



NKT A/S

(incorporated as a public limited liability company in Denmark)

EUR 150,000,000
Callable Subordinated Capital Securities due 3022
ISIN DK0030510995

This prospectus (the "**Prospectus**") has been prepared by NKT A/S ("**NKT**" or the "**Issuer**" and, together with its subsidiaries from time to time, the "**Group**") for the admittance to trading and official listing on the regulated market of Nasdaq Copenhagen A/S of EUR 150,000,000 Callable Subordinated Capital Securities due 3022 (the "**Securities**") issued by the Issuer on 1 September 2022 (the "**Issue Date**"). An application has been made for admission of the Securities to trading and official listing on the regulated market of Nasdaq Copenhagen A/S.

This Prospectus has been prepared in compliance with the Danish Capital Markets Act (as defined below in Section 5 (*Definitions*) below), the Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended, Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, as amended, as well as the "Rules for issuers of bonds", issued by Nasdaq Copenhagen A/S on 1 May 2020.

This Prospectus has been approved by the Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*) (the "**Danish FSA**"), as competent authority under the Prospectus Regulation. The Danish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Securities.

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

MIFID II product governance –

Solely for the purposes of the product governance requirements set forth in Directive 2014/65/EU (as amended, "**MiFID II**"), the manufacturers have made a target market assessment in respect of the Securities, and have concluded that the target group for the Securities is:

Type of client: Clients that are eligible counterparties, professional clients and retail clients, each as defined in MiFID II.

Knowledge and experience: Clients that are (i) informed investors, having one or more of the following characteristics: (a) average knowledge of the relevant financial products (an informed investor can make an informed investment decision based on the offering documentation, together with knowledge and understanding of the specific risk factors/risks highlighted within them only), or (b) some financial industry experience, or (ii) advanced investors, having one, or more of the following characteristics: (x) good knowledge of the relevant financial products and transactions, or (y) financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service.

Financial situation with a focus on the ability to bear losses: Clients that have the ability to bear losses of up to 100% of the capital invested in the Securities.

Risk tolerance: Financial ability and willingness to put the entire capital invested at risk. Clients investing in the Securities are willing to take more risk than deposit savings or senior debt instruments and do not require a fully guaranteed income or return profile.

Investment objective: Clients whose investment objective is to generate growth of the invested capital and have a long term investment horizon.

Furthermore, the manufacturers have made an assessment as to the negative target market and concluded that the negative target market for the Securities is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile.

The manufacturers have made an assessment as to the distribution strategy for the Securities, and have concluded that (i) all channels for distribution to eligible counterparties and professional clients are appropriate; and (ii) the following channels for distribution of the Securities to retail clients are appropriate – investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the manufacturers’ target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable.

The 4-year Swap Rate is provided by ICE Benchmark Administration Limited. As at the date hereof, the ICE Benchmark Administration Limited is not included in the register of administrators maintained by ESMA under Article 36 of Regulation (EU) 2016/1011, as amended (the “**Benchmark Regulation**”). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that ICE Benchmark Administration Limited is not currently required to obtain authorization/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

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

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

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

Joint Lead Managers

Danske Bank

NORDEA

Nykredit Bank

Prospectus dated 7 November 2022

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

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

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

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

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

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

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

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the

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

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1. RISK FACTORS

1.1 Introduction

Prior to investing in the Securities, prospective investors should carefully consider risk factors associated with any investment in the Securities, the business of the Issuer and the industry in which it operates, including in particular the factors described below. Most of these factors are contingencies which may or may not occur. In each sub-section below, the Issuer has arranged the risks with the most material risks first, in its assessment, considering the expected magnitude of their negative impact and the possibility of their occurrence.

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

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

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

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

1.2 Risks related to the Issuer

1.2.1 Contracts related to large projects and turnkey projects

High voltage (HV) power cable projects are becoming increasingly large and complex, and HV, and to some extent also medium voltage (MV) and low voltage (LV), power cable projects are customised projects. The sales generated on such projects vary from one year to another and represent 40-60 per cent. of total consolidated sales at Std. Metal Prices (copper set at EUR/tonne 1,550 and aluminium set at EUR/tonne 1,350). The performance of a complex, customised and/or large project demands specialists and employees with a high level of expertise and involves many challenges, including complying with the specific requirements and specifications for the project as well as with general international and local standards and regulations, including the EU Construction Products Regulation. As power cables produced by NKT increase in length, this increases both the potential impact and the likelihood of risk involved in the cascading process, which is vulnerable, e.g. to variances in quality of materials or production processes – the effects of which may not be identified during production, but only when the power cable is being

installed or is in use – delays in materials from suppliers, variances in production processes or equipment breakdown, just as claims and losses arising in case of quality issues or damages caused to the power cables during storage, transportation and installation, will be higher. Further, subsequent defect not present at time of production for a specific product – either power cable or accessories products – may occur, which could impact NKT depending on the contractual obligations, including in the form of significant penalties; costs of replacement of defective products; damage claims; and extension of warranty periods.

In order to enter the tender phase and be eligible to bid for certain projects NKT and other participating cable producers have to pass certain types of prequalification tests to show the suitability and durability of the relevant cable technology. With the development of new cable technologies and custom-designed cables to meet customer needs and requirements, there is a risk that such type tests may fail and need to be re-done, potentially impacting NKT's ability to participate in a tender due to time constraints.

These factors may consequently materially and adversely affect NKT's operations or financial condition and cause harm to NKT's reputation if the risk was to materialise. NKT considers the likelihood hereof as low.

1.2.2 **Competition in the market**

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

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

Also, for the LV and MV cable industry, wholesale buyers have a level of bargaining power. The Group faces pricing pressures in each of its markets as a result of significant competition. While the Group continually works towards reducing costs to respond to the pricing pressures that may continue, the Group may not be able to achieve proportionate reductions in costs. As a result of economic and industry downturn, pricing pressures have generally increased. Further pricing pressures, without offsetting cost reductions, could adversely affect the financial results.

In addition to large-scale global competitors, new market players are increasingly emerging, drawing on low-cost production equipment and organizational structures and therefore creating additional capacity and an extremely competitive environment (in both domestic and international markets). Industry players seeking to establish themselves in the power cable markets may bid with prices and on other terms which NKT cannot or will not match and which may cause NKT to lose orders and market position. These players have emerged over the last ten years and are growing rapidly.

Additionally, industry consolidation, technological advances and large equipment investments may generate competitors with financial, technical and other resources superior to those of NKT which may make it increasingly difficult for NKT to compete effectively, in particular for large and complex HV power cable projects. A number of takeovers, acquisitions, mergers and other consolidating transactions in the power cable markets have occurred over the past few years and may occur in the future. Such industry consolidations shift market positions among competitors and

may occur without NKT being involved or not being able or willing, for regulatory, financial or other reasons, to compete for the acquisition targets.

Further, two of NKT's main competitors, Prysmian and Nexans, have last year each completed the construction of new advanced cable laying vessels (Prysmian's *Leonardo da Vinci* completed in 2021 and Nexan's *CLV Aurora* also completed in 2021), strengthening their off-shore cable installation capabilities, increasing competition for the operations of NKT's cable laying vessel, NKT Victoria.

A materialisation of any of these risks may materially and adversely affect NKT's operations or financial condition. NKT considers the likelihood hereof as low to medium.

1.2.3 **Insufficient projects or framework contracts may be won**

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

Additionally, the availability and size of orders in the power cable markets in which NKT operates fluctuates from year to year and low activity may lead to, among others, price pressure and over-capacity at the production sites.

A materialisation of any of these risks may materially and adversely affect NKT's operations or financial condition. As the materialisation hereof depends on a broad range of factors, several of which being outside of NKT's control, NKT is not able to estimate the likelihood hereof.

1.2.4 **Dependency on suppliers and supply chain interruptions**

Interruptions of supplies from NKT's key suppliers – the majority of which have their production facilities located in Europe – including as a result of the COVID-19 pandemic or other future pandemics or epidemics, acts of war or other significant economic or geopolitical events, such as the Russian aggression in Ukraine, and the surge in energy prices and potential challenges with natural gas availability and/or rationing in Europe, could disrupt production or impact the ability to increase production and sales. Any unanticipated problems with supply of key critical materials could have a material adverse effect on the business. As a high-volume consumer of energy intensive raw materials (primarily metals), the current increased volatility on the natural gas market in Europe increases the likelihood of these risks materialising to some extent.

Additionally, NKT uses a limited number of sources for most of the raw materials and is in some cases in a single source of supply position and NKT may have limited options in the short-term for alternative supply if these suppliers fail to continue the supply of material or components for any reason, including their business failure, trade

embargoes, inability to obtain raw materials, lack of energy availability or financial difficulties. Moreover, identifying and accessing alternative sources may increase NKT's costs.

A materialisation of any of these risks may materially and adversely affect NKT's operations or financial condition. NKT considered the likelihood of these risks materialising as medium. However, the likelihood of a material impact is considered low.

1.2.5 **General economic conditions, government policies and the transition towards renewable energy and other macroeconomic developments**

The Group has a significant European footprint and dependency of the European market with 95 per cent. of its sales in 2021 coming from Europe. NKT expects that a large number of offshore and interconnector projects will be tendered across Europe over the course of the next five years. Fueled in particular by the European Union's investments in renewable energy (the "Fit for 55" plan), installed offshore wind capacity in Europe is expected to increase significantly over the next ten years.

However, these expectations are subject to many uncertainties and risks that are outside NKT's control. The level of spending by NKT's existing and potential customers in the HV and MV power cable markets in which NKT operates is influenced by general economic conditions in such countries and also the timing and direction of political decision making.

As many of NKT's customers, particularly its large customers, are European companies, economic conditions globally and within Europe and political direction may affect the demand for NKT's solutions and services and the pricing it is able to obtain in respect of its contracts. Such factors may also result in investments in renewable energy being delayed or cancelled. Currently, such external macroeconomic conditions include the consequences of the COVID-19 pandemic, the Russian aggression in Ukraine, the sharply rising inflation and interest rates and the possibility of a general economic recession.

As a provider to public and semi-public sector customers, NKT is also impacted by financial, budgetary, regulatory and political constraints, and changes in government policy and public spending constraints which could have a significant impact on the size, scope, timing and duration of contracts and orders placed by them and, therefore, on the level of business which NKT will derive from such customers.

A decrease in demand for NKT's products and solutions will result in decreased revenue, cash flow and, if and then to the extent NKT is not able to lower its short-term fixed and variable costs in response to a decrease in order intake, profitability, which may impair its ability to maintain operations and fund its obligations to others.

A materialisation of any of these risks may materially and adversely affect NKT's operations or financial condition and cause harm to NKT's reputation. As the materialisation hereof depends on a broad range of factors largely outside of NKT's control, NKT is not able to estimate the likelihood hereof.

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

NKT is dependent on the availability of raw materials for its operations, namely aluminium, copper, oil byproducts (plastics), powders compounds, tapes used as cable insulation, halogen free flame retardant materials (HFFR) and gas/oil in its production of power cables and operation of its factories. NKT relies on a limited number of key suppliers for the supply of these raw materials.

The cost of both copper and aluminum, the most significant raw materials used by NKT, has been subject to significant volatility over the past few years, driven partly by global supply chain disruptions following the COVID-19 pandemic and with a further sharp acceleration as a direct consequence of the Russian aggression in Ukraine, where comprehensive trade sanctions and embargoes imposed on Russia has severely impacted the availability and supply of raw material such as aluminum, steel and timber and also energy, specifically in terms of natural gas and oil. Volatility in the price and general availability of polyethylene, petrochemicals, and other raw materials, as well as fuel, natural gas and energy, may in turn lead to significant fluctuations in cost of sales and decrease the Group's margins if it fails to adequately pass on the increase in raw material and energy prices unto its customers. Sharp increases in the price of raw materials can also reduce demand if customers decide to postpone or delay their purchases of cable products, delay their investments or seek to purchase substitute products.

The Group generally hedges price developments in the raw materials most used in NKT, i.e. aluminium, copper and oil by-products, through hedging activities in financial instruments; however, such hedging may prove to be insufficient to mitigate price increases or the Group may choose not to hedge adverse developments in certain raw materials. In addition, the failure of one or more counterparties to hedging arrangements to fulfill or renew their obligations could adversely affect the results of operations.

Failure to secure the supply of the raw materials required for NKT's operations in the necessary quantity, quality and on acceptable commercial conditions and within a timeframe needed for NKT to meet its obligations towards the customers could adversely affect the completion or cost of NKT's products and solutions.

1.2.7 **IT and cyber risks**

NKT is subject to IT and cyber risks, such as systems being subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, catastrophic events, cyber-attacks and user errors. Specifically regarding the risks of cyber attacks, these include (i) systems may be hacked and data locked, and the hackers then demand a ransom to release the data; (ii) hackers attack with the intention to harm or even destroy NKT's IT infrastructure with no obvious monetary benefit; or (iii) hackers attack with the intent to obtain sensitive data, such as confidential industrial information, bank details or personal data, in order to gain monetary benefits by selling or misappropriating such data. While the vast majority of these attacks do not reach a level of sophistication that could pose a threat to NKT or its customers, NKT may not be able to stop cyberattacks. In addition, NKT may not be able to adapt to new threats. Given the general increase of activities of such cyber-attacks, the likelihood of this risk materialising is also considered to be increasing.

NKT, as most other companies of similar size and scope of operations, relies heavily on IT systems to maintain over business operations and production processes. Hence, material errors, breakdowns or interruptions of IT systems, whether caused by cyber-attacks or other causes, could result in the loss of existing or potential business relationships, interruption to production at one or more sites, and/or give rise to regulatory investigations and potential sanctions, including fines. Such incident may result from a failure by the Group or by external third parties, on which the Group relies to supply and service some of its IT hardware and software, to timely and adequately maintain and update the Group's IT systems, causing its operations to be vulnerable and inefficient.

A materialisation of any of these risks may materially and adversely affect NKT's operations or financial condition and cause harm to NKT's reputation. NKT considers the likelihood hereof as low to medium.

1.2.8 **Dependency on key assets**

The NKT submarine cables business is heavily dependent on certain key assets, such as the Karlskrona plant in Sweden, the Cologne plant in Germany and the "NKT Victoria" cable laying vessel due to their very specified technical capabilities, which are hard to replace in the market, and their critical role in executing on HV projects, which are a material business segment for NKT. Any material unanticipated or prolonged interruption of operations of such assets could materially affect the Issuer's ability to meet its obligations towards customers. The likelihood of such occurrence of material unanticipated or prolonged interruption or loss of these assets is considered low, but if they were to materialise the impact on NKT could be significant.

1.2.9 **Interruption of production**

The production of NKT's products is spread out over multiple sites, with the highest number of sites dedicated to the LV and MV part of the business. As part of the continuous assessment and recalibration of the overall production footprint and efficiency, parts of production are from time to time moved from one production site to another, or existing sites may be expanded, to consolidate production footprint and gain efficiency. Such movement of production capacity and production lines and/or expansion of existing production sites risk facing unanticipated challenges, errors or other adverse impact resulting in unanticipated or prolonged interruption of production and operations, which could materially affect NKT's ability to meet its obligations towards customers. If the affected production is also supplying its products to other business lines of NKT, the impact may have a consequential impact on such other business lines.

