Nexans
ELECTRIFY THE FUTURE

Electrify
the Future

2022 HALF-YEAR FINANCIAL REPORT

Contents

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The purpose of this report is to present an overview of the operations and results of the Nexans Group for the first-half of fiscal year 2022. It is based on the consolidated financial statements for the six months ended June 30, 2022.
Nexans' shares are traded on the regulated market of Euronext Paris and are included in the SBF 120 index. The Company's estimated ownership structure – broken down by shareholder category –at June 30, 2022, based on the shareholder distribution analysis as of December 31, 2021, was as follows:

- institutional investors: 93.38%, of which approximately 28.82% held by the companies of the Quiñenco group (Invexans Limited, UK, and Tech Pack, Chile); 8.54% by Baillie Gifford & Company LTD (United Kindgom); 7.69% by Bpifrance Participations (France)
- private investors and employees: 6.34%, of which 3.12% by individual shareholders and 3.22% by employees
- treasury shares: 0.21%
- unidentified shareholders: 0.07%.

This interim activity report should be read in conjunction with the condensed interim consolidated financial statements for the six months ended June 30, 2021 as well as with Nexans' Universal Registration Document for the year ended December 31, 2021 which was filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 25, 2022 under number D.22-0154.

1. UPDATE ON THE 2022-2024 STRATEGIC PLAN "WINDS OF CHANGE"

a. All-time high first-half financial performance

Over the first half of 2022, the financial performance reached records across the board:

- EBITDA increased by +38% versus first-half 2021. The Electrification businesses contributed 97% of the year-on-year EBITDA performance, with a comparable breakdown between structural and conjunctural effects and the addition of Centelsa.
- EBITDA margin grew by +190 bps against first half 2021 to reach 9.1% (vs. 7.1%) driven by SHIFT and Amplify in Usages and by the new capacity in Generation & Transmission.
- ROCE reached 17.4%[1], versus 14.2% in first half 2021.
- Normalized free cash flow landed at 104 million euros boosted by the strong EBITDA and despite a negative change in working capital partially due to copper price increases.

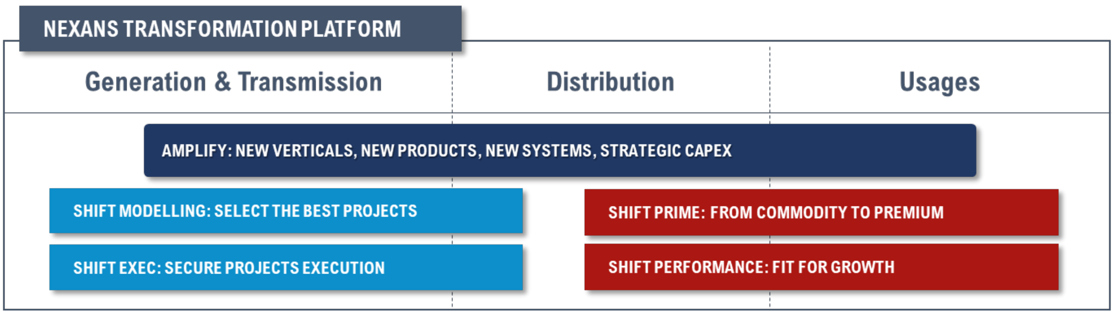
b. Executing Electrification Pure Player strategy while unlocking full potential

<u>Acquisition of Centelsa</u>

Nexans finalized its first M&A milestone in line with the Group's strategic ambition to become an Electrification Pure Player with the acquisition of Centelsa, a premium cable maker based in Colombia and market leader in Usages and Distribution cable manufacturing (closed on April 1, 2022). Centelsa generated total sales of more than $339 million in 2021 with an EBITDA margin of circa 10%. In first-half 2022, and since the closing of the transaction, Centelsa contributed 62 million euros to the Group's standard sales and 8 million euros to EBITDA.

<u>Nexans' transformation platform</u>

To unlock Nexans' full potential, to deliver benchmark results at scale, and to become the most profitable company in the sector, the transformation platform is running at full speed for all units in the Electrification and Industry & Solutions businesses.
This transformation platform enables Nexans to deliver sustainable results and has equipped the units to be recession-proof.



<u>Amplify</u>

In June 2022, the Group inaugurated AmpaCity, its global innovation hub dedicated to the future of decarbonized electrification, with the aim of addressing the upcoming challenges of electrification through innovation.

[1] 12-month Operating Margin on end of period Capital Employed, excluding the antitrust provision, including the annual contribution from Centelsa

Nexans has also developed superconducting cables enabling the power of 3 nuclear reactors in one single cable, which were selected for the electrical network of the Paris Montparnasse station for SNCF.

c. Acting as a Sustainable and Responsible leader

Validation of carbon neutrality commitments by SBTi

During the first half of 2022, Nexans' greenhouse gas reduction targets were validated by the Science-based Targets initiative (SBTi). Nexans' sustainability roadmap includes a commitment to reduce absolute Scope 1 and 2 GHG emissions by 46.2% by 2030 versus the 2019 base year and reduce absolute Scope 3 GHG emissions by 24% by 2030 versus the 2019 base year. As of June 2022, and December 2021, the Nexans Group's level of GHG emissions was on-track to meet with the above targets reviewed by SBTi.

Success of the 10th Employee shareholding plan including ESG financing

More than 4,500 Nexans employees took part in Nexans' 10th Employee shareholding plan, the best participation since 2010 and 10 points higher than in the 2020 edition. This plan, which aims to increase employee share ownership within the Nexans Group, covers 25 countries, and 10 million euros of the funds raised (33.6 million euros) will be used for projects to reduce greenhouse gas emissions, improve energy efficiency and the circular economy. Nexans is the first French issuer to propose this type of initiative, associating employees with the Group's decarbonization effort.

2. Financial performance

a. First-half 2022 financial performance per Segment

CONSOLIDATED SALES BY SEGMENT

(in millions of euros) At standard metal prices Copper reference at €5,000/t	**H1 2021[2]**	**H1 2022**	***Organic growth H1 2022 vs. H1 2021***	***Organic growth Q2 2022 vs. Q2 2021***
Generation & Transmission (High Voltage & Projects)	346	434	*+23.7%*	*+6.1%*
Distribution (Territories)	448	547	*+14.4%*	*+13.9%*
Usages (Building)	787	924	*+13.9%*	*+13.1%*
Industry & Solutions	697	762	*+7.6%*	*+9.6%*
Telecom & Data	160	176	*+8.6%*	*+3.6%*
Other Activities	673	557	*-22.9%*	*-19.5%*
Group total	**3,112**	**3,401**	***+5.1%***	***+4.1%***

EBITDA BY SEGMENT

(in millions of euros)	**H1 2021[5]**	**H1 2022**	***H1 2022 vs. H1 2021***	**H1 2021 EBITDA margin**	**H1 2022 EBITDA margin**
Generation & Transmission (High Voltage & Projects)	52	78	*+51.3%*	14.9%	18.0%
Distribution (Territories)	29	49	*+68.5%*	6.4%	8.9%
Usages (Building)	59	104	*+74.9%*	7.5%	11.2%
Industry & Solutions	68	65	*-4.2%*	9.7%	8.5%
Telecom & Data	18	22	*+22.3%*	11.0%	12.3%
Other Activities	(3)	(9)	*ns*	-0.4%	-1.6%
Group total	**222**	**308**	***+38.4%***	**7.1%**	**9.1%**

[2] Figures at constant perimeter.

