NEXANS

FULL YEAR 2020

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

1.1. Consolidated financial statements

1.1.1. Consolidated income statement

(in millions of euros)	Notes	2020	2019
NET SALES (1)	1.E.a, 3 and 4	**5,979**	**6,735**
Cost of sales		(5,324)	(5,949)
GROSS PROFIT		**654**	**786**
Administrative and selling expenses		(385)	(442)
R&D costs		(77)	(94)
OPERATING MARGIN (2)	1.E.b and 3	**193**	**249**
Core exposure effect (3)	1.E.c	42	(11)
Other operating income and expenses (4)	6, 7 and 8	120	2
Reorganization costs	22.B	(107)	(251)
Share in net income of associates		(2)	(0)
OPERATING INCOME (LOSS)	1.E.d	**246**	**(11)**
Cost of debt (net) (5)	1.E.e	(43)	(38)
Other financial income and expenses	1.E.e and 9	(11)	(24)
INCOME BEFORE TAXES		**192**	**(73)**
Income taxes	10	(111)	(44)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**80**	**(118)**
Net income from discontinued operations		-	-
NET INCOME (LOSS)		**80**	**(118)**
attributable to owners of the parent		78	(122)
attributable to non-controlling interests		2	5
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE (in euros)	11		
- basic earnings (loss) per share		1.80	(2.81)
- diluted earnings (loss) per share		1.76	(2.81)

*(1) Sales at constant metal prices calculated using reference prices are no longer presented in the income statement but are still presented in the segment information provided in **Note 3** and are used in the activity report in Section 2.1.*
Sales at constant copper and aluminum prices are used by the Group to monitor its operational performance, because the effect of changes in non-ferrous metals prices is neutralized to show underlying business growth. Cost of sales is restated on the same basis. Since January 1, 2020, the reference price for copper has been 5,000 euros per tonne (compared with 1,500 euros in 2019 and previous years). For both 2019 and 2020 the reference price for aluminum was 1,200 euros per tonne.
*(2) Operating margin is one of the business management indicators used to assess the Group's operating performance, see **Note 1.E.b**.*
(3) Effect relating to the revaluation of Core exposure at its weighted average cost.
*(4) As explained in **Notes 6, 7 and 8,** in 2020, "Other operating income and expenses" included some 142 million euro net disposal gains and 21 million euros in net asset impairment.*
(5) Financial income amounted to 3 million euros in 2020 versus 4 million euros in 2019.

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1.1.2. Consolidated statement of comprehensive income

(in millions of euros)	Notes	2020	2019
NET INCOME (LOSS)		**80**	**(118)**
Recyclable components of comprehensive income (loss)		**(80)**	**64**
- currency translation differences		(105)	21
- cash flow hedges	25	25	43
Tax impacts on recyclable components of comprehensive income (loss)	10.C	**(8)**	**(11)**
Non-recyclable components of comprehensive income (loss)		**6**	**(32)**
- Actuarial gains and losses on pensions and other long-term employee benefit obligations	21.B	6	(31)
- financial assets at fair value through other comprehensive income		-	(1)
- Share of other non-recyclable comprehensive income of associates		-	-
Tax impact on non-recyclable components of comprehensive income (loss)	10	**(0)**	**8**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**(82)**	**29**
TOTAL COMPREHENSIVE INCOME (LOSS)		**(1)**	(88)
- attributable to owners of the parent		*(2)*	*(93)*
- attributable to non-controlling interests		*1*	*5*

1.1.3. Consolidated balance sheet

(At December 31, in millions of euros)	Notes	2020	2019
ASSETS			
Goodwill	7	232	242
Intangible assets	12	115	126
Property, plant and equipment	13	1,346	1,382
Investments in associates	14	32	37
Deferred tax assets	10.D	115	175
Other non-current assets	15	102	92
NON-CURRENT ASSETS		**1,942**	**2,053**
Inventories and work in progress	16	937	1,113
Contract assets	4	94	69
Trade receivables	17	829	1,015
Current derivative assets	25	86	40
Other current assets	18	201	186
Cash and cash equivalents	23.A	1,142	642
Assets and groups of assets held for sale		0	0
CURRENT ASSETS		**3,288**	**3,065**
TOTAL ASSETS		**5,230**	**5,117**

(At December 31, in millions of euros)	Notes	2020	2019
EQUITY AND LIABILITIES			
Capital stock, additional paid-in capital, retained earnings and other reserves		1,258	1,167
Other components of equity		(42)	42
Equity attributable to owners of the parent		**1,216**	**1,209**
Non-controlling interests		40	42
TOTAL EQUITY	**20**	**1,256**	**1,251**
Pensions and other long-term employee benefit obligations	21	350	373
Non-current provisions	22	78	106
Long-term debt	23	684	923
Non-current derivative liabilities	25	0	7
Deferred tax liabilities	10.D	133	118
NON-CURRENT LIABILITIES		**1,246**	**1,527**
Current provisions	22	122	191
Short-term debt	23	636	190
Contract liabilities	4	364	256
Current derivative liabilities	25	46	33
Trade payables	24	1,213	1,319
Other current liabilities	24	349	350
Liabilities related to groups of assets held for sale		0	0
CURRENT LIABILITIES		**2,729**	**2,339**
TOTAL EQUITY AND LIABILITIES		**5,230**	**5,117**

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1.1.4. Consolidated statement of changes in equity

(in millions of euros)	Number of shares outstanding (3)	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings and other reserves	Changes in fair value and other	Currency translation differences	Equity attributable to owners of the parent	Non controlling interests	Total equity
JANUARY 1, 2019	**43,371,996**	**44**	**1,606**	**(8)**	**(309)**	**(36)**	**22**	**1,319**	**42**	**1,361**
Net income for the year	-	-	-	-	(122)	-	-	(122)	5	(118)
Other comprehensive income (loss)	-	-	-	-	(24)	33	21	29	-	29
TOTAL COMPREHENSIVE INCOME (LOSS)	**-**	**-**	**-**	**-**	**(146)**	**33**	**21**	**(93)**	**5**	**(88)**
Dividends paid	-	-	-	-	(13)	-	-	(13)	(2)	(15)
(Purchases)/sales of treasury stock	77,839	-	-	3	(3)	-	-	-	-	-
Employee share-based plans :										
- Service cost	-	-	-	-	6	-	-	6	-	6
- Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	(13)	-	4	(9)	(3)	(12)
Other	-	-	-	-	-	-	(1)	(1)	-	(1)
December 31, 2019	**43,449,835**	**44**	**1,606**	**(5)**	**(479)**	**(4)**	**47**	**1,209**	**42**	**1,251**
Net income for the year	-	-	-	-	78	-	-	78	2	80
Other comprehensive income (loss)	-	-	-	-	6	19	(105)	(80)	(1)	(82)
TOTAL COMPREHENSIVE INCOME (LOSS)	**-**	**-**	**-**	**-**	**84**	**19**	**(105)**	**(2)**	**1**	**(1)**
Dividends paid	-	-	-	-	-	-	-	-	(3)	(3)
Share buyback program	(350,314)	-	-	(10)	-	-	-	(10)	-	(10)
Cancelation of treasury stock	-	(0)	(9)	10	-	-	-	-	-	-
(Purchases)/sales of treasury stock	49,330	-	-	2	(2)	-	-	-	-	-
Employee share-based plans :										
Service cost (1)	-	-	-	-	3	-	-	3	-	3
Proceeds from share issues (2)	499,621	0	16	-	-	-	-	17	-	17
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	(4)	-	2	(2)	-	(2)
December 31, 2020	**43,648,472**	**44**	**1,614**	**(3)**	**(397)**	**15**	**(56)**	**1,216**	**40**	**1,256**

(1) Including a 1 million euro expense related to the ACT 2020 plan.

*(2) Related to the share settlement-delivery that took place in November 2020 for ACT 2020 (see **Note 20.F**).*

(3) The number of shares outstanding at December 31, 2020 corresponds to 43,755,627 issued shares less 107,155 shares held in treasury.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

1.1.5. Consolidated statement of cash flows

(in millions of euros)	Notes	2020	2019
Net income		80	(118)
Depreciation, amortization and impairment of assets (including goodwill)	7, 12 and 13	175	151
Cost of debt (gross)		46	43
Core exposure effect (1)		(42)	11
Current and deferred income tax charge (benefit)	10	111	44
Net (gains) losses on asset disposals	8	(142)	(7)
Other restatements (2)		(94)	135
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX (3)		136	**260**
Decrease (increase) in working capital	19	362	56
Impairment of current assets and accrued contract costs		4	19
Income taxes paid		(46)	(36)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		320	**40**
NET CASH GENERATED FROM OPERATING ACTIVITIES		456	**300**
Proceeds from disposals of property, plant and equipment and intangible assets		16	12
Capital expenditure	12, 13	(225)	(238)
Decrease (increase) in loans granted and short-term financial assets (4)		(42)	(1)
Purchase of shares in consolidated companies, net of cash acquired		(2)	(1)
Proceeds from sale of shares in consolidated companies, net of cash transferred		155	(1)
NET CASH USED IN INVESTING ACTIVITIES		(99)	**(228)**
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		356	**71**
Proceeds from (repayments of) long-term and short-term borrowings	23	218	(261)
- of which repayment of 2016-2019 OCEANE bonds		-	(269)
- of which proceeds from the government-backed loan		279	-
Cash capital increases (reductions)	20	7	-
Interest paid		(45)	(52)
Transactions with owners not resulting in a change of control		(7)	(5)
Dividends paid		(4)	(15)
NET CASH USED IN FINANCING ACTIVITIES		169	**(332)**
Net effect of currency translation differences		(19)	(0)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**507**	**(260)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	23.A	626	**886**
CASH AND CASH EQUIVALENTS AT YEAR-END	23.A	1,133	**626**
- of which cash and cash equivalents recorded under assets		1,142	642
- of which short-term bank loans and overdrafts recorded under liabilities		(9)	(16)

(1) Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact (see ***Note 1.E.c****).*

(2) "Other restatements" in 2020 primarily include (i) a negative adjustment of 98 million euros (2019: positive adjustment of 103 million euros) to cancel the net change in operating provisions (including provisions for pensions, reorganization costs and antitrust proceedings), (ii) a 7 million euro negative adjustment (2019: 13 million euro positive adjustment) related to the cash impact of hedges and (iii) 3 million euro positive adjustment (2019: 6 million euro positive adjustment) to cancel the cost of share-based payments.

(3) The Group also uses the "operating cash flow" concept, which is mainly calculated after adding back cash outflows relating to reorganizations (170 million euros and 129 million euros in 2020 and 2019 respectively), and deducting income tax paid.

(4) In 2020, this caption included 39 million euros corresponding to bank deposits by the Group's Lebanese company with Lebanese banks that have been reclassified from Cash and cash equivalents in accordance with IAS 7.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

1.1.6. Notes to the consolidated financial statements

NOTE 1. Summary of significant accounting policies

A. GENERAL PRINCIPLES

Nexans (the Company) is a French joint stock corporation (*société anonyme*) governed by the laws and regulations applicable to commercial companies in France, notably the French Commercial Code (*Code de commerce*). The Company was formed on January 7, 1994 (under the name Atalec) and its headquarters is at Le Vinci, 4 allée de l'Arche, 92400 Courbevoie, France.

Nexans is listed on the regulated market of Euronext Paris (Compartment A) and forms part of the SBF 120 index.

The consolidated financial statements are presented in euros rounded to the nearest million. Rounding may in some cases lead to non-material discrepancies in the different totals or year-on-year changes. They were approved by the Board of Directors on February 16, 2021 and will become final after approval at the Annual Shareholders' Meeting, which will take place on May 12, 2021 on first call.

The significant accounting policies used in the preparation of these consolidated financial statements are set out below. Except where otherwise indicated, these policies have been applied consistently to all the financial years presented.

Basis of preparation

The consolidated financial statements of the Nexans Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union at December 31, 2020.

The Group has applied all of the new standards, interpretations and amendments to existing standards that were mandatory for the first time in the fiscal year beginning January 1, 2020, and which were as follows:

- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendments to IFRS 3, "Definition of a Business";
- Amendments to IAS 1 and IAS 8 "Definition of material";
- Amendment to IFRS 16: "Rent concessions granted as a result of the Covid-19 crisis".

These amendments did not have a material impact on the Group's consolidated financial statements.

In addition, during 2020 the Group completed its analysis of the consequences of the IFRIC interpretation dated November 26, 2019 on the determination of lease terms for the application of IFRS 16. The impact on the consolidated financial statements is not material.

In 2020, the Group applied the hedging part of IFRs 9, without any material impact on the Group's consolidated financial statements.

New standards, amendments and interpretations published by the IASB but not yet effective

The IASB has not issued any new standards, amendments or interpretations that have been endorsed by the European Union but are not yet applicable.

The IASB has issued the following amendments that have not yet been endorsed by the European Union and are potentially applicable by the Group:

- Annual improvements to IFRSs (2018-2020), including IFRS 9, "Fees and cost included in the 10% test for derecognition of financial liabilities";
- Amendments to IAS 1 "Classification of liabilities as current or non-current";
- Amendments to IAS 16, "Property, plant and equipment – Proceeds before intended use";
- Amendments to IAS 39, IFRS 7, IFRS 9 and IFRS 16, "Interest rate benchmark reform – Phase II";
- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture";

The Group does not expect its application of these amendments to have a material impact on its consolidated financial statements.

Accounting estimates and judgments

The preparation of consolidated financial statements requires Management to exercise its judgment and make estimates and assumptions that could have a material impact on the reported amounts of assets, liabilities, income and expenses.

When preparing the annual consolidated financial statements, Management took the consequences of the Covid-19 pandemic into account in its estimates and assumptions, despite the prevailing uncertainty concerning the virus's mutation and how the resulting crisis will evolve. The pandemic's consequences are described in **Note 2** and are taken into account in the estimates described below, where applicable.

The main sources of uncertainty relating to estimates are expanded upon where necessary in the relevant notes and concern the following items:

- The recoverable amount of certain items of property, plant and equipment, goodwill and other intangible assets, and determining the groups of cash-generating units (CGUs) used for goodwill impairment testing (see **Note 1.F.a, Note 1.F.b**, **Note 1.F.c** and **Note 7**).
- Recognition and recoverability of deferred tax assets for unused tax losses (see **Note 1.E.f** and **Note 10.E**).
- Margins to completion and percentage of completion on long-term contracts (see **Note 1.E.a**).
- The measurement of pension liabilities and other employee benefits (see **Note 1.F.j** and **Note 21**).
- Provisions and contingent liabilities (see **Note 1.F.k**, **Note 22** and **Note 29**).
- The measurement of derivative instruments and their qualification as cash flow hedges (see **Note 1.F.n** and **Note 25**).
- Cancelable lease terms for real estate leases (see **Note 1.F.m**).

These estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances and are reviewed on an ongoing basis. They serve as the basis for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources. Due to the inherent uncertainties of any valuation process, it is possible that actual amounts reported in the Group's future financial statements may differ from the estimates used in these financial statements. The impact of changes in accounting estimates is recognized in the period of the change if it only affects that period or over the period of the change and subsequent periods if they are also affected by the change.

B. CONSOLIDATION METHODS

The consolidated financial statements include the financial statements of (i) Nexans, (ii) the subsidiaries over which Nexans exercises control, and (iii) companies accounted for by the equity method (associates).

The financial statements of subsidiaries and associates are prepared for the same period as those of the parent company. Adjustments are made to harmonize any differences in accounting policies that may exist.

Subsidiaries (companies controlled by Nexans) are fully consolidated from the date the Group takes over control through the date on which control is transferred outside the Group. Control is defined as the direct or indirect power to govern the financial and operating policies of a company in order to benefit from its activities.

Other companies over which the Group exercises significant influence are classified as associates and accounted for by the equity method. Significant influence is presumed to exist when the Group's direct or indirect interest is over 20%.

The type of control or influence exercised by the Group is assessed on a case-by-case basis using the presumptions set out in IFRS 10, IFRS 11 and the revised version of IAS 28. A list of the Group's main subsidiaries and associates is provided in **Note 31**.

Intra-group balances and transactions, including any intra-group profits, are eliminated in consolidation.

C. FOREIGN CURRENCY TRANSLATION

The Group's financial statements are presented in euros. Consequently:

- The balance sheets of foreign operations whose functional currency is not the euro are translated into euros at the year-end exchange rate.
- Income statement items of foreign operations are translated at the average annual exchange rate, which is considered as approximating the rate applicable to the underlying transactions.

The resulting exchange differences are included in other comprehensive income under "Currency translation differences". The functional currency of an entity is the currency of the primary economic environment in which the entity operates and in the majority of cases corresponds to the local currency.

Cash flow statement items are also translated at the average annual exchange rate.

In 2020, the Lebanese economy was considered as hyper-inflationary within the meaning of IAS 29. However, as the Group's income and expenses in this country are mainly denominated in US dollars, IAS 29 has not been applied for the translation of the Lebanese subsidiary's financial statements.

Since 2006, IAS 29 has not been applied to translate the financial statements of any Group company.

Foreign currency transactions are translated at the exchange rate prevailing at the transaction date. When these transactions are hedged and the hedge concerned is documented as a qualifying hedging relationship for accounting purposes, the gain or loss on the spot portion of the corresponding derivative directly affects the hedged item so that the overall transaction is recorded at the hedging rate in the income statement.

In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates", foreign currency monetary items in the balance sheet are translated at the year-end closing rate. Any exchange gains or losses arising on translation are recorded as financial income or expense except if they form part of the net investment in the foreign operation within the meaning of IAS 21, in which case they are recognized directly in other comprehensive income under "Currency translation differences".

Foreign exchange derivatives are measured and recognized in accordance with the principles described in **Note 1.F.n**.

D. BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method, whereby the identifiable assets acquired, liabilities assumed and any contingent liabilities are recognized and measured at fair value.

For all business combinations the acquirer must (other than in exceptional cases) recognize any non-controlling interest in the acquiree either (i) at fair value (the "full goodwill" method) or (ii) at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets measured at their acquisition-date fair value, in which case no goodwill is recognized on non-controlling interests (the "partial goodwill" method).

Goodwill, determined as of the acquisition date, corresponds to the difference between:

- The aggregate of (i) the acquisition price, generally measured at acquisition-date fair value, (ii) the amount of any non-controlling interest in the acquiree measured as described above, and (iii) for a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and
- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with IFRS 3.

The Group has a period of 12 months from the acquisition date to complete the initial accounting for a business combination, during which any "measurement period adjustments" may be made. These adjustments are notably made to reflect information obtained subsequent to the acquisition date about facts and circumstances that existed at that date.

The consideration transferred in a business combination must be measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Any contingent consideration at the acquisition date is systematically included in the initial fair value measurement of the consideration transferred in exchange for the acquiree, based on probability tests. Any changes in the fair value of contingent consideration that the acquirer recognizes after the acquisition date and which do not correspond to measurement period adjustments as described above – such as meeting an earnings target different from initial expectations – are accounted for as follows:

- Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.
- Contingent consideration classified as an asset or liability that is a financial instrument and is within the scope of IFRS 9 is measured at fair value, with any resulting gain or loss recognized in the income statement (notably the effect of unwinding the discount) or in other comprehensive income as appropriate.

The Group accounts for acquisition-related costs for subsidiaries as expenses in the periods in which the costs are incurred and the services received. However, if the acquisition of a subsidiary is financed through the issuance of equity or debt instruments, the related costs are recognized in equity or debt respectively in accordance with IFRS 9 and IAS 32.

E. INCOME STATEMENT ITEMS

a. Sales

Net sales

Net sales (at current metal prices) represent revenue from sales of goods held for resale, as well as sales of goods and services deriving from the Group's main activities, for which consideration has been promised in contracts drawn up with customers. Net sales correspond to the Net sales at current metal prices in **Note 3** related to Operating segments.

The Group's main activities correspond to sales of cables produced in its plants, as well as cable installation services. Cables are sold either separately under specific contracts with customers (see below, "Sales of goods") or together with installation services under contracts that combine both sales of cables and installation services (see below, "Goods and services contracts").

In accordance with IFRS 15, revenue is recognized under sales when the control of goods or services is transferred to the customer. The amount recognized corresponds to the consideration the entity expects to receive in exchange for the goods or services.

For all business, the sales amount recognized in revenue corresponds to the amount of consideration to which the entity expects to be entitled based on the terms and conditions of each contract and standard commercial practices. Penalties are deducted from revenue from the underlying contract as soon as they are accepted. Revenue also includes certain variable consideration, notably relating to discounts and rebates, which are measured using the expected value method or based on the single most likely amount, depending on the specific terms and conditions of the contracts concerned.

For all of the Group's activities, the revenue recognized as the consideration promised from customers for the transfer of goods or services takes into account the financial impact of payment deferrals when such deferrals are significant and represent a period of more than one year.

Sales of goods

Customer contracts covering sales of goods include a single performance obligation for each delivery.

Revenue from sales of goods is recognized at a specific point in time, corresponding to the moment when control of the asset concerned is transferred to the customer, which is generally when the goods are delivered.

In addition, as the delivery of goods also corresponds to the moment when the Group obtains an enforceable right to payment, the contra-entry to the recognized amount of sales is presented in "Trade receivables" on the assets side of the consolidated balance sheet.

