



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	981 122 607
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	NEXANS NORWAY AS
Forretningsadresse:	Freserveien 1 0195 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Yngve Vollset
Dato for fastsettelse av årsregnskapet:	04.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 12.06.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	13,15, 16	7 674 000 000	7 580 000 000
Sum inntekter		7 674 000 000	7 580 000 000
Kostnader			
Varekostnad	7	4 058 000 000	4 109 000 000
Lønnskostnad	4,9,12	1 673 000 000	1 572 000 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8	252 000 000	249 000 000
Annen driftskostnad	12,19	897 000 000	736 000 000
Sum kostnader		6 880 000 000	6 666 000 000
Driftsresultat		794 000 000	914 000 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3,16	9 000 000	10 000 000
Annen finansinntekt	3	219 000 000	161 000 000
Sum finansinntekter		228 000 000	171 000 000
Rentekostnad til foretak i samme konsern	3,16	2 000 000	
Annen finanskostnad	3	56 000 000	50 000 000
Sum finanskostnader		58 000 000	50 000 000
Netto finans		170 000 000	121 000 000
Ordinært resultat før skattekostnad		964 000 000	1 035 000 000
Skattekostnad på ordinært resultat	10	204 000 000	217 000 000
Ordinært resultat etter skattekostnad		760 000 000	818 000 000
Årsresultat		760 000 000	818 000 000
Andre resultatkomponenter for IFRS-foretak	11	38 000 000	242 000 000
Sum resultatkomponenter for IFRS-foretak		38 000 000	242 000 000
Totalresultat		798 000 000	1 060 000 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	8	584 000 000	621 000 000
Maskiner og anlegg	8	1 173 000 000	1 237 000 000
Skip, rigger, fly og lignende	8	3 000 000	7 000 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	8	4 000 000	7 000 000
Sum varige driftsmidler		1 764 000 000	1 872 000 000
Finansielle anleggsmidler			
Investering i datterselskap	20	1 359 000 000	1 039 000 000
Derivater	2,3	88 000 000	76 000 000
Sum finansielle anleggsmidler		1 447 000 000	1 115 000 000
Sum anleggsmidler		3 211 000 000	2 987 000 000
Omløpsmidler			
Varer			
Varer	7	422 000 000	431 000 000
Sum varer		422 000 000	431 000 000
Fordringer			
Kundefordringer	2,6,16	4 242 000 000	3 577 000 000
Andre fordringer	15	432 000 000	235 000 000
Sum fordringer		4 674 000 000	3 812 000 000
Investeringer			
Derivater	2,3	410 000 000	146 000 000
Sum investeringer		410 000 000	146 000 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	2,5	101 000 000	161 000 000
Sum bankinnskudd, kontanter og lignende		101 000 000	161 000 000



Balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		5 607 000 000	4 550 000 000
SUM EIENDELER		8 818 000 000	7 537 000 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11	463 000 000	463 000 000
Annen innskutt egenkapital	11	8 000 000	8 000 000
Sum innskutt egenkapital		471 000 000	471 000 000
Opptjent egenkapital			
Annen egenkapital	11	1 761 000 000	1 731 000 000
Sum opptjent egenkapital		1 761 000 000	1 731 000 000
Sum egenkapital		2 232 000 000	2 202 000 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	9	162 000 000	138 000 000
Utsatt skatt	10	1 055 000 000	851 000 000
Derivater	2,3	28 000 000	49 000 000
Garantiavsetning langsiktige kontrakter	15	57 000 000	54 000 000
Sum avsetninger for forpliktelser		1 302 000 000	1 092 000 000
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	14	984 000 000	841 000 000
Sum annen langsiktig gjeld		984 000 000	841 000 000
Sum langsiktig gjeld		2 286 000 000	1 933 000 000
Kortsiktig gjeld			
Leverandørgjeld	2,16	327 000 000	492 000 000
Betalbar skatt	10	0	139 000 000
Skyldige offentlige avgifter	2	113 000 000	112 000 000
Kortsiktig konserngjeld	2,16	97 000 000	116 000 000
Annen kortsiktig gjeld	2,3,14,	3 763 000 000	2 543 000 000



Balanse

Beløp i: NOK	Note	2020	2019
	15,16		
Sum kortsiktig gjeld		4 300 000 000	3 402 000 000
Sum gjeld		6 586 000 000	5 335 000 000
SUM EGENKAPITAL OG GJELD		8 818 000 000	7 537 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	13,15, 16	7 674 000 000	7 580 000 000
Sum inntekter		7 674 000 000	7 580 000 000
Kostnader			
Varekostnad	7	3 766 000 000	3 809 000 000
Lønnskostnad	4,9,12	1 673 000 000	1 572 000 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8	278 000 000	277 000 000
Annen driftskostnad	12,19	1 040 000 000	899 000 000
Sum kostnader		6 757 000 000	6 557 000 000
Driftsresultat		917 000 000	1 023 000 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3,16	10 000 000	11 000 000
Annen finansinntekt	3	144 000 000	17 000 000
Sum finansinntekter		154 000 000	28 000 000
Rentekostnad til foretak i samme konsern	3,16	2 000 000	0
Annen finanskostnad	3	82 000 000	66 000 000
Sum finanskostnader		84 000 000	66 000 000
Netto finans		70 000 000	-38 000 000
Ordinært resultat før skattekostnad		987 000 000	985 000 000
Skattekostnad på ordinært resultat	10	205 000 000	219 000 000
Ordinært resultat etter skattekostnad		782 000 000	766 000 000
Årsresultat		782 000 000	766 000 000
Andre resultatkomponenter for IFRS-foretak	11	19 000 000	257 000 000
Sum resultatkomponenter for IFRS-foretak		19 000 000	257 000 000
Totalresultat		801 000 000	1 023 000 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	8	584 000 000	621 000 000
Maskiner og anlegg	8	1 206 000 000	1 264 000 000
Skip, rigger, fly og lignende	8	1 345 000 000	901 000 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	8	5 000 000	7 000 000
Sum varige driftsmidler		3 140 000 000	2 793 000 000
Finansielle anleggsmidler			
Derivater	2,3	88 000 000	85 000 000
Sum finansielle anleggsmidler		88 000 000	85 000 000
Sum anleggsmidler		3 228 000 000	2 878 000 000
Omløpsmidler			
Varer			
Varer	7	422 000 000	431 000 000
Sum varer		422 000 000	431 000 000
Fordringer			
Kundefordringer	2,6,16	4 342 000 000	3 788 000 000
Andre fordringer	15	432 000 000	235 000 000
Sum fordringer		4 774 000 000	4 023 000 000
Investeringer			
Derivater	2,3	410 000 000	154 000 000
Sum investeringer		410 000 000	154 000 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	2,5	101 000 000	161 000 000
Sum bankinnskudd, kontanter og lignende		101 000 000	161 000 000
Sum omløpsmidler		5 707 000 000	4 769 000 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
SUM EIENDELER		8 935 000 000	7 647 000 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11	463 000 000	463 000 000
Annen innskutt egenkapital	11	8 000 000	8 000 000
Sum innskutt egenkapital		471 000 000	471 000 000
Opptjent egenkapital			
Annen egenkapital	11	1 879 000 000	1 846 000 000
Sum opptjent egenkapital		1 879 000 000	1 846 000 000
Sum egenkapital		2 350 000 000	2 317 000 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelse	9	162 000 000	138 000 000
Utsatt skatt	10	1 056 000 000	852 000 000
Garantiavsetning langtidskontrakter	15	57 000 000	54 000 000
Derivater	2,3	28 000 000	53 000 000
Annen langsiktig gjeld	14	984 000 000	841 000 000
Sum avsetninger for forpliktelse		2 287 000 000	1 938 000 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		2 287 000 000	1 938 000 000
Kortsiktig gjeld			
Leverandørgjeld	2,16	303 000 000	469 000 000
Betalbar skatt	10	1 000 000	140 000 000
Skyldige offentlige avgifter	2	113 000 000	112 000 000
Kortsiktig konserngjeld	2,16	104 000 000	116 000 000
Annen kortsiktig gjeld	2,14	3 777 000 000	2 555 000 000
Sum kortsiktig gjeld		4 298 000 000	3 392 000 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum gjeld		6 585 000 000	5 330 000 000
SUM EGENKAPITAL OG GJELD		8 935 000 000	7 647 000 000



