

NKT

November 2020

NKT A/S initiates rights issue

Roadshow presentation

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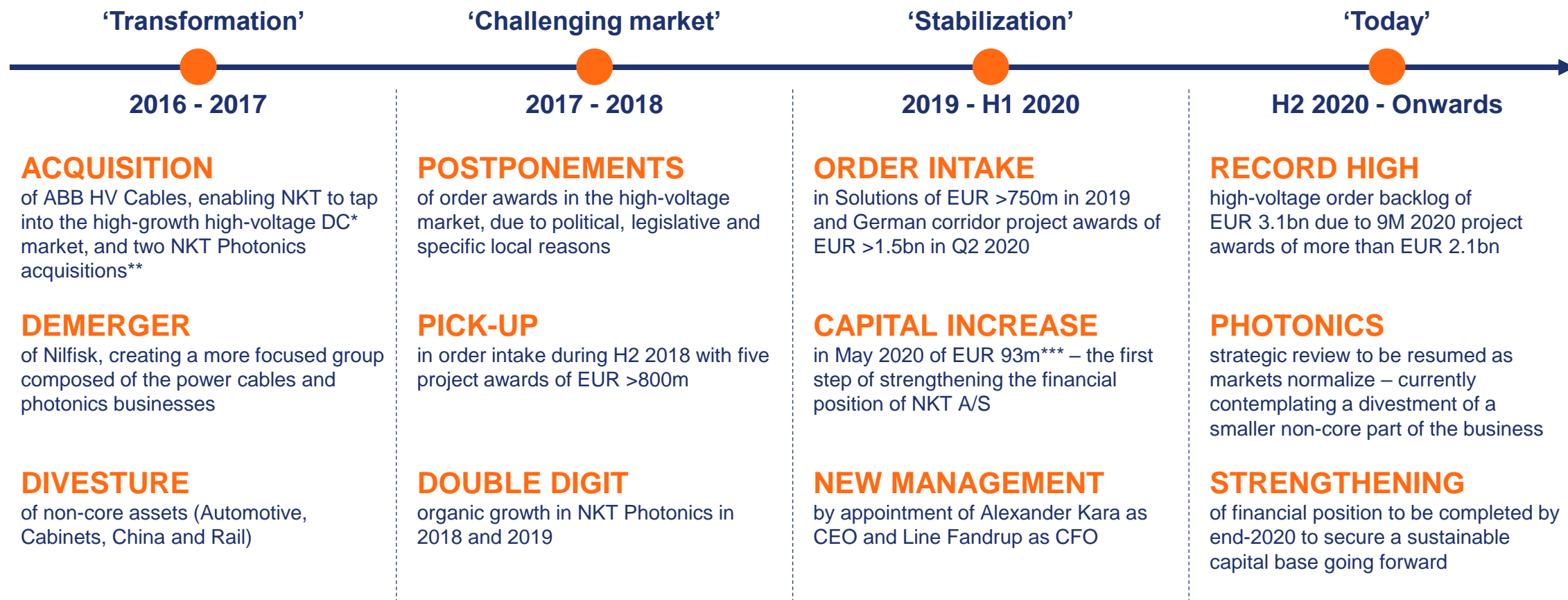
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Agenda

- 01 **Roadmap to capital increase**
- 02 Group highlights
- 03 Strategic and investment highlights for NKT A/S
- 04 Financial highlights and details of transaction
- 05 Summary and Q&A
- 06 Appendix

Roadmap of NKT A/S' recent development

NKT A/S is transitioning from an industrial conglomerate to a more focused sub-supplier to the European green transformation with leading technological capabilities



* Direct current
 ** Fianium and Onefive
 *** Gross proceeds

Background for strengthening the capital base

As announced previously, the background for the offering is threefold and partially driven by an attractive high-voltage market outlook

Attractive opportunities



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



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

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

Investments in high-voltage facilities



Support investments in high-voltage manufacturing facilities initiated to meet future demand



Following NKT A/S' record-high high-voltage order intake, NKT A/S announced its plans to invest approximately EUR 150 million to strengthen its high-voltage manufacturing facilities during 2020–2022.

The investment program involves expanding current capacities at the two high-voltage factories in Cologne and Karlskrona.

COVID-19 impact



Ensure a sustainable capital structure to be prepared for market uncertainty related to the COVID-19 pandemic



To date, the COVID-19 pandemic has had limited impact on the financial performance of the Company's power cable business, however, NKT Photonics has been negatively impacted to date by the COVID-19 pandemic.

The Board of Directors finds it prudent to strengthen the Company's capital base as this will allow the Company to be better prepared for future potential uncertainty.

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Summary overview

The power cables business constitutes the main part of the Group in terms of revenue and earnings

NKT A/S *(the "Group")*



Summary business description

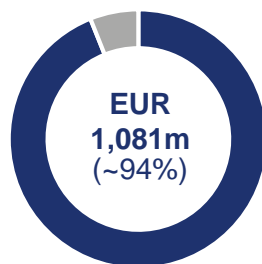
- NKT is among the leading AC* and DC high-voltage (HV) power cables suppliers
- Strong market positions in selected European low- and medium-voltage (LV and MV) power cables markets
- Growth opportunities are particularly available in the power cables service and accessories segment



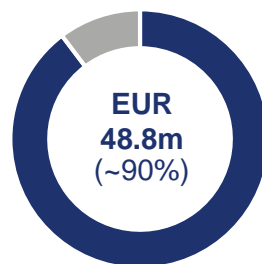
Summary business description

- A leading supplier of high-end fibre-based photonic components
- Significant organic and acquisitive growth potential
- Proven and successful commercialization strategy

Last twelve months (LTM) financials and share of Group**

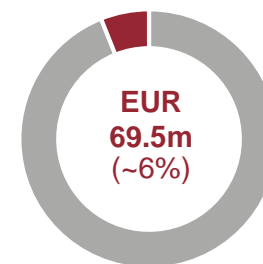


Revenue***

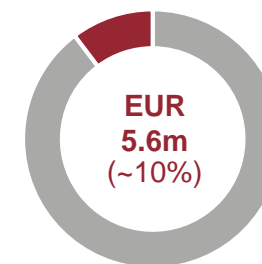


Operational EBITDA

Last twelve months (LTM) financials and share of Group**



Revenue



EBITDA

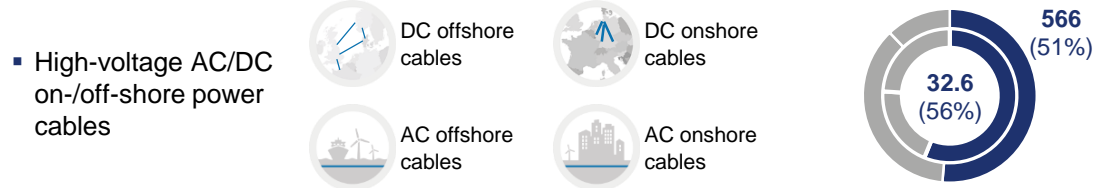
* Alternating current
 ** Before Group level eliminations
 *** Std. metal prices

Business summary overview

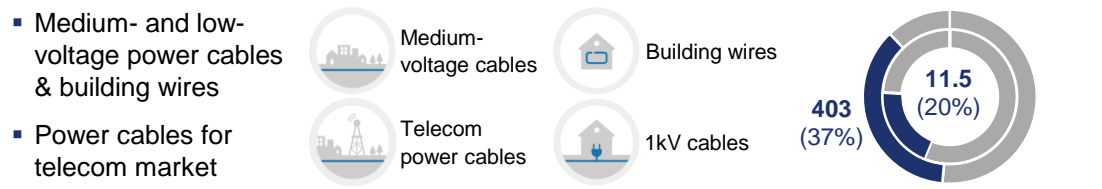
The Group is at the technological forefront in each of its relevant segments



Solutions



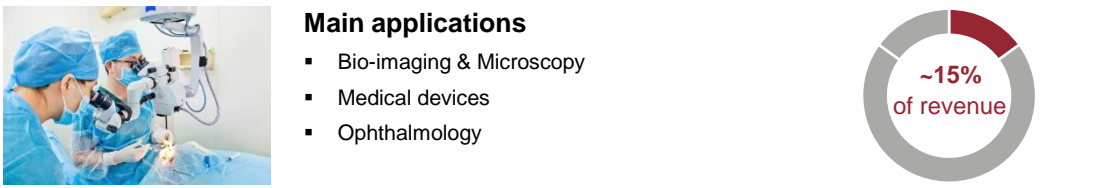
Applications



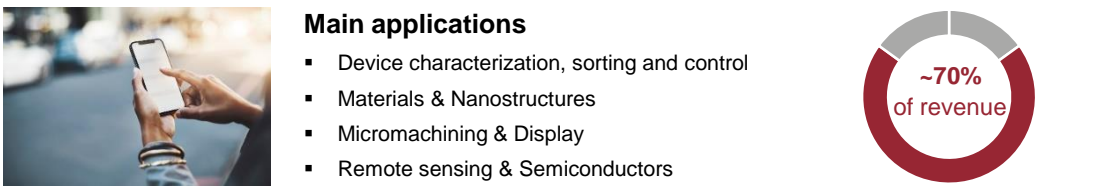
Service & Accessories



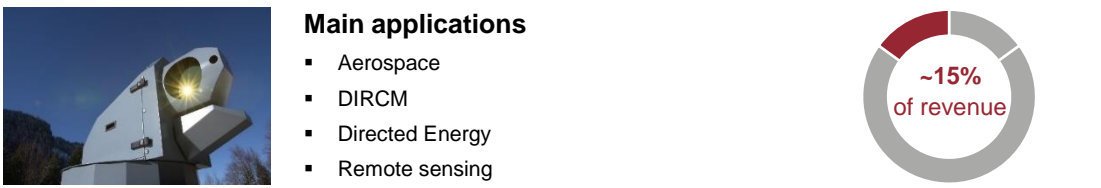
Medical & Life Science



Industrial



Aerospace & Defence

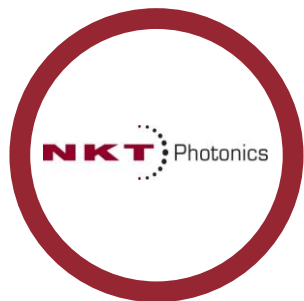


Update on the impact of the COVID-19 pandemic

While the pandemic fosters short- to medium-term uncertainty, the megatrends driving growth in both the power cables and the photonic markets are expected to prevail

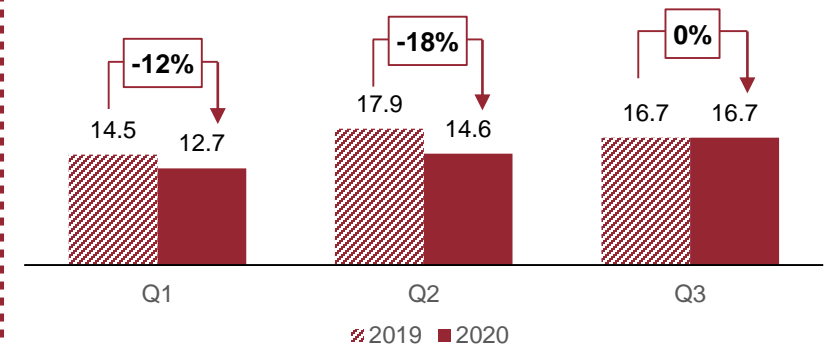
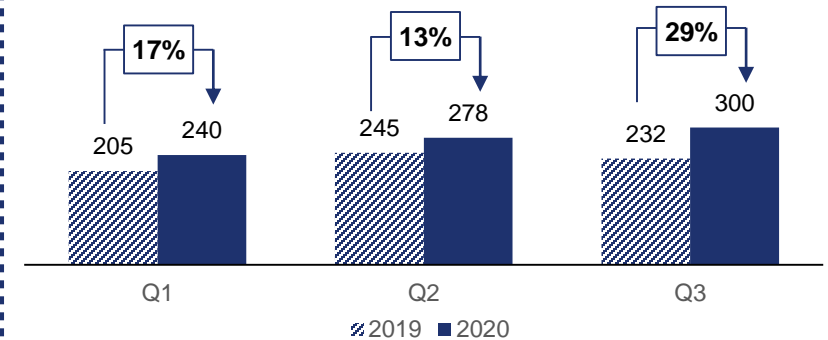


- The COVID-19 pandemic had limited impact on the financial performance in the first nine months of 2020. All production sites remain in operation, which is of highest importance
- Several high-voltage projects have been awarded during 2020
- The low- and medium-voltage markets have gradually slowed down in the past months
- During Q4 2020, the pandemic has intensified again in Europe. NKT has had COVID-19 cases in production sites, but operational impact remained limited



- The COVID-19 pandemic negatively impacted NKT Photonics in the first nine months of 2020
- Parts of the Industrial segment continued to be negatively impacted by the COVID-19 pandemic in Q3 2020, but gradual improvement was recognized during the quarter
- All production sites remain in operation
- Market uncertainty remains high

Quarterly development in revenue* (EURm)



