2 If circumstances mentioned in Condition 21.1 occur, which make it impossible for the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent to comply with their obligations under these Conditions (to the extent they have any obligations under the Conditions), including (but not limited to) the Issuer's obligations to make payments under the Securities, these obligations will be suspended until the circumstances in question cease.
- 21.3 The Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's exemption from liability pursuant to Condition 21.1 will not apply if the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) is liable for the factor causing the loss pursuant to applicable legislation.

22 Credit rating and listing

- 22.1 The Securities will not be assigned any credit rating of any credit rating agency.
- 22.2 Application has been made to Nasdaq Copenhagen A/S for the Securities to be listed on Nasdaq Copenhagen A/S' regulated market with an expected first day of trading on or about the Issue Date.

23 Governing law and jurisdiction

- 23.1 Governing law
- These Conditions and the Securities shall be governed by, and construed in accordance with, Danish law.
- 23.2 Jurisdiction
- The City Court of Copenhagen (in Danish: *Københavns Byret*) shall have exclusive jurisdiction to settle any dispute arising from or connected with these Conditions and the Securities.

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These Terms and Conditions of the Securities have been approved by the Issuer on 10 September 2018.

For and on behalf of NKT A/S:

Name:
Capacity:

Name:
Capacity:

5. DEFINITIONS

Terms defined in Section 4 (*Terms and Conditions of the Securities*) above have the same meaning when used elsewhere in this Prospectus.

In addition to the terms defined in Section 4 (*Terms and Conditions of the Securities*), the following terms shall have the following meaning when used in this Prospectus.

"2016 Annual Report" means the English version of the audited consolidated annual report of the Issuer and its subsidiaries for the financial year ended 31 December 2016.

"2017 Annual Report" means the English version of the audited consolidated annual report of the Issuer and its subsidiaries for the financial year ended 31 December 2017.

"Annual Reports" means the 2016 Annual Report and the 2017 Annual Report.

"Benchmark Regulation" shall have the meaning given to it in Section 1.5.5.

"Board of Directors" means the board of directors of the Issuer.

"Calculation Agent" means Nordea Danmark, filial af Nordea Bank AB (publ), Sverige, Grønjordsvej 10, DK 2300 Copenhagen S, Denmark.

"Commission's Proposal" shall have the meaning given to it in Section 1.6.3.

"Condition" means a term and condition of the Securities set out in Section 4 (*Terms and Conditions of the Securities*).

"Danish FSA" means the Danish Financial Supervisory Authority (*Finanstilsynet*).

"Danish Capital Markets Act" means the Danish Consolidated Act No. 12 of 8 January 2018, as amended, on Capital Markets (*lov om kapitalmarkeder*).

"EUR" means Euro.

"Executive Management" means the executive management of the Issuer.

"FTT" shall have the meaning given to it in Section 1.6.3.

"Group" means the Issuer and its subsidiaries from time to time.

"Group Company" means NKT or any of its subsidiaries from time to time.

"IGA" shall have the meaning given to it in Section 1.6.3.

"**Interim Reports**" means the Q2 2017 Interim Report and the Q2 2018 Interim Report.

"**Investor's Currency**" shall have the meaning given to it in Section 1.6.5.

"**Issuing Agent**" means Nordea Danmark, filial af Nordea Bank AB (publ), Sverige, Grønjobsvej 10, DK 2300 Copenhagen S, Denmark.

"**Joint Bookrunners**" means Danske Bank A/S, Nordea Bank AB (publ) and Nykredit Bank A/S.

"**NKT**" means NKT A/S.

"**Participating Member States**" shall have the meaning given to it in Section 1.6.3.

"**Paying Agent**" means Nordea Danmark, filial af Nordea Bank AB (publ), Sverige, Grønjobsvej 10, DK 2300 Copenhagen S, Denmark.

"**Prospectus**" means this prospectus dated 10 September 2018.

"**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended by Directive 2010/73/EU.

"**Q2 2017 Interim Report**" means the English version of the non-audited consolidated interim report of the Issuer for the financial quarter ended 30 June 2017.

"**Q2 2018 Interim Report**" means the English version of the non-audited consolidated interim report of the Issuer for the financial quarter ended 30 June 2018.

"**Relevant Member State**" means a member state of the European Economic Area that has implemented the Prospectus Directive.

"**Securities Depository**" means VP Securities A/S, CVR no. 21599336, Weidekampsgade 14, 2300 København S

"**Terms and Conditions**" means the terms and conditions of the Securities set out in Section 4 ("*Terms and Conditions of the Securities*").

"**UK FSMA**" means the United Kingdom Financial Services and Markets Act 2000.

"**US Securities Act**" means the United States Securities Act of 1933, as amended.