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Nexans

NEXANS NORWAY AS

ANNUAL REPORT

2020



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DIRECTORS' REPORT 2020

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

Nexans Norway AS is developing, manufacturing and installing submarine, land and offshore cables for power and telecommunication transmission. Nexans Norway has manufacturing plants located in Rognan, Halden and Langhus. Nexans Skagerrak AS is engaged in transport, laying and installation of submarine power cables and owns the cable laying vessel C/S Nexans Skagerrak. Nexans Subsea Operations AS owns the contract for the construction of a new installation vessel.

Operating revenues increased with NOK 94 million (1,2%) compared to last year and ended at NOK 7.674 million in 2020. The increase in revenue is primarily a result of increased sales of submarine telecom cables, this partly being offset by somewhat reduced revenues to the local building market.

Market

The Subsea business reported an organic growth of 0,7% in 2020. Efficient project execution offset project delays due to the ongoing Covid-19 pandemic and profit margins ended only slightly lower than in 2019. Manufacturing of subsea HV cables for the energy sector has been at full capacity. Manufacturing of umbilicals for the Oil & Gas sector has been at a lower level than 2019. Nexans Norway has anticipated a reduced Oil & Gas order backlog and expect the umbilical production to be at the same level as in 2020 the coming year. Due to this, Nexans Norway AS has adjusted the work force.

Green energy and major repairs of interconnector cables have been the driver in 2020. Installation of the NSL, Mallorca-Menorca, Lavrio-Syros and Mindanao projects have been executed according to plan, despite major perturbation of COVID19. Nexans Norway AS has executed three major IMR (Installation, Maintenance and Repair) contracts in 2020 (Malta Sicilia, ESMA and Ytre Oslofjord).

Significant new contracts have been awarded in 2020 allowing us to have the assets loaded in 2021.

The interconnectors and offshore windfarm market continues to be buoyant in quotes and market perspective. Major contracts have been signed for the Offshore Windfarm Seagreen in Scotland, St Brieuc in France and an interconnector between Greece mainland Attica and Crete. Nexans Norway is supervising the new green field operations of Nexans in Charleston, USA that has started production at the end of the year. Nexans Norway remains confident in the HV AC/DC market within both the offshore windfarm and interconnector segments in Europe. The North American market has shown signs of growth in the offshore windfarm segment.

Although Oil & Gas operators continue to focus on cost reduction and cash generation, they are also increasing investments in platform electrification.

Nexans Subsea Operations placed an order for a new cable laying vessel to Ulstein in 2018, which is to be delivered in the summer 2021. Finalization of this major investment is on track. A financing scheme was signed with Eksportkreditt in Norway in May 2019.

The Building & Territories/Telecom division saw market retraction in the building market amplified by the Covid-19 pandemics in 2020. The pandemics did however impact refurbishment and home upgrades positively driving the demand for Nexans heating cables in particular. In the energy distribution cable markets the demand was fueled by electrification. There has been a continued strong demand in the medium voltage submarine cable market, and an increase in fiber optic cable sales as the need for fiber to the home continues. Our industry cable trading activity was impacted by the pandemic with considerable delays from supplying plants. The situation improved in the second half of the year. Due to the challenging supply and demand situation a strong focus on stock management



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was put in place. Our cash position improved as well as the quality of our stock. With a better second half the division ended with a 4% overall reduction in sales. With an increased focus on carbon footprint Nexans launched a new drum service in Norway. The tradename is Tromløp, and the concept is a closed network of valuable Nexans drums with enhanced space for products and a more robust design which will ensure longer drum life than in the standard drum circulation system. Nexans offers return of cable scrap on the drum to ensure correct recycling of metals and plastics. The cable scrap gets a free ride as the drum system finances the transportation.

The submarine telecom cable market is very active. The demand for bandwidth continues to grow, resulting in a higher number of intercontinental links being under construction. This also provides positive spill-over effects into the regional markets, which is confirmed in a strong order backlog for 2021.

In our special cable segment, the pandemics and oil price crash has impacted the market conditions significantly, with fewer projects being sanctioned. Nevertheless, we benefited from a strong order backlog which took us through 2020 in a satisfactory way.

Order backlog

The order intake increased significantly from 2019 to 2020 and ended at NOK 10.364 million at year-end (NOK 4.615 million in 2019). The most significant contracts signed in 2020 were Seagreen, St. Brieuc and Attica – Crete lot B.

Nexans Norway's order backlog at year-end 2020 amounts to NOK 11.232 million (NOK 8.509 million in 2019).

Research and Development

In 2020 the qualification program for the 525 kV HVDC extruded submarine and land cable systems was completed.

To meet future requirements on transmission capacity in submarine fibre optic cables, R&D activities on both cables for repeaterless and repeater systems has resulted in products with increased maximum fibre counts. This has been realized by optimizing processing and adjusting designs in a way that ensures compatibility with existing accessories and maintaining performance in terms of optical and mechanical performance. For standard unitube cables for repeaterless systems, the fibre count has been increased from 96 to 144. For winch operated dynamic cables, mechanically enhanced conductors and a new insulation system has been tested and qualified. Such conductors and insulation system has also been implemented in recent development of synthetic yarn reinforced cables for deep water subsea industry.

People and organization

Total number of employees in Nexans Norway was 1.560 at year-end 2020. This is a decrease of 24 persons compared to the previous year. A transformation plan has been in place to adapt the Oil & Gas work force to the activity anticipated in the coming years. This plan will be finished end of first half of 2021 and we expect a decrease of 94 positions in total.

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

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

Absence due to sick leave was 5.0% in 2020 compared to 5,2% in 2019.

The Nexans Group's strategy and roadmap towards 2024 was presented at the Capital Markets Day on 17th of February 2021, with the Group's three focus areas "People", "Planet" and "Profit".



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

Activities and targets: Nexans Group has established an internal network WIN (Women in Nexans). The purpose is to focus on diversity and increase the proportion of women in Nexans in general and in higher positions in particular. Nexans Norway has a national WIN network with local WIN representatives, a steering committee and an action plan. The aim for 2021 is to increase the proportion of women in Nexans Norway from 14% to 17%, as well as increase the proportion of women in higher positions from 18% to 21%. Part of WIN's message is: "Our first diversity & inclusion commitments is to reach a level of gender equality that truly represents the diversity of our customers, suppliers and communities in which we serve".

In October 2020, the platform "Winningtemp" was introduced as a pilot for one of the business units in Nexans Norway. Regular feedback is received from employees about the work environment and more specifically the following topics: independence, participation, team spirit, leadership, commitment, job satisfaction, personal development, work situation and meaningfulness. Employees respond through an app or directly in the platform. The experiences so far are good, and during 2021 rollout to the whole of Nexans Norway will be considered.

Health, Safety and Environment

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

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

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

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

Nexans Norway is working to continuously improve our health, safety and environment (HSE) performance. A healthy and safe work environment is very important to us, and so is the work to reduce our environmental impact. This is highlighted in our QHSE Policy. Managers, employees and subcontractors receive regular HSE training to ensure satisfactory levels of HSE competence in the company. We are concerned about our carbon footprint, and we are working continuously to optimize our utilization of resources, to use less materials and energy and reduce unsorted waste. The Nexans group has committed itself to become carbon neutral within 2030 – a commitment shared and implemented also for the business in Norway.