A materialisation of any of these risks may materially and adversely affect NKT's operations or financial condition.

1.2.10 **Compliance**

Various laws and regulations associated with NKT's current international operations are complex and increase the cost of doing business. Furthermore, these laws and regulations expose NKT to fines and penalties if NKT fails to comply with them. The Group's business is therefore subject to various risks, many of which are magnified by its presence in many jurisdictions and the effects of which may, as a result of such presence, be more pronounced, including multiple national and local regulatory and compliance requirements from different labor, health, safety and environment, anti-corruption, personal data protection, export control and sanctions and other regulatory regimes; potential adverse tax consequences (including related to transfer pricing); corporate (including, e.g. rules requiring local ownership or employee ownership); an inability to enforce legal rights in certain jurisdictions; geopolitical and social conditions in certain sectors of relevant markets; and local rules and regulations favouring established players in new markets to the disadvantage of the Group.

Any non-compliance with such laws and regulations could negatively impact NKT's reputation and subject NKT to civil or criminal penalties, including substantial fines or prohibitions on its ability to offer cable products and projects in one or more countries, for example by being barred from participating in public or private tenders or already awarded tenders being withdrawn resulting in loss of revenue. Further, if NKT was found to have violated such laws and regulation, it may result in civil law suits with third parties (business partners or others) claiming damages, compensation or similar. Depending on the nature of such claim, they could be substantial, significantly impacting NKT's financial situation.

A materialisation of any of these risks may materially and adversely affect NKT's operations or financial condition. NKT considers the likelihood hereof low.

1.2.11 **Environmental risks and liabilities**

NKT is subject to local and foreign environmental protection laws and regulations governing its operations and the use, handling, disposal and remediation of hazardous substances. A risk of environmental liability is inherent in NKT and its affiliates' current and former manufacturing activities in the event of a release or discharge of a hazardous substance generated by NKT or its affiliates. Under certain environmental laws, NKT could be held jointly and severally responsible for the remediation of any hazardous substance contamination at its facilities and at third party waste disposal sites and could also be held liable for any consequences arising out of human exposure to such substances or other environmental damage. Such incidents may also lead to a need for initiating remedial environmental measures or to suspension or shut down of operations.

Moreover, the Group is subject to local and foreign environmental laws and regulations. These laws and regulations impose increasingly strict environmental standards, particularly concerning emissions to air, water and land, wastewater disposal, the emission, use and handling of toxic waste and materials, waste disposal methods and site clean ups, and the failure to comply with such laws and regulations could subject the Group to material claims.

There is also the risk that environmental laws and regulations may force the Group to stop its production or installation of products for longer or shorter periods of time.

These risks may have a material adverse effect on the Group's business, financial conditions and results of operations. NKT considers the likelihood hereof low.

1.2.12 **Competition law**

The Group is subject to competition law in Europe and every other country in the world in which it operates, each with more or less strict rules on the civil, administrative and criminal liability of the perpetrators of anti-competitive practices. In the last decade, local competitive authorities have shown increasing attention to commercial activities by market players, with reference being made to section 1.2.13 (*Fines and legal proceedings*) for an overview of recent competition law investigations and cases involving the Group. The geographical distribution of employees, the lack of knowledge at times of local regulations as well as market dynamics, make it difficult to monitor anti-competitive conduct by third parties like suppliers and competitors, exposing the Group to the risk of incurring economic sanctions with extremely high negative repercussions for the Group's reputation and financial operations.

Specifically, if NKT was found to have violated competition law, NKT may face substantial economic fines by the competition authorities and, additionally, may face even more substantial civil law suits by customers and other third parties claiming damages for alleged losses suffered due to the anti-competitive behaviour.

Further, if NKT was found to have violated such laws, NKT may face being barred from participating in public or private tenders impacted revenue. See section 1.2.13 (*Fines and legal proceedings*) for an overview of recent competition law investigations and cases involving the Group.

Given the status on the recent competition law investigations involving the Group, as outlined in section 1.2.13 (*Fines and legal proceedings*), and the current uncertainty as to their outcome, NKT is not able to estimate the likelihood of the risks outlined in this section materialising.

1.2.13 **Fines and legal proceedings**

NKT is from time to time party to various disputes and litigations and enquiries from public authorities related to competition laws and regulations.

On 2 April 2014, NKT received a fine of EUR 3.9 million following the investigation conducted by the European Commission into alleged price-fixing activities with regard to HV power cable projects delivered several years earlier. While the European Commission assessed that NKT's role had been substantially limited and the fine was considerably smaller than those imposed on other power cable manufacturers, NKT disagreed with the Commission's decision and therefore filed an appeal. On 14 May 2020, the European Court of Justice ruled partly in favour of NKT, resulting in a EUR 0.2 million lower fine and a narrower scope of NKT infringement. As a consequence of the European Commission's decision, NKT faces exposure to claims for damages in proceedings brought by customers or other third parties, which could have a substantial influence on NKT's financial results. A number of such third party claims have already been settled.

In 2022, the Group was informed to be included in a class action claim in the UK. The claim has not yet been quantified or documented. The Group understands that there are several cable manufacturers among the defendants and the distribution of a potential claim between these is uncertain.

In January 2022, unannounced inspections were carried out at NKT's two main German sites by the German Federal Cartel Office (FCO) on suspicions that power cable and wire manufacturers potentially have coordinated calculations of industry-standard metal surcharges in Germany. Investigation is ongoing. It is not related to the 2014 cartel case or the above mentioned potential class action claim. It is not possible yet to assess how the outcome of this inspection may affect the Group's business, financial conditions and results of operations.

In June 2022, an unannounced inspection was carried out at NKT's site in Kladno in the Czech Republic by the Czech competition authorities as part of an investigation into market practices of telecommunication and power cable manufactures on the Czech market. The investigation is ongoing. It is not related to the 2014 cartel case or the above mentioned potential class action claim. It is not possible yet to assess how the outcome of this inspection may affect the Group's business, financial conditions and results of operations.

1.2.14 **Retention of key employees**

The Group's business and the implementation of its strategy is dependent upon its ability to attract and retain highly qualified and talented individuals to management positions and to other positions in key business areas, who oversee the Group's day-to-day operations, strategy and growth of its business. The Group specifically relies on highly specialised engineers to develop its products and solutions as well as electricians, machine operators and other blue-collar employees for the development, manufacturing and installation of the Group's products and services. High-skilled engineers and other groups of employees are limited in the Group's markets, and the Group competes with many others to attract the qualified candidates in sufficient numbers.

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

With respect to reorganizations, the Group may negotiate restructuring plans whose final costs might exceed the related provisions initially set aside. Furthermore, although the restructuring plans implemented by the Group are

carried out in compliance with the applicable laws and regulations, it cannot be ruled out that the employees affected by the plans may take legal action. The total compensation claimed in this type of lawsuit can represent material amounts, especially when the restructuring concerns a site closure.

NKT considers the likelihood of any of these risk materialising as low to medium.

1.2.15 **Product liability**

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

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

A materialisation of any of these risks may materially and adversely affect NKT's operations or financial condition and cause harm to NKT's reputation. NKT considers the likelihood hereof as low.

1.2.16 **Technologies used**

If the Group does not adapt, expand and develop its products, services and solutions in response to changes in technology or customer demand, e.g. in respect of NKT for power cables to be integrated into the customers' complex operations, or if competitors develop new technologies leading to superior products or to more efficient and cost-reduced production, the Group's ability to develop and maintain a competitive advantage could be negatively affected. Moreover, the development of or otherwise exclusive access to ground-breaking technologies by competitors of the Group, or the failure by the Group to adequately protect its intellectual property rights pertaining to its technologies could make it impossible or increasingly costly for the Group to compete effectively on the markets.

The technological demands in the power cable markets in which NKT operates are increasing, especially in the market for HV power cables. Project requirements often demand project specific developed power cables, leading to a need for a specific type of power cables and factory tests. Any delays in development of the power cables, lack of passing type and/or factory tests, may cause significant delay or loss of contract.

Other factors potentially impacting NKT's ability to develop competitive solutions include new regulatory requirements on national or regional level related to environmental standards and the growing demand for low-energy consumption, recyclable and less polluting products as well as value-for-money solutions. These factors may require use of new materials and development of new production methods, which in turn may adversely affect NKT's operations if NKT is unable to develop competitive solutions based on the new requirements. At the same time, the increasing pressure of developing more advanced and innovative solutions increases the risks of new innovations revealing technical issues, problems or shortcomings once implemented. Such issues could lead to contractual liability and damage claims by the customer and third parties.

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

Moreover, despite the ongoing monitoring of potentially competitive technologies, there is no guarantee that the technologies currently used by the Group will not be subject to claims for alleged patent infringement. In the event of a patent infringement case, the Group could be compelled to stop using the technologies protected by the disputed intellectual property rights and be compelled to pay damages to the third party which may be in a material amount.

These factors may consequently materially and adversely affect NKT's operations or financial condition and cause harm to NKT's reputation. NKT considers the likelihood hereof as low.

1.2.17 **Labor agreements**

Labor agreements are generally negotiated at regular intervals and the risk exists that labor agreements may not be renewed at all or on reasonably satisfactory terms. NKT cannot predict what issues may be raised by the collective bargaining units representing employees and, if raised, whether negotiations concerning such issues will be successfully concluded. A protracted work stoppage could result in a disruption of operations with significant financial losses as a result.

Further, there could be industrial unrest for other reasons that could lead to lengthy operational stoppages which could in turn materially and adversely affect the Issuer's operations or financial condition and cause harm to NKT's reputation. NKT considers the likelihood hereof as low.

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

The Group carries out transactions as part of its overall expansion strategy. These include acquiring new business activities and companies, setting up joint ventures and entering into partnerships. Most recently, the Group acquired Ventcroft Ltd., which is a U.K.-based market leading manufacturer of fire-resistant building wires with 29 employees.

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

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

Further, guarantees and warranties provided by NKT or other members of the Group to third parties in agreements relating to divestments of companies in previous years might materialise at a later point.

These factors may consequently materially and adversely affect NKT's operations or financial condition and cause harm to NKT's reputation. NKT considers the likelihood hereof as low.

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

The Group's assets include substantial long-lived assets, such as factories, equipment and the cable-laying vessel NKT Victoria, and intangible assets, primarily goodwill. Significant negative industry or economic trends, disruptions to the business of NKT, unexpected significant changes or planned changes in use of the assets, divestitures and

market capitalization declines may result in impairments to goodwill and other long-lived assets. The Group assesses annually, and when certain events occur that require a more current valuation, whether there has been an impairment in the value of its long-lived assets and goodwill. Future impairment charges could significantly affect the results of operations in the period recognized.

1.2.20 **Sources of financing**

The Group has committed credit facilities and various uncommitted facilities including guarantee facilities, credit- and derivatives lines. The uncommitted facilities may be terminated at will by the credit providers.

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

If the uncommitted facilities are terminated or if an event of default occurs under the committed credit facilities, the indebtedness under such facilities may be accelerated at no or short notice, which could also trigger cross defaults under other facilities leading such facilities to also become due and payable. Whether the Group would be able to repay its indebtedness in such case depends on the amounts outstanding at the time, but there is a risk that this would not be possible. This would materially and adversely affect the Group's financial condition. In addition, it would cause harm to NKT's reputation if NKT defaults on its payment obligations towards its lenders.

In addition, further financial resources may be needed, if the market develops significantly better or worse than anticipated by NKT. NKT's ability to secure new financing or to refinance existing debt through the bank or capital markets may be materially adversely affected by, among other factors, NKT's creditworthiness, a global financial crisis, or a crisis affecting a specific geographic region, industry or economic sector. For these and other reasons, the cost of financing may be significantly increased or, if financing proves to be unavailable even on unattractive terms, NKT may not be able to raise the liquidity required to finance its business activities or to refinance existing debt.

These risks may materially and adversely affect NKT's operations or financial condition and cause harm to NKT's reputation.

The Issuer deems the probability of the above-described risks to be medium and the potential negative impact to be high.

1.2.21 **Credit risk**

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

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be low.

1.2.22 **Exchange rate fluctuations**

The Group operates internationally and is therefore exposed to exchange rate risk in respect of the various currencies in which it operates (being principally euro, British pound, Swedish krona and Czech krona; however, the Group

also has exposure to, inter alia, the U.S. dollar, Norwegian krona and Polish Zloty). The Group's principal currency exposure is transaction risk related to sales and purchases in currencies other than the functional currency applied by the respective Group company. A significant portion of the Group's raw material purchases, in particular aluminium, copper and PVC Compound, are priced by reference to benchmarks quoted in U.S. dollars.

The Group seeks to hedge transaction risks based on an assessment of the likelihood of completion of the future transaction and whether the associated currency risk is significant, and these assessments require assumptions and estimates that may prove to be incorrect. The failure of one or more counterparties to hedging arrangements to fulfill or renew their obligations could adversely affect the results of operations.

The Company publishes its consolidated financial statements in euro. There is a risk that fluctuations in the exchange rates used to translate financial statements of subsidiaries, which were originally calculated in a foreign currency, in preparing consolidated financial statements of the Group could adversely affect the Group's financial conditions and results of operations.

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be low.

1.3 Risks related to the Securities

1.3.1 The Securities are subordinated obligations

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

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

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

The Issuer deems the probability of the risks mentioned above to be low. However, the potential negative impact if the risks were to materialise would be high.

1.3.2 The Securities are long-dated securities

The Securities will mature on the Maturity Date. The Issuer is under no obligation to redeem or repurchase the Securities prior to such date, although it may elect to do so in certain circumstances. Securityholders have no right to call for the redemption of the Securities and the Securities will only become due and payable in certain circumstances relating and limited to payment default and a liquidation of the Issuer (see Condition 12 (*Event of Default*)).

Securityholders should therefore be aware that they may be required to bear the financial risks associated with an investment in long-term securities.

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be medium to high.

1.3.3 **Early redemption risk**

The Issuer may redeem all but not some only of the Securities on the First Call Date or on any Interest Payment Date thereafter, at their principal amount together with any accrued interest in respect of the immediately preceding Interest Period and any Outstanding Payments. In addition, upon the occurrence of certain other specified events (for taxation reasons, for accounting reasons, on the occurrence of a Replacing Capital Event or on the occurrence of a Change of Control Event, all as set out in the Conditions), the Issuer shall have the option to redeem the Securities at the prices set out in the Conditions, in each case together with any accrued interest to the redemption date and any Outstanding Payments. Finally, the Securities may be redeemed at the option of the Issuer in whole, but not in part, if the Issuer or any of its subsidiaries has purchased and holds and/or has cancelled Securities with an aggregate principal amount of equal to or greater than 80 per cent. of the aggregate principal amount of the Securities issued at any time.

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

The Issuer deems the probability of the above-described risks to be high and the potential negative impact to be low.

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

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

The Issuer deems the probability of the above-described risks to be high and the potential negative impact to be medium.

1.3.5 **Optional Interest Deferral**

The Issuer may elect to defer any interest payment for any period of time. Payment of such deferred interest payment, together with any interest accrued thereon (Condition 8 (*Cumulative optional Interest Deferral*)), may be subject to certain conditions.

