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

5.1 Consolidated financial statements

5.1.1 Consolidated income statement

in millions of euros	Notes	2023	2022
NET SALES[(a)]	**1.E.A, 3 AND 4**	**7 790**	**8,369**
Cost of sales		(6,795)	(7,373)
GROSS PROFIT		**995**	**996**
Administrative and selling expenses		(474)	(490)
R&D costs		(89)	(87)
OPERATING MARGIN[(b)]	**1.E.B AND 3**	**432**	**420**
Core exposure effect[(c)]	1.E.c	(12)	(30)
Reorganization costs	23.B	(49)	(39)
Other operating income and expenses	6, 7 and 8	1	46
Share in net income of associates		1	(2)
OPERATING INCOME	**1.E.D**	**374**	**395**
Cost of debt (net)	1.E.e	(59)	(35)
Other financial income and expenses[(d)]	1.E.e and 9	(24)	(22)
INCOME BEFORE TAXES		**292**	**339**
Income taxes	1.E.f and 10	(68)	(90)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**223**	**248**
Net income from discontinued operations		-	-
NET INCOME (LOSS)		**223**	**248**
• attributable to owners of the parent		221	245
• attributable to non-controlling interests		2	3
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE *(in euros)*	**11**		
• basic earnings (loss) per share		5.08	5.64
• diluted earnings (loss) per share		4.92	5.47

(a) In addition, sales at constant copper and aluminum prices are used by the Group to monitor its operational performance, because the effect of changes in non-ferrous metals prices is neutralized to show underlying business growth. Cost of sales is restated on the same basis.
Sales at constant metal prices calculated using reference prices are presented in the segment information provided in ***Note 3*** *and are used in the activity report in* ***Section 1.6****.*
(b) Operating margin is one of the business management indicators used to assess the Group's operating performance.
(c) Effect relating to the revaluation of Core exposure at its weighted average cost.
(d) Other financial income and expenses includes the adjustment on monetary impact of Turkey and Ghana due to the application of IAS 29 standard "Hyperinflation" (see ***Note 1*** *and* ***Note 9****).*

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

5.1.2 Consolidated statement of comprehensive income

in millions of euros	Notes	2023	2022
Net income (loss)		**223**	**248**
Recyclable components of comprehensive income (loss)		**(91)**	**(60)**
• currency translation differences		(59)	(3)
• cash flow hedges	26	(32)	(58)
Tax impacts on recyclable components of comprehensive income (loss)	**10.C**	**4**	**11**
Non-recyclable components of comprehensive income (loss)		**(9)**	**86**
• actuarial gains and losses on pensions and other long-term employee benefit obligations	22.B	(9)	78
• financial assets at fair value through other comprehensive income		-	8
Tax impact on non-recyclable components of comprehensive income (loss)	**10.C**	**2**	**(18)**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**(94)**	**20**
TOTAL COMPREHENSIVE INCOME		**129**	**268**
• attributable to owners of the parent		127	267
• attributable to non-controlling interests		2	1

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

5.1.3 Consolidated balance sheet

At December 31, *in millions of euros*	Notes	2023	2022
ASSETS			
Goodwill	7 and 12	293	289
Intangible assets	13	210	175
Property, plant and equipment	14	1,854	1,645
Investments in associates	15	19	25
Deferred taxes assets	10.D	129	122
Other non-current assets	16	234	137
NON-CURRENT ASSETS		**2,740**	**2,393**
Inventories and work in progress	17	1,319	1,432
Contract assets	4.B	187	198
Trade receivables	18	856	935
Current derivative liabilities	26	67	52
Other current assets	19	235	259
Cash and cash equivalents	24.A	1,131	1,134
Assets and groups of assets held for sale		-	-
CURRENT ASSETS		**3,796**	**4,010**
TOTAL ASSETS		**6,536**	**6,402**

At December 31, *in millions of euros*	Notes	2023	2022
Liabilities and equity			
Capital, premiums, results and reserves		1,793	1,664
Other components of equity		(98)	(12)
Equity attributable to owners of the parent		**1,695**	**1,652**
Non-controlling interests		16	15
EQUITY	**21**	**1,711**	**1,667**
Pensions and other long-term employee benefit obligations	22	237	232
Non-current provisions	23	82	76
Long-term debt	24	747	511
Non-current derivative liabilities	26	33	10
Deferred taxes liabilities	10.D	129	151
NON-CURRENT LIABILITIES		**1,227**	**981**
Current provisions	23	117	100
Short-term debt	24	598	805
Contract liabilities	4.B	738	588
Current derivative liabilities	26	61	64
Trade payables	25	1,601	1,735
Other current liabilities	25	482	461
Liabilities related to groups of assets held for sale		-	-
CURRENT LIABILITIES		**3,597**	**3,754**
TOTAL EQUITY AND LIABILITIES		**6,536**	**6,402**

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

5.1.4 Consolidated statement of changes in equity

in millions of euros	Number of shares outstanding[(a)]	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings and other reserves	Changes in fair value and other	Currency translation differences	**Equity attributable to owners of the parent**	Non-controlling interests	**Equity**
AT DECEMBER 31, 2021	**43,636,889**	**44**	**1,614**	**(10)**	**(226)**	**16**	**9**	**1,447**	**17**	**1,465**
IAS 29 "Hyperinflation" application[(b)]	-	-	-	-	-	-	6	6	-	6
JANUARY 1, 2022	**43,636,889**	**44**	**1,614**	**(10)**	**(226)**	**16**	**15**	**1,453**	**17**	**1,470**
Net income	-	-	-	-	245	-	-	245	3	248
Other comprehensive income (loss)	-	-	-	-	69	(46)	(1)	21	(1)	20
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**314**	**(46)**	**(1)**	**267**	**1**	**268**
Dividends paid	-	-	-	-	(52)	-	-	(52)	(1)	(53)
Changes in capital	(2,247)	-	(9)	42	-	-	-	33	1	34
Changes in treasury shares[(a)]	(173,664)	-	-	(58)	(6)	-	-	(65)	-	(65)
Employee share-based plans:										
• Service cost	-	-	-	-	16	-	-	16	-	16
• Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other Activities	-	-	-	-	(1)	1	-	-	(4)	(4)
DECEMBER 31, 2022	**43,460,978**	**44**	**1,604**	**(26)**	**46**	**(29)**	**13**	**1,652**	**15**	**1,667**
Net income	-	-	-	-	221	-	-	221	2	223
Other comprehensive income (loss)	-	-	-	-	(8)	(27)	(60)	(94)	-	(94)
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**214**	**(27)**	**(60)**	**127**	**2**	**129**
Dividends paid	-	-	-	-	(92)	-	-	(92)	(1)	(94)
Changes in capital	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares[(a)]	172,544	-	-	16	(23)	-	-	(6)	-	(6)
Employee share-based plans:										
• Service cost	-	-	-	-	13	-	-	13	-	13
• Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other Activities	-	-	-	-	1	-	-	(1)	-	1
DECEMBER 31, 2023	**43,633,522**	**44**	**1,604**	**(10)**	**159**	**(56)**	**(46)**	**1,695**	**16**	**1,711**

(a) The number of shares outstanding corresponded to issued shares less shares held in treasury; acquisition, shares hold in treasury and shares negotiated in the stock market are detailed on ***Note 21****.*

(b) This line contains the application of IAS 29 hyperinflation standard detailed in ***Note 1*** *and in* ***Note 9****.*

5.1.5 Consolidated statement of cash flows

in millions of euros	Notes	2023	2022
Net income		223	248
Depreciation, amortization and impairment of assets (including goodwill)	7, 13 and 14	156	180
Cost of debt (gross)		80	41
Core exposure effect[(a)]		12	30
Current and deferred income tax charge (income)	10	68	90
Net (gains) losses on asset disposals	8	9	(54)
Net change in provisions and non-current liabilities		(9)	(41)
Fair value changes on operational derivatives		(37)	(29)
Charges related to the cost of share-based payments		13	16
Other restatements		4	25
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX[(B)]		**520**	**506**
Decrease (increase) in working capital	20	262	104
Impairment of current assets and accrued contract costs		24	48
Income taxes paid		(107)	(114)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		**180**	**38**
NET CASH GENERATED FROM OPERATING ACTIVITIES		**700**	**544**
Proceeds from disposals of property, plant and equipment and intangible assets		6	62
Capital expenditure	13, 14	(377)	(298)
Decrease (increase) in loans granted and short-term financial assets		(23)	11
Purchase of shares in consolidated companies, net of cash acquired		(60)	(211)
Proceeds from sale of shares in consolidated companies, net of cash transferred		13	7
NET CASH USED IN INVESTING ACTIVITIES		**(440)**	**(429)**
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		**260**	**115**
Proceeds from (repayments of) long-term and short-term borrowings	24	(58)	198
• of which proceeds from the European Investment Bank loan		-	200
• of which repayment of bonds 2018-2023		(325)	-
• of which proceeds from the bonds 2023-2028		400	-
Cash capital increases (reductions)[(c)]	21	(6)	(32)
Interest paid		(59)	(43)
Transactions with owners not resulting in a change of control		-	-
Dividends paid		(93)	(54)
NET CASH USED IN FINANCING ACTIVITIES		**(215)**	**70**
Impact of the hyperinflation[(d)]		3	5
Net effect of currency translation differences		(62)	(28)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(15)**	**162**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**24.A**	**1,129**	**968**
CASH AND CASH EQUIVALENTS AT YEAR-END	**24.A**	**1,114**	**1,129**
• of which cash and cash equivalents recorded under assets		1,131	1,134
• of which short-term bank loans and overdrafts recorded under liabilities		(16)	(5)

*(a) Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact (see **Note 1.E.c**).*
*(b) The Group also uses the "Operating cash flow" concept, which is calculated after adding back cash outflows relating to reorganizations (see **Note 23** and deduction of paid taxes).*
(c) This line includes also inflows and outflows on acquisitions/sales of treasury stocks.
*(d) This line contains the impacts related to the application of IAS 29 "hyperinflation" rules (see **Note 1** and **Note 9**).*

5.1.6 Notes to the corporate financial statements

Detailed summary of the notes

Note 1. Summary of significant accounting principles
Note 2. Significant events of the year
Note 3. Operating segments
Note 4. Revenue from contracts with customers
Note 5. Payroll costs and headcount
Note 6. Other operating income and expenses
Note 7. Net asset impairment
Note 8. Net gains (losses) on asset disposals
Note 9. Other financial income and expenses
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Note 12. Goodwill
Note 13. Intangible assets
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Note 15. Investments in associates – Summary of financial data
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Note 1. Summary of significant accounting principles

A. General principles

Nexans (the Company) is a French joint stock corporation under French law, subject to all texts governing commercial companies in France and in particular the provisions of the French Commercial Code. Nexans was incorporated on January 7, 1994 (under the corporate name Atalec) and has its registered office at Le Vinci, 4 allée de l'Arche, 92400 Courbevoie, France.

Its shares are listed for trading on Compartment A of the regulated market of Euronext Paris, within the SBF 120 index.

The Nexans Group produces electrical cables and provides its customers with innovative energy transport solutions and services.

The consolidated financial statements are presented in euros rounded to the nearest million. Rounding may in some cases lead to non material discrepancies in the different totals or year-on-year changes. They were approved by the Board of Directors on February 14, 2024 and will become final after approval at the Shareholders' Meeting, which will take place on May 16, 2024 on first call.

Significant information on the accounting methods used in the preparation of these consolidated financial statements is described below. Except where otherwise indicated, these policies have been applied consistently to all the financial years presented.

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Nexans Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union at December 31, 2023.

The Group has applied all standards, interpretations and amendments of mandatory application to fiscal years beginning on or after January 1, 2023, which were as follows:

- amendments to IAS 1 "Disclosure of Accounting Policies";
- amendments to IAS 8 "Definition of Accounting Estimates";
- amendments to IAS 12 "Deferred Taxes Relating to Assets and Liabilities Arising from the Same Transaction";
- IFRS 17 "Insurance Contracts" and its amendments.

These publications had no material impact on the Group's consolidated financial statements. In particular, following the recommendation of "Pillar 2" of the OECD leading to the creation of a minimum tax regime for large international organizations, on December 14, 2022 the European Union adopted a directive making this regime effective on January 1, 2024, transposed by France as part of the 2024 Finance Bill. The "Pillar 2" rules are therefore applicable to all entities effectively controlled by Nexans, whether consolidated or not.

At the same time, in May 2023, the IASB published an amendment to IAS 12 which included a mandatory temporary exception to the application of IAS 12 to the "Pillar 2" tax calculations and positions. This amendment was adopted by the EU in November 2023. As a result of this temporary exception, the Group does not include the effects of deferred taxes relating to the entry into force of "Pillar 2" in its financial statements.

At the stage of the work carried out, the Group will probably be subject to "Pillar 2" rules from January 1, 2024 in certain jurisdictions. However, no significant tax expense is expected.

NEW STANDARDS PUBLISHED BUT NOT YET EFFECTIVE

The IASB has issued the following amendments that have endorsed by the European Union and applicable starting January 1, 2024:

- amendments to IAS 1 "Classification of current and non-current liabilities".

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

The IASB has not issued any new standards, amendments or interpretations that have not yey been endorsed by the European Union but would be applicable to the Group.

ACCOUNTING ESTIMATES AND JUDGMENTS

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

These assessments are carried out on a regular basis by Management in order to take into account past experience and other factors deemed relevant in view of the economic conditions. In particular, the regulations applicable in the coming years and the foreseeable consequences of the commitments made in favor of carbon neutrality, the forecasts of technological and market developments (raw material costs, changes in customer expectations, *etc.*) are taken into account and any other change that could have a significant impact on the consolidated financial statements in accordance with IFRS.

The main sources of uncertainty relating to estimates are discussed in the notes specific to these items when necessary and relate to the following items:

- the recoverable amount of certain items of property, plant and equipment, goodwill and other intangible assets, and determining the groups of cash-generating units (CGUs) used for goodwill impairment testing (see **Note 1.F.a**, **Note 1.F.b**, **Note 1.F.c** and **Note 7**). The Group included in its review of the recoverable amount assumptions related to the consequences of climate change;
- recognition and recoverability of deferred tax assets for unused tax losses (see **Note 1.E.f** and **Note 10.E**);
- margins to completion and percentage of completion on long-term contracts (see **Note 1.E.a**);
- the measurement of pension liabilities and other employee benefits (see **Note 1.F.j** and **Note 22**);
- provisions and contingent liabilities (see **Note 1.F.k**, **Note 23** and **Note 30**);
- the measurement of derivative instruments and their qualification as cash flow hedges (see **Note 1.F.n** and **Note 26**);
- cancelable lease terms for real estate leases (see **Note 1.F.m**).

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

B. Consolidation methods

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

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

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

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

The type of control or influence exercised by the Group is assessed on a case-by-case basis using the presumptions set out in IFRS 10, IFRS 11 and the revised version of IAS 28. A list of the Group's main subsidiaries and associates is provided in **Note 32**.

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

C. Foreign currency translation methods

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

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

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

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

In 2023, all the conditions to consider Ghana as a hyperinflationary economy within the meaning of IFRS standards were met (the last condition required concerned the level of cumulative inflation over three years, wholesale price inflation and retail price inflation having exceeded the 100% threshold in the second half of 2023). As a result, the Group has applied IAS 29 on financial reporting in hyperinflationary economies since January 1, 2023 for this country.

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

The consequences of the application of IAS 29 for this country as well as for Turkey, already in a hyperinflationary situation in 2022, are described in **Note 9** "Other financial income and expenses".

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

Since 2021, the Lebanese economy was considered as hyperinflationary within the meaning of IAS 29. Nevertheless, the functional currency of the Group entity located in Lebanon is the US dollar, and its activities in this country are mainly carried out in this currency. As a result, no restatement is made in the Group's financial statements.

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

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

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

D. Business combinations

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

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

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

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

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

The consideration transferred in a business combination must be measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Any contingent consideration at the acquisition date is systematically included in the initial fair value measurement of the consideration transferred in exchange for the acquiree, based on probability tests.

Any changes in the fair value of contingent consideration that the acquirer recognizes after the acquisition date and which do not correspond to measurement period adjustments as described above – such as meeting an earnings target different from initial expectations – are accounted for as follows:

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

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

E. Income statement items

A. SALES

Net sales

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

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

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

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

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

Sales of goods

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

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

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

Goods and services contracts

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

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

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

Any expected loss to completion is recognized immediately in cost of sales in the consolidated income statement, and under "Short-term provisions" or "Long-term provisions" in the consolidated balance sheet.