Nexans Norway experienced 4 injuries with absenteeism in 2020 which is an increase from 3 injuries from 2019. This gives an Lost Time Injury Frequency of 1,6 in 2020, compared to 1,2 for 2019. The Total Recordable Injury Frequency was 5,7 in 2020, compared to 5,0 in 2019.

During 2020 Nexans Norway has experienced the impact of the COVID19 pandemic. We are proud to say that due to the effort of all our employees and the strict requirements implemented during 2020, none of our employees have been infected at work. We have also been able to carry out our business as planned with the additional measures required.

A new risk management tool for incident and risk management has been successfully implemented in 2020. This tool has become an important asset into the work with continuous improvement within the QHSE and risk area for the company.

Nexans Norway actively works with the implementation and follow-up of the REACH Directive and "Environmental Highly Protected" - EHP. All Nexans Norway plants are EHP certified. Nexans Norway's activities in general have only a limited adverse effect on the environment. To the extent possible, waste is being sorted, recycled and/or destroyed. The sorted waste level for Nexans Norway is at 89% (same as for 2019 and 2018). Nexans Norway is a member of RENAS, a national waste collection company for electro products, and since 2018 also a member of "Grønt Punkt Norge". Nexans Norway takes responsibility for all types of packaging through return systems approved by The Norwegian Environment Agency ("Miljødirektoratet").



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Nexans Norway AS is certified according to ISO 9001, ISO 14001 and ISO 45001. Nexans Norway group's cable vessel C/S Nexans Skagerrak is certified according to ISO 14001.

Financial Results 2020

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

Operating revenues for Nexans Norway AS totalled NOK 7.674 million in 2020 compared to NOK 7.580 million in 2019, an increase of 1,2%. The increase in revenue is primarily a result of increased sales of submarine telecom cables, this partly being offset by somewhat reduced revenues to the local building market.

Operating profit amounted to NOK 917 million for the Nexans Norway group (NOK 794 million for Nexans Norway AS) in 2020, compared to NOK 1.023 million (NOK 914 million for Nexans Norway AS) in 2019.

Profit before taxes amounted to NOK 987 million (NOK 965 million for Nexans Norway AS) in 2020 compared to NOK 984 million (NOK 1.035 million for Nexans Norway AS) in 2019.

The Nexans Norway group has long-term interest-bearing debt amounting to NOK 771 million per year-end 2020, an increase from NOK 514 in 2019. Cash and bank deposits amounted to NOK 102 million at the end of 2020, a decrease from last year of NOK 161 million. Current assets increased from NOK 4.769 million (NOK 4.550 million in Nexans Norway AS) at year-end 2019 to NOK 5.708 million (NOK 5.607 million in Nexans Norway AS) at year-end 2020. The net increase of NOK 938 million was a result of an increase in Receivables, mainly towards Nexans Central Treasury subsidiaries. This is mainly driven by high operational cash-flow, turning customer accounts receivable into cash in the Nexans group cash pool and receipt of prepayments on long-term contracts. There is also an increase in market value from derivatives in the period.

The Nexans Norway group's Current liabilities increased from NOK 3.392 million (NOK 3.402 million in Nexans Norway AS) in 2019 to NOK 4.299 million (NOK 4.300 million in Nexans Norway AS) at year-end 2020. The increase in current liabilities stem mainly from an increase in contract liabilities.

The Nexans Norway group's equity ratio ended at 26.3% (25.3% in Nexans Norway AS), a reduction from 30.3% (29,2% in Nexans Norway AS) in 2019. The reduced equity ratio is a result of dividend payments in 2020 and increased total capital from investments partly financed with external loan and an increased working capital. The increase in working capital is mainly a result of a positive operating cash flow in 2020 being placed in cash pool accounts and short-term deposits with Nexans Central Treasury subsidiaries.

Cash from operations amounted to NOK 1.838 million (NOK 1.714 million in Nexans Norway AS) in 2020 compared to NOK 1.517 million (NOK 1.507 million in Nexans Norway AS) in 2019. The increase in cash from operations is mainly due to increased advance payments from customers, partly being offset by increased corporate tax payments and cash flows from derivatives. The cash-flows from operating activities were used to finance capital expenditures in fixed assets of NOK 625 million, primarily to secure and increase production and installation capacity, including payments for the construction of the new vessel. Nexans Norway financed its investments with its own means and long-term debt in addition to the Nexans group cash pool arrangement. Net deposits with the Nexans Central Treasury subsidiaries increased by NOK 664 million to NOK 3.176 million in 2020. Net cash flow in 2020 was NOK -59 million.

Financial risk

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

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



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

The accounting of the Nexans Norway group's construction contracts includes estimates assessed at the balance sheet date. The prerequisite for these estimates have not changed after the balance sheet date and it is the opinion of the Board of Directors that the estimates per 2020 are still valid.

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

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

Allocation of the results for the year

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

The Nexans Norway group made a net income after tax for the year of NOK 782 million (NOK 760 million in Nexans Norway AS). Total comprehensive income after tax in 2020 amounted to NOK 801 million (NOK 798 million in Nexans Norway AS), ref Statement of comprehensive income.

The equity in the parent company amounts to NOK 2.231 million and consists of share capital (NOK 463 million), other paid-in capital (NOK 8 million) and other equity (NOK 1.761 million).



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The Board of Directors proposes that NOK 391 million of the net result of the Nexans Norway group, NOK 782 million, to be distributed to dividends in 2021. Hence the Board of Director's propose the following allocation of the net result in Nexans Norway AS:

Dividend	NOK 391 million
Other equity	NOK 391 million

Oslo, 13. April 2021

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<p>DocuSigned by: <i>Anders Krister Granlie</i> D=432887ABC94D8...</p> <p>Anders Krister Granlie</p>	<p>DocuSigned by: <i>Hans Petter Anker Bærem</i> F71B4FD3D81A479...</p> <p>Hans Petter Anker Bærem</p>	<p>DocuSigned by: <i>Stian Volden</i> CA327E28AFA7404...</p> <p>Stian Volden</p>
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Income statement 1.1 – 31.12

Figures in NOK million	Note	Nexans Norway AS		Consolidated	
		2020	2019	2020	2019
Operating revenues	13,15,16	7 674	7 580	7 674	7 580
Raw materials and consumables	7	-4 058	-4 109	-3 766	-3 809
Payroll and related costs	4,9,12	-1 673	-1 572	-1 673	-1 572
Depreciation of fixed assets	8	-252	-249	-278	-277
Other operating costs	12,19	-898	-737	-1 040	-899
Operating costs		-6 880	-6 667	-6 758	-6 557
Operating profit		794	914	917	1 023
Interest income from associated companies	3,16	9	10	10	11
Interest expense to associated companies	3,16	-2	0	-2	0
Other financial income	3	219	161	144	17
Other financial expenses	3	-56	-49	-81	-66
Net financial income (loss)		170	121	70	-39
Profit before tax		965	1 035	987	984
Taxes	10	-204	-217	-205	-219
Net profit for the year	11	760	818	782	766

Statement of Comprehensive Income

	Note	Nexans Norway AS		Consolidated	
		2020	2019	2020	2019
Profit for the year		760	818	782	766
Other comprehensive income					
Remeasurement post-employment benefits	9,11	-23	-8	-23	-8
Cash flow hedges	11	76	284	57	300
Other comprehensive income (loss) before tax		53	276	34	291
Tax expense on other comprehensive income	10	-15	-34	-15	-34
Other comprehensive income (loss) after tax	11	38	242	20	257
Total comprehensive income (loss) for the year		798	1 060	801	1 023
Attributable to (from) owners of the parent		798	1 060	801	1 023



