

Q3 2022

NORDEX GROUP

Interim Report for the period from
1 January to 30 September 2022



KEY FIGURES AT A GLANCE

Nordex Group key figures

		01.01. – 30.09.2021	01.01. – 30.09.2022	Change
Earnings				
Sales	EUR million	3,956.2	3,873.4	-2.1%
Gross revenue	EUR million	3,584.9	3,892.5	8.6%
EBITDA	EUR million	100.7	-199.8	n/a
EBIT	EUR million	-9.6	-330.3	n/a
Free cash flow	EUR million	23.2	-458.0	n/a
Capital expenditure	EUR million	112.2	124.6	11.1%
Consolidated net profit/loss for the year	EUR million	-103.7	-371.6	n/a
Earnings per share ¹	EUR	-0.79	-2.12	n/a
EBITDA margin	%	2.5	-5.2	-7.7 PP
Working capital ratio	%	-7.7	-9.8	-2.1 PP
Statement of financial position as of 30.09.2022 and 31.12.2021				
Total assets	EUR million	4,107.6	4,632.4	12.8%
Equity	EUR million	1,062.4	970.6	-8.6%
Equity ratio	%	25.9	21.0	-4.9 PP
Employees				
Employees as of 30 September		8,795	9,013	2.5%
Staff costs	EUR million	348.2	425.3	22.1%
Staff cost ratio	%	8.8	11.0	2.2 PP
Company-specific performance indicators				
Order intake, Projects segment	EUR million	3,218.8	3,647.4	13.3%
Installed capacity	MW	4,858.0	3,602.7	-25.8%

¹ Earnings per share = based on a weighted average of 174.991 million shares (previous year: 131.885 million)

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LETTER TO THE SHAREHOLDERS



José Luis Blanco
Chief Executive Officer

*Dear Shareholders,
Business Partners and
Friends of the Nordex Group,*

The third quarter of this exceptionally intense and challenging financial year is now behind us. In my last letter, I assured you of our commitment to consistently reducing the Nordex Group's risks and increasing its profitability. While we are generally on the right track to achieving these objectives, we still have some way to go. With this in mind, we are working hard to reformulate our contracts with our customers while at the same time raising prices. This price increase was already clearly apparent in the third quarter as we recorded strong order intake of 1.4 gigawatts. Regionally speaking, most of these orders came from our core markets of Europe and Latin America.

As you can see from our key figures, however, short-term pressures remain very high and are negatively impacting our profitability, with supply chain instability and its subsequent costs, component bottlenecks, project delays and increases in the cost of raw materials, services and energy still affecting our business. The latest improvements in shipping and some raw materials, for example, will only have a positive impact over time, as will the price increases for new projects. In light of this, we have now tightened the earnings guidance for the current year originally communicated in May 2022 to the lower end of our previous range and are now anticipating an EBITDA margin of around minus 4 percent.

Despite this, we are confident about the medium-term outlook for our industry. The war in Ukraine has once again demonstrated the importance of clean and independent energy production. We are seeing politicians working hard to introduce important new legislation designed to boost demand for renewable energy further. However, we are missing specific initiatives to accelerate the granting of permits for the construction of wind farms or rapidly expand the space available for wind energy, particularly in Germany. With this in mind, we are still not anticipating a particularly rapid rise in demand in the short term.

Operationally speaking, we steadily improved our business in line with expectations during the third quarter. Sales increased to a good EUR 1.7 billion causing overall sales to approach the previous year's figure at EUR 3.9 billion. The number of installations continued to increase, although it remained behind the previous year's level. As a result, we have planned a high number of installations in the fourth quarter and are aiming to catch up even further. Operating profit (EBITDA) amounted to just under minus EUR 27 million in the third quarter; this corresponds to an EBITDA margin of minus 1.5 percent. Due to the aforementioned market conditions, we are reporting a loss of around EUR 200 million for the first nine months of the year, giving us a margin of minus 5.2 percent.

As well as introducing structural measures to improve long-term profitability and strengthen our balance sheet, we added another turbine type to our product portfolio in the third quarter. With a rotor diameter of 175 meters, the N175/6.X turbine boasts the largest diameter in our portfolio and is ideal for locations with light and moderate winds. Looking at the markets, it is also worth highlighting that the problems caused by the cyber attack on 31 March have since been fully resolved, in particular enabling us to return to reporting in a timely manner. As a result, our shares were readmitted to the SDAX of the Deutsche Börse in September as expected.

Finally, I would like to reaffirm our medium-term EBITDA margin target of 8 percent. A stable long-term environment will be vital if we are to reach this target. We will continue working hard to do just that, and would like to thank you for placing your trust in us in these challenging times.

Kind regards,

José Luis Blanco



Chief Executive Officer

Hamburg, November 2022

GROUP INTERIM MANAGEMENT REPORT

for the period ended 30 September 2022

MACROECONOMIC ENVIRONMENT

During the summer of 2022, the global economy entered even deeper, rougher waters churned up by substantial pressures and crises. Against this backdrop, the International Monetary Fund (IMF) cited the dramatic acceleration in inflation, rising interest rates caused by a tightening of monetary policy in almost every corner of the globe, Russia's invasion of Ukraine in violation of international law, and a COVID-19 pandemic that has not yet been fully surmounted as the main adverse impacts that will continue to affect economic development. Numerous economic regions and countries are threatening to slide into recession, with scarce resources in established energy supplies having a critical impact in Western Europe and Germany in particular. Around the world, energy prices have generally increased drastically year-on-year. Appropriate measures have already been implemented or are being developed to limit the effects of these prices on the economy and consumers and to skim off so-called excess profits, including those related to generating electricity from renewable sources.

Under these conditions, the economic scenarios envisaged for 2023 in particular have been revised once again. While the IMF's growth forecast ("World Economic Outlook, October 2022") for 2022 remains unchanged at +3.2%, with the outlook for the USA downgraded as a result of interest rate hikes, it now only expects the global economy to grow by 2.7% in 2023 instead of 2.9% as stated in its previous forecast in July (April forecast: +3.6%). The IMF has revised its 2023 estimates markedly downward once again, particularly those for the eurozone.

Expected BIP growth in 2022 and 2023 (selected countries and regions)

in %	2021	2022e	2023e
World	6.0	3.2	2.7
Industrialized countries	5.2	2.4	1.1
USA	5.7	1.6	1.0
Eurozone	5.2	3.1	0.5
Germany	2.6	1.5	-0.3
France	6.8	2.5	0.7
Spain	5.1	4.3	1.2
Italy	6.6	3.2	-0.2
United Kingdom	7.4	3.6	0.3
Developing/ emerging countries	6.6	3.7	3.7
India	8.7	6.8	6.1
Latin America	6.9	3.5	1.7
Brazil	4.6	2.8	1.0

Sources: IMF

SECTOR ENVIRONMENT

The wind energy sector has continued to expand slowly despite the challenging environment. Taking decommissioning into account, an additional 230 wind turbines have been installed in Germany since the start of 2022, with nominal output increasing by 1,367 MW overall (as of 3 October 2022, Deutsche WindGuard). As a result, the accumulated number of wind turbines, taking decommissioning into account, was 28,358 turbines with a combined output of 57,341 MW.

According to the German Federal Network Agency (BNetzA), three rounds of tenders for onshore wind turbines totaling 4,000 MW were scheduled in Germany for 2022, with a volume of 1,320 MW in the third round on 1 September. However, only 87 bids with a total bid volume of approximately 772 MW were submitted as part of these tenders. Contracts were awarded for all of these bids, with an average volume-weighted bid value of 5.84 ct/kWh (H1 2022: 5.79 ct/kWh, full-year 2021: 5.88 ct/kWh). High inflation, combined with sluggish approval processes, could be one key reason for these undersubscribed tenders and could have a negative impact on the tender process scheduled for December 2022. According to the German Wind Energy Association (BWE) and Deutsche WindGuard as well as the German Mechanical Engineering Industry Association (VDMA), a tender volume of 12.8 GW is possible for 2023, with 10 GW of tenders predicted per annum from 2024 onwards.

The war in Ukraine and the energy crisis it has triggered are expected to accelerate the move away from fossil fuels, with the expansion of wind energy set to play a central role in this transition. According to the latest forecast from the Global Wind Energy Council (GWEC), global installations in the onshore market are expected to increase by around 27% to 91.9 GW in 2022, with 89.9 GW anticipated for 2023. As a result, the medium to long-term outlook for the market remains positive and will be supported by ambitious political goals. In August, for example, US politicians passed the Inflation Reduction Act, a law that will grant tax breaks for expanding wind energy in the USA between 2023 and 2032. Although there is still support for the expansion of wind energy in Europe and Germany in particular, more specific measures are needed to shorten the time required to complete approval processes, for example, and to make sufficient space available for turbines.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

The market environment for manufacturers of wind turbines such as the Nordex Group remained challenging in the third quarter of 2022. In addition to supply chain disruption, increases and strong fluctuations in the prices of precursors and services had a particularly adverse impact on business planning and profitability.

Despite this challenging environment, the Nordex Group consolidated its global market position during the third quarter by recording solid order intake of more than 1.4 GW. There was particularly strong demand for our N163/5.X turbines as well as turbines in the 6 MW class.