ELECTRIFICATION BUSINESSES: +16.2% ORGANIC GROWTH IN FIRST-HALF 2022

| GENERATION & TRANSMISSION (FORMERLY HIGH VOLTAGE & PROJECTS): Strong demand and execution driving best-in-class EBITDA margin of 18.0% in first-half 2022

Generation & Transmission recorded organic sales growth of 83 million euros in the first half of 2022, leading to EBITDA of 78 million euros, up +51.3% compared to first half 2021. This achievement reflects the contribution of the Charleston plant, the unique subsea high voltage manufacturing plant in the United States and Nexans' two cable laying vessels Nexans Aurora and Skagerrak. During the period, progress was made mainly on the Seagreen and Crete-Attica turnkey projects.
The adjusted backlog[3] stood at 2.2 billion euros at the end of June 2022 (up +51% compared to end-June 2021), with strong visibility and 90% loaded Halden and Charleston plants until 2024. The tendering activity continued to be strong in both interconnection and offshore wind projects. Benefiting from its EPCI turnkey model positioning and strong technical and execution know-how, Nexans was recently selected as preferred bidder for the EuroAsia interconnector, and awarded the BorWin6 offshore wind project, reflecting the Group's leadership and ground-breaking assets.

| DISTRIBUTION (FORMERLY TERRITORIES): Sound profitable growth supported by the urgency of grid renewal

Distribution sales amounted to 547 million euros at standard metal prices in the first half of 2022, of which 19 million euros from Centelsa. EBITDA reached 49 million euros, up +68.5% versus the first half of 2021 and representing an 8.9% margin. The segment growth came from growing grid investments across North America and Europe. ULTRACKER offer performed well, benefiting from key client adoption. The accelerated sales growth witnessed evidenced the benefits of offering beyond cable solutions.
The half-yearly trends[4] by geography were as follows:

- **Europe** was up +11.5% reflecting contract renewals and robust demand. The Nordics benefitted from mild weather while sales in Greece were down before the launch of contracts renewed at the end of 2021.
- **South America** was up +5.0% in the first half of 2022 compared to the first half of 2021.
- **Asia Pacific** was up +9.7% during the half-year. Australia and New Zealand delivered sound growth supported by a recovery in demand, while China continued to suffer from locally imposed lockdowns.
- **North America** was up sharply by +76.5% thanks to a still very dynamic market and Nexans' solid positioning.
- **Middle East and Africa** was up +1.1% reflecting the start of an economic recovery in Lebanon.

| USAGES (FORMERLY BUILDING): Record EBITDA margin reflecting SHIFT programs implementation and robust demand

Usages sales amounted to 924 million euros at standard metal prices in the first half of 2022, of which 37 million euros contributed by Centelsa, on the back of solid demand across geographies mainly driven by conjunctural effects in some countries and deployment of solutions in others. EBITDA reached 104 million euros, with a record 11.2% EBITDA margin.
Trends[7] by geography were as follows:

- **Europe** grew +4.9% versus the first half of 2021. The growth was supported by robust demand, new product launches and amplified solutions as well as disciplined pricing across the region.
- **South America** was up +2.5% during the period, with strong volumes and adequate pricing adjustments.
- **Asia Pacific** was up +4.9% compared to the first half of 2021, catching up after a decreasing first quarter.
- **North America** was up by a strong +56.6%, following the same trend as the Distribution segment.
- **Middle East and Africa** was up +30.9% boosted by a sustained performance in West Africa and recovery trends in Lebanon and Turkey.

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[3] Adjusted backlog including contracts secured but not yet enforced
[4] Organic growth

NON-ELECTRIFICATION BUSINESSES: +7.8% ORGANIC GROWTH IN FIRST-HALF 2022

| INDUSTRY & SOLUTIONS: Sustained growth despite headwinds

Industry & Solutions sales landed at 762 million euros at standard metal prices in the first half of 2022, up +7.6% organically year-on-year supported by robust demand in the Automotive harnesses and Automation businesses throughout the period. EBITDA was down -4.2% at 65 million euros in first half of 2022 mainly due to repetitive lockdowns in China during the period versus 68 million euros during the same period last year, and EBITDA margin landed at 8.5%.

Automation was up +14.0% year-on-year, boosted by demand in Southern Europe and Asia, combined with the SHIFT program launch. **Railway Infrastructure & Rolling Stock** sales were down by 9.9% year-on-year owing to the lockdowns in Asia. **Aerospace & Defense** remained stable (+0.1% year-on-year). **Wind Turbine** activity was up +12.7% in terms of year-on-year sales.

Automotive harnesses was up by a strong +16.4% organically in first-half 2022. Sales reached another record reflecting growing market shares despite being marginally impacted by the Ukrainian crisis as operations were back to a 100% run rate since April. This outstanding performance of the business has been recognized by the customers. Its long term perspectives has been strengthened by a new major contract for full vehicle cabling for electrical vehicles.

| TELECOM & DATA: Continuous value growth

Telecom & Data sales amounted to 176 million euros at standard metal prices in the first half of 2022, up +8.6% organically. EBITDA improved by +22.3% and reached 22 million euros during the period, reflecting the continued profitability focus. As a result, EBITDA margin improved strongly at 12.3% compared to 11.0% in the first half of 2021.

LAN cables and Systems showed good momentum in Europe while Asia was impacted by lockdowns.

Telecom Infrastructure was up +6.4% organically in the first half of 2022 with European activity supported by sound business momentum in the United Kingdom, offsetting the soft start to the year on the French market.

Special Telecom (Subsea) sales continued to perform well, up +27.3% organically versus the first half of 2021 thanks to the high quality backlog consumption.

OTHER ACTIVITIES (MAINLY METALLURGY): -22.9% ORGANIC GROWTH IN H1 2022

| OTHER ACTIVITIES

The **Other Activities** segment – corresponding for the most part to copper wire sales and including corporate structural costs that cannot be allocated to other segments, such as the IFRS 16 impact for lease assets not allocated to specific activities – reported sales of 557 million euros at standard metal prices in the first half of 2022, reflecting the decision taken by the Group to scale down external copper sales. EBITDA was -9 million euros over the period.

b. Analysis of other income statement items and net debt

(in millions of euros)	H1 2021	H1 2022
Operating margin	**145**	**220**
Core exposure effect	75	25
Reorganization costs	(33)	(19)
Other operating income and expenses	(19)	38
o/w net asset impairment	*(15)*	*(13)*
o/w net gains on assets disposals	*(1)*	*54*
Share in net income of associates	(1)	(1)
Operating income (loss)	**168**	**263**
Net financial expense	(34)	(14)
Income taxes	(52)	(51)
Net income (loss) from continuing operations	**81**	**199**
Attributable net income (loss)	**81**	**197**

Operating margin totaled 220 million euros, representing 6.5% of sales at standard metal prices (versus 4.7% in 2021).

The Group ended the first half of 2022 with an **operating income** of 263 million euros, compared with 168 million euros in the first half of 2021. The main changes were as follows:

- The **core exposure effect** was a positive 25 million euros in first-half 2022 versus a positive 75 million euros in first-half 2021, reflecting higher average copper prices over the period before the decrease in late June.
- **Reorganization costs** amounted to 19 million euros in first-half 2022 versus 33 million euros in first-half 2021. In 2022, this amount mainly included costs from the conversion of the Charleston plant in the United States as well as costs related to new transformation actions launched during the period.
- **Net asset impairment** represented an expense of 13 million euros in first-half 2022 versus an expense of 15 million euros in first-half 2021. In the first semester of 2022, the impairment losses were related to tangible assets in Ukraine: this impairment derives from the update of the discount rate used, whereas no change was made to the flows in the business plan. In the first six months of 2021, impairment losses for 15 million euros were recorded relative to tangible assets in Lebanon.
- **Net gain on assets disposals** amounted to 54 million euros in first-half 2022, mainly related to the sale of the Hanover property in Germany, with a net impact of 55 million euros.
- **Other operating income and expenses** represented net income of 38 million euros, compared with a net expense of 19 million euros in first-half 2021. The main items are the net asset impairments and the net gain on asset disposals mentioned above.

Net financial expense amounted to 14 million euros in first-half 2022 compared with 34 million euros during the same period last year. The increase is mainly related to the swing in impairment on certain financial investments (positive for 5 million euros in the first six-months of 2022 versus a negative 13 million euros in first-half 2021), as well as to the positive hyperinflation impact from Turkey for 3 million euros.

The Group's **net income** landed at 199 million euros for first-half 2022, versus net income of 81 million euros for the comparative period. The 2022 figure corresponds to 250 million euros in **income before taxes** (versus 133 million euros in first-half 2021). **Income tax expense** stood at 51 million euros, in line with the tax expense of 52 million euros in first-half 2021, as part of 2022 income before taxes is not fully taxed in some countries with deferred tax losses.

The Group ended the period with **attributable net income** of 197 million euros versus attributable net income of 81 million euros in first-half 2021.

Net debt increased to 346 million euros at June 30, 2022, from 74 million euros at December 31st, 2021, reflecting in particular:

- Cash from operations of +271 million euros;
- Reorganization cash outflows of -33 million euros, one third of which was related to the European reorganization plan announced at the end of January 2019;
- Capital expenditures for -126 million euros, a large part of which was related to the strategic investments made at the Halden plant;
- Net cash outflows of -259 million euros for M&A operations, of which mainly -257 million euros for the acquisition of Centelsa group;
- Investing flows of +64 million euros of which +60 million euros for the sale of the Hanover real estate;
- A -69 million euros negative change in working capital due to the reversal of the positive impact of cash collection in the Generation & Transmission segment in 2021 and the working capital impact of the positive organic growth and the impact of copper price increases over the period;
- Cash outflows of -115 million euros related to financing and equity activities, including interest payments of -19 million euros, the acquisition of Nexans shares for -42 million euros in view of the capital increase reserved for employees, the Group dividend payment for -54 million euros;
- A -7 million euros negative impact corresponding to new lease liabilities;
- A positive impact of +1 million euros for favorable foreign exchange fluctuations during the six-month period.