Goods and services contracts

Contracts covering both sales of goods and cable installation services essentially concern the Group's high-voltage cable and umbilical cable activities. They are contracts that are specifically negotiated for constructing and installing an asset or a group of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. When the customer cannot use an asset or a group of assets during their production or installation due to the specific features of their design and interdependency as provided for contractually, then a single performance obligation is identified per contract.

Performance obligations under goods and services contracts are considered to be satisfied over time if (i) the asset or group of assets created in connection with a goods and services contract is specific to the requirements of the customer and cannot have an alternative use, and (ii) Nexans has an enforceable right to payment for the services performed up until the date in question. The input method is used to measure progress towards fulfilling the performance obligation based on costs incurred. The costs taken into account do not include any inefficiencies that were not anticipated and cannot therefore trigger any revenue recognition.

For each goods and services contract, the cumulative amount of revenue recognized in respect of all of the Group's service obligations under the contract, less any advance payments received from customers and trade receivables which are recognized separately, is presented in the consolidated balance sheet under "Contract assets" or "Contract liabilities".

When it is probable that total contract costs will exceed total contract revenue, the expected loss to completion is recognized immediately in cost of sales in the consolidated income statement, and under "Short-term provisions" or "Long-term provisions" in the consolidated balance sheet.

Customer advance payments

The Group may receive partial payments from customers before the corresponding work is performed, which are referred to as customer advance payments. In accordance with IFRS 15, these advance payments are recorded under "Contract liabilities" or "Contract assets" depending on the net balance sheet position of the related goods and services contract.

In the same way as for recognition of consideration promised by customers, when recognizing customer advance payments, the Group takes into account the financial impact of payment deferrals when such deferrals are significant and represent a period of more than one year.

Sales at constant metal prices

On an operating level, the effects of fluctuations in metal prices are passed on in selling prices.

To neutralize the effect of fluctuations in non-ferrous metal prices and thus measure the underlying trend in its business, the Group also presents its sales figures based on a constant price for copper and aluminum. These reference prices were set in 2020 at 5,000 euros per tonne for copper and 1,200 euros per tonne for aluminum. The sales at constant metal prices are shown in **Note 3**.

b. Operating margin

Operating margin, a key indicator, measures the Group's operating performance and comprises gross profit (which includes indirect production costs), administrative and selling expenses and research and development costs (see **Note 1.F.a**).

Share-based payments (see **Note 1.F.i**), pension operating costs (see **Note 1.F.j**) and employee profit-sharing are allocated by function to the appropriate lines in the income statement based on cost accounting principles.

Operating margin is measured before the impact of: (i) revaluing Core exposure (see **Note 1.E.c**); (ii) impairment losses recorded on property, plant and equipment, goodwill and other intangible assets following impairment tests; (iii) changes in fair value of non-ferrous metal derivatives; (iv) gains and losses on asset disposals; (v) acquisition-related costs when they concern acquisitions that have been completed and acquisition fees and costs related to planned acquisitions; (vi) expenses and provisions for antitrust investigations; (vii) reorganization costs; (viii) share in net income of associates; (ix) financial income and expenses; (x) income taxes; and (xi) net income (loss) from discontinued operations.

The Group also uses EBITDA and ROCE as operating performance indicators.

Consolidated EBITDA is defined as restated operating margin before depreciation and amortization, while ROCE corresponds to the return on capital employed and is calculated as operating margin divided by capital employed.

c. Core exposure effect

This line of the consolidated income statement includes the following two components (see also **Note 26.C**):

- A "price" effect: In the Group's IFRS financial statements non-ferrous metal inventories are measured using the weighted average unit cost method, leading to the recognition of a temporary price difference between the accounting value of the copper used in production and the actual value of this copper as allocated to orders through the hedging mechanism. This difference is exacerbated by the existence on a permanent basis of a minimum inventory of metal that is not hedged (called "Core exposure").
  The accounting impact related to this difference is not included in operating margin and instead is accounted for in a separate line of the consolidated income statement, called "Core exposure effect". Within operating margin – which is a key performance indicator for Nexans – inventories consumed are valued based on the metal price specific to each order, in line with the Group's policy of hedging the price of the metals contained in the cables sold to customers.

- A "volume" effect: At the level of operating margin – which is a performance indicator – Core exposure is measured at historic cost, whereas at operating income level it is valued at weighted average cost (see **Note 1.F.e**) in accordance with IFRS. The impact of any changes in volumes of Core exposure during the period is also recorded under "Core exposure effect" in the consolidated income statement. However, this effect is generally limited, as the tonnage of Core exposure is usually kept at a stable level from one period to the next, except for any structural change in the event of structural reorganizations within the Group or following a lasting significant contraction or expansion in business volumes, in accordance with the management principles described in **Note 26.C**.

d. Operating income

Operating income includes operating margin (see **Note 1.E.b**), Core exposure effect (see **Note 1.E.c**), reorganization costs (see **Note 1.F.k**), share in net income of associates, and other operating income and expenses. Other operating income and expenses are presented in **Note 6** and mainly include impairment losses recorded on property, plant and equipment, goodwill and other intangible assets following impairment tests (see **Note 1.F.c**), gains and losses on asset disposals, and expenses and provisions for antitrust investigations.

e. Financial income and expenses

Financial income and expenses include the following:

- Cost of debt, net of financial income from investments of cash and cash equivalents.
- Other financial income and expenses, which primarily include (i) foreign currency gains and losses on transactions not qualified as cash flow hedges, (ii) additions to and reversals of provisions for impairment in value of financial investments, (iii) net interest expense on pensions and other long-term benefit obligations, and (iv) dividends received from non-consolidated companies.

Details on the majority of these items are provided in **Notes 9** and **23**.

f. Income taxes

The income tax expense for the year comprises current and deferred taxes.

Deferred taxes are recognized for temporary differences arising between the carrying amount and tax base of assets and liabilities, as well as for tax losses available for carryforward. In accordance with IAS 12, no deferred tax assets or liabilities are recognized for temporary differences resulting from goodwill for which impairment is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (except in the case of finance leases and actuarial gains or losses on pension benefit obligations).

Deferred tax assets that are not matched by deferred tax liabilities expected to reverse in the same period are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, based on medium-term earnings forecasts (generally covering a five-year period) for the company concerned. The Group ensures that the forecasts used for calculating deferred taxes are consistent with those used for impairment testing (see **Note 1.F.c**).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. The rates applied reflect Management's intentions of how the underlying assets will be realized or the liabilities settled. All amounts resulting from changes in tax rates are recorded either in equity or in net income in the year in which the tax rate change is enacted or substantively enacted, based on the initial recognition method for the corresponding deferred taxes.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that (i) the Group is able to control the timing of the reversal of the temporary difference, and (ii) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if the entity is legally entitled to offset current tax assets and liabilities and if the deferred tax assets and liabilities relate to taxes levied by the same taxation authority.

F. ITEMS RECOGNIZED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

a. Intangible assets

See **Notes 1.D** and **1.F.c** for a description of the Group's accounting treatment of goodwill.

Intangible assets are stated at cost less any accumulated amortization and impairment losses. When they are acquired in a business combination, their cost corresponds to their fair value.

The Group applies the cost model for the measurement of intangible assets rather than the allowed alternative method that consists of regularly revaluing categories of assets. Government grants are recognized as a deduction from the gross amount of the assets to which they relate.

Intangible assets primarily correspond to the following:

- Trademarks, customer relationships and certain supply contracts acquired in business combinations. Except in rare cases, trademarks are deemed to have an indefinite useful life. Customer relationships are amortized on a straight-line basis over the period during which the related economic benefits are expected to flow to the Group (between five and twenty-five years). Supply contracts can be deemed to have an indefinite useful life when they are automatically renewable and where there is evidence, notably based on past experience, indicating that the contractual rights will be renewed. Otherwise, their useful lives generally correspond to the term of the contract.
- The costs for acquired or developed software, usually intended for internal use, and development costs, to the extent that their cost can be reliably measured and it is probable that they will generate future economic benefits. These assets are amortized by the straight-line method over their estimated useful lives (between three and five years).
- Development costs that meet the recognition criteria in IAS 38. Capitalized development costs are amortized over the estimated useful life of the project concerned, from the date the related product is made available. Research costs, as well as development costs that do not meet the recognition criteria in IAS 38, are expensed as incurred. Research and development costs to be rebilled to or by customers under the terms of construction contracts are included in "Contract assets" and "Contract liabilities".

Intangible assets are derecognized when the risks and rewards of ownership of the asset are transferred.

b. Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation and impairment losses. When they are acquired in a business combination, their cost corresponds to their fair value. In accordance with IAS 23, directly attributable borrowing costs are included in the cost of qualifying assets.

The Group applies the cost model for the measurement of property, plant and equipment rather than the allowed alternative method that consists of regularly revaluing categories of assets. Government grants are recognized as a deduction from the gross amount of the assets to which they relate.

Property, plant and equipment are depreciated by the straight-line method based on the following estimated useful lives:

INDUSTRIAL BUILDINGS AND EQUIPMENT	
▪ Buildings for industrial use	20 years
▪ Infrastructure and fixtures	10-20 years
▪ Equipment and machinery:	
- Heavy mechanical components	30 years
- Medium mechanical components	20 years
- Light mechanical components	10 years
- Electrical and electronic components	10 years
▪ Small equipment and tools	3 years
BUILDINGS FOR ADMINISTRATIVE AND COMMERCIAL USE	**20-40 years**

The depreciation method and periods applied are reviewed at each year-end where necessary. The residual value of the assets is taken into account in the depreciable amount when it is deemed significant. Replacement costs are capitalized to the extent that they satisfy the criteria in IAS 16.

Property, plant and equipment are derecognized when the risks and rewards of ownership of the asset are transferred.

Property, plant and equipment also include right-of-use assets recognized for leases (see **Note 1.F.m**).

c. Impairment tests

At each period-end, the Group assesses whether there is an indication that an asset may be impaired. Impairment tests are also carried out whenever events or changes in the market environment indicate that property, plant and equipment or intangible assets (including goodwill), may have suffered impairment. An impairment loss is recognized where necessary for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Intangible assets with indefinite useful lives and goodwill are tested for impairment at least once a year.

For operating assets that the Group intends to hold and use in its operations over the long term, the recoverable amount of a cash-generating unit (CGU) corresponds to the higher of fair value less costs to sell (where determinable) and value in use. Where the Group has decided to sell particular operations, the carrying amount of the related assets is compared with their fair value less costs to sell. Where negotiations in relation to such a sale are in progress, fair value is determined based on the best estimate of the outcome of the negotiations at the reporting date.

Value in use is calculated on the basis of the future operating cash flows determined in the Group's budget process and strategic plan, which represent Management's best estimate of the economic conditions that will prevail during the remainder of the asset's useful life. The assumptions used are made on the basis of past experience and external sources of information, such as discount rates and perpetual growth rates.

When an analysis of the related context reveals that a CGU, intangible asset, or item of property, plant and equipment that is in use or ready for use may have become impaired, the asset concerned is tested for impairment in accordance with IAS 36, based on the following:

- CGU: a cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of goodwill is tested at the level of the CGU or group of CGUs to which it is allocated. The structure of the Group's CGUs is aligned with its operational organization and is based on a combined vision of market segments and geographic areas.
- Other intangible assets and property, plant and equipment: groups of assets with finite useful lives are tested for impairment if there is a specific indication that they may be impaired (as defined in IAS 36.12). Examples of indications that an asset may be impaired include a pronounced decline in profitability, a considerably lower performance than in the original business plan, or a significant loss of customers, market share or product certifications.
- The discount rate applied corresponds to the expected market rate of return for a similar investment, specific to each geographic area, regardless of the sources of financing. The discount rates used are post-tax rates applied to post-tax cash flows. The recoverable amounts determined using these post-tax rates are the same as those that would be obtained by using pre-tax rates applied to pre-tax cash flows.
- Five-year business plans are used, based on the Group's budget process and strategic plan, with an extrapolation calculated in conjunction with local management for the final years of the projection period if appropriate.
- Operational cash flows are extrapolated based on growth rates specific to each geographic area.

Impairment losses (net of reversals) are recorded in the income statement under "Other operating income and expenses" unless they directly relate to a reorganization operation (see **Note 1.F.k**).

d. Financial assets at fair value through profit or loss or other comprehensive income

Financial assets at fair value through profit or loss or through other comprehensive income relate to the shares in non-consolidated entities. They are initially recognized at fair value. For each of these assets, the Group decides whether to measure subsequent changes in fair value either through profit or loss or through other comprehensive income (without any possibility of subsequently being recycled to profit or loss). This choice is made at the initial recognition date and is irreversible.

e. Inventories and work in progress

Inventories and manufacturing work in progress are stated at the lower of cost and net realizable value. The costs incurred in bringing inventories to their present location and conditions are accounted for as follows:

- Raw materials: purchase cost according to the weighted average cost (WAC) method;
- Finished goods and work in progress: cost of materials and direct labor, and share of indirect production costs, according to the WAC method.

In compliance with IAS 23, qualifying inventories include directly attributable borrowing costs.

Inventories include Core exposure:

- With respect to continuous casting activities, the Core exposure represents the minimum quantity of non-ferrous metal inventories necessary to establish and maintain casting operations.
- In respect to Nexans cabling activities, the Core exposure represents the amounts of non-ferrous metals required for the Group's cable plants to operate.

Its overall volume is generally kept stable and is constantly replenished, however the level of Core exposure may have to be adapted at times, particularly in the event of a lasting significant contraction or expansion in business volumes. In the event of structural reorganizations within the Group, the level of Core exposure may have to be revised.
The impact of changes in value of this component is shown in a separate line of the income statement and is included as a component of cash flows from operations in the statement of cash flows.

Net realizable value of inventories is the estimated sale price in the ordinary course of business, less estimated completion costs and the costs necessary to carry out the sale. If the carrying amount of non-ferrous metal inventories is higher than their market value at the year-end, an impairment loss is only recognized when the products to which the assets are allocated have a negative production margin. Additional factors may be taken into account in determining inventory impairment losses, such as obsolescence, physical damage, defects or other indications of impairment (short lengths, etc.) As stated in **Note 1.E.c**, impairment losses on Core exposure are recognized under "Core exposure effect" in the income statement. Any impairment losses related to other categories of inventories are recognized within operating margin.

f. Trade receivables and other receivables

Trade receivables are stated at their transaction price, determined in accordance with IFRS 15. Interest-free short-term operating receivables are recognized at nominal value as the impact of discounting is not material.

Impairment losses for trade receivables are recognized based on two methods:

- A collective method based on a statistical approach that reflects the expected credit losses over the lifetime of receivables, including receivables not past due, in accordance with IFRS 9.
  In order to apply this method, the Group has drawn up a matrix of the rates used to write down its trade receivables that factor in country risks, observed default probabilities and expected losses in the event of default. The base used to calculate these statistical loss allowances also takes into account any contractual guarantees received in relation to the receivables concerned. The carrying amount of the asset is written down and the amount of the loss is recognized in the income statement under "Cost of sales".
- An individual method, whereby an impairment loss is recorded for a trade receivable whenever there is an objective indication that the Group will not be able to collect the full amounts due under the conditions originally provided for at the time of the transaction.
  The following are indicators that a receivable may be impaired: (i) major financial difficulties for the debtor; (ii) the probability that the debtor will undergo bankruptcy or a financial reorganization; and (iii) a payment default. The amount of the impairment loss recorded represents the difference between the carrying amount of the asset and the estimated value of future cash flows, discounted at the initial effective interest rate. Receivables written down by the individual method are excluded from the calculation base for impairment losses determined by the collective method.
  In the same way as for the collective method described above, under the individual method, the carrying amount of the asset is written down and the amount of the impairment loss is recognized in the income statement under "Cost of sales".

These impairment methods also apply to "Contract assets" recognized in the consolidated balance sheet.

g. Cash and cash equivalents

Cash and cash equivalents, whose changes are shown in the consolidated statement of cash flows, comprise the following:

- Cash and cash equivalents classified as assets in the balance sheet, which include cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.
- Bank overdrafts repayable on demand which form an integral part of the entity's cash management. In the consolidated balance sheet, bank overdrafts are recorded as current financial liabilities.

h. Assets and groups of assets held for sale

Presentation in the consolidated balance sheet

Non-current assets or groups of assets held for sale, as defined by IFRS 5, are presented on a separate line on the assets side of the balance sheet. Liabilities related to groups of assets held for sale are shown on the liabilities side, also on a separate line, except those for which the Group will remain liable after the related sale as a result of the applicable sale terms and conditions. Non-current assets classified as held for sale cease to be depreciated from the date on which they fulfill the classification criteria for assets held for sale.

In accordance with IFRS 5, assets and groups of assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The potential capital loss arising from this measurement is recognized in the income statement under "Other operating income and expenses" in "Net asset impairment".

Presentation in the income statement

A group of assets sold, held for sale or whose operations have been discontinued is a major component of the Group if:

- It represents a separate major line of business or geographical area of operations;
- It is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- It is a subsidiary acquired exclusively with a view to resale.

Where a group of assets sold, held for sale or whose operations have been discontinued is a major component of the Group, it is classified as a discontinued operation and its income and expenses for all periods presented are shown on a separate line of the income statement, "Net income (loss) from discontinued operations", which comprises the total of:

- The post-tax profit or loss of discontinued operations; and
- The post-tax gain or loss recognized on the measurement at fair value less costs to sell or on the disposal of assets or groups of assets held for sale constituting the discontinued operation.

When a group of assets previously presented as "held for sale" ceases to satisfy the criteria in IFRS 5, each related asset and liability component – and, where appropriate, income statement item – is reclassified to the relevant items of the consolidated financial statements.

i. Share-based payments

Stock options, performance shares and free shares may be granted to senior managers and certain other Group employees. These plans correspond to equity-settled share-based payment transactions and are based on the issue of new shares in the parent company (Nexans).

In accordance with IFRS 2, "Share-based Payment", stock options, performance shares and free shares are measured at fair value at the grant date (corresponding to the date on which the plan is announced). The Group uses different measurement models to calculate this fair value, notably the Black & Scholes and Monte-Carlo pricing models.

The fair value of vested stock options, performance shares and free shares is recorded as a payroll expense on a straight-line basis from the grant date to the end of the vesting period, with a corresponding adjustment to equity recorded under "Retained earnings and other reserves".

If stock options or share grants are subject to internal performance conditions their fair value is remeasured at the year-end. For plans that are subject to market performance conditions, changes in fair value after the grant date do not affect the amounts recognized in the financial statements.

The Group has also set up employee stock ownership plans that entitle employees to purchase new shares at a discount to the market price. These plans are accounted for in accordance with IFRS 2, taking into consideration the valuation effect of the five-year lock-up period that generally applies.

j. Pensions, statutory retirement bonuses and other employee benefits

In accordance with the laws and practices of each country where it operates, the Group provides pensions, early retirement benefits and statutory retirement bonuses.

For basic statutory plans and other defined contribution plans, expenses correspond to contributions made. No provision is recognized as the Group has no payment obligation beyond the contributions due for each accounting period.

For defined benefit plans, provisions are determined as described below and recognized under "Pensions and other long-term employee benefit obligations" in the balance sheet (except for early retirement plans which are deemed to form an integral component of a reorganization plan, see **Note 1.F.k**):

- Provisions are calculated using the projected unit credit method, which sees each service period as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. These calculations take into account assumptions with respect to mortality, staff turnover, discounting, projections of future salaries and the return on plan assets.
- Plan assets are measured at fair value at the year-end and deducted from the Group's projected benefit obligation.
- In accordance with the revised version of IAS 19, actuarial gains and losses – resulting from experience adjustments and the effects of changes in actuarial assumptions – are recognized as components of other comprehensive income that will not be reclassified to the income statement, and are included in "Changes in fair value and other" within equity.
- The Group analyzes the circumstances in which minimum funding requirements in respect of services already received may give rise to a liability at the year-end.

When the calculation of the net benefit obligation results in an asset for the Group, the recognized amount (which is recorded under "Other non-current assets" in the consolidated balance sheet) cannot exceed the present value of available refunds and reductions in future contributions to the plan, less the present value of any minimum funding requirements.

Provisions for jubilee and other long-service benefits paid during the employees' service period are valued based on actuarial calculations comparable to the calculations used for pension benefit obligations. They are recognized in the consolidated balance sheet under "Pensions and other long-term employee benefit obligations". Actuarial gains and losses on provisions for jubilee benefits are recorded in the income statement.

In the event of an amendment, curtailment or settlement of a defined benefit pension plan, the Group's obligation is remeasured at the date when the plan amendment, curtailment or settlement occurs and the gain or loss on remeasurement is included within operating margin. When a defined benefit pension plan is subject to a reduction in liquidity or an amendment as a result of a reorganization plan, the related impact is presented in "Reorganization costs" in the income statement.

The financial component of the annual expense for pensions and other employee benefits (interest expense after deducting any return on plan assets calculated based on the discount rate applied for determining the benefit obligations) is included in other financial expenses (see **Note 9**).

k. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) resulting from a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of discounting is material, the provisions are determined by discounting expected future cash flows applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liabilities concerned. The effect of unwinding the discounting is recognized as a financial expense and the effects of any changes in the discount rate are recognized in the same account as that through which the provision was accrued.

