2022 ANNUAL REPORT
NEXANS NORWAY AS

Nexans
ELECTRIFY THE FUTURE

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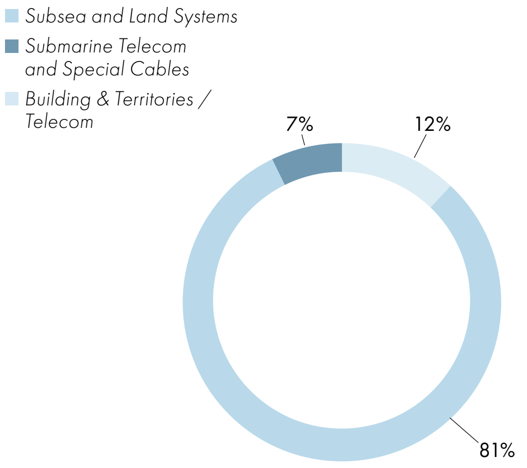

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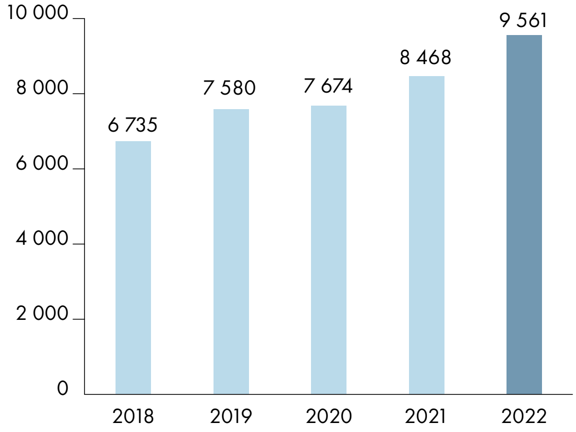

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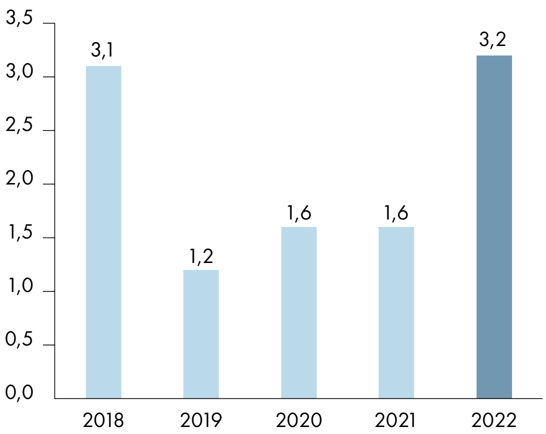

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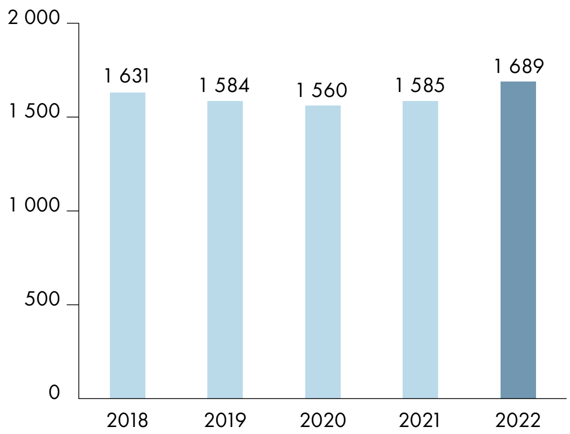

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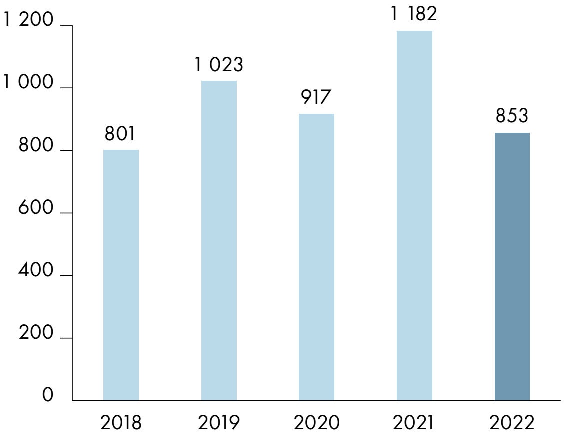
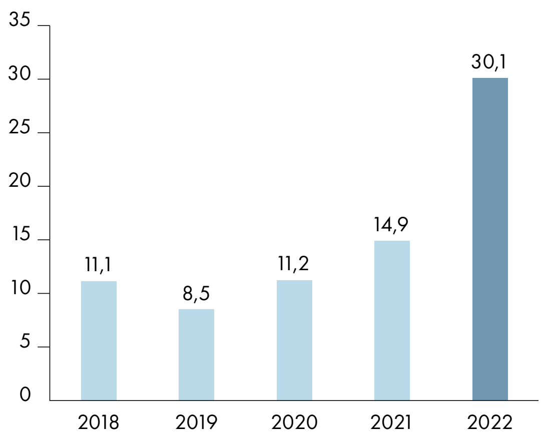


ORDER BACKLOG

NOK BILLION



Directors' report 2022

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 17,7% in 2022. The volume increase comes from execution of backlog being secured in previous years through increased production and installation capacity. The increased production capacity is secured from Nexans High Voltage, a Nexans Group company situated in South Carolina in USA while the increased installation capacity stems from our own CLV Nexans Aurora (in operation from the second half of 2021). Offshore windfarm markets are growing worldwide with Europe and the US still ahead as main markets. Governments are increasingly considering offshore wind as a major part of their electricity mix, encouraged also by a combination of power needs and cost declines and Nexans Norway remains confident within this segment. The demand for interconnectors is increasing and the submarine transmission of electricity is gaining importance on account of the increasing focus on power trading between countries. The Subsea and Land Systems (SLS) business group in Nexans Norway decided to exit the umbilicals market late 2021. Projects are still ongoing in 2022 and 2023, as we have still not fully delivered all projects in the order backlog.

The Building & Territories / Telecom division operating out of Langhus plant saw growth in the electrical infrastructure market while the building and telecom markets were negative, and especially the residential building market had a negative evolution affecting the heating cable sales. 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 and industry sales saw a decline from last year, partly affected by lack of capacity in supplying plants. We do however see future increased demand for cables to industry electrification. Delivery service (On Time In Full) to customers improved as well as the quality of the stock. The division reported negative revenue growth of 7% from 2021. Margins through sales of differentiated products and services saw an increase.

Overall, the submarine telecom market remained very active in 2022, with several developments. However, several larger developments in the repeatered segment occupied a large portion of the marine installation capacity pushing unrepeatered projects out in time. This impacted the submarine telecom activity in the second half of the year. We expect this situation to re-balance during 2024. The underlying drivers of the submarine telecom market are still considered solid. The special cable segment, to a large extent driven by the oil & gas market, peaked in 2022, driven both by external projects and internal deliveries to our Halden activity. Norwegian tax incentives support the North Sea activity level along with emerging initiatives to decarbonize the offshore industry. Nexans Norway is benefitting from a robust activity level in the ROV market and has robust backlog entering 2023. The Submarine Telecom and Special Cable division reported stable revenue compared to 2021.

MAIN EVENTS

In January we signed off the first delivery of our framework agreement to supply Ørsted and Eversource with up to 1.000 km of high voltage subsea cables in the U.S. When commissioned, the South Fork Wind Farm will produce enough clean energy to power 70.000 homes. The HVAC cable will be manufactured in the Nexans subsea high voltage cable plant in Charleston, South Carolina, the only facility in the U.S. capable of manufacturing high voltage subsea cables.

