

Company Announcement

19 November 2020
Announcement No. 25

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NKT A/S publishes prospectus and initiates rights issue

NKT A/S (the **Company**) today announces the initiation of a rights issue (the **Offering**) at a subscription ratio of 1:3 and subscription price of DKK 122 per new share. The Offering comprises up to 10,744,009 new shares, which are issued with pre-emptive rights to subscribe for the new shares for the Company's existing shareholders. A prospectus regarding the Offering is available on the Company's website investors.nkt.com (subject to certain restrictions).

The key terms of the Offering are the following:

- The Offering comprises up to 10,744,009 new shares with a nominal value of DKK 20 each
- The subscription price is DKK 122 per new share
- The gross proceeds of the Offering will be approximately DKK 1,311m assuming all new shares are subscribed for in the Offering
- Each of the Company's existing shareholders will be allocated one (1) pre-emptive right for each one (1) existing share held
- The subscription ratio of the Offering is 1:3, meaning that three (3) pre-emptive rights will entitle the holder to subscribe for one (1) new share
- Existing shares traded after 20 November 2020 at 5:00 p.m. CET will be traded without pre-emptive rights, provided that the existing shares are traded with the customary two-day settlement
- The pre-emptive rights can be traded in the period commencing on 23 November 2020 and closing on 4 December 2020 at 5:00 p.m. CET
- The subscription period for new shares commences on 25 November 2020 and closes on 8 December 2020 at 5:00 p.m. CET
- Any pre-emptive rights that are not exercised during the subscription period will lapse with no value, and the holder of such pre-emptive subscription rights will not be entitled to compensation. Such remaining shares may be subscribed for by existing shareholders of the Company and qualified investors during the subscription period

Background to the Offering and use of proceeds

In May 2020, the Company announced its plan to strengthen its capital base in Company Announcement no. 8 of 13 May 2020 (as updated by Company Announcement no. 17 of 18

June 2020) and on 10 November 2020 (see Company Announcement no. 24 of 10 November 2020), the Company announced a revised targeted leverage ratio (net interest-bearing debt relative to operational EBITDA) of up to 1.0x and a solvency ratio of at least 30 percent. Following the Company's directed issue and private placement of shares announced on 13 May 2020, the Offering is the second part of the capital plan and is expected to contribute to the realisation of this plan.

Assuming successful completion of the Offering, the Company does not expect to issue any convertible instruments in the foreseeable future (see Company Announcement of 13 May 2020).

The Company seeks to further strengthen its financial position based on:

- A need to strengthen the financial foundation to execute on its record high voltage order backlog and in anticipation of the positive market outlook with growing complexity and magnitude
- Investments in high voltage power cable manufacturing facilities initiated to meet current and future demand
- A sustainable capital structure to be prepared for market uncertainty related to the COVID-19 pandemic

The Offering is expected to raise gross proceeds to the Company of approximately DKK 1,311m, assuming all new shares are subscribed. The net proceeds to the Company from the issue of the new shares are expected to be approximately DKK 1,267m after the deduction of estimated costs and expenses payable by the Company in relation to the Offering, assuming all new shares are subscribed.

Support from investors etc.

A number of the Company's largest existing Nordic and international shareholders have expressed their support and positive feedback with respect to their potential participation in the Offering by exercise of pre-emptive rights.

Furthermore, certain members of the Company's Board of Directors, Executive Management and NKT Photonics' CEO who hold shares in the Company have indicated that they intend to exercise their pre-emptive rights.

Prospective financial information and medium-term ambitions

As further described in the prospectus, the Company maintains its present prospective financial information for the financial years ending 31 December 2020, and in respect of NKT, ending 31 December 2021 and its medium-term ambitions as announced in the Q3 2020 Interim Report, see Company Announcement no. 24 of 10 November 2020.

Main terms of the Offering

Below is a summary of the main terms of the Offering. Reference is made to the prospectus for a detailed description of the terms of the rights issue.