Customer advance payments

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

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

Sales at constant metal prices

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

To neutralize the effect of fluctuations in non-ferrous metal prices and thus measure the underlying trend in its business, the Group also presents its sales figures based on a constant price for copper and aluminum. These reference prices were set at 5,000 EUR/ton for copper and 1,200 EUR/ton for aluminum. They are then broken down in the currencies of each unit, thus incorporating the economic conditions specific to the environment of these units. The sales at constant metal prices are shown in **Note 3**.

B. OPERATING MARGIN

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

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

The operating margin is assessed before the effect of: (i) the revaluation of the Core Exposure (see **Note 1.E.c**); (ii) impairment of property, plant and equipment, intangible assets and goodwill resulting from impairment tests; (iii) changes in fair value of non-ferrous metal derivatives; (iv) capital gains and losses on asset disposals; (v) related acquisition costs for completed acquisitions and expenses and fees related to planned acquisitions; (vi) expenses and provisions for antitrust investigations; (vii) reorganization costs; (viii) of which share in net income of associates (ix) financial income; (x) taxes; and (xi) net income from discontinued operations.

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

Starting 2023, adjusted EBITDA is defined as operating margin before (i) depreciation and amortization, (ii) share-based expenses and (iii) certain specific operational items that are not representative of business performance (refer to **Note 3** for more details). ROCE corresponds to the return on capital employed and is calculated as operating margin divided by capital employed. It is calculated by dividing the operating margin by the capital employed.

C. CORE EXPOSURE EFFECT

This line of the consolidated income statement includes the following two components (see also **Note 27.C**):

- a "price" effect: in the Group's IFRS financial statements non-ferrous metal inventories are measured using the weighted average unit cost method, leading to the recognition of a temporary price difference between the accounting value of the copper used in production and the actual value of this copper as allocated to orders through the hedging mechanism. This difference is exacerbated by the existence on a permanent basis of a minimum inventory of metal that is not hedged (called "Core exposure").

  The accounting impact related to this difference is not included in operating margin and instead is accounted for in a separate line of the consolidated income statement, called "Core exposure effect". Within operating margin – which is a key performance indicator for Nexans – inventories consumed are valued based on the metal price specific to each order, in line with the Group's policy of hedging the price of the metals contained in the cables sold to customers;
- a "volume" effect: at the level of operating margin – which is a performance indicator – Core exposure is measured at historic cost, whereas at operating income level it is valued at weighted average cost (see **Note 1.F.e**) in accordance with IFRS. The impact of any changes in volumes of Core exposure during the period is also recorded under "Core exposure effect" in the consolidated income statement. However, this effect is generally limited, as the tonnage of Core exposure is usually kept at a stable level from one period to the next, except for any structural change in the event of structural reorganizations within the Group or following a lasting significant contraction or expansion in business volumes, in accordance with the management principles described in **Note 27.C**.

D. OPERATING INCOME

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

E. FINANCIAL INCOME AND EXPENSES

Financial income and expenses include the following:

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

Details on the majority of these items are provided in **Notes 9** and **24**.

F. INCOME TAXES

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

Deferred taxes are recognized for temporary differences arising between the carrying amount and tax base of assets and liabilities, as well as for tax losses available for carryforward. In accordance with IAS 12, no deferred tax assets or liabilities are recognized for temporary differences resulting from goodwill for which impairment is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which:

- is not a business combination;
- at the time of the transaction, affects neither accounting profit nor taxable profit (except in the case of finance leases and actuarial gains or losses on pension benefit obligations);
- does not give rise, at the time of the transaction, to a taxable temporary difference and a deductible temporary difference of an equal amount.

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

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

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

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

F. Items recognized in the consolidated statement of financial position

A. INTANGIBLE ASSETS

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

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

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

Intangible assets primarily correspond to the following:

- trademarks, customer relationships and certain supply contracts acquired in business combinations. Except in rare cases, trademarks are deemed to have an indefinite useful life. Customer relationships are amortized on a straight-line basis over the period during which the related economic benefits are expected to flow to the Group (between five and 25 years). Supply contracts can be deemed to have an indefinite useful life when they are automatically renewable and where there is evidence, notably based on past experience, indicating that the contractual rights will be renewed. Otherwise, their useful lives generally correspond to the term of the contract;
- the costs for acquired or developed software, usually intended for internal use, and development costs, to the extent that their cost can be reliably measured and it is probable that they will generate future economic benefits. These assets are amortized by the straight-line method over their estimated useful lives (between three and five years);
- development costs that meet the recognition criteria in IAS 38. Capitalized development costs are amortized over the estimated useful life of the project concerned, from the date the related product is made available. Research costs, as well as development costs that do not meet the recognition criteria in IAS 38, are expensed as incurred. Research and development costs to be rebilled to or by customers under the terms of construction contracts are included in "Contract assets" and "Contract liabilities".

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

B. PROPERTY, PLANT AND EQUIPMENT

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

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

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

Industrial buildings and equipment	
• Buildings for industrial use	20 years
• Infrastructure and fixtures	10-20 years
• Equipment and machinery:	
• Heavy mechanical components	30 years
• Medium mechanical components	20 years
• Light mechanical components	10 years
• Electrical and electronic components	10 years
• Small equipment and tools	3 years
Buildings for administrative and commercial use	**20-40 years**

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

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

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

C. ASSET IMPAIRMENT TESTS

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

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

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

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

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

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

D. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS OR THROUGH OTHER COMPREHENSIVE INCOME

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

E. INVENTORIES AND WORK IN PROGRESS

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

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

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

Inventories include core exposure:

- in respect of rodmills, core exposure represents the minimum quantity of non-ferrous metal inventories necessary to establish and maintain continuous operation;
- in respect to Nexans cabling activities, the Core exposure represents the amounts of non-ferrous metals required for the Group's cable plants to operate.

Its overall volume is generally kept stable and is constantly replenished, however the level of Core exposure may have to be adapted at times, particularly in the event of a lasting significant contraction or expansion in business volumes. In the event of structural reorganizations within the Group, the level of Core exposure may have to be revised.

The impact of changes in value of this component is shown in a separate line of the income statement and is included as a component of cash flows from operations in the statement of cash flows.

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

F. TRADE RECEIVABLES AND OTHER RECEIVABLES

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

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

- a collective method based on a statistical approach that reflects the expected credit losses over the lifetime of receivables, including receivables not past due, in accordance with IFRS 9.

  In order to apply this method, the Group has drawn up a matrix of the rates used to write down its trade receivables that factor in country risks, observed default probabilities and expected losses in the event of default. The base used to calculate these statistical loss allowances also takes into account any contractual guarantees received in relation to the receivables concerned. The carrying amount of the asset is written down and the amount of the loss is recognized in the income statement under "Cost of sales";

- an individual method, whereby an impairment loss is recorded for a trade receivable whenever there is an objective indication that the Group will not be able to collect the full amounts due under the conditions originally provided for at the time of the transaction.

  The following are indicators that a receivable may be impaired: major financial difficulties for the debtor; the probability that the debtor will undergo bankruptcy or a financial reorganization; and a payment default. The amount of the impairment loss recorded represents the difference between the carrying amount of the asset and the estimated value of future cash flows, discounted at the initial effective interest rate.

  Receivables written down by the individual method are excluded from the calculation base for impairment losses determined by the collective method.

  In the same way as for the collective method described above, under the individual method, the carrying amount of the asset is written down and the amount of the impairment loss is recognized in the income statement under "Cost of sales".

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

G. CASH AND CASH EQUIVALENTS

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

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

H. ASSETS HELD FOR SALE

Presentation in the consolidated balance sheet

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

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

Presentation in the income statement

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

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

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

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

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

I. SHARE-BASED PAYMENTS

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

In accordance with IFRS 2, "Share-based Payment", stock options, performance shares and free shares are measured at fair value at the grant date (corresponding to the date on which the plan is announced) up until the end of the subscription period. At the end of the subscription period, the value is definitive. 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 number is updated 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.

J. PENSIONS, STATUTORY RETIREMENT BONUSES AND OTHER EMPLOYEE BENEFITS

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

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

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

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

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

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

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

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

K. PROVISIONS

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

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

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

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

L. FINANCIAL BORROWING AND DEBT

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

Convertible bonds and other borrowings

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

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

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

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

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

Put options given to minority shareholders

Put options given to minority shareholders in subsidiaries are recognized as financial liabilities at their discounted value. The impact of changes in the exercise price of these options is recognized in equity.

M. LEASES

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

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

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

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

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

N. DERIVATIVE INSTRUMENTS

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

Foreign exchange hedges

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

Foreign exchange cash flow hedges

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

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

Foreign exchange derivatives that do not qualify for hedge accounting

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

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

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

Forward purchases of non-ferrous metals used in the Group's operations and which require physical delivery of the metals concerned are not included within the scope of IFRS 9. The purchases are recognized on the delivery date.

The Group uses futures contracts negotiated primarily on the London Metal Exchange (LME) to hedge its exposure to non-ferrous metal price fluctuations (copper, aluminum and, to a lesser extent, lead). These contracts are settled net in cash and constitute derivative instruments falling within the scope of application of IFRS 9.

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

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

- the "effective" portion of the unrealized gain or loss on the hedging instrument is recognized directly in equity under "Changes in fair value and other". The corresponding realized gain or loss is recognized within operating margin;

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

The scope of entities eligible for hedge accounting covers most of the Group's metal derivatives.

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

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

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

Note 2. Significant events of the year

A. Changes in Group structure

ACQUISITION OF REKA CABLES

In November 2022, Nexans entered into an agreement with REKA Industrial Plc to acquire REKA Cables (the "Transaction"). This acquisition enables the Group to strengthen its position in the Nordic countries, particularly in the Building & Territories businesses.

Founded in 1961, REKA Cables specializes in the manufacture of low- and medium-voltage cables for Building & Territories activities. With a workforce of 270 employees and an estimated revenue of more than 160 million euros in 2022, this company, present in four countries, is one of the leaders in the Finnish market and enjoys an excellent reputation in the Nordic countries. In November 2021, it became one of the first cable manufacturers to achieve carbon neutrality (Scopes 1 and 2).

Nexans successfully completed the acquisition of REKA Cables from REKA Industrial after obtaining approval from the Finnish competition authority at the end of April 2023.

The details and conditions of this transaction as well as the provisional goodwill are presented in **Note 12**.

REKA entities have been fully consolidated since April 30, 2023. Their activities contributed to the Group's consolidated financial statements for the year 2023 for revenue at current metal prices of 101 million euros and an Operating Margin of 5 million euros.

On a 12-month basis, considering, for example, that REKA was acquired on January 1, 2023, the contribution to recurring revenue and Operating Margin can be estimated at 152 million euros and 7 million euros respectively.

SALE OF THE TELECOM BUSINESS

On October 31, 2023, Nexans completed the sale of its Telecom Systems business, renamed Aginode, to Syntagma Capital, a private equity fund based in Belgium.

This activity constituted the major part of the former "Telecom and data" segment. Its contribution is presented under "Other Activities" in the segment information.

This transaction marks the final step in Nexans' exit from the telecom and data segment, in line with its strategy to simplify its activities to amplify its impact on the Electrification markets.

The consequences of this transaction are presented in **Note 8**.

B. Financing

ISSUANCE OF SUSTAINABILITY BONDS

Nexans completed its first sustainability bond issue in April 2023, for a total nominal amount of 400 million euros, with a five-year maturity and an annual interest rate of 5.50%.

This first sustainability bond issue is part of Nexans' Sustainable Financing Framework, which is a central pillar of its refinancing strategy and a concrete step towards the integration of sustainable development into the Group's fundamental values.

The bonds issued are linked to the climate objectives that Nexans has set for December 31, 2026, for the reduction of its Scope 1 and 2 greenhouse gas emissions, as well as for the Cradle-to-Shelf portion related to the CO_2 content of Scope 3 emissions products.

REPAYMENT OF THE BOND MATURING IN 2023

On May 10, 2023, Nexans redeemed early the 325 million euros bond issue, whose initial maturity was scheduled for August 8, 2023.

Note 3. Operating segments

The Group has the following reportable segments within the meaning of IFRS 8 (after taking into account the aggregations authorized by the standard). These segments reflect the managerial organization of the Group and are defined on the basis of products and applications specific to different markets, all geographical areas combined:

- **"Building & Territories":** this segment provides reliable cabling systems and smart energy solutions enabling buildings and territories to be more efficient, sustainable and people-friendly. It covers the following markets: building, smart cities/grids, e-mobility, local infrastructure, decentralized energy systems and rural electrification. It has two components:
  - **"Distribution"** which covers the cables intended for the energy distribution networks managed by the electricity suppliers within the "Territories",
  - **"Usage"**, corresponding to all the equipment cables of the various "Buildings";
- **"Generation & Transmission":** this segment partners its customers from the start of the cycle (design, engineering, financing, asset management) right through to the end (systems management) to help them find the cabling solution that is the best suited to their needs in terms of efficiency and reliability. It includes the following markets: offshore wind farms, subsea interconnections, onshore high voltage, subsea data transmissions (closely related to high voltage submarine projects and previously included in the former "Telecom & Data" segment), as well as the finalization of ongoing projects for smart solutions for the oil and gas sector;
- **"Industry & Solutions":** this segment provides support to OEMs and industrial infrastructure project managers in personalizing their cabling and connection solutions to enable them being powered and meet their electrification, digitization and automation requirements. It covers the following markets: transport (aeronautics, rail, shipbuilding, automotive), automatic devices, renewable energy (solar and wind power), resources (oil and gas, mining) and other sectors (nuclear, medical, handling).

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

It also includes the residual portion of the former "Telecom & Data" segment, in particular the Telecom Systems sub-segment, sold on October 31, 2023 (see **Note 8**). Thus, among the items that contribute to the **"Other Activities"** item, the following facts should be mentioned:

- at December 31, 2023, 76% of the sales at constant metal prices recorded under this segment were generating by the Group's "Electrical Wires" business (compared with 76% in 2022), with the remainder being generated almost entirely by the "Telecom & Data" business;
- the operating margin for "Other Activities" was a -41 million euros at December 31, 2023. It includes the combined impact of profit generated from sales of copper wires and certain centralized Group costs that are not allocated between the segments (such as holding company expenses).

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

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

The Group changed the definition of its EBITDA in 2023, now labelled adjusted EBITDA as per AMF recommendations:

- in view of the clarifications provided by the ANC on the calculation of employee share ownership plans, and to align with the treatment within the cable sector, the Group has decided to exclude share expenses from its adjusted EBITDA as of 2023;
- furthermore, in 2023, the Group recorded additional costs on long-term projects impacted by past reorganizations to exit the oil and gas business. These costs resulted in subsequent losses at completion which are not representative of the actual performance of the business. These losses on completion are therefore excluded from adjusted EBITDA.

As a result, starting in 2023, consolidated adjusted EBITDA is defined as the operating margin before (i) depreciation, amortization and provisions, (ii) share-based expenses and (iii) certain other specific operating items that are not representative of the company's performance.

Sales at constant metal prices for 2023 and 2022 have been calculated using the reference prices of 5,000 EUR/ton for copper and 1,200 EUR/ton for aluminum. They are then broken down in the currencies of each unit, thus incorporating the economic conditions specific to the environment of these units.

A. Information by reportable segment

2023 *in millions of euros*	Building & Territories		Generation & Transmission	Industry & Solutions	Other Activities	Total Group
	Usage	Distribution				
Net sales at current metal prices	2,214	1,366	896	1,886	1,428	7,790
Net sales at constant metal prices	1,679	1,186	870	1,750	1,026	6,512
Adjusted EBITDA	229	156	83	185	13	665
Specific operational items[a]	-	-	(40)	-	(13)	(53)
Depreciation and amortization	(24)	(25)	(52)	(38)	(40)	(179)
Operating margin	205	131	(9)	147	(41)	432
Net impairment of non-current assets (including goodwill) (see Note 7)	-	-	(0)	7	16	23

(a) Specific operating items include 13 million euros related to share-based payments in "Other Activities", and 40 million euros in "Generation & Transmission" related to additional costs on long-term projects affected by previous reorganizations. These additional costs led to losses on completion which are not representative of the actual performance of the business.