SIGNIFICANT EVENTS SINCE THE END OF JUNE

On July 7 - EuroAsia Interconnector Limited, the Project Developer of the European electricity interconnection project linking the national grids of Israel, Cyprus and Greece (Crete) has announced that Nexans had been selected as the preferred bidder for the award of the supply and installation of HVDC 500kV HVDC Mass Impregnated (MI) Cables for the 1,000MW Cyprus – Greece (Crete) Link.

On July 7 - Nexans was awarded a turnkey contract for the manufacturing and installation of direct current (DC) subsea and land cables for BorWin 6 by TenneT. BorWin6 is TenneT's last 320kV HVDC project to connect the remaining almost 1GW from BorWin Cluster in the German North Sea to the onshore grid. The project is included in German Area development plan (FEP from BSH) and will start operations in 2027.

On July 8 – Nexans entered a share purchase agreement for the sale of its minority shareholding (25%) in Impex, a Russian joint venture company active in the distribution of low and medium voltage cables. Impex generated consolidated sales of approximately 150 million euros in 2021. The closing is to take place in 2022.

3. 2022 outlook

The Group is confident in its ability to maintain and further enhance its performance momentum. Nexans will continue to pursue a strategy focused on value growth over pure volume, to keep unleashing profit from its unique transformation platform, as well as its investments in the growing Generation & Transmission markets. Nexans is only at the beginning of its move towards premiumization through the development of value added systems and solutions for its end-users.

Driven by the solid first-half performance and the contribution from Centelsa, Nexans is upgrading its guidance for 2022, excluding acquisitions and divestments:

- EBITDA between 560 and 590 million euros, versus 500 and 540 million euros previously
- Normalized Free Cash Flow[5] between 200 and 250 million euros versus 150 and 200 million euros previously.

4. Risk factors

A detailed description of recurring risk factors relating to Nexans business is provided in Nexans 2021 Universal Registration Document, in Section 2.1, "Risk factors", and in Note 15 "Disputes and contingent liabilities" to the condensed interim consolidated financial statements at June 30, 2022.

Nexans considers that the main risks identified in the 2021 Universal Registration Document have not changed significantly.

If these risks were to materialize they could have a significant adverse effect on the Group's operations, financial position, earnings and outlook.

Nexans may be exposed to other risks that were not identified at the date of this report, or which are not currently considered material. In that respect, the Group is closely monitoring the evolution of certain United States Federal proposed legislation that, if approved in its current form, would impose certain crewing restrictions to foreign-flagged vessels which could potentially delay the expansion of the offshore wind power industry in the U.S.

[5] Free Cash Flow excluding strategic capex, disposal of property, plant and equipment, impact of material activity closures and assuming project tax cash out based on completion rate rather than termination.

5. Related-party transactions

The Company considers that there were no significant changes in its main transactions with related-parties during the first half of 2022 compared to the situation described in the 2021 Universal Registration Document (Note 28 to the consolidated financial statements for the year ended December 31, 2021 and list of related party agreements in paragraph 4.7 of the 2021 Universal Registration Document).

6 FINANCIAL STATEMENTS

6.1. Consolidated financial statements

6.1.1. Consolidated income statement

(in millions of euros)	Notes	1st semester 2022	1st semester 2021
NET SALES (a)	3.4	**4,342**	**3,735**
Cost of sales		(3,835)	(3,355)
GROSS PROFIT		**507**	**380**
Administrative and selling expenses		(245)	(197)
R&D costs		(42)	(38)
OPERATING MARGIN (b)	3	**220**	**145**
Core exposure effect (c)		25	75
Other operating income and expenses (d)	5	38	(19)
Reorganization costs	13	(19)	(33)
Share in net income of associates		(1)	(1)
OPERATING INCOME (LOSS)		**263**	**168**
Cost of debt (net)		(17)	(16)
Other financial income and expenses (e)	7	3	(18)
INCOME BEFORE TAXES		**250**	**133**
Income taxes	8	(51)	(52)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**199**	**81**
Net income from discontinued operations		-	-
NET INCOME (LOSS)		**199**	**81**
- attributable to owners of the parent		197	81
- attributable to non-controlling interests		1	0
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE (in euros)	9		
- basic earnings (loss) per share		4.53	1.85
- diluted earnings (loss) per share		4.40	1.81

*(a) Sales at constant metal prices calculated using reference prices are 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.*

(b) Operating margin is one of the business management indicators used to assess the Group's operating performance.

(c) Effect relating to the revaluation of Core exposure at its weighted average cost.

*(d) Other operating income and expenses are detailed in **Note 5 and 6.***

*(e) Other financial income and expenses includes the adjustment on monetary impact of Turkey due to the application of IAS 29 standard "Hyperinflation" (see **Note 1** and **Note 7**).*

6.1.2. Consolidated statement of comprehensive income

(in millions of euros)	Notes	1st semester 2022	1st semester 2021
NET INCOME (LOSS)		**199**	**81**
Recyclable components of comprehensive income (loss)		**(42)**	**44**
- currency translation differences		62	37
- cash flow hedges		(104)	8
Tax impacts on recyclable components of comprehensive income (loss)		**23**	**2**
Non-recyclable components of comprehensive income (loss)		**80**	**30**
- actuarial gains and losses on pensions and other long-term employee benefit obligations	12	71	33
- financial assets at fair value through other comprehensive income		9	(3)
- share of other non-recyclable comprehensive income of associates		-	-
Tax impact on non-recyclable components of comprehensive income (loss)		**(18)**	**(7)**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**43**	**69**
TOTAL COMPREHENSIVE INCOME (LOSS)		**242**	150
- attributable to owners of the parent		*241*	*149*
- attributable to non-controlling interests		*1*	*1*

6.1.3. Consolidated balance sheet

(in millions of euros)	Notes	June 30, 2022	December 31, 2021
ASSETS			
Goodwill	10	329	240
Intangible assets		106	110
Property, plant and equipment		1,590	1,442
Investments in associates		26	31
Deferred tax assets		124	112
Other non-current assets		148	118
NON-CURRENT ASSETS		**2,324**	**2,053**
Inventories and work in progress		1,433	1,316
Contract assets		127	42
Trade receivables		1,245	947
Current derivative assets		78	66
Other current assets		230	190
Cash and cash equivalents	14	1,088	972
Assets and groups of assets held for sale		-	-
CURRENT ASSETS		**4,201**	**3,534**
TOTAL ASSETS		**6,525**	**5,587**

(in millions of euros)	Notes	June 30, 2022	December 31, 2021
EQUITY AND LIABILITIES			
Capital stock, additional paid-in capital, retained earnings and other reserves		1,590	1,426
Other components of equity		17	21
Equity attributable to owners of the parent		**1,607**	**1,447**
Non-controlling interests		16	17
TOTAL EQUITY	11	**1,624**	**1,465**
Pensions and other long-term employee benefit obligations	12	249	301
Non-current provisions	13	76	76
Long-term debt	14	946	736
Non-current derivative liabilities		17	5
Deferred tax liabilities		111	117
NON-CURRENT LIABILITIES		**1,400**	**1,235**
Current provisions	13	91	92
Short-term debt	14	488	311
Contract liabilities		355	395
Current derivative liabilities		137	47
Trade payables		1,935	1,622
Other current liabilities		496	422
Liabilities related to groups of assets held for sale		-	-
CURRENT LIABILITIES		**3,502**	**2,887**
TOTAL EQUITY AND LIABILITIES		**6,525**	**5,587**