In March Nexans was awarded our first cable installation project in the U.S. as part of the frame agreement with Ørsted-Eversource. Our state-of-the-art cable-laying vessel, Nexans Aurora will install the export cables for the Revolution Wind Farm outside Connecticut and Rhode Island. Construction of the wind farm will start in 2023 and it is expected to be fully operational in 2025.

In March, RTE (Réseau de Transport d'Electricité), awarded Nexans with a contract to supply and install 47 km of offshore and 18 km of onshore power export cable for one of the largest commercial offshore wind projects in France, Dieppe-Le Tréport. As part of the contract, Nexans will also provide IMR (Inspection, Maintenance and Repair) services for the project.

In the beginning of July Nexans was selected by TenneT to support Germany's energy transition by electrifying the offshore wind farm BorWin 6 with manufacturing and installation of 235 km of 320kV

XLPE subsea and land cables. This is a record length of its kind and the subsea part will be manufactured in Nexans' factory in Halden, while the land part will be manufactured in the Nexans factory in Charleroi, Belgium.

EuroAsia Interconnector Ltd, the Project Developer of the European electricity interconnection project linking the national grids of Israel, Cyprus and Greece (Crete) announced in July 2022 that Nexans had been selected as the preferred bidder for the award of the supply and installation of the HVDC 500kV HVDC Mass Impregnated (MI) Cables for the 1.000 MW Cyprus – Greece (Crete) Link. The EuroAsia Interconnector is a leading project of common interest (PCI) of the European Union. The EuroAsia Interconnector will be the energy bridge between Asia and Europe, with a total length of 1.208 km. When completed, the EuroAsia Interconnector between Greece and Cyprus will be the longest and the deepest HVDC subsea cable project ever, with bi-pole cables of 2 x 900 km and a water depth of 3.000 meters.

In September we were delighted also to be awarded the manufacturing of the export cables to Ørsted-Eversource' Revolution Wind Farm to which we were awarded the installation contract in March.

In October, Equinor / bp joint venture confirmed the Preferred Supplier Agreement for Empire Wind 1 signed in 2021 by awarding Nexans the final order for export cables and installation for the wind farm. The cables will be manufactured at Nexans Group's facilities in Charleston, South Carolina, U.S. and Halden, Norway and will also be installed by Nexans.

A game changing step will be made by Nexans when connecting the French and Irish grids with the Celtic Interconnector. Nexans was awarded the contract for the Celtic Interconnector in November. The project is developed jointly by the Irish and French Transmission System Operators (EirGrid and RTE – Réseau de Transport d'Electricité). This 700 MW capacity project is the world longest XLPE interconnector to be built and the first subsea link for direct electricity exchange between France and Ireland. The project is also a European Project of Common Interest. The interconnection between France and Ireland will use HVDC 320 kV technology. It includes a 500 km subsea cable route, 40 km underground route in France (Brittany) and 35 km underground route in Ireland (Cork County). The 400 kV HVAC 10 km connection to the Irish grid is also part of the project awarded to Nexans. The 1.000 km of subsea cables will be manufactured in Halden, Norway and the 180 km underground cables will be manufactured in Charleroi, Belgium. Accessories will be manufactured in Cortaillod, Switzerland. Nexans has also been awarded the installation of the cables.

ORDER BACKLOG

The order intake increased significantly in 2022 and ended at NOK 24.950 million at year-end (NOK 12.092 million in 2021). The most significant contracts signed in 2022 were BorWin6, Empire Wind 1 and Celtic.

Nexans Norway's order backlog at year-end 2022 amounts to NOK 30.105 million (NOK 14.855 million in 2021).

RESEARCH AND DEVELOPMENT

The market for subsea energy transmission is evolving with two distinct trends, higher transmission capacities and deeper water depths. To maintain the leading technology position of Nexans Norway two significant developments milestones were achieved during 2022. Firstly, a high voltage direct current (HVDC) cable system with XLPE insulation system was qualified at a voltage level of 525kV with a transmission capacity of more than 2GW. Secondly, a HVDC cable with mass-impregnated insulation was qualified for installation at a water depth of 3000 meters. Additionally, a deep sea mining umbilical was qualified for 5000 meters water depth and successfully field tested off the coast of Mexico.

PEOPLE AND ORGANIZATION

Total number of employees in Nexans Norway was 1.689 at year-end 2022. This is an increase of 104 persons compared to the previous year. The expansion project in the plant in Halden and the expected growth in projects 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 2022 consists of 84% men and 16% women. 23% of employees in graded positions are women and 17% 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 5.0% in 2022 compared to 5,3% in 2021.

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. 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".

During the year 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 our plant in Langhus in Nexans Norway and another pilot for "Winningtemp" is planned in Halden. 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.

The employee survey "Nexans Living Voices" was held during the autumn 2022 and we got useful input on the work environment across the whole company on topics as Employee Engagement, leadership, inclusion, collaboration, growth & development, performance & accountability etc. The results from the survey has been shared with all employees and action plans to follow up the results have been established for all our sites in Nexans Norway.

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. This is highlighted in our QHSE Policy. Nexans Norway AS has a working environment committee as described in the Norwegian Working Environment Act. The committee plays an important role in monitoring and improving the working environment and in ensuring that the company complies with laws and regulations in this area. Managers, employees and subcontractors receive regular HSE training to ensure satisfactory levels of HSE competence in the company.

Nexans Norway experienced 6 injuries with absenteeism in 2022 which is an increase from 2021. This gives an Lost Time Injury Frequency of 3,2 in 2022. Total Recordable Injury Frequency was 4,4 in 2021, which is lower than in 2021. We see that the period of COVID may have had an negative impact on our safety culture and following improvement programs are put in place.

We are continuously working to reduce our environmental impact. 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 actively work with the implementation and follow-up of the REACh Directive and the internal environmental certification "Environmental Highly Protected" - EHP. All Nexans Norway plants are EHP certified. Scope 1 and 2 greenhouse gas emissions ,according to the GHG Protocol, are monitored and followed up at all production sites on a monthly basis. 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 with energy recovery etc.

Circular economy is one of the priorities focusing on reduction and recycling of production waste and to generate revenue from products and services that contribute to the energy transition and energy efficiency. Nexans ambition of 100% recycling of production waste is shared with Nexans waste contractor and cooperation on this common target is ongoing. 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").

All the Nexans Norway AS activities are certified according to ISO 9001, ISO 14001 and ISO 45001. The Langhus plant achieved ISO 50001 certification for Energy Management in 2022. The 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. During 2022 the Nexans Norway AS Subsea Cable activities achieved Certificate of Conformity related to the Voluntary Certification for Risk Management System for Subsea Power Cable according to ISO 31000 and DNV RP N101.

STAKEHOLDER ENGAGEMENT AND SOCIAL RESPONSIBILITY

Nexans Norway's stakeholders are the many individuals and organizations who are affected in some way by Nexans Norway's activities – whether it is in our role as an provider of products to the energy transition market, an employer or as a contributor to local value creation. Nexans keep an open dialogue with their stakeholders. This has been and is essential when planning and execution of the Halden Expansion Project.

As part of Nexans Group, Nexans Norway AS supports international efforts, standards, declarations and collaborations aimed at creating fair, proper and healthy business environments.

Nexans Norway AS requires our suppliers and their subcontractors to respect human rights and requirements for decent working conditions through the declaration of the Nexans Supplier CSR Charter.

