

NKT

**NKT Annual
General Meeting
2020**



Agenda items

- 1. Report by the Board of Directors on the Company's activities in 2019.**
- 2. Presentation of the audited Annual Report, including the annual and consolidated accounts, the statements of the Management and Board of Directors, the auditor's report and reviews for the year.**
- 3. Adoption of the audited Annual Report.**
- 4. Proposal by the Board of Directors for the distribution of profit or cover of loss.**
- 5. Resolution regarding discharge of Management and Board of Directors from their liabilities.**
- 6. Remuneration of the Board of Directors - 2020**
- 7. Election of Board members.**
- 8. Election of one or more public accountants.**
- 9. Any other proposals from the Board of Directors or the shareholders.**
 - 9.1 Authorisations to the Board of Directors**
 - 9.1.1 Warrants**
 - 9.1.2 Share issues and convertible loans**

The Board of Directors has withdrawn its proposals 9.1.2.1 and 9.1.2.2
 - 9.2 Amendment of article 5.6 of the Articles of Association of NKT A/S (date of annual general meeting)**
 - 9.3 Amendment of article 6 of the Articles of Association of NKT A/S (voting on the Company's remuneration report as a standing item on the agenda)**
 - 9.4 Approval of remuneration policy**
- 10. Any other business.**



NKT

Chairman's report 2020

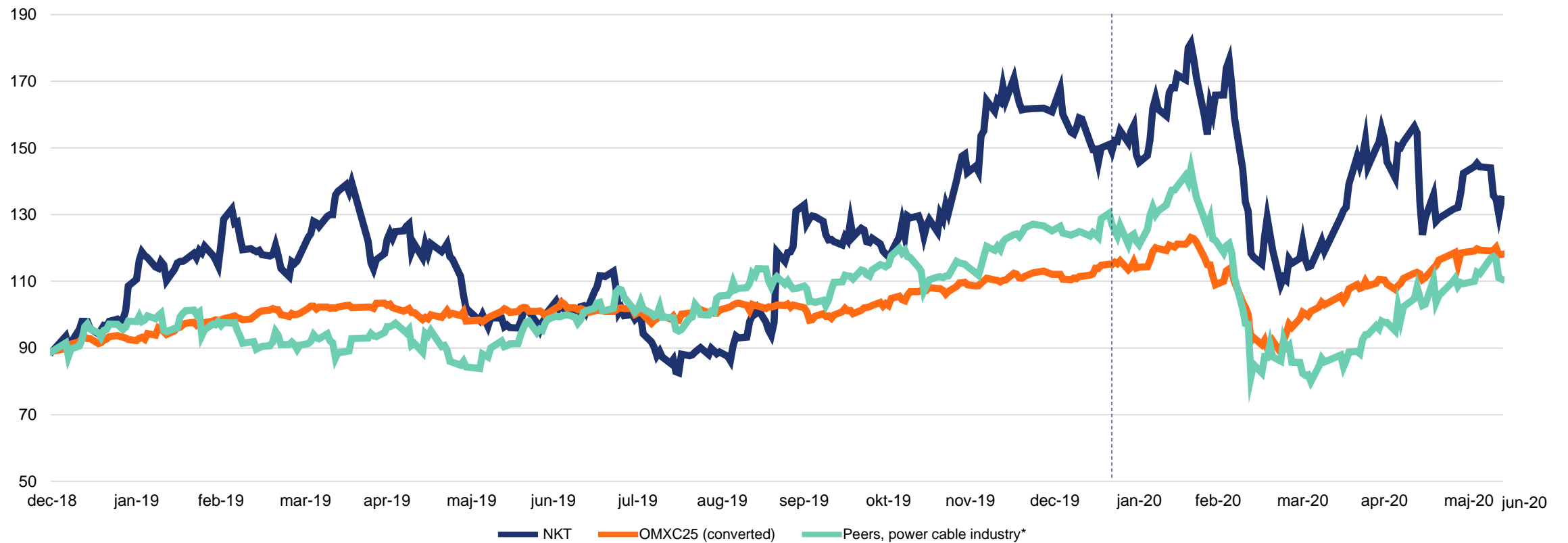
Challenging 2019 for the power cable business

