

5.1 Consolidated financial statements

5.1.1 Consolidated income statement

<i>In millions of euros</i>	Notes	2025	2024 ^(a)
NET SALES^(b)	1.E.A, 4 AND 5	7,810	6,917
Cost of sales		(6,903)	(6,061)
GROSS PROFIT		907	856
Administrative and selling expenses		(414)	(429)
R&D costs		(54)	(53)
OPERATING MARGIN^(c)	1.E.B AND 4	439	374
Core exposure effect ^(d)	1.E.c	24	41
Reorganization costs	25	(48)	(46)
Other operating income and expenses	7, 8 and 9	(38)	(28)
Share in net income of associates		2	(0)
OPERATING INCOME (LOSS)	1.E.D	378	340
Cost of debt (net)	1.E.e	(53)	(55)
Other financial income and expenses ^(e)	1.E.e and 10	(9)	(51)
INCOME BEFORE TAXES		316	235
Income taxes	1.E.f and 11	(97)	(68)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		219	167
Net income from discontinued operations	12	138	115
NET INCOME (LOSS)		358	283
• attributable to owners of the parent		352	279
• attributable to non-controlling interests		6	3
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE <i>(in euros)</i>	13	352	279
Basic earnings (loss) of continued operations per share		4.90	3.75
Basic earnings (loss) of discontinued operations per share		3.18	2.64
• basic earnings (loss) per share		8.08	6.39
Diluted earnings (loss) of continued operations per share		4.75	3.64
Diluted earnings (loss) of discontinued operations per share		3.08	2.56
• diluted earnings (loss) per share		7.84	6.20

(a) The comparative year 2024 has been restated to separate the discontinued operations according to IFRS 5 cf. **Note 12**.

(b) In addition to net Sales, the Group uses the indicator Sales at constant metal prices calculated using reference prices. They are presented in the segment information provided in **Note 4** and in the activity report in **Part 1**. Sales at constant copper and aluminum prices are used by the Group to monitor its operational performance, because the effect of changes in non-ferrous metals prices is neutralized to show underlying business growth. Cost of sales is restated on the same basis.

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

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

(e) The other financial income and expenses includes the adjustment on monetary position due to the application of IAS 29 "Hyperinflation", see **Notes 1 and 10**.

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

5.1.2 Consolidated statement of comprehensive income

<i>In millions of euros</i>	Notes	2025	2024
NET INCOME (LOSS)		358	283
Recyclable components of comprehensive income (loss)		(73)	(44)
• currency translation differences		(132)	12
• cash flow hedges	28	59	(57)
Tax impacts on recyclable components of comprehensive income (loss)	11.C	(16)	12
Non-recyclable components of comprehensive income (loss)		28	26
• actuarial gains and losses on pensions and other long-term employee benefit obligations	24.B	28	26
• financial assets at fair value through other comprehensive income		-	(0)
Tax impact on non-recyclable components of comprehensive income (loss)	11.C	(7)	(7)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		(68)	(13)
• of which other comprehensive income from discontinued operations ^(a)		16	(21)
TOTAL COMPREHENSIVE INCOME (LOSS)		290	269
• attributable to owners of the parent		285	265
• attributable to non-controlling interests		5	4

(a) Mainly coming from cash flow hedges.

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

5.1.3 Consolidated balance sheet

At December 31, in millions of euros	Notes	2025	2024
ASSETS			
Goodwill	8 and 14	680	470
Intangible assets	15	286	320
Property, plant and equipment	16	2,076	2,196
Investments in associates	17	18	18
Deferred tax assets	11.D	81	117
Other non-current assets	18	207	225
NON-CURRENT ASSETS		3,347	3,345
Inventories and work in progress	19	1,366	1,279
Contract assets	5.B	165	194
Trade receivables	20	1,057	1,197
Current derivative assets	28	93	61
Other current assets	21	157	211
Cash and cash equivalents	26.A	1,634	1,254
Assets and groups of assets held for sale	12	216	131
CURRENT ASSETS		4,688	4,327
TOTAL ASSETS		8,036	7,673

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

At December 31, in millions of euros	Notes	2025	2024
EQUITY AND LIABILITIES			
Capital stock, additional paid-in capital, retained earnings and other reserves		2,214	1,945
Other components of equity		(220)	(131)
Equity attributable to owners of the parent		1,995	1,813
Non-controlling interests		19	19
TOTAL EQUITY	23	2,014	1,833
Pensions and other long-term employee benefit obligations	24	161	213
Non-current provisions	25	99	95
Long-term debt	26	1,690	1,706
Non-current derivative liabilities	28	64	60
Deferred tax liabilities	11.D	177	151
NON-CURRENT LIABILITIES		2,191	2,224
Current provisions	25	88	113
Short-term debt	26	210	228
Contract liabilities	5.B	1,137	1,004
Current derivative liabilities	28	73	112
Trade payables	27	1,742	1,622
Other current liabilities	27	425	508
Liabilities related to groups of assets held for sale	12	155	29
CURRENT LIABILITIES		3,831	3,615
TOTAL EQUITY AND LIABILITIES		8,036	7,673

5.1.4 Consolidated statement of changes in equity

<i>In millions of euros</i>	Number of shares outstanding	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings and other reserves	Changes in fair value and other	Currency translation differences	Equity attributable to owners of the parent	Non controlling interests	Total equity
DECEMBER 31, 2023	43,633,522	44	1,604	(10)	159	(56)	(46)	1,695	16	1,711
Net income for the year	-	-	-	-	279	-	-	279	3	283
Other comprehensive income (loss)	-	-	-	-	19	(43)	10	(14)	1	(13)
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	-	-	298	(43)	10	265	4	269
Dividends paid	-	-	-	-	(101)	-	-	(101)	(1)	(102)
Changes in capital	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares ^(a)	(63,901)	-	-	(11)	(22)	-	-	(33)	-	(33)
Employee share-based plans:										
• Service cost	-	-	-	-	19	-	-	19	-	19
• Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	(32)	-	-	(32)	-	(32)
Other	-	-	-	-	(0)	-	(0)	(0)	0	0
DECEMBER 31, 2024	43,569,621	44	1,604	(21)	321	(99)	(36)	1,813	19	1,833
Net income for the year	-	-	-	-	352	-	-	352	6	358
Other comprehensive income (loss)	-	-	-	-	21	42	(130)	(67)	(1)	(68)
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	-	-	373	42	(130)	285	5	290
Dividends paid	-	-	-	-	(114)	-	-	(114)	(4)	(118)
Changes in capital	(8,601)	(0)	(17)	-	-	-	-	(17)	-	(17)
Changes in treasury shares ^(a)	93,679	-	-	9	(22)	-	-	(13)	-	(13)
Employee share-based plans:										
• Service cost	-	-	-	-	38	-	-	38	-	38
• Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	2	0	(0)	2	(1)	1
DECEMBER 31, 2025	43,654,699	44	1,587	(12)	599	(57)	(166)	1,995	19	2,014

(a) The number of shares outstanding corresponds to the issued shares less the shares held in treasury; acquisitions and disposals of treasury shares, as well as outstanding shares, are detailed in **Note 23**.

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

5.1.5 Consolidated statement of cash flows

In millions of euros	Notes	2025	2024 ^(a)
Net income from continuing operations		219	167
Depreciation, amortization and impairment of assets (including goodwill)	8, 15 and 16	247	176
Cost of debt (gross)		83	80
Core exposure effect ^(b)		(24)	(41)
Current and deferred income tax charge (benefit)	11	97	68
Net (gains) losses on asset disposals	9	(7)	4
Net change in provisions and non current liabilities		19	(5)
Fair value changes on operational derivatives		(42)	43
Charges related to the cost of share-based payments		39	(0)
Other restatements		18	32
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX FROM CONTINUING OPERATIONS^(c)		650	523
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX FROM DISCONTINUED OPERATIONS^(c)		90	206
Decrease (increase) in working capital	22	260	176
Impairment of current assets and accrued contract costs		(7)	1
Income taxes paid		(95)	(119)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		158	58
NET CASH GENERATED FROM OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		808	582
NET CASH GENERATED FROM OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS		39	194
Proceeds from disposals of property, plant and equipment and intangible assets		2	1
Capital expenditure	15, 16	(383)	(319)
Decrease (increase) in loans granted and short-term financial assets		(1)	0
Purchase of shares in consolidated companies, net of cash acquired		(372)	(523)
Proceeds from sale of shares in consolidated companies, net of cash transferred		22	(1)
NET CASH USED IN INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		(731)	(842)
NET CASH USED IN INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS		647	(61)
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		77	(260)
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS		685	133
Proceeds from (repayments of) long-term and short-term borrowings	26	(99)	496
• of which proceeds of bond 2024 - 2030		-	348
• of which proceeds of bond 2024 - 2029		-	569
• of which repayment of bond 2017 - 2024		-	(200)
Cash capital increases (reductions) ^(d)	23	(31)	(33)
Interest paid		(79)	(62)
Transactions with owners not resulting in a change of control		-	-
Cash capital increases from discontinued operations		(17)	-
Dividends paid		(116)	(102)
Dividends received from discontinued operations		41	48
NET CASH USED IN FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		(301)	348
NET CASH USED IN FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS		(31)	(71)
Impact of the hyperinflation from continuing operations	10	(3)	(2)
Net effect of currency translation differences from continuing operations		(63)	(6)
Net effect of currency translation differences from discontinued operations		15	(7)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		379	136
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	26.A	1,251	1,114
CASH AND CASH EQUIVALENTS AT YEAR-END	26.A	1,630	1,251
• of which cash and cash equivalents recorded under assets		1,634	1,254
• of which short-term bank loans and overdrafts recorded under liabilities		(5)	(3)

(a) The comparative year 2024 has been restated to reflect the discontinued operations according to IFRS 5 cf. **Note 12**.

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

(c) The Group also uses the concept of "operating cash flow", which is obtained after reintegration of disbursements related to reorganizations, see **Note 25** and deduction of taxes paid.

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

5.1.6 Notes to the consolidated financial statements

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Note 2	Climate changes	Note 21	Other current assets
Note 3	Significant events of the year	Note 22	Change in working capital requirement
Note 4	Operating Segments	Note 23	Equity
Note 5	Revenue from contracts with customers	Note 24	Pensions, retirement bonuses and other long-term benefits
Note 6	Payroll costs and headcount	Note 25	Provisions
Note 7	Other operating income and expenses	Note 26	Net debt
Note 8	Net asset impairment	Note 27	Trade payables and other current liabilities
Note 9	Net gains (losses) on asset disposals	Note 28	Derivative instruments
Note 10	Other financial income and expenses	Note 29	Financial risks
Note 11	Income taxes	Note 30	Additional disclosures concerning financial instruments
Note 12	Assets held for sale and discontinued operations	Note 31	Related party transactions
Note 13	Earnings per share	Note 32	Disputes and contingent liabilities
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Note 16	Property, plant and equipment	Note 35	Statutory Auditors' fees
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Note 1 Summary of significant accounting principles

A. GENERAL PRINCIPLES

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

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

The 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 18, 2026 and will become final after approval at the Shareholders' Meeting, which will take place on May 21, 2026 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, 2025.

The Group has applied all standards, interpretations and amendments of mandatory application to fiscal years beginning on or after January 1, 2025, which were as follows:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability".

This publication 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 of 15 % regime for large international organizations, on December 2022 the European Union adopted a directive 2022/2523 making this regime effective on January 1, 2024, transposed by France as part of the IFRS 12 rule, entitled "International Tax Reform – Pillar 2 Model Rules", which introduces a mandatory temporary exemption from the accounting of deferred tax assets or liabilities related to this minimum tax.

The Group has been subject to the "Pillar 2" Rules Model (also known as the "Global Base Erosion Rules" or "GloBE Rules").

After analyzing current regulations and assessing potential exposure to the rules, the financial impact of "Pillar 2" application is insignificant at Group level. The Group continues to apply the amendments to IAS 12 providing for a temporary exemption from the recognition of deferred taxation resulting from "Pillar 2".

NEW STANDARDS PUBLISHED BUT NOT YET EFFECTIVE

The IASB has issued the following amendment that has been endorsed by the European Union and is applicable from January 1, 2026:

- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”;
- Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments.”

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

The IASB also published the following standard adopted by the European Union and applicable from 1 January 2027 (or 1 January 2026 by option):

- IFRS 18 and amendments «Presentation and Disclosure in Financial Statements».

The Group started to analyze the consequences of IFRS 18 application, which will be applied in the Group's accounts from January 1, 2027.

The IASB has not issued any new standards, amendments or interpretations not yet endorsed by the European Union and potentially applicable to 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 8**). 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 11.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 24**);
- Provisions and contingent liabilities (see **Note 1.F.k**, **Note 25** and **Note 32**);
- The measurement of derivative instruments and their qualification as cash flow hedges (see **Note 1.F.n** and **Note 28**);

- 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 34**.

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.

The Group has applied IAS 29 to Turkey since January 1, 2022.

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 Group also applied this standard to Ghana from January 1, 2023 to June 30, 2025. This country is no longer considered as under hyperinflation.

The consequences of the application of IAS 29 are described in **Note 10** "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 4** 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. Where applicable, penalties are deducted from contract revenue when a risk is estimated and it is likely to be payable. 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 4**.

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.