6.1.4. Consolidated statement of changes in equity

(in millions of euros)	Number of shares outstanding (a)	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, 2021	**43,648,472**	**44**	**1,614**	**(3)**	**(397)**	**15**	**(56)**	**1,216**	**40**	**1,256**
Net income for the year	-	-	-	-	81	-	-	81	-	81
Other comprehensive income (loss)	-	-	-	-	23	9	36	68	1	69
TOTAL COMPREHENSIVE INCOME (LOSS)	**-**	**-**	**-**	**-**	**104**	**9**	**36**	**149**	**1**	**150**
Dividends paid	-	-	-	-	(31)	-	-	(31)	(0)	(31)
Changes in capital	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares (a)	81,252	-	-	2	(3)	-	-	(1)	-	(1)
Employee share-based plans :										
- Service cost	-	-	-	-	3	-	-	3	-	3
- Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	2	-	-	2	-	2
June 30, 2021	**43,729,724**	**44**	**1,614**	**(1)**	**(322)**	**24**	**(20)**	**1,339**	**40**	**1,379**
As of December 31, 2021	**43,636,889**	**44**	**1,614**	**(10)**	**(226)**	**16**	**9**	**1,447**	**17**	**1,465**
IAS 29 Application for hyperinflation (b)	-	-	-	-	-	-	6	6	-	6
JANUARY 1, 2022	**43,636,889**	**44**	**1,614**	**(10)**	**(226)**	**16**	**15**	**1,453**	**17**	**1,470**
Net income for the year	-	-	-	-	197	-	-	197	1	199
Other comprehensive income (loss)	-	-	-	-	62	(81)	62	44	(0)	43
TOTAL COMPREHENSIVE INCOME (LOSS)	**-**	**-**	**-**	**-**	**260**	**(81)**	**62**	**241**	**1**	**242**
Dividends paid	-	-	-	-	(52)	-	-	(52)	(2)	(54)
Changes in capital	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares (a)	(432,876)	-	-	(36)	(6)	-	-	(42)	-	(42)
Employee share-based plans :										
- Service cost	-	-	-	-	9	-	-	9	-	9
- Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	(1)	-	0	(1)	(0)	(1)
June 30, 2022	**43,204,013**	**44**	**1,614**	**(46)**	**(17)**	**(64)**	**77**	**1,607**	**16**	**1,624**

*(a) The number of shares outstanding corresponded to issued shares less shares held in treasury; acquisition, shares hold in treasury and shares negotiated in the stock market are detailed on **Note 11**.*
*(b) This line contains the application of IAS 29 hyperinflation standard detailed in **Note 1** and in **Note 7**.*

6.1.5. Consolidated statement of cash flows

(in millions of euros)	Notes	1st semester 2022	1st semester 2021
Net income		199	81
Depreciation, amortization and impairment of assets (including goodwill)		101	92
Cost of debt (gross)		18	17
Core exposure effect (a)		(25)	(75)
Current and deferred income tax charge (benefit)		51	52
Net (gains) losses on asset disposals		(54)	1
Net change in provisions and non current liabilities		(19)	(19)
Fair value changes on operational derivatives		(9)	7
Charges related to the cost of share-based payments		9	3
Other restatements		3	7
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX (b)		**274**	**166**
Decrease (increase) in working capital		(87)	54
Impairment of current assets and accrued contract costs		18	9
Income taxes paid		(35)	(27)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		**(104)**	**37**
NET CASH GENERATED FROM OPERATING ACTIVITIES		**170**	**203**
Proceeds from disposals of property, plant and equipment and intangible assets		61	-
Capital expenditure		(126)	(96)
Decrease (increase) in loans granted and short-term financial assets		3	4
Purchase of shares in consolidated companies, net of cash acquired		(208)	(2)
Proceeds from sale of shares in consolidated companies, net of cash transferred		(0)	(1)
NET CASH USED IN INVESTING ACTIVITIES		**(270)**	**(96)**
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		**(100)**	**107**
Proceeds from (repayments of) long-term and short-term borrowings	2,14	321	(311)
- of which proceeds from the European Investment Bank loan		200	-
- of which repayment of bond 2016 - 2021		-	(250)
- of which proceeds (repayment) from the government-backed loan		-	(280)
Cash capital increases (reductions) (c)		(42)	(1)
Interest paid		(15)	(22)
Transactions with owners not resulting in a change of control		(0)	-
Dividends paid		(54)	(31)
NET CASH USED IN FINANCING ACTIVITIES		**210**	**(364)**
Hyperinflation impact (d)		3	-
Net effect of currency translation differences		1	25
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**114**	**(233)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14.A	968	**1,133**
CASH AND CASH EQUIVALENTS AT YEAR-END	14.A	1,082	**900**
- of which cash and cash equivalents recorded under assets		1,088	907
- of which short-term bank loans and overdrafts recorded under liabilities		(6)	(7)

(a) Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact.

*(b) The Group also uses the "cash from operations" concept, which is mainly calculated after adding back cash outflows relating to reorganizations as per **Note 13** and deduction of paid taxes.*

(c) This line includes also inflows and outflows on acquisitions/sales of treasury stocks.

*(d) This line contains the impacts related to the application of IAS 29 hyperinflation rules detailed in **Note 1** and **Note 7***

6.1.6. 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.

These condensed interim consolidated financial statements are presented in euros rounded to the nearest million. Rounding may in some cases lead to non-material differences in totals or year-on-year changes. They were approved by Nexans' Board of Directors on July 26, 2022.

Compliance with IAS 34

The condensed interim consolidated financial statements of the Nexans Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The standards adopted by the European Union can be viewed on the European Commission website at:

https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps

The application of IFRS as issued by the IASB would not have a material impact on the financial statements presented.

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". They do not contain all the disclosures required for annual financial statements and should therefore be read in conjunction with the Group's annual financial statements for the year ended December 31, 2021.

Standards and interpretations applied

The accounting policies adopted for the financial statements at June 30, 2022 are consistent with those applied in the annual consolidated financial statements for the year ended December 31, 2021, except as explained below and where specific conditions apply relating to the preparation of interim financial statements (see **Note 1.B**).

The following new standards, amendments or interpretations issued by the IASB and adopted by the European Union were applied by the Group at June 30, 2022, without any material impact on the consolidated financial statements:

- Amendments to IAS 16 "Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contract – Costs of Fulfilling a Contract"
- Amendments to IFRS 3 "Reference to the conceptual framework"

In addition, a consensus was reached to estimate that all the conditions for considering Turkey as a hyperinflationary economy within IFRS standards are now fulfilled (the last condition required concerned the level of cumulative inflation over 3 years, the inflation of wholesale prices and consumer prices that exceeded the 100% threshold in the first half of 2022), and consequently IAS 29 standard on financial reporting in hyperinflationary economies became applicable.

Consequently, the Group applies IAS 29 to Turkey as of January 1, 2022.

The IAS 29 standard requires the restatement of the non-monetary elements of the assets and liabilities of the country in hyperinflation as well as its income statement to reflect the evolution of the general purchasing power of its functional currency, resulting in a profit or a loss on the net monetary position which is recorded in net income. In addition, the financial statements of this country are translated at the closing rate for the related period.

The consequences of the application of IAS 29 for Turkey are described in **Note 7** "Other financial income and expenses".

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:

- Amendments to IAS 1 concerning liabilities classification into current liabilities and non-current liabilities;
- Amendments to IAS 12, "Deferred taxes related to asset and liabilities related to the same transaction" ;
- 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 interim 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 and liabilities, income and expenses.

The main sources of the uncertainty relating to the estimates used to prepare this interim consolidated financial statements for first-half were the same as those described in the full-year December 31, 2021 consolidated financial statements.

During the first six months of 2022, Management reviewed its estimates concerning:

- The recoverable amount of certain items of property, plant and equipment, goodwill and other intangible assets (see **Note 6** and **Note 10**);
- Recognition and recoverability of deferred tax assets for unused tax losses (see **Note 8**);
- Margins to completion and percentage of completion on long-term contracts;
- The measurement of pension liabilities and other employee benefits (see **Note 12**);
- Provisions and contingent liabilities (see **Note 13** and **Note 15**);
- The measurement of derivative instruments and their qualification as cash flow hedges.

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. SPECIFIC ISSUES CONCERNING THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

For the purpose of preparing the Group's condensed interim consolidated financial statements, the following calculations and estimates are applied in addition to the recognition, measurement and presentation rules described in **Note 1.A**:

- The current and deferred tax charge for the period is calculated by applying the estimated average annual tax rate for the current fiscal year to the first-half pre-tax income figure for each entity or tax group. This average annual rate includes, where appropriate, the impact of transactions affecting the legal structure of the Group during the period, such as mergers.

- The net provision recognized for pension and other long-term employee benefit obligations is calculated based on the latest valuations available at the previous period-end. Expenses recognized during the period for pension and other long-term employee benefit obligations are calculated based on half of the estimated amount for the full year. Adjustments of actuarial assumptions are performed on the main contributing plans in order to take into account any significant fluctuations or one-time events that may have occurred during the six-month period. The fair value of the main plan assets is reviewed at the period end.

NOTE 2. Significant events of the period

A. ACQUISITION OF CENTELSA

On April 1, 2022, Nexans completed the acquisition of 100% of Centelsa, a premium cable manufacturer in Latin America specializing in building and utilities applications, from Xignux SA (headquartered in Mexico), following receipt of regulatory clearance.