In July 2022, the Norwegian Transparency Act entered into force. The Act requires companies of a certain size to carry out due diligence assessments of both its own operations, and it's value chain. The due diligence assessments should assess the risk of human rights breaches that the company influences or is influenced by in any way. Public account of due diligence assessment according to the Norwegian Transparency Act can be found on www.nexans.no

FINANCIAL RESULTS 2022

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 group totalled NOK 9.582 million in 2022 (NOK 9.561 million in Nexans Norway AS) compared to NOK 8.468 million in 2021 (NOK 8.468 million in Nexans Norway AS), an increase of 13,2%. There was a high relative increase in revenues Subsea and Land Systems (SLS) and Submarine Telecom and Special Cables (STSC), while there was a negative volume growth in Building and Territories / Telecom (B&T/T). The main driver for the revenue increase stem from an 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 2022 (started during 2021).

Operating profit amounted to NOK 853 million in the Nexans Norway group (NOK 689 million in Nexans Norway AS) in 2022, compared to NOK 1.182 million (NOK 1.031 million in Nexans Norway AS) in 2021.

Profit before taxes amounted to NOK 996 million (NOK 973 million in Nexans Norway AS) in 2022 compared to NOK 1.172 million (NOK 1.149 million in Nexans Norway AS) in 2021.

Cash and bank deposits amounted to NOK 105 million at the end of 2022, a decrease from last year of NOK 2 million. Current assets increased from NOK 6.302 million (NOK 6.134 million in Nexans Norway AS) at year-end 2021 to NOK 6.659 million (NOK 6.341 million in Nexans Norway AS) at year-end 2022. The net increase of NOK 358 million was a result of an increase in contract assets, partly being offset by a reduction in short-term interest bearing loans towards Nexans Central Treasury subsidiaries. Interest-bearing loans are reduced to invest in increased production capacity.

The Nexans Norway group has long-term interest-bearing debt amounting to NOK 0 million per year-end 2022, a decrease from NOK 898 in 2021. The Nexans Norway group's current liabilities increased from NOK 5.210 million (NOK 5.223 million in Nexans Norway AS) in 2021 to NOK 8.510 million (NOK 8.480 million in Nexans Norway AS) at year-end 2022. The increase in current liabilities stem mainly from increase in contract liabilities and short term interest-bearing debt.

The Nexans Norway group's equity ratio ended at 17,2% (17,5% in Nexans Norway AS), a reduction from 25.7% (24.6% in Nexans Norway AS) in 2021. The reduced equity ratio is a result of dividend payments in 2022 and increased total capital from investments on top of increased contract liabilities towards customers. The working capital is reduced in 2022, mainly due to the increase in contract liabilities.

Cash from operations amounted to NOK 2.136 million (NOK 1.980 million in Nexans Norway AS) in 2022 compared to NOK 1.976 million (NOK 1.915 million in Nexans Norway AS) in 2021. The increase in cash from operations is mainly due to the increase in contract liabilities, partly being offset by an increase in contract assets. The cash-flows from operating activities were used to finance capital expenditures in fixed assets of NOK 1.770 million, primarily to secure and increase production capacity. Net deposits with the Nexans Central Treasury subsidiaries were reduced by NOK 780 million to NOK 2.957 million in 2022. Net cash flow in 2022 was NOK -3 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 2022 are still valid.

Specific and continuous assessments are made of contractual counterparties within the Subsea and Land Systems Business Group, 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.

Insurance has been established for the members of the board and the general manager for their possible liability towards the company and third parties. The insurance covers legal financial claims against the board and management, based on their past, present and future actions and omissions.

Nexans Norway established long-term debt in 2019 to finance the construction of a new cable laying vessel that was delivered in 2021. This loan will be repaid on a straight line basis over the next twelve years. The loan includes financial covenants set out in the Nexans Group's amended syndicated credit facility and the following covenants specific to the Nexans Norway Group: An equity to asset ratio, a net debt to equity ratio, and a certain level of cash and cash equivalents. 31st December 2022, following the collection of significant prepayments from customers that impacted the balance sheet at year-end, the equity to asset ratio was below the contractual threshold. As a consequence, the loan is fully presented in short-term debt. In January 2023, a capital increase was made and an amendment to the loan agreement was signed in February 2023, retroactive for 2022, enabling Nexans Norway to remediate the breach of the ratio. The covenant ratios per 30th June 2022 were well within the covenant limits applicable to the financing for the cable laying vessel. The company is, together with its owners, continually assessing the need for further capital increases and plans to conclude an additional capital increase of up to NOK 1,2 billion in 2023 that has been committed by its owner.

Subsequent to the balance sheet date, the company experienced a significant increase in project costs in one of its projects due to unforeseen circumstances. The increase in project costs is deemed to relate to events and circumstances that occurred subsequent to the 31st December 2022 balance sheet date, and the 2022 financial statements have therefore not been adjusted to reflect the impact of those matters.

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 807 million (NOK 791 million in Nexans Norway AS). Total comprehensive income after tax in 2022 amounted to NOK 436 million (NOK 420 million in Nexans Norway AS), ref Statement of Comprehensive Income.

The equity in the parent company amounts to NOK 1.919 million and consists of share capital (NOK 463 million), other paid-in capital (NOK 8 million) and other equity (NOK 1.449 million).

The Board of Directors proposes that NOK 0 million of the net result of Nexans Norway AS, NOK 791 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 0 million

Other equity NOK 791 million

Oslo, 13. June 2023

DocuSigned by:
Vincent Guy Roger Dessale
Vincent Guy Roger Dessale
Chairman

DocuSigned by:
Ragnhild Katteland
Ragnhild Apeland Katteland
Board member / Chief Executive Officer

DocuSigned by:
Bjørn Sanden
Bjørn Sanden

DocuSigned by:
A. Krister Granlie
Anders Krister Granlie

DocuSigned by:
Hans Petter Anker Bærum
Hans Petter Anker Bærum

DocuSigned by:
Stian Volden
Stian Volden

DocuSigned by:
Hanne Thorshaug Andresen
Hanne Thorshaug Andresen

Income statement 1.1–31.12

Figures in NOK million	Note	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
OPERATING REVENUES	**2,3,4**	**9 561**	**8 468**	**9 582**	**8 468**
Raw materials and consumables	5	-5 611	-5 178	-5 189	-4 847
Payroll and related costs	6,7,8	-1 907	-1 705	-1 907	-1 705
Depreciation of fixed assets	9	-258	-264	-349	-322
Other operating costs	8,10,11,12	-1 096	-290	-1 284	-412
OPERATING COSTS		**-8 872**	**-7 437**	**-8 729**	**-7 286**
OPERATING PROFIT		**689**	**1 031**	**853**	**1 182**
Interest income from associated companies	3,13	22	8	24	8
Interest expense to associated companies	3,13	-5	-	-5	-
Other financial income	13	319	171	176	51
Other financial expenses	13	-51	-60	-53	-69
NET FINANCIAL INCOME (LOSS)		**284**	**118**	**142**	**-10**
PROFIT BEFORE TAX		**973**	**1 149**	**996**	**1 172**
Taxes	14	-182	-218	-189	-221
NET PROFIT FOR THE YEAR	**15**	**791**	**931**	**807**	**951**

Statement of comprehensive income

Figures in NOK million	Note	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
PROFIT FOR THE YEAR		**791**	**931**	**807**	**951**
OTHER COMPREHENSIVE INCOME					
Remeasurement post-employment benefits	7,15	32	13	**32**	**13**
Cash flow hedges	15	-483	104	**-483**	**102**
OTHER COMPREHENSIVE INCOME (LOSS) BEFORE TAX		**-451**	**116**	**-451**	**114**
Tax expense on other comprehensive income	14	80	-2	**80**	**-2**
OTHER COMPREHENSIVE INCOME (LOSS) AFTER TAX	**15**	**-371**	**115**	**-371**	**113**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**420**	**1 046**	**436**	**1 064**
ATTRIBUTABLE TO (FROM) OWNERS OF THE PARENT		**420**	**1 046**	**436**	**1 064**