* Std. metal prices for NKT

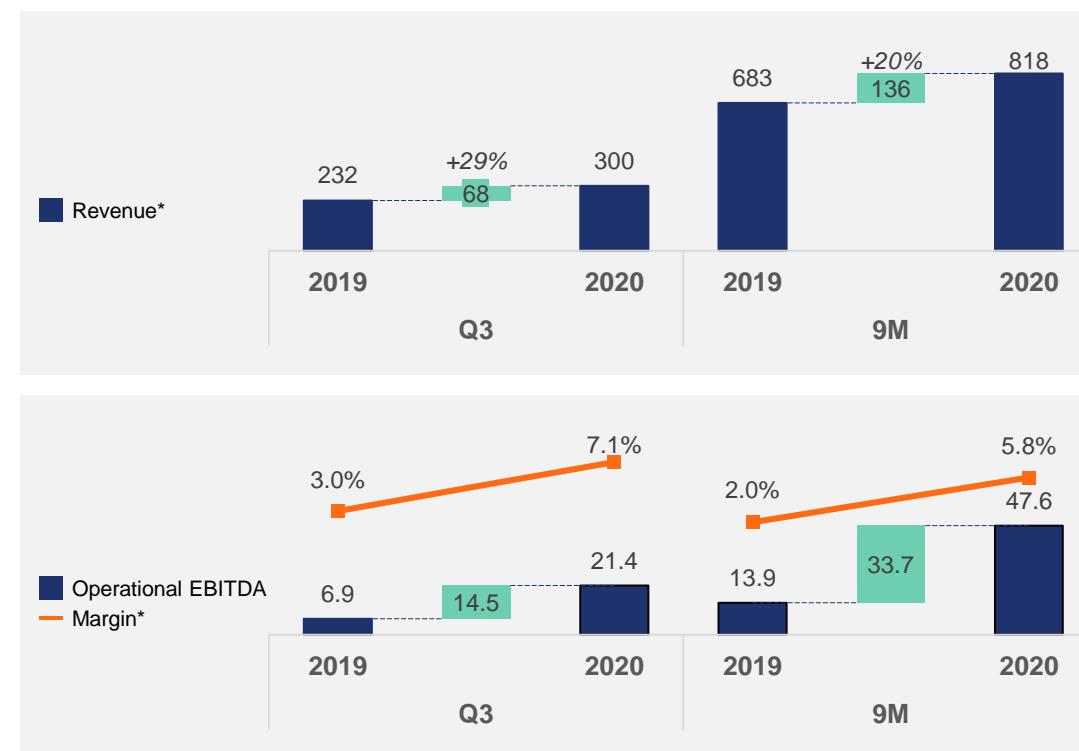
NKT performance in Q3/9M 2020

Positive Q3 performance driven by momentum in all three business lines

Key developments in Q3

- NKT delivered improved revenue and earnings in Q3 2020 driven by all three business lines
- The main growth contributor was **Solutions** driven by the execution of recent years' high-voltage order awards
- High-voltage order backlog record high driven by new project awards of more than EUR 0.5bn, mainly the award of the Shetland and BorWin5 projects
- Continued improvement in financial performance in **Applications**, driven by Denmark, Germany and Netherlands
- Growth continued in **Service & Accessories**, positively impacted by offshore repair work
- Organic growth amounted to 28% compared to Q3 2019

Key financial highlights (EURm)



* Std. metal prices

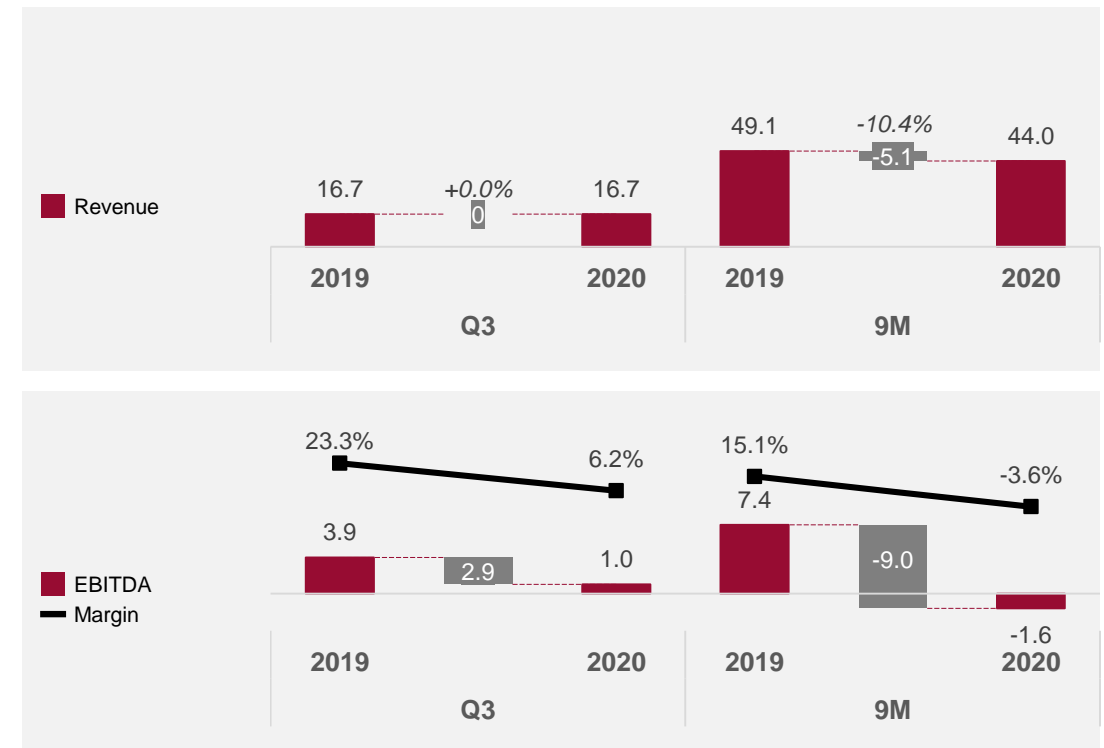
NKT Photonics performance in Q3/9M 2020

Organic growth turned positive in Q3, however, Industrial headwinds continue

Key developments in Q3

- After a challenging 1st half 2020, NKT Photonics' organic growth was positive (3%) in Q3
- Positive development mainly driven by **Medical & Life Science** in particular – this market has been relatively resilient through the COVID-19 pandemic
- The **Industrial** segment remained challenged in Q3 2020, as in the previous quarters
- **Aerospace & Defence** benefitted from fewer restrictions related COVID-19 – delivery on large contracts resumed and new contracts secured during Q3 2020
- Order intake increased by 11% in Q3 2020, with contributions from all three market segments

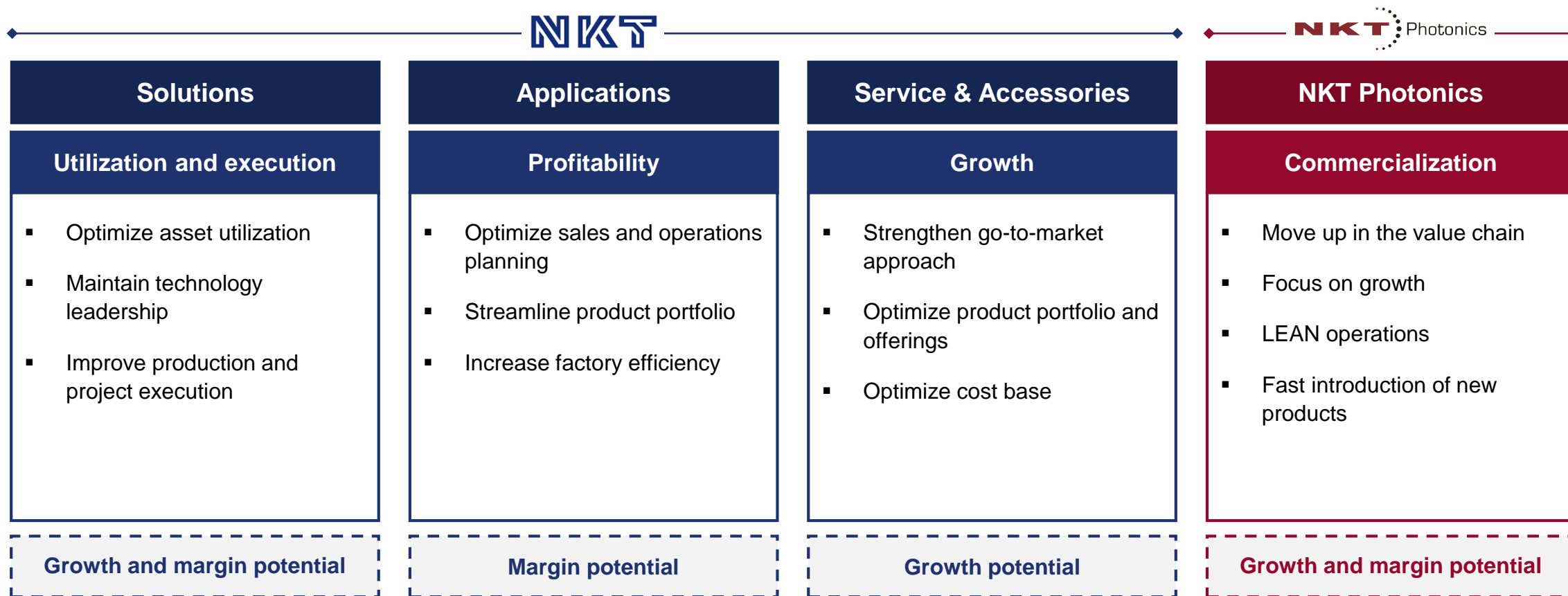
Key financial highlights (EURm)



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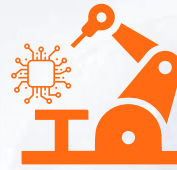
Strategic initiatives summary



NKT A/S is a **proxy for sustainability**



1 Strong pipeline of upcoming projects to build on record order backlog in HV segment



2 Technology leading in HV segment with an asset base configured to benefit from ongoing market trends



3 Applications to benefit from structural demand drivers and turnaround upside



4 Power cable complexity and growing installed base to drive demand for Service and Accessories



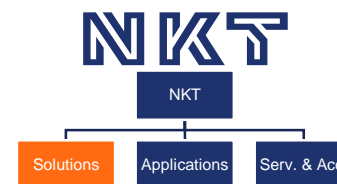
5 Exposure to fast-growing, high-margin fiber-laser business



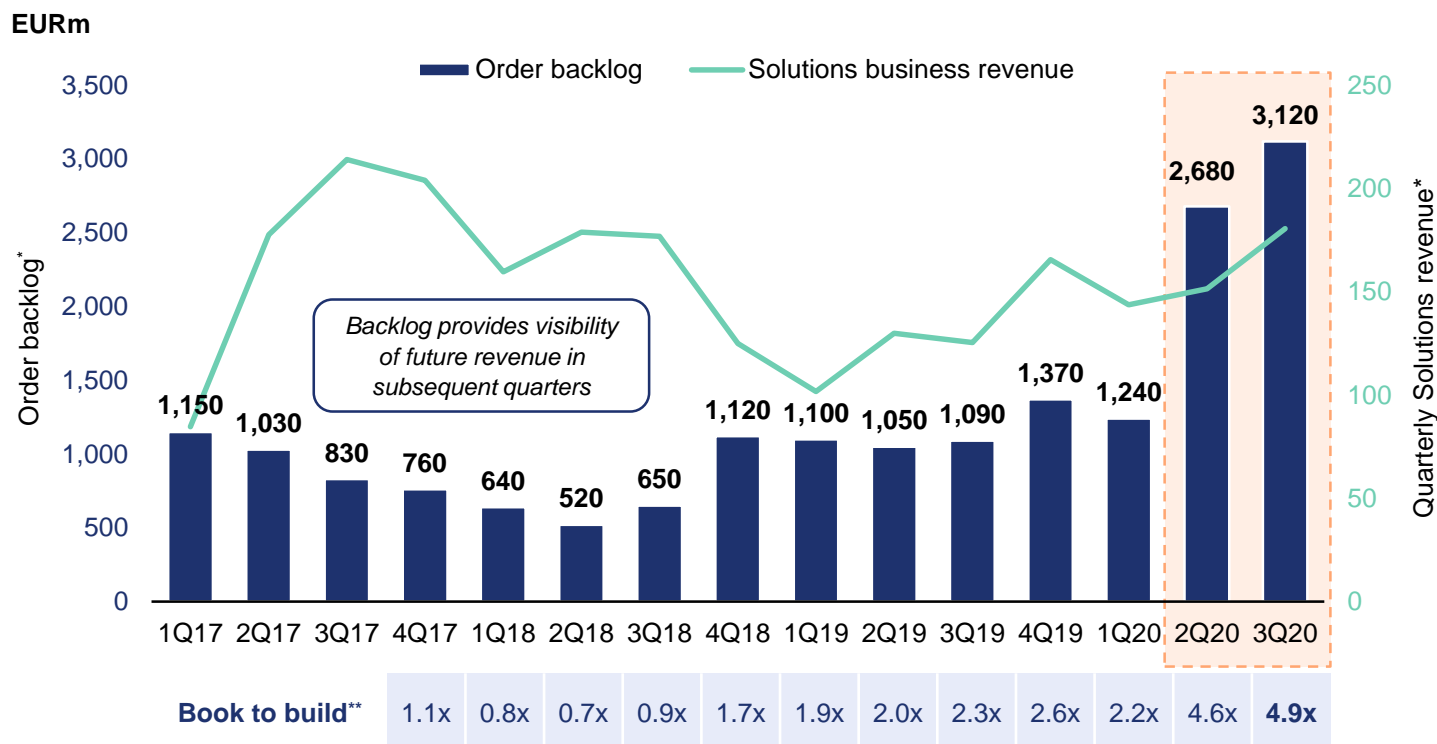
6 New and reenergized management team ready to execute on the strategy and drive improvement in ESG

1

High-voltage order backlog above EUR 3.1bn at end-Q3 2020 equivalent to ~5x revenue in Solutions LTM



NKT's current backlog is more than double of historical levels



Notable recent order wins

Recent larger orders has led to increasing lead times

Name	Size (EURm)	Start Year***	Comm. Year****
Attica-Crete 	~115	2021	2023
Shetland 	~235	2021	2024
BorWin5 	<250	2021	2025
Sued-OstLink 	~500	2021	2025
Suedink 	>1,000	2022	2026

The nature and size of the recent orders provide long-term visibility on earnings: 75% of the current order backlog expected to convert to revenue from 2022 onwards

* Market prices

** Current backlog over the last twelve months of NKT Solutions revenue in market prices

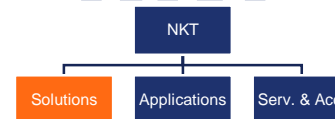
*** Planned year production commence

**** Planned commissioning year

1

Investment into sustainable energy solutions is at the heart of EU's EUR ~1,800bn spending plan

NKT



EUR 750bn

NextGenerationEU
2021-2024



Funding allocated to green initiatives*



EUR ~1,100bn

Multiannual financial framework
2021-2027

Up to 30% to be invested into green initiatives



Reduce green house emissions by around 55% by 2030** and 100% by 2050

- Frontload 2030 shift towards renewable technologies
- Accelerate use of offshore wind as Europe's main energy contributor
- Integrate renewable energy infrastructure across Europe with interconnectors