This transaction completes an additional milestone of Nexans' strategy to become a Pure Electrification Player focusing on the overall value chain originating in generation, and flowing through transmission, distribution, and usage of sustainable energy.

With a total turnover of more than 339 million US dollars in 2021, Centelsa's three manufacturing plants in Cali, Colombia and their distribution center in Ecuador will complement Nexans' presence in Latin America. Nexans already operates four industrial plants in Colombia, Peru, Chile and Brazil and employs 1,300 people. Nexans' regional headquarters will now be located in Cali.

The transaction details and terms and the provisional goodwill recognized on the transaction date are presented in **Note 10** to the condensed consolidated financial statements for the first half of 2022.

The Centelsa entities have been fully consolidated from April 1, 2022. They contributed 77 million euros to first-half 2022 consolidated sales at current metal prices and 6 million euros to operating margin.

On a six-month basis, if the Centelsa Group had been acquired on January 1, 2022, its contribution to consolidated sales and operating margin would have been an estimated 163 million euros and 12 million euros respectively.

B. CHANGES IN THE SITUATION IN UKRAINE

Nexans is present in Ukraine through Nexans Autoelectric, which has three plants in Western Ukraine specialized in the manufacture of automotive harnesses.

The situation continues to be closely monitored by the Group, focusing on protecting employees, the supply chain and business continuity.

The Group's total assets in Ukraine represent less than 1% of the consolidated balance sheet if the Group. Although the plants are located in Western Ukraine, the Group has reviewed the carrying amount of its Ukrainian assets and, more altogether, that of the Harnesses Cash Generating Unit (see **Note 6**).

Concerning Russia and the Commonwealth of Independent States, the sales generated in 2021 represented less than 0.5% of the Group's consolidated sales. Nexans owned a minority participation in Impex entity based in Russia and which the Group decided to divest. A sale agreement was signed in July 2022 with the effective transfer date by end of July. The Group fair valued this asset at 10 million euros, resulting in 9 million euros in Other comprehensive income.

Nexans is also closely monitoring the impact that the crisis could have on the Group's markets and supply chain, particularly in raw material (aluminum and copper) and energy supplies.

The implications of the conflict on operations are also detailed in **Chapter 4, "Risk Factors".**

C. DRAWDOWN OF EUROPEAN INVESTMENT BANK LOAN FACILITY

On October 6, 2021, the European Investment Bank (EIB) granted Nexans a 200 million euro loan facility to support its active participation in the global energy transition and its commitment to help achieve carbon neutrality by 2030.

In April 2022, the Group drew down the total amount of 200 million euros. The loan will be repaid at maturity in April 2027 (see **Note 14** for details of this loan).

D. INTERNATIONAL EMPLOYEE SHARE OWNERSHIP PLAN

At its meeting on November 8, 2021, the Board of Directors used the authorizations granted at the May 12, 2021 Annual Shareholders' Meeting to approve in principle the launch in 2022 of an employee share ownership plan involving the issue of up to 500,000 new shares.

This was the tenth international employee share ownership plan set up by the Group.

The plan proposed a leveraged structure in the same way as in the 2010 to 2020 plans, whereby employees were able to subscribe for the shares through a corporate mutual fund (FCPE) at a discounted 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 outside France benefited from a matching payment in shares by the Group.

The reservation period was from May 9 to May 24, 2022, with a revocation period from June 23 to June 28, 2022.

The subscription price was set on June 22, 2022 at 62.25 euros per share in France and 71.14 euros outside France, representing discounts of 30% and 20% respectively against the average of the prices quoted for the Nexans share over the twenty trading days preceding that date.

The share settlement-delivery took place on July 26, 2022 (see **Note 16**).

NOTE 3. Operating segments

As part of the Winds of Change strategic plan for the period 2022 to 2024, which aims to make Nexans a Pure Electrification Player across the entire value chain, the definition of the Group's operating segments within the meaning of IFRS 8 was fine-tuned in first-half 2022, by specifying the two sub-segments of "Building & Territories" segment. This detail given has no impact on the composition of the other segments.

The format of the comparative segment information for first-half 2021 has been modified to lay out the above mentioned detail.

The Group now has the following five reportable segments within the meaning of IFRS 8 (after taking into account the aggregations allowed 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. It comprises two sub-segments:
  - **Distribution** which covers cables for the energy distribution networks managed by the electricity suppliers within the Territories;
  - **Usages,** corresponding to all Building cabling systems.
- **Power Generation & Transmission,** formerly "High Voltage & Projects"**:** This segment supports 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 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 the Electrical Wires business, comprising wire rods and electrical wires.

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

- As June 30, 2022, 97% of this segment's sales at constant metal prices corresponded to sales generated by the Group's Electrical Wires business (compared with 98% on June 30, 2021).
- Operating margin for the "Other Activities" segment was a negative 24 million euros on June 30, 2022, 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.

Consolidated EBITDA is defined as operating margin before tax, depreciation and amortization.

Sales at constant metal prices for first-half 2022 and 2021 have been calculated using the reference prices of 5,000 euros per tonne for copper and 1,200 euros per tonne for aluminum.

A. INFORMATION BY REPORTABLE SEGMENT

1st semester 2022 (in millions of euros)	Building & Territories		Generation & Transmission	Telecom & Data	Industry & Solutions	Other Activities	Group total
	Distribution	Usages					
Net sales at current metal prices	668	1,292	452	183	847	901	4,342
Net sales at constant metal prices	547	924	434	176	762	557	3,401
EBITDA	49	104	78	22	65	(9)	308
Depreciation and amortization	(11)	(11)	(29)	(3)	(19)	(15)	(88)
Operating margin	37	93	49	19	46	(24)	220
Net impairment of non-current assets (including goodwill) (see Note 6)	-	-	-	(0)	(12)	(0)	(13)

1st semester 2021 (in millions of euros)	Building & Territories		Generation & Transmission	Telecom & Data	Industry & Solutions	Other Activities	Group total
	Distribution	Usages					
Net sales at current metal prices	508	1,050	348	163	739	927	3,735
Net sales at constant metal prices	448	829	346	160	697	631	3,112
Net sales at constant metal prices and 2022 exchange rates	462	823	351	162	708	671	3,177
EBITDA	29	61	52	18	68	(4)	222
Depreciation and amortization	(12)	(11)	(20)	(4)	(18)	(12)	(77)
Operating margin	17	50	31	14	50	(17)	145
Net impairment of non-current assets (including goodwill) (see Note 6)	-	(15)	-	-	-	0	(15)

The segments presented in the segment information correspond to product families that are similar in nature, customer type, distribution methods and manufacturing processes.

B. INFORMATION BY MAJOR GEOGRAPHIC AREA

1st semester 2022 (a) (in millions of euros)	France	Germany	Norway	Other (b)	Group total
Net sales at current metal prices	674	440	487	2,741	4,342
Net sales at constant metal prices	495	428	466	2,012	3,401

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

1st semester 2021 (a) (in millions of euros)	France	Germany	Norway	Other (b)	Group total
Net sales at current metal prices	619	408	358	2,351	3,735
Net sales at constant metal prices	503	402	349	1,858	3,112
Net sales at constant metal prices and 2022 exchange rates	503	402	356	1,917	3,177

(a) Based on the location of the assets of the Group's subsidiaries.
(b) 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 first-half 2022 or 2021.

NOTE 4. Revenue from contracts with customers

A. CONSOLIDATED SALES

Consolidated net sales can be analyzed as follows:

1st semester 2022 Sales (in millions of euros)	Building & Territories		Generation & Transmission	Telecom & Data	Industry & Solutions	Other Activities	Group total
	Distribution	Usages					
Performance obligations satisfied at a point in time	668	1,292	50	183	847	901	3,941
Performance obligations satisfied over time	-	-	401	-	-	-	401
NET SALES	**668**	**1,292**	**452**	**183**	**847**	**901**	**4,342**

1st semester 2021 Sales (in millions of euros)	Building & Territories Distribution	Building & Territories Usages	Generation & Transmission	Telecom & Data	Industry & Solutions	Other Activities	Group total
Performance obligations satisfied at a point in time	508	1,050	29	163	739	927	3,417
Performance obligations satisfied over time	-	-	319	-	-	-	319
NET SALES	**508**	**1,050**	**348**	**163**	**739**	**927**	**3,735**

NOTE 5. Other operating income and expenses

(in millions of euros)	Notes	1st semester 2022	1st semester 2021
Net asset impairment	6	(13)	(15)
Changes in fair value of non-ferrous metal derivatives		4	(1)
Net gains (losses) on asset disposals		54	(1)
Acquisition-related costs (completed and planned acquisitions)		(6)	(2)
Expenses and provisions for antitrust investigations	15	(1)	(0)
Other non-current operating expenses		(0)	(0)
OTHER OPERATING INCOME AND EXPENSES		**38**	**(19)**

In first-half 2022:

- Net gains (losses) on asset disposals included a 55 million euros net gain on the sale of Hanover Group's plant in, which was sold for 61 million euros;
- The recognition of 12 million euros of asset impairment on plant and equipment of the Group's activity in Ukraine (see **Note 6**).