Any such deferral of interest payments will not constitute a default for any purpose. Any deferral of interest payments will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities (Condition 8 (*Cumulative optional Interest Deferral*)), the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferral and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be low.

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

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

The Issuer deems the probability of this risk to be low to medium, but the potential negative impact to be high.

1.3.7 **Fixed Rate Securities**

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

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

The Issuer deems the probability of the above-described risks to be medium and the potential negative impact to be medium.

1.3.8 **Exchange rate risk and exchange controls**

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

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

The Issuer deems the probability of the above-described risks to be medium and the potential negative impact to be medium.

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

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

Potential investors in the Securities should bear in mind that neither the current nor the historical level of the 4-year Swap Rate is an indication of the future development of such 4-year Swap Rate during the term of the Securities. Furthermore, during each Reset Period, it cannot be ruled out that the price of the Securities may fall as a result of changes in the Market Interest Rate, as the Market Interest Rate fluctuates. During each of these periods, the Securityholders are exposed to the risks, please see Section 1.3.7 (*Fixed Rate Securities*).

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be low.

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

The EURIBOR and other interest rate indices which are deemed to be benchmarks are subject to recent international reform. On 30 June 2016, the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") entered into force. Subject to various transitional provisions, the Benchmark Regulation applied from 1 January 2018. The scope of the Benchmark Regulation is wide and, in addition to so-called 'critical benchmark' indices such as EURIBOR, will apply to many other interest rate indices, which could also include the 4-year Swap Rate. Accordingly, Securities linked to a benchmark whose administrator does not obtain authorization or meet the other requirements in the Benchmark Regulation could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.

Any of the international or national proposals for reform of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks. The disappearance of a benchmark or changes in the manner of administration of a

benchmark could result in adjustment to the Conditions, delisting or other consequence in relation to Securities linked to such benchmark.

The Conditions provide for certain fallback arrangements if a Benchmark Event should occur, including the Issuer appointing an Independent Adviser to assist the Issuer with the determination of a Successor Rate or an Alternative Rate for future Reset Periods. If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate prior to an Interest Determination Date in accordance with the Conditions, the 4-year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last observable mid swap rate for euro swap transactions with a maturity of 4 years all as determined by the Calculation Agent in accordance with the Conditions. Further, if an Independent Adviser (in consultation with the Issuer) or the Issuer determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate and such Adjustment Spread is determined by the Independent Adviser or the Issuer, that Adjustment Spread shall be applied. Furthermore, the if Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with the Conditions and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to the Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread and (ii) the terms of such Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with the Conditions, without any requirement for the consent or approval of Securityholders, vary the Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

The use of any Successor Rate or Alternative Rate with the application of an Adjustment Spread may still result in the Securities performing differently (which may include payment of a lower Reset Fixed Rate for such Reset Period) than they would if the Original Reference Rate were to continue to apply in its current form.

Notwithstanding the fallback provisions relating to Benchmark Events discussed above, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other related Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the recording of the Securities as "equity" in the consolidated financial statements of the Issuer pursuant to the Accounting Principles or any other accounting principles that may replace the Accounting Principles for the purposes of preparing the annual consolidated financial statements of the Issuer.

If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate or, in either case, the applicable Adjustment Spread for the life of the Securities, or if the circumstances set out the previous paragraph arise, this could result in the Securities, in effect, becoming fixed rate securities.

Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Advisor and the potential for further regulatory developments, there is a risk that the relevant fallback provisions set out in Condition 6.5 (*Benchmark discontinuation*) may not operate as intended at the relevant time. Prospective Securityholders should consult their own independent advisors and make their own assessment about the potential risks imposed by benchmark reforms (including the Benchmark Regulation) before making any investment decision with respect to the Securities.

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be low.

1.3.11 **No limitation on issuing senior or pari passu securities**

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

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be low.

1.3.12 **Default and limited remedies**

The only remedy against the Issuer available to the Securityholders for recovery of amounts which have become due in respect of the Securities will be the institution of proceedings for bankruptcy of the Issuer and/or proving in such bankruptcy and/or claiming in the liquidation of the Issuer. Accordingly, the Securityholders would have limited remedies available for recovery of such amounts, which will increase the risk that Securityholders would suffer a loss in respect of the Securities.

The Issuer deems the probability of the above-described risk to be low and the potential negative impact to be medium to high.

1.3.13 **Absence of prior public markets**

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

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be low.

1.3.14 **Green bond classification**

The Issuer intends to apply the net proceeds of the Securities to finance or refinance tangible assets (with no specific age restriction) and operational expenditures (with a lookback period of up to two preceding financial years before the issuance of the Securities) (the "**Green Projects**") as further described in the Issuer's green finance framework (the "**Green Finance Framework**") in force as at the Issue Date and which is based on the Green Bond Principles issued by the International Capital Market Association. The Green Finance Framework is available on the Issuer's website at <https://investors.nkt.com/green-financing>.

However, no assurance is given by the Issuer that the application of the net proceeds of the Securities in accordance with the Green Finance Framework will satisfy, in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether according to any present or future applicable law or regulations or by such investor's own by-laws or other governing rules or investment portfolio mandates. Market conditions for green bonds are rapidly changing, and new regulation is being developed as described below. Accordingly, no assurances can be given that the Green Projects described in the Green Finance Framework will meet current or future investor expectations regarding what "green" or equivalently labelled performance objectives constitute.

The EU Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088) provides criteria for determining whether an economic activity qualifies as "environmentally sustainable" for the purposes of establishing the degree to which an investment is environmentally sustainable. The EU taxonomy is subject to further development by way of the implementation by the European Commission, through delegated regulations, of technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation. In June 2021, the European Commission adopted the text of the EU Taxonomy Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) which sets out the technical screening criteria in relation to climate change mitigation and climate change adaptation. Although the Issuer intends for the Green Finance Framework to be aligned with the EU taxonomy on a best efforts basis, there can be no assurance that the Green Finance Framework will comply with the criteria for the four remaining objectives of the EU taxonomy, which have not been defined as of the date of this Prospectus nor with future adaptations to e.g. the technical screening criteria.

In July 2021, the European Commission published a proposal for a regulation to create a "European Green Bond Standard" or "EUGBS", and it is expected that during the life of the Securities, the EUGBS will be finalised and adopted. Depending on the final scope and content of the EUGBS, there is a risk that the Issuer's Green Finance Framework and the Securities will not be fully aligned with the EUGBS, which in turn may have a negative impact on the pricing of the Securities. Once the EUGBS is finalised, the Issuer will align any future Green Financing Frameworks or updates to this framework to the EUGBS.

The Issuer considers that the probability of the Issuer facing adverse effects relating to the labelling of the Securities as "green" is low. If the effects would materialise, the Issuer considers the potential negative impact as low.

1.3.15 **Failure to comply with Green Finance Framework**

While it is the Issuer's intention to comply with the Green Finance Framework, any failure to do so does not constitute a default under the Conditions. The Securityholders do not have any put option or other right of early redemption in case of any failure by the Issuer to comply with the Green Finance Framework. Any failure by the Issuer to comply with the Green Finance Framework may have a material adverse effect on the value of the Securities and/or result in adverse consequences for individual investors, including (but not limited to) investors with portfolio mandates to invest in securities to be used for a particular purpose.

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be medium.

1.3.16 **Listing on green segment**

The Issuer expects that the Securities will be listed and admitted to trading on the "Nasdaq Sustainable Bond Market" segment of Nasdaq Copenhagen A/S. There is a risk that such listing and admission may not satisfy, in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. The criteria for such listing and admission to trading may vary from one stock exchange or securities market to another.

Any failure for the Securities to be listed and admitted to trading (or ceasing to be listed and admitted to trading) on the "Nasdaq Sustainable Bond Market" segment of Nasdaq Copenhagen A/S as described above does not constitute a default under the Conditions. The Securityholders do not have any put option or other right of early redemption in case of any failure to obtain or maintain a listing on the "Nasdaq Sustainable Bond Market" segment of Nasdaq Copenhagen A/S, which may have an adverse effect on the value of the Securities and/or result in adverse consequences for individual investors, including (but not limited to) investors with portfolio mandates to invest in securities to be used for a particular purpose.

The Issuer deems the probability of the above-described risks to be low and the potential negative impact to be low.

2. REGISTRATION DOCUMENT FOR THE SECURITIES

This registration document has been prepared on the basis of and in accordance with Annex 7 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended.

2.1 Persons responsible

2.1.1 This Prospectus has been prepared by NKT A/S ("**NKT**" or the "**Issuer**"), a Danish public limited liability company (*aktieselskab*) registered with the Danish Business Authority (*Erhvervsstyrelsen*) under company registration number (CVR-no.): 62725214 with its registered office at Vibeholms Allé 20, DK-2605 Brøndby, Denmark, and telephone number +45 43 48 20 00.

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

2.1.2 Each member of the Issuer's Board of Directors and each member of the Issuer's Executive Management declares that, to the best of his/her knowledge, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

The Prospectus is signed by the Board of Directors and the Executive Management.

Brøndby, _____ November 2022.

Board of Directors:

Jens Peter Due Olsen
Chairman of the Board of Directors

René Svendsen-Tune
Deputy Chairman of the Board of Directors

Andreas Nauen
Member of the Board of Directors

Christian Dyhr
Member of the Board of Directors
Employee-elected member

Jens Maaløe
Member of the Board of Directors

Karla Marianne Lindahl
Member of the Board of Directors

Nebahat Albayrak
Member of the Board of Directors

Pernille Blume Simonsen
Member of the Board of Directors
Employee-elected member

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

Executive Management:

Alexander Lothar Kara
Chief Executive Officer

Line Andrea Fandrup
Chief Financial Officer

2.2 Third party information and statements by experts and declarations of any interest

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

2.2.2 *Third party information*

The information on expected market share growth as described in Section 2.6.1.1.1 is based on information provided by the market research provider CRU ("CRU Wire & Cable report June 2022"), Frost and Sullivan and 4cOffshore. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from the information provided by CRU, Frost and Sullivan and 4cOffshore no facts have been omitted which would render the reproduced information inaccurate or misleading.

Please refer to Section 1.13.7.2 for information regarding the second party opinion provider for the Green Finance Framework.

2.3 Statutory auditors

2.3.1 The external auditors of NKT A/S for the period covered by the 2020 Consolidated Financial Statements and the 2021 Consolidated Financial Statements were:

Kirsten Aaskov Mikkelsen (mne21358) and Kåre Kansonen Valtersdorf (mne34490), State Authorised Public Accountants from:

Deloitte Statsautoriseret Revisionspartnerselskab
Company registration number (CVR-no.): 33 96 35 56
Weidekampsgade 6
2300 Copenhagen S

Kirsten Aaskov Mikkelsen and Kåre Kansonen Valtersdorf are members of FSR - Danish Auditors (FSR - Danske Revisorer).

With effect from 1 April 2022, the external auditors of NKT A/S are:

Kirsten Aaskov Mikkelsen and Niels Skannerup Vendelbo (mne34532), State Authorised Public Accountants from:

Deloitte Statsautoriseret Revisionspartnerselskab
Company registration number (CVR-no.): 33 96 35 56
Weidekampsgade 6
2300 Copenhagen S

Kirsten Aaskov Mikkelsen and Niels Skannerup Vendelbo are members of FSR - Danish Auditors (FSR - Danske Revisorer).

- 2.3.2 None of the persons mentioned in Section 2.3.1 have resigned, been removed or not been reappointed in the period covered by the historical financial information referred to in Section 2.12.1, except that Kåre Kansonen Valtersdorf have retired with effect from 1 April 2022.

2.4 Risk Factors

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

2.5 Information about the Issuer

2.5.1 History and development of the Issuer

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

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

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

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

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

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

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

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

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

2016: NKT Photonics acquired UK fiber laser manufacturer Fianium.

2017:

1. NKT completed the acquisition of ABB HV Cables and continued refocusing the power cable business by divesting non-core activities. Included in the acquisition was the cable-laying vessel NKT Victoria.
2. NKT Photonics acquired Swiss ultrafast laser manufacturer Onefive.
3. NKT demerged Nilfisk as a separately listed entity on Nasdaq Copenhagen.

2019: NKT strengthened its research and development competencies with the acquisition of Technology Consulting in Västerås, Sweden, from ABB.

2022: NKT acquired UK-based Vencroft Ltd specialising in fire-resistant building wires and low voltage power cables. NKT entered into an agreement to divest NKT Photonics A/S to Photonics Management Europe S.R.L (see Section 2.6.1.1.2 (*NKT Photonics*)).

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

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

2.5.1.2 The Issuer has its place of registration in the Municipality of Brøndby (*Brøndby Kommune*). The Issuer is registered with the Danish Business Authority (*Erhvervsstyrelsen*) under company registration number (CVR-no.) 62725214. The Issuer's legal entity identifier (*LEI*) is 529900197LKWCEQoNL18.

2.5.1.3 The Issuer was formally incorporated on 21 February 1898.

- 2.5.1.4 The Issuer has its domicile at Vibeholms Allé 20, DK-2605 Brøndby, Denmark. The Issuer is a Danish public limited liability company (*aktieselskab*) incorporated under Danish law and registered with the Danish Business Authority (*Erhvervsstyrelsen*). The telephone number of the Issuer's registered office is +45 43 48 20 00. The Issuer's website is www.nkt.com. The information on the Issuer's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.
- 2.5.1.5 No recent events particular to the Issuer are to a material extent relevant to the evaluation of the Issuer's solvency.
- 2.5.1.6 There are at the date of this Prospectus no credit ratings assigned to the Issuer at the request or with the cooperation of the Issuer in the rating process.

2.6 Business Overview

2.6.1 *Principal activities*

- 2.6.1.1 The Group consists of two main companies: NKT (acting through its main operational subsidiary NKT Cables Group A/S ("**NKT Cables Group**")), a provider of power cable solutions, and NKT Photonics A/S ("**NKT Photonics**"), a supplier of fiber lasers and photonic crystal fibers. Both companies report to the Board of Directors of NKT. The Group employs approximately 4,400 people. In a following section a business overview of NKT and NKT Photonics will be provided.

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. which is a Japanese company engaged in developing photoelectric devices and application products. The divestment concludes the review of strategic alternatives for NKT Photonics with the objectives of maximizing value creation, and positioning both NKT and NKT Photonics for long-term growth. The transaction has a total enterprise value of approx. EUR 205m. The closing of the transaction is subject to regulatory approvals being obtained and is expected to take place latest by end Q1 2023.

2.6.1.1.1 **NKT**

NKT (acting through NKT Cables Group) has pioneered the cable industry since 1891 and is today still proactively meeting the world's constantly growing needs for power by enabling sustainable energy transmission.

Purpose

"We connect a greener world"

As a company dedicated to power cable technology, NKT's purpose is to connect society to a greener world. With the global community moving towards clean and renewable energy, NKT delivers life-time value by enabling sustainable energy transmission. NKT performs in real life, and NKT values the power of collaboration to change the future of power cable technology. Together, we connect a greener world.

We enable sustainable energy transmission

As the world transitions towards green energy, NKT is taking centre stage. NKT's cable technology is key in powering modern life, global society and future generations with clean and renewable energy. Customers and com-

munities can safely rely on NKT to deliver life-time value – from power cable solutions to market-leading accessories and services. NKT is committed to the UN's Sustainable Development Goals, NKT is firmly set on strengthening its social impact, and NKT operates one of the world's most sustainable cable-laying vessel. NKT enables sustainable energy transmission.