Balance sheet at 31.12

Figures in NOK million		Nexans Norway AS		Consolidated	
ASSETS	**Note**	**2022**	**2021**	**2022**	**2021**
Tangible asset	9	3 157	1 568	4 768	3 271
Right of use asset	9	324	361	324	361
Intangible asset	9	28	46	28	46
Shares in subsidiaries	16	1 749	1 749	-	-
Derivatives	13,17	259	101	259	101
FINANCIAL ASSETS – NON CURRENT		**2 008**	**1 849**	**259**	**101**
TOTAL NON-CURRENT ASSETS		**5 517**	**3 824**	**5 380**	**3 778**
INVENTORIES	**5**	**535**	**421**	**535**	**421**
Accounts receivable and other receivables	4,17,18	3 711	5 106	4 029	5 274
Contract Assets	3	1 675	195	1 675	195
TOTAL RECEIVABLES		**5 385**	**5 301**	**5 704**	**5 469**
Derivatives, current	13,17	316	305	316	305
Cash and cash equivalents	17,19	104	107	105	107
TOTAL CURRENT ASSETS		**6 341**	**6 134**	**6 659**	**6 302**
TOTAL ASSETS		**11 858**	**9 957**	**12 039**	**10 080**

Figures in NOK million		Nexans Norway AS		Consolidated	
EQUITY AND LIABILITIES	**Note**	**2022**	**2021**	**2022**	**2021**
Paid-in capital:					
Share capital	15	463	463	463	463
Other paid-in capital	15	8	8	8	8
Retained earnings:					
Other equity	15	1 449	1 980	1 601	2 116
SHAREHOLDER'S EQUITY		**1 919**	**2 451**	**2 071**	**2 587**
Warranty provision for long-term contracts	3	12	14	12	14
Deferred taxes	14	795	843	795	843
Derivatives, non current	13,17	256	60	256	60
Other long-term liabilities	20	277	1 216	277	1 216
Pension obligations	7	119	150	119	150
TOTAL NON-CURRENT LIABILITIES		**1 458**	**2 284**	**1 458**	**2 284**
Accounts payable	4,17	659	793	681	764
Contract liabilities	3,4	4 604	2 560	4 604	2 560
Income tax payable	14	152	439	156	441
Public duties payable	17	140	128	140	128
Derivatives, current	13,17	406	174	406	174
Other short-term liabilities related parties	4,17	446	139	446	139
Other short-term liabilities	12,17,20	2 074	991	2 078	1 005
TOTAL CURRENT LIABILITIES		**8 480**	**5 223**	**8 510**	**5 210**
TOTAL EQUITY AND LIABILITIES		**11 858**	**9 957**	**12 039**	**10 080**

Statement of cash flow

		Nexans Norway AS		Consolidated	
Figures in NOK million	Note	2022	2021	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax		973	1 149	996	1 172
Depreciation of fixed assets	9	258	205	349	263
Taxes paid	14	-441	7	-442	6
Remeasurement postemployment benefits	7,14,15	-7	-13	-7	-13
Net change in inventories	5	-114	1	-114	1
Net change in receivables	4,17,18	465	-368	465	-368
Net change in accounts payable	4,17	-134	466	-134	412
Net change in contract liability	3	2 044	-174	2 044	-174
Net change in contract asset	3	-1 480	275	-1 480	275
Net change in derivatives	13,17	-137	103	-137	103
Foreign exchange gains / losses on operating activities	13,17	-154	46	-154	44
Foreign exchange gains / losses on operating activities	3,17,20	709	219	752	257
NET CASH FLOW FROM OPERATING ACTIVITIES		**1 980**	**1 915**	**2 136**	**1 976**
CASH FLOW FROM INVESTING ACTIVITIES					
Capital expenditures	9	-1 770	-332	-1 770	-718
Changes in other investments	16	-	-390	-	-
Net change in other investments (incl. adv. payments to brokers)		-	-	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES		**-1 770**	**-721**	**-1 770**	**-718**
CASH FLOW FROM FINANCING ACTIVITIES					
Net change in loan to group companies	4	930	-496	771	-561
Proceed from long-term debt	3	-	192	-	192
Payment on long and short-term borrowing	20	-167	-71	-167	-71
Dividends paid	15	-951	-782	-951	-782
Interest paid	13	-47	-38	-47	-38
Interest received	13	22	8	24	8
NET CASH FLOW FROM FINANCING ACTIVITIES		**-214**	**-1 189**	**-369**	**-1 253**
Effects of exchange rate changes on cash and cash equivalents		1	1	1	1
NET CHANGE IN CASH AND CASH EQUIVALENTS		**-3**	**5**	**-3**	**5**
Cash and cash equivalents at 01.01.		107	102	107	102
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**104**	**107**	**104**	**107**

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. 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.

If a performance obligation is satisfied over time, revenue is recognised based on the progress towards complete satisfaction of performance obligation. Measurement of progress is based on the input.

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 other operating costs when the company has a present legal or constructive obligation as a result of past events related to the construction contracts. In addition when 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 estimated future contractual penalties in the project margin, these contractual penalties are recognised as a reduction of sales.

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

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 "Hedging and derivatives" 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

Foreign currency items are evaluated at the exchange rate at the end of the year. The presentation currency is Norwegian Kroner (NOK), which is also the Company's functional currency. 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
5. 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, aluminium 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 hedge accounting. At the termination of the derivative, realised gain or loss is included as a part of the hedged object's acquisition cost.

The gain and losses in relation to financial instruments is presented as other financial income and other financial expenses. The breakdown is disclosed in note 13 related to financial income and costs.

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 in compliance 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 begins when assets are ready or available 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 an 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 takes 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 to 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 7

Long-term contracts and warranty provisions, note 3

2. Operating revenues by geographical distribution and business area

	Nexans Norway AS			
Figures in NOK million	2022	%	2021	%
Norway	2 224	23%	2 057	24%
Remaining Scandinavia	874	9%	331	4%
Great Britain	1 969	21%	2 112	25%
Italy	257	3%	50	1%
Spain	9	0%	52	1%
France	1 040	11%	585	7%
Greece	1 328	14%	-	0%
Remaining Europe	285	3%	1 417	17%
East Asia	366	4%	671	8%
Middle East	754	8%	86	1%
North America	166	2%	97	1%
Rest of the World	288	3%	1 011	12%
TOTAL	**9 561**	**100%**	**8 468**	**100%**
Building and territories / Telecom	1 128	12%	1 187	14%
Submarine Telecom & special cables	708	7%	701	8%
Subsea and Land Systems	7 725	81%	6 579	78%
TOTAL	**9 561**	**100%**	**8 468**	**100%**

	Consolidated			
Figures in NOK million	2022	%	2021	%
Norway	2 224	23%	2 057	24%
Remaining Scandinavia	874	9%	331	4%
Great Britain	1 969	21%	2 112	25%
Italy	257	3%	50	1%
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Remaining Europe	285	3%	1 417	17%
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Subsea and Land Systems	7 725	81%	6 579	78%
TOTAL	**9 561**	**100%**	**8 468**	**100%**

Operating revenues are allocated based on where the customers are located.