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Balance sheet at 31.12

Figures in NOK million		Nexans Norway AS		Consolidated	
ASSETS	Note	2020	2019	2020	2019
Fixed assets - non current	8	1 764	1 872	3 140	2 793
Shares in subsidiaries	20	1 359	1 039	0	0
Derivatives	2,3	88	77	88	85
Financial Assets - non current		1 446	1 116	88	85
Total non-current assets		3 211	2 987	3 227	2 878
Inventories	7	422	431	422	431
Accounts receivable and other receivables	2,6,16	4 242	3 577	4 342	3 788
Contract Assets	15	432	235	432	235
Total receivables		4 674	3 812	4 774	4 023
Derivatives, current	2,3	410	147	410	154
Cash and cash equivalents	2,5	102	161	102	161
Total current assets		5 607	4 550	5 708	4 769
TOTAL ASSETS		8 818	7 537	8 935	7 647



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EQUITY AND LIABILITIES	Note	Nexans Norway AS		Consolidated	
		2020	2019	2020	2019
Paid-in capital:					
Share capital	11	463	463	463	463
Other paid-in capital	11	8	8	8	8
Retained earnings:					
Other equity	11	1 761	1 732	1 879	1 847
Shareholder's equity	11	2 231	2 202	2 349	2 317
Warranty provision for long-term contracts	15	57	54	57	54
Deferred taxes	10	1 055	851	1 056	852
Derivatives, non current	2,3	28	49	28	53
Other long-term liabilities	14	984	841	984	841
Pension obligations	9	162	138	162	138
Total non-current liabilities		2 287	1 933	2 287	1 938
Accounts payable	2,16	327	492	303	469
Contract Liabilities	15,16	2 734	1 758	2 734	1 758
Income tax payable	10	0	139	1	140
Public duties payable	2	113	112	113	112
Derivatives, current	2,3	254	145	254	149
Other short-term liabilities related parties	2,16	97	116	104	116
Other short-term liabilities	2,14	776	639	790	646
Total current liabilities		4 300	3 402	4 299	3 392
TOTAL EQUITY AND LIABILITIES		8 818	7 537	8 935	7 647



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Statement of cash flow

Figures in NOK millions	Note	Nexans Norway AS		Consolidated	
		2020	2019	2020	2019
Cash flow from operating activities					
Profit before tax		965	1 035	987	984
Depreciation of fixed assets	8	252	249	278	277
Taxes paid	10	-140	0	-141	0
Remeasurement postemployment benefits	9,10,11	-23	2	-23	2
Net change in inventories	7	9	-33	9	-33
Net change in receivables	2,6,16	34	-196	34	-288
Net change in accounts payable	2,16	-165	104	-166	216
Net change in advance payments from customers	15	975	-69	981	-69
Net change in derivatives	2,3	-246	121	-246	121
Foreign exchange gains/losses on operating activities	2,3	67	-18	55	-6
Net change in other balance sheet items	9,10,14,15,16	-14	312	71	312
Net cash flow from operating activities		1 714	1 507	1 838	1 517
Cash flow from investing activities					
Capital expenditures	8	-145	-71	-625	-832
Advance payment on capital expenditure	8	0	0	0	173
Changes in other investments	20	-320	-620	0	0
Net change in other investments (incl. adv. payments to brokers)		0	0	0	0
Net cash flow from investing activities		-464	-691	-625	-659
Cash flow from financing activities					
Net change in loan from group companies	16	-700	-697	-664	-739
Proceed from long-term debt	14	257	514	257	514
Payment on long and short-term borrowing	8,14	-69	-55	-69	-55
Dividends paid	11	-766	-420	-766	-420
Interest paid	3	-39	-38	-39	-38
Interest received	3	9	10	9	10
Net cash flow from financing activities		-1 309	-685	-1 272	-727
Effects of exchange rate changes on cash and cash equivalents		1	1	1	1
Net change in cash and cash equivalents		-59	131	-59	131
Cash and cash equivalents at 01.01.		161	30	161	31
Cash and cash equivalents at 31 December		102	161	102	161



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Notes to the financial statements

1. Accounting principles

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

Revenue recognition

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

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

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

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

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

Financial instruments

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

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

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

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

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



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

Hedging and derivatives

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

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

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

1. The hedging is expected to be very effective because it counteracts changes in market value or cash flows of an identified asset. A hedging efficiency within the scope of 80-125 % is expected
2. The efficiency of the hedging is reliably measurable
3. There is adequate documentation at the entering of the hedging to show that the hedging is expected to be effective
4. For cash flow hedging, the future transaction must be highly probable
5. The hedging is evaluated on a running basis and has proven to be very efficient in the reporting periods the hedging is meant to cover

Hedging of currency exposure

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

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

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

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

Hedging of metal derivatives

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

Taxes

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



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Norwegian Tonnage Tax System in 2009 and 2017. The companies are compliant with the requirements to qualify for taxation as shipping companies as stipulated by the Norwegian tax law §§ 8-10.

Classification of balance sheet items

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

Assets and liabilities in foreign currency

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

Inventories

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

Fixed assets

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

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

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

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

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

Trade receivables

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



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

Leasing and change in accounting method IFRS 16

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

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

The application of IFRS 16 is presented as follows:

- In the income statement, lease payments, are presented as (i) depreciation of the right-of-use asset, included in "Operating profit", and (ii) interest on the lease liabilities, included in "Other financial expenses".
- In the statement of cash flows, lease payments corresponding to the repayment of lease liabilities is recognized under "Proceeds from (repayments of) long-term and short-term borrowings" and the portion corresponding to the payment of interest on lease liabilities is recognized under "Interest paid", with both of these portions recognized in cash flows from financing activities.

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

Cash flow statement

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

Research and development

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

Pension costs and commitments

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

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

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



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

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

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

Government grants

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

Consolidation principles

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

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

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

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

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit and loss.

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

Investments in subsidiaries, associates and joint ventures

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

Share-based compensation

The Nexans group operates a number of equity-settled, share-based compensation plans, under which the company receives services from employees as consideration for equity instruments (options) of the group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the company over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to



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vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement.

Estimates and assumptions

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

Provisions

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

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

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

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

Subsequent events

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

Contingent assets and liabilities

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

Judgments

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

Control of an entity, note 2

Pension, note 9



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Long-term contracts and warranty provisions, note 15

2. Financial Instruments

Financial instruments categorized according to IFRS 9

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

2020					Nexans Norway AS					
		Financial assets								
ASSETS		Loans and receivables	at fair value through P&L	Derivatives used for hedging	TOTAL					
Derivatives - Financial assets non current			0	88	88					
Derivatives - Current assets			107	303	410					
Accounts receivables and other receivables		4 242			4 242					
Cash and cash equivalents		102			102					
TOTAL		4 344	107	391	4 841					

		Financial liabilities at fair value through P&L								
LIABILITIES		Other financial liabilities	Derivatives used for hedging	TOTAL						
Accounts payable		327			327					
Other short-term liabilities group		97			97					
Derivatives - Non-current liabilities			-	28	28					
Derivatives - Current liabilities			73	180	254					
Other short-term financial liabilities		889			889					
TOTAL		1 313	73	208	1 594					

2019					Nexans Norway AS					
		Financial assets								
ASSETS		Loans and receivables	at fair value through P&L	Derivatives used for hedging	TOTAL					
Derivatives - Financial assets non current			0	77	77					
Derivatives - Current assets			38	109	147					
Accounts receivables and other receivables		3 577			3 577					
Cash and cash equivalents		161			161					
TOTAL		3 737	38	186	3 961					

