

2021 ANNUAL REPORT
NEXANS NORWAY AS



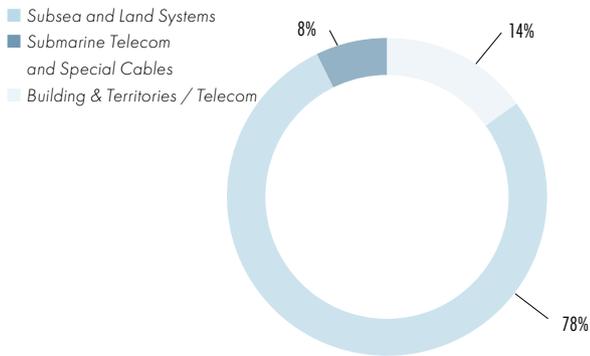


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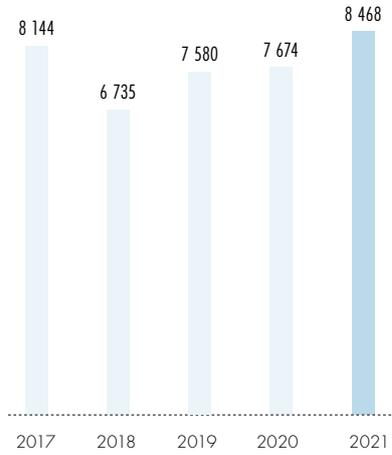
Key figures

SALES BY BUSINESS SEGMENT 2020

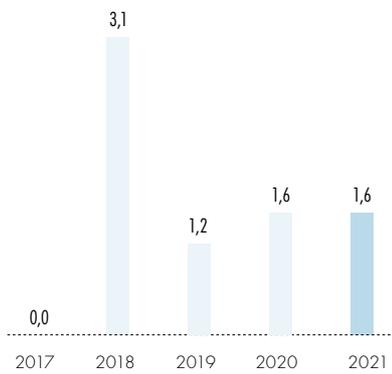


SALES

NOK MILL



LOST TIME INJURY FREQUENZY

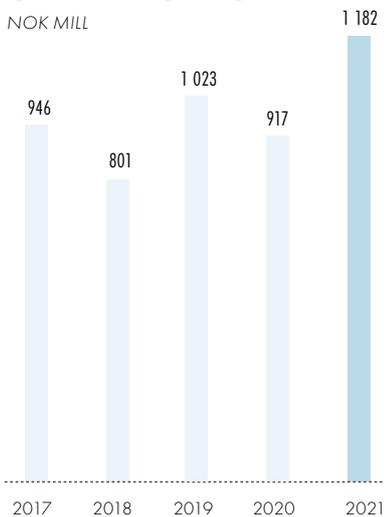


NO OF EMPLOYEES AT YEAR-END



OPERATING PROFIT

NOK MILL



ORDER BACKLOG

NOK BILLION



Directors' report 2021

Nexans Norway AS and its wholly owned subsidiaries, Nexans Skagerrak AS and Nexans Subsea Operations AS, (hereinafter "the Nexans Norway Group" or "Nexans Norway") is part of the French Nexans group – one of the world's leading cable manufacturers. Nexans Norway AS is a wholly owned subsidiary of Nexans Participations SA in Paris. Nexans Norway's head office is in Oslo, Norway.

Nexans Norway AS is developing, manufacturing and installing submarine, land and offshore cables for power and telecommunication transmission. Nexans Norway has manufacturing plants located in Rognan, Halden and Langhus. Nexans Skagerrak AS and Nexans Subsea Operations AS are engaged in transport, laying and installation of submarine power cables and owns the cable laying vessels CLV Nexans Skagerrak and CLV Nexans Aurora respectively

MARKET

The Subsea business reported an organic growth of 10,1% in 2021. Efficient project execution offset project delays due to the ongoing Covid-19 pandemic and profit margins ended higher than in 2020. The financial impact of the Covid-19 pandemic was reduced in 2021 compared to 2020. The interconnectors and offshore windfarm markets continue the strong growth worldwide and Nexans Norway remains confident within both segments. Significant new contracts were awarded in 2021 securing load for Halden in 2022 and onwards.

We signed a ground-breaking contract for supply and installation of a deep-water high voltage dynamic cable solution to the Jansz-IO Compression project in Australia as well as being chosen as preferred supplier for Equinor's major offshore wind farm project in the US, the Empire Wind. At the end of the year, we signed a major turnkey contract with Oceans Wind for the Moray West offshore wind farm.

In May, Nexans Norway received from Ulstein Yard our new pride, the CLV Nexans Aurora, the world's most advanced DP3 cable laying vessel capable of carrying 10.000 tons of cable and an important asset in Nexans' new strategy to electrify the future. In addition Nexans' new, and the US' only high voltage subsea cable manufacturing plant was officially inaugurated in November ready to serve the fast growing US offshore wind market as well as supplying the rest of the world with first class high technology products. Currently, this manufacturing plant is supplying cables for Nexans Norway projects.

In March 2021, Bureau Veritas and Nexans Norway signed an offshore wind project and risk management partnership agreement with the aim to reduce risks and promote best practices for our turn key projects.

In February 2021 Nexans Group allocated a 200 million Euros investment to expand the activities of amongst other sites the Halden

plant to meet the demands in the renewables market, investing in a new extrusion tower and adding two new lines for HVDC manufacturing, aiming at doubling our capacity in the market for offshore wind and interconnectors as well as other electrification segments including Power from Shore. As a consequence of the strategic direction and heavy investments, there will not be enough capacity in the Halden plant in the future to cover the demand for steel tube umbilicals for the oil & gas industry. Hence, Nexans Norway decided to terminate these activities, ie steel tube umbilicals delivered from Halden, while abiding to all agreements in place. The last umbilical projects in Halden will be completed in 2023. The exit of this market also includes our DEH products. None of our employees will be affected by this change of direction with regards to employment, and sufficient technical support will be maintained for ongoing projects and in the warranty period of the projects.

The Building & Territories/Telecom division saw growth in the infrastructure and building markets in spite of the Covid-19 pandemic continuation. High demand continued in the energy distribution cable market because of network upgrades, electrification of coastal industries and infrastructure related to vehicle and vessel charging. The demand for fibre optic cables was stable while the industry sales declined following a reduced offered product portfolio. Our cash position continued to improve as well as the quality of our stock. The division reported revenue growth of 12,5% in 2021 with a strong performance through the year, managing various raw material shortages and price volatility.

The submarine telecom market remained very active in 2021, with several developments both in the repeated and the unrepeated segments. Looking forward, we see constraints in the marine installation capacity pushing certain developments somewhat out in time. The underlying drivers are still considered solid.

The special cable segment, to a large extent driven by the oil & gas market, has been variable. However, Norwegian tax incentives support the North Sea activity level along with emerging initiatives to decarbonize the offshore industry. Nexans Norway is benefitting from a clear up-turn in the ROV market and has built a robust backlog entering 2022. The Submarine Telecom and Special Cable division reported a revenue growth of 9,5% in 2021.

In September 2021, Nexans Norway's headquarter moved to new offices in Freserveien 1 in Oslo. The new office has a modern and flexible architecture with various working zones and possibilities to adapt to different needs, which enables increased cooperation and a more flexible working day for our employees.

ORDER BACKLOG

The order intake increased in 2021 and ended at NOK 12.092 million at year-end (NOK 10.364 million in 2020). The most significant contracts signed in 2021 were Jansz IO Compression and Tyrrhenian Links lot 2.

Nexans Norway's order backlog at year-end 2021 amounts to NOK 14.855 million (NOK 11.232 million in 2020).

RESEARCH AND DEVELOPMENT

The demand for transmission capacity is increasing, and to address this trend Nexans executed a R&D program to further extend the transmission capacity of its 420 kV XLPE AC cable systems up to 1 GW for a single core link and 700 MW for a three core link. The extensive program involved type testing and pre-qualification testing and was concluded in 2021.

We manufactured and delivered for field testing our first winch operated hybrid cable for ultra-deep water in 2021.

PEOPLE AND ORGANIZATION

Total number of employees in Nexans Norway was 1.585 at year-end 2021. This is an increase of 25 persons compared to the previous year. The expansion project in the plant in Halden and the expected growth in turnover will create an increase in the number of employees in the years to come.

The activity of Nexans Norway is organized in the following three Business Groups/Business Units: Subsea and Land Systems Business Group, Submarine Telecom and Special Cables Business Unit and Building & Territories/ Telecom Business Unit.

Nexans Norway strives to ensure gender equality, equal opportunities and rights as well as preventing discrimination based on ethnicity, nationality, heritage, colour, language, sexual orientation or religion. The work force of Nexans Norway per year-end 2021 consists of 86 % men and 14 % women. In graded positions in Nexans Norway 22 % are women and 21% of our People Managers are women. Personnel are recruited from professional communities where there traditionally are more men than women. Working time arrangements are influenced by position and not by gender.

Absence due to sick leave was 5.3 % in 2021 compared to 5,0 % in 2020.

Policies and guidelines:

Nexans Norway has policies, rules and guidelines regarding gender equality. We have established procedures for dealing with cases involving harassment and discrimination. Nexans Norway has in our personnel policy and recruitment process stated: "Emphasis must be placed on striving for the most equal distribution between the genders under equal conditions." (Personnel handbook / Personnel policy).

Activities and targets:

Nexans Group has reinforced the focus on diversity and inclusion by changing the internal network WIN from meaning Women in Nexans to We in Nexans. Nexans is still focusing on increasing the female population. The purpose is to focus on diversity and increase the proportion of women in Nexans in general and in higher positions

in particular. Nexans Norway has a national WIN network with local WIN representatives, a steering committee and an action plan. The aim for 2021 was to increase the proportion of women in higher positions from 18% to 21% in which we succeeded. Part of WIN's message is: "Our first diversity & inclusion commitments is to reach a level of gender equality that truly represents the diversity of our customers, suppliers and communities in which we serve".