- growth in NKT Photonics



NKT share price development

End-December 2018 to mid-June 2020



* Peers are Prysmian and Nexans

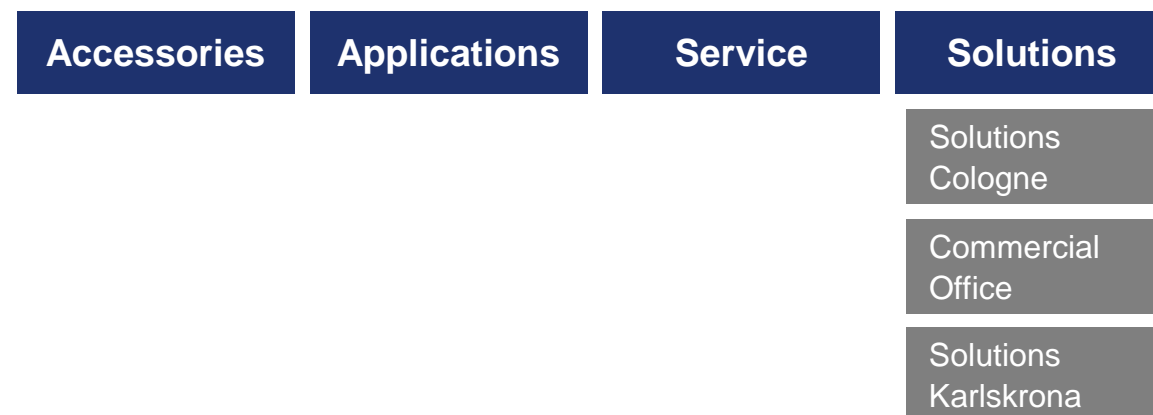
Changes in management of NKT

Alexander Kara, President and CEO of NKT



- Started in August 2019
- Has held several leadership positions in ABB
- Experience from the power cable and energy industry

Business lines



Support functions



Financial results for 2019 were not satisfactory



	Initially**	Adjusted in Nov. 2019	Realized
<u>NKT</u>			
Revenue (EUR)*	~0.9–1.0bn	Lower end of ~0.9–1.0bn	945.0m
Operational EBITDA (EUR)	~10–30m	Lower end of ~10–30m	15.1m
<u>NKT Photonics</u>			
Organic growth	~15-20%	~10%	10%
EBITDA margin	~15-20%	Upper end of ~15-20%	19.6%

* Std. metal prices

** The adjusted financial outlook for NKT and NKT Photonics was communicated in Company Announcement No. 15 of 20 November 2019

