2022

Annual Report 2022

NORDEX acciona Windpower

KEY FIGURES AT A GLANCE

Nordex Group key figures

		2021	2022	Change
Earnings				
Sales	EUR million	5,444.0	5,693.6	4.6%
Gross revenue	EUR million	5,051.7	5,991.1	18.6%
EBITDA	EUR million	52.7	–244.3	n/a
EBIT	EUR million	–107.3	–426.7	n/a
Free cash flow	EUR million	–24.5	–513.9	n/a
Capital expenditure	EUR million	168.7	204.8	21.4%
Consolidated net loss for the year	EUR million	–230.2	–497.8	n/a
Earnings per share [1]	EUR	–1.68	–2.71	–61.3%
EBITDA margin	%	1.0	–4.3	–5.3 PP
Working capital ratio	%	–10.2	–10.2	0.0 PP
Statement of financial position				
Total assets as at 31 Dec.	EUR million	4,107.6	4,756.7	15.8%
Equity as at 31 Dec.	EUR million	1,062.4	878.1	–17.4%
Equity ratio	%	25.9	18.5	–7.4 PP
Employees				
Employees as of 30 September		8,658	9,111	5.2%
Staff costs	EUR million	473.7	561.1	18.5%
Staff cost ratio	%	8.7	9.9	1.2 PP
Company-specific performance indicators				
Order intake, Projects segment	EUR million	5,680.8	5,343.5	–5.9%
Installed capacity	MW	6,678.7	5,221.1	–21.8%

[1] Earnings per share = basic, based on average weighted shares for 2022: 183.966 million shares (2021: 137.244 million shares)

CONTENT

To our shareholders

Combined Group management report

Consolidated financial statements

Notes

LETTER TO THE SHAREHOLDERS

José Luis Blanco
Chief Executive Officer

Dear Shareholders,
business partners and
friends of the Company,

2022 was also an exceptionally intense and challenging year due to external upheaval, most notably Russia's invasion of Ukraine in breach of international law and the massive disruption and far-reaching repercussions triggered by this conflict. These knock-on effects included a looming fossil fuel crisis as well as raw material and component bottlenecks, a massive and widespread rise in inflation, and a drastic turnaround in interest rates on the part of central banks. Considered by many to be a historical turning point, this period has also had a big impact on the wind industry. After all, Nordex is still experiencing significant cost pressures overall, even though the costs of shipping and key raw materials eased slightly from their highs over the course of the year. To hedge against these risks, we continued to reformulate our contracts with our customers to ensure a more balanced risk sharing mechanism and continued as well raising prices to address the higher cost base. This was unavoidable. However, the positive impact of these efforts will only become apparent in the figures for the financial year 2023.

In addition, Nordex encountered one more unique challenge in 2022, a cyber security incident at the end of the first quarter. We reacted rapidly to this setback and were able to protect the security of our customers, projects and finances. However, this led to delays in production processes, installations and even our external reporting, with the latter causing us to be temporarily excluded from Deutsche Börse's indices in the summer.

During the year we also took initiatives to align our production footprint in response to intense competition and shifts in demand. We had to close two production sites in Spain and discontinue rotor blade production in Rostock. However, the Rostock site still remains an important manufacturing site for Nordex as it makes up a significant part of our turbine production and is the linchpin of the Group's global production network.

In 2022, we also took the opportunity to reinforce our financial structure, prepare the Company for these new challenges as effectively as possible, and enhance our flexibility. With this in mind, we raised around EUR 350 million from two capital increases in mid-2022 to strengthen our capital structure and to send a positive message to our customers. In addition, we agreed a shareholder loan with our anchor shareholder Acciona, S.A. to refinance the corporate bond maturing in 2023 ahead of time and intend to convert this loan into equity during the course of 2023. We also took this step to reduce our borrowings and save on future interest payments.

In light of significant disruption and changes in the economic and geopolitical environment, we were forced to adjust our 2022 forecasts for our key performance indicators twice during the year under review. Consolidated sales ultimately amounted to EUR 5.7 billion in 2022, reaching the upper end of the revised guidance. At the same time our EBITDA margin was – 4.3 percent being in line with expectations after a highly volatile fourth quarter.