In 2021 Nexans launched a program called WIN Diversity & Inclusion Awareness Program. All managers have the program as part of their management training and we also encourage employees to complete the program.

The past months a group of our talented female employees have embarked on a new «FiftyFifty» program. This is a leadership and organizational development program based on the UN Sustainable Development Goal 5 «Gender Equality». The program is carried out in collaboration with AFF, Norway's largest leadership and organizational development consultancy.

The platform "Winningtemp" has been implemented in one of the business units in Nexans Norway. Regular feedback is received from employees about the work environment and more specifically the following topics: Independence, participation, team spirit, leadership, commitment, job satisfaction, personal development, work situation and meaningfulness. Employees respond through an app or directly in the platform. The experiences so far are good. In 2022 we are planning to expand and include questions about "Diversity, equal rights and inclusion" to increase the awareness about these subjects in the organization.

HEALTH, SAFETY AND ENVIRONMENT

Nexans Norway AS as part of the Nexans group is a global player in energy transition, building part of the new electric world, accessible to everyone. Nexans Norway AS has committed to the Nexans three pillars for a sustainable future:

People – Looking after our people and building a diverse and inclusive workplace for all

Environment – Committing to reduce carbon impact on the planet in innovative ways

Ecosystem – Sharing our values and the highest ethical standards with all stakeholders

Nexans Norway is working to continuously improve our health, safety and environment (HSE) performance. A healthy and safe work environment is very important to us, and so is the work to reduce our environmental impact. This is highlighted in our QHSE Policy. Managers, employees and subcontractors receive regular HSE training to ensure satisfactory levels of HSE competence in the company. We are concerned about our carbon footprint, and we are working continuously to optimize our utilization of resources, to use less materials and energy and reduce unsorted waste. The

Nexans group has committed itself to contribute to carbon neutrality by 2030 – a commitment shared and implemented also for the business in Norway.

Nexans Norway experienced 4 injuries with absenteeism in 2021 which is the same number as in 2020. This gives an Lost Time Injury Frequency of 1,6 in 2021, which is the same level as for 2020. The Total Recordable Injury Frequency was 5,7 in 2021, also at the same level as in 2020.

During 2021 Nexans Norway has experienced impact from the Covid-19 pandemic. We are proud to say that we have been able to carry out our business as planned with the additional measures required.

Nexans Norway actively works with the implementation and follow-up of the REACH Directive and "Environmental Highly Protected" - EHP. All Nexans Norway plants are EHP certified. Nexans Norway's activities in general have only a limited adverse effect on the environment. To the extent possible, waste is being sorted, recycled and/or destroyed. The sorted waste level for Nexans Norway improved from 89% in 2020 to 92 % in 2021. Nexans Norway is a member of RENAS, a national waste collection company for electro products, and since 2018 also a member of "Grønt Punkt Norge". Nexans Norway takes responsibility for all types of packaging through return systems approved by The Norwegian Environment Agency ("Miljødirektoratet"). Increased focus has been put on energy efficiency and to the consumption of fuel. Examples are electrical power supply from shore to Nexans Vessels CLV Nexans Skagerrak and CLV Nexans Aurora from Halden Plant, ongoing replacement from diesel forklifts to electrical forklifts, water recycling etc.

Nexans Norway AS is certified according to ISO 9001, ISO 14001 and ISO 45001. Nexans Norway group's cable vessels CLV Nexans Skagerrak and CLV Nexans Aurora are operating under the ISO 14001 certification of the Ship management OSM Offshore Bergen AS.

FINANCIAL RESULTS 2021

The financial statements have been prepared in accordance with simplified IFRS as defined by the Norwegian Accounting Act § 3-9 and accounting principles as applied by the Nexans group.

Operating revenues for Nexans Norway AS (and the Nexans Norway group) totalled NOK 8.468 million in 2021 compared to NOK 7.674 million in 2020, an increase of 10,3%. There was a high relative increase in revenues in all three business areas this year, also impacted by increased installation capacity (the new vessel CLV Nexans Aurora being available from June 2021) and increased production capacity in Nexans USA, contracted for subsea high voltage cable production in 2021.

Operating profit amounted to NOK 1.182 million in the Nexans Norway group (NOK 1.031 million in Nexans Norway AS) in 2021, compared to NOK 917 million (NOK 794 million in Nexans Norway AS) in 2020.

Profit before taxes amounted to NOK 1.172 million (NOK 1.149 million in Nexans Norway AS) in 2021 compared to NOK 987 million (NOK 965 million in Nexans Norway AS) in 2020.

Cash and bank deposits amounted to NOK 107 million at the end of 2021, an increase from last year of NOK 5 million. Current assets increased from NOK 5.708 million (NOK 5.607 million in Nexans Norway AS) at year-end 2020 to NOK 6.302 million (NOK 6.134 million in Nexans Norway AS) at year-end 2021. The net increase of NOK 594 million was a result of an increase in Receivables, mainly towards Nexans Central Treasury subsidiaries, partly offset by reduced contract assets. This is mainly driven by high operational cash-flow, turning customer accounts receivable into cash in the Nexans group cash pool and receipt of prepayments on long-term contracts.

The Nexans Norway group has long-term interest-bearing debt amounting to NOK 898 million per year-end 2021, an increase from NOK 771 in 2020. The Nexans Norway group's current liabilities increased from NOK 4.299 million (NOK 4.300 million in Nexans Norway AS) in 2020 to NOK 5.210 million (NOK 5.223 million in Nexans Norway AS) at year-end 2021. The increase in current liabilities stem mainly from increase in accounts payable and income tax payables.

The Nexans Norway group's equity ratio ended at 25.7% (24.6% in Nexans Norway AS), a reduction from 26.3% (25,3% in Nexans Norway AS) in 2020. The reduced equity ratio is a result of dividend payments in 2021 and increased total capital from investments partly financed with external loan and increased current assets/liabilities. The working capital is reduced in 2021, mainly due to the increase in current liabilities.

Cash from operations amounted to NOK 1.976 million (NOK 1.915 million in Nexans Norway AS) in 2021 compared to NOK 1.838 million (NOK 1.714 million in Nexans Norway AS) in 2020. The increase in cash from operations is mainly due to the increased profit before tax and the reduced working capital. The cash-flows from operating activities were used to finance capital expenditures in fixed assets of NOK 718 million, primarily to secure and increase production and installation capacity, including payments for the construction of the new vessel. Nexans Norway financed its investments with its own means and long-term debt in addition to the Nexans group cash pool arrangement. Net deposits with the Nexans Central Treasury subsidiaries increased by NOK 567 million to NOK 3.737 million in 2021. Net cash flow in 2021 was NOK 5 million.

FINANCIAL RISK

Nexans Norway has implemented procedures and systems to handle project risk and the Nexans Norway group's financial exposure, covering metal, currency and counterparty risk. As a principle, the Nexans Norway group avoids taking risks related to price fluctuations in foreign currencies and metals.

The Nexans Norway group's export sales are long-term (6-36 months) and predominately in foreign currencies. The exposure to foreign currency exchange rate variations is secured through currency forward contracts. Nexans may still lose future competitiveness if the Norwegian krone should strengthen considerably towards the currencies of our competitors

Exposure to metal price variations is secured through metal forward contracts or through price adjustment clauses in the customer contracts.

The accounting of the Nexans Norway group's construction contracts includes estimates assessed at the balance sheet date. The prerequisite for these estimates have not changed after the balance sheet date and it is the opinion of the Board of Directors that the estimates per 2021 are still valid.

Specific and continuous assessments are made of contractual counterparties within the Subsea and Land Systems Business Line, and efforts are made to cover risks through structuring of payment terms, bank guarantees, or parent company guarantees. In addition, a substantial part of the credit risk related to the Building & Territories/ Telecom's customers is insured through the Nexans group's credit insurance policy.

The Board of Directors finds the cash position of the company

satisfactory. The cash management is based on rolling cash forecast that are updated on a continuous basis. The Nexans Norway group has established long-term debt in 2019 to finance the construction of a new cable laying vessel that was delivered in 2021.

Nexans Norway AS has liability insurance for the Board of Directors.

ALLOCATION OF THE RESULTS FOR THE YEAR

Pursuant to section 4-5 of the Accounting Act, it is duly confirmed that the annual accounts have been prepared under the going concern assumption, and the Board of Directors confirms that the going concern assumption is valid.

The Nexans Norway group made a net income after tax for the year of NOK 951 million (NOK 931 million in Nexans Norway AS). Total comprehensive income after tax in 2021 amounted to NOK 1.064 million (NOK 1.046 million in Nexans Norway AS), ref Statement of Comprehensive Income.

The equity in the parent company amounts to NOK 2.451 million and consists of share capital (NOK 463 million), other paid-in capital (NOK 8 million) and other equity (NOK 1.980 million).