Adjusted EBITDA is defined as the operating margin before (i) depreciation, amortization and impairment, (ii) share-based expenses and (iii) certain specific operating items that are not representative of the performance of the Company (see **Note 4** for more details). ROCE is the return on 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 29.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 29.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 7** 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 10 and 26**.

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 IAS23, 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 rod mills, core exposure represents the minimum quantity of non-ferrous metal inventories necessary to establish and maintain continuous operation. As per its objective to optimize its level of inventory, the Group may proceed with ad-hoc cathods sales for the part in excess to this minimum quantity of non-ferrous metal inventories;
- 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. The value is fixed at the end of the subscription period. 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 10**).

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 Climate changes

Nexans closely monitors the challenges and potential consequences of climate change on its business, strategy and investments.

The Group has included the Environment in its E3 performance model. It is designing, developing and selling low-carbon solutions and has set targets for reducing carbon emissions by 2030 and 2050 set on the basis of the Paris Agreement.

In line with the Science Based Target initiative (SBTi) rules, Nexans has committed itself to:

- achieve “Net-Zero” emissions by 2050;
- reduce its absolute Scopes 1 & 2 greenhouse gas (GHG) emissions by 46% and its Scope 3 GHG emissions by 30%, with a baseline year of 2019.

These commitments involve an ambitious approach to reducing its greenhouse gas emissions by 4.2% per year.

To this end, Nexans has implemented concrete actions such as the development of the circular economy since 2008 through Recycable (Joint Venture with Suez) or through the use, for example, of a new material based on recycled aluminum, or by proposing the launch in 2023 of a low-carbon offer of distribution network cables.

The Group has also chosen to invest in a targeted manner in the renovation or purchase of equipment. By making incremental investments the Group can limit its recurring investments in maintenance and optimization. These investments include, for example, the installation of photovoltaic panels to improve the share of renewable and low-carbon energy while securing its supply.

On the financing side, in 2023, as part of the Sustainable Financing Framework, the Group carried out its first sustainable development bond issue for an amount of 400 million euros. This fixed-rate issue maturing on April 5, 2028 is linked to the climate objectives that Nexans hope to achieve by December 31, 2026, for the reduction of its Scope 1 and 2 greenhouse gas emissions,

as well as for its Cradle-to-Shelf approach relating to the CO₂ content of Scope 3 emissions products. Failure to comply with any of these obligations would result in an increase in the coupon rate of the last year (see **Note 26**).

The consequences in terms of investments, costs and other impacts on cash flows are taken into account when preparing accounting estimates. In particular, the impairment tests carried out include the following items:

- the incremental 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.
- Forecasts of tensions on the copper market led the Group to include in its sensitivity tests the consequences of a possible reduction in the volume of copper.

It is also possible that in the future the carrying amount of the assets or liabilities recognized in the Group’s financial statements will be subject to different impacts as the climate change management strategy evolves, or as the consequences of climate change materialize, in the form of, for instance, rising sea levels or more frequent and severe droughts.

In this context, Nexans is working to identify the risks on these assets, in particular through the completion in 2023 of a study by Axa Climate on the challenges of the physical risks related to climate change for the Group’s assets. Alongside the actions and protections already in place, this study enables the Group to determine its exposure and the future action plans to be put in place. The review of the conclusions of this study had no impact on the valuation of the assets in the financial statements. Any future action plans will be included in the assumptions for impairment tests as they are realized.

For more details on the impairment tests, please refer to **Note 8**.

Note 3 Significant events of the year

A. CHANGE IN CONSOLIDATION SCOPE

DISPOSAL OF AMERCABLE

In January Nexans finalized the sale of AmerCable, a leading manufacturer of electrical power, control and instrumentation cables for harsh environments, to Mattr, for an enterprise value of 280 million US dollars.

Since 1922, AmerCable has been producing power cables designed to operate reliably over long periods of time in extremely harsh operating environments for mining, and oil & gas markets. Based in the United States, Arkansas, with 300 employees.

The entity was part of the operating segment "Industry & Solutions" and reported 226 million euros of net sales in 2024.

The related capital net gain is presented as net income from discontinued operations following the treatment of this operating segment as a discontinued activity as described in **Note 12**.

DISPOSAL OF LYNXEO

On June 30, 2025, Nexans finalized the sale of Lynxéo, its industrial cable division, to Latour Capital, a France-based private equity fund, for an enterprise value of 525 million euros.

Lynxéo is a powerhouse in specialty industrial cables and plays a key role as a fully integrated player, serving a diversified range of infrastructures industries in transportation, energy and automation. With a heritage of more than 100 years serving industrial champions, Lynxéo boasts a global manufacturing presence in Europe, Asia, and the United States of America, with 2,000 employees and annual standard sales of over 700 million euros.

The entity was part of the operating segment "Industry & Solutions" and reported 386 million euros of sales over the first-half of 2025.

The related capital net gain is presented in the net result of discontinued operations following the treatment of this operating segment as a discontinued activity (see **Note 12**).

ACQUISITION OF CABLES RCT

Beginning of June 2025, Nexans completed the acquisition of 100% of the share capital of Cables RCT.

Cables RCT is a high-quality, Spanish low-voltage cable producer, with industrial footprint in Southern Europe and outstanding expertise in flexible fire safety solutions for buildings. The company operates across 30 countries with a strong presence in Iberia.

Founded in 1965, Cables RCT generated 133 million euros of revenues in 2024, employs approximately 175 people and operates one state-of-the-art cable production unit in Zaragoza, as well as logistic facilities in Barcelona, Madrid, Sevilla and Valencia.

The entity has been fully consolidated since June 1, 2025. For 2025, its activities contributed for 75 million euros to the Group's current sales and for 0.5 million euros to operating margin.

On a twelve-month basis, should Cables RCT have been acquired on January 1, 2025, its contribution to net sales would have been an estimated 128 million euros and 1 million euros to operating margin.

ACQUISITION OF ELECTRO CABLES

During 2025, Nexans completed the acquisition of 100% of the share capital of Electro Cables.

Electro Cables, a Canadian manufacturer with a very good positioning in low-voltage cable systems, is part of a strategic approach that strengthens the company's presence in one of the most dynamic segments in North America.

Electro Cables generated approximately 125 million euros in revenue over the twelve months end July 2025 and employs approximately 200 people.

The entity has been fully consolidated since the acquisition date. At end of December 2025, the contribution of Electro Cables to the Group figures is limited to the closing balance sheet refer to **Note 14**.

B. ASSETS HELD FOR SALE

As of December 31, 2025, a divestment program is underway for the Autoelectric sub-group, based in Floss, Germany. This sub-group designs and manufactures wiring harnesses and cabling systems for the automotive industry.

The finalization of this disposal is expected no earlier than the second quarter of 2026.

The whole Industry segment, including AmerCable, Lynxéo and Autoelectric, is classified as discontinued operations as of December 31, 2025, with the comparative year being restated, according to IFRS 5 (see **Note 12**).

C. FINANCING

Nexans has signed a new credit line granted by the European Investment Bank (EIB) for an amount of 250 million euros signed in July 2025 and undrawn as of December 31, 2025.

D. EMPLOYEE SHARE OWNERSHIP PLAN 2025

On July 23, 2024 and October 29 2024, the Board of Directors, on the basis of the authorizations granted by the Shareholders' Meeting of May 16, 2024, decided on the principle of an employee share ownership operation, to be carried out in 2025, by means of a capital increase issuing a maximum of 750,000 new shares.

This is the eleven employee share ownership operation conducted by the Group on an international scale.

Employees were offered the possibility of subscribing to a structured formula called "leveraged" similar to the formula offered during the 2010 to 2022 transactions allowing employees to subscribe, through the intermediary of a corporate mutual fund (Fonds Communs de Placements d'Entreprise – FCPE) or directly, at a discounted preferential price while offering a guarantee of the amount invested as well as a multiple of the share's performance. The shares or units of the corporate mutual fund will be unavailable for five years, except in limited cases of early release. In certain countries where the offer of leveraged corporate mutual fund shares raised legal or tax difficulties, an alternative formula

was proposed involving the allocation of Stock Appreciation Rights. Employees who took part in the offer received a matching contribution from the Group.

The reservation period ran between May 5 and 22, 2025, with a withdrawal period from June 25 to 27, 2025.

The subscription price was set on June 20, 2025 at 81.24 euros in France and outside France (i.e. discounts of 20% respectively compared to the average price recorded during the 20 trading days preceding said date).

The settlement-delivery of the shares took place on July 30, 2025 (see **Note 23**).

Note 4 Operating Segments

Beginning of 2025, the Group announced a change in its organization and in the label of its businesses, without any impact on IFRS 8 segmentation. The Group has thus 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:

- **"PWR-Grid & Connect"**: 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:
 - **"PWR-Grid"** (ex-Distribution) which covers the cables intended for the energy distribution networks managed by the electricity suppliers within the territories,
 - **"PWR-Connect"** (ex-Usages), corresponding to all the equipment cables of the various buildings;
- **"PWR-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), as well as the finalization of ongoing projects for smart solutions for the oil and gas sector;

The Group's segment information also includes a column entitled **"Other"**, 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.

Thus, among the items that principally contribute to the **"Other"** item, the following facts should be mentioned:

- at December 31, 2025, 80% of the sales at constant metal prices recorded under this segment were generating by the Group's "Electrical Wires" business (compared with 82% in 2024);
- the operating margin for "Other Activities" was a -63 million euros at December 31, 2025. 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).

The operating segment **« Industry & Solutions »** has been considered as discontinued operations. The figures of the segment are presented under Net income from discontinued operations cf. **Note 12**. Consequently, the operating segments information are only related to continuing operations.

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.

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.

Revenue at constant metal prices for 2025 and 2024 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

2025, in millions of euros	PWR Grid & Connect				Total group ^(a)
	PWR Connect (ex-Usages)	PWR Grid (ex-Distribution)	PWR Transmission	Other Activities	
Net sales at current metal prices	3,254	1,578	1,691	1,286	7,810
Net sales at constant metal prices	2,341	1,319	1,657	782	6,098
Cost of sales	(2,854)	(1,257)	(1,541)	(1,251)	(6,903)
Adjusted EBITDA	289	217	203	20	728
Specific operating items ^(b)	(0)	-	3	(38)	(35)
Depreciation and amortization	(55)	(25)	(129)	(45)	(253)
Operating margin	234	192	77	(63)	439
Net impairment of non-current assets (including goodwill) (see Note 8)	6	0	(0)	0	6

(a) The presented information are only for continuing operations.

(b) The specific operating items include principally 38 million euros related to the share-based payment tagged as "Other"; and 3 million euros in PWR-Transmission in relation with changes long term projects impacted by past reorganizations. These additional costs led to subsequent losses at completion which are not representative of the actual business performance and have initially been booked end 2023.

2024, In millions of euros	PWR Grid & Connect				Total group ^(a)
	PWR Connect (ex-Usages)	PWR Grid (ex-Distribution)	PWR Transmission	Other Activities	
Net sales at current metal prices	2,738	1,495	1,315	1,369	6,917
Net sales at constant metal prices	2,062	1,281	1,287	907	5,537
Net sales at constant metal prices and perimeter, and 2025 exchange rates	1,985	1,250	1,277	864	5,376
Cost of sales	(2,352)	(1,213)	(1,164)	(1,332)	(6,061)
Adjusted EBITDA	271	181	142	(23)	571
Specific operating items ^(b)	-	-	(3)	(19)	(22)
Depreciation and amortization	(40)	(27)	(66)	(42)	(175)
Operating margin	231	155	73	(84)	374
Net impairment of non-current assets (including goodwill) (see Note 8)	-	-	(1)	0	(0)

(a) The presented information are only for continuing operations.

(b) The specific operating items included 19 million euros related to the share-based payment tagged as "Other", and 3 million euros in PWR-Transmission in relation with additional costs on long term projects impacted by past reorganizations. These additional costs led to subsequent losses at completion which are not representative of the actual business performance and have initially been booked end 2023.

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

2025, In millions of euros	Norway	Canada	France	Italy	Other ^(c)	Total group ^(a)
Net sales at current metal prices ^(b)	1,668	1,110	904	910	3,219	7,810
Net sales at constant metal prices ^(b)	1,625	709	657	709	2,400	6,098
Non-current assets IFRS 8 (at December 31) ^(b)	864	39	204	463	1,522	3,093

(a) The presented information are only for continuing operations.

(b) Based on the location of the assets of the Group's subsidiaries.

(c) Countries that do not individually account for more than 10% of the Group's net sales at constant metal prices.

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

2024, In millions of euros	Norway	Canada	France	Italy	Other ^(c)	Total group ^(a)
Net sales at current metal prices ^(b)	1,281	1,113	1,002	557	4,593	8,546
Net sales at constant metal prices ^(b)	1,242	783	792	422	3,839	7,078
Net sales at constant metal prices and perimeter, and 2025 exchange rates ^(b)	1,232	735	792	483	3,656	6,899
Non-current assets IFRS 8 (at December 31) ^(b)	746	37	195	529	1,496	3,003

(a) The presented information are only for continuing operations.

(b) Based on the location of the assets of the Group's subsidiaries.

(c) Countries that do not individually account for more than 10% of the Group's net sales at constant metal prices.

C. INFORMATION BY MAJORCUSTOMER

The Group did not have any customers that individually accounted for over 10% of its sales in 2025 or 2024.