During the 2022 reporting year, Nordex installed 1,129 wind turbines in 19 countries with a total nominal output of 5.2 gigawatts, a decline compared to the previous year, partly due to delays that we had to endure during the first half of the year on account of the cyber security incident. However, we increased our turbine production to 7.4 gigawatts as production capacity was raised in time. Despite the prevailing external conditions, we also generated solid order intake of EUR 5.3 billion in 2022, recording a lively demand in the final quarter in particular. Our key focus for 2023 is to process our order book of EUR 6.5 billion as efficiently as possible.

Another of our focus areas for 2023 is to enhance the profitability of our company. Our key initiatives here include optimizing our production and supply chain, raising prices and making further adjustments to customer contracts, and continuing our corporate program to improve profitability. Optimizing our product portfolio and enhancing the efficiency of the turbines already in the market also have an important role to play here. On this basis, we expect to generate consolidated sales of between EUR 5.6 billion and EUR 6.1 billion in 2023 with an EBITDA margin of between – 2.0% and 3.0% in 2023. This forecast shows that we are acting with prudence amid a persistently tense external environment and a number of geopolitical and economic risks, using a healthy balance of risk aversion and courage to harness potential opportunities. In light of the current situation and the expected developments, we are therefore cautiously optimistic about 2023.

The demand drivers for the wind industry continue to gather momentum in the mid-term. We can no longer overlook the need for a shift in mindset in both politics and society as a whole. In addition to more stringent climate protection legislation that is accelerating the fight against climate change around the globe, the desire for secure, clean, reliable and locally available energy has also become a major driver. New political initiatives in our most important markets in Europe and the USA in particular are supporting the transition to renewable energy and with it the accelerated expansion of the wind energy sector. However, these milestones must be followed by tangible action. While we do not expect these initiatives to have any significant measurable impact immediately on our business in 2023 due in part to the lengthy timescales for projects, we expect them to provide us with a boost in the years ahead. It seems the capital markets also share this view, and I am delighted to say that we have been listed on Germany’s mid-cap MDAX index since 27 February 2023.

We in the Nordex team are doing everything we can to steadily and sustainably enhance the value of the Company for all of our shareholders in the long term. I would like to thank you for your trust and look forward to your continued support as shareholders, business partners and friends of the Nordex Group.

Kind regards,

José Luis Blanco
Chief Executive Officer

Hamburg, March 2023

THE MANAGEMENT BOARD

Managers and wind energy experts

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

José Luis Blanco
Chief Executive Officer (CEO)

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

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

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

Dr. Ilya Hartmann
Chief Financial Officer (CFO)

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

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

Patxi Landa
Chief Sales Officer (CSO)

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

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

SUPERVISORY BOARD

Dr.-Ing. Wolfgang Ziebart, Starnberg/Germany

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

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

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

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

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

Juan Muro-Lara, Madrid/Spain

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

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

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

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

- Chief Strategy & Corporate Development Officer of Acciona, S.A. (listed)
- Chairman of the board of directors of SCUTUM LOGISTICS S.L. (Acciona Group)
- Member of the board of directors of QEV EXTREME S.L.
- Vice Chairman of the board of directors of BESTINVER GESTIÓN, S.A. SGIIC
- Chairman of the board of directors of BESTINVER PENSIONES EGFP, S.A.
- Chairman of the board of directors of BESTINVER SOCIEDAD DE VALORES, S.A.
- Vice Chairman of the board of directors of BESTINVER, S.A.

Jan Klatten, Munich/Germany

Member of the Management Committee, Chairman of the Strategy and Engineering Committee; Managing Shareholder of momentum Beteiligungsgesellschaft mbH

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

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

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

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

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

Maria Isabel Blanco Alvarez, London/Great Britain

Member of the Audit Committee; Associate Director, Head of Impact, Sustainable Infrastructure and Energy, at the European Bank for Reconstruction and Development

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

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

Martin Rey, Traunstein/Germany

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

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

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

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

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

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

María Cordón, Madrid/Spain

Member of the Strategy and Technology Committee of the Supervisory Board; Director of the Strategy & Corporate Development department at Acciona, S.A.