The Board of Directors proposes that NOK 350 million of the net result of Nexans Norway AS, NOK 931 million, to be distributed to dividends in 2022. Hence the Board of Director's propose the following allocation of the net result in Nexans Norway AS:

Dividend	NOK 350 million
Other equity	NOK 581 million

Oslo, 26 April 2022

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Vincent Guy Roger Dessale
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Vincent Guy Roger Dessale

Chairman

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Ragnhild Apeland Katteland

Board member/ Chief Executive Officer

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Hanne Andresen

Income statement 1.1–31.12

Figures in NOK million	Note	Nexans Norway AS		Consolidated	
		2021	2020	2021	2020
OPERATING REVENUES	13,15,16	8 468	7 674	8 468	7 674
Raw materials and consumables	7	-5 178	-4 058	-4 847	-3 766
Payroll and related costs	4,9,12	-1 705	-1 673	-1 705	-1 673
Depreciation of fixed assets	8	-264	-252	-322	-278
Other operating costs	12,17,18,19	-290	-898	-412	-1 040
OPERATING COSTS		-7 437	-6 880	-7 286	-6 758
OPERATING PROFIT		1 031	794	1 182	917
Interest income from associated companies	3,16	8	9	8	10
Interest expense to associated companies	3,16	0	-2	0	-2
Other financial income	3	171	219	51	144
Other financial expenses	3	-60	-56	-69	-81
NET FINANCIAL INCOME (LOSS)		118	170	-10	70
PROFIT BEFORE TAX		1 149	965	1 172	987
Taxes	10	(218)	-204	-221	-205
NET PROFIT FOR THE YEAR	11	931	760	951	782

Statement of comprehensive income

Figures in NOK million	Note	Nexans Norway AS		Consolidated	
		2021	2020	2021	2020
PROFIT FOR THE YEAR		931	760	951	782
OTHER COMPREHENSIVE INCOME					
Remeasurement post-employment benefits	9,11	13	-23	13	-23
Cash flow hedges	11	104	76	102	57
OTHER COMPREHENSIVE INCOME (LOSS) BEFORE TAX		116	53	114	34
Tax expense on other comprehensive income	10	-2	-15	-2	-15
OTHER COMPREHENSIVE INCOME (LOSS) AFTER TAX	11	115	38	113	20
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		1 046	798	1 064	801
Attributable to (from) owners of the parent		1 046	798	1 064	801

Balance sheet at 31.12

Figures in NOK million		Nexans Norway AS		Consolidated	
ASSETS	Note	2021	2020	2021	2020
FIXED ASSETS – NON CURRENT	8	1 974	1 764	3 677	3 140
Shares in subsidiaries	20	1 749	1 359	0	0
Derivatives	2,3	101	88	101	88
FINANCIAL ASSETS – NON CURRENT		1 849	1 446	101	88
TOTAL NON-CURRENT ASSETS		3 824	3 211	3 778	3 227
INVENTORIES	7	421	422	421	422
Accounts receivable and other receivables	2,6,16	5 106	4 242	5 274	4 342
Contract Assets	15	195	432	195	432
TOTAL RECEIVABLES		5 301	4 674	5 469	4 774
Derivatives, current	2,3	305	410	305	410
Cash and cash equivalents	2,5	107	102	107	102
TOTAL CURRENT ASSETS		6 134	5 607	6 302	5 708
TOTAL ASSETS		9 957	8 818	10 080	8 935

Figures in NOK million		Nexans Norway AS		Consolidated	
EQUITY AND LIABILITIES	Note	2021	2020	2021	2020
EQUITY AND LIABILITIES					
Paid-in capital:					
Share capital	11	463	463	463	463
Other paid-in capital	11	8	8	8	8
Retained earnings:					
Other equity	11	1 980	1 761	2 116	1 879
SHAREHOLDER'S EQUITY	11	2 451	2 231	2 587	2 349
Warranty provision for long-term contracts	15	14	57	14	57
Deferred taxes	10	843	1 055	843	1 056
Derivatives, non current	2,3	60	28	60	28
Other long-term liabilities	14	1 216	984	1 216	984
Pension obligations	9	150	162	150	162
TOTAL NON-CURRENT LIABILITIES		2 284	2 287	2 284	2 287
Accounts payable	2,16	793	327	764	303
Contract Liabilities	15,16	2 560	2 734	2 560	2 734
Income tax payable	10	439	0	441	1
Public duties payable	2	128	113	128	113
Derivatives, current	2,3	174	254	174	254
Other short-term liabilities related parties	2,16	139	97	139	104
Other short-term liabilities	2,14	991	776	1 005	790
TOTAL CURRENT LIABILITIES		5 223	4 300	5 210	4 299
TOTAL EQUITY AND LIABILITIES		9 957	8 818	10 080	8 935

Statement of cash flow

Figures in NOK million	Note	Nexans Norway AS		Consolidated	
		2021	2020	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax		1 149	965	1 172	987
Depreciation of fixed assets	8	205	252	263	278
Taxes paid	10	7	-140	6	-141
Remeasurement postemployment benefits	9,10,11	-13	-23	-13	-23
Net change in inventories	7	1	9	1	9
Net change in receivables	2,6,16	-368	34	-368	34
Net change in accounts payable	2,16	466	-165	412	-166
Net change in advance payments from customers	15	-174	975	-174	981
Net change in derivatives	2,3	103	-246	103	-246
Foreign exchange gains/losses on operating activities	2,3	46	67	44	55
Net change in other balance sheet items	9,10,14,15,16	494	-14	532	71
NET CASH FLOW FROM OPERATING ACTIVITIES		1 915	1 714	1 976	1 838
CASH FLOW FROM INVESTING ACTIVITIES					
Capital expenditures	8	-332	-145	-718	-625
Changes in other investments	20	-390	-320	0	0
Net change in other investments (incl. adv. payments to brokers)		0	0	0	0
NET CASH FLOW FROM INVESTING ACTIVITIES		-721	-464	-718	-625
CASH FLOW FROM FINANCING ACTIVITIES					
Net change in loan from group companies	16	-496	-700	-561	-664
Proceed from long-term debt	14	192	257	192	257
Payment on long and short-term borrowing	8,14	-71	-69	-71	-69
Dividends paid	11	-782	-766	-782	-766
Interest paid	3	-38	-39	-38	-39
Interest received	3	8	9	8	9
NET CASH FLOW FROM FINANCING ACTIVITIES		-1 189	-1 309	-1 253	-1 272
Effects of exchange rate changes on cash and cash equivalents		1	1	1	1
NET CHANGE IN CASH AND CASH EQUIVALENTS		5	-59	5	-59
Cash and cash equivalents at 01.01.		102	161	102	161
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		107	102	107	102

Notes to the financial statements

1. Accounting principles

The consolidated accounts and the Nexans Norway AS accounts (the company) have been prepared and presented in accordance with simplified IFRS approved by the Ministry of Finance November 3 2014. From this follows that principles for measurement and recognition to the profit and loss accounts are according to IFRS, while the income statement, balance sheet and cash flow statements including notes are presented in accordance to the Norwegian Accounting Act's remaining sections, unless there are specific references to IFRS and its framework. In these instances, the IFRS framework is applied. The accounts are based on historic cost, except for hedging instruments (derivatives) which are appraised at fair value.

REVENUE RECOGNITION

Revenues from sales of goods and services are valued at fair value after deduction of VAT, return of equipment, rebates and discounts. Sales of goods are recognized in the income statement when the product is delivered to the customer, the customer has accepted the product and the ability of the customer to pay for the debts is satisfactory acknowledged. Sales of services are recognized in the period that the services are performed.

Sales and revenue from construction contracts are recognized in accordance with International Financial Reporting Standards (IFRS 15), as adopted by the European Union at December 31, 2018.

The revenue is recognized over time based on the weighted progress of the main activities within the contracts. The Contract value is allocated to the different activities based on the cost weight of the activities in relation to the overall cost of the contract ("POC weight") and then spread over time based on the estimated progress of the different activities ("POC%").

When it is probable that total costs will exceed total contract revenue, the expected total loss is recognized immediately in other operating costs. Expected losses are recognized in the other operating costs when the company has a present legal or constructive obligation as a result of past events related to the construction contracts; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The company reflects within the project margin also estimated future contractual penalties. Contractual penalties are recognized as a reduction of sales.

Down-payments received for construction contracts before the corresponding work is performed are recorded and included in the calculation of contract assets and liability.

FINANCIAL INSTRUMENTS

The company has applied IFRS 9, Financial instruments: Financial instruments are classified in the following categories:

1. Financial assets or financial liabilities at fair value through profit and loss
2. Loans and receivables
3. Other liabilities

Financial derivatives are classified as "financial assets or financial liabilities at fair value through profit and loss" unless they qualify for hedge accounting. For further explanation, see hedge accounting below.

Changes in fair value of financial instruments in the category "fair value through profit and loss" are presented in net financial income/expense. Financial instruments that originate with sales to customers are categorized as "Loans and receivables". Financial instruments categorized as "Loans and receivables" are carried at amortized cost. Financial instruments that originate as a result of trade with suppliers, loans from group companies or other parts of the daily operations are classified as "other liabilities". Financial instruments categorized as "Other liabilities" are carried at amortized cost.

See note 2 for further information of how the company's financial instruments are classified at the balance sheet date.

All purchases and sales of financial instruments are recognised on the transaction date. The transaction costs are included in the cost price. Financial instruments at fair value through profit and loss are carried at fair value as observed in the market on the balance sheet date, not adjusted for any transaction costs.

HEDGING AND DERIVATIVES

Before a hedging transaction is carried out, the Group's finance department assesses whether a derivative (or possibly another financial instrument in the case of a currency hedge) is to be used to

- hedge the fair value of a recognised asset or liability or a firm commitment,
- hedge a future cash flow from a recognised asset, obligation, identified very probable future transaction or, in the case of a currency risk, a firm commitment or
- hedge a net investment in a foreign operation.

The company's criteria to classify a derivative as a hedging instrument is as follows:

1. The hedging is expected to be very effective because it counteracts changes in market value or cash flows of an identified asset. A hedging efficiency within the scope of 80-125 % is expected
2. The efficiency of the hedging is reliably measurable
3. There is adequate documentation at the entering of the hedging to show that the hedging is expected to be effective
4. For cash flow hedging, the future transaction must be highly probable

- The hedging is evaluated on a running basis and has proven to be very efficient in the reporting periods the hedging is meant to cover

Hedging of currency exposure

Hedging is performed in connection with long-term projects with cash flows in foreign currencies. The expected cash flows are hedged when there is a signed contractual agreement.

