

2023

Annual Report 2023



KEY FIGURES AT A GLANCE

Nordex Group key figures

		2022	2023	Change in %
Earnings				
Sales	EUR million	5,693.6	6,489.1	14.0
Gross revenue	EUR million	5,991.1	6,550.9	9.3
EBITDA	EUR million	-244.3	2.0	n/a
EBIT	EUR million	-426.7	-186.5	n/a
Free cash flow	EUR million	-513.9	20.0	n/a
Capital expenditure	EUR million	204.8	131.0	-36.0
Consolidated net loss for the year	EUR million	-497.8	-302.8	n/a
Earnings per share ¹	EUR	-2.71	-1.33	n/a
EBITDA margin	%	-4.3	0.0	+4.3 PP
Working capital ratio	%	-10.2	-11.5	-1.3 PP
Statement of financial position				
Total assets as of 31 Dec.	EUR million	4,756.7	5,422.0	14.0
Equity as of 31 Dec.	EUR million	878.1	978.1	11.4
Equity ratio	%	18.5	18.0	-0.5 PP
Employees				
Employees as of 31 Dec.		9,111	10,133	11.2
Staff costs	EUR million	561.1	629.8	12.2
Staff cost ratio	%	9.9	9.7	-0.2 PP
Company-specific performance indicators				
Order intake, Projects segment	EUR million	5,343.5	6,211.3	16.2
Installed capacity	MW	5,221.1	7,253.2	38.9

¹ Earnings per share = basic, based on average weighted shares for 2023: 227.924 million shares (2022: 183.966 million shares)



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LETTER TO THE SHAREHOLDERS



José Luis Blanco
Chief Executive Officer

*Dear Shareholders,
business partners and
friends of the Company,*

2023 was a successful year for the Nordex Group despite a challenging environment with a weak economy and high interest rates. We were once again exposed to fluctuations from a partially unstable supply chain as a result of the earthquake in Turkey, which caused delays in the loading and unloading of ships and thus triggered higher costs and project delays. Although we were also subject to considerable cost pressures at the very beginning of the year that caused us to get off to a weak start, external conditions stabilized throughout the rest of the year. Particularly the cost of logistics and raw materials as well as interest rates stabilized, while inflation even declined. We also increased production, installation

and service activities thanks to the impressive dedication of the entire Nordex team, and began to see the first positive effects of accelerated approval procedures in Germany. In addition, the price environment remained stable overall, and we continued to improve our customer contracts to ensure that we can continue to distribute risk in a balanced way. These initiatives are now also reflected in our earnings after a corresponding time gap, as I reported to you a year ago. We were able to improve our operating result in each sequential quarter in 2023 and ended the year with a slight profit. In short, then, the year under review was a year in which we brought more and more stability and predictability to our operations compared to the volatility experienced during the pandemic or immediately after Russia launched its invasion of Ukraine. I would like to look more closely at our business performance in 2023 for a moment.

Compared to the previous year, which was adversely impacted by the cybersecurity incident, we began 2023 with higher installation volumes and were also able to catch up on part of our backlog in this area. Overall, we installed more than 1,400 wind turbines with a combined output of around 7.3 gigawatts across 24 countries. This represents an increase of almost 40 percent from the previous year's figure of 5.2 gigawatts, and I want to express my sincere thanks to our Nordex team for this fantastic performance. In turbine production, higher megawatt capacity enabled us to increase our output to almost 8 gigawatts while manufacturing virtually the same number of units. Order intake also rose significantly to reach 7.4 gigawatts after we experienced particularly high demand in the fourth quarter. Our focus for the 2024 reporting year is to catch up fully with our installation backlog and process projects with maximum efficiency. In doing so, we will benefit from the fact that the proportion of new orders with higher project margins is steadily rising as planned. This means we have grown while improving our profitability.

We also enhanced and strengthened our company's financial structure and safeguarded it against potential uncertainty during the year under review by boosting our liquidity. At the start of the year, we used our second shareholder loan to repay the high-yield bond from 2018. We then received approval from an Extraordinary General Meeting to convert both shareholder loans from 2022 and the remainder from

2020 into equity. This conversion took place in May, increasing the stake held by our anchor shareholder Acciona S.A. to 47%. At the start of April, we also issued a convertible bond with a volume of more than EUR 330 million to protect the Company from highly prevalent uncertainties such as inflation, high interest rates and low order volumes. Overall, the Nordex Group ended 2023 with a stronger financial structure compared to the start of the year.

We want to continue the positive trend in our margins and keep increasing profitability in 2024. The key to achieving these goals will be a stable and dependable supply chain within a stable macro environment, a disciplined approach to pricing and ongoing adjustments to customer contracts to minimize risks. Furthermore, the optimization of our cost structure has been launched for this purpose as part of the corporate program. Continuous development of the product portfolio and a stable cost structure are also important elements of our strategy. For the 2024 financial year, we expect consolidated sales of between EUR 7.0 and 7.7 billion and an EBITDA margin of 2.0 to 4.0 percent, again due to inflation and higher prices. This forecast shows that the environment has improved compared to the previous year, and that we will move forward by striking a healthy balance between leveraging market opportunities and taking entrepreneurial action while at the same time weighing up risks. The latest encouraging developments in Europe in particular suggest there is significant market potential for our company, which generally gives us cause for optimism in 2024.

While the total of 17 gigawatts installed in the European Union last year was higher compared to the previous year's installations, it is still well below the 30 gigawatts per annum required for sustainable energy security and to achieve the region's climate goals. Success in this area will depend on the EU introducing top-quality initiatives from the Wind Power Package to which 26 member state governments recently signaled their commitment. I would like to highlight three key areas of this package that are of critical significance in my view.

Firstly, the European supply chain for the wind sector must be strengthened. Governments must meet their obligations under the Wind Power Package, not least by creating

transparency within the supply chain about future volumes and setting up auctions correctly. They must provide tariff indexation mechanisms and pragmatic pre-qualification criteria that raise the bar for what can be built in Europe.

Secondly, there is the matter of grid expansion. The EU and national governments have grasped the fact that electricity grids represent a bottleneck. In November, the Commission presented a good action plan for network expansion to address this problem. We now need appropriate top-down grid planning, far-sighted investment, active connection management, and proper incentives for optimizing the electricity network.

The third area is the simplification of approval processes. Countries such as Germany that are already applying the new EU approval rules (e.g. renewable energy sources in the overriding public interest, shorter time limits for repowering) are seeing the positive effects these regulations can bring. This must now be replicated across Europe. We also need to keep pushing ahead with the digitalization of approvals, particularly by introducing the EasyPermit tool.

We hope that this clear analysis of the situation, combined with the first positive initiatives, will provide an additional boost to help us achieve these overarching goals.

At Nordex, our aim is to steadily, permanently and sustainably increase the value of our company for you, our shareholders. I would like to thank you very much for placing your trust in our company and team and hope you will continue to journey with us as shareholders, business partners and friends.

Kind regards,



José Luis Blanco
Chief Executive Officer

Hamburg, February 2024

THE MANAGEMENT BOARD

Managers and wind energy experts

The senior management of the Nordex Group boasts many years of international experience in the energy industry. Their special field of expertise is wind power.



José Luis Blanco Chief Executive Officer (CEO)

Mr. Blanco was born on 17 July 1970 and is a Spanish citizen. He began his professional career in 1993 at Industrias Ferri, later going on to join Gamesa, where he held various executive positions and roles within the Management Board from 1997 to 2012. Among these were the roles of Managing Director at Gamesa Eolica USA, of COO at Gamesa USA, and of Engineering Director, CEO and Gamesa Offshore Director at Gamesa Solar. In 2011, he was appointed to the position of Chief Customer Officer and member of the Management Board of Gamesa.

José Luis Blanco joined the Management Board of Acciona Windpower in 2012. He has been a member of the Management Board of Nordex SE since the Company took over Acciona Windpower in April 2016, initially responsible for operations (COO). José Luis Blanco was appointed Chairman of the Management Board on 17 March 2017. His current appointment runs until 31 December 2025.

- › PADE Senior Management Program, IESE Business School, Madrid, Spain
- › Management Program in Strategy & Operations Management, Caixavigo Business School, Vigo, Spain
- › Degree in Mechanical Engineering and Master of Science (MSc), Vigo University, Spain



Dr. Ilya Hartmann
Chief Financial Officer (CFO)

Mr. Hartmann was born on 22 January 1973 and is a German citizen. He began his career as a lawyer and worked for law firms in Frankfurt and Berlin. Before joining the OEM side of the wind energy sector, he worked for Acciona Energy for several years. As of 2007 he became responsible for the German market as Managing Director for Germany. In 2009 he became Director Europe and moved to Spain. In 2012, he left Europe to work for Acciona Energy as CEO North America. In 2017 Ilya Hartmann moved to Hamburg with his family in order to join the Nordex Group, Where he first took over the responsibility as Head of People & Culture. In March 2018 he was appointed as CEO of Division Europe. Mr. Hartmann has been a member of the Management Board of Nordex SE since 1 January 2021 and has been Chief Financial Officer since 1 March 2021. His current appointment runs until 30 June 2025.

- › Legal studies in Freiburg, Seville, Bonn and Berlin
- › PhD in Law



Patxi Landa
Chief Sales Officer (CSO)

Mr. Landa was born on 18 April 1972 and is a Spanish citizen. His career began with positions at engine manufacturer Guascor and technology group Azkoyen. In 2002, he joined the Acciona Group, where he served as Managing Director of Acciona Energy Australia and of Acciona Solar Power in the US. In 2007, he went on to become Business Development Director and member of the Management Board at Acciona Windpower. He has been a member of the Management Board of Nordex SE since April 2016, and in this capacity is responsible for Sales. His current appointment runs until 31 December 2025.

- › Degree in Economics and Business Sciences, University of Navarra, Spain
- › Master of Business Administration (MBA), EOI Business School, Spain
- › PDG, General Management Program, IESE Business School, Navarra University, Navarra, Spain

SUPERVISORY BOARD



**Dr.-Ing. Wolfgang Ziebart,
Starnberg/Germany**

Chairman of the Supervisory Board, Chairman of the Executive Committee and member of the Strategy and Technology Committee

Dr.-Ing. Wolfgang Ziebart, born 30 January 1950, is a German citizen. He studied Mechanical Engineering, later completing a doctorate in the subject at the Technical University of Munich. He joined BMW AG in 1977, assuming numerous positions over the course of his career there, ultimately advancing to that of Management Board member responsible for development and procurement. In 2000, he was appointed to the Management Board of Continental AG, where he was initially responsible for the company's brake and electronics business and later advanced to become Vice Chairman of the Management Board. Between 2004 and 2008, Dr.-Ing. Ziebart was Chief Executive Officer at Infineon AG, where his responsibilities included overseeing the spin-off of the company's memory chip business. He later moved to Jaguar Land Rover Automotive to assume the position of Director Group Engineering.

Dr.-Ing. Wolfgang Ziebart is Chairman of the Supervisory Board, Chairman of the Executive Committee and member of the Strategy and Technology Committee. He is also Chairman Shareholder Committee at Hella GmbH & Co. KGaA and a member of the Supervisory Board of Webasto SE in Germany.

Dr.-Ing. Wolfgang Ziebart was elected to the Supervisory Board of Nordex SE for the first time on 28 February 2009. His current mandate will end with the General Meeting ratifying the acts of the members of the Supervisory Board holding office in the financial year 2025.

- › Self-employed consultant
- › Chairman Shareholder Committee Hella GmbH & Co. KGaA (publicly listed)
- › Member of the Supervisory Board of Webasto SE (not listed)



**Juan Muro-Lara,
Madrid/Spain**

Vice chairman of the Supervisory Board, member of the Executive Committee and member of the Audit Committee Chief Strategy & Corporate Development Officer of Acciona S.A.

Juan Muro-Lara, born 4 September 1967, is a Spanish citizen. He holds a degree in Business Administration & Management from the Colegio Universitario de Estudios Financieros (CUNEF) in Madrid, Spain. He began his career working in accounting for Banco de España. Between 1990 and 1992, he served as Assistant to the CFO of Afisa S.A. He then went on to join the Investment Bank UBS, working at its London and Madrid offices before being appointed to the role of Executive Director. In 2005, he assumed his current position at the Acciona Group.

Mr. Muro-Lara is Vice Chairman of the Supervisory Board and a member of both the Management Committee and the Audit Committee. He is also Chairman of the Board of Directors of BESTINVER, S.A., BESTINVER GESTIÓN, S.A. SGIIC, BESTINVER PENSIONES EGFP, S.A., Vice Chairman of BESTINVER, SOCIEDAD DE VALORES, S.A., Chairman of the Board of Directors of SCUTUM LOGISTIC, S.L. (SILENCE), Chairman of the Board of Directors of SOLIDEO GROUP, S.L., Vice Chairman of the Supervisory Board and member of the Board of Directors of QEV EXTREME, S.L., all domiciled in Spain.

Mr. Muro-Lara was elected to the Supervisory Board of Nordex SE for the first time on 10 May 2016. His current mandate will end with the General Meeting ratifying the acts of the members of the Supervisory Board holding office in the financial year 2025.

- › Chief Strategy & Corporate Development Officer of Acciona S.A. (listed)
- › Chairman of the Board of Directors of BESTIVER, S.A
- › Chairman of the Board of Directors of BESTINVER GESTIÓN, S.A. SGIIC
- › Chairman of the Board of Directors of BESTINVER PENSIONES EGFP, S.A.
- › Vice Chairman of the Board of Directors of BESTINVER SOCIEDAD DE VALORES, S.A.
- › Chairman of the Board of Directors of SCUTUM LOGISTIC, S.L. (Acciona Group)
- › Chairman of the Board of Directors of SOLIDEO, S.L.
- › Member of the Board of Directors of QEV EXTREME, S.L.



**Jan Klatten,
Munich/Germany**

Member of the Executive Committee, Chairman of the Strategy and Technology Committee; Managing Owner of momentum Beteiligungsgesellschaft mbH

Jan Klatten, born 14 January 1955, is a German citizen. He studied Naval Architecture at the University of Hamburg and Business Administration at the MIT Sloan School of Management. He held management positions in the automotive industry over a period of 15 years before setting up his own business in 1991. Mr. Klatten is Managing Owner of momentum Beteiligungsgesellschaft mbH, momentum infra2 GmbH and momentum infra 4 Verwaltungs GmbH.

He is Chairman of the Strategy and Technology Committee and a member of the Supervisory Board's Executive Committee.

Mr. Klatten was elected to the Supervisory Board of Nordex SE for the first time on 10 June 2005. His current mandate will end with the General Meeting ratifying the acts of the members of the Supervisory Board holding office in the financial year 2025.

- › Managing owner of momentum Beteiligungsgesellschaft mbH
- › Managing Owner of momentum infra2 GmbH
- › Managing Owner of momentum infra 4 Verwaltungs GmbH

As in the previous year, there were no business transactions with Mr. Klatten or companies attributable to him.



**Maria Isabel Blanco Alvarez,
London/Great Britain**

Member of the Audit Committee, Head of Impact at the European Bank for Reconstruction and Development, and Visiting Fellow at the London School of Economics

Ms. Maria Isabel Blanco Alvarez, born 12 April 1974, is a Spanish and British citizen. She studied Economics at the University of Leeds, United Kingdom, and obtained a PhD with Honors at the Universidad de Alcalá, Spain. Ms. Blanco has more than 20 years of leadership experience in renewable energies and climate change policies, with in-depth expertise in environmental and climate policy, energy market regulation and international investment factors. Since 2014, she has been with the European Bank for Reconstruction and Development, London, United Kingdom, where she has held different positions and currently is Head of Impact in Energy and Sustainable Infrastructure. Previously Ms. Blanco worked as Head of Markets and Regulation at Gamesa, Policy Director at the European Wind Energy Association and Policy Advisor for the Spanish Ministry of Industry. Ms. Blanco is a visiting fellow at the Grantham Research Institute on Climate Change of the London School of Economics and serves as an independent evaluator of climate and energy programmes for the European Commission. She has also published a number of scientific papers on renewable energy and energy policy.

Ms. Blanco was elected to the Supervisory Board of Nordex SE for the first time on 31 May 2022. Her current mandate will end with the General Meeting ratifying the acts of the members of the Supervisory Board holding office in the financial year 2025. Ms. Blanco is not related to our CEO José Luis Blanco.



**Martin Rey,
Traunstein/Germany**

Chairman of the Audit Committee; Lawyer and Managing Shareholder of Maroban GmbH

Martin Rey, born 23 February 1957, is a German citizen. He studied Law in Bonn and Business Administration at the University of Hagen. He then joined Bayerische Vereinsbank AG, later Bayerische Hypo- und Vereinsbank AG, where he held numerous management positions, most recently that of member of the Group Executive Management Board. Thereafter, Mr. Rey was appointed member of the Board of Directors, responsible for the European, Middle East and Africa region at Sydney-based global investment and consulting company Babcock & Brown. He was also a member of the Board at Knight Infrastructure B.V. and the Chairman of Sword Infrastructure I B.V., the Netherlands, a Board member of Brisa AutoEstradas de Portugal S.A. and the Chairman of Renerco Renewable Energy Concepts AG.

Mr. Rey works as an Industrial Advisor for the funds of EQT Partners, Sweden, and is a member of the Investment Committee at IST Investmentstiftung für Personalvorsorge, Switzerland.

Mr. Rey is Chairman of the Supervisory Board's Audit Committee. He is also a member of the Board of Directors and the Chairman of the Audit and Investment Committee of BayWa r.e. AG, Munich, as well as Chairman of the Advisory Board of O2 Power Ltd. Singapore/Delhi, India. Finally, he is the Chairman of the Supervisory Board of clearwise AG, and a member of the Supervisory Board, member of the Audit Committee and Chairman of the Credit Committee of the Supervisory Board of Kommunalkredit Austria AG, Austria.

Mr. Rey was elected to the Supervisory Board of Nordex SE for the first time on 10 June 2005. His current mandate will end with the General Meeting ratifying the acts of the members of the Supervisory Board holding office in the financial year 2025.

- › Attorney at law and Managing Shareholder of Maroban GmbH, Traunstein/Germany
- › Member of the Supervisory Board of BayWa r.e. AG, Munich/Germany (not listed)
- › Member of the Supervisory Board of Kommunalkredit Austria AG, Vienna/Austria (not listed)
- › Chairman of the Supervisory Board of clearvise AG, Wiesbaden/Germany (listed)
- › Chairman of the Advisory Board of O2 Power Ltd., Singapore/New Delhi-India (not listed)



**María Córdón,
Madrid/Spain**

Member of the Strategy and Technology Committee of the Supervisory Board; head of the CEO Office at Acciona, S.A.

Ms. Córdón, born 29 September 1982, is a Spanish citizen. She studied Business Administration at the Universidad Pontificia Comillas (ICADE), Spain, gaining a degree with distinction in 2005. She began her professional career the same year working in the Investment Banking Division at Goldman Sachs (London and Madrid). Ms. Córdón started

at ACCIONA in 2008 as a member of the Strategy & Corporate Development team and has since been involved in all its relevant M&A transactions and key strategic decisions (including the Endesa acquisition and sale of its wind and hydro assets, sale of ACCIONA's energy assets in Germany, the merger of ACCIONA Windpower with Nordex, the sale of 33% of ACCIONA Energía Internacional to KKR, the sale of Trasmediterranea to Naviera Armas, the acquisition of Silence – manufacturer of electric vehicles –, the acquisition of Fidentiis by Bestinvest, the sale of ACCIONA's transport concessions portfolio to Meridiam, the IPO of ACCIONA Energía and the investment in EVE).

Likewise, Ms. Córdón participated in the ESADE program for Board members in 2021/2022 and was selected as part of the 2023 edition of the Women to Watch Program, an initiative led by PwC. Since February 2023, she is also a member of the Board of Directors of Eve Holding, Inc.

María has a wide expertise in sustainability, the social and environmental externalities of the business and regenerative solutions, in general.

Ms. Córdón has been reelected to the Strategy & Technology Committee of the Supervisory Board by the Annual General Meeting on 31 May 2022. She joined the Supervisory Board of Nordex SE for the first time on 2 September 2021. Her current mandate will end with the General Meeting ratifying the acts of the members of the Supervisory Board holding office in the financial year 2025.

- › Member of the Steering Committee at ACCIONA S.A.
- › Member of the Board of Directors of Eve Holding, Inc.
- › Member of the Audit Committee of Eve Holding, Inc.

THE NORDEX GROUP ON THE CAPITAL MARKET

In addition to various geopolitical crises, the 2023 trading year was also shaped by monetary policy decisions, with the majority of central banks continuing to pursue a restrictive monetary policy in an effort to curb rising inflation rates. The increase in key rates also caused expected interest rates for medium and long-term maturities to rise, resulting in bond market losses and thus higher bond yields. Despite this, equities on the world's major stock exchanges generally performed well. One main reason for this was the fact that the labor market and thus private consumption, as well as the global economy, proved robust overall. Widespread fears of a worldwide recession, an uncontrollable spillover of armed conflicts (Ukraine, coups in Africa, and more recently Gaza) to other regions and turbulence in foreign exchange markets failed to materialize in 2023. Amid this environment, most companies' share prices tended to fall slightly or move sideways for large parts of the year. The big exception to this rule was a small handful of US tech stocks whose significant weighting helped them contribute to a positive performance at index level. Toward the end of the year, a global decline in inflation rates raised hopes that central banks would begin to cut interest rates in 2024, prompting some equity and bond indices to make strong price gains.

Germany's leading DAX index began the 2023 trading year at 13,923 points. After rising almost 9% in January, the stock market index experienced fluctuations that primarily saw prices move sideways or slightly upwards in a range from just under 15,000 to just over 16,000 points. The index reached an interim high of 16,470 points at the end of July, before fears over future economic performance then caused the index to drop to 14,687 points by the end of October, with the terrorist attack on Israel on 7 October providing an additional factor of uncertainty. The index received a significant boost as consumer price inflation in the eurozone moved towards the ECB's 2% target near the end of 2023, reviving hopes of an end to restrictive monetary policy and fueling a strong year-end rally that pushed the DAX to a new record high of 16,794 points on 11 December 2023. The DAX closed Xetra trading at 16,752 points on the last trading day of the year.

The benchmark indices relevant to Nordex shares during 2023 performed positively over the same period. The TecDAX recorded gains to end 2023 up 14.3% at 3,251 points, while the SDAX grew by just 8.0%, closing the year at 27,137 points.

Nordex shares down only slightly in 2023 despite challenging environment

Nordex shares began the 2023 trading year at a price of EUR 13.20 and initially tracked the DAX thanks to positive order intake announcements. These parallel price movements ended shortly before the Extraordinary General Meeting held to convert the existing shareholder loan into equity, and the share price fell to an interim annual low of EUR 10.35 after the new convertible bond issue was announced. This low was tested again at the end of June before the share price recovered to EUR 13.20 on the announcement of the half-year results. The emergence of new industry-wide fears about quality problems and the achievement of profitability targets prompted the stock to move downwards once more and slip below the EUR 10.00 mark in October.

Nordex shares ended the 2023 trading year at EUR 10.40. This meant that the share price closed 2023 down 21.2%, slightly underperforming its benchmark indices. The share price reached its annual high of EUR 15.43 on 9 March and recorded its lowest figure of EUR 9.48 on 12 December.

Successful corporate actions Debt-to-equity swap in mid-2023

The Nordex SE 2018/2023 corporate bond (coupon of 6.5%) was repaid at maturity in February 2023.

The Nordex Group announced the successful completion of its debt-to-equity swap following the Extraordinary General Meeting on 27 March 2023. As part of this transaction, Acciona S.A.'s receivables from two shareholder loans including accrued interest totaling EUR 347 million were converted into equity at a price of EUR 14.15 per share. As a result of this non-cash capital increase, the Company's share capital

grew by 24.5 million new no-par-value bearer shares. This increased the share capital to around 236.5 million shares, with Acciona S.A. now holding an equity interest in the Company of around 47%.

On 4 April 2023, Nordex SE issued a new unsubordinated and unsecured green convertible bond due on 14 April 2030 with a total nominal value of EUR 333 million. From 2028 onwards, the convertible bond can be converted into new and/or existing no-par-value bearer shares in Nordex at a price of EUR 15.73 per share.

Further information on the financing measures carried out during the 2023 reporting year is outlined in more detail in the group management report (page 24) and the notes to the consolidated financial statements (page 92).

Nordex Group dividend policy

Nordex Group management has set itself the goal of enabling its shareholders to participate in the Company's success. One major prerequisite for this is to generate sustainable free cash flow (a cash surplus) to enable an appropriate dividend to be distributed to Nordex Group shareholders.

At this point it should be noted that the distribution of any dividend is dependent on both the Company's strategic development and the achievement of its medium-term goals as well as the future sector environment. Future investments in research and development also play a significant role, as the Nordex Group is keen to continue offering its customers competitive and high-performance wind turbines. Due to the current profit and cash flow situation as well as the expected outlook for 2024, the Nordex Group is not yet able to distribute a dividend according to the Company's definition. As a result, a dividend distribution proposal will not be submitted to the Annual General Meeting in 2024.

Active dialog with capital markets

The Nordex Group's Investor Relations team was able to continue its open and continuous dialog with the capital markets during the 2023 financial year. Communicating transparently with private shareholders, domestic and international investors, and analysts remained very important to Nordex.

Nordex held numerous talks to discuss its financial figures, Group strategy and operating business performance in the turbine and service businesses. As in previous years, topics such as European regulation and the granting of approvals generated significant interest. In the first half of the year in particular, subjects such as implemented capital measures and questions over profitability were also at the heart of our discussions. In the second half of the year, the focus shifted towards the issue of quality within the wind industry. This sparked significant interest in defining Nordex's market position and strategy compared to those of its competitors, particularly in the fourth quarter.

With regard to the German market, the capital markets paid particular attention to the development of auction volumes and the status of approval processes. While building permits in particular raised questions here in previous years, approvals for heavy goods transport as a limiting factor increasingly came to the fore in 2023.

Management and the Investor Relations team sought to establish direct contact with current and potential investors at a number of investor and capital markets conferences as well as in individual meetings. Management presented the latest developments and quarterly figures in regular conference calls.

All of the Company's annual and interim reports, presentations and audio recordings of conference calls from the reporting year are available on the Nordex Group's Investor Relations website (ir.nordex-online.com).

Analyst coverage remains at a high level in 2023

The number of German and foreign brokers that regularly monitor and evaluate the Nordex stock remained at a high level and even increased during the year under review. Compared to the previous year, AlsterResearch, Bank Pekao, Deutsche Bank, Exane BNP Paribas and Montega all initiated coverage of Nordex, while Société Générale ended their coverage.

Of the 15 analysts that currently monitor Nordex shares regularly in the form of in-house studies, reports and commentaries, 11 brokers give the Nordex stock a positive Buy or Overweight rating, while four rate it as Hold or Neutral (as of 31 December 2023).

Based on relevant analyst valuations, the average target price across all 15 research firms is EUR 14.18 (as of 31 December 2023), which is up more than 36% on the 2023 year-end closing price.

Nordex shares key data

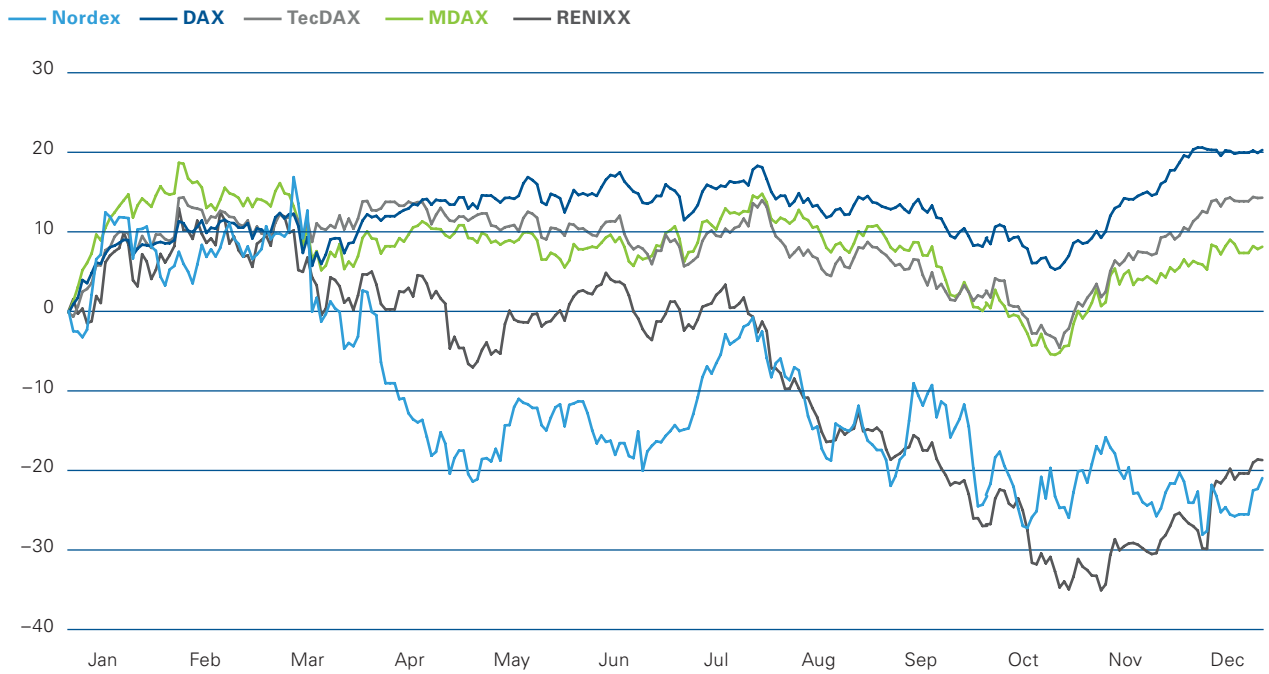
Class of shares	No-par-value ordinary bearer shares
Market segment	Prime Standard/Regulated Market
Indices	TecDAX, MDAX (included in the MDAX from 27 February 2023), ÖkoDAX, HASPAX, RENIX X
ISIN	DE000A0D6554
WKN (German securities identification number)	A0D655
Ticker symbol	NDX1;

Nordex shares key figures

		2022	2023
Total number of shares as at 31 December	Units	211,946,227	236,450,364
Share capital as at 31 December	EUR	211,946,227.00	236,450,364.00
Opening price for the year ¹	EUR	13.96	13.20
Year-end closing price ¹	EUR	13.20	10.40
High ¹	EUR	17.47	15.43
Low ¹	EUR	7.47	9.48
Market capitalization as at 31 December ¹	EUR million	2,797.7	2,459.1
Earnings per share	EUR	-2.71	-1.33

¹ Frankfurt Stock Exchange, Xetra

Nordex share price performance in % (indexed, 31.12.2022 = 0)



REPORT OF THE SUPERVISORY BOARD

The 2023 financial year was a year of transition for the Nordex Group, one that began with plenty of challenges and continued with encouraging developments throughout the year. Despite making a weak start to 2023 as expected due to higher costs, the Company was able to improve earnings from one quarter to the next. While order intake was fairly subdued in the first half of the year as a result of initially high inflation and rising interest rates, both raw material and logistics prices and interest rates stabilized over the rest of the year. A decline in inflation also helped to improve the wider economic environment. Nevertheless, incidents such as the earthquake in Turkey adversely impacted supply chains as the destruction of port facilities caused delays in loading and unloading ships and thus to project processes.

However, a strong second half of the year enabled the Nordex Group to record significant growth in order intake, with the operating margin for these orders falling within the target range. This positive performance was driven by a considerable increase in orders in Europe, particularly Germany, as well as a stable cost environment, with the quality and operating margin of the order book steadily increasing as a result. In terms of installations, the Nordex Group began the 2023 financial year with a backlog in projects caused by the cybersecurity incident in the previous year. Although the Company managed to catch up on part of this installation backlog, it was unable to reach its planned target. Despite this, there were encouraging structural improvements as the significant number of projects with improved margins made a major contribution to the positive trend in earnings during 2023.

The Nordex Group also took the opportunity to further strengthen its financial structure during the year under review. First, the Company utilized a second shareholder loan issued by Acciona, S.A. in 2022 to repay a high-yield bond from 2018 in full. On 27 March 2023, the Extraordinary General Meeting then agreed to convert both shareholder loans (from 2022 and 2020) into equity. This conversion in May 2023 increased anchor shareholder Acciona, S.A.'s equity interest in Nordex SE to 47.1%. The Company also decided to issue a convertible bond in light of its plans to carry out significant installations in the aforementioned uncertain market environment. By carrying out this transaction, the Nordex Group strengthened its liquidity by EUR 333 million in April and equipped itself for a similarly challenging 2023.

In short, it is important to note that the Nordex Group performed well in a persistently challenging market environment. The Company's competitive product portfolio enabled it to increase order intake compared to the previous year's volumes and thus grow its market share in Europe and Germany. Installations also rose significantly, enabling the Nordex Group to reduce its backlog. I would like to take this opportunity to express my heartfelt thanks to all of our employees for the unwavering commitment, flexibility and perseverance with which they have steered our company through a year that was often fraught with uncertainty.

Independent and clean energy production and the technology needed to achieve it have become increasingly important in the wake of current geopolitical conflicts. This is reflected in the industrial and energy policy of numerous countries as they seek to drive and accelerate the expansion of renewable energy sources. The Nordex Group's established market positioning and competitive product portfolio leave it promisingly positioned to participate in this trend in the long term.

The Supervisory Board of Nordex SE performed its duties in accordance with applicable law, the Articles of Incorporation and Rules of Procedure during the reporting period. As required by law, the Supervisory Board advised and monitored the Management Board in its management of the Company. The Supervisory Board was therefore directly involved in all decisions of fundamental importance for the Company and maintained an ongoing exchange with the Management Board. Supervisory Board members are provided with comprehensive written and oral reports about the condition, development and all significant business transactions of Nordex SE and its affiliated companies on a regular basis and in a timely manner.

CHANGES TO THE SUPERVISORY BOARD AND MANAGEMENT BOARD

There were no changes in the composition of the Supervisory Board in the reporting year.

COMMITTEES

During the 2023 financial year, the Supervisory Board committees of Nordex SE comprised the following members:

Executive Committee (Personnel and Nomination Committee):

Dr.-Ing. Ziebart (Chair)
Mr. Klatten
Mr. Muro-Lara

Audit Committee:

Mr. Rey (Chair)
Ms. Blanco
Mr. Muro-Lara

Strategy and Technology Committee:

Mr. Klatten (Chair)
Ms. Cordon
Dr.-Ing. Ziebart

SUPERVISORY BOARD MEETINGS AND CONTENT

During the 2023 financial year, the Supervisory Board held a total of nine meetings. The Executive Committee, the Audit Committee and the Strategy and Technology Committee met four times in the context of ordinary Supervisory Board meetings. The Executive Committee also held two extraordinary meetings via video conference. The ordinary Supervisory Board meetings were held on 27 and 28 March 2023, 6 and 7 June 2023, 19 and 20 September 2023, and 29 and 30 November 2023. There were also two extraordinary Supervisory Board meetings in the reporting year; three resolutions were adopted by written circular.

Of the four ordinary meetings held by the Supervisory Board and its committees during the year under review, three were face-to-face and one was a hybrid meeting, which meant that Supervisory Board members could participate either in person or by video conference. The two extraordinary Supervisory Board meetings were held as video conferences.

The members of the Supervisory Board attended the meetings of the Supervisory Board and the committees of which they were members as follows:

Attendance of Supervisory Board members at Supervisory Board and committee meetings in 2023

Supervisory Board members	Supervisory Board	Attendance rate, Supervisory Board	Executive Committee	Audit Committee	Strategy and Technology Committee
Dr.-Ing. Wolfgang Ziebart	9/9	100%	6/6		3/3
Juan Muro-Lara	9/9	100%	6/6	3/3	
Jan Klatten	9/9	100%	6/6		3/3
Isabel Blanco	9/9	100%		3/3	
Martin Rey	9/9	100%		3/3	
María Cordon	9/9	100%			3/3
Attendance rate	100%	100%	100%	100%	100%

During the 2023 financial year, all Supervisory Board members attended more than half of the meetings of the Supervisory Board and the committees to which they belong.

In addition to auditing the annual and consolidated financial statements of Nordex SE for the 2022 financial year, the non-financial report and the dependent company report at its financial statements approval meeting on 27 and 28 March 2023, meetings focused on the following key issues on an ongoing basis during the year under review: (i) current business performance, with a particular focus on the continued

impact supply chain disruption on the Group's operational situation; (ii) Management Board matters, and in particular, deciding on the achievement of targets for the past financial year ahead of the financial statements approval meeting and working with members of the Management Board to set targets for the current financial year; (iii) internal audit and risk management reports; (iv) information and discussion on quality, occupational health and safety and environmental protection; and (v) compliance issues, key projects and important staff changes.

Additional topics included regular strategic considerations of financing issues and discussing the reports received from each of the committees.

At its extraordinary meetings on 7 and 15 February 2023, the Supervisory Board discussed the convocation of an Extraordinary General Meeting to pass a resolution to convert two shareholder loans granted by Acciona, S.A. in the total nominal amount of EUR 346,733,551.79 into equity and adopted a resolution to this effect by written circular on 15 February 2023. Adopting a resolution by written circular, on 27 March 2023 the Supervisory Board decided on the achievement of targets by members of the Management Board over the past financial year and set targets for the year under review.

At its financial statements approval meeting on 27 and 28 March 2023, the Supervisory Board decided on the remuneration report prepared by the Management Board and Supervisory Board during the year under review in accordance with the provisions of the Second Shareholder Rights Directive (ARUG II). The Supervisory Board also discussed two joint ventures to develop green hydrogen projects as well as electrolyzers for the green hydrogen production, and agreed to conduct the upcoming 2023 Annual General Meeting as a virtual meeting. Lastly, the Supervisory Board also approved the submission of the declaration of conformity with the German Corporate Governance Code at this meeting.

By adopting a resolution by written circular on 4 April 2023, the Supervisory transferred sole decision-making authority to the Executive Committee to issue convertible bonds and disapply shareholders' pre-emption rights by exercising the authorization granted by the Extraordinary General Meeting on 27 March 2023.

In two video conferences that both also took place on 4 April 2023, the Executive Committee then approved the issuance of convertible bonds and the conversion price, total nominal value and interest rate of the convertible bonds as specified by the Management Board on the same day as well as the disapplication of shareholders' pre-emption rights.

At its ordinary meeting on 6 and 7 June 2023, the Supervisory Board's discussions focused on adjusting the allocation of responsibilities for the Management Board as well as current European environmental and energy policy.

At its extraordinary meeting on 2 August 2023, the Supervisory Board approved the conclusion of an agreement with Acciona, S.A. to utilize an uncommitted guarantee facility with a total volume of up to EUR 600,000,000.

At its ordinary meeting on 19 and 20 September 2023, the Supervisory Board addressed topics including diversity and inclusion within the Nordex Group.

At its ordinary meeting on 29 and 30 November 2023, the Supervisory Board addressed issues such as the appointment of the auditor for the 2023 annual financial statements and the external audit of the non-financial report. The Supervisory Board also approved the issuing of the third tranche of the stock option program for Nordex Group employees agreed in 2021 at this meeting.

TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT ACTIVITIES OF SUPERVISORY BOARD MEMBERS

Members of the Supervisory Board independently carry out most of the training and professional development activities required for their role, on subjects such as changes to the regulatory framework and new forward-looking technology, and receive support to do this from the Company as required. For example, changes to the regulatory framework are presented and explained during Supervisory Board meetings to help provide targeted training.

New members of the Supervisory Board meet members of the Management Board and heads of department to discuss fundamental and current issues, enabling them to obtain an overview of topics that are relevant to the Company ("onboarding").

CORPORATE GOVERNANCE

Potential conflicts of interest are also reported at this point in accordance with Recommendation E. 1 sentence 2 of the German Corporate Governance Code as amended on 28 April 2022. Supervisory Board members of Nordex SE should disclose conflicts of interest to the Supervisory Board chairman, particularly those that may arise due to an advisory or board role for customers, suppliers or lenders of Nordex SE.

In this context, it has to be noted that Supervisory Board members Juan Muro-Lara and María Cerdón abstained from voting on Supervisory Board resolutions concerning transactions with Acciona, S.A. or its affiliated companies as a precautionary measure.

There were no other indications of conflicts of interest during the 2023 financial year.

In principle, the Supervisory Board follows the recommendations of the Government Commission on the German Corporate Governance Code as amended on 28 April 2022 (GCGC 2022). The most recent declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG) was submitted by the Supervisory Board and Management Board on 20 February 2024 (<http://ir.nordex-online.com/websites/Nordex/English/6100/declaration-of-conformity.html>). Further details on this topic can be found in the Corporate governance statement that is included in the management report.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AND AUDIT, DEPENDENT COMPANY REPORT AND NON-FINANCIAL GROUP REPORT

The annual financial statements of Nordex SE and consolidated financial statements as at 31 December 2023, as well as the combined management report of Nordex SE and the Group for the 2023 financial year, together with the accounting system, were audited and each issued with an unqualified

audit report by the auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, appointed by the Annual General Meeting on 6 June 2023 and engaged by the Supervisory Board to audit the annual and consolidated financial statements. The audit reports were signed jointly by the auditors Dr. Thomas Ull and Mr. Harald van Voorst. Mr. van Voorst signed the audit reports for the fourth time, and Dr. Ull, after a three-year break, also signed the audit reports for both the annual and consolidated financial statements for the fourth time.

In the auditor's report on the annual financial statements, the auditor confirmed that the executive directors took the measures to set up a suitable risk early detection system required in accordance with Section 91 (2) German Stock Corporation Act (AktG) and that the risk early detection system is suitable for detecting developments posing a going concern risk at an early stage.

In addition to the statutory audit, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, also performed a limited assurance engagement with regard to the separate (consolidated) non-financial report of Nordex SE and the Nordex Group on behalf of the Supervisory Board and, on this basis, did not raise any objections to the non-financial reporting and compliance with the applicable statutory requirements. PricewaterhouseCoopers GmbH's report on the limited assurance engagement for the non-financial (Group) report is included in the Sustainability Report.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, also performed a formal audit of the remuneration report of Nordex SE in accordance with Section 162 (3) German Stock Corporation Act (AktG) on behalf of the Management Board and did not raise any objections to the reporting and compliance with the imposed statutory requirements. PricewaterhouseCoopers GmbH's report on the audit of the remuneration report will be published together with the 2023 annual report and can be inspected therein.

The following unqualified audit report was issued by the statutory auditor for the report on relations with affiliated companies pursuant to Section 312 of the German Stock Corporation Act (AktG) prepared by the Management Board and audited by the statutory auditor:

“In our opinion and in accordance with our statutory audit, we certify that

1. the factual disclosures provided in the report are correct,
2. the Company’s consideration concerning legal transactions referred to in the report was not unduly high.”

The annual financial statements, consolidated financial statements and combined management report for Nordex SE and the Group, the auditor’s report, dependent company report, and the auditor’s audit report on the dependent company report, the non-financial Group report including the report from PricewaterhouseCoopers GmbH on the limited assurance engagement for the non-financial Group report, the remuneration report and the report of PricewaterhouseCoopers GmbH on the remuneration report as well as the draft of the Supervisory Board’s report were provided to all Supervisory Board members ahead of the financial statements approval meeting. The Audit Committee and Supervisory Board discussed these documents in detail; the Audit Committee prepared the examination by the full Supervisory Board and reported on this preparation in the financial statements approval meeting on 20 February 2024 in the presence of the auditor, who was also available to answer questions. Following intensive discussions, the Supervisory Board and the Audit Committee approved the conclusions of the audit conducted by the auditor.

In accordance with the final conclusions of this audit by the Audit Committee and its own audit, the Supervisory Board determined that there were no grounds for objections and approved the annual and consolidated financial statements for the financial year ended 31 December 2023 prepared by the Management Board as well as the combined management report. The 2023 Annual Report of Nordex SE has therefore been adopted.

The Supervisory Board also noted and approved the dependent company report and the auditor’s audit report on the dependent company report. The Supervisory Board declares that, in accordance with the final conclusions of its review, there were no grounds for objections to the Management Board’s declaration on this report in accordance with Section 312 of the German Stock Corporation Act (AktG).

The Audit Committee and Supervisory Board also addressed the separate consolidated non-financial report (integrated in the sustainability report) prepared by the Management Board as at 31 December 2023. The Management Board and the representatives of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft explained the documents in detail in the meetings and answered additional questions from Supervisory Board members. The Supervisory Board had no objections after carrying out its audit.

SUPERVISORY BOARD ACKNOWLEDGMENTS

I would like to thank the Management Board in office and all of our employees around the world for their tremendous personal commitment.

Hamburg, February 2024



Dr.-Ing. Wolfgang Ziebart
Chairman of the Supervisory Board

Combined Group management report

of the Nordex Group and management report of Nordex SE
for financial year 2023



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COMBINED GROUP MANAGEMENT REPORT

of the Nordex Group and management report of Nordex SE

FUNDAMENTAL INFORMATION ABOUT THE GROUP

- › **A leading global specialist in onshore wind turbines**
- › **Technology focus on efficient turbines in the 4–6 MW+ class**
- › **Modular concept enables wide range of variants and scaling**
- › **Integrated full-service provider with global production network and a strong service business**

OPERATING ACTIVITIES

Business model

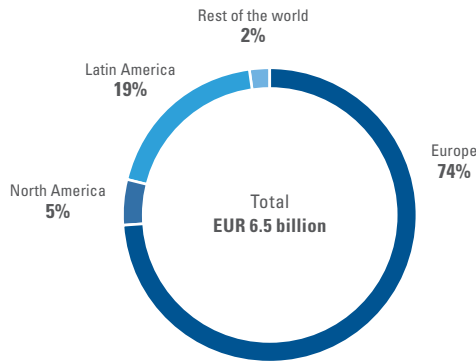
The Nordex Group designs, builds and markets onshore wind turbine systems worldwide. Nordex is an integrated supplier of complete solutions, which means that the scope of its services may exclusively comprise the delivery of wind turbines but, as an option, may also include the installation or turnkey construction of complete wind farms. Furthermore, a network of service units in all of the Company's key markets ensures the provision of comprehensive support for wind turbines over their entire lifespan. In some selected markets, mainly outside Europe, the Company also operates as a project developer for wind farms, where it develops its own wind farm projects at an upstream stage. Since its foundation in 1985, the Nordex Group has installed wind turbines with a combined nominal output of almost 50 gigawatts (GW) in more than 40 countries. The Group's own service organization supports 11,400 wind turbines worldwide with an aggregate nominal output of 35.0 GW, primarily on the

basis of long-term maintenance agreements. This makes the Nordex Group's products and services an essential driver of environmentally and climate-friendly power generation.

The Company operates in all major wind markets and is a leading player in the industry, the sole exception being China as its market is dominated by local suppliers. The Group primarily uses this market to source components. By focusing on the onshore market, Nordex also avoids the need to invest considerable sums in radically different offshore technology and the risks associated with it. This focus on the onshore wind market (excluding China), which is vital to the global transition to renewable energy production, enables the Nordex Group to bundle its expertise and resources and provides an important foundation for future profitable growth.

The Nordex Group's product portfolio comprises innovative, powerful and thus efficient wind turbines for high-, medium- and low-wind onshore locations. The various product types in the Delta4000 series, which are based on a modular design, are adapted to meet specific market requirements and offer a variable output ranging from 4 to 6+ MW, with rotor diameters of up to 175 meters. The Nordex Group designs wind turbines in their entirety and assembles the nacelles and hubs during production. Rotor blades are produced both by the Group itself and by specialist manufacturers whereas towers are built onsite. From a technical perspective, the Nordex Group is focused on developing wind turbines for onshore sites that allow operators to produce environmentally friendly electricity at the lowest possible cost (Cost of Energy – COE) in their respective regions.

Sales by region in 2023 in %

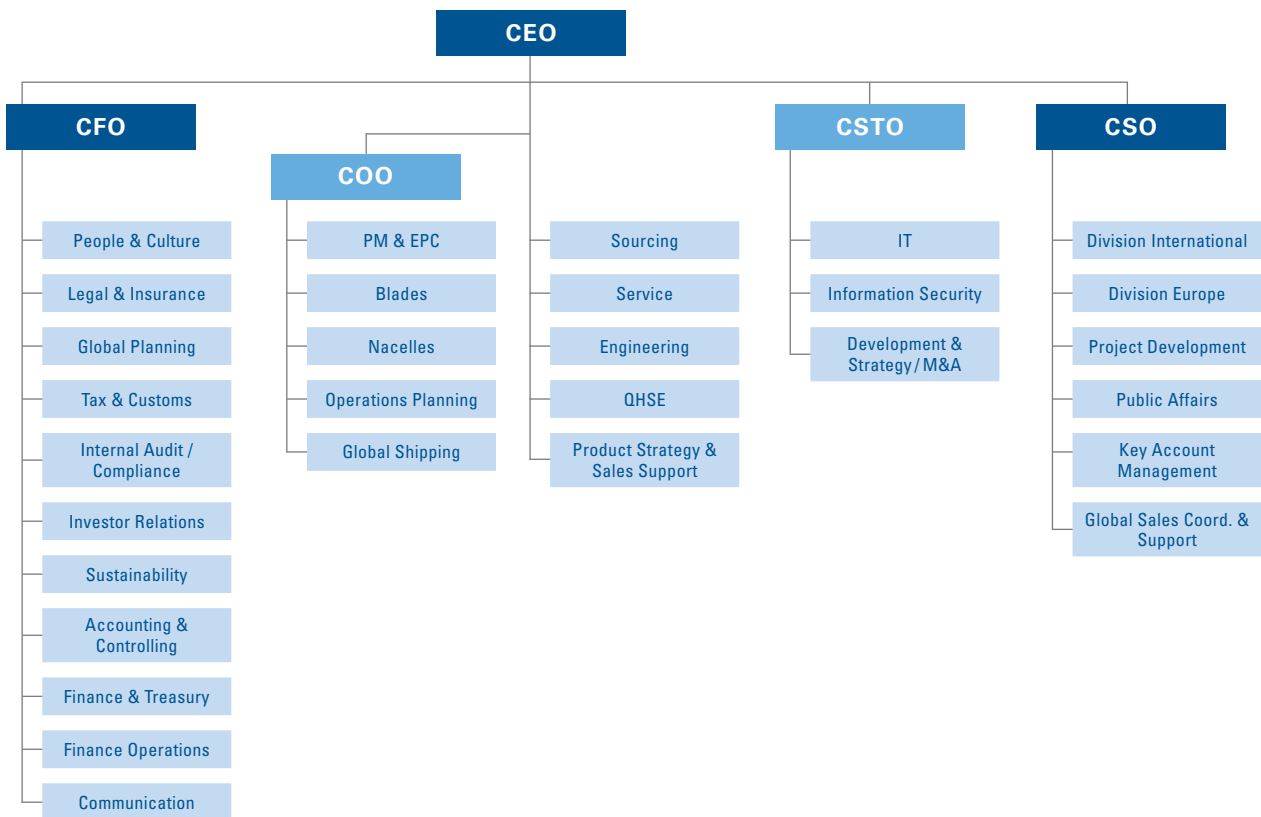


Legal and organizational structure

Nordex SE is a listed European stock corporation. Its shares are admitted for trading on the Regulated Market of the Frankfurt Stock Exchange, Prime Standard segment, and as of the reporting date were quoted on the TecDAX and MDAX.

Together with its German and foreign subsidiaries, it forms the Nordex Group. The governing bodies of the Company are the Management Board, composed of three individuals, and the Supervisory Board, comprising six individuals. The Company has its registered office in Rostock; its headquarters are located in Hamburg.

Organizational structure of the Nordex Group (simplified presentation)

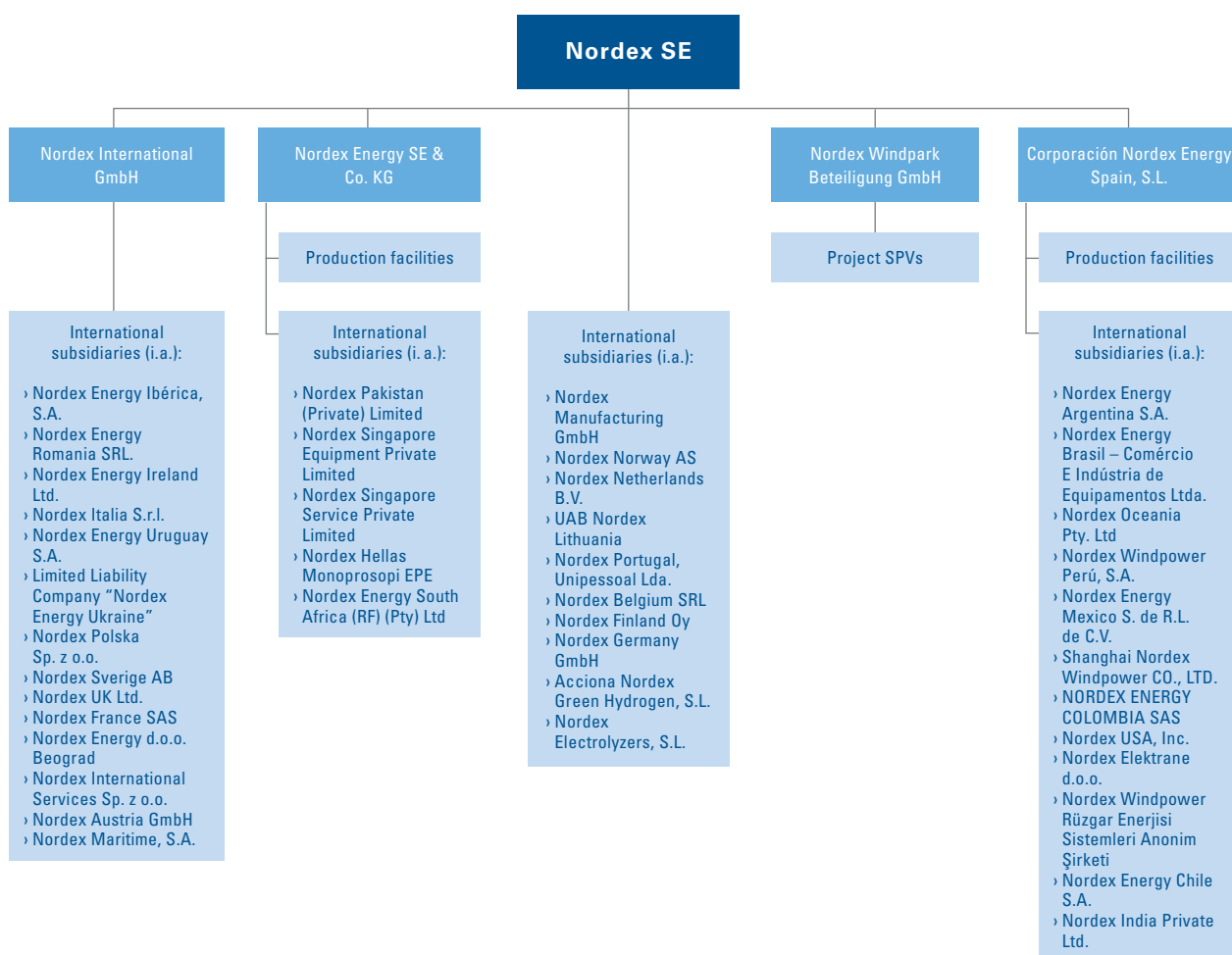


 = Member of the Management Board

The Management Board manages the Group via Nordex SE as the strategic management holding company. Additional administrative services in the areas of accounting & controlling, finance, IT, internal audit, investor relations, communications, human resources, legal matters and tax are also performed by Nordex SE. The Nordex Group's operating business comprises two divisions, International and Europe, as well as global lead functions.