		Financial liabilities at fair value through P&L								
LIABILITIES		Other financial liabilities	Derivatives used for hedging	TOTAL						
Accounts payable		492			492					
Other short-term liabilities group		116			116					
Derivatives - Non-current liabilities			-	49	49					
Derivatives - Current liabilities			78	67	145					
Other short-term financial liabilities		751			751					
TOTAL		1 359	78	116	1 553					



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2020				
Consolidated				
	Loans and receivables	Financial assets at fair value through P&L	Derivatives used for hedging	TOTAL
ASSETS				
Derivatives - Financial assets non current		0	88	88
Derivatives - Current assets		107	303	410
Accounts receivables and other receivables	4 342			4 342
Cash and cash equivalents	102			102
TOTAL	4 444	107	391	4 942

	Other financial liabilities	Financial liabilities at fair value through P&L	Derivatives used for hedging	TOTAL
LIABILITIES				
Accounts payable	303			303
Other short-term liabilities group	104			104
Derivatives - Non-current liabilities		0	28	28
Derivatives - Current liabilities		73	180	254
Other short-term liabilities	903			903
TOTAL	1 310	73	208	1 591

2019				
Consolidated				
	Loans and receivables	Financial assets at fair value through P&L	Derivatives used for hedging	TOTAL
ASSETS				
Derivatives - Financial assets non current		0	85	85
Derivatives - Current assets		38	116	154
Accounts receivables and other receivables	3 788			3 788
Cash and cash equivalents	161			161
TOTAL	3 949	38	201	4 188

	Other financial liabilities	Financial liabilities at fair value through P&L	Derivatives used for hedging	TOTAL
LIABILITIES				
Accounts payable	469			469
Other short-term liabilities group	116			116
Derivatives - Non-current liabilities		0	53	53
Derivatives - Current liabilities		78	72	149
Other short-term liabilities	759			759
TOTAL	1 344	78	124	1 546

Fair value estimation

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

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

The following table presents the group's assets and liabilities that are measured at fair value at December 31, 2020. The only financial instrument at fair value over the income statement are the derivatives contracts.



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The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise metal derivatives traded on the LME classified as trading securities or available-for-sale.

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

Specific valuation techniques used to value financial instruments include:

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

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

December 31, 2020		Nexans Norway AS		
Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through p/l				
- Trading derivatives		107		107
Derivatives used for hedging	159	232		391
Total assets	159	338		497
Liabilities				
Financial liabilities at fair value through p/l				
- Trading derivatives		73		73
Derivatives used for hedging	15	193		208
Total liabilities	15	266		282

December 31, 2019		Nexans Norway AS		
Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through p/l				
- Trading derivatives		38		38
Derivatives used for hedging	35	151		186
Total assets	35	189		224
Liabilities				
Financial liabilities at fair value through p/l				
- Trading derivatives		78		78
Derivatives used for hedging	28	88		116
Total liabilities	28	166		193



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December 31, 2020		Consolidated		
Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through p/l				
- Trading derivatives		107		107
Derivatives used for hedging	159	232		391
Total assets	159	338		497
Liabilities				
Financial liabilities at fair value through p/l				
- Trading derivatives		74		74
Derivatives used for hedging	15	193		208
Total liabilities	15	267		282

December 31, 2019		Consolidated		
Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through p/l				
- Trading derivatives		38		38
Derivatives used for hedging	35	166		201
Total assets	35	204	0	239
Liabilities				
Financial liabilities at fair value through p/l				
- Trading derivatives		86		86
Derivatives used for hedging	28	89		116
Total liabilities	28	175	0	202

Derivates

Nexans Norway AS				
	2020		2019	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Forward foreign exchange contracts - cash flow hedges	232	193	151	88
Embedded derivatives	0		0	
Forward foreign exchange contracts - held for trading	107	73	38	78
Forward metal contracts - cash flow hedges	159	15	35	28
Total	497	282	224	193
Non-current portion:				
Forward foreign exchange contracts - held for trading				
Forward foreign exchange contracts - cash flow hedges	49	27	60	33
Forward metal contracts - cash flow hedges	39	1	18	16
Total	88	28	77	49
Current portion	410	254	147	145



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Consolidated				
	2020		2019	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Forward foreign exchange contracts - cash flow hedges	232	193	166	89
Embedded derivatives	0	0	0	0
Forward foreign exchange contracts - held for trading	107	74	38	86
Forward metal contracts - cash flow hedges	159	15	35	28
Total	497	282	239	202
Non-current portion:				
Forward foreign exchange contracts - held for trading				
Forward foreign exchange contracts - cash flow hedges	49	27	67	37
Forward metal contracts - cash flow hedges	39	1	18	16
Total	88	28	85	53
Current portion	410	254	154	149

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

The ineffective portion recognised in the profit and loss that arises from unrealised cash flow hedges amounts to a gain of NOK 21,8 million (a loss of NOK 15,3 million in 2019).

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

Forward foreign exchange contracts

The notional principle amounts of the outstanding forward foreign exchange contracts per December 31, 2020 are NOK 4 331 million (NOK 2 566 million in 2019). Gains and losses recognised in the hedging reserve in equity (see note 11) on forward foreign exchange contracts as of December 31, 2020 are recognised in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.

Financial market risk

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

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



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Liquidity risk

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

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

2019	Nexans Norway AS			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Accounts payable	492			
Other short-term liabilities group	116			
Derivatives	0	193		
Other short-term liabilities	751			

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

2019	Consolidated			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Accounts payable	469			
Other short-term liabilities group	116			
Derivatives	0	202		
Other short-term liabilities	759			



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3. Financial revenues and costs

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Interest income from associated companies	9	10	10	11
Other interest income	0	6	0	6
Foreign exchange gains	1 927	1 010	1 927	1 010
Foreign exchange losses	-1 819	-1 005	-1 819	-1 005
Received dividends	111	150	36	6
Financial revenues	229	171	154	28
Interest expense to associated companies	-2	0	0	0
Other interest costs	-45	-31	-47	-31
Other Finance cost	-11	-19	-36	-36
Financial costs	-58	-49	-83	-67
Net financial income	170	121	70	-39

4. Specification of payroll and related costs

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Wages and salaries	1 373	1 256	1 373	1 256
Social security tax	172	180	172	180
Pension costs	103	109	103	109
Other benefits	25	27	25	27
Payroll costs	1 673	1 572	1 673	1 572

5. Cash and bank deposits

The company has bank guarantees of NOK 102,5 million as security for total liability related to employees' tax deductions.

6. Accounts receivable / other receivables

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Accounts receivable	945	874	950	959
Provisions for bad debt	0	0	0	0
Accounts receivable net	945	874	950	959
Advance payments	211	316	222	316
Short-term interest bearing loans to related parties	2 000	0	2 000	0
Group bank accounts	1 086	2 387	1 170	2 513
Account receivable and other receivables	4 242	3 577	4 342	3 788

The company had no realized losses on receivables in 2020 (NOK 0 million in 2019). The company has historically had very few losses on accounts receivable. The company considers no further impairments are necessary. The company has set up a factoring program, where the amount of sold receivable is capped at NOK 292 million.