Ms. Cordón, born 29 September 1982, is a Spanish citizen. She studied Business Administration at the Universidad Pontificia Comillas (ICADE), Spain, gaining a degree with distinction in 2005. She began her professional career the same year working in the Investment Banking Division at Goldman Sachs (London and Madrid). Ms. Cordón started at ACCIONA in 2008 as a member of the Strategy & Corporate Development team and has since been involved in all its relevant M&A transactions and key strategic decisions (including the Endesa acquisition and sale of its wind and hydro assets, sale of ACCIONA´s energy assets in Germany, the merger of ACCIONA Windpower with Nordex, the sale of 33% of ACCIONA Energía Internacional to KKR, the sale of Trasmediterranea to Naviera Armas, the acquisition of Silence – manufacturer of electric vehicles –, the acquisition of Fidentiis by Bestinver, the sale of ACCIONA's transport concessions portfolio to Meridiam, the IPO of ACCIONA Energía and the investment in EVE).

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

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

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

- Member of the Board of Directors of Eve Holding, Inc. (listed)

THE NORDEX GROUP ON THE CAPITAL MARKET

The economic environment deteriorated markedly during the 2022 trading year. First, Russia's attack on Ukraine triggered a rapid increase in energy and commodity prices, while China's zero-COVID policy adversely impacted global supply chains and aggravated material shortages. Overall, both developments caused inflation to rise sharply and forced central banks in almost every corner of the globe to tighten their monetary policy. Interest rates increased quickly and significantly, weighing heavily on equity and bond markets in the first three quarters in particular. International and domestic markets then stabilized towards the end of the year, buoyed by rising hopes that the increase in inflation has peaked and that the pace of further interest rate hikes will slow.

Germany's leading DAX index began the 2022 trading year at 15,885 points. Although the shock of the outbreak of war in Ukraine caused the index to briefly drop below 13,000 points in February, it recovered to over 14,800 points over the following weeks. After that, the DAX slowly moved downwards over the next six months, driven by considerable uncertainty over the stability of Germany's gas supply, sharp rises in inflation and fears of a hard recession. The DAX reached its annual low of just under 12,000 points at the end of the third quarter. Bolstered by a mild winter that resulted in lower-than-average gas consumption, combined with the prospect of a less severe downturn than originally feared, the DAX moved upwards again in the fourth quarter to close the year at just under 14,000 points.

The benchmark indices relevant to Nordex shares during 2022 performed negatively over the same period. The TecDAX recorded heavy losses to end 2022 down 25.5% at 2,921 points, while the SDAX fell by a similarly significant 27.4% to close the year at 11,926 points.

Nordex shares down only slightly in 2022 despite challenging environment

Nordex shares began the 2022 trading year at a price of EUR 13.96 and initially tracked the DAX thanks to positive order intake announcements. During the Russian war of aggression in Ukraine, Nordex shares have benefited from significantly greater interest in clean, decentralized energy production, causing the share price to reach its annual high of EUR 17.47 in early March.

This increase was boosted by proposals from German and European politicians to accelerate efforts to expand wind energy even faster than previously planned. Nevertheless, the adverse impact of exploding commodity and logistics costs, supply chain interruptions and the repercussions of the cyber attack on the Nordex Group caused this optimism to ebb away by the end of April. The forecast update on 24 May triggered rising concerns among investors about the Group's ability to meet its profitability forecasts. In addition, Nordex shares were excluded from the SDAX and TecDAX indices on 20 June after the cyber attack forced it to miss its publication deadlines. As a result of these developments, the share price fell by more than half between mid-April and early July to reach its provisional annual low shortly after the first capital increase was carried out on 26 June.

By contrast, Nordex shares made gains after the second capital increase was announced on 10 July. Despite being readmitted to the indices in early September, however, the Group's shares continued to fall in value, reaching their annual low of EUR 7.47 in mid-October before embarking on a strong upturn. Nordex's ability to achieve higher prices in the market may signal a stabilization in costs and supply chain development and had a more significant impact than the adverse effect of the published revised forecast did at the lower end, while the ratification of the Inflation Reduction Act in the USA also sparked further optimism among investors.