The chairman of the Management Board (Chief Executive Officer – CEO), José Luis Blanco, is in charge of global lead functions for the operating business relating to rotor blade and nacelle production, Global Sourcing and global project management (Global PM/EPC) as well as engineering. He is also responsible for Quality, Health, Safety & Environment (QHSE), Product Strategy & Sales Support as well as Corporate Development & Strategy, Global Service, Operations Planning, Global Shipping, Information Security and IT.

Legal structure of the Nordex Group (simplified presentation)



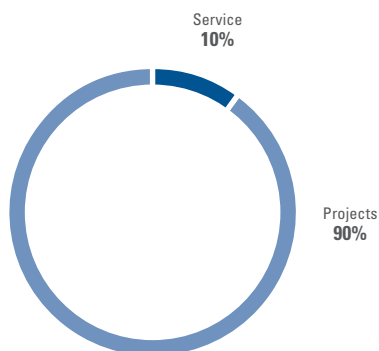
The Chief Sales Officer (CSO), Patxi Landa, is in charge of the two operating divisions International and Europe with responsibility for sales, project management and service as well as all overarching customer-related functions such as Global Sales, Global Key Account Management, Public Affairs and Project Development.

The Chief Financial Officer (CFO), Dr. Ilya Hartmann, is responsible for People & Culture, Accounting & Controlling, Finance, Internal Audit, Compliance, Investor Relations, Communication, Legal & Insurance, Tax and Sustainability, and the Finance Operations and Global Planning global lead functions.

The operating divisions manage the legally independent national companies. Specifically, they are responsible for customer relationship management, sales, project management and services, as well as project development in selected markets.

The Nordex Group manages its activities via the Projects and Service segments (see also the explanations in the “Segment performance” section). Projects includes all activities associated with the development, production, assembly and commissioning of wind turbines, as well as the project development business. The Service segment encompasses services and products for existing turbines after their handover to customers. In particular, this includes technical services such as maintenance and remote monitoring of wind farms as well as repairs and technical enhancements for existing turbines.

Sales by segment in 2023 in %, before consolidation

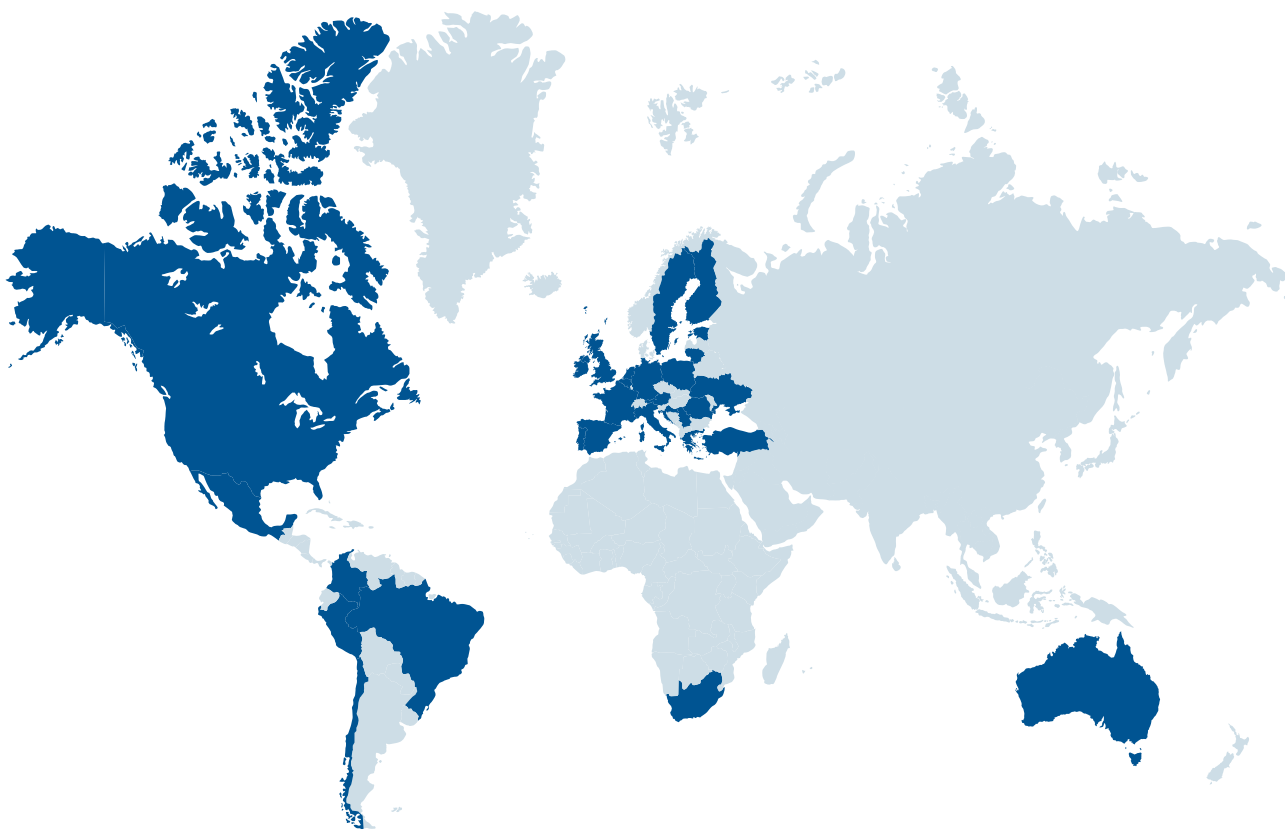


Sales markets and competition

The climate-friendly nature of wind energy provides an important environmental argument for generating power from renewable sources. Another key factor driving the growth in demand for wind turbines worldwide is wind power’s lower and thus competitive cost of energy, which is well below the cost of new conventional energy production capacity, especially in windy regions. The increasingly strict taxation of carbon emissions also offers a key economic incentive for expanding renewable energy production and with it the wind energy sector. In this environment, the rising cost of fossil fuels has further structurally and sustainably improved the relative competitive strength of wind energy. Modern onshore wind turbines offer significant environmental and economic advantages both in industrialized nations as well as in emerging markets and developing countries. Global growth in the wind energy sector is primarily driven by the construction of new wind turbines and farms. Furthermore, legacy turbines that have already reached the end of their lifecycle are either dismantled or replaced by modern and more efficient turbines (repowering). Meanwhile, a growing number of onshore wind farms in pioneering wind energy countries in Europe and North America are reaching a point in their lifecycle where they need to be replaced, with other countries set to follow in due course. Repowering enables wind farms to update to the latest technological and economic standards.

Given the major technological advances made in recent years, the repowering of onshore turbines to generate electricity efficiently and profitably is a sensible approach that is essential for the transition to green energy and is therefore becoming increasingly important. In rare cases, wind farm operators also choose to extend the useful lives of their wind farms by overhauling their turbines (refurbishment).

Key markets of the Nordex Group



Since its foundation, the Nordex Group has installed wind turbine systems in more than 40 countries and considers itself to be well positioned on the internationally most attractive wind markets. The company has a clear focus on onshore wind turbine systems worldwide, excluding China. The Company maintains its own sales and service organizations in all regional core markets. These core markets are mainly located in Europe, and in North and South America. Nordex systematically uses its strong and long-established market presence to leverage further growth potential with customers.

The Company is also active in Australia and South Africa and uses India as a production hub. In China, a partner has been producing nacelles for Nordex since 2022. The central sales organization seeks to identify opportunities in new markets

not yet served by the Nordex Group. Targeted regional expansion into attractive new markets is also an important part of the Company's growth strategy.

The Nordex Group's competitors are suppliers from Europe and the United States, many of whom have emerged by way of the consolidation process seen in the industry in recent years. In the Company's key markets (see chart), these are mainly Vestas, Siemens Energy (formerly Siemens Gamesa) and General Electric. According to the Wood Mackenzie ranking, the Nordex Group in 2023 was the world's third largest manufacturer of wind power systems outside China. The Company had a double-digit market share in most of the core markets in which it regularly installs wind turbines.

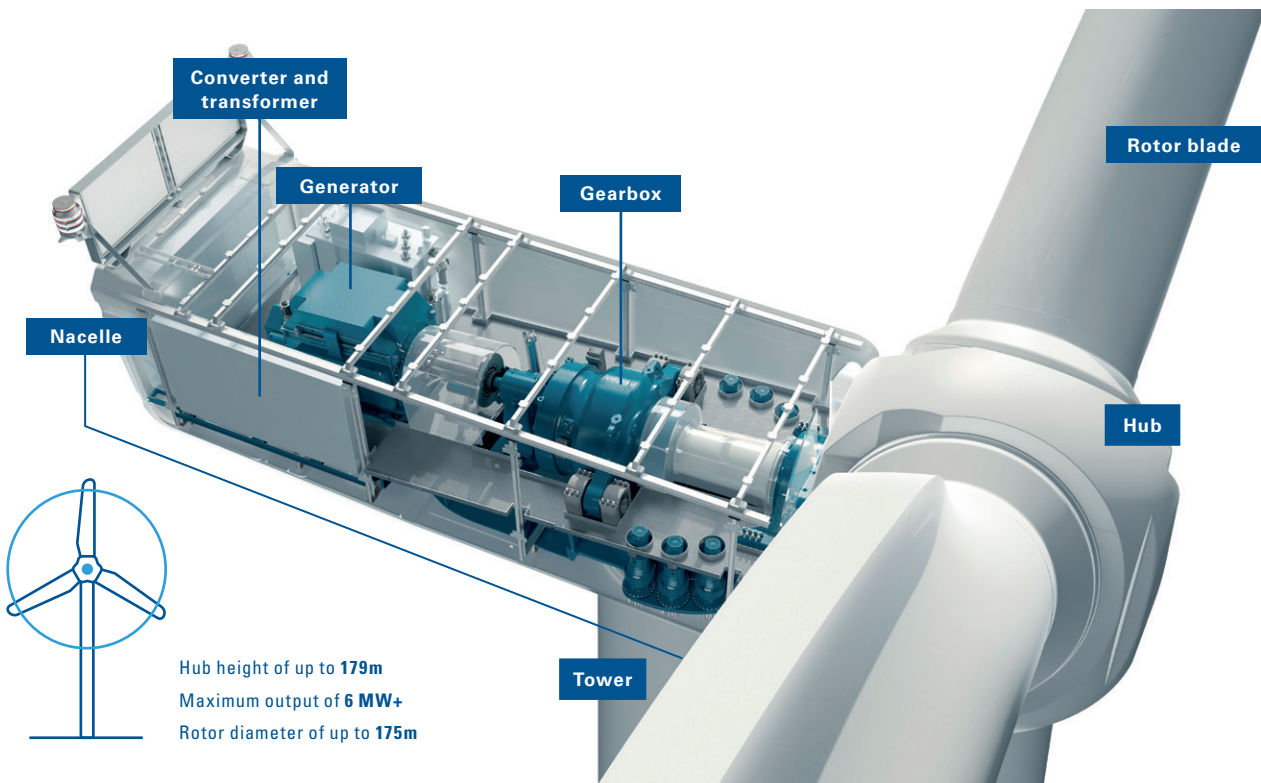
Locations, products and services

The Nordex Group’s head office is located in Hamburg. The head office is home to the Group’s core functions and parts of development, procurement, project management, services and sales. The Rostock site is mainly home to the development and production of nacelles. In Spain, the Nordex Group maintains office locations in Pamplona, which also handle central tasks, project management and development. A factory for the assembly of nacelles (Barásoain), a facility for the production of rotor blades (Lumbier) and a tower production plant are also situated there. Nacelles (China) and rotor blades (India) are also produced in Asia for international markets, partly via our own locations or production plants that are operated by partners on our behalf. Nacelles and concrete towers are produced in Brazil (Simoes Filho) to serve the local market. Rotor blades have been produced in Mexico (Matamoros) since July 2021 in a partnership with US manufacturer

TPI. This cooperation is initially scheduled to run for three years. Subcontractors are also producing concrete towers for Nordex in other countries. The assembly plant in the USA (West Branch) is still inactive but Nordex is reviewing whether to resume operations.

These factories, together with an efficient supplier network and supply chain, form the basis for the Group’s ability to offer competitive wind turbines in all of its target markets. The Nordex Group works to continuously improve this infrastructure and adapt it flexibly to meet changing markets. Our aim is to serve our customers in European and international markets in a reliable and cost-effective way via our network of wholly-owned production sites and partners in Europe, America and, increasingly, Asia. This is a prerequisite for participating in the attractive new markets and achieving sustainable profitable growth.

Nordex Delta4000 series wind turbine



The Nordex Group offers customers worldwide technically and financially suitable onshore wind turbines for every wind strength and most climate zones. Its product portfolio enables the Group to provide solutions for markets with both limited grid availability, such as Latin America, and limited land availability, such as Central Europe. In addition to providing extensive project management, Nordex offers its customers numerous services including comprehensive system support. Examples include remote turbine monitoring, routine maintenance and the completion of standard or customer-specific turbine repowering projects. In support of the sales activities, the Company's finance department also advises customers in their efforts to raise project finance via national and international commercial banks. The Nordex Group is also positioned as an integrated full-service provider.

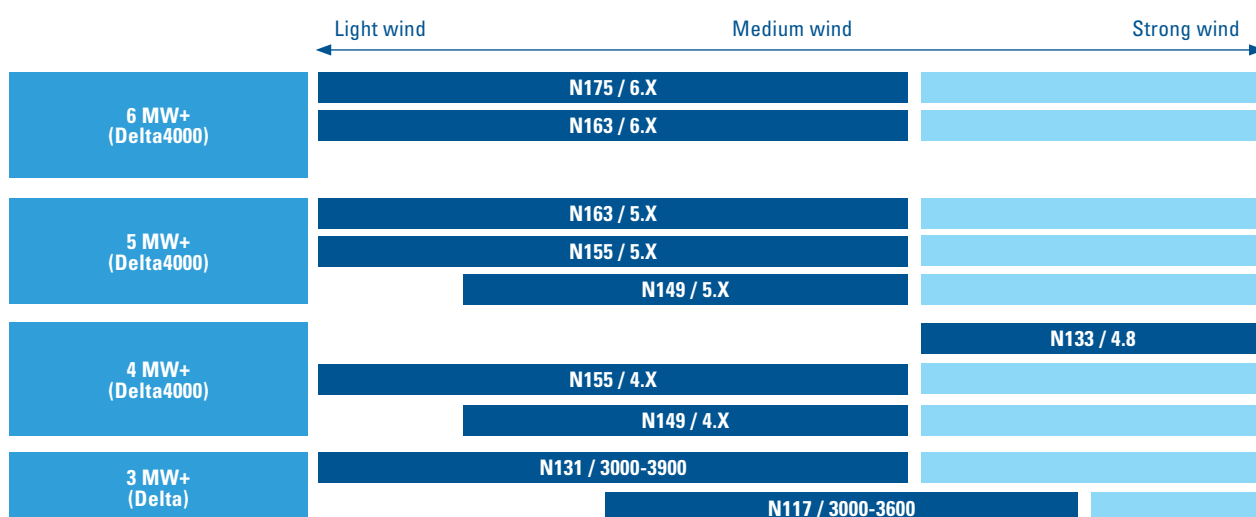
Its core product is the efficient Delta4000 series with its turbine variants in the 4 MW, 5 MW and 6 MW+ classes. Turbines in the Delta4000 series are supplied on all relevant markets and are already in operation in Europe, North and South America and the Australian continent.

In addition to a low cost of energy, the currently eight different turbine types are primarily characterized by their ability to flexibly address location-specific requirements. Depending on customer requirements, the turbines can also be fitted with Nordex's proprietary rotor blade anti-icing system, the cold climate variant or on-demand obstruction lighting. The lower end of the portfolio for cases in which Delta4000 turbines due to their output are not used in specific projects and markets is completed by 3 MW class turbines.

The Nordex Group develops and tests the rotor blades of its wind turbines, has them certified and also produces some of them in its own plants – or has them produced by production partners according to its specifications. The rotor blades are characterized by particularly low noise emissions across the entire range. Nordex offers several tower variants (steel tube towers, concrete towers, hybrid towers from steel and concrete) with hub heights of up to 179 meters to achieve optimum energy yields in all wind markets.

Wind turbine product portfolio

Proven platforms and components, high-performance products



Flexible technology for high-performance and cost-effective turbines suitable for site requirements worldwide

Standard design conditions

Site-dependent

The Nordex Group's service unit aims to ensure reliable and cost-effective operation of the powerful wind power systems for customers. Nordex operates 385 service branches worldwide for this purpose. Services are rendered via this network of locations directly at the wind farms after they were installed and handed over to the customer. The corresponding service contracts secure the electricity production yields of Nordex customers and optimize them by boosting availability and output. Nordex offers customers a wide range of different services. These encompass all-in solutions containing services such as 24/7 remote monitoring, preventive maintenance and customer training, and full modernization of wind power systems.

The Nordex Group offers standardized service contracts with different levels of service. Customers usually sign up for long-term contracts, in some cases for up to 35 years. Customers can essentially choose between three contract models. The Premium service contract includes maintenance and repair services, remote monitoring and a time-based availability warranty. The Premium Plus contract includes these service entitlements and adds a production based availability warranty, while repair services and the replacement of certain large wind turbine components are subject to a separate fee in the Premium Light contract.

Customers and value chain

The Nordex Group has a broad customer base that comprises large, international, utility companies and independent power producers (IPP) as well as medium-sized project developers, public utility companies, civic wind farms and energy cooperatives. The Group's customers also include an increasing number of captive producers from industry, trade and the IT sector as well as financial investors such as insurance companies and pension funds. In 2023, the ten largest individual customers accounted for approximately 50% of order intake. These customers are some of the world's largest and most important operators and project developers in the renewables sector. Nordex's customer base also includes companies in the oil and gas sector with their ambitious goals to expand renewable energy sources. A key account manager is assigned to all major customers to ensure an optimum working relationship and the successful completion of these international projects. The value chain starts with the development of efficient wind turbines, which the Nordex Group's sales unit markets to customers globally. New wind farm projects worldwide are predominantly awarded through auctions.

The Nordex Group provides its customers with support in the early stages of these auctions, developing individual solutions aimed at securing a successful bid for the customer.

Once the contract is awarded, the next step is in-house production, which generally consists of nacelle and hub assembly as well as the production of some of the rotor blades. Additional rotor blades are manufactured by independent blade producers according to Nordex designs and specifications. In selected markets, the Nordex Group also offers concrete towers, which it produces itself. Offering logistical benefits, this system ensures high-quality, cost-effective towers and enables local added value and employment. Most turbine components, particularly gearboxes, converters and generators, are supplied and purchased via a global procurement network.

It usually takes approximately 12 to 18 months to construct a wind farm, depending of the size of the farm, its specific location and a multitude of other factors. In exceptional cases, individual projects can be completed in just nine months, while others may require a time frame of one to two years or longer. Due to the adverse impact of supply chain instability resulting from events such as the earthquake in Turkey, the Group was unable to prevent some project delays in 2023 despite its concerted efforts.

The Nordex Group ensures the project management of all activities from installation to turnkey handover and commissioning of wind farms and carries out the work with its own teams and third-party providers, if necessary. As is customary in plant engineering due to the long period of time from the awarding of the contract to the handover of the turbine to the customer, the Nordex Group receives an advance payment when the contract is awarded. Additional payment flows are essentially based on costs incurred over the course of a project.

The final step in the value chain is the service for installed wind turbines. The Group provides extensive technical support services for the ongoing operation of the turbines. Service contracts are generally entered into as long-term agreements and therefore play an important part in customer retention. In comparison with the project business, which tends to be more susceptible to fluctuations, service revenue streams are characteristically very stable and regular.

CORPORATE STRATEGY AND MANAGEMENT

Mission and vision

Climate change may be the biggest challenge of our time. The use of fossil fuels is the largest contributor to climate change. Thus, the transition from the fossil fuels-based economy to a renewable energy-based economy is the biggest lever to mitigate climate change.

Wind energy is a key technology for carbon neutral, climate-friendly power generation. Unlike conventional energy sources, wind can be found almost everywhere, and it can be used to generate electricity emission-free.

The Nordex Group is a leading global player in the wind industry, actively helping to shape this transition to sustainable power generation. Our vision is that:

“Our products and services empower people around the world and create a cleaner and more peaceful planet.”
(José Luis Blanco)

Since our founding in 1985, Nordex colleagues have always focused their efforts on developing wind power technology further and delivering high-performance, cost-competitive wind farms. We have worked hard and continue to do so to make wind energy more affordable and widespread. And today, onshore wind is among the most cost competitive technologies, clearly cheaper than conventional fossil alternatives. Creating value for our customers and empowering them to provide clean, affordable energy to the world was and is our Mission. In one sentence:

“Our Mission is to develop and deliver clean power plants that make 100% renewable energy for the world the reality.”

Corporate strategy

Developing, manufacturing and servicing wind turbines are the core competencies and business of the Nordex Group. Nordex focuses on onshore wind energy in technology-driven, profitable and open markets around the globe. This clearly defined profile also forms the basis for the future strategic direction of our business.

With its global presence and a corporate philosophy that also contains aspects typical of a Mittelstand company, the Nordex Group is flexible enough to adjust quickly to new circumstances. This agility is a key strategic element of the Nordex Group, which has proven its worth in recent years. At the same time, the Company is large enough and sufficiently diversified on a global level to be able to compensate for most fluctuations in individual markets.

The Company's strategy is based on the evaluation of external and internal factors, which extensively analyzes the competitive situation. As its strategy must always respond to developments in the wider environment, the Nordex keeps a close watch on political events and changes in the market. The market for wind turbines has been impacted by numerous extreme events in recent years, including the comprehensive introduction of new funding and project awarding systems, the coronavirus pandemic, tariff-based trade barriers and extreme price increases for many raw materials and services, such as shipping rates, triggered by the war in Ukraine. These events have put all wind turbine manufacturers in a challenging economic position. We observed a slight easing of these external factors during the period under review (a detailed description of opportunities and risks can be found in the section on opportunities and risks). As a result, the Nordex Group can now increasingly shift its focus from crisis management to decisive internal factors to make sure the Company is well positioned to face future competitive challenges.

The Management Board of the Nordex Group reaffirmed its corporate strategy during the year under review based on the medium term targets already communicated:

- › Further consolidating Nordex’s position as a global leader in the wind industry
- › EBITDA margin of 8%

Our strategic focus is increasingly on internal factors that can influence and enhance the Company. The core element of this strategy is knowing that establishing a strong competitive position relies on a lengthy series of many good decisions and on continually realizing the potential for improvements. As a result, the Group’s strategy and operations will focus on the following four aspects in order to deliver profitable growth in the next few years:

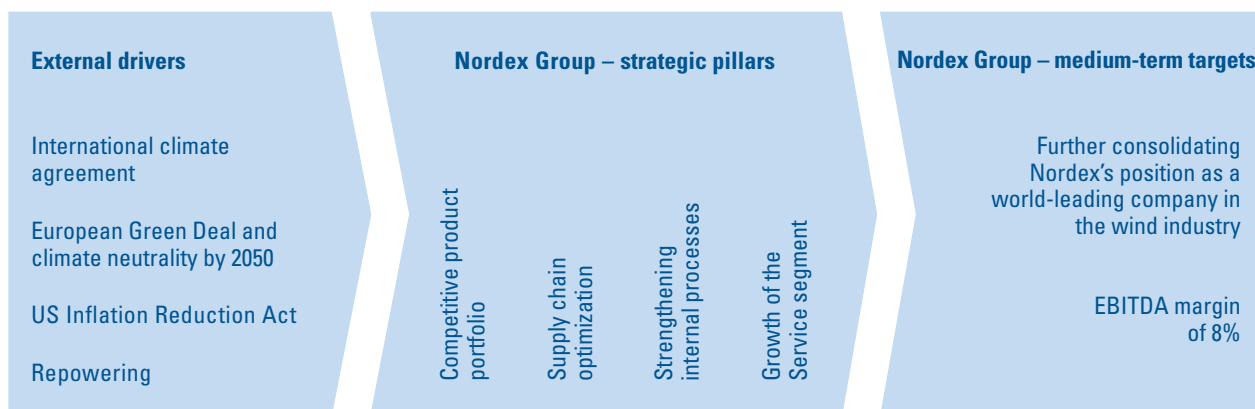
- › **Competitive product portfolio:** The Delta4000 platform is a global platform that now comprises eight types of turbine with advanced features to suit the Nordex Group’s international markets. The Nordex Group is continually developing its product portfolio and still sees significant potential in the Delta4000 platform.

- › **Supply chain optimization:** Together with growing its global business, another key issue for Nordex is to expand and optimize its production footprint and supply chain. Nordex is currently focusing on strengthening its supply chains in terms of pricing and risk reduction. This primarily involves selecting the right suppliers in the right countries and negotiating contracts systematically with regard to risk.

- › **Strengthening internal processes:** The Company further increased its focus on improving internal processes compared to the previous year. Smooth and stable processes are intended to result in higher-quality products and services and more seamless project implementation and service processes. To achieve this, the Company is running several internal projects aimed at improving and reinforcing its processes. The results of these projects should enhance the Company’s profitability in the medium term.

- › **Growth of the Service segment:** The Nordex Group has laid the foundations for future growth in its Service segment in recent years. By bundling its expertise globally and reinforcing its processes, this segment is now well positioned to continue growing profitably over the next few years. The Service business continually pursue a number of strategic and operational projects and initiatives to drive growth and strengthen profitability.

Key drivers for achieving medium-term targets



Consistently focusing on these four strategic cornerstones allows the Nordex Group to exploit market opportunities and record considerable and sustainable growth in sales and, above all, profitability. This also paves the way for reaching our medium-term goals and for a more profitable organization in the long term.

The Nordex Group consistently achieves its economic targets in accordance with the goals set out in its sustainability strategy. Sustained commercial success would be unthinkable without efficient implementation of the Group's sustainability targets. The Nordex Group's corporate responsibility is outlined in the following section, while a detailed presentation of the sustainability strategy is provided in the separate 2023 Sustainability Report.

Strategy control and implementation

The corporate strategy continues to focus on improving profitability. In order to achieve this goal, Nordex confirmed and continued several ongoing initiatives and defined and launched new ones. Some of these initiatives were also completed in the reporting year.

All strategic initiatives are assigned to one of our strategic pillars and are the responsibility of members of the Nordex management team. Senior management is represented at regular progress reviews to ensure that targets are achieved.

All strategic initiatives are aimed at successfully developing the Nordex Group. This means further consolidating the Company's global competitive positioning and thus enhancing its value in the long term. The success of this development is measured using certain financial and non-financial key performance indicators, which in turn are taken into account when offering incentive-based remuneration to management. By doing this, the Company wants to ensure that its strategy is successfully implemented over the long term. Against this backdrop, the Company launched a stock option program in December 2021 to enable managers (below Management Board level) to share in the Company's success and retain them in the long term. This program is designed to run for four years and provides for a four-year period until the options can be exercised.

Financial strategy

The Nordex Group's financial management is primarily focused on securing liquidity and ensuring access to necessary funding. Working capital is the key control parameter in this regard. It is defined as the sum of trade receivables, contract assets from projects and inventories less trade payables and contract liabilities from projects.

The Nordex Group's financial management is taking on particular importance given the Company's growth and the dynamic development of its environment in recent years. Subsidiaries within the group of companies are largely equipped with liquidity based on a concept of in-house banking and funding. This liquidity is controlled centrally from the Group's head office to actively manage counterparty and currency risks. Generally speaking, the Company aims to finance its ongoing investments in property, plant and equipment from its operating cash flow. At the end of 2023, cash and cash equivalents amounted to EUR 925.9 million.

The Nordex Group used the year under review to bolster its financial structure for the long term. At the beginning of the year, the Company drew down the second shareholder loan from Acciona, S.A. in order to repay the high-yield bond from 2018 in the amount of EUR 275 million. Following approval of the Extraordinary General Meeting on 27 March 2023, the Nordex Group subsequently converted the two shareholder loans including accrued interest in the amount of EUR 347 million into equity. In order to take account of what has been a highly uncertain year 2023 (war in Ukraine, rising interest rates, high inflation, etc.) and potential additional costs, and to boost its liquidity and financial flexibility, the Group issued a convertible bond in the amount of EUR 333 million in early April 2023.

Overall, the Nordex Group has secured its further funding with these measures. The continued strengthening of its capital structure, its operating cash flow and its available liquidity ensure that the Nordex Group is in a position to operate in what remains a challenging market environment while safeguarding its efficiency and profitability improvement initiatives.

Internal management system

The Nordex Group manages the entire Group and its operating units based on financial and non-financial key performance indicators. All performance indicators jointly form the basis of reporting to management, the Management Board, the Supervisory Board and the shareholders. They are also used for incentive-based remuneration. At Group level, the most important key performance indicators are as follows:

- › Sales
- › EBITDA
- › Working capital ratio
- › Capital expenditure

Some of these performance indicators are only recorded for the Group as a whole and not for the segments because separate reporting is not appropriate or the comparability of the performance indicator is not relevant. Together, they enable a thorough assessment of the current and future performance of the Group and provide a comprehensive overview of its capital requirements.

The Company also uses specific financial key figures that evaluate its order development, net assets and results of operations. Specific non-financial key performance indicators are used in production (turbine and rotor blade production output), project management (installed capacity) and service (turbine availability). These performance indicators help the Management Board and other senior managers to manage the Company and provide information about its current performance. However, they do not form part of the externally published guidance.

Additional financial and non-financial key performance indicators:

Group	Business
Cost of materials ratio	Production output (turbines)
Consolidated net profit/loss	Production output (rotor blades)
Free cash flow	Installed capacity
Net debt/liquidity	Turbine availability
Equity ratio	Order intake/order book, projects
	Order intake/order book, services

The management of the Nordex Group in terms of ensuring sustained business performance summarized in the following section entitled “Corporate responsibility”. Reference is made there to the Company’s sustainability report for more comprehensive information.

CORPORATE RESPONSIBILITY

As a producer of wind turbines that enable energy to be generated increasingly efficiently under a wide variety of conditions worldwide, the fight for a sustainable transition to renewable energy sources and thus the fight against climate change drives the Nordex Group each day and is the foundation of its business model. The management of the Nordex Group has aligned the management and development of the Company in line with the principles of sustainability and defined relevant targets and actions in its Sustainability Strategy 2025. The Nordex Group reports on its environmental, social and corporate governance (ESG) activities and progress as well as the issue of “sustainable products” in an independent sustainability report, which was prepared in compliance with the core option of the guidelines issued by the Global Reporting Initiative (GRI) and published at the same time as this Annual Report. The separate non-financial Group report integrated in the 2023 Sustainability Report was reviewed as part of a limited assurance engagement conducted by auditing firm PricewaterhouseCoopers (PwC). This “Corporate responsibility” section supplements the Group management report on selected aspects of the Group’s corporate culture, sustainability strategy and employee structure.

The separate non-financial Group report pursuant to Section 315b (3) of the German Commercial Code (HGB), which is not part of the management report, can be downloaded as part of the 2023 sustainability report from Nordex SE's website at ir.nordex-online.com.

Focus topics in sustainability management

The Nordex Group is committed to the ecologically and economically responsible use of resources and respectful treatment of all people employed by Nordex or with whom the Company works as customers, suppliers, service providers or shareholders, as well as with its neighbors and local communities. The Sustainability Management unit set up back in 2015 develops and manages sustainability measures, taking into account our stakeholders' growing information requirements. The unit is also responsible for the strategic development of sustainability topics and communicates regularly with all of the other Company departments. The current Sustainability Strategy 2025 is based on an extensive materiality analysis involving both internal and external stakeholders. This analysis has yielded the following focus topics for the Nordex Group's sustainability management:

- › Sustainable products
- › Environment (climate change and decarbonization; environmental protection)
- › Social matters (fair and attractive employer; occupational health and safety)
- › Governance (responsible sourcing); business ethics, compliance and integrity)

Detailed explanations of the sustainability strategy, target achievement and actions are presented in the Sustainability Report 2023.

Company culture

The Nordex Group's corporate culture is based on the values, principles and standards of conduct set out in the general Nordex guidelines, sector and subject-specific company guidelines and, in particular, the Nordex Group Code of Conduct. This Code is binding for the entire Nordex Group and must be signed by all employees. Respect for human rights, global compliance, measures for tackling corruption and discrimination and promoting diversity are firmly enshrined within the Company.

Employee structure

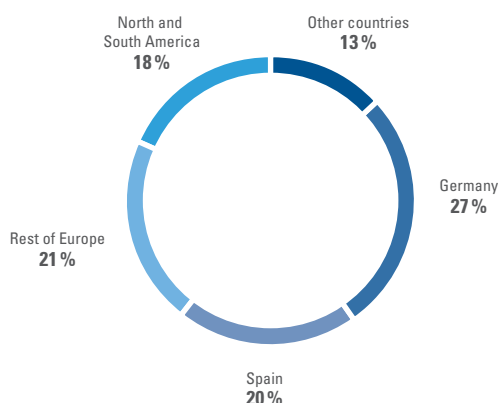
The number of employees increased again in the 2023 reporting year. The average number of permanent employees rose to 9,697 in 2023 from 8,866 in the previous year. Total headcount increased from 9,111 to 10,133 employees as of 31 December 2023. The higher number of employees can be attributed to the increased business volume in 2023.

Employee figures



At the end of the reporting year, a total of 29% of Nordex employees worked in production, sourcing, rotor blades, nacelles and towers (2022: 33%), whereas a combined 39% worked in the service and sales units (2022: 39%). Engineering and project management accounted for a total of 22% of employees in 2023 (2022: 18%). As before, administrative positions accounted for 10% of jobs. This distribution across functions demonstrates the Company’s strong focus on technology and close customer relationships, particularly in the service business.

Distribution of employees by region in 2023 in %



Women accounted for 17% of the total workforce at the end of 2023 (2022: 16%). The regional distribution of the workforce remained virtually unchanged. At the end of 2023, 27% of the Group’s staff were employed in Germany (2022: 26%). The share of employees based in Spain remained steady at 20% and the rest of Europe accounted for 21% (2022: 20%) of the workforce. At the end of the reporting period, 18% of Nordex Group employees were based in North and South America (2022: 18%), The share of employees working in Asia, Africa and Australia fell from 16% to 13%.

Employee structure (selected figures)

	31.12.2022	31.12.2023
Total workforce	9,111	10,133
By gender		
Male	84%	83%
Female	16%	17%
By age		
Under 30 years of age	21%	22%
Between 30 and 50 years of age	68%	67%
Over 50 years of age	11%	11%
By working hour model		
Full-time	97%	97%
Part-time	3%	3%
By type of contract		
Permanent staff	94%	95%
Temporary staff	6%	5%

RESEARCH AND DEVELOPMENT

One of the global wind energy industry’s strengths is a capacity for innovation that drives steady technological progress. Around the world, wind energy now successfully competes with other energy technologies, largely without government support. This means that wind energy must not only offer environmental benefits but must also be profitable, placing significant demands on engineers and technology alike. Efficient wind turbines that enable cost-effective power production for their entire operational lifecycle are therefore key for the Nordex Group’s capability to maintain its competitive strength. This is why the systematic and comprehensive reduction of the cost of energy of wind turbines for all wind classes and target markets plays a key role in product development. Development activities also play an important part in continuously monitoring and ensuring the market viability of the products in terms of their eligibility for operating permits and grid connections in the Group’s target markets. The Nordex Group has developed a technology concept based on series production, the centerpiece of which is the successfully established Delta4000 series. This turbine platform, which can be used anywhere in the world and can be flexibly

adjusted depending on requirements, enables power generation in the 4 MW, 5 MW and 6 MW+ classes. In individual cases, Nordex also develops project-specific solutions and adjustments. The Group's R&D activities also include innovations in the production, logistics and service processes, and in the erection of wind power systems. The Group's development work also focuses on extending the useful life of its turbines, which has now reached up to 35 years for certain projects. The Company is also involved in projects concerning the grid integration of renewable energies.

ORGANIZATION AND KEY R&D INDICATORS

At year-end, the Nordex Group had 713 employees in the Engineering segment (2022: 628 employees). The main research and development activities are located in Rostock and Hamburg (Germany), in Pamplona and Madrid (Spain) as well as Chennai (India). The increase in the number of employees was focused primarily on sites in Germany and Spain.

The development expenses recognized in the balance sheet amounted to EUR 169.8 million as at 31 December 2023 (31 December 2022: EUR 161.5 million). In financial year 2023, development expenses of EUR 46.4 million were newly capitalized (2022: EUR 32.1 million). The additions mainly included further and new development of the Delta wind turbine generation as well as the electrolyzer project development. They include borrowing costs of EUR 2.9 million (2022: EUR 2.2 million) at a funding rate of 7.3% (2022: 7.69%). Other development expenses incurred during the reporting year amounting to EUR 36.6 million (2022: EUR 26.8 million)

do not meet the criteria for capitalization and were therefore expensed. The capitalization ratio for the year under review amounts to 55.9% (2022: 56.13%). Amortization of capitalized development expenses amounted to EUR 38.1 million in the 2023 financial year (2022: EUR 33.6 million).

PRODUCT DEVELOPMENT

The Group's development activities in financial year 2023 continued to focus on enhancing the Delta4000 series. This also includes the N175/6.X turbine, which due to its 175-meter rotor has a particularly high electricity yield at low and moderate wind speeds, allowing Nordex to capture extra value when marketing the electricity. Another advantage is the turbine's low technical risk, as the N175/6.X variant is based on the proven Delta4000 platform, which has already been installed and is in operation thousands of times in the field. Like all Delta4000 turbines, the N175/6.X also uses the latest generation of SCADA, Nordex OST™ SCADA EDGE, which enables remote monitoring and management.

The Group's new and further development activities generally involve developing and testing new materials in blade production and developing new tower variants. The Nordex Group also continually strives to implement measures aimed at reducing the cost of energy, extending the useful life and improving the service models of its existing turbine types.

The year 2023 also saw the successful construction and testing of two prototypes of Nordex's own hybrid tower technology in Finland, which enables Nordex to implement hub heights of up to 179 meters going forward.

REPORT ON ECONOMIC POSITION

- › **Financial year 2023 sees environment stabilizing**
- › **Continued political and regulatory support**
- › **Nordex capital structure strengthened**

MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

Macroeconomic environment in 2023: Economy severely impacted by crises and high interest rates

According to the International Monetary Fund (IMF), the global economy only recovered modestly and unevenly from the pandemic in 2023. Global economic development has been adversely affected by long-term effects such as geopolitical crises (war in Ukraine, the Israel-Gaza conflict) and the world's continuing economic and political fragmentation, with more cyclical effects such as tighter monetary policy, the end of stimulating fiscal packages introduced to help tackle the pandemic, higher levels of debt and various extreme weather events also playing a role. Much of the momentum within the world economy has been driven by strong domestic demand in the USA. Elsewhere, however, persistently high inflation levels until late fall restricted private consumption in regions such as the eurozone and the United Kingdom. Construction investments also came under considerable pressure as a result of high interest rates and building costs, while weak industrial production led to a marked slowdown in the European economy in particular.

According to IMF estimates, the global economy expanded by just 3.0% in this environment in 2023 (2022: +3.5%), almost exactly in line with the forecast issued at the start of the year (IMF in January: +2.9%). Emerging and developing countries only grew by a further 4.0% overall in 2023 (2022: +4.1%). The pace of growth was also sluggish in industrialized nations, with gross domestic product (GDP) in these countries rising by just 1.5% in 2023 compared to 2.6% in the previous year. Germany was the only major economy to shrink during the year under review. Irrespective of this economic weakness, demand for investments in expanding the wind energy sector was brisk in most of the Nordex Group's core markets.

In 2023, in a bid to contain the ongoing surge in prices, the US Federal Reserve (Fed) initially persisted with the extremely restrictive policy it had introduced in the previous year, raising key interest rates by a combined 100 basis points (bp) in four stages to 5.25–5.50% by the end of July. The European Central Bank (ECB) went even further, lifting its key rate six times by a total of 200bp to 4.50% due to more persistent inflation in the eurozone until mid-September. Compared to the 2023 year-end exchange rate of USD 1.1063, the external value of the euro increased slightly by 3.8% against the US dollar.

After a brief and modest recovery at the start of the year amid rising prices, commodities continued the downward trend they began in the middle of the previous year from summer 2023 onwards, in parallel with the global economic cooldown outlined above. There were no supply bottlenecks despite the fears expressed in this regard. Steel, copper and aluminum are among the most important raw materials for constructing wind turbines. The prices of these commodities fell slightly overall in line with the wider market trend. Nordex secures the prices of necessary commodities immediately after signing a contract, most notably via what are known as back-to-back agreements for steel towers. Despite this, rapid short-term increases or major fluctuations in commodity prices can have an impact on earnings margins. These effects were largely insignificant during the 2023 reporting year.

The prices of fossil fuels and the electricity prices specific to each country may, in general, have an impact on investment decisions regarding new wind farms or on the shape that any national framework conditions might take. Electricity prices in the Nordex Group's purchasing markets and natural gas and oil prices followed a similar trend to non-oil commodity prices in 2023, with this trend normalizing from the highs reached shortly after the outbreak of war in Ukraine and the virtual cessation of supplies from Russia to Western Europe. According to the IMF, the average annual price per barrel (UK Brent, Dubai Fateh, WTI) fell by an anticipated 16.5% to USD 80.49 in 2023 (2022: EUR 96.36). While wholesale prices for base load electricity in Germany fell from their previous highs, they remained high and continued to adversely impact energy-intensive industrial sectors, with the Epex Spot Germany index recording an annual average price of EUR 95.18/MWh (2022: EUR 235.45/MWh).

Political, legal and regulatory environment supports expansion of wind energy sector

The Nordex Group's business is largely determined by the regulatory environment, which can vary from region to region and country to country based on differing climate protection targets, specific national regulations and expansion plans for wind power. A wide range of drivers, including subsidies, tax breaks, legal specifications for the use of renewable energy production and the reduction of harmful emissions caused by the use of fossil fuels, can have an impact on the use of wind energy. On a global level, UN climate targets provide the framework for efforts to reduce greenhouse gas emissions and thus limit global warming. The energy sector is currently responsible for 40% of greenhouse gases worldwide, making it the largest emitter. As a result, the global expansion of renewable energy systems is vital for reducing these emissions and achieving UN climate targets.

Russia's war of aggression in Ukraine marks a milestone not just in world history but also in the transition to renewable energy sources, as it has demonstrated the importance of clean and independent energy supplies. Political initiatives and ambitions to expand the use of green energy have gathered pace against this backdrop, with the EU Commission unveiling its RePowerEU/Wind Power Action Plan for the EU and the Inflation Reduction Act (IRA) in the USA. Generally speaking, the initiatives derived from these programs will help to create the conditions for further expanding the onshore wind energy sector – and the Nordex Group can benefit from this.

Meanwhile, auction processes and the awarding of feed-in tariffs by governments have become well established in most markets, with auctions differing significantly from one country to the next. Generally speaking, project developers can apply for an award with their wind farm projects and the lowest feasible electricity supply price. The question in the EU, however, is whether or not additional criteria for an award, such as the wind turbine manufacturer's country of origin, could be decisive in providing better protection against non-European manufacturers.

The overall market in Europe needs to continue growing markedly if it is to reach the stated goal of 480 GW by 2030, which would require installations well in excess of 30 GW per year. Last year this figure was around 16 GW, roughly half of the necessary volume. Volume trends vary considerably across different markets.

In Germany, initiatives designed to promote the expansion of renewable energy are beginning to take effect, even if the number of installations still needs to double to 115 GW from its most recent level of almost 60 GW at the end of September 2023. In May 2023, the Federal Ministry for Economic Affairs and Climate Action also unveiled its new strategy which, in addition to numerous initiatives for accelerating the expansion of onshore wind energy, aims to increase this capacity to 160 GW by 2035. At the start of the year, the price of [the maximum permitted tender] increased to 7.35 ct/kWh and will remain at this level in 2024 to provide certainty when planning investments and take account of the current price environment. Installed volumes are expected to reach around 4.3 GW by the end of the year, significantly exceeding the previous year's figure of 2.4 GW. A total of 6.5 GW was awarded across four auctions during the year under review: well below the originally planned figure of 12.8 GW but significantly higher than the previous year's volume of 4.5 GW. Instead of being lost, the unused volume will instead be incorporated into future auctions. The speed at which building permits are granted for wind farms has also increased considerably. Projects totaling 1,381 GW were approved during the year under review, significantly more than in the previous year (2022: 810 GW). The Onshore Wind Energy Act should also be viewed as a positive development, as it aims to accelerate the land-use planning process. One particular disadvantage in Germany is the slowness in awarding heavy haulage on the roads, a very complicated process that repeatedly causes project delays. In addition, the significant weight of turbine parts and occasionally poor road and bridge infrastructure means longer routes have to be taken into account.

Overall, however, EU member states are expected to implement the EU Commission's regulations and, in doing so, increase project volumes and provide the European market with additional momentum.

Industry-specific environment: Wind turbine installations reach record global levels amid varying regional trends – sharp rise in core German onshore market

The global market remains on course for significant long-term growth. The expansion of wind energy has a major role to play in a growing number of countries, with progress being made not only in long-established wind energy investment regions such as Europe but across every continent (except Antarctica). According to market forecasts, Africa and the Middle East are increasingly likely to join Asia's emerging markets by making significant investments in wind power. The onshore segment, which accounted for 87.9% of all new installations worldwide in 2023, will continue to dominate the market.

According to the latest projections by market research institute WoodMackenzie (November 2023), the wind industry set a new record in 2023, with global new wind turbine installations predicted to have risen by 19.4% to 101.6 GW (including repowering). However, these figures are distorted by a substantial market recovery in China as well as global offshore projects. The global market volumes relevant to the Nordex Group, onshore excluding China, contracted by 11.1% to 37.4 GW overall in 2023 based on new installations and amid significant variations in regional trends (2022: –2.1%). This was primarily due to the USA, where high interest rates, political uncertainty and a continuing lack of clarity on tax issues led to delays to new onshore installations and repowering projects. In addition, several companies first need to rebuild their pipelines for onshore wind projects.

According to WoodMackenzie, the volume of new installations in the European onshore market fell by 6.0% to 16.0 GW overall in 2023 (including repowering). This setback was particularly apparent in Northern Europe, most notably in Sweden (–20.6%) and Finland (–35.7%). By contrast, activity in Western and Southern Europe increased overall, with the exception of Turkey (–38.7%). Installations also rose in the United Kingdom (+89.4%), Italy (+16.4%) and Germany in particular. The acceleration of approval processes is beginning to take effect. Market researchers from WoodMackenzie assume that a nominal output of just under 4.3 GW was installed in Germany in 2023, including the effects of repowering onshore turbines. This corresponds to year-on-year volume growth of 57.4%. This dynamic performance significantly exceeded the 2.7–3.2 GW originally anticipated by the German Wind Energy Association (BWE), Deutsche WindGuard and the German Mechanical Engineering Industry Association (VDMA) for 2023, which was revised to the upper end of this range at the end of the first half of the year.

According to WoodMackenzie's projections, installation volumes in Latin America rose by 29.8% to 5.7 GW in 2023, with the region's dominant market of Brazil recording growth of 23.5% to almost 4.1 GW. Meanwhile new installations in Mexico declined by 8.7%. While wind turbine installations in Australia remained comparatively insignificant, installations in India surged to 3.3 GW (+78.7%).

Overall, the global wind turbine network grew by 10.8% to a nominal output of around 1.0 TW in 2023. In Nordex's target markets (onshore excluding China), the total nominal output of the accumulated number of wind turbines rose by 7.0% to just under 549 GW, climbing by 6.7% to 237.8 GW in the core market of Europe. According to WoodMackenzie, 63.7 GW of this total was attributable to Germany (+6.5%).

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

In 2023, the market environment for wind turbine manufacturers such as the Nordex Group was still affected by Russia's war of aggression in Ukraine, persistent high inflation and rising interest rates. On the other hand, the sector benefited from new political efforts and statutory provisions to tackle climate change that made it the focus of public attention. This has fundamentally improved the longer-term outlook for the industry, as onshore wind energy is and will remain an integral part of the global transition to renewable energy sources. Competition remains intense and the wind energy industry is on the right track towards strong, steady and sustainably profitable growth, even if this has not yet been achieved. Although the first positive effects of more ambitious efforts to realize projects were noticeable in 2023, it will still take some time for the implementation of these political targets and funding concepts to reach their full effect. With this in mind, the Nordex Group took steps in 2023 to strengthen its product portfolio, enhance the Company's financial flexibility and further improve its financial structure.

Specifically, the following events were particularly significant for the Nordex Group and its communications with the capital markets during the 2023 reporting year:

N163/6.X TURBINE ENTERS SERIES PRODUCTION IN ROSTOCK

In February 2023, the Nordex Group began series production of nacelles in Rostock for turbines in the 6 MW class. Seven months after construction of the first prototypes of the Group's most powerful turbines currently available, N163/6.X turbines are now rolling off the production line at the assembly plant in Rostock. This site is the linchpin of the Group's nacelle production network, manufacturing around 50% of all of its nacelles worldwide.

DEBT-TO-EQUITY SWAP

At the Extraordinary General Meeting on 27 March 2023, shareholders of Nordex SE agreed by a large majority to convert into equity all outstanding receivables from two shareholder loans granted by anchor shareholder Acciona S.A. on 4 August 2020 and 29 June 2022 respectively. This increased the Company's share capital by around EUR 24.5 million (13.81% of share capital) to EUR 236,450,364 in return for non-cash contributions by issuing new no-par-value bearer shares while disapplying shareholders' pre-emption rights. By carrying out this capital measure, Nordex SE converted debt equivalent to the nominal value of the loan receivables of EUR 346.7 million into equity. This important step significantly improved the Company's financial capacity while at the same time strengthening its capital structure.

GREEN CONVERTIBLE BOND

In April, Nordex SE successfully issued a new unsubordinated and unsecured green convertible bond due on 14 April 2030 with a total nominal value of EUR 333 million. The convertible bond can be converted into new and/or existing no-par-value bearer shares in Nordex. This corporate action also enabled Nordex to strengthen its capital structure and further optimize its financing costs.

FIRST TURBINES ERECTED USING INTERNALLY DEVELOPED HYBRID TOWERS

In December, the Nordex Group erected the first N163/5.X turbines on internally developed hybrid towers in Finland. Manufactured locally from concrete and steel, these towers have a hub height of 168 meters, are tall enough to generate higher power levels, and are the highest towers ever erected by Nordex. Their development is based on the Group's many years of experience in developing and producing concrete towers.

OVERVIEW OF THE FINANCIAL YEAR

TURBINE PRODUCTION UP DESPITE CHALLENGES

In the 2023 reporting period, the Nordex Group again increased its turbine production year-on-year (in MW). Accounting for a share of 43% in total production, Germany was once again the most important location, followed, as in previous years, by India and Spain, although the share of Indian production sites declined slightly compared to the previous year.

The Nordex Group produced a total of 1,520 turbines (2022: 1,502 turbines) during the year under review. The nominal output of assembled turbines rose by 7.0% to 7,985 MW (2022: 7,463 MW), largely due to the wind turbines' higher average performance.

The production of rotor blades in Nordex's own plants decreased slightly in 2023 to a total of 1,159 rotor blades (2022: 1,243 blades) as a result of adjustments made to production in Germany. The Company sourced 3,476 rotor blades (2022: 3,531 blades) from external suppliers who produce the blades according to Nordex design and specifications.

	Turbines (MW)		Rotor blades (units)	
	2022	2023	2022	2023
Germany	3,155.7	3,400.6	216	0
Spain	1,203.5	1,352.3	199	372
Brazil	1,104.1	621.6	–	–
India	1,869.0	1,608.0	819	787
Mexico	–	0	9	0
China	131.1	1,002.9	–	–
Total	7,463.4	7,985.4	1,243	1,159

INSTALLATIONS UP SIGNIFICANTLY YEAR-ON-YEAR

In 2023, the Nordex Group installed a total of 1,429 wind turbines in 24 countries (2022: 1,129 turbines in 19 countries). The installed nominal output came to 7,253 MW. While this represents a year-on-year increase of 38.9%, this figure was also impacted by the repercussions of the cybersecurity incident (2022: 5,221 MW). On a MW basis, 63% of turbines were attributable to Europe (2022: 74%), 24% to Latin America (2022: 15%) and 7% to Australia (Rest of the World reporting region, 2022: 1%). North America accounts for 6% of installations (2022: 10%).

The most important individual market was Brazil with 1,185 MW of installed capacity (2022: 415 MW), followed by Germany with 922 GW (2022: 878 GW), Finland with 749 MW (2022: 604 MW), Australia with 479 MW (2022: 34 MW) and Poland with 487 MW (2022: 135 MW). Other key markets in Europe included Turkey, France and Spain. Outside Europe and apart from the USA, Peru and Chile also played a significant role.

In terms of the number of turbines installed, Brazil represented the single most important market in the world for the Nordex Group with 208 turbines (2022: 83 turbines), followed by Germany with 175 turbines (2022: 188 turbines), Poland with 134 turbines (2022: 38 turbines), Finland with 120 turbines (2022: 109 turbines) and France with 109 turbines (2022: 112 turbines).

Country	Installed capacity (MW)	
	2022	2023
Brazil	414.7	1,185.2
Germany	878.1	922.4
Finland	604.4	749.4
Poland	135.0	487.5
Australia	34.2	478.8
USA	549.3	424.2
Turkey	179.5	403.7
France	368.0	352.0
Spain	600.0	309.8
Peru	0.0	308.1
Chile	279.9	279.5
Croatia	0.0	184.8
Ireland	113.4	172.8
Netherlands	235.3	160.1
Italy	79.2	159.3
Belgium	114.9	153.3
United Kingdom	326.4	115.2
Sweden	148.5	106.2
Serbia	0.0	105.6
Greece	0.0	73.5
Ukraine	0.0	54.6
Canada	0.0	34.2
Austria	5.7	28.5
Lithuania	58.5	4.5
Mexico	96.0	0.0
Total	5,221.1	7,253.2

HIGHER ORDER INTAKE AND ORDER BOOK IN 2023

The Nordex Group increased its order intake in the Projects segment (turbine business) significantly in 2023. The majority of demand was for turbines in the 5 and 6 MW classes and especially for towers of the N163 series. From a regional perspective, demand came particularly from the European markets, whose share of the overall mix rose year-on-year as a result.

In the Projects segment, the Nordex Group received orders from 23 countries totaling EUR 6.2 billion. In the previous year, order intake amounted to EUR 5.3 billion with orders from 20 countries. At 1,270 turbines, the number of turbines ordered was slightly up on the previous year's figure of 1,235 wind turbines. Regionally speaking, Europe accounted for 88% of the order volume (in EUR) in 2023 (2022: 75%), followed by Latin America with 7% (2022: 19%), North America with 3% (2022: 6%) and the Rest of the World region with 2% (2022: 0%). The most important individual markets in Europe were Germany, Turkey, Spain and Sweden. Brazil, Chile, Canada and South Africa were also significant markets.

In terms of nominal output, the Nordex Group increased its order intake by 16% to around 7.4 GW in 2023, up from 6.3 GW in the previous year. This figure clearly reflects the high number of smaller projects with higher nominal outputs, especially in Germany. The average turbine price per megawatt of output (average selling price, ASP) in the year under review remained flat at EUR 0.84 million/MW (2022: EUR 0.84 million/MW).

The book-to-bill ratio in the Projects segment (i.e. the ratio of order intake to sales excluding the Service business) at 1.07 in 2023 was above both 1.0 and the previous year's figure of 1.04.

The Nordex Group expanded its book of confirmed orders in the Projects segment to EUR 6,911.2 million at the end of 2023, representing an increase of 5.8% (2022: EUR 6,535.0 million). Geographically speaking, the order book was distributed as follows: The vast majority was once again attributable to European markets with 84% (2022: 71%), followed by Latin America with 10% (2022: 22%), North America with another 4% (2022: 4%) and the Rest of the World region with 2% (2022: 3%).