2022 *in millions of euros*	Building & Territories		Generation & Transmission	Industry & Solutions	Other Activities	Total Group
	Usage	Distribution				
Net sales at current metal prices	2,492	1,305	993	1,718	1,861	8,369
Net sales at constant metal prices	1,837	1,088	958	1,559	1,302	6,745
Net sales at constant metal prices and perimeter, and 2023 exchange rates	1,734	1,060	864	1,539	1,239	6,436
Adjusted EBITDA	221	88	159	135	13	616
Specific operational items[a]	-	-	-	-	(16)	(16)
Depreciation and amortization	(23)	(23)	(58)	(38)	(38)	(180)
Operating margin	198	65	101	96	(40)	420
Net impairment of non-current assets (including goodwill) (see Note 7)	0	0	(0)	(7)	7	0

(a) In 2022, adjusted EBITDA excluded 16 million euros of expenses related to share-based payments in "Other Activities". These expenses were previously included in published EBITDA.

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

B. Information by major geographic area

2023 *in millions of euros*	Canada	France	Norway	Germany	Other Activities[b]	Total Group
Net sales at current metal prices[a]	1,182	1,000	987	899	3,721	7,790
Net sales at constant metal prices	864	981	803	866	2,998	6,512
Non-current assets IFRS 8 (at December 31)[a]	37	188	189	651	1,312	2,377

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

2022 *in millions of euros*	Canada	France	Norway	Germany	Other Activities[b]	Total Group
Net sales at current metal prices[a]	1,487	896	1,228	963	3,794	8,369
Net sales at constant metal prices[a]	1,058	873	929	922	2,963	6,745
Net sales at constant metal prices and perimeter, and 2023 exchange rates[a]	993	873	929	816	2,824	6,436
Non-current assets IFRS 8 (at December 31)[a]	37	162	195	490	1,250	2,133

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

C. Information by major customer

The Group did not have any customers that individually accounted for over 10% of its sales in 2023 or 2022.

Note 4. Revenue from contracts with customers

A. Consolidated sales

Consolidated sales can be analyzed as follows:

2023 (*Sales, in millions of euros*)	Building & Territories – Usage	Building & Territories – Distribution	Generation & Transmission	Industry & Solutions	Other Activities	Total Group
Performance obligations satisfied at a point in time	2,214	1,366	110	1,886	1,428	7,005
Performance obligations satisfied over time	-	-	786	-	-	786
NET SALES	**2,214**	**1,366**	**896**	**1,886**	**1,428**	**7,790**

2022 (*Sales, in millions of euros*)	Building & Territories – Usage	Building & Territories – Distribution	Generation & Transmission	Industry & Solutions	Other Activities	Total Group
Performance obligations satisfied at a point in time	2,492	1,305	153	1,718	1,861	7,529
Performance obligations satisfied over time	-	-	840	-	-	840
NET SALES	**2,492**	**1,305**	**993**	**1,718**	**1,861**	**8,369**

B. Contract assets and contract liabilities

Contract assets and contract liabilities can be analyzed as follows:

in millions of euros	December 31, 2023 – Sales of goods	December 31, 2023 – Goods and services contracts	December 31, 2022 – Sales of goods	December 31, 2022 – Goods and services contracts
Contract assets	-	187	-	198
Contract liabilities	(130)	(608)	(146)	(443)
TOTAL	**(130)**	**(421)**	**(146)**	**(245)**

SALES OF GOODS

Contract liabilities correspond to customer advance payments. The related performance obligation is satisfied within two years of receipt of the advance payment. The majority of the amounts reported at December 31, 2022 are included in 2023 sales.

GOODS AND SERVICES CONTRACTS

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

The liabilities relate to customer advance payments yet to be recognized in sales as the related performance obligation is satisfied.

The 176 million euros negative change in contract assets and liabilities reflects:

- 110 million euros positive change corresponding to outstanding contract liabilities at December 31, 2022 that were recognized in revenue in 2023;
- 35 million euros positive effect of timing differences between 2023 billings and revenues recognized using the percentage completion method;
- 135 million euros negative change corresponding to outstanding contract assets at December 31, 2022 that were billed in 2023;
- 210 million euros negative change for the net increase in advances received;
- 20 million euros positive change related to differences in foreign currencies values between 2022 and 2023.

C. Unsatisfied performance obligations

SALES OF GOODS

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

GOODS AND SERVICES CONTRACTS

Goods and services contracts mainly concern the Group's high-voltage cable and umbilical cable activities. Unsatisfied performance obligations for these activities amount to 2,689 million euros, of which more than 80% should be satisfied over the next two years.

Note 5. Payroll costs and headcount

		2023	2022
Payroll costs (including payroll taxes)	*in millions of euros*	1,171	1,096
Average staff of consolidated companies	*in number of employees*	28,541	26,910

Payroll costs in the above table include share-based payments within the meaning of IFRS 2. These payments totaled 17 million euros in 2023 (including payroll taxes). See **Note 21** for further details.

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

Note 6. Other operating income and expenses

in millions of euros	Notes	2023	2022
Net asset impairment	7	23	0
Changes in fair value of non-ferrous metal derivatives		(1)	2
Net gains (losses) on asset disposals	8	(9)	54
Acquisition-related costs (completed and planned acquisitions)		(10)	(9)
Expenses and provisions for antitrust investigations		(2)	(1)
OTHER OPERATING INCOME AND EXPENSES		**1**	**46**

Note 7. Net asset impairment

in millions of euros	2023	2022
Impairment losses – non-current assets	-	(14)
Reversals of impairment losses – non-current assets	23	14
Impairment losses – goodwill	-	-
Impairment losses – assets and groups of assets held for sale	-	-
NET ASSET IMPAIRMENT	**23**	**0**

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

The valuation of the Group's goodwill is carried out at the level of the Cash Generating Units (CGU) to which they are allocated. In the event of an unfavorable difference between the carrying amount and the recoverable amount, an impairment loss is recognized.

Since 2022, the Group has integrated the challenges associated with the consequences of climate change and the commitments taken for the contribution to carbon neutrality in its approach to the review of the valuation of its assets, in particular *via* the following elements:

- the investments related to the commitments made in terms of objectives for the contribution to carbon neutrality are insignificant and have no consequences on the review of the valuation of the Group's assets;
- the forecasts of tensions on the copper market led the Group to include in its sensitivity tests the consequences of a possible 10% reduction in volume on the Building & Territories business. The other activities were not subject to a sensitivity test on this point: they are not affected by such a shortage, either because they are considered as a strategic activity, or because they are not very exposed to a potential reduction in the availability of copper.

In 2023, the Group also commissioned a study by Axa Climate on the challenges of the physical risks related to climate change for the Group's assets. The Group is currently reviewing the initial conclusions of this study alongside the actions and protections already in place to determine its exposure and future action plans to be put in place.

At this stage, the Group has not identified any item related to this work that could lead to the recognition of an impairment on one of its assets. Any future action plans will be included in the assumptions for impairment tests as they are realized.

Furthermore, the Group has also associated the issues of climate change with its latest bond issue, linked to sustainable development, cf. **Note 24**.

A. Results of the impairment tests performed over the year

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

As part of the closing of the financial statements at December 31, 2023, the Group conducted a review of the main impairment issues to identify any indications of impairment that appeared during the period, both on individual assets and on Cash-Generating Units (CGU).

Following the identification of indicators related to the economic situation in Ghana, Lebanon and Turkey, the Group carried out impairment tests which did not reveal any impairment to be recognized.

The improved performance of the North America Industry & Solutions CGU and that of the Asia-Pacific Building & Territories CGU led the Group to recognize impairment reversals of respectively 7 million euros and 17 million euros on intangible assets (customer relations, brands).

In 2022, the tests carried out had led to the recognition of impairment losses of 14 million euros and were recognized under property, plant and equipment of the Group's activities located in Ukraine, as a result of the existing conflict. These impairments losses were offset by the improved performance of the North America Industry & Solutions CGU and the Brazilian entity. In this respect, the Group had recognized impairment reversals of 7 million euros on intangible assets (customer relations) and 7 million euros on property, plant and equipment.

The review of the valuations at the CGU level did not lead to the recognition of any impairments losses or reversals on the CGUs in 2023 or 2022, other than those mentioned above.

B. Goodwill breakdown

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

in millions of euros	South America Building & Territories CGU	Asia-Pacific Building & Territories CGU	Europe Building & Territories CGU	Europe Industry & Solutions CGU	Other CGUs	Total
DECEMBER 31, 2022	**108**	**69**	**21**	**31**	**60**	**289**
Business combinations	-	-	-	-	-	-
Disposals/acquisitions	-	-	20	-	(7)	14
Impairment losses	-	-	-	-	-	-
Exchange differences and other	(4)	(3)	(0)	(0)	(2)	(9)
DECEMBER 31, 2023	**104**	**66**	**41**	**31**	**51**	**293**

The goodwill of the Europe Building & Territories CGU increased by 20 million euros due to the acquisition of REKA Cables (see **Note 12**).

No impairment loss on goodwill was recognized by the Group in 2023 or 2022.

C. Key assumptions

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

	Discount rates (after tax) of future flows		Infinite growth rate	
	2023	2022	**2023**	2022
Europe (Euro Zone)	9.0%	8.8%	1.2%	1.3%
Chile	11.5%	11.0%	2.4%	2.5%
United States of America	10.3%	10.0%	2.1%	1.9%
Brazil	15.0%	13.5%	2.0%	2.0%
China	11.0%	11.0%	3.4%	4.6%
Peru	12.5%	12.0%	3.0%	3.0%
Norway	10.0%	9.5%	1.4%	1.3%
Australia	10.3%	10.0%	2.3%	2.3%
Ukraine	35.0%	26.0%	1.2%	1.3%
Lebanon	35.0%	26.0%	2.7%	2.7%

The cash flow assumptions used for impairment calculations were based on the latest projections approved by Group Management and therefore factor in Management's most recent estimates of the Group's future business levels (as contained in the 2024 Budget and the Strategic Plan). Cash flows are projected over a five-year period for the purpose of these assumptions.

D. Sensitivity analyses

The main assumptions described above are used for measuring the CGUs that are tested for impairment. Sensitivity analyses are performed to assess the effect on the calculations of changes in the assumptions. The method used consists of testing the effect of the following changes in assumptions:

- 100-basis point increase in the discount rate compared to the assumptions used;
- 50-basis point decrease in the perpetuity growth rate compared to the assumptions used;
- 50-basis point decrease in EBITDA margin (measure of business performance) compared to the assumptions used;
- a 10% reduction in the volume on the Building & Territories business to reflect a potential shortage of copper.

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

Note 8. Net gains (losses) on asset disposals

in millions of euros	2023	2022
Net gains (losses) on disposals of fixed assets	4	52
Net gains (losses) on disposals of investments	(13)	2
Other Activities	-	-
NET GAINS (LOSSES) ON ASSET DISPOSALS	**(9)**	**54**

The Group recognized capital gains (losses) on disposals of -13 million euros in the 2023 fiscal year which mainly corresponded to the following items:

- the sale of the Telecom Systems business for 57 million euros, leading to a net capital loss of 8 million euros. The sale price of 57 million euros was paid in cash for 24 million euros, the balance corresponding to five-year loans, with most of which carrying an interest rate of 15%. The sale price may be adjusted within 90 business days of the acquisition. The sale agreement also includes an earn-out clause calculated at 20% of the potential gain on the resale of the business by the buyer. This clause is capped at 40 million euros;
- the sale of all the shares held in the equity-accounted company IES Energy, which represented 27.80% of the share capital. This sale resulted in a net capital loss of 6 million euros.

The Group recognized capital gains (losses) on disposals of 54 million euros in 2022, which mainly corresponded to the following items:

- the sale of the industrial site in Hanover for 60 million euros, with net proceeds of 55 million euros;
- the sale of the shares held in two entities in Senegal, one consolidated, the other not, for a net capital gain of 4 million euros.

Note 9. Other financial income and expenses

in millions of euros	2023	2022
Dividends received from non-consolidated companies	2	2
Provisions	(1)	4
Net foreign exchange gain (loss)	(10)	(16)
Net interest expense on pensions and other long-term employee benefit obligations	(5)	(2)
Hyperinflation	(3)	(5)
Other Activities	(7)	(4)
OTHER FINANCIAL INCOME AND EXPENSES	**(24)**	**(22)**

In 2023, the impairment recorded on cash deposits in Lebanon was reversed in full for 4 million euros following the change in the conversion rate used to convert deposits into Lebanese currencies. The balance of these deposits of 4 million euros remains classified in other net receivables, excluding cash and cash equivalents. **Note 24**).

In 2022, the impairment recorded on cash deposits in Lebanon was partially reversed for 4 million euros due to the reduction in the balance of these deposits. The balance of the impairment amounted to 35 million euros at December 31, 2022, while the net balance of these deposits for 4 million euros remains classified in other net receivables, excluding cash and cash equivalents (see **Note 24**).

Foreign exchange gains and losses (net) correspond to realized or unrealized foreign exchange gains and losses on commercial transactions, recorded in the balance sheet or in the backlog. These exchange gains and losses may vary significantly from one year to the next.

EFFECTS OF THE APPLICATION OF IAS 29 "HYPERINFLATION" IN TURKEY AND IN GHANA

As indicated in **Note 1**, the Group applied IAS 29 for its Turkish and Ghanaian subsidiaries and used the indicators published by the IMF to revalue the income statement, cash flows and non-monetary assets and liabilities:

- in Turkey, the indicator increased by 65% in the 2023 fiscal year (64% in 2022). The EUR/TRY exchange rate used for the translation of the income statement was 32.65 at December 31, 2023 (19.96 at December 31, 2022);
- in Ghana, the indicator increased by 22% in the 2023 fiscal year. The EUR/GHC exchange rate used for the translation of the income statement was 13.18 at December 31, 2023.

The first application of IAS 29 in 2023 for Ghana resulted in an appreciation of less than 1 million euros in consolidated equity.

The consequences of the treatment of hyperinflation in the income statement for the fiscal year are reflected in:

- for the Turkish subsidiary, an increase in consolidated revenue for the period of around 60 million euros (up 6 million euros in 2022), an increase in operating margin of around 6 million euros (increase of 1 million euros in 2022), while other financial income and expenses include an expense of 2 million euros reflecting the consequence of hyperinflation on the net monetary position (expense of 5 million euros in 2022);
- for the Ghanaian subsidiary, an increase in consolidated revenue for the period of around 2 million euros, an insignificant increase in the operating margin, while other financial income and expenses included an expense of 1 million euros reflecting the impact of hyperinflation on the net monetary position.

Note 10. Income taxes

A. Analysis of the income tax charge

in millions of euros	2023	2022
Current income tax charge	(93)	(104)
Deferred income tax (charge) benefit, net	24	14
INCOME TAXES	**(68)**	**(90)**

In 2023, Nexans headed up a tax group in France that comprised 14 companies. Other tax groups have been set up where possible in other countries, including Germany, the United States, Italy and South Korea.

B. Effective income tax rate

The effective income tax rate was as follows:

Tax proof *in millions of euros*	2023	2022
Income before taxes	292	339
- of which share in net income of associates	1	(2)
INCOME BEFORE TAXES AND SHARE IN NET INCOME OF ASSOCIATES	**290**	**340**
Standard tax rate applicable in France (in %)[(a)]	25.83%	25.83%
THEORETICAL INCOME TAX CHARGE	**(75)**	**(88)**
Effect of:		
• Difference between foreign and French tax rates	(7)	1
• Change in tax rates for the period	(0)	0
• Unrecognized deferred tax assets	20	5
• Taxes calculated on a basis different from "Income before taxes"	(14)	(8)
• Other permanent differences	7	(2)
ACTUAL INCOME TAX CHARGE REPORTED	**(68)**	**(90)**
EFFECTIVE TAX RATE (IN %)	**23.57%**	**26.48%**

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

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

The difference between the effective tax rate and the standard tax rate applicable in France for the 2023 fiscal year is limited as the taxes assessed on a basis other than pre-tax income are compensated by a higher recognition of deferred tax assets and definitively non-taxable income.

