

The background image shows two construction workers in safety gear, including hard hats and high-visibility jackets, working in a field. They are holding long-handled tools, possibly shovels or rakes, and appear to be engaged in manual labor. The scene is set outdoors with trees in the background under a clear sky. The entire image has a blue color overlay.

**NKT**

# **NKT A/S initiates rights issue**

Roadshow presentation  
*June 2023*

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# Today's presenting team



**Claes Westerlind**  
President & CEO



**Line Andrea Fandrup**  
CFO

# Agenda



1. Transaction rationale
2. Transaction structure
3. Q&A
4. Appendix
  - a. *Business update*
  - b. *Investment highlights summary*
  - c. *Financial ambitions*

# NKT A/S' development in recent years



\* Direct current, \*\* Gross proceeds



# Ongoing expansion of NKT's high-voltage site in Karlskrona to support the green transition



2010 – 2015



- ✓ Northern factory and office
- ✓ New test halls
- ✓ New harbor

2015 – 2017



- ✓ Storage capacity
- ✓ New vessel, NKT Victoria

2020 – 2023



- ✓ Second extrusion tower, NKT Lighthouse
- ✓ Additional machine lines

2023 – 2026

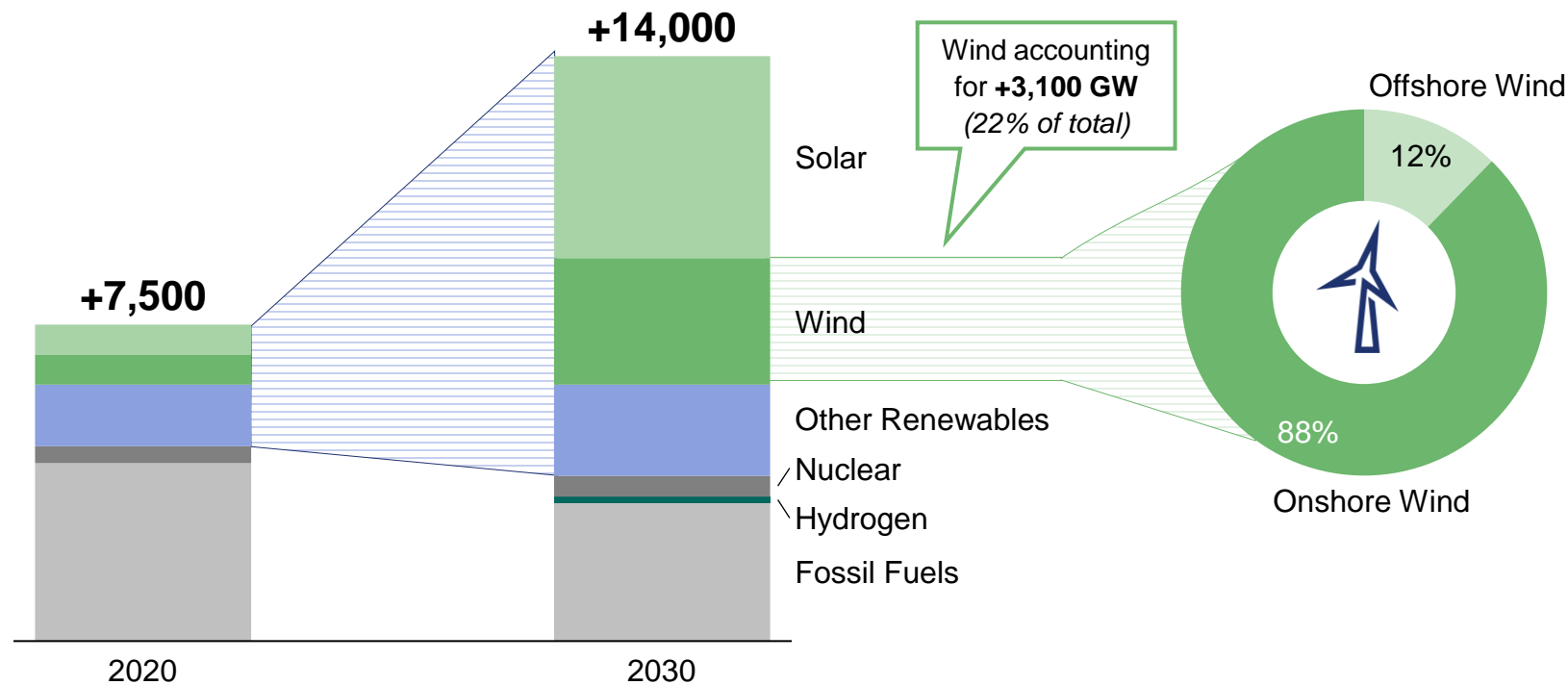


- ✓ New factory including a third extrusion tower
- ✓ New market leading cable-laying vessel

*Karlskrona has consistently been at the forefront of offshore HVDC cable manufacturing*

# Global ambitions to become carbon neutral is driving **increase in renewable energy**

## Global Annual Electricity Generation in GW



c. 3x in new global wind generation capacity by 2030; strongest growth rate expected in offshore wind

c. 6x in new global solar generation capacity by 2030

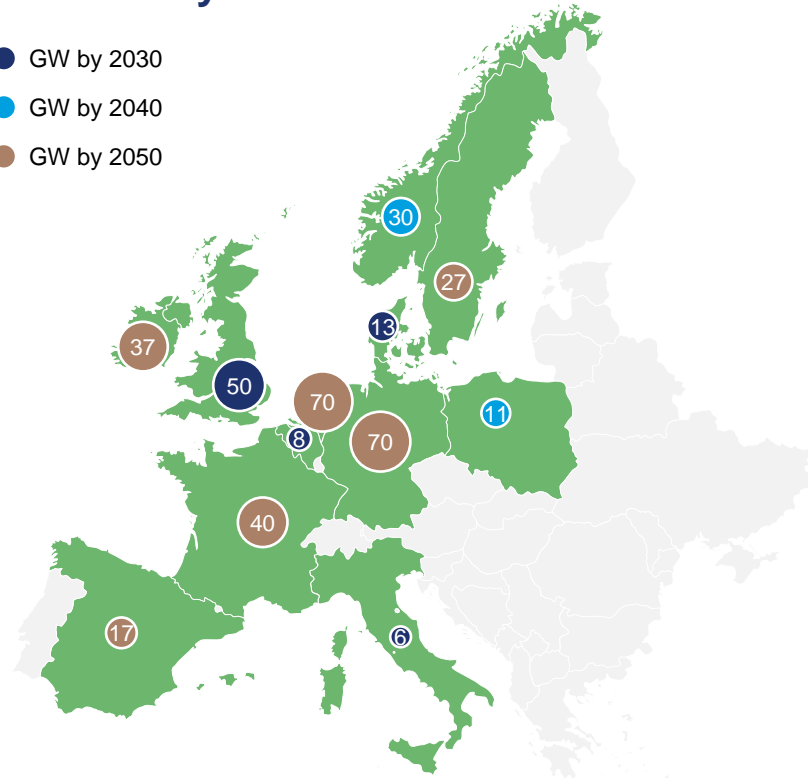
For net zero emissions by 2050, electricity generation capacity needs to be **70% renewable** by 2030

# Europe has ambitious offshore wind expansion plans – and NKT has the right product offering to aid it in achieving them

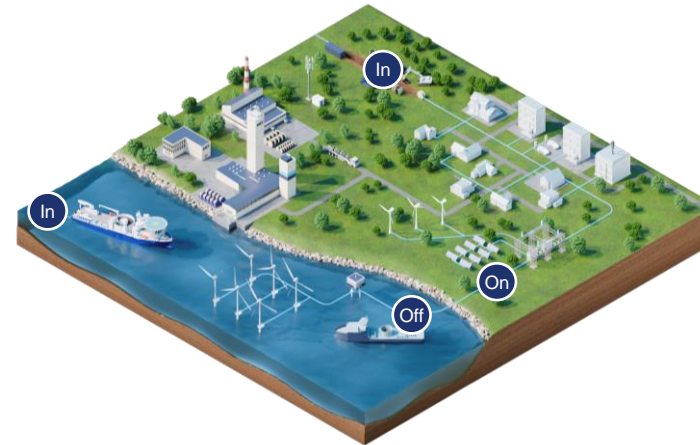


## Offshore wind expansion ambitions per country

- GW by 2030
- GW by 2040
- GW by 2050



## NKT offers wide range of high-voltage solutions



### Key solutions:

- Interconnectors
- Offshore wind
- Power-from-shore
- Underground

- Off Offshore AC and DC power cable solutions
- On Onshore AC and DC power cable solutions
- In Installation offshore and onshore

The green transition in Europe is accelerating with strong political support and ambitious targets

Europe aims for at least 300 GW offshore wind generation by 2050

**30% of the combined EUR 1.8 trillion investments from the NextGeneration EU Recovery Plan and EU's MFF\* are earmarked to fund climate-related projects**