Order intake and order book in the Projects segment

Region / EUR million	Order intake		Order book ¹	
	2022	2023	2022	2023
Europe	4,007.1	5,491.6	4,658.3	5,795.7
North America	325.6	205.5	280.6	252.1
Latin America	1,010.8	408.9	1,443.5	702.0
Rest of world	0.0	105.3	152.5	161.4
Total	5,343.5	6,211.3	6,535.0	6,911.2

¹ As at 31.12.

In the Service segment, the Nordex Group increased its order intake considerably by 36.4% from EUR 677 million to EUR 924 million. This order intake includes both service contracts for new turbines and extensions for expired contracts. The segment's order book grew by a further 11.4% to EUR 3.6 billion during the year under review (2022: EUR 3.3 billion). Newly delivered turbines are included in the order book with a delay of about one year after the wind farm has been commissioned.

At the end of 2023, the Nordex Group's Service segment had 11,400 wind turbines with a nominal output of 35.0 GW under service worldwide (31 December 2022: 10,599 turbines with output of 31.2 GW). The average system availability of the turbines serviced by the Nordex Group across all platforms and markets remained stable at 97.0% in 2023 (2022: 97.0%).

SEGMENT PERFORMANCE

The Nordex Group has reported on the Projects and Service segments since 2018. The Projects segment comprises the new wind turbine business as well as wind farm development in the Nordex Development business. The Service segment includes all activities associated with turbine support after commissioning. Sales, income and expenses that cannot be clearly allocated to these two segments are reported separately as "Not allocated."

In the 2023 reporting year, the Projects segment generated sales of EUR 5,828 million (2022: EUR 5,122 million) and the Service segment EUR 679 million (2022: EUR 574 million). Prior unallocated sales and consolidation, the Projects segment contributed 89.5% and the Service segment 10.5% to Group sales.

Segment performance key data

EUR million	Projects		Service		Group	
	2022	2023	2022	2023	2022	2023
Order intake	5,343.5	6,211.3	677.2	923.9	6,020.7	7,135.2
Order book	6,535.0	6,911.2	3,255.5	3,626.2	9,790.5	10,537.4
Sales	5,122.0	5,827.7	574.1	678.9	5,693.6	6,489.1
EBIT	-230.6	9.6	96.0	101.2	-426.7	-186.5

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE

The Nordex Group published its forecast for the 2023 reporting year on 31 March 2023 with four financial targets. Firstly, the Management Board anticipated consolidated sales of EUR 5.6 to 6.1 billion with a higher proportion of sales in the second half of the year than in the first six months. Among other factors, this expectation of a further increase in sales was based on additional order book growth. The second element of the forecast was the EBITDA operating margin, with the Company expecting a range of –2.0% to 3.0%. Due to an increase in costs, the Company anticipated a negative margin in the first quarter that would then steadily improve over the rest of the year, turning positive again from the third quarter onwards. This margin forecast was based on the assumption that generally stable or slightly increasing prices, together with adjusted customer contracts, would underpin the rise in margins. The Company also continued with its program to improve results by boosting productivity, improving service margins in the long term, optimizing project management and enhancing the supply chain. The third element of the forecast was a working capital ratio as a percentage of consolidated sales of below –9% at the end of the year. Order intake and activity levels play a major role in determining this key figure. Fourthly, the Company planned capital expenditures totaling around EUR 200 million for its expansion and further development. Overall, the Company's business performance and underlying assumptions were subject to considerable uncertainty (geopolitical crises, high interest rates, weak economic environment). This was taken into account by providing broader forecast corridors.

As expected, the Nordex Group began the 2023 financial year under significant cost pressure and with a negative earnings margin, solid order intake and higher installation figures and sales compared to the previous year. The business continued to perform in line with expectations in the second quarter, with the operating margin in particular showing improvement for the Company to break even during the second quarter, while installed capacity and sales also grew. In addition, the Company further strengthened its capital and financial structure in the first half of the year by repaying a high-yield bond worth EUR 275 million, converting both loans from its anchor shareholder into equity, and successfully issuing a new EUR 333 million convertible bond.

Business performance remained in line with the Nordex Group's expectations in the second half of the year. Installations rose significantly, enabling the Company to process part of its backlog. At the same time, cost pressure and inflation eased noticeably over the course of the year, which helped to stabilize both interest rates and supply chains. This resulted in a sharp year-on-year rise in consolidated sales, which also exceeded volumes in the first half of the year. The EBITDA margin reached 2.8% in the third quarter to sit in positive territory as predicted, before rising to 3.4% in the fourth quarter. Order intake for projects in the second half of 2023 also increased sharply.

The Nordex Group's key financial data for 2023 as a whole is fully in line with the 31 March 2023 forecast. Consolidated sales rose to EUR 6.5 billion, driven by a high level of installation and production activity as well as further growth in the Service segment. As a result, sales were around 5% above the upper end of the expected corridor. At break-even, the EBITDA margin was roughly in the middle of the original range, which meant it was in line with Nordex's expectations. The Group invested approximately EUR 131.0 million during the year under review, significantly less than the roughly EUR 200 million originally planned. This was primarily due to project-related delays extending beyond the reporting date. The working capital ratio as a percentage of consolidated sales was –11.5% at the end of 2023, considerably better than the original target of below –9.0%.

Overview of forecast and actual business performance in 2023

Key figure	Guidance March 2023	2023 actual
Sales in EUR billion	5.6–61	6.5
EBITDA margin in %	–2 to 3	0.0
Working capital ratio in %	below –9	–11.5
Capital expenditure in EUR million	approx. 200	131.0

MANAGEMENT ASSESSMENT OF THE COMPANY'S ECONOMIC PERFORMANCE

The 2023 reporting year was a year of transition for the Nordex Group that once again proved very challenging at both national and international level. Despite this environment, the Company not only recorded high order intake and rising market shares but also steadily increased its earnings margin after an expected weak first quarter. The Nordex Group began 2023 with a significant installation backlog (resulting from the cyber security incident in 2022) combined with higher costs. During the year under review, the Company was able to catch up with some of these installations, while the external cost situation also improved. The latter largely affected costs for raw materials and shipping as well as the overall drop in inflation in Europe. While conditions improved in this respect compared to the previous year, other challenging conditions persisted and new issues emerged. Although supply chain stability increased overall, it was once again disrupted by the earthquake in Turkey and damage to a number of port facilities, resulting in longer waiting times to load and unload ships and corresponding delays. Although the Nordex Group's activity levels in Germany increased markedly, the completion of projects was hampered by long waits for permits to use heavy haulage to transport components on the roads, with high volumes making this bottleneck particularly apparent. Despite these setbacks, the Nordex Group continued to pursue its cost reduction program from the previous year and negotiate contracts with customers to eliminate risks and keep them at an acceptable level.

The Nordex Group also used 2023 to significantly strengthen its financial and capital structure. At the start of the year, the Company repaid a high-yield bond from 2018 worth EUR 275 million by utilizing a second shareholder loan. On 27 March 2023, the Extraordinary General Meeting then approved the conversion of both shareholder loans (from 2022 and 2020) into equity. These loans were converted in May, since when our main shareholder has held a 47.1% stake in the Company. These transactions will help to reduce the Nordex Group's interest burden. In light of the uncertain market environment (high inflation, rising interest rates, subdued demand, geopolitical risks), the Company also decided to issue a convertible bond. The Nordex Group improved its liquidity accordingly by completing this transaction worth EUR 333 million in April.

The eight different models in the Delta4000 platform are at the heart of the Nordex Group's turbine portfolio, and now make up more than 90% of order intake. Delta4000 has proven to be an extremely high-performance and competitive platform that has established itself in the Company's various markets. At present, the Company is not planning to add any other new types of turbine to the existing portfolio in order to avoid any unnecessary technical risks. The Nordex Group increased its order intake by 16% to around 7.4 GW during the year under review. Installations grew significantly from a low level of 5.2 GW in 2022 to almost 7.3 GW in 2023 as a result of high planned activity levels and catching up on installations. As a result, consolidated sales also rose to just under EUR 6.5 billion, a little above the upper end of the forecast range of EUR 6.1 billion. The operating margin improved from -4.3% in 2022 to break-even during the year under review (EBITDA: EUR 2.0 million). This performance is due to a greater number of higher-margin projects, a more favorable cost environment, a largely improved supply chain and adjusted contracts.

The Nordex Group benefits from its broad positioning in a number of growth and volume markets and is thus almost independent from developments in individual markets. Europe is particularly noteworthy as the most important market, followed by North America and selected markets in Latin America where the Company is often a market leader. The Company also has a large customer base, strong and long-standing customer relationships and a competitive product portfolio with a production capacity that is now over 7 GW. As part of the transition to renewable energy sources to tackle climate change and as a result of the war in Ukraine, the Company receives significant support from the political environment to promote independent and clean energy production. All in all, this is creating promising opportunities for Nordex in its various markets, even if not all initiatives have yet been substantiated and implemented by politicians and authorities.

In light of the Company's business performance during the year under review and the challenging market environment, the Management Board of Nordex SE fundamentally considers the 2023 financial year to have been a positive one, with a marked improvement in the situation at the end of the year compared to the Company's position at the start of the year. The Management Board also notes that the Company is well prepared to tackle future tasks and challenges.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

RESULTS OF OPERATIONS

Sales

Thanks to a rise in installations, sales of the Nordex Group increased by 14.0% to EUR 6,489 million in financial year 2023 (2022: EUR 5,694 million). This puts sales slightly above the upper end of the forecast range. The market with the strongest sales was Germany, which posted sales of EUR 1,096 million (2022: EUR 707 million) and thus slightly exceeded Brazil with EUR 914 million (2022: EUR 712 million). This was followed by Finland with EUR 704 million (2022: EUR 532 million) and Poland with EUR 524 million (2022: EUR 130.2 million).

Earnings

The Nordex Group's gross revenue rose by 9.3% to EUR 6,551 million during the year under review (2022: EUR 5,991 million). This figure includes an inventory increase of EUR 61.8 million, whereas the previous year featured an inventory increase totaling EUR 298 million. The cost of materials came to EUR 5,566 million in 2023 (2022: EUR 5,505 million). As this increase was lower than that in gross revenue, the cost of materials ratio fell to 85.0% (2022: 91.9%) This sharp decline reflects higher sales prices on the one hand and a small decrease in the cost of raw materials and logistics services within the cost of materials from the previous year's high level on the other. As a result, gross profit (gross revenue less cost of materials) improved considerably by 102.6% to EUR 985 million (2022: EUR 486 million). Structural costs (staff costs and net other operating income/expenses) increased by 40.2% to EUR 983 million (2022: EUR 701 million). This rise is mainly attributable to higher other operating expenses. This is also reflected in net other operating income/expenses, which amounted to EUR -353 million (2022: EUR -143 million). The Nordex Group increased its headcount in view of its full order book and the higher number of wind turbines under service agreements. As a result, staff costs increased by 7.2% to EUR 630 million. It should be noted that the previous year's figure (2022: EUR 588 million) included restructuring expenses of EUR 29.2 million. The increase in provisions in the financial year are primarily related to statutory warranties resulting from higher operational volumes (i.e. increased installed fleet). Furthermore, an amount of EUR 109 million is attributable to expected additional costs associated with quality improvement programs for old technology generation. Based on a substantially revised and enlarged quality management Nordex has not experiencing comparable issues with new technology generations.

Structural costs

EUR million	2022	2023
Staff costs	587.7	629.8
Other operating expenses less other operating income	142.6	353.1
Total	730.3	982.8

Other operating income decreased to EUR 273 million in the year under review (2022: EUR 418 million). Income from currency translation at EUR 149.3 million (2022: EUR 90.2 million) and income from forward exchange transactions at EUR 87.5 million (2022: EUR 152.2 million) had a positive impact.

Other operating expenses amounted to EUR 626 million (2022: EUR 558 million). Expenses for currency translation losses, the largest single item, came to EUR 156.8 million (2022: EUR 57.9 million). This is followed by forward exchange transactions at EUR 90.1 million (2022: EUR 180.8 million) and travel expenses at EUR 69.4 million (2022: EUR 50.6 million). Overall, the net loss from forward exchange transactions and currency translation effects amounts to EUR -10.2 million (2022: net gain of EUR 3.8 million).

Despite the challenging environment, the key operating parameter EBITDA reached break-even during the 2023 financial year. EBITDA (earnings before interest, taxes, depreciation and amortization) improved to EUR 2.0 million overall, up significantly year-on-year (2022: EUR -244.3 million). The EBITDA margin of 0.0% (2022: -4.3%) remained within the expected range of -2.0% to 3.0%.

Depreciation and amortization rose slightly by 3.3% to EUR 188 million during the past financial year (2022: EUR 182 million). Of this total, EUR 5.0 million (2022: EUR 4.9 million) can be traced back to the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower in 2016.

This resulted in earnings before interest and taxes (EBIT) of EUR -186 million (2022: EUR -427 million) in financial year 2023, which corresponds to an EBIT margin of -2.9% (2022: -7.5%). Adjusted for PPA-related depreciation and amortization, the EBIT margin came to -2.8% (2022: -7.4%).

The financial result totaled EUR –124 million in the year under review (2022: –96 million), with interest expenses for the two shareholder loans in the first half of the year and interest expenses for the convertible bond being the main drivers. Interest expenses (interest and similar expenses) increased by 32.9% to EUR 135 million (2022: EUR 102 million).

Net profit/loss from ordinary activities (EBT) reached EUR –311 million in the 2023 financial year after EUR –522 million in the previous year. Tax expenses again amounted to a positive figure at EUR 7.8 million (2022: EUR 24.6 million) resulting from changes in temporary balance sheet differences and unused loss and interest carryforwards. This resulted in a reduced consolidated loss of EUR –303 million for the 2023 financial year (2022: consolidated loss of EUR –498 million). At EUR –1.33, earnings per share thus improved from the previous year's figure of EUR –2.71.

FINANCIAL POSITION AND NET ASSETS

Capital structure

The Nordex Group's total assets rose by 14.0% to EUR 5,422 million as at 31 December 2023 (31 December 2022: EUR 4,757 million). On the assets side, this is primarily due to the 46.2% increase in cash to EUR 926 million (2022: EUR 634 million). Inventories also increased by 14.7% to EUR 1,266 million (2022: EUR 1,103 million) to process the strong order book. On the liabilities side, capital reserves rose to EUR 1,382 million (2022: EUR 1,282 million) as a result of converting the shareholder loan into equity. Liabilities from projects also increased by 25.3% to EUR 1,320 million (2022: EUR 1,053 million), while other financial liabilities declined to a similar extent, falling by EUR 266 million to EUR 88.8 million (2022: EUR 354.8 million). The increase in provisions in the financial year are primarily related to statutory warranties resulting from higher operational volumes (i.e. increased installed fleet). Furthermore, an amount of EUR 109 million thousand is attributable to expected additional costs associated with quality improvement programs for old technology generation. Based on a substantially revised and enlarged quality management Nordex has not experiencing comparable issues with new technology generations.

As of 31 December 2023, the Group had a positive net liquidity position – cash and cash equivalents less interest-bearing liabilities (liabilities to banks plus bond, shareholder loan and employee bond) – of EUR 631 million. This development is primarily due to the issuance of the convertible bond. Net liquidity was also reported at the end of the previous year, amounting to EUR 244.3 million. Further disclosures on trade payables, liabilities to banks and other financial liabilities can be found in the notes to the consolidated financial statements.

The Nordex Group's equity totaled EUR 978 million as at 31 December 2023 (31 December 2022: EUR 878 million). As a result, the positive effects of converting the shareholder loans into equity, which amounted to EUR 347 million, more than offset the consolidated net loss. The equity ratio calculated at the end of the reporting year fell slightly to 18.0% (31 December 2022: 18.5%) due to the comparatively sharp increase in total assets.

Other disclosures regarding changes to the individual equity items can be found in the consolidated statement of changes in equity and in the notes to the consolidated financial statements.

Asset structure

The Nordex Group's cash and cash equivalents as at the reporting date were EUR 926 million (31 December 2022: EUR 634 million). This item includes cash in hand, sight deposits and fixed-term deposits with an original term of up to three months.

Inventories increased to process the strong order book and amounted to EUR 1,266 million at the end of the year (31 December 2022: EUR 1,103 million). Overall, current assets rose by 20.0% to EUR 3,553 million (31 December 2022: EUR 2,961 million).

Non-current assets increased by 4.1% year-on-year to EUR 1,869 million (31 December 2022: EUR 1,795 million). A reduction in capital expenditure caused property, plant and equipment to decline by 7.9% to EUR 554 million (31 December 2022: EUR 602 million). Goodwill remained stable at EUR 548 million (31 December 2022: EUR 548 million) while capitalized development expenses rose by 5.1% to EUR 170 million (31 December 2022: EUR 162 million).

Financial position and liquidity

Operating cash flow was positive at EUR 161 million in the 2023 financial year (2022: EUR –350 million), with cash flow resulting from the change in working capital totaling EUR 166.6 million, compared to EUR 22.9 million in the previous year. The substantial EUR 266 million rise in contract liabilities from projects had a particularly positive impact on these figures, and was offset by a rise in inventories totaling EUR 163 million. Furthermore, cash flow resulting from other operating activities improved to EUR –5.4 million (2022: EUR –294.3 million).

The working capital ratio was –11.5% as of the reporting date (31 December 2022: –10.2%) and was still well within the forecast range of under –9%. The Group's active management and optimization of working capital once again paid off in the current environment.

Cash flow from investing activities, which reflects cash outflows for investments, fell sharply to EUR –141 million (2022: EUR –164 million).

In the 2023 financial year, the net free cash flow – cash flow from operating activities less cash flow from investing activities – of the Nordex Group amounted to EUR 20.0 million, a significant improvement into positive territory from the previous year's figure of EUR –513 million.

Cash flow from financing activities amounted to EUR 286 million (2022: EUR 346 million), primarily reflecting cash inflows from the convertible bond issue totaling EUR 333 million in the second quarter. The net change in cash and cash equivalents stood at EUR 306 million (2022: EUR –168 million).

Syndicated multi-currency guarantee facility

Nordex SE also has a syndicated multi-currency guarantee facility currently in the amount of EUR 1,302,000 thousand (originally EUR 1,410,000 thousand) that runs until 9 April 2024 and in which the main Nordex Group companies hold joint and several liability. This multi-currency guarantee facility includes guaranteed cash credit lines in the amount of EUR 100,000 thousand, of which EUR 10,000 thousand was extended to an Indian subsidiary in financial year 2022. This amount extended to the Indian subsidiary was increased to EUR 20,000 thousand in financial year 2023.

As of 31 December 2023, EUR 1,012,884 thousand (31 December 2022: EUR 1,209,550 thousand) of the syndicated multi-currency guarantee facility had been drawn down in the form of guarantees. Ancillary credit facilities have also been set up under the syndicated multi-currency guarantee facility. As of 31 December 2023, the cash drawdowns on these facilities recognized under current liabilities to banks amounted to EUR 18.947 thousand (31 December 2022: EUR 21,528 thousand).

The syndicated multi-currency guarantee facility is further subject to uniform and agreed financial covenants such as equity ratio, leverage and interest coverage, compliance with which referring to the previous reporting date has to be confirmed in quarterly reports to the respective financial institutions. The financial institutions may only terminate this multi-currency guarantee facility for good cause, such as non-compliance with the financial covenants mentioned above. In July 2022, Nordex successfully adjusted the existing financial covenant concept with the financial institutions, which includes the ratio of liquid assets as well as the equity ratio as financial covenants. No covenants were breached as of 31 December 2023. There were no defaults or delays in payment regarding the cash drawings on the facility amounting to EUR 19,368 thousand.

Uncommitted Guarantee Facility Utilization Agreement

Nordex SE entered into an uncommitted Guarantee Facility Utilization Agreement with Acciona, S.A. in which Acciona, S.A. offered, subject to certain terms and conditions, to make available to Nordex its uncommitted banking and surety guarantee facilities in the aggregate amount of up to EUR 600,000 thousand under which Guarantees may be issued by different financial entities to fulfill the needs of Nordex Group.

As of 31 December 2023, EUR 377,606 thousand of the facility had been drawn down in the form of guarantees and the amount payable in relation to the guarantee fee recognized under current liabilities amounted to EUR 2,275 thousand.

Capital expenditure

Capital expenditure totaled EUR 131 million in the 2023 financial year, down 36.1% from the previous year's level of EUR 205 million and significantly lower than the forecast figure of EUR 200 million. Capital expenditure is an essential prerequisite for efficiently processing the high number of orders and leveraging the Nordex Group's potential in the future. The Nordex Group defines capital expenditure as investment in property, plant and equipment and intangible assets, without including investment in right-of-use assets pursuant to IFRS 16. Intangible assets accounted for EUR 51.9 million of capital expenditure (2022: EUR 35.3 million). At EUR 46.4 million, capitalized development expenses again made up the majority of this figure (2022: EUR 34.3 million).

Investments in property, plant and equipment totaled EUR 79.1 million in 2023 (2022: EUR 169.5 million). Technical equipment and machinery accounted for the largest share at EUR 22.1 million (2022: EUR 81.9 million), followed by other fixtures and fittings, tools and equipment at EUR 32.9 million (2022: EUR 61.2 million), prepayments and assets under construction at EUR 18.7 million (2022: EUR 7.3 million), and land and buildings (EUR 5.2 million; 2022: EUR 19.1 million). Capital expenditure focused on the establishment and expansion of rotor blade production in India and Spain, and on transport equipment.

Development and distribution of capital expenditure

EUR million	2022	2023
Property, plant and equipment	169.5	79.1
Intangible assets	35.3	51.9
Total	204.8	131.0

OPPORTUNITIES AND RISK REPORT

SIGNIFICANT CHARACTERISTICS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AND STATEMENT ON THE APPROPRIATENESS AND EFFECTIVENESS OF THIS SYSTEM

Our internal control and risk management system is an integral part of the decision-making process as well as the corporate governance at Nordex Group. It is designed to ensure the appropriateness and effectiveness of the Company's business activities, proper accounting as well as compliance with the relevant legal requirements – considering the Company's complexity, size, and field of activity. Our internal control and risk management system aims at detecting risks, including environmental and social risks and indicators, at an early stage so that they can be addressed and managed effectively and appropriately. It is designed to provide a certain degree of assurance as to whether the Company's business objectives can be achieved as planned. On one hand, the Company is exposed to various risks and uncertainties due to its complex business activities and challenging industry environment. On the other, however, taking on business risks and proactively identifying, managing, and mitigating them afford growth prospects, market competitiveness and business stability, which is why our internal control and risk management system is not intended to avoid or eliminate all risks at any cost. Instead, it is about constantly understanding, prioritizing, and controlling risks to better meet the Company's business objectives.

Our internal control and risk management system comprises the following key elements:

Internal control system

Internal guidelines, policies and procedures form the basis of our internal control system and define the values and expectations that apply within the respective division or department. They contain – depending on the respective department and function – standardized approval procedures, organizational structures, various processes, and measures which, on the one hand, ensure uniform and predefined procedures, and, on the other hand, are also intended to enable objective verification of compliance with these processes. The segregation

of duties also ensures that executive, accounting, and administrative activities within a corporate process are not in the hands of the same person, thereby preventing misuse. This is supplemented by IT systems with access restrictions, which ensure that employees can only access the information they need to perform their tasks.

Compliance with the internal policies, processes and principles is reviewed with the help of independent controls within a given process (four-eyes principle), inter-departmental cross-checks and regular process audits performed by Internal Audit. These controls allow the identification, assessment and management of risks that could impact the Company's business objectives. The results of these controls (e.g. identified process weaknesses) are reported in adequate form to those responsible for their performance and correction, as the case may be, the Management Board or the Audit Committee, so that immediate (counter-) measures can be taken, and the internal control system can be further improved.

Goals, organization, and function of the risk management system

As a company with international business activities, Nordex is exposed to various risks because of its operations. For this reason, the Nordex Group has implemented a comprehensive risk management system designed to detect potential negative deviations (risks) at an early stage, enabling us to take suitable countermeasures to avert any harm to the Company and to avoid any impairment of its going-concern status. Positive deviations in the form of opportunities are not included in this system as other structures and processes are available for tracking them (e.g. the "Cost of Energy" program). The risk management system includes numerous control mechanisms. A uniform Group-wide management approach has been implemented for reporting corporate risks and related counteractions as well as financial safety positions to safeguard the efficacy of risk management, to permit the aggregation of risks and to ensure transparent reporting.

The Nordex Group's risk management system addresses all strategic, operating, legal and financial risks along the value chain with the aim of ensuring that they are detected at an early stage, monitored, and managed in accordance with the targeted risk profile. This process is supported by risk management software.

The risk management policy adopted by the Management Board governs the approach to be taken to addressing risks within the Nordex Group and defines a uniform methodology applicable to all functions and business areas of the Nordex Group. This sets out responsibilities for the execution of risk management tasks as well as reporting and monitoring functions. Group risk management holds central methodological and system responsibility for the separate group-wide standardized risk management system and related reporting structures. It is responsible for regularly updating and implementing Nordex's risk management policy, in consultation with the Management Board. In addition, it oversees monitoring high and critical classified risks including their effects on risk-mitigation efforts and Group-wide standardized risk reporting to the Management Board and Supervisory Board.

Risk owners are appointed across the entire Nordex Group (on a national, regional, divisional and Group level). Accordingly, risk management is implemented consistently at all levels and across all departments. Risks arising from operating business are monitored and tracked continuously. The risk owners are responsible for identifying and evaluating risks arising from all main business activities on at least a quarterly basis by applying a consistent methodological approach and for documenting the results in a central risk database. This is followed by a decision on the specific response (e.g. risk mitigation). The resulting plan of action (including the costs of implementation) is evaluated, recorded, implemented, and continuously monitored. All steps are repeated in recurring intervals and adjusted in the light of current trends and decisions.

Any risk potential identified is analyzed and assessed using quantitative parameters. Substantial risks to the Company's status as a going concern are reported on an immediate risk escalation basis. Risk management findings are regularly incorporated in planning and control analyses as well as the forecast for future business performance. The statutory auditor reviews on an annual basis the processes and procedures implemented regarding the early risk detection system as well as the appropriateness of the documentation.

Nordex is willing to take entrepreneurial risks but only in so far as business activities and the out of it resulting additional income opportunities can be expected to make a reasonable contribution towards increasing the shareholder value of the Nordex Group.

Updating of risk documentation

Assessments of overall risk potential are updated based on the risk owners' input and documented in a central database. The period under review consists of the remaining current year as well as the following three years. The Group risk management coordinates the quarterly updating of risk and counter-action documentation.

Risk evaluation

Risks are classified as potential negative target deviations (downsides) which are measured according to their estimated probability of occurrence and impact (extent of the risk) to determine which ones are most likely to pose a danger to the Nordex Group's going-concern status and are recorded as a gross figure (prior to risk counteractions). The risk counteractions are evaluated and recorded separately. The scales for measuring these two risk value criteria are set out in the following tables:

Risk classification – probability

Probability	Brief description
0–5%	Very unlikely
6–25%	Possible
26–50%	Imaginable
51–100%	Likely

Based on this scale, Nordex defines a very unlikely risk as one, which would arise only under extraordinary circumstances and a likely risk as one, which is probable to occur within a defined period.

Risk classification – impact

Impact	Quantification	Brief description
Minor negative impact on activities as well as on financial and earnings situation	EUR 0.5–3m	Low
Appreciable negative impact on activities as well as on financial and earnings situation	EUR 3–10m	Medium
Strong negative impact on activities as well as on financial and earnings situation	EUR 10–25m	High
Critical negative impact on activities as well as on financial and earnings situation	> EUR 25m	Critical

Nordex classifies risks as "low", "medium", "high" or "critical" in accordance with their estimated probability and impact. This produces the following risk matrix:

Risk matrix

Impact	Risk			
Critical	C	C	C	C
High	M	H	H	C
Medium	M	M	H	H
Low	L	L	M	M
Probability	0–5% Very unlikely	6–25% Possible	26–50% Imaginable	51–100% Likely

C = Critical risk H = High risk
M = Medium risk L = Low risk

Risk response and monitoring

Risks can be either mitigated by means of active precautions or – under certain circumstances – accepted. Necessary precautions are immediately taken, and their expected risk reduction effect evaluated and recorded. Core risks, such as, in particular, market risks (e.g. fluctuations in demand) and risks from the development of new products are borne by Nordex itself. Nordex intends to transfer to third parties all risks that are not part of the core activities (e.g. currency and property damage risks). The Company uses, for instance, among other measures, selected derivative hedge instruments to reduce its exposure to currency fluctuations. In addition, insurance is taken out to cover risks where this is economically viable and possible.

The risk owners are responsible for continuously monitoring risks and the efficacy of the precautionary measures taken and are supported by their supervisors and managers. In addition, risks are monitored by the appropriate corporate bodies at the various management levels comprising staff from various parts of the Company including the Management Board and the Supervisory Board. The employees responsible for the country, regional, divisional and group level, have permanent access to the details of the risks and mitigating measures that are documented in the central database. Risk owners at divisional and corporate Group level regularly discuss risks and mitigating measures with the Management Board and monitor the effects of the risk-mitigation efforts. In addition, the Management Board receives a quarterly report showing the overall risk situation and effect on cash, equity, and bank covenants as well as individual risks, which are classified as “high” or “critical” based on the risk analysis. Substantial risks to the Company’s status as a going concern are reported to the Management Board immediately.

The quarterly risk management report combines a general description of the risks with a quantitative evaluation and their effects on the profit and loss account. All commercial risk information (expected risk values, counter-action effects and costs, provisions, and contingencies) is consolidated in an expected net risk forecast. This makes it clear to which extent the risks are covered by already reserved amounts and still to be implemented risk counteractions. In addition, the Management Board informs the Supervisory Board on a quarterly basis about the overall risk situation and any new or existing risks classified as “high” or “critical”.

Continuous monitoring and refinement

Internal Audit reviews the proper functioning and efficacy of Nordex SE’s risk management system in regular intervals. Risk reports are checked on a sample basis for their plausibility and appropriateness via interviews conducted by Internal Audit with the business units and companies concerned.

The risk management system undergoes constant optimization as part of the continuous monitoring and improvement process. In this context, equal allowance is made for internal and external requirements. The purpose of monitoring activities and improvements is to safeguard the efficacy of the risk management system.

Compliance Management System

The Nordex Group has zero tolerance for any form of corruption. Every employee is responsible for effectively preventing corruption, and Nordex expects the same from our business partners.

Our Compliance Management System is based in three pillars – prevention, detection, and response – under the governance umbrella that includes a proper compliance organization and regular reporting to the Supervisory Board, the Management Board, the Business Ethics Committee, and the German Works Council. The aim is to foster ethical culture at all levels within the company and promote the tone “at” and “from” the top. The Compliance Management System covers compliance risks related to corruption & corruptibility, bribery, conflict of interests and unethical conduct.

The prevention pillar includes the Nordex Code of Conduct for Employees – that is further developed in governing policies and procedures for their respective scope of application – the Nordex Code of Conduct for Suppliers and Contractors, advice rendered by Corporate Compliance to the organization at all levels and worldwide, monitoring of changes to legal requirements, internal and external communications, and risk-based trainings. The compliance risk assessment and monitoring, third party diligence and regular audits undertaken by Corporate Compliance, as well as our whistleblower system “notify!” are designed to detect misconduct. Response measures include case management of whistleblower reports, investigations, follow-up, and remediation measures. The Compliance Management System is subject to continuous monitoring and improvement against lessons learned.

The Management Board is assisted in its duties relating to the internal control and risk management system by the following departments and committees:

Group Risk Management

Our Group Risk Management is responsible for the risk management system and related reporting structures. It is responsible for regularly updating and implementing the internal guidelines and policies, in consultation with the Management Board. In addition, it oversees monitoring high and critical classified risks including their effects on risk-mitigation efforts and Group-wide standardized risk reporting to the Management Board and Supervisory Board. Group Risk Management also coordinates the quarterly updating of risk and countermeasure documentation.

Internal Audit

Internal Audit reviews specific audit areas and topics of the Nordex Group and its affiliated companies based on annually defined audit plans approved by the Audit Committee. Internal Audit reports regularly to the Management Board and Audit Committee, thus providing an overview of the main audit findings and further developments.

Legal and Corporate Compliance

Legal Compliance is responsible, among other things, for implementing regulations and measures related to data protection law, competition law, and anti-corruption law. Corporate Compliance operates the Compliance Management System described hereinabove and is in particular responsible for our Code of Conduct. The Compliance Officer reports regularly to the Management Board and Supervisory Board on significant results and developments.

Ad-hoc Committee

To ensure the correct handling of inside information, which, if made public, would be likely to have a significant effect on the (market) price of the Company's financial instruments, the Company has next to its Management Board established a so-called Ad-hoc Committee. The Ad-hoc Committee decides about the qualification of inside information, the announcement of ad-hoc disclosures as well as the delay of disclosures in consultation with the Management Board.

Statement on the appropriateness and effectiveness of the internal control and risk management system

To consider the appropriateness and effectiveness of their internal control and risk management system, the Management Board has reviewed and assessed various information and documents, including the internal audit report, the quarterly risk management reports, the reports' findings, and the assessment of the appropriateness and effectiveness of the internal control and risk management system rendered internally by the responsible process owners and department heads.

The Management Board has therefore reviewed whether control weaknesses – individually or cumulatively – are likely to materially impair the achievement of the Company's business objectives. To the best of our knowledge, and according to the information provided resulting from the review of our internal control and risk management system, Nordex has no indication of critical internal control weaknesses as of 31 December 2023, that could have a material impact on the Company's business. Based on the results of our internal control and risk management system, nothing has come to our attention that would lead us to conclude that our internal control and risk management system is not effective and appropriate as of 31 December 2023.

ACCOUNTING-RELATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Nordex Group's internal control system comprises a component that is integrated into its business processes as well as a process-independent component. Guidelines and instructions are issued, and internal controls implemented to handle and manage risks and to ensure compliance with formal criteria. The necessary instruments are mostly defined and applied by the specialist functions. In addition, Internal Audit tracks risk independently of processes in case of material changes. It examines the existing rules applicable to processes and ensures that they are complied with in practice. In addition, through regular audits Internal Audit reports on those risks arising from discernible deviations and issues recommendations concerning the adjustments to be made. Nordex Group's existing risk management system also undergoes regular external auditing in the interests of continuous improvement.

Nordex Group takes several measures of precaution to ensure proper accounting for the purposes of the annual and consolidated financial statements. Thus, for example, the Nordex Group has a central accounting and financial statement structure which is implemented based on uniform accounting rules and instructions. This ensures that Group Accounting is reliable and orderly and that transactions are recorded in full and on a timely basis in accordance with the statutory requirements and the provisions of the Company's articles of association. In addition, accounting rules and instructions are issued to ensure that stock-taking is completed correctly, and assets and liabilities are recognized, measured, and reported free of any material errors or omissions in the consolidated financial statements. Controlling activities include analyses of facts and trends based on performance indicators.

Transactions are recorded in the separate financial statements of the Group companies. For this purpose, a uniform chart of accounts is used throughout the Nordex Group. The consolidated financial statements of Nordex SE and its subsidiaries are prepared in accordance with Section 315e of the German Commercial Code (HGB) based on the International Financial Reporting Standards (IFRS) as adopted by the European Union. A structured process as well as a predefined schedule are used in the preparation of the consolidated financial statements. If any non-accounting information is required to prepare the consolidated financial statements, it undergoes careful analysis and plausibility checks prior to being used. The financial statements are consolidated at the level of Nordex SE.

Various other controls, such as approval and release processes, are applied to both payments and contracts.

Description of the main areas of risk and individual risks

Unless otherwise stated, the following descriptions and evaluation of individual risks apply to the period from 2022 until 2024. The risks identified and possible effects resulting from such risks on financial performance are calculated as a net risk figure. This includes risk counteractions which have been completely implemented and those which still need to be implemented. This relates only to those counteractions which have been decided upon, are in the implementation phase or established as continuous actions.

Sales risks

Sales risks comprise general market risks, price risks and legislative risks.

General market risks – particularly the loss of market potential – may arise because of political or economic factors (e.g. falling electricity prices) or structural changes in the energy industry.

Changes in government policies constitute a general risk. During the past years the changes in support policies have affected the wind industry, especially in European markets. Governments have shifted their financial incentive schemes for renewable energy sources, including wind energy from primarily preferential tariffs or regulated feed-in to auction based schemes. This change resulted in decreasing energy tariffs leading to reduced margins and returns for wind energy investors. Further, this change has led to uncertainty in many markets and disruptions to demand. After the disruption, markets seem to have stabilized now overall, and specifically in Europe with the recent publication of the European Windpower Act, where Nordex expects a positive but slow recovery of the appetite for installations.

Nordex keeps addressing sales risks by means of sales diversification and therefore the Group is currently operating in more than 40 different markets across Europe, America, Asia, Africa and Australia. Nordex also keeps observing and evaluating opportunities in other markets. Nordex was able to offset some of the price pressure of recent years by developing the successful Delta4000 platform and operating an in-house program, which aims at achieving a continuous reduction in the cost of energy produced by its wind turbines. Apart from the already known factors affecting the sector, European manufacturers might suffer specific challenges coming from the aggressive price discipline, favorable terms and conditions for the customers and available manufacturing capacity that our Chinese competitors have, especially in those markets where no entry barriers are set or where commercial relations exist already at government level, for instance with the "Belt and Road initiative".

With almost all markets having transitioned to auction-based systems the main sales risks remaining are uncertainties about building permits, disruptive regulatory changes, and further consolidation on the supply side. The generally expected boost for renewable energy sources in societies' efforts to fight climate change, now further accelerated in the name of energy security, has yet to materialize.

Nordex Group addresses these risks by engaging through industry associations and direct dialogue with policy makers and public stakeholders, advocating wind energy and by supporting developers in their permitting efforts and diversifying the supply chain.

Aside from factors already known, the probability of sales risks is currently considered to be imaginable. In case of occurrence, their impact on order intake and the financial position would be medium.

Product development risks

As the wind turbine manufacturing industry is innovative and competitive, the ability to stay in the market depends heavily on designing, developing, and marketing new and more cost-efficient wind turbine systems. In addition, the development of new and complementary technologies as well as digitalization could impact the Nordex business setup. However, the development of new more efficient and higher-yielding turbine models as well as product modifications involve considerable investments in some cases. These capital expenditures must be recouped via successful sales across the entire product life cycle.

Key determinants for successful turbine engineering particularly comprise the availability of time and financial resources, a structured and comprehensive development process, the secure transition from the prototype phase to series production, the issuing of the necessary operating certificates and the date of market launch. Development risks arise if one or more of these factors are unexpectedly jeopardized and R&D expenses are higher than expected or additional costs during project execution or the service phase might be incurred.

Nordex addresses these factors during development and prototyping by means of simultaneous engineering including test procedures and scenarios for systems and on full scale in the prototype phase. The development of a new turbine is preceded by market analysis and preparations in close cooperation between sales, product management & strategy and engineering. In addition, the platform strategy ensures that proven technology is used and specifically enhanced up until certification and the ensuing series production.

The wind power systems assembled by Nordex must comply with the applicable local grid codes. Considerable resources are required to implement the growing number of national grid codes. If grid codes are not observed in a market, this expense cannot be recouped nor can market potential be tapped. Nordex addresses this risk with organizational structures and a corresponding engineering focus. In addition, internal overarching workgroups have been established. This is supplemented by Nordex Group's activities in external bodies aimed at achieving maximum international grid-code harmonization.

The probability of development risks is perceived as possible with a medium impact on the results planned.

Sourcing and purchasing risks

The main purchasing risks include supply shortages on the part of suppliers, supplier default as a result of insolvency, unexpectedly high inventories, price risks, changes in source costs, availability of raw materials to our suppliers, timely delivery and quality risks and minimum local manufacturing content requirements.

Unexpected project delays may result in temporarily increased stockpiling at Nordex, thus impairing its liquidity. Nordex therefore endeavors to keep inventories as low as possible by means of just-in-time deliveries without sacrificing schedule compliance. If order intake falls substantially short of expectations this year, suppliers, some of whom have spent heavily on extending their capacity or have had a change of owner, could be lost for economic reasons, reducing the number of potential suppliers.

A surplus of demand could result in supply shortages for some components – particularly for the newer platforms that are being ramped up – leading to delays in the completion of projects. Nordex addresses the risk of supplier default by several ways. On one side, by timely booking the supplier capacity with due agreements, and on the other side, by qualifying further suppliers in order to reduce the single-sourcing risk. Moreover, this risk is partially covered by insurance. Nordex purchases components worldwide that are largely subject to price fluctuations in the commodities as well as the foreign exchange markets. As Nordex offers its customers turbines at prices fixed for specific projects, components are hedged and sourced as quickly as possible after the order intake, thus reducing the risk of price fluctuations on the purchasing side.

Nordex guarantees the quality of its turbines and also certain performance and availability parameters. In order to avoid any penalties for failure to meet these performance guarantees, all components and the complete system undergo thorough certification during the design phase, as well as testing and quality inspections under the quality management system. Even so, it is not possible to completely exclude the risk of faulty components, e.g. externally sourced components, and this risk cannot be fully passed on to suppliers and sub-suppliers.

Local manufacturing content requirements are growing in importance in new markets in the emerging and developing countries. Failure to furnish proof of the Company's ability to meet these requirements may have an adverse effect on project finance and execution. Nordex addresses this risk by searching for local contractors at an early stage and by working closely with customers and authorities in the countries concerned.

Given the ongoing expansion of the supply chain to India and China and continuing uncertainty in various supply sectors, the probability of sourcing and purchasing risks is classed as possible and may have a medium impact on the Company's margins.

Production risks

Nordex uses line production for turbine assembly and partially automated processes for rotor blade production. Accordingly, the main production risk is a standstill in the production facilities. Standstills may arise when deliveries by upstream suppliers are delayed or fail to meet the agreed quality, the commencement of volume production of new types of turbines is delayed or key production resources such as cranes, assembly line systems or molds fail. Also availability of competent personnel is a risk to sustained high volumes production.

A further specific risk refers to the ramp-up phases for new production sites, products and components, particularly new blade types or blade types, which are produced by external contractors and in new locations. In addition to training new employees in this field, it is necessary to ensure the necessary quality of the carbon-fiber-reinforced blades to avoid any unplanned cost overruns.

Nordex has established a global supply chain, and is sourcing systems, components and parts from different regions worldwide. There is a risk that supply chains get delayed or stopped due to political events or global health situations, custom tariff changes and a changing regulative environment, with potentially negative effect on production output. To manage the risk, Nordex has dedicated, local and global resources in place.

Nordex addresses production risks by means of quality management and has implemented processes as well as supply chain management, which covers the interfaces linking procurement, production and project management.

The probability of production risks is classed as possible and may have a medium impact on performance indicators reflecting the expansion of production to Asia and may also be impacted due to evolving changes from time to time, due to regulation changes related to COVID-19 pandemic, that various governments take independently. As a countermeasure Nordex has established a flexible footprint to reduce dependency from specific production factories and supply chains.

Project and assembly risks

It is well known that all wind supply OEMs install machines in relatively complex locations due to orography, weather and sociological issues. To limit the risks when implementing these projects, the Nordex team conducts a technical and commercial assessment prior to contracting, before the start of execution and during execution.

Throughout 2023, these risk assessment processes inherent to the activity have been greatly improved on the one hand, by incorporating contingencies against those events that fall beyond Nordex's control, such as bunkering price increases, congestion in ports, etc. and on the other hand, through a weekly control and update of the company's operational planning that contemplates the execution readiness of the projects.

The positive effects of these measures have been observed throughout the second half of the year, where it has been possible to control the deviations in time of the projects and therefore the extra-costs derived from it.

The other big factor affecting our results in terms of site execution cost is the client itself and our ability to anticipate their delays through contract and claims to recover those losses incurred due to the client's unavailability on the agreed dates. In this regard, throughout 2023 a significant effort has been made by the entire PM community to control and recover these costs through Change orders to customers and Claims to suppliers.

Over the last few years, we have been suffering the impact of the costs of non-quality of the products in the Project execution and Service accounts.

Nordex has focused on contingency and avoiding the generation of new quality problems, redefining processes, and reinforcing quality controls, which although it will not avoid problems derived from legacy problems, will begin to reduce the generation of new problems, initiating a trend of improvement in the company.

Of course, the Projects area, and in particular assembly, will always be the area where the cost over-runs of all the previous processes of the value chain converge, which have a direct impact on the company's contribution margins. If we add this fact to the current thigh order intake level of 2024, we can say that the probability of these risks is classified as imaginable with a high impact on the financial position.

Technical risks

Wind turbines are complex machines comprised of a number of sophisticated systems, modules and individual components that need to operate in sync and largely autonomously in very diverse environments in order to perform reliably. As such, our wind turbines are subject to various technical risks over their life cycle, the exposure to which varies with the materials and technologies employed to manufacture these components and is highly dependent on the components meeting the required design and quality standards of the product. Deviations from these standards may limit the use of wind turbines or may render them inoperable and may require repairs, replacements or full reinstatement, which, in turn, could result in considerable additional expenses for us. These expenses are particularly high in cases of recurring defects affecting a sizeable number of products. The warranties in the sales contracts for new wind turbines customarily have a duration of two years, with any replaced spare parts or components benefiting from up to a further two years of warranty cover from the date of repair or replacement within the warranty or defects notification period.

In addition, Nordex typically undertakes to provide operation and maintenance services for its wind turbines for extended terms of up to 30 years post sale which often includes an unlimited or at least extensive replace or repair obligation for components failing for reasons other than force majeure or owner intervention. Accordingly, for many wind turbines the responsibility for remedial action in case of wind turbine failure often extends beyond the warranty period. Additionally, Nordex typically warrants certain performance criteria of its wind turbines such as noise (emission) levels and power curve during the warranty period and, usually in connection with the service contract, the availability of the wind turbines for operation or other measure of the wind turbines' ability to produce. In case of failing to meet these performance criteria the group would have to compensate its customers for the diminished use of their wind turbines or lost production, which in turn may cause Nordex to incur extremely high unplanned expenses.

To deal with technical risks, in addition to the insurance coverage and supplier recourse available, the group has made provisions to cover potential costs not covered by service income and customer claims related to technical issues.

Technical risks are classed as possible and would have a high impact on the financial position in case of occurrence. Nordex has taken several precautionary measures, e.g. provisions, to cover such risks.

Financial risks

With respect to financial risks, the Nordex Group is exposed to foreign currency risks, interest risks, credit risks, unplanned depreciation and amortization expense, liquidity risks and the risk of limited possibilities to carry unused tax losses forward.

The Group's business is exposed to fluctuations in foreign currencies exchange rates as a result of its international orientation and as not all transactions are executed on a euro-denominated basis. Currency translation risk appears when the results of operations and the financial position in foreign subsidiaries are translated into euros at the applicable exchange rates for inclusion in the consolidated financial statements. These exchange rates may fluctuate significantly over time affecting the comparability of the results between single periods. The currency transaction risk occurs when the Group enters into projects with a mismatch of in- and outflow currencies. To avoid this risk, Nordex tries to create a natural hedge in these specific projects by entering into contracts with the relevant customers that match the currency split of the contracts with suppliers. In addition, Nordex also enters into derivative hedge instruments where needed to reduce the remaining foreign currency risk.

The Group is not exposed to larger interest risks due to nearly all debt instruments having fixed-rate agreements. The last tranche of the promissory note carrying variable interest was due and hence fully repaid in April 2023.

To minimize credit risks, the Nordex Group enters into business with third parties only whose creditworthiness is monitored. All main new customers wishing to enter into business on credit terms undergo a credit check. As a matter of principle, credit risks or the risk of counterparties failing to comply with their payment obligations are addressed ahead of acceptance of the order by means of a standardized approval procedure. In particular, an order is not accepted unless the project financing has been successfully concluded and proper payment securities have been arranged for. In addition, the contracts provide for prepayments to be made when certain milestones are reached. In addition, receivables are monitored on an ongoing basis to avert all material credit risks.

Impairment losses constitute a further financial risk, which may affect obsolete inventories and spare parts as well as the recoverability of receivables (bad debts) and intangible assets arising from research and development or project development. Nordex addresses this risk by increasingly adopting "just-in-time" sourcing and via regular reassessment of its intangible assets. There is no pronounced clustering of credit risks within the Group. Receivables from construction contracts and trade receivables are additionally secured by means of sureties, guarantees, stand-by letters of credit or retained ownership rights.

Liquidity risk is the risk of not being able to meet current or future payment obligations of the Group due to a lack of funds. The Finance Department therefore monitors, coordinates and forecasts Group liquidity on an ongoing and regular basis. Finance Department tracks payments made and received in the light of the relevant settlement periods of the financial investments and assets as well as expected payment flows from operating activities. The Group seeks to achieve a balance between current incoming and outgoing payments. Nordex uses cash pooling or other in-house financing mechanisms such as intercompany loans to enhance the efficiency of liquidity management within the Group. Any surplus liquidity is invested cautiously with domestic and non-domestic commercial banks. For this purpose, limits and counterparty risks are continuously monitored. Additionally, the Nordex Group is financed by advance project payments made by customers. For all windfarm projects in execution, the payments are invoiced in line with the progress of work on the basis of the agreed contractual schedule.

Nordex Group's multi-currency guarantee facility currently amounts EUR 1.30 billion with a maturity date of April 2024. The facility includes a commitment from selected lenders to establish up to EUR 100 million cash ancillary credit lines if needed. In April 2023, the Company successfully concluded a convertible bond placement for net receivables

of EUR 333 million. The net proceeds have been used to compensate the negative cashflow of 2023 and to further strengthen the balance sheet of the group. In 2023 the second shareholder loan with Acciona, S.A. got converted into equity to further support the company's balance sheet structure.

The syndicated multi-currency guarantee facility in the amount of EUR 1.30 billion is further subject to uniform and agreed financial covenants such as equity ratio, leverage and interest coverage, compliance with which referring to the previous reporting date has to be confirmed in quarterly reports to the respective financial institutions. The financial institutions may only terminate this multi-currency guarantee facility for good cause, such as non-compliance with the financial covenants mentioned above. Based on its operating performance Nordex may face the risk that covenants cannot be met if the Company does not perform as per budget / mid-term planning. In 2022, Nordex successfully agreed for the period of several quarters an adjusted financial covenant concept with the lending financial institutions which includes inter alia minimum liquid assets as a new additional financial covenant. During the fiscal year 2023 all applicable covenants were met.

In the project development business, the Group develops and sells wind farm projects. The project development activities include conducting feasibility studies, securing permits and land rights and power purchase agreements and arranging financing for the intended project. The wide scope of project development is associated with several risks. For example, not receiving a building permit or not being successful in auctions, not receiving power purchase agreements for a project can lead to cancellation and write-off of the project.

Overall, the probability of financial risks is considered imaginable with a medium impact in the results of the Group in case of occurrence. Nordex has set aside appropriate provisions for existing risks.

Legal, tax and export control risks

Operating through the sale of its products and services in a multitude of jurisdictions, Nordex Group is exposed to various product- and country-related regulations, laws, or policies affecting the conduct of our business. Provisions are made for resulting legal and tax risks, inter alia, if and insofar as they are likely to be utilized and the amounts of the potential liabilities arising can reasonably be estimated.

Legal risks

The various technical risks wind turbines are exposed to over their life cycle may lead to warranty or product liability claims under turbine supply contracts or agreements made for the service and maintenance of the wind turbines. The risk of disputes and litigation is therefore inherent to our operations, and Nordex is subject to risks from disputes and administrative, legal and arbitration proceedings, some of which might have an adverse outcome and could result in penalties, damages, and loss of reputation. Nordex may be subject to claims from customers, suppliers, current and former employees, competitors and other third parties in the future, where related provisions may prove insufficient in the event of an adverse outcome. Significant expenses may be incurred for legal defense, and if the outcome of any legal proceedings is significantly different to our expectations, this could have a material adverse effect on our business activities, financial condition, cash flows and results of operations. In addition, liabilities may also arise from conflicts with prevailing legislation, e.g. product liability, infringements of patents or industrial property rights, noncompliance with antitrust, anti-corruption or data protection provisions, and failure to fully observe certification requirements or other statutory stipulations. Furthermore, laws in various jurisdictions regulate product safety and the environmental impact of wind turbines, including emission levels regarding noise and light effects as well as vicinity of wind turbines to residential areas. Compliance with any amendments to such health, safety and environmental laws and regulations may have an adverse impact on Nordex Group's business activities. Nordex monitors the political and regulatory framework in

all our key markets to anticipate potential problem areas and maintains adequate organizational measures and processes to ensure compliance, such as adjusting our business activities and processes as may be required and mitigate potential risks or losses. However, there can be no certainty that internal controls, procedures, compliance, and risk management systems will be able to identify all such potential conflicts or violations, or that they are reported in a timely manner or correctly evaluated to take appropriate countermeasures and that they will be adequate for an enterprise of the group's scale and complexity.

Tax and export control risks

Nordex SE and its subsidiaries operate in many countries worldwide and are therefore subject to numerous different statutory provisions and potentially tax audits. Due to the long-term nature of the Nordex Group's projects, there is a risk that a change in taxation, or the interpretation of tax laws, could have a material adverse impact on the Group's business and the profitability of the project. Any change in the tax regimes Nordex Group is subject to, could have a material adverse effect on the Group's financial condition, cash flows and results of operations.

Although Nordex has established appropriate organizational structures to ensure compliance with the relevant contractual and statutory obligations in the performance of its business activities, such liability risks as well as litigation risks can never be excluded. Internal precautions are taken, and processes implemented across the entire value chain to avert legal risks.

In addition, to be able to use the existing corporate tax loss carry forwards and tax credits, sufficient taxable profit needs to be generated in the future.

The probability of legal and tax risks is classed as imaginable; the impact on the financial performance indicators is considered critical. Nordex has set aside appropriate provisions for known risks.

Environmental, social and governance risks

Nordex Group's dedicated sustainability risk and opportunity assessment is embedded within the general risk management approach. Sustainability risks and opportunities include climate, environmental and social-related topics. Reporting under the requirements of the CSR Directive Implementation Act on risks that are significant to our business performance, position and financial result is an integral part of risk reporting in the Nordex Group Management Report. In our assessment, considering relevant countermeasures, there were no material net risks to the Company's business performance, position or financial result that would be likely to have a serious, negative impact on these aspects. All sustainability risks assessed according to Nordex' sustainability focus topics are mentioned in the respective chapter of Nordex' Sustainability Report 2023 (see Sustainability Report 2023).

Overall, the probability of social and environmental risks is considered to be very unlikely, and their impact is considered to be low.

People & Culture risks

In the development and implementation of business strategies, Nordex is strongly dependent on its ability to recruit, retain and train highly qualified employees, particularly in those areas that demand a solid technical background and knowledge of the particulars of wind turbine manufacturing. However, the main Human Resource risks are related to the shortages of skilled or management staff, inappropriate or insufficient qualifications, as well as staff and management fluctuation in key positions.

To reduce risks arising from a shortage of skilled or management staff, Nordex improved its recruitment processes and realigned the related activities in the period under review. Similarly, the courses offered by the Group's own training facility, the Nordex Academy, have been extended to ensure that staff receive the qualifications required on an ongoing basis. To limit fluctuation, particularly in key positions, Nordex is continuing to improve internal career development

prospects, identify young potentials at an early stage and prepare corresponding replacements, e.g. via the "Upwind" high potential's development program.

Overall, the probability of human resource risks is considered to be imaginable, and their impact is considered to be low.

IT risks

As a turbine manufacturer, Nordex attaches top priority to matters pertaining to cyber security and its management, and in doing so, the company observes all statutory requirements. Our information security policies, standards, processes, and guidelines are the foundation for our ISO 27001 certification obtained for all German locations. In 2023, Nordex successfully passed the first periodic surveillance audit, after recertification in 2022, and pursues continuous improvement of its information security management system. Failing ISO 27001 certification at some time in the future would affect the requirements of our customers and result in a loss of reputation in the industry as well as potentially in a considerable loss of current and future business, too.