The Nordex Group reached an important technological milestone with the unveiling of its N175/6.X turbine. With a newly designed one-piece rotor, the N175/6.X achieves an above-average capacity factor and can generate between 7–14% of additional output in locations with light and moderate winds compared to its predecessors. This higher performance at lower wind speeds is due to the larger rotor, enabling operators to profit from increased power production at a time when electricity prices are typically high. The N175/6.X is part of the tried-and-tested Delta4000 series with a wide range of additional options.

The Nordex Group also managed to strengthen its balance sheet and boost liquidity by successfully completing two capital increases. The Company generated gross proceeds of EUR 351 million overall, consisting of EUR 139 million from a capital increase with pre-emption rights disapplied by way of a private placement with its anchor shareholder and EUR 212 million from an additional rights issue. The Nordex Group also secured repayment of the high-yield bond for 2023.

SEGMENT PERFORMANCE

Segment performance key data

EUR million	Projects		Service		Group	
	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
Order intake	3,647	3,219	471	422	4,118	3,641
Order book	6,523	5,006	3,144	2,953	9,667	7,959
Sales	3,542	3,632	398	332	3,873	3,956
EBIT	-62	107	64	55	-330	-10

In segment reporting, sales, income and expenses that cannot be clearly allocated to the "Projects" or "Service" segments are reported separately as "Not allocated." The complete segment reporting can be found in the notes to the financial statements starting on page 28.

NEW ORDERS

In the first nine months of 2022, the Nordex Group in its Projects segment received orders for wind power systems valued at EUR 3,647.4 million (9M 2021: EUR 3,218.8 million) with a nominal output of 4,424.0 MW (9M 2021: 4,610.1 MW). At 69%, the majority of orders again came from Europe, with 26% coming from Latin America and 5% from North America (measured in MW). The orders won in the first three quarters of 2022 were spread across a total of 19 countries. The five largest individual markets were Germany, Finland, Brazil, Colombia and Spain. The average selling price (ASP) per megawatt of output in euros in the reporting period was EUR 0.82 million/MW, which was a good 17% higher than the price seen in the prior-year period (9M 2021: EUR 0.70 million/MW).

The order book in the Projects segment as of 30 September 2022 increased by 30.3% to EUR 6,522.8 million as a result of the strong order intake (30 September 2021: EUR 5,005.6 million). A share of 65% of the order book was attributable to Europe, 27% to Latin America, 5% to the Rest of the World and 3% to North America.

The book-to-bill ratio (i.e., the ratio of order intake to sales recognized in the Projects segment) stood at 1.03 for the first nine months of 2022 (9M 2021: 0.89).

At EUR 470.9 million, order intake in the Service segment in the first nine months of 2022 was up 11.7% year-on-year (9M 2021: EUR 421.8 million). As of 30 September 2022, the service order book increased further by 6.5% to EUR 3,143.9 million (30 September 2021: EUR 2,953.1 million). At the end of September 2022, the Nordex Group supported a total of 10,426 wind turbines in its Service segment with a total output of 29.8 GW (30 September 2021: 9,773 turbines with an output of 26.6 GW).

PRODUCTION AND INSTALLATION

Production output

Production	Turbines (MW)		Rotor blades (units)	
	9M 2022	9M 2021	9M 2022	9M 2021
Germany	2,329.9	2,662.9	216	493
Spain	597.6	1,901.4	87	301
Brazil	642.5	69.3	n/a	n/a
India	1,312.3	172.9	567	157
Mexico	n/a	n/a	9	291
China	11.4	0.0	n/a	n/a
Total	4,893.7	4,806.5	879	1,242

Although the unstable supply chains had a negative impact on the value-added processes in the third quarter, the total output of the 1,003 turbines produced rose slightly to 4,893.7 MW (9M 2021: 1,068 turbines with a total output of 4,806.5 MW). A total of 525 nacelles were produced in Germany, 115 in Spain, 238 in India, 123 in Brazil and 2 in China. The production output for rotor blades totaled 3,357 rotor blades (9M 2021: 3,120 rotor blades); of these, the Company manufactured 879 rotor blades in its own facilities (9M 2021: 1,242 rotor blades) and procured 2,478 rotor blades from external suppliers in accordance with Nordex specifications (9M 2021: 1,878 rotor blades).

Installations

Country	Installed capacity (MW)	
	9M 2022	9M 2021
Europe	2,649.4	2,747.9
North America	448.8	916.8
Latin America	504.5	610.6
Rest of world	0	582.7
Total	3,602.7	4,858.0

Installations declined significantly in the first nine months of 2022. This was due to the lack of installations in the Rest of the World region, an exceptionally high prior-year figure in North America, and continued project delays in Europe and Latin America. The Nordex Group installed a total of 791 wind turbines with a total output of 3,602.7 MW in 17 countries during this period (9M 2021: 1,216 turbines with 4,858.0 MW). Europe accounted for 74% of the installations, Latin America for 14% and North America for 12% (in terms of MW).

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Selected key data

	01.01. – 30.09.2022	01.01. – 30.09.2021	Change
Sales (in EUR million)	3,873.4	3,956.2	–2.1%
EBITDA margin (in %)	–5.2	2.5	–7.7 PP
EBIT margin ¹ (in %)	–8.4	–0.1	–8.3 PP
Capital expenditure (CAPEX) (in EUR million)	124.6	112.2	11.1%
Financial result (in EUR million)	–65.5	–98.1	–33.3%
Consolidated net profit/loss (in EUR million)	–371.6	–103.7	n/a
Earnings per share ² (in EUR)	–2.12	–0.79	n/a
Working capital ratio (in %, as of 30 September)	–9.8	–7.7	–2.1 PP
Free cash flow (in EUR million)	–458.0	23.2	n/a
Equity ratio (in %, as of 30 September)	21.0	28.5	–7.5 PP

¹ Excluding depreciation and amortization from purchase price allocation (PPA) for Acciona Windpower

² Based on a weighted average of 174,991 million shares (previous year: 131,885 million shares)

The Nordex Group posted consolidated sales of EUR 3,837.4 million in the first nine months of 2022, down 2.1% year-on-year (9M 2021: EUR 3,956.2 million). Sales in the Projects segment fell by 2.5% to EUR 3,542.0 million (9M 2021: EUR 3,631.7 million), while sales in the Service segment grew by 19.9% year-on-year to EUR 397.9 million (9M 2021: EUR 331.8 million). This brought sales in the Service segment to 10.3% of total sales in the first nine months of 2022.

Inventories were further increased to prepare for the processing of the sharp rise in order intake. Changes in inventories up until the end of September totaled EUR 19.0 million, lifting gross revenue in the first three quarters by 8.6% to EUR 3,892.5 million (9M 2021: EUR 3,584.9 million). Gross profit (gross revenue less cost of materials) decreased by 35.1% to EUR 439.2 million in the reporting period (9M 2021: EUR 676.6 million). Structural costs (staff costs and net other operating income/expenses) increased by 11.0% to EUR 639.0 million (9M 2021: EUR 575.9 million). Staff costs rose by 22.1% to EUR 425.3 million, driven mainly by a higher number of employees.

The Nordex Group's earnings before interest, taxes, depreciation and amortization (EBITDA) fell to EUR –199.8 million (9M 2021: EUR 100.7 million), resulting in an EBITDA margin of –5.2% compared to 2.5% in the previous year. This result fell considerably short of expectations due to the inflationary environment and unstable supply chains. Depreciation and amortization amounted to EUR 130.5 million, up 18.3% on the prior-year period (9M 2021: EUR 110.4 million). This figure includes lower depreciation and amortization of EUR 3.6 million arising from the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower (9M 2021: EUR 7.5 million).

Earnings before interest and taxes (EBIT) amounted to EUR –330.3 million (9M 2021: EUR –9.6 million) in the first nine months of 2022. This corresponds to an EBIT margin of –8.5% (9M 2021: –0.2%), or –8.4% when adjusted for PPA-related depreciation and amortization (9M 2021: –0.1%). Excluding unallocated income and expenses, EBIT was EUR –61.9 million in the Projects segment (9M 2021: EUR 107.5 million) and EUR 64.0 million in the Service segment (9M 2021: EUR 55.4 million) as of the end of September.

The financial result totaled EUR –65.5 million in the first nine months of the year, reflecting an improvement of 33.3% compared to the prior-year figure (9M 2021: EUR –98.1 million). This was primarily due to the reduction in interest expenses resulting from the conversion of the shareholder loan into equity in July 2021. The income tax result for the reporting period was EUR 24.2 million (9M 2021: EUR 4.1 million), giving a consolidated loss of EUR 371.6 million (9M 2021: consolidated loss of EUR 103.7 million). Earnings per share in the nine-month period came to EUR –2.12 (9M 2021: EUR –0.79).

Despite the recent targeted increase in inventories, the working capital ratio improved to –9.8% year-on-year as of 30 September 2022 thanks to continuous working capital management (30 September 2021: –7.7%). Operating cash flow declined significantly to EUR –357.5 million in the first nine months of the year (9M 2021: EUR 127.5 million), particularly as a result of the consolidated net loss. Cash flow from investing activities fell slightly to EUR 100.5 million (9M 2021: EUR 104.3 million). Together, these developments led to a negative free cash flow of EUR 458.0 million (9M 2021: EUR 23.2 million). The Company's financing activities were shaped by cash inflows from the capital increase carried out in the third quarter. Cash flow from financing activities totaled EUR 341.5 million in the first nine months (9M 2021: EUR 73.0 million).