3. Revenue from contracts with customers

Figures in NOK million	Nexans Norway AS			
SALES FOR 2022 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	1 128	-	-	1 128
Performance obligations satisfied over time	-	7 725	708	8 433
NET SALES	**1 128**	**7 725**	**708**	**9 561**
Performance obligations satisfied at a point in time	1 128	-	-	1 128

Figures in NOK million	2022		2021	
	Sales of goods	**Goods and services contracts**	**Sales of goods**	**Goods and services contracts**
Contract assets	-	1 690	-	195
Contract liabilities	-	4 487	-	2 560

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 2022 is NOK 75 million of this the non current portion is NOK12 million.

4. Related parties (Nexans)

Figures in NOK million	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
Sales to Nexans companies	246	213	226	213
Purchase from Nexans companies	2 215	1 586	1 790	1 255
Accounts receivables from Nexans companies	76	38	76	38
Loans to Nexans companies	2 652	3 582	2 652	3 582
Acquired sales- still not invoiced	-	-	-	-
Other short term liabilities to Nexans companies	18	43	18	5
Accounts payables to Nexans companies	502	183	502	183
Interest income from Nexans Companies	22	8	22	7
Interest expense to Nexans companies	5	-	5	-

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.

Nexans Norway is a subcontractor for Nexans Deutschland for Dolwin6 project with an estimated sales value of 470 MNOK.

5. Inventories

Figures in NOK million	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
Raw materials	207	204	207	204
Work in progress	140	96	140	96
Finished goods	189	121	189	121
INVENTORIES	**535**	**421**	**535**	**421**
Obsolescence is included with	-30	-31	-30	-31

6. Specification of payroll and related costs

Figures in NOK million	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
Wages and salaries	1 549	1 381	1 549	1 381
Social security tax	205	189	205	189
Pension costs	119	109	119	109
Other benefits	34	27	34	27
PAYROLL COSTS	**1 907**	**1 705**	**1 907**	**1 705**
NUMBER OF EMPLOYEES	1 689	1 585	1 689	1 585

7. 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

	2022	2021
Discount rate	3,60%	2,05%
Expected return on pension plan assets	n/a	n/a
Rate of salary increases	n/a	n/a
Rate of price inflation	0%	0%
Rate of pension increase	0%	0%
Post-retirement mortality table	K2013	K2013

PENSION COST FOR THE YEAR

Figures in NOK million	2022	2021
Current service cost	-	-
Past Service Cost - Curtailments	-	-
Interest cost	3	3
Interest income	-	-
NET PENSION COSTS	**3**	**3**
Actuarial (gains) / losses immediately recognized	-32	-13
TOTAL PENSION COST RECOGNIZED IN THE OCI	**-32**	**-13**
Cumulative amount of actuarial (gains) / losses recognized	342	374

Pension costs for the year

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	2022	2021
Defined benefit obligation at end of prior year	154	166
Current service cost	-	-
(Gain) / loss on settlements	-	-
Interest expense	3	3
Benefit payments from plan	-	-
Benefit payments from employer	-	-
Disbursements from Plan Assets	-	-
Disbursements Directly Paid by the Employer	-2	-2
Past Service Cost – Curtailments	-	-
Effect of changes in demographic assumptions	-	-
Effect of changes in financial assumptions	-30	-13
Effect of experience adjustments	-2	-
Settlements	-	-
DEFINED BENEFIT OBLIGATION AT END OF YEAR	**122**	**154**

CHANGE IN FAIR VALUE OF PLAN ASSETS

Figures in NOK million	2022	2021
Fair value of plan assets at end of prior year	3	4
Interest income	-	-
Employer contributions	-	-
Benefit payments from plan	-	-
Settlements payments from plan	-	-
Taxes paid from plan assets	-	-
Return on Plan Assets Greater / (Less) than Discount Rate	-	-
Settlements	-	-
	3	**4**

Cost for the defined benefit plan in 2022 was NOK 3 million exclusive tax (NOK 3 million in 2021. Related payroll tax is booked as cost in the same period as the defined benefit plan costs. Costs for the AFP-program was NOK 23,5 million in 2022 (21,2 million in 2021). Payroll tax for the AFP Program was NOK 3,1 million in 2022 (NOK 2,8 million in 2021). Expected contributions to the plan in 2023 is NOK 24 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	2022	2021
Net defined benefit liability (asset) opening balance	150	162
Defined benefit cost included in P&L	3	3
Total remeasurements included in OCI	-32	-13
Employer contributions	-	-
Employer direct benefit payments	-2	-2
NET DEFINED PENSION LIABILITY	**119**	**150**

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 2022. All employees hired as from 1st of February 2004 are included in the defined contribution plan.

8. 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	3 124 609
Bonus related to previous years	1 718 942
Other remuneration	1 297 540
Pension cost	129 121

The CEO and the Board of Directors have not received any remuneration for their services on the board during 2022. 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.

Share-based payments Stock options, performance shares and free shares may be granted to senior managers and certain other Group employees. These plans correspond to equity-settled share-based payment transactions and are based on the issue of new shares in the parent company (Nexans). In accordance with IFRS 2, "Share-based Payment", stock options, performance shares and free shares are measured at fair value at the grant date (corresponding to the date on which the plan is announced). The Group uses different measurement models to calculate this fair value, notably the Black & Scholes and Monte-Carlo pricing models. The fair value of vested stock options, performance shares and free shares is recorded as a payroll expense on a straight-line basis from the grant date to the end of the vesting period, with a corresponding adjustment to equity recorded under "Retained earnings and other reserves". If stock options or share grants are subject to internal performance conditions their fair value is remeasured at the year-end. For plans that are subject to market performance conditions, changes in fair value after the grant date do not affect the amounts recognized in the financial statements. The Group has also set up employee stock ownership plans that entitle employees to purchase new shares at a discount to the market price. These plans are accounted for in accordance with IFRS 2, taking into consideration the valuation effect of the five-year lock-up period that generally applies

Reported costs for audit fees amount to NOK 1 960 318 (2 289 018 for the group) in 2022. 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 0. All amounts are excluding VAT.

9. Fixed assets

2022 – Figures in NOK million	Nexans Norway AS								
	Soft-ware	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	134	2 786	104	752	7	357	45	458	4 643
Reclassification	-2	12	51	5	-	-66	-	-	-
Capital expenditure during year	1	17	-	2	-	1 720	30	23	1 793
Disposals during year	-	-147	-16	-8	-	-	-	-	-171
ACQUISITION COST AT 31.12	**133**	**2 668**	**140**	**751**	**7**	**2 011**	**74**	**481**	**6 265**
ACCUMULATED DEPRECIATIONS AT 31.12	**105**	**1 933**	**86**	**475**	**-**	**-**	**-**	**157**	**2 756**
NET BOOK VALUE AT 31.12	**28**	**734**	**54**	**276**	**7**	**2 011**	**74**	**324**	**3 509**
DEPRECIATION DURING YEAR	**17**	**149**	**2**	**22**	**-**	**-**	**-**	**68**	**258**
Ordinary rates of depreciation	33%	10–35%	5–10%	3–5%					

2022 – Figures in NOK million	Consolidated								
	Soft-ware	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	134	3 067	1 830	752	7	359	45	458	6 651
Reclassification	-2	12	51	5	-	-66	-	-	-
Capital expenditure during year	1	17	0	2	-	1 720	30	23	1 793
Disposals during year	-	-148	-17	-8	-	-	-	-	-173
ACQUISITION COST AT 31.12	**133**	**2 947**	**1 865**	**751**	**7**	**2 012**	**74**	**482**	**8 271**
ACCUMULATED DEPRECIATIONS AT 31.12	**105**	**2 027**	**387**	**475**	**-**	**-**	**-**	**157**	**3 150**
NET BOOK VALUE AT 31.12	**28**	**920**	**1 478**	**276**	**7**	**2 012**	**74**	**325**	**5 121**
DEPRECIATION DURING YEAR	**17**	**161**	**82**	**22**	**-**	**-**	**-**	**68**	**349**
Ordinary rates of depreciation	33%	10–35%	5–10%	3–5%					