IT-based business processes are fundamentally exposed to the risks arising from electronic information processing, particularly system failures, compromised data and data loss. Accordingly, Nordex permanently updates and monitors the security of information technology, which it uses to safeguard information confidentiality, availability, and integrity. This is done by training staff as well as by means of regular internal and external auditing of the IT system landscapes used. The systems are kept up to date in accordance with vendors' specifications as well as with IT, information security and data protection certification standard requirements and general security recommendations.

In terms of detection capabilities, Nordex has a comprehensive solution for endpoint detection and response both on-premises and in the cloud as well as a security operations center in which alerts are being monitored 24x7x365, at the event of an incident is detected, specific playbooks are in place to handle it.

› **Goals for OT/windfarm cybersecurity**

The company is anticipating the necessity of complying with the European directive NIS2 as well as continuing improving our cybersecurity maturity in the IEC 62443 standard, this includes the elaboration of documentation, the definition and deployment of hardening controls, and improvement of windfarm cyber incident response practices.

Nordex is working very closely with our customers to understand and meet rising cyber security requirements in the industry. The company has committed to complying with international standards (such as IEC-62443) for our Delta4000 platform. Of all the certifiable parts of this standard, Nordex has already achieved the parts 3–3 and 4–1. 2–4 is in development with an estimated completion time within 2024. 4–1 is planned to be finished in 2025. Failure to achieve this milestone could result in reputational damage, success will strengthen us as a leader in this critical field. Furthermore, IEC 62443 is, after ISO 27001, the most relevant standard for the windfarm products by customers.

The systems could be subject to breaches of security. Such breaches of security may be caused by hackers using programs able to uncover login data or by carrying out denial-of-service or ransomware attacks. While such breaches of security may not immediately affect the structural integrity and/or operational safety of our wind turbines, they may cause temporary suspensions in our ability to remotely monitor wind turbines. The operational safety of our wind turbines is guaranteed even without remote monitoring and control, as they can also adapt autonomously to ambient conditions. Remote monitoring is an essential part of our service offering.

Remote access for our customers is a key point to discuss in 2024, intention of defining a strategy in which Nordex meets the different perspectives is a necessity, since so far, the current design has been prone to arguments between the parties but with no impact in sales yet.

› **Business continuity**

Beyond the preventive measures taken by the organization, Nordex is defining a Business Continuity Plan to ensure the continuity of the critical processes in case of disruption. A project to identify where do major risk fall within the organization is being carried out and is expected to be finished during

2024. To do so, the company is doing a deep analysis to identify probable risks, potential impact, and core processes in terms of impact in case of affectation. Per each one of these processes, a contingency plan in case of disruption will be elaborated, with the intention of drafting a viable alternative plan in case of disaster.

What's also important for the organization is the maintenance and enhancement of the Incident/Crisis Management processes, to ensure a fast and efficient response to any potential incident that may impact Nordex. Revisiting the current plan and incorporating the lessons learned of years before is being done.

› **New legislation in Information security**

NIS2 Directive will be enforced by 17 October 2024 for all essential organizations within European Union, and Nordex is one of, the Company is working towards ensuring compliance with this regulation by identifying gaps and actions to take if necessary.

› **Data protection**

Finally, in terms of personal data is processed strictly in accordance with the European General Data Protection Regulation (GDPR), the German Federal Data Protection Act (BDSG) and any other national data protection law that may apply. As a result of the ISO Surveillance Audit in October 2023 and their previous and ongoing cooperation the areas of IT, Information Security; Data Protection will review their processes and, where necessary, optimize and interlink them better. In particular, the following measures are planned:

Topics of company-wide importance in the areas of information security and data protection will continually be discussed and decided upon in the interdisciplinary Information Security Council. If necessary and/or if no agreement can be reached, topics will be submitted to the Executive Board for a decision.

This is monitored and overseen jointly by information security management and the data protection organization.

Overall, the probability of cyber risks is considered to be very unlikely with a medium impact on results in case of occurrence.

Other risks

Nordex is exposed to macroeconomic and geopolitical risks that could harm its ability to maintain or increase its commercial presence in certain markets or its ability to conduct business across borders. Nordex business could be impacted among other risk factors by economic downturns, foreign exchange evolution, economic inflation rates, increasing interest rates, disruptions in the global supply chain and trade barrier mechanisms which could impact on the cost to serve certain markets from the current supply chain footprint developed by the Company.

Beyond the risks described above, there are factors or events such as citizens' protests and initiatives against wind power, epidemics or pandemics, natural catastrophes, terror attacks and acts of war, which are difficult to impossible to foresee and to influence their occurrence. One example of such a factor or event is the ongoing war in Ukraine, which also did and continuous to affect the Nordex Group's business performance, partly because of the projects in Ukraine. In addition, despite some stabilization, Nordex was facing issues with supply chain reliability in 2023, particularly within the steel and shipping sectors, as well as sanctions constraining global trade and the free movements of goods. The Nordex Group is constantly monitoring and assessing how the situation evolves and is initiating appropriate countermeasures to adapt to changes impacting the business. Overall, the consequences of the conflict itself or the sanctions and associated measures cannot be forecast in terms of scope, amount, length, and impact on business performance. Any such events would be liable to adversely affect Nordex Group's business performance.

Overall risk

The Management Board regularly reviews the risks to which the Nordex Group is exposed. In the assessment of the Management Board, there are currently no significant individual risks that are liable to compromise the Nordex Group's going-concern status. The same is also true with respect to an overall consideration of all risks.

OPPORTUNITIES

Definition, monitoring, and management of opportunities

Opportunities may arise because of future events and developments. The Nordex Group defines opportunities as potential positive deviations from corporate planning. Potential positive impacts on the results of operations, financial position and net assets are particularly relevant in this regard. Opportunity management is based on systematic and transparent monitoring, analysis, and evaluation of opportunities and includes the measures and processes required to do this. It is therefore an integral element of strategy, planning, and reporting processes as well as risk management and supports the Nordex Group's aim to sustainably enhance its enterprise value. In addition to the Management Board, all other managers and project-specific decision-makers are involved in opportunity management. This ensures that opportunities are reliably identified, evaluated, and systematically exploited. Detailed explanations of the corporate strategy and management as well as risk management can be found in the relevant chapters of this management report.

The Nordex Group primarily differentiates between two clusters of opportunities depending on their relevance in terms of time.

Firstly, opportunities may arise – in inverse relation to risks – from numerous influencing factors closely monitored as part of the Group's systematic risk management activities. These primarily relate to the short-term time horizon for the respective current financial year or rolling planning for the next 12 months. Opportunities may arise if macroeconomic or sector-specific performance, and as a result the Nordex Group's order situation, exceeds expectations either globally or in individual regions. In addition, factors such as shorter development or approval times may also create opportunities associated with product or project development. Opportunities may also arise in procurement and purchasing because of improved terms or changes in materials or suppliers, for example. Financial opportunities can also have a positive impact. For example, these include more favorable interest terms or opportunities to repay interest-bearing liabilities ahead of schedule, trends such as exchange rate fluctuations and, where appropriate, the upside potential of assets shown on the statement of financial position.

Secondly, medium-term megatrends as well as expected future developments, and anticipated future events that deviate from existing planning may create additional business potential for the Nordex Group. Politics plays an important external role here. Elements of the Nordex Group's internal strategy, such as the long-term structural reorganization of its supply chain, are also relevant. Any internal or external opportunities that may arise from these are closely monitored and incorporated into the Company's medium-term business and investment planning as well as its strategic direction.

Opportunities arising from more stringent climate policy

The existence and consequences of climate change are becoming increasingly apparent. As a result, far-reaching environmental protection measures are also gaining acceptance worldwide. This megatrend is irreversible. New political targets for the accelerated rollout of renewable energy production and stricter climate protection legislation may boost the expansion of renewable energy even further. Political decisions such as the European Green Deal provide greater certainty for planning future investments. The new German federal government plans to introduce wide-ranging measures to promote climate protection and accelerate the transition to renewable energy by using renewable sources such as onshore wind turbines. Additional opportunities and further market potential may arise in the USA in line with further clarification of the Inflation Reduction Act (IRA). At the UN climate summit in Glasgow, all nations committed to accelerating the phaseout of coal-fired power generation for the first time. The Nordex Group monitors global markets and developments very closely as part of its sales activities. The aim of this is to ensure that the Nordex Group can tap any new potential that exceeds its expectations following thorough analysis and evaluation. This is a pillar of the corporate strategy.

Opportunities arising from the realignment of Nordex's production network

In recent years, the Nordex Group has worked hard to strengthen its global production network by reorganizing its supply chain. The ongoing expansion of the production and supply chain in India is another crucial step towards optimization as well as being a key element of the corporate strategy until 2023. Nordex launched this groundbreaking project to serve global markets outside Europe from India in the future. Significant increases in volume and cost savings are also planned. If demand grows faster or more strongly than anticipated, this may also have an additional positive impact on the sales and profitability of the Nordex Group.

Nordex also expanded its partnership with US rotor blade manufacturer TPI, which has been operating the production site at Matamoros, Mexico, since July 2021 for an initial period of three years. Integrating TPI's expertise in this way should enhance the efficiency and performance of the Group's rotor blade production while enabling the Nordex Group to focus its resources on other strategic production start-up activities going forward. This step also improves the flexibility of the Company's supply chain for key components. In addition to the expected benefits, this partnership could also create growth and profitability opportunities for the Nordex Group.

Opportunities arising from repowering

As a driver of the Group's future sales growth, 'repowering' is another important element of the corporate strategy. Repowering involves fully dismantling existing old turbines at the end of their economic lifecycle and replacing them by building new modern and more efficient turbines. In the future, this effect will also play an important role in established onshore wind markets in Europe and the USA. Delivering these repowering projects more quickly and comprehensively could create further potential for the Nordex Group compared to current estimates, particularly for the successful Delta4000 platform. This could also provide an additional positive boost to the Company's sales and profitability.

Opportunities arising from research and development

Nordex's research and development efforts primarily focus on continuously enhancing the product portfolio. One focus area is reducing the cost of energy either by improving the performance capability of the turbines or by lowering costs. The aim is to constantly offer customers more competitive and efficient wind turbines through innovation. With its eight turbine models, the Delta4000 platform is tailored to the different market requirements of each region and can therefore be used globally. Another key element of the Group's R&D efforts is the enhancement of the service business with initiatives such as optimizing maintenance and upgrading software to improve turbine performance. Product and service innovations may create opportunities for the Nordex Group as positive deviations from its underlying medium-term planning if the innovations in question achieve market success that is earlier or more significant than planned.

Opportunities in sales and distribution

One of the Group's main sales and distribution objectives is to serve core customers and markets to secure and expand business volumes. These activities are also designed to attract new customers and develop new markets for the Nordex Group. Global electricity producers are of particular significance for the Nordex Group in this respect. Nordex is aiming to establish itself as a strategic supplier to these customers, opening the opportunity to win what are generally large projects. Developing specific individual markets creates additional potential. The Group's sales and services units continuously analyze new and established markets alike to evaluate opportunities and risks, potential project pipelines and opportunities for expansion. These evaluations are then used to select markets for development and ensure that they are developed with maximum efficiency and minimal risk. As a result, there are multiple ways in which sales and distribution can leverage further business potential for the Company that could have a positive impact on the future development of orders, sales, and profitability beyond existing planning.

Opportunities arising from in-house project development and services

Project development is an activity upstream from the Nordex Group's core business. In selected markets outside Europe, the Company develops wind farm projects in-house. These turnkey wind farms are marketed primarily to investors. The

high-margin service business completes the Nordex value chain. It enables the Group to establish close links with its customers while simultaneously forming the basis for new projects. Opportunities may arise from additional, ideally long-term service contracts as well as agreeing service contract extensions that are more advantageous than planned. This business is to be expanded gradually.

Overall assessment of opportunities

While business activities are regularly exposed to risks, they also repeatedly offer additional opportunities over time that are continually monitored and managed. The Nordex Group uses appropriate systems to ensure this. As a result, the Management Board of the Nordex Group considers itself to be well positioned to exploit future opportunities, i.e. to leverage any possible positive upside potential for sales, profitability, and liquidity.

The Nordex Group has defined specific measures and targets until 2023 in its corporate strategy. The Company's management activities focus on implementing these targets in its operating business. The clusters of opportunities outlined above may also create additional attractive potential for the Nordex Group that was not previously included in the specific planning calculations for this period or beyond. In this context, the Management Board pays special attention to external opportunities that may arise from new climate policy targets as well as internal opportunities arising from improvements to the global production network with the expansion of the supply chain in India. The Management Board believes that this tremendous potential to grow the global business from India presents significant opportunities for the Nordex Group – including (and in particular) for the years after 2023.

REPORT ON POST-BALANCE SHEET DATE EVENTS

As of 14 February 2024, Nordex holds all relevant approvals to further increase the Uncommitted Guarantee Facility Utilization Agreement with its key shareholder, Acciona S.A. to a new total amount of EUR 1,300,000 thousand. At the same time, lenders under the Syndicated multi-currency guarantee facility agreed to a one-year extension of the facility's maturity date until April 2025.

REPORT ON EXPECTED DEVELOPMENTS

- › 2024 guidance anticipates improved profitability
- › Business performance set to benefit from further stabilization of the market environment
- › Strong order book ensures high level of activity

FUTURE ENVIRONMENT

Anticipated macroeconomic environment: global economy to remain subdued in 2024, waiting for turnaround in interest rates

Global economic growth looks set to remain weak in 2024 amid a geopolitical environment still fraught with risk. On the one hand, economic momentum in China remains sluggish despite government support measures due to weakness in the real estate and construction sectors, which means it is unlikely to provide much of a boost to the global economy. Persistently high interest rates are also dampening economic growth, particularly in industrialized nations. On the other hand, a further slowdown in inflation combined with higher real income for workers is likely to bolster private consumption and noticeably boost the economy. Interest rate trends will be crucial to economic development and momentum. If inflation continues to weaken in 2024 as is generally expected, this will provide greater scope to cut interest rates. Fiscal policy has been highly expansive in recent years, both to mitigate the impact of the pandemic and to limit the explosion in energy costs triggered by Russia's war of aggression in Ukraine. At present, it is generally assumed that these effects will taper off in 2024 and fiscal policy will slow rather than boost economic growth.

The International Monetary Fund (IMF) expects the global economy to expand by just 2.9% in 2024, somewhat slower than it did in 2023 (World Economic Outlook, October 2023). This is ten basis points down on the forecasts issued in July and April 2023. Risks to the economy remain very high due to factors such as geopolitical conflicts and challenges posed by the increasingly adverse impact of climate change. The IMF predicts that the economy in industrialized nations will only expand by 1.4% in 2024 and that economic growth in developing and emerging countries will remain unchanged overall at 4.0%. This is partly due to a loss of economic momentum in the USA as a result of interest rates and in China due to its domestic real estate crisis. The economic

recovery in the eurozone, particularly Germany, will continue to falter, while economies in Turkey, Brazil and Mexico are also likely to weaken in 2024.

Geopolitical fragmentation is increasingly changing the global structural framework, with numerous conflicts and turmoil in energy markets around the world. This, together with climate change and its far-reaching consequences, will drive decarbonization across all areas of life and the economy. Politicians are also setting out binding targets and regulations to accelerate the expansion of renewable energy production worldwide. For more information, please refer to the section entitled "Political, legal and regulatory environment". These drivers are expected to dominate developments to a much greater extent from 2024 onwards, regardless of the short-term economic environment.

Expected BIP growth in 2024 (selected countries and regions)

in %	Sources	2022	2023	2024e
World	a	3.5	3.0	2.9
Industrialized countries	a	2.6	1.5	1.4
USA	b, a	2.1	2.1	1.5
Canada	a	3.4	1.3	1.6
Eurozone	c, a	3.3	0.7	1.2
Germany	d, a	1.8	-0.5	0.9
Spain	a	5.8	2.5	1.7
Developing/ emerging countries	a	4.1	4.0	4.0
India	a	7.2	6.3	6.3
Turkey	e	5.3	4.0	1.9
Latin America	a	4.1	2.3	2.3
Brazil	a	2.9	3.1	1.5

Sources: a) IMF, b) US Department of Commerce, c) ECB/Eurostat, d) Bundesbank/Destatis, e) German Council of Economic Experts

While leading economic research institutes expect interest rates to remain high for the time being, key central banks are likely to initiate a turnaround in rates as part of their monetary policy over the course of 2024, provided that inflationary pressures continue to ease. With the US Federal Reserve

(Fed) and European Central Bank (ECB) ultimately expected to follow the same interest rate cycle and both economic areas likely to record similar levels of growth in 2024, key fundamental currency effects suggest a relatively stable euro-US dollar exchange rate in 2024. Most of the agreements with customers and suppliers entered into by the Nordex Group companies are denominated in either euro or US dollar. Split agreements are common, in which the currency is based on the relevant section of the project value chain or supply chain. Remaining transaction currency risks are, for the most part, minimized via hedging. Further information can be found in the notes in the section entitled "Financial risk management".

Amid a weak global economic environment, the IMF believes commodity markets will continue to stabilize in 2024 despite geopolitical tensions. It anticipates that non-oil commodity prices will fall by an average of 2.7% in 2024 (2023: -6.3%). In addition, the IMF does not expect oil prices to place any further pressure on the economy. According to its forecast from last October, the price of a barrel of oil (average price for UK Brent, Dubai Fateh, WTI) is expected to reach USD 79.92 on average in 2024, a marginal decline of 0.7%.

Political, legal and regulatory environment

Generating electricity from renewable sources has established itself as an indispensable part of the global transition to renewable energy sources in many regions of the world. Support from political decision-makers plays a key role in extensively regulated energy markets, which can be structured very differently due to their political and regulatory environments. One element that remains vital in providing orientation is the 2015 Paris Climate Agreement, where participants agreed to limit global warming to +1.5°C. This target was reaffirmed and updated at subsequent UN climate summits in Glasgow in 2021 and Egypt in 2022. The 2023 event took place in Dubai, where the participants' pledges included an agreement in principle to shift away from fossil fuels and triple renewable energy capacity by 2030. There was also a commitment to reducing greenhouse gases by 43% by 2030, 60% by 2035 and to zero from 2050 onwards. In light of this, political efforts in the European Union, climate action proposals in the USA and expansion volumes are important for the Nordex Group.

The Inflation Reduction Act passed by the US government in August 2022 introduced an anti-inflation program that includes essential investments in US energy production and industry. The ten-year horizon is intended to specifically

promote the expansion of renewable energy sources and reduce greenhouse gas emissions. Overall, the Nordex Group considers this program to be very positive due to its long-term nature and the expected large-volume expansion. However, a certain proportion of local added value is required to be able to benefit from the tax advantages associated with this. The Nordex Group therefore continues to review the option to reactivate its former turbine production facility in West Branch, Iowa. Any decision to reactivate the facility will depend on the prospect of steady demand in the USA. In 2023, the Nordex Group worked hard on improving its competitiveness and market position in the USA, even though no new orders were recorded yet. The Company has not yet been able to participate in repowering orders and while its largely European customer base has started to plan projects again, it has not yet completed them. Nordex generally expects demand to pick up in 2024. In addition, the wind market in Canada offers good growth opportunities.

The EU has continued its policy of promoting the expansion of renewable energies in 2023 and intends to massively expand the installed capacity of wind energy with the aim of generating 42.5% of all energy in the EU from renewable sources by 2030. To this end, the EU has presented a comprehensive action plan with numerous measures in which industry and member states are asked to work closely together. The Nordex Group expressly welcomes these efforts, especially given its strong market position in Europe.

One market that is once again becoming increasingly relevant for the Nordex Group is Germany, where a series of measures have been implemented to push ahead with installation efforts to achieve the country's ambitious expansion targets. The German Federal Network Agency (BNetzA) has specified an annual tender volume of 10 GW from 2024 to 2028, divided equally into four auctions a year. After a tender volume of 12.84 GW was not fully utilized in 2023, the extent to which these volumes will actually be used in the future remains to be seen. In addition, the feed-in tariff of 7.35 ct/kWh from 2023 will remain at this level in 2024, even though inflation is declining and interest rates have stabilized. One particularly encouraging development is that the number of building permits rose significantly by 78% to just under 7.5 GW during the 2023 financial year (2022: 4.2 GW). The reduction in wind assessment reports for specially designated wind areas is likely to have had a positive impact on these figures. Furthermore, the renovation of existing wind turbines that are coming to the end of their technical life or are no longer eligible for

funding under the German Renewable Energy Sources Act (EEG) still offers considerable potential (this process is known as 'repowering'). Volumes and prices, combined with increasing the space available, play an important role in achieving the federal government's targets to expand the production capacity for renewable energy sources in Germany to 115 GW by 2030 and to 160 GW by 2035. At present, long waiting times in issuing permits for heavy haulage on the roads pose a significant challenge for the wind sector. In addition, the significant weight of new turbines combined with Germany's aging infrastructure makes planning even more demanding and could result in longer transport routes.

The Nordex Group's product portfolio, market expertise and strong customer relationships mean it is in an excellent position within the German market to capitalize on its growth prospects.

The market environment in Latin America was characterized by fierce competition in the onshore wind power segment as well as bilateral power purchase agreements (PPAs). Order intake fell sharply in 2023 due to extremely low electricity prices, particularly in Brazil, where international competition is becoming increasingly apparent. In light of this, the outlook for this market in 2024 remains muted.

Industry-specific environment: wind energy sector on course for long-term growth – most of Nordex's core markets to record high installation volumes in 2024

As a major driver in generating electricity from renewable sources, wind energy has a vital role to play in the accelerated global transition to renewable energy. It has become demonstrated its competitiveness thanks to significant technological progress in recent years and can now rival other power generation technologies in windy regions, even without subsidies. Many markets operate without subsidies, with most projects awarded through auctions or as part of private power supply agreements between energy producers and large customers such as companies known as power purchase agreements (PPAs). Politicians are also promoting wind energy by introducing stricter climate protection legislation, as explained in more detail in the section entitled "Political, legal and regulatory environment". The target of reducing greenhouse gas emissions to zero requires a massive and accelerated expansion of wind energy.

According to its updated November forecast, renowned market research institute WoodMackenzie expects global installations (offshore, onshore plus repowering) to grow by an average of 8.2% p.a. between 2022 and 2032 (8.3% excluding China). This would cause the total wind energy power generation capacity available globally to more than double to 2.3 TW over this period (2023: 1.0 TW). According to WoodMackenzie, installations in the onshore wind turbine market relevant to the Nordex Group (global excluding China) are likely to increase by 5.7% per year. Based on this analysis, this would take the total volume of annual installations to more than 66 GW by 2032. This represents a rise of 78% compared to the figure of 37.4 GW expected for the onshore market excluding China in 2023, which means the global market Nordex serves is highly attractive and increasing in volume year after year.

Europe remains a significant market here, with estimated annual installations predicted to peak at 24 GW in 2028. According to WoodMackenzie, installations in the Western Europe market alone are expected to rise by 3.3% per year until 2032, with volumes reaching a peak of 11 GW in both 2028 and 2029. The market research firm anticipates average growth in new installations (including repowering) of 10% for both Germany (with more than 8 GW in 2028/29) and Spain (installations of 2.3–2.6 GW p.a.). France is expected to achieve stable installations of around 1.3–1.6 GW per year. WoodMackenzie forecasts annual growth in onshore installations of 5.3% in the USA and 4.7% in Latin America until 2032.

The market research firm specifically expects the global market served by Nordex (onshore excluding China) to expand rapidly by 25.1% in 2024, with annual installations including repowering reaching a volume of 46.7 GW. Key markets in the USA (+25.6%), Latin America (+4.5% overall despite the downturn in Brazil) and Europe (+16.9%) are expected to contribute to this performance. While installations in Scandinavia and France are expected to decline once again in 2024, significant growth is likely in Spain, Italy and Turkey. The outlook is also bright for the United Kingdom in 2024 (+17.0%). According to WoodMackenzie's forecasts, Germany will once again achieve installation figures of around 4.3 GW in 2024 after a sharp rise to this level in the previous year, with installations likely to increase further to more than 5 GW in 2025. The following table shows Wood Mackenzie's assessment for the ten largest individual markets.

Wind power onshore market outlook for the top 10 countries by expected new installations in 2024

in MW (ranking based on 2024e)	2023e	2024e	2025e
World	89,364	109,100	125,501
China	52,002	62,365	64,381
USA	6,657	8,362	14,890
Germany	4,287	4,290	5,229
India	3,300	4,000	4,500
Brazil	4,050	3,230	3,135
Spain	1,181	2,648	2,641
South Africa	100	1,600	2,340
Sweden	2,000	1,500	1,530
France	1,450	1,353	1,283
Finland	1,562	1,300	1,100

Source: WoodMackenzie November 2023 Global Wind Power Market Outlook (Segment Onshore), Update Q4/2023

GUIDANCE OF THE NORDEX GROUP FOR 2024

The Nordex Group further consolidated its market position in the global onshore wind market during the year under review, recording significant order intake in its core markets in particular. The Nordex Group strengthened its capital structure and improved its liquidity situation by converting shareholder loans into equity and issuing a convertible bond. The Nordex Group boasts a competitive product portfolio and is represented in many attractive markets via installations and efficient service. As onshore wind energy is now competitive in many locations based on the cost of energy (CoE) and the expansion of renewable energy production is enjoying considerable political support, the Nordex Group is well positioned at the start of the 2024 financial year, even though significant challenges remain in the intensely competitive wind market.

Nordex anticipates high production and installation figures and the completion of orders under improved conditions to have a positive effect on the Group's operating margin in the course of 2024. One important prerequisite for this, however, is that supply chains and the political and economic environment remain stable without any upheaval.

Overall, the Nordex Group expects its business to perform significantly better in 2024 than it did in 2023, something which is likely to be reflected in its financial key performance indicators, particularly those relating to profitability.

For the 2024 financial year, the Management Board of Nordex SE is aiming to generate consolidated sales of EUR 7.0 to 7.7 billion and an EBITDA margin of 2.0% to 4.0%. The Company also expects to make capital expenditures totaling around EUR 175 million. This includes the sub-projects postponed from 2023. The working capital ratio as a percentage of consolidated sales is again predicted to remain below 9% at the end of 2024.

As of year-end 2023, the order book in the Projects segment totaled EUR 6.9 billion, just under 6% more than a year earlier. This order book is a key element of our forecasts. Installation levels are expected to be similar in 2024 as in the year under review, especially as the Group still has to catch up on installations from 2023. The strongest individual markets in terms of order intake in 2023 were located in Europe, most notably Germany, Turkey, Spain and Sweden, followed by international markets in Chile, Canada and Brazil. Overall, Europe recorded the highest order intake, followed by the Latin American markets, Canada and South Africa.

After several years of sharply increasing costs for raw materials and logistics, prices stabilized at a lower level in 2023, a trend that is initially likely to continue in 2024. Costs arising from delays in turbine construction also had an adverse impact on the Group's performance in 2023, particularly in the first half of the year. The Company expects this impact to lessen considerably in 2024. As of the end of January 2024, the order book already covered 78% of the Nordex Group's planned consolidated sales in the Projects segment for 2024, providing a robust basis for planning production and installations. Downstream, the Service segment will also benefit from new installations.

Generally speaking, the Company expects 2024 to follow a similar pattern to 2023, with a stronger second half of the year for sales and earnings (EBITDA). As a result, the Nordex Group anticipates a weaker start to 2024 overall due to seasonality, especially as several low-margin legacy orders still have to be processed. These projects will decline in number over the course of the year as the number of high-margin projects grows, which should help the Group's earnings margin to steadily recover. Stable or slightly increasing prices, together with adjusted customer contracts, are also expected to have a positive impact on the operating result and margin. The Company will also continue with its program to improve earnings in 2024. The key elements of this program including boosting productivity, improving service margins in the long term, optimizing project management, and enhancing

the supply chain. Nordex continues to review the option to resume turbine production at its West Branch site in the USA. By manufacturing its products in the USA, Nordex could consolidate its local positioning in this market.

The Company's capital expenditure in 2024 is set to focus primarily on additional transport equipment to enable it to process the high number of planned installations efficiently. The Nordex Group also plans to invest in equipment associated with the N175/6.X turbine.

Generally speaking, the Nordex Group anticipates robust demand for 2024, particularly in its major core markets, where the Company benefits from both its strong market position among key global customers and its diversified customer base in Europe in particular. In the Delta4000 platform, the Nordex Group offers an efficient and competitive generation of turbines in the 4 MW, 5 MW and 6 MW+ classes with a portfolio of no less than eight different product types, which can be used in almost every region of the globe.

The Inflation Reduction Act (IRA) in the USA and political measures across Europe, as well as steadily increasing repowering volumes that already play a major role in key European markets and increasingly the USA, will provide the Company with good market opportunities. It is difficult to estimate when and to what extent these packages of measures will come to fruition in the short term. The significant political focus on promoting independent, clean energy production, particularly in Europe, should be viewed as a positive development.

Strong order intake and a high number of installations are likely to have a positive impact on the development of working capital during the current financial year.

Medium-term margin target confirmed

The Nordex Group set a strategic EBITDA margin target of 8%. The Company hereby reaffirms this margin target and expects to achieve it in the medium term.

OVERALL ASSESSMENT OF EXPECTED DEVELOPMENTS BY THE MANAGEMENT BOARD

The Nordex Group was able to improve its profitability from quarter to quarter in 2023. The corporate program to improve profitability contributed significantly to this performance and will continue in 2024 to ensure that costs are monitored and managed in a disciplined way. One key element of this program is the continuous review and development of the supply chain to ensure that it remains competitive in the long term. The potential for further volume growth in Europe associated with economic and political ambitions to reduce the region's reliance on China and strike a better balance could help to strengthen the Company's European supply chain, including Turkey, in the medium term. The situation is more tangible in the USA, where the introduction of the Inflation Reduction Act requires local production in order to operate competitively in the US market. In light of this, the Nordex Group is reviewing the option to reactivate the turbine production facility in West Branch, Iowa, that it temporarily took offline.

High costs for raw materials and shipping as well as massive supply chain disruption are external factors that have adversely affected the Nordex Group's margin in recent years. As a result, the Company continued to follow the course it set in the previous year to reduce risks and thus protect its margin and steadily improve it over time. In particular, this means being disciplined about pricing as well as adjusting and structuring customer contracts and the scope of projects. The last point, for example, may result in the customer assuming responsibility for logistics or significant elements of transport, enabling Nordex to reduce not only the scope of a project but also the risk associated with it. Other levers relate to sourcing by incorporating the supply chain into the process and order as early as possible. In short, it is important to note that minimizing risk in a consistent and sustainable way is crucial to the Nordex Group.

The Nordex Group's Service segment is generally characterized by a high degree of planning reliability and steady cash flows. The Company is aiming to increase service sales by more than 5% in 2024 as a result of increased production and installations in particular, with the Service segment likely to make up a higher proportion of overall consolidated sales as a result. The operating margin came under pressure during 2023, particularly in the first half of the reporting year. Compared to the previous year, this was due to a technical currency effect, the dilution of the EBIT margin as a result of orders from international markets and, above all, inflationary pressure that could only be passed on to customers after a time delay. The margin then recovered noticeably in the second half of the year. The Company is aiming to grow the service margin further in 2024. Margins in this area are significantly above those of the overall Group and are likely to rise further in future. In the Service segment, the Company collects a wide range of data and cross-border experiences across the entire investment portfolio and uses these to continue developing its maintenance offering and make it more profitable.

In 2024, the Nordex Group is focusing on further improving profitability to continue the strong performance already seen in 2023. To achieve this, the Company needs to keep developing its production and supply chain and continue pursuing its corporate cost reduction program to steadily improve its cost structure. This also means continuing to adjust customer contracts and limiting risks as well as raising prices and setting them in a disciplined way. The Company's primary aims for the product portfolio are to enhance the efficiency of its existing turbine types and adapt to market requirements. Processing a high number of projects smoothly and efficiently remains crucial for the Nordex Group. The Company is still aiming to achieve an EBITDA margin of 8% in the medium term.

BUSINESS PERFORMANCE OF THE GROUP COMPANY NORDEX SE

In its function as the Group parent, Nordex SE is the holding company for the Nordex Group. One of Nordex SE's key tasks is to finance the Group companies by providing loans and guarantees. In addition to this, Nordex SE provides management services for various subsidiaries in the areas of controlling, finance, internal audit, IT, investor relations, communications, Group strategy, people & culture, legal matters and insurance. There are profit and loss transfer agreements in place for tax purposes with Nordex SE and Nordex Germany GmbH, Nordex Grundstücksverwaltung GmbH, Nordex International GmbH, Nordex Windpark Beteiligung GmbH and Nordex Manufacturing GmbH. Further information on the basis of consolidation can be found in the notes to the consolidated financial statements.

Sales of Nordex SE were down 2.5% to EUR 111.5 million in financial year 2023 (2022: EUR 114.4 million). This decrease was due to lower Intragroup allocations for services and an increase in commissions for performance surety bonds. Staff costs rose to EUR 37.7 million (2022: EUR 35.9 million) Net operating income/expenses amounted to EUR –45.3 million (2022: EUR –85.9 million). Other operating income resulted primarily from income from currency translation. Other operating expenses mainly consisted of foreign currency translation expenses, higher legal and consulting costs, and IT costs. Income from profit transfer came to EUR 1.5 million (2022: EUR 20.9 million). Expenses from loss absorption increased to EUR 440.4 million (2022: EUR 283.5 million), resulting in lower earnings after taxes of EUR –284.6 million (2022: EUR –247.3 million).

In financial year 2023, Nordex SE posted a net loss for the year of EUR 284.6 million in accordance with the German Commercial Code (2022: net loss for the year of EUR 247.7 million). After withdrawal from reserves, net retained profits for financial year 2023 totaled EUR 0.0 million (2022: 0.0 million).

Due to the debt to equity swap carried out in May 2023, Nordex SE's equity rose by 10.0% to EUR 1,707.2 million (31 December 2022: EUR 1,551.6 million), despite the negative trend in earnings.

Total assets increased by 14.9% to EUR 4,925.4 million (31 December 2022: EUR 4,286.5 million). Due to payments into the equity of subsidiaries, shares in affiliated companies increased to EUR 1,502.6 million (31 December 2022: EUR 1,087.3 million), resulting in an equity ratio of 34.7% (31 December 2022: 36.2%).

CONCLUDING DECLARATION BY THE MANAGEMENT BOARD AND TAKEOVER-RELATED DISCLOSURES

CONCLUDING DECLARATION BY THE MANAGEMENT BOARD ON THE REPORT ON RELATIONS WITH AFFILIATED COMPANIES

Given its current equity interest of approximately 47.08% and the average shareholder presence at the Annual General Meeting in the past, Acciona, S.A., even assuming the highest presence at the Annual General Meeting in the past, theoretically has a de facto simple – or possibly even a qualified – majority of votes, which establishes a relationship of control.

There is no control or profit transfer agreement between Nordex SE and Acciona, S.A. Accordingly, the Management Board of Nordex SE has prepared a dependent company report on the Company's relations with affiliated companies in accordance with Section 312 AktG. At the end of the report, the Management Board issued the following statement: "Based on the circumstances known to us at the time the transactions referred to in the Report on Relationships with Affiliated Companies for the reporting period from 1 January 2023 to 31 December 2023 were undertaken, our company, Nordex SE, received appropriate consideration for each transaction.

No other measures were undertaken or omitted in the interest of or on the instructions of the controlling company or companies affiliated with it."

DISCLOSURES IN ACCORDANCE WITH SECTIONS 289A (1), 315A (1) OF THE GERMAN COMMERCIAL CODE (HGB) AND EXPLANATORY NOTES IN ACCORDANCE WITH SECTION 176 (1) SENTENCE 1 PART 2 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The following disclosures are required in the management report pursuant to Sections 289a (1) and 315a (1) of the German Commercial Code (HGB):

Composition of subscribed capital

The Company's subscribed capital stood at EUR 236,450,364.00 as at the reporting date and is divided into 236,450,364 no-par-value bearer shares. One share equals EUR 1.00 of the Company's share capital. There are no restrictions on the exercise of voting rights or the transfer of shares. The same rights attach to all shares except for treasury shares for which no voting rights may be exercised. Each share equals one vote and, possibly with the exception of recently issued shares which are not dividend-entitled, represents the same share in the dividend distribution approved by the shareholders at the Annual General Meeting. The rights and obligations arising from the shares are governed by the applicable statutory provisions, particularly Sections 12, 53a ff, 118 ff and 186 of the German Stock Corporation Act (AktG). Nordex did not hold any treasury shares as at 31 December 2023.

Restrictions on the exercise of voting rights or the transfer of shares

No rights accrue to the Company from treasury shares. In the cases provided for in Section 136 of the German Stock Corporation Act (AktG), voting rights on treasury shares are excluded. Under the terms of their employment contracts, all members of the Management Board are obliged to purchase shares up to an amount corresponding to the value of their annual base salary (gross) and hold these shares for the duration of their appointment and for a further two years after their appointment comes to an end. An annual minimum investment amount equivalent to 25% of the respective net payout from the remuneration component with a short-term incentive applies until the full investment volume has been reached.

Direct or indirect shares in capital of more than 10% of the voting rights

As at the 2023 reporting date, the following companies directly or indirectly held more than 10% of the voting rights with respect to Nordex SE: Acciona, S.A. Madrid (Spain) stated that it held 111,328,881 shares and, hence, more than 47.08% of the voting rights.

Statutory provisions and provisions of the Articles of Incorporation on the appointment and dismissal of members of the Management Board and amendments to the Articles of Incorporation

The appointment and dismissal of members of the Management Board is governed by Sections 84 and 85 of the German Stock Corporation Act (AktG) and Article 46 of the Council Regulation on the Statute for a European company (SE). Under Article 7 of the Company's Articles of Incorporation, the Management Board has at least two members, who are appointed by the Supervisory Board, which also determines the number of members. Under Article 7 (3) of the Company's Articles of Incorporation, the members of the Management Board are appointed for a maximum period of five years.

In accordance with Section 179 of the German Stock Corporation Act (AktG), the Company's Articles of Incorporation may only be amended with a resolution passed at the Annual General Meeting. In accordance with Article 20 (4) Sentence 2 of the Articles of Incorporation in conjunction with Article 59 (1) and (2) of the Council Regulation on the Statute for a European company (SE), amendments to the Articles of Incorporation require a majority of two-thirds of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast. In cases in which the German Stock Corporation Act (AktG) or the German Transformation Act (UmwG) stipulates a majority of three quarters of the votes cast, this also applies to Nordex SE in accordance with the reservation in Article 59 of Council Regulation on the Statute for a European company (SE). However, this is not based on the capital represented but on the number of votes cast. Article 26 of the Articles of Incorporation of Nordex SE in conjunction with Section 179 (1) sentence 2 of the German Stock Corporation Act (AktG) authorize the Supervisory Board to change the Articles of Incorporation.

Authorization of the Management Board to issue or buy back shares

The following specific authorization has been granted:

Contingent Capital/Authorized Capital

At 31 December 2023 the Company had Authorized Capital I of EUR 21,194,622.00, equivalent to 21,194,622 shares (2022: EUR 0), Authorized Capital II of EUR 42,389,245.00, equivalent to 42,389,245 shares (2022: EUR 0), Authorized Capital III of EUR 6,358,387.00, equivalent to 6,358,387 shares (2022: EUR 81,118.00 equivalent to 81,118 shares), Contingent Capital I of EUR 21,194,623.00, equivalent to 21,194,623 shares (2022: EUR 18,436,138.00, equivalent to 18,436,138 shares) and Contingent Capital II of EUR 3,500,000, equivalent to 3,500,000 shares (no change compared to the previous year). Each share represents a notional share of EUR 1.00 in the Company's share capital.

Overall, only new shares accounting for up to 40% of the share capital as of the Annual General Meeting's resolution on 6 June 2023, i.e. 84,778,491 new shares, may be issued on the basis of all of the authorizations and capital available to the Company (including the authorization to issue convertible bonds and stock options to senior managers and experts of the Group).

Specifically:

On 27 March 2023 the Extraordinary General Meeting of Nordex SE adopted a resolution to increase the Company's share capital by up to EUR 29,260,215.00 by issuing up to 29,260,215 new no-par value bearer shares (ordinary shares), each with a notional share in capital of EUR 1.00 against non-cash capital contributions. The non-cash capital contributions consisted of receivables in the total principal amount of EUR 346,733,551.79 due to Acciona, S.A. from the Company. Only Acciona, S.A. was authorized to subscribe for all new shares. The shareholders' pre-emption rights were disapplied. On May 8, 2023, the implementation of the capital increase in the amount of EUR 24,504,137.00 by issuing 24,504,137 new shares was entered in the German Commercial Register.

In accordance with a resolution passed at the Annual General Meeting on 6 June 2023, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Authorized Capital I** to increase the Company's share capital once or repeatedly on or before 5 June 2026

by up to EUR 21,194,622.00 in total, in return for cash or non-cash capital contributions, by issuing new no-par-value bearer shares. The Management Board did not make use of this authorization.

In accordance with a resolution passed at the Annual General Meeting on 27 March 2023, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Authorized Capital II** to increase the Company's share capital once or repeatedly on or before 26 March 2026 by up to EUR 42,389,245.00 in total, in return for cash capital contributions, by issuing new no-par-value bearer shares. The Management Board did not make use of this authorization.

In accordance with a resolution passed at the Annual General Meeting on 27 March 2023, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Authorized Capital III** to increase the Company's share capital once or repeatedly on or before 26 March 2026 by up to EUR 6,358,387 in total, in return for cash or non-cash capital contributions, by issuing new no-par-value bearer shares. The Management Board did not make use of this authorization.

In accordance with a resolution passed at the Annual General Meeting on 27 March 2023, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Contingent Capital I** to contingently increase the Company's share capital by up to EUR 21,194,623.00 by issuing up to 21,194,623 new no-par-value bearer shares. Contingent Capital I is used to grant no-par value bearer shares as of the exercise of conversion or option rights (or upon fulfillment of corresponding conversion obligations) or else as of the exercise of an option held by Company, instead of paying the amount of money due, either in whole or in part to grant no-par value shares of the Company to the holders of convertible bonds or bonds with warrants issued by the Company in return for a cash contribution and on the basis of the Annual General Meeting's authorizing resolution in the period from 27 March 2023 to the end of 26 March 2026. In the reporting year, the Company issued unsecured and unsecured green convertible bonds with a total nominal amount of EUR 333 million and a nominal amount of EUR 100,000 each, due on 14 April 2030. The shareholders' pre-emption rights were disapplied. The number of shares into which the convertible bonds are to be converted is determined by dividing the nominal amount by the conversion price. The conversion price was set at EUR 15.73 and is subject to customary

market adjustment mechanisms. The initial conversion price of EUR 15.73 results in a conversion into an initial 21,169,739 shares in the Company, corresponding to just under 10% of the share capital at the time of the resolution and at the time the authorization is exercised.

Contingent Capital II is intended for the fulfillment of subscription rights granted from stock options of senior managers and experts of the Company and the other companies of the Nordex Group in Germany and other countries as well as the members of the management boards of Nordex Group companies which are granted on or before 4 May 2026, on the basis of the authorization provided by the Annual General Meeting on 5 May 2021. To date, 579,190 pre-emption rights have been granted to Nordex Group senior managers and experts in a first tranche in 2021, 768,284 pre-emption rights in a second tranche from 2022 and 884,409 pre-emption rights in a third tranche in the 2023 reporting year.

Treasury shares

Based on the resolution passed as the Annual General Meeting on 6 June 2023, the Management Board is authorized on or before 5 June 2028 subject to the approval of the Supervisory Board to purchase treasury shares up to an amount of 10% of the Company's share capital as of the Annual General Meeting's resolution and to use this for any purpose permitted by law. These shares may be used, among other things, for the purpose of mergers and acquisitions, they may be offered to senior managers and employees of the Company or affiliated companies as employee shares and they may be used in fulfilling conversion rights or conversion obligations resulting from convertible bonds or employee option rights. The shareholders' pre-emption rights are disappplied in these cases. These treasury shares may also be called in or sold to shareholders or third parties – while disapplying the shareholders' pre-emption rights – for a cash price which is not significantly below the stock exchange price as of the sale.

No use was made of the authorization to purchase own shares in the reporting period.

Material agreements subject to a change-of-control provision

As of the reporting date, the Company entered into the following material agreements that contain clauses relating to a change of control which could occur as a result of a takeover offer:

Syndicated guarantee facility for EUR 1,410 million

The guarantee facility contains a provision that entitles the lenders to terminate the facility in the event that a person acquires more than 50% of the share capital or voting rights of Nordex SE. This does not apply to Acciona, S.A., Madrid (Spain).

Promissory note for EUR 25.5 million

The promissory note contains a provision that entitles the lenders to terminate the loan in the event that a person or a group of persons acting in concert gain direct or indirect control over more than 50% of the issued shares or voting rights of Nordex SE and/or Nordex Energy SE & Co. KG.

Green convertible bond (Green Bond) for EUR 333 million

The green convertible bonds include the bondholders' right to call in all or individual bonds that have not yet been converted or repaid in the event of a change of control. Such a change of control would occur, for example, if a third party were to directly or indirectly acquire 30% or more of the voting shares in Nordex SE. This does not apply to Acciona, S.A. and its affiliates.

Uncommitted guarantee facility of EUR 600 million

The guarantee facility agreed with Acciona, S.A. contains a provision that entitles the lenders to terminate the facility in the event that a person directly or indirectly acquires more than 30% of the share capital or voting rights of Nordex SE. This does not apply to Acciona, S.A. and its affiliates.

CORPORATE GOVERNANCE STATEMENT OF NORDEX SE

INCLUDING THE COMPANY'S CORPORATE GOVERNANCE REPORT

The corporate governance statement to be published in accordance with Section 289f and 315d of the German Commercial Code (HGB) (including the corporate governance report in accordance with Principle 23 of the German Corporate Governance Code as published in the official section of the Federal Gazette on 28 April 2022) is a component of the combined management report. In accordance with Section 317 (2) sentence 6 HGB, the auditor's review of the disclosures made in accordance with Section 289f (2) and (5) and Section 315d HGB is restricted to the question of whether the disclosures have been made.

CORPORATE GOVERNANCE STATEMENT BY NORDEX SE PURSUANT TO SECTION 289F AND SECTION 315D HGB

1. Declaration of conformity by the Management Board and the Supervisory Board pursuant to Section 161 of the German Stock Corporation Act (AktG)

Under Section 161 of the German Stock Corporation Act, the Management Board and Supervisory Board of Nordex SE as a listed company are required to issue a declaration once a year confirming compliance with the recommendations of the Government Commission on the German Corporate Governance Code issued by the German Federal Ministry of Justice (BMJV) and published in the official part of the Federal Gazette (Bundesanzeiger) and stating which recommendations have not been implemented in the past and are currently not being implemented. This declaration must be made permanently available to the shareholders. The Company published its declarations of conformity for the past few years online at <https://ir.nordex-online.com/websites/Nordex/English/6000/corporate-governance.html>.

The updated declaration of conformity dated 20 February 2024 is reproduced as follows:

Compliance Declaration by the Management Board and the Supervisory Board of Nordex SE pursuant to section 161 of the German Stock Corporation Act

The Management Board and Supervisory Board of Nordex SE have updated their Compliance Declaration for 2023 dated 28 March 2023 and hereby declare as follows:

Since the last Compliance Declaration dated 28 March 2023 the Management Board and the Supervisory Board of Nordex SE (Company) have complied with the recommendations of the Government Commission on the German Corporate Governance Code published in the official part of the Federal Law Gazette (Bundesanzeiger) in its version as of 28 April 2022 (GCGC 2022), save for the deviations described hereinafter. This will also continue to be the case in the future, unless otherwise outlined below.

Article A.2 GCGC 2022 – Appointments to Management Positions (Diversity)

The Management Board does not comply with the recommendation in Article A.2 GCGC 2022 because appointments to management positions in the Company are made regardless of gender and are exclusively guided by the qualifications of the individuals available. For this reason, the target quota for women at the two management levels directly below the Management Board as determined by the Management Board of Nordex SE does and for the foreseeable future will not amount to the 30% desired by law, but to a lower percentage.

Article B.1 GCGC 2022 – Composition of the Management Board (Diversity)

When determining the composition of the Management Board, the Supervisory Board of Nordex SE was guided solely by qualification for the position and not specifically by the gender of the relevant candidates. Irrespective of that, the Supervisory Board did consider the underrepresented gender in any of its appointments in the event of equal qualification. However, the Supervisory Board would like to expressly state that it does value and will strive for diversity. Accordingly, on 20 November 2020 the target quota for women on the Management Board to be achieved until 2025 was set at 25%.

Articles B.5 and C.2 GCGC 2022 – Age Limits for Management Board and Supervisory Board Members

Contrary to Articles B.5 and C.2 GCGC 2022, the Supervisory Board of Nordex SE has not determined fixed age limits for membership of the Management Board and the Supervisory Board. Age alone is not decisive for the capabilities, suitability and independence of a current or potential member of the Company's corporate bodies.

Hamburg, 20 February 2024

Nordex SE

Management Board Supervisory Board

2. Disclosures on corporate governance practices

Corporate compliance

Integrity is one of the Nordex Group's core corporate values and an important pillar of its corporate culture. Acting with integrity and, moreover, acting within the law, is the foundation of the Company's good reputation. This is an essential foundation for the trust placed in us by our customers, shareholders, and business partners, as well as the public.

Lawful conduct and meeting the requirements of our customers, as well as orientating our actions toward the applicable principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Universal Declaration of Human Rights, are anchored as basic tasks in the Group's departments and units. Nordex has implemented appropriate management systems to ensure this.

The Corporate Compliance Management System covers the prevention and detection and, if necessary, response to bribery or corruption and conflicts of interest within the Nordex Group as well as the risk-adequate collaboration with business partners in order to avoid or handle violations of laws and ethical principles. The goal is to promote risk awareness and the ethical culture within the Nordex Group, and to detect, stop and permanently prevent any violations of the law.

This compliance management system comprises central coordination and control through a structure and process organization including an annual action plan, and reporting. The compliance management system is designed to reflect the risks and includes elements of prevention (e.g. risk analysis, codes of conduct, policies, consulting, communication and training), detection (e.g. process controls, business partner reviews, provision of a whistleblower system) and intervention (e.g. following-up on tips, investigation, and improvement and sanctioning measures).

Detailed information on what measures were introduced with regards to the Compliance Management System and what milestones were achieved can be found in the 2023 Sustainability Report published in February 2024.

Sustainability

The Nordex Group as a company is committed to the ecologically and economically responsible use of resources and respectful treatment of all people employed by Nordex or with whom the Company works as customers, suppliers, service providers or shareholders. The Nordex Group's sustainability management unit reports directly to the CFO. Detailed information on the underlying sustainability strategy of the Nordex Group can be found in the 2023 Sustainability Report published in February 2024 together with the annual report.

3. Disclosures on working practices of the Management Board, the Supervisory Board and the Committees

Working practices of the Management Board

The Management Board manages the Company – a strategic holding company, which also performs administrative service functions – at its own discretion with the aim of achieving sustained improvements in enterprise value and of attaining the agreed targets. It conducts the Company's business in accordance with statutory provisions and the provisions of the Company's Articles of Incorporation and Rules of Procedure for the Management Board. In addition, it works in a spirit of trust with the Company's other governing bodies.

The Management Board defines the long-term goals and strategies for the entire Nordex Group and determines the principles for the corporate policy derived from these. It coordinates and supervises all significant activities. It determines the range of products, develops and deploys executive staff, allocates resources and makes decisions on financial management and group reporting.

The members of the Management Board are jointly responsible for the entire management of the Company. Notwithstanding this joint responsibility, the individual members of the Management Board manage the business areas assigned to them at their own discretion in accordance with the resolutions passed. The allocation of duties to the members of the Management Board is recorded in a schedule of responsibilities, which is approved by the Supervisory Board.

The Management Board makes decisions on all matters of fundamental and material importance as well as in the cases prescribed by law or elsewhere.

Shared responsibility

Meetings of the Management Board are held regularly. They are convened by the Chief Executive Officer. In addition, each member of the Management Board may request that a meeting be convened. Resolutions of the Management Board are passed with a simple majority of votes cast except where a unanimous vote is prescribed by law. In the event of an even vote, the chairman has the casting vote.

No changes were made to the organization of the Management Board during the 2023 reporting year.

In accordance with the Management Board's Rules of Procedure, the Chairman (Chief Executive Officer; CEO) is responsible for coordinating all of the Management Board's activities, reporting to the Supervisory Board and representing the Company and the Group vis-à-vis third parties. He is in charge of global lead functions for the operating business relating to rotor blade and nacelle production, purchasing (Global Sourcing) and global project management (Global PM/EPC) as well as engineering. He is also responsible for Quality, Health, Safety & Environment (QHSE), Product Strategy & Sales Support as well as Corporate Development & Strategy/M&A, Global Service, Operations Planning, Global Shipping, Information Security and IT.

The Chief Sales Officer (CSO), Patxi Landa, is in charge of the two operating divisions International and Europe with responsibility for sales, project management and service as well as all overarching customer-related functions such as Global Sales Coordination & Support, Global Key Account Management, Public Affairs and Project Development.

The Chief Financial Officer (CFO), Dr. Ilya Hartmann, is responsible for People & Culture, Accounting & Controlling, Finance, Internal Audit, Compliance, Investor Relations, Communication, Legal & Insurance, Tax and Sustainability, and the Finance Operations and Global Planning global lead functions.

The Management Board has not established any committees.

Supervisory Board: Monitoring and control activities

The Supervisory Board is responsible for monitoring and advising the Management Board. In accordance with the Articles of Incorporation, it comprises six members who are elected by the shareholders at the Annual General Meeting. The Supervisory Board is directly involved in all decisions of fundamental significance for the Company; it also consults with the Management Board on the Company's strategic orientation and regularly discusses with it the progress being made on implementing business strategy.

The Chairman of the Supervisory Board coordinates the Board activities and presides over the meetings. The Supervisory Board is kept informed of the Company's business policy, corporate planning and strategy at all times via regular meetings with the Management Board. The Supervisory Board approves the budget and the annual financial statements of Nordex SE and the Nordex Group as well as the combined management report in the light of the statutory auditor's report.

The Supervisory Board and its committees regularly review the overall effectiveness of the Supervisory Board and how effectively its committees perform their tasks, either internally or with the involvement of external advisers.

Supervisory Board committees

The Supervisory Board currently has the following committees: the Executive Committee, the Audit Committee and the Strategy and Technology Committee.

Executive Committee:

This Supervisory Board committee has three members. It is chaired by Dr.-Ing. Wolfgang Ziebart, the other two members are Jan Klatten and Juan Muro-Lara. The Executive Committee has the function of a permanent personnel committee. In addition, it is responsible for passing urgent resolutions on decisions made by the Management Board which require the Supervisory Board's approval in accordance with the German Stock Corporation Act (AktG), the provisions of the Company's Articles of Incorporation or the Rules of Procedure, unless a resolution passed by the entire Supervisory Board is required. In addition, it performs the task of a nomination committee and submits recommendations for suitable candidates to the Supervisory Board with respect to voting proposals for the Annual General Meeting.

Audit Committee:

The Audit Committee comprises three members; in the year under review, it was chaired by Martin Rey, while the other two members were Isabel Blanco and Juan Muro-Lara. Like the other members of the Supervisory Board, all members of the Audit Committee are familiar with the sector in which the Company is active.

The Audit Committee is responsible for matters relating to accounting and risk management, the necessary independence of the statutory auditor, the mandating of the statutory auditor, the determination of the main aspects of the audit and the fee agreement with the statutory auditor. In addition, it addresses matters relating to controlling and contracting and particularly also for decisions made by the Management Board which require the Supervisory Board's approval in accordance with the German Stock Corporation Act (AktG), the provisions of the Company's Articles of Incorporation or the Rules of Procedure. The Audit Committee is also responsible for monitoring the financial reporting process, the efficacy of the internal control system and corporate compliance, the internal control and risk management system and the internal auditing system.