The spot element in the forward foreign exchange contracts is designated as the hedging instrument in relation to changes in income and expenses related to long-term projects. Changes in the market value of a hedging instrument which satisfies the requirements to be a very effective cash flow hedge are booked directly against Other comprehensive income (OCI). The ineffective part of the hedging instrument is booked in the income statement as financial income or cost.

When the hedged cash flow results in booking of an asset or liability, any previous gain or loss recognised in OCI are reclassified from equity and included in the initial measurement of the asset or liability. For other cash flow hedges, gains or losses recognised in equity are reclassified to profit and loss in the same period as the cash flow making up the hedged object is recognised in profit and loss. When a hedging instrument no longer is effective, the booking of the hedging is terminated prospectively. In this case, the cumulative gain or loss on a hedging instrument recognised in equity, will be reversed when the hedged transaction actually happens.

If the hedged transaction is no longer expected to happen, any prior cumulative gain or loss on the hedging instrument recognised in OCI will be recycled and booked in the statement of profit and loss.

Hedging of metal derivatives

The company uses forward purchase and sale contracts executed primarily on the London Metal Exchange (LME) in order to reduce its exposure to fluctuations in the purchase price of non-ferrous metals (copper and lead) used in the company's manufacturing contracts. Metal derivatives that qualify for hedge accounting under IFRS 9 are accounted for using cash flow hedging. At the termination of the derivative, realised gain or loss is included as a part of the hedged object's acquisition cost.

TAXES

Taxes in the income statement are comprised of payable tax and change in deferred tax liabilities / deferred tax assets. Deferred tax liabilities / deferred tax assets are calculated using 22 % based on taxable and deductible temporary differences between the carrying amount of assets or liabilities in the statement of financial position, and their tax basis. A deferred tax asset is recorded in the balance sheet to the extent that it is more likely than not that the tax asset will be utilised. The group has 2 subsidiaries that entered the Norwegian Tonnage Tax System in 2009 and 2017. The companies are

compliant with the requirements to qualify for taxation as shipping companies as stipulated by the Norwegian tax law §§ 8-10.

CLASSIFICATION OF BALANCE SHEET ITEMS

Current assets and current liabilities include balances due within one year and items connected with the operating cycle. Other items are classified as non-current assets and non-current liabilities.

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

Receivables and debts in foreign currency are valued at the exchange rate at year-end, during the year it is valued at the month end exchange rate. To the extent that revenues and costs on long-term contracts are hedged by forward sales or purchases of foreign currency, these are in the income statement converted to the hedged spot rate.

INVENTORIES

Inventories, including work in progress, are valued at the lower of cost and fair value less costs to sell after provisions for obsolete inventories. The fair value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale. Inventories are measured using the weighted average principle. Finished goods and work in progress include variable costs and fixed costs that can be allocated to goods based on normal capacity. Obsolete inventories have been fully recognised as impairment losses.

FIXED ASSETS

Fixed assets are valued at cost and reduced with cumulative amortisation and depreciation. When assets are sold, the costs and cumulative amortisations and depreciations are reversed in the accounts, and any gain or loss from the sale is booked in the income statement. The cost for the asset is the purchase price, including fees and taxes and direct purchasing costs related to enable the asset to be used. Expenses occurring after the asset is taken into use, like repairs and maintenance, are normally booked as costs in the income statement. If increased profitability can be shown as a result of repair and maintenance, the expenses is booked in the balance sheet as a capital expenditure. Depreciation is calculated using the linear method over the following periods:

Buildings	20-30 years
Vessels	7-35 years
(Based on expected lifetime of components)	
Classification of vessel	5 years
Machinery and equipment	10-30 years
Furniture, fixtures and vehicles	3-10 years
Software	3-5 years

Machinery is split into mechanical and electrical components. The

latter has a depreciation period of ten years. The depreciation period and method is assessed yearly in order to secure that the method and the period used is in accordance with the economic realities for the asset. Equivalent assessment is made for the scrap value.

Fixed assets that are depreciated are assessed for impairment when indicators exist that future earnings cannot justify the value in the balance sheet. An impairment loss measured as the difference between the balance sheet value and the recoverable amount is booked in the income statement. The recoverable amount is the higher of actual value less estimated selling costs and the utility value. Reversals of impairment losses are done if assets previously impaired are put back in operation. The asset is then valued to the lower of book value at the time of write-down minus estimated depreciations in the period since the asset was written down and utility value. Any remaining value at the next classification will be written down.

Assets under construction are classified as fixed assets and are booked including costs related to the assets. Depreciation is not started until assets are ready for use.

TRADE RECEIVABLES

Accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. From time to time, Nexans will enter into a factoring agreement related to specifically identified accounts receivable. When the factoring contract terms indicate that the intention is to achieve a sale of the receivable, with a substantial transfer of the risks and rewards of ownership, then the receivables are derecognized upon transfer to the factoring counterparty. Any amounts receivable from the factoring agent to Nexans are classified as other short-term receivables.

LEASING

IFRS 16, "Leases" requires lessees to account for leases covered by the standard by recognizing:

- Right-of-use assets, under fixed assets; and
- Lease liabilities, under debt, for future lease payments.

The application of IFRS 16 is presented as follows:

- In the income statement, lease payments, are presented as (i) depreciation of the right-of-use asset, included in "Operating profit", and (ii) interest on the lease liabilities, included in "Other financial expenses".
- In the statement of cash flows, lease payments corresponding to the repayment of lease liabilities is recognized under

"Proceeds from (repayments of) long-term and short-term borrowings" and the portion corresponding to the payment of interest on lease liabilities is recognized under "Interest paid", with both of these portions recognized in cash flows from financing activities.

Nexans Norway AS has applied the simplified options provided for in the standard. Consequently, lease payments corresponding to a low-value asset or a short-term lease (less than 12 months) have been recognized directly as expenses.

CASH FLOW STATEMENT

The cash flow statement is presented according to the indirect method. For the cash flow statement the financial expenses have been classified as an operating item and not as a finance activity. Cash and cash equivalents include cash and bank deposits. Deposits in the group cash pool arrangement are not included in Cash and cash equivalents.

RESEARCH AND DEVELOPMENT

All research expenditures are expensed as incurred. Development costs are capitalized if the costs meet defined requirements for capitalization. Capitalization assumes that the intangible asset that is being developed can be identified, and shown that it is probable that the development work will be successful, and that future economic advantages linked to the intangible asset will accrue to the company.

PENSION COSTS AND COMMITMENTS

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

For defined benefit plans, provisions are determined as described below and recognized under "pension obligations" in the balance sheet:

- Provisions are calculated using the projected unit credit method which sees each service period as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligations. These calculations take into account assumptions with respect to mortality, staff turnover, discounting, projections of future salaries and the return on plan assets
- Plan assets are measured at fair value at the year-end and deducted from the group's projected benefit obligation
- In accordance with IAS 19R, actuarial gains and losses resulting from experience adjustments and the effects of changes in actuarial assumptions are recognized as components of other comprehensive income that will not be classified to profit and loss, and are included in "Remeasurement postemployment benefits" within OCI
- The group analyses the circumstances in which minimum

funding requirements in respect of services already received may give rise to a liability at year-end

When the calculation of the benefit obligation results in an asset for the group, the recognized amount (which is recorded under "pension obligations" in the financial statement) cannot exceed the present value of available refunds and reductions in future contributions to the plan, less the present value of any minimum funding requirements.

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

Settlement of pensions plans are booked in the profit and loss. The net obligation is measured on the closing date, and the net obligation is subsequently measured, the difference is booked as a gain (loss) in the profit and loss.

GOVERNMENT GRANTS

Government grants are recorded as a reduction to other operating expenses in the period covered by the subsidy.

CONSOLIDATION PRINCIPLES

Subsidiaries are all entities (including special purpose entities) over which the group has the control over. The Group controls an entity if and only if the Group has all the following:

- a. power over the entity
- b. exposure, or rights, to variable returns from its involvement with the entity
- c. the ability to use its power over the entity to affect the amount of the Group's returns

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of

the subsidiary acquired, the difference is recognised in profit and loss.

Inter-company transactions, balances and unrealised gains and loss on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The purchase method of accounting is used to account for the acquisition of subsidiaries, associates and joint ventures. The investment is carried at cost price for the shares unless a write-down has been necessary. Group contributions, less tax, increase the cost price for the shares. Dividends/group contributions are recognized the same year as they are recognized in the subsidiary/associate/joint venture. When a dividend/group contribution materially exceeds retained earnings after the acquisition/purchase, the exceeding amount is considered repayment of invested capital and reduces the value of the investment on the balance sheet.

SHARE-BASED COMPENSATION

The Nexans group operates a number of equity-settled, share-based compensation plans, under which the company receives services from employees as consideration for equity instruments (options) of the group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the company over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement.

ESTIMATES AND ASSUMPTIONS

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities. This particularly applies to the depreciation of tangible fixed assets, evaluations related to acquisitions and pension commitments, evaluation of progress used to calculate construction contracts recognised revenue and cost in addition asset and liability related to long term contracts. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Changes in accounting estimates are

recognised during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods.

PROVISIONS

A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

The company uses different principles for provisions for warranty on standard products and construction contracts. The provision for standard products is based on the historical guarantee liabilities that have been settled compared with the total guarantee exposure over the same period for deliveries of standardized products. For non-standardized products, projects are grouped according to risk profile. Provisions are done per group after the same principle as for standardized products.

Restructuring provisions are recognised when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

Payments from insurance claims are recognized when it is virtually certain that the company will receive the claim. The asset is recognized as a separate asset, independent from the damage from which the insurance is claimed.