A provision is set aside to fully cover reorganization costs when they relate to an obligation by the Group to another party resulting from a decision made at an appropriate managerial or supervisory level, backed by a detailed formal plan that has been announced before the year-end to the party or parties concerned. Such costs primarily correspond to severance payments, early retirement benefits (except where qualified as employee benefits, see **Note 1.F.j**), costs for unworked notice periods, training costs of employees whose employment contracts have been terminated, and other costs directly linked to the shutdown of facilities.

Asset retirements and impairment of inventories and other assets, as well as other cash outflows directly linked to reorganization measures but which do not meet the criteria for the recognition of a provision are also recorded under reorganization costs in the income statement. In the consolidated balance sheet, this type of impairment is presented as a deduction from the related non-current or current assets. Reorganization costs also include costs directly related to the programs undertaken by the Group transformation strategy.

l. Financial liabilities

Financial liabilities are initially recognized at fair value, corresponding to their issue price less transaction costs directly attributable to the acquisition or issue of the financial liability. If the liability is issued at a premium or discount, the premium or discount is amortized over the life of the liability using the effective interest method. The effective interest method calculates the interest rate that is necessary to discount the cash flows associated with the financial liability through maturity to the net carrying amount at initial recognition.

Convertible bonds and other borrowings

Under IAS 32, "Financial Instruments: Presentation", if a financial instrument has both a liability and an equity component, the issuer must account for these components separately according to their nature.

This treatment applies to OCEANE bonds which are convertible into new shares and/or exchangeable for existing shares, as the conversion option meets the definition of an equity instrument.

The liability component is measured on the issue date on the basis of contractual future cash flows discounted applying the market rate (taking into account the issuer's credit risk) for a similar instrument but which is not convertible/redeemable for shares.

The value of the conversion option is calculated as the difference between the issue price of the bonds and the value of the liability component. This amount is recognized under "Retained earnings and other reserves" in equity.

Following initial measurement of the liability and equity components, the liability component is measured at amortized cost. The interest expense relating to the liability is calculated using the effective interest method.

Put options given to minority shareholders

Put options given to minority shareholders in subsidiaries are recognized as financial liabilities at their discounted value. In accordance with the revised version of IFRS 3, the impact of changes in the exercise price of these options is recognized in equity.

m. Leases

Leases are recognized in the balance sheet at their inception for an amount corresponding to the present value of the future lease payments. The discount rates used for the present value calculations are based on the Group's incremental borrowing rate to which a spread is added to take into account the economic environments specific to each country.

This amount is recognized under "Lease liabilities" on the liabilities side and "Right-of-use assets" on the assets side. The right-of-use asset recognized for a lease is then depreciated over the term of the lease, which generally corresponds to the non-cancelable period of a lease, together with optional periods, i.e., periods where the Group is reasonably certain that it will exercise an extension option or not exercise a termination option.

In the income statement, due to the balance sheet treatment referred to above, lease payments are recognized as (i) depreciation of the right-of-use asset, included in "Operating margin", and (ii) interest on the lease liability, included in "Cost of debt (net)". The tax impact of the restatements carried out on consolidation is accounted for via the recognition of deferred taxes.

In the statement of cash flows, lease payments are presented in cash flows from financing activities under "Proceeds from (repayments of) long-term and short-term borrowings" for the portion corresponding to the repayment of lease liabilities and under "Interest paid" for the portion corresponding to the payment of interest on lease liabilities.

Payments under leases corresponding to low-value assets or short-term leases are recognized directly as expenses.

n. Derivative instruments

Only derivatives negotiated with external counterparties are deemed eligible for hedge accounting.

Foreign exchange hedges

The Group uses derivatives (mainly forward purchases and sales of foreign currencies) to hedge the risk of fluctuations in foreign currency exchange rates. These instruments are measured at fair value, calculated by reference to the forward exchange rates prevailing at the year-end for contracts with similar maturity profiles.

Foreign exchange cash flow hedges

When foreign exchange derivatives are used to hedge highly probable future transactions (forecast cash flows or firm orders) that have not yet been invoiced, and to the extent that they satisfy the conditions for cash flow hedge accounting, the change in the fair value of the derivative comprises two elements:

- The "effective" portion of the unrealized or realized gain or loss on the hedging instrument, which is recognized directly in equity under "Changes in fair value and other". Any gains or losses previously recognized in equity are reclassified to the income statement in the period in which the hedged item impacts income, for example when the forecast sale takes place. These gains or losses are included in operating margin when they relate to commercial transactions.
- The "ineffective" portion of the realized or unrealized gain or loss, which is recognized directly in the income statement as financial income or expense.

Foreign exchange derivatives that do not qualify for hedge accounting

Changes in fair value of derivatives that do not qualify for hedge accounting are recognized directly in the income statement as financial income or expense.

These derivatives notably include instruments used as economic hedges that were never or are no longer designated as hedges for accounting purposes.

Hedging of risks associated with fluctuations in non-ferrous metal prices

Forward purchases of non-ferrous metals used in the Group's operations and which require physical delivery of the metals concerned are not included within the scope of IFRS 9. The purchases are recognized on the delivery date. The Group uses futures contracts negotiated primarily on the London Metal Exchange (LME) to hedge its exposure to non-ferrous metal price fluctuations (copper, aluminum and, to a lesser extent, lead). These contracts are settled net in cash and constitute derivative instruments falling within the scope of application of IFRS 9.

Cash flow hedges of risks associated with fluctuations in non-ferrous metal prices

Due to the sharp volatility in non-ferrous metal prices over the past several years, the Group has taken measures to enable a large portion of these derivative instruments to be classified as cash flow hedges as defined in IFRS 9. Consequently, whenever these instruments are used to hedge future transactions (mainly purchases of copper wires and cathodes) that are highly probable but not yet invoiced, and meet the requirements in IAS 39 for cash flow hedge accounting, the Group applies IFRS 9 as follows:

- The "effective" portion of the unrealized gain or loss on the hedging instrument is recognized directly in equity under "Changes in fair value and other" and the corresponding realized gain or loss is recognized within operating margin.
- The "ineffective" portion of the unrealized gain or loss is recognized in the consolidated income statement under "Other operating income and expenses" and the corresponding realized gain or loss is recognized within operating margin, which, in accordance with the Group's management model, includes all of the realized impacts relating to non-ferrous metals.

The majority of the metal derivatives used by the Group qualify as hedges.

Hedges of risks associated with fluctuations in non-ferrous metal prices that do not qualify for hedge accounting

Changes in fair value of derivatives that do not qualify for hedge accounting are recognized directly within operating income under "Changes in fair value of non-ferrous metal derivatives". Any realized gains or losses are recorded in operating margin when the derivatives expire.

These derivatives notably include instruments used as economic hedges that were never or are no longer designated as hedges for accounting purposes.

NOTE 2. Significant events of the year

A. COVID-19 – IMPACT ON OPERATIONS AND FINANCING

In 2020, the world was faced with an unprecedented pandemic. After a solid start to the year, Nexans had to adapt its operating model in order to safeguard its business and employees, while continuing with its operational activities in a way that also protects its customers. The Group has taken and maintained measures to protect health and safety and ensure the continuity of its manufacturing operations. As a result, almost all of its plants have been able to operate without interruption, although activity levels have varied depending on the plants and time periods concerned.

The Covid-19 crisis has had widespread economic effects. The Group considered that it represented an indicator of impairment and therefore reviewed the values of its net assets, notably by carrying out impairment tests on its cash-generating units. Following this exercise, impairment losses of 14 million euros were recognized, primarily on the property, plant and equipment of certain operations in South America (see **Note 7**).

Changes in customer and supplier risks (claims and litigation, contract cancellations, credit risks) were also reviewed, as well as the pandemic's effect on the Group's metals and currency hedges. This review did not reveal any items that could lead to material adjustments being made to the positions taken in the financial statements.

Concerning financing, on May 25, 2020, Nexans was granted a 280 million euro government-backed loan by a pool of French banks. It has a twelve-month maturity which Nexans has the option to extend by up to five years. The French government's guarantee covers 80% of the loan's amount.

The lending banks are Crédit Agricole CIB (acting as agent), BNP Paribas (acting as coordinator), CIC, Crédit Agricole Ile de France, Natixis and Société Générale.

At December 31, 2020, the government-backed loan is classified as short-term debt.

Prior to taking out this loan, in early April 2020 the Group drew down 200 million euros on its syndicated credit facility in order to redeem commercial paper reaching maturity. This drawdown was repaid on June 22, 2020.

The Group's net debt is presented in **Note 23**.

B. 2020 ASSET DISPOSAL PROGRAMS

Two asset disposal programs were carried out in 2020.

On June 30, the Group announced the signing of an agreement to sell Nexans Metallurgie Deutschland GmbH, a Nexans company specialized in oxygen free copper drawing to Mutares SE & Co. KGaA.

The sale was completed on October 30, 2020.

On July 17, Nexans announced the execution of an agreement to sell Berk-Tek, a leading US based manufacturer of local area network (LAN) cables, to Leviton. The agreement was completed on September 30, 2020.

The impact of these disposals on the Group's results is presented in **Note 8**.

C. INTERNATIONAL EMPLOYEE SHARE OWNERSHIP PLAN

At its meeting on November 26, 2019, the Board of Directors, pursuant to the authorizations granted by the Annual Shareholders' Meeting of May 15, 2019, decided to set up an international employee share ownership plan in 2020 by means of a capital increase through the issuance of up to 500,000 new shares. This was the ninth international employee share ownership plan set up by the Group.

It will propose a "leveraged" structure similar to the five previous plans opened since 2010 whereby employees may subscribe to the shares, either through the corporate mutual fund (fonds commun de placement d'entreprise – FCPE) or directly, at a preferential discount share price, with the Company providing them with a capital guarantee plus a multiple based on share performance.

The shares are locked into the plan for five years, apart from in special circumstances when employees can access them earlier. In countries where the leveraged structure using a corporate mutual fund raised legal or tax difficulties an alternative formula was offered comprising the allocation of Stock Appreciation Rights (SAR). Participating employees benefited from a matching payment by the Group.

The reservation period was from September 4 to September 17, 2020, with a revocation period from October 16 to October 19, 2020.

The subscription price was set on October 16, 2020 at 32.76 euros (representing a 30% discount on the average of the prices quoted over the 20 trading days preceding the pricing date) for participating employees in France (members of the Plan d'Epargne Groupe France – PEGF) and at 37.44 euros (representing a 20% discount on the average of the prices quoted over the 20 trading days preceding the pricing date) for participating employees in other countries (members of the Plan d'Epargne Groupe International – PEGI). The settlement-delivery of the shares took place on November 13, 2020.

As part of the share ownership plan, 499,621 new shares were issued, including 490,843 shares subscribed by Group employees through the corporate mutual fund (FCPE) or by Crédit Agricole Corporate and Investment Bank under the alternative plan option. The remaining 8,778 shares corresponded to free shares financed by the Group's matching payment.

The total impact on equity was an increase of 17.5 million euros, with 0.7 million euros corresponding to the aggregate par value of the new shares and the balance represented by the premium.

To limit the dilution impact and pursuant to the decision taken by the Board of Directors on March 17, 2020, 350,314 shares held by the Company in treasury were canceled on December 17, 2020, reducing the Company's share capital by an amount of 0.4 million euros.

NOTE 3. Operating segments

The Group has the following four reportable segments within the meaning of IFRS 8 (after taking into account the aggregations authorized by the standard):

- **Building & Territories:** This segment provides reliable cabling systems and smart energy solutions enabling buildings and territories to be more efficient, sustainable and people-friendly. It covers the following markets: building, smart cities/grids, e-mobility, local infrastructure, decentralized energy systems and rural electrification.
- **High Voltage & Projects:** This segment partners its customers from the start of the cycle (design, engineering, financing, asset management) right through to the end (systems management) to help them find the cabling solution that is the best suited to their needs in terms of efficiency and reliability. It covers the following markets: offshore wind farms, subsea interconnections, land high-voltage, and smart solutions for the oil and gas sector (direct electric heating, subsea heating cables).
- **Telecom & Data:** This segment helps customers to easily deploy copper and fiber optic infrastructure thanks to plug-and-play cabling and connection solutions. It encompasses the following activities: data transmission (subsea, fiber, FTTx), telecom networks, hyperscale data centers and LAN cabling solutions.
- **Industry & Solutions**: This segment provides support to OEMs and industrial infrastructure project managers in personalizing their cabling and connection solutions to enable them to meet their electrification, digitization and automation requirements. It covers the following markets: transport (aeronautics, rail, shipbuilding, automotive), automatic devices, renewable energy (solar and wind power), resources (oil and gas, mining) and other sectors (nuclear, medical, handling, etc.).

The Group's segment information also includes a column entitled "**Other Activities**", which corresponds to (i) certain specific or centralized activities carried out for the Group as a whole which give rise to expenses that are not allocated between the various segments, and (ii) the Electrical Wires business, comprising wire rods, electrical wires and winding wire production operations.

Concerning the **"Other Activities"** column, the following should be noted:

- A total of 99% of the sales at constant metal prices recorded under "Other Activities" in 2020 were generated by the Group's Electrical Wires business (2019: 92% before the change in the copper reference price, 97% at the new reference price).
- Operating margin for "Other Activities" was a negative 26 million euros in 2020, reflecting the combined impact of profit generated from sales of copper wires and certain centralized Group costs that are not allocated between the segments (such as holding company expenses).

Transfer prices between the various operating segments are generally the same as those applied for transactions with parties outside the Group.

The reported figures for 2020 and 2019 have been determined as follows:

- Sales at constant metal prices have been calculated using the 2020 reference prices of 5,000 euros per tonne for copper and 1,200 euros per tonne for aluminum.
- Allocations between the segments take into account the rationalized performance reporting system in place since January 1, 2020. This rationalization has had no impact on the cash-generating units.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

A. INFORMATION BY REPORTABLE SEGMENT

2020 (in millions of euros)	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Net sales at current metal prices	2,578	707	395	1,222	1,078	5,979
Net sales at constant metal prices	2,422	699	393	1,210	989	5,713
EBITDA	128	105	29	84	1	347
Depreciation and amortization	(48)	(36)	(8)	(36)	(27)	(154)
Operating margin	80	69	22	48	(26)	193
Net impairment of non-current assets (including goodwill) (see Note 7)	(14)	(3)	-	-	(4)	(21)

2019 (in millions of euros)	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Net sales at current metal prices	2,799	779	572	1,374	1,212	6,735
Net sales at constant metal prices	2,754	753	503	1,394	1,084	6,489
Net sales at constant metal prices and 2020 exchange rates	2,645	705	495	1,384	1,062	6,291
EBITDA	155	104	49	109	(4)	413
Depreciation and amortization	(50)	(40)	(10)	(38)	(26)	(163)
Operating margin	106	64	39	71	(31)	249
Net impairment of non-current assets (including goodwill) (see Note 7)	-	15	-	(1)	-	13

The Executive Committee also analyzes the Group's performance based on geographic area.

B. INFORMATION BY MAJOR GEOGRAPHIC AREA

2020 (in millions of euros)	France	Germany	Norway	Other (2)	Group total
Net sales at current metal prices (1)	917	741	691	3,632	5,979
Net sales at constant metal prices (1)	874	740	680	3,419	5,713
Non-current assets IFRS 8 (at December 31) (1)	199	164	302	1,059	1,725

(1) Based on the location of the assets of the Group's subsidiaries.
(2) Countries that do not individually account for more than 10% of the Group's net sales at constant metal prices.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

2019 (in millions of euros)	France	Germany	Norway	Other (2)	**Group total**
Net sales at current metal prices (1)	1,040	819	758	4,118	6,735
Net sales at constant metal prices (1)	1,005	811	750	3,924	6,489
Net sales at constant metal prices and 2020 exchange rates (1)	1,005	811	689	3,786	6,291
Non-current assets IFRS 8 (at December 31) (1)	203	195	291	1,097	1,786

(1) Based on the location of the assets of the Group's subsidiaries.
(2) Countries that do not individually account for more than 10% of the Group's net sales at constant metal prices.

C. INFORMATION BY MAJOR CUSTOMER

The Group did not have any customers that individually accounted for over 10% of its sales in 2020 or 2019.

NOTE 4. Revenue from contracts with customers

A. CONSOLIDATED SALES

Consolidated sales can be analyzed as follows:

2020 Sales (in millions of euros)	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	**Group total**
Performance obligations satisfied at a point in time	2,578	100	395	1,222	1,078	5,372
Performance obligations satisfied over time	-	607	-	-	-	607
NET SALES	**2,578**	**707**	**395**	**1,222**	**1,078**	**5,979**

2019 Sales (in millions of euros)	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	**Group total**
Performance obligations satisfied at a point in time	2,799	106	572	1,374	1,212	6,063
Performance obligations satisfied over time	-	674	-	-	-	674
NET SALES	**2,799**	**779**	**572**	**1,374**	**1,212**	**6,736**

B. CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets and contract liabilities can be analyzed as follows:

(in millions of euros)	December 31, 2020		December 31, 2019	
	Sales of goods	Goods and services contracts	Sales of goods	Goods and services contracts
Contract assets	-	94	-	69
Contract liabilities	(91)	(273)	(54)	(203)
TOTAL	**(91)**	**(178)**	**(54)**	**(134)**

Sales of goods

Contract liabilities correspond to customer advance payments. The related performance obligation is satisfied within two years of receipt of the advance payment. The majority of the amounts reported at December 31, 2019 are included in 2020 sales.

Goods and services contracts

Contract assets correspond mainly to revenue recognized in respect of services rendered but not yet invoiced at the period-end. Amounts recorded in "Contract assets" are transferred to "Trade receivables" when the Group obtains an enforceable right to payment.

The 45 million euro increase in contract liabilities, net of contract assets, reflects:

- Billings of items included in the opening balance (negative impact of around 10 million euros),
- A net increase in advances received by the Group (negative impact of around 85 million euros), and
- Reduction in timing differences between the satisfaction of the performance obligation and the Group obtaining enforceable rights to payment (negative impact of around 25 million euros),
- Revenue recognized by the percentage-of-completion method on projects in progress at the beginning of the year (positive impact of 75 million euros).

C. UNSATISFIED PERFORMANCE OBLIGATIONS

Sales of goods

Due to the nature of the business, performance obligations related to sales of goods are satisfied within the short term. Consequently, no details are provided of unsatisfied performance obligations.

Goods and services contracts

Goods and services contracts mainly concern the Group's high-voltage cable and umbilical cable activities. The amount of unsatisfied performance obligations for these activities is close to 1,100 million euros, of which more than 80% should be satisfied over the next two years.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

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NOTE 5. Payroll costs and headcount

		2020	2019
Payroll costs (including payroll taxes)	*(in millions of euros)*	981	1,150
Staff of consolidated companies at year-end	*(in number of employees)*	24,151	25,890

Payroll costs in the above table include share-based payments within the meaning of IFRS 2. These payments totaled 4 million euros in 2020 (including payroll taxes). See **Note 20** for further details.

Compensation paid to employees affected by reorganization plans in progress is not included in the above table.

NOTE 6. Other operating income and expenses

(in millions of euros)	Notes	2020	2019
Net asset impairment	7	(21)	13
Changes in fair value of non-ferrous metal derivatives		1	1
Net gains (losses) on asset disposals	8	142	7
Acquisition-related costs (completed and planned acquisitions)		(2)	(1)
Expenses and provisions for antitrust investigations		0	(19)
OTHER OPERATING INCOME AND EXPENSES		**120**	**2**

In 2019, the line "Expenses and provisions for antitrust investigations" corresponded primarily to provision allowances recorded further to the reassessment of the risks associated with potential civil claims arising from antitrust investigations in the submarine and underground high-voltage power cable industry.

NOTE 7. Net asset impairment

(in millions of euros)	2020	2019
Impairment losses – non-current assets	(21)	(1)
Reversals of impairment losses – non-current assets	-	14
Impairment losses – goodwill	-	-
Impairment losses – assets and groups of assets held for sale	-	-
NET ASSET IMPAIRMENT	**(21)**	**13**

The Group carries out impairment tests on goodwill at least once a year, on intangible assets with an indefinite useful life at least once a year, and on other intangible assets and property, plant and equipment whenever there is an indication that they may be impaired (see **Note 1.F.c.**).

Impairment tests are performed on goodwill at the level of the CGUs to which it is allocated, and an impairment loss is recognized if the carrying amounts of the underlying assets are lower than their recoverable amounts.

A. RESULTS OF THE IMPAIRMENT TESTS PERFORMED IN 2020

As described in **Note 1**, and in accordance with IAS 36, impairment tests were first carried out on individual assets when an indication of impairment was identified.

In 2020, the Group considered that the environment shaped by the Covid-19 pandemic represented an indication of impairment of all of its CGUs and tested them all for impairment.

During the year, impairment losses of 21 million euros were recognized, primarily on the property, plant and equipment of certain operations in South America. These impairments losses also included a loss recognized on the German metallurgy business due to the asset disposal program.

The tests performed in 2019 did not result in any material impairment losses being recognized but did lead to the reversal of 11 million euros of previously recognized impairment losses, mainly on the United States high-voltage business, following the strategic refocusing of the plant's business.