According to Section 100 (5) of the German Stock Corporation Act (AktG), at least one member of the Supervisory Board must possess expertise in the area of accounting and at least one additional member must possess expertise in the area of auditing. Article D.3 of the German Corporate Governance Code (GCGC) 2022 states that the expertise in the field of accounting shall consist of special knowledge and experience

in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance. The Chairman of the Audit Committee shall have appropriate expertise in at least one of the two areas.

The Audit Committee of Nordex SE meets these requirements. The Chairman of the Audit Committee, Mr. Martin Rey, has many years of experience as a member of the audit committee of Kommunalkredit Austria AG (not listed), as chairman of the supervisory board of clearwise AG (listed) and as Chairman of the Audit Committee of the Company. As a result, he possesses specific knowledge of and experience in both accounting and auditing, including the sustainability reporting required by law, based on his own work. In Mr. Juan Muro-Lara, the Audit Committee also has at least one additional member with the required knowledge of and experience in both areas due to his experience as a member of the Board of Directors at various European companies (not listed) as well as many years of experience as a member of the Company's Audit Committee. Ms. Isabel Blanco, in her capacity as Head of Impact at the European Bank for Reconstruction and Development and due to her more than twenty years of leadership experience in renewable energy and climate change policy, has extensive sustainability expertise.

Strategy and Technology Committee:

This Supervisory Board committee comprised Jan Klatten (chairman), Dr.-Ing. Wolfgang Ziebart and Ms. María Cordon. It is responsible for technical and strategic matters of relevance for the Nordex Group.

Independence of the Chairman of the Supervisory Board and the Chairman of the Audit Committee, and of one other Supervisory Board member

Although Dr.-Ing. Ziebart, Mr. Martin Rey and Mr. Jan Klatten have been members of the Supervisory Board for more than twelve years, the Management Board and Supervisory Board consider them to be independent from the Company and the Management Board, as they do not have any personal or professional relationships with members of the Management Board or with the majority shareholder and its committee members (Article C.8 GCGC 2022) despite being long-serving Supervisory Board members. Specifically, this is due to the following factors, among others:

- › Although they had been proposed for election to the Supervisory Board by shareholder groups that had long been departed or greatly reduced in number, Dr.-Ing. Wolfgang Ziebart, Mr. Jan Klatten and Mr. Martin Rey were repeatedly proposed for re-election to the Supervisory Board. Firstly, this demonstrates that the composition of the Supervisory Board has always been determined irrespective of close personal relationships with specific shareholder groups and was repeatedly approved by the shareholders.
- › In addition, their remuneration as Supervisory Board members does not form a sufficiently material part of their total income that it would be likely to justify a dependency.
- › In light of past changes to the Management Board and the relatively brief terms of office of the current Management Board members between 2016 and 2021, the longer terms of office of the three Supervisory Board members do not suggest any particularly close relationships with Management Board members who have been in their posts for a shorter period of time.
- › There have also been regular changes to the Supervisory Board, thus eliminating the risk of any particularly close relationships between its members.

After review and careful consideration, the Management Board and Supervisory Board therefore come to the conclusion overall that Dr.-Ing. Wolfgang Ziebart and Martin Rey and Jan Klatten are independent of the Company and the Management Board, irrespective of their long-standing membership of the Supervisory Board.

4. Disclosures on the definition of the proportion of women

The targets of 25% for the Management Board and 16.67% for the Supervisory Board set in 2020 with respect to the proportion of women to be achieved by 2025 in accordance with Section 111 (5) of the German Stock Corporation Act (AktG) were met or exceeded with regard to the Supervisory Board and not (yet) met with regard to the Management Board.

The proportion of women in the workforce in Germany is currently 21% (2022: 21%). The Management Board in 2020 in accordance with Section 76 (4) of the AktG set a target for the proportion of women on the first two management levels below the Management Board of the German entities of the

Nordex Group at 15% (previously 21%) to be achieved by 31 December 2025. The share of women in the first two management levels was 14% in the reporting year (2022: 13%).

5. Description of the diversity policy for the Management Board

The Supervisory Board, together with the Management Board as required, addresses long-term succession planning by appointing to the Management Board internal or external candidates who are best suited in terms of their qualification and personality. Selecting the most suitable internal candidates is based on the systematic human resources development of internal managers that comprises the following elements:

- › Identifying suitable candidates with different specialties, nationalities and genders at an early stage of the search process.
- › Systematically developing internal managers by enabling them to take on roles with increasing responsibility, preferably in different business areas, regions and functions. In this context, managers are fostered particularly through personalized measures such as coaching or systematic human resources development programs.
- › Training of internal managers with regard to material company values to ensure that they act as a role model when upholding and implementing them.

This should enable the Supervisory Board to ensure sufficient diversity in terms of professional background and experience, cultural context, internationality, gender and age when appointing Management Board members. Irrespective of these individual criteria, the Supervisory Board is confident that only an all-encompassing assessment of individual candidates can ultimately determine appointments to the Management Board of Nordex SE. Overall, this is intended to ensure that the Management Board as a whole currently has the following basic desirable profile in terms of the diversity concept:

- › Extensive management experience in technical and commercial areas of work
- › International experience based on origin and/or professional activity
- › Balanced age structure to ensure the continuity of the Management Board's work and enable smooth succession planning

Irrespective of the target set by the Supervisory Board for the proportion of women on the Management Board (25%), the Supervisory Board will take the underrepresented gender into account when making each of its appointments if multiple candidates have the same qualifications.

Requirements profile for the Supervisory Board of Nordex SE (including diversity policy for the Supervisory Board)

In view of various regulations and recommendations regarding the composition of the Supervisory Board, the Supervisory Board on 28 March 2023 updated the requirements profile for its composition adopted on 20 November 2020. As well as addressing the fundamental statutory requirements and recommendations of the version of the German Corporate Governance Code (GCGC 2022) adopted on 28 April 2022 and officially published on 27 June 2022 regarding the composition of Supervisory Boards, this requirements profile includes composition targets, the skills profile for the overall Supervisory Board as set out in Article C.1 GCGC, and the diversity policy for the Supervisory Board in accordance with Section 289f (2) No. 6 of the German Commercial Code (HGB) together with Article 61 of the SE Regulation (SE-VO).

In accordance with Article C.1 of the GCGC 2022, the updated requirements profile now also requires expertise regarding sustainability issues relevant to the enterprise. In accordance with Section 100 (5) of the German Stock Corporation Act (AktG), at least one member of the Supervisory Board must now possess expertise in the area of accounting and one additional member must possess expertise in the area of auditing.

Objectives

The Supervisory Board strives for a composition that allows it to supervise and advise the Management Board in a qualified way at all times. The Supervisory Board believes that diversity aspects, in addition to professional and personal requirements, play an important role in enabling it to work effectively and thus support the sustainable development of the Company. Having different personalities, experiences and knowledge prevents groupthink, allows for all-encompassing perspectives and enriches the work of the Supervisory Board. With this in mind, the following objectives serve as guidelines for long-term succession planning and selecting suitable candidates, and create transparency with regard to important assessment criteria.

Requirements for individual members

(i) General requirements

Based on their personal and professional skills and experience, each Supervisory Board should be able to perform the role of a Supervisory Board member within a global listed company and maintain the Nordex Group's public reputation. In view of this, every Supervisory Board member must meet the following requirements:

- › Sufficient expertise, i.e. the ability to carry out the work typically associated with the Supervisory Board;
- › Commitment, integrity and personality;
- › General understanding of Nordex SE's business, including its market environment and customer requirements;
- › Experience of leading companies, associations or networks;
- › Compliance with mandate limits in accordance with Section 100 of the German Stock Corporation Act (AktG) together with Article 47 (2) Letter a) SE-VO, and in accordance with Articles C.4 and C.5 GCGC.

(ii) Availability

Every Supervisory Board member must ensure that they can devote the time required to properly fulfill their Supervisory Board mandate. In particular, they must bear in mind that there are at least four Supervisory Board meetings each year, each of which requires adequate preparation, particularly in the case of reviewing the annual and consolidated financial statements. Additional time is required to prepare for and participate in committee meetings, depending on the number of standing committee memberships each Supervisory Board member holds. Finally, the Supervisory Board and its committees may be required to hold additional extraordinary meetings to address special issues.

Requirements and objectives for the overall Supervisory Board

With regard to the composition of the overall body, and in the interest of diversity, the Supervisory Board strives for a composition in which its members' personal and professional backgrounds, experience and specialist knowledge complement each other so that the overall body can draw from the broadest possible spectrum of experience and expertise.

(i) General requirements

The Supervisory Board of Nordex SE must always be composed in such a way that its members have the collective knowledge, skills and professional experience required to perform the role of the Supervisory Board. In addition, members of the Supervisory Board must be collectively familiar with the renewable energy sector, ideally the wind energy industry. At least one member of the Supervisory Board must now possess expertise in the area of accounting and one additional member must possess expertise in the area of auditing.

(ii) Specific knowledge and experience

The Supervisory Board of Nordex SE as a whole should cover all areas of expertise required to effectively carry out its role. In particular, and in line with the Company's business model, this includes in-depth knowledge and experience in the following areas:

- › Leading and monitoring a large international group, including the development and implementation of corporate strategies in particular,
- › Mechanical and plant engineering, including industrial production and research and development,
- › Sales, service and marketing of machinery and equipment,
- › Bookkeeping, accounting, controlling and risk management,
- › Human resources, particularly staff planning, management and development,
- › Law, compliance, corporate governance.

The Supervisory Board strives for a composition in which at least one member can act as a qualified point of contact for each of the aforementioned areas.

(iii) Independence and conflicts of interest

Taking into account Nordex SE's specific situation and ownership structure, the Supervisory Board should include at least one independent member in accordance with Article C.6 GCGC. At least one Supervisory Board member should be independent from the controlling shareholder. Where individual conflicts of interest arise, every Supervisory Board member should disclose them to the Chairman of the Supervisory Board without undue delay. The Supervisory Board should report any conflicts of interest that have occurred in its report to the Annual General Meeting and provide information on how these were addressed. Material and

non-temporary conflicts of interest on the part of a member of the Supervisory Board shall result in the termination of their post. The Supervisory Board shall not include more than two former members of the Management Board. Members of the Supervisory Board shall not hold any executive or advisory roles with the Company's significant competitors and shall not have a personal relationship with a significant competitor.

Diversity

The Supervisory Board of Nordex SE has set its target for the share of men and women on the Supervisory Board to 16.67% in both cases. Among other things, the diversity of the Supervisory Board is also reflected in the individual professional backgrounds and fields of activity of its members as well as their differing spheres of experience (e.g. sector experience). In this regard and in the interests of diversity, the Supervisory Board strives for a composition in which its members' backgrounds, experience and specialist knowledge complement each other, and also strives to ensure that some of its members have international experience. Against this background, the Supervisory Board considers the following diversity criteria for its composition:

- › More than 30% of members have international experience due to their origin or professional activity.
- › More than 50% of members have different training and professional experience.
- › At least one member is under 60 years of age.

(iv) Sustainability

The Supervisory Board of Nordex SE as a whole shall have expertise in all sustainability issues relevant to the Company. This includes, in particular, expertise in the following sustainability issues:

- › Climate change and decarbonization
- › Environmental protection
- › Responsible business conduct

The Supervisory Board strives for a composition in which at least one member can act as a qualified point of contact for each of the aforementioned areas.

The Supervisory Board nominations presented to the Annual General Meeting should take this requirements profile into account while at the same time striving to meet the skills profile for the Supervisory Board as a whole.

Implementation status

The implementation status is detailed in the following skills matrix:

		Dr.-Ing. Wolfgang Ziebart	Juan Muro- Lara	Jan Klatten	Maria Isabel Blanco Alvarez	Martin Rey	María Cordón Ucar
Membership	Member since	2009	2016	2005	2022	2005	2021
Diversity	Nationality	German	Spanish	German	Spanish/ British	German	Spanish
	Date of birth	30.1.1950	4.9.1967	14.1.1955	12.4.1974	23.2.1957	29.9.1982
	At least one member is under 60 years of age.						
	Proportion of women of 16.67% (target quota)						
	International experience						
	Different training and professional experiences						
General requirements	Sufficient expertise						
	Commitment, integrity and personality						
	General understanding of Nordex SE's business, including its market environment and customer requirements						
	Experience of leading companies, associations and networks						
	Compliance with mandate limits in accordance with Section 100 of the German Stock Corporation Act (AktG) together with Article 47 (2) Letter a) SEVO, and in accordance with Articles C.4 and C.5 GCGC 2022.						
	Availability						

■ Met/applicable ■ Not met/applicable

		Dr.-Ing. Wolfgang Ziebart	Juan Muro- Lara	Jan Klatten	Maria Isabel Blanco Alvarez	Martin Rey	María Cordón Ucar
Membership	Member since	2009	2016	2005	2022	2005	2021
Requirements and objectives for the overall supervisory board	General: Be familiar with the renewable energy sector, ideally the wind energy industry	Met	Met	Met	Met	Met	Met
	Two members: Possess expertise in the areas of accounting or auditing ¹	Met	Met	Met	Met	Met	Met
	Specific knowledge and experience:	Met	Met	Met	Met	Met	Met
	Leading and monitoring a large international group, including the development and implementation of corporate strategies in particular	Met	Met	Met	Met	Met	Met
	Mechanical and plant engineering, including industrial production and research and development	Met	Met	Met	Met	Met	Met
	Sales, service and marketing of machinery and equipment	Met	Met	Met	Met	Met	Met
	Bookkeeping, accounting, controlling and risk management	Met	Met	Met	Met	Met	Met
	Human resources, in particular personnel planning, management and development	Met	Met	Met	Met	Met	Met
	Law, compliance, corporate governance	Met	Met	Met	Met	Met	Met
	Sustainability topics	Met	Met	Met	Met	Met	Met
	Independence	Independence from the controlling shareholder	Met	Met	Met	Met	Met
No more than two former members of the Management Board		Met	Met	Met	Met	Met	Met
No executive or advisory roles with the Company's significant competitors and no personal relationship with competitors		Met	Met	Met	Met	Met	Met
Independence from the Company and the Management Board		Met	Met	Met	Met	Met	Met

Met/applicable

Not met/applicable

¹ Pursuant to Section 100 (5) German Stock Corporation Act (AktG)

In accordance with the recommendations of the German Corporate Governance Code, every Supervisory Board member must ensure that they can dedicate the time required to properly fulfill their mandate. Statutory restrictions and the recommendations of the German Corporate Governance Code must be observed when taking on additional mandates. However, the Supervisory Board has refrained from setting a fixed age limit for membership of the Management Board and Supervisory Board and a regular limit for the term of membership of the Supervisory Board.

Further corporate governance report

Remuneration system and benefits for Management

Board members

On 19 March 2021, the Supervisory Board agreed a Management Board remuneration system that corresponds with the requirements for Management Board remuneration modified by the German Act Transposing the Second Shareholder Rights Directive (ARUG II) and the version of the GCGC dated 16 December 2019. The remuneration system was approved by the 2021 Annual General Meeting by a majority of 99.37%.

The remuneration report is located in the section of the same name in this annual report in accordance with Section 162 AktG. The remuneration report, including the auditor's report, the applicable remuneration system and the most recent Annual General Meeting resolution concerning remuneration are made publicly available on the Nordex website at <https://ir.nordex-online.com/websites/Nordex/English/6000/corporate-governance.html>. Details of the new remuneration system can also be found in the invitation to the 2021 Annual General Meeting.

Detailed reporting

To achieve the greatest possible transparency, Nordex SE keeps shareholders, financial analysts, shareholder groups, the media and the public at large regularly informed on a timely basis of the Company's position and main changes in its business. The Company's reporting is therefore in line with the principles of the German Corporate Governance Code: The Company informs its shareholders four times a year of its business performance, net assets, financial position and results of operations as well as its risk exposure.

In accordance with the statutory requirements, the members of the Company's Management Board confirm to the best of their knowledge that the annual financial statements, consolidated financial statements and combined management report provide a true and fair view of the Company's position. The annual financial statements of Nordex SE, the Nordex Group's consolidated financial statements and the combined management report are published within three months of the end of the year to which they relate. During the year, shareholders and third parties are informed of the Company's performance in the half-yearly report and, in the first and third quarters, in quarterly management statements.

In addition, the Company regularly publishes information, including at press and analyst conferences. It particularly also uses the Internet as a publication platform. The Nordex Group's website sets out the dates of the main events and publications such as the annual report, the half-yearly report and the interim management statements, and the date of the Annual General Meeting.

Any material new information is made available to the general public without delay.

In addition to regular reporting, Nordex SE discloses relevant inside information pursuant to Section 17 Market Abuse Regulation in the form of ad hoc releases.

Nordex SE, Rostock, 20 February 2024



José Luis Blanco, Chairman of the Management Board



Dr. Ilya Hartmann, member of the Management Board



Patxi Landa, member of the Management Board

Consolidated financial statements

for the 2023 financial year



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2023

ASSETS

EUR thousand	Note	31.12.2023	31.12.2022
Cash and cash equivalents	1	925,923	633,541
Trade receivables	2	197,102	169,906
Contract assets from projects	3	780,352	720,191
Current contract assets from services	4	8,733	8,393
Inventories	5	1,265,691	1,103,153
Income tax receivables	6	20,205	9,668
Other current financial assets	7	101,112	79,549
Other current non-financial assets	8	253,638	236,846
Current assets		3,552,756	2,961,247
Property, plant and equipment	9	554,426	601,951
Goodwill	10	547,758	547,758
Capitalized development expenses	11	169,785	161,512
Prepayments made	12	48	34
Other intangible assets	13	14,071	12,528
Investments	14	3,431	3,468
Investments accounted for using the equity method	15	82,372	67,757
Non-current contract assets from services	4	37,243	33,835
Other non-current financial assets	16	48,725	61,429
Other non-current non-financial assets	17	29,774	15,599
Deferred tax assets	18	381,641	289,541
Non-current assets		1,869,275	1,795,412
Assets		5,422,031	4,756,659

EQUITY AND LIABILITIES

EUR thousand	Note	31.12.2023	31.12.2022
Current liabilities to banks	19	37,137	46,617
Trade payables	20	1,669,273	1,519,269
Contract liabilities from projects	3	1,319,553	1,053,058
Current contract liabilities from services	4	31,189	38,896
Income tax payables	6	23,853	25,632
Other current provisions	21	263,671	193,841
Other current financial liabilities	22	88,784	354,793
Other current non-financial liabilities	23	239,706	194,533
Current liabilities		3,673,165	3,426,639
Non-current liabilities to banks	19	6,500	6,500
Non-current contract liabilities from services	4	154,755	148,327
Pensions and similar obligations	24	2,512	2,361
Other non-current provisions	21	137,664	63,509
Other non-current financial liabilities	25	391,001	215,188
Other non-current non-financial liabilities	26	2,917	2,915
Deferred tax liabilities	18	75,401	13,161
Non-current liabilities		770,750	451,961
Subscribed capital		236,450	211,946
Capital reserves		1,381,551	1,282,190
Other retained earnings		-10,977	-10,932
Cash flow hedge reserve		-5,038	-14,360
Reserve for cash flow hedge costs		56	803
Foreign currency adjustment item		-145,331	-129,723
Consolidated net profit/loss carried forward		-480,115	-461,865
Consolidated net profit/loss		0	0
Share in equity attributable to shareholders of the parent	27	976,596	878,059
Non-controlling interests		1,520	0
Equity		978,116	878,059
Equity and liabilities		5,422,031	4,756,659

CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 31 December 2023

EUR thousand	Note	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Sales	29	6,489,068	5,693,561
Changes in inventories and other own work capitalized	30	61,796	297,505
Gross revenue		6,550,865	5,991,066
Cost of materials	31	-5,566,019	-5,505,018
Gross profit		984,846	486,049
Other operating income	32	273,306	418,326
Other operating expenses	33	-626,364	-558,390
Staff costs	34	-629,763	-561,095
Structural costs		-982,821	-701,159
Adjusted EBITDA before restructuring costs		2,025	-215,111
Restructuring costs	35	0	-29,157
EBITDA		2,025	-244,268
Depreciation/amortization	36	-188,499	-182,415
EBIT		-186,474	-426,683
Profit/loss from equity-accounting method		-356	-10
Impairment of investments		0	-8
Other interest and similar income		11,430	6,075
Interest and similar expenses		-135,249	-101,763
Financial result	37	-124,175	-95,706
Net profit / loss from ordinary activities		-310,649	-522,389
Income tax	38	7,839	24,628
Consolidated net loss		-302,811	-497,761
Of which attributable to			
shareholders of the parent		-302,831	-497,761
non-controlling interests		20	0
Earnings per share (in EUR)	39		
Basic ¹		-1.33	-2.71
Diluted ²		-1.33	-2.71

¹ based on a weighted average of 227.924 million shares (previous year: 183.966 million shares)

² based on a weighted average of 227.924 million shares (previous year: 183.966 million shares)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January to 31 December 2023

EUR thousand	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Consolidated net loss	-302,811	-497,761
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation difference	-15,607	-3,716
Cash flow hedges	13,708	-24,669
Deferred taxes	-4,387	7,894
Cash flow hedge costs	-1,099	403
Deferred taxes	352	-129
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	-67	228
Deferred taxes	21	-73
Consolidated comprehensive income	-309,890	-517,823
Of which attributable to		
shareholders of the parent	-309,910	-517,823
non-controlling interests	20	0

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 31 December 2023

EUR thousand	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Operating activities		
Consolidated net loss	–302,811	–497,761
+ Depreciation/amortization of non-current assets	188,499	182,423
= Consolidated net loss plus depreciation/amortization	–114,312	–315,339
– Increase in inventories	–162,538	–380,666
– Increase in trade receivables	–27,196	–7,375
– Increase in contract assets from projects	–60,161	–183,665
+ Increase in trade payables	150,004	486,669
+ Increase in contract liabilities from projects	266,495	107,931
= Payments received from changes in working capital	166,604	22,894
– Increase in other assets not allocated to investing or financing activities	–136,141	–33,162
+/- Increase/decrease in pensions and similar obligations	151	–162
+ Increase in other provisions	143,985	120,164
+ Increase in other liabilities not attributed to investing or financing activities	123,457	56,071
– Gain from the disposal of non-current assets	–40	–7,096
– Other interest and similar income	–11,430	–6,075
+ Interest received	7,622	4,655
+ Interest and similar expenses	135,249	101,763
– Interest paid/transaction costs	–121,984	–106,392
– Income tax	–7,839	–24,628
– Taxes paid	–39,250	–12,977
+/- Other non-cash income/expenses	15,127	–149,803
= Payments received from /made for other operating activities	108,907	–57,642
= Cash flow from operating activities	161,199	–350,086

EUR thousand	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Investing activities		
+ Payments received from the disposal of property, plant and equipment/ intangible assets	8,666	25,983
– Payments made for investments in property, plant and equipment/ intangible assets	–132,882	–205,376
+ Payments received from the disposal of long-term financial assets	357	16,693
– Payments made for investments in long-term financial assets	–19,216	–1,736
+ Payments received from investment grants	1,896	626
= Cash flow from investing activities	–141,179	–163,810
Financing activities		
+ Proceeds from capital increase	0	341,805
– Equity issuance fees	–2,223	0
+ Bank loans received	10,753	22,726
– Bank loans repaid	–19,000	0
– Cash repayments of bonds	0	–219
– Repayment of corporate bond	–275,000	0
+ Shareholder loan received	275,000	11,000
+ Proceeds from convertible bonds	333,000	0
– Lease liabilities repaid	–38,372	–29,782
+ Capital contribution by non-controlling interests	1,500	0
= Cash flow from financing activities	285,658	345,530
Net change in cash and cash equivalents	305,678	–168,366
+ Cash and cash equivalents at the beginning of the period	633,541	784,440
– Cash and cash equivalents reducing the basis of consolidation	0	–7
–/+ Exchange rate-induced change in cash and cash equivalents	–13,296	17,474
= Cash and cash equivalents at the end of the period	925,923	633,541

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 31 December 2023

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings	Cash flow hedge reserve
01.01.2023	211,946	1,282,189	-10,932	-14,360
Additions from capital increase	24,504	322,229	0	0
Costs from capital increase	0	-2,223	0	0
Income tax	0	711	0	0
Employee stock option program	0	1,830	0	0
Equity-compound instrument (net of tax)	0	61,393	0	0
Consolidated comprehensive income	0	0	-46	9,322
Consolidated net loss/profit	0	0	0	0
Other comprehensive income				
Items that may be reclassified to profit or loss				
Foreign currency translation difference	0	0	0	0
Cash flow hedges	0	0	0	13,708
Deferred taxes	0	0	0	-4,387
Cash flow hedge costs	0	0	0	0
Deferred taxes	0	0	0	0
Items that are not reclassified to profit or loss				
Revaluation of defined benefit pension plans	0	0	-67	0
Deferred taxes	0	0	21	0
Allocation of profit or loss	0	-284,580	0	0
31.12.2023	236,450	1,381,551	-10,977	-5,038

	Reserve for cash flow hedge costs	Foreign currency adjustment item	Consolidated net profit/loss carried forward	Consolidated net profit/loss	Share in equity attributable to shareholders of the parent	Non-controlling interests	Total
	803	-129,723	-461,865	0	878,059	0	878,059
	0	0	0	0	346,734	1,500	348,234
	0	0	0	0	-2,223	0	-2,223
	0	0	0	0	711	0	711
	0	0	0	0	1,830	0	1,830
	0	0	0	0	61,393	0	61,393
	-747	-15,607	0	-302,831	-309,910	20	-309,890
	0	0	0	-302,831	-302,831	20	-302,811
							0
					0	0	0
	0	-15,607	0	0	-15,607	0	-15,607
	0	0	0	0	13,708	0	13,708
	0	0	0	0	-4,387	0	-4,387
	-1,099	0	0	0	-1,099	0	-1,099
	352	0	0	0	352	0	352
	0	0	0	0	-67	0	-67
	0	0	0	0	21	0	21
	0	0	-18,251	302,831	0	0	0
	56	-145,331	-480,116	0	976,596	1,520	978,116

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 31 December 2022

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2022	160,021	1,236,071	-11,087
IAS 29 adjustments	0	0	0
01.01.2022 after IAS 29 adjustments	160,021	1,236,071	-11,087
Capital increase			
Additions from capital increase	51,925	299,239	0
Costs from capital increase	0	-9,360	0
Income tax	0	2,995	0
Employee stock option program	0	975	0
Consolidated comprehensive income	0	0	155
Consolidated net loss	0	0	0
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation difference	0	0	0
Cash flow hedges	0	0	0
Deferred taxes	0	0	0
Cash flow hedge costs	0	0	0
Deferred taxes	0	0	0
Items that are not reclassified to profit or loss			
Remeasurement of defined benefit plans	0	0	228
Deferred taxes	0	0	-73
Allocation of profit or loss	0	-247,731	0
31.12.2022	211,946	1,282,189	-10,932

	Cash flow hedge reserve	Reserve for cash flow hedge costs	Foreign currency adjustment item	Consolidated net profit/loss carried forward	Consolidated net profit/loss	Share in equity attributable to shareholders of the parent	Total
	2,415	529	-113,719	-211,835	0	1,062,395	1,062,395
	0	0	-12,288	0	0	-12,288	-12,288
	2,415	529	-126,007	-211,835	0	1,050,107	1,050,107
	0	0	0	0	0	351,164	351,164
	0	0	0	0	0	-9,359	-9,359
	0	0	0	0	0	2,995	2,995
	0	0	0	0	0	975	975
	-16,775	274	-3,716	0	-497,761	-517,823	-517,823
	0	0	0	0	-497,761	-497,761	-497,761
	0	0	-3,716	0	0	-3,716	-3,716
	-24,669	0	0	0	0	-24,669	-24,669
	7,894	0	0	0	0	7,894	7,894
	0	403	0	0	0	403	403
	0	-129	0	0	0	-129	-129
	0	0	0	0	0	228	228
	0	0	0	0	0	-73	-73
	0	0	0	-250,030	497,761	0	0
	-14,360	803	-129,723	-461,865	0	878,059	878,059



Notes to the consolidated financial statements

for the year from 1 January until 31 December 2023

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year from 1 January until 31 December 2023

GENERAL INFORMATION

Nordex SE, a listed European Company, and its subsidiaries in Germany and in other countries develop, manufacture and distribute wind power systems, particularly large multi-megawatt-class turbines. Nordex SE is domiciled at Erich-Schlesinger-Straße 50, 18059 Rostock, Germany. However, the Company's head office is located at Langenhorner Chaussee 600, 22419 Hamburg, Germany. It is listed in the Commercial Register of Rostock Local Court under number HRB 11500.

The shares of Nordex SE are admitted to regulated trading subject to the advanced admission obligations stipulated by Deutsche Börse; they are listed in the MDAX. Its nominal capital as of 31 December 2023 is EUR 236,450,364 (31 December 2022: EUR 211,946,227) and is divided into 236,450,364 (31 December 2022: 211,946,227) no-par value shares with a notional share of the share capital of EUR 1 each, which are fully paid up.

Nordex SE's consolidated financial statements for financial year 2023 were presented to the Supervisory Board for review on 14 February 2024 and were finally approved on 20 February 2024.

ACCOUNTING POLICIES

BASIS OF PREPARATION

The general significant accounting policies applied in preparing the consolidated financial statements are described below, whilst, for reasons of clarity, the accounting policies relating to a specific financial statement item are explained in the corresponding section.

In order to apply the accounting policies, management sometimes has to make assumptions and estimates. Significant judgements relate in particular to the determination

of the recoverable amount in goodwill impairment testing (section 10), the impairment testing of deferred tax assets (section 18), the cost estimates for warranty provisions (section 21), and the cost-to-cost method in the project business and the service business (sections 3, 4 and 29). Unless otherwise stated, these policies have been consistently applied to all the accounting periods presented.

The consolidated financial statements were prepared in accordance with Section 315e of the German Commercial Code (HGB) using the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union. Therefore, all International Financial Reporting Standards and interpretations of the International Financial Reporting Interpretation Committee (IFRIC) binding for the 2023 reporting year were applied.

With the exception of Alfresco Renewable Energy Private Limited, Nordex India Private Limited, Ravi urja Energy India Private Limited and Solar Fields Energy Photo Voltaic India Private Limited, whose financial year ends on 31 March, the financial year of Nordex SE and all of its subsidiaries included in the consolidated financial statements generally corresponds to the calendar year. However, the calendar year is used Group-wide as the basis for preparing the consolidated financial statements.

The current/non-current classification of liabilities and assets provided for in IAS 1 is applied.

The consolidated financial statements are presented in thousands of euros.

In March 2022, the cumulative three-year inflation rate in Turkey exceeded 100%. For this reason, Turkey must be considered a hyperinflationary economy as defined by IAS 29 for reporting periods ending on or after 30 June 2022. In light of this, the financial statements of the Turkish subsidiary, which is based on the concept of historical cost, has been

adjusted since then to reflect the overall changes in purchasing power. The price index (CPI) was 1,859.38 in December 2023 (December 2022: 1,128.45). Nordex recognized a net profit of EUR 2,833 thousand (EUR –64 thousand December 2022) due to hyperinflation adjustments.

EFFECTS OF NEW FINANCIAL REPORTING STANDARDS

The new and revised standards and interpretations to be applied in 2023 due to adoption by the European Union:

Standard/interpretation		Published by the IASB	Mandatory application stipulated by the IASB
IAS 1 ¹	Presentation of the Financial Statements Classification of Liabilities as Current or Non-Current, Disclosure of Accounting Policies	23.1.2020/15.7.2020	1.1.2023
IAS 12 ¹	Income Tax	7.5.2021	1.1.2023
IFRS 17 ¹	Insurance Contracts	18.5.2017/25.6.2020	1.1.2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates	3.3.2022	1.1.2023
IAS 28/IFRS 10	Investments in Associates and Joint Ventures: Sales or contributions of assets between an investor and its associate/joint venture	11.2.2019	n/a
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policy information	3.3.2022	1.1.2023

¹ The application did not have any material effect on the consolidated financial statements.

New and revised standards and interpretations which are not yet mandatory in 2023 and have not been adopted early by the Group:

Standard/interpretation		Published by the IASB	Mandatory application stipulated by the IASB
Amendments to IFRS 16 ¹	Lease Liability in a Sale and Leaseback	9.2022	1.1.2024
Amendments to IAS 1 ¹	Classification of Liabilities as Current or Non-current	1.2020/10.2022	1.1.2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	5.2023	1.1.2024
Amendments to IAS 21	Lack of Exchangeability	8.2023	1.1.2025

¹ The application is not expected to have any material effect on the consolidated financial statements.

COMPANIES CONSOLIDATED

Subsidiaries are defined as all entities which are controlled by the group. The Group controls an investee if it has rights to variable returns from its involvement with the investee and if it has the ability to use its power over the investee to affect the amount of the investee's returns. An investee is consolidated from the day on which the investor gains control of it and ends when the investor loses control over it. Acquired

subsidiaries are accounted for using the acquisition method. Upon initial consolidation, identifiable assets, liabilities and contingent liabilities are measured at their fair values at the acquisition date.

The companies consolidated comprise 12 (31 December 2022: 12) domestic and 63 (31 December 2022: 59) non-domestic companies:

Name	Share in capital/voting rights	
	31.12.2023 %	31.12.2022 %
Nordex SE, Rostock (Group parent)	n/a	n/a
Alfresco Renewable Energy Private Limited, Bangalore/India	100.0	100.0
Apoderada Corporativa Nordex S.L.U, Barasoain/Spain	100.0	0.00
Component Purchasing Company II LLC, Dover/USA	100.0	100.0
Component Purchasing Company III LLC, Dover/USA	100.0	100.0
Corporación Nordex Energy Spain S.L., Barasoain/Spain	100.0	100.0
Eolicos R4E S.A. de C.V., Tegucigalpa/Honduras	100.0	100.0
Industria Toledana de Energias Renovables S.L., Barasoain/Spain	100.0	100.0
Limited Liability Company Nordex Energy Ukraine, Kiev/Ukraine	100.0	100.0
Nordex Austria GmbH, Vienna/Austria	100.0	100.0
Nordex Belgium SRL, Rochefort/Belgium	100.0	100.0
Nordex Beteiligungen GmbH, Hamburg/Germany	100.0	100.0
Nordex Blade Technology Centre ApS, Kirkeby/Denmark	100.0	100.0
Nordex Blades Spain S.A.U., Barasoain/Spain	100.0	100.0
Nordex (Chile) SpA, Santiago/Chile	100.0	100.0
Nordex Education Trust, Cape Town/South Africa	100.0	100.0
Nordex Elektrane d.o.o., Zagreb/Croatia	100.0	100.0
Nordex Electrolyzers S.L.U., Barasoain/Spain	85.0	100.0
Nordex Employee Holding GmbH, Hamburg/Germany	100.0	100.0
Nordex Energy Brasil – Comercio e Industria de Equipamentos Ltda., Sao Paulo/Brazil	100.0	100.0
Nordex Energy Chile S.A., Santiago/Chile	100.0	100.0
Nordex Engineering and Technology Private Ltd., Chennai/India	100.0	100.0
Nordex Energy Colombia S.A.S., Bogota/Columbia	100.0	100.0
Nordex Energy d.o.o. Belgrade, Belgrade/Serbia	100.0	100.0
Nordex Energy Ibérica S.A., Barcelona/Spain	100.0	100.0
Nordex Energy Internacional S.L., Barasoain/Spain	100.0	100.0
Nordex Energy Ireland Ltd., Dublin/Ireland	100.0	100.0
Nordex Energy Romania Srl., Bucharest/Romania	100.0	100.0
Nordex Energy Mexico S. de R.L. de C.V., Mexico City/Mexico	100.0	100.0
Nordex Energy SE & Co. KG , Hamburg/Germany	100.0	100.0

Name	Share in capital/voting rights	
	31.12.2023 %	31.12.2022 %
Nordex Energy South Africa RF (Pty.) Ltd., Cape Town/South Africa	100.0	100.0
Nordex Energy Spain S.A.U., Barasoain/Spain	100.0	100.0
Nordex Energy Uruguay S.A., Montevideo/Uruguay	100.0	100.0
Nordex Enerji A.S., Istanbul/Turkey	100.0	100.0
Nordex Finland Oy, Helsinki/Finland	100.0	100.0
Nordex Forum II GmbH & Co. KG, Hamburg/Germany	100.0	100.0
Nordex Forum II Verwaltungs GmbH, Hamburg/Germany	100.0	100.0
Nordex France S.A.S., Paris/France	100.0	100.0
Nordex Germany GmbH, Hamburg/Germany	100.0	100.0
Nordex Grundstücksverwaltung GmbH, Hamburg/Germany	100.0	100.0
Nordex Hellas Monoprosopi EPE, Athens/Greece	100.0	100.0
Nordex India Manufacturing Private Limited, Bangalore/India	100.0	100.0
Nordex India Private Limited, Bangalore/India	100.0	100.0
Nordex International GmbH, Hamburg/Germany	100.0	100.0
Nordex International Services Sp. z o.o., Warsaw/Poland	100.0	100.0
Nordex International service america S DE RL DE CV, Mexico City/Mexico	100.0	100.0
Nordex Italia S.r.l., Rome/Italy	100.0	100.0
Nordex Manufacturing GmbH, Hamburg/Germany	100.0	100.0
Nordex Maritime S.A., Barasoain/Spain	100.0	100.0
Nordex Netherlands B.V., Zwolle/Netherlands	100.0	100.0
Nordex Norway AS, Oslo/Norway	100.0	100.0
Nordex Oceania Pty. Ltd., Melbourne/Australia	100.0	100.0
Nordex Pakistan (Private) Ltd., Islamabad/Pakistan	100.0	100.0
Nordex Polska Sp. z o.o., Warsaw/Poland	100.0	100.0
Nordex Portugal, Unipessoal Lda., Porto/Portugal	100.0	100.0
Nordex Singapore Equipment Private Ltd., Singapore/Singapore	100.0	100.0
Nordex Singapore Service Private Ltd., Singapore/Singapore	100.0	100.0
Nordex Sverige AB, Uppsala/Sweden	100.0	100.0
Nordex Energy Servicios de Obra, S. de R.L. de C.V., Mexico City/Mexico	100.0	100.0
Nordex Towers Colombia, Bogota/Columbia	100.0	100.0
Nordex Towers Spain S.L., Barasoain/Spain	100.0	100.0
Nordex UK Ltd., Manchester/United Kingdom	100.0	100.0
Nordex USA Inc., Chicago/USA	100.0	100.0
Nordex USA Management LLC, Chicago/USA	100.0	100.0
Nordex Windpark Beteiligung GmbH, Hamburg/Germany	100.0	100.0
Nordex Windpower Perú S.A., Lima/Peru	100.0	100.0
Nordex Windpower Rüzgar Enerjisi Sistemleri Anonim Sirketi, Istanbul/Turkey	100.0	100.0

Name	Share in capital/voting rights	
	31.12.2023 %	31.12.2022 %
Nordex Windpower S.A., Buenos Aires/Argentina	100.0	100.0
NPV Dritte Windpark GmbH & Co. KG, Hamburg/Germany	100.0	100.0
Parque Eolico Llay-Llay SpA, Santiago/Chile	100.0	100.0
Ravi Urja Energy India Private Limited, Bangalore/India	100.0	100.0
San Marcos Colon Holding Inc., Chicago/USA	100.0	100.0
Shanghai Nordex Windpower Co. Ltd., Shanghai/PR China	100.0	100.0
Solar Fields Energy Photo Voltaic India Private Limited, Bangalore/India	100.0	100.0
UAB Nordex Lithuania, Vilnius/Lithuania	100.0	100.0

There were four new entities which were added to the basis of consolidation this year. The initial consolidation of these entities had no material effect on the net assets, financial position and results of operations of the Nordex Group. There were no deconsolidations in the financial year.

Consolidated companies do not include investees that are insignificant in terms of the quantitative criteria of annual results, equity, total assets and employees as well as in terms of the qualitative criterion concerning the type of business activity.

For the purposes of liability consolidation, all receivables and liabilities from internal Group transactions between consolidated companies of EUR 10,731,532 thousand (31 December 2022: EUR 13,116,367 thousand) have been offset against each other.

In connection with the consolidation of expense and income, internal Group deliveries of services and goods, expenses and income arising from transfer transactions and profit and loss from internal Group transactions of EUR 3,963,244.32 thousand (31 December 2022: EUR 3,162,925 thousand) were eliminated.

Nordex SE has entered into profit and loss transfer agreements with Nordex Germany GmbH, Nordex Grundstücksverwaltung GmbH, Nordex International GmbH, Nordex Windpark Beteiligung GmbH and Nordex Manufacturing GmbH for tax purposes.

Corporate tax and trade tax groups have been established between Nordex SE and Nordex Germany GmbH, Nordex Grundstücksverwaltung GmbH, Nordex International GmbH, Nordex Windpark Beteiligung GmbH as well as Nordex Manufacturing GmbH.

Moreover, a corporate tax group has been established between Corporacion Nordex Energy Spain S.L.U. and Industria Toledana de Energias Renovables S.L.U., Nordex Blades Spain S.A.U., Nordex Energy Iberica S.A.U., Nordex Energy Internacional S.L.U., Nordex Energy Spain S.A.U., Nordex Electrolysers S.L.U., Nordex Maritime S.A.U., Apoderada Corporativa Nordex S.L.U and Nordex Towers Spain S.L.U. and also between Nordex USA Inc. and Component Purchasing Company II LLC, Component Purchasing Company III LLC and Nordex USA Management LLC.

A VAT tax group has been established between Nordex SE and Nordex Energy SE & Co. KG, Nordex Forum II GmbH & Co. KG, Nordex Forum II Verwaltungs GmbH, Nordex Germany GmbH, Nordex Grundstücksverwaltung GmbH, Nordex Windpark Verwaltung GmbH and Nordex Windpark Beteiligung GmbH and the Corporation Nordex Energy S.L.U., Nordex Blade Spain S.A.U. and Nordex Energy Spain S.A.U.

CURRENCY TRANSLATION

The consolidated financial statements are presented in euros, which is Nordex SE's functional and reporting currency.

Foreign-currency transactions are translated into the functional currency using the relevant exchange rates prevailing on the date of the transaction. Gains and losses resulting from the transaction-date translation are recognized through profit or loss.

Assets and liabilities of all Group companies with a functional currency other than euro are translated to euro on each reporting date using the exchange rate on such date, while

income and expenses in each of the income statements are translated to euro using the monthly average exchange rate. If the use of the monthly average exchange rate does not result in a reasonable approximation of the cumulative effects that would have arisen had the exchange rate applicable on the dates of the individual transactions been applied, income and expenses are translated at the rates prevailing on the transaction dates. Any exchange differences are recognized through other comprehensive income as a separate item in other reserves in equity (foreign currency adjustments item).

The following table sets out the exchange rates against the euro of the Group's most important foreign currencies:

Exchange rates EUR 1.00 equals	Average exchange rates for the financial year		Closing rates as of 31.12.	
	2023	2022	2023	2022
AUD	1.6283	1.5161	1.6263	1.5693
BRL	5.4015	5.4237	5.3618	5.6386
CLP	908.1266	916.9965	977.0396	913.8262
GBP	0.8699	0.8524	0.8691	0.8869
INR	89.3227	82.6541	91.9042	88.1710
MXN	19.1895	21.1365	18.7231	20.8560
NOK	11.4196	10.0951	11.2405	10.5138
PLN	4.5425	4.6830	4.3395	4.6808
SEK	11.4710	10.6230	11.0960	11.1218
TRY	25.7345	17.2662	32.6584	19.9641
USD	1.0816	1.0515	1.1050	1.0666
ZAR	19.1130	17.1893	20.3459	18.0995

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All financial instruments are initially recognized at fair value. Transaction costs increase or decrease the initial carrying amount if the financial instrument is not recognized at fair value through profit or loss.

For subsequent measurement, all financial assets are allocated to one of the following categories:

- › Measured at amortized cost
- › Measured at fair value through other comprehensive income
- › Measured at fair value through profit or loss

By contrast, all financial liabilities are divided into the following categories:

- › Measured at amortized cost
- › Measured at fair value through profit or loss

For information on the Nordex Group, please refer to the disclosures made in the respective sections of the financial statement items, particularly the sections on other financial assets, other financial liabilities and equity. The Group does not apply the fair value option. There were no reclassifications in the financial year ended.

Regular way purchase or sale of financial assets can be recognized or derecognized using either trade date or settlement date accounting. The method applied must be applied consistently for purchases and sales of financial assets that belong to the same category. The Nordex Group uses settlement date accounting.

According to the impairment model under IFRS 9, an expected credit loss must be recognized for all financial instruments within the scope of this standard on initial recognition of the financial instrument.

At Nordex, this impairment model is mainly applicable to the following financial instruments:

- › Trade receivables
- › Contract assets from projects
- › Contract assets from services

The expected credit loss is calculated based on a general impairment model (general approach). However, IFRS 9 also permits the use of a simplified impairment model (simplified approach) for trade receivables, contract assets and lease receivables.

The simplified impairment model is used within the Nordex Group. The lifetime expected loss is taken into consideration for this purpose, without any prior assessment of whether the credit risk has significantly increased since the date of addition. Nordex uses an impairment table to calculate the expected credit loss. The expected credit loss is determined by means of a flat-rate percentage which depends on the duration of the past-due period. Specific valuation allowances already recognized are not taken into consideration in determining the expected credit loss.

Derivatives must always be measured at fair value. Changes in fair value are recognized in profit or loss for the period, unless an entity has decided to designate the derivative as a hedge in accordance with hedge accounting after all requirements for hedge accounting are met.

Hedge accounting is applied to all cash flow hedges for project and procurement transactions at the Nordex Group. These concern hedges of cash flows that are highly probable to occur as per the budget or planning of individual customer specific projects. In contrast, hedge accounting is not applied to the hedging of changes in the fair value of Nordex SE's receivables, since these generally comprise intra-Group financing in foreign currencies.

Financial assets and liabilities that are designated as hedged items or hedging instruments are therefore subject to the measurement under hedging accounting. These stipulate that hedge accounting is possible only if the clear hedging relationship between the hedged item and the hedge is documented and its efficacy is proved. Effectiveness is determined on the basis of the dollar offset method using a spot-to-spot approach. Only the spot component of the hedge instrument and not the full fair value is designated in hedge accounting. Any effective fair value change of the designated component is initially recognized in the cash flow hedge reserve and reclassified to profit or loss once the hedged item is realized or does not come to pass. The ineffective part of the cash flow hedge is immediately recognized in profit or loss. In contrast, the non-designated components (forward and cross-currency basis points components) are not part of the hedge and would have to be accounted for outside hedge accounting. However, IFRS 9 does allow the fair value change of non-designated components to be recognized directly in

equity as well, as these represent the costs associated with hedge accounting. Recognition has to be made via a separate item in equity, i.e. the reserve for cash flow hedge costs. The amounts accumulated in the reserve for cash flow hedge costs must also be reclassified from equity to profit and loss if the hedged item occurs or ceases to exist. Gains and losses on hedged procurement contracts are to be included in the initial costs of acquisition or in the other carrying amount of the hedged items.

Forward exchange transactions that do not satisfy the strict criteria for the application of hedge accounting are classified as financial assets measured at fair value through profit or loss.

COMPOUND FINANCIAL INSTRUMENTS

For its convertible bonds, Nordex recognized separately a financial liability presented within the line-item financial liabilities and an equity instrument presented in capital reserves. The liability component was initially measured at fair value, using the interest and principal payments discounted with a risk-adjusted interest rate of a comparable debt instrument without a conversion right. The equity component was initially measured at the residual value resulting from deduction of the fair value of the liability component from the fair value of the compound instrument as a whole. The liability is subsequently measured at amortized cost. The equity component is not measured subsequently.

LEASES

According to the prevailing single lessee accounting model, the lessee is obliged to recognize assets for the right-of-use under lease contracts in the amount of the lease liabilities plus initial direct costs and adjusted for amounts already paid or received and liabilities in the amount of the present value of future lease payments. The lease payments are discounted using the incremental borrowing rate of the lease if the interest rate underlying the lease payments is not available. The right of use is amortized during the term of the lease contract and the lease liability is paid off over time using the actuarial method. The options not to recognize short-term leases with

a term of up to twelve months, leases of low-value assets with a value of less than EUR 5 thousand, variable lease payments and leases of intangible assets have been exercised.

For information on the Nordex Group, please refer to the disclosure made in the respective sections of the financial statements, particularly the sections on property, plant and equipment, other financial liabilities, other operating income, other operating expenses, depreciation and amortization, and the financial result.

SHARE-BASED PAYMENT PROGRAMS

Employee stock option program

Within the scope of an employee loyalty scheme, Nordex SE grants certain employees pre-emption rights free-of-charge for shares of Nordex SE. Employees also have the option not to enroll in this program.

Each option granted confers an entitlement to purchase one no-par-value bearer share of Nordex SE. Overall, four tranches are to be issued under this program. They are issued once a year within a period of 15 trading days on the Frankfurt Stock Exchange, beginning on the third trading day following the publication of Nordex SE's third quarterly report. The first tranche was issued on 3 December 2021, a second on 6 December 2022 and a third one on 5 December 2023. Overall, up to the end of the term of this scheme a maximum of 3,500,000 options may be granted worldwide for all employees at all management and expert levels.

The term of these options will commence on the allocation date and ends upon expiry of a period of six years. The last allocation will take place in December 2024, so that the term for the overall program will end in December 2030.

The following terms must be fulfilled for the options to be exercised:

- › Expiry of a waiting period of four years, starting as of the allocation date
- › The share price upon exercise must be at least 15% higher than the share price as of the allocation date

The options may only be exercised during two periods in the Company's financial year: 30 trading days after the date of the publication of its annual financial statements or half-yearly report. Following the exercise of the option, the option holders may act as they see fit with shares which they receive.

	2023		2022	
	Average exercise price of options	Number of options	Average exercise price of options	Number of options
Tranche 1				
Amount on 1.1.	EUR 15.64	541,490	EUR 15.64	579,190
Options issued	0	0	0	0
Options exercised	0	0	0	0
Options forfeited	EUR 15.64	34,600	EUR 15.64	37,700
Amount on 31.12.	EUR 15.64	506,890	EUR 15.64	541,490
Tranche 2				
Amount on 1.1.	EUR 12.16	768,284	n/a	n/a
Options issued	0	0	EUR 12.16	768,284
Options exercised	0	0	0	0
Options forfeited	EUR 12.16	28,900	0	0
Amount on 31.12.	EUR 12.16	739,384	EUR 12.16	768,284
Tranche 3				
Amount on 1.1.	n/a	n/a	0	0
Options issued	EUR 10.10	884,409	0	0
Options exercised	0	0	0	0
Options forfeited	0	0	0	0
Amount on 31.12.	EUR 10.10	884,409	0	0
Amount on 31.12.	n/a	2,130,683	n/a	1,309,774
Options vested and exercisable on 31.12.	0	0	0	0

First, second and third tranche options not yet exercisable at the end of the period have the following expiration dates and exercise prices:

	Issue date	Expiration date	Exercise price	Number of options on 31.12.2023	Number of options on 31.12.2022
Tranche 1	03.12.2021	02.12.2027	EUR 15.64	506,890	541,490
Tranche 2	06.12.2022	05.12.2028	EUR 12.16	739,384	768,284
Tranche 3	05.12.2023	04.12.2029	EUR 10.10	884,409	n/a

Options issued may be first exercised after a period of 4 years, within specific exercise windows.

The total expense recognized in the period for the employee stock option program amounts to EUR 1,830 thousand.

The fair value of the options issued is estimated using Monte Carlo simulations. The simulation includes the need for a minimum 15% increase in the share price prior to the exercise of the option, by comparison with the exercise price. The following parameters have been used for the Monte Carlo simulation:

	Tranche 3 31.12.2023	Tranche 2 31.12.2023	Tranche 1 31.12.2023
Share price on measurement date	EUR 10.49	EUR 12.54	EUR 14.84
Exercise price	EUR 10.10	EUR 12.16	EUR 15.64
Expected term	4 years	4 years	4 years
Expected volatility ¹	54.73	55.94%	52.49%
Risk-free interest rate	2.09%	1.92%	-0.66%
Dividend	EUR 0	EUR 0	EUR 0

¹ The expected volatility has been shown based on the historical volatility of Nordex SE stock over the expected term.

The employee stock option program is designed as an equity settled program. A cash payment (settlement) is not envisaged, but it is possible in principle under the option terms.

Performance Share Units Plan

The long-term variable remuneration of the Management Board is structured as a performance share unit plan based on phantom stock.

2021–2023 tranche

The 2021–2023 tranche of the PSUP for Mr. José Luis Blanco and Mr. Patxi Landa was issued before the service contracts were adapted to the new remuneration system and is described in more detail below. By way of derogation from this, Dr. Ilya Hartmann was already issued a tranche in 2021 based on the new remuneration system with a performance period from 2021 to 2024.

An individual target amount has been agreed with the members of the Management Board. This amount is converted into performance share units (in the following also referred to as PSU). To do so, the target amount is divided by the average closing price of Nordex shares on the last 20 trading days prior to the start of the assessment period (in the following also referred to respectively as the initial number and the performance period).

The performance criterion is a comparison of the performance of the “relative total shareholder return” (in the following also referred to as RTSR) of Nordex shares with the arithmetic mean of the performance of the DAX, MDAX and TecDAX benchmark indices. The level of target achievement for Mr. José Luis Blanco and Mr. Patxi Landa is calculated over a three-year performance period, starting on 1 January of the year of allocation in each case.

A minimum of -50% and a maximum of +50% have been defined as the targeted range. An RTSR performance in line with the benchmark indices will represent a 100% target achievement level. If the benchmark indices are exceeded by

50% or more, this will represent a 200% target achievement level. If the trend for the RTSR of Nordex SE lags behind the RTSR trend for the benchmark indices by 50% or more, a 50% level of target achievement is assumed. Intermediate values are subject to linear interpolation.

The final number of PSUs is calculated by multiplying the initial number by the level of target achievement. This is multiplied by the average closing price of Nordex shares on the last 20 trading days prior to the end of the performance period to determine the payout amount. The PSUP payout amount is capped at 300% of the individual target amount.

The Management Board members participating in the 2021–2023 tranche are obliged to hold shares worth at least 33% of their remaining payout amount after tax and social security deductions for a period of at least two years.

2023–2026 tranche

In financial year 2023, PSUs were granted to Mr. José Luis Blanco, Mr. Patxi Landa and Dr. Ilya Hartmann, the terms of which correspond to the new remuneration system.

An individual target amount, which is converted into PSUs, has been agreed with the members of the Management Board. For this purpose, the target amount is divided by the average closing price of Nordex shares on the last 20 trading days prior to the start of the performance period (in the following also referred to as initial number).

Performance is determined based on two criteria. The first performance criterion (weighting: 80%) is a comparison of the performance of Nordex shares' RTSR with the arithmetic

mean of the performance of the DAX, MDAX and TecDAX benchmark indices. The level of target achievement is calculated over a four-year performance period, starting on 1 January of the year of allocation. An RTSR performance in line with the benchmark indices will represent a 100% target achievement level. If the benchmark indices are exceeded by 50% or more, this will represent a 200% target achievement level. If the trend for the RTSR of Nordex SE lags behind the RTSR trend for the benchmark indices by 50% or more, a 0% level of target achievement is assumed. Intermediate values are subject to linear interpolation.

Achievement of a proportion of women at management levels M1 to M4 of 25% by 2025, derived from the Nordex Group's 2025 sustainability strategy, has been defined as the second performance criterion (weighting: 20%). Whether the target has been achieved will be determined at the end of the 2026 performance period. A target quota for women of a minimum of 20% and a maximum of 30% has been defined as the target range. Target achievement is linearly interpolated between 0% and 200%.

The degree of overall target achievement for a financial year is determined while taking into account each individual target achievement level and the weighting of the performance criteria.