SUBSEQUENT EVENTS

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period but which will affect the company's financial position in the future are disclosed if significant.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred. Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

JUDGMENTS

The management has, when preparing the financial statements, made certain significant assessments based on critical judgment when it comes to application of the accounting principles. The following notes include the Group's assessments regarding:

Control of an entity, note 2

Pension, note 9

Long-term contracts and warranty provisions, note 15

2. Financial instruments

FINANCIAL INSTRUMENTS CATEGORIZED ACCORDING TO IFRS 9

The tables below give an overview of the company's financial instruments and their values on the balance sheet as defined by their IFRS 9 categories

2021 – Figures in NOK million		Nexans Norway AS		
ASSETS	Loans and receivables	Financial assets at fair value through P&L	Derivatives used for hedging	TOTAL
Derivatives - Financial assets non current		0	101	101
Derivatives - Current assets		76	229	305
Accounts receivables and other receivables	5 106			5 106
Cash and cash equivalents	107			107
TOTAL	5 213	76	330	5 619
LIABILITIES	Other financial liabilities	Financial liabilities at fair value through P&L	Derivatives used for hedging	TOTAL
Accounts payable	793			793
Other short-term liabilities group	139			139
Derivatives - Non-current liabilities		-	60	60
Derivatives - Current liabilities		39	135	174
Other short-term financial liabilities	1 119			1 119
TOTAL	2 051	39	194	2 284

2020 – Figures in NOK million		Nexans Norway AS		
ASSETS	Loans and Receivables	Financial assets at fair value through P&L	Derivatives used for hedging	TOTAL
Derivatives - Financial assets non current		0	88	88
Derivatives - Current assets		107	303	410
Accounts receivables and other receivables	4 242			4 242
Cash and cash equivalents	102			102
TOTAL	4 344	107	391	4 841
LIABILITIES	Other financial liabilities	Financial liabilities at fair value through P&L	Derivatives used for hedging	TOTAL
Accounts payable	327			327
Other short-term liabilities group	97			97
Derivatives - Non-current liabilities		-	28	28
Derivatives - Current liabilities		73	180	254
Other short-term financial liabilities	889			889
TOTAL	1 313	73	208	1 594

2021 – Figures in NOK million		Consolidated		
ASSETS	Loans and receivables	Financial assets at fair value through P&L	Derivatives used for hedging	TOTAL
Derivatives - Financial assets non current		0	101	101
Derivatives - Current assets		76	229	305
Accounts receivables and other receivables	5 274			5 274
Cash and cash equivalents	107			107
TOTAL	5 381	76	330	5 787
LIABILITIES	Other financial liabilities	Financial liabilities at fair value through P&L	Derivatives used for hedging	TOTAL
Accounts payable	764			764
Other short-term liabilities group	139			139
Derivatives - Non-current liabilities		0	60	60
Derivatives - Current liabilities		39	135	174
Other short-term liabilities	1 133			1 133
TOTAL	2 036	39	194	2 269

2020 – Figures in NOK million		Consolidated		
ASSETS	Receivables	Financial assets at fair value through P&L	Derivatives used for hedging	TOTAL
Derivatives - Financial assets non current		0	88	88
Derivatives - Current assets		107	303	410
Accounts receivables and other receivables	4 342			4 342
Cash and cash equivalents	102			102
TOTAL	4 444	107	391	4 942
LIABILITIES	Other financial liabilities	Financial liabilities at fair value through P&L	Derivatives used for hedging	TOTAL
Accounts payable	303			303
Other short-term liabilities group	104			104
Derivatives - Non-current liabilities		0	28	28
Derivatives - Current liabilities		73	180	254
Other short-term liabilities	903			903
TOTAL	1 310	73	208	1 591

FAIR VALUE ESTIMATION

The group has adopted IFRS 13 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the group's assets and liabilities that are measured at fair value at December 31, 2021. The only financial instrument at fair value over the income statement are the derivatives contracts.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and

regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise metal derivatives traded on the LME classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

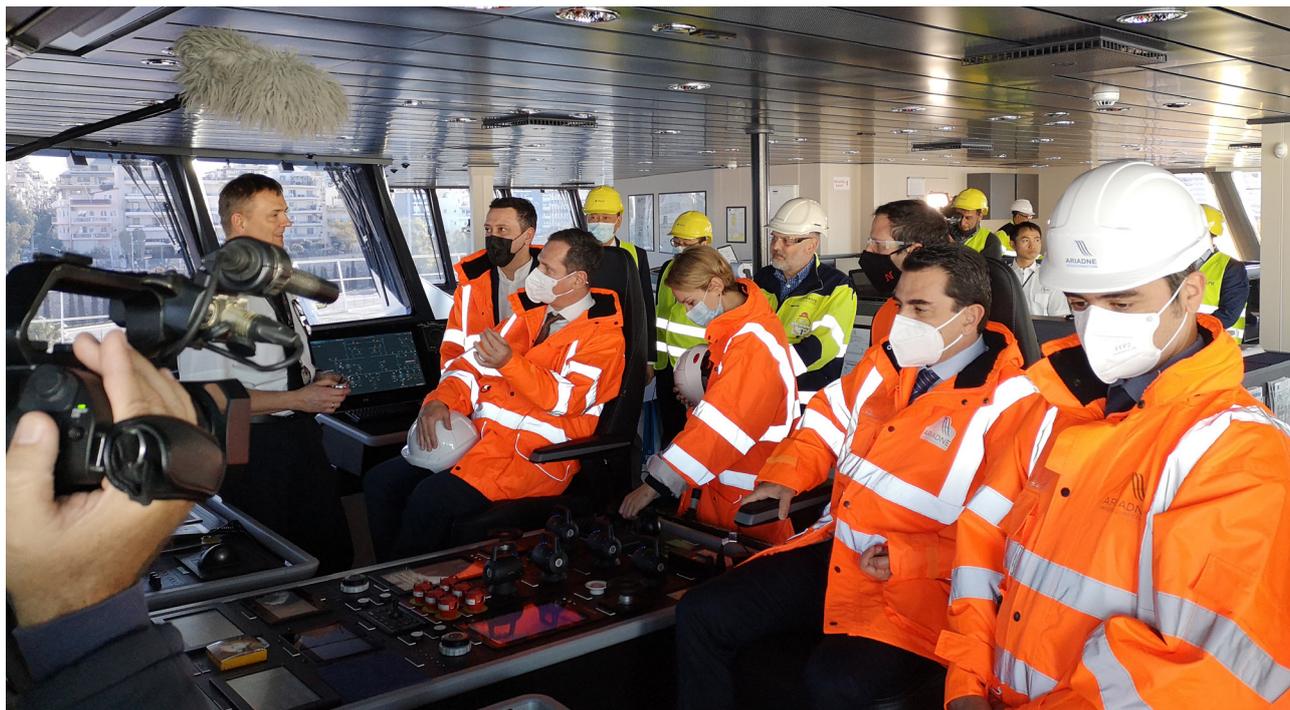
Specific valuation techniques used to value financial instruments include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value

Note that all of the resulting fair value estimates are included in level 2.

December 31, 2021 – Figures in NOK million		Nexans Norway AS		
ASSETS	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through p/l				
- Trading derivatives		76		76
Derivatives used for hedging	109	220		330
TOTAL ASSETS	109	297		406
LIABILITIES				
Financial liabilities at fair value through p/l				
- Trading derivatives		39		39
Derivatives used for hedging	33	162		194
TOTAL LIABILITIES	33	201		233

December 31, 2020 – Figures in NOK million		Nexans Norway AS		
ASSETS	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through p/l				
- Trading derivatives		107		107
Derivatives used for hedging	159	232		391
TOTAL ASSETS	159	338		497
LIABILITIES				
Financial liabilities at fair value through p/l				
- Trading derivatives		73		73
Derivatives used for hedging	15	193		208
TOTAL LIABILITIES	15	266		282



December 31, 2021 – Figures in NOK million		Consolidated		
ASSETS	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through p/l				
- Trading derivatives		76		76
Derivatives used for hedging	109	220		330
TOTAL ASSETS	109	297		406
LIABILITIES				
Financial liabilities at fair value through p/l				
- Trading derivatives		39		39
Derivatives used for hedging	33	162		194
TOTAL LIABILITIES	33	200		233

December 31, 2020 – Figures in NOK million		Consolidated		
ASSETS	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through p/l				
- Trading derivatives		107		107
Derivatives used for hedging	159	232		391
TOTAL ASSETS	159	338	0	497
LIABILITIES				
Financial liabilities at fair value through p/l				
- Trading derivatives		74		74
Derivatives used for hedging	15	193		208
TOTAL LIABILITIES	15	267	0	282

DERIVATIVES

Figures in NOK million	Nexans Norway AS			
	2021		2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Forward foreign exchange contracts – cash flow hedges	220	162	232	193
Embedded derivatives	0		0	
Forward foreign exchange contracts – held for trading	76	39	107	73
Forward metal contracts – cash flow hedges	109	33	159	15
TOTAL	406	233	497	282
Non-current portion:				
Forward foreign exchange contracts – held for trading				
Forward foreign exchange contracts – cash flow hedges	86	42	49	27
Forward metal contracts – cash flow hedges	15	17	39	1
TOTAL	101	60	88	28
CURRENT PORTION	305	174	410	254

Figures in NOK million	Consolidated			
	2021		2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Forward foreign exchange contracts – cash flow hedges	220	162	232	193
Embedded derivatives	0	0	0	0
Forward foreign exchange contracts – held for trading	76	39	107	74
Forward metal contracts – cash flow hedges	109	33	159	15
TOTAL	406	233	497	282
Non-current portion:				
Forward foreign exchange contracts – held for trading				
Forward foreign exchange contracts – cash flow hedges	86	42	49	27
Forward metal contracts – cash flow hedges	15	17	39	1
TOTAL	101	60	88	28
CURRENT PORTION	305	173	410	254

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

The ineffective portion recognised in the profit and loss that arises from unrealised cash flow hedges amounts to a loss of NOK 40,3 million (a gain of NOK 21,8 million in 2020).