B. GOODWILL BREAKDOWN

Goodwill balances and movements in goodwill can be analyzed as follows by CGU:

(in millions of euros)	Asia-Pacific Building & Territories CGU	South America Building & Territories CGU	Europe Industry & Solutions CGU	North America Industry & Solutions CGU	Other CGUs	Total
DECEMBER 31,2019	**67**	**64**	**31**	**28**	**51**	**242**
Business combinations	-	-	-	-	-	-
Disposals/acquisitions	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Exchange differences and other movements	(1)	(4)	0	(2)	(2)	(9)
DECEMBER 31,2020	**66**	**60**	**31**	**26**	**49**	**232**

No impairment loss on goodwill was recognized by the Group in 2020 or 2019.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

C. MAIN ASSUMPTIONS

The discount rates in the Group's main monetary areas and the perpetuity growth rates applied when preparing the business plans used in connection with impairment testing are presented below by geographic area:

	Discount rates (after tax) of future flows		*Infinite growth rate*	
	2020	2019	2020	2019
Europe (Euro Zone)	6.5%	6.5%	1.5%	1.4%
Chile	8.0%	8.0%	2.5%	3.2%
United States of America	8.0%	8.0%	1.8%	1.6%
Brazil	10.0%	10.0%	2.2%	2.3%
China	9.5%	9.5%	5.5%	5.5%
Peru	10.0%	10.0%	3.8%	3.8%
Norway	7.5%	7.5%	1.8%	1.7%
Australia	8.0%	8.0%	2.5%	2.6%

The cash flow assumptions used for impairment calculations were based on the latest projections approved by Group Management and therefore factor in Management's most recent estimates of the Group's future business levels (as contained in the 2021 Budget and the Strategic Plan). Cash flows are projected over a five-year period for the purpose of these assumptions.

D. SENSITIVITY ANALYSES

The main assumptions described above are used for measuring the CGUs that are tested for impairment. Sensitivity analyses are performed to assess the effect on the calculations of changes in the assumptions. The method used consists of testing the effect of a 50-basis point change in assumptions, as follows:

- 50-basis point increase in the discount rate compared to the assumptions used,
- 50-basis point decrease in the perpetuity growth rate compared to the assumptions used,
- 50-basis point decrease in EBITDA margin (measure of business performance) compared to the assumptions used. In 2020, the decrease was doubled to reach 100-basis points to take into account the economic context resulting from the sanitary crisis.

At December 31, 2020, a further 100 basis-point decrease in EBITDA margin would have led to the recognition of an additional 5 million euro impairment loss on the Group's South American operations.

The other sensitivity tests did not reveal any potential need to recognize additional impairment losses.

NOTE 8. Net gains (losses) on asset disposals

(in millions of euros)	2020	2019
Net gains (losses) on disposals of fixed assets	9	7
Net gains (losses) on disposals of investments	133	-
Other	-	-
NET GAINS (LOSSES) ON ASSET DISPOSALS	**142**	**7**

Net gain on asset disposals represented 142 million euros in 2020, mainly for the sale of Berk-Tek to Leviton, effective. It also included the remaining costs related to the divestiture of the German metallurgy business.

Berk-Tek is located in the United States and manufactures local area network (LAN) cables. The sale was effective end of September 2020. This entity was included in the operating segment "Telecom & Data".

The German metallurgy business was included in Nexans Metallurgie Deutschland GmbH, a Nexans company specialized in oxygen free copper drawing. The sale took place during the last quarter of the year. This entity was included in the operating segment "Other activities".

In 2019, gains and losses on asset disposals mainly concerned disposals of real estate assets in France and Switzerland.

NOTE 9. Other financial income and expenses

(in millions of euros)	2020	2019
Dividends received from non-consolidated companies	4	1
Provisions	(3)	(0)
Net foreign exchange gain (loss)	(3)	(11)
Net interest expense on pensions and other long-term employee benefit obligations(1)	(2)	(5)
Other	(6)	(9)
OTHER FINANCIAL INCOME AND EXPENSES	**(11)**	**(24)**

(1) See ***Note 21.B****.*

NOTE 10. Income taxes

A. ANALYSIS OF THE INCOME TAX CHARGE

(in millions of euros)	2020	2019
Current income tax charge	(40)	(52)
Deferred income tax (charge) benefit, net	(71)	8
INCOME TAX CHARGE	**(111)**	**(44)**

Nexans heads up a tax group in France that comprised 11 companies in 2020. Other tax groups have been set up where possible in other countries, including in Germany, the United-States, Italy and South Korea.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

B. EFFECTIVE INCOME TAX RATE

The effective income tax rate was as follows for 2020 and 2019:

Tax proof *(in millions of euros)*	2020	2019
Income before taxes	192	(73)
- of which share in net income of associates	(2)	(0)
INCOME BEFORE TAXES AND SHARE IN NET INCOME OF ASSOCIATES	**194**	**(73)**
Standard tax rate applicable in France (in %) (1)	32.02%	34.43%
THEORETICAL INCOME TAX CHARGE	**(62)**	**25**
Effect of:		
- Difference between foreign and French tax rates	27	16
- Change in tax rates for the period	0	(0)
- Unrecognized deferred tax assets	(68)	(76)
- Taxes calculated on a basis different from "Income before taxes"	(9)	(7)
- Other permanent differences	0	(2)
ACTUAL INCOME TAX CHARGE	**(111)**	**(44)**
EFFECTIVE TAX RATE (IN %)	**57.36%**	**-60.42%**

(1) For the purpose of simplicity, the Group has elected to only use the standard tax rate for France, i.e., including surtaxes.

The theoretical income tax charge is calculated by applying the parent company's tax rate to consolidated income before taxes and share in net income of associates.

The effective income tax rate for 2020 is mainly due to unrecognized deferred tax assets on the tax losses of certain entities, and to a decrease in the level of recognition of deferred tax assets in Europe to allow for the unfavorable impact of the Covid-19 crisis on certain Group businesses.

C. TAXES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME

Taxes recognized directly in other comprehensive income in 2020 can be analyzed as follows:

(in millions of euros)	December 31, 2019	Gains (losses) generated during the year (1)	Amounts recycled to the income statement (1)	TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	December 31, 2020
Currency translation differences	(7)	(1)	(1)	(2)	(8)
Cash flow hedges	(1)	(5)	(1)	(6)	(7)
TAX IMPACTS ON RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME (2)	**(8)**	**(6)**	**(2)**	**(8)**	**(16)**
Financial assets at fair value through other comprehensive income	-	-	-	-	-
Actuarial gains and losses on pensions and other long-term employee benefit obligations	58	(0)	N/A	(0)	58
TAX IMPACTS ON NON-RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME	**58**	**(0)**	**-**	**(0)**	**58**

(1) The tax effects relating to cash flow hedges and available-for-sale financial assets, as well as the gains and losses generated during the year and amounts recycled to the income statement are presented in the consolidated statement of changes in equity in the "Changes in fair value and other" column.

*(2) These taxes will be recycled to the income statement in the same periods as the underlying transactions to which they relate (see **Notes 1.C** and **1.F.n**).*

D. DEFERRED TAXES RECOGNIZED IN THE CONSOLIDATED BALANCE SHEET

Deferred taxes break down as follows by type:

(in millions of euros)	December 31, 2019	Impact on income	Change in consolidation scope	Impact on equity	Exchange differences and other	December 31, 2020
Fixed assets	(42)	(6)		0	4	(43)
Other assets	(79)	(25)	0	(0)	4	(100)
Employee benefit obligations	64	(3)	(0)	0	(1)	59
Provisions for contingencies and charges	36	(28)			(2)	6
Other liabilities	15	(6)		(8)	0	2
Unused tax losses	601	51	(1)	(0)	(18)	633
DEFERRED TAX ASSETS (GROSS) AND DEFERRED TAX LIABILITIES	**596**	**(17)**	**(1)**	**(8)**	**(12)**	**557**
Unrecognized deferred tax assets	(538)	(54)	1	0	15	(575)
NET DEFERRED TAXES	**57**	**(71)**	**(0)**	**(8)**	**3**	**(18)**
- of which recognized deferred tax assets	175					115
- of which deferred tax liabilities	(118)					(133)

Net deferred taxes excluding actuarial gains and losses represent a liability of 76 million euros at December 31, 2020 (negative amount of 1 million at December 31, 2019).

At December 31, 2020 and 2019, deferred tax assets in the respective amounts of 575 million euros and 538 million euros were not recognized as the Group deemed that their recovery was not sufficiently probable. These mainly concern the tax losses described in Note 10.E below.

E. UNUSED TAX LOSSES

For countries in a net deferred tax asset position after offsetting deferred tax assets and deferred tax liabilities arising from temporary differences, the net deferred tax asset recognized in the consolidated balance sheet is determined based on updated business plans (see **Note 1.E.f)**.

Unused tax losses carried forward represented potential tax benefits for the Group of 633 million euros at December 31, 2020 (601 million euros at December 31, 2019). The main entities to which these tax losses related at those dates were as follows:

- French subsidiaries, in an amount of 243 million euros (205 million euros at December 31, 2019), of which 10 million euros were recognized in deferred tax assets at December 31, 2020 (13 million euros at December 31, 2019).
- German subsidiaries, in an amount of 208 million euros (196 million euros at December 31, 2019), of which 20 million euros were recognized in deferred tax assets at December 31, 2020 (37 million euros at December 31, 2019).

Deferred tax assets recognized in France and Germany are consistent with the Group's analysis based on the latest business plans and the reorganization measures implemented in the subsidiaries concerned.

The potential tax benefits deriving from unused tax losses carried forward break down as follows by expiration date:

(At December 31, in millions of euros)	2020	2019
Year Y+1	6	3
Years Y+2 to Y+4	7	14
Year Y+5 and subsequent years(1)	620	583
TOTAL	**633**	**601**

(1) This line includes the potential tax benefits derived from unused tax losses that may be carried forward indefinitely.

F. TAXABLE TEMPORARY DIFFERENCES RELATING TO INTERESTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

No deferred tax liabilities have been recognized in relation to temporary differences where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, or where the reversal of the temporary difference will not give rise to a significant tax payment.

NOTE 11. Earnings per share

The following table presents a reconciliation of basic earnings per share and diluted earnings per share:

	2020	2019
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT (1)	78	(122)
Average number of shares outstanding	43,279,093	43,405,477
Average number of dilutive instruments (2)	1,090,562	*Anti-dilutive*
Average number of diluted shares	44,369,655	43,405,477
ATTRIBUTABLE NET INCOME PER SHARE		-
- Basic earnings per share (3)	1.80	(2.81)
- Diluted earnings per share (3)	1.76	(2.81)

(1) In millions of euros. In 2020 and 2019, attributable net income corresponded to adjusted net income attributable to owners of the parent.
(2) Dilutive instruments in 2020 correspond to free share and performance share rights.
(3) In euros.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

NOTE 12. Intangible assets

(in millions of euros)	Trademarks	Customer relationships	Software	Intangible assets in progress	Other	Total
Gross value	57	195	113	29	45	438
Accumulated amortization and impairment	(26)	(179)	(86)	-	(23)	(313)
NET AT JANUARY 1, 2020	**31**	**16**	**27**	**29**	**22**	**126**
Acquisitions and capitalizations	-	-	3	7	0	10
Disposals	-	-	(0)	-	(1)	(1)
Amortization expense for the year	-	(3)	(9)	-	(3)	(14)
Impairment losses, net of reversals (1)	-	(0)	-	-	-	(0)
Changes in Group structure	-	-	-	-	-	-
Exchange differences and other	(2)	(1)	3	(29)	24	(5)
NET AT DECEMBER 31, 2020	**29**	**12**	**24**	**7**	**42**	**115**
Gross value	53	187	116	7	67	429
Accumulated amortization and impairment	(24)	(174)	(92)	-	(24)	(314)

*(1) See **Note 7**.*

NOTE 13. Property, plant and equipment

(in millions of euros)	Land and buildings	Plant, equipment and machinery	Right-of-use assets	Property, plant and equipment under construction	Other	Total
Gross value	950	2,279	135	234	195	3,793
Accumulated amortization and impairment	(583)	(1,646)	(22)	(1)	(159)	(2,410)
NET AT JANUARY 1, 2020	**367**	**634**	**113**	**232**	**36**	**1,382**
Acquisitions and capitalizations	4	29	25	180	3	240
Disposals	(5)	(5)	(0)	-	(0)	(11)
Amortization expense for the year	(23)	(84)	(25)	-	(8)	(140)
Impairment losses, net of reversals (1)	(9)	(12)	-	-	-	(20)
Changes in Group structure	(4)	(21)	(2)	(2)	(1)	(30)
Exchange differences and other	22	24	(10)	(104)	(6)	(75)
NET AT DECEMBER 31, 2020	**351**	**565**	**101**	**306**	**23**	**1,346**
Gross value	898	2,112	136	307	167	3,620
Accumulated amortization and impairment	(546)	(1,547)	(35)	(1)	(144)	(2,273)

*(1) See **Note 7**.*

Right-of-use assets primarily concern real estate leases for 90 million euros at December 31, 2020.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

NOTE 14. Investments in associates – Summary of financial data

A. EQUITY VALUE

(At December 31, in millions of euros)	% control	2020	2019
Qatar International Cable Company	30.33%	12	13
Cobrecon/Colada Continua	50% / 41.00%	9	10
Recycables	36.50%	3	4
IES Energy	27.80%	9	11
TOTAL		**32**	**37**

B. FINANCIAL DATA RELATING TO ASSOCIATES

The information below is presented in accordance with the local GAAP of each associate as full balance sheets and income statements prepared in accordance with IFRS were not available at the date on which the Group's consolidated financial statements were published.

Condensed balance sheet

(At December 31, in millions of euros)	2020	*2019*
Property, plant and equipment and intangible assets	107	122
Current assets	105	109
TOTAL CAPITAL EMPLOYED	**212**	**230**
Equity	99	115
Net financial debt	22	42
Other liabilities	91	73
TOTAL FINANCING	**212**	**230**

Condensed income statement

(in millions of euros)	2020	*2019*
Sales at current metal prices	237	228
Operating income	(5)	(1)
Net income	(8)	(6)

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

NOTE 15. Other non-current assets

(At December 31, in millions of euros, net of impairment)	2020	2019
Long-term loans and receivables	41	33
Shares in non-consolidated companies	33	31
Pension plan assets	15	8
Derivative instruments	5	9
Other	9	11
TOTAL	**102**	**92**

The maturity schedule for non-current assets at December 31, 2020 is presented below, excluding shares in non-consolidated companies, and pension plan assets:

(At December 31, in millions of euros)	Value in the consolidated balance sheet	1 to 5 years	> 5 years
Long-term loans and receivables	41	37	3
Derivative instruments	5	5	-
Other	9	2	6
TOTAL	**55**	**44**	**10**

Movements in impairment losses recognized for other non-current assets carried at net realizable value were as follows:

(in millions of euros)	Long-term loans and receivables	Other
At December 31, 2019	**4**	**3**
Additions	-	-
Disposals/reversals	0	-
Other	-	(0)
At December 31, 2020	**4**	**3**

NOTE 16. Inventories and work in progress

(At December 31, in millions of euros)	2020	2019
Raw materials and supplies	402	384
Industrial work in progress	261	323
Finished products	323	462
GROSS VALUE	**986**	**1,170**
Impairment	(49)	(56)
NET VALUE	**937**	**1,113**

NOTE 17. Trade receivables

(At December 31, in millions of euros)	2020	2019
Gross value	866	1,056
Impairment	(36)	(41)
NET VALUE	**829**	**1,015**

Receivables securitization and factoring programs are discussed in **Note 27.A**.

Changes in provisions for impairment of trade receivables can be analyzed as follows (see **Note 26.D** for details on the Group's policy for managing customer credit risk):

(in millions of euros)	At January 1	Additions	Utilizations	Reversals	Other (currency translation differences…)	At December 31
2020	**41**	**4**	**(0)**	**(6)**	**(2)**	**36**
2019	40	9	(3)	(5)	-	41

Receivables more than 30 days past due at the year-end but not written down were as follows:

(in millions of euros)	*Between 30 and 90 days past due*	*More than 90 days past due*
AT DECEMBER 31, 2020	**11**	**20**
AT DECEMBER 31, 2019	32	20

At December 31, 2020 and 2019, the remaining receivables past due but not written down mainly related to leading industrial groups, major public and private electricity companies and telecommunications operators, and major resellers.

NOTE 18. Other current assets

(At December 31, in millions of euros)	2020	2019
Prepaid and recoverable income taxes	16	33
Other tax receivables	66	75
Cash deposits paid	8	7
Prepaid expenses	21	27
Other receivables, net	90	45
NET VALUE	**201**	**186**

Cash deposited to meet margin calls on copper forward purchases traded on the LME whose fair value was negative at the year-end (see **Note 26.C**) is presented under "Cash deposits paid" in the above table and amounted to 4 million euros at December 31, 2020 (3 million euros at December 31, 2019).

At December 31, 2020, other receivables, net include cash deposits by the Group's entity in Lebanon with local banks, see **Note 23.A**.

NOTE 19. Decrease (increase) in working capital

The change in working capital mentioned in the statement of cash flows in **5.1.4** is detailed below:

(At December 31, in millions of euros)	2020	2019
Inventories and work in progress	149	(23)
Trade receivables and other receivables	89	10
Trade payables and other debts	125	69
DECREASE (INCREASE) IN WORKING CAPITAL	**362**	**56**

The improvement of the working capital is related to the measures taken by the Group to improve its liquidity, and to a lesser extent to the decrease in volumes in 2020.

In 2020, the Group sold 11 million euros worth of tax receivables. These receivables continued to be recognized in the consolidated balance sheet as the Group retained substantially all of the risks and rewards of ownership.

NOTE 20. EQUITY

A. COMPOSITION OF CAPITAL STOCK

At December 31, 2020, Nexans S.A.'s capital stock comprised 43,755,627 fully paid-up shares with a par value of 1 euro each, compared with 43,606,320 shares at December 31, 2019.

The Company's shares have not carried double voting rights since said rights were removed by way of a resolution passed at the Shareholders' Meeting of November 10, 2011.

B. DIVIDENDS

At the Annual Shareholders' Meeting, shareholders will be invited to approve the payment of a dividend of 0.70 euros per share, representing an aggregate payout of 31 million euros based on the 43,755,627 shares making up the Company's capital stock at December 31, 2020.

If the Company holds any treasury shares at the time the dividend is paid, the amount corresponding to unpaid dividends on these shares will be allocated to retained earnings. The total amount of the dividend could be increased in order to reflect the number of additional shares that may be issued between January 1, 2020 and the date on which the Annual Shareholders' Meeting is called to approve the dividend payment.

At the Annual Shareholders' Meeting held on May 13, 2020 to approve the financial statements for the year ended December 31, 2019, the Company's shareholders approved the Board's proposal not to pay a dividend for 2019 due to the Covid-19 crisis.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

C. TREASURY STOCK

In 2020, Nexans S.A. purchased 350,314 shares into treasury under the buyback program approved by the Board of Directors on March 17, 2020. These shares were canceled on December 17, 2020.

During 2020, 49,330 shares were delivered under free share and performance share plans.

During 2019, 77,839 shares were delivered under free share and performance share plans.

At December 31, 2020, 107,155 shares were held in treasury stock.

At December 31, 2019, 156,485 shares were held in treasury stock.

D. FREE SHARES AND PERFORMANCE SHARES

The Group allocated an aggregate 340,650 free shares and performance shares in 2020 and 319,700 in 2019.

At December 31, 2020, there were 995,298 free shares and performance shares outstanding, each entitling their owner to one share on vesting, representing a total of 2.3% of the Company's capital stock (996,625 shares at December 31, 2019, representing 2.3% of the Company's capital stock).

The free shares and performance shares outstanding at December 31, 2020 can be analyzed as follows:

a. Plan characteristics

Grant date	Number of shares originally granted	Number of shares outstanding at the year-end	End of vesting period
January 1, 2016	30,000	0	January 1, 2020
May 12, 2016	253,200	0	May 12, 2020
November 23, 2016	3,900	0	November 23, 2020
March 14, 2017	225,300	175,870	March 14, 2021
March 13, 2018	211,100	159,500	March 13, 2022
July 27, 2018	39,717	9,928	July 27, 2021
July 27, 2018	14,500	14,500	July 27, 2022
March 19, 2019	319,700	297,300	March 19, 2023
March 17, 2020	340,650	338,200	March 17, 2024
TOTAL	**1,438,067**	**995,298**	

b. Movements in outstanding free shares and performance shares

	Number of shares
SHARES OUTSTANDING AT BEGINNING OF YEAR	**996,625**
Shares granted during the year	340,650
Shares canceled during the year	(292,647)
Shares vested during the year (1)	(49,330)
SHARES OUTSTANDING AT THE YEAR-END	**995,298**

(1) Including 49,330 shares allocated from treasury stock.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

c. Valuation of free shares and performance shares

The assumptions applied to value the shares impacting income for 2020 and 2019 were as follows:

Grant date	January 1, 2016	May 12, 2016	November 23, 2016	March 14, 2017	March 13, 2018	July 27, 2018	March 19, 2019	March 17, 2020
Share price at grant date (in euros)	33.84	43.47	49.8	48.31	44.64	29.28	28.22	24.77
Vesting period	4 years	4 years	4 years	4 years	4 years	3-4 years	4 years	4 years
Volatility (%) (1)	35%	37%	37%	38%	35%	42%	35%	38%
Risk-free interest rate (%)	0.00%	0.00%	0.00%	0.06%	0.02%	0.00%	-0.22%	-0.32%
Dividend rate (%)	2.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fair value of each share (in euros)	17,27 - 31,24	28,50 - 41,76	25,76 - 47,85	23,48 - 44,59	21,14 - 41,21	12,53 - 28,70	10,90 - 26,05	7,11 - 22,87

(1) Only for shares subject to a stock market performance condition.