6. LIST OF DOCUMENTS/INFORMATION INCORPORATED INTO THIS PROSPECTUS BY REFERENCE

Document/Information	Date of publication	References
<p>2016 Annual Report, pages 1-119 Published at https://nkt.gcs-web.com/financial-information/quarterly-results</p>	21 February 2017	Sections 2.11.1, 2.11.2, 2.11.3, 2.11.4, 2.11.6
<p>Independent auditor's report, pages 47-50 Issuer's accounting policies, page 73</p>		Section 2.11.3.1 Section 2.11.1
<p>2017 Q2 Interim Report, pages 1-30 Published at https://nkt.gcs-web.com/financial-information/quarterly-results</p>	17 August 2017	Sections 2.11.1, 2.11.2
<p>2017 Annual Report, pages 1-5 and 7-132 Published at https://nkt.gcs-web.com/financial-information/quarterly-results</p>	27 February 2018	Sections 2.11.1, 2.11.2, 2.11.3, 2.11.4, 2.11.6
<p>Independent auditor's report, pages 60-64 Issuer's accounting policies, page 73</p>		Section 2.11.3.1 Section 2.11.1
<p>2018 Q2 Interim Report, page 23 Published at https://nkt.gcs-web.com/financial-information/quarterly-results</p>	15 August 2018	Sections 2.11.1, 2.11.2

7. SUBSCRIPTION AND SALE (SELLING AND TRANSFER RESTRICTIONS)

The Joint Bookrunners have in a subscription agreement dated 10 September 2018 and made between the Issuer and the Joint Bookrunners (the "**Subscription Agreement**") upon the terms and subject to the conditions therein, agreed to subscribe for the Securities at the issue price of 100.00 per cent. of their principal amount less the fees to be paid by the Issuer to the Joint Bookrunners pursuant to the Subscription Agreement. The Issuer has also agreed to reimburse the Joint Bookrunners for certain of their expenses in connection with the management of the issue of the Securities. The Joint Bookrunners are entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Securities.

In certain jurisdictions, the distribution of this Prospectus and the offering or sale of Securities may be restricted by law. This Prospectus may not be distributed or otherwise made available and the Securities may not be offered or sold, directly or indirectly, in any jurisdiction, unless such distribution, offering or sale is permitted under applicable laws in the relevant jurisdiction.

Denmark

Each Joint Bookrunner has represented and agreed that it has not offered or sold and will not offer, sell or deliver the Securities directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Capital Markets Act and any executive orders issued thereunder as well as the Danish Executive Order No. 747 of 7 June 2017 on investor protection in connection with securities trading (*bekendtgørelse om investorbeskyttelse ved værdipapirhandel*) issued pursuant to the Danish Consolidated Act No. 1149 of 26 September 2017, as amended, on financial business (*lov om finansiel virksomhed*).

European Economic Area

This Prospectus has been prepared on the basis that any offer of the Securities in any member state of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive (including any implementing measure in the Relevant Member State) from the requirement to publish a prospectus for offers of the Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of Securities may only do so in circumstances in which no obligation arises for a member of the NKT Group or the Joint Bookrunners to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. Neither members of the Group nor the Joint Bookrunners have authorised the making of any offer of the Securities in circumstances in which an obligation arises for the Group or the Joint Bookrunners to publish a prospectus or supplement a prospectus for such offer.

In relation to each Relevant Member State, the Joint Bookrunners have represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, they have not made and will not make an offer of the Securities to the public in that Relevant Member State other than:

- (a) to any person or entity which is a "qualified investor" as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive);
- (c) of securities whose denomination per unit amounts to at least EUR 100,000; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (a)-(d) above shall require the Issuer or the Joint Bookrunners to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Securities to the public" in relation to any of the Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offering and the Securities to be offered so as to enable a person or entity who acquires or intends to acquire Securities to decide to purchase or subscribe for the Securities, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state.

United Kingdom

Each Joint Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the "**UK FSMA**")) received by it in con-

nection with the issue or sale of the Securities in circumstances in which Section 21(1) of the UK FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the UK FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

United States of America

The Securities have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the US Securities Act. The Issuer and each Joint Bookrunner represents that it has not offered or sold, and agree that it will not offer or sell, any Securities constituting part of its allotment in the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 of Regulation S. Accordingly, neither the Issuer, the Joint Bookrunners, their affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

The Joint Bookrunners have agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Securities (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each distributor, dealer or person to which it sells the Securities during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the respective meanings given to them by Regulation S under the US Securities Act.

The Securities are being offered and sold outside of the United States in reliance on Regulation S. In addition, until 40 days after the commencement of the offering of the Securities, an offer or sale of the Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act.

General

Each Joint Bookrunner has agreed that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers the Securities or has in its possession or distributes such offering material, in all cases at its own expense.

Other than the approval by the Danish FSA of the Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Denmark for the purposes of the admission to trading and listing of the Securities on the regulated market of Nasdaq Copenhagen A/S, no representation is made that any action has been or will be taken by the Issuer or the Joint Bookrunners in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Securities or have in their possession or distribute such offering material, in all cases at their own expenses.

8. PARTIES

ISSUER

NKT A/S
Vibeholms Allé 20
DK-2605 Broendby
Denmark

JOINT BOOKRUNNERS

Danske Bank A/S
Holmens Kanal 2-12
DK-1092 Copenhagen K
Denmark

Nordea Bank AB (publ)
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Nykredit Bank A/S
Kalvebod Brygge 1-3
DK-1560 Copenhagen V
Denmark

ISSUING AGENT, CALCULATION AGENT AND PAYING AGENT

Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

LEGAL ADVISORS

To the Issuer
Kromann Reumert
Sundkrogsgade 5
DK-2100 Copenhagen Oe
Denmark

To the Joint Bookrunners
Gorrissen Federspiel Advokatpartnerselskab
Axeltorv 2
DK-1609 Copenhagen V

Denmark