The first half-year of 2021 included the recognition of 15 million euros of asset impairment on plant and equipment of the Group's Lebanese operations.

NOTE 6. Net asset impairment

A. PROCESS FOLLOWED AND RESULTS OF IMPAIRMENT TESTS

The Group carries out impairment tests on goodwill and intangible assets with indefinite useful lives 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.

At June 30, 2022, the assets were reviewed to identify any indications of impairment that may have arisen over the period affecting individual assets or the Cash Generating Units (CGUs) to which they belong.

As explained in **Note 2**, the Group is exposed to risks arising from the conflict in Ukraine through its three automotive harness plants in Western Ukraine. The plant is running mostly normally however the region faced bombardments. Due to the business future incertitude caused by the conflict, a study was requested by the main clients to verify the potential solutions in case of a further degradation risk on the activity' running. In this scenario, the Group reviewed the valuation of the Harnesses CGU with focus on its Ukrainian assets (see **part C** of this Note).

B. MAIN ASSUMPTIONS

The main assumptions applied by geographic area when preparing the business plans used in connection with the impairment tests performed are listed below:

	Discount rates (after tax) of future flows		*Infinite growth rate*	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Europe (Euro Zone)	6.5%	6.5%	1.4%	1.5%
Ukraine	26.0%	-	1.4%	-

- Cash flows used for impairment testing purposes are based on five-year assumptions approved by Group management.
- The Group revised the discount rates applied for the impairment tests. In addition, in an environment shaped by rising interest rates in the latter part of first-half 2022 particular attention was paid to the sensitivities' tests.
- The perpetual growth rates used at December 31, 2021 were reviewed and adjusted when necessary for application at June 30, 2022.

C. RESULTS OF THE IMPAIRMENT TESTS

For the review of the valuation of its Ukrainian assets, the Group chose to use a high discount rate of 26%, reflecting a risk premium in line with that applied to other high risk countries such as Lebanon or Venezuela.

Cash flow assumptions were not adjusted due to the limited disruption of the business to date.

Following this test, impairment losses of 12 million euros were recognized on the property, plant and equipment of the Group's Ukrainian operations.

No impairment loss was recognized in first-half 2022 at the level of the CGU.

The impairment tests carried out in the first half of 2021 led to the recognition of impairment losses of 15 million euros on property, plant and equipment of the Group's Lebanese operations.

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) under normal circumstances compared to the assumptions used.

As of June 30, 2022, an additional decrease of 50 basis points in the EBITDA rate would have led to the recognition of an additional depreciation charge close to 2 million euros on the Ukrainian assets.

In addition, concerning the valuation of assets in Ukraine, a sensible reduction of 20% was applied on the assets from the second year. Follow-on to the recognition of an additional 3 million euros impairment loss.

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

NOTE 7. Other financial income and expenses

(in millions of euros)	1st semester 2022	1st semester 2021
Dividends received from non-consolidated companies	1	4
Impairment of financial investments and rovisions	5	(14)
Net foreign exchange gain (loss)	(3)	(5)
Net interest expense on pensions and other long-term employee benefit obligations	(1)	(1)
Hyperinflation	3	-
Other	(2)	(2)
OTHER FINANCIAL INCOME AND EXPENSES	**3**	**(18)**

In first-half 2022, part of the impairment loss recognized on cash deposits in Lebanon was reversed for 6 million euros due to the reduction in the balance of these deposits. The net impairment loss at June 30, 2022 amounted to 36 million euros, compared with net deposits of 5 million euros classified in other receivables, net, and not in cash and cash equivalents (see **Note 14**).

In first-half 2021, the Group reviewed the future prospects of certain non-consolidated assets in France, leading to the recognition of an impairment loss of 8 million euros.

Impairment of financial investments also included a 5 million euro increase in impairment losses on cash deposits in Lebanon.

Effects of applying IAS 29 "Financial Reporting in Hyperinflationary Economies" in Turkey

As explained in **Note 1**, the Group applies IAS 29 for the consolidation of its Turkish subsidiary. For the application of this standard, the following indicators were used to restate the subsidiary's income statement, cash flows and non-monetary assets and liabilities at June 30, 2022:

- The consumer price index "TUFE" published by Turkstat since December 2004 (date of the last local application of the hyperinflation standard). The TUFE increased by 36% in first-half 2022.
- The EUR/TRY exchange rate used for the translation of the income statement was 17.32 in June, 30 2022.

First-time application of IAS 29 in first-half 2022 led to a 6 million euros increase in opening consolidated equity, which was reflected in the income statement for the period by:

- A decrease in consolidated sales for the period of approximately 3 million euros;
- A non-material decrease in operating margin;
- Recognition in "Other financial income and expenses" of income of 3 million euros corresponding to the impact of hyperinflation on the net monetary position (see table at the beginning of this Note).

NOTE 8. Income taxes

The effective income tax rates were as follows for first-half 2022 and first-half 2021:

(in millions of euros)	1st semester 2022	1st semester 2021
Income before taxes	250	133
- of which share in net income of associates	(1)	(1)
INCOME BEFORE TAXES AND SHARE IN NET INCOME OF ASSOCIATES	**250**	**134**
(Income tax expense)	(51)	(52)
EFFECTIVE TAX RATE (IN %)	**20.43%**	**39.16%**

The effective tax rate was 20.43% at June 30, 2022 , compared with 39.16% at June 30, 2021. The low rate in the first-half 2022 is explained in particular by the greater contribution of entities with tax deficits but which do not recognize a full impact in terms of taxes (such as France and Germany).

The high rate in the first half of 2021 was due in particular to the non-recognition of deferred tax assets on the losses realized by certain entities, as well as to the reduction in the level of recognition of deferred tax assets in Europe.

NOTE 9. Earnings per share

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

	1st semester 2022	1st semester 2021
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT (a)	197	81
Average number of shares outstanding	43,492,392	43,702,177
Average number of dilutive instruments (b)	*1,337,268*	*1,083,262*
Average number of diluted shares	44,829,660	44,785,439
ATTRIBUTABLE NET INCOME PER SHARE		
- Basic earnings per share (c)	4.53	1.85
- Diluted earnings per share (c)	4.40	1.81

(a) In millions of euros. Attributable net income corresponded to adjusted net income attributable to owners of the parent.
(b) Dilutive instruments correspond to free share and performance share rights.
(c) In euros.

NOTE 10. Goodwill

The increase in goodwill in first-half 2022 (to 329 million euros at June 30, 2022 from 240 million euros at December 31, 2021) was primarily attributable to the goodwill recognized on the Centelsa acquisition and, to a lesser extent, to changes in exchange rates as the majority of the Group's goodwill relates to acquisitions in Australia (Olex), South America (Madeco) and North America (AmerCable) and is denominated in foreign currencies.

Goodwill is tested for impairment at least once a year and whenever there is an indication that it may be impaired, using the methods and assumptions described in the notes to the consolidated financial statements for the year ended December 31, 2021. No goodwill impairment losses were recognized on 30 June, 2022, 30 June 2021 and 31 December 2021.

Provisional goodwill recognized on the acquisition of the Centelsa group

The acquisition price of 121 million euros was paid in cash and the Group also immediately repaid the 90 million euro debt owed to Centelsa's previous shareholder at the acquisition date. The cash acquired amounted to 7 million euros.

The acquisition price was not subject to any earn-out clause but was subject to a price adjustment which resulted in an additional payment by the Group of 1 million euros that was recognized in debt at June 30, 2022 and settled in July 2022.

The original price paid net of the cash acquired plus the balance payable for the price adjustment represented a net amount of 212 million euros in first-half 2022.

The purchase price used for the calculation of goodwill also includes the fair value of Cobrecon, previously accounted for using the equity method, for 13 million euros. The inclusion of Cobrecon had no impact on the treasury.

Provisional goodwill before allocation of the purchase price to the identifiable assets acquired and liabilities assumed amounted 75 million euros at the date of Centelsa’s first-time consolidation.