We value the power of collaboration

Together, NKT connects to create powerful and long-lasting collaborations. As a trusted partner to customers and communities, NKT builds bridges across businesses, borders, and backgrounds to create solutions that meet the growing demand for power in society. NKT has a history of working closely with its customers to perform in real life and serve their needs. By culture and by nature NKT is collaborative, and NKT promotes a team spirit based on accountability which unlocks its potential as a company and as individuals. NKT takes pride in co-creating solutions that perform in real life. NKT values the power of collaboration.

We change the future of power cable technology

Building on its history of constant innovation, NKT is at the forefront of its industry. Founded in 1891, NKT has led the way from the twinkling of the first light bulbs to the massive electrification of modern society and the megawatts created by renewable energy today. NKT invests in its people, processes, and facilities to ensure a powerful business tomorrow, securing its position as a technology-leading turnkey partner. NKT changes the future of power cable technology.

Shared beliefs

"We Advance – We Connect – We Deliver – We Care"

A strong company culture enables success both short and long term. NKT has defined its culture through a set of shared beliefs that guide the way it behaves and how it makes decisions in the daily work. They also make clear the expectations towards leaders and employees for how NKT wants to work together. NKT's company culture is created by all of the employees, everyday. NKT's shared beliefs guide in this co-creation.

Company overview

NKT is a global and recognized provider of turnkey AC/DC power cable solutions headquartered in Denmark. NKT Cables Group employed 3,948 full-time employees at end-2021, and in 2021 the total revenue of NKT Cables Group was EUR 1,828m in market prices, corresponding to EUR 1,263m in std. metal prices. The operational EBITDA was EUR 131m. The financial reporting of NKT comprises three business lines: Solutions, Applications and Service & Accessories. The business lines are presented below.

Solutions 49% of revenue*

A leading partner within high-voltage power cable solutions for both on- and offshore.

Applications 35% of revenue*

Markets a broad range of low- and medium-voltage power cable solutions.

Service & Accessories 16% of revenue*

Offers a broad spectrum of on- and offshore power cable services and repair operations. Accessories offers a portfolio of cable accessories for power systems for 12-550 kV.

* Based on revenue 2021 (std. metal prices) and excluding Elimination of transactions between segments

Solutions

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

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

In 2021, Solutions recorded revenue of EUR 755m (EUR 640m in std. metal prices) and operational EBITDA of EUR 83.1m, see page 90 of the Annual Report 2021.

Applications

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

NKT has long-standing relationships with several key customers (utility companies and wholesalers) in the markets it is operating in. The largest geographical markets for the Applications business line are Czech Republic, Denmark, Germany, Poland and Sweden, and with growing opportunities within France, the Netherlands, UK and other selected European countries. The production footprint for Applications is also reflecting end-market exposure as the main sites are in Czech Republic, Denmark, Germany, Poland, Sweden, and the UK.

In 2021, Applications recorded revenue of EUR 900m (EUR 450m in std. metal prices) and operational EBITDA of EUR 28.5m, see page 90 of the Annual Report 2021.

Service & Accessories

Service & Accessories focuses on services with service and installation teams for on- and offshore power cables. Additionally, the business line offers a full power cable accessories portfolio across medium- and high-voltage levels.

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

In 2021, Service & Accessories recorded revenue of EUR 206m (EUR 206m in std. metal prices) and operational EBITDA of EUR 32.8m, see page 90 of the Annual Report 2021.

Market description

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

High-voltage power cables

The high-voltage power cable market mainly encompasses projects that are engineered to order and demand a high level of expertise for successful implementation. In some cases these projects require new R&D solutions as well as investments in both technology and production assets. As a project-driven business, revenue and earnings streams are affected by the number and size of project awards in the market and may therefore fluctuate over time. NKT estimates that the addressable HV power cable market size is approx. EUR 7-8bn by 2022-2024.

The market can be divided into two categories with differing characteristics depending on technological solution and market dynamics:

- High-voltage DC offshore/onshore and AC offshore power cables are used for interconnectors, offshore wind, and power-from-shore projects. The increasing reliance on renewable energy means that more efficient, better connected and more flexible power grids are required to offset periods when power generation is limited in some areas.
- High-voltage AC onshore power cable systems are used primarily for power transmission over shorter distances. The trend towards renewable power generation has increased the distance between the point of production and the point of consumption, as well as upgrade of existing power grids for the continuing urbanization and general electrification of societies.

The demand for high-voltage DC power cable systems has outpaced high-voltage AC technology in recent years, as this technology works more efficiently with lower losses over longer distances. This change is driven by the trend towards offshore wind farms situated further from shore and the increase in long-distance cross-country interconnections. While AC technology is expected to continue losing share to DC within some markets, there will still be attractive markets for both technologies going forward.

Low- and medium-voltage power cables

The offerings in the low- and medium-voltage market are less complex than for the high-voltage market. Further, the number of competitors is greater and products are typically being “made-to-stock” with differing specifications and designs from country to country to match local requirements. Compared to the project-driven high-voltage market, demand in this segment is generally more aligned with the macroeconomic development.





- In the low-voltage power cable segment the main driver is the construction industry, with building wires as the most significant volume product line, supported by urbanization and further electrification of homes.
- Medium-voltage power cables primarily serve the power distribution grid, and the transition towards renewable energy is a key element in the continuous need for grid optimization. This is further fuelled by the growing electrification of societies.

ReNEW strategy

NKT's ReNEW strategy was launched in 2020 and laid the foundation for updated business line strategies. ReNEW contains the building blocks for NKT to connect a greener world.

ReNEW was introduced with the aim of improving business performance after a period of financial results below the desired level. It had a near-term focus with concrete bottom-up plans to continuously improve performance. The result of this has showed with the improved financials in 2020 and 2021.

The strategy is based on four principles:

 <p>1. Business line driven This means that NKT's advancement will come from the business lines and not from group functions. The business lines will drive NKT forward and the group functions will enable this direction.</p>	 <p>3. Action-, decision- and implementation-oriented This means that focus is on big-ticket items in business lines, and implementation is part of strategy and not detached. All implementation plans are feasible and realistic. With ReNew, strategy implementation will be a focus for management.</p>
 <p>2. Improved business performance ReNew places specific focus on improving internal business performance. It is a balanced strategy: Focus is given to NKT's customers and markets, but there is also focus on internal capabilities to deliver top products and services for customers and on how to deliver on customer promises.</p>	 <p>4. Near-term focus For this strategy, NKT has applied a short-term focus. If turnaround comes sooner, NKT will adjust accordingly. The company works with concrete bottom-up plans that have been assessed as realistic within a near-term perspective.</p>

The strategic guidance provided in ReNEW for the three business lines is based on three key pillars: Fix and re-start, Invest, and Grow.

 <p>Fix and restart NKT: Tackle, address and resolve key internal issues. This is the basis for successful operation of the business and delivery to customers.</p>	 <p>Invest in NKT: Prepare NKT for tomorrow: Invest in high-voltage technology to maintain technological leadership. Upgrade Applications' production plants. Expand Accessories capacities. Prepare NKT for delivery of German Corridor Projects.</p>	 <p>Grow NKT: Enter growing markets: Benefit from green transformation, widen Accessories' global footprint, and provide more services in home markets.</p>
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These pillars are incorporated in the business line strategies according to the individual challenges and points for improvement, and to position NKT for the anticipated positive development in market demand in the years ahead. In 2021 and 2022, NKT continued the focus on the strategy implementation and the execution of ReNEW.

Sustainability

NKT is dedicated to power cable technology and its purpose is to connect you, us and society to a greener world by enabling sustainable energy transmission. As the world moves towards green energy, NKT takes centre stage. Cable technology is key in powering modern life, global society and future generations with clean and renewable energy. NKT takes its central position seriously and is actively taking actions to reduce its impact on the climate and to strengthen its social impact.

NKT has been a signatory to the UN Global Compact since 2009 and have committed to run its business in accordance with the UN's Sustainable Development Goals. We are also setting ambitious Science Based Targets supporting the 1.5° scenario of the Paris Climate Agreement.

While executing on existing sustainability priorities, NKT is also creating a long-term strategy for resolving global sustainability challenges in support of the Paris Agreement.

The sustainability strategy is anchored in four main pillars founded on responsible business processes:

1. **Climate action:** Be a leader in driving the green transformation of the power cable industry by reducing corporate emissions and entering partnerships that address and resolve climate challenges.
2. **Circularity:** Create a sustainable value proposition by ensuring environmental stewardship through the lifecycle of products and solutions. Also, actively pursue zero waste through transformation of own waste into other products.
3. **Social:** Be a fair, inclusive and safe workplace empowering trust and engagement within the organization, the industry and in local communities.
4. **Responsible business:** NKT conducts business operations as a trusted partner and employer and sustainability risk are integrated in business processes and the overall business.

NKT is constantly increasing sustainability efforts in all activities which was recognized in ESG ratings provided by four independent agencies in 2021:

CDP: NKT is rated in the Leadership (A-) band.

EcoVadis: NKT scored 75 out of 100 in 2021 and was awarded a Platinum rating in the industry "Manufacture of wiring and wiring devices".

MSCI ESG Ratings: NKT is rated AA in the MSCI ESG Ratings assessment in 2021.

Sustainalitics: NKT was rated 16.8 in September 2021 and was therefore assessed to be at low risk of experiencing material financial impacts from ESG factors.

2.6.1.1.2 NKT Photonics

NKT Photonics is a leading supplier of high-performance fiber lasers and photonic crystal fibers. NKT Photonics' main markets are Medical & Life Science, Industrial, Aerospace & Defence, and Quantum & Nano Technology. NKT Photonics' products include supercontinuum white light lasers, low noise fiber lasers, ultrafast lasers, and a

wide range of specialty fibers. NKT Photonics has its headquarters in Denmark with sales and service worldwide, and employs more than 400 people.

NKT has entered into an agreement to divest NKT Photonics, to Photonics Management Europe S.R.L, a 100% owned subsidiary of Hamamatsu Photonics K.K. which is a Japanese company engaged in developing photoelectric devices and application products. The divestment concludes the review of strategic alternatives for NKT Photonics with the objectives of maximizing value creation, and positioning both NKT and NKT Photonics for long-term growth. The transaction has a total enterprise value of approx. EUR 205m. The closing of the transaction is subject to regulatory approvals being obtained and is expected to take place latest by end Q1 2023.

Solutions for innovators

Technology has the power to transform our lives. This was true with the invention of penicillin, electricity and, more recently, the Internet. Today, the transformation continues with amazing innovations such as autonomous electric cars, smartphones, quantum computing, artificial intelligence, stem cell and cancer research, renewable energy and even space exploration. NKT Photonics' customers are visionary innovators within these fields and many more. They are changing the world through their innovations, and NKT Photonics is ready to deliver the cutting-edge solutions they need.

NKT Photonics has lasers in space and deep under the oceans and its products run in both clean rooms and on oil rigs at sea. NKT Photonics seeds the world's largest laser fusion experiment and power hundreds of the most advanced microscopes on the globe. NKT Photonics aims to make a difference in the world and is involved in projects that will transform the way we live through life-science, renewable energy and the basic understanding of the Universe. With over fifteen years of expertise, IP and experience, NKT Photonics strives to continually be the market leader in everything it does.

Market description

In 2020 the global COVID-19 pandemic temporarily shifted the size and balance of NKT Photonics market segments. However, while not a return to normal, 2021 saw a partial restoration of the markets and the total addressable market is approximately EUR 2.5-3bn.

The overall laser market is expected to grow at a CAGR (Compound Annual Growth Rate) of 9.6% in 2020-2025. Within this, the fiber laser market is expected to grow at 11.5% per year in the same period (source: The World-wide Market for Lasers, Trends and Five-Year Forecast (2019 – 2025) by Strategies Unlimited).

NKT Photonics divides its market into four main segments: Medical & Life Science, Industrial, Aerospace & Defence, and Quantum & Nano Technology. Most products in the company's portfolio have applications across these four segments.

Medical & Life Science

Medical & Life Science is one of the fastest growing of the four market segments. Ultrafast lasers find particular use in ophthalmology, while supercontinuum lasers are employed in advanced bioimaging, enabling new ways of diagnosing e.g. cancer.

Main applications for Medical & Life Science are:

- Bio-imaging and microscopy

■ Ophthalmology

The Medical & Life Science segment is predominantly driven by growing and ageing population. This and a general increase in living standards around the world are leading to increased demand for ophthalmic and other medical procedures.

Industrial

Industrial is the largest segment for NKT Photonics. Customers utilize the full breadth of the company's product portfolio, including ultrafast lasers, supercontinuum lasers, and sensing systems.

Within Industrial, NKT Photonics serves multiple subsegments and applications, such as:

- Semiconductors
- Remote sensing
- Device characterization, sorting and quality control

Industrial segment growth is predominantly driven by increased technological complexity.

Aerospace & Defence

While NKT Photonics has always been active in the aerospace and defence field, heightened focus over recent years has resulted in market growth. In Aerospace & Defence, NKT Photonics utilizes its entire portfolio of products and capabilities to serve special project needs, focused mainly within the European and US markets.

The main applications include:

- Directed energy
- Aerospace
- Remote sensing

Growth in the Aerospace & Defence segment is predominantly driven by focus on security.

Quantum & Nano Technology

NKT Photonics' quantum technology operations cover a range of fastgrowing segments within quantum computing, sensing, metrology, and communication. Nano technology activities span applications relating to development of advanced materials such as graphene, carbon nano tubes, meta materials, plasmonic structures and quantum dots. Finally, the segment includes a number of scientific instrumentation applications.

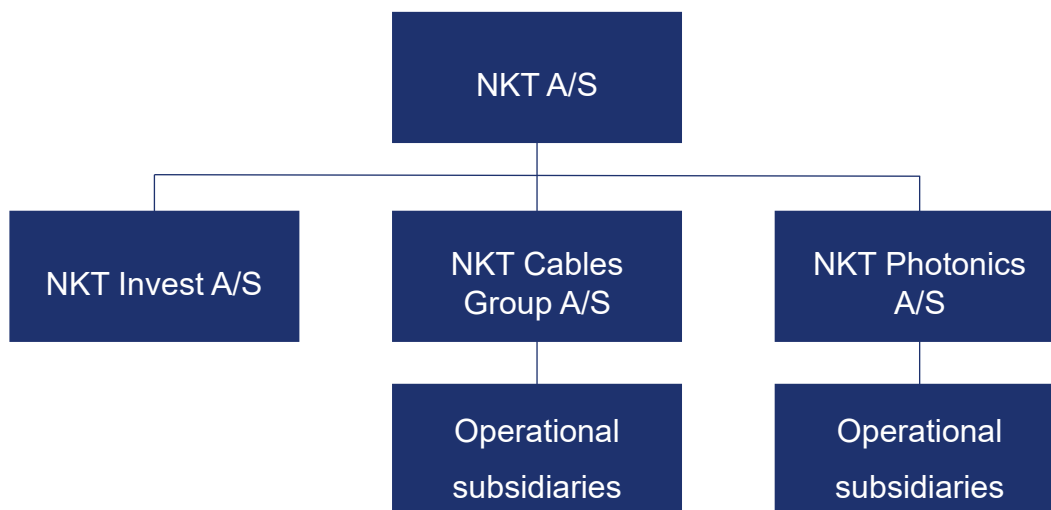
The main applications include:

- Quantum computing, sensing and metrology
- Characterization of advanced materials and nano structures

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

2.7 Organisational Structure

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



NKT Cables Group A/S is a Danish registered company. In the group structure below NKT Cables Group A/S are 28 subsidiaries. The subsidiaries are located in the following countries: US, Spain, Germany (5), Denmark, India (2), United Kingdom (3), Czech Republic, Sweden (4), Australia, Lithuania, Hongkong, Russia (empty and being dissolved), Poland, Norway (2), Switzerland, the Netherlands and UAE-Dubai.