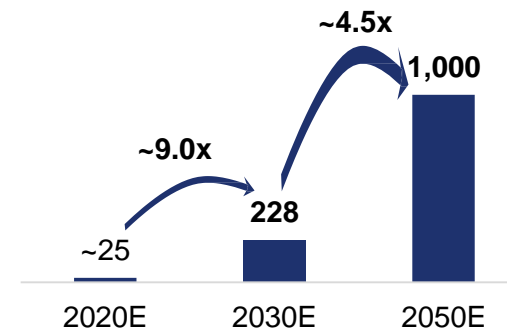


Double the rate of renovation of existing building stock

- Renovate and improve energy efficiency of existing building stock
- Exponent growth in installation of electric vehicle (EV) charging infrastructure

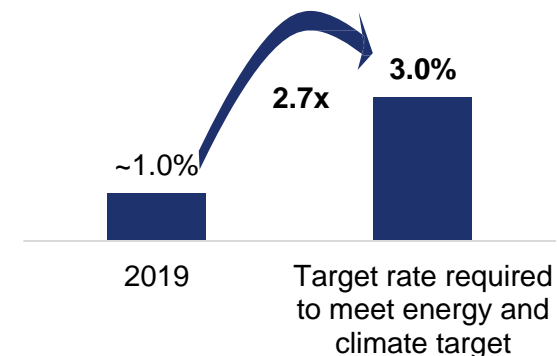
Global offshore wind installation

Cumulative installed capacity (GW)



Rate of building renovation

Percentage of buildings renovated per year



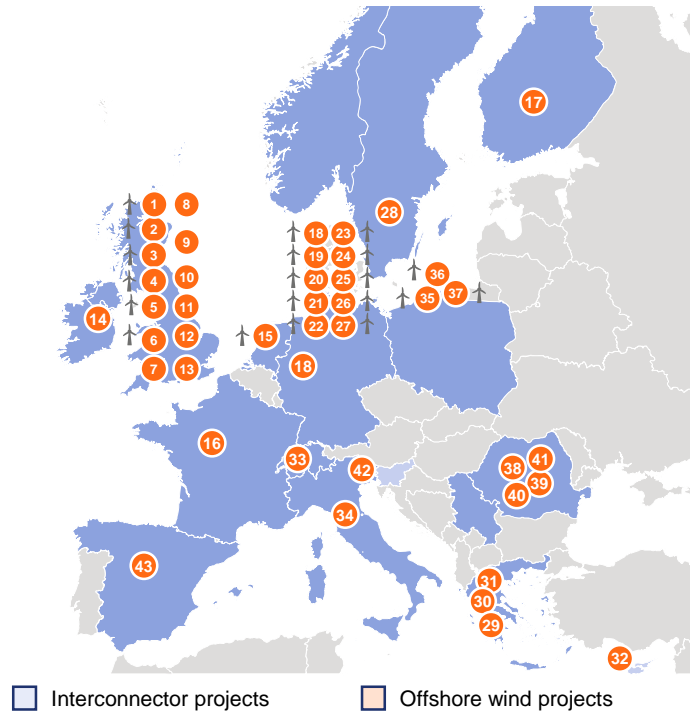
Source: European Commission, IRENA's renewable capacity statistics (IRENA, 2019d), future projections based on IRENA's analysis (IRENA, 2019a)

* EUR 672.5 billion of the EUR 750 billion funding allocated to NextGenerationEU is used to promote green and digital transitions

** Compared to 1990, European Commission proposed to raise to at least 55% in September 2020

High project activity expected over the next decade driven by demand for renewables and efficient energy

Snapshot of list of public announced projects



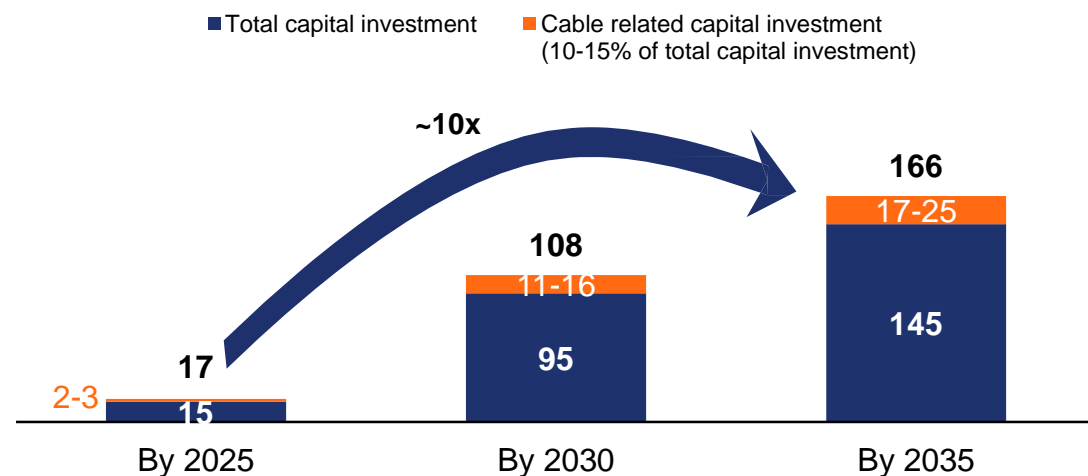
1 East Anglia Hub - THREE	12 NorthConnect	23 EnBW He Dreiht	34 ELMED (Italy-Tunisia)
2 Dogger Bank C	13 Orkney Caithness	24 Gennaker	35 Bałtyk III
3 Hornsea Project Four	14 Celtic Interconnector	25 N-3.7	36 FEW Baltic II
4 Sofia	15 Hollandse Kust	26 N-3.8	37 Bałtyk II
5 Berwick Bank	16 Biscay Gulf	27 O-1.3	38 Black Sea Corridor - 2020
6 Norfolk Vanguard	17 BEMIP	28 Hansa Powerbridge 1	39 Black Sea Corridor – 2022
7 AQUIND Interconnector	18 Arcadis Ost 1	29 Crete-Attica (Crete Interconnection Phase 2)	40 Mid Continental East Corridor 1
8 Gridlink	19 Baltic Eagle	30 Dodecanese Interconnection	41 Mid Continental East Corridor 2
9 FABLink	20 Gode Wind 3	31 EuroAsia Interconnector (Cyprus to Crete)	42 Slovenia-Italy
10 Greenlink	21 O-7	32 EuroAsia Interconnector (Israel to Cyprus)	43 Balearic Islands: Spain-Mallorca Second Link
11 Organic Power Interconnector	22 Borkum Riffgrund 3	33 San Giacomo-Pallanzeno	

There is finite industry capacity available to deliver the large number of projects expected to come to market

The United States would be the next frontier for renewables

Total offshore wind capacity* expected to increase by 37 GW by 2035 – total capital investment of USD 166bn in the next 15 years

Capital investments in offshore wind industry (USDbn)



Operating wind capacity (GW)*



There is a strong pipeline of offshore wind and interconnector projects expected to come to market over the next 5 years

Select project name	Developer	Project type	Start Year**	Comm. Year***
SOO Green Link	Direct Connect	Onshore interconnector	2021	2024
Coastal Virginia	Dominion Energy	Offshore wind	2024	2026
Empire Wind	Equinor Wind	Offshore wind	2023	2024
Park City Wind	Vineyard Wind	Offshore wind	2024	2025
Mayflower	Mayflower Wind	Offshore wind	2024	2025
Champlain	Transmission Dev.	Offshore interconnector	2021	2025
Atlantic Shores	Atlantic Shores	Offshore wind	2026	2027
New England Link	TDI New England	Offshore interconnector	-	2027
Kitty Hawk	Avangrid Renewables	Offshore wind	2028	2029

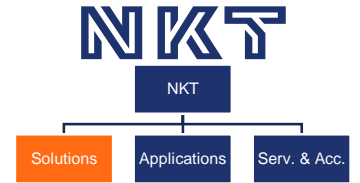
■ To replace more than 39GW of thermal plants due to be retired

■ ~10x expansion of the US offshore wind capacity from 2025-2035

The U.S. is expected to unveil an energy plan that would usher a new era for renewable energy

2

NKT is among the top five companies with technological leadership across both HVAC and HVDC

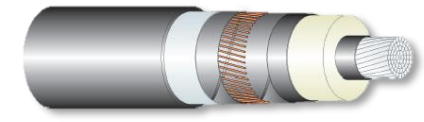


Up to 525kV On-/offshore MI

Up to 525kV Offshore DC XLPE

Up to 640kV Onshore DC XLPE

Products



Reference projects

Project	Voltage (kV)	Length (Km)**	Project	Voltage (kV)	Length (Km)**	Project	Voltage (kV)	Length (Km)**
Nordlink* ●	525	208	DoIWin1 ●	320	165	SuedOstLink	525	275
Viking Link	525	75	DoIWin2 ●	320	135	SuedLink	525	750
Attica-Crete	525	44	Dogger Bank A & B	320	207			
			Shetland	320	260			
			BorWin5	320	230			

● Projects currently in service

NKT has leading HVDC technology capabilities qualified for 640kV

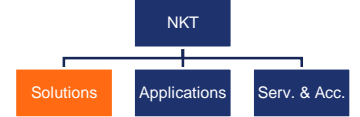
* Nordlink is currently being finalized

** Length (km) – Route length

State-of-the-art HV production facilities being upgraded to increase DC capacity to service order backlog and to cater to rising demand

2

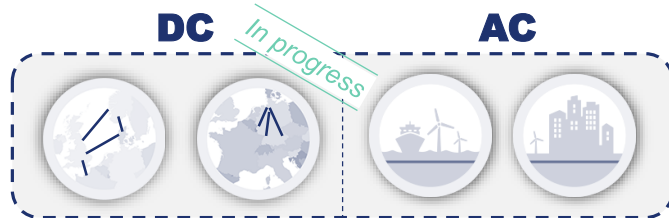
NKT



Cologne, Germany



- Longest CCV line in the world allowing to produce best-in-class cable lengths without joints
- Strategic access to Rhine and close to German onshore projects
- Inaugurated in 2010



Karlskrona, Sweden



- Invested in significant upgrades in the past decade
- World's largest HV test laboratory for qualification of cable systems built to meet 1,000kV cable requirements
- Own harbor with direct sea access
- Potential for capacity expansion



NKT Victoria



Project track record includes:
 Caithness Moray (UK),
 Kriegers Flak (DK),
 Johan Sverdrup (NO),
 Nordlink (GER)

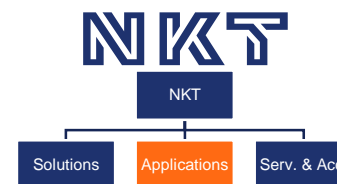
- Minimized installation risk and reduced charter costs in the cable installation process
- **Capacity:** Turntable space for 9,000 tons of cable
- **Key features:**
 - High-end positioning system (DP3)
 - Safe and efficient operations
 - Improved execution reliability with good weather performance
 - Significant cut fuel consumption (50% CO2 reduction)
 - Maximum laying accuracy
 - Shore power electricity connection ensuring fuel consumptions and emissions decrease when in port

Ongoing investment at Karlskrona and Cologne on track to operation to meet order backlog

NKT has a proven track record across AC and DC segments

		Highlights	Capacity	Milestone/Significance
Inter-connector offshore (DC)	HVDC Link between Caithness and Moray	<ul style="list-style-type: none"> • 226km of 320 kV HVDC XLPE offshore cable • 96 km of 320 kV HVDC of underground cable 	1.2GW	<ul style="list-style-type: none"> • One of the world's most powerful VSC HVDC cables • High HSE requirements met with one of the world's most advanced cable laying vessel (NKT Victoria)
	HVDC Link between Norway and Germany (NordLink)	<ul style="list-style-type: none"> • 154km of 525 kV HVDC MI offshore cable • 55 km of 320 kV HVDC MI underground cable 	1.4GW	<ul style="list-style-type: none"> • Europe's longest direct power link to connect Norwegian and German renewable energy • Highest operational voltage level for MI cable systems
	HVDC Link between Sweden and Lithuania (NordBalt)	<ul style="list-style-type: none"> • 800km of 300 kV HVDC XLPE offshore cable • 80 km of 320 kV HVDC of underground cable 	200MW	<ul style="list-style-type: none"> • World's longest extruded power cable system at the time of installation • First extruded HVDC sea cable with AI conductor
Oil & gas (AC)	Johan Sverdrup Oil & Gas	<ul style="list-style-type: none"> • 2x 394km of 80kV HVAC power from shore cable 	100MW	<ul style="list-style-type: none"> • Longest extruded submarine cable system to an offshore oil and gas facility without field joints • Cost-effective, high-efficiency, zero-emissions solution
Offshore wind (AC – XLPE)	Gemini Wind Farm	<ul style="list-style-type: none"> • ~210km of 220kV HVAC export cable system • 30km of 220kV onshore HVAC cable system 	600MW	<ul style="list-style-type: none"> • New technical solutions developed • Highly collaborative process • Tailored, cost-efficient turnkey solution comprising export and onshore cable systems
	Hornsea 1 Wind Farm	<ul style="list-style-type: none"> • 465km of 220kV HVAC export cable system 	1.2GW	<ul style="list-style-type: none"> • One of the world's largest wind farm • First gigawatt-scale offshore wind farm

A number of structural drivers will drive growth in demand for LV and MV power cables