Thanks to the capital increases, the Nordex Group had cash and cash equivalents of EUR 671.8 million as of 30 September 2022 (31 December 2021: EUR 784.4 million). Overall the Group had net liquidity (liabilities to banks, and bond, shareholder loan and employee bond less cash and cash equivalents) of EUR 292.4 million as of the 30 September 2022 reporting date (31 December 2021: net liquidity of EUR 423.7 million).

Total assets rose to EUR 4,632.4 million overall as at the reporting date, primarily as a result of the cash inflows from the capital increase implemented in July (31 December 2021: EUR 4,107.6 million). Assets were predominantly impacted by the increase in inventories. On the equity and liabilities side, this resulted in a rise in trade payables as well as an increase in contract liabilities from projects triggered by higher order intake. Equity fell by 8.6% to EUR 970.6 million (31 December 2021: EUR 1,062.4 million), with the rise in subscribed capital and capital reserves roughly offsetting the consolidated net loss. As a result of the reduction in equity and sharp increase in total assets, the equity ratio declined to 21.0% as at 30 September 2022 (31 December 2021: 25.9%).

Capital expenditure (CAPEX) rose by 11.1% to EUR 124.6 million in the first nine months (9M 2021: EUR 112.2 million), with the ongoing alignment of production to the new turbine and rotor blade types impacting on this trend. Investments in property, plant and equipment at EUR 105.6 million (9M 2021: EUR 92.4 million) focused mainly on the procurement of installation and transport equipment, which also includes tower production, and the expansion of blade production in Mexico, Spain and India. Investments in intangible fixed assets came to EUR 19.0 million in the first nine months (9M 2021: EUR 19.8 million).

EMPLOYEES

As of the 30 September 2022 reporting date, the Nordex Group had a total of 9,013 employees (30 September 2021: 8,795 employees). As this job growth was primarily attributable to the planned future growth in business volume underpinned by the strong order book, it was focused on various mainly production and project-related departments as well as the services business.

OPPORTUNITIES AND RISKS

The geopolitical uncertainty caused by the war in Ukraine and the impact of the coronavirus pandemic, and in particular the zero-Covid strategy being pursued in China, continue to have an adverse impact on the wind sector, particularly with regard to supply chain stability. In addition, significantly higher cost inflation for precursors, services and energy has been having a negative effect since the middle of the year. As a result, risks affecting business performance still exist as a result of unplanned project delays or budget-busting cost increases. From today's viewpoint, these risks are expected to remain high for at least the rest of 2022 and will likely also have an impact in 2023.

Apart from those mentioned above, no opportunities or risks affecting the business performance of the Nordex Group in 2022 arose in the first nine months of 2022 that deviate materially from the opportunities and risks presented in the 2021 Annual Report.

REPORT ON EXPECTED DEVELOPMENTS

The effects of continued supply chain instability, particularly in China, and the persistently high inflationary cost environment also had an adverse impact on the third quarter of 2022. This continued to weigh heavily on the Nordex Group's profitability, with EBITDA falling short of expectations. Against this background, the Nordex Group has updated its guidance for financial year 2022 taking into account developments in the third quarter and the outlook for the fourth quarter: The Nordex Group now anticipates an EBITDA margin at around minus 4%, at the lower end of the previous guidance (previously: minus 4% to 0%), for 2022. The forecasts for consolidated sales (EUR 5.2 to 5.7 billion), capital expenditure (around EUR 180 million) and the working capital ratio (below minus 7%) remain unchanged. The guidance includes all exceptional and one-off effects including reconfiguration costs, any profits from project development operations, costs from cyber security incident and so on.

However, the Group expects to overcome the current challenges and continues to aim for its strategic target of achieving an EBITDA margin of 8% in the medium term.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events after the end of the reporting period are known to the Group.

The present interim report for the first nine months ended 30 September 2022 (Group interim management report and condensed interim consolidated financial statements) were neither audited nor reviewed by an auditor.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 September 2022

ASSETS

EUR thousand	Note	30.09.2022	31.12.2021
Cash and cash equivalents	(1)	671,759	784,440
Trade receivables	(2)	134,543	162,530
Contract assets from projects	(3)	751,203	536,526
Current contract assets from services	(4)	6,715	7,327
Inventories	(5)	1,122,204	722,487
Income tax receivables		11,598	15,293
Other current financial assets	(6)	64,561	61,029
Other current non-financial assets	(7)	255,099	209,918
Current assets		3,017,682	2,499,550
Property, plant and equipment	(8)	538,501	506,958
Goodwill	(9)	547,758	547,758
Capitalized development expenses	(10)	156,780	163,551
Prepayments made		34	32
Other intangible assets		14,167	16,626
Investments		3,451	3,512
Investments in associates		52	6,398
Non-current contract assets from services	(4)	38,496	32,171
Other non-current financial assets	(11)	13,437	16,283
Other non-current non-financial assets	(12)	18,647	13,444
Deferred tax assets	(13)	283,434	301,347
Non-current assets		1,614,757	1,608,080
Assets		4,632,439	4,107,630

EQUITY AND LIABILITIES

EUR thousand	Note	30.09.2022	31.12.2021
Current liabilities to banks	(14)	43,224	6,564
Trade payables	(15)	1,374,318	1,032,600
Contract liabilities from projects	(3)	1,158,669	945,128
Current contract liabilities from services	(4)	44,986	29,391
Income tax payables		10,529	22,121
Other current provisions	(16)	95,715	108,378
Other current financial liabilities	(17)	364,298	48,406
Other current non-financial liabilities	(18)	210,089	136,966
Current liabilities		3,301,828	2,329,554
Non-current liabilities to banks	(14)	6,500	25,500
Non-current contract liabilities from services	(4)	135,773	130,924
Pensions and similar obligations		2,690	2,523
Other non-current provisions	(16)	28,432	28,807
Other non-current financial liabilities	(19)	160,065	428,335
Other non-current non-financial liabilities	(20)	3,147	2,692
Deferred tax liabilities	(13)	23,380	96,900
Non-current liabilities		359,987	715,681
Subscribed capital		211,946	160,021
Capital reserves		1,531,175	1,236,071
Other retained earnings		-11,087	-11,087
Cash flow hedge reserve		-21,051	2,415
Reserve for cash flow hedge costs		1,327	529
Foreign currency adjustment item		-158,291	-113,719
Consolidated net profit/loss carried forward		-211,835	-211,835
Consolidated net profit/loss		-371,560	0
Share in equity attributable to shareholders of the parent		970,624	1,062,395
Equity	(21)	970,624	1,062,395
Equity and liabilities		4,632,439	4,107,630

CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 30 September 2022

EUR thousand	Note	01.01.2022 – 30.09.2022	01.01.2021 – 30.09.2021
Sales	(23)	3,873,436	3,956,209
Changes in inventories and other own work capitalized	(24)	19,042	–371,322
Gross revenue		3,892,478	3,584,887
Cost of materials	(25)	–3,453,320	–2,908,261
Gross profit		439,158	676,626
Other operating income	(26)	24,473	25,209
Other operating expenses	(26)	–235,974	–252,930
Staff costs	(27)	–398,694	–348,194
Structural costs		–610,195	–575,915
Adjusted EBITDA before restructuring costs		–171,037	100,711
Restructuring costs	(28)	–28,788	0
EBITDA		–199,825	100,711
Depreciation/amortization	(29)	–130,500	–110,350
EBIT		–330,325	–9,639
Profit/loss from equity-accounting method		–5	–10
Impairment of investments		–8	0
Other interest and similar income		5,068	3,129
Interest and similar expenses		–70,528	–101,211
Financial result	(30)	–65,473	–98,092
Net profit / loss from ordinary activities		–395,798	–107,731
Income tax	(31)	24,238	4,078
Consolidated net loss		–371,560	–103,653
Of which attributable to			
shareholders of the parent		–371,560	–103,653
Earnings per share (in EUR)	(32)		
Basic ¹		–2.12	–0.79
Diluted ²		–2.12	–0.79

¹ Based on a weighted average of 174.991 million shares (previous year: 131.885 million shares)

² Based on a weighted average of 174.991 million shares (previous year: 131.885 million shares)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January to 30 September 2022

EUR thousand	01.01.2022 – 30.09.2022	01.01.2021 – 30.09.2021
Consolidated net loss	-371,560	-103,653
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation difference	-44,572	-22,151
Cash flow hedges	-34,508	-8,582
Deferred taxes	11,042	2,746
Cash flow hedge costs	1,174	166
Deferred taxes	-376	-53
Consolidated comprehensive income	-438,800	-131,527
Of which attributable to		
shareholders of the parent	-438,800	-131,527

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 30 September 2022

EUR thousand	01.01.2022 – 30.09.2022	01.01.2021 – 30.09.2021
Operating activities		
Consolidated net loss	-371,560	-103,653
+ Depreciation/amortization of non-current assets	130,508	110,350
= Consolidated net loss plus depreciation/amortization	-241,052	6,697
-/+ Increase/decrease in inventories	-399,716	347,738
+/- Decrease/increase in trade receivables	27,987	-36,246
- Decrease in contract assets from projects	-214,677	-26,282
+/- Increase/decrease in trade payables	341,718	-56,854
+/- Increase/decrease in contract liabilities from projects	213,541	-103,126
= Payments received from changes in working capital	-31,147	125,230
- Increase in other assets not attributed to investing or financing activities	-53,107	-43,706
+ Increase in pensions and similar obligations	166	13
- Decrease in other provisions	-13,039	-26,186
+ Increase in other liabilities not attributed to investing or financing activities	21,054	54,721
-/+ Gain/loss from the disposal of non-current assets	-7,777	906
- Other interest and similar income	-5,068	-3,129
+ Interest received	3,416	971
+ Interest and similar expenses	70,528	101,211
- Interest paid	-63,968	-82,345
- Income tax	-24,238	-4,078
- Taxes paid	-10,171	-6,151
-/+ Other non-cash income/expenses	-3,085	3,350
= Payments made for other operating activities	-85,289	-4,423
= Cash flow from operating activities	-357,488	127,504