The fair value of free shares and performance shares is recorded as a payroll expense from the grant date to the end of the vesting period, with a corresponding adjustment to equity. The cost recorded in the income statement totaled 3 million euros in 2020 (6 million euros in 2019).

E. PUT OPTIONS GRANTED TO NON-CONTROLLING INTERESTS

During 2020, Nexans acquired non-controlling interests in Olex Australia and Olex New Zealand according to the commitment under put options granted end of 2019.

At December 31, 2020, there were no longer any outstanding put options on non-controlling interests.

F. EMPLOYEE SHARE OWNERSHIP PLAN

In 2020, Nexans launched a new employee share ownership plan made up of an employee share issue involving a maximum of 500,000 shares. The settlement-delivery of the shares took place on November 13, 2020 and resulted in the issuance of 499,621 new shares, representing an aggregate amount of 17.5 million euros. The expense relating to this plan (representing 0.7 million euros including the employer contribution) was recognized in 2020 and included the impact of valuing the lock-up period applicable to plans in countries where it was possible to set up a corporate mutual fund.

Out of the proceeds of this employee share issue (net of the related issue costs), 0.5 million euros was recognized in "Capital stock" and 16.3 million euros in "Additional paid-in capital".

NOTE 21. Pensions, retirement bonuses and other long-term benefits

There are a large number of retirement and other long-term employee benefit plans in place within the Group:

- In France, each Group employee is eligible for state pension plans and is entitled to statutory retirement indemnities paid by the employer. For historical reasons, certain employees are also members of defined benefit supplementary pension plans, one of which has been closed to new entrants since 2005, the other since 2014. Senior executive vice president members of the Executive Committee and corporate executive officers are members of a defined contributions supplementary pension plan that has been set up by the Company.
- In other countries, pension plans are subject to local legislation, and to the business and historical practices of the subsidiary concerned. Nexans takes care to ensure that its main defined benefit plans are funded in such a way as to ensure that they have plan assets that approximate the value of the underlying obligations. The majority of unfunded defined benefit plans have been closed.

Provisions for jubilee and other long-term benefits paid during the employees' service period are valued based on actuarial calculations comparable to the calculations used for pension benefit obligations, but actuarial gains and losses are not recognized in other comprehensive income but in benefit expense.

The Group also has certain guaranteed-yield plans that are not included in pension benefit obligations as defined in IAS 19 because they are not material.

A. MAIN ASSUMPTIONS

The basic assumptions used for the actuarial calculations required to measure obligations under defined benefit plans are determined by the Group in conjunction with its external actuary. Demographic and other assumptions (such as for staff turnover and salary increases) are set on a per-company basis, taking into consideration local job market trends and forecasts specific to each entity.

The weighted average rates used for the main countries concerned are listed below (together, these countries represented some 96% of the Group's pension obligations at December 31, 2020).

	Discount rate 2020	Estimated future salary increases 2020	Discount rate 2019	Estimated future salary increases 2019
France	0.60%	1,80 % -2,30 %	0.70%	1,80 % -2,30 %
Germany	0.60%	3.00%	0.70%	3.00%
Norway	1.55%	N/A	2.50%	N/A
Switzerland	0.10%	1.00%	0.10%	1.00%
Canada	2.35%	3.50%	2.85%	3.50%
United States	2.40%	3.50%	3.60%	3.50%
South Korea	2.55%	3.00%	2.55%	3.00%
Australia	1.30%	2.00%	1.90%	2.50%

The discount rates applied were determined as follows:

- By reference to market yields on high-quality corporate bonds (rated AA or above) in countries or currency zones where there is a deep market for such bonds. This approach was notably used to determine the discount rates in the Eurozone, Canada, the United States, Switzerland, Japan, South Korea, Australia and Norway.
- By reference to market yields on government bonds with similar maturities to those of the benefit payments under the pension plans concerned in countries or currency zones where there is no deep market for high-quality corporate bonds (including for bonds with short maturities).

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

B. PRINCIPAL MOVEMENTS

RETIREMENT COSTS FOR THE YEAR (in millions of euros)	2020	2019
Service cost	(13)	(13)
Net interest expense	(2)	(5)
Actuarial gains (losses) (on jubilee benefits)	(0)	(2)
Past service cost	1	7
Effect of curtailments and settlements	0	2
Impact of asset ceiling	-	-
NET COST FOR THE YEAR	**(15)**	**(11)**
- of which operating cost	(13)	(6)
- of which finance cost	(2)	(5)

VALUATION OF DEFINED BENEFIT OBLIGATION (in millions of euros)	2020	2019
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT JANUARY 1	**825**	**773**
Service cost	13	13
Interest expense	8	13
Employee contributions	2	2
Plan amendments	(1)	(9)
Business acquisitions and disposals	(3)	(0)
Plan curtailments and settlements	(3)	(9)
Benefits paid	(47)	(45)
Actuarial (gains) losses	15	69
Exchange differences and other	(15)	17
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT DECEMBER 31	**794**	**825**

PLAN ASSETS (in millions of euros)	2020	2019
FAIR VALUE OF PLAN ASSETS AT JANUARY 1	459	415
Interest income	5	8
Actuarial gains (losses)	21	37
Employer contributions	12	14
Employee contributions	2	2
Business acquisitions and disposals	-	-
Plan curtailments and settlements	(3)	(9)
Benefits paid	(27)	(25)
Exchange differences and other	(11)	17
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**459**	**459**

FUNDED STATUS (at December 31, in millions of euros)	2020	2019
Present value of wholly or partially funded benefit obligations	(522)	(538)
Fair value of plan assets	459	459
FUNDED STATUS OF BENEFIT OBLIGATION	**(63)**	**(79)**
Present value of unfunded benefit obligation	(272)	(287)
BENEFIT OBLIGATION NET OF PLAN ASSETS	**(335)**	**(365)**
Unrecognized surplus (due to asset ceiling)	-	-
NET PROVISION RECOGNIZED	**(335)**	**(365)**
- of which pension assets	15	8

CHANGE IN NET PROVISION (in millions of euros)	2020	2019
NET PROVISION RECOGNIZED AT JANUARY 1	365	358
Expense (income) recognized in the income statement	15	10
Expense (income) recognized in other comprehensive income	(6)	31
Utilization	(32)	(34)
Other impacts (exchange differences, acquisitions/disposals, etc.)	(7)	(0)
NET PROVISION RECOGNIZED AT DECEMBER 31	**335**	**365**
- of which pension assets	15	8

C. SIGNIFICANT EVENTS OF THE YEAR

Actuarial gains recognized in 2020 were mainly due to (i) the return on plan assets (excluding amounts included in net interest on the net defined benefit obligation), and (ii) the use of an updated mortality table for the Swiss plan, partially offset by the effect of lower discount rates.

The Group's employer contributions relating to defined benefit plans are estimated at 8 million euros for 2021.

Other retirement benefits for which the Group's employees are eligible correspond to defined contribution plans under which the Group pays a fixed contribution and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions under these plans are recognized immediately as an expense. The amount of contributions paid in relation to defined contribution plans amounted to 92 million euros in 2020 (98 million euros in 2019).

Actuarial losses recognized in 2019 were mainly due to the use of lower discount rates, the effect of which was partly offset by the return on plan assets (excluding amounts included in net interest on the net defined benefit obligation).

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

D. ANALYSIS OF ACTUARIAL GAINS AND LOSSES

Actuarial gains and losses arising on the Group's defined benefit obligation (DBO) can be analyzed as follows:

	2020		2019	
	in millions of euros	% of DBO	in millions of euros	% of DBO
Discount rate	23	3%	71	9%
Salary increases	-	0%	(0)	0%
Mortality	(11)	1%	(0)	0%
Staff turnover	-	0%	0	0%
Other changes in assumptions	-	0%	(1)	0%
(GAINS) LOSSES FROM CHANGES IN ASSUMPTIONS	**12**	**2%**	**69**	**8%**
(GAINS) LOSSES FROM PLAN AMENDMENTS	**-**	**0%**	**-**	**0%**
(GAINS) LOSSES FROM EXPERIENCE ADJUSTMENTS	**3**	**0%**	**(2)**	**0%**
OTHER	**-**	**0%**	**2**	**0%**
TOTAL (GAINS) LOSSES ARISING DURING THE YEAR	**15**	**2%**	**69**	**8%**

E. BREAKDOWN OF PLAN ASSETS BY CATEGORY

The Group's portfolio of plan assets breaks down as follows:

(At December 31)	2020		2019	
	in millions of euros	% of DBO	in millions of euros	% of DBO
Equities (1)	147	32%	146	32%
Bonds and other fixed income products (1)	169	37%	171	37%
Real estate	87	19%	90	20%
Cash and cash equivalents	7	2%	7	1%
Other	49	11%	45	10%
Fair value of plan assets	**459**	**100%**	**459**	**100%**

(1) All of the instruments recognized under "Equities" and "Bonds and other fixed income products" are listed.

F. SENSITIVITY ANALYSES

The present value of the Group's obligation for pensions and other retirement benefits is sensitive to changes in discount rates. A 50 basis-point decrease in the discount rates applied would have had the following impacts on the present value of the Group's defined benefit obligation:

	2020		
	Actual DBO in millions of euros	Adjusted DBO in millions of euros	% change
Europe	580	615	6.09%
North America	179	191	6.63%
Asia	21	22	4.35%
Other countries	15	15	4.83%
TOTAL	**794**	**843**	**6.14%**

The present value of the Group's obligation for pensions and other retirement benefits is also sensitive to changes in inflation rates. Depending on the type of plan concerned, changes in inflation rates can affect both the level of future salary increases and the amounts of annuity payments. A 50 basis-point increase in the inflation rates used would have had the following impacts on the present value of the Group's defined benefit obligation (assuming that the discount rates applied remain constant):

	2020		
	Actual DBO in millions of euros	Adjusted DBO in millions of euros	% change
Europe	580	597	3.00%
North America	179	179	0.00%
Asia	21	21	0.00%
Other countries	15	15	1.38%
TOTAL	**794**	**812**	**2.22%**

G. CHARACTERISTICS OF THE MAIN DEFINED BENEFIT PLANS AND ASSOCIATED RISKS

The two plans described below represent 59% of the total present value of the Group's defined benefit obligation at December 31, 2020.

Switzerland

The pension plan of Nexans Suisse S.A. is a contribution-based plan with a guaranteed minimum rate of return and a fixed conversion rate on retirement. It offers benefits that comply with the Swiss Federal Law on compulsory occupational benefits (the "LPP/BVG" law).

As specified in the LPP/BVG law, the plan has to be fully funded. Therefore, if there is a funding shortfall, measures must be taken to restore the plan to a fully funded position, such as by the employer and/or employees contributing additional financing and/or by reducing the benefits payable under the plan.

The pension fund for Nexans Suisse S.A. is set up as a separate legal entity (a Foundation), which is responsible for the governance of the plan and is composed of an equal number of employer and employee representatives. The strategic allocation of plan assets must comply with the investment guidelines put in place by the Foundation, which are aimed at limiting investment risks.

Nexans Suisse S.A. is also exposed to risks related to longevity improvement concerning the plan as three-quarters of the defined benefit obligation relates to employees who have already retired.

The weighted average life of the plan is approximately 12 years.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

Germany

Nexans Deutschland GmbH's most significant plan is a defined benefit plan that has been closed to new entrants since January 1, 2005. For other employees, their pension benefits will be calculated based on their vested rights as at the date the plan was closed.

This plan – which is unfunded – also provides for disability benefits. In general, any disability payments due will be made on top of the amount of future pension benefits. In addition, the plan provides for reversionary benefits.

The weighted average life of the plan is approximately 11 years.

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NOTE 22. Provisions

A. ANALYSIS BY NATURE

(At December 31, in millions of euros)	2020	2019
Accrued contract costs	38	38
Provisions for reorganization costs	87	159
Other provisions	75	101
TOTAL	**200**	**297**

Movements in these provisions were as follows during 2020 and 2019:

(in millions of euros)	TOTAL	Accrued contract costs	Provisions for reorganization	Other provisions
AT DECEMBER 31, 2018	**147**	**32**	**34**	**81**
Additions	212	19	172	21
Reversals (utilized provisions)	(56)	(11)	(39)	(6)
Reversals (surplus provisions)	(26)	(4)	(21)	(1)
Business combinations	-	-	-	-
Exchange differences and other	20	(1)	13	6
AT DECEMBER 31, 2019	**297**	**38**	**159**	**101**
Additions	73	16	55	2
Reversals (utilized provisions)	(118)	(7)	(105)	(6)
Reversals (surplus provisions)	(33)	(8)	(24)	(1)
Business combinations	-	-	-	-
Exchange differences and other	(19)	(1)	3	(21)
AT DECEMBER 31, 2020	**200**	**38**	**87**	**75**

The above provisions have not been discounted as the effect of discounting would not have been material.

Provisions for accrued contract costs are primarily set aside by the Group as a result of its contractual responsibilities, particularly relating to customer warranties, loss-making contracts and penalties under commercial contracts (see **Note 29**). They include provisions for construction contracts in progress, where applicable, in accordance with the method described in **Note 1.E.a**.

The "Other provisions" column mainly includes provisions set aside for antitrust investigations, which amounted to 70 million euros at December 31, 2020 and 74 million euros at December 31, 2019 (see **Note 29**).

Surplus provisions are reversed when the related contingency no longer exists or has been settled for a lower amount than the estimate made based on information available at the previous period-end (including provisions for expired customer warranties).

B. ANALYSIS OF REORGANIZATION COSTS

Reorganization costs amounted to 107 million euros in 2020, breaking down as follows:

(in millions of euros)	Redundancy costs	Asset impairment and retirements(1)	Other monetary costs	TOTAL
Charges to provisions, net of reversals of surplus provisions	25	8	5	38
Other costs for the year	19	-	50	68
TOTAL REORGANIZATION COSTS	**43**	**8**	**55**	**107**

(1) Presented as a deduction from the corresponding assets in the consolidated balance sheet.

They included 31 million euros in costs related to the project to reorganize the Group's operations in Europe announced on January 24, 2019. This amount mainly corresponded to costs for which no provisions could be recorded in accordance with IFRS (notably in Germany, France and Belgium). In 2019, costs for this project amounted to 184 million euros.

In 2020, the total also included costs related to new projects launched during the year, primarily in the North America, Europe and Asia-Pacific regions, for 42 million euros. In July 2020, due to its limited share of the Building and Territories market in the United States, the Group decided to close its Chester plant in the state of New York, and to reorganize its North American structure in order to optimize the cost base.

As was the case in previous years, wherever possible the reorganization plans implemented by the Group in 2020 included assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

In addition to restructuring costs, in 2020, "Other costs" included 24 million euros in costs directly related to the transformation program announced by the Group on November 9, 2018. The costs incurred under this program in 2019 amounted to 32 million euros.

NOTE 23. Net debt

At both December 31, 2020 and December 31, 2019, the Group's long-term debt was rated BB by Standard & Poor's with a negative outlook.

A. ANALYSIS BY NATURE

(At December 31, in millions of euros)	Notes	**2020**	2019
Long-term – ordinary bonds (1)	23.C	523	772
Other long-term borrowings (1)		80	59
TOTAL LONG-TERM DEBT (2)		**603**	**831**
Short-term – ordinary bonds (1)	23.C	250	-
Short-term borrowings and short-term accrued interest not yet due (2)	23.D	353	150
Short-term bank loans and overdrafts		9	16
TOTAL SHORT-TERM DEBT (2)		**611**	**165**
GROSS DEBT (2)		**1,215**	**996**
Cash		(1,120)	(617)
Cash equivalents		(21)	(25)
NET DEBT EXCLUDING LEASE LIABILITIES		**73**	**355**
Lease liabilities (3)		105	116
NET DEBT		**179**	**471**

(1) Excluding short-term accrued interest not yet due and lease liabilities.
(2) Excluding lease liabilities.
(3) Out of the total lease liabilities recognized, 81 million euros corresponded to non-current liabilities and the balance to current liabilities. The related interest expense amounted to 4 million euros in 2020.

At December 31, 2020, the consequences of the situation in Lebanon were taken into account by the Group as follows:

- Application of IFRS 9 led to the recognition of a 4 million euro impairment loss on the Lebanese subsidiary's cash, to take into account the risk of the country's banks being unable to pay depositors.
- The deposits with Lebanese banks – mainly held in US dollars –, representing a net amount of 36 million euros after impairment, were reclassified from cash and cash equivalents to other short-term financial assets in accordance with IAS 7 at December 31, 2020.

B. CHANGE IN GROSS DEBT

(in millions of euros)	December 31, 2019	New borrowings/ repayments	Change in consolidation scope	Change in accrued interest	Transfers from long-term to short-term	Other (1)	December 31, 2020
Long-term – ordinary bonds	772	-	-	-	(250)	1	523
Other long-term borrowings	59	39	-	-	(14)	(3)	80
Short-term – ordinary bonds	-	-	-	-	250	(0)	250
Other short-term borrowings	135	204	-	-	14	(16)	336
Lease liabilities	116	(25)	(1)	(0)	-	15	105
Short-term accrued interest not yet due	15	N/A	-	2	-	(0)	17
GROSS DEBT EXCLUDING SHORT-TERM BANK LOANS AND OVERDRAFTS	**1,097**	218	(1)	2	0	(4)	**1,311**

(1) Including the non-cash impacts of (i) the transition to IFRS 16 and (ii) new leases signed during the year.

C. BONDS

(in millions of euros)	Carrying amount at end-2020	Face value at issue date	Maturity date	Nominal interest rate
Ordinary bonds redeemable in 2021	255	250	May 26, 2021	3.25%
Ordinary bonds redeemable in 2023	329	325	August 8, 2023	3.75%
Ordinary bonds redeemable in 2024	203	200	April 5, 2024	2.75%
TOTAL ORDINARY BONDS (1)	**787**	**775**		

(1) Including 14 million euros in short-term accrued interest.

On August 8, 2018, Nexans issued 325 million euros worth of fixed-rate bonds with a five-year term, maturing on August 8, 2023. The bonds were issued at par and had an annual coupon of 3.75%. The issue price was 100% of the bonds' par value.

On April 5, 2017, Nexans carried out a 200 million euro bond issue with a maturity date of April 5, 2024. The issue price was 100.00% of the bonds' face value.

On May 26, 2016, Nexans carried out a 250 million euro bond issue with a maturity date of May 26, 2021. The issue price was 100.00% of the bonds' face value. This loan was recorded under "Short-term – ordinary bonds" at December 31, 2020.

All of the OCEANE 2019 bonds were redeemed in early January 2019 for an aggregate amount of 276 million euros, including accrued interest.

D. OTHER BORROWINGS

On June 17, 2020, Nexans received the proceeds of a 280 million euro government-backed bank loan (see **Note 2**). It has a twelve-month maturity which Nexans has the option to extend by up to five years. The French government's guarantee covers 80% of the loan's amount.

The debt was reclassified as "Short-term borrowings and short-term accrued interest not yet due" at December 31, 2020 for its carrying amount of 280 million euros.

In early April 2020, Nexans drew down 200 million euros on its 600 million syndicated credit facility (which was amended in December 2018). This drawdown was repaid on June 22, 2020.

"Other borrowings" at December 31, 2020 included an approximately 72 million euro drawdown on a loan to finance the construction of a cable-laying vessel (unchanged from December 31, 2019). Of the total at December 31, 2020, 68 million euros were classified as "Other long-term borrowings" and the balance was recorded under "Short-term borrowings and short-term accrued interest not yet due". See Note **23.E** below for further details.

At December 31, 2019, the Group's short-term debt included a securitization program (the "On-Balance Sheet" program) set up by Nexans France in the second quarter of 2010. This program involves the sale of trade receivables and is contractually capped at 80 million euros. The program had terminated as of December 31, 2020.

E. ANALYSIS OF GROSS DEBT BY CURRENCY AND INTEREST RATE

Long-term debt

(At December 31, excluding short-term accrued interest not yet due)	Weighted average EIR(1) (%)		in millions of euros	
	2020	2019	2020	2019
Ordinary bonds redeemable in 2021	N/A	3.40%	N/A	249
Ordinary bonds redeemable in 2023	3.89%	3.89%	324	324
Ordinary bonds redeemable in 2024	2.87%	2.87%	199	199
Other	3.70%	4.68%	80	59
TOTAL LONG-TERM DEBT (2)	**3.53%**	**3.55%**	**603**	**831**

(1) Effective interest rate.
(2) Excluding lease liabilities.