There was no ineffectiveness to be recorded from forward metal contract hedges. The fair values are derived using quoted LME-prices on the balance sheet date for metal contracts, and observable market prices for foreign exchange contracts.

FORWARD FOREIGN EXCHANGE CONTRACTS

The notional principle amounts of the outstanding forward foreign exchange contracts per December 31, 2021 are NOK 2 589 million (NOK 4 331 million in 2020). Gains and losses recognised in the hedging reserve in equity (see note 11) on forward foreign exchange contracts as of December 31, 2021 are recognised in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.

FINANCIAL MARKET RISK

Nexans Norway has implemented procedures and systems to handle project risk and the company's financial exposure, covering

metal, currency and counterparty risk. To handle counterparty risk the company has credit insurance and factoring programs of major project receivables. As a principle, the company avoids taking risks related to price fluctuations in foreign currencies and metals, and there is therefore no material exposure against currency rate changes or changes in metal prices.

- i. Currency risk: The group operates internationally and is therefore exposed for currency risk, mostly American dollars and Euros. The currency risk pertains to future transactions, recognized assets and liabilities. The risk is addressed through internal systems for hedging.
- ii. Price risk: The group is exposed to changes in metal prices. The risk is partially offset through internal systems of hedging with the purchase of LME commodity contracts.
- iii. Floating and fixed interest rate risk: The group has limited exposure to interest rate carrying assets or liabilities. Thus the operating profits of the group are not significantly exposed

to changes in interest rates and the risks are not economically hedged with external derivative contracts.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, improved timing of cash collection on accounts receivable from factoring agreements and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

2021 – Figures in NOK million	Nexans Norway AS			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Accounts payable	793			
Other short-term liabilities group	139			
Derivatives	174	60		
Other short-term liabilities	1 119			

2020 – Figures in NOK million	Nexans Norway AS			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Accounts payable	327			
Other short term liabilities group	97			
Derivatives	254	28		
Other short term liabilities	889			

2021 – Figures in NOK million	Consolidated			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Accounts payable	764			
Other short-term liabilities group	139			
Derivatives	174	28		
Other short-term liabilities	1 133			

2020 – Figures in NOK million	Consolidated			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Accounts payable	303			
Other short term liabilities group	104			
Derivatives	254	28		
Other short term liabilities	903			

3. Financial revenues and costs

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
Interest income from associated companies	8	9	8	10
Other interest income	0	0	0	0
Foreign exchange gains	1 162	1 927	1 162	1 927
Foreign exchange losses	-1 117	-1 819	-1 117	-1 819
Received dividends	125	111	6	36
FINANCIAL REVENUES	178	229	59	154
Interest expense to associated companies	0	-2	-1	0
Other interest costs	-52	-45	-52	-47
Other Finance cost	-8	-11	-17	-36
FINANCIAL COSTS	-60	-58	-69	-83
NET FINANCIAL INCOME	118	170	-10	70

4. Specification of payroll and related costs

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
Wages and salaries	1 381	1 373	1 381	1 373
Social security tax	189	172	189	172
Pension costs	109	103	109	103
Other benefits	27	25	27	25
PAYROLL COSTS	1 705	1 673	1 705	1 673
NUMBER OF EMPLOYEES	1 585	1 567	1 585	1 567

5. Cash and bank deposits

The company has bank guarantees of NOK 110,3 million as security for total liability related to employees' tax deductions.

6. Accounts receivable/other receivables

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
Accounts receivable and other receivables	1 093	945	1 098	950
Provisions for bad debt	0	0	0	0
ACCOUNTS RECEIVABLE NET	1 093	945	1 098	950
Advance payments	431	211	438	222
Short-term interest bearing loans to related parties	1 700	2 000	1 700	2 000
Group bank accounts	1 882	1 086	2 037	1 170
ACCOUNT RECEIVABLE AND OTHER RECEIVABLES	5 106	4 242	5 274	4 342

The company had NOK 1,2 million in losses on receivables in 2021 (NOK 0 million in 2020). The company has historically had very few losses on accounts receivable. The company considers no further impairments are necessary. The company has set up a factoring program, where the amount of sold receivable is capped at NOK 292 million.

As of December 31, 2021, trade receivables of NOK 41 million (NOK 105 million in 2020) were past due but not impaired. The past due receivables relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
Up to 3 months	41	98	41	98
More than 3 months	0	7	0	7

7. Inventories

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
Raw materials	204	143	204	143
Work in progress	96	107	96	107
Finished goods	121	172	121	172
INVENTORIES	421	422	421	422
Obsolescence is included with	-31	-28	-31	-28

8. Fixed assets

2021 – Figures in NOK million		Nexans Norway AS							
	Software	Machinery, equipment, etc.	Vessels and vessel equipment etc	Buildings	Land	Construction in progress	Research & Development	Right of use asset (1)	TOTAL
Acquisition cost at 01.01	119	2 742	97	764	7	112	25	371	4 238
Reclassification		28	0	1		-29	0	0	0
Capital expenditure during year	14	16	7	0		274	19	87	419
Disposals during year	0	0	0	-13			0	0	-13
ACQUISITION COST AT 31.12	134	2 786	104	752	7	357	45	458	4 644
ACCUMULATED DEPRECIATIONS AT 31.12	88	1 928	96	460	0	0	0	96	2 668
NET BOOK VALUE AT 31.12	46	858	9	292	7	357	45	362	1 976
DEPRECIATION DURING YEAR	21	160	2	22	0	0	0	59	264
Ordinary rates of depreciation	33 %	10-35%	5% -10%	3-5%					

- 1) Right of use asset from the application of IFRS 16 "leases" using the modified approach see Note 1.
The right of use is primary related to real estate leases appr. NOK 353 million.

2021 – Figures in NOK million		Consolidated							
	Software	Machinery, equipment, etc.	Vessels and vessel equipment etc	Buildings	Land	Construction in progress	Research & Development	Right of use asset (1)	TOTAL
Acquisition cost at 01.01	119	2 808	345	764	7	1 420	25	371	5 859
Reclassification	0	208	1 127	1	0	-1 335	0	0	0
Capital expenditure during year	14	51	358	0	0	274	19	87	805
Disposals during year	0	0	0	-13	0	0	0	0	-13
ACQUISITION COST AT 31.12	134	3 067	1 830	752	7	359	45	458	6 650
ACCUMULATED DEPRECIATIONS AT 31.12	88	2 011	317	460	0	0	0	96	2 972
NET BOOK VALUE AT 31.12	46	1 056	1 513	292	7	359	45	362	3 679
DEPRECIATION DURING YEAR	21	172	48	22	0	0	0	59	322
Ordinary rates of depreciation	33 %	10-35%	5% -10%	3-5%					

2020 – Figures in NOK million		Nexans Norway AS							
	Software	Machinery, equipment, etc.	Vessels and vessel equipment etc	Buildings	Land	Construction in progress	Research & Development	Right of use asset (1)	TOTAL
Acquisition cost at 01.01	104	2 639	97	762	7	113	0	392	4 114
Reclassification	5	69	0	1		-75	0	0	(0)
Capital expenditure during year	11	35	0	0		74	25	-21	124
Disposals during year	0	0	0	0			0	0	0
ACQUISITION COST AT 31.12	119	2 742	97	764	7	112	25	371	4 238
ACCUMULATED DEPRECIATIONS AT 31.12	67	1 770	94	445	0	0	0	98	2 474
NET BOOK VALUE AT 31.12	52	972	3	319	7	112	25	273	1 764
DEPRECIATION DURING YEAR	18	149	3	22	0	0	0	60	252
Ordinary rates of depreciation	33 %	10-35%	5% -10%	3-5%					

2020 – Figures in NOK million		Consolidated							
	Software	Machinery, equipment, etc.	Vessels and vessel equipment etc	Buildings	Land	Construction in progress	Research & Development	Right of use asset (1)	TOTAL
Acquisition cost at 01.01	104	2 705	345	762	7	941	0	392	5 255
Reclassification	5	69	0	1	0	-75	0	0	0
Capital expenditure during year	11	35	0	0	0	554	25	-21	604
Disposals during year	0	0	0	0	0	0	0	0	0
ACQUISITION COST AT 31.12	119	2 808	345	764	7	1 420	25	371	5 859
ACCUMULATED DEPRECIATIONS AT 31.12	67	1 842	268	445	0	0	0	98	2 719
NET BOOK VALUE AT 31.12	52	967	78	319	7	1 420	25	273	3 140
DEPRECIATION DURING YEAR	18	158	20	22	-	0	0	60	278
Ordinary rates of depreciation	0,33	10-35%	5% -10%	3-5%					

The disposal of Assets under construction is a transfer to the other asset classes as the assets are completed, and is included in this year's capital expenditure.

Nexans Norway also has available production facilities in NVC, a Japanese subsidiary in the Nexans Group. NVC is a contract manufacturer for Nexans Norway AS.

9. Pension costs and net pension obligations

The company has pension plans for its employees. Pension obligations linked with insurance plans are covered through Storebrand. The company also has unsecured pension obligations in addition to pension obligations covered under insurance plans. These obligations are supplementary pensions over and above

12G and early retirement pensions. Actuarial gains and losses are recognized immediately according to IAS 19R. The subsidiaries have no employees and there are no related pension costs or obligations. Hence the figures for the parent company and the group are identical.