EUR thousand	01.01.2022 – 30.09.2022	01.01.2021 – 30.09.2021
Investing activities		
+ Payments received from the disposal of property, plant and equipment/ intangible assets	9,371	8,737
– Payments made for investments in property, plant and equipment/ intangible assets	–124,608	–112,218
+ Payments received from the disposal of long-term financial assets	15,077	21
– Payments made for investments in long-term financial assets	–307	–874
= Cash flow from investing activities	–100,467	–104,334
Financing activities		
+ Payments received from capital increase	344,129	373,470
+ Bank loans received	16,547	4,596
– Bank loans repaid	0	–505,625
– Cash repayments of bonds	–156	–78
+ Shareholder loan received	0	215,000
– Lease liabilities repaid	–18,980	–14,334
= Cash flow from financing activities	341,540	73,029
Net change in cash and cash equivalents	–116,415	96,199
+ Cash and cash equivalents at the beginning of the period	784,440	778,357
+/- Exchange rate-induced change in cash and cash equivalents	3,734	–3,340
= Cash and cash equivalents at the end of the period (Cash and cash equivalents as shown in the consolidated statement of financial position)	671,759	871,216

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 30 September 2022

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2022	160,021	1,236,071	-11,087
Capital increase			
Payments received from capital increase	51,925	299,239	0
Costs from capital increase	0	-7,036	0
Income tax	0	2,251	0
Employee stock option program	0	650	0
Consolidated comprehensive income	0	0	0
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
30.09.2022	211,946	1,531,175	-11,087

	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	0	0	0	351,164	351,164
	0	0	0	0	0	-7,036	-7,036
	0	0	0	0	0	2,251	2,251
	0	0	0	0	0	650	650
	-23,466	798	-44,572	0	-371,560	-438,800	-438,800
	0	0	0	0	-371,560	-371,560	-371,560
	0	0	-44,572	0	0	-44,572	-44,572
	-34,508	0	0	0	0	-34,508	-34,508
	11,042	0	0	0	0	11,042	11,042
	0	1,174	0	0	0	1,174	1,174
	0	-376	0	0	0	-376	-376
	-21,051	1,327	-158,291	-211,835	-371,560	970,624	970,624

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 30 September 2021

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2021	117,349	795,698	50,976
Capital increase			
Payments received from capital increase	42,672	543,474	0
Costs from capital increase	0	-16,096	0
Income tax	0	5,151	0
Consolidated comprehensive income	0	0	0
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
30.09.2021	160,021	1,328,227	50,976

	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
	9,341	265	-65,531	-134,565	0	773,533	773,533
	0	0	0	0	0	586,146	586,146
	0	0	0	0	0	-16,096	-16,096
	0	0	0	0	0	5,151	5,151
	-5,836	113	-22,151	0	-103,653	-131,527	-131,527
	0	0	0	0	-103,653	-103,653	-103,653
	0	0	-22,151	0	0	-22,151	-22,151
	-8,582	0	0	0	0	-8,582	-8,582
	2,746	0	0	0	0	2,746	2,746
	0	166	0	0	0	166	166
	0	-53	0	0	0	-53	-53
	3,505	378	-87,682	-134,565	-103,653	1,217,207	1,217,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the interim period from 1 January to 30 September 2022

ACCOUNTING POLICIES

BASIS OF PREPARATION

These unaudited and unreviewed condensed interim consolidated financial statements of Nordex SE and its subsidiaries for the first nine months of 2022 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in the European Union. All IFRSs and interpretations applicable for the reporting period ending on 30 September 2022 have been observed, in particular IAS 34 Interim Financial Reporting.

These interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the 2021 financial year. The accounting policies contained in the consolidated financial statements as of 31 December 2021 also apply to the interim consolidated financial statements as of 30 September 2022, unless explicit reference is made to changes. For more information on the applied accounting policies, see the consolidated notes for the financial year from 1 January to 31 December 2021. The consolidated financial statements for the financial year from 1 January to 31 December 2021 are available on the Internet at www.nordex-online.com under Investors.

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 our Turkish subsidiary, which is based on a historical cost approach, has been adjusted since then to reflect the overall change in purchasing power. The price index (CPI) in September 2022 was 1,046.89 (September 2021: 570.66). The previous

year's figures have not been adjusted in accordance with IAS 21.42. Nordex recorded a net loss of EUR 299 thousand due to hyperinflation adjustments.

The business results for the first nine months of 2022 are not necessarily indicative of the results expected for the year as a whole. Expenses incurred irregularly during the financial year have only been recognized or accrued in the interim consolidated financial statements to the extent that such recognition or accrual would also be appropriate at the end of the financial year.

As expected, the Nordex Group increased sales significantly compared to previous quarters to EUR 1.7 billion during the third quarter. Sales for the first nine months of the 2022 financial year were almost on a par with the previous year's figure at EUR 3.9 billion (9M/2021: EUR 4.0 billion). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to minus EUR 200 million (9M/2021: EUR 101 million), resulting in an EBITDA margin of minus 5.2 percent (9M/2021: 2.5 percent). These figures were hampered by the persistently strong inflationary environment and supply chain disruption in particular. In addition, the latest rise in selling prices for new incoming orders will only have a positive impact after some time.

Regarding the direct impact of the war in Ukraine on the Nordex Group's business, the Company can confirm the statements made in the consolidated financial statements as of 31 December 2021. In addition, the Nordex Group has analyzed further accounting implications. This includes, for example, the consolidation of the subsidiary in Ukraine and the recoverability of current and non-current assets directly related to the business in Ukraine. There were no indications of significant impairment. Nordex also held talks with its

customers to confirm that the projects in Ukraine are to be continued at a later date. Should the situation change, working capital write-downs might be possible in the future due to projects that have either been paused or are no longer being implemented.

Persistently high volatility and ongoing supply chain and logistics disruption, particularly for shipping, as well as significant bottlenecks for steel and other critical components are having a considerable adverse impact on existing projects, partly also as an indirect consequence of the military conflict. The scope and extent of such impacts are difficult to assess and even more challenging to predict. Nevertheless, the Company expects that these factors will have a negative impact overall on its further earnings performance in 2022.

The entire industry is also impacted by further developments in connection with supply chain disruptions. These included the lockdown in Shanghai and other provinces in China that aggravated existing supply chain disruptions and caused additional problems with the availability of components.

However, the adjustments of the production network announced by the Company are steadily taking shape, with the closure of a Spanish production facility for the assembly of nacelles and termination of the production of rotor blades in Germany now complete. Restructuring costs amount to EUR 28.8 million.

Furthermore, the Nordex Group was exposed to a cyber incident at the end of March 2022, which forced the Company to shut down various IT systems in different business units as a precautionary measure. Although there were no indications that the attack affected wind farms and third-party systems, the Company's corporate IT infrastructure needed to be rebuilt. This has affected operations. The resulting delays and costs are in addition to the direct costs that were incurred as part of the rebuilding and reinforcement of the Nordex Group's IT infrastructure.

Total assets rose by 12.8% compared with the end of 2021 to around EUR 4.6 billion. The equity ratio was 21.0% as of 30 September 2022 (31 December 2021: 25.9%). This development was due to a higher level of total assets and the consolidated net loss. As of the reporting date, the Group had cash and cash equivalents of EUR 671.8 million (31 December 2021: EUR 784.4 million). The working capital ratio as a percentage of consolidated sales was -9.8% (31 December 2021: -10.2%).

FOREIGN CURRENCY TRANSLATION

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 interim period		Closing rates as of 30.9./31.12.	
	01.01. – 30.09.2022	01.01. – 30.09.2021	30.09.2022	31.12.2021
AUD	1.5040	1.5762	1.5076	1.5615
BRL	5.4448	6.3709	5.2584	6.3101
CLP	911.8449	881.3075	939.7613	964.3202
CNY	7.0186	7.7393	6.9368	7.1947
GBP	0.8468	0.8639	0.8830	0.8403
HRK	7.5336	7.5328	7.5240	7.5156
INR	82.2894	88.0614	79.4250	84.2290
MXN	21.5183	24.0711	19.6393	23.1438
NOK	10.0002	10.2241	10.5838	9.9888
PEN	4.0727	4.5757	3.8745	4.5193
PLN	4.6685	4.5463	4.8483	4.5969
SEK	10.5220	10.1508	10.8993	10.2503
TRY	16.7613	9.6574	18.0832	15.2346
USD	1.0626	1.1964	0.9748	1.1326
ZAR	16.9405	17.4172	17.5346	18.0636

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-change for shares of Nordex SE.

The total expense recognized for the employee stock option program in the interim period of 1 January to 30 September 2022 amounts to EUR 683 thousand (1 January to 30 September 2021: EUR 0 thousand).

Transformation Incentive Plan

Under the Transformation Incentive Plan, each Management Board member and selected executives were granted a one-off special bonus as of the end of the 2022 financial year based on targets related to consolidated EBITDA and consolidated free cash flow. This is intended to incentivize the achievement of the Company's strategic goals of sustained profitability and cash flow up to the end of the 2022 financial year.