Capital structure

- end 2019



Net interest-bearing debt,
EURm



Net interest-bearing debt x
operational EBITDA

Development in NKT



Financial results for 2019

945.0

Revenue
in std. metal prices EURm

15.1

Operational EBITDA
in EURm

1.6%

Operational EBITDA-margin

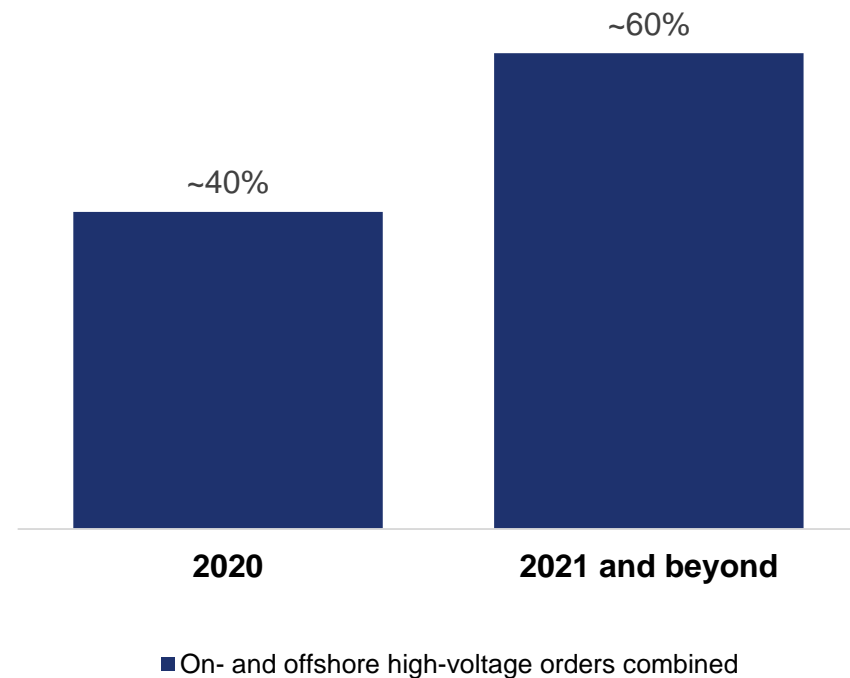
Solutions

- affected by lower market activity



Satisfactory level of order awards and order backlog at all time high

Order backlog was EUR 1.37bn* at end-2019



Order backlog 2019

Offshore wind			Interconnectors		
Borssele Alpha	2020		Nordlink	2020	
Borssele Beta	2020		Beckombergabredäng	2022	
Triton Knoll	2020		Viking Link	2023	
Hornsea 2	2021		Oil & Gas		
Moray East	2021		Johan Sverdrup 2	2022	
Ostwind 2	2022				
Dogger Bank A & B	2023				

* In market prices, EUR 1.21bn in std. metal prices

Applications

- unsatisfactory earnings

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Service & Accessories
- result in line with expectations