Source: Public information  
 \* Multi Financial Framework for 2021 - 2027



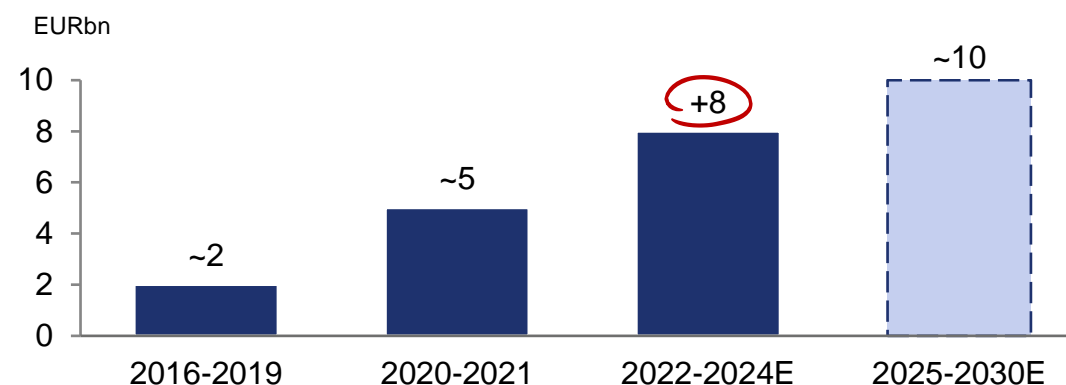
# NKT has an entrenched position in the high-voltage power cable market thanks to its demonstrated track record of key order wins



## Notable order awards (2020-23YTD)

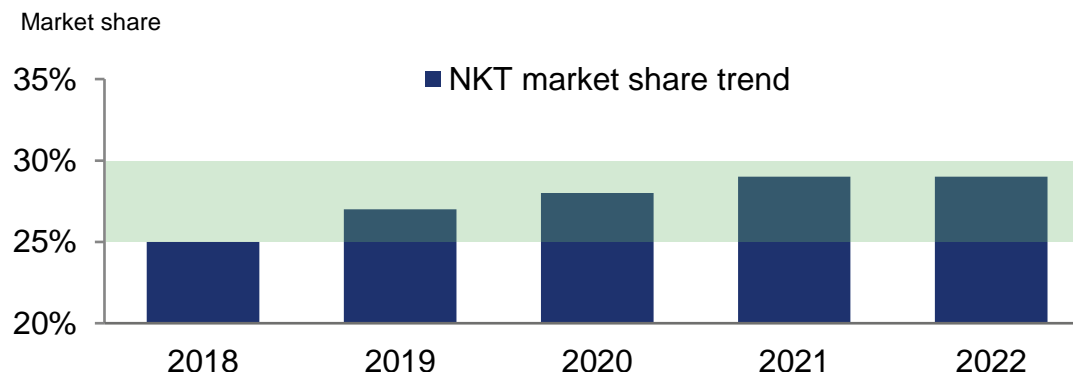
	Project		EURm	GW
2020	Shetland		~235	0.6
	BorWin5		<250	0.9
	Attica-Crete		~115	1.0
	Sued-OstLink		~500	2.0
2021	SuedLink		>1,000	2.0
	Troll West		~95	0.1
2022	Dogger Bank C		~280	1.2
	Champlain Hudson		>1,400	1.3
	SuedOstLink 2nd system		<700	2.0
	Hertel – New York		~90	1.3
	Hugin A and Munin		~155	0.1
2023YTD	Draugen and Njord		~160	0.1
	<b>Annual average** 2020 – 2022</b>		<b>&gt;1,800</b>	
	IJmuiden Ver / Nederwiek		~2,000	6.0
	Hornsea 3		~500	2.9
	Biscay Gulf interconnector		>600	1.0
	TenneT framework agreement***		~1,500	2.0
	East Anglia 3		>250	1.4

## Annual high-voltage project market awards\*



2023-2024E could be significantly larger, depending on the development of several sizable projects including multi-year frame agreement volumes

## NKT historical market share\*



NKT on the front-foot – capturing its fair share of the market

\* Based on NKT's total addressable high-voltage power cable market, NKT estimate

\*\* Includes other projects

\*\*\* Covers the majority of the project scope

# Up-tick in financial ambitions versus the Capital Markets Day in 2022



	Ambitions as of Sep 2022	New financial ambitions	
<b>Organic growth</b>	<b>CAGR &gt;12%</b> 2021 - 2025	<b>CAGR &gt;12%</b> 2021 - 2028	
			<i>Expected to <b>deliver on</b> previously communicated organic growth CAGR 2021 - 2025 of &gt;12%</i>
<b>Operational EBITDA</b>	<b>Margin of ~12-16%</b> 2025	<b>EUR &gt;300m / &gt;550m</b> 2025 / 2028	
			<i>Expected to deliver in <b>upper half</b> of previously communicated 2025 operational EBITDA margin range of 12-16%</i>
<b>RoCE*</b>	<b>&gt;12%</b> 2025	<b>&gt;15% / &gt;20%</b> 2025 / 2028	
			<i>Expected to <b>deliver above</b> previously communicated 2025 RoCE ambition</i>

*Return from the investment in HV capabilities (in 2023-2026) is expected to be fully accretive once in operation from 2027*

\* RoCE defined as Operational EBIT for continuing operations as a percentage of average of the last five quarters of capital employed for continuing operations with capital employed defined as group equity plus net interest-bearing debt

# Background for initiating the rights issue



## Attractive opportunities

**A** Strengthen the financial foundation to execute on high-voltage order backlog and benefit from positive market outlook with growing project complexity and magnitude

## Investments in high-voltage capacity and capabilities

**B** Support investments in high-voltage manufacturing capacity and a new cable laying vessel initiated to meet future installation demand

## Robust capital structure

**C** Ensure a sustainable capital structure to mitigate project business risk and working capital fluctuations – low debt level is key



*In the coming years the high-voltage power cable market is expected to see an increase in the complexity and magnitude of high-voltage power cable projects.*

*The Board of Directors believes that a more robust capital structure will be prudent in order for NKT A/S to meet the consequent relative expected growth of NKT A/S' high-voltage power cable segment.*



*To deliver on NKT A/S' record-high high-voltage order backlog, NKT A/S announced its plans to invest approximately EUR 1 billion to strengthen its high-voltage capabilities across 2023 – 2026.*

*The investment program involves expanding current capacities at the Karlskrona high-voltage factory by building another extrusion tower as well as acquiring a second cable laying vessel*



*The announced investment program will continue growing NKT's Solutions business line and thereby the exposure to large high-voltage projects.*

*The Board of Directors therefore finds it prudent to strengthen the Company's capital base.*

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# Offering structure



<b>Transaction and terms</b>	<ul style="list-style-type: none"><li>▪ Rights issue of approximately DKK 2,740m (around EUR 368m) in gross proceeds</li><li>▪ Subscription price of DKK 255 per share with a subscription ratio of 1:4, implying that:<ul style="list-style-type: none"><li>▪ Existing shareholders in the Company receive 1 subscription rights for each share held as of the record date</li><li>▪ 4 subscription rights entitle the holder to subscribe for 1 share in the rights issue</li></ul></li></ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"><li>▪ The net proceeds are to be applied for investments in production and installation capacity in order to execute on NKT's current record-level high-voltage order backlog as well as meet anticipated future customer demand, and to strengthen the capital base in order to provide the Company with improved balance sheet flexibility (for instance when NKT issues guarantees, which customers typically require as security under HV power cable projects)</li></ul>
<b>Selling restrictions</b>	<ul style="list-style-type: none"><li>▪ Public Offering in Denmark. Available via a private placement in the United States to QIBs. Reg-S elsewhere including Denmark. Please see the prospectus for further details</li></ul>
<b>Lock-up</b>	<ul style="list-style-type: none"><li>▪ 180 days for members of the Board of Directors, 180 days for the Executive Management and 180 days for NKT</li></ul>
<b>Joint Global Coordinators</b>	<ul style="list-style-type: none"><li>▪ Danske Bank, J.P. Morgan and Nordea</li></ul>
<b>Joint Lead Managers</b>	<ul style="list-style-type: none"><li>▪ SEB and Nykredit</li></ul>

# Rights issue key dates



## Overview of key dates

<b>8 June</b>	<b>Publication of prospectus</b>
12 June	Rights Trading Period commences
14 June	Subscription Period for New Shares commences
23 June	Rights Trading Period closes
27 June	Subscription Period for New Shares closes
<b>29 June</b>	<b>Publication of the results of the Offering</b>
4 July	Expected completion of the Offering
5 July	First day of trading and official listing of the New Shares on Nasdaq Copenhagen in the existing ISIN code

Dates relating to the rights issue
  Holiday period / public holidays

## Calendar

### June 2023

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

### July 2023

M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						





# QUESTIONS & ANSWERS



# Agenda



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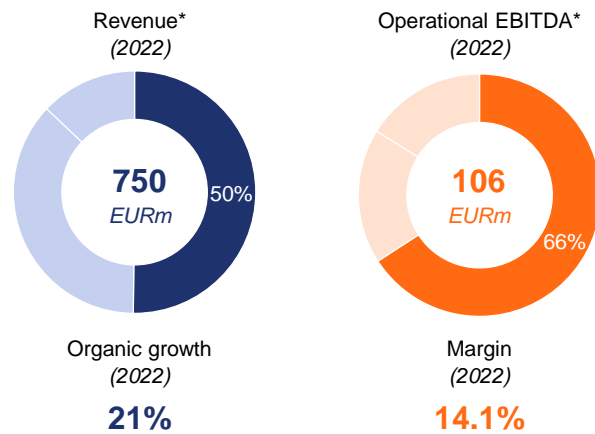