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
Discount rate	2,05 %	1,55 %
Expected return on pension plan assets	n/a	n/a
Rate of salary increases	n/a	n/a
Rate of price inflation	0,00 %	0,00 %
Rate of pension increase	0 %	0 %
Post-retirement mortality table	K2013	K2013

PENSION COST FOR THE YEAR

Figures in NOK million	2021	2020
Current service cost	0,0	0
Past Service Cost - Curtailments	0,0	0
Interest cost	2,6	4
Interest income	-0,1	0
NET PENSION COSTS	3	3
Actuarial (gains) / losses immediately recognized	-13	23
TOTAL PENSION COST RECOGNIZED IN THE OCI	-13	23
Cumulative amount of actuarial (gains) / losses recognized	374	387

The company decided in 2016 to close the remaining active pension plan over and above 12G from January 1st 2017. The benefits were frozen at the date of closure. Net pension cost above includes payroll tax.

CHANGE IN DEFINED BENEFIT OBLIGATION

Figures in NOK million	2021	2020
Defined benefit obligation at end of prior year	166	146
Current service cost	0	0
(Gain) / loss on settlements	0	0
Interest expense	3	4
Benefit payments from plan	0	0
Benefit payments from employer	0	0
Disbursements from Plan Assets	0	0
Disbursements Directly Paid by the Employer	-2	-2
Past Service Cost - Curtailments	0	0
Effect of changes in demographic assumptions	0	-1
Effect of changes in financial assumptions	-13	24
Effect of experience adjustments	0	0
Settlements	0	-5
DEFINED BENEFIT OBLIGATION AT END OF YEAR	154	166

CHANGE IN FAIR VALUE OF PLAN ASSETS

Figures in NOK million	2021	2020
Fair value of plan assets at end of prior year	4	7
Interest income	0	0
Employer contributions	0	0
Benefit payments from plan	-	-
Settlements payments from plan	0	-5
Taxes paid from plan assets	0	0
Return on Plan Assets Greater / (Less) than Discount Rate	0	1
settlements	0	0
	4	4

Cost for the defined benefit plan in 2021 was NOK 3 million, exclusive tax while it was NOK 3 million in 2020. Related payroll tax is booked as cost in the same period as the defined benefit plan costs. Costs for the AFP-program were NOK 21,2 million in 2021 (20,4 million in 2020). Payroll tax for the AFP Program was NOK 2,8 million in 2021 (NOK 2,5 million in 2020). Expected contributions to the plan in 2022 are NOK 22,9 million.

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of that law.

NET DEFINED PENSION LIABILITY

Figures in NOK million	2021	2020
Net defined benefit liability (asset) opening balance	162	138
Defined benefit cost included in P&L	3	4
Total remeasurements included in OCI	-13	23
Employer contributions	0	0
Employer direct benefit payments	-2	-2
NET DEFINED PENSION LIABILITY	150	162

The pension plan assets are booked at fair value. 100% of the company's pension plan assets at the year-end are invested in insurance contracts. Nexans Norway closed the last active pension plan 31.12.2016.

Nexans Norway AS has a defined contribution plan for pension at 31st of December 2021. All employees hired as from 1st of February 2004 are included in the defined contribution plan.

10. Taxes

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
DEFERRED TAX FROM TEMPORARY DIFFERENCES				
<i>Deferred tax over P&L</i>				
Long-term construction contracts	-3 842	-4 809	-3 842	-4 809
Tangible fixed assets	-260	-320	-260	-320
Tax loss carried forward	0	-155	0	-155
Pension obligations	82	81	82	81
Restatement and netting of closed curtailment effects	0	0	0	-
Other items	252	460	252	460
TOTAL TEMPORARY DIFFERENCES OVER P&L	-3 768	-4 742	-3 768	-4 742
<i>Deferred tax over OCI</i>				
Remeasurement postemployment benefits through OCI	68	81	68	81
Restatement and netting of closed curtailment effects	-	0	0	0
Unrealised gains and losses from derivatives	-131	-136	-131	-136
TOTAL TEMPORARY DIFFERENCES OVER OCI	-63	-55	-63	-55
BASIS FOR DEFERRED TAX ASSETS / LIABILITIES	-3 830	-4 797	-3 830	-4 797
DEFERRED TAX / DEFERRED TAX ASSET FROM TEMPORARY DIFFERENCES 22 %	-843	-1 055	-844	-1 056
Effect due to changes in tax rate over P&L	-	0	0	0
Effect due to change in tax rate over OCI	-	0	1	1
DEFERRED TAX LIABILITY IN THE BALANCE SHEET	-843	-1 055	-843	-1 056
Deferred tax related to items recognized through P&L	-829	-1 043	-829	-1 043
Deferred tax related to closed curtailment effects - netted	232	232	232	232
Deferred tax asset related to items recognized in OCI	-14	-12	-14	-13
Deferred tax asset related to closed curtailment effects - netted	-232	-232	-232	-232
DEFERRED TAX ASSET / TAX LIABILITY FROM TEMPORARY DIFFERENCES 22 %	-843	-1 055	-843	-1 056

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
RECONCILIATION OF TAX EXPENSE				
Income before tax	1 149	965	1 172	987
Permanent differences	-158	-103	-47	8
Income under tonnage tax system	-	-	-148	-133
Taxable financial gain / loss tonnage tax scheme	-	-	6	6
THEORETICAL TAX BASE FOR THE YEAR	991	861	984	867
Calculated tax – 22 % (23 %)	-218	-189	-220	-191
Prior year adjustments	0	0	0	0
Impact of foreign taxation	0	-15	-2	-15
Impact change in tax rate	0	0	0	0
TAX EXPENSE FOR THE YEAR 22 % (23 %)	-218	-204	-222	-205
RECONCILIATION OF EFFECTIVE TAX RATE				
22 % (23 %) of profit before tax	253	212	259	217
22 % (23 %) of permanent differences	-35	-23	-43	-28
Prior year adjustments	0	-	0	0
Foreign tax	0	15	2	15
Effect due to change of tax rate	0	0	0	0
TAX EXPENSE IN THE P&L	218	204	221	205
Effective tax rate	19,0 %	21,2 %	18,9 %	20,7 %
THE TAX COST COMPRISES OF:				
Taxes payable	439	0	438	-1
Foreign tax	0	-15	0	-15
Deferred tax related to closed curtailment effects - netted	0	0	0	0
Change in deferred tax balance this year	-214	-191	-214	0
Reclassification / prior year adjustment	-7	0	-4	0
TOTAL TAX COST	218	-204	222	-14

Net deferred tax liabilities as of 31.12.2021 were calculated with tax rate of 22%. The effect on tax expenses is specified in the table above in both the OCI and P&L. In 2021 the deferred tax in OCI and P&L from curtailment effects for the closed pension schemes were netted.

Nexans Skagerrak AS, a wholly owned subsidiary, entered the Norwegian tonnage tax system in 2009. On entry the company had to recognize a taxable gain. The gain must be recognized using declining balance method, by 20 % each year.

11. Equity

NEXANS NORWAY AS – Figures in NOK million	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
BALANCE AT 31. DECEMBER 2020	463	8	31	1 729	2 231
CHANGES DURING YEAR:					
Net profit for the year				931	931
Dividends paid				-782	-782
Effect of metal hedging in 2020			-52		-52
Effect of cash flow hedging in 2020			157		157
Remeasurement of post employment benefit obligation			10		10
Effect of hedging related to loan				-44	-44
BALANCE AT 31. DECEMBER 2021	463	8	146	1 834	2 451

NEXANS NORWAY AS – Figures in NOK million	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
BALANCE AT 31. DECEMBER 2019	463	8	-6	1 735	2 202
CHANGES DURING YEAR:					
Net profit for the year				760	760
Dividends paid				-766	-766
Effect of metal hedging			106		106
Effect of cash flow hedging in 2019			-50		-50
Remeasurement of post employment benefit obligation			-18		-18
IFRS 16 restatement				-2	-2
BALANCE AT 31. DECEMBER 2020	463	8	31	1 729	2 231

CONSOLIDATED – Figures in NOK million	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
BALANCE AT 31. DECEMBER 2020	463	8	32	1 847	2 349
CHANGES DURING YEAR:					
Net profit for the year				951	951
Dividends paid				-782	-782
Effect of metal hedging			-52		-52
Effect of cash flow hedging in 2019			155		155
Remeasurement of post employment benefit obligation			10		10
IFRS 16 restatement				-44	-44
BALANCE AT 31. DECEMBER 2021	463	8	145	1 972	2 587

CONSOLIDATED – Figures in NOK million	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
BALANCE AT 31. DECEMBER 2019	463	8	12	1 831	2 314
CHANGES DURING YEAR:					
Net profit for the year				782	782
Dividends paid				-766	-766
Effect of metal hedging			106		106
Effect of cash flow hedging in 2019			-69		-69
Remeasurement of post employment benefit obligation			-18		-18
IFRS 16 restatement				-2	-2
BALANCE AT 31. DECEMBER 2020	463	8	32	1 847	2 349

The company's share capital is NOK 462,6 million, consisting of 462 600 common shares with a nominal value of NOK 1000 each. The shares are 100 % owned by Nexans Participations SA in France.

COMPREHENSIVE INCOME

Pensions in the table below are items that will not be reclassified to profit and loss, whereas "Hedging" in the same table are Items that may be subsequently reclassified to profit and loss.

Figures in NOK million	Nexans Norway AS				Consolidated			
	Hedging	IFRS 15	Pensions	Total	Hedging	IFRS 15	Pensions	Total
At January 1, 2019	86	-45	-47	-6	107	-45	-47	14
Actuarial gains and losses			-23	-23			-23	-23
– Fair value gains in year								
– Tax on fair value gain	76			76	57			57
– Transfers to P&L or assets	-20		5	-15	-15			-15
– Tax on transfers to P&L or assets				0				0
AT 31. DECEMBER 2020	142	-45	-65	32	150	-45	-70	34
Actuarial gains and losses			13	13			13	13
Cash flow hedges								
– Fair value gains in year	104			104	102			102
– Tax on fair value gain	1		(3)	-2	-2			-2
AT 31. DECEMBER 2021	247	-45	-55	147	250	-45	-58	147

Nexans Norway AS is consolidated by Nexans SA in France. Office address: 4 allée de l'Arche, CS70088, 92070 Paris La Défense Cedex, France. The consolidated financial statement is available on: <http://www.nexans.com> or can be obtained by contacting the above address.