NKT



Strategic initiatives

Solutions

Investing for the future



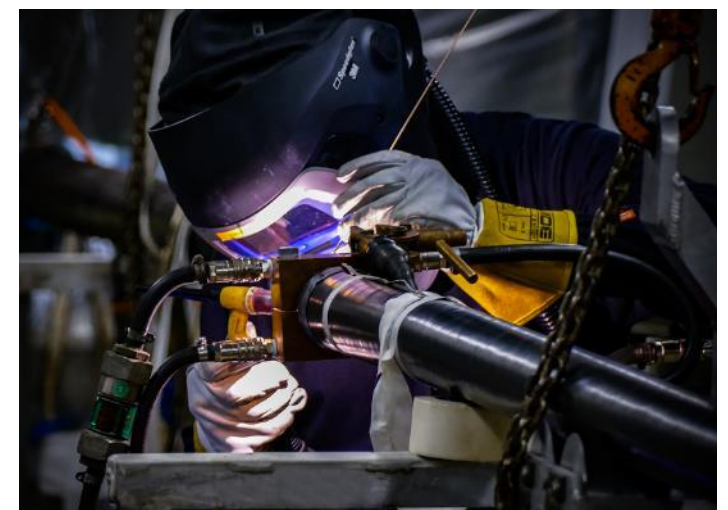
Applications

Performing through customer focus



Service & Accessories

Growth

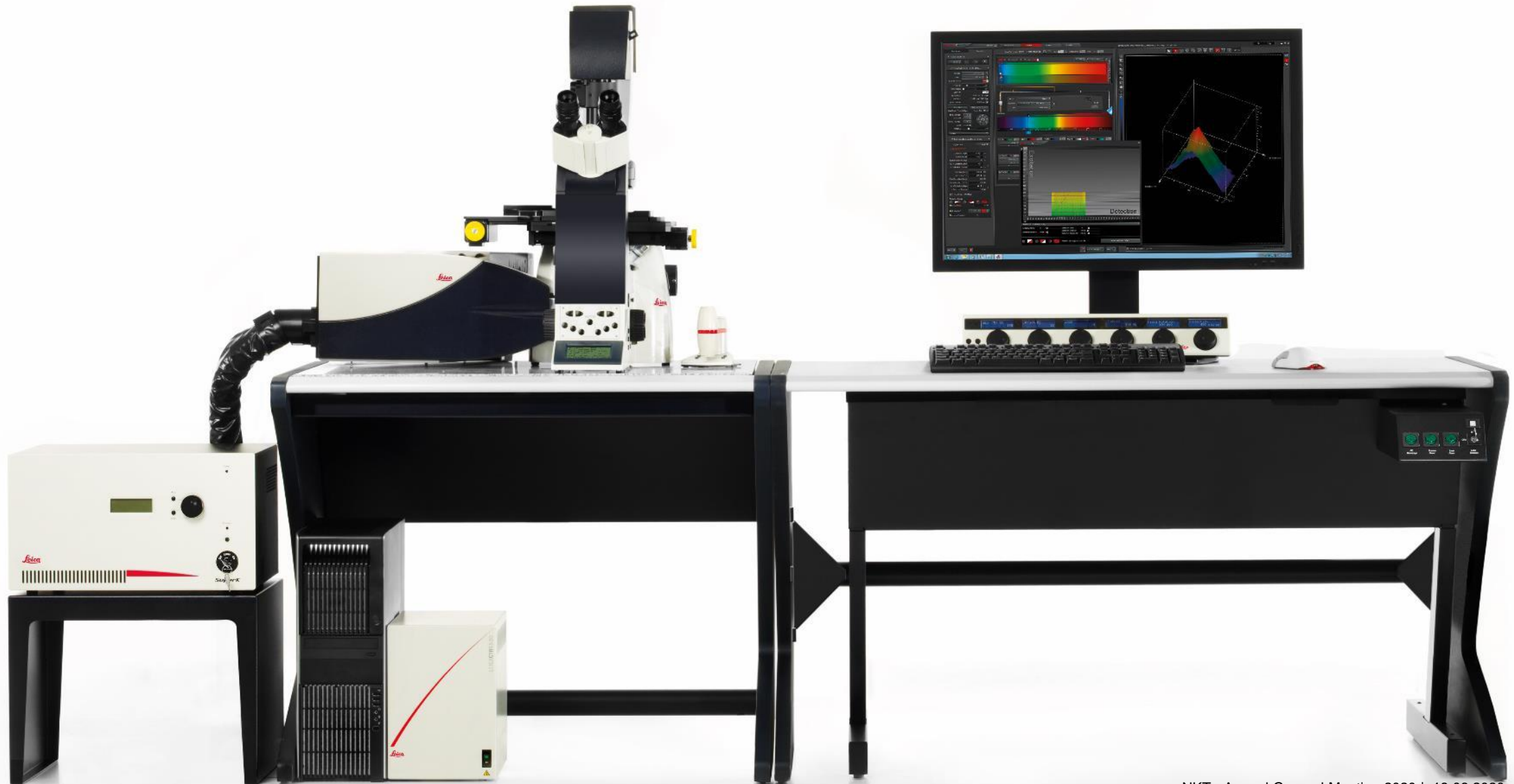


Attractive market outlook driven by the transition to renewable energy

- Development in renewable energy drives demand of cable solutions
- Demand of HVDC technology will grow in the market
- Strong technology base and strategically positioned production sites to meet growing demand



Development in NKT Photonics



Updated market segments

From product-focused

Imaging & Metrology

Sensing & Energy

Material Processing



To market-focused

Medical & Life Science

Industrial

Aerospace & Defence

Financial results for 2019



74.6

Revenue, EURm

10%

Organic Growth

14.6

EBITDA, EURm

Growth across all business areas

Medical & Life Science



Industrial



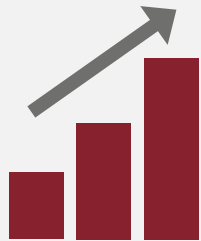
Aerospace & Defence



Strategic focus on commercialization

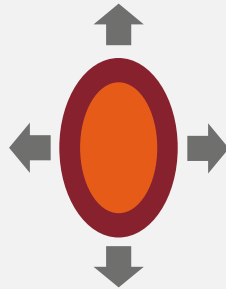
Move up in value chain

Expand from supply of components to complete optical systems



Focus on organic growth

Actively pursue growth opportunities within core areas organically and through partnerships



