

Company Announcement

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NKT awarded Hornsea 2 offshore AC cable project

NKT has been awarded a contract by Ørsted of over EUR 145m (approx. DKK 1.08bn) to supply more than 190 kilometres of 220 kV high-voltage AC XLPE offshore export cable system for the Hornsea 2 offshore wind farm in the UK. The wind farm is to be the world's largest with a capacity of 1.4 GW providing green electricity to well over 1.3 million households.

The cable system, not comprising installation, delivered by NKT for Hornsea 2 will comprise three far-shore cables, constituting approx. 50% of the entire project. The far-shore cables will connect the windfarm to the reactive power compensation platform bringing the power towards land.

The contract value corresponds to approx. EUR 110m in standard metal prices (approx. DKK 820m).

NKT President and CEO Michael Hedegaard Lyng says:

- This cable contract for Hornsea 2 not only emphasizes that we provide leading and proven technology. It also states that our long-time customers such as Ørsted value our expertise, knowhow and continued dialogue to find the optimum solution for both parties. The offshore wind market continues to hold attractive prospects for us in the coming years, and our ability to offer turnkey solutions from cable design to installation and service is a prerequisite to stay in the forefront of customer demands.

The contract award proves the strong footprint of NKT within offshore wind. Although the project profitability is below the existing order backlog due to the current unfavourable balance in the market for cable manufacturers, NKT maintains its leading position in this important renewable energy market.

The export cables for Hornsea 2 will be manufactured in Karlskrona, Sweden, with production start-up in the autumn 2018. Hornsea 2, which is expected to be fully commissioned in 2022, will be located approx. 89 km off the Yorkshire coast, close to the Hornsea 1 wind farm, where NKT has delivered the entire cable system.

The award of Hornsea 2 does not change the 2018 financial outlook for NKT.

Contact

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