- *The Offering*: The Offering comprises up to 10,744,009 new shares with a nominal value of DKK 20 each with pre-emptive rights for the Company's existing shareholders.
- *Subscription price*: The new shares are offered at a subscription price of DKK 122 per new share.
- *Subscription ratio*: Each existing shareholder of the Company registered as such with VP Securities A/S on 24 November 2020 at 5:59 p.m. CET will be allocated one

(1) pre-emptive right per one (1) share held. The subscription ratio for the Offering is 1:3, which means that three (3) pre-emptive rights will entitle the holder to subscribe for one (1) new share with a nominal value of DKK 20 each.

- *Trading in pre-emptive subscription rights:* The pre-emptive rights can be traded on Nasdaq Copenhagen A/S under the temporary ISIN code DK0061414042 during the period from 23 November 2020 to 4 December 2020 at 5:00 p.m. CET.
- *Subscription period:* The subscription period for the new shares commences on 25 November 2020 and closes on 8 December at 5:00 p.m. CET. Any pre-emptive rights that are not exercised during this subscription period will lapse with no value, and the holder of such pre-emptive subscription rights will not be entitled to any compensation.
- *Payment and delivery:* Upon exercise of the pre-emptive subscription right, the holder must pay DKK 122 per new share subscribed for. Payment of the new shares shall be made in Danish kroner (DKK) on the date of subscription, however, no later than 8 December 2020 at 5:00 p.m. CET.
- *Remaining shares:* New shares not subscribed for by exercise of a pre-emptive right may be subscribed for by existing shareholders or qualified investors, who before the expiry of the subscription period have made binding undertakings to subscribe for the remaining shares according to a separate application form contained in the prospectus. In case of oversubscription of remaining shares, such remaining shares will be allocated according to appointment keys determined by the Company's Board of Directors. The Offering is not underwritten by the joint global coordinators and joint bookrunners.
- *Trading and official listing of new shares:* After payment of the subscription price, the new shares will be issued in the temporary ISIN code DK0061414125 through VP Securities A/S. The new shares will not be admitted to trading and official listing on Nasdaq Copenhagen A/S under the temporary ISIN code. The temporary ISIN code is registered in VP Securities A/S solely for the subscription of the new shares.

The new shares will be registered with the Danish Business Authority after the completion of the Offering, expectedly on 15 December 2020. The new shares are expected to be admitted to trading and official listing on Nasdaq Copenhagen A/S under the permanent ISIN code for the Company's existing shares DK0010287663 on 16 December 2020. The temporary ISIN code will be merged with the permanent ISIN code of the existing shares no later than on 17 December 2020 at 5:00 p.m. CET.

- *Withdrawal of the Offering:* The Offering may be withdrawn by the Company, subject to certain conditions, before registration of the capital increase relating to the new shares with the Danish Business Authority.

If the Offering is withdrawn, any exercise of pre-emptive rights that has already taken place will be cancelled automatically. The subscription amount for the new shares will be refunded (less any transaction costs) to the last registered owner of the new shares as at the date of such withdrawal. All pre-emptive rights will lapse, and no new shares will be issued.

Trades of pre-emptive rights executed during the rights trading period will, however, not be affected. Consequently, investors who have acquired pre-emptive rights will incur a loss corresponding to the purchase price of the pre-emptive rights and any transaction costs.

Investors who have acquired new shares will receive a refund of the subscription amount for the new shares (less any transaction costs). Consequently, investors who have acquired new shares may incur a loss corresponding to the difference between the purchase price and the subscription price of the new shares and any related transaction costs.

The joint global coordinators and joint bookrunners are entitled to terminate the rights issue agreement upon the occurrence of certain exceptional events and/or unpredictable circumstances. The rights issue agreement also contains conditions for completion, which the Company believes to be customary for offerings such as the Offering, and the completion of the Offering pursuant to the rights issue agreement is subject to compliance with all such conditions in the rights issue agreement. If one or more conditions for completion are not met, the joint global coordinators and joint bookrunners may, at their discretion, terminate the rights issue agreement which may thereby require that the Company withdraws the Offering.

The Company is not liable for any losses that investors may suffer as a result of withdrawal of the Offering including but not limited to, any transaction costs or lost interest.

Any such withdrawal will be notified via Nasdaq Copenhagen A/S.

- *Lock-ups*: Following the Offering, the Company and members of the Board of Directors and Executive Management will be subject to a 180-day lock-up, subject to certain exceptions.