# Summary of the business lines

## Solutions



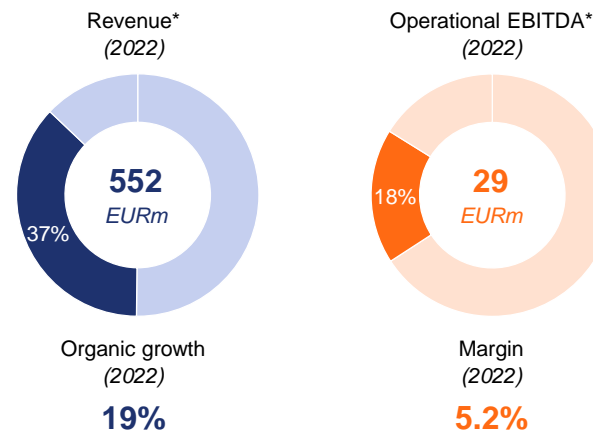
High-voltage AC/DC on/off-shore power cables



## Applications



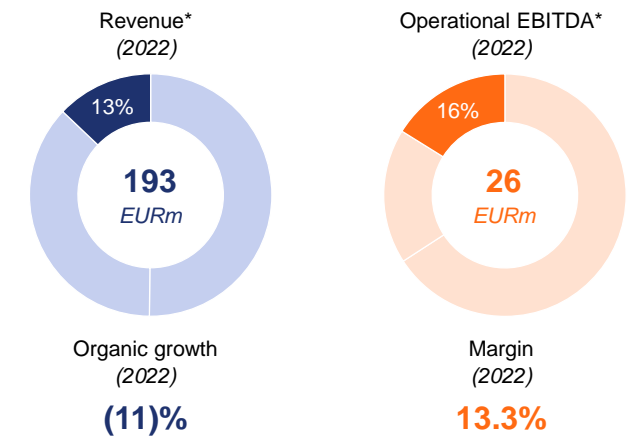
Medium- and low-voltage power cables & building wires, and power cables for telecom



## Service & Accessories

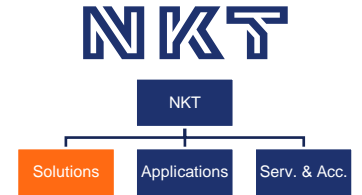


High- and medium-voltage accessories, and services



\* Revenue, std. metal prices, in 2022 (% of total NKT revenue) and Operational EBITDA in 2022 (% of total NKT operational EBITDA).  
Notes: Excluding NKT Photonics (discontinued operations and assets held for sale), intersegment transactions and non-allocated costs

# Solutions – Q1 2023



## Satisfactory execution

### Customer offerings



- High-voltage AC/DC on-/off-shore power cables

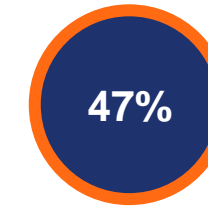
### Development during Q1 2023

- Revenues increased driven by execution of orders awarded in recent years covering several power cable solutions
- Continued progress of several projects through varying stages of execution including Borwin 5, Champlain Hudson Power Express, Dogger Bank A, B and C, Hertel-NY, Shetland HVDC Link, SuedLink, and SuedOstLink
- Execution of projects has on average been satisfactory
- NKT Victoria, the company's cable-laying vessel, was utilized for various assignments

## Q1 2023 financial highlights



Revenue\*, EUR  
(Q1 2022: EUR 151m)



Organic growth  
(Q1 2022: -4%)



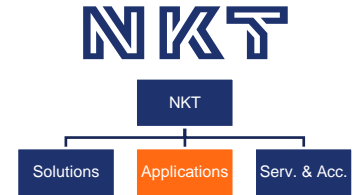
Oper. EBITDA, EUR  
(Q1 2022: EUR 24.7m)



\* Std. metal prices

Note: AC = Alternating Current and DC = Direct current

# Applications – Q1 2023



## Revenue growth driven by medium-voltage

### Customer offerings



- Medium- and low-voltage power cables & building wires
- Power cables for telecom market

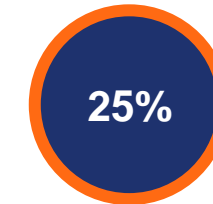
### Development during Q1 2023

- As in previous quarters, the higher revenue level was driven by NKT's ability to increase prices and thereby offset the high inflationary pressure
- NKT benefitted from its strong offering of medium-voltage power cables. Within this segment, NKT grew revenues substantially
- As in the previous quarters, developments in the building wire segment were negative, leading to a lower revenue level
- The high growth in revenues had a positive impact on operational EBITDA. The operational EBITDA margin\* reached a record-high level of 11.0%

## Q1 2023 financial highlights



Revenue\*, EUR  
(Q1 2022: EUR 131m)



Organic growth  
(Q1 2022: 32%)

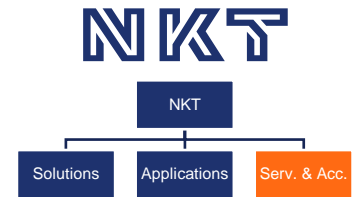


Oper. EBITDA, EUR  
(Q1 2022: EUR 10.4m)



\* Std. metal prices

# Service & Accessories – Q1 2023



## Increased revenue and operational EBITDA

### Customer offerings



- High- and medium-voltage accessories
- Services

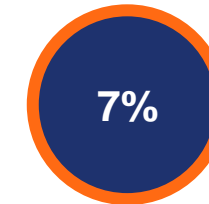
### Development during Q1 2023

- Increase in revenues and earnings in Q1 2023. The driver of the higher revenues was the accessories business, while the activity level in the service business was lower than last year
- Satisfactory activity in recurring onshore service business. However, NKT had lower activity within the offshore repair segment
- Both revenues and operational EBITDA grew in the accessories business. The revenue growth was broad-based across the medium-voltage and high-voltage segments reflecting the favourable market development

## Q1 2023 financial highlights



Revenue\*, EUR  
(Q1 2022: EUR 43.6m)



Organic growth  
(Q1 2022: -16%)



Oper. EBITDA, EUR  
(Q1 2022: EUR 3.7m)



\* Std. metal prices



# Update of divestment of NKT Photonics



- On 24 June 2022, NKT entered into an agreement to divest NKT Photonics to Photonics Management Europe S.R.L, a 100% owned subsidiary of Hamamatsu Photonics K.K. (“Hamamatsu”) at an enterprise value of EUR 205 million
- Required regulatory approvals had been obtained from authorities in Germany, the United Kingdom, and the United States.
- However, on 2 May 2023, NKT received notification that Hamamatsu has been denied the authorization under the Danish Investment Screening Act needed for the Hamamatsu to proceed to complete the transaction and acquire NKT Photonics
- NKT awaits the Hamamatsu's further actions in response to the decision and, separately, NKT evaluates its options
- The Board of Directors still intends to divest NKT Photonics. The longer than expected process will not impact the targeted amount in the intended rights issue
- NKT Photonics is still presented as discontinued operations and assets held for sale



# Income statement: Improved revenue driven by all three business lines

## Income statement highlights

EURm	Q1		FY
	2023	2022	2022
Revenue	590	490	2,079
<b>Revenue (Std. metal prices)</b>	<b>422</b>	<b>319</b>	<b>1,447</b>
<b>Organic growth</b>			
NKT	34%	7%	15%
<b>Operational EBITDA</b>	<b>57</b>	<b>38</b>	<b>155</b>
Operational EBITDA margin*	13.5%	12.0%	10.7%
One-off items	0	1	0
<b>EBITDA</b>	<b>57</b>	<b>39</b>	<b>155</b>
Depreciation, amortization and impairment	-22	-20	-85
Financial items, net	5	-7	9
Tax	-10	-2	-23
<b>Net result from continuing operations</b>	<b>30</b>	<b>11</b>	<b>55</b>
Net result from discontinued operations	-2	4	7
<b>Full-time employees, average</b>			
NKT	4,291	4,008	4,062

## Key developments in Q1 2023

- **34% organic growth** driven by all three business lines
- **Positive development in operational EBITDA.** Both in absolute figures and in margin driven primarily by Solutions and Applications
- **One-off items were zero** in Q1 2023
- **Positive development in net result** due to the improved operational performance
- **FTE level** increased driven by increased activity and the future growth expectations

\* Std. metal prices

Note: Excluding NKT Photonics. As of 30 June 2022, NKT Photonics were for accounting and reporting purposes classified as discontinued operations and assets held for sale

# Balance sheet: Leverage ratio maintained at relatively low level

## Balance sheet highlights

EURm	31 Mar		31 Dec	
	2023	2022	2022	2021
<b>Working capital</b>				
NKT (continuing operations)	-159	35	-303	-93
<b>Capital employed</b>				
NKT (continuing operations)	1,221	1,212	951	1,053
<b>RoCE</b>				
NKT (continuing operations)	8.0%	4.1%	6.6%	3.4%
<b>Net interest-bearing debt (NIBD)</b>	<b>50</b>	<b>109</b>	<b>-55</b>	<b>13</b>
NIBD / Operating EBITDA, LTM	0.3x	0.7x	-0.4x	0.1x
<b>Totalt assets</b>	<b>2,767</b>	<b>2,677</b>	<b>2,767</b>	<b>2,553</b>
<b>Total equity</b>	<b>1,170</b>	<b>1,216</b>	<b>1,144</b>	<b>1,160</b>