Nordex shares ended the 2022 trading year at EUR 13.20. This meant that the share price closed the year down 5.1%, slightly outperforming its benchmark indices.

Capital increases successfully completed in mid-year

Nordex SE successfully placed two capital increases either side of the half-year to strengthen its capital structure by increasing its equity ratio in what is currently a volatile market environment for the wind energy sector. By increasing its cash holdings in this way, Nordex SE was also able to protect itself more effectively against short-term, sector-specific risks and consolidate its positioning with customers.

The first capital increase totaling around 10% of share capital was carried out on 26 June 2022 as part of a private placement with anchor shareholder Acciona, S.A. while disapplying shareholders' pre-emption rights. This increased the number of shares in the Nordex Group by 16,002,103 shares to 176,023,138 shares, and enabled Nordex to generate more than EUR 139 million in gross issuing proceeds.

A second capital increase representing more than 20% of the new share capital was implemented in July by way of a rights issue undertaken in return for cash capital contributions that was fully secured in advance. As part of this capital increase, the Company issued 35,923,089 new no-par value bearer shares at a ratio of 49:10 and a subscription price of EUR 5.90 per share, generating gross proceeds of around EUR 212 million. As previously announced, anchor shareholder Acciona, S.A. participated in the capital increase according to their 39.66% stake in share capital and acquired an additional 3.73% of the unsubscribed new shares, taking their stake in the new share capital to 40.97%. The remaining 59.03% of shares are in free float as defined by Deutsche Börse. Management Board members José Luis Blanco and Patxi Landa also exercised their pre-emption rights and subscribed to new shares.

The other financing measures carried out during the 2022 reporting year, such as the granting of a shareholder loan, are outlined in more detail in the group management report (page 22) and the notes to the consolidated financial statements (page 106).

Nordex Group dividend policy

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

At this point it should be noted that the distribution of any dividend is dependent on both the Company's strategic development and the achievement of its medium-term goals as well as the future sector environment. Future investments in research and development also play a significant role, as the Nordex Group is keen to continue offering its customers competitive and high-performance wind turbines. Due to the current profit and cash flow situation as well as the expected outlook for 2023, the Nordex Group is not yet able to distribute a dividend according to the Company's definition. As a result, a dividend distribution proposal will not be submitted to the Annual General Meeting in 2023.

The Nordex bond in the 2022 financial year

Nordex SE's 2018/2023 corporate bond (coupon 6.5%) remained largely stable in 2022 despite the uncertainty in the market. This is due in part to the short remaining term of the bond.

The bond was repaid on the maturity date in February 2023.

The green bond was issued a B- rating with a "stable" outlook by the Standard & Poor's rating firm.

Active dialog with capital markets

The Nordex Group's Investor Relations team was able to continue its open and continuous dialog with the capital markets during the 2022 financial year. Communicating transparently with private shareholders, domestic and international investors and equity and credit analysts remained very important to Nordex. Fortunately, after two years of pandemic-related restrictions, investor relations work could again be carried out by way of face-to-face communication. Nordex held numerous talks to discuss its financial figures, Group strategy and operating business performance in the turbine and service businesses. During the first half of the year, our discussions with the capital markets were primarily centered around the repercussions of the war in Ukraine as well as the cyber incident on the Company. There was also significant interest in how the adverse impact of supply shortages and the consequences of cost inflation would affect the profitability targets included in the corporate strategy. In the second half of the year, our dialog with the capital markets focused not only on the two capital increases but also on the political environment, particularly in relation to the Inflation Reduction Act in the USA and the EU's latest plans to expand the use of wind energy. With regard to the German market, the capital markets once again paid particular attention to the status of approval processes as politicians introduced various measures to accelerate them.

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

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

Analyst coverage remains at a high level in 2022

The number of German and foreign brokers that regularly monitor and evaluate the Nordex stock remained at a high level during the year under review, with 11 firms monitoring the shares. Compared to the previous year, Independent Research, Nord LB and Stifel have ended their coverage.