Note 5 Revenue from contracts with customers

A. CONSOLIDATED SALES

Consolidated sales can be analyzed as follows:

2025 Sales, in millions of euros	PWR Grid & Connect				Total group ^(a)
	PWR Connect (ex-Usages)	PWR Grid (ex-Distribution)	PWR Transmission	Other Activities	
Performance obligations satisfied at a point in time	3,254	1,578	98	1,286	6,217
Performance obligations satisfied over time	-	-	1,593	-	1,593
NET SALES	3,254	1,578	1,691	1,286	7,810

(a) The presented information are only for continuing operations.

2024 Sales, in millions of euros	PWR Grid & Connect				Total group ^(a)
	PWR Connect (ex-Usages)	PWR Grid (ex-Distribution)	PWR Transmission	Other Activities	
Performance obligations satisfied at a point in time	2,738	1,495	183	1,369	5,785
Performance obligations satisfied over time	-	-	1,132	-	1,132
NET SALES	2,738	1,495	1,315	1,369	6,917

(a) The presented information are only for continuing operations.

B. CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets and contract liabilities can be analyzed as follows:

In millions of euros	December 31, 2025		December 31, 2024	
	Sales of goods	Goods and services contracts	Sales of goods	Goods and services contracts
Contract assets	-	165	-	194
Contract liabilities	(184)	(953)	(193)	(810)
TOTAL	(184)	(788)	(193)	(616)

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, 2024, are included in 2025 revenue.

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 170 million euros negative change in contract assets and liabilities reflects:

- 370 million euros positive change corresponding to outstanding contract liabilities at December 31, 2024 that were recognized in revenue in 2025;

- 445 million euros negative effect of timing differences between 2025 billings including milestone payments, and revenues recognized using the percentage completion method;
- 110 million euros negative change corresponding to outstanding contract assets at December 31, 2024 that were billed in 2025;
- 10 million euros positive change for the net increase in advances received;
- 5 million euros positive change related to differences in foreign currencies values between 2024 and 2025.

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 5,626 million euros, and should be almost entirely satisfied by 2030.

Note 6 Payroll costs and headcount

The figures below relate to the continuing operations:

		2025	2024
Payroll costs (including payroll taxes)	(in millions of euros)	967	867
Average staff of consolidated companies	(in number of employees)	12 669	12 037

Payroll costs in the above table include share-based payments within the meaning of IFRS 2. These payments totaled 49 million euros in 2025 (including payroll taxes). See **Note 23** for further

details.

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

Note 7 Other operating income and expenses

In millions of euros	Notes	2025	2024
Net asset impairment	8	6	(0)
Changes in fair value of non-ferrous metal derivatives		1	(3)
Net gains (losses) on asset disposals	9	7	(4)
Acquisition-related costs (completed and planned acquisitions)		(18)	(16)
Expenses and provisions for antitrust investigations	32	(35)	(6)
OTHER OPERATING INCOME AND EXPENSES		(38)	(28)

In 2025, the net asset impairment amounts on the Harnesses business, as well as the net results of disposals of Americable entity and Lynxco, are presented in the net result of discontinued

operations following the treatment of the "Industry & Solutions" operating segment as discontinued operations cf. **Note 12**.

Note 8 Net asset impairment

<i>In millions of euros</i>	2025	2024
Impairment losses – non-current assets	6	(0)
Reversals of impairment losses – non-current assets	-	-
Impairment losses – goodwill	-	-
Impairment losses – assets and groups of assets held for sale	-	-
NET ASSET IMPAIRMENT	6	(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 for the PWR-Connect business within the PWR-Grid & Connect segment from 2030.

In 2025, the Group commissioned again Axa Climate to update the study done in 2023 on the challenges of physical risks related to climate change for the Group's assets. This update identified eight sites with high ISO risks regarding climate change. Following this, actions were put in place, on top of the actions initiated after the study from 2023.

At end of 2025, as in 2024, the Group did not identify any

element related to this work that could lead to the recognition of an impairment loss on one of its assets. Any future action plans will be included in the impairment test assumptions as they are realized.

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, 2025, 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).

After analysis, the Group did not identify any indication of impairment on the continuing operations. However, the analysis of individual assets led the Group to:

- a reversal of impairment of 11 million euros following good performance in Lebanon, and
- recognize an impairment of 5 million euros following an impairment loss recognized in Peru on an individual real estate asset.

Regarding discontinued operations, a total impairment of 135 million euros was recognized on the Harnesses business and presented in the Net Income from Discontinued Operations (see **Note 12**).

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 2025 or 2024, other than those mentioned above.

B. GOODWILL BREAKDOWN

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

<i>In millions of euros</i>	South America PWR-Grid & Connect CGU ^(b)	Asia-Pacific PWR-Grid & Connect CGU ^(b)	Europe PWR-Grid & Connect CGU ^(b)	NAM PWR-Grid & Connect CGU ^(b)	Other CGUs	Total ^(a)
DECEMBER 31, 2024	108	67	240	-	55	470
Business combinations	-	-	-	-	-	-
Disposals/acquisitions	-	-	-	265	(37)	228
Impairment losses	-	-	-	-	-	-
Exchange differences and other movements	(11)	(4)	0	-	(2)	(17)
DECEMBER 31, 2025	98	63	240	265	15	680

(a) The presented information are only for continuing operations.

(b) "Pwr-Grid & Connect" is the new name of the segment "Buildings & Territories" cf. **Note 4**.

The goodwill of the NAM PWR-Grid & Connect CGU increased by 265 million euros due to the acquisition of the entity Electro Cables (see **Note 14**).

The goodwill of the Other CGUs decreased by 37 million euros, mainly in relation to the discontinued operations, in particular for the disposal of Lynxeo (see **Note 12**).

No impairment loss on goodwill was recognized by the Group in 2025 or 2024.

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	
	2025	2024	2025	2024
Europe (Euro Zone)	8.5%	8.7%	1.2%	1.2%
Chile	11.0%	11.0%	2.2%	2.3%
United States of America	9.8%	10.0%	1.8%	2.1%
Brazil	13.5%	13.8%	2.5%	2.5%
China	10.5%	10.8%	3.4%	3.3%
Peru	12.0%	12.0%	2.5%	2.3%
Norway	9.5%	9.6%	1.3%	1.4%
Australia	9.8%	10.2%	2.3%	2.3%
Ukraine	35.0%	35.0%	1.2%	1.2%
Lebanon	36.0%	35.0%	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 2026 Budget and the new 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:

- 50-basis point increase in the discount rate compared to the assumptions used;
- 50-basis point decrease in the perpetuity growth rate compared to the assumptions used;
- 50-basis point decrease in EBITDA margin (measure of business performance) compared to the assumptions used;
- a 10% reduction in the volumes of revenues starting year 2030 to reflect a potential shortage of copper.

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

Note 9 Net gains (losses) on asset disposals

<i>In millions of euros</i>	2025	2024
Net gains (losses) on disposals of fixed assets	1	(6)
Net gains (losses) on disposals of investments	5	2
Other	-	-
NET GAINS (LOSSES) ON ASSET DISPOSALS	7	(4)

In 2025, the net gain from the disposal of Amercable entity and Lynxco are presented in the Net Income from Discontinued Operations following the treatment of the "Industry & Solutions" operating segment as discontinued operations (see Note 12).

Note 10 Other financial income and expenses

<i>In millions of euros</i>	2025	2024
Dividends received from non-consolidated companies	1	1
Provisions	(28)	(4)
Net foreign exchange gain (loss)	29	(37)
Net interest expense on pensions and other long-term employee benefit obligations	(4)	(6)
Hyperinflation	(3)	(2)
Other	(3)	(4)
OTHER FINANCIAL INCOME AND EXPENSES	(9)	(51)

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

As indicated in Note 1, the Group applied IAS 29 for its Turkish subsidiary 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 31% in the 2025 fiscal year (44% in 2024). The EUR/TRY exchange rate used for the translation of the income statement was 50.48 at December 31, 2025 (36.74 at December 31, 2024).

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

- an increase in consolidated revenue for the period of around 29 million euros (up 43 million euros in 2024),
- an increase in operating margin of around 2 million euros (increase of 4 million euros in 2024),
- an increase in other financial income and expenses of around 6 million euros reflecting the consequence of hyperinflation on the net monetary position (expense insignificant in 2024);

For July 2025, Ghana is no more considered as country under hyperinflation (cf. Note 1). The hyperinflation impacts of Ghana for 2025 are not significant.

Note 11 Income taxes

A. ANALYSIS OF THE INCOME TAX CHARGE

In millions of euros	2025	2024
Current income tax charge	(87)	(78)
Deferred income tax (charge) benefit, net	(10)	10
INCOME TAX CHARGE	(97)	(68)

In 2025, Nexans headed up a tax group in France that comprised 11 companies. Other tax groups have been set up where possible in other countries, including Germany, the United States and Italy.

The 2025 income tax charge included a non-material expense below 1 million euro in relation with Pillar II.

B. EFFECTIVE INCOME TAX RATE

The effective income tax rate was as follows:

Tax proof in millions of euros	2025	2024
Income before taxes	316	235
• of which share in net income of associates	2	(0)
INCOME BEFORE TAXES AND SHARE IN NET INCOME OF ASSOCIATES	315	235
Standard tax rate applicable in France (in %) ^(a)	25.83%	25.83%
THEORETICAL INCOME TAX CHARGE	(81)	(61)
Effect of:		
• Difference between foreign and French tax rates	3	1
• Change in tax rates for the period	(0)	0
• Unrecognized deferred tax assets	(17)	(3)
• Taxes calculated on a basis different from "Income before taxes"	(6)	(12)
• Other permanent differences	5	6
ACTUAL INCOME TAX CHARGE	(97)	(68)
EFFECTIVE TAX RATE (in %)	30.93%	28.79%

(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.

C. TAXES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME

The taxes recognized directly in other comprehensive income at December 31, 2025, can be analyzed as follows:

<i>In millions of euros</i>	December 31, 2024	Gains (losses) generated during the year^(a)	Amounts recycled to the income statement^(a)	Total other comprehensive income (loss)	December 31, 2025
Currency translation differences	(10)	1	-	1	(9)
Cash flow hedges	29	(13)	(5)	(18)	12
TAX IMPACTS ON RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME^(b)	19	(12)	(5)	(16)	3
Financial assets at fair value through other comprehensive income	(0)	-	N/A	-	(0)
Actuarial gains and losses on pensions and other long-term employee benefit obligations	19	(8)	N/A	(8)	10
TAX IMPACTS ON NON-RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME	19	(8)	-	(8)	10

(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**).

The gains/losses generated over the period for non-recyclable items included -1 million euros in respect of discontinued operations.

D. DEFERRED TAXES RECOGNIZED IN THE CONSOLIDATED BALANCE SHEET

Deferred taxes break down as follows by type:

<i>In millions of euros</i>	December 31, 2024	Impact on income	Impact on equity	Change in consolidation scope	Exchange differences and other	Discontinued operations	December 31, 2025
Fixed assets	(111)	5	-	(6)	6	(9)	(114)
Other assets	(89)	19	-	(0)	(0)	(2)	(72)
Employee benefit obligations	15	2	(7)	-	0	(4)	5
Provisions for contingencies and charges	38	(15)	-	2	(1)	(2)	22
Other liabilities	12	(12)	-	(0)	(1)	(3)	(4)
Derivatives (metal & exchange)	15	2	(11)	-	0	(4)	1
Unused tax losses, non-deductible interest and tax credits	622	(7)	-	-	(2)	(3)	611
DEFERRED TAX ASSETS (GROSS) AND DEFERRED TAX LIABILITIES	503	(7)	(19)	(4)	2	(27)	449
Unrecognized deferred tax assets	(536)	(4)	-	-	1	(5)	(545)
NET DEFERRED TAXES	(33)	(10)	(19)	(4)	3	(32)	(96)
• of which recognized deferred tax assets	117						81
• of which deferred tax liabilities	151						177
NET DEFERRED TAXES EXCLUDING ACTUARIAL GAINS AND LOSSES	(48)						(96)

At December 31, 2025, deferred tax assets in an amount of 545 million euros were not recognized as the Group deemed that their recovery was not sufficiently probable (536 million euros at

December 31, 2024). These mainly concern the tax losses described in **Note 11.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**).

As of December 31, 2025, the line "Unused tax losses, non-deductible interest and tax credits" from **Note 11.D** primarily related to 599 million euros (608 million euros at December 31, 2024).

The main entities concerned by these tax losses carried forward representing potential tax benefits for the Group are:

- French subsidiaries, in an amount of 280 million euros (271 million euros at December 31, 2024), not recognized in deferred tax assets end December 2025 (8 million euros at December 31, 2024);
- German subsidiaries, in an amount of 180 million euros (178 million euros at December 31, 2024), of which 12 million euros were recognized in deferred tax assets at December 31, 2025 (26 million euros at December 31, 2024).

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	2025	2024
Year Y+1	1	3
Years Y+2 to Y+4	8	7
Year Y+5 and subsequent years ^(a)	590	598
TOTAL	599	608

(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 12 Assets held for sale and discontinued operations

A. INFORMATION ABOUT ASSETS HELD FOR SALE

As of December 31, 2024, Americable's balance sheet contribution was presented under "Assets and group of assets held for sale" following a divestment agreement with Matttr within the next twelve months. This entity was part of the "**Industry & Solutions**" operating segment. The disposal was finalized on January 2, 2025.