## Key developments in Q1 2023

- **Working capital increased** compared from the low level at end-2022 mainly due to the development in Solutions
- **RoCE improved** driven by higher earnings. RoCE is expected to improve further as recent years' investments materialize and earnings will continue to improve
- The negative cash flow generation in Q1 2023 led to an increase in the **net interest-bearing debt level** from end-2022.
- At end-Q1 2023, NKT had total **available liquidity reserves of EUR 345m**, comprising cash of EUR 148m and undrawn credit facilities of EUR 197m
- At end-Q1 2023 the value of issued guarantees was EUR 1,324m, up from EUR 1,231m at end-2022. These were mainly provided in relation to high-voltage projects

# Cash flow: Free cash flow generation negative mainly due to working capital development

## Cash flow statement highlights\*

EURm	Q1		FY
	2023	2022	2022
<b>Cash flow from operating activities</b>	<b>-67</b>	<b>-42</b>	<b>298</b>
EBITDA	57	39	155
Financial items, net	4	-6	9
Changes in working capital	-123	-58	185
Others	-5	-16	-50
<b>Cash flow from investing activities</b>	<b>-31</b>	<b>-54</b>	<b>-205</b>
Capex	-31	-38	-189
Acquisition and divestment of businesses	0	-15	-16
<b>Free cash flow</b>	<b>-98</b>	<b>-96</b>	<b>93</b>
<b>Cash flow from financing activities</b>	<b>-18</b>	<b>12</b>	<b>-36</b>
<b>Net cash flow</b>	<b>-115</b>	<b>-83</b>	<b>57</b>

## Key developments in Q1 2023

- **Cash flow from operating activities** was negative as the positive earnings contribution in Q1 2023 was outweighed by the development in working capital
- The increase in working capital was primarily driven by Solutions' phasing of milestone payments related to projects in the order backlog. Applications' working capital similarly increased due to higher receivables driven by increase of revenue in Q1 2023
- **Cash flow from investing activities** driven by the continued planned investments in Solutions relating to the upgrade of the high-voltage production sites

\* From continuing operations

# Agenda



1. Transaction rationale
2. Transaction structure
3. Q&A
4. *Appendix*
  - a. *Business update*
  - b. *Investment highlights summary*
  - c. *Financial ambitions*



# NKT as a key enabler of Europe's electrification and energy transition drive

1

NKT's HV power cable systems are a **critical component** for the transmission of green energy



2

Differentiated by its **technology-centric approach** to delivering complex cable systems



3

Positioned to benefit from **record-level high-voltage order backlog**



4

Further **upside** in Applications business line through combination of **internal actions and demand tailwinds**



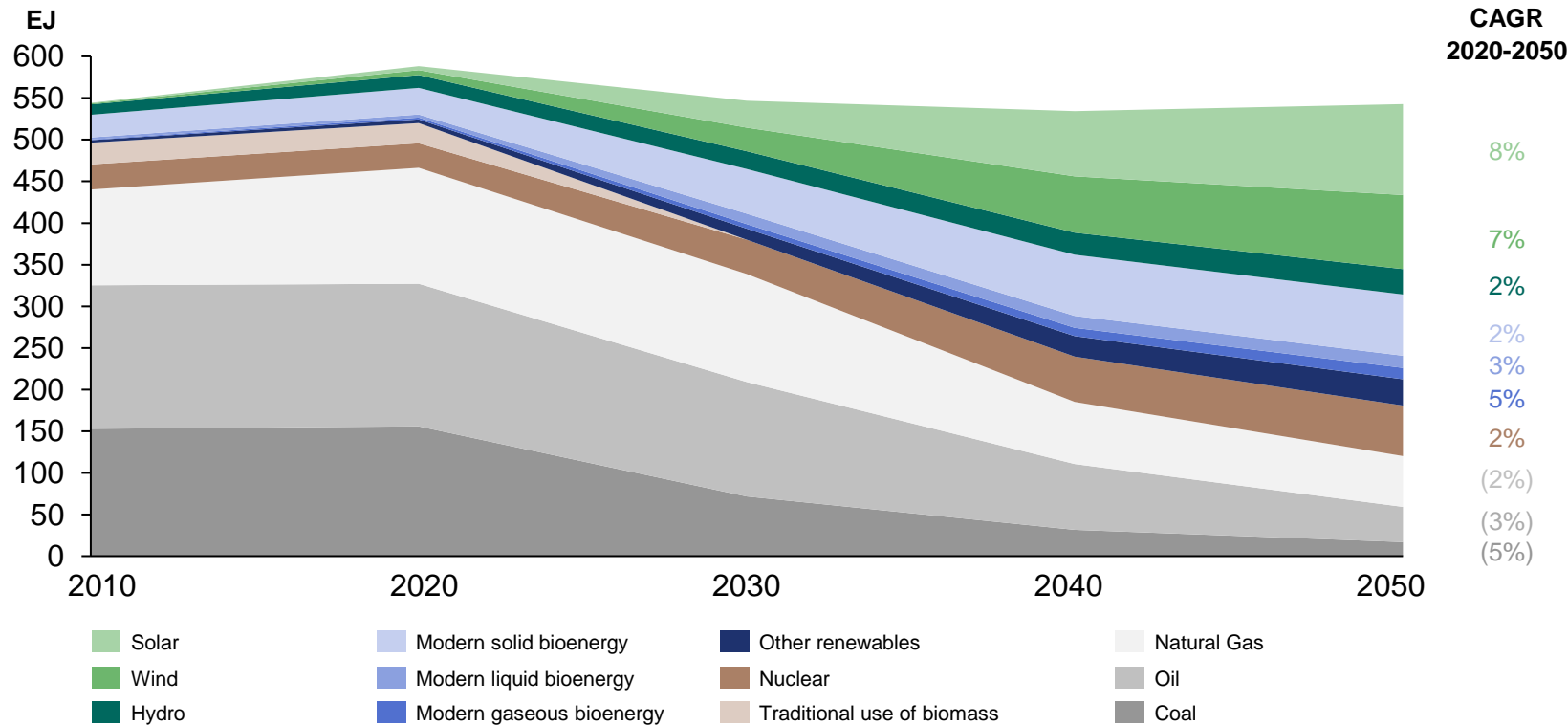
5

Organization has a **demonstrable track record** of delivering operational and strategic targets



# ① Global Net Zero Emission ambitions and demand for energy security will transform energy generation mix towards 2050

Global Annual Energy Generation – Net Zero Emission scenario



By 2050, 70% renewable share in energy generation is targeted

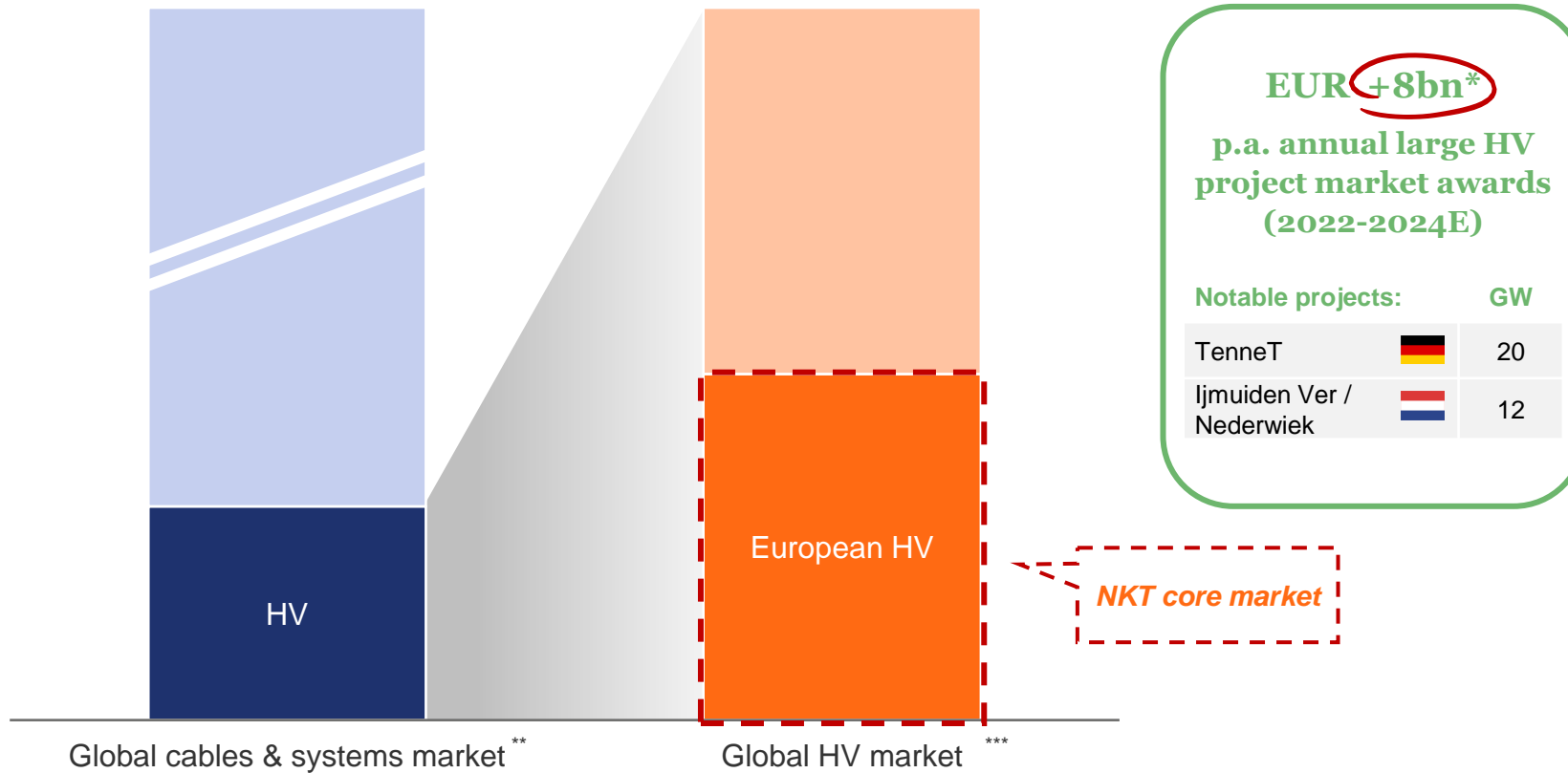
Power cable systems are required for:

- Generation
- Transmission
- Distribution

Source: IEA World Energy Outlook 10/2021, "Net Zero Pathway"; NKT desk research  
 \*all data represents net zero pathway scenario

# ① NKT is well positioned to benefit from growth of large HV projects in Europe

## Market size



Within the Global cables and systems market, HV is the clear growth area

Europe is at the forefront of the HV cable market growth

Multiple large and complex orders in NKT's addressable market in the pipeline

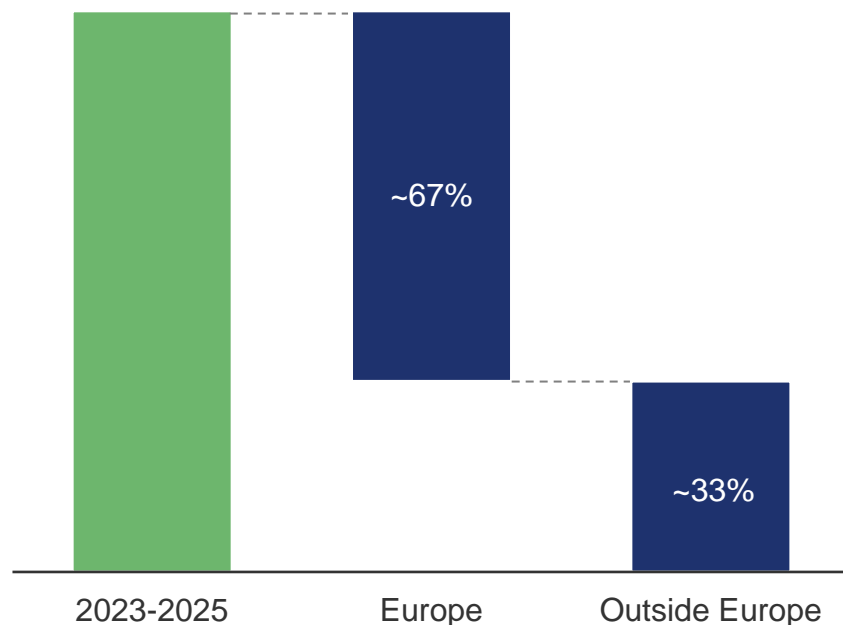
\* NKT estimate

\*\* CRU: Wire and Cable market Outlook: Table 3.8: Consumption of All Insulated Metallic Wire and Cable by Value, Global cables & systems excl. China

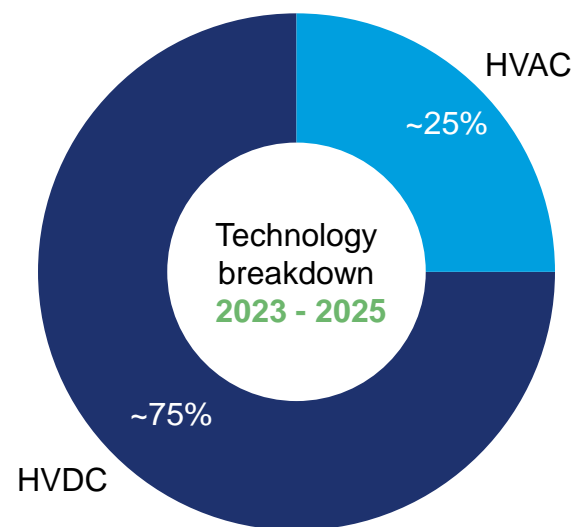
\*\*\* CRU: HV-EHV -Submarine: Appendix B-2 Regional HV+EHV land and subsea cable consumption, Total HV excl. China

## ② Near-term global large high-voltage cable project activities driven by European demand - strong shift to DC technology

Large high-voltage market split by region, 2023 – 2025



AC/DC technology split for large high-voltage project market



Immediate future large projects market predominantly driven by European activities

European Green Deal, Net-Zero Industry Act and NextGeneration EU activities fueling market growth in Europe

## ② Position of strength for NKT



**Technology**



**Reliable partner**



**Time-to-market**

- >130 years of pioneering power cables
- Innovations for the future
- Focus on higher performance, lower losses, dynamic cables, and deep sea installation

- Proven track record – especially in HVDC
- Long-standing relations & strong partnerships
- Customer trust in NKT capabilities – technology & execution

- Build-out of new capacity (4-5 yrs)
- Getting qualified and ‘designed-in’ (2-3 yrs)
- Build-up of customer trust and securing orders



## ② All business lines to see positive impact from structural megatrends



Environment



Electrification



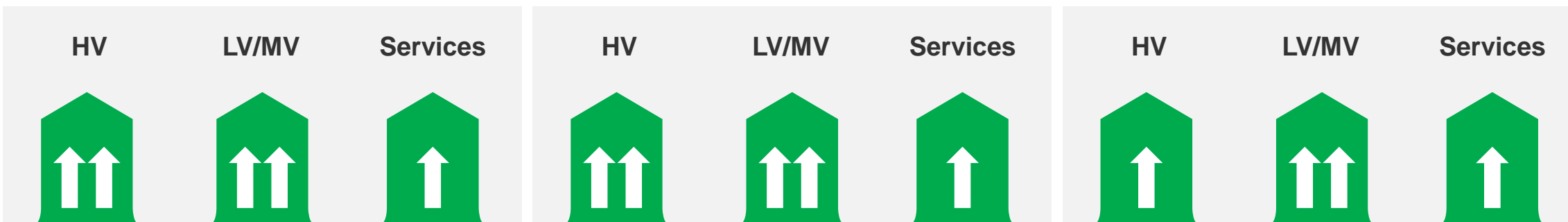
Digitalization

- Two-thirds of energy supply from renewables\*
- DC solutions increasing relative to AC solutions
- MV power cables required for transmission from wind and solar parks to substations

- Electric power solutions to substitute traditional carbon-based systems
- Further power grid expansions: EVs, heat pumps, electrification of cities
- HV and MV power cables to manage volatile electrical supply-demand mix

- Support data collection and monitoring; preventive maintenance
- Rollout 5G network and 4G overhaul
- LV and MV cables for telecom power cable market

Impact



Source: \* IEA Net Zero by 2050 – May 2021

LV = Low voltage, MV = Medium voltage, HV = High voltage, DC = Direct current, AC = Alternating current, EV = Electric vehicle