2021 – Figures in NOK million	Nexans Norway AS								
	Soft-ware	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	-	1	-	-29	-	-	-
Capital expenditure during year	14	16	7	-	-	274	19	87	419
Disposals during year	-	-	-	-13	-	-	-	-	-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**	**-**	**-**	**-**	**97**	**2 669**
NET BOOK VALUE AT 31.12	**46**	**858**	**9**	**292**	**7**	**357**	**45**	**361**	**1 975**
DEPRECIATION DURING YEAR	**21**	**160**	**2**	**22**	**-**	**-**	**-**	**59**	**264**
Ordinary rates of depreciation	33%	10–35%	5–10%	3–5%					

2021 – Figures in NOK million	Consolidated								
	Soft-ware	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	-	208	1 127	1	-	-1 335	-	-	-
Capital expenditure during year	14	51	358	-	-	274	19	87	805
Disposals during year	-	-	-	-13	-	-	-	-	-13
ACQUISITION COST AT 31.12	**134**	**3 067**	**1 830**	**752**	**7**	**359**	**45**	**458**	**6 651**
ACCUMULATED DEPRECIATIONS AT 31.12	**88**	**2 011**	**317**	**460**	**-**	**-**	**-**	**97**	**2 973**
NET BOOK VALUE AT 31.12	**46**	**1 056**	**1 513**	**292**	**7**	**359**	**45**	**361**	**3 678**
DEPRECIATION DURING YEAR	**21**	**172**	**48**	**22**	**-**	**-**	**-**	**59**	**322**
Ordinary rates of depreciation	33%	10–35%	5–10%	3–5%					

1) Right of use asset from the application of IFRS16 ''leases'' using the modified approach see Note 1. The right of use is primary related to real estate leases appr. NOK 325 million.

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 subsidiuary in the Nexans Group. NVC is a contract manufacturer for Nexans Norway AS.

10. Other operating costs

Figures in NOK million	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
Rental expenses	37	20	37	20
Travel expenses	66	50	66	50
Consultants and other services	228	200	228	200
Repair and maintenance	127	73	127	73
Tools and supplies	121	80	121	80
Sales and marketing cost	11	15	11	15
Restructuring cost	16	22	16	22
Insurance cost	282	-297	282	-297
Other costs	209	128	398	250
OTHER OPERATING COSTS	**1 096**	**290**	**1 284**	**412**

Due to payments on insurance settlements the total cost on insurance in 2021 was positive.

11. Claims and contingencies

There are no significant claims or contingencies per December 2022.

12. Subsequent events

Nexans Norway established long-term debt in 2019 to finance the construction of a new cable laying vessel that was delivered in 2021. This loan will be repaid on a straight line basis over the next twelve years. The loan includes financial covenants set out in the Nexans Group's amended syndicated credit facility and the following covenants specific to the Nexans Norway Group: An equity to asset ratio, a net debt to equity ratio, and a certain level of cash and cash equivalents. 31st December 2022, following the collection of significant prepayments from customers that impacted the balance sheet at year-end, the equity to asset ratio was below the contractual threshold. As a consequence, the loan is fully presented in short-term debt. In January 2023, a capital increase was made and an amendment to the loan agreement was signed in February 2023, retroactive for 2022, enabling Nexans Norway to remediate the breach of the ratio. The covenant ratios per 30th June 2022 were well within the covenant limits applicable to the financing for the cable laying vessel. The company is, together with its owners, continually assessing the need for further capital increases and plans to conclude an additional capital increase of up to NOK 1,2 billion in 2023 that has been committed by its owner.

Subsequent to the balance sheet date, the company experienced a significant increase in project costs in one of its projects due to unforeseen circumstances. The increase in project costs are deemed to relate to events and circumstances that occurred subsequent to the 31st December 2022 balance sheet date, and the 2022 financial statements have therefore not been adjusted to reflect the impact of those matters.

13. Financial revenues and costs

Figures in NOK million	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
Interest income from associated companies	22	8	24	8
Other interest income	-	-	-	-
Foreign exchange gains	2 097	1 162	2 097	1 162
Foreign exchange losses	-1 923	-1 117	-1 923	-1 117
Received dividends	145	125	2	6
FINANCIAL REVENUES	**341**	**178**	**201**	**59**
Interest expense to associated companies	-5	-	-	-1
Other interest costs	-41	-52	-47	-52
Other Finance cost	-10	-8	-12	-17
FINANCIAL COSTS	**-57**	**-60**	**-58**	**-69**
NET FINANCIAL INCOME	**284**	**118**	**142**	**-10**

14. Taxes

Figures in NOK million	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
DEFERRED TAX FROM TEMPORARY DIFFERENCES				
Deferred tax over P&L				
Long-term construction contracts	-3 854	-3 842	-3 854	-3 842
Tangible fixed assets	-196	-260	-196	-260
Tax loss carried forward	-	-	-	-
Pension obligations	83	82	83	82
Restatement and netting of closed curtailment effects	-	-	-	-
Other items	55	252	56	252
TOTAL TEMPORARY DIFFERENCES OVER P&L	**-3 912**	**-3 768**	**-3 912**	**-3 768**
Deferred tax over OCI				
Remeasurement postemployment benefits through OCI	36	68	36	68
Restatement and netting of closed curtailment effects	-	-	-	-
Unrealised gains and losses from derivates	264	-131	264	-131
TOTAL TEMPORARY DIFFERENCES OVER OCI	**300**	**-63**	**300**	**-63**
BASIS FOR DEFERRED TAX ASSETS / LIABILITIES	**-3 612**	**-3 830**	**-3 612**	**-3 830**
DEFERRED TAX / DEFERRED TAX ASSET FROM TEMPORARY DIFFERENCES 22%	**-795**	**-843**	**-796**	**-844**
Effect due to changes in tax rate over P&L	-	-	-	-
Effect due to change in tax rate over OCI	-	-	-3	-
DEFERRED TAX LIABILITY IN THE BALANCE SHEET	**-795**	**-843**	**-799**	**-843**
Deferred tax related to items recognized through P&L	-861	-829	-861	-829
Deferred tax related to closed curtailment effects – netted	232	232	232	232
Deferred tax asset related to items recognized in OCI	66	-14	66	-14
Deferred tax asset related to closed curtailment effects – netted	-232	-232	-232	-232
DEFERRED TAX ASSET / TAX LIABILITY FROM TEMPORARY DIFFERENCES 22%	**-795**	**-843**	**-795**	**-843**

Figures in NOK million	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
RECONCILIATION OF TAX EXPENSE				
Income before tax	973	1 149	996	1 172
Permanent differences	-138	-158	6	-47
Income under tonnage tax system	-	-	-167	-148
Taxable financial gain / loss tonnage tax scheme	-	-	17	6
THEORETICAL TAX BASE FOR THE YEAR	**835**	**991**	**852**	**984**
Calculated tax - 22% (23%)	-184	-218	-187	-220
Prior year adjustments	-	-	-	-
Impact of foreign taxation	1	-	-1	-2
Impact change in tax rate	-	-	-	-
TAX EXPENSE FOR THE YEAR 22% (23%)	**-182**	**-218**	**-188**	**-222**
RECONCILLIATION OF EFFECTIVE TAX RATE				
22% (23%) of profit before tax	214	253	223	259
22% (23%) of permanent differences	-30	-35	-35	-43
Prior year adjustments	-	-	-	-
Foreign tax	-1	-	1	2
Effect due to change of tax rate	-	-	-	-
TAX EXPENSE IN THE P&L	**182**	**218**	**188**	**221**
Effective tax rate	18,7%	19,0%	18,9%	18,9%
THE TAX COST COMPRISES OF :				
Taxes payable	152	439	156	438
Foreign tax	-1	-	1	-
Deferred tax related to closed curtailment effects – netted	-	-	-	-
Change in deferred tax balance this year	32	-214	32	-214
Reclassification / prior year adjustment	-	-7	-	-4
TOTAL TAX COST	**182**	**218**	**188**	**222**

Net deferred tax liabilities as of 31.12.2022 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 2022 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.

