

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

6 FINANCIAL STATEMENTS

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6.1. Consolidated financial statements

6.1.1. Consolidated income statement

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

(a) Sales at constant metal prices calculated using reference prices are presented in the segment information provided in **Note 3** and are used in the activity report in Section 2.1. Sales at constant copper and aluminum prices are used by the Group to monitor its operational performance, because the effect of changes in non-ferrous metals prices is neutralized to show underlying business growth. Cost of sales is restated on the same basis.

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

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

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

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

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6.1.2. Consolidated statement of comprehensive income

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

6.1.3. Consolidated balance sheet

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

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

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6.1.4. Consolidated statement of changes in equity

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

(a) The number of shares outstanding corresponded to issued shares less shares held in treasury; acquisition, shares held in treasury and shares negotiated in the stock market are detailed on **Note 11**.

(b) This line contains the application of IAS 29 hyperinflation standard detailed in **Note 1** and in **Note 7**.

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6.1.5. Consolidated statement of cash flows

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

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

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

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

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

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6.1.6. Notes to the consolidated financial statements

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NOTE 1. Summary of significant accounting policies

A. GENERAL PRINCIPLES

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

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

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

Compliance with IAS 34

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

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

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

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

Standards and interpretations applied

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

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

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

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

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

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

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

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New standards, amendments and interpretations published by the IASB but not yet effective

The IASB has not issued any new standards, amendments or interpretations that have been endorsed by the European Union but are not yet applicable.

The IASB has issued the following amendments that have not yet been endorsed by the European Union and are potentially applicable by the Group:

- Amendments to IAS 1 concerning liabilities classification into current liabilities and non-current liabilities;
- Amendments to IAS 12, "Deferred taxes related to asset and liabilities related to the same transaction" ;
- Amendments to IFRS 10 and IAS 28, " "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

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

Accounting estimates and judgments

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

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

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

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

- The measurement of derivative instruments and their qualification as cash flow hedges.

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

B. SPECIFIC ISSUES CONCERNING THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

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

- The current and deferred tax charge for the period is calculated by applying the estimated average annual tax rate for the current fiscal year to the first-half pre-tax income figure for each entity or tax group. This average annual rate includes, where appropriate, the impact of transactions affecting the legal structure of the Group during the period, such as mergers.
- The net provision recognized for pension and other long-term employee benefit obligations is calculated based on the latest valuations available at the previous period-end. Expenses recognized during the period for pension and other long-term employee benefit obligations are calculated based on half of the estimated amount for the full year. Adjustments of actuarial assumptions are performed on the main contributing plans in order to take into account any significant fluctuations or one-time events that may have occurred during the six-month period. The fair value of the main plan assets is reviewed at the period end.

NOTE 2. Significant events of the period

A. ACQUISITION OF CENTELSA

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

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

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

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

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

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

B. CHANGES IN THE SITUATION IN UKRAINE

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

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

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

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

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

C. DRAWDOWN OF EUROPEAN INVESTMENT BANK LOAN FACILITY

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

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

D. INTERNATIONAL EMPLOYEE SHARE OWNERSHIP PLAN

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

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

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The plan proposed a leveraged structure in the same way as in the 2010 to 2020 plans, whereby employees were able to subscribe for the shares through a corporate mutual fund (FCPE) at a discounted price, with the Company providing them with a capital guarantee plus a multiple based on share performance. The shares are locked into the plan for five years, apart from in special circumstances when employees can access them earlier. In countries where the leveraged structure using a corporate mutual fund raised legal or tax difficulties an alternative formula was offered comprising the allocation of Stock Appreciation Rights (SAR). Participating employees outside France benefited from a matching payment in shares by the Group.

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

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

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

NOTE 3. Operating segments

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

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

The Group now has the following five reportable segments within the meaning of IFRS 8 (after taking into account the aggregations allowed by the standard):

- **Building & Territories:** This segment provides reliable cabling systems and smart energy solutions enabling buildings and territories to be more efficient, sustainable and people-friendly. It covers the following markets: building, smart cities/grids, e-mobility, local infrastructure, decentralized energy systems and rural electrification. It comprises two sub-segments:
 - **Distribution** which covers cables for the energy distribution networks managed by the electricity suppliers within the Territories;
 - **Usages**, corresponding to all Building cabling systems.

