



NKT



Interim Report
Q1 2021

The Interim Report of NKT A/S covers the period 1 January – 31 March 2021

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“We had a satisfactory start to 2021. We have seen increased activity across all business lines in NKT and NKT Photonics, and our target to improve profitability showed in the financial figures.”

The NKT Group is supported by several sustainable megatrends with the global green transformation being among the most prominent. The growth in our revenue in the beginning of 2021 was another testimony to the potential driven by these.”

Alexander Kara

President & CEO, NKT A/S

Key messages Q1 2021

NKT Group had a satisfactory start to 2021 as operational EBITDA increased to EUR 29.0m in Q1 2021 from EUR 8.4m in the same period of 2020. This was a continuation of the improved performance in 2020, and was achieved by both NKT and NKT Photonics.

Due to higher activity levels and efficiency gains, all three business lines in NKT, the power cable business, delivered improved revenue and earnings in Q1 2021. The increase in revenue was particularly driven by higher activity levels in Solutions and Service & Accessories.

The high-voltage order backlog was still at a high level of EUR 2.95bn at end-Q1 2021. During the quarter, NKT was awarded a range of new orders in the on-shore segment as well as variation orders to projects currently in execution. In the beginning of Q2 2021, NKT was awarded a contract of approx. EUR 95m for the Troll West electrification project. Progress continued on several tenders across market segments and geographies.

In line with expectations, the free cash flow was negative for NKT in Q1 2021 as there was an increase in working capital from the unusually low level at end-2020, and Solutions progressed its investment programme to upgrade its high-voltage production sites. The programme is expected to be completed in 2022 as planned.

In NKT Photonics, revenue and EBITDA grew in Q1 2021. The business recorded a solid recovery, especially in the Industrial segment, leading to the highest Q1 revenue in the history of NKT Photonics. In 2020, the financial performance was adversely impacted by the COVID-19 pandemic.

The Board of Directors still intends to resume the strategic review of NKT Photonics when the business and financial performance is no longer materially affected by the COVID-19 pandemic and the general economic situation.

The financial outlook for 2021 for NKT is unchanged from Company Announcement No. 2 of 24 February 2021, while for NKT Photonics the expectation is that the organic revenue growth and the EBITDA margin will be in the upper end of the previously communicated ranges. See further information on page 4.

Amounts in EURm	NKT			NKT Photonics			NKT Group		
	Q1 2021	Q1 2020	FY 2020	Q1 2021	Q1 2020	FY 2020	Q1 2021	Q1 2020	FY 2020
Revenue	414	318	1,403	15.7	12.7	69.9	430	331	1,470
Revenue in std.metal prices	296	240	1,087	15.7	12.7	69.9	312	253	1,155
Organic growth	21%	19%	15%	26%	-13%	-6%			
Operational EBITDA	30.2	10.2	56.7	-1.2	-1.8	2.6	29.0	8.4	59.3
Operational EBITDA margin	10.2%	4.2%	5.2%	-7.7%	-13.9%	3.7%	9.3%	3.3%	5.1%
EBIT	10.8	-10.9	-38.4	-4.7	-4.3	-9.5	6.1	-15.2	-47.9
Net result	5.9	-17.5	-63.5	-4.2	-3.1	-11.0	1.7	-20.6	-74.5
Working capital	-65.2	-59.3	-164.5	26.3	29.3	27.4	-38.9	-30.0	-137.1
Working capital % of revenue, LTM	-5.6%	-2.8%	-7.1%	39.7%	38.1%	41.9%	-3.5%	-0.6%	
RoCE	-0.9%	-6.1%	-2.9%	-9.0%	3.0%	-8.8%	-1.7%	-5.3%	-3.5%

Key highlights Q1 2021

NKT

296m

Revenue (std. metal prices), EUR

Up from EUR 240m in Q1 2020, with all three business lines contributing

21%

Organic growth

27% in Solutions, 2% in Applications and 82% in Service & Accessories

30.2m

Operational EBITDA, EUR

Up from EUR 10.2m in Q1 2020. Increased activity level led to improved profitability in all three business lines

2.95bn

High-voltage order backlog, EUR

Down from EUR 3.07bn at end-2020 as no major projects were awarded to NKT in Q1 2021. The award of Troll West after quarter-end was not included in the order backlog

Financial outlook 2021

Revenue (in std. metal prices) is expected to be approx. EUR 1.1–1.2bn and the operational EBITDA is expected to be approx. EUR 80–110m. This is a continuation of the growth achieved in 2020.

The targeted improvement in revenue and earnings compared to 2020 is mainly expected to be driven by Solutions.

Due to the anticipated phasing of revenue in 2021, EBITDA in the 1st half of the year is expected to be at a higher level than in the 2nd half. This is expected particularly for Solutions.

NKT Photonics

15.7m

Revenue, EUR

Up from EUR 12.7m in Q1 2020. The increase was driven by a recovery after the challenging market conditions in 2020 due to the COVID-19 pandemic

26%

Organic growth

Solid positive development in Industrial and continued growth in Medical & Life Science. Aerospace & Defence was down compared to Q1 2020

-1.2m

EBITDA, EUR

Up from EUR -1.8m in Q1 2020 driven by the revenue growth. EBITDA in Q1 2021 was impacted negatively by redundancy costs of EUR 1.2m

36%

Order intake growth

Highest ever Q1 order intake. The increase mainly came from improved market conditions, especially in the Industrial segment

Financial outlook 2021

The organic revenue growth is expected to be approx. 0-10%, and the EBITDA margin is expected to be approx. 3-7%. Based on the financial performance in the first part of 2021, the expectation is that the organic revenue growth and the EBITDA margin will be in the upper end of these ranges.

The financial outlook is subject to high uncertainty given the unknown development of the COVID-19 pandemic, which impacted some parts of the market negatively in 2020. The pandemic is expected to continue impacting the market in 1st half 2021, while a more normalized market picture being anticipated later in the year

NKT Group – Financial highlights and ratios

Amounts in EURm	Q1 2021	Q1 2020	FY 2020
Income statement			
Revenue	429.6	331.1	1,470.2
Revenue in std. metal prices** 3)	311.6	253.0	1,154.7
Operational EBITDA** 6)	29.0	8.4	59.3
EBITDA	30.8	8.0	49.4
Amortization, depreciation and impairment	-24.7	-23.2	-97.3
Operational EBIT** 7)	4.3	-14.8	-38.0
EBIT	6.1	-15.2	-47.9
Financial items, net	-3.6	-7.1	-16.7
Earnings before tax (EBT)	2.5	-22.3	-64.6
Net result	1.7	-20.6	-74.5
Cash flow			
Cash flow from operating activities	-22.3	-121.5	136.3
Cash flow from investing activities	-29.6	-14.4	-107.4
hereof investments in PPE	-22.9	-5.7	-65.5
Free cash flow**	-51.9	-135.9	28.9

Amounts in EURm	Q1 2021	Q1 2020	FY 2020
Balance sheet			
Share capital	115.4	73.3	115.4
Group equity	1,109.2	723.9	1,076.4
Total assets	2,245.5	1,795.8	2,150.6
Net interest-bearing debt** 9)	30.5	378.1	-25.9
Capital employed** 10)	1,139.7	1,102.0	1,050.5
Working capital** 11)	-38.9	-30.0	-137.1
Financial ratios and employees			
Operational EBITDA margin, (std. metal prices)**	9.3%	3.3%	5.1%
Gearing** 8)	3%	52%	-2%
NIBD relative to operational EBITDA** 12)	0.4x	9.3x	-0.4x
Solvency ratio** 13)	49%	40%	50%
Return on capital employed (RoCE)** 14)	-1.7%	-5.3%	-3.5%
Number of DKK 20 shares ('000)**	42,976	27,281	42,976
EPS, EUR 1)	-0.0	-0.8	-2.7
Diluted EPS, EUR 2)	-0.0	-0.8	-2.7
Equity value, EUR per outstanding share** 15)	22	21	22
Market price, DKK per share**	276	122	271
Average number of employees	3,972	3,748	3,800

1) - 15) Definitions appear in Note 4.