NKT Photonics A/S is a Danish registered company. In the group structure below NKT Photonics A/S are 10 subsidiaries. The subsidiaries are located in the following countries China, Korea, United Kingdom (2), Hongkong, US, Sweden, Switzerland and Germany (2).

NKT Invest A/S is a Danish registered company. The company owns a minority interest in a foreign subsidiary for regulatory purposes.

All companies below NKT A/S in the group structure are fully owned by the Group.

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

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

2.8 Trend Information

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements and there has been no significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published.

2.9 Profit forecasts or estimates

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

2.10 Administrative, Management and Supervisory Bodies

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

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

Board of Directors:

The Issuer's Board of Directors comprises nine members including three employee representatives.

Jens Peter Due Olsen

Chairman. Born in 1963. Joined: 2006

Professional board member

Chairman: Advantage Investment Partners A/S, NIL Technology A/S, BørneBasketFonden

Deputy Chairman: KMD A/S

Committee memberships: ESG Committee, NKT Photonics Committee

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

René Svendsen-Tune

Deputy Chairman. Born in 1955. Joined: 2016

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

Chairman: Stokke AS

Deputy Chairman: Nilfisk Holding A/S

Committee memberships: Nomination Committee (Chair), NKT Photonics Committee

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

Nebahat Albayrak

Born in 1968. Joined: 2022.

Senior Vice President, Corporate Affairs, Sustainability and Safety and Security. Fortum, Finland

Board member: Member of the Supervisory Boards of Nederlandse Spoorwegen, Member of the Advisory Board of Topvrouwen.nl

Committee memberships: ESG Committee (Chair)

Nebahat Albayrak has special qualifications in the fields of driving sustainability in international organizations, international and industrial management, experience from the public and private sector, senior leadership experience from the energy industry, and specialist in corporate branding and reputational management.

Karla Marianne Lindahl

Born in 1981. Joined: 2020

Executive Vice President, South Europe and Mediterranean region. KONE, Finland

Committee memberships: Audit Committee

Karla Marianne Lindahl has special qualifications in the fields of international and industrial management, expertise in leading service and project business and operations, specialist expertise in strategy development and execution as well as competition and corporate law.

Jens Maaløe

Born in 1955. Joined: 2004

Professional board member

Chairman: Poul Due Jensens Fond, Niras A/S, Danish Technology Institute, GomSpace Group AB

Board member: Grundfos Holding A/S, OMT A/S (Odense Maritime Technology)

Committee memberships: Remuneration Committee, Nomination Committee and NKT Photonics Committee (Chair)

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

Andreas Nauen

Born in 1964. Joined: 2017

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

Andreas Nauen has special qualifications in the qualifications of international and industrial management, management of listed companies and specialist expertise in technology and large infrastructure projects, renewable energy and wind power.

Christian Dyhr

Employee representative

Born in 1974. Joined: 2022

Warehouse coordinator, NKT Photonics

Stig Nissen Knudsen

Employee representative

Born in 1969. Joined: 2018

Senior Production Engineer, NKT Photonics A/S

Pernille Blume Simonsen

Employee representative

Born in 1983. Joined: 2022

Lean specialist, NKT (Denmark) A/S

Executive Management:**Alexander Lothar Kara**

President & CEO

Born in 1961. Joined: 2019

Joined the Executive Management and became President and CEO of NKT in 2019

Line Andrea Fandrup

CFO

Born in 1979. Joined: 2020

Joined the Executive Management and became CFO of NKT in 2020

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

2.11 Major Shareholders

- 2.11.1 As at the date of this Prospectus, to the Issuer's knowledge, no shareholder directly or indirectly owns or controls a majority of the shares or votes in the Issuer. Shareholders holding between 5 and 10 per cent. of the owner interest and/or voting rights in the Issuer are Arbejdsmarkedets Tillægspension, and Greenvale Capital LLP.

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

2.12 Financial Information concerning the Assets and Liabilities as well as the Financial Position and the Profits and Losses of the Issuer**2.12.1 Historical Financial Information**

Reference is made to the two most recent audited consolidated financial statements of the Issuer, the Consolidated Financial Statements 2021 and the Consolidated Financial Statements 2020 and the non-audited consolidated condensed interim financial statements, the Consolidated Condensed Interim Financial Statements Q2 2022 and the Consolidated Condensed Interim Financial Statements Q2 2021. As set out in Section 6 below, the Annual Report 2021, including the Consolidated Financial Statements 2021, and the Annual Report 2020, including the Consolidated Financial Statements 2020, as well as the Q2 2022 Interim Report, including the Consolidated Condensed Interim Financial Statements Q2 2022, and the Q2 2021 Interim Report, including the Consolidated Condensed Interim Financial Statements Q2 2021, are incorporated into this Prospectus by reference.

The Consolidated Financial Statements 2021 and the Consolidated Financial Statements 2020, being the most recent years' historical financial information, have been prepared and presented in a form consistent with that which will be adopted in the Issuer's next published annual consolidated financial statements having regard to accounting standards and policies as well as legislation applicable to such annual financial statements.

The Issuer's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU and Danish disclosure requirements for listed companies. The Issuer's accounting policies are shown in the Annual Report 2021, page 88 onwards and as part of the notes.

Because of the complexity in the historical financial information and financial statements, this information is incorporated by reference to the Annual Report 2021 and the Annual Report 2020. Please see Section 6 (*List of Documents/Information incorporated into this Prospectus by Reference*) for complete references.

2.12.2 *Financial statements*

The Issuer incorporates by reference the Annual Report 2021, which include the Consolidated Financial Statements 2021, and the Annual Report 2020, which include the Consolidated Financial Statements 2020, as well as the Q2 2022 Interim Report, which include the Consolidated Condensed Interim Financial Statements Q2 2022, and the Q2 2021 Interim Report, which include the Consolidated Condensed Interim Financial Statements Q2 2021, into the Prospectus.

2.12.3 *Auditing of historical annual financial information*

2.12.3.1 The historical financial information for 2021 and 2020 (i.e. the Consolidated Financial Statements 2021 and the Consolidated Financial Statements 2020) has been audited. The audit of the Consolidated Financial Statements 2021 and Consolidated Financial Statements 2020 has not resulted in any qualification.

2.12.3.2 No information other than as set out in Section 2.12.3.1 has been audited.

2.12.4 *Age of latest financial information*

The latest year of audited financial information is 2021.

2.12.5 *Legal and arbitration proceedings*

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering the previous 12 months which may have or have had in the recent past significant effects on the Issuer and/or the Group's financial position or profitability, except as disclosed in Section 1.2.13 of the Risk Factors.

2.12.6 *Significant change in the Issuer's financial position*

There has been no significant change in the financial position of the Group since the end of the last financial period for which financial information has been published.

2.13 **MATERIAL CONTRACTS**

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

2.14 **DOCUMENTS ON DISPLAY**

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

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

- Financial reports: <https://investors.nkt.com/financial-information/quarterly-results>
- Articles of association: <https://investors.nkt.com/articles-of-association>

The information on the Issuer's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

3. **SECURITIES NOTE FOR THE SECURITIES**

This securities note has been prepared on the basis of and in accordance with Annex 15 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended.

3.1 **Persons Responsible**

3.1.1 *Persons responsible for information in this Prospectus*

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

3.1.2 *Declarations relating to this Prospectus*

For the declaration by those responsible for this Prospectus that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and makes no omission likely to affect its import, please refer to Section 2.1.2 above.

3.2 Risk Factors

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

3.3 Essential information

Interest of natural and legal persons involved in the issue

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

The Joint Lead Managers have received a fee for their service in connection with the issue of the Securities, and the Joint Lead Managers have made senior facilities available to the Group.

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

Use of proceeds and estimated net amount of proceeds

The net proceeds amount in respect of the Securities is EUR 148,650,000.

The Issuer shall use the proceeds towards financing purposes that are in accordance with the Green Finance Framework. The Issuer will evaluate and select eligible assets and expenditures with distinct sustainable benefits in accordance with its Green Finance Framework. These may include, but will not be limited to, capital expenditures such as production machinery and equipment, capacity expansion, technology and IT, buildings and R&D as well as operational expenditures such as staff cost, repairs and maintenance, energy and utilities, transportation and administration relating to the production of power cables to connect renewable energy production sites (e.g. wind farms) to the grid or "interconnectors" where the relevant project is deemed to predominantly ensure higher proportion of renewable energy in the relevant grids.

The Issuer has established its green finance framework originally dated August 2022 (the "Green Finance Framework"), which governs all forms of green financing transactions which it may enter into and the application of the proceeds of green transactions towards eligible projects. The Issuer may, in the future, update the Green Finance Framework in line with developments in the market.

The Green Finance Framework is based on the 2021 version of the International Capital Market Association's Green Bond Principles (the "ICMA's Green Bond Principles"). The Issuer has appointed Cicero Shades of Green for a second party opinion of the Green Finance Framework, which has concluded that the Green Finance Framework is aligned with the ICMA Green Bond Principles. Cicero was selected based on their solid track record within assessment of use of proceeds frameworks and strong scientific methodology. Though Cicero is the largest provider of second party opinions for use of proceeds frameworks in the market, the providers of such opinions and

certifications are not subject to any specific regulatory or other regime or oversight and therefore no assurance can be given as to the content or reliability of such opinion or certification.

Further, eligible assets and expenditures are intended to be aligned with the definitions and technical screening criteria in the Delegated Regulation (EU) 2021/2139 as published in the Official Journal of the European Union on 9 December 2021 and as supplementing the Regulation (EU) 2020/852 known as the EU classification system for sustainable economic activities (the “EU Taxonomy”). The Issuer will, on a best effort basis, ensure alignment with the EU Taxonomy in the following areas (1) substantial contribution to at least one of the six environmental objectives, (2) do-no significant harm (DNSH) to other environmental objectives, (3) minimum safeguards and where developed (4) meeting the technical screening criteria (“TSC”). Specifically, eligible assets and expenditures are intended to support the production and development of renewable energy, thereby contributing to the Climate Change Mitigation objective. This is achieved through the production and laying of high-voltage cables that will facilitate the connection of renewable energy to the electric grid. The economic activities targeted are; 3.1. Manufacture of renewable energy technologies, 4.9. Transmission and distribution of electricity and 7.6. Installation, maintenance and repair of renewable energy technologies.

To enable investors and other stakeholders to follow the allocation of proceeds to eligible assets and expenditures and the associated environmental impact, an annual investor report will be made available on NKT’s website (a “Green Finance Report”). First such report will be made available for investors approximately 12 months after the issuance of the Securities.

The Green Finance Framework is available together with this Prospectus, the second party opinion and any published Green Finance Reports on the Issuer’s website at <https://investors.nkt.com/green-financing>.

3.4 Information concerning the Securities to be admitted to trading

3.4.1 Total amount of Securities

The total amount of the Securities that may be admitted to trading and official listing on the regulated market of Nasdaq Copenhagen A/S is EUR 200,000,000.

3.4.2 Securities type, class and ISIN code

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

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

The International Securities Identification Number (ISIN) of the Securities is DK0030510995. The CFI code of the Securities is DBFUPB. The FISN of the Securities is Green Hybrid/7.24/ NKT.

3.4.3 Legislation under which the Securities have been created

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

3.4.4 Information on form of the Securities

The Securities are issued in uncertificated and dematerialised book-entry form through the Danish Central Securities Depository (VP Securities A/S), the Securities Depository. The Securities will not be evidenced by any physical bond, note or document of title other than statements of account made by the Securities Depository in its capacity as central securities depository. The Securities Depository is a Danish limited liability company registered with the Danish Business Authority under registration number 21599336, with its registered address at Nicolai Eigtveds Gade 8, 1402 Copenhagen K, Denmark.

3.4.5 *Currency applied*

The Securities are denominated in euro (EUR).

3.4.6 *Ranking of the Securities*

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

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

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

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

The provisions regarding the interest rate and interest payable is set out in Condition 6 (*Interest*), Condition 7 (*Payments*), Condition 8 (*Cumulative optional Interest Deferral*) and Condition 9 (*Settlement of Outstanding Payments*) of the Terms and Conditions.

The Securities bear interest at a fixed rate corresponding to the First Fixed Rate from (and including) the Issue Date to (but excluding) 1 July 2026 (First Call Date).

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

Subject to Condition 10 (*Redemption and purchase*) any Outstanding Payments shall automatically be cancelled on the Maturity Date.

Interest on the Securities is (unless deferred) payable annually, with the initial Interest Payment Date falling on 1 July 2023.

Payments in respect of the Securities will, subject to the Terms and Conditions, be made to the Securityholders in accordance with Condition 7 (*Payments*).

Claims against the Issuer for payment in respect of the Securities are subject to limitation under the Danish Consolidated Act No. 1238 of 9 November 2015, as amended, on limitation (*lov om forældelse af fordringer (forældelsesloven)*) in accordance with Condition 19 (*Prescription*).

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

The maturity date of the Securities is 1 July 3022, cf. Condition 10 (*Redemption and purchase*). Subject to Condition 12 (*Event of Default*), if the Issuer fails to pay any interest on any of the Securities when due, any Securityholder may take such steps or actions or institute proceedings to obtain payment of the amounts due or take such steps or actions or institute proceedings for the bankruptcy of the Issuer.

If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer, the Securityholders may prove or claim in such proceedings in respect of the Securities pursuant to Condition 13 (*Enforcement*).

3.4.10 *Yield*

The yield in respect of the Securities from the Issue Date to the First Call Date is 7.25 per cent. p.a. calculated on the basis of the issue price of the Securities and the First Fixed Rate. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method.

3.4.11 *Representation of Securityholders*

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

3.4.12 *Resolutions, authorisations and approvals*

The Issuer has obtained all necessary resolutions, authorisations and approvals in order to issue and admit the Securities to trading and official listing on the regulated market of Nasdaq Copenhagen A/S by the Board of Directors on 16 August 2022.

3.4.13 *The issue date of the Securities*

The Securities will be issued on 1 September 2022.

3.4.14 *Transferability of the Securities*

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

3.5 **Admission to Trading and Dealing Arrangements**

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

An application has been made for the Securities to be admitted to trading and official listing on the regulated market of Nasdaq Copenhagen A/S as from 9 November 2022. Admission to trading and official listing on the regulated market of Nasdaq Copenhagen A/S shall not be considered a guarantee that an active secondary market for the Securities will develop and, if such an active market were to develop, neither NKT nor the Joint Lead Managers will have a duty to maintain such market.