In the interim period of 1 January to 30 September 2022, the expense for this program came to EUR 0 thousand (1 January to 30 September 2021: EUR 0 thousand), since the stipulated performance targets in order to achieve vested status will probably not be met.

Performance Share Unit Plan

The long-term variable remuneration of the Management Board is structured as a Performance Share Units Plan based on phantom stock.

The total expense recognized for the Performance Share Units Plan in the interim period of 1 January to 30 September 2022 amounts to EUR 620 thousand (1 January to 30 September 2021: EUR 263 thousand).

The carrying amount of the liabilities arising from the Performance Share Units Plan amounts to EUR 622 thousand (31 December 2021: EUR 2,300 thousand).

FINANCIAL RISK MANAGEMENT

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 is Nordex SE, with the main Nordex Group companies holding joint and several liability. The corporate bond has been certified as a green financial instrument. As at 30 September 2022, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 277,295 thousand (31 December 2021: EUR 280,387 thousand), of which EUR 277,295 thousand (31 December 2021: EUR 7,448 thousand) is current.

Shareholder loan

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

The 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 loan runs until 30 April 2025 at an interest rate of 10.0%.

The second shareholder loan amounts to EUR 286,000 thousand. The first tranche of EUR 11,000 thousand was granted in July 2022, while the second tranche of EUR 275,000 thousand will serve to repay the corporate bond. The loan runs until 29 July 2026 at an interest rate of 14.0%.

As at 30 September 2022, the liability including accrued costs and interest recognized under non-current financial liabilities amounted to EUR 48,627 thousand (31 December 2021: EUR 44,499 thousand).

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 a further EUR 215,000 thousand was repaid in April 2021, the promissory note currently is comprised of tranches with original terms of seven and ten years, each subject to fixed or variable interest. Depending on the tranche, the interest rate is between 2.1% and 3.0%. The promissory note has been certified as a green financial instrument. As at 30 September 2022, the liability including accrued costs and interest recognized under liabilities to banks amounted to EUR 25,802 thousand (31 December 2021: EUR 25,890 thousand), of which EUR 19,302 thousand (31 December 2021: EUR 390 thousand) 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 at 30 September 2022, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 3,752 thousand (31 December 2021: EUR 3,741 thousand), of which EUR 223 thousand (31 December 2021: EUR 56 thousand) is current.

Syndicated multi-currency guarantee facility

Nordex SE also has a syndicated multi-currency guarantee facility that runs until 9 April 2024 and has been increased from EUR 1,238,750 thousand to EUR 1,410,000 thousand in June 2021 and in which the main Nordex Group companies hold joint and several liability. This facility may be extended twice for one more year in each case. In addition, it has been agreed that an amount of up to EUR 100,000 thousand from this top-up will also be made available in the form of guaranteed cash credit lines. As at 30 September 2022, EUR 1,264,215 thousand (31 December 2021: EUR 1,155,995 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 at 30 September 2022, the cash drawdowns on these facilities recognized under current liabilities to banks amounted to EUR 23,922 thousand (31 December 2021: EUR 6,174 thousand).

The syndicated multi-currency guarantee facility is further subject to uniform and agreed financial covenants (liquid assets and equity ratio), compliance with which is confirmed in quarterly reports to the banks. The financial institutions may only terminate this multi-currency guarantee facility for good cause. All of the financial covenants were met as of 30 September 2022.

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 stood at EUR 970,624 thousand as at 30 September 2022 (31 December 2021: EUR 1,062,395 thousand). The Group monitors its capital by means of the working capital employed. Working capital is defined as the sum total of trade receivables, contract assets from projects and inventories less trade payables and contract liabilities from projects:

EUR thousand	30.09.2022	31.12.2021
Trade receivables	134,543	162,530
Contract assets from projects	751,203	536,526
Inventories	1,122,204	722,487
Trade payables	-1,374,318	-1,032,600
Contract liabilities from projects	-1,158,669	-945,128
	-525,037	-556,185
Sales ¹	5,361,178	5,443,950
Working capital ratio	-9.8%	-10.2%

¹ The sales figures presented relate to the 12-month period ended on the reporting date.

GROUP SEGMENT REPORTING

In line with business activities, the reportable segments are the Projects and Service segments. 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 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). 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	
	9M 2022	9M 2021
Sales	3,542,054	3,631,665
Changes in inventories and other own work capitalized	18,716	-367,981
Cost of materials	-3,175,351	-2,730,687
Other income and expenses	-447,301	-425,551
EBIT	-61,883	107,446
Other interest and similar income	0	0
Interest and similar expenses	0	0
Other financial result	0	0

¹ As in the previous year, intrasegment sales are exclusively attributable to the Service segment, whereas intrasegment cost of materials of EUR 9,398 thousand (9M 2021: EUR 7,833 thousand) is attributable to the Projects segment and EUR 1,112 thousand (9M 2021: EUR 608 thousand) to the Not-allocated segment.

	Service		Not allocated		Consolidation ¹		Total	
	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
	397,914	331,836	-56,022	1,149	-10,510	-8,441	3,873,436	3,956,209
	1,511	-638	-1,185	-2,703	0	0	19,042	-371,322
	-160,072	-134,085	-128,407	-51,929	10,510	8,441	-3,453,320	-2,908,261
	-175,400	-141,752	-146,782	-118,963	0	0	-769,483	-686,265
	63,954	55,361	-332,396	-172,446	0	0	-330,325	-9,639
	0	0	5,068	3,129	0	0	5,068	3,129
	0	0	-70,528	-101,211	0	0	-70,528	-101,211
	0	0	-13	-10	0	0	-13	-10

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

EUR thousand	Non-current assets ¹		Sales	
	30.09.2022	31.12.2021	01.01. – 30.09.2022	01.01. – 30.09.2021
Europe ²	584,338	536,692	2,943,562	2,445,187
North America	26,183	18,832	382,833	792,786
Latin America	1,498	34,777	355,674	424,697
Rest of world	97,463	96,866	191,367	293,539
	709,482	687,167	3,873,436	3,956,209

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 327,049 thousand (31 December 2021: EUR 325,843 thousand) and sales from Germany EUR 685,187 thousand (1 January to 30 September 2021): EUR 310,127 thousand).

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(1) CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 671,759 thousand (31 December 2021: EUR 784,440 thousand). Of the cash and cash equivalents, EUR 7,745 thousand cannot be freely transferred within the Group due to foreign exchange restrictions resulting from the Russia-Ukraine conflict.

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 amount to EUR 134,543 thousand (31 December 2021: EUR 162,530 thousand).

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

Impairments of trade receivables amount to EUR 15,357 thousand (31 December 2021: EUR 10,850 thousand).

Pursuant to IFRS 7 and IFRS 9, trade receivables are classified as financial assets measured at amortized cost. Amortized cost equals the fair value, as in the previous year.

(3) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM PROJECTS

Contract assets and contract liabilities from projects changed as follows:

EUR thousand	Contract assets from projects		Contract liabilities from projects	
	2022	2021	2022	2021
Amount on 01.01.	536,526	531,531	945,128	1,053,068
Addition, new ongoing projects	1,051,661	1,725,392	524,004	1,493,389
Addition, existing ongoing projects	2,573,852	2,282,562	2,955,875	1,969,872
Change in the transaction price	-19,943	-52,616	0	0
Disposal, invoiced projects	-1,507,354	-3,341,142	-1,406,589	-2,962,000
Netting of contract assets from projects with contract liabilities from projects	-1,859,749	-609,201	-1,859,749	-609,201
Amount on 30.09./31.12.	751,203	536,526	1,158,669	945,128

Pursuant to IFRS 7 and IFRS 9, contract assets from projects are classified as financial assets measured at amortized cost. Amortized cost equals the fair value, as in the previous year.

(4) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM SERVICES

Contract assets and contract liabilities from services changed as follows:

EUR thousand	Contract assets from services		Contract liabilities from services	
	2022	2021	2022	2021
Amount on 01.01.	39,498	28,430	160,315	154,393
Addition of new service contracts	2,703	6,031	14,475	19,987
Addition to existing service contracts	11,195	11,232	37,500	15,057
Disposal of existing service contracts	-6,975	-4,372	-24,387	-27,155
Disposal of completed service contracts	-1,210	-1,823	-7,144	-1,967
Amount on 30.09./31.12.	45,211	39,498	180,759	160,315

Of the contract assets from services, EUR 6,715 thousand (31 December 2021: EUR 7,327 thousand) are current and EUR 38,496 thousand (31 December 2021: EUR 32,171 thousand) are non-current, while of the contract liabilities from

services, EUR 44,986 thousand (31 December 2021: EUR 29,391 thousand) are current and EUR 135,773 thousand (31 December 2021: EUR 130,924 thousand) are non-current.

(5) INVENTORIES

Inventories break down as follows:

EUR thousand	30.09.2022	31.12.2021
Raw materials and supplies	752,055	394,597
Work in progress	260,568	258,795
Prepayments made	109,581	69,095
	1,122,204	722,487

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.