The final number of PSUs is calculated by multiplying the initial number by the overall level of target achievement. This is multiplied by the average closing price of Nordex shares on the last 20 trading days prior to the end of the performance period to determine the payout amount. The PSUP payout amount is capped at 300% of the individual target amount.

	1.1.2023 Number	Number of PSUs issued	Change in number ²	Number of PSUs exercised ¹	31.12.2023 number
2023 tranche	0	106,999	0	0	106,999
2022 tranche	62,069	0	1	0	62,070
2021 tranche	43,155	0	-16,616	16,618	9,921
	105,224	106,999	-16,615	16,618	178,990

¹ The number of PSUs exercised has been reported in accordance with the achievement of the performance criteria.

² Forfeited PSUs in line with target achievement of the performance criteria

	1.1.2022 Number	Number of PSUs issued	Change in number	Number of PSUs exercised ¹	31.12.2022 Number
2022 tranche	0	68,966	-6,897 ²	0	62,069
2021 tranche	43,155	0	0	0	43,155
2020 tranche	60,606	0	1,139 ³	61,745	0
	103,761	68,966	-5,758	61,745	105,224

¹ The number of PSUs exercised has been reported in accordance with the achievement of the performance criteria.

² The target amount of the 2022 installment for Dr. Hartmann was adjusted pro rata temporis with the contract extension effective 1 July 2022.

For the period from 1 January to 30 June 2022, the target amount was EUR 100,000. For the period from 1 July to 31 December 2022, the target amount was EUR 130,000. This gives a total amount of EUR 230,000 for 2022.

³ Increase in PSUs of the tranche in line with target achievement of the performance criteria

The total expense recognized in the period for the Performance Share Units Plan amounts to EUR 580 thousand (2022: EUR 660 thousand).

The carrying amount of liabilities arising from the Performance Share Units Plan amounts to EUR 829 thousand (31 December 2022: EUR 1,409 thousand).

The payout amount of liabilities for which the counterparty's right to receive cash has vested is EUR 167 thousand (31 December 2022: EUR 767 thousand).

The fair value of the four-year Performance Share Units Plan issued on 1 January 2023 is EUR 11.11 and has been estimated using a Monte Carlo simulation. The following parameters were used as part of the Monte Carlo simulation:

	1.1.2023
Share price on measurement date	EUR 13.20
Expected term	4 years
Expected volatility	59.44%
Risk-free interest rate	2.81%
Dividend	EUR 0

The long-term variable remuneration of the Management Board will be settled in cash provided the target conditions are met.

FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT – PURPOSES AND METHODS

As an enterprise operating on an international level, the Nordex Group is exposed to financial risks in its operating business and financial transactions. These are primarily market, credit and liquidity risks. The purpose of financial risk management is to limit these risks by means of ongoing operating and finance-oriented activities. The Treasury department is responsible for implementing financial strategy and ongoing risk management.

MARKET RISK

Foreign currency risk

The Group's business is exposed to fluctuations in exchange rates as a result of its international orientation. The main risks are associated with the US dollar. Foreign currency risks arise from expected future transactions and from assets and liabilities recognized in the statement of financial position. Currency risks arise as a result of financial instruments denominated in a currency other than the Group's functional currency and of a monetary nature; exchange rate-related differences from the translation of financial statements into the Group currency (translation risks) are ignored.

Foreign currency risks are mostly avoided by concluding contracts with customers that match the currencies of the corresponding project-related contracts with suppliers (natural hedge). Avoiding these risks is also being emphasized

across projects, especially in the case of the US dollar. Given the increase of the Asian supply chain over the recent years, Chinese yuan and Indian rupee have become increasingly important.

In order to hedge the foreign currency risks, derivative hedging instruments in the form of forward exchange transactions are used. The derivative financial instruments are used solely for hedging purposes and not for trading or speculative purposes. The transactions are generally concluded centrally by Nordex SE as the parent company. Contracts for derivative financial instruments are entered only into with domestic and foreign banks whose ratings are continuously monitored. Nordex also mitigates risk by diversifying its trading partners. All transactions with derivative financial instruments

are executed, monitored and audited in accordance with the applicable provisions of the European Market Infrastructure Regulation (EMIR). Moreover, certain transactions require the prior approval of the Management Board, which is additionally kept regularly informed of the extent of the risk positions resulting from the project business. As of 31 December 2023, most forward exchange transactions were denominated in Chinese yuan. The notional repayment amounts of outstanding forward exchange transactions stand at EUR 120,226 thousand (31 December 2022: EUR 338,841 thousand); non-Euro denominated forward exchange contracts are measured in euros and opposing currency flows cancel each other out.

The derivative hedging instruments included in hedge accounting are as follows:

2023	BRL EUR thousand	BRL EUR thousand	CNY EUR thousand	CNY EUR thousand	INR EUR thousand	INR EUR thousand	USD EUR thousand	CAD EUR thousand
Nominal value due in 2024	0	0	229,732	81,704	0	36,284	40,776	28,733
Nominal value due in 2025	0	0	0	0	0	0	0	0
Nominal value due in 2026	0	0	0	0	0	0	0	0
Total	0	0	229,732	81,704	0	36,284	40,776	28,733
Base currency	EUR	USD	EUR	USD	EUR	USD	EUR	USD
Average hedging rate	n/a	n/a	7.72	7.08	n/a	83.28	1.08	1.36

2022	BRL EUR thousand	BRL EUR thousand	CNY EUR thousand	CNY EUR thousand	INR EUR thousand	INR EUR thousand	USD EUR thousand	CAD EUR thousand
Nominal value due in 2023	53,548	27,035	117,569	93,478	46,884	45,945	116,305	82,413
Nominal value due in 2024	0	0	0	0	0	0	0	28,965
Nominal value due in 2025	0	0	0	0	0	0	0	0
Total	53,548	27,035	117,569	93,478	46,884	45,945	116,305	111,378
Base currency	EUR	USD	EUR	USD	EUR	USD	EUR	USD
Average hedging rate	7.16	6.11	7.05	6.81	82.96	81.34	1.06	1.33

The following results from the effectiveness test:

2023	Derivative assets			Derivative liabilities				
	EUR/CNY EUR thousand	USD/INR EUR thousand	USD/CNY EUR thousand	EUR/CNY EUR thousand	USD/CNY EUR thousand	USD/CAD EUR thousand	USD/INR EUR thousand	EUR/USD EUR thousand
Nominal amount	25,526	9,153	61,278	204,207	20,426	28,733	27,131	40,776
Market value/ carrying amount	132	41	765	-2,736	-458	-751	-96	-1,095
Change in the value of the hedge to determine ineffectiveness	126	20	1,045	-2,597	-255	-805	-262	-1,179
Change in the value of the hedged item to determine ineffectiveness	-125	-19	-1,030	2,655	237	822	266	1,184
Amount of cash flow hedge reserve for active cash flow hedges	762	-19	-708	2,597	255	805	262	1,179
Amount of reserve for cash flow hedge costs for active cash flow hedges	-6	-22	279	138	203	-54	-166	-83
Amount of cash flow hedge reserve for completed cash flow hedges	0	0	0	0	0	0	0	0
Amount of reserve for cash flow hedge costs for completed cash flow hedges	0	0	0	0	0	0	0	0

2022	Derivative assets				Derivative liabilities						
	EUR/ CNY EUR thou- sand	EUR/ USD EUR thou- sand	USD/ CAD EUR thou- sand	USD/ CNY EUR thou- sand	EUR/ BRL EUR thou- sand	USD/ CNY EUR thou- sand	USD/ BRL EUR thou- sand	EUR/ CNY EUR thou- sand	USD/ CAD EUR thou- sand	USD/ INR EUR thou- sand	EUR/ INR EUR thou- sand
Nominal amount	27,184	116,305	72,758	21,676	53,458	71,802	27,035	90,385	38,620	45,945	46,884
Market value/ carrying amount	60	1,538	2,712	700	-9,578	-1,233	-3,105	-5,255	-205	-968	-3,490
Change in the value of the hedge to determine ineffectiveness	54	1,819	2,731	698	-9,617	-1,122	-2,954	-5,958	-210	-1,191	-4,252
Change in the value of the hedged item to determine ineffectiveness	-53	-1,820	-2,734	-700	9,782	1,137	-2,992	6,012	270	1,204	4,298
Amount of cash flow hedge reserve for active cash flow hedges	-53	-730	-2,658	-698	9,617	1,122	2,954	5,958	134	1,191	4,252
Amount of reserve for cash flow hedge costs for active cash flow hedges	-6	282	19	-2	-39	111	150	-703	-6	-223	-762
Amount of cash flow hedge reserve for completed cash flow hedges	0	0	0	0	0	0	0	0	0	0	0
Amount of reserve for cash flow hedge costs for completed cash flow hedges	0	0	0	0	0	0	0	0	0	0	0

The ineffective part of the cash flow hedges directly recognized in the income statement in other operating expenses amounts to EUR –15 thousand (2022: EUR 0 thousand).

For the purposes of describing foreign currency risks, a currency sensitivity analysis is performed to determine the effects of hypothetical changes in relevant risk variables on the Company's net profit (after income tax) and equity. The relevant risk variables comprise all non-functional currencies in which the Nordex Group transacts financial instruments.

In the event of 10% appreciation or depreciation in the respective foreign currency against the reporting currency, the measurement of the primary monetary financial instruments (cash and cash equivalents, trade receivables and payables, contract assets from projects, liabilities to banks and prepayments received) would result in the following effects on post-tax profit:

2023	+10% EUR thousand	-10% EUR thousand
EUR/USD	39,881	-32,630

2022	+10% EUR thousand	-10% EUR thousand
EUR/USD	31,756	-25,982

The measurement of the forward exchange transactions entered into for hedging purposes but not included in hedge accounting would result in the following effects on net profit/loss and fair value:

2023	+10% EUR thousand	-10% EUR thousand
EUR/AUD		
Net profit/loss	-1,212	1,213
Fair value	-1,212	1,213
EUR/SEK		
Net profit/loss	3,525	-3,515
Fair value	3,525	-3,515
EUR/USD		
Net profit/loss	-29,369	29,467
Fair value	-29,369	29,467

2022	+10% EUR thousand	-10% EUR thousand
EUR/AUD		
Net profit/loss	-1,682	1,686
Fair value	-1,682	1,686
EUR/BRL		
Net profit/loss	-7,983	8,040
Fair value	-7,983	8,040
EUR/SEK		
Net profit/loss	-6,611	6,628
Fair value	-6,611	6,628
EUR/USD		
Net profit/loss	-23,112	23,193
Fair value	-23,112	23,193
EUR/PLN		
Net profit/loss	3,854	-3,820
Fair value	3,854	-3,820

The measurement of the forward exchange transactions entered into for hedging purpose and included in hedge accounting would result in the following effects on profit, fair value and the pre-tax and post-tax hedging reserve within equity:

2023	+10% EUR thousand	-10% EUR thousand
EUR/CNY and USD/CNY		
Net profit/loss	16	16
Fair value	31,598	-29,444
Hedge accounting reserve within equity, pre-tax	31,614	-29,429
Hedge accounting reserve within equity, post-tax	21,497	-20,011
EUR/USD		
Net profit/loss	0	0
Fair value	4,051	-4,037
Hedge accounting reserve within equity, pre-tax	4,051	-4,037
Hedge accounting reserve within equity, post-tax	2,754	-2,746
EUR/INR and USD/INR		
Net profit/loss	0	0
Fair value	13,567	-12,674
Hedge accounting reserve within equity, pre-tax	13,567	-12,674
Hedge accounting reserve within equity, post-tax	9,226	-8,618

2022	+10% EUR thousand	-10% EUR thousand
EUR/BRL and USD/BRL		
Net profit/loss	0	0
Fair value	-8,271	7,751
Hedge accounting reserve within equity, pre-tax	-8,271	7,751
Hedge accounting reserve within equity, post-tax	-5,624	5,271
EUR/CNY and USD/CNY		
Net profit/loss	0	0
Fair value	21,719	-19,679
Hedge accounting reserve within equity, pre-tax	21,719	-19,679
Hedge accounting reserve within equity, post-tax	14,769	-13,382
EUR/USD		
Net profit/loss	0	0
Fair value	-11,592	11,608
Hedge accounting reserve within equity, pre-tax	-11,592	11,608
Hedge accounting reserve within equity, post-tax	-7,883	7,894
USD/INR and EUR/INR		
Net profit/loss	0	0
Fair value	9,434	-8,489
Hedge accounting reserve within equity, pre-tax	9,434	-8,489
Hedge accounting reserve within equity, post-tax	6,415	-5,772

Interest risk

The Group has no assets or liabilities subject to variable interest rates entailing a material interest rate risk exposure.

Credit risk

The Group enters into business solely with investment-grade third parties. All new main customers wishing to enter into business with the Group on a credit basis undergo a credit check. As a matter of principle, a standardized approval procedure is carried out to address any credit risks before the order is accepted. In particular, the order is not accepted unless the project finance is guaranteed by a bank and/or a

bank guarantee or a group bond has been issued. In addition, receivables are monitored on an ongoing basis to avert all material credit risks. There is no pronounced clustering of credit risks within the Group. The maximum credit risk is limited to the carrying amount in question. Trade receivables and contract assets from projects are additionally secured by means of guarantees, sureties and standby letters of credit of EUR 4,460,403 thousand (31 December 2022: EUR 4,076,338 thousand) or by means of retained ownership rights of EUR 390,176 thousand (31 December 2022: EUR 360,096 thousand).

Liquidity risk

The aim of the Group is to achieve a balance between incoming and outgoing payments. To this end, it tracks payments made and received in light of the maturities of the financial investments and assets as well as expected payment flows from operating activities and continuously manages Group liquidity.

As a matter of principle, the Nordex Group finances the projects via payments made by customers. With all projects, the payments are invoiced in line with the progress of work on the basis of the agreed contractual schedule. These prepayments are mainly guaranteed by means of the syndicated multi-currency facility and uncommitted Guarantee Facility Utilization Agreement.

In some cases, Nordex uses cross-border cash pooling mechanisms or other in-house banking instruments to enhance the efficiency of liquidity management. Group Treasury invests remaining liquidity positions conservatively with domestic and non-domestic banks. For this purpose, limits and counterparty risks are continuously monitored.

DEBT INSTRUMENTS

Corporate bond

On 2 February 2018, the Nordex Group successfully placed a corporate bond in the amount of EUR 275,000 thousand with a coupon of 6.5%. This bond was admitted to trading on the International Stock Exchange. The issuer of the five-year corporate bond was Nordex SE, with the main Nordex Group companies holding joint and several liability. The corporate bond was certified as a green financial instrument. The bond was repaid on the maturity date in January 2023.

Shareholder loans

Acciona S.A. had also granted Nordex SE two shareholder loans.

The first loan was for EUR 232,200 thousand, with the first tranche of EUR 17,200 thousand having been paid out in August 2020 and the second one of EUR 215,000 thousand in March 2021. In June 2021, EUR 196,580 thousand of this amount was contributed to a capital increase as a non-cash contribution. The original loan term was until 30 April 2025 at an interest rate of 10.0%

The second shareholder loan totalling EUR 286,000 thousand was granted in 2022 at an interest rate of 14.0% and with an original term until 29 July 2026. The first tranche of EUR 11,000 thousand was paid to settle transaction costs in July 2022. The second tranche of EUR 275,000 thousand served to repay the corporate bond in February 2023.

As resolved in the Extraordinary General Meeting of Nordex SE on 27 March 2023, the two shareholder loans were converted into equity. The amount including interest amounted to EUR 346.7 million which was converted into equity. Furthermore, capitalized financing costs amounting to EUR 12.8 million were expensed in the financial result. As of 31 December 2023, there are no liabilities in relation to the shareholder loans.

Promissory note

On 6 April 2016, Nordex SE placed a promissory note with a volume of EUR 550,000 thousand for which Nordex SE & Co. KG is jointly and severally liable with national and international investors. After repayments in April 2021 and April 2023, the promissory note currently is comprised of one tranche with an original term of ten years with fixed interest of 2,96%. The promissory note has been certified as a green financial instrument. As of 31 December 2023, the liability including accrued costs and interest recognized under liabilities to banks amounted to EUR 6,642 thousand (31 December 2022: EUR 25,917 thousand), of which EUR 142 thousand (31 December 2022: EUR 0) is current.

Employee bond

To strengthen employee loyalty while allowing them to make a profitable investment, the Nordex Group has launched a participation program for its employees in the French Val aux Moines wind farm developed and implemented by Nordex. Employees can participate by purchasing bonds issued by Nordex Employee Holding GmbH. The total volume is up to EUR 4,000 thousand with an annual interest rate of 6.0%. The term runs from 1 October 2020 to 30 September 2024. As of 31 December 2023, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 3,273 thousand (31 December 2022: EUR 3,466 thousand).

Syndicated multi-currency guarantee facility

Nordex SE also has a syndicated multi-currency guarantee facility currently in the amount of EUR 1,302,000 thousand (originally EUR 1,410,000 thousand) that runs until 9 April

2024 and in which the main Nordex Group companies hold joint and several liability. This multi-currency guarantee facility includes guaranteed cash credit lines in the amount of EUR 100,000 thousand, of which EUR 10,000 thousand was extended to an Indian subsidiary in financial year 2022. The amount extended to the Indian subsidiary was increased to EUR 20,000 thousand in financial year 2023.

As of 31 December 2023, EUR 1,012,884 thousand (31 December 2022: EUR 1,209,550 thousand) of the syndicated multi-currency guarantee facility had been drawn down in the form of guarantees. Ancillary credit facilities have also been set up under the syndicated multi-currency guarantee facility. As of 31 December 2023, the cash drawdowns on these facilities recognized under current liabilities to banks amounted to EUR 18,947 thousand (31 December 2022: EUR 21,528 thousand).

The syndicated multi-currency guarantee facility is further subject to uniform and agreed financial covenants such as equity ratio, leverage and interest coverage, compliance with which referring to the previous reporting date has to be confirmed in quarterly reports to the respective financial institutions. The financial institutions may only terminate this multi-currency guarantee facility for good cause, such as non-compliance with the financial covenants mentioned above. In July 2022, Nordex successfully adjusted the existing financial covenant concept with the financial institutions, which includes the ratio of liquid assets as well as the equity ratio as financial covenants. No covenants were breached as of 31 December 2023. There were no defaults or delays in payment regarding the cash drawings on the facility amounting to EUR 18,947 thousand.

Uncommitted Guarantee Facility Utilization Agreement

Nordex SE entered into an uncommitted Guarantee Facility Utilization Agreement with Acciona, S.A. in which Acciona, S.A. offered, subject to certain terms and conditions, to make available to Nordex its uncommitted banking and surety guarantee facilities in the aggregate amount of up to EUR 600,000 thousand under which Guarantees may be issued by different financial entities to fulfil the needs of Nordex Group. The facility is an alternative to the syndicated multi-currency guarantee facility to diversify the total bond capacity.

As of 31 December 2023, EUR 377,606 thousand of the facility had been drawn down in the form of guarantees and the amount payable in relation to the guarantee fee recognized under current liabilities amounted to EUR 2,275 thousand.

Convertible bonds

In April 2023, the Nordex Group successfully placed unsubordinated and unsecured green convertible bonds with a total nominal amount of EUR 333,000 thousand. The bonds have a term of seven years and a coupon of 4.25% as well as a conversion price of EUR 15.73.

The conversion right within the convertible bonds constitute an equity instrument, which is included in equity in the amount of EUR 61,393 thousand. The liability component is classified as a financial liability at amortized cost. As of 31 December 2023, the liability including accrued costs and interest recognized under financial liabilities amounted to EUR 247,644 thousand.

CAPITAL RISK MANAGEMENT

The main aims of capital risk management are to ensure sustained growth in enterprise value and to safeguard the Group's liquidity and credit rating. Equity as of 31 December 2023 stood at EUR 978,116 thousand (31 December 2022: EUR 878,059 thousand). The Group monitors its capital by means of the working capital employed. Working capital is defined as the sum of trade receivables, contract assets from projects and inventories less trade payables and contract liabilities from projects:

EUR thousand	31.12.2023	31.12.2022
Trade receivables	197,102	169,906
Contract assets from projects	780,352	720,191
Inventories	1,265,691	1,103,153
Trade payables	-1,669,273	-1,519,269
Contract liabilities from projects	-1,319,553	-1,053,058
	-745,681	-579,077
Sales	6,489,068	5,693,561
Working capital ratio	-11.5%	-10.2%

GROUP SEGMENT REPORTING

The Nordex Group is essentially a single-product company. The activities of the Nordex Group cover the development, production, marketing and servicing of wind power systems. In order to support the marketing activities, it provides preliminary project development services, acquires rights and creates the infrastructure required to construct wind power systems at suitable locations. In line with business activities, the reportable segments are Projects and Services segment. The Projects segment comprises the business with new wind turbines and wind farm development in the Nordex

Development unit, while the Service segment includes all activities relating to the support of the wind turbines after they have been commissioned. Income and expenses which cannot be clearly allocated to the two segments are reported separately under not allocated. This category mainly comprises costs for global lead functions, restructuring and corporate treasury activities. The transactions between the individual segments are based on Arm's Length Principle. Segment reporting follows the internal reports submitted to the chief operating decision maker, the Management Board of Nordex SE, on the basis of the accounting principles applied to the consolidated financial statements.

EUR thousand	Projects		Service		Not allocated		Consolidation ¹		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sales	5,827,736	5,121,957	678,906	574,134	3,183	11,714	-20,757	-14,244	6,489,068	5,693,561
Changes in inventories and other own work capitalized	64,281	297,551	-2,463	1,835	-22	-1,881	0	0	61,796	297,505
Cost of materials	-5,301,645	-5,226,405	-278,172	-236,413	-6,958	-56,444	20,757	14,244	-5,566,019	-5,505,018
Other income and expenses	-580,812	-423,731	-297,080	-243,524	-293,428	-245,477	0	0	-1,171,320	-912,732
EBIT	9,560	-230,628	101,191	96,033	-297,225	-292,088	0	0	-186,474	-426,683
Other interest and similar income	0	0	0	0	11,430	6,075	0	0	11,430	6,075
Interest and similar expenses	0	0	0	0	-135,249	-101,763	0	0	-135,249	-101,763
Other financial result	0	0	0	0	-357	-18	0	0	-357	-18

¹ As in the previous year, intrasegment sales are solely attributable to the service segment, whereas intrasegment cost of materials of EUR 20,757 thousand (2022: EUR 14,244 thousand) is solely Projects segment.

Non-current assets and sales break down by region as follows:

EUR thousand	Non-current assets ¹		Sales	
	31.12.2023	31.12.2022	2023	2022
Europe ²	598,509	624,214	4,794,973	3,547,907
Latin America	51,032	50,042	1,249,512	1,202,995
North America	17,738	21,464	314,203	559,474
Rest of world	71,052	80,305	130,380	383,185
	738,330	776,025	6,489,068	5,693,561

¹ Non-current assets include property, plant and equipment, capitalized development expenses, prepayments made on intangible assets and other intangible assets.

² of which non-current assets from Germany EUR 408,444 thousand (2022: EUR 426,425 thousand) and sales from Germany EUR 1,096,297 thousand (2022: EUR 1,654,265 thousand)

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(1) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and sight deposits. Utilized current account overdrafts are netted with cash and cash equivalents. Deposits which are immediately callable are subject to variable interest rates.

Cash and cash equivalents amount to EUR 925,923 thousand (31 December 2022: EUR 633,541 thousand). Of the cash and cash equivalents, EUR 5,362 thousand cannot be freely transferred within the Group due to foreign exchange restrictions resulting from the Russia-Ukraine conflict.

No impairments need to be recognized.

Pursuant to IFRS 7 and IFRS 9, cash and cash equivalents are classified as financial assets measured at amortized cost. Given the short residual terms to maturity, amortized cost equals the fair value as in the previous year.

(2) TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receipt of payments is expected within one year or less (or within the normal operating cycle of the business if longer), they are classified as current assets.

Trade receivables amount to EUR 197,102 thousand (31 December 2022: EUR 169,906 thousand).

Trade receivables are not subject to interest and are generally due for settlement within 30 to 90 days.

The following impairment was recognized on trade receivables in the year under review and in the previous year:

EUR thousand	2023	2022
Impairment as of 01.01.	10,040	10,850
Utilization	-158	-6,567
Reversals ¹	-2,096	-1,584
Additions ²	8,343	7,341
Impairment as of 31.12.	16,129	10,040

¹ The reversal is shown in the income statement under other operating income.

² The addition is shown in the income statement under other operating expenses.

Impairment of trade receivables determined in accordance with the disclosures made in the section on financial instruments are as follows:

31.12.2023	Impaired	Not impaired						Total
EUR thousand		Not past due	Past due less than 30 days	Past due 31 to 90 days	Past due 91 to 180 days	Past due 181 to 360 days	Past due 361 days and more	
Trade receivables without credit risk (gross)	0	81,462	21,783	15,026	7,217	11,150	23,561	160,200
Expected loss rates	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Impairment	0	0	0	0	0	0	0	0
Trade receivables without credit risk (net)	0	81,462	21,783	15,026	7,217	11,150	23,561	160,200
Trade receivables with credit risk (gross)	8,339	8,023	15,375	8,295	3,027	3,340	5,480	51,879
Expected loss rates	100.0%	0.1%	0.3%	2.5%	12.5%	50.0%	100.0%	31.1%
Impairment	8,339	8	46	207	378	1,670	5,480	16,129
Trade receivables with credit risk (net)	0	8,015	15,329	8,088	2,648	1,670	0	35,750

31.12.2022	Impaired	Not impaired						Total
EUR thousand		Not past due	Past due less than 30 days	Past due 31 to 90 days	Past due 91 to 180 days	Past due 181 to 360 days	Past due 361 days and more	
Trade receivables without credit risk (gross)	0	81,009	13,985	3,220	7,423	2,904	18,673	127,214
Expected loss rates	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Impairment	0	0	0	0	0	0	0	0
Trade receivables without credit risk (net)	0	81,009	13,985	3,220	7,423	2,904	18,673	127,214
Trade receivables with credit risk (gross)	5,913	6,616	20,493	8,720	7,178	1,220	2,592	52,732
Expected loss rates	95.6%	0.1%	0.3%	2.5%	12.5%	50.0%	100.0%	19.0%
Impairment	5,655	7	61	218	897	610	2,592	10,040
Trade receivables with credit risk (net)	258	6,609	20,432	8,502	6,281	610	0	42,692

In the financial year 2023, unimpaired receivables amounting to EUR 0 thousand (2022: EUR 0 thousand) were derecognized.

Pursuant to IFRS 7 and IFRS 9, trade receivables are classified as financial assets measured at amortized cost. The fair value did not differ significantly from amortized cost in the year under review; in the previous year, the fair value corresponded to amortized cost.

(3) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM PROJECTS

Contract assets from projects include unfinished contracts whose revenues are recognized according to the percentage of completion in accordance with IFRS 15. The contract assets from projects are netted against the contract liabilities from projects (prepayments received) on a per-project basis.

Contract assets and contract liabilities from projects developed as follows:

EUR thousand	Contract assets from projects		Contract liabilities from projects	
	2023	2022	2023	2022
Amount on 1.1.	720,191	536,526	1,053,058	945,128
Addition, new ongoing projects	2,552,354	2,073,642	2,554,560	1,067,982
Addition, existing ongoing projects	2,574,122	2,730,502	2,588,610	3,620,790
Change in the transaction price	28,153	-10,416	—	0
Disposal, invoiced projects	-2,852,653	-2,421,086	-2,634,860	-2,391,865
Netting of contract assets from projects with contract liabilities from projects	-2,241,814	-2,188,977	-2,241,814	-2,188,977
Amount on 31.12.	780,352	720,191	1,319,553	1,053,058

Due to the collateralization with guarantees, sureties and stand-by letters of credit, no impairments need to be recognized on contract assets from projects.

Pursuant to IFRS 7 and IFRS 9, contract assets from projects are classified as financial assets measured at amortized cost. In the current financial year, the fair value did not differ materially from amortized cost, as in the previous year.

(4) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM SERVICES

Contract assets from services relate to maintenance contracts where the percentage of completion exceeds the payments received. In contrast, contract liabilities from services concern maintenance contracts where the payments received exceed the percentage of completion.

Contract assets and contract liabilities from services developed as follows:

EUR thousand	Contract assets from services		Contract liabilities from services	
	2023	2022	2023	2022
Amount on 1.1.	42,228	39,498	187,223	160,315
Addition, new service contracts	4,849	4,298	16,113	24,770
Addition to existing service contracts	10,200	9,013	15,772	30,755
Disposal of existing service contracts	-4,804	-9,106	-15,729	-19,701
Disposal of completed service contracts	-6,498	-1,475	-17,435	-8,916
Amount on 31.12.	45,976	42,228	185,944	187,223

Of the contract assets from services, EUR 8,733 thousand (31 December 2022: EUR 8,393 thousand) are current and EUR 37,243 thousand (31 December 2022: EUR 33,835 thousand) are non-current, while of the contract liabilities from services, EUR 31,189 thousand (31 December 2022 EUR 38,896 thousand) are current and EUR 154,755 thousand (31 December 2022: EUR 148,327 thousand) are non-current.

The expected loss ratio for contract assets from services corresponds to the ratio of 0.1% applicable to trade receivables with a credit risk that are not past due. For reasons of materiality, the impairments resulting from this in the amount of EUR 46 thousand (31 December 2022: EUR 42 thousand) have not been recognized, however.

(5) INVENTORIES

Historical cost is calculated using the average method. The production costs include production-related full costs calculated on the basis of normal capacity utilization.

Inventories are reviewed for impairments as of the reporting date and appropriate loss allowances are recognized if necessary.

Inventories break down as follows:

EUR thousand	31.12.2023	31.12.2022
Raw materials and supplies	590,796	461,859
Work in progress	542,498	524,165
Prepayments made	132,397	117,129
	1,265,691	1,103,153

Raw materials and supplies primarily comprise production and service material.

Work in progress mainly relates to wind power systems under construction from customer contracts where sales are recognized at a point in time using the milestone method.

The carrying amount of the inventories includes the following impairment adjustments:

EUR thousand	2023	2022
Impairment as of 01.01.	37,184	30,267
Utilization	0	-22
Reversals	0	0
Additions	10,773	6,939
Impairment as of 31.12.	47,957	37,184

Utilization of impairment is related specifically to reductions in aged inventories, while additions primarily relate to inventories with limited usability.

The carrying amount of the impaired inventories is EUR 40,503 thousand (31 December 2022: EUR 28,156 thousand).

(6) INCOME TAX RECEIVABLES AND PAYABLES

Income tax receivables of EUR 20,205 thousand (31 December 2022: EUR 9,668 thousand) mainly stem from Nordex France SAS and Nordex Enerji A.S., while the liabilities from income taxes amounting to EUR 23,853 thousand (31 December 2022: EUR 25,632 thousand) are mainly attributable to Nordex Enerji A.S., Nordex Energy and Nordex Polska Sp. z.o.o.

(7) OTHER CURRENT FINANCIAL ASSETS

Other current financial assets break down as follows:

EUR thousand	31.12.2023	31.12.2022
Creditors with debit accounts	45,638	26,444
Receivable from the sale of shares in ACCIONA Nordex Green Hydrogen, S.L. (formerly Nordex H2, S.L.)	17,570	15,000
Forward exchange transactions	4,369	11,138
Payments made to secure supplier capacity	853	7,635
Insurance and compensation claims	5,650	5,813
Receivables from ACCIONA Nordex Green Hydrogen, S.L.	5,548	4,421
Deposits	3,249	2,837
Other	18,236	6,262
	101,112	79,549

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other current financial assets are classified as financial assets measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 96,744 thousand (31 December 2022: EUR 68,411 thousand) equals the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial assets in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 1,040 thousand (31 December 2022: EUR 5,010 thousand).

Pursuant to IFRS 7 and IFRS 9, the other forward exchange transactions reported under other current financial assets are classified as financial assets measured at fair value through profit or loss. The fair value amounts to EUR 3,329 thousand (31 December 2022: EUR 6,128 thousand). The forward rates and prices are calculated on the basis of the spot price on the reporting date in the light of any discounts or premiums for the remaining term of the contract.

(8) OTHER CURRENT NON-FINANCIAL ASSETS

Other current non-financial assets break down as follows:

EUR thousand	31.12.2023	31.12.2022
Tax receivables	232,677	224,381
Prepaid expenses	18,909	11,172
Other	2,052	1,293
	253,638	236,846

Tax receivables primarily concern current input tax assets Nordex Energy Brasil – Comercio e Industria de Equipamentos Ltda. in the amount of EUR 59,684 thousand (31 December 2022: EUR 58,064 thousand), Nordex Energy SE & Co. KG in the amount of EUR 10,200 thousand (31 December 2022: EUR 38,742 thousand), Nordex SE in the amount of EUR 24,386 thousand (31 December 2022: EUR 9,575 thousand), Nordex India Private Limited in the amount of EUR 27,170 thousand (31 December 2022: EUR 22,025 thousand), NX Energy Mexico S. de R.L. de C.V. in the amount of EUR 16,638 thousand (31 December 2022: EUR 15,317 thousand), Nordex India Manufacturing Private Ltd. in the amount of EUR 11,347 thousand (31 December 2022: EUR 10,473 thousand) and Nordex Energy Ireland Ltd. in the amount of EUR 12,793 thousand (31 December 2022: EUR 195 thousand).

Prepaid expenses chiefly comprise costs pertaining to other periods for the multi-currency guarantee facility and license fees.

(9) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized at historical cost and, where subject to wear and tear, depreciated. Historical cost includes the cost directly attributable to the acquisition or construction.

In accordance with IAS 20.24, government grants and assistance received for acquiring non-current assets are deducted from historical cost.

Depreciation is calculated on a straight-line basis over the expected useful life of the assets. For this purpose, the historical cost is written down to the residual carrying amount over the expected useful life of the assets as follows:

	Useful life	Depreciation rate
Land and buildings (depreciation calculated for buildings only)	10–33 years	3%–10%
Technical equipment and machinery	3–25 years	4%–33.33%
Tools and equipment	2–18 years	5.56%–50%

Property, plant and equipment breaks down as follows:

EUR thousand	31.12.2023	31.12.2022
Land and buildings	179,598	190,826
Technical equipment and machinery	149,499	198,796
Other fixtures and fittings, tools and equipment	183,870	186,957
Assets under construction	31,170	23,778
Prepayments made	10,289	1,594
	554,426	601,951

Property, plant and equipment is tested for impairment in accordance with IAS 36 if there are indications of impairment.

Land and buildings, and other fixtures and fittings, tools and equipment include lease assets.

Additions and carrying amount as of 31 December 2023 and 1 January 2023 are as follows:

EUR thousand	31.12.2023		01.01.2023
	Additions	Carrying amount	Carrying amount
Land and buildings – lease assets	16,617	95,995	103,419
Technical equipment and machinery	46	32	91
Other fixtures and fittings, tools and equipment – lease assets	13,762	77,382	81,037
	30,425	173,409	184,547

The capitalized right-of-use assets from leases relate mainly to administrative and production buildings, warehouses, a cargo vessel, company vehicles and production equipment (e.g. lifting platforms).

Cash outflows for leases in the current financial year amounted to EUR 62,203 thousand as of 31 December 2023 (31 December 2022: EUR 50,500 thousand).

For a detailed overview of movements in property, plant and equipment we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(10) GOODWILL

Goodwill represents the excess of the acquisition cost of an acquired company over the fair value of the Group's shares of its net identifiable assets on the date of acquisition.

For the purpose of the impairment testing, goodwill is allocated to cash-generating units (CGUs) at the date of acquisition. Once a year or if there is an indication of impairment, the Group tests on the level of the CGUs to which goodwill has been allocated whether goodwill is impaired (impairment only approach) or not.

The derivation of fair value less cost of disposal (FVLCD) for both Projects and Services units is based on following key assumptions:

- › Long-term growth rates
- › Discount rates
- › Gross profit margins
- › Structural costs

The recoverable amount or the fair value less costs of disposal for these two CGUs, Projects and Service, is determined on the basis of a discounted cash flow method and is based on the budget for 2024 as well as for four subsequent budget years derived from the Company's medium-term forecasts. Income beyond the five-year period has been extrapolated based on a steady growth rate of 1.00% (2022: 1.00%). The underlying parameters, such as sales growth and margins, are determined based on expertise gained in the past, current economic conditions, and forecasts by external industry experts. The fair value determined for both CGUs is assigned to Level 3 in the fair value hierarchy.

The after-tax discount rate is 10,34% (31 December 2022: 10.68%) for the Projects CGU and 10.88% (31 December 2022: 11.11%) for the Service CGU which are based on the concept of Weighted Average Cost of Capital (WACC)). The discount rate is based on a risk-free interest rate of 2.22% (31 December 2022: 2.36%), a market risk premium of 7% (31 December 2022: 7.50%) and a beta factor of 1.12 (31 December 2022: 1.07). The beta factor and the ratio of the market value of equity to the market value of debt were determined using a CGU-specific peer group.

As in the previous year, goodwill amounts to EUR 547,758 thousand and, as in the previous year, EUR 500,487 thousand is attributable to the Projects CGU and EUR 47,272 thousand to the Service CGU. EUR 537,798 thousand there of results from the purchase price allocation of Acciona Windpower.

As in the previous year, no impairment was recognized in the 2023 financial year, as the recoverable amount for the Projects and Service CGUs is above the carrying amount of the assets plus the carrying amount of the goodwill of the two CGUs.

The sensitivity analysis of all key assumptions showed the following:

- › A decrease of 3% in the long-term rate would not lead to an impairment.
- › An increase of WACC of 3% would not lead to an impairment loss for either the Projects CGU or Service CGU.
- › A decrease in the gross profit margin of 3% would not result in impairment.
- › An increase in structural costs of 3% would not lead to an impairment.

For a detailed overview of goodwill, we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(11) CAPITALIZED DEVELOPMENT EXPENSES

The cost of production for these assets includes all costs directly attributable to the production process as well as production-related overhead and borrowing costs. Borrowing costs that are directly attributable to the production of a qualifying asset are capitalized until all work for its intended use is substantially completed; otherwise, they are recognized as an expense in the period in which they are incurred. A qualifying asset exists if the production of the asset normally takes longer than one year. Furthermore, development expenses may only be capitalized if the entity has the ability and intent to complete and use the asset and is able to provide evidence of how the asset will generate future economic benefits.

Capitalized development expenses are amortized on a straight-line basis over the period in which the project is expected to generate sales, but no longer than five years. Furthermore, the Group reviews the value of capitalized development expenses once a year; an impairment is recognized for any development measures that are found to be technically outdated.

As of the reporting date, capitalized development expenses amounted to EUR 169,785 thousand (31 December 2022: EUR 161,512 thousand). In financial year 2023, development expenses amounting to EUR 46,381 thousand (2022: EUR 34,320 thousand) were capitalized, of which EUR 42,709 thousand (2022: EUR 24,823 thousand) concern capitalized development expenses for which amortization has not yet begun. Additions comprise in particular the enhancement and development of the Generation Delta wind turbines, software developments as well as the electrolyzer project development. The additions include borrowing costs of EUR 2,918 thousand (31 December 2022: EUR 2,185 thousand) at a borrowing rate of 7.30% (31 December 2022: 7.69%). Additional development expenses of EUR 36,633 thousand arising in 2023 (2022: EUR 26,827 thousand) did not meet the criteria for capitalization and were therefore expensed in profit or loss. The capitalization ratio therefore amounts to 55.87% (31 December 2022: 56.13%).

For a detailed overview of capitalized development costs, we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(12) PREPAYMENTS MADE

Prepayments made are recognized at cost.

Prepayments made amounted to EUR 48 thousand (31 December 2022: EUR 34 thousand).

For a detailed overview of prepayments made we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(13) OTHER INTANGIBLE ASSETS

Assets that have definite useful lives are reported at historical cost less accumulated amortization.

Amortization is calculated on a straight-line basis over the expected useful life of the assets, which are deemed to end no later than upon the expiry of the corresponding right. The following useful lives are assumed for this purpose:

	Useful life	Depreciation rate
Licenses, software and similar rights	2–5 years	20%–50%

Other intangible assets amount to EUR 14,071 thousand (31 December 2022: EUR 12,528 thousand).

For a detailed overview of other intangible assets, we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(14) INVESTMENTS

Investments include investments in affiliated, non-consolidated companies and equity investments. Investments in affiliated non-consolidated companies relate to companies that the Group controls but are insignificant in terms their operations. Equity investments refer to companies that are not controlled by the group. Investments mainly comprise project companies. However, project development is not carried out by the companies, which is why the value of the companies does not increase. Costs therefore correspond to the fair value.

Investments break down as follows:

EUR thousand	31.12.2023	31.12.2022
Investments in affiliated non-consolidated companies	3,223	2,919
Equity investments	208	549
	3,431	3,468

Shares are held in the following affiliated non-consolidated companies:

EUR thousand	31.12.2023	31.12.2022
Project companies	3,198	2,859
Nordex Austria GmbH, Vienna ¹	0	35
Nordex Windpark Verwaltung GmbH, Hamburg	25	25
	3,223	2,919

¹ Company is consolidated in 2023

The project companies hold various rights in connection with internally developed wind power projects, mainly building permits and power purchase agreements. In 2023, two project companies were established (2022: 0). No impairments were recognized in 2023 (2022: EUR 0 thousand).

Nordex Austria GmbH is a company established at the end of 2022 for construction of power generation plants. The entity was included in the basis of consolidation in 2023.

The purpose of Nordex Windpark Verwaltung GmbH is to acquire and manage investments in trading companies whose purpose is particularly to acquire, develop, install and operate wind farms and to assume personal liability and management responsibility for such entities.

Investments are held in the following entities:

EUR thousand	31.12.2023	31.12.2022
Rose Windfarm AB, Stockholm/Sweden	0	516
Parc Eolien du Val Aux Moines, Paris/France	13	13
RenerCycle S.L., Pamplona/Spain	195	20
	208	549

Parc Eolien du Val Aux Moines operates a wind farm.

RenerCycle S.L. is still in its start-up phase. The company's business purpose is the recycling of wind turbines aimed at achieving the sustainability goal of no waste.

Rose Windfarm AB was liquidated in 2023.

The shares of these entities are unlisted and there is no intention to sell as of 31 December 2023.

For further details on shareholdings, we refer to the list of shareholdings as of 31 December 2023 attached to the notes to the consolidated financial statements.

Investments are classified on a voluntary basis in accordance with IFRS 7 and IFRS 9 as financial assets measured at fair value through other comprehensive income. Investments mainly comprise project companies. As in the previous year, the fair value largely corresponds to the costs due to insignificant operating activities.

(15) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The investments accounted for using the equity method comprise investments in joint ventures and associates.

Associates are entities in which the Group has significant influence, but not control or joint control, over its financial and operating policies. A joint venture is an arrangement over which the Group has joint control, whereby it has rights to its net assets of the arrangement, rather than having rights to its assets and obligations to its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the comprehensive income of equity-accounted investments until the date that significant influence or joint control ceases.

EUR thousand	31.12.2023	31.12.2022
Investment in a joint venture		
ACCIONA Nordex Green Hydrogen, S.L, Barasoain/Spain ¹	82,372	67,709
	82,372	67,709
Investment in associates		
GN Renewable Investments S.a r.l., Luxembourg/Luxembourg	0	48
	0	48
	82,372	67,757

¹ The company was renamed in 2023 from Nordex H2 S.L.

Joint venture

ACCIONA Nordex Green Hydrogen, S.L, is managed jointly based on an agreement with Acciona, with each shareholder having a 50% stake in the company. The company is mainly involved in development projects related to green hydrogen that are not limited to a specific region. The investment is accounted for using the equity method.

Financial information of ACCIONA Nordex Green Hydrogen, S.L. accounted for using the equity method:

Statement of financial position

EUR thousand	31.12.2023	31.12.2022
Current assets		
Liquid funds	10,808	1
Other current assets	142,972	130,908
Total current assets	153,780	130,909
Non-current assets	16,439	3,745
Total assets	170,219	134,654
Current liabilities		
Financial liabilities (w/o trade payables)	2,904	4,631
Other current liabilities	2,810	22
Total current liabilities	5,713	4,653
Non-current liabilities		
Financial liabilities	5,179	0
Other non-current liabilities	1	1
Total non-current liabilities	5,180	1
Total liabilities	10,893	4,654
Net assets	159,326	130,000

Income statement

EUR thousand	31.12.2023	31.12.2022
Revenue	0	n/a
EBITDA	-726	n/a
Depreciation	-179	n/a
Financial result	118	n/a
Income tax	113	n/a
Net loss	-674	n/a

Reconciliation to the carrying amount shown as an investment in the statement of financial position:

EUR thousand	31.12.2023	31.12.2022
Net assets	159,326	130,000
Proportion attributable to the Nordex Group in %	50%	50%
Proportion attributable to the Nordex Group	79,663	65,000
Goodwill	2,709	2,709
Carrying amount	82,372	67,709

Associates

GN Renewable Investments S.a r.l., which used to finance project companies was liquidated in the financial year 2023.

The following table sets out the share of the profit or loss of the entity:

EUR thousand	31.12.2023 ¹	31.12.2022 ²
GN Renewable Investments S.a r.l., Luxembourg/Luxembourg	-19	-10
	-19	-10

¹ Preliminary annual financial statement as of 31 December 2023; the changes compared to the final annual financial statement as of 31 December 2023 will be posted in 2024

² Preliminary annual financial statement as of 31 December 2022; the changes compared to the final annual financial statement as of 31 December 2022 will be posted in 2023

For further details on shareholdings, we refer to the list of shareholdings as of 31 December 2023 attached to the notes to the consolidated financial statements.

(16) OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets break down as follows:

EUR thousand	31.12.2023	31.12.2022
Receivable from the sale of shares in ACCIONA Nordex Green Hydrogen, S.L. (formerly Nordex H2, S.L.)	33,730	50,595
Receivables from non-consolidated affiliated companies and investments	5,511	5,511
Fixed-term deposits	2,889	3,154
Deposits	2,551	2,169
Loan	4,044	0
	48,725	61,429

Receivables from non-consolidated affiliated companies, associates and other long-term equity investments concern the financing of project companies in particular.

Impairments amount to EUR 1,514 thousand (31 December 2022: EUR 1,514 thousand).

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other non-current financial assets are classified as financial assets measured at amortized cost.

Given the market interest rates apply, amortized cost amounting to EUR 48,725 thousand (31 December 2022: EUR 61,429 thousand) equals the fair value due as in the previous year.

(17) OTHER NON-CURRENT NON-FINANCIAL ASSETS

The other non-current non-financial assets break down as follows:

EUR thousand	31.12.2023	31.12.2022
Prepaid expenses	5,508	8,503
Tax assets	24,266	7,096
	29,774	15,599

Prepaid expenses chiefly comprise costs pertaining to other periods for license fees and the multi-currency guarantee facility.

Tax assets relate to input tax assets.

(18) DEFERRED TAX ASSETS AND TAX LIABILITIES

Deferred tax assets and liabilities are netted in cases in which there is a legally enforceable right to offset and deferred tax assets and liabilities are based on income taxes levied by the same tax authority where there is an intention to settle the balances on a net basis.

As of 31 December 2023, a rounded tax rate of 32.00% (31 December 2022: 32.00%) was applied for the purpose of calculating domestic deferred taxes.

The deferred tax assets and liabilities arising in connection with recognition and measurement differences in the following items of the statement of financial position and unused tax losses, interest carryforwards and tax credits break down as follows:

EUR thousand	Deferred tax assets		Deferred tax liabilities	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Contract assets from projects	0	0	158,355	139,767
Property, plant and equipment/intangible assets	3,941	4,419	89,260	92,406
Other assets	31,528	27,443	15,402	24,052
Provisions	56,379	18,528	5,409	3,195
Other liabilities	166,371	302,034	110,184	155,815
Unused tax losses	377,131	301,978	0	0
Unused interest carryforwards	34,915	22,528	0	0
Unused tax credits	14,585	14,685	0	0
	684,850	691,615	378,610	415,235
Netting	-303,209	-402,074	-303,209	-402,074
	381,641	289,541	75,401	13,161

The Nordex Group recognizes deferred tax assets on deductible temporary balance sheet differences, unused tax losses, interest carryforwards and tax credits where it can be assumed that sufficient taxable profits will be generated in the future that can be offset against deductible temporary balance sheet differences, tax losses, interest carryforwards and tax credits. Deferred tax assets are recognized on the basis of medium-term forecasts for the relevant subsidiaries, taking into account tax groups for income tax purposes. The forecast period for the probability of using deferred tax assets is five years as of 31 December 2023 (31 December 2022: six years). The years 2021 and 2022 were dominated by challenging external influences on the operational business, including the market upheaval caused by new funding and project award systems, the corona pandemic, tariff trade barriers, but also extreme price increases for various raw materials and logistics costs triggered by the war in Ukraine. Given that

we expected the macroenvironment to remain highly volatile, the Company's business performance and the assumptions underlying these forecasts were still subject to considerable uncertainty in 2023. Based on the measures initiated, we are applying a forecast period covering five years beyond 2023.

As the consolidated tax group parent, Nordex SE recognizes deferred tax assets on deductible temporary balance sheet differences, unused tax losses and interest carryforwards. The non-domestic subsidiaries within the Nordex Group recognize deferred tax assets for deductible temporary balance sheet differences, unused losses, interest carryforwards and tax credits taking into account the national tax rates and minimum tax rates applicable and make allowance for any restrictions in the length of time in which the tax losses, interest carryforwards and tax credits may be utilized.

In total deferred tax assets of EUR 374,821 thousand (2022: EUR 329,709 thousand) were not recognized as they are not expected to materialize within the forecast period which mainly relate to deductible temporary differences of EUR 40,412 thousand (2022: EUR 39,030 thousand) and unused tax losses of EUR 294,966 (2022: EUR 254,113 thousand).

Based on the measures introduced, no additional write-down of deferred tax was made as of 31 December 2023 (31 December 2022: write-down of EUR 38,210 thousand) despite the continued volatile market environment.

The Management Board of Nordex SE currently estimates that of the existing corporate tax loss carryforwards of EUR 962,629 thousand (2022: EUR 671,465 thousand) and of the existing trade tax losses of EUR 886,192 thousand (2022: 622,415 thousand) EUR 957,316 thousand (2022: 671,465 thousand) and EUR 880,879 thousand (2022: 622,415 thousand), respectively, can be utilized. The relevant legislation does not stipulate any maximum period in which losses must be utilized in Germany.

The Nordex Group has the following loss carryforwards for which no deferred tax assets have been recognized:

EUR thousand	Corporate tax		Trade tax	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Forfeitable in less than 1 year	16,348	13,412	0	0
Forfeitable within 2 to 5 years	44,765	79,980	0	0
Forfeitable within 6 to 9 years	106,263	27,369	8,156	0
Forfeitable in more than 9 years	238,178	239,515	26,446	35,848
Non-forfeitable	735,122	665,702	256,603	290,241
	1,140,676	1,025,978	291,205	326,089

In addition, an amount of EUR 30,362 thousand (2022: EUR 31,934 thousand) of tax credits is estimated not to be utilized within the forecast period. EUR 2,290 thousand (2022: EUR 1,547 thousand) of the total are likely to expire in less than 1 year, EUR 24,632 thousand (2022: EUR 26,822 thousand) are forfeitable within 2 to 9 years, while an amount of EUR 3,440 thousand (2022: EUR 3,563 thousand) is considered non-forfeitable.

No deferred tax assets have been recognized for available interest carryforwards with an amount of EUR 40,411 thousand (2022: EUR 19,591 thousand). Thereof EUR 1,226 thousand (2022: EUR 3,609 thousand) are forfeitable within 2 to 9 years, the residual amount can be used unlimited.

Deferred tax assets of EUR 178,398 thousand (2022: EUR 166,987 thousand) have been recognized for subsidiaries which sustained losses in the previous year or the period under review as they are likely to be realized on the basis of future tax result planning.

No deferred tax liabilities were recognized for temporary differences in connection with shares in subsidiaries in the amount of EUR 32,668 thousand (2022: EUR 30,962 thousand) as it is not likely that these temporary differences will be reversed in the foreseeable future.

The deferred tax assets include long-term deferred tax assets before netting in the amount of EUR 489,095 thousand (2022: EUR 404,244 thousand). In the case of deferred tax liabilities, EUR –256,553 thousand (2022: EUR –187,273 thousand) relate to the long-term portion of the deferred tax liabilities formed before netting.

The changes in deferred taxes are as follows:

EUR thousand	2023	2022
Amount on 1.1.	276,380	204,447
Recognized in the income statement	58,810	58,352
Recognized in capital reserves ¹	-28,003	2,995
Recognized in other comprehensive income	-4,013	7,692
Foreign currency translation	3,066	2,894
Amount on 31.12.	306,240	276,380

¹ In the context of the capital increases, pro rata taxes on the transaction costs have been recognized in capital reserves without affecting profit or loss.

Furthermore, deferred tax on the capital reserves and transaction costs from the successful placement of the convertible bond amounting to EUR 28,891 thousand (2022: EUR 0 thousand) were recognized in capital reserve in line with IAS 12.23.

(19) LIABILITIES TO BANKS

Liabilities to banks are measured at amortized cost after deducting transaction costs using the effective interest method.

More detailed information on the liabilities to banks, is provided in the section on debt instruments.

Maturity schedule including interest due in the future

EUR thousand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31.12.2023	37,137	194	6,883	0	44,214
31.12.2022	27,617	19,194	7,077	0	53,888

Pursuant to IFRS 7 and IFRS 9, liabilities to banks are classified as financial liabilities measured at amortized cost. The fair value amounts to EUR 42,988 thousand (31 December 2022: EUR 52,466 thousand), of which EUR 37,184 thousand (31 December 2022: EUR 46,553 thousand) would be classified as current.

(20) TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Trade payables amount to EUR 1,669,273 thousand (31 December 2022: EUR 1,519,269 thousand).

Maturity schedule

EUR thousand	Up to 3 months	3 to 12 months	Total
31.12.2023	1,643,379	25,894	1,669,273
31.12.2022	1,518,760	509	1,519,269

Pursuant to IFRS 7 and IFRS 9, trade payables are classified as financial liabilities measured at amortized cost. Given the short residual terms to maturity, amortized cost equals the fair value as in the previous year.

(21) OTHER PROVISIONS

Provisions are recognized if the Group has a present legal or actual obligation as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be necessary to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are calculated on the basis of prudent estimates accounting for all discernible risks at the level of their probable occurrence. Provisions are recognized at the present value of the expenditure expected to be required to settle the obligation discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Movements in other provisions break down as follows:

EUR thousand	01.01.2023	Utilization	Reversals	Additions	31.12.2023
Warranties	235,249	-53,963	-28,306	208,798	361,778
Other	22,101	-8,706	-969	27,131	39,556
	257,350	-62,669	-29,275	235,929	401,335

The provisions for warranties predominantly cover risks arising from possible claims for damages in the service and project business. This also includes individual and serial damage in addition to the statutory warranty. In principle, warranties are granted for a period of two years following the passing of ownership of the wind turbines, and in individual cases for a period of five years. The warranty provisions only include the standard guarantee. Any service guarantees purchased by customers are reflected in service contracts.

Other provisions mainly concern other services and project risks, costs of preparing the annual financial statements, supplier risks and legal uncertainties.

The increase in provisions in the financial year concerns, among other things, statutory warranties resulting from higher operational volumes (i.e. increased installed fleet). Furthermore, an amount of EUR 109,283 thousand is attributable to expected additional expenses in connection with quality improvement programs for old technology generation. Based on a substantially revised and enlarged quality management, Nordex has not been experiencing comparable issues with new technology generations.

Other provisions comprise other non-current provisions of EUR 137,664 thousand (31 December 2022: EUR 63,509 thousand), which are expected to be utilized after the end of the 2024 financial year and of which in turn EUR 130,845 thousand (31 December 2022: 56,405 thousand) relate to provisions for warranties. The amount derived from discounting the non-current provisions of EUR –1,553 thousand (2022: EUR –150 thousand) is reported within the additions.