Of the 11 analysts that monitor Nordex shares regularly in the form of in-house studies, reports and commentaries, six brokers see the Nordex stock as a Buy, while five rate it as a Hold (as of 31 December 2022).

Based on relevant analyst valuations, the average target price across all 11 research firms is EUR 18.90 (as of 31 January 2023), which is below the prior-year figure of EUR 23.70.

Nordex shares key data

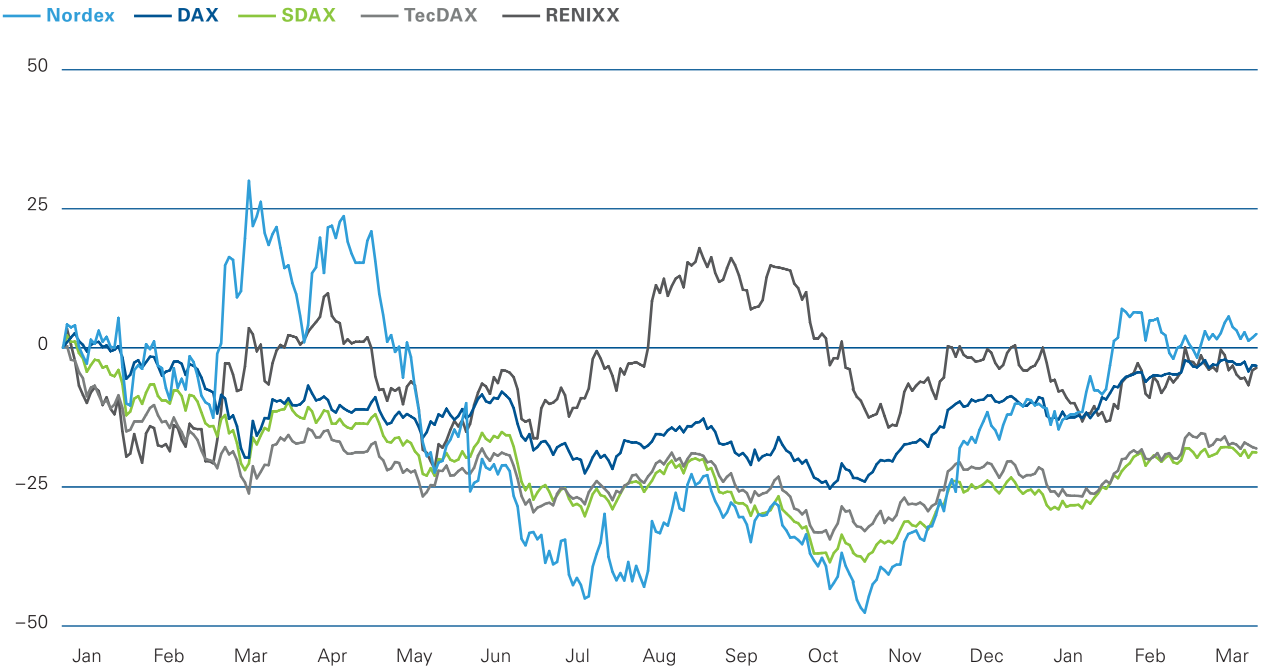
Class of shares	No-par-value ordinary bearer shares
Market segment	Prime Standard/ Regulated Market
Indices	TecDAX, SDAX (included in the MDAX from 27 February 2023), ÖkoDAX, HASPAX, RENIX X
ISIN	DE000A0D6554
WKN (German securities identification number)	A0D655
Ticker symbol	NDX1

Nordex shares key figures

		2021	2022
Total number of shares as at 31 December	Units	160,021,035	211,946,227
Share capital as at 31 December	EUR	160,021,035.00	211,946,227.00
Opening price for the year[1]	EUR	21.88	13.96
Year-end closing price[1]	EUR	13.96	13.20
High[1]	EUR	28.16	17.47
Low[1]	EUR	13.15	7.47
Market capitalization as at 31 December[1]	EUR million	2,233.9	2,797.7
Earnings per share	EUR	–1.68	–2.71