As of December 31, 2020, trade receivables of NOK 105 million (NOK 127 million in 2019) were past due but not impaired. The past due receivables relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Up to 3 months	98	108	98	108
More than 3 months	7	19	7	19



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7. Inventories

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Raw materials	143	112	143	112
Work in progress	107	105	107	105
Finished goods	172	214	172	214
Inventories	422	431	422	431
Obsolescence is included with	-28	-22	-28	-22

8. Fixed assets

2020 Nexans Norway AS									
	Software	Machinery, equipment, etc.	Vessels and vessel equipment etc.	Buildings	Land	Construction in progress	Research & Development	Right of use asset (1)	TOTAL
Acquisition cost at 01.01	104	2 839	97	762	7	113	0	392	4 114
Reclassification	5	69	0	1		-75	0	0	(0)
Capital expenditure during year	11	35	0	0		74	25	-21	124
Disposals during year	0	0	0	0		0	0	0	(0)
Acquisition cost at 31.12	119	2 742	97	764	7	112	25	371	4 238
Accumulated depreciations at 31.12	67	1 770	94	445	0	0	0	98	2 474
Net book value at 31.12	52	972	3	319	7	112	25	273	1 764
Depreciation during year	18	149	3	22	0	0	0	60	252
Ordinary rates of depreciation	33 %	10-35%	5%-10%	3-5%					

1) Right of use asset from the application of IFRS16 "leases" using the modified approach see Note 1. The right of use is primary related to real estate leases appr. NOK 251 million.

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



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2019	Nexans Norway AS								TOTAL
	Software	Machinery, equipment, etc.	Vessels and vessel equipment etc	Buildings	Land	Construction in progress	Research & Development	Right of use asset (1)	
Acquisition cost at 01.01	90	2 437	205	760	7	70	16	0	3 585
Reclassification	2	164	-109	2		23	-16	0	67
Capital expenditure during year	11	38	1	0		20	0	392	462
Disposals during year	0	0	0	0			0	0	(0)
Acquisition cost at 31.12	104	2 639	98	762	7	113	0	392	4 114
Accumulated depreciations at 31.12	49	1 621	91	423	0	0	0	59	2 243
Net book value at 31.12	55	1 018	7	339	7	113	0	332	1 872
Depreciation during year	17	147	4	22	0	0	0	59	249
Ordinary rates of depreciation	33 %	10-35%	5%-10%	3-5%					

2019	Consolidated								TOTAL
	Software	Machinery, equipment, etc.	Vessels and vessel equipment etc	Buildings	Land	Construction in progress	Research & Development	Right of use asset (1)	
Acquisition cost at 01.01	90	2 518	452	760	7	137	16	0	3 980
Reclassification	2	149	-109	2	0	23	-16	0	52
Capital expenditure during year	11	38	1	0	0	781	0	392	1 223
Disposals during year	0	0	0	0	0	0	0	0	0
Acquisition cost at 31.12	104	2 705	345	762	7	941	0	392	5 255
Accumulated depreciations at 31.12	49	1 633	297	423	0	0	0	59	2 461
Net book value at 31.12	55	1 072	48	339	7	941	0	332	2 793
Depreciation during year	17	151	29	22	0	0	0	59	277
Ordinary rates of depreciation	33 %	10-35%	5%-10%	3-5%					

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

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

9. Pension costs and net pension obligations

The company has pension plans for its employees. Pension obligations linked with insurance plans are covered through Storebrand. The company also has unsecured pension obligations in addition to pension obligations covered under insurance plans. These obligations are supplementary pensions over and above 12G and early retirement pensions. Actuarial gains and losses are recognized immediately according to IAS19R. The subsidiaries have no employees and there are no related pension costs or obligations. Hence the figures for the parent company and the group are identical.



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Principal actuarial assumptions

	2020	2019
Discount rate	1,55 %	2,50 %
Expected return on pension plan assets	n/a	n/a
Rate of salary increases	n/a	n/a
Rate of price inflation	0,00 %	0,00 %
Rate of pension increase	0 %	0 %
Post-retirement mortality table	K2013	K2013

Pension cost for the year

	2020	2019
Current service cost	-	0
Past Service Cost - Curtailments	-	0
Interest cost	3,6	4
Interest income	(0,2)	0
Net pension costs	3	4

Actuarial (gains) / losses immediately recognized	23	8
Total pension cost recognized in the OCI	23	8

Cumulative amount of actuarial (gains) / losses recognized	387	364
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Pension costs for the year

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

Net pension cost above includes payroll tax.

Change in defined benefit obligation

	2020	2019
Defined benefit obligation at end of prior year	146	137
Current service cost	-	-
(Gain) / loss on settlements	-	-
Interest expense	4	4
Benefit payments from plan	-	-
Benefit payments from employer	-	-
Disbursements from Plan Assets	-	(1)
Disbursements Directly Paid by the Employer	(2)	(2)
Past Service Cost - Curtailments	-	-
Effect of changes in demographic assumptions	(1)	-
Effect of changes in financial assumptions	24	8
Effect of experience adjustments	-	(0)
Settlements	(5)	-
Defined benefit obligation at end of year	166	146

Change in fair value of plan assets

	2 020	2019
Fair value of plan assets at end of prior year	7	8
Interest income	0	0
Employer contributions	0	0
Benefit payments from plan	-	-
Settlements payments from plan	(5)	-
Taxes paid from plan assets	-	-
Return on Plan Assets Greater / (Less) than Discount Rate	1	(0)
settlements	-	-
	4	7

Cost for the defined benefit plan in 2020 was NOK 3 million, exclusive tax while it was NOK 4 million in 2019. Related payroll tax is booked as cost in the same period as the defined benefit plan costs. Costs for the AFP-



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program were NOK 20,4 million in 2020 (22 million in 2019). Payroll tax for the AFP Program was NOK 2,5 million in 2020 (NOK 3,0 million in 2019). Expected contributions to the plan in 2021 are NOK 22,9 million.

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

Net defined pension liability

	2020	2019
Net defined benefit liability (asset) opening balance	138	128
Defined benefit cost included in P&L	4	4
Total remeasurements included in OCI	23	8
Employer contributions	(0)	(0)
Employer direct benefit payments	(2)	(2)
Net defined pension liability	162	138

The pension plan assets are booked at fair value. 100% of the company's pension plan assets at the year-end are invested in insurance contracts. The plan assets gave a return of NOK 1 million in 2020. Nexans Norway closed the last active pension plan 31.12.2016.

Nexans Norway AS has a defined contribution plan for pension at 31st of December 2020. All employees hired as from 1st of February 2004 are included in the defined contribution plan.

10. Taxes

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Deferred tax from temporary differences				
<i>Deferred tax over P&L</i>				
Long-term construction contracts	-4 809	-3 803	-4 809	-3 803
Tangible fixed assets	-320	-359	-320	-359
Tax loss carried forward	-155	0	-155	0
Pension obligations	81	81	81	81
Restatement and netting of closed curtailment effects	0	0	0	-
Other items	460	199	460	197
Total temporary differences over P&L	-4 742	-3 881	-4 742	-3 884
<i>Deferred tax over OCI</i>				
Remeasurement postemployment benefits through OCI	81	58	81	58
Restatement and netting of closed curtailment effects	-	0	0	0
Unrealised gains and losses from derivatives	-136	-45	-136	-60
Total temporary differences over OCI	-55	13	-55	-2
Basis for deferred tax assets / liabilities	-4 797	-3 868	-4 797	-3 886
Deferred tax / deferred tax asset from temporary differences 22%	-1 055	-851	-1 056	-856
Effect due to changes in tax rate over P&L	-	0	0	0
Effect due to change in tax rate over OCI	-	0	1	0
Deferred tax liability in the balance sheet	-1 055	-851	-1 056	-856



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Deferred tax related to items recognized through P&L	-1 043	-853	-1 043	-854
Deferred tax related to closed curtailment effects - netted	232	232	232	232
Deferred tax asset related to items recognized in OCI	-12	3	-13	0
Deferred tax asset related to closed curtailment effects - netted	-232	-232	-232	-232
Deferred tax asset /tax liability from temporary differences 22%	-1 055	-851	-1 056	-856