** Alternative performance measures

NKT – Financial review

NKT delivered a satisfactory start to 2021 with improvements in both revenue and earnings in Q1. With higher activity levels and efficiency gains, all three business lines contributed to the positive development. Cash flow generation was negative in Q1 2021 due to the expected increase in working capital and a higher investment level.

Improved revenue across all business lines

NKT increased revenue* from EUR 240m in Q1 2020 to EUR 296m in Q1 2021, corresponding to 21% organic growth. While all three business lines contributed positively, the increase in revenue was particularly due to higher activity levels in Solutions and Service & Accessories.

In market prices, revenue in Q1 2021 was EUR 414m, against EUR 318m in Q1 2020.

Operational EBITDA increased

The earnings growth in 2020 continued into the first part of 2021. Operational EBITDA increased for all three business lines compared to Q1 in last year, and almost tripled from EUR 10.2m in Q1 2020 to EUR 30.2m in Q1 2021.

The operational EBITDA margin* increased from 4.2% in Q1 2020 to 10.2% in Q1 2021.

Q1 2021 was characterized by a high level of activity across power cable types in Solutions and by record-high quarterly performance in Service & Accessories with a high level of repair work. Additionally, Applications continued to restore the profitability level.

Due to increasing activity level in Solutions with several projects in the order backlog, the number of employees has gradually increased during 2020 and in the beginning of 2021.

Total one-off items were EUR 1.8m in Q1 2021, compared to EUR -0.4m in Q1 2020. The income consisted of an accounting gain from the divestment of the plant in Stenlille, Denmark, in January 2021.

EBIT in Q1 2021 increased to EUR 10.8m from EUR -10.9m in Q1 2020, driven by the same parameters as operational EBITDA.

Key financials

Amounts in EURm	Q1 2021	Q1 2020	FY 2020
Income statement			
Revenue	414.0	318.4	1,402.5
Revenue in std.metal prices**	296.0	240.3	1,087.0
Operational EBITDA**	30.2	10.2	56.7
EBITDA	32.0	9.8	46.8
Depreciations and amortizations	-21.2	-20.7	-85.2
Operational EBIT**	9.0	-10.5	-28.5
EBIT	10.8	-10.9	-38.4
Financial items, net	-2.9	-7.4	-11.5
EBT	7.9	-18.3	-49.9
Tax	-2.0	0.8	-13.6
Net result	5.9	-17.5	-63.5
Cash flow			
Cash flow from operating activities	-22.7	-118.3	135.6
Cash flow from investing activities excl. acq. & div.**	-28.3	-10.0	-90.8
Free cash flow excl. acq. & div.**	-51.0	-128.3	44.8
Balance sheet			
Capital employed**	1,029.7	993.7	939.8
Working capital**	-65.2	-59.3	-164.5
Financial ratios and employees			
Organic growth**	21%	19%	15%
Operational EBITDA margin*, **	10.2%	4.2%	5.2%
RoCE**	-0.9%	-6.1%	-2.9%
Average number of employees	3,571	3,340	3,390

** Alternative performance measures

* Std. metal prices

The net result for Q1 2021 was EUR 5.9m, compared to EUR -17.5m in Q1 2020.

Working capital up from unusually low end-2020 level

In line with expectations, the working capital increased to EUR -65m at end-Q1 2021 from EUR -165m at end-2020.

The increase was driven by phasing of milestone payments related to Solutions projects, and the seasonal build-up of working capital in Applications ahead of the expected increase in market activity. Working capital at end-Q1 2021 was largely at the same level as at end-Q1 2020 despite large value adjustments of hedging instruments due to the increase in commodity prices in Q1 2021.

The working capital ratio, LTM, was -5.6% at end-Q1 2021, against -7.1% at end-2020.

Cash flow negative due to working capital and increase in investments

The cash flow from operating activities was EUR -22.7m in Q1 2021 compared to EUR -118m in Q1 2020. The cash generation was negative as the positive earnings contribution was outweighed by the development in working capital.

The Solutions business line progressed its investment programme to upgrade its high-voltage production sites. Accordingly, cash flow from investing activities amounted to EUR -28.3m in Q1 2021, compared to EUR -10.0m for the same period last year.

Increased RoCE driven by improved earnings

RoCE took another step in the right direction, ending Q1 2021 at -0.9%, up from -2.9% at end-2020. Capital employed increased during the quarter by EUR 89.9m due the development in working capital.

Revenue development and organic growth

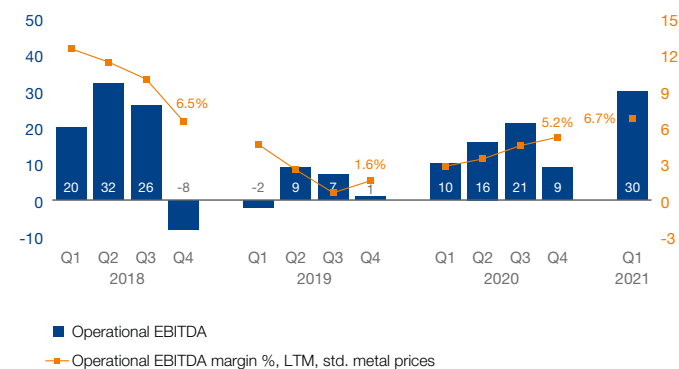
Amounts in EURm

Q1 2020 revenue*	240.3
Currency effect	4.4
Organic growth	51.3
Q1 2021 revenue*	296.0
Organic growth, %	21%

* Std. metal prices

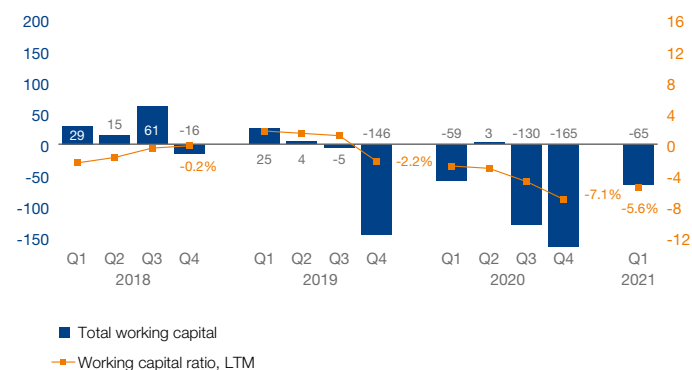
Operational EBITDA

Amounts in EURm



Working capital

Amounts in EURm





Business review – Solutions

Highlights

- Improved revenue and profitability in Q1 2021
- Awarded contract for Troll West in Norway after quarter-end
- Continued progress on tenders across market segments

Higher revenue driven by increased activity

Revenue* for Solutions amounted to EUR 161m in Q1 2021, which was EUR 37m above Q1 2020. The organic growth of 27% was due to execution of orders across power cable types awarded over recent years that helped increase overall factory utilization.

Revenue measured in market prices amounted to EUR 191m in Q1 2021, against EUR 144m in Q1 2020.