On June 30, 2025, Nexans finalized the sale of Lynxco, its industrial cable division, to Latour Capital, a France-based private equity fund, for an enterprise value of 525 million euros. This sub-group was also part of the "**Industry & Solutions**" operating segment. The agreement for the future disposal of Lynxco was signed at end of March 2025. Starting this date, Lynxco was classified under "Assets and groups of assets held for sale" as per IFRS 5.

On December 22, 2025, Nexans enters exclusive negotiations with Motherson for the sale of Autoelectric and its Harnesses business. The completion of the transaction should take place mid-2026. Thus sub-group is the last component of the "**Industry & Solutions**" segment on top of AmerCable and Lynxco, and is classified under "Assets and groups of assets held for sale" at end of 2025.

Considering that these disposals and contemplated transaction are being made over a short time frame on one side, and the materiality of the contribution of the "**Industry & Solutions**" operating segment, the Group decided to classify this full scope to "Discontinued operations" in the meaning of IFRS 5, starting January 1, 2025. This segment is therefore fully shown as discontinued operations in the consolidated income statement and in the consolidated statement of cash flows, and so from January 1, 2025 to December 31, 2025. The comparative year 2024 is restated in a similar way to enable the comparison between both periods.

B. IMPACTS IN THE CONSOLIDATED BALANCE SHEET

As per IFRS 5 (refer to **Note 1.F.h**), at end of December 2025, the assets and liabilities related to Harnesses business are shown respectively under the lines "Assets and groups of assets held for sale" and "Liabilities related to groups of assets". The details are included the following table :

(At December 31, in millions of euros)	2025 Harnesses	2024 AmerCable
Net property, plant and equipment and intangible assets	34	79
Inventories and work in progress	96	38
Trade receivables	58	13
Other assets	29	1
TOTAL ASSETS AND GROUPS OF ASSETS HELD FOR SALE	216	131
Lease liabilities	(27)	(2)
Trade payables	(49)	(9)
Other liabilities	(80)	(15)
LIABILITIES RELATED TO GROUPS OF ASSETS HELD FOR SALE	(155)	(27)

As per IFRS 5, the lines "Assets and groups of assets held for sale" and "Liabilities related to groups of assets" are been evaluated at the lower value between their carrying amount and their fair value net costs. As a result, a total impairment of €151 million was recognized in 2025 under "Net income from discontinued operations", including estimated selling costs.

C. IMPACTS IN THE CONSOLIDATED INCOME STATEMENT

To enable the comparison between 2024 and 2025 years, as well as between 2025 and 2026 years, the three businesses AmerCable, Lynxeo and Harnesses are shown under "Net income from discontinued operations".

The table below details the main items contributing to this line "Net income from discontinued operations" :

(in millions of euros)	2025	2024
NET SALES	1,094	1,778
SALES AT CONSTANT METAL PRICES	1,031	1,638
ADJUSTED EBITDA	99	233
OPERATING MARGIN	64	192
OPERATING INCOME (LOSS)	194	173
INCOME BEFORE TAXES	187	163
Income taxes	(49)	(47)
NET INCOME FROM DISCONTINUED OPERATIONS	138	115

The net income before tax of discontinued operations is mainly made of the following items :

- The operating margin from "Industry and Solutions" segment for 64 million euros in 2025 (192 million euros in 2024, including twelve months of AmerCable);
- The result on disposals for Americable and Lynxeo for a total of 294 million euros;
- The impairment on Harnesses business for 151 million euros, net of costs to sell.

Note 13 Earnings per share

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

	2025	2024
ATTRIBUTABLE NET INCOME (LOSS) FROM CONTINUING OPERATIONS	213	164
Average number of shares outstanding	43,562,645	43,682,327
Average number of dilutive instruments ^(a)	1,341,417	1,336,584
Average number of diluted shares	44,904,062	45,018,910
ATTRIBUTABLE NET INCOME FROM CONTINUING OPERATIONS PER SHARE		
Basic earnings (loss) of continuing operations per share (in euros)	4.90	3.75
Diluted earnings (loss) of continuing operations per share (in euros)	4.75	3.64

(a) Dilutive instruments in 2025 and 2024 corresponded to free share and performance share rights.

For earnings (loss) per share of discontinuing operations, please refer to the consolidated income statement.

Note 14 Goodwill

The evolution of goodwill in 2025 (680 million euros at December 31, 2025, versus 470 million euros at December 31, 2024) was primarily attributable to the acquisition of the entity Electro Cables in Canada and, to a lesser extent, to changes in exchange rates over the period as several of the Group's goodwill items are expressed in foreign currencies as they relate to the Australian (Olex), and South American (Madeco, Centelsa) 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, 2025 and December 31, 2024.

PROVISIONAL GOODWILL RECOGNIZED ON THE ACQUISITION OF CABLES RCT

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

In millions of euros	Cables RCT 2025 acquisition
Purchase price ^(a)	58
PURCHASE PRICE OF SHARES (1)	58
Assets	
Non-current assets (including financial assets)	19
Inventories	28
Receivables	33
Cash and cash equivalents	2
Liabilities	
Borrowings and debt	22
Other liabilities	13
Net attributable assets acquired (2)	45
GOODWILL (1)-(2)	13

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

The corresponding acquisition costs amounted to 2 million euros in 2025, 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 7**).

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<i>In millions of euros</i>	References	Cables RCT 2025 acquisition
GOODWILL BEFORE PURCHASE PRICE ALLOCATION AS OF JUNE 2, 2025		13
Allocation to property, plant and equipment		3
Allocation to trademarks	(1)	2
Allocation to customer relationships	(1)	18
Allocation to inventories		1
Provisions	(2)	(7)
Net deferred tax liabilities		(4)
GOODWILL AFTER PURCHASE PRICE ALLOCATION AS OF JUNE 2, 2025		0

(1) In 2025, Nexans carried out an assessment of the intangible assets of Cables RCT over the same period. Two significant categories of intangible assets were identified and valued with the assistance of specialist consulting firms:

- Brands, which were considered to have a defined life of 7 years
- Customer relationships, considered to have a defined life of 10 years.

(2) The Group has identified the fair value of liabilities and contingent liabilities at the acquisition date, taking into account the risks shared by the purchaser and the seller, in particular based on liability guarantee clauses.

Please note that this provisional goodwill will become definitive at the end of a period of 12 months following the acquisition, i.e. June 2, 2026.

PROVISIONAL GOODWILL RECOGNIZED ON THE ACQUISITION OF ELECTRO CABLES

The acquisition was paid mainly with cash held, for an acquisition cost of the shares of 307 million euros.

The amount paid net of the cash acquired amounted to 302 million euros at December 31, 2025.

The provisional goodwill recognized before allocation to identifiable assets and liabilities amounted to 265 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:

<i>In millions of euros</i>	Electro Cables 2025 acquisition
Purchase price ^(a)	307
PURCHASE PRICE OF SHARES (1)	307
Assets	
Non-current assets (including financial assets)	7
Inventories	24
Receivables	12
Cash and cash equivalents	5
Other assets	2
Liabilities	
Other liabilities	8
Net attributable assets acquired (2)	42
GOODWILL (1)-(2)	265

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

The allocation of the goodwill will be made in 2026.

The corresponding acquisition costs amounted to 11 million euros in 2025, 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 7**).

Note 15 Intangible assets

Unless specified in the descriptions, the variations presented are for continuing operations :

<i>In millions of euros</i>	Trademarks	Customer relationships	Software	Intangible assets in progress	Other	Total
Gross value	95	316	131	32	68	642
Accumulated amortization and impairment	(13)	(154)	(117)	-	(37)	(322)
NET AT JANUARY 1, 2025	82	161	13	32	31	320
Acquisitions and capitalizations	-	-	2	10	1	13
Disposals	-	-	(0)	-	(0)	(0)
Amortization expense for the year	(2)	(16)	(8)	-	(7)	(34)
Impairment losses, net of reversals ^(a)	-	-	-	-	-	-
Changes in Group structure	2	18	(0)	-	0	19
Exchange differences and other	(3)	(5)	8	(12)	6	(8)
Discontinued operations - Changes in Group structure	(2)	(0)	(0)	(0)	(5)	(7)
Discontinued operations - Other changes	-	-	(1)	(17)	(1)	(18)
NET AT DECEMBER 31, 2025	76	157	14	14	25	286
Gross value	91	309	119	14	67	601
Accumulated amortization and impairment	(15)	(151)	(106)	-	(42)	(315)

(a) See **Note 8**.

The line "Discontinued operations - Other changes" includes in particular the presentation in IFRS 5 of Autoelectric sub-group's intangible assets cf. **Note 12**.

Note 16 Property, plant and equipment

Unless specified in the descriptions, the variations presented are for continuing operations :

<i>In millions of euros</i>	Land and buildings	Plant, equipment and machinery	Right-of-use assets	Property, plant and equipment under construction	Other	Total
Gross value	1,058	2,515	252	690	332	4,847
Accumulated amortization and impairment	(610)	(1,783)	(83)	(1)	(172)	(2,651)
NET AT JANUARY 1, 2025	448	732	168	689	159	2,196
Acquisitions and capitalizations	37	22	105	292	26	482
Disposals	(10)	(2)	-	(0)	(0)	(12)
Amortization expense for the year	(31)	(118)	(56)	-	(13)	(217)
Impairment losses, net of reversals ^(a)	5	6	-	-	(4)	7
Changes in Group structure	5	15	-	-	2	22
Exchange differences and other	145	271	(27)	(476)	(1)	(89)
Discontinued operations - Changes in Group structure	(60)	(60)	(9)	(20)	(7)	(155)
Discontinued operations - Other changes	(24)	(111)	(25)	5	(4)	(159)
NET AT DECEMBER 31, 2025	516	754	157	489	160	2,076
Gross value	980	2,242	258	489	297	4,265
Accumulated amortization and impairment	(464)	(1,488)	(100)	-	(137)	(2,189)

(a) See **Note 8**.

Right-of-use assets primarily concern real estate leases for 138 million euros at December 31, 2025 (150 million euros at December 31, 2024).

The line "Discontinued operations - Other changes" includes in particular the reclassification of Autoelectric sub-group's net tangible assets to cf. **Note 12**.

Note 17 Investments in associates – Summary of financial data

A. EQUITY VALUE

At December 31, in millions of euros	% control	2025	2024
Qatar International Cable Company	30.33%	13	14
Colada Continua	41.00%	5	5
Recycables	36.50%	0	(0)
TOTAL		19	19

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	2025	2024
Property, plant and equipment and intangible assets	42	51
Current assets	125	91
TOTAL CAPITAL EMPLOYED	167	142
Equity	46	59
Net financial debt	(14)	(29)
Other liabilities	136	111
TOTAL FINANCING	167	142

CONDENSED INCOME STATEMENT

In millions of euros	2025	2024
Sales at current metal prices	365	392
Operating income	(2)	(1)
Net income	(3)	(7)

Note 18 Other non-current assets

At December 31, in millions of euros, net of impairment	2025	2024
Long-term loans and receivables	56	83
Shares in non-consolidated companies	8	19
Pension plan assets	99	85
Derivative instruments	32	25
Other	13	13
TOTAL	207	225

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

The maturity schedule for non-current assets at December 31, 2025 is presented below, excluding shares in non-consolidated companies and pension plan assets:

At December 31, in millions of euros	Value in the consolidated balance sheet	1 to 5 years	> 5 years
Long-term loans and receivables	56	51	5
Derivative instruments	32	32	-
Other	13	2	10
TOTAL	101	85	15

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

In millions of euros	Long-term loans and receivables	Other
AT DECEMBER 31, 2024	20	0
Additions	27	-
Disposals/reversals	(16)	-
Other ^(a)	(4)	-
AT DECEMBER 31, 2025	28	0

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

Note 19 Inventories and work in progress

At December 31, in millions of euros	2025	2024
Raw materials and supplies	695	579
Industrial work in progress	371	368
Finished products	334	392
GROSS VALUE	1,400	1,339
Impairment	(34)	(60)
NET VALUE	1,366	1,279

Note 20 Trade receivables

At December 31, in millions of euros	2025	2024
Gross value	1,082	1,227
Impairment	(24)	(30)
NET VALUE	1,057	1,197

Receivables securitization and factoring programs are discussed in **Note 29.A**.

Changes in provisions for impairment of trade receivables can be analyzed as follows (see **Note 29.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
2025	30	2	(2)	(3)	-	(3)	24
2024	25	4	(1)	(4)	8	(2)	30

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

<i>In millions of euros</i>	Between 30 and 90 days past due	More than 90 days past due
AT DECEMBER 31, 2025	15	5
AT DECEMBER 31, 2024	9	7

At December 31, 2025 and 2024, 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 21 Other current assets

<i>At December 31, in millions of euros</i>	2025	2024
Prepaid and recoverable income taxes	45	43
Other tax receivables	66	91
Cash deposits paid	6	8
Prepaid expenses	18	23
Other receivables, net	21	45
NET VALUE	157	211

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 29.C**) is presented under "Cash deposits paid" in the above table and amounted to 4 million euros at

December 31, 2025 (5 million euros at December 31, 2024).

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, see **Note 26**.

Note 22 Change in working capital requirement

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

<i>At December 31, in millions of euros</i>	2025	2024
Inventories and work in progress	(285)	93
Trade receivables and other receivables	4	(212)
Trade payables and other debts	541	295
DECREASE (INCREASE) IN WORKING CAPITAL	260	176

Note 23 Equity

A. COMPOSITION OF CAPITAL STOCK

At December 31, 2025, Nexans S.A.'s capital stock comprised 43,744,779 fully paid-up shares, each with a par value of 1 euro and a single voting right (43,753,380 shares at December 31, 2024).