(6) OTHER CURRENT FINANCIAL ASSETS

Other current financial assets mainly comprise creditors with debit accounts of EUR 22,142 thousand (31 December 2021: EUR 21,920 thousand), forward exchange transactions of EUR 14,936 thousand (31 December 2021: EUR 15,739 thousand), insurance and compensation claims of EUR 6,936 thousand (31 December 2021: EUR 5,444 thousand), advance payments to secure supplier capacities of EUR 5,215 thousand (31 December 2021: EUR 10,250 thousand), and fixed-term deposits of EUR 4,410 thousand (31 December 2021: EUR 3,852 thousand).

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 49,625 thousand (31 December 2021: EUR 45,290 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 11,231 thousand (31 December 2021: EUR 13,592 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 3,705 thousand (31 December 2021: EUR 2,147 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.

(7) OTHER CURRENT NON-FINANCIAL ASSETS

The other current non-financial assets primarily comprise tax assets of EUR 242,686 thousand (31 December 2021: EUR 195,539 thousand) and prepaid expenses of EUR 10,905 thousand (31 December 2021: EUR 12,427 thousand).

The tax assets mainly are current VAT tax assets.

Prepaid expenses chiefly comprise costs pertaining to other periods for the multi-currency guarantee facility and license fees.

(8) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

EUR thousand	30.09.2022	31.12.2021
Technical equipment and machinery	200,984	183,291
Land and buildings	195,577	194,937
Other fixtures and fittings, tools and equipment	106,145	90,083
Assets under construction	34,191	33,588
Prepayments made	1,604	5,059
	538,501	506,958

A significant part of the additions relates to the establishment and expansion of blade and nacelle production in India, the expansion of blade production in Spain and the establishment and expansion of tower production in Brazil.

The plant and machinery, land and buildings, and other fixtures and fittings, tools and equipment include lease assets.

Additions and carrying amounts as of 30 September 2022 are as follows:

EUR thousand	30.09.2022	
	Additions	Carrying amount
Land and buildings – Lease assets	13,809	108,572
Other fixtures and fittings, tools and equipment – Lease assets	4,691	12,317
Technical equipment and machinery – Lease assets	91	91
	18,591	120,980

The capitalized right-of-use assets from leases relate mainly to administrative and production buildings, warehouses, company vehicles and production equipment (e.g. lifting platforms).

Cash outflows for leases amounted to EUR 33,951 thousand in the interim period from 1 January to 30 September 2022 (1 January to 30 September 2021: EUR 31,520 thousand).

The useful lives of the property, plant and equipment affected by restructuring have been examined. The useful lives of individual items of property, plant and equipment have been reduced without this having any significant effect in the quarter.

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.

(9) GOODWILL

As in the previous year, goodwill amounts to EUR 547,758 thousand, with EUR 504,595 thousand in the Projects CGU and EUR 43,163 thousand in the Service CGU. EUR 537,798 thousand thereof results from the purchase price allocation for Acciona Windpower.

Given the significant increase in the cost of capital, the war in Ukraine and supply chain disruption, the Nordex Group has reviewed the recoverable amount for the Projects and Service CGUs. No need for impairment has been identified.

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.

(10) CAPITALIZED DEVELOPMENT EXPENSES

As at the reporting date, development expenses of EUR 156,780 thousand (31 December 2021: EUR 163,551 thousand) were capitalized. In the first nine months of 2022, development expenses of EUR 18,191 thousand (31 December 2021: EUR 35,077 thousand) were capitalized. Additions comprise in particular the enhancement of the Generation Delta wind turbines. Additional R&D expenses of EUR 22,999 thousand also arising in the first nine months of 2022 (31 December 2021: EUR 23,394 thousand) did not meet the criteria for capitalization and were therefore recognized in profit or loss. The capitalization ratio therefore amounts to 44.16% (31 December 2021: 59.99%). The decrease in the capitalization ratio is mainly attributable to the cyber incident at the end of March 2022, as a result of which engineers' development software was not operational. This resulted in a lower level of development services. The decrease is also due to lower expenses for product and software development and lower hourly expenses.

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.

(11) OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets mainly comprise receivables from non-consolidated affiliated companies and other long-term equity investments amounting to EUR 5,721 thousand (31 December 2021: EUR 7,422 thousand) and fixed-term deposits in the amount of EUR 5,097 thousand (31 December 2021: EUR 6,690 thousand).

Receivables from non-consolidated affiliated companies and other long-term equity investments concern the financing of project companies in particular.

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 that market interest rates apply, amortized cost amounting to EUR 13,128 thousand (31 December 2021: EUR 16,283 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 309 thousand (31 December 2021: EUR 0 thousand).

(12) OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other non-current non-financial assets primarily comprise prepaid expenses of EUR 11,038 thousand (31 December 2021: EUR 11,762 thousand) and tax assets of EUR 7,609 thousand (31 December 2021: EUR 1,682 thousand).

Prepaid expenses chiefly comprise costs pertaining to other periods for license fees and the multi-currency guarantee facility.

Tax assets are current VAT tax assets.

(13) DEFERRED TAX ASSETS AND TAX LIABILITIES

As of 30 September 2022, a rounded tax rate of 32.00% (31 December 2021: 32.00%) was applied for the purpose of calculating domestic deferred taxes.

The changes in deferred taxes break down as follows:

EUR thousand	2022	2021
Amount on 01.01.	204,447	163,325
Recognized through profit or loss	32,888	26,534
Recognized in capital reserves ¹	2,251	5,834
Recognized in other comprehensive income	10,667	3,128
Currency translation	9,802	5,626
Amount on 30.09./31.12.	260,055	204,447

¹ In the context of the capital increases implemented in 2021 and 2022, pro rata taxes on the transaction costs have been recognized in capital reserves without affecting profit or loss.

(14) LIABILITIES TO BANKS

More detailed information on the liabilities to banks is provided in the section on debt instruments.

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 49,674 thousand (31 December 2021: EUR 32,353 thousand), of which EUR 43,368 thousand (31 December 2021: EUR 6,845 thousand) would be classified as current.

(15) TRADE PAYABLES

Trade payables amount to EUR 1,374,318 thousand (31 December 2021: EUR 1.032.600 thousand).

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.

(16) OTHER PROVISIONS

Movements in other provisions break down as follows:

EUR thousand	01.01.2022	Utilization	Reversals	Additions	30.09.2022
Warranties	88,244	-17,411	-13,619	38,516	95,730
Others	48,941	-31,884	-1,365	12,725	28,417
	137,185	-49,295	-14,984	51,241	124,147

The provisions for warranties predominantly cover risks arising from possible claims for damages in the service and project business. 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 additionally purchased by customers are reflected in service contracts.

Other provisions mainly concern other project and service and project, restructuring provisions, costs of preparing the annual financial statements, supplier risks and legal uncertainties. More detailed information on the restructuring provisions is provided in the section on the basis of preparation.

(17) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly comprise the corporate bond of EUR 277,295 thousand (31 December 2021: EUR 7,448 thousand), forward exchange transactions of EUR 47,017 thousand (31 December 2021: EUR 8,358 thousand), leases of EUR 24,743 thousand (31 December 2021: EUR 22,467 thousand) and guarantee commissions of EUR 10,650 thousand (31 December 2021: EUR 5,710 thousand).

More detailed information on the corporate bond is provided in the section on debt instruments. The corporate bond has been classified as current since 2 February 2022.

The amount of lease liabilities corresponds to the present value of future lease payments.

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. The amortized cost amounts to EUR 292,539 thousand (31 December 2021: EUR 17,581 thousand). Based on the corporate bond's share price, the fair value amounts to EUR 285,944 thousand (31 December 2021: EUR 17,581 thousand based on the fact that the corporate bond was recognized as a non-current liability as of 31 December 2021).

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 39,421 thousand (31 December 2021: EUR 4,577 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 7,596 thousand (31 December 2021: EUR 3,780 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.

(18) OTHER CURRENT NON-FINANCIAL LIABILITIES

The other current non-financial liabilities primarily comprise accrued liabilities of EUR 110,198 thousand (31 December 2021: EUR 68,647 thousand) and tax liabilities of EUR 100,734 thousand (31 December 2021: EUR 59,775 thousand).

Accrued liabilities mainly comprise trailing project costs and staff costs.

The tax liabilities mainly relate to value-added tax.

(19) OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities mainly comprise leases in the amount of EUR 103,683 thousand (31 December 2021: EUR 100,904 thousand) and the shareholder loan of EUR 48,627 thousand (31 December 2021: EUR 44,499 thousand).

The amount of lease liabilities corresponds to the present value of future lease payments.

More detailed information on the shareholder loan is provided in the section on debt instruments.

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. Given that market interest rates apply, amortized cost amounting to EUR 56,382 thousand (31 December 2021: EUR 324,063 thousand) equals the fair value (31 December 2021: EUR 327,385 based on the fact that the corporate bond was recognized as a non-current liability as of 31 December 2021).

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other non-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 0 thousand (31 December 2021: EUR 3,368 thousand).

(20) OTHER NON-CURRENT NON-FINANCIAL LIABILITIES

Other non-current non-financial liabilities mainly comprise tax liabilities of EUR 3,098 thousand (31 December 2021: EUR 2,642 thousand).

The tax liabilities concern liabilities to tax authorities in Brazil.

(21) EQUITY

Equity breaks down as follows:

EUR thousand	30.09.2022	31.12.2021
Subscribed capital	211,946	160,021
Capital reserves	1,531,175	1,236,071
Other retained earnings	-11,087	-11,087
Cash flow hedge reserve	-21,051	2,415
Reserve for cash flow hedge costs	1,327	529
Foreign currency adjustment item	-158,291	-113,719
Consolidated net profit/loss carried forward	-211,835	-211,835
Consolidated net profit/loss ¹	-371,560	0
Share in equity attributable to shareholders of the parent	970,624	1,062,395
	970,624	1,062,395

¹ Consolidated net profit/loss as of 31 December 2021 is shown after allocation to other retained earnings and withdrawal from consolidated net profit/loss carried forward and therefore amounts to EUR 0 thousand.