Highest quarterly operational EBITDA since 2018

The increased activity in Solutions resulted in improved profitability, with operational EBITDA amounting to EUR 19.5m in Q1 2021 against EUR 5.6m in Q1 2020.

NKT had several projects in execution in Q1 2021 covering a blend of power cable types. These projects included Dogger Bank A+B, Moray East, Ostwind 2 and Viking Link.

The company finalized the manufacture and delivery of both the export cable system and inter-array cables for the Triton Knoll offshore wind farm in the UK. This project comprised production of 100 km of 220 kV HVAC offshore export cables along with 144 km of 66 kV inter-array cables.

NKT Victoria, the company's cable-laying vessel, was deployed on a number of installation and service assignments in Q1 2021, and further installation of NKT-produced submarine power cables will materialize in the coming period.

First major order award in 2021 came after the quarter-end

In Q1 2021, NKT was awarded a range of new orders in the onshore segment as well as variation orders to projects currently in execution.

After quarter-end, NKT was awarded the turnkey order to provide power from shore to Troll West in Norway. The order comprises turnkey supply and installation by NKT Victoria of over 110 kilometres of 145 kV high-voltage AC offshore power cable system with three dynamic sections to electrify the Troll West B and C platforms. The contract value was approx. EUR 95m (approx. EUR 85m in std. metal prices).

NKT has further been awarded a long-term frame agreement with RTE in France for supply of 90 kV and 225 kV high-voltage AC XLPE underground power cable systems, also including installation of accessories such as joints and terminations. This contract covers the period 2021-2023, with an option for one plus one additional year. The target is to renew and modernize the transmission power grid in France to support the energy transition.

High-voltage order backlog remained at high level

At end-Q1 2021, NKT's high-voltage order backlog totalled EUR 2.95bn (EUR 2.48bn in std. metal prices). This was around EUR 120m lower than at end-2020. In a historical perspective, the order backlog remained at a high level and significantly above levels seen before 2020.

As announced in 2020, NKT has initiated an investment programme covering the period 2020-2022 aimed at strengthening its high-voltage manufacturing facilities. The programme is expected to be completed according to plan.

Continued tender activity

Only a few major high-voltage projects were awarded in Q1 2021, while there were a number of less sizable awards across the various segments. NKT estimates that the total award level in the market (addressable high-voltage power cable projects larger than EUR 5m) amounted to around EUR 700m in Q1 2021.

Progress continued on several tenders across market segments and geographies. The timing of project awards will depend on the timelines for the individual projects. For NKT, achieving optimal production and installation flow, and thereby optimizing earnings, is contingent upon high utilization of capacity across all production and installation phases, which among other things requires a balanced mix of DC and AC projects.

During 2020, the majority of projects awarded in the market was with DC technology while awards of AC projects were at a lower level.

161m

Revenue*, EUR
(Q1 2020: EUR 124m)

* Std. metal prices

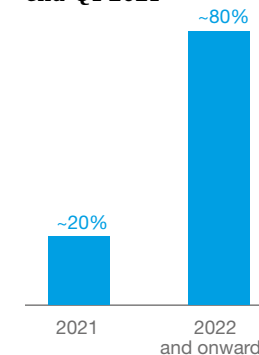
27%

Organic growth
(Q1 2020: 37%)

19.5m

Operational EBITDA, EUR
(Q1 2020: EUR 5.6m)

Expected revenue distribution of high-voltage order backlog (EUR 2.95bn) at end-Q1 2021



* Std. metal prices

Business review – Applications

Highlights

- Continued improvement in financial performance in Q1 2021
- Continuation of efficiency gains driving profitability
- Further strengthening of commercial focus

Organic revenue growth of 2%

Applications achieved revenue* of EUR 95.8m in Q1 2021, compared to EUR 94.1m in Q1 2020. Though some markets continue to be impacted by the COVID-19 pandemic in the first months of 2021, the impact has overall been limited, and several countries contributed to NKT's growth in Q1 2021.

In market prices, the revenue amounted to EUR 184.2m in Q1 2021, against EUR 156.8m in Q1 2020.

Improvement in profitability

The increase in revenue was reflected in improved profitability. Operational EBITDA was EUR 5.5m in Q1 2021, up from EUR 3.5m in Q1 2020. The operational

EBITDA margin* was 5.7% in Q1 2021 against 3.7% in Q1 2020.

A core element in the strategy for the Applications business line is to restore the profitability level, and NKT has gradually achieved this aim since 2019. This continued in the beginning of 2021.

As part of the ongoing optimization in Applications, NKT has initiated the relocation of building wires from its production site in Asnæs, Denmark to the site in Warszowice, Poland. In Denmark, production will be focused on the expected growth in the medium-voltage power cable market in the years ahead.

During the first three months of 2021, with multiple measures in place, production continued with only limited impact from the COVID-19 pandemic.

In Q1 2021, NKT initiated the rollout of a uniform IT platform across its Eastern European sites. The implementation proceeded satisfactorily and had limited impact on daily operations. This rollout was the second and final phase of the platform launch.

Growth contributions from several markets

Overall, market conditions in Q1 2021 improved against the last part of 2020.

The organic growth during Q1 2021 was driven by positive contributions from several geographies, including Denmark, Germany and Poland. NKT is well positioned in these countries and benefitted from efforts to improve the market position. Furthermore, countries such as UK and France, which had been negatively impacted by the COVID-19 pandemic the previous year, recovered during the first months of 2021.

The Q1 2021 revenue in Finland and Iceland was at a lower level and must be viewed against a solid comparison period in Q1 2020. In addition, NKT was negatively impacted by a slow start to 2021 in the Swedish market.

Strengthened commercial organization

In February 2021, a new commercial organization was established to improve customer focus and support further revenue and earnings growth. The commercial team will increase local focus through integrated geographical sales and customer service setups within the various regions. The commercial organization will also be responsible for business development and marketing efforts.

96m

Revenue*, EUR
(Q1 2020: EUR 94m)

* Std. metal prices

2%

Organic growth
(Q1 2020: 3%)

5.5m

Operational EBITDA, EUR
(Q1 2020: EUR 3.5m)

* Std. metal prices



Business review – Service & Accessories

Highlights

- Strong start to 2021 for both Service and Accessories businesses
- Increased service activity driven by offshore cable repairs
- Continued growth in the accessories business

Record-high quarterly revenue

Service & Accessories achieved revenue of EUR 46.1m for Q1 2021, the highest ever figure for this business line and up from EUR 28.4m in Q1 2020 resulting in organic growth of 82%. The strong revenue performance was mainly due to increased service repair work combined with continued growth in the accessories business.

Operational EBITDA surpassed EUR 7m in Q1 2021

The significant increase in revenue led to operational EBITDA of EUR 7.9m in Q1 2021, up from EUR 2.9m in Q1 2020. The operational EBITDA margin for Q1 2021 was 17.1%, compared to 10.2% in Q1 2020. The improvement reflected

the operational leverage, especially on the service side, generated by increased business activity.

Fluctuations in earnings and profitability will occur from quarter to quarter, particularly depending on the volume of large offshore cable repairs, which impacts the balance of revenue between the two business areas.

High activity in service business

The service business reported significant organic growth in Q1 2021, primarily due to a high level of activity in power cable repair work. This included an offshore repair of the 450 kV HVDC BritNed power cable system connecting the national power grids in the UK and the Netherlands. Despite severe weather conditions, the repair was successfully executed by the skilled crew of NKT Victoria and the operation was executed within 29 days.