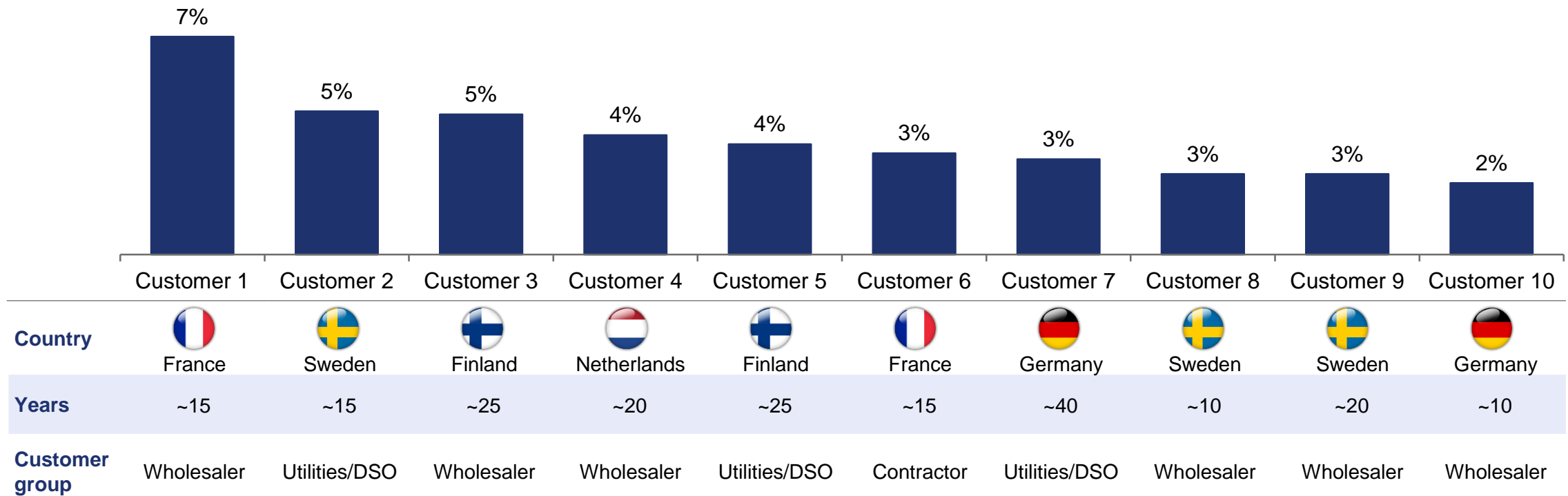


Low voltage	EU COVID-19 stimulus	<ul style="list-style-type: none"> • EUR 750bn in Next Generation EU plan (EUR 672.5bn in Recovery and Resilience Facility to facilitate investments in green initiatives) • EUR 91bn in grant, loan and guarantees for building renovation projects to decarbonise to meet Europe's 2030 emission reduction target of around 55% • At least double the building renovation rate in Europe from ~1% to improve energy efficiency
	Urbanization	<ul style="list-style-type: none"> • According to the UN, the total number of people living in urban areas is expected to grow from around 4.4bn in 2020 to around 6.7bn by 2050 • Around 2bn population added to urban cities globally by 2050, expediting the growth of cities requiring growth of essential infrastructure
Medium voltage	Utility upgrade	<ul style="list-style-type: none"> • Integration of EU electricity grid to drive renewables integration across the region • Replacement of aging power grid infrastructure installed in 1970s to facilitate energy integration – estimated usable life of grid of around 45 years
	Electric vehicles	<ul style="list-style-type: none"> • Substitution of ICE* (e.g. gasoline or diesel) vehicles for electric vehicles necessitates requirement for additional charging points • EU targeting for 1 million charging points by 2025 – individual countries offering substantial subsidies • Rapid roll-out of charging installation points will require power grid upgrade to accommodate demand

Serving **blue-chip customers** with longstanding relationships

Top 10 customers within Applications

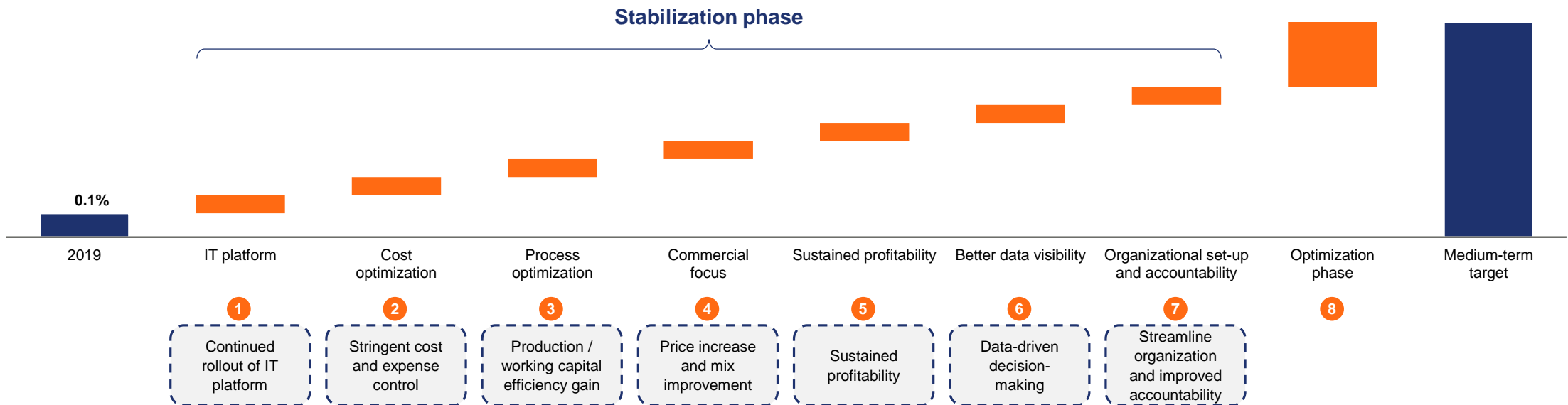
Percentage of Applications revenue (2019A)



NKT has around 20 years of experience supplying some of the largest wholesalers and utilities across Europe

Upside from turnaround initiatives within Applications

Illustrative medium-term EBITDA margin target



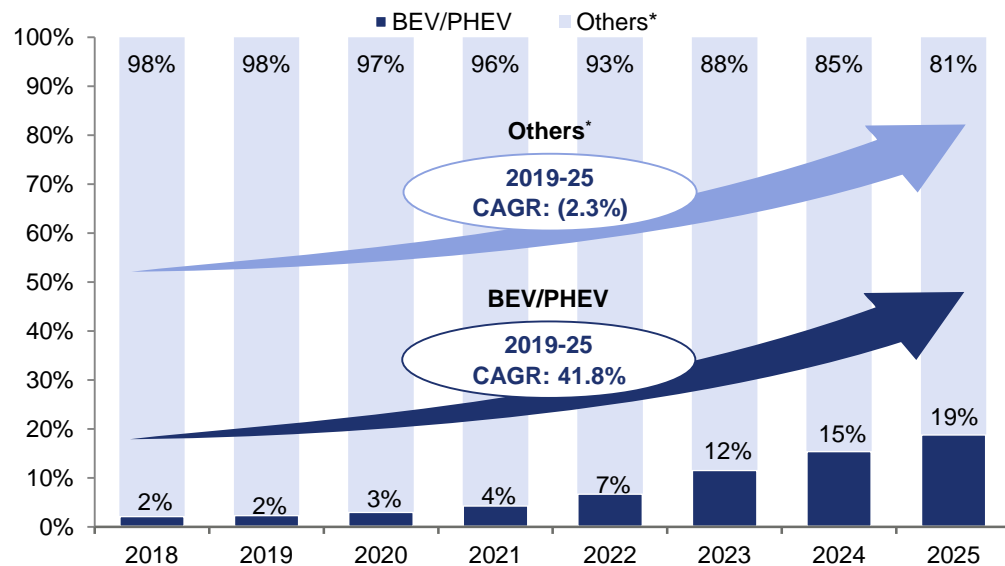
8 Optimization phase (2021 onwards)

- Performance driven organization with right financial discipline and optimized structure
- Focus on profitable segments and supply chain optimization
- Roll-out of proven success in core-markets
- Specialization factory footprint
- Optimization of product portfolio
- Customer accounting planning

Management identified key focus areas that are being addressed to restore profitability at Applications

Rapid rise in demand for charging facilities that would need to be integrated into current power grid

Annual vehicle production

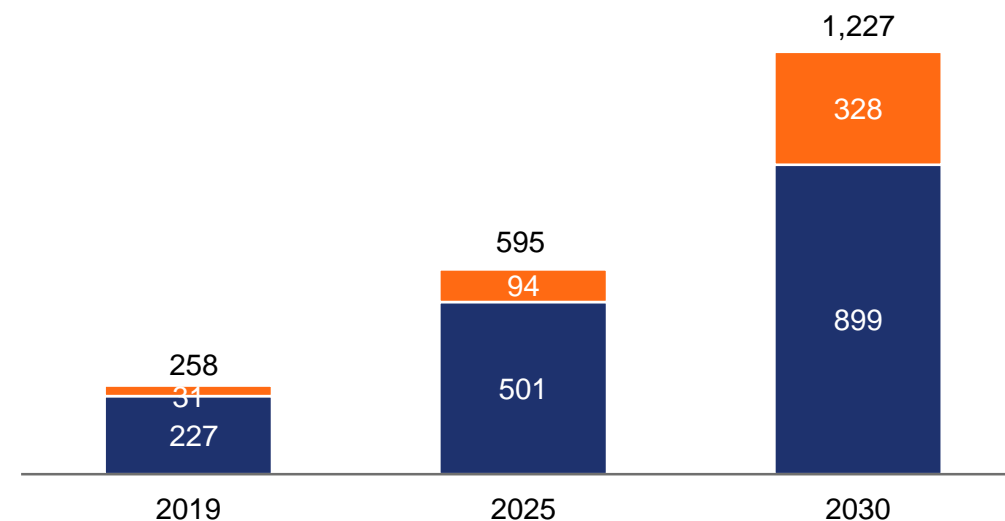


Global charging point installations



'000 units

■ DC 50-150kW ■ DC 150-350kW



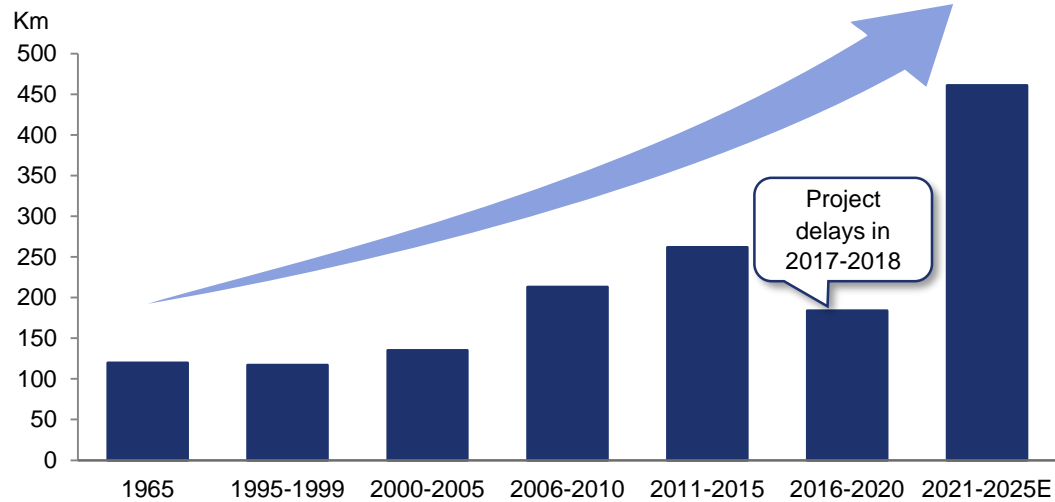
Target 1 million charging points in EU by 2025

- Growth in charging points drives demand for power cables and installation services
- Surge in substation peak-load from EV-charging power demand will push local transformer beyond capacity, requiring upgrade of electric grid

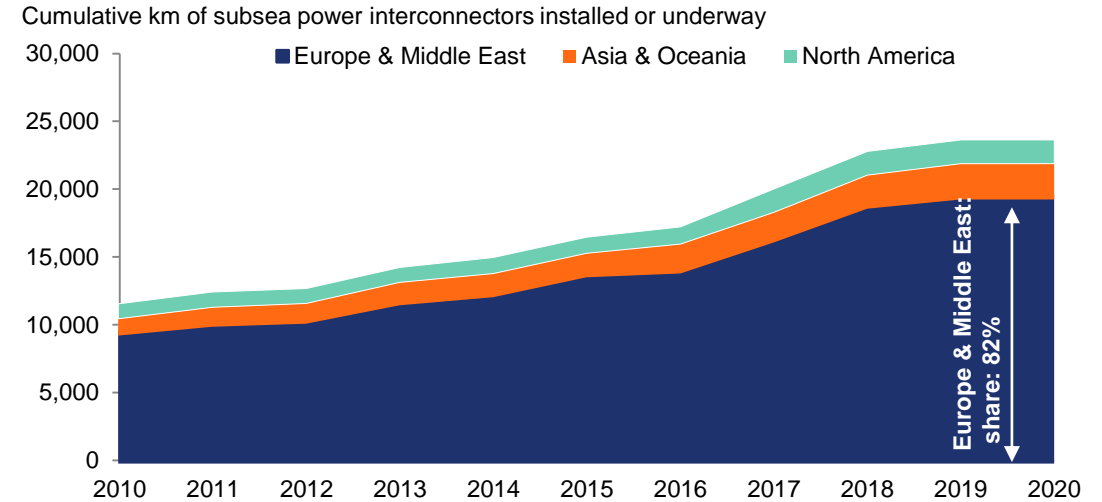
Pace of substitution of ICE vehicles for electric vehicles expected to increase in the mid-to-long-term

Increasingly complex power cables and larger installed base to drive demand for Service

Average length of cable projects



Cumulative installed base of subsea power interconnectors



 **Cable complexity** (Length / depth)



 **Increasing installed base**

  **Rising demand for services**

NKT is well positioned to take advantage of the rising demand for service

NKT offers full range of high-quality HV and MV power cable accessories

Accessories



Complete accessories product portfolio within high and medium voltage offshore and onshore



Terminations

Connects cable ends to consumers or overhead lines



Connectors

Connects cable ends to switchgear or transformer



Joints

Connects two cable ends



OEM busbar systems

Connects switchgear busbar to busbars



Customised cable requirement

- Increasing trend of **longer cable projects onshore** and **unprecedented underwater depth** offshore
- Applications for all voltage range up to 550kV



International standards

- **Complexity** of cable projects **necessitate higher quality accessories**
- Developed to optimise grid performance and meet national and international standards



Safety and reliability

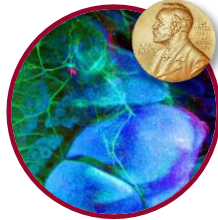
- Cable accessories **characterised by safe and reliable functions** for long term operations
- Continuous product development to meet future requirements including environmental lifecycle design considerations

Service and Accessories is a fast growing business and achieved an average organic growth of 8% and attractive margin of 12%*

NKT Photonics provides solutions for innovators to enable them to bring change to our world