The following table presents the main items used to determine provisional goodwill:

(in millions of euros)	Centelsa 2022 acquisition
Purchase price (a)	122
Purchase price of shares (1)	**122**
Repayment of previous shareholder's debt	90
Repayment of debt (2)	**90**
Fair value of Cobrecon	13
Fair value of entities previously held as equity investments (3)	**13**
Assets	
Non-current assets (including financial assets)	84
Inventories	80
Receivables	91
Cash and cash equivalents	7
Deferred taxes assets	0
Other assets	13
Liabilities	-
Provisions	0
Deferred taxes liabilities	14
Borrowings and debt (b)	51
Other liabilities	60
Net attributable assets acquired (4)	**150**
Goodwill (1)+(2)+(3)-(4)	**75**

(a) The full acquisition price was from the treasury and treasury equivalence.
(b) The total debt of Centelsa was kept and not paid at the moment of the acquisition.

Taking into account the appreciation of the US dollar against the euro between April 1 and June 30, 2022, provisional goodwill amounted to 80 million euros at June 30, 2022.

In accordance with IFRS 3, allocation of the purchase price to the fair values of the assets, liabilities and contingent liabilities assumed will be carried out during the second half of 2022.

The corresponding acquisition-related costs amounted to 3 million euros and were recognized in the income statement as required under IFRS 3. In accordance with the Group's accounting policies (see **Note 1.D** to the consolidated financial statements for the year ended December 31, 2021), they are presented under "Other operating income and expenses", on the line "Acquisition-related costs (completed and planned acquisitions)" (see **Note 5**).

NOTE 11. Equity

A. COMPOSITION OF CAPITAL STOCK

At June 30, 2020, Nexans S.A.'s capital stock comprised 43,755,627 fully paid-up shares with a par value of 1 euro each (43,755,627 shares at December 31, 2021).

B. DIVIDENDS

At the Annual Shareholders' Meeting held on May 11, 2022 to approve the financial statements for the year ended December 31, 2021, the Company's shareholders authorized payment of a dividend of 1.20 euros per share, representing an aggregate 52 million euros based on the 43,337,074 ordinary shares making up the Company's capital stock on the May 18, 2022 dividend payment date (excluding shares held in treasury).

At the Annual Shareholders' Meeting held on May 12, 2021 to approve the financial statements for the year ended December 31, 2020, the Company's shareholders authorized payment of a dividend of 0.70 euros per share, representing an aggregate 31 million euros based on the 43,730,407 ordinary shares making up the Company's capital stock on the May 21, 2021 dividend payment date (excluding shares held in treasury).

C. TREASURY STOCK

Movements in treasury stock in first-half 2021 and first-half 2022 are presented below:

	Notes	Number of treasury stock
As of December 31, 2020		**107,155**
Share buyback program		-
Cancelation of treasury stock		-
Grant to employees	11.D	(96,440)
Liquidity contract (purchases) / sales		15,188
As of June 30, 2021		**25,903**
As of December 31, 2021		**118,738**
Share buyback program	11.E	500,000
Cancelation of treasury stock		-
Grant to employees	11.D	(73,230)
Liquidity contract (purchases) / sales		6,106
As of June 30, 2022		**551,614**

D. FREE SHARES AND PERFORMANCE SHARES

At June 30, 2022, there were 1,420,630 free shares and performance shares outstanding, each entitling their owner to one share on vesting, representing a total of 3.25% of the Company's capital stock (1,227,765 shares at December 31, 2021 representing 2.8% of the Company's capital stock).

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.

In the first-half 2022, this expense totaled 6 million euros (versus 3 million euros in first half 2021).

E. EMPLOYEE SHARE OWNERSHIP PLAN

In 2022, Nexans launched a new employee share ownership plan comprising an employee share issue involving a maximum of 500,000 shares. Settlement-delivery of the shares took place on July 26, 2022 and resulted in the issuance of 497,453 new shares, representing an aggregate amount of 34 million euros (see **Note 16**).

The expense relating to this plan (representing 3 million euros including the top-up payment) was recognized in first-half 2022 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.

NOTE 12. Pensions, retirement bonuses and other long-term benefits

The net provision recognized for pension and other long-term employee benefit obligations is calculated based on the latest valuations available at the previous period-end. Adjustments of actuarial assumptions are performed on the main contributing plans in order to take into account any significant fluctuations or one-time events that may have occurred during the six-month period. At June 30, 2020 the main benefit obligations and plan assets of the plans in France, Germany, Switzerland, Canada and the United States were remeasured, primarily based on the applicable discount rates and the fair value of the plan assets.

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 (average equivalent) discount rates break down as follows by country at closing periods:

	Discount rate at June 30, 2022	Discount rate at December 31, 2021	Discount rate at June 30, 2021
France	3.15%	0.90%	0.90%
Germany	3.15%	0,9%-1,00%	0.90%
Switzerland	1.95%	0.25%	0.20%
Canada	4.95%	2.90%	2.90%
United States	4.75%	2.85%	2.85%

B. CHANGE IN NET PROVISION FOR PENSION AND OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

(in millions of euros)	2022	2021
NET PROVISION RECOGNIZED AT JANUARY 1	**249**	**335**
- of which pension assets	*(53)*	*(15)*
- of which pension liabilities	*301*	*350*
Expense (income) recognized in the income statement	8	7
Expense (income) recognized in other comprehensive income	(71)	(33)
Utilization	(12)	(15)
Other impacts (exchange differences, acquisitions/disposals, etc.)	(3)	1
NET PROVISION RECOGNIZED AT JUNE 30	**171**	**295**
- of which pension assets	*(79)*	*(35)*
- of which pension liabilities	*249*	*330*

NOTE 13. Provisions

A. ANALYSIS BY NATURE

Movements in these provisions were as follows:

(in millions of euros)	TOTAL	Accrued contract costs	Provisions for reorganization	Other provisions
AT DECEMBER 31, 2021	**168**	**45**	**44**	**79**
Additions	21	17	4	0
Reversals (utilized provisions)	(17)	(4)	(13)	(0)
Reversals (surplus provisions)	(7)	(1)	(5)	(1)
Exchange differences and other	1	0	1	1
AT JUNE 30, 2022	**166**	**57**	**30**	**79**

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 15**). Where appropriate, they also include provisions for construction contracts in progress.

The "Other provisions" column primarily included provisions set aside for antitrust investigations, which amounted to 67 million euros at June 30, 2022 (see **Note 15**).

B. ANALYSIS OF REORGANIZATION COSTS

Reorganization costs came to 19 million euros in first-half 2022, breaking down as follows:

(in millions of euros)	Redundancy costs	Asset impairment and retirements (a)	Other monetary costs	TOTAL
Charges to provisions, net of reversals of surplus provisions	2	0	(3)	(1)
Other costs for the year	8	-	12	20
TOTAL REORGANIZATION COSTS	**9**	**0**	**9**	**19**

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

In first-half 2022, the total included costs related mainly to:

- Transformation Program following Group's decision on November 9, 2018 and February 17, 2021 (10 million euros in 2022 versus 8 million euros in 2021)
- 3 million euros related to the operational simplification model and the expectation of a "pure-player" position from the electrification, as announced by the Group on February 2021.

These costs also included 2 million euros related to the project to reorganize the Group's operations in Europe announced early 2019.

In first-half 2021, costs for this project amounted to 6 million euros.

On first-half 2022, 33 million euros of reorganization costs have been cashed-out (61 million euros on first-half 2021) and corresponded, notably, to the consumption of the reserves in the balance-sheet.

As was the case in previous periods, wherever possible the reorganization plans implemented by the Group in 2022 included assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

NOTE 14. Net debt

On February 16, 2022, Standard & Poor's upgraded the Group's long-term rating from BB to BB+ with a stable outlook. The rating was unchanged at June 30, 2022.

At December 31, 2021, the Group's long-term debt was rated BB by Standard & Poor's with a positive outlook.

A. ANALYSIS BY NATURE

(In millions of euros)	Notes	At June 30, 2022	At December 31, 2021
Long-term – ordinary bonds (a)	14.B	524	524
Other long-term borrowings (a)	14.C	339	121
TOTAL LONG-TERM DEBT (a)		**864**	**645**
Short-term – ordinary bonds (a)	14.B	-	-
Short-term borrowings and short-term accrued interest not yet due (b)	14.C	455	281
Short-term bank loans and overdrafts		6	5
TOTAL SHORT-TERM DEBT (b)		**461**	**285**
GROSS DEBT (b)		**1,325**	**930**
Cash		(1,017)	(917)
Cash equivalents		(71)	(56)
NET DEBT EXCLUDING LEASE LIABILITIES		**237**	**(42)**
Lease liabilities (c)		109	116
NET DEBT		**346**	**74**

(a) Excluding short-term accrued interest not yet due and lease liabilities.
(b) Excluding lease liabilities.
(c) Out of the total lease liabilities recognized, 82 million euros corresponded to non-current liabilities and the balance to current liabilities. The related interest expense amounted to 2 million euros In first-half of 2022.