- **Power Generation & Transmission**, formerly "High Voltage & Projects": This segment supports its customers from the start of the cycle (design, engineering, financing, asset management) right through to the end (systems management) to help them find the cabling solution that is the best suited to their needs in terms of efficiency and reliability. It covers the following markets: offshore wind farms, subsea interconnections, land high-voltage, and smart solutions for the oil and gas sector (direct electric heating, subsea heating cables).

- **Telecom & Data:** This segment helps customers to easily deploy copper and fiber optic infrastructure thanks to plug-and-play cabling and connection solutions. It encompasses the following activities: data transmission (subsea, fiber, FTTx), telecom networks, hyperscale data centers and LAN cabling solutions.

- **Industry & Solutions:** This segment provides support to OEMs and industrial infrastructure project managers in personalizing their cabling and connection solutions to enable them to meet their electrification, digitization and automation requirements. It covers the following markets: transport (aeronautics, rail, shipbuilding, automotive), automatic devices, renewable energy (solar and wind power), resources (oil and gas, mining) and other sectors (nuclear, medical, handling, etc.).

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

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

- As June 30, 2022, 97% of this segment's sales at constant metal prices corresponded to sales generated by the Group's Electrical Wires business (compared with 98% on June 30, 2021).

- Operating margin for the "Other Activities" segment was a negative 24 million euros on June 30, 2022, reflecting the combined impact of profit generated from sales of copper wires and certain centralized Group costs that are not allocated between the segments (such as holding company expenses).

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

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

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

A. INFORMATION BY REPORTABLE SEGMENT

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

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

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

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B. INFORMATION BY MAJOR GEOGRAPHIC AREA

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

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

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

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

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

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

C. INFORMATION BY MAJOR CUSTOMER

The Group did not have any customers that individually accounted for over 10% of its sales in first-half 2022 or 2021.

NOTE 4. Revenue from contracts with customers

A. CONSOLIDATED SALES

Consolidated net sales can be analyzed as follows:

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

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

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

NOTE 5. Other operating income and expenses

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

In first-half 2022:

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

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

NOTE 6. Net asset impairment

A. PROCESS FOLLOWED AND RESULTS OF IMPAIRMENT TESTS

The Group carries out impairment tests on goodwill and intangible assets with indefinite useful lives at least once a year and on other intangible assets and property, plant and equipment whenever there is an indication that they may be impaired.

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

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

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

B. MAIN ASSUMPTIONS

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

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

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

C. RESULTS OF THE IMPAIRMENT TESTS

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

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

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

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

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

D. SENSITIVITY ANALYSES

The main assumptions described above are used for measuring the CGUs that are tested for impairment. Sensitivity analyses are performed to assess the effect on the calculations of changes in the assumptions. The method used consists of testing the effect of a 50-basis point change in assumptions, as follows:

- 50-basis point increase in the discount rate compared to the assumptions used,
- 50-basis point decrease in the perpetuity growth rate compared to the assumptions used,
- 50-basis point decrease in EBITDA margin (measure of business performance) under normal circumstances compared to the assumptions used.

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

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

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

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

NOTE 7. Other financial income and expenses

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

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

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

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

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

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

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

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

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

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

NOTE 8. Income taxes

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

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

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

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

NOTE 9. Earnings per share

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

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

(a) In millions of euros. Attributable net income corresponded to adjusted net income attributable to owners of the parent.

(b) Dilutive instruments correspond to free share and performance share rights.

(c) In euros.

NOTE 10. Goodwill

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

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

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

Provisional goodwill recognized on the acquisition of the Centelsa group

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

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

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

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

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

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

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

(a) The full acquisition price was from the treasury and treasury equivalence.

(b) The total debt of Centelsa was kept and not paid at the moment of the acquisition.

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

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

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

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

NOTE 11. Equity

A. COMPOSITION OF CAPITAL STOCK

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

B. DIVIDENDS

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

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

C. TREASURY STOCK

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

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

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

D. FREE SHARES AND PERFORMANCE SHARES

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

The fair value of free shares and performance shares is recorded as a payroll expense from the grant date to the end of the vesting period, with a corresponding adjustment to equity.

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

E. EMPLOYEE SHARE OWNERSHIP PLAN

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

The expense relating to this plan (representing 3 million euros including the top-up payment) was recognized in first-half 2022 and included the impact of valuing the lock-up period applicable to plans in countries where it was possible to set up a corporate mutual fund.