15. Equity

NEXANS NORWAY AS – Figures in NOK million	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
BALANCE AT 31. DECEMBER 2021	**463**	**8**	**145**	**1 834**	**2 451**
CHANGES DURING YEAR:					
Net profit for the year	-	-	-	791	791
Dividends paid	-	-	-	-951	-951
Effect of metal hedging in 2022	-	-	-87	-	-87
Effect of cash flow hedging in 2022	-	-	-309	-	-309
Remeasurement of post employment benefit obligation	-	-	25	-	25
BALANCE AT 31. DECEMBER 2022	**463**	**8**	**-226**	**1 674**	**1 919**

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**	**2231**
CHANGES DURING YEAR:					
Net profit for the year	-	-	-	931	931
Dividends paid	-	-	-	-782	-782
Effect of metal hedging	-	-	-52	-	-52
Effect of cash flow hedging in 2020	-	-	157	-	157
Netting of frozen curtailment effects	-	-	-	-	-
Remeasurement of post employment benefit obligation	-	-	10	-	10
IFRS 16 restatement	-	-	-	-44	-44
BALANCE AT 31. DECEMBER 2021	**463**	**8**	**145**	**1 834**	**2 451**

CONSOLIDATED – Figures in NOK million	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
BALANCE AT 31. DECEMBER 2021	**463**	**8**	**145**	**1 972**	**2 587**
CHANGES DURING YEAR:					
Net profit for the year	-	-	-	807	807
Dividends paid	-	-	-	-951	-951
Effect of metal hedging	-	-	-87	-	-87
Effect of cash flow hedging in 2022	-	-	-309	-	-309
Remeasurement of post employment benefit obligation	-	-	25	-	25
BALANCE AT 31. DECEMBER 2022	**463**	**8**	**-226**	**1 828**	**2 071**

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 2021	-	-	155	-	155
Remeasurement of post employment benefit obligation	-	-	10	-	10
IFRS 16 restatement	-	-	-	-44	-44
BALANCE AT 31. DECEMBER 2021	**463**	**8**	**145**	**2 016**	**2 587**

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.

	Nexans Norway AS				Consolidated			
Figures in NOK million	Hedging	IFRS 15	Pensions	TOTAL	Hedging	IFRS 15	Pensions	TOTAL
At January 1, 2020	142	-45	-65	32	150	-45	-70	34
Actuarial gains and losses								
– Fair value gains in year	-	-	-	-	-	-	-	-
– Tax on fair value gain	-	-	-	-	-	-	-	-
– Transfers to P&L or assets	104	-	-	104	102	-	-	102
– Tax on transfers to P&L or assets	1	-	-3	-2	-2	-	-	-2
AT 31. DECEMBER 2021	**247**	**-45**	**-55**	**147**	**250**	**-45**	**-58**	**147**
Actuarial gains and losses	-	-	32	32	-	-	32	32
Cash flow hedges	-	-	-	-	-	-	-	-
– Fair value gains in year	-483	-	-	-483	-483	-	-	-483
– Tax on fair value gain	87	-	-7	80	80	-	-	80
AT 31. DECEMBER 2022	**-149**	**-45**	**-30**	**-225**	-154	-45	-25	-224

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.

16. Investment in subsidiaries

	Aquired	Office	Ownership	Voting rights	Equity 2022	Net profit 2022
Nexans Skagerrak AS	01.12.2008	Oslo	100%	100%	191	99
Nexans Saudi Contracting	01.02.2010	Oslo	90%	90%	1	-
Nexans Subsea Operations	09.08.2017	Oslo	100%	100%	1708	62
Nexans Norway Projects AS	10.06.2022	Oslo	100%	100%	-	-

Dividend approved to be received from consolidated companies 98,6 MNOK (Nexans Skagerrak AS) and 62,3 MNOK (Nexans Subsea AS).

17. 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.

2022 – 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	-	-	259	259
Derivatives – Current assets	-	48	268	316
Accounts receivables and other receivables	3 711	-	-	3 711
Cash and cash equivalents	104	-	-	104
TOTAL	3 814	48	527	4 390
LIABILITIES	Other financial liabilities	Financial liabilities at fair value through P&L	Derivatives used for hedging	TOTAL
Accounts payable	659	-	-	659
Other short-term liabilities group	446	-	-	446
Derivatives – Non-current liabilities	-	-	256	256
Derivatives – Current liabilities	-	88	317	406
Other short-term financial liabilities	2 214	-	-	2 214
TOTAL	3 319	88	573	3 981

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	-	-	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	1 313	73	208	2 284

2022 – 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	-	-	259	259
Derivatives – Current assets	-	48	268	316
Accounts receivables and other receivables	4 029	-	-	4 029
Cash and cash equivalents	105	-	-	105
TOTAL	**4 133**	**48**	**527**	**4 708**
LIABILITIES	**Other financial liabilities**	**Financial liabilities at fair value through P&L**	**Derivatives used for hedging**	**TOTAL**
Accounts payable	681	-	-	681
Other short-term liabilities group	446	-	-	446
Derivatives – Non-current liabilities	-	-	256	256
Derivatives – Current liabilities	-	88	317	406
Other short-term liabilities	2 218	-	-	2 218
TOTAL	**3 345**	**88**	**573**	**4 006**

2021 – 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	-	-	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	-	-	60	60
Derivatives – Current liabilities	-	39	135	174
Other short-term liabilities	1 133	-	-	1 133
TOTAL	**2 036**	**39**	**194**	**2 269**

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, 2022. 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, 2022 – 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	-	48	-	48
Derivatives used for hedging	51	476	-	527
TOTAL ASSETS	**51**	**524**	**-**	**575**
LIABILITIES				
Financial liabilities at fair value through p/l	-	-	-	-
– Trading derivatives	-	88	-	88
Derivatives used for hedging	86	487	-	573
TOTAL LIABILITIES	**86**	**575**	**-**	**661**

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, 2022 – Figures in NOK million	Consolidated			
ASSETS	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
Financial assets at fair value through p/l	-	-	-	-
– Trading derivatives	-	48	-	48
Derivatives used for hedging	51	476	-	527
TOTAL ASSETS	**51**	**524**	**-**	**575**
LIABILITIES				
Financial liabilities at fair value through p/l	-	-	-	-
– Trading derivatives	-	88	-	88
Derivatives used for hedging	86	487	-	573
TOTAL LIABILITIES	**86**	**575**	**-**	**661**