Medical

~15% of revenue



Cancer

9.6 million people died from cancer in 2018

Lasers power microscopes used for research that improve cancer treatment



Cystic fibrosis

Average lifespan of patients under 40 years

Lasers enable in-vivo scanners with cell-level resolution



Eye surgery

20mm cataract surgeries per annum

Lasers enable safer surgery with faster recovery times

Industrial

~70% of revenue



Renewable energy

~600,000 MW wind power installed worldwide

Lasers measure wind in front of wind turbine with higher efficiency (3-5%)



Tunnels and metros

Sensing systems monitor over 300 tunnels and metros globally

Heat detected fast with 1 m accuracy



Food

Lasers are used for high speed sorting of food and ingredients

Improves food quality and safety

Aerospace & Defense

~15% of revenue



Infrastructure

Lasers protect several thousand km long data network

Also used for perimeter security at airports and other infrastructure



Defense

Drones increased threat (closed Gatwick airport in 2018 costing > 60 MEUR)

Our lasers track and disable UAVs and drones



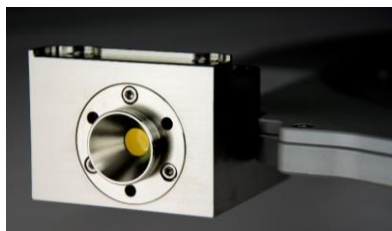
Aerospace

Koheras lasers on the ESA SWARM satellites in space

Better understanding of magnetic field of Earth and helps your phone navigate

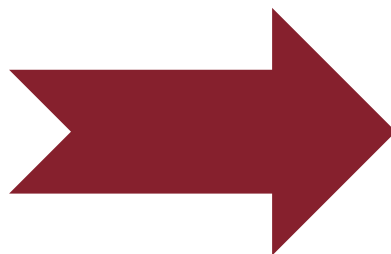
NKT Photonics is an enabler for high technology laser sensing systems

Fibers & Modules



- Photonic crystal fibers
- Guide fibers
- Gain fibers and modules

Core technologies



Lasers



- Supercontinuum lasers
- Ultrafast lasers
- Single-frequency lasers

Sensing systems

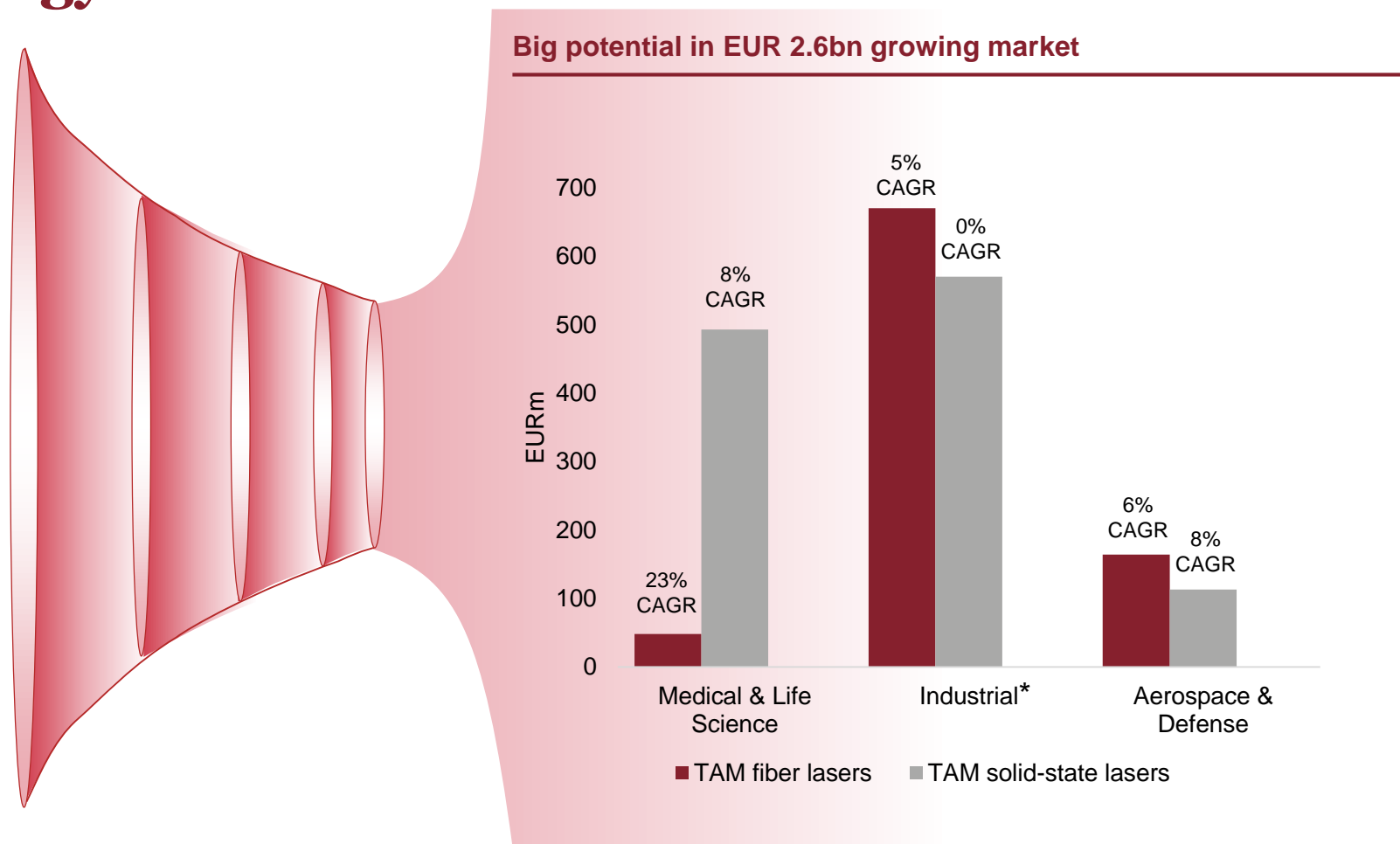


- Linear heat detection
- Power cable monitoring
- Strain sensing

5

Growth in the fiber laser market is set to outpace alternative technology in the mid-term

- Rising demand for minimally invasive procedures
- Growing and ageing population
- Increasing technological complexity
- Focus on security



NKT Photonics grows above the market given exposure to high-growth segments

Dedicated focus on improving sustainability and safety

Environmental

- Signed up to **science based target initiative supporting the Paris Agreement**
- All manufacturing sites are running on green electricity
- Efficient use of resources is at focus **aiming to zero waste (100% recycling)** as part of sustainability efforts



Social

- Committed to responsible business practices
- **Active engagement with suppliers on sustainability** to drive NKT sustainability priorities throughout the entire value chain
- Diversity policies to achieve **balanced gender composition**
- Strong **engagement with local communities**
- Focus on **talent development and attraction**



Governance

- Established **Ethics & Compliance Committee in 2019**
- **Anti-bribery and principles of fair competition** in qualification process of vendors and business partners
- **Targeting gender diversity across management and Board**
- Sustainable efforts led by **new head of Group Sustainability**
- **Corporate whistleblower hotline**



Health & Safety

- Conform to **OHSAS 18001**, implementing new health and safety management **standard ISO 45001**
- **Health and safety emphasis** throughout the entire production, service, installation and service delivery. Demonstrated by **incident statistics as low as Target LTIR* of 0.50 for 2020**



* Lost Time Injury Rate

6

New and reenergized management team to execute on the strategy and drive improvement in ESG



Alexander Kara
President & CEO
Joined NKT in 2019

Previous employment (amongst others):
Various leadership positions in the ABB Group



Line Fandrup
CFO
Joined NKT in 2020

Previous employment (amongst others):
Various finance positions in Rockwool, COWI,
Novozymes and Maersk Line



Anders Jensen
CTO
NKT since 2018



Axel B. Widmark
EVP & Head of Service
NKT since 2020



Claes Westerlind
EVP & Head of HV Solutions
Karlskrona, *NKT since 2017*



Fredrik Eskengren
EVP & Head of Accessories
NKT since 2007



Lika Thiesen
CHRO
NKT since 2015



Michael C. Hjorth
EVP & CCO, HV Solutions
NKT since 1995-2012, 2017



Mika Makela
EVP & Head of HV Solutions
Cologne, *NKT since 2017*



Will Hendrikk
EVP & Head of Applications
NKT since 2020



Basil Garabet
CEO
NKT Photonics since 2015



Mads Bodenhoff
CFO
NKT Photonics since 2018



Christian V. Poulsen
CTO
NKT Photonics since 2001



Don Riddell
COO
NKT Photonics since 2017

High-experienced management team with relevant industry experience
Clear, independent vision for both NKT and NKT Photonics

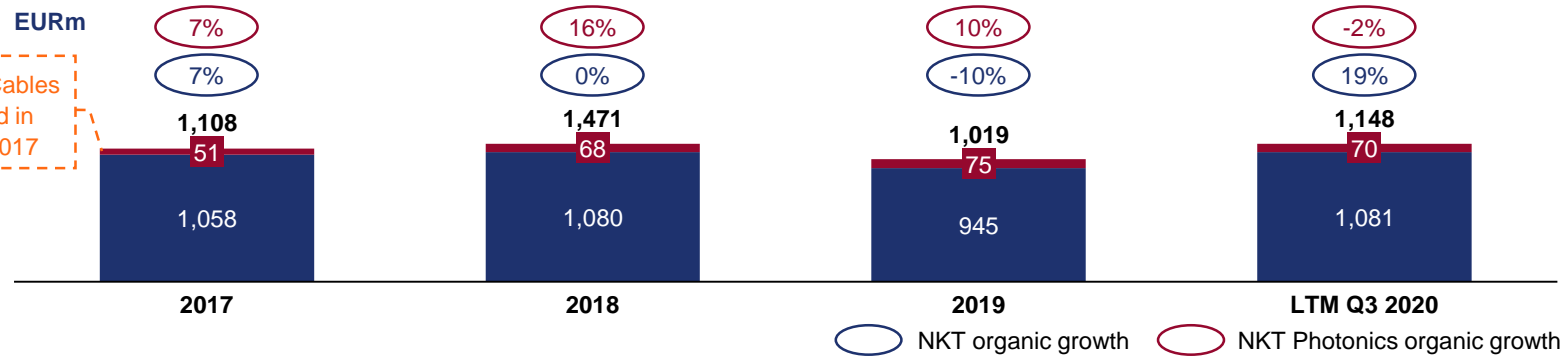
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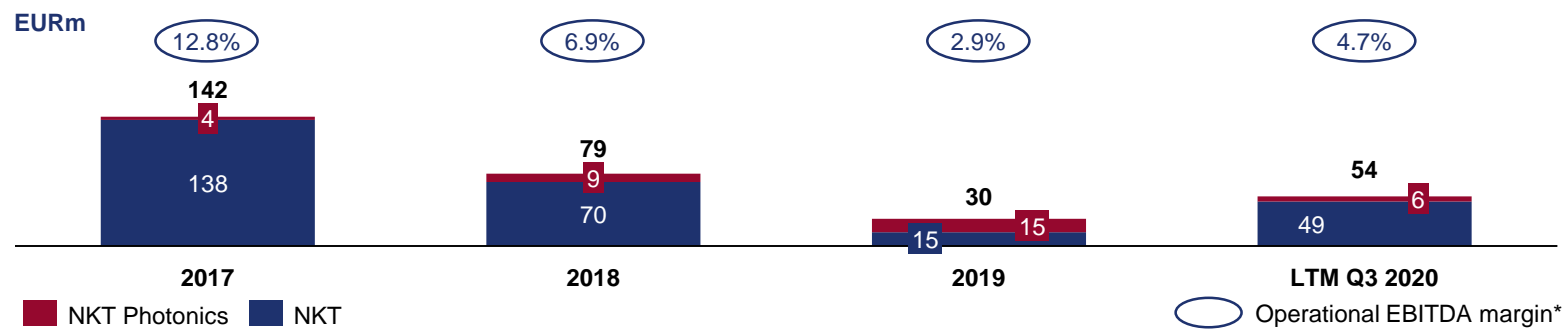
NKT A/S financial performance

Growth and margin improvement supported by increasing high-voltage order backlog

Revenue development*



Operational EBITDA development



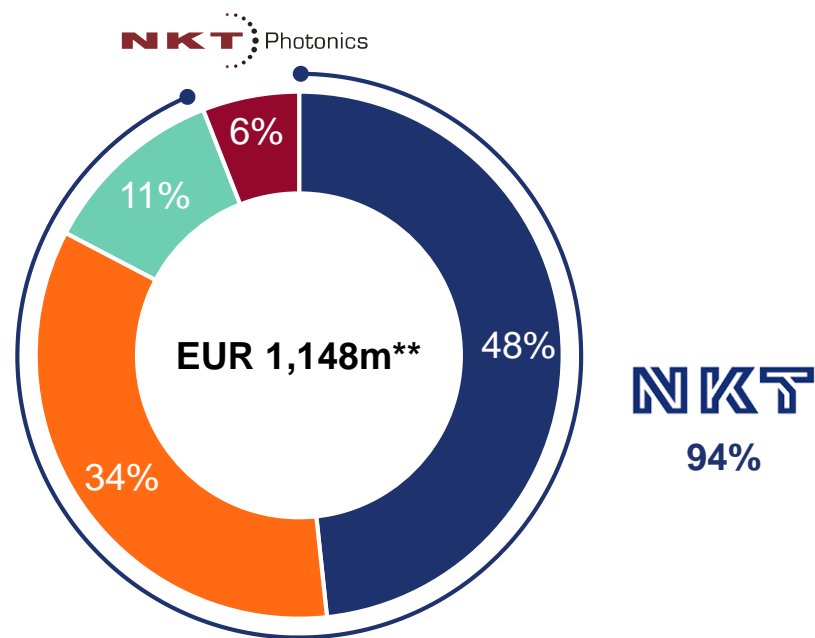
- Uptake in revenue and profitability driven by execution of recent years' high-voltage order awards
- Revenue in 2019 mainly negatively impacted by low high-voltage order intake in 2017 and 2018
- Decrease in margins in 2018 and 2019 was a result of NKT being negatively impacted by fewer projects in execution and low utilization
- NKT Photonics has seen significant revenue and profitability growth historically but was negatively impacted by the COVID-19 pandemic in 2020