12. Remuneration to the board of directors, the chief executive officer (CEO) and the auditor or Nexans Norway AS

Remuneration to the CEO and the rest of the board of directors are included in the accounts with (figures in NOK):

	CEO
Salaries	3 233 975
Bonus related to previous years	1 852 727
Other remuneration	652 416
Pension cost	137 200

The CEO and the Board of Directors have not received any remuneration for their services on the board during 2021.

The Chairman of the Board of Directors is employed by another wholly-owned subsidiary of Nexans SA while the other member of the Board of Directors are employed by Nexans Norway AS.

Reported costs for audit fees amount to NOK 1 444 593 (1 647 298 for the group) in 2021. Fees for other attestation services amount to NOK 0. Fee for tax related services amount to NOK 0 and fee for other audit related services amount to NOK 5 596. All amounts are excluding VAT.

13. Operating revenues by geographical distribution and business area

Figures in NOK million	Nexans Norway AS			
	2021	%	2020	%
Norway	2 057	24 %	2 601	43 %
Remaining Scandinavia	331	4 %	308	5 %
Great Britain	2 112	25 %	2 013	16 %
Italy	50	1 %	28	1 %
Spain	52	1 %	441	5 %
France	585	7 %	222	2 %
Remaining Europe	1 417	17 %	201	11 %
East Asia	671	8 %	1 585	6 %
Middle East	86	1 %	30	2 %
North America	97	1 %	88	5 %
Rest of the World	1 011	12 %	157	5 %
TOTAL	8 468	100 %	7 674	100 %
Building and territories / Telecom	1 187	14 %	1 056	14 %
Submarine Telecom & special cables	701	8 %	640	8 %
Submarine and Land Systems	6 579	78 %	5 978	78 %
TOTAL	8 468	100 %	7 674	100 %

Figures in NOK million	Consolidated			
	2021	%	2020	%
Norway	2 057	24 %	2 601	43 %
Remaining Scandinavia	331	4 %	308	5 %
Great Britain	2 112	25 %	2 013	16 %
Italy	50	1 %	28	1 %
Spain	52	1 %	441	5 %
France	585	7 %	222	2 %
Remaining Europe	1 417	17 %	201	11 %
East Asia	671	8 %	1 585	6 %
Middle East	86	1 %	30	2 %
North America	97	1 %	88	5 %
Rest of the World	1 011	12 %	157	5 %
TOTAL	8 468	100 %	7 674	100 %
Building and territories / Telecom	1 187	14 %	1 056	14 %
Submarine Telecom & special cables	701	8 %	640	8 %
Submarine and Land Systems	6 579	78 %	5 978	78 %
TOTAL	8 468	100 %	7 674	100 %

Operating revenues are allocated based on where the customer is located.

14. Other liabilities

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
OTHER SHORT TERM LIABILITIES				
Other short-term liabilities	469	282	483	296
Short-term warranties	49	54	49	54
Salary related accruals	316	321	316	321
Other project related accruals	11	4	11	4
Restructuring reserve	2	57	2	57
Lease liability current (1)	53	54	53	54
Interest bank loan	5	5	5	5
Bank loan (2)	86	0	86	0
TOTAL OTHER SHORT-TERM LIABILITIES	991	776	919	790

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
OTHER LONG-TERM LIABILITIES				
Lease liability non current (1)	318	229	318	229
Bank loan (2)	898	771	898	771
Capitalized upfront fee related to bank loan (2)	0	-16	0	-16
TOTAL OTHER LONG-TERM LIABILITIES	1 216	984	1 216	984

1) These debts are as a result of the application of IFRS 16 from 1, January 2019 see note 1 under leasing.

2) The amount recognized as bank loan is related to borrowing associated with financing the construction of a cable laying vessel in one of Nexans Norway AS subsidiaries Nexans Subsea AS.

15. Long-term contracts and warranty provisions

Figures in NOK million	Nexans Norway AS			
SALES FOR 2021 ARE AS FOLLOWS	Building & Territories	Subsea and Land Systems	Submarine Telecom & Special Cables	Total
Sales (in millions of NOK)				
Performance obligations satisfied at a point in time	1 188			1 188
Performance obligations satisfied over time	-	6 579	701	7 280
NET SALES	1 188	6 579	701	8 468
Performance obligations satisfied at a point in time	1 188			1 188

Figures in NOK million	2021		2020	
	Sales of goods	Goods and services contracts	Sales of goods	Goods and services contracts
Contract assets	-	195		432
Contract liabilities		2 560		2 734

The NOK 63 million increase in contract liabilities, net of contract asset, reflects:

- Billing of items included in the opening balance (negative impact of appr NOK 223 million)
- Reduction in timing differences between the satisfaction of the performance obligation and Nexans Norway AS obtaining enforceable rights to payment (negative impact of appr. NOK 1 179 million), partly offset by
 - i) A net increase in advance received, (positive impact of appr. NOK 15 million), and
 - ii) Revenue recognized by the percentage of completion method on projects in progress at the beginning of the year (positive impact of NOK 1 338 million)

GOODS AND SERVICES CONTRACTS

Contract assets correspond mainly to revenue recognized in respect of services rendered but not yet invoiced at the period-end.

Amounts recorded in "Contract assets" are transferred to "Trade receivables" when the Nexans Norway AS obtains an enforceable right to payment.

UNSATISFIED PERFORMANCE OBLIGATIONS

Sales of goods

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

Goods and services contracts

Goods and services contracts mainly concerns the Nexans Norway AS high-voltage cable and umbilical cable activities and submarine telecom. 80 % of the amount of unsatisfied performance obligations for these activities should be satisfied over the next two years.

Guarantee provision as at 31st December 2021 is NOK 63 million of this the non current portion is NOK 14 million.

16. Related parties (Nexans)

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
Sales to Nexans companies	213	326	213	326
Purchase from Nexans companies	1 586	1 244	1 255	953
Accounts receivables from Nexans companies	38	145	38	143
Loans to Nexans companies	3 582	3 086	3 582	3 176
Acquired sales- still not invoiced	0	0	0	0
Other short term liabilities to Nexans companies	43	97	5	103
Accounts payables to Nexans companies	183	97	183	62
Interest income from Nexans companies	8	9	7	9
Interest expense from Nexans companies	0	2	0	2

Nexans Norway AS cooperates with the Nexans Group in research and development and the company pays an R&D charge to a common financing pool. Nexans Norway does also receive financing from that pool for its own R&D work. Nexans Norway AS pays charges to Nexans for administrative services and for cooperation regarding exports.

17. Research and development

The company has spent NOK 145 million on R&D in 2021 (NOK 114 million in 2020).

18. Government grants

The company has received NOK 5,3 million in 2021 out of NOK 9,8 approved (NOK 9,2 million in 2020) in subsidies from Norges Forskningsråd and also received NOK 1,0 million from EU SLAM-DAST Project. The approved amounts and reduction from Norges Forskningsråd and EU SALM_DAST project as been recognized in the income statement for 2021.

Amounts received are reported as a reduction of other operating expenses.

19. Other operating costs

Figures in NOK million	Nexans Norway AS		Consolidated	
	2021	2020	2021	2020
Rental expenses	20	36	20	36
Travel expenses	50	43	50	43
Consultants and other services	200	260	200	260
Repair and maintenance	73	49	73	49
Tools and supplies	80	79	80	79
Sales and marketing cost	15	28	15	28
Restructuring cost	22	64	22	64
Other costs	-169	339	-46	483
OTHER OPERATING COSTS	290	898	412	1 040

20. Investment in subsidiaries

	Aquired	Office	Ownership	Voting rights	Equity 2021	Net profit 2021
Nexans Skagerrak AS	01.12.2008	Oslo	100%	100%	204	112
Nexans Saudi Contracting	01.02.2010	Oslo	90%	90%	1	0
Nexans Subsea Operations	09.08.2017	Oslo	100%	100%	1679	33

21. Claims and contingencies

There are no significant claims or contingencies per December 2021.

22. Subsequent events

No significant subsequent events that impacts the financial position of the balance sheet date has incurred.

Oslo, 26 April 2022

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Vincent Guy Roger Dessale

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Vincent Guy Roger Dessale
Chairman

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Ragnhild Katteland

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Ragnhild Apeland Katteland
Board member/ Chief Executive
Officer

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Vegar Syrveit Larsen

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Anders Krister Granlie

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Hans Petter Anker Bærem

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Hans Petter Anker Bærem

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Stian Volden

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Stian Volden

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Hanne Andresen

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Hanne Andresen



To the General Meeting of Nexans Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Nexans Norway AS, which comprise:

- The financial statements of the parent company Nexans Norway AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Nexans Norway AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>



Oslø, 26 April 2022
PricewaterhouseCoopers AS

A handwritten signature in blue ink, appearing to read 'Sjur Holseter', is written over the company name.

Sjur Holseter
State Authorised Public Accountant







ABOUT NEXANS AND NEXANS NORWAY

Nexans Norway AS is a leading supplier of power, telecommunications, installations and heating cables in Norway, and is among the world's leading manufacturers of offshore control cables and high-voltage submarine cables. The company's head office is in Oslo, and it has manufacturing plants at Rognan, Langhus and Halden. The company has nearly 1,600 employees and is a part of the Nexans Group which has an industrial presence in 40 countries and commercial activities worldwide. Nexans employs close to 26,000 people and is listed on the Paris stock exchange.

More information on www.nexans.no