C. Taxes recognized directly in other comprehensive income

The taxes recognized directly in other comprehensive income at December 31, 2023, can be analyzed as follows:

in millions of euros	December 31, 2022	Gains (losses) generated during the year[(a)]	Amounts recycled to the income statement[(a)]	Total other comprehensive income (loss)	December 31, 2023
Currency translation differences	(8)	(1)	-	(1)	(9)
Cash flow hedges	11	9	(4)	5	16
TAX IMPACTS ON RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME[(b)]	**2**	**8**	**(4)**	**4**	**6**
Financial assets at fair value through other comprehensive income	0	-	N/A	(0)	(0)
Actuarial gains and losses on pensions and other long-term employee benefit obligations	24	2	N/A	2	26
TAX IMPACTS ON NON-RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME	**24**	**2**	**-**	**2**	**26**

(a) The tax effects relating to cash flow hedges as well as the gains and losses generated during the year and amounts recycled to the income statement are presented in the consolidated statement of changes in equity in the "Changes in fair value and other" column.
(b) These taxes will be recycled to the income statement in the same periods as the underlying transactions to which they relate (see ***Notes 1.C*** *and* ***1.F.n****).*

D. Deferred taxes recognized in the consolidated balance sheet

Deferred taxes break down as follows by type:

in millions of euros	December 31, 2022	Impact on income	Impact on equity	Change in consolidation scope	Exchange differences and other	December 31, 2023
Fixed assets	(58)	(4)	(0)	(6)	1	(67)
Other assets	(68)	(14)		(1)	5	(79)
Employee benefit obligations	34	(12)	2	(1)	(1)	22
Provisions for contingencies and charges	14	8		1	(0)	23
Other payables	32	(15)	(0)	(0)	(8)	8
Derivatives (metal & exchange)	4	(14)	5	0	(0)	(5)
Unused tax losses, non-deductible interest and tax credits	587	50		(2)	8	643
DEFERRED TAX ASSETS (GROSS) AND DEFERRED TAX LIABILITIES	**544**	**(2)**	**7**	**(9)**	**5**	**545**
Unrecognized deferred tax assets	(573)	26	(1)	5	(1)	(545)
NET DEFERRED TAXES	**(30)**	**24**	**6**	**(4)**	**4**	**0**
• of which recognized deferred tax assets	122					129
• of which deferred tax liabilities	151					129
NET DEFERRED TAXES EXCLUDING ACTUARIAL GAINS AND LOSSES	**(64)**					**(22)**

At December 31, 2023, deferred tax assets in an amount of 545 million euros were not recognized as the Group deemed that their recovery was not sufficiently probable (573 million euros at December 31, 2022). These mainly concern the tax losses described in **Note 10.E** below.

E. Unused tax losses

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

The line "Unused tax losses, deductible interest and tax credits" (see **Note 10.D**) consisted of 633 million euros in unused tax losses, 9 million euros in non-deductible interest and 1 million euros in tax credits at December 31, 2023.

Unused tax losses carried forward represented potential tax benefits for the Group of 633 million euros at December 31, 2023 (587 million euros at December 31, 2022). The main entities to which these tax losses related at those dates were as follows:

- French subsidiaries, in an amount of 264 million euros (257 million euros at December 31, 2022), of which 8 million euros were recognized in deferred tax assets at December 31, 2022 (8 million euros at December 31, 2022);
- German subsidiaries, in an amount of 180 million euros (165 million euros at December 31, 2022), of which 26 million euros were recognized in deferred tax assets at December 31, 2023 (26 million euros at December 31, 2022).

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

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

At December 31, *in millions of euros*	2023	2022
Year Y+1	2	2
Years Y+2 to Y+4	11	15
Year Y+5 and subsequent years[a]	620	570
TOTAL	**633**	**587**

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

F. Taxable temporary differences relating to interests in subsidiaries, joint ventures and associates

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

Note 11. Earnings per share

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

	2023	2022
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT[A]	**221**	**245**
Average number of shares outstanding	43,601,217	43,528,978
Average number of dilutive instruments[b]	1,358,282	1,349,278
Average number of diluted shares	44,959,499	44,878,256
NET INCOME ATTRIBUTABLE TO OWNER OF THE PARENT PER SHARE		
• Basic earnings per share[c]	5.08	5.64
• Diluted earnings per share[c]	4.92	5.47

(a) In millions of euros. In 2023 and 2022, attributable net income corresponded to adjusted net income attributable to owners of the parent.
(b) Dilutive instruments in 2023 and 2022 corresponded to free share and performance share rights.
(c) In euros.

Note 12. Goodwill

The evolution of goodwill in 2023 (293 million euros at December 31, 2023, *versus* 289 million euros at December 31, 2022) is mainly related to the acquisition of REKA and to a lesser extent to changes in exchange rates over the period as the Group's main goodwill items are expressed in foreign currencies as they relate to the Australian (Olex), South American (Madeco, Centelsa) and North American (AmerCable) acquisitions.

All goodwill are tested for impairment as soon as there is an indication of impairment and at least once a year, according to the methods and assumptions described in **Note 1**. No impairment was recognized under goodwill at December 31, 2023 and December 31, 2022.

GOODWILL ASSOCIATED WITH THE PURCHASE OF REKA CABLES

The acquisition was paid in full in cash for an acquisition cost of the shares of 46 million euros accompanied by the immediate repayment by the Group of all the financial debt to the previous shareholder of REKA at the date of the acquisition, *i.e.* 7 million euros. The cash acquired amounted to 3 million euros.

The price paid does not include any price adjustment clause.

The amount paid net of cash acquired ultimately amounted to 51 million euros at December 31, 2023.

The goodwill recognized before allocation to identifiable assets and liabilities amounted to 37 million euros on the date of entry into the scope of consolidation.

The table below shows the main elements used to determine the goodwill before allocation:

in millions of euros	REKA acquisition 2023
Acquisition price[a]	46
- of which portion paid in cash and cash equivalents	0
PURCHASE PRICE OF SHARES (1)	**47**
Repayment of previous shareholder's debt	7
REPAYMENT OF DEBT (2)	**7**
Assets	
Non-current assets (including financial assets)	32
Inventories	26
Receivables	2
Cash and cash equivalents	3
Deferred taxes assets	0
Other assets	1
Liabilities	
Provisions	0
Deferred taxes liabilities	1
Financial borrowing and debt	14
Other liabilities	31
Net attributable assets acquired (3)	**18**
GOODWILL (1)+(2)-(3)	**37**

(a) *The entire acquisition price was paid in cash and cash equivalents.*

The corresponding acquisition costs amounted to 3 million euros in 2023 and were recognized in the income statement in accordance with IFRS 3. In accordance with the Group's accounting principles (see **Note 1.D**), they are presented on the specific "Acquisition-related costs (completed and planned acquisitions)" line within "Other operating income and expenses" (see **Note 6**).

PROVISIONAL ALLOCATION ON ACQUISITION OF REKA CABLES

In accordance with the provisions of IFRS 3, the allocation of the acquisition cost to the fair value of the assets, liabilities and contingent liabilities acquired was carried out during the second half of 2023.

This allocation work reduced the initial goodwill from 37 million euros to 20 million euros.

The impact of these allocations can be broken down as follows:

in millions of euros	References	REKA acquisition 2023
GOODWILL BEFORE ALLOCATION AT APRIL 30, 2023		**37**
Allocation to property, plant and equipment	(1)	5
Allocation to trademarks	(2)	5
Allocation to customer relationships	(2)	16
Allocation to inventories	(3)	1
Provisions	(4)	(6)
Net deferred tax liabilities	(5)	(4)
GOODWILL AFTER PRICE ALLOCATION AT APRIL 30, 2023		**20**

(1) During the 2023 fiscal year, the Group assessed the fair value of all of the Centelsa Group's tangible assets: land, buildings and industrial equipment in the various countries in which it operates.

(2) Over the same period, Nexans also measured the REKA Group's intangible assets. Two significant categories of intangible assets, brands and customer relationships, have been identified and valued with the assistance of specialized consulting firms. These two categories were considered to have a finite life.

(3) Valuation of inventories at their fair value on the acquisition date.

(4) The Group has identified the fair value of the liabilities and contingent liabilities at the acquisition date, taking into account the sharing of risks between the buyer and the seller, in particular according to the liability guarantee clauses.

(5) Deferred taxes recognized as part of the acquisition price allocation: they cover the deferred taxes recognized on the allocations of the goodwill to the tangible and intangible assets acquired as well as to the liabilities and contingent liabilities identified at the acquisition date. This goodwill cannot be amortized for tax purposes.

It should be noted that this provisional goodwill will become definitive at the end of a period of 12 months following the acquisition, *i.e.* on April 30, 2024.

Note 13. Intangible assets

in millions of euros	Trademarks	Customer relationships	Software	Intangible assets in progress	Other Activities	Total
Gross value	77	249	118	15	58	516
Accumulated amortization and impairment	(26)	(185)	(102)	(0)	(28)	(342)
NET AT JANUARY 1, 2023	**51**	**63**	**16**	**15**	**30**	**175**
Acquisitions and capitalizations	-	-	1	13	0	14
Disposals	-	-	(0)	-	(0)	(0)
Amortization expense for the year	(0)	(7)	(8)	-	(3)	(18)
Impairment losses, net of reversals[a]	17	5	-	-	-	23
Changes in Group structure	5	16	(0)	-	1	21
Exchange Differences and other	(2)	(2)	4	(11)	6	(5)
NET AT DECEMBER 31, 2023	**71**	**76**	**13**	**16**	**34**	**210**
Gross value	80	257	119	16	66	537
Accumulated amortization and impairment	(8)	(181)	(106)	-	(32)	(327)

*(a) See **Note 7**.*

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

Note 14. Property, plant and equipment

in millions of euros	Land and buildings	Plant, equipment and machinery Right-of-use assets	Rights of use	Property, plant and equipment in progress	Other Activities	Total
Gross value	1,014	2,362	169	281	304	4,129
Accumulated amortization and impairment	(581)	(1,691)	(64)	(1)	(146)	(2,484)
NET AT JANUARY 1, 2023	**432**	**671**	**104**	**279**	**158**	**1,645**
Acquisitions and capitalizations	9	41	58	306	7	421
Disposals	(3)	(2)	(0)	(0)	(0)	(5)
Amortization expense for the year	(29)	(89)	(28)	-	(14)	(160)
Impairment losses, net of reversals[a]	-	5	-	-	-	5
Changes in Group structure	2	(4)	12	(2)	0	7
Exchange Differences and other	12	48	(18)	(93)	(9)	(60)
NET AT DECEMBER 31, 2023	**423**	**670**	**128**	**491**	**143**	**1,854**
Gross value	1,005	2,369	204	492	300	4,370
Accumulated amortization and impairment	(582)	(1,699)	(76)	(1)	(158)	(2,516)

*(a) See **Note 7**.*

Right-of-use assets primarily concern real estate leases for 116 million euros at December 31, 2023 (94 million euros at December 31, 2022).

Note 15. Investments in associates – Summary of financial data

A. Equity value

At December 31, *in millions of euros*	% control	2023	2022
Qatar International Cable Company	30.33%	12	11
Colada Continua	41.00%	4	4
Recycables	36.50%	4	4
IES Energy		N/A	6
TOTAL		**19**	**25**

In 2023, the Group sold its 27.80% stake in IES Energy. This sale resulted in a capital loss of 6 million euros (see **Note 8**).

B. Financial data relating to associates

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

Condensed balance sheet

At December 31, *in millions of euros*	2023	2022
Property, plant and equipment and intangible assets	48	91
Current assets	77	125
TOTAL CAPITAL EMPLOYED	**125**	**216**
Equity	65	85
Net debt	(18)	7
Other payables	78	124
TOTAL FINANCING	**125**	**216**

Condensed income statement

in millions of euros	2023	2022
Sales at current metal prices	386	416
Operating income	5	(4)
Net income	3	(8)

Note 16. Other non-current assets

At December 31, *in millions of euros, net of impairment*	2023	2022
Long-term loans and receivables	79	20
Shares in non-consolidated companies	24	19
Pension plan assets	79	72
Derivative instruments	36	11
Other Activities	17	16
TOTAL	**234**	**137**

The maturity schedule for non-current assets at December 31, 2023 is presented below, excluding shares in non-consolidated companies and pension plan assets:

At December 31, *in millions of euros*	Value in the consolidated balance sheet	One to five years	Due beyond five years
Long-term loans and receivables	79	68	10
Derivative instruments	36	36	-
Other Activities	17	3	13
TOTAL	**131**	**109**	**23**

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

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

in millions of euros	Long-term loans and receivables	Other Activities
DECEMBER 31, 2022	**15**	**0**
Additions	5	-
Disposals/reversals	(4)	-
Other Activities[a]	1	0
DECEMBER 31, 2023	**17**	**0**

(a) The "Other" line corresponds to reclassifications that had no income statement impact and changes in Group structure.

Note 17. Inventories and work in progress

At December 31, *in millions of euros*	2023	2022
Raw materials and supplies	653	698
Industrial work in progress	317	362
Finished products	418	438
GROSS VALUE	**1,387**	**1,498**
Impairment	(68)	(66)
NET VALUE	**1,319**	**1,432**

Note 18. Trade receivables

At December 31, *in millions of euros*	2023	2022
Gross value	882	958
Impairment	(25)	(23)
NET VALUE	**856**	**935**

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

Changes in provisions for impairment of trade receivables can be analyzed as follows (see **Note 27.D** for details on the Group's policy for managing customer credit risk):

in millions of euros	At January 1	Additions	Utilizations	Reversals	Changes in Group structure	Other (currency translation differences…)	At December 31
2023	**23**	**6**	**(0)**	**(1)**	**(2)**	**(1)**	**25**
2022	26	3	(0)	(4)	(1)	(1)	23

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

in millions of euros	Between 30 and 90 days past due	More than 90 days past due
DECEMBER 31, 2023	**10**	**9**
December 31, 2022	18	9

At December 31, 2023 and 2022, the remaining receivables past due but not written down mainly related to leading industrial groups, major public and private electricity companies and telecommunications operators, and major resellers.

Note 19. Other current assets

At December 31, *in millions of euros*	2023	2022
Prepaid and recoverable income taxes	34	28
Other tax receivables	84	109
Cash deposits paid	8	9
Prepaid expenses	26	23
Other receivables, net	84	89
NET VALUE	**235**	**259**

Cash deposited to meet margin calls on copper forward purchases traded on the LME whose fair value was negative at the year-end (see **Note 27.C**) is presented under "Cash deposits paid" in the above table and amounted to 4 million euros at December 31, 2023 (6 million euros at December 31, 2022).

Since December 31, 2020, other receivables, net include cash deposits placed by the Group's entity in Lebanon with local banks due to the crisis situation in the country. These deposits amounted to 4 million euros at December 31, 2023. Refer to **Note 9** for details of changes in impairment losses recognized in 2023.

Note 20. Change in working capital requirement

The change in working capital mentioned in the statement of cash flows in **5.1.5** is detailed below:

At December 31, *in millions of euros*	2023	2022
Inventories and work in progress	70	(99)
Trade receivables and other receivables	42	(129)
Trade payables and other debts	151	331
DECREASE (INCREASE) IN WORKING CAPITAL	**262**	**104**

Note 21. Equity

A. Composition of capital stock

At December 31, 2023, Nexans S.A.'s capital stock comprised 43,753,380 fully paid-up shares, each with a par value of 1 euro and a single voting right (43,753,380 shares at December 31, 2022).

B. Distribution

At the Shareholders' Meeting, shareholders will be invited to vote on the distribution of a dividend of 2.30 euros per share, which, taking into account the 43,753,380 ordinary shares comprising the Company's share capital at December 31, 2023, represents a total payment of 101 million euros.

If the Company holds any treasury shares at the time the dividend is paid, the amount corresponding to unpaid dividends on these shares will be allocated to retained earnings. The total amount of the dividend could be increased in order to reflect the number of additional shares that may be issued between January 1, 2024 and the date on which the Shareholders' Meeting is called to approve the dividend payment.

On May 11, 2023, the Combined General Meeting called to approve the financial statements for the year ended December 31, 2022, authorized the payment of a dividend of 2.10 euros per share, which, based on the 43,657,466 treasury shares making up the Company's capital stock on the payment date of May 17, 2023, had resulted in a disbursement of 92 million euros.