Note: Group financials include eliminations and non-allocated items. ABB HV Cables included from March 2017
 * Std. metal prices

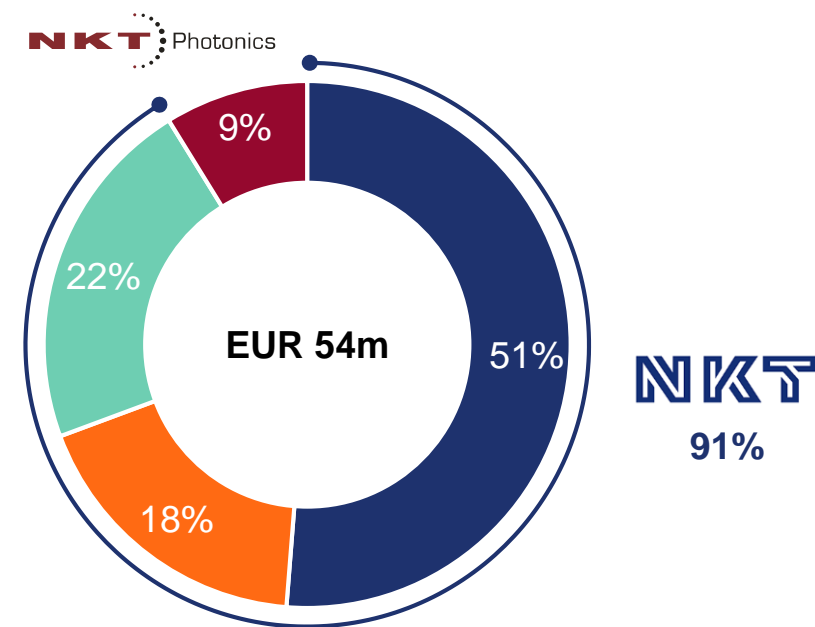
Segment split

NKT accounts for more than 90% of revenue and operational EBITDA of which Solutions is the largest contributor

LTM Q3 2020 revenue by segment*



LTM Q3 2020 operational EBITDA by segment*



■ Solutions ■ Applications ■ Service & Accessories ■ NKT Photonics

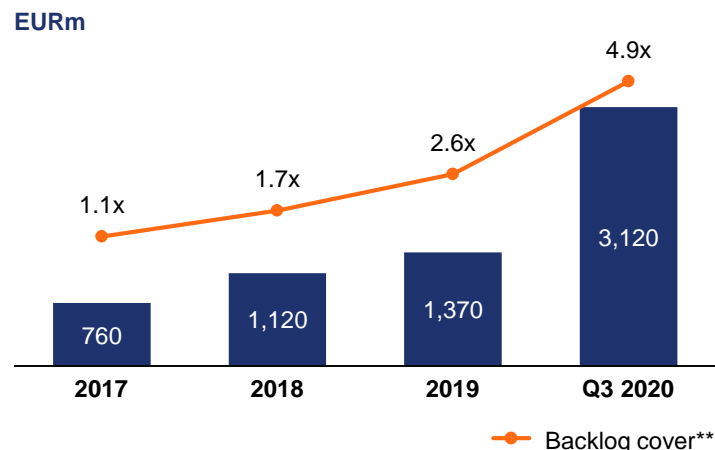
■ Solutions ■ Applications ■ Service & Accessories ■ NKT Photonics

* The distributions are based on revenue before eliminations
 ** Std. metal prices

Solutions: Key financials

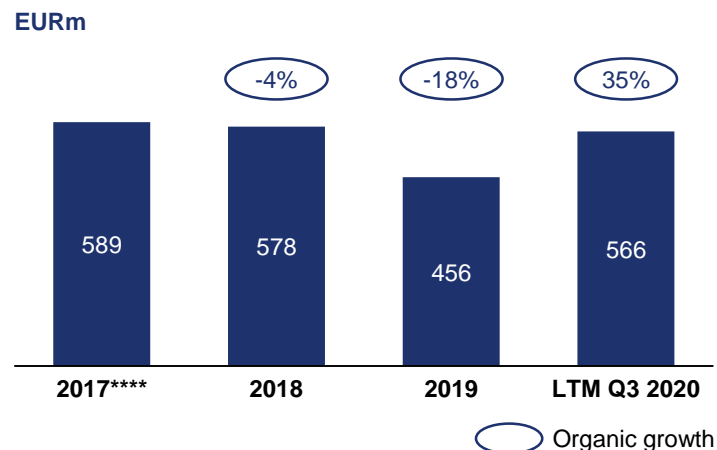
Following years of low order activity leading to low capacity utilization and organic growth, the high-voltage order backlog reached a record-high EUR 3.12bn* in Q3 2020

High-voltage order backlog*



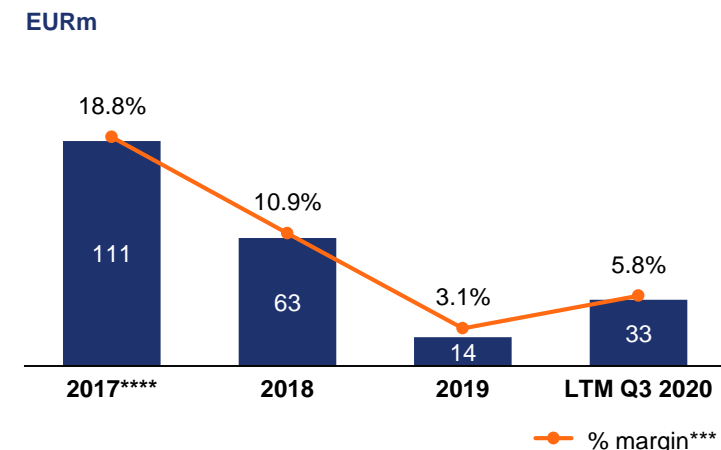
- Record-high backlog in Q3 2020 driven by new project awards, including the SuedLink project awarded in Q2 2020 and the Shetland and BorWin5 projects awarded in Q3 2020
- The improvement in 2019 was driven by several project awards in 2019 with an aggregated value of more than EUR 750m*
- 2018 positively impacted several large project awards

Revenue***



- LTM Q3 2020 organic growth primarily driven by higher factory output and execution of recent years' order awards
- 2019 negatively impacted by reduced activity at the Karlskrona factory
- Decline in 2018 primarily due to unexpected external events causing project delays

Operational EBITDA



- Improved margins in LTM Q3 2020 driven by the increased activity level as NKT progressed a number of high-voltage projects in various stages
- Decrease in 2019 mainly due to the decrease in revenue generation
- 2018 negatively impacted by lower average project margins, fewer projects in execution and lower capacity utilization at the Karlskrona factory

* Market prices (Q3 2020 order backlog EUR 2.70bn in std. metal prices)

** Calculated as backlog divided by LTM revenue in market prices

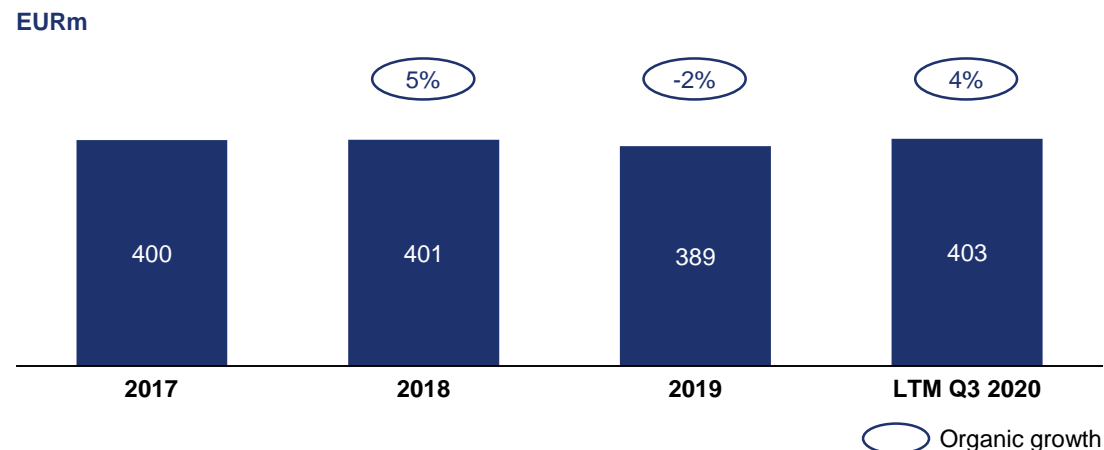
*** Std. metal prices

**** ABB HV Cables included from March 2017

Applications: Key financials

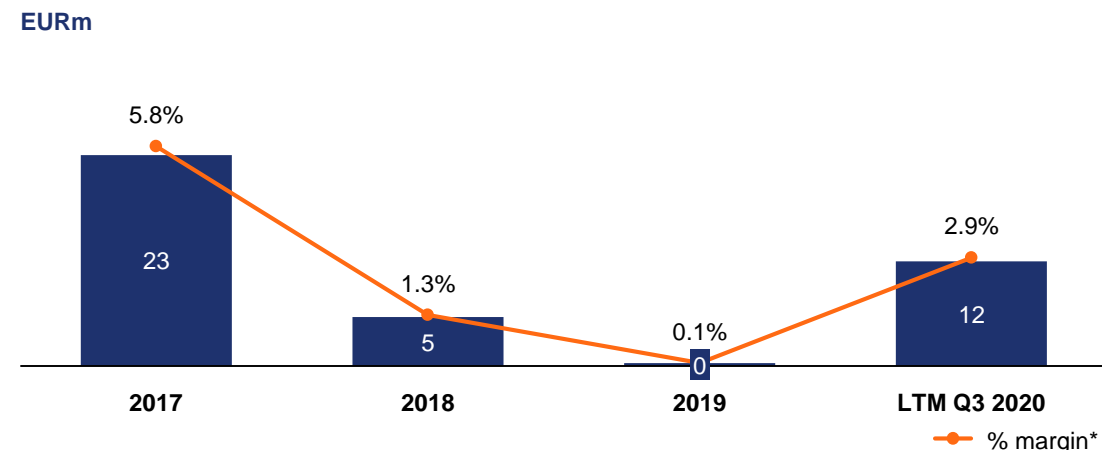
Improved growth and margins following strong performance in certain markets and continued focus on cost and production efficiency

Revenue*



- Revenue growth in LTM Q3 2020 mainly driven by Denmark, Germany and Netherlands
 - The performance in these markets succeeded other markets that were more impacted by the European lockdown measures caused by the COVID-19 pandemic
- 2019 positively impacted by Eastern Europe and Germany, while revenue in Scandinavia and France decreased
- 2017 included revenue of EUR 14m from the divested Automotive business

Operational EBITDA



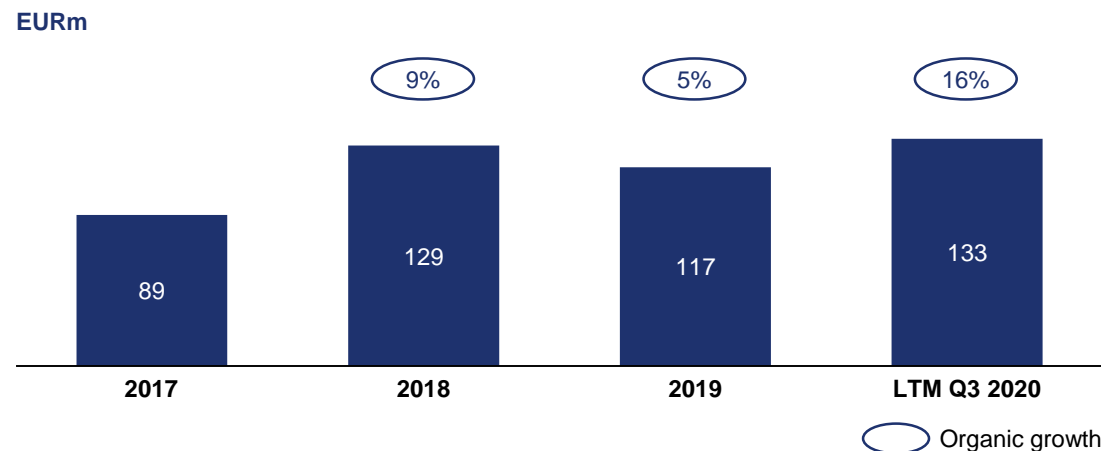
- Significant increase in LTM Q3 2020 EBITDA driven by growth in revenue, a positive change in product mix towards more profitable medium-voltage and 1kV aluminium power cables, and continued focus on cost and production efficiencies
- In late Q1 2019 NKT initiated the rollout of a uniform IT platform across its Scandinavian sites, which initially had a negative impact on profitability, but in the course of the year initial challenges were overcome gradually
- The unsatisfactory profitability in 2018 was due to specific unfavorable market developments and difficulties implementing transformational initiatives

* Std. metal prices

Service & Accessories: Key financials

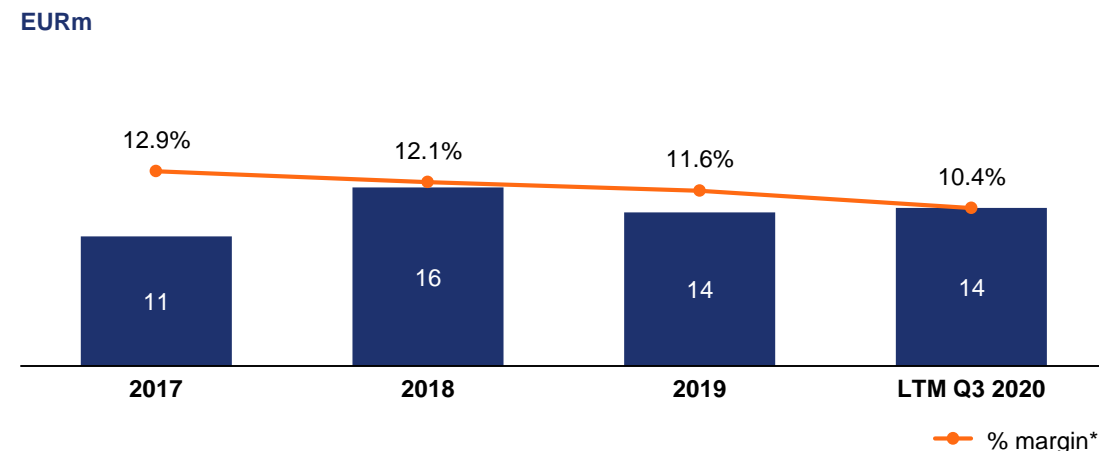
Revenue driven by offshore cable repairs and continued growth in the Accessories business