LEAN Operations

Scalable manufacturing and commercial excellence



Fast introduction of new products

Continued introduction of new products and technologies to meet customers' needs



The Board of Directors

The work of the Board of Directors



No. of meetings

Committee	Members	Meetings* in 2019
Chairmanship	Jens Due Olsen (Chair), René Svendsen-Tune	N/A
Audit	Jutta af Rosenberg (Chair), Jens Maaløe	8
Remuneration	Jutta af Rosenberg (Chair), Jens Maaløe	5
Nomination	Lars S. Sørensen (Chair), Jens Due Olsen	4
NKT Photonics	Jens Maaløe (Chair), Jens Due Olsen	11

**Members and meetings held in the period AGM 2019 – AGM 2020. Full terms of reference for the Audit, Remuneration and Nomination Committees can be found at investors.nkt.com*

The Board of Directors

Proposed re-elected



Jens Due Olsen*



René Svendsen-Tune



Jens Maaløe*



Jutta af Rosenberg



Andreas Nauen

Proposed elected



Karla Marianne Lindahl

Not up for re-election



Lars Sandahl Sørensen

* Not considered independent, cf. Danish Recommendations for Corporate Governance

Karla Marianne Lindahl

Proposed as member of the Board of Directors

Karla Marianne Lindahl

- Born 1981, Finland
- Educational background:
 - MA in EC Competition Law, 2009
 - Master of Laws (LL.M), 2005
- Managing Director, KONE Finland and Baltikum
- Special qualifications
 - International and industrial management
 - Expertise in service business and manufacturing operations
 - Specialist expertise in strategy development and execution as well as competition and corporate law



Remuneration to the Board of Directors 2020



Amounts in DKK 1,000

Chairman (3x base amount of 300)

Deputy Chairman (2x base amount of 300)

Other members (base amount of 300 per member)

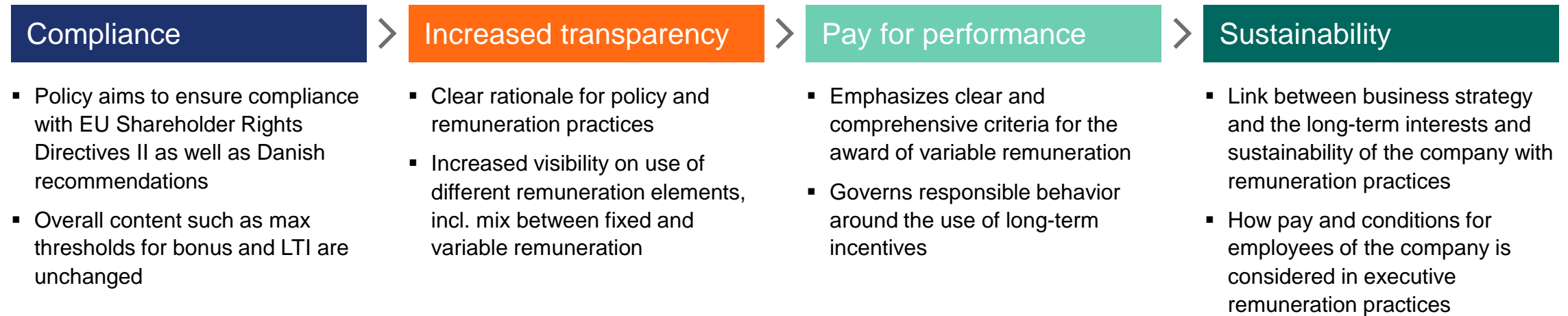
Audit Committee (Chairman 200 and member 100)

Remuneration Committee (Chairman 100 and member 50)

Nomination Committee (Chairman 100 and member 50)

Working Committee NKT Photonics (Chairman 150 and member 75)

Remuneration Policy provides increased shareholder transparency



Strengthening of capital base



Capital increase completed in May 2020 – and intend to complete another before end-2020

Strengthen the financial foundation

- Strengthen the financial foundation for a larger high-voltage order backlog.
- Larger high-voltage projects with higher complexity increases demands to the financial foundation.