A focus area for NKT is to expand the portfolio of service agreements. Repair work is increasingly coming from established agreements. In early 2021, the company signed a long-term service contract with the Danish grid operator Energinet covering onshore and offshore power cable systems in Denmark.

The recurring onshore maintenance business showed satisfactory development in

Q1 2021, especially driven by the German market.

Despite the need for employees to cross borders, NKT has experienced limited impact from COVID-19 restrictions and has safely and efficiently managed resources.

Continued growth in accessories

The accessories business also contributed to the growth in revenue recorded in Q1 2021. NKT has invested in recent years to increase output and automate processes at its Nordenham factory in Germany. This has led to improved capacity levels, and sales of medium-voltage accessories from the site increased significantly in Q1 2021.

NKT has built up a strong position in the Middle East, which in Q1 2021 continued to contribute to revenue growth. This growth was further supported by the partial recovery of regions outside Europe, which were less impacted by the COVID-19 pandemic during the quarter than in 2020.

In order to enable continued improvements in financial performance the production of high-voltage accessories is being centralized from Cologne, Germany to NKT's existing production site in Alingsås, Sweden. This project was initiated at the start of 2021 and will gradually be executed.

46m

Revenue*, EUR
(Q1 2020: EUR 28m)

* Std. metal prices

82%

Organic growth
(Q1 2020: 10%)

7.9m

Operational EBITDA, EUR
(Q1 2020: EUR 2.9m)

* Std. metal prices

NKT Photonics – Financial & Business Review

NKT Photonics started 2021 satisfactorily with growth in both revenue and EBITDA.

After a year in which financial performance, particularly in the Industrial segment, was adversely impacted by the COVID-19 pandemic, this part of the business recorded a solid recovery in Q1 2021 leading to the highest ever Q1 revenue. Working capital also improved in Q1 2021, driven by a solid collection of trade receivables.

Improved revenue driven by Industrial segment

NKT Photonics' revenue in Q1 2021 amounted to EUR 15.7m, up from EUR 12.7m in Q1 2020. This corresponded to organic growth of 26% and was the highest Q1 revenue in the history of the company. In Q1 2020 revenue was negatively impacted by the COVID-19 outbreak.

The Industrial segment, which was hit particularly hard in 2020, delivered a solid comeback in Q1 2021. The growth in the

segment has been broad-based, but the market situation remains subject to uncertainty given the COVID-19 pandemic.

In the Medical & Life Science segment, growth in revenue continued in Q1 2021 driven by the products launched in 2020.

The Aerospace & Defence segment achieved lower revenue than in Q1 2020 when sales were positively impacted by a major project.

EBITDA lifted by growth in revenue

Supported by the higher revenue, EBITDA increased to EUR -1.2m in Q1 2021 from EUR -1.8m in the same period of 2020. Earnings in Q1 2021 were impacted negatively by redundancy costs of EUR 1.2m.

The positive development in earnings was also attributable to a more favourable product mix and efficient production output. The COVID-19 pandemic had limited impact on production operations in the quarter.

Due to a higher depreciation and amortization level, EBIT decreased from EUR -4.3m in Q1 2020 to EUR -4.7m in Q1 2021.

Key financials

Amounts in EURm	Q1 2021	Q1 2020	FY 2020
Income statement			
Revenue	15.7	12.7	69.9
EBITDA	-1.2	-1.8	2.6
Depreciations and amortizations	-3.5	-2.5	-12.1
EBIT	-4.7	-4.3	-9.5
Financial items, net	-0.7	0.3	-5.2
EBT	-5.4	-4.0	-14.7
Tax	1.2	0.9	3.7
Net result	-4.2	-3.1	-11.0
Cash flow			
Cash flow from operating activities	0.4	-3.2	0.7
Cash flow from investing activities excl. acq.&div.**	-3.4	-4.4	-16.6
Free cash flow excl. acq.&div.**	-3.0	-7.6	-15.9
Balance sheet			
Capital employed**	110.0	108.3	110.7
Working capital**	26.3	29.3	27.4
Financial ratios and employees			
Organic growth**	26%	-13%	-6%
EBITDA margin	-7.7%	-13.9%	3.7%
RoCE**	-9.0%	3.0%	-8.8%
Average number of employees	401	409	410

** Alternative performance measures

The net result was EUR -4.2m in Q1 2021 compared to EUR -3.1m in the same quarter of 2020.

Working capital position improved

At end-Q1 2021, the working capital was EUR 26.3m. This was an improvement compared to EUR 27.4m at end-2020 and EUR 29.3m at end-Q1 2020. The reduction was driven by continued focus on lowering trade receivables.

Order intake up by 36%

In Q1 2021, NKT Photonics recorded its highest ever Q1 order intake, corresponding to a 36% increase compared to Q1 2020. The increase mainly came from improved market conditions, especially in the Industrial segment.

In the Aerospace & Defence segment, which is characterized by large contracts and projects, NKT Photonics was awarded a major order which made a significant positive contribution to the order intake.

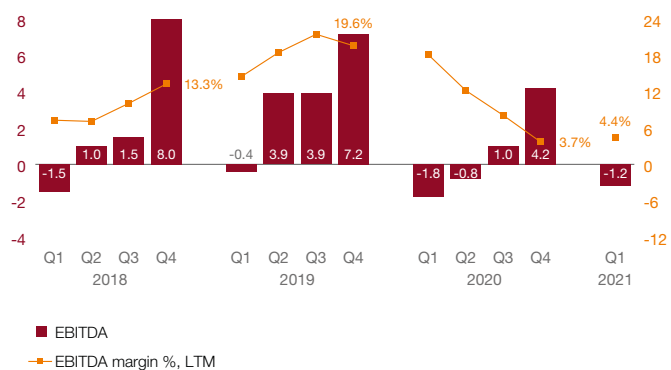
Revenue development and organic growth

Amounts in EURm

Q1 2020 revenue	12.7
Currency effect	-0.2
Organic growth	3.2
Q1 2021 revenue	15.7
Organic growth, %	26%

EBITDA

Amounts in EURm



Medical & Life Science

NKT Photonics continued to perform well in the Medical & Life Science segment, where the drivers are primarily microscopy and ophthalmology. Growth is coming from new products launched in this segment in 2020 and further growth is expected as new products are ramping up.

Industrial

The Industrial segment saw a significant recovery in Q1 2021. Especially the re-search markets were hit by the pandemic in 2020 as many institutions were closed. In addition, several industry projects were delayed as cross-border travel was complicated or impossible. As institutions re-open and projects regain momentum, the market segment is recovering from the pandemic. Moreover, the cyclical semiconductor market is on a high, resulting in increased order volume for lasers and fibers. The ongoing development in the COVID-19 pandemic means that market uncertainty is still above normal.

Aerospace & Defence

The activity level in the project-heavy Aerospace & Defence market is still high despite the lower revenue in Q1 2021 compared to Q1 2020. NKT Photonics was awarded a significant order in Q1 2021 and existing projects continue as planned although with some COVID-19-induced delays. Overall, the segment is growing, and new orders are expected in the coming quarters.

NKT Group – Financials

Operational EBITDA and EBIT

Both NKT and NKT Photonics delivered improved financial performance in Q1 2021. Driven by the growth in revenue, the operational EBITDA for the NKT Group amounted to EUR 29.0m in Q1 2021, an increase from EUR 8.4m in Q1 2020.

The operational EBITDA, LTM, was EUR 79.9m in Q1 2021.

EBIT increased to EUR 6.1m in Q1 2021 from EUR -15.2m in Q1 2020. The positive development was due to the same factors responsible for the growth in operational EBITDA.