Nexans manages its equity with a long-term perspective aimed at ensuring the Group's liquidity, optimizing its financial structure and allowing its shareholders to benefit from strong cash flow generation.

The decision elements may be net profit per share targets, future cash flow forecasts or balance sheet balance in order to meet net debt criteria (leverage & gearing ratios).

B. DISTRIBUTION

At the Shareholders' Meeting, shareholders will be invited to vote on the distribution of a dividend of 2.90 euros per share, which, taking into account the 43,744,779 ordinary shares comprising the Company's share capital at December 31, 2025, which will represent a total distribution of 127 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, 2026 and the date on which the Shareholders' Meeting is called to approve the dividend payment.

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

On May 15, 2025, the Combined Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2024 authorized the distribution of a dividend of 2.60 euro per share, which, taking into account the 43,714,892 ordinary shares

not held in treasury comprising the Company's share capital on the payment date of May 21, 2025, resulted in a disbursement of 114 million euros.

C. TREASURY STOCK

Movements in treasury stock from 2023 to 2025 are presented below:

	Notes	Number of treasury stock
AS OF DECEMBER 31, 2023		119,858
Share buyback program ^(a)		325,000
Grant to employees		(261,099)
Liquidity contract (purchases)/sales	21.D	-
AS OF DECEMBER 31, 2024		183,759
Share buyback program ^(a)		125,525
Grant to employees	21.D	(219,204)
Liquidity contract (purchases)/sales		-
AS OF DECEMBER 31, 2025		90,080

(a) Corresponding to share purchases under the buyback programs approved by the Board of Directors on October 29, 2024 and October 21, 2025.

From January 1, 2025, to December 31, 2025, the Company purchased 1,828,017 shares, including 125,125 through the share buyback program. The Company also purchased 1,702,492 through the liquidity contract for a total of 185 million euros, and sold 1,702,492 shares via the liquidity contract for 185 million euros, with no impact in total equity.

D. FREE SHARES AND PERFORMANCE SHARES

The Group allocated an aggregate 464,140 free shares and performance shares in 2025 and 330,200 free shares and performance shares in 2024.

At December 31, 2025, there were 1,280,804 free shares and performance shares outstanding, each entitling their owner to one share on vesting, representing a total of 2.93% of the Company's capital stock (1,302,205 shares at December 31, 2024, representing 2.98% of the Company's capital stock).

The free shares and performance shares outstanding at December 31, 2025 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 18, 2021	333,145	-	March 18, 2025
September 30, 2021	100,000	-	March 17, 2025
November 8, 2021	2,750	-	November 8, 2025
March 17, 2022	348,765	270,490	March 17, 2026
October 25, 2022	10,100	3,000	March 17, 2026
March 16, 2023	346,730	294,464	March 16, 2027
October 24, 2023	6,000	6,000	March 16, 2027
March 20, 2024	326,700	288,081	March 20, 2028
October 29, 2024	3,500	3,500	March 20, 2028
March 21, 2025	455,390	406,519	March 21, 2029
October 21, 2025	5,750	5,750	March 21, 2029
November 28, 2025	3,000	3,000	March 21, 2029
TOTAL	1,941,830	1,280,804	

B. MOVEMENTS IN OUTSTANDING FREE SHARES AND PERFORMANCE SHARES

	Number of shares
SHARES OUTSTANDING AT BEGINNING OF YEAR	1,302,205
Shares granted during the year	464,140
Shares canceled during the year	(266,337)
Shares vested during the year ^(a)	(219,204)
SHARES OUTSTANDING AT THE YEAR-END	1,280,804

(a) Including 219,204 shares allocated from treasury stock.

C. VALUATION OF FREE SHARES AND PERFORMANCE SHARES

The assumptions applied to value the shares impacting income for 2025 and 2024 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 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%	21,03-61,50
October 24, 2023	65.30	3-4 years	36,33%	3,16%	2.00%	21,03-61,50
March 20, 2024	95.00	4 years	35.41%	2.81%	2.00%	54,58-87,70
October 29, 2024	138.80	3-4 years	37.62%	2.43%	2.00%	105,22-129,70
March 21, 2025	99.00	4 years	36.72%	2.64%	2.00%	45,44-91,39
October 21, 2025	121.00	3-4 years	36.95%	2.26%	2.00%	63,43-113,01
November 28, 2025	121.00	3-4 years	36.95%	2.26%	2.00%	63,43-113,01

(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 38 million euros in 2025 (compared to an expense of 19 million euros in 2024, including the expense related to the employee share ownership plan).

E. EMPLOYEE SHARE OWNERSHIP PLAN 2025

As part of the employee share ownership transaction described in **Note 3**, 654,244 new shares were created, including 632,588 shares subscribed by Group employees through the corporate mutual fund or by Société Générale as part of the structuring of the alternative formula. The balance, i.e. 21,656 shares, corresponds to the free shares issued as part of the matching contribution.

The expense relating to this plan was recognized for an amount of 17 million euros including the contribution, and does not into account a cost of non-transferability for employees in the countries in which the implementation of a corporate mutual fund was possible.

As the subscription price is 81.24 euros per share, the total increase in shareholders' equity amounts to 51 million euros, premium included, for a capital increase of 0.6 million euros.

In order to limit the dilutive effect, and in accordance with the decision of the Board of Directors of July 29, 2025, a capital reduction was also carried out by canceling 662,845 treasury shares, i.e. an decrease in shareholders' equity amounts of 68 million euros (premium included) and a capital decrease of 0.7 million euros.

F. PUT OPTIONS GRANTED TO NON-CONTROLLING INTERESTS

In September 2024, Nexans made a commitment to acquire the shares of the minority shareholders of Nexans Continuous Copper Casting and Refining, a company dedicated to the manufacture of copper wire from cathodes and recycled copper. This commitment is considered as a financial liability in accordance with IAS 32. This call / put option on 30% of the shares has an estimated maturity of 2032. It was recognized in financial liabilities in the amount of 30 million euros, against the Group's consolidated reserves.

At December 31, 2025, the financial debt represented 30 million euros.

The dividends paid on shares covered by this call / put option granted to non-controlling interests are analyzed as earn-outs and increase the amount of goodwill

Note 24 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.

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 93% of the Group's pension obligations at December 31, 2025):

	Discount rate 2025	Estimated future salary increases 2025	Discount rate 2024	Estimated future salary increases 2024
France	3,60% - 3,85%	2,00% - 2,50%	3,15% - 3,60%	2,00% - 2,50%
Germany	3,60% - 3,85%	3,00% - 3,50%	3,15% - 3,60%	3,50%
Norway	3,90%	N/A	3,80%	N/A
Switzerland	1,15%	1,00%	0,85%	1,10%
Canada	4,70%	3,60%	4,55% - 4,95%	3,50%
United States	5,45%	N/A	5,20% - 5,50%	N/A
South Korea	3,60% - 4,25%	3,00% - 4,50%	4,25%	3,00%
Australia	4,75%	3,50%	5,30%	3,00%

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. PRINCIPAL MOVEMENTS

Unless specified in the descriptions, the variations presented are for continuing operations:

RETIREMENT COSTS FOR THE YEAR <i>in millions of euros</i>	2025	2024
Service cost	(8)	(9)
Net interest expense	(4)	(5)
Actuarial gains (losses) (on jubilee benefits)	(0)	(0)
Past service cost	(1)	0
Effect of curtailments and settlements	5	0
Other	-	(1)
Changes from discontinued operations	(1)	(3)
NET COST FOR THE YEAR	(9)	(17)
- of which operating cost from continuing operations	(3)	(11)
- of which finance cost from continuing operations	(4)	(6)

05 NEXANS 2025 FINANCIAL STATEMENTS

Consolidated financial statements

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

VALUATION OF DEFINED BENEFIT OBLIGATION

in millions of euros

	2025	2024
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT JANUARY 1	569	619
Service cost	8	9
Interest expense	13	17
Employee contributions	2	2
Plan amendments	1	(0)
Business acquisitions and disposals	(2)	2
Plan curtailments and settlements	(16)	(33)
Benefits paid	(40)	(39)
Actuarial (gains) losses	(16)	(4)
Exchange differences and other	(9)	(4)
Changes from discontinued operations	(34)	(1)
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT DECEMBER 31	478	569

PLAN ASSETS

in millions of euros^(a)

	2025	2024
FAIR VALUE OF PLAN ASSETS AT JANUARY 1	445	464
Interest income	9	12
Actuarial gains (losses)	12	25
Employer contributions	4	5
Employee contributions	2	2
Business acquisitions and disposals	-	-
Plan curtailments and settlements	(10)	(32)
Benefits paid	(22)	(23)
Exchange differences and other	(10)	(5)
Changes from discontinued operations	(11)	(2)
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	420	445

(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

	2025	2024
Present value of wholly or partially funded benefit obligations	(341)	(391)
Fair value of plan assets	420	445
FUNDED STATUS OF BENEFIT OBLIGATION	79	54
Present value of unfunded benefit obligation	(137)	(178)
BENEFIT OBLIGATION NET OF PLAN ASSETS	(58)	(124)
Unrecognized surplus (due to asset ceiling)	(4)	(5)
NET PROVISION RECOGNIZED AT DECEMBER 31	(63)	(128)
• of which pension assets	99	84

CHANGE IN NET PROVISION

in millions of euros

	2025	2024
NET PROVISION RECOGNIZED AT JANUARY 1	128	158
Expense (income) recognized in the income statement	8	15
Expense (income) recognized in other comprehensive income	(29)	(28)
Utilization	(21)	(21)
Other impacts (exchange differences, acquisitions/disposals, etc.)	(1)	2
Changes from discontinued operations	(23)	2
NET PROVISION RECOGNIZED AT DECEMBER 31	63	128
- of which pension assets	99	84

C. SIGNIFICANT EVENTS OF THE YEAR

Over the year, actuarial gains are mainly due to the performance of invested funds for an amount of 12 million euros and to the changes in financial assumptions, mainly discount rates for an amount of 15 million euros. The increase in the discount rates of the Euro zone and of Switzerland mostly explain this strong actuarial gain.

Two specific transactions were carried out in 2025:

- All plans related to discontinued operations representing an amount of 23 million euros of net provision were taken out from the net provision,
- In Finland, the commitment was totally transferred to an insurance company for a value of 5 million euros net of the pension assets. The commitment is therefore nil.

The Group's employer contributions relating to defined benefit plans are estimated at 5 million euros for 2025.

Last, the other pension plans from which the Group's employees benefit correspond to defined-contribution plans, for which the Group has no commitment beyond the payment of contributions, which are recognized as expenses for the period. Contributions under these plans are recognized immediately as an expense. The amount of contributions paid in relation to these plans amounted to 93 million euros in 2025 (120 million euros in 2024). The decrease is mainly related to the discontinued operations for 37 million euros.

D. ANALYSIS OF ACTUARIAL GAINS AND LOSSES

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

	2025		2024	
	<i>in millions of euros</i>	% of DBO	<i>in millions of euros</i>	% of DBO
Discount rate	(14)	-3%	10	2%
Salary increases	1	0%	(0)	0%
Mortality	2	0%	(0)	0%
Staff turnover	0	0%	-	0%
Inflation rate	(1)	0%	(2)	0%
Other changes in assumptions	(1)	0%	0	0%
(GAINS)/LOSSES FROM CHANGES IN ASSUMPTIONS	(13)	-3%	10	2%
(GAINS)/LOSSES FROM PLAN AMENDMENTS	-	0%	-	0%
(GAINS)/LOSSES FROM EXPERIENCE ADJUSTMENTS	(2)	0%	(13)	-3%
OTHER	-	0%	-	0%
TOTAL (GAINS)/LOSSES ARISING DURING THE YEAR	(16)	-3%	(5)	-1%

Actuarial gains and losses for discontinued operations are insignificant for 2024 and 2025.

E. BREAKDOWN OF PLAN ASSETS BY CATEGORY

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

At December 31	2025		2024	
	in millions of euros	% of DBO	in millions of euros	% of DBO
Equities ^(a)	140	33%	143	32%
Bonds and other fixed income products ^(a)	153	37%	156	35%
Real estate	101	24%	104	23%
Cash and cash equivalents	7	2%	7	2%
Other	18	4%	34	8%
FAIR VALUE OF PLAN ASSETS	420	100%	445	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:

At December 31	2025		
	Actual DBO in millions of euros	Adjusted DBO in millions of euros	% change
Europe	362	389	7.67%
North America	100	105	4.83%
Asia	2	2	2.64%
Other countries	15	16	3.69%
TOTAL	478	512	6.93%

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):

At December 31	2025		
	Actual DBO in millions of euros	Adjusted DBO in millions of euros	% change
Europe	362	375	3.59%
North America	100	100	0.00%
Asia	2	2	0.00%
Other countries	15	15	0.87%
TOTAL	478	492	2.74%

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

The Group's main defined benefit plans are in Switzerland (44% of total benefit obligations at December 31, 2025) and Germany (21% of total benefit obligations at December 31, 2025).

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, almost three-quarters of commitments relate to retirees.

The life of the plan is approximately 11 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, nearly 90% of commitments relate to retirees.

The life of the plan is approximately 8 years.