The majority of Nexans' medium-and long-term debt is at fixed rates.

Long-term debt denominated in currencies other than the euro correspond primarily to the loan granted to Nexans Norway for the financing of construction of the Aurora cable-laying vessel, loans to Liban Câbles at preferential rates, and loans to Nexans Côte d'Ivoire.

Short-term debt

(At December 31)	Weighted average EIR(1) (%)		in millions of euros	
	2020	2019	2020	2019
Ordinary bonds redeemable in 2021	3.40%	N/A	250	N/A
Government-backed loan	0.75%	N/A	280	N/A
Euro (excluding ordinary bonds)	2.19%	1.05%	15	85
US dollar	4.34%	3.98%	3	7
Other	3.08%	4.49%	47	58
TOTAL SHORT-TERM DEBT EXCLUDING ACCRUED INTEREST (2)	**2.10%**	**2.51%**	**595**	**150**
Accrued interest (including short-term accrued interest on long-term debt)	N/A	N/A	17	15
TOTAL SHORT-TERM DEBT (2)	**2.10%**	**2.51%**	**611**	**165**

(1) Effective interest rate.
(2) Excluding lease liabilities.

At December 31, 2020, US dollar-denominated debt primarily concerned Lebanese and Brazilian subsidiaries.

Debt denominated in currencies other than euros and US dollars corresponds mainly to borrowings taken out locally by certain Group subsidiaries in Asia (China), in Africa (Morocco and Côte d'Ivoire), and South America (primarily Brazil). In some cases, such local borrowing is required as the countries concerned do not have access to the Group's centralized financing facilities. However, it may also be set up in order to benefit from a particularly attractive interest rate or to avoid the risk of potentially significant foreign exchange risk depending on the geographic region in question.

Apart from the current portion of bond debt and the government-backed loan, the vast majority of the Group's short-term debt is at variable rates.

F. ANALYSIS BY MATURITY (INCLUDING ACCRUED INTEREST)

Nexans Financial and Trading Services, a wholly-owned Nexans subsidiary, is responsible for the Group's centralized cash management. However, in its capacity as parent company, Nexans S.A. still carries out the Group's long-term bond issues.

Nexans Financial and Trading Services monitors changes in the liquidity facilities of the holding companies, as well as the Group's overall financing structure on a weekly basis (see **Note 26.A**).

In view of Nexans' available short-term liquidity facilities and long-term debt structure, the Group's debt maturity schedule set out below is presented on a medium- and long-term basis.

Maturity schedule at December 31, 2020

(in millions of euros)	Due within 1 year		Due in 1 to 5 years		Due beyond 5 years		**Total**	
	Principal	Interest	Principal	Interest	Principal	Interest	**Principal**	**Interest**
Ordinary bonds redeemable in 2021	250	8	-	-	-	-	250	8
Ordinary bonds redeemable in 2023	-	12	325	24	-	-	325	37
Ordinary bonds redeemable in 2024	-	6	200	17	-	-	200	22
Other long-term borrowings	-	4	41	11	39	3	80	18
Government-backed loan	280	2	-	-	-	-	280	2
Short-term bank loans and overdrafts	65	1	-	-	-	-	65	1
Lease liabilities	25	3	55	8	25	4	105	16
Total	**620**	**38**	**621**	**60**	**64**	**7**	**1,305**	**105**

Notes concerning the preparation of the maturity schedule:

- Foreign exchange and interest rate derivatives used to hedge the Group's external debt are not material for the Group as a whole.
- The euro equivalent amount for borrowings in foreign currencies has been calculated using the year-end exchange rate at December 31, 2020.
- It has been assumed that the nominal amounts of short-term borrowings including short-term bank loans and overdrafts will be fully repaid at regular intervals throughout 2020.
- The interest cost has been calculated based on contractual interest rates for fixed-rate borrowings and on weighted average interest rates at December 31, 2020 for variable-rate borrowings (see **Note 24.D** above).

NOTE 24. Trade payables and other current liabilities

(At December 31, in millions of euros)	2020	2019
TRADE PAYABLES	**1,213**	**1,319**
Social liabilities	207	230
Current income tax payables	40	46
Other tax payables	37	29
Deferred income	0	0
Other payables	64	45
OTHER CURRENT LIABILITIES	**349**	**350**

At December 31, 2020, trade payables included approximately 154 million euros (226 million euros at December 31, 2019) related to copper purchases whose payment periods can be longer than usual for such supplies.

Amounts due to suppliers of fixed assets totaled 1 million euros at December 31, 2020 (1 million euros at December 31, 2019).

NOTE 25. Derivative instruments

(in millions of euros)	December 31, 2020							December 31, 2019		
	Notional amounts					Market value		Notional amounts	Market value	
FOREIGN EXCHANGE DERIVATIVES	USD	NOK	EUR	Other	Total	Assets	Liabilities		Assets	Liabilities
Foreign exchange derivatives - Cash flow hedges						**40**	**29**		**19**	**12**
Forward sales	351	551	713	174	**1,789**			1,912		
Forward purchases	250	985	338	229	**1,802**			1,923		
Foreign exchange derivatives - economic hedges						**12**	**10**		**17**	**22**
Forward sales	238	34	48	287	**608**			685		
Forward purchases	171	12	207	217	**607**			683		
METAL DERIVATIVES	Cuivre	Aluminum	Lead	Other	**Total**	**Assets**	**Liabilities**	**Notional amounts**	**Assets**	**Liabilities**
Metal derivatives - cash flow hedges						**39**	**6**		**10**	**5**
Forward sales	161	13	1	-	**176**			128		
Forward purchases	315	30	27	-	**372**			349		
Metal derivatives - economic hedges						**-**	**-**		**2**	**2**
Forward sales	-	-	-	-	**-**			54		
Forward purchases	-	-	-	-	**-**			70		
TOTAL FOREIGN EXCHANGE AND METAL DERIVATIVES						**90**	**46**		**48**	**41**

Foreign exchange derivatives

In 2020, the loss relating to the ineffective portion of the Group's foreign exchange derivatives was not material. In the consolidated income statement this loss is included in "Other financial income and expenses" for the operations component of the hedge and in "Cost of debt (net)" for the financial component.

In 2020, a 7 million euro net loss on cash flow hedges was recognized in the consolidated statement of comprehensive income and a net gain of 5 million euros was recycled to the income statement.

Metal derivatives

In 2020, the ineffective portion of gains or losses arising on the fair value remeasurement of metal derivatives designated as cash flow hedges represented a non-material amount that was recognized in the consolidated income statement on the line "Changes in fair value of non-ferrous metal derivatives" in "Other operating income and expenses".

An aggregate 36 million euro net gain was recognized in the consolidated statement of comprehensive income for metal derivatives designated as cash flow hedges and an 8 million euro loss was recycled to the income statement.

NOTE 26. Financial risks

The Group Finance Department determines the Group's overall policy for managing financial risks. It is assisted by the following two departments:

- The Treasury and Financing Department, which manages risks related to liquidity, foreign exchange, interest rates, credit and banking counterparties.
- The Metals Management Department, which manages risks relating to changes in non-ferrous metal prices, as well as credit and financial counterparty risks for entities that trade in non-ferrous metals markets.

These two departments are part of the legal entity, Nexans Financial and Trading Services.

Where permitted by local regulations, Group subsidiaries' foreign exchange and interest rate risks are managed on a centralized basis and their access to liquidity is managed through a cash pooling system.

Since November 2, 2020, Nexans Financial and Trading Services is the counterparty for all hedges of commodities risks, except for those set up by subsidiaries in Brazil, South Korea and China.

The main subsidiaries that did not have access to the centralized cash management system at December 31, 2020 are located in Morocco, Lebanon, China, South Korea, Peru, Brazil and Colombia. These subsidiaries, which have their own banking partners, are nevertheless subject to Group procedures regarding their choice of banks and foreign exchange and interest rate risk management.

The Group's risk management policy for non-ferrous metals is also determined and overseen on a centralized basis for the Group as a whole. The Metals Management Department centralizes subsidiaries' use of metals markets and places their orders for them. At December 31, 2020, only subsidiaries in Australia, New Zealand and China had direct access to such markets.

A. LIQUIDITY RISKS

Group financing

Monitoring and controlling liquidity risks

The Treasury and Financing Department monitors changes in the treasury and liquidity positions of the Group on a weekly basis (encompassing both holding companies and operating entities). As a such, subsidiaries are required to provide cash forecasts for the four weeks of the current month. These forecasts are then compared to actual cash figures.

Bank borrowings taken out by subsidiaries that are not part of the Nexans Financial and Trading Services centralized cash management system must be approved in advance by the Treasury and Financing Department and may not have maturity dates exceeding 12 months, unless express authorization is obtained.

The key liquidity indicators that are monitored are (i) the unused amounts of credit facilities granted to the Group, and (ii) available cash and cash equivalents.

The Group also monitors its net debt position on a monthly basis (see **Note 23** for the definition of net debt).

Management of cash surpluses

The Group's policy for investing cash surpluses is guided by the overriding principles of ensuring sufficient availability and using safe investment vehicles. The banks considered by the Group as acceptable counterparties must be rated at least A2 by Standard & Poor's and P2 by Moody's, or must be majority-owned by the government of their home country (which must be either an EU member, Canada or the United States).

At December 31, 2020, the Group's cash surpluses were recognized under "Cash and cash equivalents" in the consolidated balance sheet and were invested in:

- Current accounts with banks considered by the Group as acceptable counterparties;
- Money-market mutual funds (OPCVM) which are not exposed to changes in interest rates and whose underlying assets are investment-grade issues by both corporations and financial institutions; or
- Term deposits and certificates of deposit issued by banks, with an initial investment period of less than one year.

Main sources of financing

Over the past several years the Group has implemented a strategy of diversifying its sources of financing, through:

- Issues of convertible bonds, i.e., the OCEANE bonds redeemed at the beginning of 2019 (see **Note 23**);
- Issues of ordinary bonds maturing in 2021, 2023 and 2024 (see **Note 23**);
- A medium-term syndicated credit facility representing an amount of 600 million euros, including a very short-term drawing facility representing an amount of 200 million euros;
- A 280 million euro government-backed bank loan;
- Trade and tax receivables securitization and factoring programs:
  The Group's securitization program – set up on March 29, 2010 and covering the securitization of trade receivables in France and Germany – was renewed on March 30, 2015 for five years. On May 23, 2017, the Off Balance Sheet program was terminated, leaving only the On Balance Sheet program which expired in March 2020.
  As of December 31, 2020, Nexans France SAS had sold 25 million euros as part of a receivables securitization program set up in the second half of 2020.
  The other main receivables securitization and factoring programs concern Norway, Sweden.
  In Norway, receivables sold under the factoring program totaled 28 million euros at December 31, 2020 (36 million euros at December 31, 2019).
  In Sweden, receivables sold under the factoring program totaled 18 million euros at December 31, 2020 (4 million euros at December 31, 2019).
  In Brazil, receivables sold under the factoring program totaled 9 million euros at December 31, 2019.
  An analysis of the terms of the contracts and programs showed that rights to the cash flows from the receivables and substantially all of the related risks and benefits were transferred to the factor. The factored receivables were therefore derecognized in accordance with IFRS (Off Balance Sheet programs).
- Local credit facilities.

Covenants and acceleration clauses

On December 12, 2018 an amendment to the 600 million euro syndicated credit facility was signed, extending the expiration date until December 12, 2023 and including in the facility's 600 million euro total amount a 200 million euro very short-term drawing facility utilizable to finance a negotiable instruments program. This program was signed on December 21, 2018 for a maximum amount of 400 million euros, which was not drawn down at December 31, 2020. (drawn down for 30 million euros at December 31, 2019).

The amended syndicated credit facility and the government-backed loan are subject to the following two hard covenants, applicable since June 30, 2019:

- The consolidated net debt to equity ratio (including non-controlling interests) must not exceed 1.20; and
- Consolidated debt is capped at 3.2x consolidated EBITDA, as defined in **Note 1.E.b**.

These ratios were well within the specified limits at both December 31, 2020 and at the date the Board of Directors approved the financial statements.

If any of the covenants were breached, the syndicated credit facility or the government-backed loan would become unavailable and any drawdowns would be repayable, either immediately or after a contractual cure period depending on the nature of the breach.

In addition, in order to finance the construction of Nexans' new cable-laying vessel, a Group subsidiary took out a loan of 1,050 million Norwegian krone in May 2019. This loan – which will be drawn down in tranches throughout the vessel's construction – will be repaid on a straight-line basis over the twelve years following delivery of the vessel. It includes two options exercisable by the Group on the vessel's delivery date: (i) an option to switch from a variable interest rate to a fixed rate, and (ii) an option to choose between the Norwegian krone, the euro or the US dollar as the repayment currency.

The loan also includes (i) the same financial covenants as those set out in the Group's amended syndicated credit facility described above and (ii) the following covenants specific to the Group's subsidiary, based on its statutory accounts at the year-end:

- an equity to asset ratio;
- a net debt to equity ratio; and
- a certain level of cash and cash equivalents.

The subsidiary's statutory financial statements had not yet been issued as of the date the Board of Directors approved the consolidated financial statements for the year ended December 31, 2020.

These covenants were well within the specified limits at June 30, 2020.

The Group is not subject to any other financial ratio covenants.

This syndicated loan agreement, together with the indentures for the ordinary bonds redeemable in 2021, 2023 and 2024 also contain standard covenants (negative pledge, cross default, *pari passu* and change of control clauses), which, if breached, could accelerate repayment of the syndicated loan or the bond debt.

B. INTEREST RATE RISKS

The Group structures its financing in such a way as to avoid exposure to the risk of rises in interest rates:

- The vast majority of Nexans' medium- and long-term debt is at fixed rates. At December 31, 2020, the bulk of this debt corresponded to the ordinary bonds redeemable in 2023 and 2024.
- The Group's short-term debt includes the 2021 ordinary bonds and the government-backed loan, both of which are at a fixed rate of interest and were due within twelve months at the reporting date. All of the Group's other short-term debt at December 31, 2020 was at variable rates based on money market indices (EONIA, EURIBOR, LIBOR or local indices). Fixed-rate debt with original maturities of less than one year is considered as variable-rate debt. The Group's short-term cash surpluses are invested in instruments which have maturities of less than one year and are therefore at adjustable rates (fixed rate renegotiated when the instrument is renewed) or at variable rates (based on the EONIA or LIBOR for a shorter maturity than that of the investment). Consequently, the Group's net exposure to short-term changes in interest rates is limited and concerned its variable rate net cash position of 1 076 million euros at December 31, 2020 and 491 million euros at December 31, 2019.

The Group did not have any interest rate hedges in place at either December 31, 2020 or December 31, 2019.

Consolidated net debt breaks down as follows between variable and fixed interest rates:

(At December 31, in millions of euros)	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
VARIABLE RATE						
Financial liabilities (1)	65	0	66	151	51	203
Cash and cash equivalents	(1,142)	-	(1,142)	(642)	-	(642)
NET VARIABLE RATE POSITION	**(1,076)**	**0**	**(1,076)**	**(491)**	**51**	**(439)**
FIXED RATE				-	-	-
Financial liabilities (1)	570	684	1,254	38	871	910
Cash and cash equivalents	-	-	-	-	-	-
NET FIXED RATE POSITION	**570**	**684**	**1,254**	**38**	**871**	**910**
NET DEBT	**(506)**	**684**	**179**	**(452)**	**923**	**471**

(1) Including the short-term portion of accrued interest not yet due on long-term debt.

C. FOREIGN EXCHANGE AND METAL PRICE RISKS

The Group's foreign exchange risk exposure primarily relates to operations-based transactions (purchases and sales). The Group considers that it only has low exposure to foreign exchange risk on debt. However, other than in exceptional cases, when debt is denominated in a currency that is different to the Group's functional currency the inherent foreign exchange risk is hedged.

Due to its international presence, the Group is exposed to foreign currency translation risk on the net assets of subsidiaries whose functional currency is not the euro. It is Group policy not to hedge these risks.

The Group's policy for managing non-ferrous metal risks is defined by the Finance Department and implemented by the subsidiaries that purchase copper, aluminum and, to a lesser extent, lead. The Group's main exposure to metal price risk arises from fluctuations in copper prices.

The Group's sensitivity to foreign exchange risk on operating cash flows is considered to be moderate due to its operational structure, whereby the majority of Nexans' operating subsidiaries have a very strong local presence, except in the high-voltage business. The Group's policy is to hedge its foreign exchange and non-ferrous metal price risks on cash flows relating to (i) foreseeable significant contractual commercial transactions, and (ii) certain forecast transactions. The operations arising from this hedging activity may result in certain positions being kept open. Where this happens, the positions are limited in terms of amount and tenor and they are overseen by the Central Treasury Department.

Methods used to manage and hedge exposure to foreign exchange risk

The Group verifies that its procedures for managing foreign exchange risk are properly applied by means of quarterly reports provided to the Central Treasury Department by all subsidiaries exposed to this type of risk, irrespective of whether or not they are members of the cash pool. The reports contain details on the subsidiaries' estimated future cash flows in each currency and the related hedges that have been set up, as well as a reconciliation between actual figures and previous forecasts.

The Central Treasury Department has developed training materials for the Group's operations teams and carries out ad hoc audits to ensure that the relevant procedures have been properly understood and applied. Lastly, the Internal Audit Department systematically verifies that the procedures for identifying and hedging foreign exchange risks have been properly applied during its audit engagements carried out at the Group's subsidiaries.

In addition, some bids are made in a currency other than that in which the entity concerned operates. Foreign exchange risks arising on these bids are not systematically hedged, which could generate a gain or loss for the Group if there is a significant fluctuation in the exchange rate between the date when the bid is presented and the date it is accepted by the customer. However, in such cases, the Group takes steps to reduce its potential risk by applying expiration dates to its bids and by incorporating the foreign exchange risk into the price proposal.

Foreign exchange risk is identified at the level of the Group's subsidiaries, whose treasurers execute hedges centrally or locally using forward currency transactions. For subsidiaries that are members of the cash pool, these transactions are carried out with the Central Treasury Department. Other subsidiaries enter into forward currency transactions with their local banks. The objective of these transactions is for operating cash flows to be denominated in the functional currency of the entity concerned.

Methods used to manage and hedge exposure to metal risks

The exposure of a certain number of subsidiaries to the risk of changes in non-ferrous metal prices is hedged at Group level. To this end, each Group company reports its exposures to the Group Treasury and Metals department.

The Group verifies that its procedures for managing and hedging metal risks are correctly applied by means of each operating subsidiary reporting monthly on its exposure to copper, aluminum and lead risk in both tonnage and value terms. The related reports are analyzed and consolidated at Group level by the Central Treasury Department.

In addition, the Central Treasury Department regularly provides training sessions and performs controls within the subsidiaries to ensure that the procedures are properly understood and applied. It has also created training modules on the Group intranet for operations teams, including salespeople, buyers, finance staff and "hedging operators", who are in charge of daily hedging activities concerning metal risks. Lastly, the Internal Audit Department systematically checks that the procedures for identifying and hedging metal risks have been properly applied during its audit engagements carried out at the Group's operating subsidiaries.

In order to offset the consequences of the volatility of non-ferrous metal prices (copper and, to a lesser extent, aluminum and lead), Nexans' policy is to pass on metal prices in its own selling prices, and hedge the related risk either by setting up a physical hedge or by entering into futures contracts on the London, New York and, to a lesser degree, Shanghai, metal exchanges. Nexans does not generate any income from speculative trading of metals.

The Group's production units require access at all times to a minimum level of metal inventories for their routine operations, which is referred to as "Core exposure". Core exposure represents the minimum amounts that are necessary for the production units to operate appropriately. Consequently, the quantities of metal corresponding to Core exposure are not hedged and are recorded within operating margin based on initial purchase cost. However, as described in Note **1.E.c**, at the level of operating income, Core exposure is measured at its weighted average cost and therefore the difference between historical cost and weighted average cost is recognized under "Core exposure effect" in the income statement.

As a result, any reduction (via sales) in volume of Core exposure due to (i) structural changes in the needed tonnages for the operations of an entity in the event of structural reorganizations within the Group or (ii) a lasting significant change in the business levels of certain operations, can impact the Group's operating margin.

In addition, the Group's operating margin is still partially exposed to fluctuations in non-ferrous metal prices for certain product lines, such as copper cables for cabling systems and building sector products. In these markets, any changes in non-ferrous metal prices are generally passed on in the selling price, but with a time lag that can impact margins. The fierce competition in these markets also affects the timescale within which price increases are passed on.

In accordance with its risk management policy described above, the Group enters into physical contracts only for operational purposes (for the copper component of customer or supplier orders) and uses futures contracts only for hedging purposes (LME, COMEX or SHFE traded contracts, see **Note 26.D**, "Metals derivatives"). The Group's main subsidiaries document their hedging relationships in compliance with the requirements of IFRS 9 relating to cash flow hedges.

D. CREDIT AND COUNTERPARTY RISK

In addition to customer credit risk, counterparty risk arises primarily on foreign exchange and non-ferrous metal derivatives as well as on the Group's investments and deposits placed with banks.

