



Company Announcement

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NKT awarded major share of SuedOstLink, one of the German high-voltage DC corridor projects

NKT has been awarded a large turnkey contract of approx. EUR 500m (approx. DKK 3.7bn) by the German transmission system operator 50Hertz. The contract comprises supply and installation of 525 kV XLPE high-voltage DC (direct current) onshore cable solution for a significant portion of the SuedOstLink transmission line in route lengths of approx. 275 km.

SuedOstLink will be the world's first large commercial 525 kV XLPE high-voltage DC 2GW transmission line and forms part of the so-called German corridor projects aiming to significantly increase renewable energy supply in the country. NKT has a strong footprint in Germany, with facilities in Cologne, Nordenham and Berlin and is therefore ideally located to supply and install the needed solutions for these large corridor projects.

The 525 kV XLPE high-voltage DC cable solution to be delivered by NKT for SuedOstLink comprises three lots of a total of five, which constitutes the full cable part of the project. The NKT contract value of approx. EUR 500m in market prices, corresponds to approx. EUR 400m (approx. DKK 3bn) in standard metal prices. NKT expects to start production of the high-voltage DC power cables and accessories end-2021 with installation in mid-2022 and with final completion in 2025.

NKT President and CEO Alexander Kara says:

- I am very pleased that we have booked our largest high-voltage DC order ever by getting a significant part of the SuedOstLink project. This underlines our role as a key partner in the green transformation of Germany. We have worked with 50Hertz on a number of large high-voltage power cable projects over the years, and I am excited that our leading expertise and know-how within 525 kV XLPE high-voltage DC technology is once again recognized by one of our key customers.

SuedOstLink is the first of three long-distance power transmission lines in Germany to transport renewable energy from the Northern parts of the country to the South. These transmission lines are often referred to as the HVDC corridor projects covering a large proportion of the country and they are key to realize the 'Energiewende', Germany's long-term strategy for switching to renewable energies by 2050. The SuedOstLink 2 GW transmission line will link the federal states of Saxony-Anhalt and Bavaria and is expected to be commissioned by 2025.

The award of the SuedOstLink project does not change the 2020 financial outlook for NKT.

Contact

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