3.5.2 *Issuing Agent, Paying Agent and Calculation Agent*

Nordea Danmark, filial af Nordea Bank Abp, Finland, Grønlandsvej 10, DK 2300 Copenhagen S, Denmark will perform the tasks of the Issuing Agent, Paying Agent and Calculation agent, including:

- a) **Issuing Agent:** The task of registering the Securities in the book entry system of the Securities Depository.
- b) **Paying Agent:** The task of arranging for payment of any amount due under the Securities through the Securities Depository (subject to in each case having received the relevant amount from the Issuer) in accordance with the Terms and Conditions of the Securities.
- c) **Calculation Agent:** The task of calculating any rate of interest and any amount, including any interest amounts, due under the Securities in accordance with the Terms and Conditions of the Securities, and such other tasks set out in the Terms and Conditions of the Securities.

3.6 Expenses of the Admission to Trading

The Issuer estimates that the total expenses related to the admission to trading and official listing on the regulated market of Nasdaq Copenhagen A/S of the Securities will amount to DKK 37,500.00.

3.7 Additional Information

3.7.1 *Advisers*

Legal advisor to the Issuer:

Plesner Advokatpartnerselskab
Company registration number (CVR-no.): 38 47 79 35
Amerika Plads 37
DK-2100 Copenhagen Ø
Denmark

Legal advisor to the Joint Lead Managers:

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

3.7.2 *Second party opinion provider*

Cicero Shades of Green
Company registration number: 921 778 589
P.O. Box 1129 Blindern
N-0318 Oslo
Norway
<https://cicero.green/>

3.7.3 *Audit of the securities note*

The external auditor of NKT, Deloitte Statsautoriseret Revisionspartnerselskab, company registration number (CVR-no.): 33 96 35 56, Weidekampsgade 6, DK-2300 Copenhagen S, has not audited, reviewed or produced a

report on any information in this Prospectus other than on certain of the financial information incorporated by reference into this Prospectus (see Section 6 (*List of Documents/Information incorporated into this Prospectus by Reference*)).

3.7.4 *Information from third parties*

With respect to information in this Prospectus sourced from third parties, reference is made to Section 2.2.2.

3.7.5 *Credit rating*

The Securities are unrated.

3.8 **Taxes**

The following is a summary description of the expected taxation in Denmark of the Securities according to the Danish tax laws in force at the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect.

The following does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Securities, and does not purport to deal with the tax consequences applicable to all categories of Securityholders, some of which may be subject to special rules. Potential Securityholders are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment in, holding of and disposal of the Securities.

While the Danish tax qualification of the Securities is not 100% clear, the Issuer is of the view that the Securities qualify as debt instruments for Danish tax purposes and the below summary has been made on this basis. However, the Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Securities or of the Danish tax qualification of the Securities.

3.8.1 *Taxation at source*

Under Danish tax law no withholding tax is levied on payments of interest or principal or other amounts due on the Securities to the owner of such payment, except in certain cases on payments between affiliated parties as referred to in sections 2(1)(d) and 2(1)(h) of the Danish Corporation Tax Act (consolidated act no. 251 of 22 February 2021, as amended) and section 65 D of the Danish Withholding Tax Act (consolidated act no. 824 of 28 April 2021, as amended). According to Danish withholding tax rules, save as set out in the paragraph below, there should be no Danish tax implications for holders of the Securities that are not affiliated with the Issuer pursuant to Chapter 4 of the Danish Tax Control Act (consolidated act no. 283 of 2 March 2022, as amended). Under Danish law, affiliated parties would include, but not be limited to, cases where one party directly or indirectly controls the other party by way of ownership of a majority of the share capital or voting rights or by way of agreement or where the two parties are subject to common control.

Pursuant to section 3 of the Danish Tax Assessment Act (consolidated act no. 1735 of 17 August 2021, as amended), an arrangement or series of arrangements (i) not entered into for commercial reasons reflecting the underlying economic reality and (ii) which are implemented for the primary purpose of obtaining, or one of the primary purposes of which is to obtain, a tax benefit which is against the purpose and intent of the Danish law should be ignored for the purposes of calculating the Danish tax liability. The general anti-abuse rule in section 3 of the Danish Tax Assessment Act has recently been enacted in Danish tax law, and it is presently unclear how the rule could be applied. If a holder of Securities is considered to have taken part in an arrangement that is

covered by section 3 of the Danish Tax Assessment Act, this could result in the application of withholding tax to payments made to such holder under the Securities.

3.8.2 *Resident holders of Securities*

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

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

3.8.3 *Non-resident holders of Securities*

Under Danish tax laws, payments of interest or principal amounts to any non-resident holders of Securities are not subject to taxation in Denmark. No withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of Securities will not be subject to taxation in Denmark, except as set out in Section 3.8.1 (*Taxation at source*) above.

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

4. **TERMS AND CONDITIONS OF THE SECURITIES**

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

1. **INTRODUCTION**

- 1.1 The up to EUR 200,000,000 Callable Subordinated Capital Securities due 3022 (the “**Securities**”, which expression shall in these terms and conditions of the Securities (the “**Conditions**”), unless the context otherwise requires, include any further securities issued pursuant to Condition 18 (*Further issues*) and forming a single series with the Securities with a maximum nominal amount of EUR 200,000,000 (the “**Maximum Issue Amount**”) are issued by NKT A/S, CVR no. 62725214 (the “**Issuer**”).
- 1.2 The initial issue of Securities will be in the amount of EUR 150,000,000 (the “**Initial Issue**”) and issued on 1 September 2022 (the “**Initial Issue Date**”). The Securities will be issued at an issue price of 100.00 per cent.
- 1.3 The issue of the Securities was authorised and approved by the Issuer’s Board of Directors at a meeting held on 16 August 2022.
- 1.4 The Securities may be issued on different issue dates. The Issuer may pursuant to Condition 18 (*Further issues*), at one or more occasions issue additional Securities (each a “**Tap Issue**”) until the aggregate nominal amount of all Tap Issues and the Initial Issue equals the Maximum Issue Amount.

1.5 Nordea Danmark, filial af Nordea Bank Abp, Finland, Grønjobsvej 10, DK-2300 Copenhagen S, Denmark will perform the tasks of the Issuing Agent, Paying Agent and Calculation Agent, which, as applicable, shall be defined and construed as follows:

- (a) Issuing Agent: The task of registering the Securities in the book entry system of Euronext Securities (VP Securities A/S), Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark (“VP”).
- (b) Paying Agent: The task of arranging for payment of any amount due under the Securities through VP (subject to in each case having received the relevant amount from the Issuer) in accordance with these Conditions.
- (c) Calculation Agent: The task of calculating any rate of interest and any amount, including any interest amounts, due under the Securities in accordance with these Conditions, and such other tasks set out in the Conditions.

2. DEFINITIONS

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

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

- (a) the mid swap rate for euro swap transactions with a maturity of 4 years, as published on Reuters screen “ICESWAP2” under “Euribor Basis EUR” (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in euro) (the “**Mid-Swap Page**”), as at approximately 11.00 a.m. (Central European time) on the Interest Determination Date applicable to such Reset Period; or
- (b) if, on the Interest Determination Date applicable to such Reset Period, no rate is calculated and published on the Mid-Swap Page, the arithmetic mean (rounded if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the quotations offered by the Reset Reference Banks at approximately 11.00 a.m. (Central European time) on such Interest Determination Date, to prime banks in the European market for the mid swap rate for euro swap transactions with a maturity of 4 years in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; provided that if fewer than two rates are so quoted, the 4-Year Swap Rate shall be (i) in the case of each Reset Period other than the Reset Period commencing on the First Call Date, the 4-year Swap Rate for the immediately preceding Reset Period, or (ii) in the case of the Reset Period commencing on the First Call Date, the Initial Swap Rate.

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

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

“Additional Amounts” has the meaning given to it in Condition 11 (*Taxation*).

“Adjustment Spread” means either (i) a spread (which may be positive, negative or zero) or (ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) if no such recommendation has been made, or in the case of an Alternative Rate, the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry accepted replacement rate for the Original Reference Rate; or
- (c) if the Issuer determines that no such spread is customarily applied, the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is recognised or acknowledged as being the industry standard for over the counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (d) if the Issuer determines that no such spread is so recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

“Alternative Rate” means an alternative to the Original Reference Rate which the Issuer determines in accordance with Condition 6.5.2 (*Successor Rate or Alternative Rate*) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same Reset Period and in the same currency as the Securities.

“Benchmark Amendments” has the meaning given in Condition 6.5.4 (*Benchmark Amendments*).

“Benchmark Event” means:

- (a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate stating that it will, by a specified date within the following six months, cease to publish the Original Reference Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor or the administrator of the Original Reference Rate stating that the Original Reference Rate has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or

- (d) a public statement by the supervisor or the administrator of the Original Reference Rate stating that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (e) it has or will prior to the next Interest Determination Date become unlawful for the Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to the Securityholders using the Original Reference Rate.

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

“**Calculation Period**” has the meaning given to it in Condition 6.1 (*Interest and payment dates*).

“**Capital Markets Act**” means the Danish Act on Capital Markets (in Danish: *lov om kapitalmarkeder*), Consolidated Act no. 2014 of 1 November 2021 as amended.

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

“**Code**” has the meaning given to it in Condition 7.2 (*Payments subject to fiscal laws*).

“**Compulsory Payment Event**” means any of the following events:

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

provided that no Compulsory Payment Event shall be deemed to occur if:

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

“**Control**” means:

- (a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Issuer;

- (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Issuer; or
 - (iii) give directions with respect to the operating and financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are obliged to comply; or
- (b) the holding beneficially of more than 50 per cent. of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

“**Deferred Payment**” has the meaning given to it in Condition 8 (*Cumulative optional Interest Deferral*).

“**Determination Period**” has the meaning given to it in Condition 6.1 (*Interest and payment dates*).

“**Early Redemption Amount**” means 101.00 per cent. of the principal amount per Security.

“**Event of Default**” has the meaning given to it in Condition 12 (*Event of Default*).

“**FATCA**” has the meaning given to it in Condition 7.2 (*Payments subject to fiscal laws*).

“**First Call Date**” has the meaning given to it in Condition 6.1 (*Interest and payment dates*).

“**First Fixed Rate**” means 7.24 per cent. per annum.

“**Green Finance Framework**” means the Issuer’s green finance framework in force as of the Initial Issue Date in the case of the Initial Issue or as of the relevant other Issue Date in the case of any Tap Issue.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 6.5.1 (*Independent Adviser*).

“**Initial Swap Rate**” means 1.928 per cent. per annum.

“**Initial Margin**” means 5.322 per cent. per annum.

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

“**Interest Payment Date**” has the meaning given to it in Condition 6.1 (*Interest and payment dates*).

“**Interest Period**” means:

- (a) in respect of the Initial Issue the period from (and including) the Initial Issue Date and ending on (but excluding) the first Interest Payment Date following such Initial Issue Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date; or
- (b) in respect of a Tap Issue the period from (and including) the Interest Payment Date immediately preceding the Issue Date of the relevant Tap Issue (or from (and including) the Initial Issue Date as the case may be) and ending on (but excluding) the first Interest Payment Date following the Issue Date of such Tap Issue

and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

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

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

"Issue Date" means the Initial Issue Date or any other date on which Securities are issued.

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

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

"Mandatory Settlement Date" means the earliest of:

- (a) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- (b) the date falling 10 Business Days after the date on which a Compulsory Payment Event has occurred;
- (c) the date, other than the Maturity Date, on which the Securities fall due for redemption in accordance with Conditions 10.2 (*Redemption at the option of the Issuer*), 10.3 (*Redemption for taxation reasons*), 10.4 (*Redemption for accounting reasons*), 10.5 (*Redemption due to a Replacing Capital Event*), 10.6 (*Redemption due to a Change of Control Event*) or 10.7 (*Redemption for a minimum outstanding principal amount*); and
- (d) the date on which an order is made for the bankruptcy (in Danish: *konkurs*), winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

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

"Maturity Date" means 1 July 2022.

"Optional Deferral Notice" has the meaning given to it in Condition 8 (*Cumulative optional Interest Deferral*).

"Optional Redemption Notice" has the meaning given to it in Condition 10.2 (*Redemption at the option of the Issuer*).

"Optional Settlement Date" has the meaning given to it in Condition 9 (*Settlement of Outstanding Payments*).

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

“Original Reference Rate” means the 4-year Swap Rate (or any component part thereof) (provided that if, following one or more Benchmark Events, the 4-year Swap Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Rate (or any component part thereof)).

“Outstanding Payments” has the meaning given to it in Condition 8 (*Cumulative optional Interest Deferral*).

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

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

“Relevant Nominating Body” means in relation to a reference rate:

- (a) the administrator of the reference rate, or any entity under the common control as the administrator of the reference rate;
- (b) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or
- (c) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
 - (i) the central bank for the currency to which the reference rate relates;
 - (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate;
 - (iii) a group of the aforementioned central banks or other supervisory authorities; or
 - (iv) the Financial Stability Board or any part thereof.

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

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

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

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

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

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

“**Securityholders’ Meeting**” means a Securityholders’ meeting held pursuant to Condition 15 (*Securityholders’ Meeting*).

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

“**Step-up Margin**” means 5.00 per cent. per annum.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

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

“**Tax Event**” has the meaning given to it in Condition 10.3 (*Redemption for taxation reasons*).

“**Taxes**” has the meaning given to it in Condition 11 (*Taxation*).

“**Transaction Costs**” mean all fees, legal costs and any other costs and expenses incurred by the Issuer or any other group company in connection with the Initial Issue or, as applicable, any Tap Issue and the listing of the Securities on Nasdaq Copenhagen A/S or any other regulated market.

“**Written Procedure**” means a written procedure held pursuant to Condition 16 (*Written Procedure*).

3. FORM, DENOMINATION, NOMINAL AMOUNT, TRADES, TRANSFERABILITY AND TITLE

3.1 Form of Securities, denomination, nominal amount and trades

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

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

3.1.3 The ISIN code of the Securities is DK0030510995. The CFI code of the Securities is DBFUPB. The FISN of the Securities is Green Hybrid/7.24/ NKT.

3.2 Transferability and title

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

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

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

4. STATUS OF THE SECURITIES

4.1 The Securities constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves.

4.2 The rights and claims of the Securityholders against the Issuer in respect of the Securities shall, save for such exceptions as may be provided by applicable legislation, rank behind the claims of Senior Creditors, pari passu with the rights and claims of holders of Parity Securities and in priority only to (i) the rights and claims of holders of any Junior Securities; and (ii) the rights and claims of holders of all Issuer Shares.

4.3 No Securityholder, who is in the event of the liquidation or bankruptcy of the Issuer indebted to the Issuer, shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Securities held by such Securityholder.