## ② NKT to expand high-voltage installation and **service footprint**



Build on historical and current projects



Leverage on position as a leading provider for retrofitting in Europe

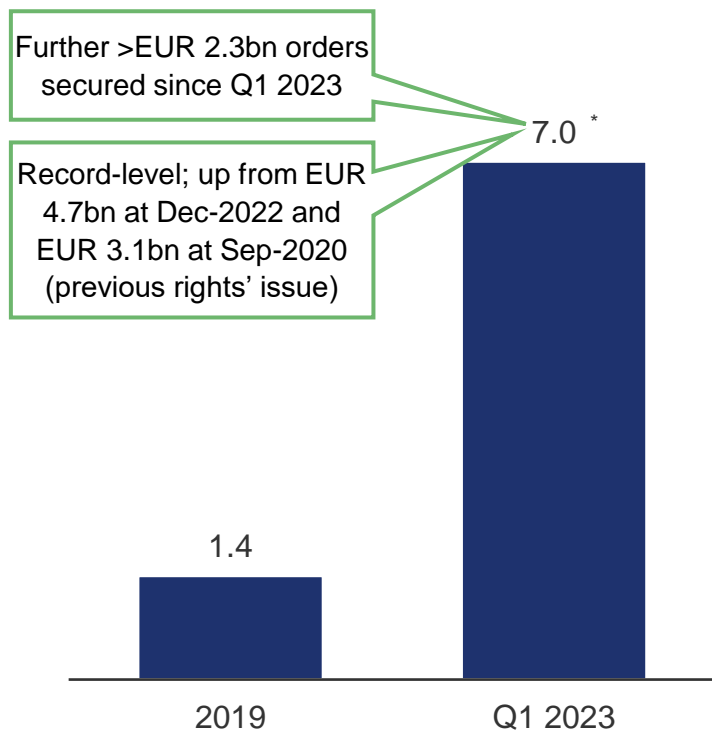


Enter with a modular approach, both in portfolio and geography

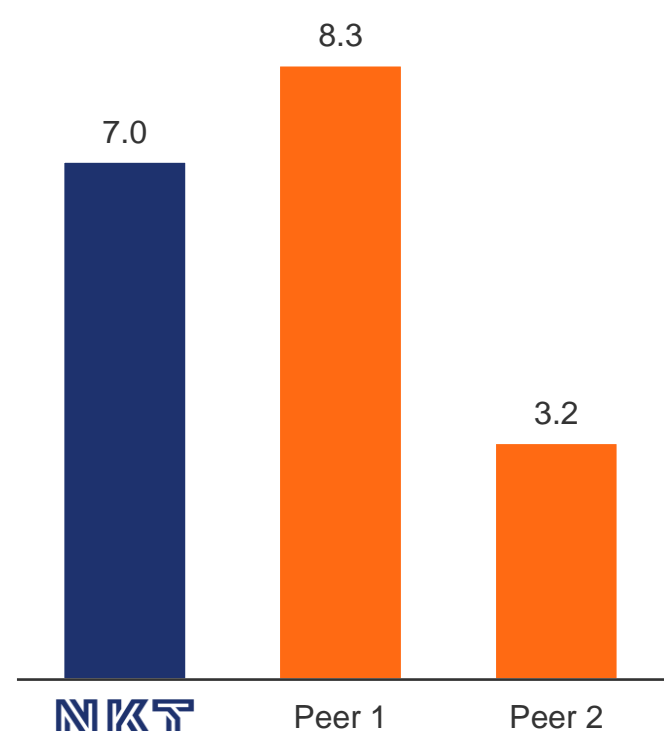
Service has expanded its **service network** with operations in Gdansk, Poland, and Manchester, UK, and is preparing for expansion in USA.

### ③ Delivering on project wins to attain strong market position and superlative mix

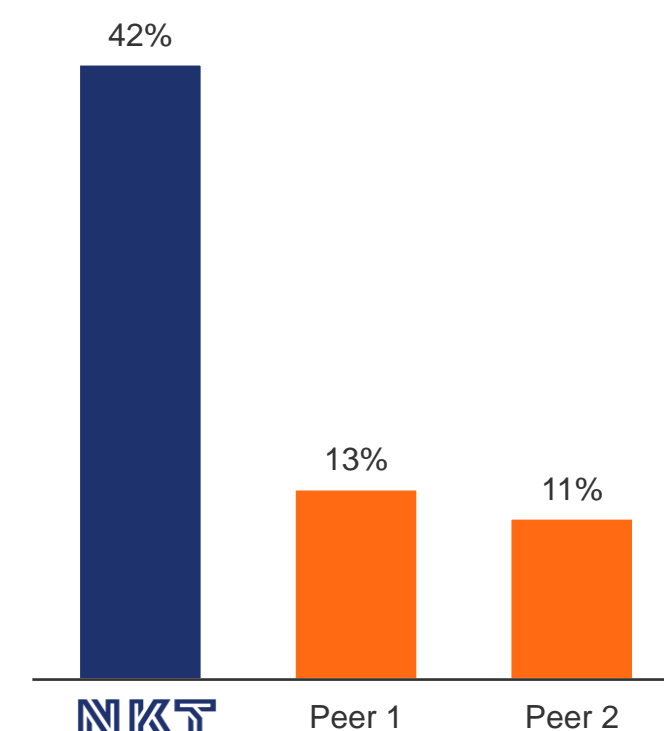
**Evolution of NKT backlog (EURbn)**



**Strong HV backlog (end-Q1 2023, EURbn)**



**Relative share of the HV business (2022)\*\***



***NKT has a record order backlog giving us a strong market position***  
***Relatively higher profitability of the HV business underpins structurally more profitable business mix compared to key peers***

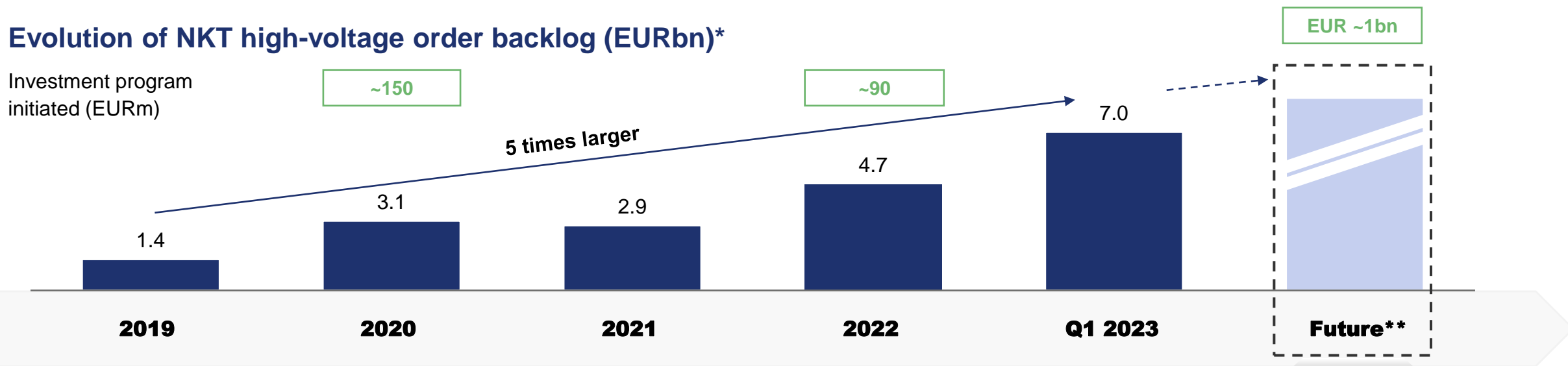
Source: Company information


\* Market prices (EUR 6.3bn in std. metal prices); \*\* Based on revenue contribution at market prices

# ③ Unlocking further growth and record high-voltage order backlog through investments

Evolution of NKT high-voltage order backlog (EURbn)\*





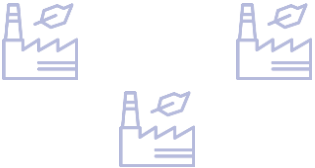



Investment program initiated (EURm)



<b>Project awards post Q1 2023</b>	<b>Biscay Gulf interconnector</b>	<b>TenneT framework agreement***</b>	<b>East Anglia 3</b>	✓ EUR ~1bn investment program initiated to further strengthen NKT's leading position  
<b>Announcement date</b>	5 May 2023	5 May 2023	6 June 2023	
<b>Expected commissioning</b>	2028	Up to 2031	2026	
<b>Order value</b>	EUR >600m	EUR ~1.5bn****	EUR >250m	
<b>Key stats</b>	400kV HVDC XLPE 1 GW	525kV HVDC XLPE 2 GW	320kV HVDC XLPE 1.4 GW	

\* Market prices; \*\* Indicative and not-to-scale; \*\*\* Contracts awarded to NKT : Nederwiek 3, Doordewind 1 and Doordewind 2, and \*\*\*\* Covers the majority of the project scope.

③ NKT has **technologically advanced capabilities** for delivering turnkey high-voltage off- and onshore power cable solutions

	Today	Post investment	Key comments
<b>High-voltage factories</b>	<p><b>2</b></p> <p> Karlskrona "North"  Cologne</p>  	<p><b>3</b></p> 	<ul style="list-style-type: none"> <li>✓ Expansion will add end-to-end production capacity next to the existing facility in Karlskrona</li> </ul>
<b>Cable-laying vessels</b>	<p><b>1</b></p> <p>NKT Victoria</p> 	<p><b>2</b></p> 	<ul style="list-style-type: none"> <li>✓ Market leading vessel with record-high power cable-laying capacity</li> </ul>
<b>Investing for growth</b>	<p>2017: <b>EUR ~836m</b>  HV cables</p> <p>2020: <b>EUR ~150m</b> Karlskrona and Cologne expansion</p> <p>2022: <b>EUR ~90m</b> Karlskrona expansion</p>	<p><b>HV investment program</b></p> <p><b>EUR ~1bn</b></p> <p>2023-2026</p>	<ul style="list-style-type: none"> <li>✓ New assets expected to be operational from 2027</li> <li>✓ Will strengthen NKT's market leading position significantly</li> </ul>