C. Treasury stock

Movements in treasury stock from 2021 to 2023 are presented below:

	Notes	Number of treasury stock
AT DECEMBER 31, 2021		**118,738**
Share buyback program[a]		254,144
Grant to employees		(80,480)
Liquidity contract (purchases)/sales	21.D	-
AT DECEMBER 31, 2022		**292,402**
Share buyback program[a]		80,856
Grant to employees	21.D	(253,400)
Liquidity contract (purchases)/sales		-
AT DECEMBER 31, 2023		**119,858**

(a) Corresponding to share purchases under the buyback programs approved by the Board of Directors on May 11, 2022 and September 26, 2023.

From January 1, 2023, to December 31, 2023, the Company purchased 1,170,394 shares, including 80,856 through the share buyback program and 1,089,538 through the liquidity contract for a total of 93 million euros, and sold 1,089,538 shares *via* the liquidity contract for 87 million euros, which represents a net decrease in total equity of -6 million euros.

D. Free shares and performance shares

The Group allocated an aggregate 352,730 free shares and performance shares in 2023 and 358,865 free shares and performance shares in 2022.

At December 31, 2023, there were 1,323,345 free shares and performance shares outstanding, each entitling their owner to one share on vesting, representing a total of 3.03% of the Company's capital stock (1,331,425 shares at December 31, 2022, representing 3.04% of the Company's capital stock).

The free shares and performance shares outstanding at December 31, 2023 can be analyzed as follows:

A. PLAN CHARACTERISTICS

Grant date	Number of shares originally granted	Number of shares outstanding at the year-end	End of vesting period
March 13, 2018	211,100	-	March 13, 2022
July 27, 2018	14,500	-	July 27, 2022
March 19, 2019	319,700	-	March 19, 2023
March 17, 2020	340,650	281,100	March 17, 2024
March 18, 2021	333,145	282,505	March 18, 2025
September 30, 2021	100,000	90,200	March 17, 2025
November 8, 2021	2,750	2,750	November 8, 2025
March 17, 2022	348,765	315,030	March 17, 2026
October 25, 2022	10,100	10,100	March 17, 2026
March 16, 2023	346,730	337,660	March 16, 2027
October 24, 2023	6,000	6,000	March 16, 2027
TOTAL	**2,033,440**	**1,325,345**	

B. MOVEMENTS IN OUTSTANDING FREE SHARES AND PERFORMANCE SHARES

	Number of shares
SHARES OUTSTANDING AT BEGINNING OF YEAR	**1,331,425**
Shares granted during the year	352,730
Shares canceled during the year	(105,410)
Shares vested during the year[a]	(253,400)
SHARES OUTSTANDING AT THE YEAR-END	**1,325,345**

(a) Including 253,400 shares allocated from treasury stock.

C. VALUATION OF FREE SHARES AND PERFORMANCE SHARES

The assumptions applied to value the shares impacting income for 2023 and 2022 were as follows:

Grant date	Share price at grant date (*in euros*)	Vesting period	Volatility (%)[a]	Risk-free interest rate (%)	Dividend rate (%)	Fair value of each share (*in euros*)
March 13, 2018	44.64	4 years	35.00%	0.02%	2.00%	21.14 – 41.21
July 27, 2018	29.28	4 years	42.00%	0.00%	2.00%	12.53 – 28.70
March 19, 2019	28.22	4 years	35.00%	-0.22%	2.00%	10.90 – 26.05
March 17, 2020	24.77	4 years	37.63%	-0.32%	2.00%	7.11 – 22.87
March 18, 2021	70.85	4 years	44.03%	-0.55%	2.00%	42.40 – 65.40
September 30, 2021	79.60	3-4 years	41.31%	-0.58%	2.00%	45.46 – 74.28
November 8, 2021	87.20	4 years	41.11%	-0.58%	2.00%	51.70 – 80.50
March 17, 2022	84.50	4 years	40.74%	0.03%	2.00%	48.87 – 78.00
October 25, 2022	98.80	3-4 years	40.74%	2.30%	2.00%	70.44 – 92.32
March 16, 2023	65.30	4 years	36.33%	3.16%	2.00%	21.03 – 61.05
October 24, 2023	65.30	3-4 years	36.33%	3.16%	2.00%	21.03 – 61.05

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

The fair value of free shares and performance shares is recorded as a payroll expense from the grant date to the end of the vesting period, with a corresponding adjustment to equity. In the income statement, this expense amounted to 13 million euros in 2023 (compared to an expense of 16 million euros in 2022, including the expense related to the employee share ownership plan).

E. Put options granted to non-controlling interests

At December 31, 2023, Nexans no longer any outstanding put options on non-controlling interests.

Note 22. Pensions, retirement bonuses and other long-term benefits

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

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

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

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

Within the French scope, the effect of the pension reform voted in 2023 was non-material and represented less than 1 million euros.

A. Key assumptions

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

The (equivalent average) rates used for the main countries concerned are listed below (together, these countries represented some 94% of the Group's pension obligations at December 31, 2023):

	Discount rate 2023	Estimated future salary increases 2023	Discount rate 2022	Estimated future salary increases 2022
France	3.20% – 3.70%	1.90% – 2.60%	3.15% – 3.80%	1.90% – 2.40%
Germany	3.20% – 3.70%	3.50%	3.15% – 3.80%	3.00%
Norway	4.30%	N/A	3.60%	N/A
Switzerland	1.30%	1.20%	2.15%	1.10%
Canada	4.60% – 4.90%	3.60%	4.95%	3.60%
United States of America	5.20%	N/A	5.25%	N/A
South Korea	4.85%	3.00%	4.85%	3.00%
Australia	5.50%	3.00%	4.85%	2.50%

The discount rates applied were determined as follows:

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

B. Principle movements

Retirement costs for the year *in millions of euros*	2023	2022
Service cost	(10)	(11)
Net interest expense	(5)	(2)
Actuarial gains (losses) (on jubilee benefits)	1	3
Past service cost	(1)	(1)
Effect of curtailments and settlements	0	0
Other Activities	-	(4)
NET COST FOR THE YEAR	**(15)**	**(15)**
• of which operating cost	(10)	(14)
• of which finance cost	(5)	(2)

Valuation of defined benefit obligation *in millions of euros*	2023	2022
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT JANUARY 1	**588**	**739**
Service cost	10	11
Interest expense	19	9
Employee contributions	2	2
Plan amendments	1	1
Business acquisitions and disposals	11	-
Plan curtailments and settlements	(0)	(0)
Benefits paid	(49)	(48)
Actuarial (gains) losses	31	(144)
Exchange differences and other	8	19
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT DECEMBER 31	**619**	**588**

Plan assets *in millions of euros*(a)	2023	2022
FAIR VALUE OF PLAN ASSETS AT JANUARY 1	**436**	**490**
Interest income	14	7
Actuarial gains (losses)	16	(55)
Employer contributions	6	6
Employee contributions	2	2
Business acquisitions and disposals	9	-
Plan curtailments and settlements	-	-
Benefits paid	(31)	(30)
Exchange differences and other	12	16
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**465**	**436**

(a) The coverage of the obligations does not include the unrecognized surplus (due to asset limitations), presented in the funded status table below.

Funded status *in millions of euros*	2023	2022
Present value of wholly or partially funded benefit obligations	(423)	(392)
Fair value of plan assets	465	436
FUNDED STATUS OF BENEFIT OBLIGATION	**42**	**44**
Present value of unfunded benefit obligation	(197)	(196)
BENEFIT OBLIGATION NET OF PLAN ASSETS	**(155)**	**(152)**
Unrecognized surplus (due to asset ceiling)	(4)	(8)
NET PROVISION RECOGNIZED AT DECEMBER 31	**(158)**	**(160)**
• *of which pension assets*	*79*	*72*

Change in net provision *in millions of euros*	2023	2022
NET PROVISION RECOGNIZED AT JANUARY 1	**160**	**249**
Expense (income) recognized in the income statement	15	15
Expense (income) recognized in other comprehensive income	10	(78)
Utilization	(23)	(25)
Other impacts (exchange differences, acquisitions/disposals, *etc.*)	(3)	(2)
NET PROVISION RECOGNIZED AT DECEMBER 31	**158**	**160**
• *of which pension assets*	*79*	*72*

C. Significant events of the year

Actuarial losses recognized in 2023 were mainly due to the lower discount rates applied, partially compensated by the return on plan assets.

The Group's employer contributions relating to defined benefit plans are estimated at 5 million euros for 2024.

Other retirement benefits for which the Group's employees are eligible correspond to defined contribution plans under which the Group pays a fixed contribution and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions under these plans are recognized immediately as an expense. The amount of contributions paid in relation to these plans amounted to 105 million euros in 2023 (95 million euros in 2022).

Actuarial gains recognized in 2022 were mainly due to the higher discount rates applied and the return on plan assets (excluding amounts included in interest on the net defined benefit obligation).

D. Analysis of actuarial gains and losses

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

	2023		2022	
	in millions of euros	% of DBO	*in millions of euros*	% of DBO
Discount rate	18	3%	(146)	-25%
Salary increases	0	0%	1	0%
Mortality	0	0%	(2)	0%
Staff turnover	-	0%	-	0%
Inflation rate	3	0%	4	1%
Other changes in assumptions	3	0%	2	0%
(GAINS)/LOSSES FROM CHANGES IN ASSUMPTIONS	**24**	**4%**	**(142)**	**-24%**
(GAINS)/LOSSES FROM PLAN AMENDMENTS	**0**	**0%**	**-**	**0%**
(GAINS)/LOSSES FROM EXPERIENCE ADJUSTMENTS	**7**	**1%**	**(2)**	**0%**
OTHER ACTIVITIES	**-**	**0%**	**-**	**0%**
TOTAL (GAINS)/LOSSES ARISING DURING THE YEAR	**31**	**5%**	**(144)**	**-24%**

E. Breakdown of plan assets by category

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

	2023		2022	
At December 31	*in millions of euros*	% of plan assets	*in millions of euros*	% of plan assets
Equities[(a)]	153	33%	145	33%
Bonds and other fixed income products[(a)]	163	35%	166	38%
Real estate	105	22%	83	19%
Cash and cash equivalents	7	2%	7	2%
Other Activities	37	8%	36	8%
FAIR VALUE OF PLAN ASSETS	**465**	**100%**	**436**	**100%**

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

F. Sensitivity analyses

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

	2023		
At December 31	Actual DBO *in millions of euros*	Adjusted DBO *in millions of euros*	% change
Europe	446	468	5.02%
North America	144	151	4.91%
Asia	14	14	3.83%
Other countries	16	16	4.75%
TOTAL	**619**	**650**	**4.96%**

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

	2023		
At December 31	Actual DBO *in millions of euros*	Adjusted DBO *in millions of euros*	% change
Europe	446	456	2.19%
North America	144	144	0.00%
Asia	14	14	0,00%
Other countries	16	16	1.63%
TOTAL	**619**	**629**	**1.62 %**

G. Characteristics of the main defined benefit plans and associated risks

The Group's main defined benefit plans are in Switzerland (35% of total benefit obligations at December 31, 2023) and Germany (24% of total benefit obligations at December 31, 2023).

SWITZERLAND

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

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

The pension fund is established as a separate legal entity. This foundation is responsible for the management of the plan and is composed of an equal number of employer and employee representatives. The strategic allocation of plan assets must comply with the investment guidelines put in place by the Foundation, which are aimed at limiting investment risks.

In addition, Nexans Suisse S.A. is exposed to a lifetime risk concerning the commitment. Indeed, three-quarters of commitments relate to retirees.

The life of the plan is approximately 10 years.

GERMANY

Nexans Deutschland GmbH's most significant plan is a defined benefit plan that has been closed to new entrants since January 1, 2005. For former employees currently receiving benefits under the plan (and plan members who have not yet retired), pension benefits are calculated based on their vested rights as of the date the plan was closed. This plan is not funded.

Members are also covered against the risk of disability. In general, any disability payments due will be made on top of the amount of future pension benefits. In addition, the plan provides for reversionary benefits.

In addition, Nexans Deutschland GmbH is exposed to a lifetime risk and pension indexation risk concerning the commitment. In fact, more than 90% of commitments relate to retirees.

The life of the plan is approximately eight years.

Note 23. Provisions

A. Analysis by nature

At December 31, *in millions of euros*	2023	2022
Accrued contract costs	87	70
Provisions for reorganization costs	22	25
Other provisions	91	82
TOTAL	**200**	**177**

The movements in these provisions were as follows:

in millions of euros	Total	Accrued contract costs	Provisions for reorganization	Other provisions
AT DECEMBER 31, 2021	**168**	**45**	**44**	**79**
Additions	53	41	8	5
Reversals (utilized provisions)	(29)	(7)	(21)	(1)
Reversals (surplus provisions)	(19)	(9)	(6)	(4)
Business combinations	-	-	-	-
Exchange Differences and other	3	(0)	0	3
AT DECEMBER 31, 2022	**177**	**70**	**25**	**82**
Additions	78	48	16	14
Reversals (utilized provisions)	(30)	(11)	(16)	(3)
Reversals (surplus provisions)	(30)	(22)	(2)	(5)
Business combinations	-	-	-	-
Exchange Differences and other	6	3	(0)	3
AT DECEMBER 31, 2023	**200**	**87**	**22**	**91**

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

Provisions for accrued contract costs are primarily set aside by the Group as a result of its contractual responsibilities, particularly relating to customer warranties, loss-making contracts and penalties under commercial contracts (see **Note 30**). They include provisions for construction contracts in progress, where applicable, in accordance with the method described in **Note 1.E.a**.

The "Other provisions" column mainly includes provisions set aside for antitrust investigations, which amounted to 65 million euros at December 31, 2023, and 66 million euros at December 31, 2022 (see **Note 30**).

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

B. Analysis of reorganization costs

Reorganization costs amounted to 49 million euros in 2023, breaking down as follows:

in millions of euros	Redundancy costs	Asset impairment and retirements(a)	Other monetary costs	Total
Charges to provisions, net of reversals of surplus provisions	14	(6)	(1)	8
Other costs for the year	7	-	34	41
TOTAL REORGANIZATION COSTS	**21**	**(6)**	**33**	**49**

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

As was the case in previous years, wherever possible the reorganization plans implemented by the Group in 2023 included assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

The costs also included costs directly related to the transformation programs announced by the Group on November 9, 2018 and February 17, 2021 (9 million euros in 2023 *versus* 20 million euros in 2022); and costs related to the implementation of operational tools and processes preparing the segregation of Electrification and non-Electrification activities (9 million euros in 2023 *versus* 3 million euros in 2022).

Note 24. Net debt

On February 15, 2023, Standard & Poor's revised the outlook associated with the Group's "BB+" long-term rating from "stable" to "positive". The rating did not change as of December 31, 2023.

At December 31, 2022, the Group's long-term debt was rated BB+ by Standard & Poor's with a stable outlook.

A. Analysis by nature

At December 31, *in millions of euros*	Notes	2023	2022
Long term – ordinary bonds[a]	24.C	398	200
Other long-term borrowings[a]	24.D	246	229
TOTAL LONG-TERM DEBT[b]		**644**	**429**
Short term – ordinary bonds[a]	24.C	199	325
Short-term borrowings and short-term accrued interest not yet due[b]	24.D	354	449
Bank loans		16	4
TOTAL SHORT-TERM DEBT[b]		**569**	**778**
TOTAL GROSS DEBT[b]		**1,213**	**1,207**
Cash		(1,056)	(1,084)
Cash equivalents		(75)	(50)
NET DEBT (CASH) EXCLUDING LEASE LIABILITIES		**82**	**73**
Lease liabilities[c]		132	110
TOTAL NET FINANCIAL DEBT		**214**	**182**

(a) *Excluding short-term accrued interest not yet due and lease liabilities.*
(b) *Excluding lease liabilities.*
(c) *Out of the total lease liabilities recognized, 103 million euros corresponded to non-current liabilities and the balance to current liabilities. The related interest expense amounted to 4 million euros in 2023.*

At December 31, 2023, the net balance of cash deposits with Lebanese banks amounted to 4 million euros (4 million euros at December 31, 2022).

At December 31, 2023, as at December 31, 2022, they were classified as other net receivables, excluding cash and cash equivalents.