Note 25 Provisions

A. ANALYSIS BY NATURE

At December 31, in millions of euros	2025	2024
Accrued contract costs	57	85
Provisions for reorganization costs	13	17
Other provisions	117	107
TOTAL	187	208

Unless specified in the descriptions, the variations presented are for continuing operations :

In millions of euros	Total	Accrued contract costs	Provisions for reorganization	Other provisions
AT DECEMBER 31, 2023	200	87	22	91
Additions	38	29	4	6
Reversals (utilized provisions)	(23)	(14)	(7)	(2)
Reversals (surplus provisions)	(16)	(12)	(1)	(3)
Business combinations	14	-	-	14
Exchange differences and other	(1)	(3)	0	2
Changes related to discontinued operations	(2)	(2)	(1)	1
AT DECEMBER 31, 2024	208	85	17	107
Additions	72	33	9	29
Reversals (utilized provisions)	(49)	(23)	(8)	(18)
Reversals (surplus provisions)	(32)	(25)	(1)	(6)
Business combinations	7	3	-	4
Exchange differences and other	0	(0)	0	1
Changes related to discontinued operations	(20)	(16)	(4)	(1)
AT DECEMBER 31, 2025	187	57	13	117

The above provisions have not been discounted as the effect of discounting would not have been generally 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 32**). They include provisions for construction contracts in progress, where applicable, in accordance with the method described in **Note 1.E.a**.

The reorganization costs amounted to 48 million euros in 2025. They mainly included social costs and external consultant expenses, including 36 million euros related to the transformation of Electrification activities (30 million euros in 2024).

As was the case in previous years, wherever possible the reorganization plans implemented by the Group in 2025 included assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

The "Other provisions" column mainly includes provisions set aside for antitrust investigations, which amounted to 75 million euros at December 31, 2025 (65 million euros at December 31, 2024), see **Note 32**.

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).

Note 26 Net debt

Since February 2024, Standard & Poor's has adjusted its long-term BB+ rating for the Group from positive to stable outlook. The rating is unchanged as of December 31, 2025.

A. ANALYSIS BY NATURE

At December 31, in millions of euros	Notes	2025	2024
Long-term – ordinary bonds ^(a)	26.C	1,318	1,317
Other long-term borrowings ^(a)	26.D	255	252
TOTAL LONG-TERM DEBT^(b)		1,573	1,568
Short-term – ordinary bonds ^(a)	26.C	-	-
Short-term borrowings and short-term accrued interest not yet due ^(b)	26.D	161	191
Short-term bank loans and overdrafts		5	3
TOTAL SHORT-TERM DEBT^(b)		166	194
GROSS DEBT^(b)		1,739	1,762
Cash		(910)	(1,202)
Cash equivalents		(725)	(52)
NET DEBT (CASH) EXCLUDING LEASE LIABILITIES		105	508
Lease liabilities ^(c)		161	172
NET DEBT		266	681

(a) Excluding short-term accrued interest not yet due and lease liabilities.

(b) Excluding lease liabilities.

(c) Out of the total lease liabilities recognized, 117 million euros corresponded to non-current liabilities and the balance to current liabilities. The related interest expense amounted to 7 million euros in 2025. These lease liabilities don't include the portion related to the Harnesses business, classified under IFRS 5 see **Note 12**.

At December 31, 2025, the net balance of cash deposits with Lebanese banks amounted to 2 million euros (3 million euros at December 31, 2024).

At December 31, 2025, as at December 31, 2024, they were classified as other net receivables, excluding cash and cash equivalents

B. CHANGE IN GROSS DEBT

In millions of euros	December 31, 2024	New borrowings/ repayments	Change in consolidation scope	Change in accrued interest	Transfers from long-term to short-term	Other ^(a)	December 31, 2025
Long-term – ordinary bonds	1,317	-	-	2	-	-	1,318
Other long-term borrowings	252	(4)	5	1	-	0	255
Short-term – ordinary bonds	-	-	-	-	-	-	-
Other short-term borrowings	145	(38)	16	-	-	(7)	116
Lease liabilities	172	(58)	-	0	-	46	161
Short-term accrued interest not yet due	45	N/A	-	0	-	(0)	46
GROSS DEBT EXCLUDING SHORT-TERM BANK LOANS AND OVERDRAFTS	1,931	(100)	22	3	-	39	1,895

(a) The "Other" column mainly included the effect of new lease liabilities signed in 2025, partly offset by early terminations, for 75 million euros. This item has no impact on the Group's cash flow items. It also included the impact of the discontinued operations for -38 million euros.

C. ORDINARY BONDS

<i>In millions of euros</i>	Carrying amount at end of 2025	Face value at issue date	Maturity date	Nominal interest rate
Ordinary bonds redeemable in 2028	415	400	April 5, 2028	5.50%
Ordinary bonds redeemable in 2029	585	575	May 29, 2029	4.13%
Ordinary bonds redeemable in 2030	361	350	March 11, 2030	4.25%
TOTAL ORDINARY BONDS^(a)	1,361	1,325		

(a) Including 42 million euros in short-term accrued interest.

On March 11, 2024, Nexans carried out a first bond issue for an amount of 350 million euros, with a six-year maturity and an annual interest of 4.25%. The bonds were issued at par.

On April 5, 2024, Nexans redeemed the 200-million-euro bond issue subscribed in 2017 for a firm period of seven years.

On May 29, 2024, a second bond issue was carried out for an amount of 575 million euros, with a five-year maturity and an annual interest of 4.125%. The bonds were issued at 99.447% of par.

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 sustainable development bond was 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 of Scope 3 emissions products. Failure to comply with any of these obligations would result in an increase of 50 basis points in the coupon rate of the last year.

Refer more generally to **Note 2** for the Group's consideration of climate change.

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 within the framework of the Science Based Targets initiative (SBTi), to achieve "Net-Zero" emissions by 2050.

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%. The accrued interest not yet due amounted to 3 million euros at December 31, 2025.

In 2025, Nexans has signed for a new credit line granted by the European Investment Bank (EIB) refer to **Note 29**.

Short-term borrowings also include 96 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

At December 31, excluding short-term accrued interest not yet due	Weighted average EIR ^(a) (%)		<i>in millions of euros</i>	
	2025	2024	2025	2024
Euro – Ordinary bonds redeemable in 2028	5.65%	5.65%	399	398
Euro – Ordinary bonds redeemable in 2029	4.34%	4.34%	571	570
Euro – Ordinary bonds redeemable in 2030	4.37%	4.37%	348	348
Euro – European Investment Bank loan	1.93%	1.93%	200	200
Other	3.22%	3.20%	55	51
TOTAL LONG-TERM DEBT^(b)	4.25%	4.33%	1,573	1,569

(a) Effective interest rate.

(b) Excluding lease liabilities.

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

The long term debt included mainly a debt for a Put/call option (see **Note 23.D**) and a debt in France linked to a sale-leaseback

project that did not meet the criteria to be qualified as a sale within the meaning of IFRS 15. They also included financial debts denominated in currencies other than the euro linked to loans granted in China and in Côte d'Ivoire.

SHORT-TERM FINANCIAL BORROWINGS AND DEBT

At December 31	Weighted average EIR ^(a) (%)		in millions of euros	
	2025	2024	2025	2024
Euro – Negotiable debt securities program	2.23%	4.15%	96	120
Euro – Others	1.89%	N/A	3	N/A
US dollar	5.16%	5.74%	17	10
Other	7.00%	4.52%	5	18
TOTAL SHORT-TERM DEBT EXCLUDING ACCRUED INTEREST^(b)	2.82%	4.31%	120	148
Accrued interest (including short-term accrued interest on long-term debt)	N/A	N/A	45	45
TOTAL SHORT-TERM DEBT^(b)	2.82%	4.31%	166	194

(a) Effective interest rate.

(b) Excluding lease liabilities.

At December 31, 2025, short-term debt in euros consisted mainly in the outstanding commercial papers mentioned in **Note 29.A** and other short-term debt in Spain.

US dollar-denominated debt primarily concerns Colombia and Brazil.

Debt denominated in currencies other than euros and US dollars corresponds mainly to borrowings taken out locally in Africa (Côte d'Ivoire). 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 29.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, 2025

In millions of euros	Due within 1 year		Due in 1 to 5 years		Due beyond 5 years		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Ordinary bonds redeemable in 2028	-	22	400	44	-	-	400	66
Ordinary bonds redeemable in 2029	-	24	575	71	-	-	575	95
Ordinary bonds redeemable in 2030	-	15	350	60	-	-	350	74
European Investment Bank (EIB) loan	-	4	200	4	-	-	200	8
Negotiable debt securities program	96	0	-	-	-	-	96	0
Other borrowings and overdrafts	24	2	21	6	42	0	87	8
Lease liabilities	45	10	54	19	63	24	161	53
TOTAL	165	78	1,600	203	105	24	1,869	305

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, 2025;
- 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 2026;
- the interest cost has been calculated based on contractual interest rates for fixed-rate borrowings and on weighted average interest rates at December 31, 2025 for variable-rate borrowings (see **Note 26.D** above).

Note 27 Trade payables and other current liabilities

At December 31, in millions of euros	2025	2024
TRADE PAYABLES	1,742	1,622
Social liabilities	225	270
Current income tax payables	64	66
Other tax payables	23	39
Deferred income	2	4
Other payables	111	129
OTHER CURRENT LIABILITIES	425	508

In the context of its copper purchases, market practices allow the Group to take part in financing transactions allowing payment on delivery by the supplier by a banking institution and then payment by the Group on the due date of the banking institution's initial invoice. The cost of financing the transaction is negotiated upstream with the supplier, which includes it in its invoices to the Group. These transactions do not result in any extension for the Group of the payment period initially granted by the supplier (which remains unchanged) and do not have the effect of allowing suppliers to be paid before the due date of their invoice (this possibility existed previously and independently). The Group therefore considered that they did not fall within the scope of reverse factoring or any other financing transaction for trade payables within the meaning of the amendment to IFRS 7 published in May 2023.

Trade payables relating to copper purchases have maturities ranging from 30 to 120 days depending on the geographic area in which the purchase transaction takes place and the various contractual agreements. At December 31, 2025, the Group's trade payables included an amount of 449 million euros (341 million euros at December 31, 2024) relating to these negotiated payment terms.

The various tools implemented by the Group, detailed in **Note 29** to the consolidated financial statements, would mitigate the liquidity risk that could be induced by the termination of the aforementioned transactions.

The amounts due to suppliers of fixed assets totaled 8 million euros at December 31, 2025 (3 million euros at December 31, 2024).

Note 28 Derivative instruments

In millions of euros	December 31, 2025						December 31, 2024				
	Notional amounts					Market value		Notional amounts		Market value	
Foreign exchange derivatives	USD	NOK	EUR	Other	Total	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
FOREIGN EXCHANGE DERIVATIVES – CASH FLOW HEDGES						37	95			72	138
Forward sales	417	4,238	5,525	460	10,640			9,492			
Forward purchases	748	6,416	3,217	293	10,676			9,501			
FOREIGN EXCHANGE DERIVATIVES – ECONOMIC HEDGES						(1)	12			(0)	13
Forward sales	466	569	737	913	2,686			2,252			
Forward purchases	596	81	1,368	624	2,670			2,247			
Metal derivatives	Copper	Aluminum	Lead	Other	Total	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
METAL DERIVATIVES – CASH FLOW HEDGES						88	32			14	22
Forward sales	356	45	9	-	409			219			
Forward purchases	572	100	55	-	727			669			
TOTAL FOREIGN EXCHANGE AND METAL DERIVATIVES						124	138			86	172

FOREIGN EXCHANGE DERIVATIVES

In 2025, the gain relating to the ineffective portion of the Group's foreign exchange derivatives amounted to 50 million euros. In the consolidated income statement this gain 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 47 million euro net loss on cash flow hedges was recognized in the consolidated statement of comprehensive income and a net loss of 34 million euros was recycled to the income statement.

METAL DERIVATIVES

In 2025, 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 81 million euro gain was recognized in the consolidated statement of comprehensive income for metal derivatives designated as cash flow hedges and a 10 million euro gain was recycled to the income statement.

Note 29 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.

The main subsidiaries that did not have access to the centralized cash management system at December 31, 2025, are located in Morocco, China, South Korea, Peru, Brazil, Ghana, Colombia and to some extent in Lebanon and in Chile. 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 through the Nexans Financial and Trading Services entity, based on requests from subsidiaries. At December 31, 2025, only subsidiaries in Brazil, South Korea, 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 regular 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.

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, 2025, the Group's cash surpluses were recognized under "Cash and cash equivalents" in the consolidated balance sheet and were invested in current accounts or deposits and investments of less than three months and liquid or money market funds.

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 26**).