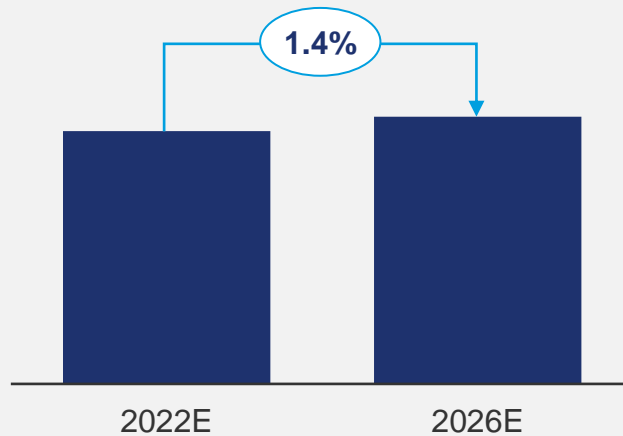


## ④ Applications market growth expected to increase in the years ahead

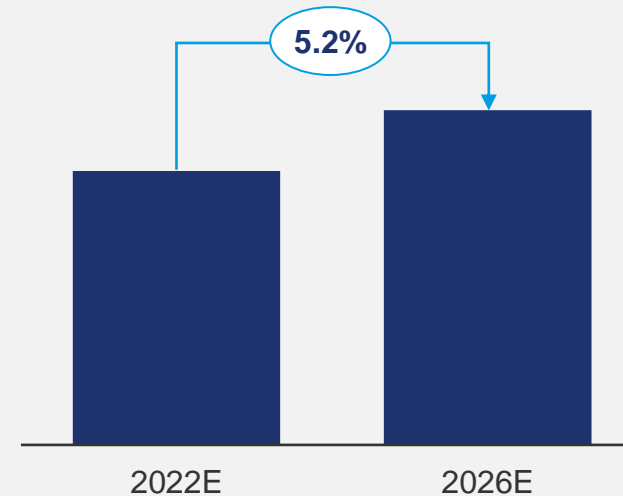


### European power cable market volume development

LV power cable market volume



MV power cable market volume

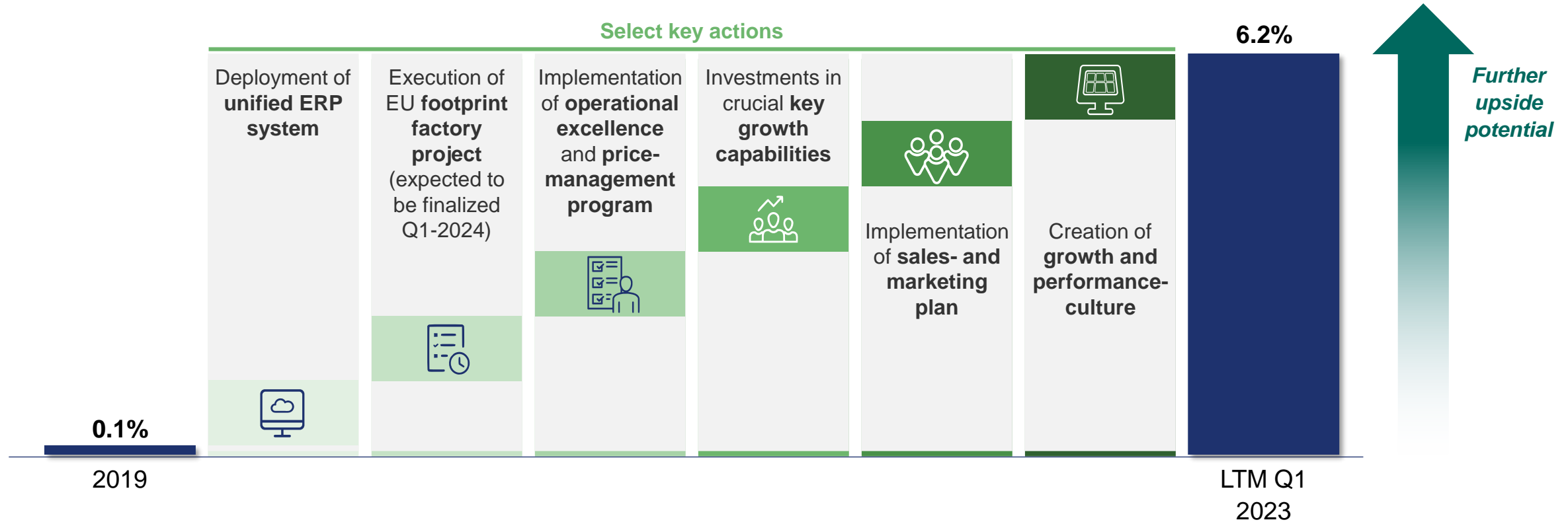


***NKT expects to continue growing its Applications business line in-line with market***

Source: CRU (LV) and Maia Research (MV)  
Note: Growth rates are CAGR

# ④ Optimisation measures have yielded clear commercial upside

Key actions undertaken have led to >600bps improvement in Applications EBITDA margin\*













\* Std. metal prices  
 LV = Low voltage, MV = Medium-voltage

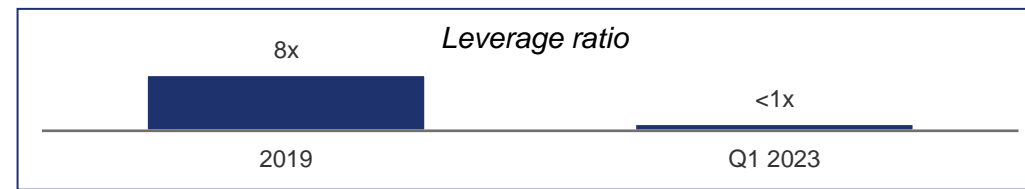
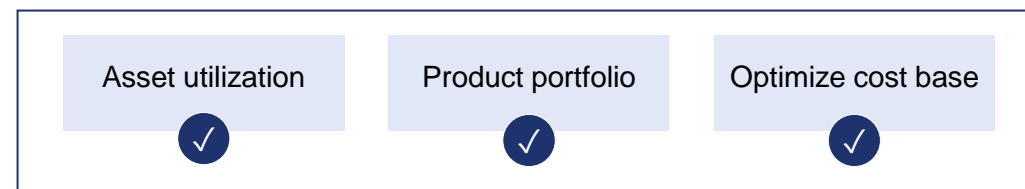
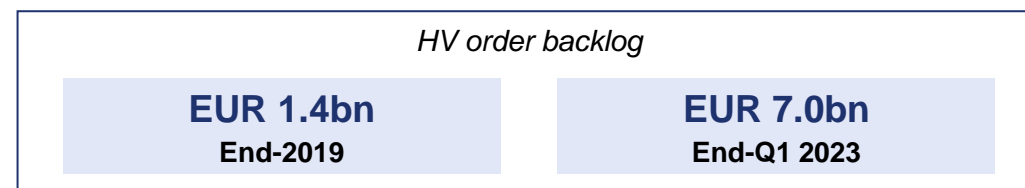
# ④ Multiple pathways to securing upside within Applications over the next decade

<p><b>Renewables and green transition</b></p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>3x</b></p> <p>Expected increase in annual global Wind electricity generation in GW from 2020-2030</p> </div> <div style="text-align: center;"> <p><b>6x</b></p> <p>Expected increase in annual global Solar electricity generation in GW from 2020-2030</p> </div> </div>										
<p><b>EV charging</b></p>	<p><b>EV volume % total vehicles (EU)*</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>EV volume % total vehicles (EU)</th> </tr> </thead> <tbody> <tr> <td>Past</td> <td>0%</td> </tr> <tr> <td>2022</td> <td>2%</td> </tr> <tr> <td>2030</td> <td>18%</td> </tr> <tr> <td>2050</td> <td>95%</td> </tr> </tbody> </table>	Year	EV volume % total vehicles (EU)	Past	0%	2022	2%	2030	18%	2050	95%
Year	EV volume % total vehicles (EU)										
Past	0%										
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2050	95%										
<p><b>Utility grid capacity expansion</b></p>	<div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 20px;"> <p><b>EUR 1.1tn</b></p> </div> <div style="font-size: 2em; margin-right: 20px;"> <p>»»</p> </div> <div> <p>Investments required p.a. by global utilities between 2025-2030 to reach Sustainable Development Goals**</p> </div> </div>										
<p><b>Buildings</b></p>	<div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 20px;"> <p><b>+3.4%</b></p> </div> <div style="font-size: 2em; margin-right: 20px;"> <p>»»</p> </div> <div> <p>Global buildings energy demand CAGR 2020-2030***</p> </div> </div>										
<p><b>OEM and industry investments</b></p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p></p> <p>Increasing electrification within industry sector</p> </div> <div style="text-align: center;"> <p></p> <p>Further expansion of 5G network</p> </div> </div>										


Source: \* Roland Berger; \*\* International Energy Agency, \*\*\* DNV  
EV = Electric Vehicle

# 5 NKT has delivered on targets and strengthened its foundation for growth

- 

**Improving financial performance**
- 

**Growing in attractive HV market**
- 

**Undertaking efficiency measures**
- 

**Strengthening balance sheet**
- 

**Focus on core power cable business execution**



Progress on pathway to becoming the pure play power cable company with strong project execution capabilities