Customer credit risk

The Group's diverse business and customer base and wide geographic reach are natural mitigating factors for customer credit risk. At December 31, 2020, no single customer represented more than 5% of the Group's total outstanding receivables.

The Group also applies a proactive policy for managing and reducing its customer credit risk by means of a Group-wide credit management policy which has been rolled out to Nexans' international subsidiaries. The Group has also set up a master credit insurance program for most of its subsidiaries, although a portion of its trade receivables is not covered by this program. Lastly, the difficult market environment created by economic crises and recent political crises around the world, was made significantly worse by the Covid-19 pandemic. In 2020, the Group focused on optimizing credit and collection procedures, to limit the incidence of late payments and disputes. Efforts are also being made to reduce the impact of decisions by the Group's insurer to cut insured amounts under the global credit insurance program as a direct result of the pandemic.

Foreign exchange derivatives

In accordance with Group policy, to keep counterparty risk as low as possible, entities wishing to hedge the foreign exchange risk on their medium- or long-term commercial commitments may only purchase long-term derivatives (expiring in more than one year) from banks that have been assigned medium- and long-term ratings of at least A- by Standard & Poor's and A3 by Moody's. For short-term derivatives (expiring in less than one year), the banks must have been assigned short-term ratings of at least A2 by Standard & Poor's and P2 by Moody's. Where this requirement cannot be fulfilled due to local banking conditions, the entities in the countries concerned limit their counterparty risk by keeping their exposure to a minimum and spreading it between at least three banks.

For subsidiaries that are not members of the cash pool, the same criteria apply but exceptions may be made, notably for subsidiaries located in countries with sovereign ratings that are below the specified thresholds. In this case, foreign exchange derivatives involving counterparty risk can only be set up with branches or subsidiaries of banking groups whose parent company satisfies the above risk criteria.

Counterparty risk for these subsidiaries is subject to a specific monthly monitoring process that tracks the external commitments made by each subsidiary in relation to foreign exchange hedges.

Based on a breakdown by maturity of notional amounts at December 31, 2020 (the sum of the absolute values of notional amounts of buyer and seller positions), the Group's main exposure for all subsidiaries (both members and non-members of the cash pool) is to short-term maturities:

(At December 31, in millions of euros)	2020		2019	
	Notional amounts Buyer positions	Notional amounts Seller positions	Notional amounts Buyer positions	Notional amounts Seller positions
Within 1 year	2,178	2,171	2,191	2,191
Between 1 and 2 years	229	224	412	404
Between 2 and 3 years	2	2	3	2
Between 3 and 4 years	-	-	-	-
Between 4 and 5 years	-	-	-	-
Beyond 5 years	-	-	-	-
TOTAL	**2,409**	**2,397**	**2,606**	**2,597**

Metal derivatives

The Nexans Group hedges its exposure to copper, aluminum and, to a lesser extent, lead, by entering into derivatives transactions in three organized markets: the LME in London, the COMEX in New York and, in certain limited cases, the SHFE in Shanghai. Substantially all of the derivatives transactions conducted by the Group are standard buy and sell trades. The Group does not generally use metal options.

The Central Treasury Department carries out metal derivatives transactions on behalf of substantially all of the Group's subsidiaries apart from – at December 31, 2020 – its Australian, New Zealand and Chinese entities. Non-ferrous metal hedging transactions carried out on commodity exchanges may give rise to two different types of counterparty risk:

- The risk of not recovering cash deposits made (margin calls); and
- The replacement risk for contracts on which the counterparty defaults (mark-to-market exposure, i.e., the risk that the terms of a replacement contract will be different from those in the initial contract).

The Central Treasury Department manages counterparty risk on the Group's derivative instruments by applying a procedure that sets ceilings by counterparty and by type of transaction. The level of these ceilings depends notably on the counterparties' ratings. In addition, the transactions carried out are governed by master netting agreements developed by major international Futures and Options Associations that allow for the netting of credit and debit balances on each contract.

The Group's counterparties for these transactions are usually its existing financial partners, provided they have a long-term rating of at least A-/A3. Counterparties rated between BBB-/Baa3 and BBB+/Baa1 can also be approved provided the Group's aggregate exposure to these counterparties does not exceed (i) 10 million US dollars for counterparties rated BBB+ or BBB, and (ii) 10 million US dollars for counterparties rated BBB-.

In Australia and New Zealand, because of the countries' time zone, the Group's subsidiaries carry out metal derivatives transactions with an Australian broker, which is not rated. However, the Group only has a low level of exposure to this broker. Subsidiaries in China hedge their metal risks on the Shanghai Futures Exchange (SHFE), which can only be used by local brokers.

The Group's metal derivatives transactions are governed by master netting agreements developed by major international Futures and Options Associations that, in the event of a default, allow for the netting of a Group subsidiary's assets and liabilities related to the defaulting counterparty.

The Group's maximum theoretical counterparty risk on its metal derivatives transactions can be measured as the sum of credit balances (including positive mark-to-market adjustments) and cash deposits, after contractually permitted asset and liability netting. This maximum theoretical risk amounted to 49 million euros at December 31, 2020. (6 million euros at December 31, 2019).

The notional amounts of metal derivatives (sum of the absolute values of buy and sell positions) at December 31, 2020 are analyzed by maturity in the table below:

(At December 31, in millions of euros)	2020		2019	
	Notional amounts Buyer positions	Notional amounts Seller positions	Notional amounts Buyer positions	Notional amounts Seller positions
Within 1 year	353	176	378	182
Between 1 and 2 years	19	-	39	1
Between 2 and 3 years	0	-	2	-
Between 3 and 4 years	-	-	-	-
Between 4 and 5 years	-	-	-	-
Beyond 5 years	-	-	-	-
TOTAL	**372**	**176**	**419**	**183**

Cash deposited to meet margin calls on copper forward purchases whose fair value was negative at the year-end (see **Note 18**) amounted to 4 million euros at December 31, 2020 (3 million euros at December 31, 2019).

In conclusion, the Group has limited exposure to credit risk. The Group considers that its management of counterparty risk is in line with market practices but it cannot totally rule out a significant impact on its consolidated financial statements should it be faced with the occurrence of systemic risk.

Risk on deposits and investments

The table below sets out the Group's counterparty risk relating to deposits and investments of Nexans Financial Trading Services' cash surpluses placed with banks at December 31, 2020. These Nexans Financial Trading Services deposits and investments amounted to an aggregate 774 million euros at that date, representing approximately 68% of the Group total.

(At December 31, 2020, in millions of euros)

COUNTERPARTY RATINGS (1)	AAA	AA-	A+	A	A-	BBB+	Money market funds (SCAV)	Total
Cash on hand	1	56	678	39	-	-	-	774
Short-term money market funds (OPCVM) (2)	-	-	-	-	-	-	-	-
Certificates of deposit/EMTN	-	-	-	-	-	-	-	-
TOTAL	**1**	**56**	**678**	**39**	**-**	**-**	**-**	**774**

(1) Based on Standard & Poor's ratings.
(2) Based on the AMF classification.

For the Group's other subsidiaries, counterparty risk on deposits and investments is managed in accordance with the principles and procedures described in **Note 26.A.**

E. MARKET RISK SENSITIVITY ANALYSIS

A sensitivity analysis is provided below on the impact that a theoretical change in the above-mentioned main market risks would have on consolidated income and equity.

Sensitivity to changes in copper prices

Fluctuations in copper prices can impact both consolidated income and equity, as well as the Group's financing needs. Sensitivity calculations are based on an assumed increase in copper prices. A fall in copper prices would have the inverse effect.

A rise in copper prices would result in:

- A rise in the fair value of the Group's portfolio of cash-settled copper derivatives (the Group is a net buyer);
- A revaluation of the Group's Core exposure;
- A limited increase in working capital and therefore a limited increase in financing needs (any short-term positive impact of margin calls is not taken into account in the sensitivity analysis).

At Group level, the impact on working capital is limited and mainly relates to the timing of derivatives settlement. Potential significant variations could occur at local level due to pricing conditions.

An increase in the fair value of cash-settled copper derivatives would positively affect either consolidated operating income or equity, based on the accounting treatment used for these derivative instruments (the derivatives of the Group's main subsidiaries are designated as cash flow hedges within the meaning of IFRS 9).

A revaluation of the Group's Core exposure would positively affect consolidated operating income.

The simulation below is based on the following assumptions (with all other assumptions remaining constant, notably exchange rates):

- A 10% increase in copper prices at December 31, 2020 and 2019 and translation of this impact evenly across the entire price curve without any distortion of forward point spreads.
- All working capital components (inventories, and the copper component of trade receivables and payables) would be impacted by the increase in copper prices.
- 25,000 tonnes and 53,000 tonnes of copper included in working capital at December 31, 2020 and December 31, 2019 respectively.
- Short-term interest rate (3-month Euribor) of -0.55% in 2020 and -0.38% in 2019.
- A worst-case scenario, in which the increase in working capital would be constant throughout the year, leading to an annualized increase in financial expenses (not taking into account the temporary positive impact of margin calls or the effect of changes in exchange rates).
- 47,375 tonnes of copper classified as Core exposure at December 31, 2020 (49,750 tonnes at December 31, 2019).
- A theoretical income tax rate of 32.02% for 2020 and 34.43% for 2019.

Any impact of changes in copper prices on both impairment in value of the Group's non-current assets (in accordance with IAS 36) and the provision for impairment of inventories has not been taken into account in this simulation, as it is impossible to identify a direct linear effect.

(At December 31, in millions of euros)	2020	2019
Impact on operating income	28	26
Impact on net financial expense	0	0
NET IMPACT ON INCOME (AFTER TAX)	**19**	**17**
IMPACT ON EQUITY(1) (AFTER TAX)	**12**	**13**

(1) Excluding net income (loss) for the period.

Sensitivity to the US dollar (USD) exchange rate

The US dollar is the main foreign currency to which the Group is exposed.

The simulation below is based on a 10% decrease in the US dollar spot rate against the world's other major currencies compared with the rates prevailing at December 31, 2020 and December 31, 2019, e.g., using US dollar/euro exchange rates of 1.35 and 1.24 respectively, without any changes in the forward points curve.

The main impacts on the consolidated financial statements stem from the revaluation of the Group's portfolio of derivative instruments. The impact on equity related to designated cash flow hedges and the impact on income have been separated out. This revaluation effect is offset by the revaluation of underlying US dollar positions in (i) the Group's trade receivables and trade payables portfolios, and (ii) net debt.

The Group's other financial assets and liabilities are rarely subject to foreign exchange risk and have therefore not been included in this simulation.

Foreign currency translation impacts have likewise not been taken into account in the following calculations.

Sensitivity at December 31, 2020 *(in millions of euros)*	Impact on income (net after tax (2))	Impact on equity (1) (net after tax (2))
Trade receivables	(15)	N/A
Bank accounts	(5)	N/A
Trade payables	11	N/A
Loans/borrowings	(1)	-
NET POSITION – USD UNDERLYINGS (3)	**(10)**	**-**
Portfolio of forward purchases (4)	(12)	(11)
Portfolio of forward sales (4)	13	19
NET POSITION – USD DERIVATIVES	**0**	**8**
NET IMPACT ON THE GROUP	**(10)**	**8**

(1) Excluding net income (loss) for the period.
(2) Using a theoretical income tax rate of 32.02%.
(3) Impact primarily due to net open positions in countries whose currencies are very closely correlated to the US dollar.
(4) Forward purchases and sales that comprise an exposure to US dollars.

Sensitivity at December 31, 2019 *(in millions of euros)*	Impact on income (net after tax (2))	Impact on equity (1) (net after tax (2))
Trade receivables	(15)	N/A
Bank accounts	(2)	N/A
Trade payables	13	N/A
Loans/borrowings	(1)	-
NET POSITION – USD UNDERLYINGS (3)	**(5)**	**-**
Portfolio of forward purchases (4)	(16)	(11)
Portfolio of forward sales (4)	12	19
NET POSITION – USD DERIVATIVES	**(4)**	**8**
NET IMPACT ON THE GROUP	**(8)**	**8**

(1) Excluding net income (loss) for the period.
(2) Using a theoretical income tax rate of 34.43%.
(3) Impact primarily due to net open positions in countries whose currencies are very closely correlated to the US dollar.
(4) Forward purchases and sales that comprise an exposure to US dollars.

Sensitivity to the Norwegian krone (NOK) exchange rate

The Norwegian krone is an essential counterparty currency used in contracts for submarine high-voltage cables.

The simulation below is based on similar assumptions to those used for the US dollar (i.e., a 10% decrease in the Norwegian krone spot rate against the world's other major currencies), e.g., using closing NOK/euro exchange rates of 11.5 and 10.9 at December 31, 2020 and 2019 respectively, without any changes in the forward points curve.

Sensitivity at December 31, 2020 *(in millions of euros)*	Impact on income (net after tax (2))	Impact on equity (1) (net after tax (2))
Trade receivables	2	N/A
Bank accounts	0	N/A
Trade payables	(2)	N/A
Loans/borrowings	7	-
NET POSITION – NOK UNDERLYINGS	**7**	**-**
Portfolio of forward purchases (3)	5	21
Portfolio of forward sales (3)	(8)	(43)
NET POSITION – NOK DERIVATIVES	**(3)**	**(22)**
NET IMPACT ON THE GROUP	**4**	**(22)**

(1) Excluding net income for the period.
(2) Using a theoretical income tax rate of 32.02%.
(3) Forward purchases and sales that comprise an exposure to the Norwegian krone.

Sensitivity at December 31, 2019 *(in millions of euros)*	Impact on income (net after tax (2))	Impact on equity (1) (net after tax (2))
Trade receivables	3	N/A
Bank accounts	1	N/A
Trade payables	(1)	N/A
Loans/borrowings	0	-
NET POSITION – NOK UNDERLYINGS	**3**	**-**
Portfolio of forward purchases (3)	8	13
Portfolio of forward sales (3)	(2)	(35)
NET POSITION – NOK DERIVATIVES	**6**	**(21)**
NET IMPACT ON THE GROUP	**9**	**(21)**

(1) Excluding net income (loss) for the period.
(2) Using a theoretical income tax rate of 34.43%.
(3) Forward purchases and sales that comprise an exposure to the Norwegian krone.

NOTE 27. Additional disclosures concerning financial instruments

A. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The Group has defined the following main categories of financial assets and liabilities:

(At December 31, in millions of euros)	IFRS 9 category	Fair value hierarchy level	2020		2019	
			Carrying amount	Fair value	Carrying amount	Fair value
ASSETS						
Shares in non-consolidated companies	Financial assets at fair value through profit or loss		26	26	23	23
	At fair value through other comprehensive income		7	7	7	7
Other non-current financial assets	Loans and receivables		50	50	44	44
Commercial receivables						
- Contract assets	Loans and receivables		94	94	69	69
- Trade receivables	Loans and receivables		829	829	1,015	1,015
Derivative instruments (1)	Financial assets at fair value through profit or loss	Foreign exchange: 2	52	52	37	37
		Metal: 1	39	39	12	12
Other current financial assets	Loans and receivables		163	163	126	126
Cash and cash equivalents	Financial assets at fair value through profit or loss	Term deposits: 2	21	1,142	25	642
		Other: 1	1,120		617	
LIABILITIES						
Gross debt						
- Ordinary bonds (2)	Financial liabilities at amortized cost		787	822	786	835
- Other financial liabilities	Financial liabilities at amortized cost		428	428	211	211
Commercial payables						
- Contract liabilities	Financial liabilities at amortized cost		364	364	256	256
- Trade payables	Financial liabilities at amortized cost		1,213	1,213	1,319	1,319
Derivative instruments (1)	Financial liabilities at fair value through profit or loss	Foreign exchange: 2	39	39	34	34
		Metal: 1	6	6	7	7
Other current financial liabilities	Financial liabilities at amortized cost		308	308	304	304

(1)Derivatives designated as cash flow hedges are carried at fair value through other comprehensive income. Any gains or losses previously recognized in equity are reclassified to the income statement in the period in which the hedged item impacts income.
*(2)Including short-term accrued interest (see **Note 23.C**).*

The Group's fixed rate debt mainly comprised its ordinary bonds redeemable in 2021, 2023 and 2024, whose fair values may differ from their carrying amounts in view of the fact that the bonds are carried at amortized cost - of which proceeds from the government-backed loan.

The fair value of the 2021, 2023 and 2024 ordinary bonds was calculated based on a bank valuation provided at December 31, 2020 and included interest accrued at the year-end. The same method was used at December 31, 2019.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

B. CALCULATIONS OF NET GAINS AND LOSSES

(in millions of euros)	Net gains (losses)					
	Interest	On subsequent remeasurement			On disposal	2020
		Fair value adjustments	Currency translation	Impairment		
OPERATING ITEMS						
Receivables	N/A	N/A	(2)	(3)		(5)
Financial assets and liabilities at fair value through profit or loss	N/A	(2)	N/A	N/A		(2)
Financial liabilities at amortized cost	N/A	N/A	(2)	N/A		(2)
Cost of hedging						*1*
SUB-TOTAL – OPERATING ITEMS	**-**	**(2)**	**(4)**	**(3)**	**-**	**(8)**
FINANCIAL ITEMS						
Shares in non-consolidated companies				0		-
Loans	-	N/A	(3)	(4)		(7)
Financial assets and liabilities at fair value through profit or loss	N/A	18	N/A	N/A	N/A	18
Financial liabilities at amortized cost	(40)	N/A	(16)	N/A	N/A	(56)
Cost of hedging						*(1)*
SUB-TOTAL – FINANCIAL ITEMS	**(40)**	**18**	**(19)**	**(4)**	**-**	**(46)**
TOTAL	**(40)**	**15**	**(23)**	**(6)**	**-**	**(54)**

- Gains and losses corresponding to interest are recorded under "Cost of debt (net)" when they relate to items included in consolidated net debt (see **Note 23**).
- The accounting treatment of changes in fair value of derivatives is described in **Note 26** above. Other than the impact of foreign exchange and metal derivatives, gains and losses relating to financial assets and liabilities at fair value through profit or loss include fair value adjustments recognized on cash and cash equivalents which amounted to a positive 3 million euros in 2020 and 4 million euros in 2019. These amounts are calculated taking into account interest received and paid on the instruments concerned, as well as realized and unrealized gains.
- Gains and losses arising from currency translation differences are recorded under "Other financial income and expenses" when they relate to operating items as classified in the table above, or under "Cost of debt (net)" if they relate to items included in consolidated net debt.
- Impairment losses on operating receivables are recognized as operating expenses and impairment losses on loans are recognized as financial expenses.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

NOTE 28. Related party transactions

Related party transactions primarily concern commercial and financial transactions carried out with the Quiñenco group – Nexans' principal shareholder – as well as with associates, non-consolidated companies, and directors and key management personnel (whose total compensation is presented in the table set out in **Note 28.C** below).

A. RELATED PARTY TRANSACTIONS WITH ASSOCIATES AND NON-CONSOLIDATED COMPANIES

Income statement

(in millions of euros)	2020	2019
REVENUE		
- Non-consolidated companies	44	48
- Associates	3	2
COST OF SALES		
- Non-consolidated companies	(10)	(3)
- Associates	(6)	(7)

Consolidated balance sheet

The main items in the balance sheet affected by related party transactions in 2020 and 2019 were as follows:

(At December 31, in millions of euros)	2020	2019
ASSETS		
- Non-consolidated companies	7	9
- Associates	1	1
FINANCIAL LIABILITIES/(RECEIVABLES)		
- Non-consolidated companies	(17)	(15)
- Associates	-	-
OTHER LIABILITIES		
- Non-consolidated companies	1	0
- Associates	1	1

B. RELATIONS WITH THE QUIÑENCO GROUP

At December 31, 2020, the Quiñenco group held approximately 29% of the Company's capital stock through two subsidiaries, Invexans Limited (UK) and Tech Pack (Chile). The Quiñenco group has given the Company a long-term undertaking that it would not request representation on the Board in excess of three non-independent members in a Board of 14 members, or if the Board were to be enlarged, in excess of a number of directors proportionate to its shareholding.

At December 31, 2020, the main contractual relations between Nexans and the Quiñenco group concerned agreements related to the contract dated February 21, 2008 for the acquisition of the Quiñenco group's cables business, as amended by an addendum signed on September 30, 2008.

The impact of the commercial agreements with the Quiñenco group on the income statement and balance sheet is included in the tables set out in **Note 28.A** above, on the line "Associates".

C. COMPENSATION OF KEY MANAGEMENT PERSONNEL

In 2020 as in 2019, Key Management Personnel correspond to corporate officers and members of the Executive Committee.

Total compensation

Total compensation paid to the Group's Key Management Personnel can be analyzed as follows:

(in millions of euros)	2020	2019
Compensation for corporate officer positions (1)	1.6	1.4
Compensation under employment contracts and benefits in kind (1)	9.4	7.0
Performance shares (2)	1.8	1.9
Termination benefits (1)	-	1.1
Long-term incentive plan (2)	0.0	0.1
Accruals for pensions and other retirement benefit obligations (3)	2.3	2.7
TOTAL COMPENSATION	**15.2**	**14.2**

(1) Amounts paid during the year, including payroll taxes.
(2) Amounts expensed in the income statement during the year.
(3) For defined benefit plans, this item includes the service cost and interest expense for the year.