Financial items and net result

The net financial items in Q1 2021 amounted to EUR -3.6m, compared to EUR -7.1m in Q1 2020. The financial items mainly comprised interest and unrealized currency losses. In Q1 2020, unrealized currency losses were unusually high.

Earnings before tax (EBT) comprised EUR 2.5m in Q1 2021, compared to EUR -22.3m in Q1 2020.

The Group's net result improved from EUR -20.6m in Q1 2020 to EUR 1.7m in Q1 2021. Taxes were expensed in Q1 2021 as EBT was positive.

Cash flow

The cash flow from operating activities was EUR -22.3m in Q1 2021, compared to EUR -122m in Q1 2020. The increased level was due to higher EBITDA and less negative development in working capital.

The cash flow from investing activities amounted to EUR -29.6m in Q1 2021, against EUR -14.4m in Q1 2020. This development was driven by the increased level of investment in high-voltage production facilities for the power cable business.

Liquidity, debt leverage and equity

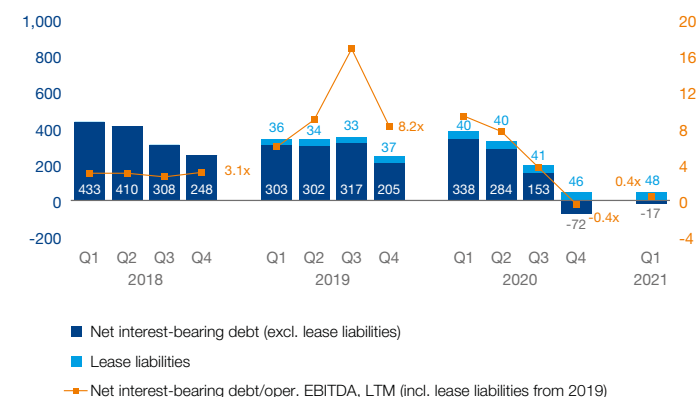
Due to the expected increase in working capital and higher investment level, the Group's net interest-bearing debt at end-Q1 2021 was EUR 30.5m, up from EUR -25.9m at the end of the previous quarter.

The net interest-bearing debt relative to operational EBITDA amounted to 0.4x at end-Q1 2021, up from -0.4x at end-2020.

At end-Q1 2021, the NKT Group had total available liquidity reserves of EUR 479m, comprising cash of EUR 179m and undrawn credit facilities of EUR 300m. Group equity, including the hybrid security issued in 2018, amounted to EUR 1,109m. The solvency ratio was 49%, compared to 50% at the end of the previous quarter.

Net interest-bearing debt

Amounts in EURm



Q1 2021 financial development for NKT A/S

Amounts in EURm	Revenue*			Operational EBITDA			Oper. EBITDA margin*	
	Q1 2021	Q1 2020	Change	Q1 2021	Q1 2020	Change	Q1 2021	Q1 2020
NKT	296.0	240.3	55.7	30.2	10.2	20.0	10.2%	4.2%
NKT Photonics	15.7	12.7	3.0	-1.2	-1.8	0.6	-7.7%	-13.9%
Elimination	-0.1	0.0	-0.1	0.0	0.0	0.0	-	-
NKT Group	311.6	253.0	58.6	29.0	8.4	20.6	9.3%	3.3%

* Std. metal prices

Shareholder information

NKT A/S shares

The average daily turnover in NKT A/S shares on all trading markets was EUR 12m in Q1 2021, compared to EUR 6m in Q1 2020. The average daily trading volume was around 360,000 shares in Q1 2021, up from around 300,000 in Q1 2020. Nasdaq Copenhagen continued to be the main trading market for the company's shares with 44% of the total traded volume in Q1 2021.

At end-Q1 2021, the NKT A/S share price was DKK 275.80, compared to DKK 271.20 at end-2020, equal to a share price return of 2%. The corresponding dividend-adjusted share price returns for the Group's largest European competitors, Prysmian and Nexans, were -5% and 27%, respectively. The Danish OMX C25 index, adjusted for dividends, increased by 2% in Q1 2021.

At end-Q1 2021, four NKT A/S investors had reported shareholdings of between 5.00-9.99%: ATP (Denmark), Greenvale Capital (UK), Kirkbi INVEST A/S (Denmark), and Nordea Funds Ltd, Danish Branch (Finland). After the balance sheet date, it was announced that Nordea Funds' shareholding had decreased below 5%.

The total share capital consists of 42,976,036 shares, each with a nominal value of DKK 20, corresponding to a total nominal share capital of DKK 859,520,720 (around EUR 115m).

Annual General Meeting

The Annual General Meeting of NKT A/S was held on 25 March 2021. All proposals on the agenda were approved. This included re-election of the six AGM-elected members of the Board of Directors.

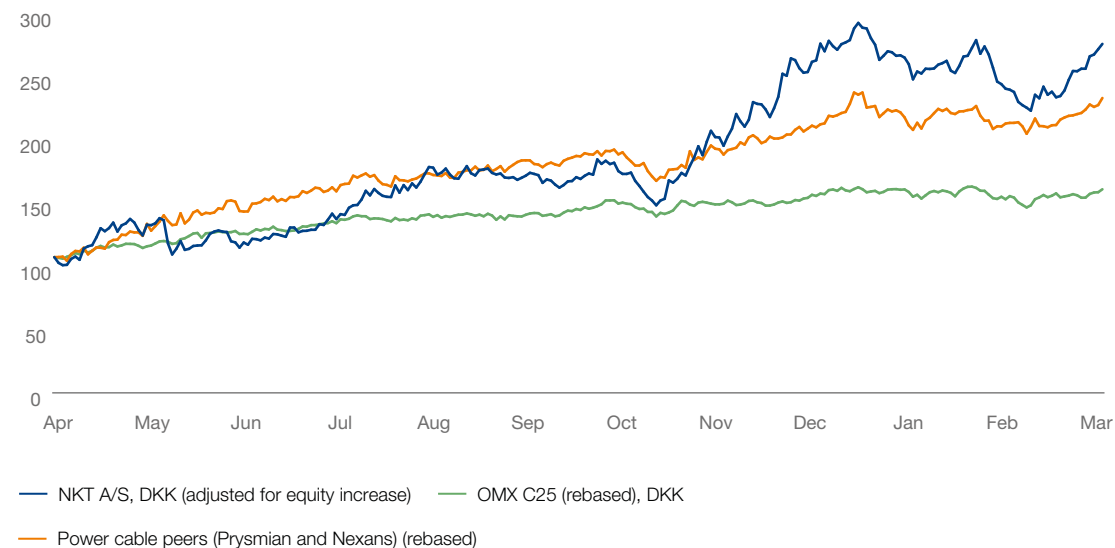
At a meeting of the Board of Directors held after the Annual General Meeting, Jens Due Olsen was elected Chairman of the Board of Directors and René Svendsen-Tune was elected Deputy Chairman. The various committee members are listed in the table below.

 More shareholder information is available at investors.nkt.com

NKT Committees

Committee	Members
Chairmanship	Jens Due Olsen (Chair) and René Svendsen-Tune
Audit	Jutta af Rosenborg (Chair) and Karla Lindahl
Nomination	Andreas Nauen (Chair) and Jens Maaløe
Remuneration	Jutta af Rosenborg (Chair) and Jens Maaløe
NKT Photonics	Jens Maaløe (Chair), Jens Due Olsen and René Svendsen-Tune

NKT A/S Share price



NKT A/S shares – basic data

ID code: DK0010287663
 Listing: Nasdaq Copenhagen,
 part of the Mid Cap index
 Share capital: EUR 115m
 (DKK 860m)
 Number of shares: 43.0 million
 Nominal value: DKK 20
 Share classes: 1



Financial calendar 2021

17 Aug: Interim Report, Q2 2021
 17 Nov: Interim Report, Q3 2021

Consolidated financial statements

A man in a white shirt stands in a data center, looking thoughtful with his hand to his chin. He is surrounded by rows of computer monitors displaying data and charts. Other people are visible working at desks in the background.