\* Std. metal prices

# 5 ReNew BOOST designed to take advantage of tailwinds from the green transition



## Let's Grow

- Invest in growth opportunities
- Selectively expand market presence



## Let's Innovate

- Maintain technology leadership
- Increase open collaboration



## Let's Drive Sustainability

- Continue journey to Net Zero
- Attract and retain top talent

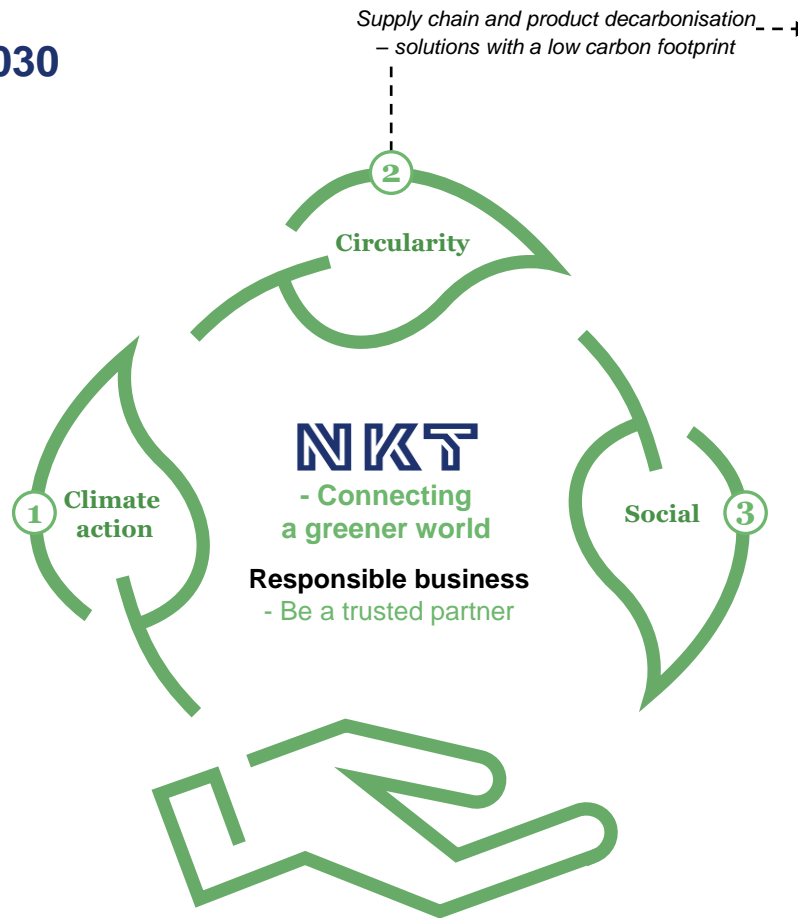


# 5 NKT's sustainability strategy

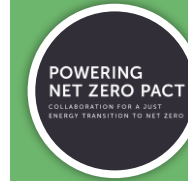


## NKT ImpACT – Sustainability strategy 2030

- 1 Climate change**  
NKT has set a target of 90% reduction of scope 1 and 2 by 2030. NKT has also committed to Science Based Target initiative to become a net zero company by 2050
- 2 Sustainable value proposition and circularity**  
Sustainable value proposition through the lifecycle of products and solutions, and actively pursue zero waste through circularity
- 3 Social capital**  
Be a fair, inclusive, attractive and safe workplace empowering trust, personal growth and engagement



## Sustainable value proposition and circularity



Customer cooperation within the framing of the European Green Deal



Technical innovation, green and circular material

# Agenda

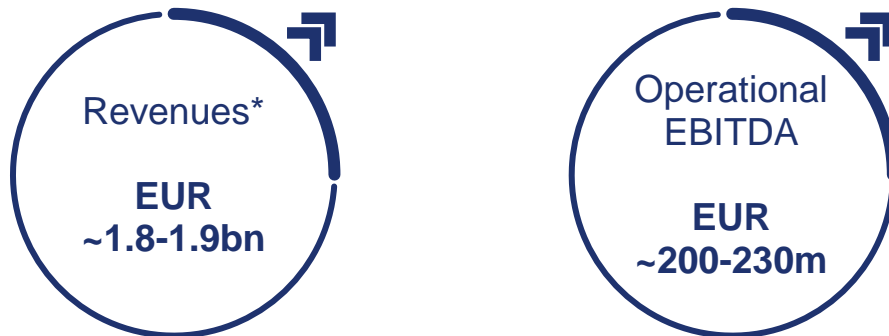


1. Transaction rationale
2. Transaction structure
3. Q&A
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# Financial outlook with continued growth expectations

Updated on 26 April 2023 following the strong performance in Q1 2023

## Financial outlook 2023

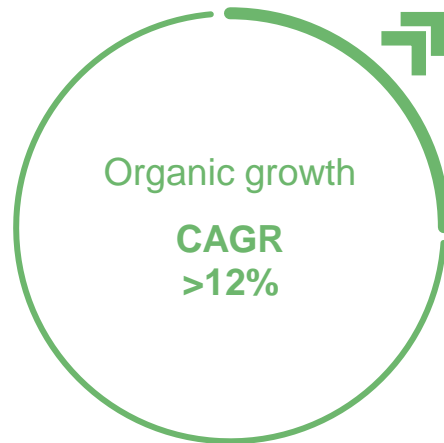


The financial outlook is based on several assumptions including:

- Satisfactory execution of high-voltage projects
- Limited financial impact due to the uncertain global macroeconomic environment, supply chain challenges, and the high inflationary pressure
- Award of additional high-voltage projects with financial impact in 2023
- Profitability improvement in applications
- Satisfactory offshore power cable repair work activity

# Step change in ambitions going forward

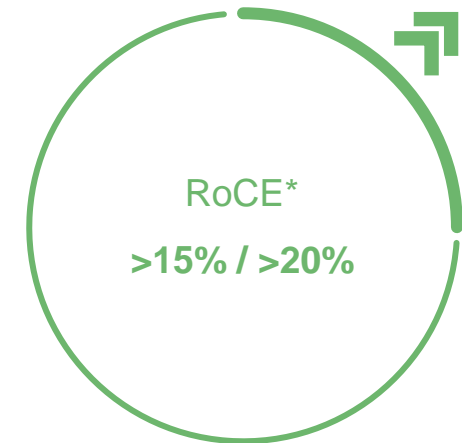
## New financial ambitions



2021-2028



2025 / 2028



2025 / 2028

\* RoCE defined as Operational EBIT for continuing operations as a percentage of average of the last five quarters of capital employed for continuing operations with capital employed defined as group equity plus net interest-bearing debt

# Delivering on the medium-term financial ambitions is based on several assumptions

## The most critical are listed below

---



Market demand supporting continued favourable supply/demand balance

---



Ensure further high-voltage project awards securing high utilization of production and installation assets

---



Stable development of the global economy



Satisfactory execution of high-voltage investments and projects to deliver on expected profitability margin

---



Stable supply chain with limited disruptions and access to the required labour, materials and services

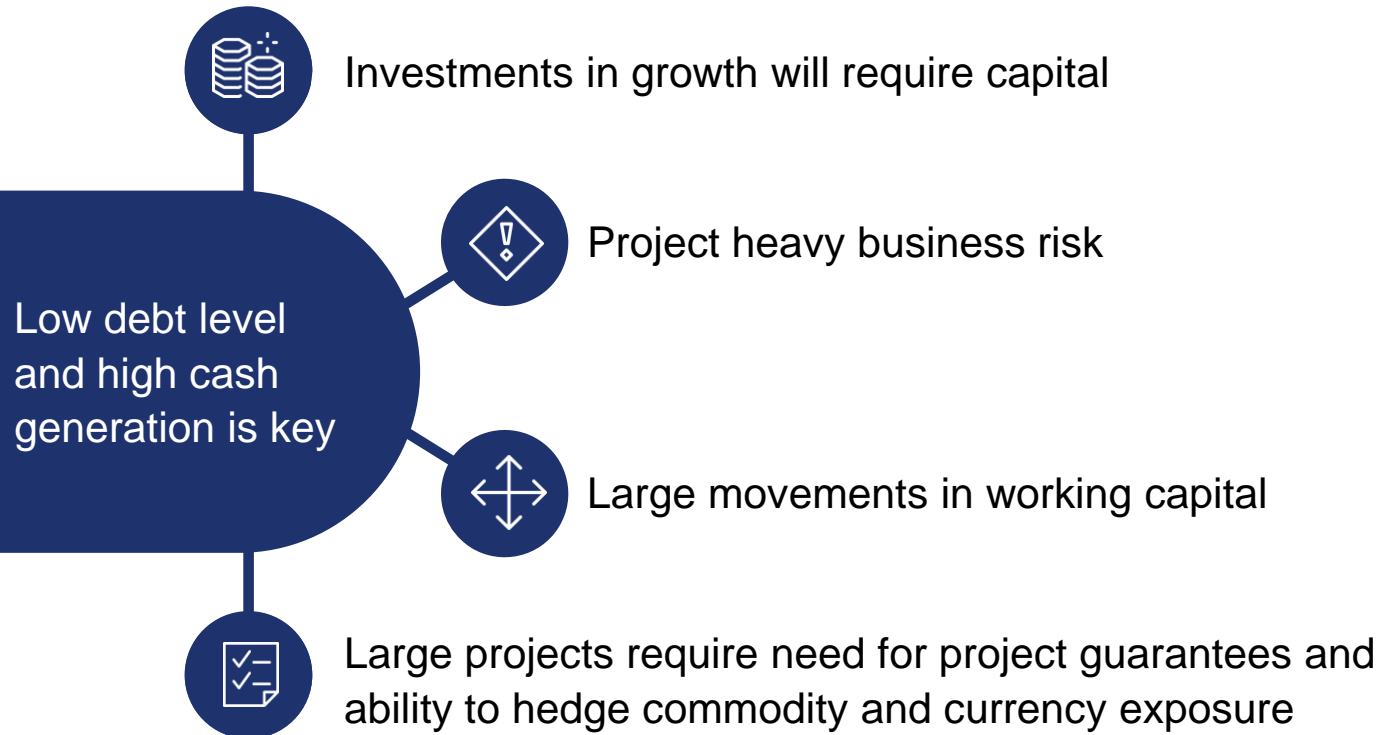
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Stable development in metal prices



# NKT's business model requires a **robust capital structure**



Leverage ratio\*

< 0.0X

Solvency ratio

> 30%

Dividends\*\*

1/3

of net result if capital structure allows

\* Leverage ratio is defined as Net interest-bearing debt relative to operational EBITDA and Solvency ratio is defined as Equity incl. hybrid capital as a percentage of total assets

\*\* NKT does not expect to pay out dividends in the coming two years