Revenue*



- LTM Q3 2020 increase due to contributions from both the Service and the Accessories business areas driven by offshore cable repairs and medium-voltage sales
- 2019 negatively impacted by the divestment of the railway activities, which contributed EUR 22m in 2018
- The increase in 2018 partly due to reclassification of revenue where EUR 21m was transferred from the Solutions division

Operational EBITDA



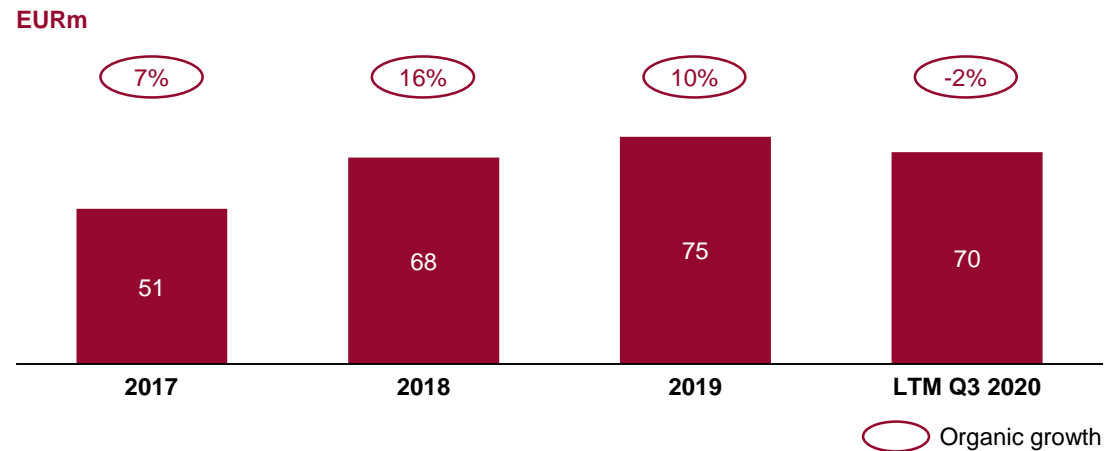
- Decrease in 2019 primarily due to reduced offshore service work
- The increase in 2018 was driven by the Service business
- Fluctuations in earnings and profitability will occur from quarter to quarter, particularly depending on the volume of large offshore cable repairs, which impacts the balance of revenue between the two business areas

* Std. metal prices

NKT Photonics: Key financials

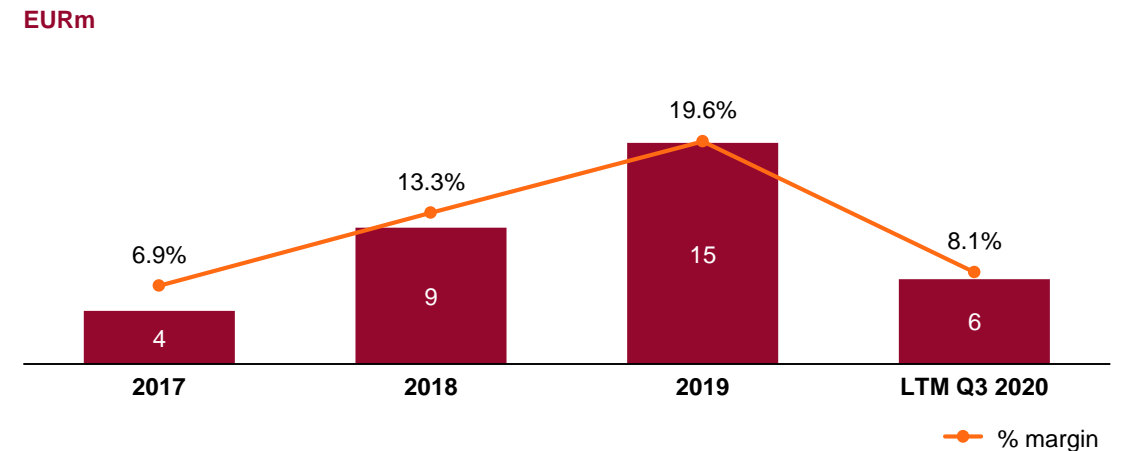
The Industrials segment continued to be negatively impacted by the COVID-19 pandemic, but gradual improvement was recognized during Q3 2020

Revenue



- LTM Q3 2020 was negatively impacted by the COVID-19 pandemic, mainly impacting the Industrial segment and to a lesser extent the Medical & Life Science and Aerospace & Defence segments
- Increase in 2019 driven by strengthened position in the Aerospace & Defence industry
- 2018 was positively impacted by strong performance across all segments and additional revenue from the acquired Onefive activities*

EBITDA



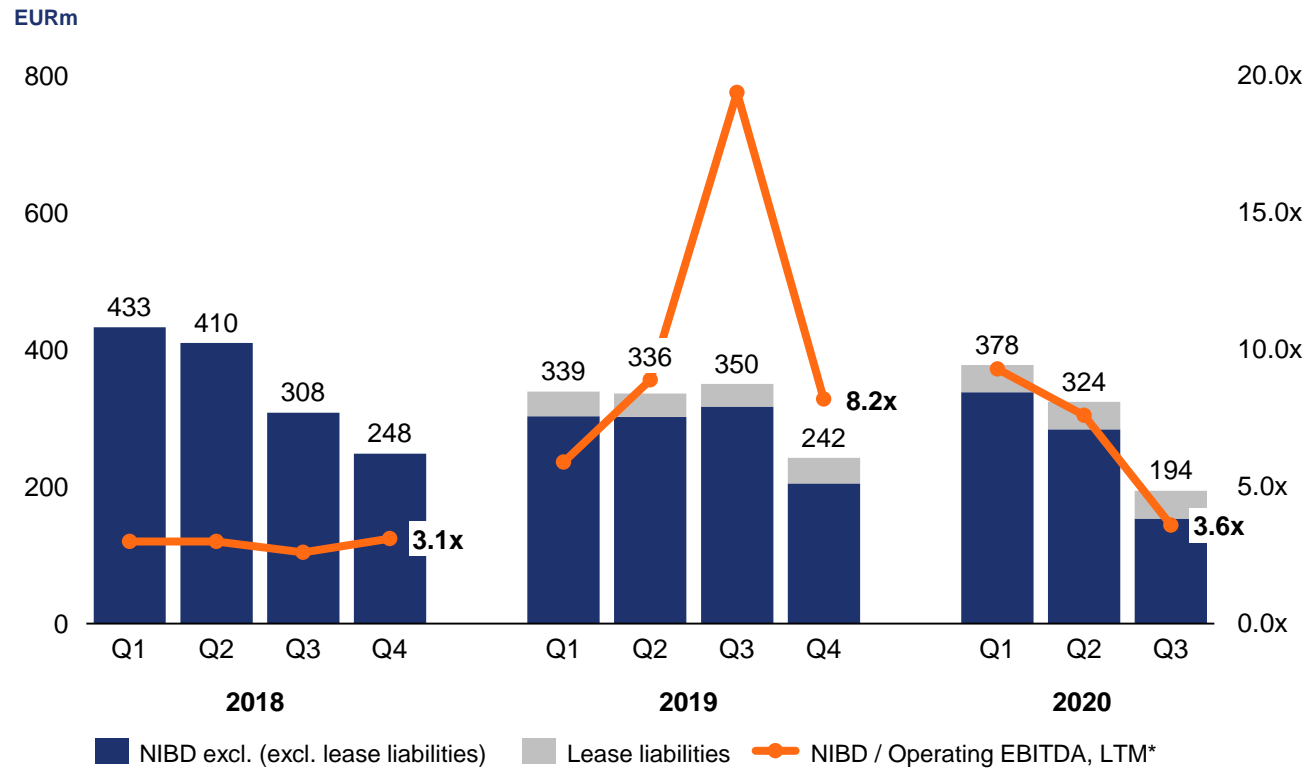
- Decrease in LTM Q3 2020 was impacted by lower revenue and higher cost levels
- In light of the COVID-19 pandemic, NKT Photonics has adopted short-term measures to keep costs down. However, the company continues to prioritize support for growth opportunities
- Improved margins in 2018 and 2019 driven by higher revenue, which demonstrated the operational leverage in the business

* Onefive activities included from September 2018

NKT A/S: Group financial leverage ratio

Lower level of NIBD due to positive cash flow generation

Quarterly development in net interest-bearing debt (NIBD)



- NIBD at end-Q3 2020 was lower than at end-Q2 2020 driven by the favorable development in working capital in NKT
- The net interest-bearing debt consists of:
 - EUR 161m of mortgage debt
 - EUR -8m drawn on RCF net of cash and interest-bearing receivables (availability EUR 300m)
- Only the RCF is subject to financial covenants. These include agreed remedies in the form of security over NKT Photonics and NKT Victoria
- NKT A/S has sufficient financial headroom to manage the level of activity expected in 2020

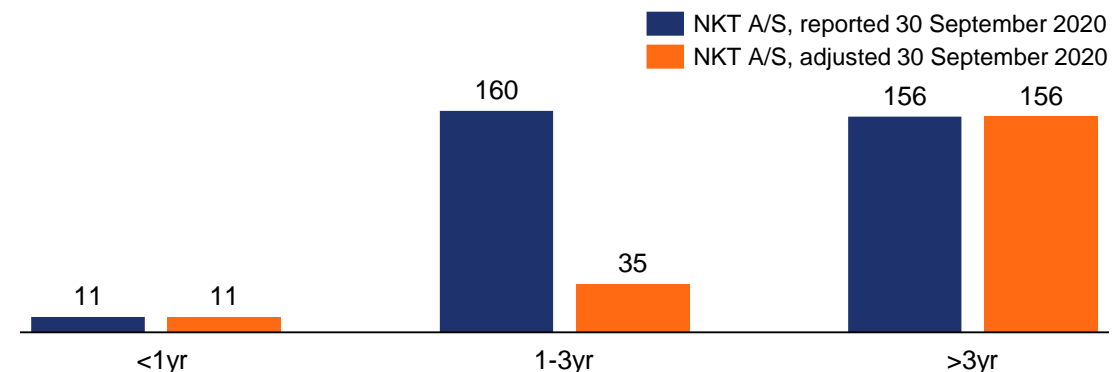
* Including lease liabilities from 2019

NKT A/S: Adjusted capital structure as of end-Sep, 2020

Capitalization

EURm	Reported 30 Sep, 2020	Adjusted* 30 Sep, 2020
Mortgage debt	161	161
Lease liabilities	41	41
Revolving credit facility	125	0
Gross debt	327	202
Interest-bearing receivable	-126	0
Cash	-7	-177
Net interest-bearing debt	194	25
<i>Leverage ratio</i>	3.6x	0.5x
Equity	853	1,023

Gross debt maturity profile



- NKT A/S' NIBD/Operational EBITDA adjusted* leverage was 0.5x as of 30 September 2020
- NKT A/S provided a cash collateral of EUR 126m to guarantee providers as part of a guarantee facility agreement. After the balance date, the cash collateral was removed
- NKT A/S has unused facilities and cash of EUR 300m and EUR 177m in cash in addition to gross debt of EUR 202m

* Adjusted for the offering and the removed cash collateral

Financial outlook – NKT

2020



Revenue*



Operational EBITDA

2021



Revenue*



Operational EBITDA

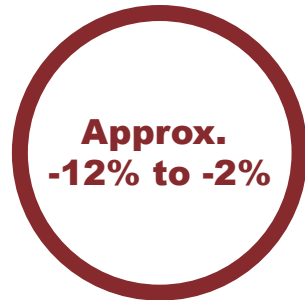
Medium-term ambitions

- The ambition is:
 - to grow revenue* organically from 2019 (EUR 945m) to the medium-term by a CAGR on average above **10%**, and
 - to increase the operational EBITDA margin* to approx. **10–14%**
- To achieve the targeted medium-term financial ambitions, NKT has to perform satisfactorily in its three business lines
- Additionally, the COVID-19 pandemic is assumed not to impact financial performance materially

* Std. metal prices

Financial outlook – NKT Photonics

2020



Organic growth



EBITDA margin

2021

- The financial outlook for 2021 will not be provided until better visibility in the markets is established
- NKT Photonics has been negatively impacted by the COVID-19 pandemic causing weaker market demand. A gradual improved market environment was experienced during Q3 2020, but market uncertainty remains high

Medium-term ambitions

- NKT Photonics' financial development in 2020 has been negatively impacted by the COVID-19 pandemic leading to performance below expectations
- The medium-term targets for NKT Photonics are withdrawn due to the uncertain market situation caused by the COVID-19 pandemic
- The expectations are that revenue development will return to healthy growth rates once the markets have normalized

Capital structure target

Net debt target and capital allocation

Leverage ratio target	Net interest-bearing debt relative to operational EBITDA of up to 1.0x
Solvency ratio target	Solvency ratio target of minimum 30%
Dividend policy	Pay-out ratio of approx. 1/3 of profit for the year

- NKT Group aims to be perceived as a company with an investment grade credit profile and therefore strives to maintain a capital structure within defined medium-term targets for a leverage ratio of up to 1.0x and a solvency ratio of minimum 30%
- The company is targeting a more robust capital structure as NKT will become a relatively larger project dependent business due to the planned investments in the Solutions business line with large-scale complex projects and potentially large fluctuations in cash flows. The relatively larger size of Solutions and the associated higher order backlog will additionally require an increased need for bank guarantee capacity
- The company's dividend policy is still to target pay-out of approx. one third of profit for the year, provided the capital structure allows for it