Income statement

Amounts in EURm	Q1 2021	Q1 2020	FY 2020
Revenue	429.6	331.1	1,470.2
Costs of raw materials, consumables and goods for resale	-279.6	-218.2	-961.4
Staff costs	-81.9	-65.7	-299.6
Other costs etc.	-37.3	-39.2	-159.8
Earnings before interest, tax, depreciation and amortization (EBITDA)	30.8	8.0	49.4
Depreciation of property, plant and equipment	-17.2	-17.8	-70.5
Amortization of intangible assets	-7.5	-5.4	-26.8
Earnings before interest and tax (EBIT)	6.1	-15.2	-47.9
Financial items, net	-3.6	-7.1	-16.7
Earnings before tax (EBT)	2.5	-22.3	-64.6
Tax	-0.8	1.7	-9.9
Net result	1.7	-20.6	-74.5
To be distributed as follows:			
Equity holders of NKT A/S	-0.3	-22.6	-82.6
Hybrid capital holders of NKT A/S	2.0	2.0	8.1
	1.7	-20.6	-74.5
Basic earnings, EUR, per share (EPS)	-0.0	-0.8	-2.7
Diluted earnings, EUR, per share (EPS-D)	-0.0	-0.8	-2.7

Statement of comprehensive income

Amounts in EURm	Q1 2021	Q1 2020	FY 2020
Comprehensive income			
Net profit	1.7	-20.6	-74.5
Other comprehensive income:			
<i>Items that may not be reclassified to income statement:</i>			
Actuarial gains/(losses) on defined benefit pension plans	0.0	0.0	-0.9
<i>Items that may be reclassified to income statement:</i>			
Currency adjustment of foreign subsidiaries and value adjustment of hedging instruments, etc.	31.0	-59.6	96.9
Total comprehensive income for the period	32.7	-80.2	21.5

Balance sheet

Amounts in EURm	31 March 2021	31 March 2020	31 Dec. 2020
Assets			
Intangible assets	620.2	571.3	626.9
Property, plant and equipment	662.6	614.5	657.6
Other investments and receivables	1.0	2.0	1.0
Deferred tax	32.1	52.8	23.1
Total non-current assets	1,315.9	1,240.6	1,308.6
Inventories	243.7	233.9	243.6
Receivables, contract assets and income tax	506.8	317.8	359.1
Interest-bearing receivables	0.2	0.2	0.1
Cash at bank and in hand	178.9	3.3	239.2
Total current assets	929.6	555.2	842.0
Total assets	2,245.5	1,795.8	2,150.6

Amounts in EURm	31 March 2021	31 March 2020	31 Dec. 2020
Equity and liabilities			
Equity attributable to equity holders of NKT A/S	954.8	569.5	924.0
Hybrid capital	154.4	154.4	152.4
Total equity	1,109.2	723.9	1,076.4
Deferred tax	53.5	24.5	40.9
Provisions and pension liabilities	66.1	67.5	67.1
Interest-bearing loans and borrowings	196.8	351.5	200.6
Total non-current liabilities	316.4	443.5	308.6
Interest-bearing loans and borrowings	12.8	30.1	12.8
Contract liabilities	309.3	160.9	296.5
Trade payables, tax and other liabilities	480.1	420.8	443.3
Provisions	17.7	16.6	13.0
Total current liabilities	819.9	628.4	765.6
Total liabilities	1,136.3	1,071.9	1,074.2
Total equity and liabilities	2,245.5	1,795.8	2,150.6

Cash flow statement

Amounts in EURm	Q1 2021	Q1 2020	Year 2020
Earnings before interest, tax, depreciation and amortization (EBITDA)	30.8	8.0	49.4
Change in provisions, gain and loss on sale of assets, etc.	1.9	-6.3	-11.7
Changes in working capital	-50.9	-115.5	114.5
Cash flow from operations before financial items, etc.	-18.2	-113.8	152.2
Net financial items paid	-3.5	-7.1	-17.0
Income tax paid	-0.6	-0.6	1.1
Cash flow from operating activities	-22.3	-121.5	136.3
Divestment of business	2.1	0.0	0.0
Investments in property, plant and equipment	-22.9	-5.7	-65.5
Disposal of property, plant and equipment	0.0	0.2	0.4
Intangible assets and other investments, net	-8.8	-8.9	-42.3
Cash flow from investing activities	-29.6	-14.4	-107.4
Free cash flow	-51.9	-135.9	28.9

Amounts in EURm	Q1 2021	Q1 2020	Year 2020
Changes in interest-bearing loans	-6.4	133.9	-41.3
Repayment of lease liabilities	-1.9	-1.4	-5.8
Coupon payments on hybrid capital	0.0	0.0	-8.1
Capital increase	0.0	0.0	258.6
Cash from issue of new shares / exercise of warrants	0.0	0.1	0.3
Cash flow from financing activities	-8.3	132.6	203.7
Net cash flow	-60.2	-3.3	232.6
Cash at bank and in hand at the beginning of the period	239.2	6.9	6.9
Currency adjustments	-0.1	-0.3	-0.3
Net cash flow	-60.2	-3.3	232.6
Cash at bank and in hand at the end of the period	178.9	3.3	239.2

The above cannot be derived directly from the income statement and the balance sheet.

Statement of changes in equity

Amounts in EURm	Share capital	Foreign exchange reserve	Hedging reserve	Fair value reserve	Retained compreh. income	Proposed dividends	Total	Hybrid Capital	Total equity
Equity, 1 January 2020	73.2	-34.1	0.0	0.3	612.0	0.0	651.4	152.4	803.8
<i>Other comprehensive income:</i>									
Foreign exchange translation adjustments		-37.6					-37.6		-37.6
Value adjustment of hedging instruments:									
Value adjustment for the period			-28.4				-28.4		-28.4
Tax on other comprehensive income			6.4				6.4		6.4
Total other comprehensive income	0.0	-37.6	-22.0	0.0	0.0	0.0	-59.6	0.0	-59.6
Net result					-22.6		-22.6	2.0	-20.6
Comprehensive income for the period	0.0	-37.6	-22.0	0.0	-22.6	0.0	-82.2	2.0	-80.2
<i>Transactions with owners :</i>									
Exercise of warrants	0.1				0.2		0.3	0.0	0.3
Total transactions with owners in Q1 2020	0.1	0.0	0.0	0.0	0.2	0.0	0.3	0.0	0.3
Equity, 31 March 2020	73.3	-71.7	-22.0	0.3	589.6	0.0	569.5	154.4	723.9
Equity, 1 January 2021	115.4	-9.1	71.9	0.3	745.5	0.0	924.0	152.4	1,076.4
<i>Other comprehensive income:</i>									
Foreign exchange translation adjustments		-10.1					-10.1		-10.1
Value adjustment of hedging instruments:									
Value adjustment for the period			57.5				57.5		57.5
Transferred to financial expenses			-0.1				-0.1		-0.1
Tax on other comprehensive income			-16.3				-16.3		-16.3
Total other comprehensive income	0.0	-10.1	41.1	0.0	0.0	0.0	31.0	0.0	31.0
Net result					-0.3		-0.3	2.0	1.7
Comprehensive income for the period	0.0	-10.1	41.1	0.0	-0.3	0.0	30.7	2.0	32.7
<i>Transactions with owners :</i>									
Share based payment					0.1		0.1		0.1
Total transactions with owners Q1 2021	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Equity, 31 March 2021	115.4	-19.2	113.0	0.3	745.3	0.0	954.8	154.4	1,109.2

Notes

Note 1 Basis of reporting

Accounting policies and new standards and interpretations

This condensed consolidated interim financial report for the period 1 January – 31 March 2021 is prepared in accordance with IAS 34 'Interim Financial Reporting', which has been approved by the EU, and Danish disclosure requirements for interim reports for listed companies.