Covid-19's impact on NKT Photonics

- The financial outlook for NKT Photonics was withdrawn until better visibility in the markets can be established.
- The Board deems that the strategic review of NKT Photonics cannot be concluded in the near future due to the market uncertainties and with respect to maximize value creation.



Sustainable capital structure

- The Board finds it prudent to strengthen the capital base to be prepare for potential uncertainty due to Covid-19,

Thank you to the employees!



Financial outlook for NKT and NKT Photonics



NKT 2020 outlook

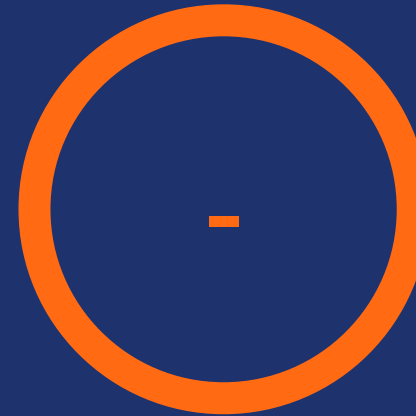


Revenue,
std. metal prices

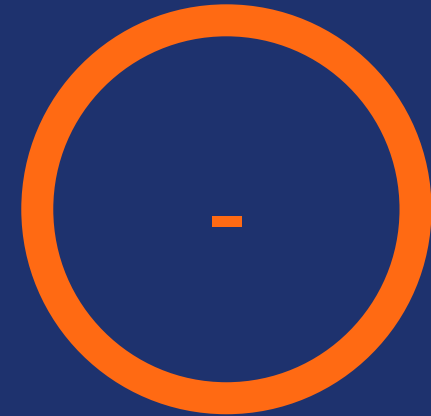


Operational EBITDA

NKT Photonics 2020 outlook - Withdrawn due to Covid-19



Organic growth



EBITDA margin

NKT

**NKT Annual
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2020**



Agenda items 1-4



1. Report by the Board of Directors on the Company's activities in 2019.
2. Presentation of the audited Annual Report, including the annual and consolidated accounts, the statements of the Management and Board of Directors, the auditor's report and reviews for the year.
3. Adoption of the audited Annual Report.
4. Proposal by the Board of Directors for the distribution of profit or cover of loss.
The Board of Directors proposes that no dividend payment is to be paid out on the basis of the 2019 results.

Agenda item 5



Resolution regarding discharge of Management and Board of Directors from their liabilities

Agenda item 6



Remuneration to the Board of Directors 2020

Amounts in DKK 1,000

Chairman (3x base amount of 300)

Deputy Chairman (2x base amount of 300)

Other members (base amount of 300 per member)

Audit Committee (Chairman 200 and member 100)

Remuneration Committee (Chairman 100 and member 50)

Nomination Committee (Chairman 100 and member 50)

Working Committee NKT Photonics (Chairman 150 and member 75)

Agenda item 7

Election of Board members

The Board of Directors proposes re-election of the following Board members:

- Jens Due Olsen*
- René Svendsen-Tune
- Jens Maaløe*
- Andreas Nauen
- Jutta af Rosenborg

and election of the following candidate:

- Karla Marianne Lindahl

Agenda item 7

Election of the Board of Directors



Jens Due Olsen*

- Industrial management
- Management of listed companies
- Specialist expertise in economic and financial matters



René Svendsen-Tune

- International management
- Management of listed companies
- Specialist expertise in technology, service businesses and large account sales



Jens Maaløe*

- Industrial management
- Management of listed companies
- Specialist expertise in technology and technological development