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

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

A. MAIN ASSUMPTIONS

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

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

	Discount rate at June 30, 2022	Discount rate at December 31, 2021	Discount rate at June 30, 2021
France	3.15%	0.90%	0.90%
Germany	3.15%	0.9%-1.00%	0.90%
Switzerland	1.95%	0.25%	0.20%
Canada	4.95%	2.90%	2.90%
United States	4.75%	2.85%	2.85%

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

B. Change in net provision for pension and other long-term employee benefit obligations

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

NOTE 13. Provisions

A. ANALYSIS BY NATURE

Movements in these provisions were as follows:

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

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

Provisions for accrued contract costs are primarily set aside by the Group as a result of its contractual responsibilities, particularly relating to customer warranties, loss-making contracts and penalties under commercial contracts (see **Note 15**). Where appropriate, they also include provisions for construction contracts in progress.

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

B. ANALYSIS OF REORGANIZATION COSTS

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

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

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

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

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

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

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

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

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

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

NOTE 14. Net debt

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

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

A. ANALYSIS BY NATURE

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

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

(2) Excluding lease liabilities.

(3) Out of the total lease liabilities recognized, 82 million euros corresponded to non-current liabilities and the balance to current liabilities. The related interest expense amounted to 2 million euros in first-half of 2022.

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

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

At June 30, 2022, Nexans France SAS had sold 45 million euros of receivables (25 million euros at December 31, 2021). An analysis of the terms of the contracts and transactions showed that rights to the cash flows from the receivables, and substantially all of the related risks and benefits, were transferred to the factor. The factored receivables were therefore derecognized in accordance with IFRS.

B. BONDS

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

(a) Including 13 million euros in short-term accrued interest.

On August 8, 2018, Nexans issued 325 million euros worth of fixed-rate bonds with a five-year term, maturing on August 8, 2023. The bonds were issued at par and had an annual coupon of 3.75%. The issue price was 100% of the bonds' par value.

On April 5, 2017, Nexans carried out a 200 million euro bond issue at 2.75% with a maturity date of April 5, 2024. The issue price was 100% of the bonds' face value.

C. OTHER BORROWINGS

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

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

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

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

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

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

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

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

D. COVENANTS

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

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

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

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

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

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

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

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

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

NOTE 15. Disputes and contingent liabilities

A. ANTITRUST INVESTIGATIONS

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

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

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

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

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

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

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

In April 2017, Vattenfall initiated a claim for alleged antitrust damages against Prysmian and NKT before the High Court in London. On June 12, 2020, Nexans France SAS and the Company were notified of a contribution claim brought by Prysmian. Following a transfer from the High Court, to the UK Competition Tribunal, NKT reached a settlement with Vattenfall. Vattenfall's claim against Prysmian and Prysmian's contribution claim against Nexans France SAS and the Company remain pending.

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

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

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

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

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

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

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

On November 24, 2017 in Spain, Nexans Iberia and the Company (in its capacity as Nexans Iberia's parent company) were notified of a decision by the Spanish competition authority ("CNMC"), which found that Nexans Iberia had participated directly in an infringement of Spanish competition laws in the low and medium voltage cable sectors. The Company was held jointly liable for the payment of part of the fine levied on Nexans Iberia by the CNMC. In early January 2018, Nexans Iberia settled the 1.3 million euro fine levied by the CNMC. Nexans Iberia and the Company have appealed the CNMC's decision. Appeal decision is expected to take place in 2022.

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

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

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

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

As of June 30, 2022, the Group has a recorded contingency provision of 67 million euros to cover all the investigations mentioned above as well as the direct and indirect consequences of the related rulings that have been or will be handed down and in particular the follow-on damages claims by customers (existing or potential claims). The amount of the provision is based on management's assumptions that take into account the consequences in similar cases and currently available information. There is still considerable uncertainty as to the extent of the risks related to potential claims and/or fines. The final costs related to these risks could therefore be significantly different from the amount of the provision recognized.

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

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

B. OTHER DISPUTES AND PROCEEDINGS GIVING RISE TO THE RECOGNITION OF PROVISIONS

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

The Group considers that the other existing or probable disputes for which provisions were recorded at June 30, 2022 do not individually represent sufficiently material amounts to require specific disclosures in the consolidated financial statements.

C. CONTINGENT LIABILITIES RELATING TO DISPUTES AND PROCEEDINGS

Certain contracts entered into by the Group as of June 30, 2022 could lead to performance difficulties, but the Group currently considers that those difficulties do not justify the recognition of provisions in the financial statements or specific disclosure as contingent liabilities.

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

NOTE 16. Subsequent events

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

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

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

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