The accounting policies adopted in this Interim Report are consistent with those applied in the Annual Report for 2020.

On 1 January 2021, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform, Phase 2 became effective. None of these amendments had an impact on the Interim Report and are not expected to impact the Annual Report for 2021. The Group has not early adopted any standard, interpretation or amendment issued but not yet effective.

The Interim Report includes financial performance measures that are not defined according to IFRS. These measures are considered to provide valuable information to stakeholders and Management. Since other companies might calculate these differently from NKT Group, they may not be comparable to the measures applied by other companies. These financial measures should therefore not be considered a replacement for performance measures as defined under IFRS, but rather as supplementary information. Alternative performance measures are defined in Note 4.

Significant estimates and judgements

Significant accounting estimates and judgements are described in Note 1.3 of the 2020 Annual Report and are related to recognition of revenue from construction contracts, impairment of assets, valuation of tax assets and recognition and measurement of contingent liabilities. In Q1 2021 no material changes relating to the applied estimates and judgements were made that has impacted the financial position as at 31 March 2021.

While COVID-19 continues to impact the world economics, the appearance of vaccines provide comfort that larger effects and close downs will come to an end within a foreseeable future. Management has assessed, that the megatrends driving growth in both the power cable and the photonics markets will outlast the expected impact from the COVID-19 pandemic, and has based on this assessed that no trigger events have been identified in Q1.

Guarantees are provided to customers mainly in high-voltage projects, which is to cover the risks relating to NKTs performance inherent in these projects, quality and delays. At 31 March, NKT has issued guarantees with a value of EUR 963.1m (EUR 991.8m at 31 December 2020), none of which is expected to materialize.

For the presentation of the Q1 2021 interim report, Management is required to assess whether the financial statements can be presented on a 'going concern' basis. Based on estimated future prospects, expectations of future cash flows, existence of credit

facilities, etc., it is Management's opinion that the financial headroom is sufficient to manage the level of activity expected in 2021.

Risks and risk management

In the Annual Report for 2020, the risks are described in note 5.6 in the consolidated financial statement as well as on page 40 and 61 for NKT and NKT Photonics respectively. No events or risk management activities carried out in Q1 2021 has altered the risk assessment applied in the Annual Report.

Notes

Note 2 Segment reporting

Amounts in EURm	Solutions	Appli- cations	Service & Acces- sories	Non allocated	Inter- segment transact.	NKT	NKT Photonics	Inter- segment transact.	NKT Group
Q1 2021									
Income statement									
Revenue (market prices)	190.5	184.2	46.1	0.0	-6.8	414.0	15.7	-0.1	429.6
Adjustment of market prices to std. metal prices	-30.0	-88.4	0.0	0.0	0.4	-118.0	0.0	0.0	-118.0
Revenue (std. metal prices)	160.5	95.8	46.1	0.0	-6.4	296.0	15.7	-0.1	311.6
Costs and other income, net (excl. one-off items)	-171.0	-178.7	-38.2	-2.7	6.8	-383.8	-16.9	0.1	-400.6
Operational EBITDA	19.5	5.5	7.9	-2.7	0.0	30.2	-1.2	0.0	29.0
Depreciation, amortization and impairment	-14.9	-4.2	-1.0	-1.1	0.0	-21.2	-3.5	0.0	-24.7
Operational EBIT	4.6	1.3	6.9	-3.8	0.0	9.0	-4.7	0.0	4.3
Working capital	-111.3	65.5	3.3	-22.7	0.0	-65.2	26.3	0.0	-38.9
Q1 2020									
Income statement									
Revenue (market prices)	143.7	156.8	28.4	0.0	-10.5	318.4	12.7	0.0	331.1
Adjustment of market prices to std. metal prices	-20.1	-62.7	0.0	0.0	4.7	-78.1	0.0	0.0	-78.1
Revenue (std. metal prices)	123.6	94.1	28.4	0.0	-5.8	240.3	12.7	0.0	253.0
Costs and other income, net (excl. one-off items)	-138.1	-153.3	-25.5	-1.8	10.5	-308.2	-14.5	0.0	-322.7
Operational EBITDA	5.6	3.5	2.9	-1.8	0.0	10.2	-1.8	0.0	8.4
Depreciation, amortization and impairment	-16.1	-4.3	-1.2	0.9	0.0	-20.7	-2.5	0.0	-23.2
Operational EBIT	-10.5	-0.8	1.7	-0.9	0.0	-10.5	-4.3	0.0	-14.8
Working capital	-130.5	76.0	9.3	-14.1	0.0	-59.3	29.3	0.0	-30.0

Amounts in EURm	NKT	NKT Photonics	NKT Group
Q1 2021			
Reconciliation to net result			
Operational EBITDA	30.2	-1.2	29.0
One-off items	1.8	0.0	1.8
EBITDA	32.0	-1.2	30.8
Depreciation, amortization and impairment	-21.2	-3.5	-24.7
EBIT	10.8	-4.7	6.1
Financial items, net	-2.9	-0.7	-3.6
EBT	7.9	-5.4	2.5
Tax	-2.0	1.2	-0.8
Net result	5.9	-4.2	1.7
Q1 2020			
Reconciliation to net result			
Operational EBITDA	10.2	-1.8	8.4
One-off items	-0.4	0.0	-0.4
EBITDA	9.8	-1.8	8.0
Depreciation, amortization and impairment	-20.7	-2.5	-23.2
EBIT	-10.9	-4.3	-15.2
Financial items, net	-7.4	0.3	-7.1
EBT	-18.3	-4.0	-22.3
Tax	0.8	0.9	1.7
Net result	-17.5	-3.1	-20.6