B. Change in gross debt

in millions of euros	December 31, 2022	New borrowings/ repayments	Change in consolidation scope	Change in accrued interest	Transfers from long-term to short-term	Other Activities[a]	December 31, 2023
Long-term – ordinary bonds	200	398	-	0	(200)	-	398
Other long-term borrowings	229	49	-	-	(32)	(1)	246
Short-term – ordinary bonds	325	(325)	-	-	200	(1)	199
Other short-term borrowings	436	(132)	-	-	32	(5)	330
Lease liabilities	110	(28)	(0)	0	-	50	132
Short-term accrued interest not yet due	13	N/A	-	9	1	0	24
GROSS DEBT EXCLUDING SHORT-TERM BANK LOANS AND OVERDRAFTS	**1,312**	**(39)**	**(0)**	**10**	**1**	**44**	**1,328**

(a) *Including the non-cash impacts of new leases signed during the year.*

Borrowings included for 18 million euros borrowings from the divested Telecom Systems scope, presented as net cash used in investing in the consolidated statement of cash flow.

C. Ordinary bonds

in millions of euros	Carrying amount at end-2023	Face value at issue date	Maturity date	Nominal interest rate
Ordinary bonds redeemable in 2024	204	200	April 5, 2024	2.75%
Ordinary bonds redeemable in 2028	414	400	April 5, 2028	5.50%
TOTAL ORDINARY BONDS[(a)]	**618**	**600**		

(a) Including 22 million euros in short-term accrued interest.

On May 10, 2023, Nexans redeemed early the 325-million euro bond issue, whose initial maturity was scheduled for August 8, 2023.

On April 5, 2023, Nexans completed its first sustainability bond issue for an amount of 400 million euros. This five-year fixed-rate issue (maturing on April 5, 2028) carried an annual coupon of 5.5%. The bonds were issued at par. This first bond issue linked to sustainable development is part of Nexans' "Sustainable Financing Framework". The bonds issued are linked to the climate objectives that Nexans has set for December 31, 2026 for the reduction of its Scope 1 and 2 greenhouse gas emissions, as well as for the "Cradle-to-Shelf" portion linked to the CO2 content of Scope 3 emissions products. Failure to comply with any of these obligations would result in an increase of 50 basis points in the final year's coupon rate. Climate change is also taken into account by the Group in its approach to risks and estimates of the consequences on the valuation of its assets cf. **Note 7**.

On April 5, 2017, Nexans carried out a 200-million-euro bond issue with a maturity date of April 5, 2024 and an annual coupon of 2.75%. The bonds were issued at par.

D. Other borrowings

On October 6, 2021, the European Investment Bank (EIB) granted Nexans a loan facility in the amount of 200 million euros, intended to promote its active participation in the global energy transition and its commitment to contribute to achieving carbon neutrality by 2030.

On April 5, 2022, Nexans drew down the entire financing line, *i.e.* an amount of 200 million euros. The loan, repayable at maturity, has a maturity of five years (maturing on April 5, 2027) and carries a fixed-rate annual coupon of 1.93%.

Accrued interest not yet due amounted to 3 million euros at December 31, 2023.

The amount recognized under "Other borrowings" at December 31, 2022, included the 90 million euros drawn down on the loan to finance the construction of the Nexans Aurora cable-laying vessel. This loan was repaid in full at the end of 2023 for 83 million euros.

Short-term borrowings also include 287 million euros in outstanding commercial papers with an average maturity of three months.

E. Analysis of gross debt by currency and interest rate

LONG-TERM FINANCIAL BORROWINGS AND DEBT

	Weighted average EIR[(a)] (%)		*in millions of euros*	
At December 31, excluding short-term accrued interest not yet due	**2023**	2022	**2023**	2022
Euro – Ordinary bonds redeemable in 2024	N/A	2.87%	N/A	200
Euro – Ordinary bonds redeemable in 2028	5.65%	N/A	398	N/A
Euro – European Investment Bank (EIB) loan	1.93%	1.93%	200	200
Other Activities	3.49%	3.85%	46	29
TOTAL LONG-TERM DEBT[(b)]	**4.34%**	**2.50%**	**644**	**429**

(a) Effective interest rate.
(b) Excluding lease liabilities.

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

Long-term debt in euros consists of a lease liability in France relating to a sale and leaseback project that did not meet the criteria for classification as a disposal under IFRS 15.

Long-term financial borrowings and debt denominated in currencies other than the euro include, notably, loans granted in China, Ivory Coast, Colombia or Brazil.

SHORT-TERM FINANCIAL BORROWINGS AND DEBT

	Weighted average EIR[(a)] (%)		*in millions of euros*	
At December 31	**2023**	2022	**2023**	2022
Euro – Ordinary bonds redeemable in 2023	N/A	3.89%	N/A	325
Euro – Ordinary bonds redeemable in 2024	2.87%	N/A	200	N/A
Euro – Negotiable debt securities program	3.94%	0.75%	287	273
Euro – Other Activities	9.41%	0.66%	2	96
US dollar	7.55%	6.57%	25	24
Other Activities	10.23%	8.53%	31	49
TOTAL SHORT-TERM DEBT EXCLUDING ACCRUED INTEREST[(b)]	**4.09%**	**2.72%**	**545**	**766**
Accrued interest (including short-term accrued interest on long-term debt)	N/A	N/A	25	12
TOTAL SHORT-TERM DEBT[(b)]	**5.09%**	**2.72%**	**569**	**778**

(a) *Effective interest rate.*
(b) *Excluding lease liabilities.*

At December 31, 2023, short-term debt in euros consisted mainly of the ordinary bond to be repaid in 2024 and outstanding commercial papers mentioned in **Note 27.A**.

US dollar-denominated debt primarily concerns Colombia.

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

The vast majority of the Group's short-term debt is at fixed rates.

F. Analysis by maturity (including accrued interest)

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

Nexans Financial and Trading Services monitors changes in the liquidity facilities of the holding companies, as well as the Group's overall financing structure on a weekly basis (see **Note 27.A**).

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

Maturity schedule at December 31, 2023

	Due within one year		Due in one to five years		Due beyond five years		**Total**	
in millions of euros	Principal	Interest	Principal	Interest	Principal	Interest	**Principal**	**Interest**
Ordinary bonds redeemable in 2028	-	22	400	88	-	-	400	110
European Investment Bank (EIB) loan	-	4	200	12	-	-	200	15
Ordinary bonds redeemable in 2024	200	6	-	-	-	-	200	6
Negotiable debt securities program	287	4	-	-	-	-	287	4
Other bank loans and overdrafts	58	4	25	4	21	0	104	8
Lease liabilities	29	5	55	14	48	20	132	40
TOTAL	**574**	**45**	**680**	**118**	**69**	**20**	**1,323**	**183**

Notes concerning the preparation of the maturity schedule:

- foreign exchange and interest rate derivatives used to hedge the Group's external debt are not material for the Group as a whole;
- the euro equivalent amount for borrowings in foreign currencies has been calculated using the year-end exchange rate at December 31, 2023;
- it has been assumed that the nominal amounts of short-term borrowings including short-term bank loans and overdrafts will be fully repaid at regular intervals throughout 2023;
- the interest cost has been calculated based on contractual interest rates for fixed-rate borrowings and on weighted average interest rates at December 31, 2023 for variable-rate borrowings (see **Note 24.D** above).

Note 25. Trade payables and other current liabilities

At December 31, *in millions of euros*	2023	2022
TRADE PAYABLES	**1,601**	**1,735**
Social liabilities	256	231
Current income tax payables	69	86
Other tax payables	30	20
Deferred income	1	0
Other payables	126	125
OTHER CURRENT LIABILITIES	**482**	**461**

At December 31, 2023, the Group's trade payables included approximately 253 million euros (405 million euros at December 31, 2022) related to copper purchases whose payment periods, in some cases, can be longer than usual for such supplies.

Amounts due to suppliers of fixed assets totaled 1 million euros at December 31, 2023 (1 million euros at December 31, 2022).

Note 26. Derivative instruments

	December 31, 2023							December 31, 2022		
in millions of euros	Notional amounts					Market value		Notional amounts	Market value	
Foreign exchange derivatives	USD	NOK	EUR	Other Activities	Total	Assets	Liabilities		Assets	Liabilities
FOREIGN EXCHANGE DERIVATIVES – CASH FLOW HEDGES						**86**	**74**		**36**	**38**
Forward sales	940	2,575	2,797	218	**6,530**			**4,039**		
Forward purchases	775	3,570	1,854	362	**6,561**			**4,036**		
FOREIGN EXCHANGE DERIVATIVES – ECONOMIC HEDGES						**5**	**7**		**7**	**21**
Forward sales	487	231	608	601	**1,927**			**2,280**		
Forward purchases	585	135	901	306	**1,926**			**2,263**		
Metal derivatives	Copper	Aluminum	Lead	Other Activities	Total	Assets	Liabilities	Notional amounts	Assets	Liabilities
METAL DERIVATIVES – CASH FLOW HEDGES						**13**	**12**		**19**	**15**
Forward sales	260	31	6	-	**297**			**232**		
Forward purchases	518	58	44	-	**621**			**660**		
METAL DERIVATIVES – ECONOMIC HEDGES						**-**	**-**		**-**	**-**
Forward sales	-	-	-	-	**-**			**-**		
Forward purchases	-	-	-	-	**-**			**-**		
TOTAL FOREIGN EXCHANGE AND METAL DERIVATIVES						**104**	**93**		**62**	**74**

FOREIGN EXCHANGE DERIVATIVES

In 2023, the loss relating to the ineffective portion of the Group's foreign exchange derivatives amounted to 18 million euros. In the consolidated income statement this loss is included in "Other financial income and expenses" for the operations component of the hedge and in "Cost of debt (net)" for the financial component.

A 22 million euro net loss on cash flow hedges was recognized in the consolidated statement of comprehensive income and a net loss of 7 million euros was recycled to the income statement.

METAL DERIVATIVES

In 2023, the ineffective portion of gains or losses arising on the fair value remeasurement of metal derivatives designated as cash flow hedges represented a non-material amount that was recognized in the consolidated income statement on the line "Changes in fair value of non-ferrous metal derivatives" in "Other operating income and expenses".

An aggregate 5-million euro gain was recognized in the consolidated statement of comprehensive income for metal derivatives designated as cash flow hedges and an 8-million euro loss was recycled to the income statement.

Note 27. Financial risks

The Treasury, Financing and Metals Department defines the financial risk management policy, covering:

- liquidity, foreign exchange, interest rate, credit and banking counterparty risks;
- risks relating to changes in non-ferrous metal prices, as well as the credit and financial counterparty risks of entities that trade in non-ferrous metals markets.

The department is part of the legal entity Nexans Financial and Trading Services.

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

Nexans Financial and Trading Services is the counterparty for all hedges of commodities risks, except for those set up by subsidiaries in Brazil, South Korea, China, Australia and New Zealand.

The main subsidiaries that did not have access to the centralized cash management system at December 31, 2023, are located in Morocco, Lebanon, China, South Korea, Peru, Brazil, Chile, Ghana and Colombia. These subsidiaries, which have their own banking partners, are nevertheless subject to Group procedures regarding their choice of banks and foreign exchange and interest rate risk management.

Non-ferrous metal risk management policy is also defined and controlled centrally for the entire Group by the Treasury, Financing and Metals Department, which takes centralized positions on the market based on requests from subsidiaries. At December 31, 2023, only subsidiaries in Australia, New Zealand and China had direct access to such markets.

A. Liquidity risk

GROUP FINANCING

Monitoring and controlling liquidity risks

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

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

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

The Group also monitors its net debt position on a monthly basis (see **Note 24** for the definition of net debt).

Management of cash surpluses

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

At December 31, 2023, the Group's cash surpluses were recognized under "Cash and cash equivalents" in the consolidated balance sheet and were invested in:

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

As an exception to the above and due to the crisis in Lebanon, bank deposits in Lebanese banks have been excluded from cash and cash equivalents (see **Note 19**).

Main sources of financing

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

- issues of ordinary bonds maturing in 2024 and 2028 (see **Note 24**);
- a medium-term syndicated credit facility renewed on October 25, 2022 and now representing an amount of 800 million euros, lasting for an initial period of five years. In October 2023, the Group activated its first extension option, bringing the maturity of the line to 2028. There is now a one-year extension option;
- a loan facility granted by the European Investment Bank (EIB) for an amount of 200 million euros, fully drawn in April 2022;
- a confirmed credit facility signed on February 7, 2023 for 325 million euros, then reduced in April 2023 to 200 million euros, in order to secure the Group's liquidity and cover the refinancing of bonds maturing in 2023 and 2024. In the event of a drawdown, the maximum maturity will be August 7, 2025;

- a negotiable debt securities program signed on December 21, 2018 for a maximum amount of 400 million euros, and increased to 600 million euros on November 15, 2021. Outstandings amounted to 287 million euros at December 31, 2023 (273 million euros at December 31, 2022);
- at December 31, 2023, Nexans France SAS had sold 47 million euros worth of receivables under a program set up in the second half of 2021 (45 million euros at December 31, 2022);
- the other main receivables securitization and factoring programs in 2023 concerned Norway, Sweden and Finland:
  - in Finland, receivables sold under the factoring program totaled 44 million euros at December 31, 2023;
  - in Norway, receivables sold under the factoring program totaled 31 million euros at December 31, 2023 (16 million euros at December 31, 2022);
  - in Sweden, receivables sold under the factoring program totaled 29 million euros at December 31, 2023 (29 million euros at December 31, 2022);
  - an analysis of the terms of the contracts and programs showed that rights to the cash flows from the receivables and substantially all of the related risks and benefits were transferred to the factor. The factored receivables were therefore derecognized in accordance with IFRS;
- local credit facilities.

COVENANTS AND ACCELERATION CLAUSES

On October 25, 2022, the Group signed a new syndicated credit agreement for an amount of 800 million euros, replacing the syndicated credit agreement signed in 2018. Its maturity date was extended to October 25, 2028, following the exercise of the first one-year extension option by the Group. It includes two extension options of one year each, possibly extending its final maturity to October 25, 2029.

On October 6, 2021, the European Investment Bank (EIB) granted Nexans a loan facility in the amount of 200 million euros, intended to promote its active participation in the global energy transition and its commitment to contribute to achieving carbon neutrality by 2030.

In April 2022, the Group drew down this financing for an amount of 200 million euros. The repayment will be made *in fine* in April 2027.

On February 7, 2023, the Group signed a confirmed financing line for an amount of 325 million euros, reduced to 200 million euros in April 2023, to ensure its liquidity and be able to hedge, if necessary, the refinancing of bond issues maturing in 2023 and 2024. In the event of a drawdown, the maximum maturity will be August 7, 2025.

The renewed syndicated loan, the confirmed loan facility and the loan granted by the European Investment Bank (EIB) are subject to the following two hard covenants:

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

These ratios were well within the specified limits at both December 31, 2023 and at the date the Board of Directors approved the financial statements.

If any of the covenants were breached, the syndicated credit facility, the confirmed financing line or the European Investment Bank (EIB) loan facility would become unavailable and any drawdowns would be repayable, either immediately or after a contractual cure period depending on the nature of the breach.

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

The syndicated loan agreement and the European Investment Bank (EIB) loan contain standard covenants (negative pledge, cross default, *pari passu* and change of control clauses), which, if breached, could accelerate repayment of the syndicated loan or the bond debt.

B. Interest rate risk

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

- the Group's medium- and long-term debt is predominantly at fixed rates and at December 31, 2023, mainly consisted of the 2028 bond issue and the loan from the European Investment Bank (EIB);
- the Group's short-term debt includes the ordinary bonds redeemable in 2024 and the commercial paper at fixed rates of interest that is due within 12 months at the reporting date. The remainder of the Group's short-term debt is at a variable rate based on monetary indicators depending on the underlying currency (ESTER, EURIBOR, SOFR, SONIA, *etc.*).

  Fixed-rate debts with original maturities of less than one year are considered as variable-rate debts. Short-term cash surpluses are invested in instruments which have maturities of less than one year (fixed rate renegotiated at renewal) or variable-rate instruments (ESTER, EURIBOR, SOFR, SONIA, *etc.*). Consequently, the Group's net exposure to short-term changes in interest rates is limited: active net exposure of 775 million euros at December 31, 2023, and 688 million euros at December 31, 2022.

Following the disappearance of LIBOR in June 2023, the transition to the new market standard was successful, with no significant impact on the Group.

The Group did not have any interest rate hedges in place in either 2023 or 2022.