Jutta af Rosenberg

- International management
- Management of listed companies
- Transformation and optimization of businesses
- Risk management
- Finance and controlling



Andreas Nauen

- International and industrial management
- Management of listed companies
- Specialist expertise in technology and large infrastructure projects



Karla Marianne Lindahl

- International and industrial management
- Expertise in service business and operations
- Specialist expertise in strategy development and execution as well as competition and corporate law

* Not considered independent, cf. Danish Recommendations for Corporate Governance

Agenda item 8



Election of one or more public accountants

It is proposed that Deloitte Statsautoriseret Revisionspartnerselskab, Company registration No. 33 96 35 56, is re-elected.

Agenda item 9



Any other proposals from the Board of Directors or the shareholders

9.1 Authorisations to the Board of Directors

The Board of Directors proposes to authorise the Board of Directors to issue new shares (with and without pre-emptive right for the existing shareholders) and convertible instruments as well as to update the Articles of Association due to authorisations to issue warrants having expired.

9.1.1 Warrants

9.1.2 Share issues and convertible loans

The Board of Directors has withdrawn its proposals 9.1.2.1 and 9.1.2.2.

9.2 Amendment of article 5.6. of the Articles of Association of NKT A/S (date of annual general meeting)

9.3 Amendment of article 6 of the Articles of Association (voting on the Company's remuneration report as a standing item on the agenda)

9.4 Approval of remuneration policy

Agenda item 9



Any other proposals from the Board of Directors or the shareholders – 9.1.1

9.1 Authorisations to the Board of Directors

9.1.1 Warrants

It is proposed to delete article 3.B of the Articles of Association as the authorisations set forth herein for the Board of Directors to issue warrants have expired as well as the warrant program. Exhibits A-N are also deleted.

Accordingly, articles 3.C – 3.D of the Articles of Association are amended to articles 3.B – 3.C and any references to such articles in the Articles of Association are updated.

Agenda item 9



Any other proposals from the Board of Directors or the shareholders - 9.1.2

9.1 Authorisations to the Board of Directors

9.1.2 Share issues and convertible loans

9.1.2.1 The Board of Directors has withdrawn its proposal, cf company announcement of 18 June 2020.

9.1.2.2 The Board of Directors has withdrawn its proposal, cf company announcement of 18 June 2020.

9.1.2.3 Thirdly and if neither of the above proposals in items 9.1.2.1 and 9.1.2.2 are adopted by the General Meeting, the Board of Directors proposes to extend and increase the Board of Directors' authorisations to issue new shares with pre-emptive right for the existing shareholders as well as to issue convertible instruments, whereas no authorisation is granted to the Board of Directors to issue new shares without pre-emptive right for the existing shareholders, and thereby amend articles 3.A, 3.C and 3.D of the Articles of Association in their entirety as follows:

"Article 3 A

3.A.1 The share capital may, by resolution of the Board of Directors, be increased by a maximum amount of DKK 256,000,000 (12,800,000 shares of DKK 20 each) through one or more issues of new shares. This authorisation shall be valid until 30 April 2025 or such earlier date where the Company's annual general meeting in 2025 is held. The increase may be carried out through the issue of shares for cash consideration, conversion of debt or payment in other values than cash. The capital increase shall be carried out through the issue of shares giving existing shareholders pre-emptive rights.

3.A.2 New shares issued in accordance with the above authorisation in article 3.A.1 shall carry dividends from such time as may be decided by the Board of Directors, but not later than for the financial year in which the increase in share capital takes place. The shares shall be negotiable instruments and shares registered in the name of the shareholder. The new shares shall with regards to rights, redemption and negotiability in all respects be subject to the same terms as the existing shares.

Article 3 B

3.B.1 For a period of 5 years until 30 April 2025 or such earlier date where the Company's annual general meeting in 2025 is held, the Company may, by decision of the Board of Directors, by one or more issues raise loans against bonds or other financial instruments with a right for the lender to convert his claim to a nominal amount of DKK 128,000,000 (6,400,000 shares of nominal DKK 20 each) as a maximum (convertible loans).