5. USE OF PROCEEDS

5.1 The Issuer shall use the proceeds from the Initial Issue and any Tap Issue, in each case less the Transaction Costs, towards financing purposes that are in accordance with the Green Finance Framework. The Issuer will evaluate and select eligible assets and expenditures with distinct sustainable benefits in accordance with its Green Finance Framework. These may include, but will not be limited to, capital expenditures such as production machinery and equipment, capacity expansion, technology and IT, buildings and R&D as well as operational expenditures such as staff cost, repairs and maintenance, energy and utilities, transportation and administration relating to the production of power cables to connect renewable energy production sites to the grid or "interconnectors" where the relevant project is deemed to predominantly ensure higher proportion of renewable energy in the relevant grids.

6. INTEREST

6.1 Interest and payment dates

- (a) From (and including) the Initial Issue Date to (but excluding) 1 July 2026 (the “**First Call Date**”), the Securities bear interest at a rate corresponding to the First Fixed Rate.
- (b) From (and including) the First Call Date to (but excluding) the next subsequent Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next subsequent Reset Date and from (and including) the last Reset Date prior to the Maturity Date to (but excluding) the Maturity Date, the Securities bear interest at the relevant Reset Fixed Rate for the relevant Interest Period.
- (c) During each such period, interest is scheduled to be paid annually in arrear on 1 July in each year, commencing on 1 July 2023 (each an “**Interest Payment Date**”), and will be due and payable in accordance with Conditions 8 (*Cumulative optional Interest Deferral*) and 9 (*Settlement of Outstanding Payments*). If any Interest Payment Date would otherwise fall on a day which is not a Business Day, the relevant payment shall be made on the next day which is a Business Day. No further interest or other payment will be made as a consequence of the postponement.
- (d) Where interest is to be calculated in respect of any period (from (and including) the first such day to (but excluding) the last) (the “**Calculation Period**”) which is equal to or shorter than the Determination Period during which it falls, the day count fraction used will be calculated on the basis of the number of days in the Calculation Period divided by the number of days in such Determination Period (Act/Act), where “**Determination Period**” means each period from (and including) 1 July in any year, to (but excluding) the next 1 July. For the avoidance of doubt, the first Determination Period will be the period from and including 1 September 2022 to but excluding 1 July 2023.

6.2 Cessation of interest accrual

Each Security will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (both before and after judgment) until the day on which all sums due in respect of such Security up to that day are received by or on behalf of the relevant Securityholder.

6.3 Reset Reference Banks and Calculation Agent

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

6.4 Notifications etc. to be binding

All notifications, opinions, determinations, certifications, conditions, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6, whether by the Calculation Agent (or its agent), shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agent and on all Securityholders and (in the absence of the aforesaid) no liability to the Securityholders or the Issuer shall attach to the Calculation Agent or the Paying Agent in connection with the exercise or non-exercise by them of any of their powers, duties or discretions.

6.5 Benchmark discontinuation

6.5.1 Independent Adviser

Notwithstanding the provisions above in this Condition 6, if the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event has occurred in relation to the Original Reference Rate when any interest rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.5.2) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 6.5.4).

An Independent Adviser appointed pursuant to this Condition 6.5.1 shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Issuing Agent, the Calculation Agent, the Paying Agent or the Securityholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 6.5.

Whether or not the Issuer is able to appoint an Independent Adviser having used its reasonable endeavours, if the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6.5 prior to the relevant Interest Determination Date, the 4-year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last observable mid swap rate for euro swap transactions with a maturity of 4 years which is displayed on the Mid-Swap Page, as determined by the Calculation Agent. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 6.5.1.

6.5.2 Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (a) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Securities from the end of the then current Reset Period onwards; or
- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine

the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Securities from the end of the then current Reset Period onwards.

6.5.3 Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

6.5.4 Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 6.5 and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.5.5, without any requirement for the consent or approval of Securityholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 6.5.4, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

6.5.5 Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 6.5 will be notified promptly by the Issuer to the Issuing Agent, the Calculation Agent, the Paying Agent and the Securityholders in accordance with Condition 21 (*Notices*). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Issuing Agent, the Calculation Agent and the Payment Agent of the same, the Issuer shall deliver to the Issuing Agent, the Calculation Agent and the Paying Agent a certificate signed by two authorised signatories of the Issuer:

- (a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) any applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 6.5; and
- (b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) any applicable Adjustment Spread.

Each of the Issuing Agent, the Calculation Agent and the Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread

and the Benchmark Amendments (if any) and without prejudice to the Issuing Agent's or the Calculation Agent's or the Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Issuing Agent, the Calculation Agent, the Paying Agent and the Securityholders.

6.5.6 Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under this Condition 6.5, the Original Reference Rate and the fallback provisions provided for in the definition of 4-year Swap Rate will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be) and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 6.5.5.

6.5.7 Accounting Principles

Notwithstanding any other provision of this Condition 6.5, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the recording of the Securities as "equity" in the consolidated financial statements of the Issuer pursuant to the Accounting Principles or any other accounting principles that may replace the Accounting Principles for the purposes of preparing the annual consolidated financial statements of the Issuer.

7. PAYMENTS

7.1 Payments of principal and interest

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

7.2 Payments subject to fiscal laws

All payments in respect of the Securities are subject in all cases to (1) any applicable fiscal or other laws and regulations and (2) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Section 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**") or any law implementing an intergovernmental approach to FATCA, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to the Securityholders in respect of such payments.

7.3 Payments on Business Days

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

8. CUMULATIVE OPTIONAL INTEREST DEFERRAL

Interest which accrues during an Interest Period ending on (but excluding) an Interest Payment Date will be due and payable on that Interest Payment Date, unless the Issuer, by giving notice to the Securityholders in accordance with Condition 21 (*Notices*), the Calculation Agent and the Paying Agent, not less than 15 Business Days prior to the relevant Interest Payment Date (an “**Optional Deferral Notice**”), elects to defer the relevant interest payment in whole but not in part.

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

Each such interest payment that is not due and payable in accordance with this Condition 8 due to an election made by the Issuer shall be referred to as a “**Deferred Payment**”. Any such Deferred Payment will bear interest at the then current rate of interest on the Securities from (and including) the Interest Payment Date on which such Deferred Payment would otherwise than by reason of the operation of this Condition 8 become due to (but excluding) the date on which the Deferred Payment is satisfied in accordance with Condition 9 (*Settlement of Outstanding Payments*) or cancelled in accordance with the second sentence of Condition 10.1 (*Maturity Date*). The non-payment of any interest deferred by the giving of any Optional Deferral Notice in respect thereof shall not constitute an Event of Default or otherwise constitute a default of the Issuer or any other breach of its obligations under the Securities or for any other purpose or be subject to enforcement (in accordance with Condition 12 (*Event of Default*)) until such time as such interest shall have become due under Condition 9 (*Settlement of Outstanding Payments*) and remain unpaid.

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

The amount of any Deferred Payments, together with any interest accrued thereon, shall constitute “**Outstanding Payments**” from the day following the Interest Payment Date on which such Deferred Payment would have become due if the interest had not been deferred pursuant to this Condition 8.

9. SETTLEMENT OF OUTSTANDING PAYMENTS

9.1 Optional Settlement of Outstanding Payments

The Issuer will be entitled to pay Outstanding Payments in whole (but not in part) at any time by giving notice to the Securityholders in accordance with Condition 21 (*Notices*), the Calculation Agent and the Paying Agent, not less than 15 Business Days prior to the date fixed by the Issuer for such payment (the “**Optional Settlement Date**”) which notice shall be irrevocable and shall specify (x) the amount of Outstanding Payments to be paid and (y) the Optional Settlement Date.

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

9.2 **Mandatory Settlement of Outstanding Payments**

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

10. **REDEMPTION AND PURCHASE**

10.1 **Maturity Date**

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Maturity Date at their principal amount together with accrued interest in respect of the Interest Period ending on (but excluding) the Maturity Date. Any Outstanding Payments shall automatically be cancelled on the Maturity Date. The Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 10.

10.2 **Redemption at the option of the Issuer**

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Securityholders in accordance with Condition 21 (*Notices*), the Issuer may redeem all but not some only of the Securities on the First Call Date or on any Interest Payment Date thereafter as specified in the Optional Redemption Notice at their principal amount (together with interest accrued to (but excluding) the relevant call date and any Outstanding Payments).

10.3 **Redemption for taxation reasons**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 21 (*Notices*), if:

- (a) the Issuer is satisfied immediately prior to the giving of such notice based on the receipt by the Issuer of an opinion of a recognised tax counsel or tax adviser that:
 - (i) the Issuer either has or will become obliged to pay Additional Amounts as provided or referred to in Condition 11 (*Taxation*) (as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Initial Issue Date), in which case the Issuer will be entitled to redeem each Security at its principal amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments); or
 - (ii) the Issuer's treatment of items of expense with respect to the Securities as deductible interest expense for Danish tax purposes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a de minimis amount of additional taxes, duties or governmental charges, in which case the Issuer will be entitled to redeem the Securities (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Call Date at their

principal amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments),

(each, a “**Tax Event**”); and

(b) such Tax Event cannot be avoided by the Issuer taking reasonable measures available to it,

provided that in respect of paragraph (a)(i) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Securities then due. Any notice of redemption pursuant to this Condition 10.3 shall include a description by the Issuer of the basis for (i) the occurrence of a Tax Event and (ii) that the obligation referred to in paragraph (a) of this Condition 10.3 cannot be avoided by the Issuer taking reasonable measures available to it.

10.4 Redemption for accounting reasons

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days’ notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 21 (*Notices*), (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Call Date, at their principal amount, (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments), if a recognised accountancy firm, acting upon instructions of the Issuer (and at the Issuer’s expense), has delivered an opinion to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) since the Initial Issue Date the obligations of the Issuer in respect of the Securities may not or may no longer be recorded as “equity” in the consolidated financial statements of the Issuer pursuant to the Accounting Principles or any other accounting principles that may replace the Accounting Principles for the purposes of preparing the annual consolidated financial statements of the Issuer.

10.5 Redemption due to a Replacing Capital Event

Upon the occurrence of a Replacing Capital Event, the Issuer may, if it gives not less than 30 nor more than 60 days’ notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 21 (*Notices*), redeem the Securities in whole, but not in part, at any time after the occurrence of such event, at 103.00 per cent. of their principal amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments).

10.6 Redemption due to a Change of Control Event

10.6.1 Upon the occurrence of a Change of Control Event, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days’ notice to the Securityholders from the date of such Change of Control Event (which notice shall be irrevocable) in accordance with Condition 21 (*Notices*), (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Call Date, at their principal amount, (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments).

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

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

10.7 Redemption for a minimum outstanding principal amount

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 21 (*Notices*) at their principal amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments), if the Issuer or any of its subsidiaries has purchased and holds and/or has cancelled Securities with an aggregate principal amount of equal to or greater than 80 per cent. of the aggregate principal amount of the Securities issued at any time.

10.8 Notice of redemption

Where a notice of redemption is given under this Condition 10 all Securities shall be redeemed on the date specified in such notice in accordance with this Condition 10.

10.9 Issuer's purchase of Securities

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

11. TAXATION

11.1 All payments in respect of the Securities by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Kingdom of Denmark or any political subdivision of, or any authority in, or of, the Kingdom of Denmark having power to tax, unless the withholding or deduction of the Taxes is required by Danish law.

11.2 If withholding or deduction of Taxes is required by Danish law, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Securityholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Securities in the absence of the withholding or deduction (such amounts being "**Additional Amounts**"), except that no Additional Amounts shall be payable in relation to any payment in respect of any Securities to, or to a third party on behalf of, a Securityholder:

(a) who is liable to Taxes in respect of the Securities by reason of it having some connection with the Kingdom of Denmark other than the mere holding of the Security; or

- (b) who would not be liable for such withholding or deduction if such Securityholder presented any form of certificate or made a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

12. EVENT OF DEFAULT

12.1 Default and liquidation

12.1.1 Subject to Condition 8 (*Cumulative optional Interest Deferral*), if the Issuer fails to pay any interest on any of the Securities when due (an “**Event of Default**”), any Securityholder may, at its own discretion, by written notice addressed to the Issuer, take such steps or actions or institute proceedings to obtain payment of the amounts due or take such steps or actions or institute proceedings in the Kingdom of Denmark (but not elsewhere) for the bankruptcy (in Danish: *konkurs*) of the Issuer, provided that no amount in respect of the Securities shall, as a result of such proceedings, be or become payable sooner than the same would otherwise have been payable by the Issuer had no such proceedings been instituted.

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

12.2 Breach of obligations

Subject to Condition 8 (*Cumulative optional Interest Deferral*), any Securityholder may at its discretion institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under these Conditions (other than as provided in Condition 12.1 (*Default and liquidation*)), provided that and without prejudice to Condition 12.1.2, the Issuer shall not by virtue of the institution of any such steps, actions or proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

12.3 Other remedies and rights of Securityholders

No remedy against the Issuer, other than the institution of the proceedings or the taking of steps or actions by the Securityholders referred to in Conditions 12.1 (*Default and liquidation*) and 12.2 (*Breach of obligations*) or the proving or claiming in any liquidation, bankruptcy or dissolution of the Issuer, shall be available to the Securityholders whether for the recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any other obligation, condition, undertaking or provision binding on it under the Securities, provided that the proviso to Condition 12.2 (*Breach of obligations*) shall apply to this Condition 12.3 and includes reference to proving or claiming in the liquidation, bankruptcy or dissolution of the Issuer.

13. ENFORCEMENT

13.1 At any time after the Securities become due and payable and subject to Condition 12 (*Event of Default*), any Securityholder may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce the terms of these Conditions.

14. DECISIONS BY SECURITYHOLDERS

14.1 Powers of meetings

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

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

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

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

14.1.4 A Securityholders' Meeting will be held in accordance with the procedure pursuant to Condition 15 (*Securityholders' Meeting*). A Written Procedure will be held in accordance with the procedure pursuant to Condition 16 (*Written Procedure*).

14.2 Attendance

14.2.1 At the Securityholders' Meeting, each Securityholder must document its holdings of Securities by presenting a custody account statement from the Securities Depository or an authorised account institution evidencing that such Securityholder was registered as a Securityholder on the Business Day specified in the notice pursuant to Condition 15.1.2 or by providing other proof of holding satisfactory to the chairman of the Securityholders' Meeting. The following may attend and speak at a Securityholders Meeting:

- (a) Securityholders and proxies;
- (b) any representative of the Securityholders appointed pursuant to the Capital Markets Act;
- (c) the chairman; and

(d) the Issuer, the Issuing Agent, the Calculation Agent and their respective financial and legal advisers.

14.2.2 No one else may attend or speak.

14.3 Chairman

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

14.4 Voting rights

14.4.1 Each Securityholder holds one vote for each Security of EUR 1,000 in nominal amount. The Issuer and its subsidiaries have no voting rights in respect of Securities held by any of them.