(22) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities break down as follows:

EUR thousand	31.12.2023	31.12.2022
Corporate bond	0	282,289
Leases	35,110	31,409
Forward exchange transactions	7,165	24,149
Guarantee commissions	9,289	11,213
Debtors with credit balances	769	1,125
Convertible bonds	2,050	0
Employee bond	3,273	17
Other	31,128	4,591
	88,784	354,793

The amount of lease liabilities corresponds to the present value of future lease payments.

More detailed information on the convertible bonds and the employee bond is provided in the section on debt instruments.

Maturity schedule including future interest (excluding leasing and forward currency transactions)

EUR thousand	Up to 3 months	3 to 12 months	Total
31.12.2023	71,768	19,122	90,890
31.12.2022	306,611	3,111	309,722

Maturity schedule including interest on leases due in the future

EUR thousand	Up to 3 months	3 to 12 months	Total
31.12.2023	13,429	22,755	36,185
31.12.2022	9,811	23,199	33,010

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other current financial liabilities (and without leases not allocated to a measurement category) are classified as financial liabilities measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 46,509 thousand (31 December 2022: EUR 299,235 thousand) equals the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial liabilities in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 7,143 thousand (31 December 2022: EUR 23,705 thousand).-

Pursuant to IFRS 7 and IFRS 9, the other forward exchange transactions reported under other current financial liabilities are classified as financial liabilities measured at fair value through profit or loss. The fair value amounts to EUR 22 thousand (31 December 2022: EUR 444 thousand). The forward rates and prices are calculated on the basis of the spot price on the reporting date in light of any discounts or premiums for the remaining term of the contract.

(23) OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities break down as follows:

EUR thousand	31.12.2023	31.12.2022
Accruals	143,135	121,989
Tax liabilities	80,169	58,148
Liabilities for social security	7,038	5,923
Other	9,363	8,473
	239,705	194,533

Accruals primarily comprise trailing project costs of EUR 60,307 thousand (31 December 2022: EUR 63,949 thousand) and liabilities in connection with staff of EUR 58,206 thousand (31 December 2022: EUR 54,635 thousand).

The tax liabilities mainly relate to VAT of EUR 58,294 thousand (31 December 2022: EUR 38,325 thousand) and to withholding tax of EUR 15,681 thousand (31 December 2022: EUR 13,421).

(24) PENSIONS AND SIMILAR OBLIGATIONS

Pension provisions are recognized to cover defined benefit obligations towards eligible active and former employees at Nordex SE and Nordex Energy SE & Co. KG. A defined benefit plan determines an amount of pension benefits that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The benefits are based on individual commitments. The employees are not required to make any contribution of their own. The provision in the statement of financial position for defined benefit plans corresponds to the present value of the defined benefit obligation (DBO) as of the reporting date. The DBOs are calculated annually by independent actuarial experts using the projected unit credit method. The present value of the DBO is calculated by discounting the expected future cash outflows using the interest rate of high-quality corporate bonds. The corporate bonds are denominated in

the currency of the payout amounts and have maturities corresponding to the pension obligations. Actuarial gains and losses that are based on experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in equity in the period in which they arise. The refinancing of pension provisions is not based on any external plan assets.

They are shown on the statement of financial position as follows:

EUR thousand	2023	2022
Obligation as of 1.1.	2,361	2,523
Current service cost	113	113
Interest expense	33	13
Retirement benefit payments	-63	-60
Actuarial gains/losses	67	-228
of which from changes in demographic assumptions	0	0
of which from changes in actuarial assumptions	53	-296
of which adjustments based on historical data	14	68
	2,512	2,361

The obligation as of 31 December equals the amount shown on the statement of financial position.

The following amounts were recognized in the income statement:

EUR thousand	2023	2022
Current service cost	113	113
Interest expense	33	13
	147	126

Other comprehensive income breaks down as follows:

EUR thousand	2023	2022
Actuarial gains/losses	67	-228
	67	-228

Annual retirement benefit payments of EUR 63 thousand (2022: EUR 63 thousand) are expected in the future year.

The calculation is based on the following actuarial assumptions:

	2023	2022
Applied interest rate	3.46%	4.14%
Wage and salary trend	n/a	n/a
Pension trend	2.00%	2.00%

If the interest rate applied were +0.5 percentage points higher, the obligation would drop to EUR 2,473 thousand (31 December 2022: EUR 2,224 thousand). If the interest rate applied were -0.5 percentage points lower, the obligation would increase to EUR 2,555 thousand (31 December 2022: EUR 2,401 thousand).

The obligations have terms between 9 and 11 years (31 December 2022: between 9 and 10 years).

The statistical probability data set out in Prof. Dr. Heubeck 2018 G mortality tables was used as the biometric basis for calculations.

(25) OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities break down as follows:

EUR thousand	31.12.2023	31.12.2022
Leases	140,617	158,072
Shareholder loans	0	50,396
Employee bond	0	3,466
Loans	4,790	3,126
Forward exchange transactions	0	128
Convertible bonds	245,594	0
	391,001	215,188

More detailed information on the convertible bonds and the employee bond is provided in the section on debt instruments.

The amount of lease liabilities corresponds to the present value of future lease payments.

Maturity schedule including interest due in the future (without leases and forward exchange transactions)

EUR thousand	1 to 5 years	More than 5 years	Total
31.12.2023	30,174	271,367	301,541
31.12.2022	69,965	1,263	71,228

Maturity schedule including interest on lease liabilities due in the future

EUR thousand	1 to 5 years	More than 5 years	Total
31.12.2023	100,701	65,266	165,967
31.12.2022	108,188	74,691	182,879

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other non-current financial liabilities (and without leases not allocated to a measurement category) are classified as financial liabilities measured at amortized cost. The amortized cost amounts to EUR 250,384 thousand (31 December 2022: EUR 56,988 thousand).

(26) OTHER NON-CURRENT NON-FINANCIAL LIABILITIES

Other non-current non-financial liabilities break down as follows:

EUR thousand	31.12.2023	31.12.2022
Tax liabilities	2,868	2,865
Other	50	50
	2,918	2,915

The tax liabilities exist towards the Brazilian tax authorities.

(27) EQUITY

Equity breaks down as follows:

EUR thousand	31.12.2023	31.12.2022
Subscribed capital	236,450	211,946
Capital reserves	1,381,551	1,282,190
Other retained earnings	-10,977	-10,932
Cash flow hedge reserve	-5,038	-14,360
Reserve for cash flow hedge costs	56	803
Foreign currency adjustment item	-145,331	-129,723
Consolidated net profit/loss carried forward	-480,115	-461,865
Consolidated net profit/loss	0	0
Share in equity attributable to shareholders of the parent	976,596	878,059
	978,116	878,059

Subscribed capital amounts to EUR 236,450,364 (31 December 2022: EUR 211,946,227) and is divided into EUR 236,450,364 (31 December 2022: EUR 211,946,227) fully paid-up no-par-value shares, each with a notional share in capital of EUR 1.

Nordex Group successfully completed the swap of shareholder loans from Acciona, S.A. totalling EUR 347 million into equity at a price of 14.15 EUR per share as resolved at the extraordinary general meeting on 27th March 2023. This resulted in the issuance of 24,504,137 new shares which increased the subscribed capital to EUR 236,450,364.

The capital reserves include the equity component of convertible bonds, which amounts to EUR 61,393 thousand (after deferred tax deduction of EUR 28,891 thousand).

Regarding the employee stock option program, please refer to the information in the section on share-based payment programs.

The following table shows the changes in the cash flow hedge reserve before deferred taxes:

EUR thousand	31.12.2023	31.12.2022
Amount on 1.1.	-21,117	3,552
Reclassifications through profit or loss due to realization of hedged items	31,258	33,010
Reclassifications through profit or loss due to a basis adjustment	0	0
Reclassifications through profit or loss due to a change in the expectation regarding the occurrence of hedged items	0	0
Losses from effective hedges	-17,549	-57,679
Amount on 31.12.	-7,409	-21,117

The following table shows the changes in the reserve for cash flow hedge costs before deferred taxes:

EUR thousand	31.12.2023	31.12.2022
Amount on 1.1.	1,181	778
Reclassifications through profit or loss due to realization of hedged items	-1,111	0
Gain from effective hedges	12	403
Amount on 31.12.	82	1,181

Nordex SE's net loss for the financial year 2023 determined in accordance with the German Commercial Code of EUR 284,579,675.30 (2022 annual loss: EUR 247,731,301.41) was fully compensated by a withdrawal of EUR 284,579,675.30 from capital reserves.

Further details of the changes in the individual equity items can be found in the attached consolidated statement of changes in equity.

At 31 December 2023 the Company had Authorized Capital I of EUR 21,194,622.00, equivalent to 21,194,622 shares (2022: EUR 0), Authorized Capital II of EUR 42,389,245.00, equivalent to 42,389,245 shares (2022: EUR 0), Authorized Capital III of EUR 6,358,387.00, equivalent to 6,358,387 shares (2022: EUR 81,118.00 equivalent to 81,118 shares), Contingent Capital I of EUR 21,194,623.00, equivalent to 21,194,623 shares (2022: EUR 18,436,138.00, equivalent to 18,436,138 shares) and Contingent Capital II of EUR 3,500,000, equivalent to 3,500,000 shares (no change compared to the previous year). Each share represents a notional share of EUR 1 in the Company's share capital.

Overall, only new shares accounting for up to 40% of the share capital as of the Annual General Meeting's resolution on 6 June 2023, i.e. 84,778,491 new shares, may be issued on the basis of all of the authorizations and capital available to the Company (including the authorization to issue convertible bonds and stock options to senior managers and experts of the Group).

Specifically:

On 27 March 2023 the Extraordinary General Meeting of Nordex SE adopted a resolution to increase the Company's share capital by up to EUR 29,260,215.00 by issuing up to 29,260,215 new no-par value bearer shares (ordinary shares), each with a notional share in capital of EUR 1.00 against non-cash capital contributions. The non-cash capital contributions consisted of receivables in the total principal amount of EUR 346,733,551.79 due to Acciona, S.A. from the Company. Only Acciona S.A. was authorized to subscribe for all new shares. The shareholders' pre-emption rights were disapplied. On May 8, 2023, the implementation of the capital increase in the amount of EUR 24,504,137.00 by issuing 24,504,137 new shares was entered in the German Commercial Register.

In accordance with a resolution passed at the Annual General Meeting on 6 June 2023, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Authorized Capital I** to increase the Company's share capital once or repeatedly on or before 5 June 2026 by up to EUR 21,194,622.00 in total, in return for cash or non-cash capital contributions, by issuing new no-par-value bearer shares. The Management Board did not make use of this authorization.

In accordance with a resolution passed at the Extraordinary General Meeting on 27 March 2023, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Authorized Capital II** to increase the Company's share capital once or repeatedly on or before 26 March 2026 by up to EUR 42,389,245.00 in total, in return for cash capital contributions, by issuing new no-par-value bearer shares. The Management Board did not make use of this authorization.

In accordance with a resolution passed at the Extraordinary General Meeting on 27 March 2023, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Authorized Capital III** to increase the Company's share capital once or repeatedly on or before 26 March 2026 by up to EUR 6,358,387 in total, in return for cash or non-cash capital contributions, by issuing new no-par-value bearer shares. The Management Board did not make use of this authorization.

In accordance with a resolution passed at the Extraordinary General Meeting on 27 March 2023, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Contingent Capital I** to contingently increase the Company's share capital by up to EUR 21,194,623.00 by issuing up to 21,194,623 new no-par-value bearer shares. Contingent Capital I is used to grant no-par value bearer shares as of the exercise of conversion or option rights (or upon fulfillment of corresponding conversion obligations) or else as of the exercise of an option held by Company, instead of paying the amount of money due, either in whole or in part to grant no-par value shares of the Company to the holders of convertible bonds or bonds with warrants issued by the Company in return for a cash contribution and on the basis

of the Annual General Meeting's authorizing resolution in the period from 27 March 2023 to the end of 26 March 2026. In the reporting year, the Company issued unsubordinated and unsecured green convertible bonds with a total nominal amount of EUR 333 million and a nominal amount of EUR 100,000 each, due on 14 April 2030. The shareholders' pre-emption rights were disapplied.

Contingent Capital II is intended for the fulfillment of subscription rights granted from stock options of senior managers and experts of the Company and the other companies of the Nordex Group in Germany and other countries as well as the members of the management boards of Nordex Group companies which are granted on or before 4 May 2026, on the basis of the authorization provided by the Annual General Meeting on 5 May 2021. To date, 579,190 pre-emption rights have been granted to Nordex Group senior managers and experts in a first tranche in 2021, 768,284 pre-emption rights in a second tranche from 2022 and 884,409 pre-emption rights in a third tranche in the 2023 reporting year.

Treasury shares

Based on the resolution passed as the Annual General Meeting on 6 June 2023, the Management Board is authorized on or before 5 June 2028 subject to the approval of the Supervisory Board to purchase treasury shares up to an amount of 10% of the Company's share capital as of the Annual General Meeting's resolution and to use this for any purpose permitted by law. These shares may be used, among other things, for the purpose of mergers and acquisitions, they may be offered to senior managers and employees of the Company or affiliated companies as employee shares and they may be used in fulfilling conversion rights or conversion obligations resulting from convertible bonds or employee option rights. The shareholders' pre-emption rights are disapplied in these cases. These treasury shares may also be called in or sold to shareholders or third parties – while disappling the shareholders' pre-emption rights – for a cash price which is not significantly below the stock exchange price as of the sale.

No use was made of the authorization to purchase own shares in the reporting period.

(28) ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

The following table shows the financial assets and liabilities as well as their fair values and their allocation to the fair value hierarchy defined in IFRS 13 that should be applied when determining the fair value of a financial instrument:

2023 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	1,040	0	1,040
Other forward exchange transactions	0	3,329	0	3,329
Financial liabilities				
Liabilities to banks	0	42,988	0	42,988
Corporate bond	331,268	0	0	331,268
Employee bond	0	3,273	0	3,273
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	7,143	0	7,143
Other forward exchange transactions	0	22	0	22

2022 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	5,010	0	5,010
Other forward exchange transactions	0	6,128	0	6,128
Financial liabilities				
Liabilities to banks	0	53,117	0	53,117
Corporate bond	282,289	0	0	283,289
Employee bond	0	3,483	0	3,483
Shareholder loan	0	50,396	0	50,396
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	23,833	0	23,833
Other forward exchange transactions	0	444	0	444

Assets and liabilities whose fair values are based on market values derived from active markets are assigned to Level 1. An active market is assumed if the market values are determined on a regular basis and are based on actual, recurring transactions.

The corporate bond was allocated to Level 1 because it was admitted to trading at the International Stock Exchange. The bond was repaid in January 2023 at its maturity date.

The convertible bonds are allocated to Level 1 because they were admitted to trading on the non-regulated open market segment of the Frankfurt Stock Exchange.

Fair values which cannot be determined by reference to active market are derived from measurement models, which primarily take account of observable market data and generally do not include specific company estimates. Such financial instruments are assigned to Level 2. Liabilities to banks and the employee bond correspond to level 2. The same applies to the forward currency transactions.

If material assumptions underlying the measurement are not based on observable market data, the financial instruments concerned are classified as Level 3.

There were no reclassifications between levels, neither in comparison with the previous year nor during the year under review

Net gains and losses from financial instruments break down by category as follows:

2023 EUR thousand	Interest	Other net gain / loss	Total
Financial assets measured at amortized cost	11,430	151,374	162,805
Financial liabilities measured at amortized cost	-64,912	-156,809	-221,720
Financial assets and liabilities measured at fair value through profit or loss	0	-2,632	-2,632
	-53,481	-8,066	-61,548

2022 EUR thousand	Interest	Other net gain / loss	Total
Financial assets measured at amortized cost	6,075	84,463	90,538
Financial liabilities measured at amortized cost	-39,868	-238,611	-278,479
Financial assets and liabilities measured at fair value through profit or loss	0	152,160	152,160
	-33,793	-1,988	-35,781

The net gains and losses were otherwise mostly due to foreign currency translation effects.

The maturities of the derivative financial instruments are structured as follows:

2023 EUR thousand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Derivatives with negative fair values					
Cash outflow in EUR	111,575	228,042	0	0	339,617
Cash outflow in USD	53,104	0	0	0	53,104

2022 EUR thousand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Derivatives with negative fair values					
Cash outflow in EUR	104,497	62,787	0	0	167,284
Cash outflow in USD	51,232	77,412	0	0	128,644

NOTES TO THE INCOME STATEMENT

(29) SALES

The Nordex Group generates sales from projects and services. The transaction prices derived from the contractual terms and conditions for the production and sale of wind turbines and for service contracts include fixed and, to a lesser extent, variable consideration. The estimated amounts of the variable consideration will only be included in the transaction prices where it is highly probable that no significant cancellation of sales will arise as a result of the elimination of uncertainty regarding the size of the variable amounts. Moreover, the transaction prices which are realized by way of sales are reduced through payments made in connection with lump-sum compensation and other penalty payments associated with project and service contracts.

In the case of project contracts, sales are recognized either at a point in time using the milestone method or over time using the cost-to-cost method, depending on the respective scope of the contract. Under the cost-to-cost method, the stage of completion is determined by comparing the costs incurred with the budgeted costs and recognizing sales in proportion to the stage of completion.

Sales for standardized turbine types are recognized at the point in time when control of the fully operational turbine is transferred to the customer. Control is transferred to the customer upon erection of the fully functional turbine. Costs are recognized in inventories until sales are recognized at a point in time.

Sales for customer-specific installations for which there is no alternative use and for which there is a legally enforceable claim to payment for the service provided are recognized over time.

Sales generated from service contracts will be recognized over time and distributed across the years covered by the contract in line with a distribution of costs typical of the contract (schedule). The schedule for determining the degree of completion of the individual service contracts is based on historical experience. If the degree of completion exceeds the billed amount, contract assets from services are recognized and, if the billed amount exceeds the degree of completion, contract liabilities from services are recognized.

Sales break down to the Projects and Service segments as follows:

EUR thousand	2023	2022
Projects	5,827,736	5,121,957
Service	678,906	574,134
Not allocated	3,183	11,714
Intrasegment consolidation	-20,757	-14,244
	6,489,068	5,693,561

The timing of sales recognition from projects is as follows:

EUR thousand	1.1.– 31.12.2023	1.1.– 31.12.2022
Project sales recognized at a point in time	1,683,882	1,163,610
Project sales recognized over time	4,143,854	3,508,347
	5,827,736	5,121,957

The increase in consolidated sales is attributable to the higher installation figures and a slightly higher average selling price (ASP) per megawatt of output compared with the previous year.

The total amount of the transaction price allocated to the remaining performance obligation from projects amounts to EUR 6,196,422 thousand (2022: EUR 5,926,502 thousand) and the total amount of the transaction price allocated to the remaining short- and long-term performance obligation from service contracts is EUR 185,944 thousand (2022: EUR 187,223 thousand). Revenues from projects are generally realized in the next twelve months, while revenues from service contracts are realized over the average remaining term of the service contracts of seven years.

Sales recognized in the reporting period included at the start of the period in the net amount of contract liabilities from projects and contract liabilities from services relate to the Projects segment in the amount of EUR 657,399 thousand (2022: EUR 760,371 thousand) and to the Service segment in the amount of EUR 34,016 thousand (2022: EUR 29,391 thousand).

(30) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Changes in inventories stand at EUR 18,333 thousand (2022: EUR 265,370 thousand) and reflect the higher volume of installations.

Own work capitalized is valued at EUR 43,463 thousand (2022: EUR 32,135 thousand) and as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

(31) COST OF MATERIALS

The cost of materials breaks down as follows:

EUR thousand	2023	2022
Cost of raw materials and other supplies	3,754,585	3,867,236
Cost of services purchased	1,811,434	1,637,782
	5,566,019	5,505,018

Cost of raw materials and other supplies mainly comprise expenses for construction components.

Cost of purchased services primarily results from third-party freight, third-party services and commissions for order processing and order provisions.

(32) OTHER OPERATING INCOME

Other operating income breaks down as follows:

EUR thousand	2023	2022
Forward exchange transactions	87,500	152,160
Gain on deconsolidation of ACCIONA Nordex Green Hydrogen, S.L. (formerly Nordex H2, S.L.)	0	133,331
Currency translation gains	149,279	90,220
Indemnity and damages paid	6,674	16,252
Gain from the disposal of assets	3,889	7,445
Profit sharing from the realization of a wind farm project	0	3,549
Reversal of impairment losses	0	1,584
Research and development grants	2,141	626
Other	23,823	13,159
	273,306	418,326

(33) OTHER OPERATING EXPENSES

Other operating expenses break down as follows:

EUR thousand	2023	2022
Forward exchange transactions	90,132	180,756
Currency translation losses	156,809	57,855
Travel expenses	69,417	50,596
Legal and consulting costs	58,049	37,836
Other staff costs	38,777	34,067
Maintenance	38,362	26,617
Security service, occupancy and building costs	27,187	21,897
Leases	24,415	20,718
Patent fees	16,014	17,345
IT costs	17,044	17,084
Insurance	14,969	12,449
Impairment	7,857	7,341
Training	9,010	6,790
Other taxes	17,546	6,072
Telecommunications	6,413	5,456
Bank fees	3,708	3,561
Advertising	3,483	2,965
Office supplies	3,001	2,025
Losses from the disposal of assets	341	349
Other	23,831	46,611
	626,364	558,390

Of the expenses for leases, EUR 23,821 thousand (2022: EUR 20,718 thousand) relates to leases which were not capitalized, of which EUR 14,056 thousand (2022: EUR 12,363 thousand) relates to expenses for short-term leases, EUR 2,693 thousand (2022: EUR 1,715 thousand) to expenses for leases for low-value assets excluding expenses for short-term leases of leases of low-value assets, EUR 2,032 thousand (2022: EUR 2,392 thousand) is attributable to expenses for variable lease payments not included in

the measurement of lease liabilities and EUR 5,040 thousand (2022: EUR 4,248 thousand) is attributable to the service component.

(34) STAFF COSTS

Staff costs break down as follows:

EUR thousand	2023	2022
Wages and salaries	521,407	464,539
Social security and expenditure on retirement benefits and support	108,356	96,556
	629,763	561,095

Staff costs include expense of EUR 113 thousand (2022: EUR 113 thousand) for defined benefit plans and EUR 106 thousand (2022: EUR 95 thousand) for defined contribution pension plans. In addition, EUR 13,854 thousand (2022: EUR 13,225 thousand) were made as employer contributions to the statutory pension insurance in Germany, also as a defined contribution pension plan.

The Group headcount was as follows:

	2023	2022	Change
Reporting date			
Office staff	4,965	4,336	629
Technical staff	5,168	4,775	393
	10,133	9,111	1,022
Average			
Office staff	4,719	4,085	634
Technical staff	4,978	4,781	197
	9,697	8,866	831

The increase in the number of employees is mainly attributable to production and project-related departments as well as the service business, due to the higher business volumes.

(35) RESTRUCTURING COSTS

The Nordex Group distinguishes between EBITDA and adjusted EBITDA before restructuring costs. EBITDA results from gross profit less structural costs. To determine EBITDA before restructuring costs, restructuring costs were separated from structural costs. There were no costs which qualified as restructuring costs in financial year 2023 (previous year: EUR 29,157 thousand).

(36) DEPRECIATION / AMORTIZATION

Depreciation and amortization breaks down as follows:

EUR thousand	2023	2022
Depreciation of property, plant and equipment	146,685	137,010
Amortization of capitalized development expenses	38,067	33,640
Amortization of other intangible assets	3,747	4,760
Impairments	0	7,005
	188,499	182,415

Depreciation includes EUR 38,417 thousand (2022: EUR 32,036 thousand) for depreciation on lease assets, of this amount EUR 21,582 thousand (2022: EUR 20,496 thousand) is related to land and buildings and EUR 16,835 thousand (2022: EUR 11,540 thousand) to other fixtures and fittings, tools and equipment.

(37) FINANCIAL RESULT

The financial result breaks down as follows:

EUR thousand	2023	2022
Income from investments	0	0
Loss from equity-accounting method	-356	-10
Impairment of investments	0	-8
Net profit/loss from investments	-356	-18
Other interest and similar income	11,430	6,075
Interest and similar expenses	-135,249	-101,763
Interest result	-123,819	-95,688
	-124,175	-95,706

The loss from the equity-accounting method reflects the share of the loss of associates and the joint venture.

Interest income and expense arises primarily from deposits with banks, guarantee commissions, convertible bonds, the revolving credit facility, the corporate bond and the shareholder loans. Furthermore, of the interest expenses EUR 6,803 thousand (2022: EUR 5,017 thousand) is attributable to leases.

(38) INCOME TAX

As of 31 December 2023, a tax rate of 31.82% (31 December 2022: 31.82%) was applied for the purpose of calculating domestic current taxes. The respective tax rate was calculated using a rate of 15.83% (31 December 2022: 15.83%) including the solidarity surcharge for corporate tax and 15.99% (31 December 2022: 15.99%) for trade tax.

Income tax breaks down as follows:

EUR thousand	2023	2022
Domestic income tax	-15,190	-5,338
of which for other periods	0	1,986
Foreign income tax	-35,781	-28,383
of which for other periods	-5,299	5,342
Current income tax	-50,971	-33,724
Deferred taxes	58,810	58,352
Total income tax	7,839	24,628

Tax income from deferred taxes in the amount of EUR 58,810 thousand (2022: EUR 58,352 thousand) is attributable to changes in temporary balance sheet differences and unused tax loss, interest carryforwards and tax credits.

Deferred tax expenses amounting to EUR 19,460 thousand (2022: deferred tax expenses EUR 5,849 thousand) are related to the origination and reversal of temporary balance sheet differences.

The expected income taxes that results from applying the tax rate of 31.82% (2022: 31.82%) on the net loss from ordinary activities of EUR -310,649 thousand (2022: EUR -522,389 thousand), differs from the total income taxes as follows:

EUR thousand	2023	2022
Expected income tax expense	98,849	166,224
Differences in non-domestic tax rates	-3,736	-31,604
Tax-free income	5,199	27,116
Tax effects from equity-accounted investments	-55	-3
Changes in tax rates and tax legislation	385	-290
Non-deductible expenses	-6,304	-11,618
Tax effects from previous years	12,248	5,277
Impairments and loss carryforwards	-75,641	-146,352
Other tax effects	-23,106	15,878
Total income tax expense / income	7,839	24,628

The other tax effects primarily result from non-creditable foreign income taxes amounting to EUR 15,190 thousand as of 31 December 2023. In 2022, the positive impact was mainly resulting from an initial fair value measurement of the Joint Venture.

The Nordex Group is a multinational group with an annual revenue of more than EUR 750 million and is therefore subject to the OECD rules on the global minimum taxation (OECD Pillar 2). OECD Pillar 2 was implemented into European law by means of the directive dated 14 December 2022 and will be applicable for financial years starting after 31 December 2023. The EU directive was implemented into German law in December 2023. A transmission into local law took place in Norway and the United Kingdom for Nordex Group relevant jurisdictions outside of the European Union. The worldwide development of the legislation is closely monitored. Acciona S.A. was determined as Ultimate Parent Entity. In so far Nordex SE is considered a Partially Owned Parent Entity under the scope of OECD Pillar 2. The computation of the country-specific effective tax rate under the rules of OECD Pillar 2 requires to consider all relevant constituent entities on level of Acciona S.A. An additional tax burden may occur for the Nordex Group, in case the determined effective tax

rate per jurisdiction is below the global minimum tax rate of 15% for countries in which constituent entities of the Nordex Group are located.

There will be no impact on Nordex Group's tax position for the financial year 2023 as the legislation on OECD Pillar 2 is only effective after 31 December 2023. As regards the first-time application of the global minimum taxation for the financial year 2024, a material tax impact of the global minimum taxation is not expected. This relates mainly to the expected application of the temporary Safe Harbour which is based on the country-by-country reporting for multinational enterprises. The Nordex Group expects based on currently available information and assessments made for financial year 2022 that the jurisdictions Ireland, Romania, and Singapore could not be subject to the scope of the temporary Safe Harbour.

The Nordex Group applies the exception in recognizing and disclosing information on deferred tax assets and deferred tax liabilities in connection with the OECD Pillar 2 in accordance with the changes to IAS 12 published in May 2023.

(39) EARNINGS PER SHARE

Basic

Basic earnings per share (EPS) are calculated by dividing profit or loss attributable to the shareholders by the average number of shares outstanding:

		2023	2022
Consolidated net loss for the year	EUR thousand	-302,811	-497,761
of which shareholders of the parent	EUR thousand	-302,831	-497,761
Weighted average number of shares		227,924,267	183,966,480
Basic earnings per share	EUR	-1.33	-2.71

Diluted

Diluted earnings per share are calculated, in contrast to basic earnings per share, by adding all conversion rights and options to the average number of ordinary shares outstanding. Diluted earnings per share also stand at EUR -1.33 (2022: EUR -2.71).

OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

There are no future cash outflows from leases which the Nordex Group has entered into, but which have not yet begun.

Moreover, principally in the real estate segment there are lease contracts with extension and termination options. However, these are not considered to be reasonably certain and therefore have not been recognized. However, utilization of these extension and termination options is reviewed annually and they will be recognized in the statement of financial position in case of a change of view.

Contractual obligations of EUR 288 thousand (31 December 2022: 239 thousand) apply as of the reporting date with respect to investments in property, plant and equipment for obligations which have not yet been settled.

The Nordex Group has not entered into any obligations for the acquisition of intangible assets as at the reporting date.

The Nordex Group has contingent liabilities arising from pending litigation in connection with its operating business; as the probability of an outflow of resources as of the reporting date was not sufficiently determinable, no provisions have been set aside in this connection.

There are guarantees to affiliated non-consolidated project companies, which are not expected to be utilized, amounting to EUR 648 thousand (2022: EUR 880 thousand), while there are no contingent liabilities to associated companies.

RELATED PARTY DISCLOSURES

As at the reporting date, Acciona S.A. held a 47.1% (31 December 2022: 41.0%) share in Nordex SE.

The balances and transactions with companies from the Acciona Group are set out in the following table:

EUR thousand	Balances outstanding Assets ¹ (+) / liabilities ¹ (-)		Transaction amount Income (+) / expenses (-)	
	31.12.2023	31.12.2022	2023	2022
Acciona Energia S.A.	25,546/-40,476	5,841/-5,163	49,763/-1,784	3,383/-1,467
Acciona Energy Australia Global Pty. Ltd	38,006/-16	1,528/-23,607	108,357/0	394,900/-4,605
ENERGÍA RENOVABLE DEL SUR S.A.	1,320/-3,258	0/0	31,784/-9,218	0/0
Corporaciòn Eòlica Catalana, S.L.	51,300/0	65,595/0	705/0	65,595/0
Acciona Energija d.o.o	0/-6,630	0/-8,846	20,995/0	0/0
Acciona Logistica S.A.	0/-60,519	0/-66,141	0/-11,528	0/-1,215
Acciona Energía Global, S.L.	0/-84,055	0/0	0/0	0/0
Aegc Forty Mile Wind Lp	0/-36,737	0/0	174/-4	0/0
Acciona Energia Chile SpA	14/-376	397/-819	2,281/-1,028	3,670/-938
Acciona Forwarding S.A.	1,763/0	29/0	266/-2,958	329/-13,290
Acciona S.A	0/-2,410	0/-50,530	0/-29,261	0/-5,897
Acciona Energy Oceania Construction Pty. Ltd.	0/-942	4,473/0	0/-3,629	1,777/0
Other ²	8,705/-1,397	4,936/-1,096	3,410/-5,570	9/-1,621

¹ Assets mainly include contract assets from projects as well as receivables; liabilities also include contract liabilities from projects.

² Other mainly comprises transactions related to the service contracts with San Roman Wind I, LLC, Mt. Gellibrand Wind Farm Pty. Ltd. and Acciona Energy Usa Global LLC.

The changes in income and expenses and the related receivables from and liabilities to Acciona Energia S.A., and Acciona Energy Oceania Construction Pty. Ltd. are mainly attributable to the installation of wind farms in Spain and Australia, whereas the liability against Acciona Energía Global, S.L. relates to the reservation fee for future projects. On the other hand, the expenses to Acciona S.A. mainly resulted from the shareholder loans. The changes in income and the related liability to ENERGÍA RENOVABLE DEL SUR S.A. are attributable to the installation of wind farms in Peru.

The liabilities to Acciona Energia Global, S.L. relate to a capacity reservation order in financial year 2023 for the Ipuipará, Sento Sé I and Sento Sé II projects in Brazil. As part of this agreement, Nordex SE reserves certain production, supply and delivery capacities for the manufacture of up to 203 wind turbine generators.

The income and the related receivables from Corporación Eólica Catalana S.L. result from the sale of the shares in ACCIONA Nordex Green Hydrogen, S.L. (former Nordex

H2 S.L.). The liabilities to and expenses vis-à-vis Acciona Logística S.A. result from the cargo vessel leased from August 2022.

In financial year 2023, Nordex SE entered into an uncommitted Guarantee Facility Utilization Agreement with Acciona, S.A. More detailed information on the uncommitted Guarantee Facility Utilization is provided in the section on debt instruments.

Orders to deliver and assemble wind power systems in the amount of EUR 455,938 thousand (2022: EUR 140,766 thousand) were placed by Acciona Energia S.A. during the financial year 2023.

The shares held in ACCIONA Nordex Green Hydrogen, S.L. (50.00%) are classified as investment in joint venture.

The balances and transactions with this company are set out in the following table:

EUR thousand	Balances outstanding Receivables (+)/liabilities (-)		Transaction amount Income (+)/expenses (-)	
	31.12.2023	31.12.2022	2023	2022
ACCIONA Nordex Green Hydrogen, S.L.	6,315/0	0/0	2,680/0	0/0

The business relations with ACCIONA Nordex Green Hydrogen, S.L. result from the development of green hydrogen projects.

There are receivables of EUR 2,353 thousand (31 December 2022: EUR 2,923 thousand) and liabilities of EUR 0 thousand (31 December 2022: EUR 773 thousand) relating to non-consolidated entities, as well as income of EUR 399 thousand (2022: EUR 531 thousand) and expenses of EUR 6 thousand (2021: EUR 0 thousand).

For further details on shareholdings, we refer to the list of shareholdings as of 31 December 2023, attached to the notes to the consolidated financial statements.

REMUNERATION OF MANAGEMENT IN KEY POSITIONS

IAS 24.17 requires that key management personnel remuneration in the Company is disclosed; this includes remuneration of the members of the Management Board and the Supervisory Board in office during the year under review. This is shown in the table below:

EUR thousand	2023	2022
Short-term employee benefits	2,663	2,517
Other long-term benefits	0	0
Termination benefits	0	0
Share-based payment	187	660
	2,850	3,177

Short-term employee benefits include the Management Board's fixed remuneration, fringe benefits and bonus as well as fixed remuneration and remuneration for the Supervisory Board's committee activities. The bonus for the Management Board is measured based on financial criteria (EBITDA, working capital and quality of order intake) and non-financial criteria (occupational safety, health and environmental protection, and quality and technology management costs).

The share-based payment corresponds to the expenses recognized in the Group's income statement in the financial year.

The obligations recognized as of the reporting date for the remuneration of management in key positions amount to EUR 829 thousand (31 December 2022: EUR 1,409 thousand) and relate to the share-based payment under the performance share unit plans of the Management Board.

If the Company revokes the appointment and terminates the service contract without good cause, the Company may release the Management Board members from duty while

continuing to pay their salary. Severance payments are limited to the remuneration for the remaining term of the service contract or to a maximum amount of two year's remuneration.

Management Board members are not entitled to severance payments in case of good cause that would permit extraordinary termination in accordance with Section 626 of the German Civil Code (BGB), or in cases in which the service contract is terminated prematurely at the request of the Management Board member (through no fault of the Company).

If the service contract or the appointment to the Management Board is terminated early in certain, more closely defined "bad leaver" cases (in particular if it is terminated by Nordex SE for good cause pursuant to Section 626 (1) of the German Civil Code (BGB) or if the member of the Management Board resigns before the end of the financial year without the Company being at fault), they shall forfeit their entitlement to the bonus and the PSUs whose performance period has not yet ended under the active Management Board members' service contracts without replacement.

If the employment relationship ends before the end of the financial year or the performance period due to the regular expiry of the contract term, retirement, disability or death, the members of the Management Board are entitled to claims from the annual base salary, bonus and the PSUP on a pro rata basis. In addition, in the event of death, the spouse, partner and children of the Management Board member are jointly granted basic annual remuneration for six months on a pro rata basis as a transitional payment.

In accordance with HGB, the total remuneration of the Company's executive bodies amounted to EUR 3,852 thousand in the financial year (Management Board: EUR 3,591 thousand and Supervisory Board: EUR 261 thousand). Of this amount, EUR 1,189 thousand relates to the fair value of the share-based payment granted under the Performance Share units plan for the Management Board at the grant date in 2023.

CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement analyzes changes in the cash and cash equivalents in the course of the year as a result of cash inflows and outflows. The changes in the items of the statement of financial position used for determining changes in the consolidated cash flow statement cannot be directly derived from the statement of financial position as currency translation effects, changes to the companies consolidated and non-cash transactions are eliminated.

Of the cash flow from operating activities in the amount of EUR 161,199 thousand (2022: EUR –350,086 thousand), EUR –114,312 thousand (2022: EUR –315,338 thousand) result from the consolidated loss excluding depreciation/amortization. Changes in working capital resulted in payments received of EUR 166,604 thousand (2022: deposits of EUR 22,894 thousand). Payments received from other operating activities stand at EUR 108,907 thousand (2022: EUR –57,642 thousand). This means that cash flow from

operating activities has been positively influenced by the changes in working capital and payments received from other operating activities.

Cash flow from investing activities amounted to EUR –141,179 thousand (2022: EUR –163,810 thousand). Investments of EUR 79,082 thousand (2022: EUR 169,485 thousand) were made in property, plant and equipment and EUR 15,000 thousand in joint venture, ACCIONA Nordex Green Hydrogen, S.L (2022: EUR 0 thousand). Development projects of EUR 46,381 thousand (2022: EUR 34,320) were capitalized.

Cash flow from financing activities amounted to EUR 285,658 thousand (2022: EUR 345,530 thousand) and is mainly attributable to payments received from the issuance of the convertible bonds, with repayment of the promissory note and lease liabilities having an offsetting effect. The corporate bond was repaid as planned in the same amount with the payments received from the second shareholder loan.

The reconciliation of cash flow from financing activities to changes in liabilities from financing activities is as follows:

31.12.2023 EUR thousand	Liabilities to banks	Leases	Corporate bond	Employee bond	Shareholder loan	Convertible bonds
Amount on 1.1.	53,117	189,481	282,289	3,484	50,396	0
Cash flows from financing activities	-8,247	-38,372	-275,000	0	275,000	333,000
Interest and transaction costs	308	6,803	1,648	183	26,681	12,004
Foreign currency translation	-1,540	-1,606	0	0	0	0
New leases	0	26,223	0	0	0	0
Payment of interest and transaction costs (shown as operating cash flow)	0	-6,803	-8,938	-395	-5,344	-7,076
Debt-Equity SWAP	0	0	0	0	-346,734	0
Equity-compound instrument	0	0	0	0	0	-90,284
Income tax	0	0	0	0	0	0
Employee stock option program	0	0	0	0	0	0
Allocation of profit or loss	0	0	0	0	0	0
Amount on 31.12.	43,637	175,727	0	3,273	0	247,644

EUR thousand	Subscribed capital	Capital reserves	Non- controlling interests	
Amount on 1.1.	211,946	1,282,189	0	
Cash flows from financing activities	0	-2,223	1,500	285,658
Interest and transaction costs	0	-2,223	0	
Foreign currency translation	0	0	0	
New leases	0	0	0	
Capital contribution	0	0	1,500	
Debt-Equity SWAP	24,504	322,229	0	
Equity-compound instrument	0	61,393	0	
Income tax	0	711	0	
Employee stock option program	0	1,830	0	
Allocation of profit or loss	0	0	0	
Nordex share of profit	0	0	20	
Amount on 31.12.	236,450	1,666,130	1,520	

31.12.2022 EUR thousand	Liabilities to banks	Leases	Corporate bond	Employee bond	Shareholder loan
Amount on 1.1.	32,064	123,371	280,387	3,741	44,499
Cash flows from financing activities	22,726	-29,782	0	-219	11,000
Interest and transaction costs	7	5,017	1,902	-38	5,897
Foreign currency translation	-1,680	-802	0	0	0
New leases	0	96,694	0	0	0
Payment of interest and transaction costs (shown as operating cash flow)	0	-5,017	0	0	-11,000
Income tax	0	0	0	0	0
Employee stock option program	0	0	0	0	0
Allocation of profit or loss	0	0	0	0	0
Amount on 31.12.	53,117	189,481	282,289	3,484	50,396

EUR thousand	Subscribed capital	Capital reserves	
Amount on 1.1.	160,021	1,236,071	
Cash flows from financing activities	51,925	289,880	345,530
Interest and transaction costs	0	0	
Foreign currency translation	0	0	
New leases	0	0	
Payment of interest and transaction costs (shown as operating cash flow)	0	0	
Income tax	0	2,995	
Employee stock option program	0	975	
Allocation of profit or loss	0	-247,731	
Amount on 31.12.	211,946	1,282,190	

EVENTS AFTER THE REPORTING DATE

As of 14 February 2024, Nordex holds all relevant approvals to further increase the Uncommitted Guarantee Facility Utilization Agreement with its key shareholder, Acciona S.A. to a new total amount of EUR 1,300,000 thousand. At the same time, lenders under the Syndicated multi-currency guarantee facility agreed to a one-year extension of the facility's maturity date until April 2025.

CORPORATE GOVERNANCE CODE DECLARATION PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The Management Board and Supervisory Board of Nordex SE have updated their Compliance Declaration for 2023 dated 28 March 2023 and made it available for examination by the shareholders on the Internet at <http://ir.nordex-online.com/websites/Nordex/English/6100/declaration-of-conformity.html>.

UTILIZATION OF PRACTICAL EXPEDIENTS

In accordance with Section 264b of HGB, Nordex Energy SE & Co. KG is exempt from the requirement to prepare notes and a management report as well as to publish the annual financial statements for the financial year ending on 31 December 2023. Nordex Germany GmbH, Nordex Grundstücksverwaltung GmbH, Nordex International GmbH, Nordex Windpark Beteiligung GmbH, Nordex Beteiligungen GmbH and Nordex Manufacturing GmbH are exempt from the obligation to prepare notes to financial statements and a management report and from disclosure requirements for the financial year ended 31 December 2023 in accordance with Section 325 HGB due to the application of provisions contained in Section 264 (3) HGB.

Pursuant to Article 403 Part 9 Book 2 of the Dutch Civil Code, Nordex Netherlands B.V. is exempt from the obligation for its annual financial statements to be audited in the Netherlands.

In this context, Nordex SE has issued a 403 Liability Statement in which it declares that it is jointly and severally liable for the debts of Nordex Netherlands B.V.

NORDEX SE MANAGEMENT BOARD AND SUPERVISORY BOARD

Management Board

José Luis Blanco Diéguez, Hamburg/Germany

Chief Executive Officer (Chairman of the Management Board)

Dr. Ilya Hartmann, Hamburg

Chief Financial Officer

Member of the Management Board

Patxi Landa Esparza, Pamplona/Spain

Chief Sales Officer

Member of the Management Board

Supervisory Board

Dr.-Ing. Wolfgang Ziebart, Starnberg/Germany

Chairman of the Supervisory Board, chairman of the Executive Committee and member of the Strategy and Technology Committee

- › Self-employed consultant
- › Chairman Shareholder Committee Hella GmbH & Co. KGaA (listed)
- › Member of the Supervisory board of Webasto SE

Juan Muro-Lara, Madrid/Spain

Deputy chairman of the Supervisory Board, member of the Executive Committee and member of the Audit Committee

- › Chief Strategy & Corporate Development Officer of Acciona, S.A. (Acciona Group, listed)
- › Chairman of the board of directors of SCUTUM LOGISTIC, S.L. (Acciona Group)
- › Member of the board of directors of QEV EXTREME, S.L.
- › Deputy Chairman of the board of directors of BESTINVER GESTIÓN, S.A. SGIC
- › Chairman of the board of directors of BESTINVER PENSIONES EGFP, S.A.

Maria Cerdón, Madrid/Spain

Member of the Strategy and Technology Committee

- › Director of the Strategy & Corporate Development department at Acciona, S.A. (Acciona Group, listed)
- › Member of the board of directors of Eve Holding, Inc. (listed)

Maria Isabel Blanco Alvarez, London/Great Britain

Member of the Audit Committee (since 31 May 2022)

- › Head of Impact, Sustainable Infrastructure and Energy, at the European Bank for Reconstruction and Development

Jan Klatten, Munich/Germany

Member of the Executive Committee and chairman of the Strategy and Technology Committee

- › Managing shareholder of momentum Beteiligungsgesellschaft mbH
- › Managing Owner of momentum infra2 GmbH
- › Managing Owner of momentum infra 4 Verwaltungs GmbH

Martin Rey, Traunstein/Germany

Chairman of the Audit Committee

- › Attorney at law and managing shareholder of Maroban GmbH
- › Member of the supervisory board of BayWa r.e. AG (not listed)
- › Member of the supervisory board of Kommunalkredit Austria AG (not listed)
- › Chairman of the supervisory board of clearwise AG (listed)
- › Chairman of the advisory board of O2 Power Ltd. (not listed)

AUDITOR'S FEE

The following fees were incurred for services provided by the auditor of the financial statements, PricewaterhouseCoopers GmbH WPG:

EUR thousand	2023	2022
Auditing services ¹	1,353	887
Other assurance services	266	511
Tax advisory services	0	0
Other services	24	0
	1,643	1,398

¹ The auditing services include fees of EUR 170 thousand (previous year: EUR 74 thousand) for the 2022 financial year (previous year: 2021).

The audit services include the fees for the consolidated financial statements audit and the legally required audit of Nordex SE and its German subsidiaries. The other assurance services essentially comprise fees for statutory or contractually agreed assurance services, such as the review of the Sustainability Report. The other services are associated with costs for obtaining access to general technical training resources.

The total fee incurred for the remaining PricewaterhouseCoopers network of firms amounted EUR 779 thousand for audit services, EUR 17 thousand for other assurance services, EUR 22 thousand for tax services and EUR 2 thousand for other services.

Nordex SE**Rostock, 20 February 2024**


José Luis Blanco, Chairman of the Management Board



Dr. Ilya Hartmann, member of the Management Board



Patxi Landa, member of the Management Board

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

For the period from 1 January to 31 December 2023

	Cost					
EUR thousand	Opening balance 01.01.2023	Additions	Disposals	Reclassifica- tions	Foreign currency	Closing balance 31.12.2023
Property, plant and equipment						
Land and buildings	312,120	21,842	-4,161	-1,401	-1,209	327,191
Technical equipment and machinery	533,479	22,182	-9,186	-4,175	-3,069	539,230
Other fixtures and fittings, tools and equipment	334,304	46,820	-5,583	7,258	-2,226	380,572
Assets under construction	23,824	9,429	-9	-1,681	-347	31,216
Prepayments made	1,594	9,234	-500	0	-39	10,289
Total	1,205,321	109,507	-19,440	0	-6,890	1,288,499
Intangible assets						
Goodwill	552,259	0	0	0	0	552,259
Capitalized development expenses	535,564	46,381	0	0	-46	581,899
Prepayments made	1,706	13	0	0	0	1,719
Other intangible assets	165,170	5,509	0	0	-2,730	167,949
Total	1,254,699	51,904	0	0	-2,776	1,303,826

	Depreciation / amortization / impairment losses				Carrying amount	
	Opening balance 01.01.2023	Additions	Disposals	Foreign currency	Closing balance 31.12.2023	31.10.2023
	121,294	29,237	-1,682	-1,257	147,593	179,598
	334,683	62,433	-5,700	-1,684	389,732	149,499
	147,347	55,015	-3,907	-1,754	196,702	183,870
	46	0	0	0	46	31,170
	0	0	0	0	0	10,289
	603,370	146,685	-11,289	-4,694	734,072	554,426
	4,501	0	0	0	4,501	547,758
	374,052	38,067	0	-4	412,113	169,785
	1,672	0	0	0	1,672	48
	152,642	3,747	0	-2,511	153,877	14,071
	532,867	41,814	0	-2,516	572,164	731,662

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

For the period from 1 January to 31 December 2022

	Cost						
EUR thousand	Opening balance 01.01.2022	Additions	Disposals	Deconsoli- dation	Reclassifi- cations	Foreign currency	Closing balance 31.12.2022
Property, plant and equipment							
Land and buildings	292,625	36,325	4,943	0	-1	-11,886	312,120
Technical equipment and machinery	447,330	81,962	15,963	0	14,216	5,934	533,479
Other fixtures and fittings, tools and equipment	199,596	141,177	8,266	0	1,579	218	334,304
Assets under construction	33,588	5,094	1	0	-15,794	937	23,824
Prepayments made	5,059	2,217	5,598	0	0	-84	1,594
Total	978,198	266,775	34,771	0	0	-4,881	1,205,321
Intangible assets							
Goodwill	552,259	0	0	0	0	0	552,259
Capitalized development expenses	503,963	34,320	0	2,675	0	-44	535,564
Prepayments made	1,704	2	0	0	0	0	1,706
Other intangible assets	161,776	942	96	0	0	2,548	165,170
Total	1,219,702	35,264	96	2,675	0	2,504	1,254,699

	Depreciation / amortization / impairment losses				Carrying amount	
	Opening balance 01.01.2022	Additions	Disposals	Foreign currency	Closing balance 31.12.2022	31.12.2022
	97,688	28,514	4,365	-543	121,294	190,826
	264,039	72,285	2,407	766	334,683	198,796
	109,513	43,170	4,896	-440	147,347	186,957
	0	46	0	0	46	23,778
	0	0	0	0	0	1,594
	471,240	144,015	11,668	-217	603,370	601,951
	4,501	0	0	0	4,501	547,758
	340,412	33,640	0	0	374,052	161,512
	1,672	0	0	0	1,672	34
	145,150	4,760	45	2,777	152,642	12,528
	491,735	38,400	45	2,777	532,867	721,832

LIST OF SHAREHOLDINGS

As of 31 December 2023

	Currency	Share in capital in %	Net profit/loss 01.01.– 31.12.2023	Equity 01.01.– 31.12.2023	Equity investment via
Consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex SE, Rostock (Group parent) ¹	EUR	–	–	–	–
Alfresco Renewable Energy Private Limited, Bangalore/India ²	EUR	99,99/ 0,01	18,507.84	2,645,753.41	Nordex Windpark Beteiligung GmbH/ Nordex Energy Internacional S.L.
Apoderada Corporativa Nordex S.L.U., Barasoain/Spain	EUR	100,00	–1,682.22	1,317.78	Corporacion Nordex Energy Spain S.L.
Component Purchasing Company II LLC, Dover/USA	EUR	100,00	242,587.46	0.00	Nordex USA Inc.
Component Purchasing Company III LLC, Dover/USA	EUR	100,00	242,587.46	0.00	Nordex USA Inc.
Corporación Nordex Energy Spain S.L., Barasoain/Spain	EUR	100,00	89,393,390.18	625,213,384.13	Nordex SE
Eolicos R4E S.A. de C.V., Tegucigalpa/Honduras	EUR	100,00	–1,990,163.83	–13,286,865.57	Nordex USA Management LLC
Industria Toledana de Energias Renovables S.L., Barasoain/Spain	EUR	100,00	–4,885.14	1,131,866.21	Nordex Energy Spain S.A.U.
Limited Liability Company “Nordex Energy Ukraine”, Kiev/Ukraine	EUR	100,00	131,736.39	–1,696,494.21	Nordex International GmbH
Nordex Energy Servicios de Obra, S. de R.L. de C.V., Mexico City/Mexico	EUR	99,9975/ 0,0025	–1,322,945.65	–1,952,834.01	NX Energy Mexico S. de R.L. de C.V./ Nordex Energy Internacional S.L.
Nordex Austria GmbH, Vienna/Austria	EUR	100,00	–317,664.01	–282,664.01	Nordex International GmbH
Nordex Belgium SRL, Rochefort/Belgium	EUR	100,00	844,792.32	667,573.98	Nordex SE
Nordex Beteiligungen GmbH, Hamburg	EUR	100,00	–12,173.74	7,705.87	Nordex SE

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.– 31.12.2023	Equity 01.01.– 31.12.2023	Equity investment via
Consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex Blade Technology Center ApS, Kirkeby/Denmark	EUR	100,00	2,982,208.39	12,915,577.62	Nordex SE
Nordex Blades Spain S.A.U., Barasoain/Spain	EUR	100,00	5,264,759.68	16,139,792.18	Nordex Energy Spain S.A.U.
Nordex (Chile) SpA, Santiago/Chile	EUR	100,00	-1,355,136.89	-9,146,294.71	Nordex Windpark Beteiligung GmbH
Nordex Education Trust, Cape Town/South Africa	EUR	100,00	-168,784.79	3,194,176.84	Nordex Energy South Africa RF (Pty.) Ltd.
Nordex Elektrane d.o.o., Zagreb/Croatia	EUR	100,00	6,167,227.51	8,070,844.91	Nordex Energy Internacional S.L.
Nordex Electrolyzers S.L., Barasoain/Spain	EUR	85,00	132,429.65	3,435,429.65	Corporacion Nordex Energy Spain S.L.
Nordex Employee Holding GmbH, Hamburg	EUR	100,00	32,847.61	216,111.73	Nordex SE
Nordex Energy Brasil – Comercio e Industria de Equipamentos Ltda., Sao Paulo/Brazil	EUR	99,00/ 1,00	-40,312,795.36	4,640,906.32	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
Nordex Energy Chile S.A., Santiago/Chile	EUR	99,00/ 1,00	-50,684,568.39	-46,240,897.47	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
Nordex Engineering and Technology Pty Ltd, Chennai/India	EUR	99,99/ 0,01	1,987,281.84	3,602,316.75	Nordex Manufacturing GmbH
Nordex Energy Colombia S.A.S., Bogota/Columbia	EUR	100,00	-860,586.75	-1,010,457.42	Nordex Energy Internacional S.L.
Nordex Energy d.o.o. Belgrade, Belgrad/Serbia	EUR	100,00	4,720,452.37	4,690,278.37	Nordex International GmbH
Nordex Energy Ibérica S.A., Barcelona/Spain	EUR	100,00	593,519.95	10,672,688.77	Nordex International GmbH
Nordex Energy Internacional S.L., Barasoain/Spain	EUR	100,00	-21,344,289.86	269,469,275.14	Nordex Energy Spain S.A.U.
Nordex Energy Ireland Ltd., Dublin/Ireland	EUR	100,00	6,060,776.27	26,952,449.82	Nordex International GmbH
Nordex Energy Romania S.r.l., Bucharest/Romania	EUR	99,98/ 0,02	682,551.18	5,048,449.48	Nordex International GmbH/ Nordex Energy SE & Co. KG
Nordex Energy SE & Co. KG, Hamburg ¹	EUR	99,99/ 0,01	174,654,101.61	516,650,845.04	Nordex SE/ Nordex Beteiligungen GmbH
Nordex Energy South Africa RF (Pty.) Ltd., Cape Town/South Africa	EUR	80,00/ 20,00	-42,393.47	-21,412,805.46	Nordex Energy SE & Co. KG/ Nordex Education Trust

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.– 31.12.2023	Equity 01.01.– 31.12.2023	Equity investment via
Consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex Energy Spain S.A.U., Barasoain/Spain	EUR	100.00	-86,459,372.78	243,926,749.71	Corporacion Nordex Energy Spain S.L.
NordexEnergy Uruguay S.A., Montevideo/Uruguay	EUR	100.00	-914,737.13	3,682,926.67	Nordex International GmbH
Nordex Enerji A.S., Istanbul/Turkey	EUR	6.321/ 93.482/ 0.066/ 0.066/ 0.066	71,695,029.07	62,906,540.65	Nordex International GmbH/ Nordex SE/Nordex Energy SE & Co. KG/Nordex Windpark Beteiligung GmbH/Nordex Grundstücksverwaltung GmbH
Nordex Finland Oy, Helsinki/Finland	EUR	100.00	-4,095,042.44	12,203,797.59	Nordex SE
Nordex Forum II GmbH & Co. KG, Hamburg	EUR	100.00	18,070.05	314,836.00	Nordex Energy SE & Co. KG
Nordex Forum II Verwaltungs GmbH, Hamburg	EUR	100.00	-3,364.39	8,782.20	Nordex Energy SE & Co. KG
Nordex France S.A.S., Paris/France	EUR	100.00	11,159,791.03	177,293,798.97	Nordex International GmbH
Nordex Germany GmbH, Hamburg ¹	EUR	99.99/ 0.01	16,576,854.93	47,273,358.11	Nordex SE/ Nordex Beteiligungen GmbH
Nordex Grundstücksverwaltung GmbH, Hamburg ¹	EUR	100.00	0.00	52,000.00	Nordex SE
Nordex Hellas Monoprosopi EPE, Athens/Greece	EUR	100.00	3,540,773.46	1,622,307.99	Nordex Energy SE & Co. KG
Nordex India Manufacturing Private Limited, Bangalore/India	EUR	99.99/ 0.01	8,403,834.39	28,625,627.63	Nordex Manufacturing GmbH/ Nordex International GmbH
Nordex India Private Limited, Bangalore/India	EUR	99.99/ 0.01	-6,806,024.78	-9,092,891.66	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
Nordex International GmbH, Hamburg	EUR	100.00	25,525,632.45	17,449,135.42	Nordex SE
Nordex International Services America S de RL de CV, Mexico City/Mexico ^{3,4}	EUR	99.9975/ 0.0025	272,763.64	223,591.69	NX Energy Mexico S. de R.L. de C.V./ Nordex Energy Internacional S.L.
Nordex International Services SP. z.o.o., Warsaw/Poland	EUR	100.00	-3,650,509.48	-3,704,199.63	Nordex International GmbH
Nordex Italia S.r.l., Rome/Italy	EUR	100.00	509,630.07	31,251,380.57	Nordex International GmbH
Nordex Manufacturing GmbH, Hamburg	EUR	100.00	2,044,874.00	-3,991,186.46	Nordex SE

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2023	Equity 01.01.–31.12.2023	Equity investment via
Consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex Maritime S.A., Barasoain/Spain	EUR	100.00	15,883.17	86,003.58	Nordex International GmbH
Nordex Netherlands B.V., Zwolle/Netherlands	EUR	100.00	-24,954,041.16	-70,387,143.80	Nordex SE
Nordex Norway AS, Oslo/Norway	EUR	100.00	-6,714,980.53	1,342,744.29	Nordex SE
Nordex Oceania Pty. Ltd., Melbourne/Australia	EUR	100.00	-9,088,065.03	11,530,214.65	Nordex Energy Internacional S.L.
Nordex Pakistan (Private) Ltd., Islamabad/Pakistan	EUR	100.00	-1,675,398.47	-9,294,684.40	Nordex Energy SE & Co. KG
Nordex Polska Sp. z o.o., Warsaw/Poland	EUR	99.00/ 1.00	1,365,498.97	19,390,874.74	Nordex International GmbH/ Nordex Energy SE & Co. KG
Nordex Portugal Unipessoal Lda., Porto/Portugal	EUR	100.00	1,817,857.85	4,880,146.13	Nordex SE
Nordex Singapore Equipment Private Ltd., Singapore/Singapore	EUR	100.00	-827,176.54	-6,909,837.57	Nordex Energy SE & Co. KG
Nordex Singapore Service Private Ltd., Singapore/Singapore	EUR	100.00	-311,037.61	-3,141,178.80	Nordex Energy SE & Co. KG
Nordex Sverige AB, Uppsala/Sweden	EUR	100.00	-11,184,245.08	-106,164,972.30	Nordex International GmbH
Nordex Towers Colombia, Bogota/Columbia	EUR	100.00	-251,509.19	-697,982.06	Nordex Energy Internacional S.L.
Nordex Towers Spain S.L., Barasoain/Spain	EUR	100.00	-1,698,019.23	-6,664,643.19	Nordex Energy Spain S.A.U.
Nordex UK Ltd., Manchester/United Kingdom	EUR	100.00	-11,699,657.48	6,483,630.69	Nordex International GmbH
Nordex USA Inc., Chicago/USA	EUR	78.35/ 21.65	-41,360,893.21	-200,372,321.49	Nordex Energy Internacional S.L./ Nordex International GmbH
Nordex USA Management LLC, Chicago/USA	EUR	100.00	-344.50	73,782.84	Nordex USA Inc.
Nordex Windpark Beteiligung GmbH, Hamburg ¹	EUR	100.00	20,509,449.00	20,975,145.39	Nordex SE
Nordex Windpower Peru S.A., Lima/Peru	EUR	99.99/ 0.01	692,303.85	-1,584,189.89	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
Nordex Windpower Rüzgar Enerjisi Sistemleri Anonim Şirketi, Istanbul/Turkey	EUR	100.00	-5,327,448.68	-9,334,376.17	Nordex Energy Internacional S.L.