Agenda item 9



Any other proposals from the Board of Directors or the shareholders - 9.1.2 continued

Convertible loans may be raised in DKK or the equivalent in foreign currency computed at the rates of exchange ruling on the day of the loan. The Board of Directors is also authorised to effect the consequential increase of the capital. Convertible loans may be raised against payment in cash or in other ways. The subscription shall take place without pre-emptive rights for the shareholders and the convertible loans shall be offered at a subscription price and a conversion price that correspond in aggregate to at least the market price of the shares at the time of the decision of the Board of Directors. The time limit for conversion may be fixed for a longer period than 5 years after the raising of the convertible loan. The terms for the raising of convertible loans shall be determined by the Board of Directors, including loan terms and the rules for conversion of the loans as well as the holder's legal position in case of capital increase, capital decrease, raising of new convertible loans, dissolution, merger or demerger of the Company before the expiry of the right of conversion. Time and terms for the capital increase shall be decided by the Board of Directors observing the rules in article 3.B.2.

3.B.2 If the Board of Directors exercises the authorisation granted in article 3.B.1, new shares shall be shares registered in the name of the shareholder and carry dividend as of a date to be fixed by the Board of Directors. No restrictions shall apply as to the pre-emption right of the new shares, and they shall rank pari passu with the existing shares with respect to rights, redeemability and negotiability. The Board of Directors is authorised to make the necessary amendments to the Articles of Association in connection with the capital increases being effected.

Article 3 C

3 C The authorisations to the Board of Directors according to articles 3.A.1 and 3.B.1 can, subject to the limitations set forth therein, be utilised to increase the share capital by a total maximum nominal amount of DKK 256,000,000.”

Agenda item 9



Any other proposals from the Board of Directors or the shareholders

9.2 Amendment of article 5.6 of the Articles of Association of NKT A/S (date of annual general meeting)

It is proposed to amend article 5.6, first paragraph, of the Articles of Association as follows:

"The annual general meeting must be held every year in time for the adopted annual report to reach the Danish Business Authority (Erhvervsstyrelsen) before expiry of the time limit provided by the Danish Financial Statements Act (årsregnskabsloven)

Agenda item 9

Any other proposals from the Board of Directors or the shareholders

9.3 Amendment of article 6 of the Articles of Association (voting on the Company's remuneration report as a standing item on the agenda)

As a consequence of the new rules in section 139b(4) of the Companies Act requiring an advisory vote on the Company's remuneration report for the last financial year, it is proposed to add this vote as a standing item on the agenda at future annual general meetings and, accordingly, to amend article 6 of the Articles of Association as follows:

"The business to be transacted at the annual general meeting shall be as follows:

- 1. Report by the Board of Directors on the Company's activities in the past year*
- 2. Presentation of the annual report, containing the annual and consolidated accounts, the statements of the management and Board of Directors, the auditor's report, and reviews for the year*
- 3. Adoption of the audited annual report*
- 4. Proposal by the Board of Directors for the distribution of profit or cover of loss*
- 5. Presentation of and advisory vote on the Company's remuneration report*
- 6. Resolution regarding discharge of obligations of management and Board of Directors*
- 7. Remuneration of the Board of Directors*
- 8. Election of Board Members*
- 9. Election of one or more public accountants*
- 10. Any other proposals from the Board of Directors or the shareholders"*

Agenda item 9



Any other proposals from the Board of Directors or the shareholders

9.4 Approval of remuneration policy

As prescribed by the new rules in section 139 of the Companies Act on adoption of a remuneration policy for members of the management, the Board of Directors proposes to adopt the enclosed remuneration policy for the Board of Directors and the Executive Management.

As a consequence of the adoption of this proposal, the Company's guidelines on remuneration of the Board of Directors and the Executive Management will automatically be repealed, and the provision in article 11.3 of the Articles of Association regarding these guidelines will be deleted.

Agenda item 10



Any other business

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**NKT Annual
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2020**