At June 30, 2022 and at December 31, 2021, the consequences of the situation in Lebanon were taken into account by the Group, leading to the reclassification of bank deposits in Lebanese banks out of cash and cash equivalents (see **Note 7**). These deposits amounted to 5 million euros at June 30, 2022 (4 million euros at December 31, 2021).

At June 30, 2022, Nexans France SAS had sold 45 million euros of receivables (25 million euros at December 31, 2021). An analysis of the terms of the contracts and transactions 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.

B. BONDS

(in millions of euros)	Carrying amount at June 30, 2022	Face value at issue date	Maturity date	Nominal interest rate
Ordinary bonds redeemable in 2023	335	325	August 8, 2023	3.75%
Ordinary bonds redeemable in 2024	201	200	April 5, 2024	2.75%
TOTAL ORDINARY BONDS (a)	**536**	**525**		

(a) Including 13 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 at 2.75% with a maturity date of April 5, 2024. The issue price was 100% of the bonds' face value.

C. OTHER BORROWINGS

On October 6, 2021, the European Investment Bank (EIB) granted Nexans a 200 million euro loan facility to support its active participation in the global energy transition and its commitment to help achieve carbon neutrality by 2030.

The loan was drawn down in full on April 5, 2022. The 200 million euro five-year loan is repayable at maturity on April 5, 2027. The annual interest rate is 1.93%.

Accrued interest not yet due amounted to 0,9 million euros at June 30, 2022.

The amount recognized under "Other long-term borrowings" at June 30, 2022 also includes, part of the 95 million euros loan, drawn down to finance the construction of the Nexans Aurora cable-laying vessel.

This loan was originally denominated in Norwegian krone and was drawn down in tranches as work advanced on the vessel's construction. Since June 2021, the loan has been repayable in euros and the variable interest rate on the loan has been indexed to the 3-month Euribor. The loan is repayable over twelve years as from the vessel's delivery date in equal annual installments, with the final installment due in June 2033.

This debt is included for 86 million euros on the line "Other long-term borrowings", the balance appearing under "Short-term borrowings and short-term accrued interest not yet due".

The covenants associated with this financing are described in **Note 14.D** below.

D. COVENANTS

The 600 million euro syndicated credit facility taken out in December 2015 and amended on December 12, 2018 expires on December 12, 2023.

It includes a 200 million euro very short-term drawing facility, aimed in particular at securing a negotiable instruments program set up on December 21, 2018 for a maximum amount of 400 million euros, increased to 600 million euros on November 15, 2021. The amount outstanding under this program at June 30, 2022 was 346 million euros.

The amended syndicated credit facility is subject to the following two covenants:

- the consolidated net debt to equity ratio (including non-controlling interests) must not exceed 1.20x; and
- consolidated debt must not exceed 3.2x consolidated EBITDA as defined in **Note 3**.

These ratios were well within the specified limits at both June 30, 2022 and December 31, 2021.

The loan to finance construction of the Nexans Aurora cable-laying vessel includes (i) the same financial covenants as those set out in the Group's amended syndicated credit facility described above and (ii) covenants specific to the Group's subsidiary, based on the following:

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

These ratios were well within the specified limits at June 30, 2022 and December 31, 2021.

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

NOTE 15. 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 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 claims from customers filed before the courts in the United-Kingdom, the Netherlands and Italy against Nexans and other defendants.

In the United-Kingdom, Prysmian is one of the main defendants in certain antitrust damages claims initiated 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 a settlement 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, to the UK Competition Tribunal, NKT reached a settlement with Vattenfall. Vattenfall's claim against Prysmian and Prysmian's contribution claim against Nexans France SAS and the Company remain pending.

In May 2022 an application for a collective proceedings order was lodged in the UK before the Competition Appeal Tribunal (CAT) seeking authorisation to bring an action for damages on behalf of certain individuals against Nexans, Prysmian and NKT. The prospective claim is based on the European Commission's 2014 "Power Cables" decision. The CAT will in due course decide whether to grant the application, such approval being required before any claim can proceed. The claimant has secured financing from a professional third-party litigation funder. As part of its assessment the CAT will scrutinise the funding agreement to determine, inter alia, whether the proposed defendants' costs would be sufficiently covered in the event that the claimant is unsuccessful in the claim.

Italian company Terna S.p.A. launched an antitrust damages claim before the Court of Milan. Nexans Italia filed a defense on October 24, 2019 focusing on Nexans Italia's lack of standing to be sued. On February 3, 2020 the judge ruled Terna's claim to be null for lack of clarity. Terna has since supplemented its claim and the case is ongoing. A final outcome is not expected before end of 2022.

The claim in Netherlands was made jointly by Electricity & Water Authority of Bahrain, Gulf Cooperation Council 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 Group and ABB Group. 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 the non-Dutch subsidiaries of the Company. The court also ordered the claimants to pay the costs of the proceedings. The claimants appealed this ruling and the case on the merits against the Dutch entities is stayed pending the appeal judgment.

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.

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. The Company has paid the 1 million euro (BRL equivalent) fine and has appealed the decision. The case is ongoing.

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 statute of limitations should be considered expired.

Nexans' local Korean subsidiaries have cooperated with the KFTC in investigations initiated between 2013 and 2015 in businesses other than the high-voltage. As a result, full leniency (zero fine) has been granted by KFTC in 15 cases, and for two other cases the Korean subsidiaries were granted a 20% reduction of fines 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 all closed.

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. Appeal decision is expected to take place in 2022.

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 is seeking a total of 9.4 million euros in damages from all the defendants, including Prysmian and several local Spanish producers. Nexans Iberia has filed defense arguments and the case is pending.

During the first semester of 2022, four additional claims were files by Spanish claimants against Nexans Iberia on the basis of the CNMC decision in the low / medium voltage case. Nexans Iberia's sales to such claimants, if any, are non-substantial and Nexans is litigating these claims pending the appeal judgment against the CNMC decision.

On January 20 and May 10, 2022 the German Federal Cartel Office (FCO) carried out searches at three of Nexans' sites in Germany. The searches are part of an investigation on cable manufacturers concerning alleged coordination of industry-standard metal surcharges in Germany. The FCO also conducted inspections at the premises of other companies in Germany. The investigation is ongoing.

As of June 30, 2022, the Group has a recorded contingency provision of 67 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 June 30, 2022 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 June 30, 2022 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 16. Subsequent events

As part of the share ownership plan described in **Note 2**, 497,753 new shares were issued, including 490,473 shares subscribed by Group employees through the corporate mutual fund (FCPE) or by Société Générale under the alternative plan option. The remaining 7,280 shares corresponded to free shares financed by the Group's matching payment.

Based on a subscription price of 62.25 euros per share in France and 71.14 euros outside France, the total impact on equity was an increase of 33.6 million euros, with 0.5 million euros corresponding to the aggregate par value of the new shares and the balance represented by the premium.

At the same time, to limit the dilution impact and pursuant to the decision made by the Board of Directors on July 26, 2022, 500,000 shares held by the Company in treasury were canceled, reducing the Company's share capital by 0.5 million euros.

No relevant event which required to be mentioned occurs after 30 June 2022.

Statutory Auditors' review report on the 2022 interim financial information

(For the period from January 1 to June 30, 2022)

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,
Nexans
Immeuble Le Vinci
4 allée de l'Arche
92400 Courbevoie

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Nexans, for the period from January 1 to June 30, 2022;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without modifying our conclusion, we draw your attention to Note 15 A, "Antitrust investigations", to the condensed half-yearly consolidated financial statements regarding the consequences of the decision of the European Commission.

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II – Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

The Statutory Auditors
Neuilly-sur-Seine and Paris La Défense, July 27, 2022

PricewaterhouseCoopers Audit	**Mazars**
Edouard Demarcq	Juliette Decoux-Guillemot

Statement by the person responsible for the 2022 Half-Year Financial Report

Paris, July 27, 2022

I hereby declare that to the best of my knowledge, the condensed half-year consolidated statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and results of operations of the Company and all the other companies included in the scope of consolidation, and the interim activity report presented herein provides a fair view of significant developments during the period and their impact on the financial statements, the main related-party transactions and it describes the main risks and uncertainties for the remaining six months of the year.

Christopher Guérin
Chief Executive Officer

Nexans

ELECTRIFY THE FUTURE