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

	2023			2022		
At December 31, *in millions of euros*	Current	Non-current	Total	Current	Non-current	Total
Variable rate						
Financial liabilities[(a)]	346	9	355	437	9	447
Cash and cash equivalents	(1,131)	-	(1,131)	(1,134)	-	(1,134)
NET VARIABLE RATE POSITION	**(785)**	**9**	**(775)**	**(697)**	**9**	**(688)**
Fixed rate						
Financial liabilities[(a)]	252	737	989	368	502	869
Cash and cash equivalents	-	-	-	-	-	-
NET FIXED RATE POSITION	**252**	**737**	**989**	**368**	**502**	**869**
NET DEBT	**(532)**	**746**	**214**	**(330)**	**511**	**182**

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

C. Foreign exchange and metal price risks

The Group's foreign exchange risk exposure primarily relates to operations-based transactions (purchases and sales).

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

The Group's sensitivity to foreign exchange risk on operating cash flows is considered to be moderate due to its operational structure. Indeed, the majority of Nexans' operating subsidiaries have a very strong local presence, except in the high-voltage business. The Group's policy is to hedge its foreign exchange and non-ferrous metal price risks on cash flows relating to foreseeable significant contractual commercial transactions, and 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.

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

METHODS USED TO MANAGE AND HEDGE EXPOSURE TO FOREIGN EXCHANGE RISK

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

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

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

Foreign exchange risk is identified at the level of the Group's subsidiaries. The subsidiaries' treasurers execute hedges centrally or locally using forward currency transactions. For subsidiaries that are members of the cash pool, these transactions are carried out with the Treasury, Financing and Metals Department. Other subsidiaries enter into forward currency transactions with their local banks. The objective is to reduce flows in the subsidiary's functional currency and/or to avoid open positions in a given currency for a given maturity.

METHODS USED TO MANAGE AND HEDGE EXPOSURE TO METALS RISK

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

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

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

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

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

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

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

In accordance with its risk management policy described above, the Group enters into physical contracts only for operational purposes (for the copper component of customer or supplier orders) and uses futures contracts only for hedging purposes (LME, COMEX or SHFE traded contracts, see **Note 27.D**, "Metals derivatives"). The Group's main subsidiaries document their hedging relationships in compliance with the requirements of IFRS 9 relating to cash flow hedges.

D. Credit and counterparty risk

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

CUSTOMER CREDIT RISK

The Group's diverse business and customer base and wide geographic reach are natural mitigating factors for customer credit risk. At December 31, 2023, no single customer in any country represented more than 5% of the Group's total outstanding receivables, except for Sonepar (7%).

The Group also applies a proactive policy for managing and reducing its customer credit risk by means of a Group-wide credit management policy which has been rolled out to Nexans' international subsidiaries. A portion of trade receivables is not covered by this Group insurance program and case-by-case studies are carried out to find solutions. The recent economic and political crises around the world have made the market environment difficult. The Group focuses on optimizing credit and collection procedures, to limit the incidence of late payments and disputes. As a result, and in view of the current relatively favorable situation of the policy, the credit insurer has confirmed its support and its willingness to support Nexans' future growth strategy.

FOREIGN EXCHANGE DERIVATIVES

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

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

Based on a breakdown by maturity of notional amounts at December 31, 2023 (the sum of the absolute values of notional amounts of buyer and seller positions), the Group's main exposure for all subsidiaries (both members and non-members of the cash pool) is to short-term maturities:

	2023		2022	
At December 31, *in millions of euros*	Buyer position notional amounts	Seller position notional amounts	Buyer position notional amounts	Seller position notional amounts
Within one year	5,117	5,109	3,896	3,918
Between one and two years	1,327	1,332	850	853
Between two and three years	765	760	918	915
Between three and four years	1,278	1,256	513	511
Beyond four years	-	-	122	121
TOTAL	**8,487**	**8,457**	**6,299**	**6,319**

METAL DERIVATIVE INSTRUMENTS

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 Treasury, Financing and Metals Department performs metal derivatives transactions on behalf of substantially all of the Group's subsidiaries apart from, at December 31, 2023, its Australian, New Zealand and Chinese entities. Non-ferrous metal hedging transactions carried out on commodity exchanges may give rise to two different types of counterparty risk:

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

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

The Group's counterparties for these transactions are usually its existing financial partners, provided they have a long-term rating of at least A-/A3. Counterparties rated between BBB-/Baa3 and BBB+/Baa1 can also be approved provided the Group's aggregate exposure to these counterparties does not exceed 20 million US dollars for counterparties rated BBB+, BBB or BBB-.

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

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

The Group's maximum theoretical counterparty risk on its metal derivatives transactions can be measured as the sum of credit balances (including positive mark-to-market adjustments) and cash deposits, after contractually permitted asset and liability netting. At December 31, 2023, this maximum theoretical risk was limited to 9 million euros. It amounted to 16 million euros at December 31, 2022.

The notional amounts of metal derivatives (sum of the absolute values of buy and sell positions) at December 31, 2023 are analyzed by maturity in the table below:

	2023		2022	
At December 31, *in millions of euros*	Buyer position notional amounts	Seller position notional amounts	Buyer position notional amounts	Seller position notional amounts
Within one year	531	289	537	231
Between one and two years	74	8	51	1
Between two and three years	16	-	60	-
Between three and four years	-	-	12	-
Beyond four years	-	-	-	-
TOTAL	**621**	**297**	**660**	**232**

Cash deposited to meet margin calls on copper forward purchases whose fair value was negative at the year-end (see **Note 19**) amounted to 4 million euros at December 31, 2023 (6 million euros at December 31, 2022).

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

RISK ON DEPOSITS AND INVESTMENTS

Deposits and investments with banks of Nexans Financial Trading Services' and Nexans Canada's surplus cash amounted to 710 million euros at December 31, 2023, representing approximately 63% of the Group's total cash and cash equivalents. All of these deposits and investments are with counterparties rated as investment grade by Standard & Poor's, with ratings of between A- and AA-.

Nexans Financial Trading Services has no SICAV's shares as of December 31, 2023.

For the Group's other subsidiaries, counterparty risk on deposits and investments is managed in accordance with the principles and procedures described in **Note 27.A**.

E. Market risk sensitivity analysis

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

SENSITIVITY TO CHANGES IN COPPER PRICES

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

A rise in copper prices would result in:

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

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

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

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

- a 10% increase in copper prices at December 31, 2023 and 2022 and translation of this impact evenly across the entire price curve without any distortion of forward point spreads;
- all working capital components (inventories, and the copper component of trade receivables and payables) would be impacted by the increase in copper prices;
- 46,000 tons and 41,000 tons of copper included in working capital at December 31, 2023, and December 31, 2022, respectively;
- short-term interest rate (3-month Euribor) of +3.91% in 2023 and +2.13% in 2022. A worst-case scenario, in which the increase in working capital would be constant throughout the year, leading to an annualized increase in financial expenses (not taking into account the temporary positive impact of margin calls or the effect of changes in exchange rates);
- 43,500 tons of copper classified as core exposure at December 31, 2023, and 44,775 tons at December 31, 2022;
- using a theoretical income tax rate of 25.83% in 2023 as in 2022.

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

At December 31, *in millions of euros*	2023	2022
Impact on operating income	33	35
Impact on financial income and expenses	(1)	(1)
NET IMPACT ON INCOME (AFTER TAX)	**23**	**26**
IMPACT ON EQUITY[(a)] (AFTER TAX)	**20**	**25**

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

SENSITIVITY TO THE US DOLLAR (USD) AND NORWEGIAN KRONE (NOK) EXCHANGE RATES

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

The Group's other financial assets and liabilities are only exceptionally subject to foreign exchange risk. They were not taken into account in this simulation.

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

The simulation below is based on a 10% decrease in the US dollar spot rate against the world's other major currencies compared with the rates prevailing at December 31, 2023, and December 31, 2022 (*e.g.*, using USD/EUR exchange rates of 1.22 and 1.17 respectively, without any changes in the forward points curve).

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

The simulation below is based on similar assumptions to those used for the US dollar (*i.e.* a 10% decrease in the Norwegian krone spot rate against the world's other major currencies), *e.g.*, using closing NOK/EUR exchange rates of 12.4 and 11.5 at December 31, 2023 and 2022 respectively, without any changes in the forward points curve.

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

	2023		2022	
in millions of euros	Net impact on income (after tax)[(a)]	Impact on equity (after tax)[(b)]	Net impact on income (after tax)[(a)]	Impact on equity (after tax)[(b)]
NET POSITION – UNDERLYINGS[(c)]	(10)	-	(11)	-
NET POSITION – DERIVATIVES	1	10	(14)	10
USD – NET IMPACT ON THE GROUP	**(9)**	**10**	**(25)**	**10**
NET POSITION – UNDERLYINGS[(d)]	7	-	12	-
NET POSITION – DERIVATIVES	(0)	(75)	12	(45)
NOK – NET IMPACT ON THE GROUP	**7**	**(75)**	**24**	**(45)**

(a) Using a theoretical income tax rate of 25.83% in 2023 and 2022.
(b) Excluding net income for the period, the theoretical income tax rate was 25.83% in 2023 and 2022.
(c) Impact primarily due to net open positions in countries whose currencies are very closely correlated to the US dollar.
(d) Impact primarily due to net open positions in countries whose currencies are very closely correlated to the Norwegian krone.

Note 28. Additional disclosures concerning financial instruments

The main types of financial assets and liabilities are divided into the following categories:

At December 31, *in millions of euros*	IFRS 9 category	Fair value category	2023 Carrying amount	2023 Fair value	2022 Carrying amount	2022 Fair value
Assets						
Shares in non-consolidated companies	Financial assets at fair value through profit or loss		21	21	16	16
	Financial assets at fair value through other comprehensive income		3	3	3	3
Other non-current financial assets	Loans and receivables		95	95	36	36
Commercial receivables						
Contract assets	Loans and receivables		187	187	198	198
Trade receivables	Loans and receivables		856	856	935	935
Derivative instruments[a]	Financial assets at fair value through profit or loss	Foreign exchange: 2	91	91	43	43
		Metal: 1	13	13	19	19
Other current financial assets	Loans and receivables		175	175	208	208
Cash and cash equivalents	Financial assets at fair value through profit or loss	Term deposits: 2	75	1,131	50	1,134
		Other: 1	1,056		1,084	
Liabilities						
Gross debt						
Bonds[b]	Financial liabilities at amortized cost		618	642	533	529
European Investment Bank loan[b]	Financial liabilities at amortized cost		200	200	200	200
Other financial liabilities	Financial liabilities at amortized cost		395	395	474	474
Commercial payables						
Contract liabilities	Financial liabilities at amortized cost		738	738	588	588
Trade payables	Financial liabilities at amortized cost		1,601	1,601	1,735	1,735
Derivative instruments[a]	Financial liabilities at fair value through profit or loss	Foreign exchange: 2	81	81	59	59
		Metal: 1	12	12	15	15
Other current financial liabilities	Financial liabilities at amortized cost		412	412	376	376

(a) *Derivative instruments designated as cash flow hedges are carried at fair value through other comprehensive income. Any gains or losses previously recognized in equity are reclassified to the income statement in the period in which the hedged item impacts income.*
(b) *Including short-term accrued interest (see* ***Note 24.C****).*

The Group's fixed rate debt mainly comprised its ordinary bonds redeemable in 2024 and 2028 and the loan taken out with the European Investment Bank, whose fair values may differ from their carrying amounts in view of the fact that they are carried at amortized cost.

The fair value of the 2024 and 2028 ordinary bonds was calculated based on a bank valuation provided at December 31, 2023 and included interest accrued at the year-end. The same method was used at December 31, 2022.

Note 29. Related party transactions

Related party transactions primarily concern commercial and financial transactions carried out with the Quiñenco group – Nexans' principal shareholder – as well as with associates, non-consolidated companies, and directors and key management personnel (whose total compensation is presented in the table set out in **Note 29.C** below).

A. Related party transactions with associates and non-consolidated companies

INCOME STATEMENT

in millions of euros	2023	2022
REVENUE		
• Non-consolidated companies	30	58
• Associated companies	1	1
COST OF SALES		
• Non-consolidated companies	(12)	(10)
• Associated companies	(2)	(3)

BALANCE SHEET

The main items in the balance sheet concerned were as follows:

At December 31, *in millions of euros*	2023	2022
ASSETS		
• Non-consolidated companies	3	5
• Associated companies	0	0
FINANCIAL LIABILITIES/(RECEIVABLES)		
• Non-consolidated companies	(14)	(4)
• Associated companies	-	-
OTHER LIABILITIES		
• Non-consolidated companies	1	1
• Associated companies	0	1

B. Relations with the Quiñenco group

At December 31, 2023, the Quiñenco group held approximately 19% of the Company's capital stock through two subsidiaries, Invexans Limited (UK) and Tech Pack (Chile). The Quiñenco group has given the Company a long-term undertaking that it would not request representation on the Board in excess of three non-independent members in a Board of 14 members, or if the Board were to be enlarged, in excess of a number of directors proportionate to its shareholding.

At December 31, 2023, the main contractual relations between Nexans and the Quiñenco group concerned agreements related to the contract dated February 21, 2008, for the acquisition of the Quiñenco group's cable business, as amended by an addendum signed on September 30, 2008.

The impact of the commercial agreements with the Quiñenco group on the income statement and balance sheet is included in the tables set out in **Note 29.A** above, on the line "Associates".

C. Compensation of key management personnel

In 2023 as in 2022, key management personnel corresponds to corporate officers and members of the Executive Committee.

TOTAL COMPENSATION

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

in millions of euros	2023	2022
Compensation for corporate officer positions[(a)]	2.7	3.1
Compensation under employment contracts and benefits in kind[(a)]	8.3	8.7
Performance shares[(b)]	4.1	3.7
Termination benefits[(a)]	-	0.0
Long-term incentive plan[(b)]	0.2	0.2
Accruals for pensions and other retirement benefit obligations[(c)]	1.1	0.9
TOTAL COMPENSATION	**16.4**	**16.6**

(a) Amounts paid during the year, including payroll taxes.
(b) Amounts expensed in the income statement during the year.
(c) Payments related to supplementary defined contribution pension plans.

COMMITMENTS GIVEN TO THE CHIEF EXECUTIVE OFFICER

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

As Chief Executive Officer, Christopher Guérin has received the following commitments from the Company, which were authorized at the Board meeting of July 3, 2018 and approved yearly at the Shareholders' Meeting:

- if Christopher Guérin is removed from his position as Chief Executive Officer, he will be entitled to payment of a termination indemnity representing two years' worth of his total fixed and variable compensation. This indemnity will be subject to actual performance in relation to the objectives applicable to his target annual variable compensation being at least equal to 80% of said objectives on average over the three years preceding his removal. This indemnity will be payable only in the event of a forced departure due to a change of control or strategy, which will be deemed to be the case unless specifically decided otherwise by the Board of Directors, notably in the event of serious misconduct;
- as compensation for an undertaking not to exercise any business that would compete either directly or indirectly with any of the Company's businesses for a period of two years from the end of his term of office as Chief Executive Officer, Christopher Guérin will receive a non-compete indemnity, regardless of the cause of termination of his duties. Said indemnity will be paid in 24 equal and successive monthly installments and will equal one year of his fixed and variable compensation, *i.e.* 12 times the amount of his most recent monthly compensation (fixed portion) plus the corresponding percentage of his bonus. The Board could decide to impose a non-competition obligation on the Chief Executive Officer for a period shorter than two years. In such a case, the non-competition indemnity would be reduced *pro rata temporis*.

In accordance with Article 25.3 of the AFEP-MEDEF Code (December 2022 version), in the event of Christopher Guérin's departure, the Board of Directors will decide whether or not the non-compete agreement entered into with him will apply and will be entitled to cancel it (in which case no non-compete indemnity will be payable).

In addition, in accordance with Article 25.4 of the AFEP-MEDEF Code, no non-compete indemnity will be due if Christopher Guérin takes retirement upon leaving the Group. In any event, no indemnity shall be paid beyond the age of 65.

Lastly, in accordance with the compensation policy for corporate officers described in **Section 4** of this Document, all severance benefits (termination benefits and non-compete benefits) may not exceed two years' worth of actual compensation (fixed and variable).

If Christopher Guérin retired, he would be entitled to benefits under the supplementary defined contribution pension plan set up by the Group in 2019 for certain employees and corporate officers. Annual contributions to the plan paid by the Company correspond to 20% of the Chief Executive Officer's total actual annual compensation (fixed plus variable), *i.e.* 300,000 euros in 2023.