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**

DERIVATIVES

Figures in NOK million	Nexans Norway AS			
	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Forward foreign exchange contracts – cash flow hedges	476	487	220	162
Embedded derivatives	-	-	-	-
Forward foreign exchange contracts – held for trading	48	88	76	39
Forward metal contracts – cash flow hedges	51	86	109	33
TOTAL	**575**	**661**	**406**	**233**
Non-current portion:				
Forward foreign exchange contracts – held for trading	-	-	-	-
Forward foreign exchange contracts – cash flow hedges	233	241	86	42
Forward metal contracts – cash flow hedges	27	15	15	17
TOTAL	**259**	**256**	**101**	**60**
CURRENT PORTION	**316**	**406**	**305**	**174**

Figures in NOK million	Consolidated			
	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Forward foreign exchange contracts – cash flow hedges	476	487	220	162
Embedded derivatives	-	-	-	-
Forward foreign exchange contracts – held for trading	48	88	76	39
Forward metal contracts – cash flow hedges	51	86	109	33
TOTAL	**575**	**661**	**406**	**233**
Non-current portion:				
Forward foreign exchange contracts – held for trading	-	-	-	-
Forward foreign exchange contracts – cash flow hedges	233	241	86	42
Forward metal contracts – cash flow hedges	27	15	15	17
TOTAL	**259**	**256**	**101**	**60**
CURRENT PORTION	**316**	**405**	**305**	**173**

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.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk or the derivative counterparty. The ineffective portion recognised in the profit and loss that arises from unrealised cash flow hedges amounts to a gain of NOK 203 million (a loss of NOK 40,3 million in 2021).

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, 2022 are NOK 5 111 million (NOK 2 589 million in 2021). Gains and losses recognised in the hedging reserve in equity (see note 11) on forward foreign exchange contracts as of December 31, 2022 are recognised in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.

FINANCIAL MARKET RISK

The Nexans Group hedges its exposure to copper, aluminum and, to a lesser extent, lead, by entering into derivatives transactions in three organized markets: the LME in London, the COMEX in New York and, in certain limited cases, the SHFE in Shanghai. Substantially all of the derivatives transactions conducted by the Group are standard buy and sell trades. The Group does not generally use metal options. The group Treasury, Financing and Metals Department performs metal derivatives transactions on behalf of substantially all of the Group's subsidiaries including Nexans Norway group. 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

The Group's sensitivity to foreign exchange risk on operating cash flows is considered to be moderate due to its operational structure. The Group's policy is to hedge its foreign exchange and non-ferrous metal price risks on cash flows relating to (i) foreseeable significant contractual commercial transactions, and (ii) certain forecast transactions. The operations arising from this hedging activity may result in certain positions being kept open. Where this happens, the positions are limited in terms of amount and term, and they are overseen by the Treasury, Financing and Metals Department.

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:

2022 – 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	659	-	-	-
Other short-term liabilities group	446	-	-	-
Derivatives	406	256	-	-
Other short-term liabilities	2 214	-	-	-

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	-	-	-

2022 – Figures in NOK million	Consolidated			
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Accounts payable	681	-	-	-
Other short-term liabilities group	446	-	-	-
Derivatives	406	256	-	-
Other short-term liabilities	2 218	-	-	-

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	60	-	-
Other short-term liabilities	1 133	-	-	-

18. Accounts receivable / other receivables

Figures in NOK million	Nexans Norway AS 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
Accounts receivable and other receivables	805	1 093	805	1 098
Provisions for bad debt	-1	-	-1	-
ACCOUNTS RECEIVABLE NET	804	1 093	804	1 098
Advance payments	263	431	266	438
Short-term interest bearing loans to related parties	740	1 700	740	1 700
Group bank accounts	1 903	1 882	2 217	2 037
ACCOUNT RECEIVBLE AND OTHER RECEIVABLES	**3 711**	**5 106**	**4 028**	**5 274**

The company had no losses on receivables in 2022 (NOK 1,2 million in 2021). 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 173 million.

As of December 31, 2021, trade receivables of NOK 161 million (NOK 41 million in 2021) 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 2022	Nexans Norway AS 2021	Consolidated 2022	Consolidated 2021
Up to 3 months	151	41	151	41
More than 3 months	10	-	10	-

19. Cash and bank deposits

The company has bank guarantees of NOK 111 million as security for total liability related to employees' tax deductions.

20. Other liabilities

Figures in NOK million	Nexans Norway AS		Consolidated	
OTHER SHORT TERM LIABILITIES	**2022**	**2021**	**2022**	**2021**
Other short-term liabilities	471	469	475	483
Short-term warranties	63	49	63	49
Salary related accruals	344	316	344	316
Other project related accruals	182	11	182	11
Restructuring reserve	2	2	2	2
Lease liability current (1)	60	53	60	53
Interest bank loan	7	5	7	5
Bank loan (2)	946	86	946	86
TOTAL OTHER SHORT-TERM LIABILITIES	**2 074**	**991**	**2 078**	**1 005**

Figures in NOK million	Nexans Norway AS		Consolidated	
OTHER LONG-TERM LIABILITIES	**2022**	**2021**	**2022**	**2021**
Lease liability non current (1)	277	318	277	318
Bank loan (2)	-	898	-	898
Capitalized upfront fee related to bank loan (2)	-	-	-	-
TOTAL OTHER LONG-TERM LIABILITIES	**277**	**1 216**	277	1 216

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

Figures in NOK million	Nexans Norway AS		Consolidated	
MATURITY OF LEASE LIABILITY	**2022**	**2021**	**2022**	**2021**
Within 1 year	60	53	60	53
Between 1 and 3 years	94	100	94	100
Between 3 and 5 years	82	78	82	78
Later than 5 years	101	140	101	140
	337	**371**	**337**	**371**

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 sudsidiaries Nexans Subsea AS. On December 31, 2022, following the collection of significant prepayments from customers which impacted the balance sheet at year-end, the equity to asset ratio was below the contractual threshold. As a consequence, the loan is fully presented in the short-term debt for the 946 million kroner balance. Beginning of January 2023, a capital increase was made and a amendment was signed in February 2023, retroactive for 2022, thus enabling to sustainably remediate to the breach of the ratio. The ratios as of June 30, 2022 was well within the covenant limits applicable to the financing for the cable-laying vessel.

21. Research and development

The company has spent NOK 145 million on R&D in 2022 (NOK 145 million in 2021).

22. Government grants

The company has received NOK 16,3 million in 2022 out of NOK 19 mill approved (NOK 5,3 million in 2021) in subsidies from Norges Forskningsråd and Innovasjon Norge. 1,6 million of the total amount received is from EU SLAM-DAST Project. Amounts received are reported as a reduction of other operating expenses.

Oslo, 13 June 2023

DocuSigned by:
Vincent Guy Roger Dessale
Vincent Guy Roger Dessale
Chairman

DocuSigned by:
Ragnhild Katteland
Ragnhild Apeland Katteland
Board member / Chief Executive Officer

DocuSigned by:
Bjørn Sanden
Bjørn Sanden

DocuSigned by:
A. Krister Granlie
Anders Krister Granlie

DocuSigned by:
Hans Petter Anker Bærum
Hans Petter Anker Bærum

DocuSigned by:
Stian Volden
Stian Volden

DocuSigned by:
Hanne Thorshaug Andresen
Hanne Thorshaug 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 2022, 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 2022, 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 2022, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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 relevant laws and regulations in Norway 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. 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.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Board of Directors’ report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors’ report. 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 statutory 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

Oslo, 13 June 2023
PricewaterhouseCoopers AS

Sjur Holseter
State Authorised Public Accountant


tex
MAX. WT.
TARE WT.
PAYLOAD
CU CAP.
Nexans


HUSKY

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

Nexans
ELECTRIFY THE FUTURE