Notes

Note 2 Segment reporting – continued

Balance sheet	Q1 2021				Q1 2020				Year 2020			
	NKT	NKT Photonics	Inter-segment transact.	NKT Group	NKT	NKT Photonics	Inter-segment transact.	NKT Group	NKT	NKT Photonics	Inter-segment transact.	NKT Group
Assets												
Non-current assets												
Intangible assets	552.0	68.2	0.0	620.2	507.0	64.3	0.0	571.3	559.0	67.9	0.0	626.9
Property, plant and equipment	643.1	19.5	0.0	662.6	594.9	19.6	0.0	614.5	638.0	19.6	0.0	657.6
Other investments and receivables	0.8	0.2	0.0	1.0	0.9	1.1	0.0	2.0	0.9	0.1	0.0	1.0
Deferred tax	31.5	0.6	0.0	32.1	52.1	0.7	0.0	52.8	22.5	0.6	0.0	23.1
Current assets												
Inventories	225.2	18.5	0.0	243.7	213.3	20.6	0.0	233.9	225.1	18.5	0.0	243.6
Receivables, contract assets and income tax	487.3	20.0	-0.5	506.8	296.7	21.2	-0.1	317.8	333.6	26.3	-0.8	359.1
Interest-bearing receivables	111.2	2.3	-113.3	0.2	104.0	8.0	-111.8	0.2	108.7	3.7	-112.3	0.1
Cash at bank and in hand	177.5	1.4	0.0	178.9	2.4	0.9	0.0	3.3	237.8	1.4	0.0	239.2
Total assets	2,228.6	130.7	-113.8	2,245.5	1,771.3	136.4	-111.9	1,795.8	2,125.6	138.1	-113.1	2,150.6
Equity and liabilities												
Equity	1,116.9	-7.7	0.0	1,109.2	720.1	3.8	0.0	723.9	1,080.1	-3.7	0.0	1,076.4
Non-current liabilities												
Deferred tax	50.6	2.9	0.0	53.5	19.8	4.7	0.0	24.5	37.8	3.1	0.0	40.9
Provisions and pension liabilities	65.7	0.4	0.0	66.1	65.7	1.8	0.0	67.5	66.2	0.9	0.0	67.1
Interest-bearing loans and borrowings	188.6	112.9	-104.7	196.8	350.1	104.9	-103.5	351.5	191.6	112.1	-103.1	200.6
Current liabilities												
Interest-bearing loans and borrowings	12.9	8.5	-8.6	12.8	29.9	8.5	-8.3	30.1	14.6	7.4	-9.2	12.8
Contract liabilities	308.5	0.8	0.0	309.3	160.7	0.2	0.0	160.9	294.5	2.0	0.0	296.5
Trade payables, tax and other liabilities	469.2	11.4	-0.5	480.1	408.6	12.3	-0.1	420.8	428.7	15.4	-0.8	443.3
Provisions	16.2	1.5	0.0	17.7	16.4	0.2	0.0	16.6	12.1	0.9	0.0	13.0
Total equity and liabilities	2,228.6	130.7	-113.8	2,245.5	1,771.3	136.4	-111.9	1,795.8	2,125.6	138.1	-113.1	2,150.6

Notes

Note 3 Net interest-bearing debt and working capital

Amounts in EURm	31 March 2021	31 March 2020	31 Dec. 2020
Net interest-bearing debt			
Interest-bearing loans and borrowings, non-current	196.8	351.5	200.6
Interest-bearing loans and borrowings, current	12.8	30.1	12.8
Interest-bearing receivables	-0.2	-0.2	-0.1
Cash at bank and in hand	-178.9	-3.3	-239.2
Net interest-bearing debt	30.5	378.1	-25.9

Working capital			
Inventories	243.7	233.9	243.6
Receivables, contract assets and income tax	506.8	317.8	359.1
Contract liabilities	-309.3	-160.9	-296.5
Trade payables, tax and other liabilities	-480.1	-420.8	-443.3
Working capital	-38.9	-30.0	-137.1

Amounts in EURm	Q1 2021	Q1 2020	Year 2020
Reconciliation to change in working capital in cash flow			
Working capital 1 January	-137.1	-118.1	-118.1
Working capital end of period	-38.9	-30.0	-137.1
Change in working capital based on balance sheet	98.2	88.1	-19.0
Effect of unrealized hedges reported on Equity	-57.5	28.4	-97.2
Effect of changes in exchange rates, current tax, etc.	10.2	-1.0	1.7
Change in working capital based on cash flow statement	50.9	115.5	-114.5

Notes

Note 4 Definitions

Items below refer to the Financial Highlights contained on page 5.

The Group operates with the following performance measures which are calculated in accordance with the Danish Finance Society's guidelines:

Performance measures defined by IFRS:

1. **Earnings, EUR per outstanding share (EPS)** – Earnings attributable to equity holders of NKT A/S relative to average number of outstanding shares.
2. **Diluted earnings, EUR per outstanding share (EPS)** – Earnings attributable to equity holders of NKT A/S relative to average number of outstanding shares, including the dilutive effect of outstanding share programmes.

Further the group presents the following performance measures not defined according to IFRS (non-GAAP measures):

3. **Revenue at standard metal prices** – Revenue at standard metal prices for copper and aluminium is set at EUR/tonne 1,550 and EUR/tonne 1,350 respectively.
4. **Organic growth** – Revenue growth (standard metal price) as a percentage of prior-year adjusted revenue (standard metal price). Organic growth is a measure of growth, excluding the impact of exchange rate adjustments and divestments. For acquisitions a pro forma revenue for the prior year is included in the calculation.
5. **One-off items** – Consist of non-recurring income and cost related to acquisitions, divestments, integration, restructuring, severance and other one-time items.

6. **Operational earnings before interest, tax, depreciation and amortization (Oper. EBITDA)** – Earnings before interest, tax, depreciation and amortization (EBITDA) excluding one-off items.
7. **Operational earnings before interest and tax (Oper. EBIT)** – Earnings before interest and tax excluding one-off items.
8. **Gearing** – Net interest-bearing debt as percentage of group equity
9. **Net interest-bearing debt** – Cash and interest-bearing receivables less interest-bearing debt. Hybrid capital is not included in net interest-bearing debt.
10. **Capital employed** – Group equity plus net interest-bearing debt.
11. **Working capital** – Current assets minus current liabilities (excluding interest-bearing items and provisions).
12. **Net interest-bearing debt relative to operational EBITDA** – Comparative figures are calculated as operational EBITDA.
13. **Solvency ratio (equity as a percentage of total assets)** – Equity incl. hybrid capital as a percentage of total assets.
14. **Return on capital employed (RoCE)** – Operational EBIT as a percentage of the last five quarters of capital employed.
15. **Equity value, EUR per outstanding share** – Equity attributable to equity holders of NKT A/S per outstanding share at 31 December. Dilutive effect of outstanding share programmes is excluded.

Statements made about the future in this report reflect the Group Management's current expectations with regard to future events and financial results. Statements about the future are by their nature subject to uncertainty, and the results achieved may therefore differ from the expectations, among other things due to economic and financial market developments, legislative and regulatory changes in NKT A/S markets, development in product demand, competitive conditions, and energy and raw material prices. See also latest Annual Report for a more detailed description of risk factors.

NKT A/S disclaims any liability to update or adjust statements about the future or the possible reasons for differences between actual and anticipated results except where required by legislation or other regulations.

The NKT A/S Interim Report Q1 2021 was published on 19 May 2021 and released through Nasdaq Copenhagen. The report is also available at investors.nkt.com.

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Group Management's statement

The Board of Directors and the Executive Management Board have today considered and adopted the Interim Report of NKT A/S for the period 1 January – 31 March 2021.

The Interim Report for the period 1 January – 31 March 2021, which has not been audited or reviewed by the company auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting', as approved by the EU, and Danish disclosure requirements for interim reporting by listed companies.

In our opinion the Interim Report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2021 and the results of the Group's activities and cash flow for the period 1 January – 31 March 2021.

We also find that the Management's review provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group, and a description of major risks and elements of uncertainty faced by the Group.

Brøndby, 19 May 2021

Executive Management

Alexander Kara
President & CEO

Line Andrea Fandrup
CFO

Board of Directors

Jens Due Olsen
Chairman

René Svendsen-Tune
Deputy Chairman

René Dogan*

Thomas Torp Hansen*

Stig Nissen Knudsen*

Karla Lindahl

Jens Maaløe

Andreas Nauen

Jutta af Rosenberg

* Employee-elected member

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NKT is signatory of the Europacable
Industry Charter: A commitment
towards superior quality.