Expected timetable for the Offering

The timetable for main events relating to the rights issue is as follows:

Event	Date
Publication of prospectus	19 November 2020
Last trading day in existing shares including pre-emptive rights ¹⁾	20 November 2020 at 5:00 p.m. CET
First day of trading in existing shares excluding pre-emptive rights ...	23 November 2020
Rights trading period commences	23 November 2020
Allocation time of pre-emptive rights	24 November 2020 at 5:59 p.m. CET
Subscription period for new shares commences	25 November 2020
Rights trading period closes	4 December 2020 at 5:00 p.m. CET
Subscription period for the new shares closes	8 December 2020 at 5:00 p.m. CET
Expected publication of result of the Offering	10 December 2020
Allocation of new shares not subscribed for by existing shareholders (the remaining shares)	10 December 2020
Completion of the Offering, including settlement of the new shares...	15 December 2020
Registration of the share capital increase regarding the new shares with the Danish Business Authority	15 December 2020
First day of trading and official listing of the new shares on Nasdaq Copenhagen A/S under the ISIN code of the existing shares	16 December 2020
Expected merger of temporary and permanent ISIN codes	17 December 2020 at 5:00 p.m. CET

¹⁾ Trading in shares after the last trading day in existing shares including pre-emptive rights on 20 November 2020 at 5:00 p.m. CET will be exclusive of rights to receive pre-emptive rights for the buyer unless the parties to the trade in question have taken measures to settle the trade in VP Securities A/S prior to the allocation time of pre-emptive rights on 24 November 2020 at 5:59 p.m. CET and, thus, chosen not to settle according to the customary settlement cycle with settlement two trading days after the transaction date.

Teleconference

The Company will host a teleconference for eligible investors and financial analysts at 11:00 a.m. CET on 19 November 2020. It can be accessed at investors.nkt.com (subject to certain restrictions). The presentation for the call will be available before the teleconference.

To attend, please dial in from (confirmation code: 2858164):

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UK +44 (0) 207 192 8338

Joint global coordinators and legal advisors

Danske Bank, J.P. Morgan and Nordea are acting as joint global coordinators and joint bookrunners of the Offering. Kromann Reumert and Davis Polk & Wardwell act as Danish and international legal advisors, respectively, to the Company. Gorrissen Federspiel Advokatpartnerselskab and Shearman & Sterling act as Danish and international legal advisors, respectively, to the joint global coordinators and joint bookrunners.

Prospectus

Following publication, the prospectus containing detailed information on the Company and the Offering will, subject to certain restrictions, be available on the Company's website investors.nkt.com. Apart from information that is incorporated into the prospectus by reference, the contents of the website of the Company does not form part of the prospectus.

Contact

For further information please contact:

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Important disclaimer

This company announcement contains forward-looking statements. These statements are not guarantees of future performance and involve certain risks and uncertainties, in particular this announcement should not be construed as a confirmation neither that the Offering will complete, nor of the deal size or the price. Therefore, actual future results may differ materially from what is forecast in this report due to a variety of factors.

This announcement is intended for the sole purpose of providing information. Persons needing advice should consult an independent financial adviser. This announcement does not constitute an investment recommendation.

This announcement is not a prospectus and investors should not purchase any securities referred to in this announcement on the basis of this announcement. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change. No obligation is undertaken to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with any transaction or arrangement referred to herein. This announcement has not been approved by any competent regulatory authority.

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*Other than in respect of the offers of securities in Denmark contemplated by the prospectus relating to the Company, this announcement has been prepared on the basis that any offers of securities referred to herein in any Member State of the European Economic Area (**EEA**) or the United Kingdom will be made pursuant to an exemption under Regulation (EU) 2017/1129 on prospectuses (the **Prospectus Regulation**) from the requirement to publish a prospectus for offers of such securities. Other than in respect of offers of securities in Denmark contemplated by the prospectus relating to the Company, the information set forth in this announcement is only being distributed to, and directed at, persons in Member States of the EEA or the United Kingdom, other than Denmark, who are qualified investors (**Qualified Investors**) within the meaning of Article 2(e) of the Prospectus Regulation.*

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