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Offering structure

Transaction and terms	<ul style="list-style-type: none"> ▪ Rights issue of approximately DKK 1,311m (around EUR 176m) in gross proceeds ▪ Subscription price of DKK 122 per share with a subscription ratio of 1:3, implying that: <ul style="list-style-type: none"> ▪ Existing shareholders in the Company receive 1 subscription rights for each share held as of the record date ▪ 3 subscription right entitles the holder to subscribe for 1 share in the rights issue
Support from investors	<ul style="list-style-type: none"> ▪ A number of NKT's largest existing Nordic and international shareholders have expressed their support for the rights issue and given positive feedback with respect to their potential participation by exercise of pre-emptive rights
Use of proceeds	<ul style="list-style-type: none"> ▪ The Company seeks to strengthen its financial position based on <ol style="list-style-type: none"> a) Need to strengthen financial foundation to execute on high-voltage order backlog and positive market outlook with growing project complexity and magnitude b) To support investments in high-voltage manufacturing facilities initiated to meet future demand c) To ensure a sustainable capital structure to be prepared for market uncertainty related to the COVID-19 pandemic
Selling restrictions	<ul style="list-style-type: none"> ▪ Public Offering in Denmark. Targeting a private placement into the US for QIBs by the Company only. Reg-S elsewhere including Denmark. Please see the prospectus for further details
Lock-up	<ul style="list-style-type: none"> ▪ 180 days for members of the Board of Directors, 180 days for the Executive Management and 180 days for NKT
Joint Global Coordinators	<ul style="list-style-type: none"> ▪ Danske Bank, J.P. Morgan and Nordea

Rights issue key dates

Overview of key dates

19 November	Publication of prospectus
23 November	Rights Trading Period commences
25 November	Subscription Period for New Shares commences
4 December	Rights Trading Period closes
8 December	Subscription Period for New Shares closes
10 December	Publication of the results of the Offering

Calendar

November 2020

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

December 2020

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

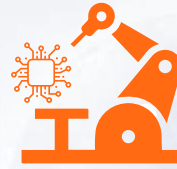
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NKT A/S is a **proxy for sustainability**



1 Strong pipeline of upcoming projects to build on record order backlog in HV segment



2 Technology leading in HV segment with an asset base configured to benefit from ongoing market trends



3 Applications to benefit from structural demand drivers and turnaround upside



4 Power cable complexity and growing installed base to drive demand for Service and Accessories



5 Exposure to fast-growing, high-margin fiber-laser business



6 New and reenergized management team ready to execute on the strategy and drive improvement in ESG

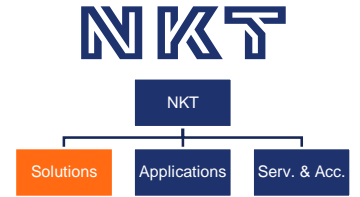


QUESTIONS & ANSWERS

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Solutions – Q3 2020



Improvement driven by execution of order backlog

Customer offerings



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

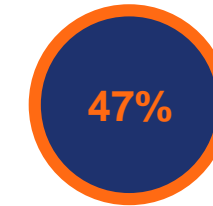
Development during Q3 2020

- In Q3 2020, Solutions progressed a number of high-voltage projects in various project stages, including:
 - Dogger Bank A and B,
 - Johan Sverdrup 2,
 - Hornsea 2,
 - Triton Knoll and
 - Viking Link
- Overall execution satisfactory – some projects advancing better than anticipated, while a few experienced delays
- Satisfactory utilization of the company’s cable-laying vessel, NKT Victoria

Q3 2020 financial highlights



Revenue* EUR
(Q3 2019: EUR 110m)



Organic growth
(Q3 2019: -32%)



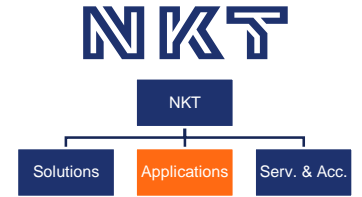
Oper. EBITDA EUR
(Q3 2019: EUR 3.8m)



* Std. metal prices

Note: AC = Alternating Current and DC = Direct current

Applications – Q3 2020



Financial performance improved due to several factors

Customer offerings

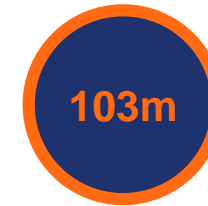


- Medium- and low-voltage cables & building wires
- Power cables for telecom market

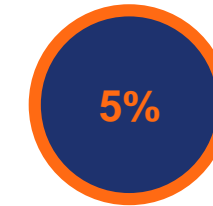
Development during Q3 2020

- Financial performance continued to improve due to:
 - Growth in revenue
 - Favorable change in product mix towards more profitable medium-voltage power cables
 - Continued focus on cost and product efficiencies
- Denmark, Germany and Netherlands especially drove the positive development – other markets more negatively impacted by COVID-19 pandemic
- Significant increase in operational EBITDA compared to Q3 2019

Q3 2020 financial highlights



Revenue* EUR
(Q3 2019: EUR 99m)



Organic growth
(Q3 2019: 3%)

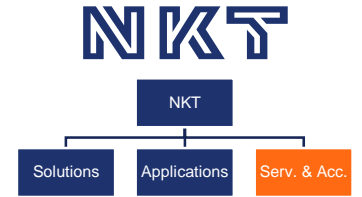


Oper. EBITDA EUR
(Q3 2019: EUR 0.8m)



* Std. metal prices

Service & Accessories – Q3 2020



Improvements within both Service and Accessories

Customer offerings

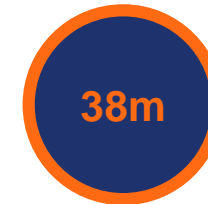


- High- and medium-voltage accessories
- Services

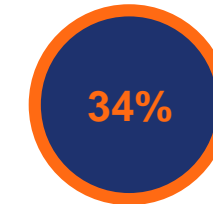
Development during Q3 2020

- Satisfactory financial performance
- Increased Service activity driven by offshore cable repair work
 - First part of Skagerrak 1 and Skagerrak 2 HVDC power links turnkey offshore repair completed
 - New facility established in Troisdorf, Germany
- Continued growth in the Accessories business due to medium-voltage sales
 - Particularly Middle East and Western Europe contributed positively

Q3 2020 financial highlights



Revenue* EUR
(Q3 2019: EUR 29m)



Organic growth
(Q3 2019: 19%)



Oper. EBITDA EUR
(Q3 2019: EUR 4.1m)



* Std. metal prices

NKT A/S: Group income statement highlights

Improved earnings in Q3 2020, driven by NKT

Financial highlights

EURm	Q3		YTD		FY
	2020	2019	2020	2019	2019
Revenue	393	325	1,097	975	1,342
Revenue (Std. metal prices)	317	249	861	732	1,019
Organic growth					
NKT	28%	-16%	21%	-17%	-10%
NKT Photonics	3%	8%	-10%	7%	10%
Operational EBITDA	22	11	46	21	30
NKT	21	7	48	14	15
NKT Photonics	1	4	-2	7	15
Operational EBITDA margin*					
NKT	7.1%	3.0%	5.8%	2.0%	1.6%
NKT Photonics	6.2%	23.3%	-3.6%	15.1%	19.6%
One-off items	-1	-5	-10	-6	-12
EBITDA	21	6	36	16	18
Depreciation and impairment of PP&E	-17	-18	-52	-52	-75
Amortization and impairment of int. assets	-6	-5	-17	-16	-26
Financial items, net	-7	-2	-14	-6	-12
Tax	-1	0	3	6	19
Net result	-10	-19	-44	-53	-76
Full-time employees, end of period					
NKT	3,429	3,271	3,429	3,271	3,303
NKT Photonics	407	380	407	380	403

- Positive organic growth in both NKT and NKT Photonics
- Operational EBITDA in Q3 2020 driven by improved performance in NKT's three business lines
 - NKT: The revenue growth translated into higher earnings for all three business lines. Main contributors were Solutions and Applications due to improved production output and gradual efficiency measures
 - NKT Photonics: The decrease in EBITDA was due to investment in future growth opportunities leading to an increase in the cost base
- One-off costs lower in Q3 2020
- Financial items were impacted negatively by foreign exchange rate effects and tax was impacted by less capitalization of deferred assets in Germany

* Std. metal prices

NKT A/S: Group balance sheet highlights

Working capital down from end-Q2 2020 due to development in NKT

Financial highlights

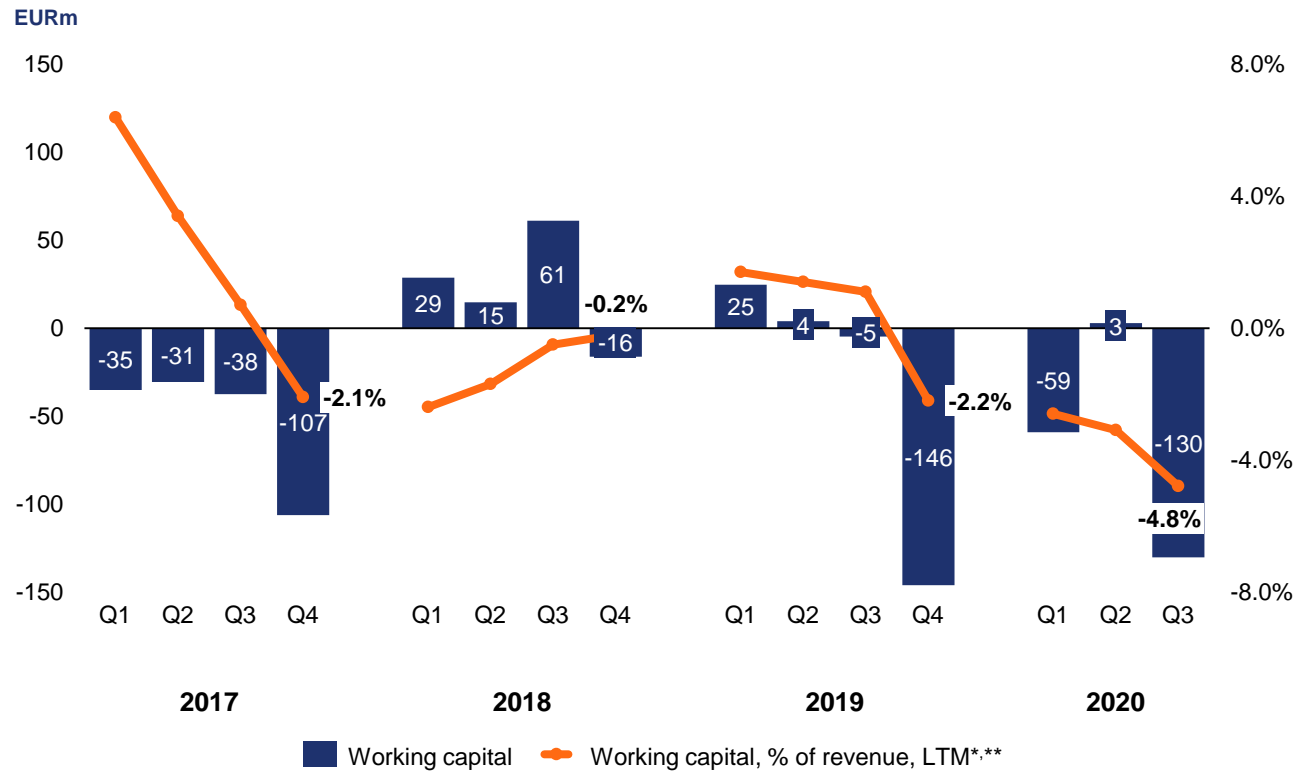
EURm	30 Sep		30 Jun		31 Dec
	2020	2019	2020	2019	2019
Working capital	-100	23	34	31	-118
NKT	-130	-5	3	4	-146
NKT Photonics	31	28	31	27	28
Capital employed	1,048	1,156	1,186	1,180	1,046
NKT	937	1,055	1,076	1,084	942
NKT Photonics	110	102	110	97	104
Return on Capital Employed (RoCE)	-4.2%	-6.0%	-5.1%	-4.4%	-6.2%
NKT	-4.1%	-7.1%	-5.4%	-5.1%	-7.2%
NKT Photonics	-5.9%	6.8%	-2.2%	5.1%	4.9%
Net interest-bearing debt (NIBD)	194	350	323	336	242
NIBD / LTM Operating EBITDA	3.6x	16.7x	7.6x	8.9x	8.2x
Assets	2,019	1,886	1,902	1,896	1,789
Equity	853	806	862	844	804

- Working capital decreased from end-Q2 to end-Q3 2020:
 - NKT: The decrease in working capital was mainly due to phasing of milestone payments in Solutions
 - NKT Photonics: Working capital was largely on par with level at end-Q2 2020 as the decrease in trade receivables was balanced out by lower payables
- RoCE increase due to improved profitability in NKT
- Improved leverage ratio driven by the positive mix of increased earnings and decreased debt level
- Increased equity due to the issuance of new shares in May 2020

NKT: Working capital

Improved working capital due to the phasing of milestone payments in Solutions

Quarterly development in working capital



- Improved working capital compared to end-Q3 2019:
 - Improvement mainly driven by phasing of milestone payments in Solutions
 - NKT received a number of prepayments related to projects awarded earlier in 2020
 - In Applications, working capital was lower due to reduced inventories
- Working capital will primarily depend on timing of payments in Solutions, which will lead to quarterly fluctuations

* Std. metal prices

** Calculated as average working capital as a percentage of revenues LTM

NKT A/S: Group cash flow statement highlights

Positive cash flow due to improvements in working capital

Financial highlights

EURm	Q3		YTD		FY
	2020	2019	2020	2019	2019
Cash flow from operating activities	159	11	25	-21	125
EBITDA	21	6	36	16	18
Financial items, net	-7	-2	-14	-6	-12
Changes in working capital	151	13	9	-20	130
Others	-7	-5	-5	-10	-11
Cash flow from investing activities	-18	-17	-54	-40	-67
Capex	-18	-17	-54	-48	-69
Acquisition and divestment of businesses	0	0	0	8	2
Free cash flow	141	-6	-28	-61	58
Cash flow from financing activities	-139	4	29	38	-80
Net cash flow	2	-3	0	-22	-21

- Cash flow from operating activities was positive in Q3 2020:
 - The improved performance was driven by the higher earnings level and the favorable development in working capital
- Cash flow from investing activities broadly as in Q3 2019:
 - Investment levels in both NKT and NKT Photonics were around the same level as last year. The investments were primarily in Solutions
 - A higher investment level is expected in NKT in the coming quarters driven by execution of the previously announced investment programme of around EUR 150m during 2020-2022