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

(a) presenting a custody account statement from VP or an authorised institution that is not more than three Business Days old (where the three Business Days shall be counted from the date of the submission of the vote or power of attorney authorising a person to vote); or

(b) provide other proof of holding which, in the case of a Securityholders' Meeting is satisfactory to the chairman of the Securityholders' Meeting or in the case of a Written Procedure is satisfactory to the Issuer having consulted with a reputable financial institution,

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

14.5 Percentage of Securityholders required to consent

14.5.1 The following matters shall require the consent of Securityholders representing at least 66 2/3 per cent. of the nominal amount of the Securities for the time being outstanding for which Securityholders are validly voting at a Securityholders' Meeting or for which Securityholders validly reply in a Written Procedure in accordance with the instructions given pursuant to Condition 16.1:

(a) a change to the terms of any provision of Condition 4 (*Status of the Securities*);

(b) a reduction of the amount payable upon the redemption or repurchase of any Security pursuant to Condition 10 (*Redemption and purchase*) other than as permitted or required by the Conditions;

(c) a change to the interest rate or the nominal amount of the Securities (other than as permitted or required by the Conditions);

(d) a change to the terms dealing with the requirements for Securityholders' consent set out in this Condition 14.5.1;

(e) a change of Issuer, an extension of the tenor of the Securities or any delay of the due date for payment of any principal or interest on the Securities;

(f) a mandatory exchange of the Securities for other securities; and

(g) early redemption of the Securities, other than upon an acceleration of the Securities pursuant to Condition 13 (*Enforcement*), or as otherwise permitted or required by the Conditions.

14.5.2 Any matter not covered by Condition 14.5.1 above shall require the consent of Securityholders representing more than 50 per cent. in nominal amount of the Securities for the time being outstanding for which Securityholders are validly voting at a Securityholders' Meeting or for which Securityholders validly reply in a Written Procedure.

14.6 Quorum

14.6.1 A quorum at a Securityholders' Meeting or in respect of a Written Procedure only exists if a Securityholder (or Securityholders) representing at least 50 per cent. in nominal amount of the Securities for the time being outstanding in case of a matter pursuant to Condition 14.5.1, and otherwise 20 per cent. in nominal amount of the Securities for the time being outstanding:

(a) attend the meeting in person or by video or telephone conference (or appear through duly authorised representatives), in the case of a Securityholders' Meeting; or

(b) reply to the request, in the case of a Written Procedure.

Any Securities held by the Issuer or any of its subsidiaries shall be disregarded both (i) for the purpose of calculating the nominal amount of Notes represented at a Securityholders' Meeting or in a Written Procedure and (ii) for the purpose of calculating the nominal amount of the Securities for the time being outstanding.

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

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

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

14.8 Decisions binding on all Securityholders and information to Securityholders

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

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

14.9 Minutes

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

15. SECURITYHOLDERS' MEETING

15.1 Convening a Securityholders' Meeting

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

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

15.2 Notice to convene a Securityholders' Meeting

15.2.1 The notice pursuant to Condition 15.1.2 shall include the following:

- (a) time for the Securityholders' Meeting, which must be at least 10 days but not more than 30 days after the notice to the Securityholders;
- (b) place for the Securityholders' Meeting;
- (c) a specification of the Business Day on which a person must be registered as a Securityholder in order to be entitled to exercise voting rights;
- (d) agenda for the meeting (including each request for a decision by the Securityholders); and
- (e) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Securityholders' Meeting.

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

15.3 Venue for Securityholders' Meetings

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

16. WRITTEN PROCEDURE

16.1 Instigating a Written Procedure

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

16.1.2 A communication pursuant to Condition 16.1.1 shall include the following:

- (a) each request for a decision by the Securityholders;
- (b) a description of the reasons for each request;
- (c) a specification of the Business Day on which a person must be registered as a Securityholder in order to be entitled to exercise voting rights;
- (d) instructions and directions on replying to the request (including a form for such reply containing an option to vote yes or no for each request) as well as a form of power of attorney; and
- (e) the stipulated time period within which the Securityholder must reply to the request (such time period to last at least 15 Business Days from the communication pursuant to Condition 16.1.1).

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

16.2 Decisions

When the requisite majority consents of the principal amount of the Securities outstanding pursuant to Condition 14.5 (*Percentage of Securityholders required to consent*) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Condition 14.5 (*Percentage of Securityholders required to consent*) even if the time period for replies in the Written Procedure has not yet expired.

17. MODIFICATION

17.1 The Issuer may, without the consent of the Securityholders, make any modification to the Securities or these Conditions:

- (a) to correct a manifest error;
- (b) any modification to the Securities or these Conditions which is not prejudicial to the interests of the Securityholders; and
- (c) any variation made to these Conditions pursuant to Condition 6.5.4 (*Benchmark Amendments*).

17.2 Subject as provided in these Conditions, no other modification may be made to the Securities or these Conditions except with the sanction of a Securityholders' Meeting or a Written Procedure or as may be required by applicable laws or a court ruling or decision by a relevant authority.

17.3 Any such modification shall be binding on the Securityholders and any such modification shall be notified to the Securityholders in accordance with Condition 21 (*Notices*) as soon as practicable thereafter.

18. FURTHER ISSUES

18.1 The Issuer may from time to time, without the consent of the Securityholders or any representative thereof appointed from time to time in accordance with Condition 14.1.1(d), create and issue further Securities having the same Conditions as the Securities in all respects (or in all respects except for the first payment of interest, if any, on them and/or the Issue Date or the issue price thereof which may be below or above the nominal amount) so as to form a single series with the Initial Issue and any other Tap Issue.

19. PRESCRIPTION

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

20. REPLACEMENT OF AGENTS

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

21. NOTICES

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

21.2 All notices and other communication hereunder to the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent shall be made in writing (by letter or email) and shall be sent to the following address (or to such other address as the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent may notify to the other parties in accordance with this Condition 21):

(a) If to the Issuer:

NKT A/S
Attn: Head of Group Treasury
Vibeholms Allé 20

DK-2605 Brøndby
Denmark
Email: treasury@nkt.com

- (b) If to the Issuing Agent, the Paying Agent or the Calculation Agent:

Nordea Danmark, filial af Nordea Bank Abp, Finland
Grønjobsvej 10
DK-2300 Copenhagen S
Denmark
Attn.: Transaction Management, Metro D.2
Email: Transaction.management@nordea.com

22. FORCE MAJEURE

22.1 Even in areas where a stricter statutory liability applies, neither the Issuer nor the Issuing Agent, the Paying Agent or the Calculation Agent shall be liable for losses due to:

- (a) the breakdown of or lack of access to IT systems or damage to the data of these systems which can be attributed to paragraphs (b) to (d) below regardless of whether the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or an external supplier is responsible for the operation of the systems;
- (b) failures in the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrections, civil riots, sabotage, terror or vandalism (including computer viruses and backing);
- (c) strike, lockout, boycott or blockade regardless of whether the conflict is directed at or initiated by the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or its or their organisation and regardless of the reason for the conflict and whether the conflict affects all or part of the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant); or
- (d) other circumstances beyond the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) control.

22.2 If circumstances mentioned in Condition 22.1 occur, which make it impossible for the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent to comply with their obligations under these Conditions (to the extent they have any obligations under the Conditions), including (but not limited to) the Issuer's obligations to make payments under the Securities, these obligations will be suspended until the circumstances in question cease.

22.3 The Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's exemption from liability pursuant to Condition 22.1 will not apply if the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) is liable for the factor causing the loss pursuant to applicable mandatory legislation.

23. CREDIT RATING AND LISTING

23.1 The Securities will not be assigned any credit rating of any credit rating agency.

23.2 The Issuer shall use reasonable efforts (without thereby creating a legal obligation) to ensure that an application is made to Nasdaq Copenhagen A/S for the Securities to be listed on Nasdaq Copenhagen A/S' regulated market (under the Sustainable Debt segment) no later than 31 December 2022.

24. GOVERNING LAW AND JURISDICTION

24.1 Governing law

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

24.2 Jurisdiction

The courts of Denmark, with the City Court of Copenhagen (in Danish: *Københavns Byret*) as the court of first instance, shall have exclusive jurisdiction to settle any dispute arising from or connected with these Conditions and the Securities.

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These Terms and Conditions of the Securities have been approved by the Issuer on 16 August 2022.

For and on behalf of NKT A/S:

Alexander Lothar Kara
CEO

Line Andrea Fandrup
CFO

5. DEFINITIONS

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

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

"2020 Annual Report" means the English version of the annual report including the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 31 December 2020.

"2021 Annual Report" means the English version of the annual report including the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 31 December 2021.

"Annual Reports" means the 2020 Annual Report and the 2021 Annual Report.

"Benchmark Regulation" shall have the meaning given to it in Section 1.3.10.

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

"Calculation Agent" means Nordea Danmark, filial af Nordea Bank Abp, Finland, Grønjobsvej 10, DK-2300 Copenhagen S, Denmark.

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

"Consolidated Condensed Interim Financial Statements Q2 2021" means the unaudited consolidated condensed interim financial statements of the Issuer and its subsidiaries for the quarter Q2 2021.

"Consolidated Condensed Interim Financial Statements Q2 2022" means the unaudited consolidated condensed interim financial statements of the Issuer and its subsidiaries for the quarter Q2 2022.

"Consolidated Financial Statements 2020" means the English version of audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 31 December 2020.

"Consolidated Financial Statements 2021" means the English version of audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 31 December 2021.

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

"Danish Capital Markets Act" means the Danish Consolidated Act No. 2014 of 1 November 2021, as amended, on Capital Markets (*lov om kapitalmarkeder*).

"EUR" means Euro.

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

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

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

"**Interim Reports**" means the Q2 2021 Interim Report and the Q2 2022 Interim Report including the unaudited Consolidated Condensed Interim Financial Statements Q2 2021 and Consolidated Condensed Interim Financial Statements Q2 2022.

"**Investor's Currency**" shall have the meaning given to it in Section 1.3.8.

"**Issuing Agent**" means Nordea Danmark, filial af Nordea Bank Abp, Finland, Grønjobsvej 10, DK 2300 Copenhagen S, Denmark.

"**Joint Lead Managers**" means Danske Bank A/S, Nordea Bank Abp and Nykredit Bank A/S.

"**Member State**" shall have the meaning set out in Section 7 (*Subscription and Sale (Selling and Transfer Restrictions)*).

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

"**Paying Agent**" means Nordea Danmark, filial af Nordea Bank Abp, Finland, Grønjobsvej 10, DK 2300 Copenhagen S, Denmark.

"**Prospectus**" means this prospectus dated 7 November 2022.

"**Q2 2021 Interim Report**" means the English version of the non-audited interim report of the Issuer for the financial quarter ended 30 June 2021 including the consolidated condensed interim financial statements.

"**Q2 2022 Interim Report**" means the English version of the non-audited interim report of the Issuer for the financial quarter ended 30 June 2022 including the consolidated condensed interim financial statements.

"**Securities Depository**" means VP Securities A/S, CVR no. 21599336, Nicolai Eigtveds Gade 8, 1402 Copenhagen K.

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

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

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

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

Document/Information	Date of publication	References
Annual Report 2020, pages 1-149 Published at https://investors.nkt.com/financial-information/quarterly-results	24 February 2021	Sections 2.12.1, 2.12.2, 2.12.3, 2.12.4, 2.12.6
Independent auditor's report, pages 146-149 Issuer's accounting policies, page 84		Section 2.12.3.1 Section 2.12.1
Q2 2021 Interim Report, pages 1-27 Published at https://investors.nkt.com/financial-information/quarterly-results	17 August 2021	Sections 2.12.1, 2.12.2
Annual Report 2021, pages 1-131 Published at https://investors.nkt.com/financial-information/quarterly-results	23 February 2022	Sections 2.12.1, 2.12.2, 2.12.3, 2.12.4, 2.12.6
Independent auditor's report, pages 127-131 Issuer's accounting policies, page 88		Section 2.12.3.1 Section 2.12.1
Sustainability Report 2021, pages 1-44 Published at https://investors.nkt.com/financial-information/quarterly-results	23 February 2022	Section 2.6.1.1.1
Q2 2022 Interim Report, pages 1-27 Published at https://investors.nkt.com/financial-information/quarterly-results	17 August 2022	Sections 2.12.1, 2.12.2

7. SUBSCRIPTION AND SALE (SELLING AND TRANSFER RESTRICTIONS)

The Joint Lead Managers have in a subscription agreement dated 30 August 2022 and made between the Issuer and the Joint Lead Managers (the "**Subscription Agreement**") upon the terms and subject to the conditions therein, agreed to subscribe for the Securities at the issue price of 100.00 per cent. of their principal amount less the fees to be paid by the Issuer to the Joint Lead Managers pursuant to the Subscription Agreement. The Issuer has also agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the management of the issue of the Securities. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Securities.

In certain jurisdictions, the distribution of this Prospectus and the offering or sale of Securities may be restricted by law. This Prospectus may not be distributed or otherwise made available and the Securities may not be offered

or sold, directly or indirectly, in any jurisdiction, unless such distribution, offering or sale is permitted under applicable laws in the relevant jurisdiction.

Denmark

Each Joint Lead Manager has represented and agreed that it has not offered or sold and will not offer, sell or deliver the Securities directly or indirectly in Denmark by way of a public offering, unless in compliance with, as applicable, the Prospectus Regulation, the Danish Consolidated Act No. 2014 of 1 November 2021 on Capital Markets Act and any executive orders issued thereunder as well as the Danish Executive Order No. 191 of 31 January 2022 on investor protection in connection with securities trading (*bekendtgørelse om investorbekyttelse ved værdipapirhandel*) issued pursuant to the Danish Consolidated Act No. 406 of 29 March 2022, as amended, on financial business (*lov om finansiel virksomhed*).

European Union

This Prospectus has been prepared on the basis that any offer of the Securities in any member state of the European Union (each a "**Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Securities. Accordingly, any person making or intending to make an offer in that Member State of Securities may only do so in circumstances in which no obligation arises for a member of the NKT Group or the Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. Neither members of the Group nor the Joint Lead Managers have authorised the making of any offer of the Securities in circumstances in which an obligation arises for the Group or the Joint Lead Managers to publish a prospectus or supplement a prospectus for such offer.

In relation to each Member State, the Joint Lead Managers have represented and agreed that they have not offered or sold and will not offer, sell or deliver the Securities to the public in that Member State, except that it may make and offer of the Securities to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant dealer(s) nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (a)-(c) above shall require the Issuer or the Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of Section 21

of the United Kingdom Financial Services and Markets Act 2000 (the "**UK FSMA**") received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the UK FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the UK Prospectus Regulation (Regulation (EU) 2017/1129 forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) and the UK FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

United States of America

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

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

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

General

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

Other than the approval by the Danish FSA (in Danish: *Finanstilsynet*) of the Prospectus issued in compliance with the Prospectus Regulation and relevant implementing measures in Denmark for the purposes of the admission to trading and official listing of the Securities on the regulated market of Nasdaq Copenhagen A/S, no representation is made that any action has been or will be taken by the Issuer or the Joint Lead Managers in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Accordingly, each of the Joint Lead Managers and the Issuer undertakes that it will not, directly or indirectly, offer or sell any Securities or have in its possession, distribute or publish any offering circular, prospectus, form of application,

advertisement or other document or information in any country or jurisdiction expect under circumstances that will, to the best of its knowledge and belief, result in non-compliance with any applicable laws and regulations.

8. PARTIES

ISSUER

NKT A/S
Vibeholms Allé 20
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Denmark

JOINT LEAD MANAGERS

Danske Bank A/S
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Satamaradankatu 5
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Finland

Nykredit Bank A/S
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Denmark

ISSUING AGENT, CALCULATION AGENT AND PAYING AGENT

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Helsinki, FI-00200 Nordea
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To the Joint Lead Managers
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