Reconciliation of tax expense

	2020	2019	2020	2019
Income before tax	965	1 035	987	984
Permanent differences	-103	-163	8	-13
Income under tonnage tax system	-	-	(133)	(99)
Taxable financial gain / loss tonnage tax scheme	-	-	6	4
Tax base for the year	861	872	867	876
Calculated tax - 22% (23%)	-189	-192	-191	-193
Prior year adjustments	0	-11	0	-11
Impact of foreign taxation	-15	-14	-15	-14
Impact change in tax rate	0	0	0	0
Tax expense for the year 22% (23%)	-204	-217	-205	-219

Reconciliation of effective tax rate

22% (23%) of profit before tax	212	228	217	217
22% (23%) of permanent differences	-23	-36	-28	-25
Prior year adjustments	0	11	0	11
Foreign tax	15	14	15	14
Effect due to change of tax rate	0	0	0	0
Tax expense in the P&L	204	217	205	219
Effective tax rate	21,2 %	20,9 %	20,7 %	22,2 %

The tax cost comprises of :

Taxes payable	0	-139	-1	-140
Foreign tax	-15	-14	-15	-14
Deferred tax related to closed curtailment effects - netted	0	0	0	0
Change in deferred tax balance this year	-191	-64	-190	-64
Reclassification / prior year adjustment	0	0	0	0
Total tax cost	-204	-217	-205	-219

Net deferred tax liabilities as of 31.12.2020 were calculated with tax rate of 22%. The effect on tax expenses is specified in the table above in both the OCI and P&L. In 2019 the deferred tax in OCI and P&L from curtailment effects for the closed pension schemes were netted.

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

11. Equity

Nexans Norway AS	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
Balance at 31. December 2019	463	8	-6	1 735	2 202
Changes during year:					
Net profit for the year				760	760
Extraordinary dividends paid				-766	-766
Proposed dividends				0	0
Effect of metal hedging in 2020			106		106
Effect of cash flow hedging in 2020			(50)		-50
Netting of frozen curtailment effects			-	0	0
Remeasurement of post employment benefit obligation			(18)		-18
IFRS 16 restatement				-2	-2
Balance at 31. December 2020	463	8	32	1 727	2 231



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Nexans Norway AS	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
Balance at 31. December 2018	463	8	-247	1 337	1 562
Changes during year:					
Net profit for the year				818	818
Extraordinary dividends paid				-420	(420)
Proposed dividends				0	-
Effect of metal hedging			37		37
Effect of cash flow hedging in 2019			211		211
Netting of frozen curtailment effects			0	0	-
Remeasurement of post employment benefit obligation			-7		(7)
Balance at 31. December 2019	463	8	-6	1 735	2 202

Consolidated	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
Balance at 31. December 2019	463	8	12	1 831	2 315
Changes during year:					
Net profit for the year				782	782
Extraordinary dividends paid				-766	-766
Proposed dividends				0	0
Effect of metal hedging			106		106
Effect of cash flow hedging in 2019			-69		-69
Netting of frozen curtailment effects			0	0	0
Remeasurement of post employment benefit obligation			-18		-18
IFRS 16 restatement				-2	-2
Balance at 31. December 2020	463	8	32	1 844	2 349

Consolidated	Share capital	Other paid-in capital options	Comprehensive income	Retained earnings	TOTAL
Balance at 31. December 2018	463	8	-243	1 485	1 715
Changes during year:					
Net profit for the year				766	766
Extraordinary dividends paid				-420	-420
Proposed dividends				0	0
Effect of metal hedging			37		37
Effect of cash flow hedging in 2019			225		225
Netting of frozen curtailment effects			0	0	0
Remeasurement of post employment benefit obligation			-7		-7
Balance at 31. December 2019	463	8	12	1 831	2 315

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

Comprehensive income

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



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	Nexans Norway AS				Consolidated			
	Hedging	IFRS 15	Pensions	Total	Hedging	IFRS 15	Pensions	Total
At January 1, 2019	-163	(45)	(39)	-247	-159	-45	-39	-243
Actuarial gains and losses			(8)	-8			-8	-8
- Fair value gains in year	284			284	300			300
- Tax on fair value gain	-35			-35	-34			-34
- Transfers to P&L or assets				0	0			0
- Tax on transfers to P&L or assets				0				0
At 31. December 2019	86	(45)	(47)	-6	107	-45	-47	14
Actuarial gains and losses			(23)	-23			-23	-23
Cash flow hedges								
- Fair value gains in year	76			76	57			57
- Tax on fair value gain	-20		5	-15	-15			-15
At 31. December 2020	142	(45)	(65)	32	150	-45	-70	34

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

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

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

	CEO
Salaries	2 340 000
Bonus related to previous years	793 074
Other remuneration	998 890
Pension cost	133 004

The CEO and the Board of Directors have not received any remuneration for their services on the board during 2020. The Chairman of the Board of Directors is employed by another wholly-owned subsidiary of Nexans SA while the other member of the Board of Directors are employed by Nexans Norway AS.

Reported costs for audit fees amount to NOK 1 314 435 (1 503 235 for the group) in 2020. Fees for other attestation services amount to NOK 0. Fee for tax related services amount to NOK 0 and fee for other audit related services amount to NOK 0. All amounts are excluding VAT.



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13. Operating revenues by geographical distribution and business area

Nexans Norway AS				
	2020	%	2019	%
Norway	2 601	34 %	3 272	43 %
Remaining Scandinavia	308	4 %	392	5 %
Great Britain	2 013	26 %	1 181	16 %
Italy	28	0 %	93	1 %
Spain	441	6 %	365	5 %
France	222	3 %	154	2 %
Remaining Europe	201	3 %	871	11 %
East Asia	1 585	21 %	437	6 %
Middle East	30	0 %	116	2 %
North America	88	1 %	354	5 %
Rest of the World	157	2 %	344	5 %
TOTAL	7 674	100 %	7 580	100 %
Building and territories / Telecom	1 056	14 %	1 100	15 %
Submarine Telecom & special cables	640	8 %	544	7 %
Submarine and Land Systems	5 978	78 %	5 936	78 %
TOTAL	7 674	100 %	7 580	100 %

Consolidated				
	2020	%	2019	%
Norway	2 601	34 %	3 272	43 %
Remaining Scandinavia	308	4 %	392	5 %
Great Britain	2 013	26 %	1 181	16 %
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TOTAL	7 674	100 %	7 580	100 %

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



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14. Other liabilities

OTHER SHORT-TERM LIABILITIES

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Other short-term liabilities	282	270	296	277
Short-term warranties	54	0	54	0
Salary related accruals	321	297	321	297
Other project related accruals	4	2	4	2
Restructuring reserve	57	10	57	10
Lease liability current (1)	54	54	54	54
Interest bank loan	5	6	5	6
Total other short-term liabilities	776	639	790	646

OTHER LONG-TERM LIABILITIES

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Lease liability non current (1)	229	283	229	283
Bank loan (2)	771	514	771	514
Capitalized upfront fee related to bank loan (2)	-16	-17	-16	-17
Total other long-term liabilities	984	781	984	781

- 1) These debts are as a result of the application of IFRS 16 from 1, January 2019 see note 1 under leasing.
- 2) The amount recognized as bank loan and capitalized upfront fee is related to borrowing associated with financing the construction of a cable laying vessel in one of Nexans Norway AS subsidiaries Nexans Subsea AS.