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 2028, 2029 and 2030 (see **Note 26**);
- 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 2024, the Group activated its second extension option, bringing the maturity of the line to 2029;
- two loan facilities granted by the European Investment Bank (EIB), for an amount of 200 million euros, signed in October 2021 and fully drawn in April 2022 on one hand, for an amount of 250 million euros, signed in July 2025 and not drawn by December 31, 2025 on the other hand;
- a negotiable debt securities program signed on December 21, 2018 for a maximum amount of 400 million euros, and increased to 600 million euros in 2021. Outstandings amounted to 96 million euros at December 31, 2025 (120 million euros at December 31, 2024);

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

- the receivables securitization and factoring programs amounted to 201 million euros at December 31, 2025 (181 million euros at end of December 2024) and primarily concerned the following countries:
 - at December 31, 2025, Nexans France SAS had sold 40 million euros worth of receivables under a program set up in the second half of 2025 (25 million euros at December 31, 2024);
 - in Finland, receivables sold under the factoring program totaled 37 million euros at December 31, 2025 (30 million euros at December 31, 2024);
 - in Sweden, receivables sold under the factoring program totaled 33 million euros at December 31, 2025 (27 million euros at December 31, 2024);
 - in Norway, receivables sold under the factoring program totaled 28 million euros at December 31, 2025 (37 million euros at December 31, 2024);
 - in Italy, receivables sold under the factoring program totaled 19 million euros at December 31, 2025 (8 million euros at December 31, 2024);
 - in Greece, receivables sold under the factoring program totaled 19 million euros at December 31, 2025 (15 million euros at December 31, 2024).

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, 2029, following the exercise of the second extension option by the Group (the first extension option having been exercised in October 2023).

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 within the framework of the Science Based Targets initiative (SBTi), to achieve "Net-Zero" emissions by 2050. 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 July 31, 2025, the European Investment Bank (EIB) granted new financing of 250 million euros to support its research, development, and innovation programs for the period 2024-2029, as well as certain industrial investments. This financing will not be drawn down as of December 31, 2025.

The renewed syndicated loan and the loan granted by the European Investment Bank (EIB) are subject to the following two financial 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, 2025, and at the date the Board of Directors approved the financial statements.

If any of the covenants were breached, the syndicated credit facility or the 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, 2025, mainly consisted of the 2028, 2029 and 2030 bond issues and the loans issued from the European Investment Bank (EIB);
- the Group's short-term debt includes commercial paper at fixed rates of interest that is due within 12 months. The remainder of the Group's short-term debt is at a variable rate based on monetary indicators depending on the underlying currency (€STR, 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 (€STR, EURIBOR, SOFR, SONIA, etc.). Consequently, the Group's net exposure to short-term changes in interest rates is limited: active net exposure of 1,154 million euros at December 31, 2025, and 1,106 million euros at December 31, 2024.

The Group did not have any interest rate hedges in place in either 2025 or 2024.

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

At December 31, in millions of euros	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
VARIABLE RATE						
Financial liabilities ^(a)	120	1	122	149	0	149
Cash and cash equivalents	(1,634)	-	(1,634)	(1,254)	-	(1,254)
NET VARIABLE RATE POSITION	(1,514)	1	(1,513)	(1,106)	-	(1,106)
FIXED RATE						
Financial liabilities ^(a)	90	1,688	1,778	80	1,706	1,785
Cash and cash equivalents	-	-	-	-	-	-
NET FIXED RATE POSITION	90	1,688	1,778	80	1,706	1,785
NET DEBT	(1,425)	1,690	266	(1,026)	1,706	681

(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, apart from PWR-Transmission, the majority of Nexans' operating subsidiaries have a very strong local presence. 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.

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 regularly 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 METAL RISKS

The exposure of a certain number of subsidiaries to the risk of changes in non-ferrous metal prices is hedged at Group level. To this end, each Group company reports its exposures to the 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 quarterly 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 provides training sessions, if needed, 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 29.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 businesses and customer base and wide geographic reach are natural mitigating factors for customer credit risk. At December 31, 2025, 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, 2025 (the sum of the absolute values of notional amounts of buyer and seller positions), the Group's main exposure for all subsidiaries (both members and non-members of the cash pool) is to short-term maturities:

At December 31, in millions of euros	2025		2024	
	Notional amounts Buyer positions	Notional amounts Seller positions	Notional amounts Buyer positions	Notional amounts Seller positions
Within 1 year	6,666	6,680	5,872	5,913
Between 1 and 2 years	2,826	2,824	1,215	1,221
Between 2 and 3 years	1,555	1,548	2,252	2,236
Between 3 and 4 years	1,578	1,565	1,314	1,295
Beyond 4 years	720	709	1,095	1,079
TOTAL	13,345	13,326	11,748	11,744

METAL DERIVATIVES

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

The Treasury, Financing and Metals Department performs metal derivatives transactions on behalf of almost all of the Group's subsidiaries. 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 but the Group's aggregate exposure to these counterparties are regularly reviewed 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, 2025, this maximum theoretical risk was limited to 66 million euros. It amounted to 6 million euros at December 31, 2024.

The notional amounts of metal derivatives (sum of the absolute values of buy and sell positions) at December 31, 2025 are analyzed by maturity in the table below:

At December 31, in millions of euros	2025		2024	
	Notional amounts Buyer positions	Notional amounts Seller positions	Notional amounts Buyer positions	Notional amounts Seller positions
Within 1 year	582	408	507	219
Between 1 and 2 years	75	1	79	-
Between 2 and 3 years	68	-	41	0
Between 3 and 4 years	2	-	40	-
Beyond 4 years	-	-	1	-
TOTAL	727	409	669	219

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

Cash deposited to meet margin calls on copper forward purchases whose fair value was negative at the year-end (see **Note 21**) amounted to 4 million euros at December 31, 2025 (5 million euros at December 31, 2024).

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', Nexans SA's and Nexans Canada's surplus cash amounted to 1,333 million euros at December 31, 2025, representing approximately 82% 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.

For the Group's other subsidiaries, counterparty risk on deposits and investments is managed in accordance with the principles and procedures described in **Note 29.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):

- Scope limited to continuing operations for 2024 and 2025;
- a 10% increase in copper prices at December 31, 2025 and 2024 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;
- 54,000 tons and 53,000 tons of copper included in working capital at December 31, 2025, and December 31, 2024, respectively;
- short-term interest rate (3-month Euribor) of +2.24% in 2025 and +2.71% in 2024. 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);
- 38,665 tons of copper classified as core exposure at December 31, 2025 (same volume in December 31, 2024);
- using a theoretical income tax rate of 25.83% in 2025 as in 2024.

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	2025	2024
Impact on operating income	36	33
Impact on net financial expense	(1)	(1)
NET IMPACT ON INCOME (AFTER TAX)	26	23
IMPACT ON EQUITY^(a) (AFTER TAX)	20	21

(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 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, 2025 and 2024 (e.g., using USD/EUR exchange rates of 1.29 and 1.14 respectively, without any changes in the forward points curve).

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

The simulation 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 13.0 and 13.0 at December 31, 2025 and 2024 respectively, without any changes in the forward points curve.

The scope is limited to continuing operations.

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

In millions of euros	2025		2024	
	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)	13	-	(12)	-
NET POSITION – DERIVATIVES	(8)	(30)	(7)	(23)
USD – NET IMPACT ON THE GROUP	6	(30)	(19)	(23)
NET POSITION – UNDERLYINGS^(d)	29	-	32	-
NET POSITION – DERIVATIVES	(1)	(140)	(0)	(117)
NOK – NET IMPACT ON THE GROUP	28	(140)	32	(117)

(a) Using a theoretical income tax rate of 25.83% in 2025 and 2024.

(b) Excluding net income for the period, the theoretical income tax rate was 25.83% in 2025 and 2024.

(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 30 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 hierarchy level	2025		2024	
			Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Shares in non-consolidated companies	Financial assets at fair value through profit or loss		6	6	16	16
	Financial assets at fair value through other comprehensive income		2	2	3	3
Other non-current financial assets	Loans and receivables		69	69	96	96
Commercial receivables						
• Contract assets	Loans and receivables		165	165	194	194
• Trade receivables	Loans and receivables		1,057	1,057	1,197	1,197
Derivative instruments ^(a)	Financial assets at fair value through profit or loss	Foreign exchange: 2	36	36	72	72
		Metal: 1	88	88	14	14
Other current financial assets	Loans and receivables		93	93	144	144
Cash and cash equivalents	Financial assets at fair value through profit or loss	Term deposits: 2	725		52	
		Other: 1	910	1,634	1,202	1,254
Liabilities						
Gross debt						
• Ordinary bonds ^(b)	Financial liabilities at amortized cost		1,361	1,410	1,359	1,414
• European Investment Bank loan ^(b)	Financial liabilities at amortized cost		200	200	200	200
• Other financial liabilities	Financial liabilities at amortized cost		178	178	203	203
Commercial payables						
• Contract liabilities	Financial liabilities at amortized cost		1,137	1,137	1,004	1,004
• Trade payables	Financial liabilities at amortized cost		1,742	1,742	1,622	1,622
Derivative instruments ^(a)	Financial liabilities at fair value through profit or loss	Foreign exchange: 2	106	106	151	151
		Metal: 1	31	31	21	21
Other current financial liabilities	Financial liabilities at amortized cost		351	351	432	432

(a) Derivatives 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 26.C**).

The Group's fixed-rate debt mainly consists of the 2028, 2029 and 2030 bonds, as well as the loan taken out with the European Investment Bank. Their fair value may differ from the carrying amount due to the use of the amortized cost method.

The fair value of the 2028, 2029 and 2030 ordinary bonds was calculated based on a bank valuation provided at December 31, 2025 and included the interest accrued at the year-end. The same method was used at December 31, 2024.

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Note 31 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 31.C** below).

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

INCOME STATEMENT

<i>In millions of euros</i>	2025	2024
REVENUE		
• Non-consolidated companies	13	29
• Associates	1	0
COST OF SALES		
• Non-consolidated companies	(9)	(8)
• Associates	(3)	(2)

BALANCE SHEET

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

<i>At December 31, in millions of euros</i>	2025	2024
ASSETS		
• Non-consolidated companies	2	2
• Associates	1	0
FINANCIAL LIABILITIES/(RECEIVABLES)		
• Non-consolidated companies	(2)	(17)
• Associates	-	-
OTHER LIABILITIES		
• Non-consolidated companies	2	1
• Associates	0	1

B. RELATIONS WITH THE QUIÑENCO GROUP

At December 31, 2025, the Quiñenco group held approximately 9% of the Company's capital stock through the subsidiary Invexans Limited (UK).

At December 31, 2025, 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 31.A** above, on the line "Associates".

C. COMPENSATION OF KEY MANAGEMENT PERSONNEL

In 2025 as in 2024, 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:

<i>In millions of euros</i>	2025	2024
Compensation for corporate officer positions ^(a)	3.1	3.2
Compensation under employment contracts and benefits in kind ^(a)	14.4	10.5
Performance shares ^(b)	6.2	5.1
Termination benefits ^(a)	3.7	-
Long-term incentive plan ^(b)	0.0	0.2
Accruals for pensions and other retirement benefit obligations ^(c)	1.0	1.1
TOTAL COMPENSATION	28.5	20.2

(a) Amounts paid during the year, including payroll taxes. The termination benefits relates to the corporate officer departure.

(b) Amounts expensed in the income statement during the year.

(c) Payments related to supplementary defined contribution pension plans.

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

- During the session of October 13, 2025, the Board decided to appoint Julien Hueber as Chief Executive Officer of the Group;
- On October 13, 2025, Christopher Guérin left the management committees of the Group as part of its departure from the Group, which was effective at end of October 2025.

During 2025, he received 2.8 million euros as part of its departure indemnity. He benefits from a non-compete indemnity of 1.4 million euros, which is being paid monthly over a period of 18 months.

He also keeps rights to 31,794 performance shares corresponding to the pro-rata temporis of the 66,600 shares granted since 2022 and being vested. The definitive acquisition of these shares is subject to the fulfillment of performance conditions and to the approval of the Shareholders meeting on May 21, 2026 (cf. section 4.6.1.3 of the URD).

COMMITMENTS GIVEN TO THE CHIEF EXECUTIVE OFFICER

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

As Chief Executive Officer (CEO) since October 13, 2025, Julien Hueber received the following commitments from the Company, which were decided at the Board meeting from October 12, 2025:

- The payment of termination indemnity to an executive corporate officer may occur only (i) in the event of a forced departure linked to a change of control or to a change in strategy (this condition being deemed met unless the Board of Directors decides otherwise or in the case of gross misconduct); and (ii) once the Board has confirmed, in accordance with the provisions of Article L.225-42-1 of the French Commercial Code, at the time of or after the effective termination or change in the Chief Executive Officer's duties, that the predefined performance conditions have been met.

Payment of this indemnity would be subject to achieving an overall rate of attainment of at least 80% of target annual variable compensation objectives, on average over the three financial years preceding the date of the forced departure. The level of achievement of the performance conditions would be assessed by the Compensation Committee, for decision by the Board. The indemnity would amount to two years of total remuneration (fixed and variable), i.e., 24 times the amount of the last monthly base salary (fixed portion) due for the month preceding the departure, plus an amount equal to the product of the last nominal bonus rate applied to the last monthly base salary (fixed portion);

- In consideration for the commitment not to engage, directly or indirectly, in any activity competing with the Company's business for two years following the end of the mandate—whatever the reason for the departure—the executive corporate officer would receive a maximum indemnity equal to one year of total compensation (fixed and nominal variable), paid in 24 equal monthly installments. In accordance with the law and the AFEP-MEDEF Code, payment of this indemnity is excluded if the executive claims retirement rights or reaches the age of 65.

The Board may decide to impose a shorter non-compete period. In that case, the non-compete indemnity would be reduced on a pro-rata temporis basis.

In accordance with Article 25.3 of the Afep-Medef Code (December 2022 version), in the event of Julien Hueber'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).

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 Julien Hueber 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. The annual contribution paid by the Company corresponds to 20% of the Chief Executive Officer's total actual annual compensation (fixed plus variable).