Note 30. Disputes and contingent liabilities

A. Antitrust investigations

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

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

In early July 2014, Nexans France SAS paid a fine of 70.6 million euros imposed on it by the European Commission.

Nexans France SAS and the Company appealed the European Commission's decision to the General Court of the European Union. The appeal was dismissed on July 12, 2018. Nexans France SAS and the Company appealed the General Court's judgment before the European Court of Justice, which, in turn, dismissed the appeal on July 16, 2020.

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

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

In April 2017, Vattenfall initiated a claim for alleged antitrust damages against Prysmian and NKT before the High Court in London. On June 12, 2020, Nexans France SAS and the Company were notified of a contribution claim brought by Prysmian. Both cases have been transferred from the High Court to the Competition Appeal Tribunal. NKT has entered into an agreement with Vattenfall. Vattenfall's action against Prysmian and Prysmian's action for contribution against Nexans are ongoing.

In May 2022 an application for a collective proceedings order was lodged in the UK before the Competition Appeal Tribunal (CAT) seeking authorization to bring an action for damages on behalf of certain individuals against Nexans, Prysmian and NKT. The prospective claim is based on the European Commission's 2014 "Power Cables" decision. A hearing before the CAT willto decide whether to grant the application is scheduled for April 2024, such approval being required before any claim can proceed. The claimant has secured financing from a professional third-party litigation funder. As part of its assessment the CAT will scrutinize the funding agreement to determine, inter alia, whether the proposed defendants' costs would be sufficiently covered in the event that the claimant is unsuccessful in the claim.

In July 2022, London Array Limited and others commenced a claim in the CAT against Nexans France SAS and the Company in relation to the European Commission's decision. Nexans France SAS and the Company are defending the claim, which is scheduled for trial in April 2025.

Italian company Terna S.p.A. launched an antitrust damages claim before the Court of Milan. Nexans Italia filed a defense on October 24, 2019 focusing on Nexans Italia's lack of standing to be sued. On February 3, 2020 the judge ruled Terna's claim to be null for lack of clarity. Terna has since supplemented its claim and the case is ongoing. A final outcome is not expected before end of 2024.

The claim in Netherlands was made jointly by Electricity & Water Authority of Bahrain, Gulf Cooperation Council Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, against certain companies of the Prysmian Group and its former shareholders, and companies in the Nexans Group and ABB Group. This action has been brought before the Court of Amsterdam. On December 18, 2019, Nexans and other defendants filed a motion contesting jurisdiction. The court issued its judgment on November 25, 2020, declaring itself incompetent with regard to the claims against the non-Dutch defendants, including the non-Dutch subsidiaries of the Company. The court also ordered the claimants to pay the costs of the proceedings. The claimants appealed this ruling and the matter has since been referred to the European Court of Justice for a ruling.

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

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

Investigation by the antitrust authority in South Korea ("KFTC") in the high-voltage power cable sector has not been officially closed but Nexans understands that the statute of limitations should be considered expired.

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

On November 24, 2017 in Spain, Nexans Iberia and the Company (in its capacity as Nexans Iberia's parent company) were notified of a decision by the Spanish competition authority ("CNMC"), which found that Nexans Iberia had participated directly in an infringement of Spanish competition laws in the low and medium voltage cable sectors. The Company was held jointly liable for the payment of part of the fine levied on Nexans Iberia by the CNMC. In early January 2018, Nexans Iberia settled the 1.3 million euro fine levied by the CNMC. Nexans Iberia and the Company have appealed the CNMC's decision. On May 29th 2023, the Court of appeal decision has been rendered in favor of Nexans. The Spanish Court ruled that a single and continuous infringement of Spanish competition laws, for the period between 2002 and 2013, in the low and medium voltage cable sectors, cannot be proven. Appeal of the decision was made to the Spanish Supreme Court.

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

During the first semester of 2022, four additional claims were files by Spanish claimants against Nexans Iberia on the basis of the CNMC decision in the low / medium voltage case. Nexans Iberia's sales to such claimants, if any, are non-substantial and Nexans is litigating these claims for which two are pending the appeal judgment against the CNMC decision and two have been re-instated in January and March 2023 respectively.

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

Lastly, on January 30, 2024, the French Competition Authority (FCA) carried out searches at three of Nexans' sites in France in relation to alleged anti-competitive activity in relation to the distribution of energy cables in French overseas territories.

As of December 31, 2023, the Group has a recorded contingency provision of 65 million euros to cover all the investigations mentioned above as well as the direct and indirect consequences of the related rulings that have been or will be handed down and in particular the follow-on damages claims by customers (existing or potential claims). The amount of the provision is based on management's assumptions that take into account the consequences in similar cases and currently available information. There is still considerable uncertainty as to the extent of the risks related to potential claims and/or fines. The final costs related to these risks could therefore be significantly different from the amount of the provision recognized.

The Group's risk prevention and compliance systems have been strengthened regularly and significantly in recent years. However, the Group cannot guarantee that all risks relating to practices that do not comply with the applicable rules of ethics and business conduct will be fully eliminated.

The compliance program includes means of detection which could generate internal investigations, and even external investigations. As consistently communicated by the Company in the past, unfavorable outcomes for antitrust proceedings and/or investigations as well as the associated consequences could have a material adverse effect on the results and thus the financial position of the Group.

B. Other disputes and proceedings giving rise to the recognition of provisions

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

The Group considers that the other existing or probable disputes for which provisions were recorded at December 31, 2023 do not individually represent sufficiently material amounts to require specific disclosures in the consolidated financial statements.

C. Contingent liabilities relating to disputes and proceedings

Certain contracts entered into by the Group as of December 31, 2023 could lead to performance difficulties, but the Group currently considers that those difficulties do not justify the recognition of provisions in the financial statements or specific disclosure as contingent liabilities.

Note 31. Off-balance sheet commitments

The Group's off-balance sheet commitments that were considered material at December 31, 2023, and December 31, 2022, are set out below.

A. Commitments related to the Group's scope of consolidation

RISKS RELATING TO MERGERS AND ACQUISITIONS AND DIVESTMENTS

Group companies may grant sellers' warranties to purchasers of divested businesses, generally without taking out bank guarantees or bonds. When events make it probable or potential for a risk to materialize in respect of the guarantees given, it is either provisioned (if it can be estimated), or mentioned as a contingent liability if it is sufficiently significant. See **Note 23** and **Note 30**.

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

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

In October 2023, as part of the sale of the Telecommunications & Data business, Nexans S.A. and certain of its European subsidiaries also agreed to liability guarantee commitments. These guarantees have a maximum general amount set at 5 million euros, for a duration ranging from 18 months to a maximum of 5 years. As an exception, the guarantee on environmental liabilities is extended to 7 years. Disputes declared or risks of litigation in progress are subject to a specific ceiling of 4 million euros.

ACQUISITION OF THE QUIÑENCO GROUP'S CABLE BUSINESS

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

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

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

ACQUISITION OF CENTELSA

When the Group acquired the cable manufacturer Centelsa on April 1, 2022, it took over a number of pending or potential disputes.

A provision was recorded for this business's liabilities and contingent liabilities when the Group completed the initial accounting for the acquisition in accordance with IFRS 3.

It should be noted that the Group has the possibility, in the event that certain conditions are met and beyond an excess amount, to activate a liability guarantee mechanism granted by the Xignux Group under the acquisition.

The liability warranty has a duration that can range from 24 months to five years (example on environmental issues) depending on the nature of the claims that the Group could possibly be required to notify the Xignux Group. For some complaints, the duration will be that provided by local law (example in the event that the complaint relates to tax matters or fraud).

The duration of the liability guarantee runs from the closing of the acquisition (*i.e.* from April 1, 2022). Regarding the liability cap, the liability guarantee is capped between 15% and 100% of the purchase price of Centelsa. The cap of 100% of the purchase price of Centelsa applies in particular to the fundamental guarantees.

ACQUISITION OF REKA CABLES

On April 30, 2023, Nexans acquired the entire share capital of Reka Cables Ltd under a sale and purchase agreement dated November 10, 2022.

The sale and purchase agreement includes certain customary representations, warranties and covenants on the part of both parties relating to the transaction and the target business. In addition, Nexans has secured so-called W&I insurance for the transaction, providing coverage for damages resulting from violations of the warranties given in the sales and purchase contract by the seller.

The liabilities and contingent liabilities linked to this acquisition have also been the subject of a provision as part of the acquisition cost allocation exercise, in accordance with the provisions of IFRS 3.

B. Commitments related to the Group's financing

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

At December 31, *in millions of euros*	Notes	2023	2022
COMMITMENTS GIVEN			
Syndicated loan[a]	27.A	880	880
COMMITMENTS RECEIVED			
Syndicated credit facility – Unused line expiring on October 25, 2028	27.A	800	800
Secured financing line – Unused line maturing on April 5, 2024	27.A	200	-

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

C. Commitments related to the Group's operating activities

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

At December 31, *in millions of euros*	Notes	2023	2022
COMMITMENTS GIVEN			
Derivatives – Purchases of foreign currencies[(a)]	27	8,487	6,299
Forward purchases of metals	27	621	660
Firm commitments to purchase property, plant and equipment		286	36
Commitments for third-party indemnities	See (1)	7,370	6,296
Take-or-pay copper purchase contracts (in tons)	See (2)	129,866	121,586
Other commitments given		-	-
COMMITMENTS RECEIVED			
Forward sales of foreign currencies[(a)]	27	8,457	6,319
Forward sales of metals	27	297	232
Copper sales commitments at set prices (in tons)	See (2)	112,772	110,993
Other commitments received		414	375

(a) Including derivatives used to hedge the Group's net debt.

(1) Commitments for third-party indemnities

Group companies generally give customers warranties on the quality of the products sold without taking out bank guarantees or bonds. They have, however, also given commitments to banks and other third parties, in particular financial institutions, which have issued guarantees or performance bonds to customers, and guarantees to secure advances received from customers (1,329 million euros and 1,177 million euros at December 31, 2023 and 2022 respectively).

When events, such as delivery delays or disputes over contract performance, make it probable or potential for a risk to materialize in respect of the guarantees given, it is either provisioned (if it can be estimated), or mentioned as a contingent liability if it is sufficiently significant. See **Note 23** and **Note 30**.

At December 31, 2023, the Group had granted parent company guarantees in an amount of 6,041 million euros (5,120 million euros at December 31, 2022). These mainly correspond to performance bonds given to customers.

(2) Take-or-pay contracts and copper sales commitments (physically-settled contracts)

The volumes stated in the table correspond to quantities negotiated as part of copper take-or-pay contracts or copper sales commitments whose price was set at the year-end, including quantities presented in inventories. See **Note 27.D**.

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

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

Note 32. Main consolidated companies

The table below lists the main entities included in the Group's scope of consolidation at December 31, 2023.

Companies by geographic area	% control	% interest	Consolidation method[a]
FRANCE			
Nexans S.A.[b]	100%	100%	Parent company
Nexans Participations	100%	100%	
Lixis	100%	100%	
Nexans France	100%	100%	
Nexans Wires	100%	100%	
Tréfileries and Laminoirs Méditerranée S.A.	100%	100%	
Recycables	36.50%	36.50%	Equity method
Nexans Power Accessories France	100%	100%	
Nexans Industrial Solutions	100%	100%	
Nexans Aerospace France	100%	100%	
Nexans Financial & Trading Services[c]	100%	100%	
BELGIUM			
Nexans Benelux S.A.	100%	100%	
Nexans Network Solutions NV	100%	100%	
Nexans Services	100%	100%	
GERMANY			
Nexans Deutschland GmbH	100%	100%	
Metrofunkkabel Union GmbH	100%	100%	
Nexans Auto Electric GmbH[d]	100%	100%	
Nexans Power Accessories Deutschland GmbH	100%	100%	
Nexans Industrial Solutions GmbH	100%	100%	
NORTHERN EUROPE			
Nexans Nederland BV	100%	100%	
Nexans Norway A/S	100%	100%	
Nexans Subsea Operations	100%	100%	
Nexans Skagerrak	100%	100%	
Nexans Marine Operations	100%	100%	
Nexans Vessel Management	100%	100%	
Nexans Suisse S.A.	100%	100%	
Nexans Re[e]	100%	100%	
Nexans Logistics Ltd	100%	100%	
Nexans UK Ltd	100%	100%	
Nexans Sweden AB	100%	100%	
Reka Cables	100%	100%	
Nexans Finland Holding	100%	100%	
Nexans Industry Solutions[f]	100%	100%	
SOUTHERN AND EASTERN EUROPE			
Nexans Iberia SL	100%	100%	
Nexans Industrial Solutions Iberia	100%	100%	
Takami	100%	100%	
Nexans Italia SpA	100%	100%	
Nexans Partecipazioni Italia Srl	100%	100%	
Nexans Intercablo SpA	100%	100%	
Nexans Hellas S.A.	100%	100%	

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

Companies by geographic area	% control	% interest	Consolidation method[a]
Nexans Power Accessories Czech Republic, spol. s r.o	100%	100%	
Nexans Turkiye Endustri Ve Ticaret AS	100%	100%	
NORTH AMERICA			
Nexans Canada Inc	100%	100%	
Nexans USA Inc	100%	100%	
AmerCable Inc	100%	100%	
Nexans Magnet Wire USA Inc	100%	100%	
Nexans Specialty Holdings USA Inc	100%	100%	
Nexans Energy USA Inc	100%	100%	
Nexans Industrial Solutions Inc	100%	100%	
SOUTH AMERICA			
Invercable	100%	100%	
Nexans Chile S.A.	100%	100%	
Colada Continua S.A.	41.00%	41.00%	Equity method
Nexans Colombie	100%	100%	
Indeco Peru[b]	96.73%	96.73%	
Cobrecon	100%	98.37%	
Nexans Brasil S.A.	100%	100%	
Alcatek	100%	100%	
Centelsa	100%	100%	
Cobres de Columbia	100%	100%	
Cedetec	100%	100%	
AFRICA AND MIDDLE EAST			
Liban Câbles s.a.l	91.15%	91.15%	
Nexans Maroc[g]	97.56%	97.56%	
Qatar International Cable Company	30.33%	30.33%	Equity method
Nexans Kabelmetal Ghana Ltd	59.13%	59.13%	
Nexans Côte d'Ivoire	60.00%	59.00%	
ASIA-PACIFIC			
Nexans Hong Kong Ltd	100%	100%	
Nexans Singapore	100%	100%	
Nexans China Wire & Cables Co. Ltd	100%	100%	
Nexans (Yanggu) New Rihui Cables Co. Ltd	100%	100%	
Nexans (Suzhou) Cables Solutions Co. Ltd	99.51%	99.51%	
Nexans Korea Ltd	97.90%	97.90%	
Kukdong Electric Wire Co. Ltd	100%	100%	
Nippon High Voltage Cable Corporation	100%	100%	
OLEX Australia Pty Ltd	100%	100%	
OLEX New Zealand Ltd	100%	100%	

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

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

Note 33. Statutory Auditors' fees

The total fees paid to the Statutory Auditors for all controlled entities in France and recorded in the income statement for 2023 break down as follows:

in thousands of euros	Audit of the consolidated financial statements	Audit of the corporate financial statements	Other non-audit related services[(a)]	Total
Mazars	304	176	100	581
PricewaterhouseCoopers Audit	299	287	57	644
TOTAL	**604**	**463**	**157**	**1,224**

(a) Other services include the review of CSR data made as an independent third party.

Note 34. Subsequent events

AGREEMENT FOR THE ACQUISITION OF LA TRIVENETA CAVI

On February 9, 2024, Nexans announced the signing of a landmark agreement to acquire iconic La Triveneta Cavi, with recognized excellence within the European medium- and low-voltage segments. Based in Italy, La Triveneta Cavi primarily manufactures low-voltage cables for building, infrastructure, fire-retardant cable systems and renewable applications across 30 countries. The company employs a workforce of approximately 700 people and generated current revenues of more than 800 million euros over the last twelve months.

Financing is secured through a bridge-to-bond agreement signed on February 8th, 2024. The transaction will be financed by debt. Financing of the acquisition will have limited impact on net debt to adjusted EBITDA ratio enabling the Group to maintain strong credit metrics. After financing of the transaction, net debt to adjusted EBITDA ratio will not exceed 1x.

Closing of the transaction is subject to regulatory approvals and satisfaction of other customary closing conditions.

No other significant event has occurred since December 31, 2023.