Additional information on the compensation of Key Management Personnel (corporate officers and members of the Executive Committee):

- The Group's total obligation for pensions and other retirement benefits relating to Key Management Personnel (net of plan assets) amounted to 3 million euros at December 31, 2020, compared with 7 million euros at December 31, 2019.
- On March 19, 2019, the Board of Directors adopted a new long-term compensation plan for the Group's key managers and executives, in the form of a performance share plan. For the performance shares to vest, the beneficiary must still be employed by the Group on the vesting date and conditions concerning Nexans' financial performance and its share performance must also be met.

Commitments given to the Chief Executive Officer

All of the commitments given to Christopher Guérin in his capacity as Chief Executive Officer are described in detail each year in the Universal Registration Document (section entitled "Commitments given to the Chief Executive Officer").

As Chief Executive Officer, Christopher Guérin has received the following commitments from the Company, which were authorized at the Board Meeting of July 3, 2018 and approved at the Annual Shareholders' Meeting held on May 15, 2019:

- If Christopher Guérin is removed from his position as Chief Executive Officer, he will be entitled to payment of a termination indemnity representing two years' worth of his total fixed and variable compensation. This indemnity will be subject to actual performance in relation to the objectives applicable to his target annual variable compensation being at least equal to 60% of said objectives on average over the three years preceding his removal. This indemnity will be payable only in the event of a forced departure due to a change of control or strategy, which will be deemed to be the case unless specifically decided otherwise by the Board of Directors, notably in the event of serious misconduct. If Christopher Guérin's forced departure takes place before the end of three full years as from the date he took up his position as Chief Executive Officer, the indemnity will be equal one year's worth of his total fixed and variable compensation and the performance conditions will be assessed based on the number of full years completed (either one or two years).
- As compensation for an undertaking not to exercise any business that would compete either directly or indirectly with any of the Company's businesses for a period of two years from the end of his term of office as Chief Executive Officer, Christopher Guérin will receive a non-compete indemnity, regardless of the cause of termination of his duties. Said indemnity will be paid in 24 equal and successive monthly installments and will equal one year of his fixed and variable compensation, i.e., 12 times the amount of his most recent monthly compensation (fixed portion) plus the corresponding percentage of his bonus.

In accordance with Article 23.3 of the AFEP-MEDEF Code (June 2018 version), in the event of Christopher Guérin's departure, the Board of Directors will decide whether or not the non-compete agreement entered into with him will apply and will be entitled to cancel it (in which case no non-compete indemnity will be payable).

In addition, in accordance with Article 23.4 of the AFEP-MEDEF Code, no non-compete indemnity will be due if Christopher Guérin takes retirement upon leaving the Group.

Lastly, in accordance with the Group's 2020 compensation policy for key management personnel, as described in section 2.5.4, Christopher Guérin's total termination payments – i.e., termination and non-compete indemnities – may not exceed two years' worth of his actual compensation (fixed plus variable) received prior to his departure.

If Christopher Guérin retired, he would be entitled to benefits under the supplementary defined contribution pension plan set up by the Group in 2019 for certain employees and corporate officers. Annual contributions to the plan paid by the Company correspond to 20% of the Chief Executive Officer's total actual annual compensation (fixed plus variable), i.e., 240,000 euros in 2020.

NOTE 29. Disputes and contingent liabilities

A. ANTITRUST INVESTIGATIONS

In late January 2009, antitrust investigations were launched in several countries against various cable manufacturers including Group companies in relation to anticompetitive behavior in the submarine and underground high-voltage power cables sector.

On April 7, 2014, Nexans France SAS and the Company were notified of the European Commission's decision, which found that Nexans France SAS had participated directly in an infringement of European antitrust legislation in the submarine and underground high-voltage power cable sector. The Company was held jointly liable for the payment of a portion of the fine imposed on Nexans France SAS by the European Commission.

In early July 2014, Nexans France SAS paid the 70.6 million euro fine imposed on it by the European Commission. Nexans France SAS and the Company appealed the European Commission's decision to the General Court of the European Union. The appeal was dismissed on July 12, 2018. Nexans France SAS and the Company appealed the General Court's judgment before the European Court of Justice which, in turn, dismissed the appeal on July 16, 2020.

In April 2019, certain Group entities received antitrust damages claims from customers filed before the courts in the United Kingdom, Italy and the Netherlands against Nexans and other defendants.

In the UK, Scottish and Southern Energy (SSE) lodged a claim against the Company and Nexans France SAS and certain companies of the Prysmian Group. In September 2019, the claim against the Company and Nexans France SAS was discontinued, with no payment to SSE and each party bearing their own costs of the proceedings.

Prysmian is one of the main defendants in certain antitrust damages proceedings initiated in the UK by National Grid and Scottish Power in 2015. Contribution claims have been brought by Prysmian against Nexans France SAS and the Company in these cases. Prysmian and the other main defendants have now reached settlements with National Grid and Scottish Power.

In April 2017, Vattenfall initiated a claim for alleged antitrust damages against Prysmian and NKT before the High Court in London. On June 12, 2020, Nexans France SAS and the Company were notified of a contribution claim brought by Prysmian. Following a transfer from the High Court, both cases are now pending before the UK Competition Appeal Tribunal.

Italian company Terna S.p.A. launched an antitrust damages claim in the Court of Milan. Nexans Italia filed a defense on October 24, 2019 focusing on Nexans Italia's lack of standing to be sued. Following an initial hearing on November 13, 2019, the judge ruled Terna's claim to be null for lack of clarity on February 3, 2020. Terna supplemented its claim on May 11, 2020. On January 26, 2021, the judge ruled that the decision on jurisdiction and other preliminary issues will be rendered along with that on the merits. A final outcome is not expected before 2022.

The claim in the Netherlands was made jointly by Electricity & Water Authority of Bahrain, GCC Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, against certain companies of the Prysmian Group and its former shareholders, and companies in the Nexans and ABB Groups. This action has been brought before the Court of Amsterdam. On December 18, 2019, Nexans and other defendants filed a motion contesting jurisdiction. The court issued its judgment on November 25, 2020, declaring itself incompetent with regard to the claims against the non-Dutch defendants, including certain Group entities. The court also ordered the claimants to pay the costs of the proceedings. The case on the merits against the Dutch defendants is stayed until March 3, 2021.

Investigations carried out by the American, Japanese, New Zealand and Canadian authorities in the high-voltage power cable sector were closed without sanctions. During investigations led by the Australian antitrust authority (ACCC), the Australian courts dismissed ACCC's case and refused to sanction Nexans and its Australian subsidiary in the high-voltage power cable sector in a case pertaining to the sale of low- and medium-voltage cables.

An investigation in Brazil by the General Superintendence of the antitrust authority "CADE" in the high-voltage power cable sector was concluded on February 11, 2019. On April 15, 2020, the Administrative Tribunal of CADE condemned the Company, together with other cable manufacturers. Nexans has paid the 1 million euro (BRL equivalent) fine and has appealed the decision.

An investigation by the antitrust authority in South Korea ("KFTC") in the high-voltage power cable sector has not been officially closed but Nexans understands that the relevant limitation periods should be considered expired.

Nexans' local Korean subsidiaries have cooperated with the KFTC in investigations initiated between 2013 and 2015 in businesses other than high-voltage. As a result, full leniency (zero fine) was granted by KFTC in 15 cases, and for two other cases the Nexans Korean subsidiaries were granted a 20% reduction on the fines imposed and were ordered to pay the KFTC a total of approx. 850,000 euros. All such investigations are now closed, and the risks associated with the majority of claims brought by customers in connection with them are now concluded.

On November 24, 2017 in Spain, Nexans Iberia and the Company (in its capacity as Nexans Iberia's parent company) were notified of a decision by the Spanish competition authority ("CNMC"), which found that Nexans Iberia had participated directly in an infringement of Spanish competition laws in the low- and medium-voltage cable sectors. The Company was held jointly liable for the payment of part of the fine levied on Nexans Iberia by the CNMC. In early January 2018, Nexans Iberia settled the 1.3 million euro fine levied by the CNMC. Nexans Iberia and the Company have appealed the CNMC's decision. The appeal decision is expected in 2021.

On July 27, 2020, Nexans Iberia was served with a claim filed by Iberdrola before the Commerce Court of Barcelona, on the basis on the CNMC's decision (which also sanctioned one of Iberdrola's subsidiaries). Iberdrola claims a total of 9.4 million euros in damages from the defendants, including Prysmian and several local Spanish producers. Nexans filed preliminary defense arguments on August 11, 2020 and the case is pending.

As of 31 December 2020, and following a reassessment of risks, the Group has a recorded contingency provision of 70 million euros to cover all the investigations mentioned above as well as the direct and indirect consequences of the related rulings that have been or will be handed down and in particular the follow-on damages claims by customers (existing or potential claims). The amount of the provision is based on management's assumptions that take into account the consequences in similar cases and currently available information. There is still considerable uncertainty as to the extent of the risks related to potential claims and/or fines. The final costs related to these risks could therefore be significantly different from the amount of the provision recognized.

The Group's risk prevention and compliance systems have been strengthened regularly and significantly in recent years. However, the Group cannot guarantee that all risks and problems relating to practices that do not comply with the applicable rules of ethics and business conduct will be fully controlled or eliminated. The compliance program includes means of detection which could generate internal investigations, and even external investigations. As consistently communicated by the Company in the past, unfavorable outcomes for antitrust proceedings and/or investigations as well as the associated consequences could have a material adverse effect on the results and thus the financial position of the Group.

B. OTHER DISPUTES AND PROCEEDINGS GIVING RISE TO THE RECOGNITION OF PROVISIONS

For cases where the criteria are met for recognizing provisions, the Group considers the resolution of the disputes and proceedings concerned will not materially impact the Group's results in light of the provisions recorded in the financial statements. Depending on the circumstances, this assessment takes into account the Group's insurance coverage, any third party guarantees or warranties and, where applicable, evaluations by the independent counsel of the probability of judgment being entered against the Group.

The Group considers that the other existing or probable disputes for which provisions were recorded at December 31, 2020 do not individually represent sufficiently material amounts to require specific disclosures in the consolidated financial statements.

C. CONTINGENT LIABILITIES RELATING TO DISPUTES AND PROCEEDINGS

Certain contracts entered into by the Group as of December 31, 2020 could lead to performance difficulties, but the Group currently considers that those difficulties do not justify the recognition of provisions in the financial statements or specific disclosure as contingent liabilities.

NOTE 30. Off-balance sheet commitments

The Group's off-balance sheet commitments that were considered material at December 31, 2020 and December 31, 2019 are set out below.

A. COMMITMENTS RELATED TO THE GROUP'S SCOPE OF CONSOLIDATION

Risks relating to mergers and acquisitions and divestments

Group companies may grant sellers' warranties to purchasers of divested businesses, generally without taking out bank guarantees or bonds. When it is probable that the Group will be required to make payments under a warranty, a provision is recorded for the estimated risk (where such an estimate can be made). When such a payment is merely potential rather than probable, it is disclosed as a contingent liability if the amount concerned is sufficiently material (see **Note 22** and **Note 29**).

Conversely, when acquiring other entities, Group companies are sometimes given sellers' warranties.

In 2020, the Group sold Berk-Tek, based in the United States. In the sale contract, sellers' warranties have been granted through an American subsidiary and a Canadian subsidiary, for a maximum amount of 20 million US dollars. The warranties cover a period of six years ending in September 2026.

In late 2017, Nexans acquired 27.8% of the capital of IES, the leading manufacturer of electric vehicle fast-charging solutions.

IES is accounted for by the equity method.

The agreement also includes a put option for the seller.

Acquisition of the Quiñenco group's cable business

When Nexans acquired the cables business of the Chile-based group Quiñenco on September 30, 2008, it took over a number of pending or potential disputes. The most significant of these, subject to certain deductibles, are covered by the seller's warranty granted by Invexans SA (formerly Madeco, Chile) under the purchase agreement. A provision was recorded for this business's liabilities and contingent liabilities when the Group completed the initial accounting for the acquisition in accordance with IFRS 3.

A settlement agreement was entered into on November 26, 2012 between the Company, Nexans Brasil and the Quiñenco group concerning the amounts payable by the Quiñenco group to Nexans Brasil in relation to the outcome of civil, employment law and tax proceedings in Brazil.

Under the terms of this agreement, Quiñenco undertook to pay Nexans Brasil a lump sum of around 23.6 million Brazilian reals (approximately 9.4 million euros). In return, the Quiñenco group was released from any obligation to pay compensation with respect to the civil and employment law proceedings in progress that were specified in the settlement agreement, except if the total amount of related losses incurred by the Company exceeds a certain limit. Some of the tax proceedings in Brazil relating to the period prior to the acquisition, or in progress at the time of the acquisition and still ongoing at the date of the settlement agreement, remain governed by the terms of previous agreements entered into between the parties. Settlement agreements were signed between 2014 and 2017 covering part of the amounts involved, in order to enable Nexans to benefit from a tax amnesty in Brazil.

B. COMMITMENTS RELATED TO THE GROUP'S FINANCING

The main off-balance sheet commitments related to the Group's financing are summarized below:

(At December 31, in millions of euros)	Notes	2020	2019
COMMITMENTS GIVEN			
Syndicated credit facility (1)	26.A	660	660
Collateral			-
COMMITMENTS RECEIVED			
Syndicated credit facility – Unused line expiring on December 12, 2023	26.A	600	600
Receivables securitization program – Maximum amount of receivables that may be sold	26.A	-	80

(1) When the Group's syndicated credit facility was set up, Nexans undertook to guarantee the commitments given by Nexans Financial & Trading Services to the banking pool concerned.

The commitments received and related to the Group's financing also include the warranty given by the French Government for the government-backed loan. The warranty is 80% of the nominal.

C. COMMITMENTS RELATED TO THE GROUP'S OPERATING ACTIVITIES

The main off-balance sheet commitments related to the Group's operations are summarized below:

(At December 31, in millions of euros)	Note	2020	2019
COMMITMENTS GIVEN			
Forward purchases of foreign currencies (1)	26	2,409	2,606
Forward purchases of metals	26	372	419
Firm commitments to purchase property, plant and equipment (2)		65	172
Commitments for third-party indemnities	*See (a)*	3,684	3,319
Take-or-pay copper purchase contracts (in tonnes)	*See (b)*	119,619	133,766
Other commitments given		-	-
COMMITMENTS RECEIVED			
Forward sales of foreign currencies (1)	26	2,397	2,597
Forward sales of metals	26	176	183
Take-or-pay copper sale contracts (in tonnes)	*See (b)*	98,366	116,076
Other commitments received		341	369

(1) Including derivatives used to hedge the Group's net debt.
(2) Including, at December 31, 2020, 31 million euro commitment concerning the construction of a new cable laying ship.

(a) Commitments for third-party indemnities

- Group companies generally give customers warranties on the quality of the products sold without taking out bank guarantees or bonds. They have, however, also given commitments to banks and other third parties, in particular financial institutions, which have issued guarantees or performance bonds to customers, and guarantees to secure advances received from customers (663 million euros and 628 million euros at December 31, 2020 and 2019 respectively).
  When it is probable that the Group will be required to make payments under a warranty due to factors such as delivery delays or disputes over contract performance, a provision is recorded for the estimated risk (where such an estimate can be made). When such a payment is merely potential rather than probable, it is disclosed as a contingent liability if the amount concerned is sufficiently material (see **Note 22** and **Note 29**).

- At December 31, 2020 the Group had granted parent company guarantees in an amount of 3,024 million euros (2,691 million euros at December 31, 2019). These mainly correspond to performance bonds given to customers.

(b) Take-or-pay contracts (physically-settled contracts)

The volumes stated in the table above correspond to quantities negotiated as part of copper take-or-pay contracts whose price was set at the year-end, including quantities presented in inventories (see **Note 26.D** for further details).

More generally, the Group enters into firm commitments with certain customers and suppliers under take-or-pay contracts, the largest of which concern copper supplies.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

NOTE 31. Main consolidated companies

The table below lists the main entities included in the Group's scope of consolidation at December 31, 2020.

Companies by geographic area	% control	% interest	Consolidation method (1)
FRANCE			
Nexans S.A.(2)	100%	100%	Parent company
Nexans Participations	100%	100%	
Lixis	100%	100%	
Nexans France	100%	100%	
Nexans Interface	100%	100%	
Nexans Wires	100%	100%	
Tréfileries and Laminoirs de la Méditerranée S.A.	100%	100%	
Recycables	36.50%	36.50%	Equity method
Nexans Power Accessories France	100%	100%	
IES Energy	27.80%	27.80%	Equity method
Nexans Financial & Trading Services (3)	100%	100%	
BELGIUM			
Nexans Benelux S.A.	100%	100%	
Nexans Network Solutions NV	100%	100%	
Nexans Services	100%	100%	
Opticable S.A. NV	60%	60%	
GERMANY			
Nexans Deutschland GmbH	100%	100%	
Metrofunkkabel Union GmbH	100%	100%	
Nexans Auto Electric GmbH(4)	100%	100%	
Nexans Power Accessories Deutschland GmbH	100%	100%	
NORTHERN EUROPE			
Nexans Nederland BV	100%	100%	
Nexans Norway A/S	100%	100%	
Nexans Subsea Operations	100%	100%	
Nexans Skagerrak	100%	100%	
Nexans Suisse S.A.	100%	100%	
Nexans Re (5)	100%	100%	
Nexans Logistics Ltd	100%	100%	
Nexans Sweden AB	100%	100%	
Nexans Industry Solutions (6)	100%	100%	
SOUTHERN AND EASTERN EUROPE			
Nexans Iberia SL	100%	100%	
Nexans Italia SpA	100%	100%	
Nexans Partecipazioni Italia Srl	100%	100%	
Nexans Intercablo SpA	100%	100%	
Nexans Hellas S.A.	100%	100%	
Nexans Power Accessories Czech Republic, spol. s r.o	100%	100%	
Nexans Turkiye Endustri Ve Ticaret AS	100%	100%	

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Companies by geographic area	% control	% interest	Consolidation method (1)
NORTH AMERICA			
Nexans Canada Inc	100%	100%	
Nexans USA Inc	100%	100%	
AmerCable Inc	100%	100%	
Nexans Magnet Wire USA Inc	100%	100%	
Nexans Specialty Holdings USA Inc	100%	100%	
Nexans Energy USA Inc	100%	100%	
Nexans High Voltage USA Inc	100%	100%	
SOUTH AMERICA			
Invercable	100%	100%	
Nexans Chile S.A.	100%	100%	
Colada Continua S.A.	41%	41%	Equity method
Nexans Colombie	100%	100%	
Indeco Peru (2)	96.73%	96.73%	
Cobrecon	50%	48.36%	Equity method
Nexans Brasil S.A.	100%	100%	
AFRICA AND MIDDLE EAST			
Liban Câbles SAL	91.15%	91.15%	
Nexans Maroc (2) (7)	86.46%	86.46%	
Qatar International Cable Company	30.33%	30.33%	Equity method
Nexans Kabelmetal Ghana Ltd	59.13%	59.13%	
Nexans Côte d'Ivoire	60%	54.45%	
ASIA-PACIFIC			
Nexans Hong Kong Ltd	100%	100%	
Nexans Communications (Shanghai) Cable Co. Ltd	100%	100%	
Nexans Singapore	100%	100%	
Nexans China Wire & Cables Co. Ltd	100%	100%	
Nexans (Yanggu) New Rihui Cables Co. Ltd	100%	100%	
Nexans (Suzhou) Cables Solutions Co. Ltd	100%	100%	
Nexans Korea Ltd	99.51%	99.51%	
Kukdong Electric Wire Co. Ltd	97.90%	97.90%	
Nippon High Voltage Cable Corporation	100%	100%	
OLEX Australia Pty Ltd	100%	100%	
OLEX New Zealand Ltd	100%	100%	

(1) The companies in this list are fully consolidated, unless otherwise specified.
(2) Listed companies.
(3) The entity responsible for the Group's cash management.
(4) Nexans Auto Electric GmbH – a company based in Germany – itself consolidates various sub-subsidiaries, located in the United States, Germany, Romania, Ukraine, the Czech Republic, Slovakia, Tunisia, China, Bulgaria and Mexico.
(5) Nexans Re is the Group's captive reinsurer.
(6) Nexans Industry Solutions prepares consolidated financial statements that include various subsidiaries located mainly in China and Poland.
(7) Nexans Maroc prepares consolidated financial statements that include various subsidiaries located mainly in Morocco and Senegal.

The audit procedures were carried out and the Statutory Auditors' report is being issued at the date of the results publication.

NOTE 32. Statutory Auditors' fees

The total fees paid to the Statutory Auditors for all controlled entities in France and recorded in the income statement for 2020 break down as follows:

(in thousands of euros)	Audit of the consolidated financial statements	Audit of the corporate financial statements	Other non audit-related services(1)	Total
Mazars	215	143	262	620
PwC	205	150	15	370
TOTAL	**420**	**294**	**277**	**991**

(1) Other services mainly consist of all the procedures that a reasonable buyer or investor would perform before entering into a transaction.

NOTE 33. Subsequent events

No significant event for which disclosure is required has occurred since December 31, 2020.