Note 32 Disputes and contingent liabilities

A. ANTITRUST INVESTIGATIONS

In January 2009, antitrust investigations were launched in several countries against various cable manufacturers including Group companies in relation to alleged 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 (EC 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 of 70.6 million euro imposed on Nexans France SAS by the European Commission.

Subsequently, certain Group entities have received claims from customers filed before the courts in the United-Kingdom, the Netherlands, Germany and Italy against Nexans and other defendants relating to the EC Decision.

In the United-Kingdom, National Grid, Scottish Power and Vattenfall brought proceedings against Prysmian. Contribution claims were brought by Prysmian against the Company in these cases. Prysmian have now reached a settlement with each of these claimants. The contribution claims in respect of these claims are still pending but are not currently being pursued.

In May 2022, an application for a collective proceedings order was lodged in the UK before the Competition Appeal Tribunal (CAT) by Ms Spottiswoode CBE seeking authorization to bring an action for damages on behalf of certain individuals against Nexans, Prysmian and NKT, based on the EC Decision. Ms Spottiswoode claim was certified by the CAT (subject to various conditions) in May 2024 on an "opt-out" basis. She has secured financing from a professional third-party litigation funder. The Company is defending the claim. A hearing on one aspect of the claim took place in May-June 2025. In a judgment dated October 30, 2025 the CAT ruled in the Company's favor on this issue eliminating a substantial amount from the damages claimed.

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 EC Decision. Nexans France SAS and the Company are defending the claim, and the trial took place in May 2025. In a judgment dated October 10, 2025 the CAT found the Company liable for £10.6 million in damages. The Company is currently seeking permission to appeal that judgment

In April 2019, Terna S.p.A. launched an antitrust damages claim against Nexans Italia before the Court of Milan, based on the EC Decision. Nexans is defending the claim, and a decision is not expected before the end of 2026.

In April 2019, a 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. In December 2019, Nexans and other defendants filed a motion contesting jurisdiction. Following various judgements in the Netherlands on this preliminary issue, it was referred to the European Court of Justice (ECJ) for a ruling. A hearing before the

ECJ was held in January 2025 and the judgment is awaited and expected in the first half of 2026.

In November 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 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. In February 2025, State Attorney acting on behalf of the CNMC filed its reply against the appeal to which the Nexans Iberia and the Company responded. State Attorney conclusions are awaited, and judgement from the High Court is awaited.

In July 2020 a claim was filed by Iberdrola, followed by four other Spanish claimants in 2022. All claims against Nexans Iberia are based on the CNMC decision in the low / medium voltage case. Nexans is defending these cases.

In January and May 2022 the German Federal Cartel Office (FCO) carried out searches at three of Nexans' sites in Germany. The searches are part of an investigation into cable manufacturers concerning alleged coordination of industry-standard metal surcharges in Germany. The FCO also conducted inspections at the premises of other companies in Germany. The investigation is ongoing and in February and July 2024, the FCO carried out searches at other sites in Germany and in France.

In October 2023, Saudi Electricity Company (SEC) brought a claim in Germany against Nexans S.A. and other companies including NKT and Prysmian, based on the EC Decision. Nexans is defending the claim, and in June 2024 succeeded in asking the court to require SEC to provide substantial security if it wished to continue its claim.

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

In January 2024, the French Competition Authority (Authority) carried out searches at three of Nexans' sites in France, concerning alleged anti-competitive conduct in relation to the distribution of energy cables in DROM-COM. The case is ongoing.

In December 2024, the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato) carried out searches at La Triveneta Cavi's premises at Brendola. The searches are part of an investigation relating to an alleged anticompetitive arrangement among copper cable manufacturers in the Italian low voltage copper cable market. The agreements executed in 2024 in the context of the acquisition of La Triveneta Cavi provide for certain contractual protections pursuant to which the group would be indemnified in relation to any possible losses deriving from the above-mentioned investigation. A decision from the Authority is awaited in 2026.

As of December 31, 2025, the Group has a recorded contingency provision of 75 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. 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, 2025 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, 2025 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 33 Off-balance sheet commitments

The Group's off-balance sheet commitments that were considered material at December 31, 2025, and December 31, 2024, 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 **Notes 26 and 32**.

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

When a business is acquired, a provision is recorded for this business's liabilities and contingent liabilities when the Group completed the initial accounting for the acquisition in accordance with IFRS 3.

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 disposal of the Telecom and Data business, Nexans S.A. and some of its European subsidiaries also granted 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 five years. Exceptionally, the guarantee on environmental liabilities is extended to seven years. Declared litigations or risks related to claims in progress are subject to a specific maximum of 4 million euros.

In June 2025, as part of the disposal of the "Industry Solutions and Projects" business, Nexans S.A. and some of its subsidiaries granted liability guarantee commitments. These guarantees relate to "fundamental" warranties (shares ownership, capacity, etc) for a maximum general amount set at the level of the selling price, and for a duration equivalent to legal time limitation. Declared litigations or risks related to claims in progress are subject to a specific maximum of 20% of selling price.

ACQUISITION OF THE QUIÑENCO GROUP'S CABLE BUSINESS

When Nexans acquired the cables business of the Chile-based Quiñenco Group 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 acquisition contract. 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.

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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 reais (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 GRUPPO LTC SPA

Nexans Italia completed the transaction for the acquisition of the holding Gruppo LTC SPA, fully owning the companies La Triveneta Cavi and Veneta Trafili, on June 6, 2024.

Based on the share purchase agreement, main contractual protections for Nexans Italia are:

- warranty and indemnity insurance policy ("W&I") executed with ALG Europe S.A. in the context of the transaction to cover the sellers' indemnification obligations linked to the representations and warranties of the sellers (policy period: 3 years from the closing date in relation to the general R&Ws, limit of liability: 30 million euros);
- liability of the sellers with respect to the breach of the representations and warranties in case of "Fraudulent Breach" without contractual quantitative limit of liability; and
- escrow agreement, pursuant to which the sellers deposited in escrow an amount as collateral security for the fulfilment by the same of all their obligations – including the indemnification obligations – set forth under the share purchase agreement.

On December 11, 2024, the Italian Competition Authority ("AGCM"), dawn-raided LTC, in connection with an investigation on an alleged anti-competitive agreement aimed at coordinating prices and commercial sales conditions in the Italian low-voltage copper cable sector cf. **Note 32**. The consequences of such investigation if any would be covered by the above-mentioned warranties.

OTHER ACQUISITIONS

On April 30, 2023, Nexans acquired the entire share capital of REKA Cables Ltd.

On June 2, 2025, Nexans Iberia acquired the entire share capital of Cables RCT.

On December 17, 2025, Nexans Canada acquired the entire share capital of Electro Cables, a Canadian entity.

For these acquisitions, the sale and purchase agreements included certain customary representations, warranties and commitments from both parties related to the transaction and the target company. In addition, Nexans secured W&I insurance for each transaction, providing coverage for damages resulting from breaches of the guarantees given in the sales and purchase agreement by the seller.

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	2025	2024
COMMITMENTS GIVEN			
Syndicated credit facility ^(a)	29.A	880	880
COMMITMENTS RECEIVED			
Syndicated credit facility – Unused line expiring on October 25, 2029	29.A	800	800
Financing line EIB – Unused line	29.A	250	-

(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	2025	2024
COMMITMENTS GIVEN			
Derivatives – Purchases of foreign currencies ^(a)	29	13,345	11,748
Forward purchases of metals	29	727	669
Firm commitments to purchase property, plant and equipment		171	140
Commitments for third-party indemnities	See (1)	7,467	7,686
Take-or-pay copper purchase contracts (in tons)	See (2)	134,022	141,976
Other commitments given		-	-
COMMITMENTS RECEIVED			
Forward sales of foreign currencies ^(a)	29	13,326	11,744
Forward sales of metals	29	409	219
Copper sales commitments at set prices (in tons)	See (2)	112,929	123,930
Other commitments received		243	520

(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 (1,969 million euros and 1,851 million euros at December 31, 2025 and 2024 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 25** and **Note 32**.

At December 31, 2025, the Group had granted parent company guarantees in an amount of 5,498 million euros (5,835 million euros at December 31, 2024). 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 29.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.

In addition, from time to time, the Group may enter firm commitments with a short maturity and unset price at end of the period, in order to secure the supply of copper with specific technical characteristics. There was no such commitment at end of 2025 nor at end of 2024.

Note 34 Main consolidated companies

The table below lists the main entities included in the Group's scope of consolidation at December 31, 2025.

Companies by geographic area	% control	% interest	Consolidation method ^(a)
FRANCE			
Nexans S.A. ^(b)	100.00%	100.00%	Parent company
Nexans Participations	100.00%	100.00%	
LIX Lixis Holding	100.00%	100.00%	
Nexans France	100.00%	100.00%	
Nexans Continuous Copper Casting and Refining	70.00%	70.00%	
Nexans Wires	100.00%	100.00%	
Tréfileries and Laminoirs de la Méditerranée S.A.	100.00%	100.00%	
Recycables	36.50%	36.50%	Equity method
Nexans Power Accessories France	100.00%	100.00%	
Nexans Financial & Trading Services ^(c)	100.00%	100.00%	
NORTHERN EUROPE			
Nexans Benelux S.A.	100.00%	100.00%	
Nexans Network Solutions NV	100.00%	100.00%	
Nexans Services	100.00%	100.00%	
Nexans Deutschland GmbH	100.00%	100.00%	
Metrofunkabel Union GmbH	100.00%	100.00%	
Nexans Auto Electric GmbH ^(d)	100.00%	100.00%	
Nexans Power Accessories Deutschland GmbH	100.00%	100.00%	
Nexans Nederland BV	100.00%	100.00%	
Nexans Norway A/S	100.00%	100.00%	
Nexans Subsea Operations	100.00%	100.00%	
Nexans Skagerrak	100.00%	100.00%	
Nexans Marine Operations	100.00%	100.00%	
Nexans Vessel Management	100.00%	100.00%	
Nexans Suisse S.A.	100.00%	100.00%	
Nexans Re ^(e)	100.00%	100.00%	
Nexans Logistics Ltd	100.00%	100.00%	
Nexans UK Ltd	100.00%	100.00%	
Nexans Sweden AB	100.00%	100.00%	
REKA Cables	100.00%	100.00%	
Nexans Finland Holding	100.00%	100.00%	
SOUTHERN AND EASTERN EUROPE			
Nexans Iberia SL	100.00%	100.00%	
Cables RCT S.A.U.	100.00%	100.00%	
Takami	100.00%	100.00%	
Nexans Italia S.p.A.	100.00%	100.00%	
Gruppo LTC S.p.A.	100.00%	100.00%	
La Triveneta Cavi S.p.A.	100.00%	100.00%	
Veneta Trafili S.p.A.	100.00%	100.00%	
Nexans Partecipazioni Italia Srl	100.00%	100.00%	
Nexans Hellas S.A.	100.00%	100.00%	
Nexans Power Accessories Czech Republic	100.00%	100.00%	
Nexans Turkiye Endustri Ve Ticaret AS	100.00%	100.00%	

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

Companies by geographic area	% control	% interest	Consolidation method ^(a)
NORTH AMERICA			
Nexans Canada Inc	100.00%	100.00%	
Electro Cables Inc	100.00%	100.00%	
Nexans USA Inc	100.00%	100.00%	
Nexans Magnet Wire USA Inc	100.00%	100.00%	
Nexans Specialty Holdings USA Inc	100.00%	100.00%	
Nexans Energy USA Inc	100.00%	100.00%	
Nexans High Voltage USA Inc	100.00%	100.00%	
SOUTH AMERICA			
Invercable	100.00%	100.00%	
Nexans Chile S.A.	100.00%	100.00%	
Colada Continua S.A.	41.00%	41.00%	Equity method
Nexans Colombie	100.00%	100.00%	
Indeco Peru ^(b)	96.73%	96.73%	
Cobrecon	100.00%	98.37%	
Nexans Brasil S.A.	100.00%	100.00%	
Alcatek	100.00%	100.00%	
Centelsa	100.00%	100.00%	
Cobres de Columbia	100.00%	100.00%	
Cedetec	100.00%	100.00%	
AFRICA AND MIDDLE EAST			
Liban Câbles s.a.l	91.15%	91.15%	
Nexans Maroc ^(f)	97.63%	97.63%	
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 China Wire & Cables Co. Ltd	100.00%	100.00%	
Nexans (Yanggu) New Rihui Cables Co. Ltd	100.00%	100.00%	
Nexans Korea Cables Co., Ltd	99.70%	99.70%	
Nippon High Voltage Cable Corporation	100.00%	100.00%	
OLEX Australia Pty Ltd	100.00%	100.00%	
OLEX New Zealand Ltd	100.00%	100.00%	

(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 Maroc itself consolidates a subsidiary located in Morocco.

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Note 35 Statutory Auditors' fees

The total fees paid to the Statutory Auditors for all controlled entities in France and recorded in the income statement for 2025 break down as follows:

<i>(in thousands of euros)</i>	Audit of the consolidated financial statements	Audit of the corporate financial statements	Audit of Sustainability report	Other ^(a)	Total
Forvis Mazars	346	171	244	431	1,191
PwC	341	190	366	436	1,333
TOTAL	687	360	610	867	2,524

(a) Other non audit-related services include, in particular, fees for due diligence in the context of disposals.

Note 36 Subsequent events

No significant event has occurred since December 31, 2025.