Subscribed capital amounts to EUR 211,946,227 (31 December 2021: EUR 160,021,035) and is divided into 211,946,227 (31 December 2021: 160,021,035) fully paid-up no-par-value shares, each with a notional share in capital of EUR 1.

On 26 June 2022, with the approval of the Supervisory Board, the Management Board of Nordex SE adopted a resolution to implement a cash capital increase while disapplying shareholders' pre-emption rights, utilizing a portion of authorized capital. The share capital was increased by EUR 16,002,103 by way of a private placement with Acciona S.A. by issuing 16,002,103 new shares at an issue price of EUR 8.70 per share, which corresponds to the most recent closing price in Xetra trading of the Frankfurt Stock Exchange before the resolution to implement the capital increase was adopted. Gross issuing proceeds amounted to EUR 139,218 thousand.

Furthermore, on 10 July 2022 the Management Board of Nordex SE, with the approval of the Company's Supervisory Board, adopted a resolution to implement a rights issue from authorized capital against cash contributions. The share capital has been increased by EUR 35,923,089 by issuing 35,923,089 new shares at a subscription price of EUR 5.90 per share. All Nordex shareholders were entitled to acquire 10 new shares for 49 existing shares at the subscription price against cash contributions. Acciona S.A. exercised pre-emption rights for its existing 39.66% stake in share capital as of that date. Shares for which pre-emption rights have not been exercised as part of the rights issue have been fully subscribed by a consortium of banks. Gross issuing proceeds amounted to EUR 211,946 thousand.

Proceeds of EUR 299,239 thousand, which represents the amount exceeding the new shares' proportion of equity, have been allocated to the capital reserves after

deduction of the transaction costs resulting due to the capital increases and taking into account deferred taxes. The capital reserves stand at EUR 1,531,175 thousand (31 December 2021: EUR 1,236,071 thousand) and also contain additional premiums from capital increases amounting to EUR 1,305,169 thousand.

More detailed information on the employee stock options program bond is provided in the section on share-based payment programs.

The change in the cash flow hedge reserve mainly results from the negative fair values of the derivatives for EUR/BRL and USD/BRL due to exchange rate trends.

The increase in the foreign currency adjustment item is mainly due to the trend in the USD exchange rate and the adjustments triggered by hyperinflation in Turkey.

Further details of the changes in the individual equity items can be found in the attached consolidated statement of changes in equity.

(22) 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:

30.09.2022 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	11,540	0	11,540
Other forward exchange transactions	0	3,705	0	3,705
Financial liabilities				
Liabilities to banks	0	49,674	0	49,674
Corporate bond	270,701	0	0	270,701
Employee bond	0	3,752	0	3,752
Shareholder loan	0	59,190	0	59,190
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	39,421	0	39,421
Other forward exchange transactions	0	7,596	0	7,596

31.12.2021 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	13,592	0	13,592
Other forward exchange transactions	0	2,147	0	2,147
Financial liabilities				
Liabilities to banks	0	32,353	0	32,353
Corporate bond	275,646	0	0	275,646
Employee bond	0	3,741	0	3,741
Shareholder loan	0	44,499	0	44,499
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	7,945	0	7,945
Other forward exchange transactions	0	3,780	0	3,780

The corporate bond is allocated to Level 1 because it has been admitted to trading at the International Stock Exchange.

Liabilities to banks as part of financial liabilities, the employee bond and the shareholder loan are allocated to Level 2. The same applies to forward exchange transactions.

There were no reclassifications between levels, neither in comparison with the previous year nor during the year under review.

NOTES TO THE INCOME STATEMENT

(23) SALES

Sales break down to the Projects and Service segments as follows:

EUR thousand	01.01.– 30.09.2022	01.01.– 30.09.2021
Projects	3,542,054	3,631,665
Service	397,914	331,836
Not allocated	-56,022	1,149
Intrasegment consolidation	-10,510	-8,441
	3,873,436	3,956,209

The timing of sales recognition from projects is as follows:

EUR thousand	01.01.– 30.09.2022	01.01.– 30.09.2021
Project revenues recognized at a point in time	1,256,570	1,409,426
Project revenues recognized over time	2,285,484	2,222,239
	3,542,054	3,631,665

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 considered to be 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 a 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 an enforceable right to payment for the service provided are recognized over time.

The 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 individual service contracts is based on historical data. 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.

The decrease in sales is attributable to a lower number of installations.

(24) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Changes in inventories stand at EUR 1,773 thousand (1 January to 30 September 2021: EUR -390,054 thousand).

Own work capitalized is measured at EUR 17,269 thousand (1 January to 30 September 2021: EUR 18,732 thousand) and, as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

(25) COST OF MATERIALS

The cost of materials breaks down as follows:

EUR thousand	01.01. – 30.09.2022	01.01. – 30.09.2021
Cost of raw materials and other supplies	2,394,375	2,031,499
Cost of services purchased	1,058,945	876,762
	3,453,320	2,908,261

Cost of raw materials and other supplies mainly comprise expenses for construction components.

The cost of purchased services primarily results from third-party freight, third-party services and commissions for order processing and order provisions.

(26) OTHER OPERATING INCOME / OTHER OPERATING EXPENSES

Other operating income/expenses mainly comprise indemnity and damages received of EUR 8,574 thousand (1 January to 30 September 2021: EUR 5,958 thousand) and income from the sale of C&C Wind Sp. Z o. of EUR 6,941 thousand (1 January to 30 September 2021: EUR 0 thousand) as well as IT costs of EUR -11,942 thousand (1 January to 30 September 2021: EUR -9,880 thousand), leases of EUR -14,971 thousand (1 January to 30 September 2021: EUR -17,186 thousand), maintenance of EUR -16,968 thousand (1 January to 30 September 2021: EUR -26,156 thousand), other staff costs of EUR -22,288 thousand (1 January to 30 September 2021: EUR -77,460 thousand), legal and consulting costs of EUR -28,975 thousand (1 January to 30 September 2021: EUR -29,096 thousand) currency translation losses/forward exchange transactions of EUR -30,996 thousand (1 January to 30 September 2021: EUR -14,822) and travel expenses of EUR -34,279 thousand (1 January to 30 September 2021: EUR -19,666 thousand).

As of the beginning of the financial year, the presentation has been changed for reasons of clarity. Hours worked by subcontractors are no longer shown under other staff costs but under cost of materials. Costs related to construction sites, which were previously shown under leases, are now also carried under cost of materials. Both issues relate to the operating business and therefore to gross profit. For reasons of materiality, the previous year's figures – subcontractor labor hours 1 January to 30 September 2021: EUR -59,676 thousand, construction site-related costs 1 January to 30 September 2021: EUR -6,691 thousand – have not been restated.

(27) STAFF COSTS

Staff costs break down as follows:

EUR thousand	01.01. – 30.09.2022	01.01. – 30.09.2021
Wages and salaries	327,784	283,342
Social security and expenditure on retirement benefits and support	70,910	64,852
	398,694	348,194

The Group headcount was as follows:

Reporting date	01.01. – 30.09.2022	01.01. – 30.09.2021	Change
Office staff	4,217	3,801	416
Technical staff	4,796	4,994	-198
	9,013	8,795	218
Average			
Office staff	4,010	3,611	399
Technical staff	4,771	4,742	29
	8,781	8,353	428

The increase in the number of employees is mainly due to the establishment and expansion of production facilities in Brazil and India. The termination of the production of rotor blades in Germany had an offsetting effect.

(28) 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. Restructuring costs amount to EUR 28,788 thousand. More detailed information on the restructuring costs is provided in the section on the basis of preparation.

(29) DEPRECIATION /AMORTIZATION

Depreciation and amortization breaks down as follows:

EUR thousand	01.01. – 30.09.2022	01.01. – 30.09.2021
Depreciation of property, plant and equipment	101,928	76,308
Amortization of capitalized development expenses	24,973	29,936
Amortization of other intangible assets	3,599	4,106
	130,500	110,350

Depreciation includes EUR 21,358 thousand for depreciation of lease assets (1 January to 30 September 2021: EUR 15,561 thousand); of this amount EUR 15,239 thousand (1 January to 30 September 2021: EUR 10,502 thousand) concern land and buildings and EUR 6,119 thousand (1 January to 30 September 2021: EUR 5,059 thousand) other fixtures and fittings, tools and equipment.

(30) FINANCIAL RESULT

The financial result breaks down as follows:

EUR thousand	01.01. – 30.09.2022	01.01. – 30.09.2021
Profit/loss from equity-accounting method	-5	-10
Impairment of investments	-8	0
Net profit / loss from investments	-13	-10
Other interest and similar income	5,068	3,129
Interest and similar expenses	-70,528	-101,211
Interest result	-65,460	-98,082
	-65,473	-98,092

Interest income and expense arises primarily from deposits with banks, and from guarantee commissions and the corporate bond. Of the interest expense, EUR 3,002 thousand (1 January to 30 September 2021: EUR 2,399 thousand) is attributable to leases.