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2023	Equity 01.01.–31.12.2023	Equity investment via
Consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex Windpower S.A., Buenos Aires/Argentina	EUR	98.17/ 1.83	-45,865,308.10	-5,257,889.66	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
NPV Dritte Windpark GmbH & Co. KG, Hamburg	EUR	100.00	-19,034.34	-85,035.63	Nordex Grundstücksverwaltung GmbH
NX Energy Mexico S. de R.L. de C.V., Mexico City/Mexico	EUR	99.97/ /0.03	-12,721,173.75	-11,390,585.84	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
Parque Eólico Llay-Llay SpA, Santiago/Chile	EUR	100.00	-8,150.34	-2,103,598.12	Nordex (Chile) SpA
Ravi Urja Energy India Private Limited, Bangalore/India ²	EUR	99.99/ 0.01	-315,859.09	8,596,384.11	Nordex Windpark Beteiligung GmbH/ Nordex Energy Internacional, S.L.
San Marcos Colon Holding Inc., Chicago/USA	EUR	100.00	455,992.41	73,284.79	Nordex Windpark Beteiligung GmbH
Shanghai Nordex Windpower Co. Ltd., Shanghai/PR China	EUR	100.00	465,249.34	1,254,146.08	Nordex Energy Internacional S.L.
Solar Fields Energy Photo Voltaic India Private Limited, Bangalore/India ²	EUR	99.99/ 0.01	-43,563.28	2,770,510.58	Nordex Windpark Beteiligung GmbH/ Nordex Energy Internacional, S.L.
UAB Nordex Lithuania, Vilnius/Lithuania	EUR	100.00	-1,120,316.73	-2,823,100.44	Nordex SE

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.– 31.12.2023	Equity 01.01.– 31.12.2023	Equity investment via
Non-consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Eoles Futur Eurowind France S.A.S., Paris/France ³	EUR	100.00	129,702.51	-683,654.08	Nordex France S.A.S.
Farma Wiatrowa Kwidzyn Sp. z o.o., Warsaw/Poland ³	EUR	99.00/ 1.00	-1,745.80	-2,549,419.45	Nordex Windpark Beteiligung GmbH/ Nordex Energy SE & Co. KG
Gregal Power Private Limited, Bangalore/India ^{2,3}	EUR	99.99/ 0.01	-5,924.80	-9,628.91	Nordex India Private Limited/ Nordex Energy Internacional S.L.
NAWM Servicios Administrativos, Mexico City/Mexico ³	EUR	99.95/ 0.05	-320,522.29	-1,068.15	NX Energy Mexico S. de R.L. de C.V./ Nordex Energy Internacional S.L.
Nordex Windpark Verwaltung GmbH, Hamburg ³	EUR	100.00	-703.13	47,107.99	Nordex SE
Parque Eolico Hacienda Quijote SpA, Santiago/Chile ³	EUR	100.00	-200,656.91	-2,136.40	Nordex (Chile) SpA
Parque Eolico Vasco Viejo S.A., Buenos Aires/Argentina ^{3,5}	EUR	60.00	-31,263.74	-9,067.49	Nordex Windpower S.A.
Qingdao Huawei Wind Power Co. Ltd., Qingdao/PR China ³	EUR	66.67	365,841.98	3,972,116.60	Nordex Energy SE & Co. KG
Sechste Windpark Support GmbH & Co. KG, Hamburg ³	EUR	100.00	-21,669.87	-135,578.37	Nordex Grundstücksverwaltung GmbH
Shri Saai Pasumai Private Limited, Bangalore/India ²	EUR	98.76/ 1.24	-14,852.01	1,491,920.91	Nordex Windpark Beteiligung GmbH/ Nordex Energy Internacional S.L.
South Kinetic Wind Energy Private Limited, Bangalore/India ²	EUR	99.99/ 0.01	-6,904.39	-13,428.61	Nordex India Private Limited/ Nordex Energy Internacional S.L.
Terral Energy Private Limited, Bangalore/India ²	EUR	99.99/ 0.01	-4,930.61	-11,026.72	Nordex Windpark Beteiligung GmbH/ Nordex Energy Internacional S.L.

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2023	Equity 01.01.–31.12.2023	Equity investment via
Joint ventures (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Alto dos Ventos Energia Renovável Ltda., Pendencias; Rio Grande do Norte/Brazil ^{3,4}	EUR	100.00	0.00	0.00	ACCIONA Nordex Green Hydrogen, S.L.
Darwin SpA Santiago de Chile/Chile ^{3,4}	EUR	100.00	-618.65	-1,023.47	ACCIONA Nordex Green Hydrogen, S.L.
Frontera SpA, Santiago de Chile/Chile ^{3,4}	EUR	100.00	240,402.76	-1,023.47	ACCIONA Nordex Green Hydrogen, S.L.
H2V Magallanes SpA Santiago de Chile/Chile ^{3,4}	EUR	100.00	0.00	0.00	ACCIONA Nordex Green Hydrogen, S.L.
Mesquite H2 LLC, Chicago/USA ^{3,4}	EUR	100.00	-231.36	231.36	ACCIONA Nordex Green Hydrogen, S.L.
Orkeke S.A., Buenos Aires/Argentina ^{3,4}	EUR	95/5	0.00	0.00	ACCIONA Nordex Green Hydrogen, S.L./ Nordex Windpark Beteiligung GmbH
Pinedale H2 LLC, Delaware/USA ^{3,4}	EUR	100.00	-111,551.93	84,402.53	ACCIONA Nordex Green Hydrogen, S.L.
Pronghorn H2 LLCC, Wyoming/USA ^{3,4}	EUR	100.00	-210,373.63	199,161.20	ACCIONA Nordex Green Hydrogen, S.L.
Sidewinder H2 LLC, Chicago/USA ^{3,4}	EUR	100.00	0.00	0.00	ACCIONA Nordex Green Hydrogen, S.L.
Waawaata S.A.S., Bogotá D.C./Columbia ^{3,4}	EUR	100.00	0.00	0.00	ACCIONA Nordex Green Hydrogen, S.L.

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.– 31.12.2023	Equity 01.01.– 31.12.2023	Equity investment via
Associates (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
ACCIONA Nordex Green Hydrogen, S.L., Barasoain/Spain ³	EUR	50.00	-153,689.00	-29,860,388.00	Nordex SE

	Currency	Share in capital in %	Net profit/loss 01.01.– 31.12.2023	Equity 01.01.– 31.12.2023	Equity investment via
Other shareholdings (non-consolidated) (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Parc Eolien du Val Aux Moines, Paris/France ³	EUR	34.92	48,644.26	-88,942.99	Nordex Employee Holding GmbH
RENERCYCLE S.L. Barasoain/Spain ³	EUR	6.25	0.00	0.00	Nordex Energy Spain S.A.U.
Ventus Kwidzyn Sp. z o.o., Gorki/Poland ³	EUR	100.00	-3,830.43	-966,246.96	Farma Wiatrowa Kwidzyn Sp. z o.o.

¹ Profit and loss transfer agreement; net profit/loss and equity after transfer of profit or loss

² Different financial year from 1 April to 31 March

³ Preliminary annual financial statements as of 31 December 2023

⁴ Initial consolidation in 2023

⁵ Figures from the previous year 31.12.2022

INDEPENDENT AUDITOR'S REPORT

To Nordex SE, Rostock

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Nordex SE, Rostock, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Nordex SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- › the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- › the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ① Recoverability of goodwill
- ② Accounting for revenue
- ③ Accounting for provisions from warranty obligations

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

① Recoverability of goodwill

- ① In the Company's consolidated financial statements goodwill amounting in total to €548 million (10.1% of total assets) is reported under the "Goodwill" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined on the basis of fair value less costs of disposal. The present value of the future cash flows from the

respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the expected impact of the geopolitical and economical distortions on the business activities of the Group are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the growth rate, as well as the discount rate used, and is therefore, also against the background of the impact of the geopolitical and economical distortions on the business activities of the Group, subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

- ② As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. Furthermore, we have evaluated the executive directors' assessment regarding the impact of the geopolitical and economical distortions on the business activities of the Group and understood how they were considered in the determination of the future cashflows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Taking into account the information available,

we determined that the carrying amounts of the cash-generating units, including the allocated goodwill, were adequately covered by the discounted future cash flows.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

- ③ The Company's disclosures on goodwill are contained in Note (10) in the section "Balance Sheet Disclosures" of the notes to the consolidated financial statements.

② Accounting for revenue

- ① In the Company's consolidated financial statements revenues amounting in total to €6,489 million are reported. Revenues are mainly attributable to the production and construction of wind turbines (project business) and the subsequent servicing (service business). Revenue recognition and deferral is significantly affected by the Company's assessment of the time or period to satisfy its performance obligations. The timing of revenue recognition from service contracts is based on the expected cost distribution over the corresponding contract term (recognition over time), while the performance obligations and revenue recognition on the sale of wind turbines depend on the respective contract specifications. The Group has implemented group-wide processes to account for revenue in accordance with IFRS 15.
- Revenue recognition and deferral in accordance with IFRS 15 is to be considered complex and relies on the estimates and assumptions of the executive directors. Against this background, accounting for revenue was of particular significance in the context of our audit.
- ② As part of our audit, we evaluated the appropriateness and effectiveness of the adopted group-wide processes and controls of the relevant internal control system over revenue recognition and deferral throughout the financial year. We have also assessed the accounting methodology and estimates of the executive directors especially in relation to the timing of revenue recognition. In this context, we have also reviewed customer contracts, verified the identification of performance obligations and concluded if these are satisfied over or at a point in time.
- We were able to satisfy ourselves that the established processes and internal controls are adequate and that the estimates and assumptions of the executive directors are sufficiently documented and substantiated to ensure the appropriate accounting for revenue.
- ③ The Company's disclosures on the accounting for revenue in accordance with IFRS 15 are contained in Note (3) and (4) in the section "Notes to the balance sheet" as well as Note (29) in the section "Notes to the income statement" of the notes to the consolidated financial statements.

3 Accounting for provisions from warranty obligations

① In the Company's consolidated financial statements provisions for warranty obligations amounting in total to €362 million (6.7% of total assets) is reported under the „other provisions“ balance sheet item. These warranty provisions include all obligations arising from damages of wind turbines and their components that have already occurred or are expected to occur. These damages can result from both individual and serial damages. The provisions are calculated on the basis of past or estimated future claims experience and goodwill behavior. Among other things, it is estimated how many components need to be replaced and how many can be repaired. To this end, assumptions are made about the type and scope of future warranty and goodwill cases. These assumptions are based on qualified estimates.

In our view, this matter was of particular significance for our audit, as the recognition and measurement of this item, which is significant in terms of its amount, are based to a large extent on estimates and assumptions made by the executive directors of the Company.

② With the knowledge that estimated values result in an increased risk of accounting misstatements and that the measurement decisions made by the executive directors have a direct and significant effect on consolidated net profit/loss, we assessed the appropriateness of the carrying amounts based on the contracts or constructive obligation, including by comparing these figures with historical data and using the measurement bases presented to us. We evaluated the entire calculations for the provisions using the applicable measurement inputs and assessed the planned timetable for utilizing the provisions. In doing so, we were able to satisfy ourselves that the estimates applied and the assumptions made by the executive directors were sufficiently documented and supported to justify the recognition and measurement of the provisions for warranty obligations.

③ The Company's disclosures on provisions for warranty obligations are contained in the section „Accounting Policies“ as well as note (21) in the section „Balance Sheet Disclosures“ of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- › the statement on corporate governance pursuant to §289f HGB and §315d HGB included in section „Corporate governance statement of Nordex SE“ of the group management report
- › the section “Statement on the appropriateness and effectiveness of the internal control and risk management system“ of the group management report

The other information comprises further

- › the separate non-financial group report to comply with §§315b to 315c HGB
- › the remuneration report pursuant to §162 AktG [Aktien-gesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- › all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- › is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- › otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated

financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with §317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- › Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- › Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- › Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- › Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- › Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to §315e Abs. 1 HGB.
- › Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- › Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- › Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Nordex_SE_KA+KLB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic

reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- › Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- › Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- › Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- › Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- › Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 6 June 2023. We were engaged by the supervisory board on 29 November 2023. We have been the group auditor of the Nordex SE, Rostock, without interruption since the financial year 2008.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

**REFERENCE TO AN OTHER MATTER –
USE OF THE AUDITOR'S REPORT**

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

REFERENCE TO SUPPLEMENTARY AUDIT

We issue this auditor's report on the consolidated financial statements and the group management report as well as on the rendering of the consolidated financial statements and the group management report submitted for audit for the first time, contained in the file Nordex_SE_KA+KLB_ESEF-2023-12-31.zip and prepared for publication purposes on the basis of our audit, duly completed as at 20 February 2024 and our supplementary audit completed as at 28 February 2024, which related to the initial submission of the ESEF documents.

**GERMAN PUBLIC AUDITOR RESPONSIBLE
FOR THE ENGAGEMENT**

The German Public Auditor responsible for the engagement is Dr. Thomas Ull.

Hamburg, 20 February 2024/limited to the initial submission of the ESEF documents referred to in the "Reference to Supplementary Audit" section above: 28 February 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Ull
Wirtschaftsprüfer
(German Public Auditor)

Harald van Voorst
Wirtschaftsprüfer
(German Public Auditor)

RESPONSIBILITY STATEMENT

RESPONSIBILITY STATEMENT IN ACCORDANCE WITH SECTIONS 297 (2) 4 AND 315 (1) 6 OF THE GERMAN COMMERCIAL CODE

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Nordex SE, Rostock, 20 February 2024



José Luis Blanco, Chairman of the Management Board



Dr. Ilya Hartmann, Member of the Management Board



Patxi Landa, Member of the Management Board

REMUNERATION REPORT

This remuneration report presents the components and effects of the remuneration logic and outlines the individual amounts of remuneration paid to the Management Board and Supervisory Board.

Detailed information concerning the remuneration systems for the Management and Supervisory Board members of Nordex SE may be found on the Company's website (<https://ir.nordex-online.com/websites/Nordex/German/6000/corporate-governance.html>).

GUIDELINES AND PRINCIPLES OF THE REMUNERATION SYSTEM FOR THE MANAGEMENT BOARD OF NORDEX SE

Nordex SE's corporate strategy is aimed at creating a competitive and global company with long-term sustainable and positive future prospects – with innovative products, decarbonization of the economy shall be promoted and a significant contribution to the fight against climate change shall be made. These strategic objectives are aimed at successfully developing Nordex SE, i.e. consolidating the Company's competitive global positioning and thus enhancing its value for its shareholders in the long term. The success of this development is measured using financial and non-financial performance criteria and is also considered accordingly in the remuneration system for the Company's Management Board members (in the following referred to as the remuneration system). Remuneration systems are corporate management tools. The Supervisory Board of Nordex SE is convinced that a suitably designed remuneration structure will provide effective incentives for the Management Board members to successfully implement the Company's corporate strategy.

Therefore, the remuneration paid to Nordex SE's members of the Management Board includes variable components which reward achieving the targets set and which are reduced accordingly if the targets are not met and may even cease entirely in certain circumstances. This establishes a clear link between corporate success and remuneration.

The operational and strategic corporate planning reflects the implementation of the Company's corporate structure. This corporate planning thus documents the envisaged short- and medium-term development of the Nordex Group. For their part, the variable remuneration components depend, in particular, on the share price trend and the achievement of demanding performance criteria which are determined on the basis of the Company's corporate planning. Through this structure, the Company's remuneration system promotes its business strategy as well as its long-term development.

The following principles in particular are considered when determining the remuneration of the Management Board:

▶ **Promotion of the corporate strategy**

▶ **Harmonization with shareholders' interests**

▶ **"Pay for performance"**

▶ **Long-term orientation and sustainability**

▶ **Compliance and market practice**

REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD

Management Board remuneration in the 2023 financial year

The remuneration system, which was approved in 2021 with a 99.37% majority at the Annual General Meeting of Nordex SE, applies for all service contracts newly concluded or extended after 05 May 2021. The service contracts of the members of the Management Board were adjusted to the new remuneration system in financial year 2022, specifically that of Dr. Ilya Hartmann effective 1 July 2022, and those of Mr. José Luis Blanco and Mr. Patxi Landa effective 1 January 2023. Since Management Board remuneration in the 2023 financial year still contains elements of the old and the new remuneration system, this year's remuneration report provides information on both remuneration systems. Detailed information on the new remuneration system may be found on Nordex's website (<https://ir.nordex-online.com/websites/Nordex/English/6000/corporate-governance.html>).

The remuneration of the Management Board comprises non-performance-related (fixed) and performance-related (variable) remuneration components. The latter reflect the Company's business performance in a given year as well as its long-term business performance. The fixed, non-performance-related remuneration comprises the annual base salary plus fringe benefits. The short-term variable remuneration (bonus) and the long-term variable remuneration (Performance Share Unit Plan, in the following also referred to as PSUP) will be granted on a performance-related and therefore variable basis.

Under Section 162 (1) sentence 1 of the German Stock Corporation Act (AktG), the Management and Supervisory Boards of a listed company are obliged to prepare an annual report on the remuneration awarded and due in the previous financial year to the current or former members of the Management and Supervisory Boards. The following is a clear and easily understandable overview of the remuneration granted, i.e. all benefits paid to members of the Management and Supervisory Boards who discharged the functions serving as the basis for their remuneration throughout the 2023 financial year.

The remuneration report for financial year 2022 was approved by the Annual General Meeting on 6 June 2023 by a majority of 95.65%. Due to the high level of approval, no significant adjustments to its contents and structure were necessary.

DETERMINATION OF THE REMUNERATION OF THE MANAGEMENT BOARD FOR THE 2023 FINANCIAL YEAR

Target remuneration and remuneration structure

In determining the remuneration of the Management Board, the Supervisory Board is guided by the market position of Nordex SE – in particular, with regard to its sector, size (revenues, number of employees worldwide and market capitalization), country (headquarters location and reach of operations) – and the structure and amount of management remuneration at comparable companies as well as internal salary structures. The function and area of responsibility of the individual members of the Management Board are further criteria. In addition, in determining the amount of the total target remuneration the Supervisory Board has ensured that the proportion of the long-term variable remuneration exceeds that of the short-term variable remuneration. This approach fulfills the requirements of the German Stock Corporation Act and the provisions of the German Corporate Governance Code, as amended on 28 April 2022 (GCGC).

FIXED REMUNERATION IN THE 2023 FINANCIAL YEAR

The fixed remuneration comprises an annual base salary paid out in equal monthly installments and fringe benefits customary in the market. These include the provision of a company car, which may also be used privately, and the payment of insurance premiums for invalidity and death coverage, and allowances for health and nursing care insurance.

The Company has also taken out a D&O insurance policy which, also covers the service of the Management Board members. In accordance with the provisions of the German Stock Corporation Act (AktG), the policy stipulates a deductible.

VARIABLE REMUNERATION IN THE 2023 FINANCIAL YEAR

The variable remuneration components reflect the achievement of annual targets as well as the Company's long-term performance. The short-term variable remuneration (bonus) and the long-term variable remuneration (PSUP) incentivize the performance of the Management Board members from a variety of different perspectives, over assessment periods of varying duration and while taking various performance criteria into consideration.

The achievement of short-term operational targets is of primary significance for the selection of the performance criteria for the bonus. On the one hand, the PSUP focuses on the performance of Nordex SE shares (in the following

also referred to as Nordex shares) by comparison with the capital market. Among other criteria, this evaluates the capital market's assessment of Nordex SE's strategic orientation and its implementation by the Management Board. On the other hand, since the redesign of the service contracts, the PSUP has also been dependent on an ESG target, namely achieving a proportion of women of 25% at management levels M1 to M4. This target has been derived from the goals of the Nordex Group's Sustainability Strategy 2025. Including this ESG target meets the requirements of the new remuneration system.

The performance criteria on which the variable remuneration is based in financial year 2023 and their strategic relevance are shown in the following table:

Performance criteria	Bonus	Performance Share Unit Plan	Strategic relevance
EBITDA in EUR million	x		Reviewing the development of profitability of the operating business
Working capital ratio	x		Ensuring efficient use of capital in the operating business
Relative total shareholder return		x	Long-term development of enterprise value compared with the capital market
Quality of order intake ¹	x		Ensuring target profitability of projects in order intake to secure future profitability
HSE performance ²	x		Protecting and promoting employees by ensuring occupational safety
Quality costs and technology management costs ³	x		Promoting customer satisfaction through quality assurance
Proportion of women in management positions in the Nordex Group ⁴		x	Achieve a minimum of 25% female representation at management levels M1 to M4 in line with the Nordex Group's Sustainability Strategy 2025

¹ Gross contribution margin of order intake in EUR million.

² Frequency of lost-time incidents in relation to total hours worked (lost-time incident frequency).

³ Cost of quality deviations and technology management measured as a percentage of total sales.

⁴ All management positions are evaluated with MERCER according to the IPE (International Position Evaluation) methodology.

SHORT-TERM VARIABLE REMUNERATION (BONUS)

An individual target amount is defined in the service contract of each Management Board member. The degree of target achievement is determined on the basis of financial and non-financial performance criteria.

The Supervisory Board individually determines these performance criteria on an annual basis for each Management Board member. The respective degree of target achievement is established at the end of the financial year. For financial year 2023, the Supervisory Board has defined the following performance criteria and weightings for the members of the Management Board:

Targets for short-term variable remuneration (bonus)

0%–200% target achievement

The performance criteria are determined by the Supervisory Board at the beginning of each financial year.

Weighting of performance criteria	José Luis Blanco	Patxi Landa	Dr. Ilya Hartmann
EBITDA in EUR million	50%	50%	50%
Working capital ratio	20%	20%	30%
Quality of order intake ¹	20%	30%	20%
HSE performance ²	5%	–	–
Quality costs and technology management costs ³	5%	–	–

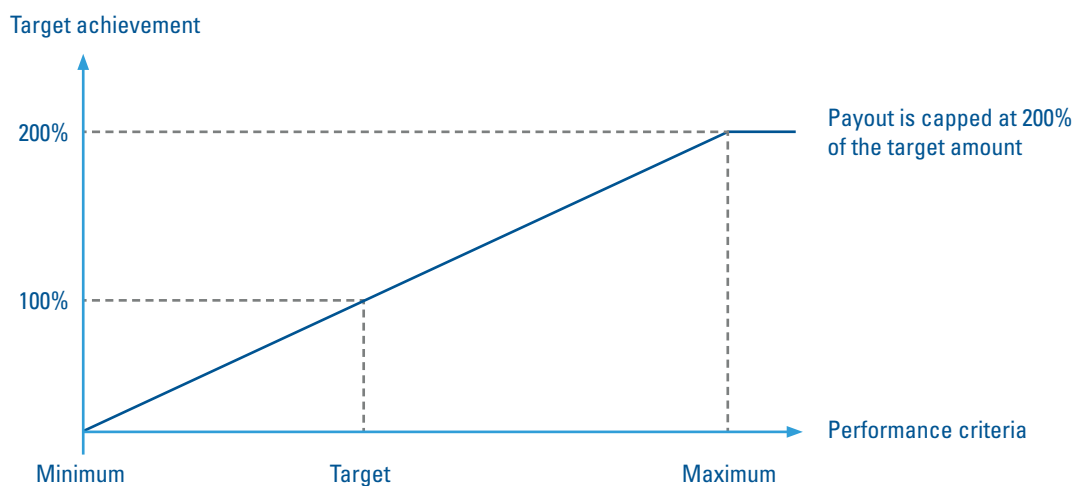
¹ Gross contribution margin of order intake in EUR million.

² Frequency of lost-time incidents in relation to total hours worked (lost-time incident frequency).

³ Cost of quality deviations and technology management measured as a percentage of total sales.

Targets are derived from corporate planning, thus ensuring consistency with corporate strategy.

For all of the performance criteria, the possible degrees of target achievement are between 0% and 200%. A targeted range will be defined for each performance criterion. If the target value is reached, the degree of target achievement is 100% in each case; if the value falls below the minimum value, the degree of target achievement is 0%. The degree of target achievement is limited to 200% if the maximum value is matched or exceeded. Intermediate values are subject to linear interpolation.

Short-term variable remuneration (bonus) – target corridor

The degree of overall target achievement for a financial year is determined while taking into account each individual target achievement level and the weighting of the performance criteria. The bonus amount will be calculated on the basis of

the specified target amount, with reference to the degree of overall target achievement. The payout amount is capped at 200% of the target amount.

The resulting individual remuneration corridor for the bonus for financial year 2023 is as follows:

EUR	Minimum amount	Target amount	Maximum amount (200% of the target amount)
José Luis Blanco	0	620,000	1,240,000
Patxi Landa	0	370,000	740,000
Dr. Ilya Hartmann	0	240,000	480,000

The following table shows the individual target achievement for the 2023 bonus.

Target achievement in %	José Luis Blanco	Patxi Landa	Dr. Ilya Hartmann
EBITDA in EUR million	0.00%	0.00%	0.00%
Working capital ratio	174.50%	174.50%	174.50%
Quality of order intake	118.00%	118.00%	118.00%
HSE performance	177.50%	–	–
Quality costs and technology management costs	50.00%	–	–
Overall level of target achievement	69.88%	70.30%	75.95%

LONG-TERM VARIABLE REMUNERATION (PSUP)

The long-term variable remuneration component is a Performance Share Unit Plan (PSUP) which is based on phantom shares.

2021–2023 tranche

The 2021–2023 tranche of the PSUP for Mr. José Luis Blanco and Mr. Patxi Landa was issued before the service contracts were adapted to the new remuneration system and is described in more detail below. By way of derogation from this, Dr. Ilya Hartmann was already issued a tranche in 2021 based on the new remuneration system with a performance period from 2021 to 2024. Information on this tranche will be provided in the remuneration report for financial year 2024.

Long-term variable remuneration – 2021–2023 tranche

50%–200% target achievement

The number of PSUs for a tranche that is decisive for payout amount depends on a share price-based target

Type	Performance Share Unit Plan
Performance period	3 years
Performance criterion	RTSR trend compared to a suitable peer group (DAX, MDAX and TecDAX)
Initial number	Target amount ÷ Ø closing share price of Nordex shares on the last 20 trading days prior to the start of the performance period
Final number	Initial number of PSUs of a tranche x target achievement in %
Payout amount	Final number × Ø closing share price of Nordex shares on the last 20 trading days prior to the end of the performance period

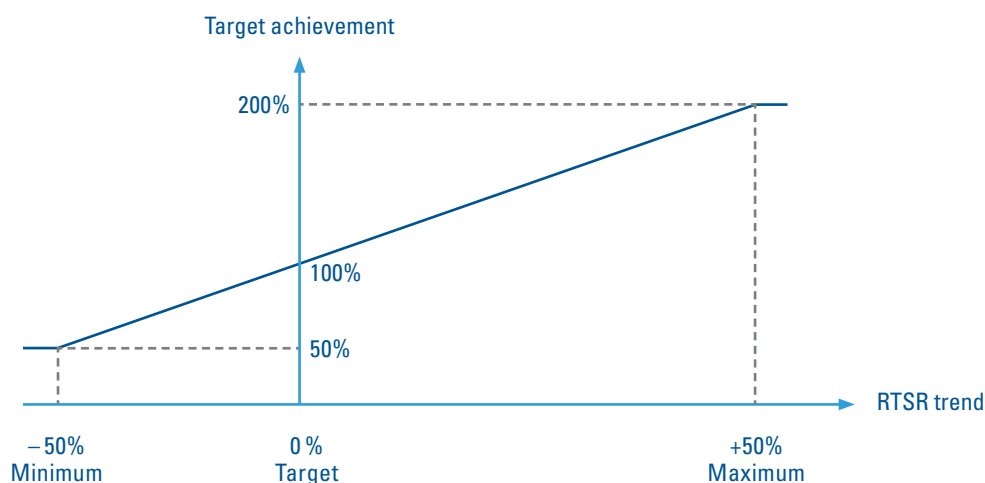
Payout is capped at 300% of the target amount

Creates incentives for the sustainable increase in enterprise value and promotes the alignment of Management Board and shareholder interests

An individual target amount has been agreed with the members of the Management Board. This amount is converted into performance share units (in the following also referred to as PSU). To do so, the target amount is divided by the average closing price of Nordex shares on the last 20 trading days prior to the start of the assessment period (in the following also referred to respectively as the initial number and the performance period).

The performance criterion is a comparison of the performance of the “relative total shareholder return” (in the following also referred to as RTSR) of Nordex shares with the arithmetic mean of the performance of the DAX, MDAX and TecDAX benchmark indices. The level of target achievement for Mr. José Luis Blanco and Mr. Patxi Landa is calculated over a three-year performance period, starting on 1 January of the year of allocation in each case.

Long-term variable remuneration (PSUP) – 2021 – 2023 tranche – RTSR trend corridor



A minimum of -50% and a maximum of +50% have been defined as the targeted range. An RTSR performance in line with the benchmark indices will represent a 100% target achievement level. If the benchmark indices are exceeded by 50% or more, this will represent a 200% target achievement level. If the trend for the RTSR of Nordex SE lags behind the RTSR trend for the benchmark indices by 50% or more, a 50% level of target achievement is assumed. Intermediate values are subject to linear interpolation.

The final number of PSUs is calculated by multiplying the initial number by the level of target achievement. This is multiplied by the average closing price of Nordex shares on

the last 20 trading days prior to the end of the performance period to determine the payout amount. The PSUP payout amount is capped at 300% of the individual target amount. The amount will be paid out in cash as of the Management Board member’s salary statement for the first month after the Annual General Meeting for the financial year following the end of the performance period.

The Management Board members participating in the 2021–2023 tranche are obliged to hold shares worth at least 33% of their remaining payout amount after tax and social security deductions for a period of at least two years.

Target achievement for the 2021–2023 tranche

The target achievement for the PSUP tranche issued in 2021 is as follows:

EUR	Target amount	Average closing share price of Nordex shares prior to the start of the performance period	Initial number of PSUs	Target achievement	Final number of PSUs	Average closing share price of Nordex shares prior to the end of the performance period
Members of the Management Board in office as of 31 December 2023						
José Luis Blanco	420,000	20.16	20,833	50%	10,417	10.06
Patxi Landa	250,000	20.16	12,401	50%	6,201	10.06
Dr. Ilya Hartmann	–	–	–	–	–	–

2023–2026 tranche

In financial year 2023, PSUs were granted to Mr. José Luis Blanco, Mr. Patxi Landa and Dr. Ilya Hartmann, the terms of which correspond to the new remuneration system.

The 2023–2026 tranche is structured as follows:

Long-term variable remuneration – 2023–2026 tranche**0%–200% target achievement**

Type	Performance Share Unit Plan
Performance period	4 years
Performance criteria	<ul style="list-style-type: none"> › RTSR trend compared to a suitable peer group (DAX, MDAX and TecDAX): weighting of 80% › Proportion of women in management positions in the Nordex Group: weighting of 20%
Initial number	Target amount ÷ Ø closing share price of Nordex shares on the last 20 trading days prior to the start of the performance period
Final number	Initial number of PSUs of a tranche x target achievement in %
Payout amount	Final number × Ø closing share price of Nordex shares on the last 20 trading days prior to the end of the performance period

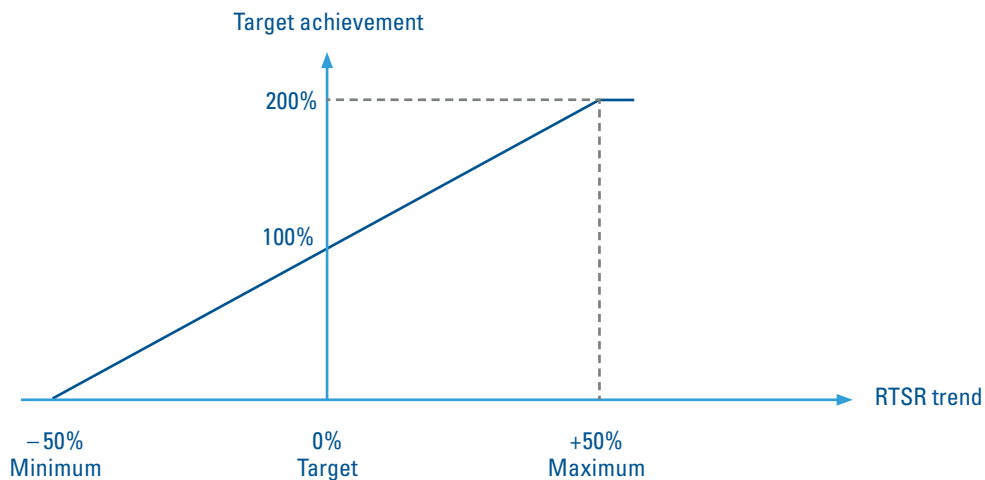
Payout is capped at 300% of the target amount

An individual target amount, which is converted into PSUs, has been agreed with the members of the Management Board. For this purpose, the target amount is divided by the average closing price of Nordex shares on the last 20 trading days prior to the start of the performance period (in the following also referred to as initial number).

Performance is determined based on two criteria. The first performance criterion (weighting: 80%) is a comparison of the performance of Nordex shares' RTSR with the arithmetic mean of the performance of the DAX, MDAX and TecDAX

benchmark indices. The level of target achievement is calculated over a four-year performance period, starting on 1 January of the year of allocation. An RTSR performance in line with the benchmark indices will represent a 100% target achievement level. If the benchmark indices are exceeded by 50% or more, this will represent a 200% target achievement level. If the trend for the RTSR of Nordex SE lags behind the RTSR trend for the benchmark indices by 50% or more, a 0% level of target achievement is assumed. Intermediate values are subject to linear interpolation.

Long-term variable remuneration – 2023–2026 tranche – RTSR trend corridor

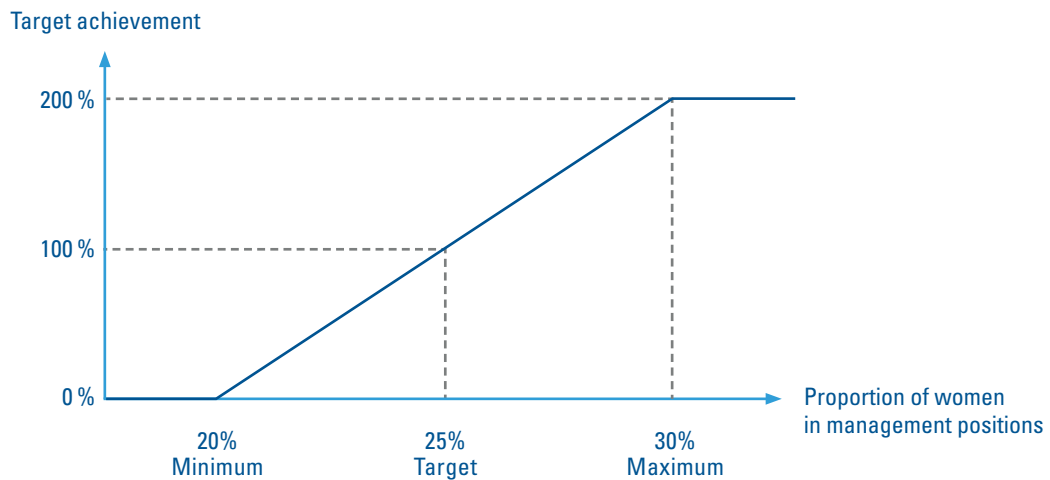


Achievement of a proportion of women at management levels M1 to M4 of 25% by 2025, derived from the Nordex Group’s 2025 sustainability strategy, has been defined as the second performance criterion (weighting: 20%). Whether the target has been achieved will be determined at the end of the 2026 performance period. A target quota for women of a minimum of 20% and a maximum of 30% has been defined as the target range. Target achievement is linearly interpolated between 0% and 200%.

The final number of PSUs is calculated by multiplying the initial number by the overall level of target achievement. This is multiplied by the average closing price of Nordex shares on the last 20 trading days prior to the end of the performance period to determine the payout amount. The PSUP payout amount is capped at 300% of the individual target amount. The amount will be paid out – at the Company’s discretion either in cash or in Nordex shares – as of the Management Board member’s salary statement for the first month after the Annual General Meeting for the financial year following the end of the performance period.

The degree of overall target achievement for a financial year is determined while taking into account each individual target achievement level and the weighting of the performance criteria.

Long-term variable remuneration – 2023–2026 tranche – for the proportion of women at management levels M1 to M4



Allocation of the 2023–2026 tranches

The allocation of the PSUP tranches issued in 2023 is presented below:

Allocation of the 2023–2026 tranche in EUR	Target amount	Average closing share price of Nordex shares prior to the start of the performance period	Initial number of PSUs	Fair value per PSU at allocation ¹
José Luis Blanco	670,000	12.43	53,902	11.11
Patxi Landa	400,000	12.43	32,180	11.11
Dr. Ilya Hartmann	260,000	12.43	20,917	11.11

¹ The fair value per PSU at allocation reflects both performance criteria.

The resulting individual remuneration corridor for the 2023–2026 tranche is as follows:

EUR	Minimum amount	Target amount	Maximum amount (300% of the target amount)
José Luis Blanco	0	670,000	2,010,000
Patxi Landa	0	400,000	1,200,000
Dr. Ilya Hartmann	0	260,000	780,000

Development of the portfolio of phantom shares in connection with the PSUP in financial year 2023

The following overview shows the development of the portfolio of PSUs held by the members of the Management Board in financial year 2023.

Current members of the Management Board	Information on the PSUPs				Information on the 2023 financial year				
	Plan	Tranche	Performance period	Allocation price	Opening balance	During the financial year		Closing balance	
					Balance at the beginning of the financial year	Newly allocated PSUs	Change	PSUs exercised	Balance at the end of the financial year
José Luis Blanco	PSUP	2023	Jan 2023 – Dec 2026	12.43	0	53,902	0	0	53,902
		2022	Jan 2022 – Dec 2024	14.50	28,966	0	0	0	28,966
		2021	Jan 2021 – Dec 2023	20.16	20,833	0	-10,416	10,417	0
Patxi Landa	PSUP	2023	Jan 2023 – Dec 2026	12.43	0	32,180	0	0	32,180
		2022	Jan 2022 – Dec 2024	14.50	17,241	0	0	0	17,241
		2021	Jan 2021 – Dec 2023	20.16	12,401	0	-6,200	6,201	0
Dr. Ilya Hartmann	PSUP	2023	Jan 2023 – Dec 2026	12.43	0	20,917	0	0	20,917
		2022 (tranche II) ¹	Jan 2022 – Dec 2025	14.50	8,966	0	0	0	8,966
		2022 (tranche I) ¹	Jan 2022 – Dec 2025	14.50	6,897	0	0	0	6,897
		2021	Jan 2021 – Dec 2024	20.16	9,921	0	0	0	9,921

¹ Compared to the 2022 (I) PSUP tranche, the 2022 (II) PSUP tranche has an additional performance criterion, namely "achieving a proportion of women in management positions".

Malus and clawback arrangements

The Supervisory Board did not make any use of the option to withhold or claw back variable remuneration components in the 2023 financial year.

Shareholding requirements

The Management Board members' new service contracts stipulate that they are obliged to purchase Nordex shares to the value of their annual base salary (gross) and hold these shares for the duration of their appointment and for a further two years after this appointment comes to an end.

An annual minimum investment amount equivalent to 25% of the net payout from the short-term variable remuneration applies until the full investment volume has been reached. This meets the requirements of the new remuneration system.

REMUNERATION AWARDED AND DUE TO THE MEMBERS OF THE MANAGEMENT BOARD WHO HELD OFFICE IN THE 2023 FINANCIAL YEAR

The following tables show the remuneration awarded and due to the members of the Management Board who held office in the 2023 financial year. In the following, for the Management

Board members holding office the remuneration granted is the remuneration for which the relevant service or performance period ended in the financial year.

Accordingly, as well as the annual base salary and the fringe benefits, the 2023 bonus and the PSUP with a 2021–2023 performance period are shown as the remuneration granted for the 2023 financial year. In addition to the remuneration amounts, pursuant to Section 162 (1) sentence 2 no. 1 German Stock Corporation Act (AktG) the relative proportion of the fixed and variable remuneration components is also indicated.

	José Luis Blanco				Dr. Ilya Hartmann			
	2023	2023	2022	2022	2023	2023	2022	2022
Remuneration awarded and due	EUR	%	EUR	%	EUR	%	EUR	%
Annual base salary	660,000	55	610,000	43	400,000	66	375,000	62
Fringe benefits	4,733	0	6,801	0	24,178	4	20,892	3
Fixed remuneration	664,733	55	616,801	43	424,178	70	395,892	66
Short-term variable remuneration (bonus)	433,225	36	378,000	27	182,280	30	205,000	34
2021–2023 Performance Share Unit Plan ¹	104,795	9	–	–	–	–	–	–
2020–2022 Performance Share Unit Plan			427,890	30			–	–
Long-term variable remuneration (Performance Share Unit Plan)	104,795	9	427,890	30	–	–	–	–
Total remuneration	1,202,753	100	1,422,691	100	606,458	100	600,892	100

¹ The performance period of the PSU issued in 2021 to Dr. Ilya Hartmann ends in 2024, is then due for payment and is reported in the remuneration report for financial year 2024.

	Patxi Landa			
	2023	2023	2022	2022
	EUR	%	EUR	%
Remuneration awarded and due				
Annual base salary	430,000	57	400,000	44
Fringe benefits	7,254	1	7,255	1
Fixed remuneration	437,254	58	407,255	45
Short-term variable remuneration (bonus)	260,110	34	250,000	27
2021–2023 Performance Share Unit Plan ¹	62,382	8		
2020–2022 Performance Share Unit Plan			254,703	28
Long-term variable remuneration (Performance Share Unit Plan)	62,382	8	254,703	28
Total remuneration	759,746	100	911,958	100

Percentages are rounded to full percentage points.

Maximum remuneration

The current service contracts define a maximum remuneration for all members of the Management Board that meets the requirements of the new remuneration system. This amounts to EUR 5,000,000 for Mr. José Luis Blanco and EUR 3,500,000 each for Mr. Patxi Landa and Dr. Ilya Hartmann. A final assessment as to whether the defined maximum remuneration amounts have been complied with can only be made once the amounts paid out from the 2023–2026 tranche of the PSUP have been determined for all Management Board members and can therefore be reported in the remuneration report for financial year 2026.

BENEFITS TO FORMER MEMBERS OF THE MANAGEMENT BOARD

Pension payments to former members of the Management Board amounted to EUR 21,326 in financial year 2023, (net) provisions at the end of the financial year amounted to EUR 340,575, and interest expense in accordance with IAS 19 amounted to EUR 12,925.

BENEFITS UPON TERMINATION OF EMPLOYMENT

Benefits in the event of premature termination

If the Company revokes the appointment and terminates the service contract without good cause, the Company may release the Management Board members from duty while continuing to pay their salary. Severance payments limited to the remuneration for the remaining term of the service contract or to a maximum amount of two years' remuneration.

Management Board members are not entitled to severance payments in case of good cause that would permit extraordinary termination in accordance with Section 626 of the German Civil Code (BGB), or in cases in which the service contract is terminated prematurely at the request of the Management Board member (through no fault of the Company).

If the service contract or the appointment to the Management Board is terminated early in certain, more closely defined "bad leaver" cases (in particular if it is terminated by Nordex SE for good cause pursuant to Section 626 (1) of the German Civil Code (BGB) or if the member of the Management Board resigns before the end of the financial year without the Company being at fault), they shall forfeit their entitlement to the bonus and the PSUs whose performance period has not yet ended under the active Management Board members' service contracts without replacement.

Benefits in the event of regular termination

If the employment relationship ends before the end of the financial year or the performance period due to the regular expiry of the contract term, retirement, disability or death, the members of the Management Board are entitled to claims from the annual base salary, bonus and the PSUP on a pro rata basis. In addition, in the event of death, the spouse, partner and children of the Management Board member are jointly granted basic annual remuneration for six months on a pro rata basis as a transitional payment.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

Under Article 18 (1) to (4) of the Articles of Incorporation, each Supervisory Board member is entitled to fixed remuneration of EUR 30,000 (2022: EUR 30,000) in consideration of the performance of their duties for each full financial year in which they are members of the Supervisory Board. The chairman of the Supervisory Board receives twice and his deputy one-and-a-half times the fixed remuneration received by a regular member of the Supervisory Board.

Each Supervisory Board member also receives fixed remuneration for membership of Supervisory Board committees. This amounts to EUR 3,000 (2022: EUR 3,000) for each full financial year in which the Supervisory Board member belonged to the committee. The chairman of a committee receives twice this amount.

The following table shows the Supervisory Board members' memberships and chairmanships on the various committees.

Supervisory Board member	Committee
Dr.-Ing. Wolfgang Ziebart (Chairman of the Supervisory Board)	Chairman of the Executive Committee and member of the Strategy and Technology Committee
Juan Muro-Lara (Deputy Chairman of the Supervisory Board)	Member of the Executive Committee and Audit Committee
Jan Klatten	Member of the Executive Committee and chairman of the Strategy and Technology Committee
Maria Isabel Blanco	Member of the Audit Committee
Martin Rey	Chairman of the Audit Committee
María Cordon	Member of the Strategy and Technology Committee

Supervisory Board members who have only belonged to the Supervisory Board or one of its committees for part of a given financial year will, for each commenced month of their service, receive one twelfth of the remuneration amount they are entitled to due to their membership.

According to Article 18 (5) of the Articles of Incorporation, Supervisory Board members receive reimbursement for expenses arising during the exercise of their duties. They are also reimbursed for any VAT incurred. The Company also pays the premiums for D&O liability insurance, which also includes the members of the Supervisory Board.

The remuneration of the Supervisory Board comprises the following:

Remuneration awarded/ due to the Supervisory Board	2023					2022				
	Fixed remuneration		Remuneration for committee work		Total remuneration	Fixed remuneration		Remuneration for committee work		Total remuneration
	EUR	%	EUR	%	EUR	EUR	%	EUR	%	EUR
Dr.-Ing. Wolfgang Ziebart	60,000	87	9,000	13	69,000	60,000	87	9,000	13	69,000
Juan Muro-Lara	45,000	88	6,000	12	51,000	45,000	88	6,000	12	51,000
Jan Klatten	30,000	77	9,000	23	39,000	30,000	77	9,000	23	39,000
Connie Hedegaard	–	–	–	–	–	12,500	91	1,250	9	13,750
Maria Isabel Blanco	30,000	91	3,000	9	33,000	20,000	91	2,000	9	22,000
Martin Rey	30,000	83	6,000	17	36,000	30,000	83	6,000	17	36,000
María Cerdón	30,000	91	3,000	9	33,000	30,000	91	3,000	9	33,000

DETAILS OF THE RELATIVE DEVELOPMENT OF THE MANAGEMENT BOARD'S REMUNERATION, THE REMUNERATION OF THE REST OF THE WORKFORCE AND THE COMPANY'S EARNINGS

The following table shows the development of the remuneration of the Management Board by comparison with the earnings trend of Nordex SE and the average remuneration received by all of the company's employees on a full-time

equivalent basis at the Nordex Group's German companies – Nordex SE, Nordex Energy SE & Co. KG and Nordex Germany GmbH – over the past five financial years. This excludes trainees, interns, working students and students preparing their diploma theses and employees on extended sick leave or parental leave.

The earnings trend is presented on the basis of the net income for the year of the Company as well as the Nordex Group.

Development of remuneration compared to the development of earnings and the remuneration of employees in %

Members of the Management Board	Change 2023 vs. 2022	Change 2022 vs. 2021	Change 2021 vs. 2020	Change 2020 vs. 2019
José Luis Blanco	-15.5%	0.8%	-28.6%	114.3%
Patxi Landa	-16.7%	6.7%	-28.0%	121.5%
Dr. Ilya Hartmann (since 01.01.2021) ¹	0.9%	63.9%	-	-
Christoph Burkhard (until 28.02.2021)	-	-92.8%	-2.0%	112.5%
Members of the Supervisory Board				
Dr.-Ing. Wolfgang Ziebart	0.0%	0.0%	0.0%	0.0%
Juan Muro-Lara	0.0%	0.0%	0.0%	0.0%
Jan Klatten	0.0%	0.0%	0.0%	0.0%
Connie Hedegaard (until 31.05.2022)	-	-58.3%	0.0%	0.0%
Maria Isabel Blanco (since 31.05.2022)	50.0%	-	-	-
Martin Rey	0.0%	0.0%	0.0%	0.0%
Rafael Mateo (until 25.06.2021)	-	-	-50.0%	0.0%
María Cordon (since 02.09.2021)	0.0%	200%	-	-
Remuneration of employees				
Employees in Germany	3.9%	17.1%	-5.6%	0.7%

¹ Figures for Dr. Ilya Hartmann corresponding to his Management Board membership since 1 January 2021.

Earnings	2023	Change in % 2023 vs. 2022	2022	Change in % 2022 vs. 2021	2021	Change in % 2021 vs. 2020	2020	Change in % 2020 vs. 2019	2019
Net income of Nordex SE in EUR thsd.	-284,580	-14.9%	-247,731	-55.9%	-158,860	n/a	68,051.0	n/a	-114,122.7
Net income of the Nordex Group in EUR thsd.	-302,811	39.2%	-497,761	-116.3%	-230,156	-77.4%	-129,705.0	-78.7%	-72,570.0

REPORT OF THE INDEPENDENT AUDITOR ON THE FORMAL AUDIT OF THE REMUNERATION REPORT PURSUANT TO §162 ABS. 3 AKTG

To Nordex SE, Rostock

Opinion

We have formally audited the remuneration report of Nordex SE, Rostock, for the financial year from 1 January to 31 December 2023 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870 (09.2023)). Our responsibility under that provision and that standard is further described in the "Auditor's Responsibilities" section of our auditor's report. As an audit firm, we have complied with the requirements of the IDW Quality Management Standard: Requirements to quality management for audit firms [IDW Qualitätsmanagementstandard – IDW QMS 1 (09.2022)]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer – BS WP/vBP], including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

Practitioner's Responsibility

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report. In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Hamburg, 20 February 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Ull	ppa. Harald van Voorst
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

FINANCIAL CALENDAR, PUBLISHING INFORMATION AND CONTACT

FINANCIAL CALENDAR

Date	
29 February 2024	Publication of 2023 Annual Report
23 April 2024	Annual General Meeting
14 May 2024	Publication of quarterly financial report (call-date Q1)
25 July 2024	Publication of half-yearly financial report
14 November 2024	Publication of quarterly financial report (call-date Q3)

PUBLISHING INFORMATION AND CONTACT

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