15. Long-term contracts and warranty provisions

	Nexans Norway AS			Total
	Building & Territories	Subsea and Land Systems	Submarine Telecom & Special Cables	
Sales for 2020 are as follows				
Sales (in millions of NOK)				
Performance obligations satisfied at a point in time	1 056			1 056
Performance obligations satisfied over time	-	5 978	640	6 618
Net sales	1 056	5 978	640	7 674
Performance obligations satisfied at a point in time	1 056			1 056

	2020		2019	
	Sales of goods	Goods and services contracts	Sales of goods	Goods and services contracts
Contract assets	-	432		235
Contract liabilities		2 734		1 758

The NOK 779 million increase in contract liabilities, net of contract asset, reflects:

- Billing of items included in the opening balance (negative impact of appr NOK 23 million)
- Reduction in timing differences between the satisfaction of the performance obligation and Nexans Norway AS obtaining enforceable rights to payment (negative impact of appr. NOK 898 million), partly offset by
 - i) A net increase in advance received, (negative impact of appr. NOK 373 million), and



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- ii) Revenue recognized by the percentage of completion method on projects in progress at the beginning of the year (positive impact of NOK 595 million)

Goods and services contracts

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

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

Unsatisfied performance Obligations

Sales of goods

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

Goods and services contracts

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

Guarantee provision as at 31st December 2020 is NOK 111 million of this, the non current portion is NOK57 million.

16. Related parties (Nexans)

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Sales to Nexans companies	326	97	326	97
Purchase from Nexans companies	1 244	939	953	639
Accounts receivables from Nexans companies	145	63	143	61
Loans to Nexans companies	3 086	2 389	3 176	2 514
Acquired sales- still not invoiced	0	0	0	0
Other short term liabilities to Nexans companies	97	116	103	116
Accounts payables to Nexans companies	97	54	62	20
Interest income from Nexans Companies	9	10	9	11
Interest expense to Nexans companies	2	0	2	0

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

17. Research and development

The company has spent NOK 114 million on R&D in 2020 (NOK 145 million in 2019).

18. Government grants

The company has received NOK 9,2 million in 2020 out of NOK 10,4 approved (NOK 8,2 million in 2019) in subsidies from Norges Forskningsråd and is due to receive only NOK 7,7 million out of NOK 13,6 million approved in subsidies from EU Best Parth project in 2019. The approved amounts and reduction from Norges Forskningsråd and EU Best Parth project as been recognized in the income statement for 2020.

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



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19. Other operating costs

	Nexans Norway AS		Consolidated	
	2020	2019	2020	2019
Rental expenses	36	18	36	18
Travel expenses	43	78	43	78
Consultants and other services	260	288	260	288
Repair and maintenance	49	57	49	57
Tools and supplies	79	80	79	80
Sales and marketing cost	28	25	28	25
Restructuring cost	64	13	64	13
Other costs	339	179	483	342
Other operating costs	898	737	1 040	899

20. Investment in subsidiaries

	Acquired	Office	Ownership	Voting rights
Nexans Skagerrak AS	01.12.2008	Oslo	100 %	100 %
Nexans Saudi Contracting	01.02.2010	Oslo	90 %	90 %
Nexans Subsea Operations	09.08.2017	Oslo	100 %	100 %

21. Claims and contingencies

There are no significant claims or contingencies per December 2020.

22. Subsequent events

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

Oslo, 13 April 2021

<p>DocuSigned by: <i>Vincent Guy Roger Dessale</i> DC824EB726334A8...</p> <p>Vincent Guy Roger Dessale Chairman</p>	<p>DocuSigned by: <i>Ragnhild Katteland</i> 00D8579BA13E405...</p> <p>Ragnhild Apeland Katteland Board member/ Chief Executive Officer</p>	<p>DocuSigned by: <i>Vegar Syrveit Larsen</i> 8A82BEE98028448...</p> <p>Vegar Syrveit Larsen</p>
<p>DocuSigned by: <i>Anders Krister Granlie</i> DF432887ABC94D8...</p> <p>Anders Krister Granlie</p>	<p>DocuSigned by: <i>Hans Petter Anker Bærem</i> F71B4FD3D81A479...</p> <p>Hans Petter Anker Bærem</p>	<p>DocuSigned by: <i>Stian Volden</i> CA827E28AFA7404...</p> <p>Stian Volden</p>
<p>DocuSigned by: <i>Hanne Andresen</i> 79B82BEB008C4E2...</p> <p>Hanne Andresen</p>		



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To the Shareholders' Meeting of
Nexans Norway AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nexans Norway AS (the Company), in our opinion:

- The financial statements are prepared in accordance with the law and regulations
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at December 31, 2020, and (of) its financial performance and its cash flows for the year then ended in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9.
- The accompanying financial statements give a true and fair view of the financial position of the group as at December 31, 2020, and (of) its financial performance and its cash flows for the year then ended in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet at 31 December 2020, income statement, statement of comprehensive income, cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the financial statements of the group, which comprise the balance sheet at 31 December 2020, income statement, statement of comprehensive income, cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Mazars AS
Org. no. 979 605 994



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Other Information

Management is responsible for the other information. The other information comprises the information included in Directors' report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and fair presentation of the financial statements of the group in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Refer to <https://revisorforeningen.no/revisjonsberetninger> which contains a description of Auditor's responsibilities.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 13.04.2021
Mazars AS

Rune Jalving
State Authorized Public Accountant



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 04.03.2014	Vår dato 11.03.2014
Telefon 977 59 464	Deres referanse Johnny Duedahl	Vår referanse 2014/160225

NEXANS NORWAY AS
Postboks 6450 Etterstad
0605 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Nexans Norway AS og Nexans Skagerak AS

Vi viser til deres brev av 4. mars 2014 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

Nexans Norway AS, org.nr. 981 122 607 og
Nexans Skagerak AS, org.nr. 992 117 265.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Nexans Skagerrak AS er et heleid datterselskap av Nexans Norway AS som igjen eies 100 % av Nexans Participations SA som inngår i Nexans konsernet. Nexans S.A., som er morselskap i Nexans konsernet, er et fransk registrert selskap. Språket som benyttes i formell kommunikasjon innad i Nexans konsernet er i all hovedsak engelsk. Nexans konsernet er en global aktør innen markedene infrastruktur, industri, bygningsinstallasjon og lokale datanett. Nexans Norway AS utvikler, produserer og markedsfører sjø-, land- og offshorekabler for kraft og telekommunikasjonsoverføring. Selskapet har fabrikker i Namsos, Rognan, Karmøy, Halden og Langhus. Nexans Norway AS er den ledende leverandøren av kraft- og telekabler i Norge, og er blant verdens ledende innen høyspente sjøkabler. Nexans Skagerrak AS eier kabelleggingsfartøyet C/S Nexans Skagerrak som leverer konserninterne tjenester til morselskapet innenfor transportering og montering av høyspente sjøkabler. Markedene selskapene opererer i er globale, og store deler av selskapenes inntekter, kostnader og forpliktelser opptjenes og pådras i utenlandsk valuta. Vesentlige kontrakter med kunder og leverandører forhandles og inngås i all hovedsak på engelsk. I 2012 var ca. 70 % av selskapets omsetning til kunder utenfor Norge. Majoriteten av denne omsetningen er relatert til langsiktige kunde kontrakter som selskapene har inngått med store internasjonale aktører, hvor kontraktene i hovedsak utarbeides på engelsk. Selskapene utarbeider i dag årsregnskap og årsberetning på engelsk siden eiere, styremedlemmer og eksterne interessenter ønsker informasjonen på engelsk. Årsregnskap og årsberetning utarbeides på norsk for å tilfredsstille kravet i regnskapsloven.

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er direkte/indirekte eid av et utenlandsk selskap og at eierkretsen dermed er begrenset. Videre er det vektlagt at selskapene opererer i et globalt marked og at store deler av omsetning skjer til kunder utenfor Norge.

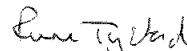
Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen


Geir Johannessen

Seniorrådgiver

Rettsavdelingen, foretaksskatt
Skattedirektoratet


Rune Tystad