(31) INCOME TAX

Income tax breaks down as follows:

EUR thousand	01.01. – 30.09.2022	01.01. – 30.09.2021
Current income tax	-8,650	-24,439
Deferred taxes	32,888	28,517
Total income tax	24,238	4,078

(32) EARNINGS PER SHARE**Basic**

		01.01. – 30.09.2022	01.01. – 30.09.2021
Consolidated net loss for the year	TEUR	-371,560	-103,653
of which shareholders of the parent company	TEUR	-371,560	-103,653
Weighted average number of shares		174,990,783	131,885,468
Basic earnings per share	EUR	-2.12	-0.79

Diluted

Diluted earnings per share also stand at EUR -2.12 (1 January to 30 September 2021: EUR -0.79).

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.

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 also guarantees in the amount of EUR 648 thousand (31 December 2021: EUR 6,059 thousand) vis-à-vis affiliated, non-consolidated project companies, which are not expected to be utilized; there are no contingent liabilities to associates.

RELATED PARTY DISCLOSURES

As at the reporting date, Acciona S.A. held a 40.97% (31 December 2021: 33.6%) 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 Receivables (+)/liabilities (-)		Transaction amount Income (+)/expense (-)	
	30.09.2022	31.12.2021	01.01. – 30.09.2022	01.01. – 30.09.2021
Acciona Energia Chile SpA	164,022/0	164,302/-83	2,641/-564	2,420/-1,255
Acciona Energia Mexico S.r.l.	1,453/0	1,807/-18	0/0	0/0
Acciona Energia S.A.	38,247/-42,022	227,354/-38,917	1,077/-1,030	52,703/-459
Acciona Energia Servicios Mexico S. de RL de C.V.	58,589/0	58,868/-58,528	0/0	228/-5,527
Acciona Energy Australia Global Pty. Ltd	208,431/-24,085	17/-9,325	208,745/-14,754	27/0
Acciona Energy Oceania Construction Pty. Ltd.	123,983/-119,091	116,244/-113,050	2,248/-245	120,262/-4,018
Acciona Forwarding S.A.	95/0	7/-31	420/-13,216	46/-7,844
Acciona Logistica S.A.	1,440/0	0/0	0/0	0/0
Acciona S.A	0/-48,761	0/-44,633	0/-630	0/-15,193
San Roman Wind I LLC	1,042/0	759/0	0/0	0/0
Other	1,512/-808	1,705/-549	6/-1,152	743/-774

The changes in income and expenses and the related receivables from and liabilities to Acciona Energia S.A., Acciona Energia Servicios Mexico S. de RL de C.V., Acciona Energy Australia Global Pty. Ltd. and Acciona Energy Oceania Construction Pty. Ltd. are mainly attributable to the installation of wind farms in Spain, Mexico and Australia. The expenses related to Acciona Forwarding S.A. concern freight costs whereas the expenses and related liabilities to Acciona S.A. mainly result from the shareholder loan which has been granted. More detailed information on the shareholder loan is provided in the section on financial instruments.

During the first nine months of 2022, one order to deliver and assemble wind power systems in the amount of EUR 79,139 thousand (1 January to 30 September 2021: EUR 507,723 thousand) was placed by Acciona Energía S.A.

The shares held in GN Renewable Investments S.a.r.l. (30.00%) are classified shares held in an associated company. The shares held in C&C Wind Sp. z o.o., which was classified as an associated company as of 31 December 2021, were sold in the first quarter of 2022.

The balances and transactions with this company are set out in the following table:

EUR thousand	Balances outstanding Receivables (+)/liabilities (-)		Transaction amount Income (+)/expense (-)	
	30.09.2022	31.12.2021	01.01. – 30.09.2022	01.01. – 30.09.2021
GN Renewable Investments S.a.r.l.	0/0	0/0	0/-5	0/-6

The business relations with GN Renewable Investments S.a.r.l. result from the project business.

There are receivables of EUR 8,247 thousand (31 December 2021: EUR 8,253 thousand) and liabilities of EUR 35 thousand (31 December 2021: EUR 35 thousand) relating to non-consolidated entities, as well as income of EUR 15 thousand (1 January to 30 September 2021: EUR 352 thousand) and expenses of EUR 0 thousand (1 January to 30 September 2021: EUR 1 thousand).

CONSOLIDATED CASH FLOW STATEMENT

Of the cash flow from operating activities in the amount of EUR -357,488 thousand (1 January to 30 September 2021: EUR 127,504 thousand) an amount of EUR -241,052 thousand (1 January to 30 September 2021: EUR 6,697 thousand) is attributable to the consolidated net loss including depreciation, amortization and impairment. Changes in working capital resulted in payments made of EUR 31,147 thousand (1 January to 30 September 2021: payments received of

EUR 125,230 thousand). Payments made for other operating activities stand at EUR 85,289 thousand (1 January to 30 September 2021: EUR 4,423 thousand).

Cash flow from investing activities amounted to EUR -100,467 thousand (1 January to 30 September 2021: EUR -104,334 thousand). Investments of EUR 105,647 thousand (1 January to 30 September 2021: EUR 92,441 thousand) were made in property, plant and equipment, which mainly related to the establishment and expansion of blade and nacelle production in India, the expansion of rotor blade production in Spain, and the establishment and expansion of tower production in Brazil. Development projects of EUR 18,191 thousand (1 January to 30 September 2021: EUR 19,371 thousand) were capitalized.

Cash flow from financing activities amounted to EUR 341,540 thousand (1 January to 30 September 2021: EUR 73,029 thousand) and is mainly attributable to the capital increases and cash drawdowns on the ancillary credit facilities within the syndicated multi-currency guarantee facility, with the repayment of lease liabilities having an offsetting effect.

EVENTS AFTER THE REPORTING DATE

More detailed information on the ongoing effects weighing on the Nordex Group's business is provided in the section on the basis of preparation.

Other than that, there were no significant events after the end of the reporting period.

Nordex SE, Rostock, 14 November 2022



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 30 September 2022

	Cost					
EUR thousand	Opening balance 01.01.2022	Additions	Disposals	Reclassifi- cations	Currency translation	Closing balance 30.09.2022
Property, plant and equipment						
Technical equipment and machinery	447,330	49,531	1,876	6,783	24,010	525,778
Land and buildings	292,625	24,332	4,658	-1	8	312,306
Other fixtures and fittings, tools and equipment	199,596	42,725	3,362	380	3,561	242,900
Assets under construction	33,588	5,608	0	-7,162	2,157	34,191
Prepayments made	5,059	2,044	5,500	0	1	1,604
Total	978,198	124,240	15,396	0	29,737	1,116,779
Intangible assets						
Goodwill	552,259	0	0	0	0	552,259
Capitalized development expenses	503,963	18,191	53	0	64	522,165
Prepayments made	1,704	2	0	0	0	1,706
Other intangible assets	161,776	767	40	0	8,762	171,265
Total	1,219,702	18,960	93	0	8,826	1,247,395

	Depreciation/amortization/impairment losses				Carrying amount	Carrying amount	
	Opening balance 01.01.2022	Additions	Disposals	Currency translation	Closing balance 30.09.2022	30.09.2022	31.12.2021
	264,039	52,287	539	9,007	324,794	200,984	183,291
	97,688	21,321	3,868	1,588	116,729	195,577	194,937
	109,513	28,320	2,546	1,468	136,755	106,145	90,083
	0	0	0	0	0	34,191	33,588
	0	0	0	0	0	1,604	5,059
	471,240	101,928	6,953	12,063	578,278	538,501	506,958
	4,501	0	0	0	4,501	547,758	547,758
	340,412	24,973	0	0	365,385	156,780	163,551
	1,672	0	0	0	1,672	34	32
	145,150	3,599	0	8,349	157,098	14,167	16,626
	491,735	28,572	0	8,349	528,656	718,739	727,967

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements for the first nine months as at 30 September 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim 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 material opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Nordex SE, Rostock, November 2022



José Luis Blanco, Chairman of the Management Board



Dr. Ilya Hartmann, Member of the Management Board



Patxi Landa, Member of the Management Board

FINANCIAL CALENDAR, PUBLISHING INFORMATION AND CONTACT

FINANCIAL CALENDAR

Date	
28 March 2023	Analyst conference in Frankfurt and publication of 2022 Annual Report
11 May 2023	Publication of quarterly financial report (Q1 reporting date)
6 June 2023	Annual General Meeting
14 August 2023	Publication of half-yearly financial report
14 November 2023	Publication of quarterly financial report (Q3 reporting date)

PUBLISHING INFORMATION AND CONTACT

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Gender-independent reporting

In the case of all personal designations, the chosen wording refers to all genders, even if in some cases only the masculine form is used for reasons of better readability.

Disclaimer

This Interim Report contains forward-looking statements that relate to macroeconomic developments, the business and the net assets, financial position and results of operations of the Nordex Group. Forward-looking statements by definition do not depict the past and are in some instances indicated by words such as "believe", "anticipate", "predict", "plan", "estimate", "aim", "expect", "assume" and similar expressions. Forward-looking statements are based on the Company's current plans, estimates, projections and forecasts, and are therefore subject to risks and uncertainties that could cause actual development or the actual results or performance to differ materially from the development, results or performance expressly or implicitly assumed in these forward-looking statements. Readers of this Interim Report are expressly cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Interim Report. Nordex SE does not intend and does not undertake any obligation to revise these forward-looking statements. The English version of the Group Interim Report constitutes a translation of the original German version. Only the German version is legally binding.

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