[1] Frankfurt Stock Exchange, Xetra

Nordex share price performance in % (indexed, 31.12.2021 = 0)



REPORT OF THE SUPERVISORY BOARD

The 2022 financial year again was a very challenging one for the Nordex Group. While high order intake in the previous year and a promising market environment initially got the year off to an encouraging start, Russia's war of aggression in Ukraine from the end of February 2022 turned the political and economic landscape completely on its head. After a period of calm, raw material and logistics prices surged once again and supply chains were exposed to massive additional adverse impacts – due also to China's consistent zero-COVID policy and persistent disruptions in the logistics sector.

The Nordex Group was also affected by a cyber security incident at the end of March 2022, the effects of which included production interruptions and in some cases severely delayed installations in Germany during the second and third quarters. Despite this challenging environment, the Nordex Group recorded solid order intake dominated by demand for the Delta4000 series. From the fourth quarter in particular, the cost side stabilized again. Together with the significantly higher selling prices achieved in the financial year this leads to higher operating margins and improves the quality of the order book.

Against this backdrop, we once again focused on consistently reinforcing the Group's financial structure during the year under review. In June 2022, we implemented a capital increase with anchor shareholder Acciona S.A., with shareholders' pre-emption rights disapplied. This was followed by a rights issue, which Acciona, S.A. also subscribed on a pro-rata basis. In addition, Acciona, S.A. granted the Nordex Group a further shareholder loan in order to refinance the 2018 high-yield bond maturing at the beginning of 2023 at an early stage. These capital increases resulted in a net liquidity position and a significantly stronger equity ratio for the Nordex Group. The renewed commitment of the anchor shareholder deserves special recognition, as it demonstrates its long-term support.

Overall, the Nordex Group once again proved its worth in a very challenging market environment during the year under review by increasing its market share, expanding its product portfolio to include new turbine models, and carrying out numerous installations. I would like to extend special thanks to our employees, who once again have carried the Group through a difficult year with their dedication, flexibility and perseverance.

Virtually everybody today is aware of climate change as an issue that needs to be addressed urgently. The energy crisis, exacerbated by the Russian invasion of Ukraine, has shown Europe that independent and clean energy production and the technologies needed to achieve it are indeed of great importance. This realization is now very much shaping industrial and energy policy on both sides of the Atlantic, which will continue to drive the expansion of renewables – and probably even more so than before. With its efficient and competitive product portfolio, the Nordex Group is in a good position to benefit from this trend in the long term.

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

CHANGES TO THE SUPERVISORY BOARD AND MANAGEMENT BOARD

The following changes occurred on the Supervisory Board during the reporting year:

Ms. Connie Hedegaard stepped down from the Supervisory Board of Nordex SE with effect from the end of the Annual General Meeting held on 31 May 2022. Furthermore, the term of office of María Cordón, who was appointed by the Local Court in Rostock in September 2021 for a limited period until the close of the Annual General Meeting held on 31 May 2022, ended at the 2022 Annual General Meeting. The Annual General Meeting held on 31 May 2022 in a by-election then elected Ms. Isabel Blanco and Ms. María Cordón to the Supervisory Board for the period until the close of the Annual General Meeting that resolves to approve the Supervisory Board's actions for the 2025 financial year.

The following changes occurred on the Management Board during the reporting year: The appointments of Messrs. Blanco and Landa were extended until 31 December 2025. The appointment of Dr. Hartmann was extended until 30 June 2025.

COMMITTEES

During the 2022 financial year, the Supervisory Board committees of Nordex SE comprised the following members:

Executive Committee
(Personnel and Nomination Committee):
Dr.-Ing. Ziebart (Chair)
Mr. Klatten
Mr. Muro-Lara

Audit Committee:
Mr. Rey (Chair)
Ms. Hedegaard (until 31 May 2022)
Ms. Blanco (since 31 May 2022)
Mr. Muro-Lara

Strategy and Technology Committee:
Mr. Klatten (Chair)
Ms. Cordón
Dr.-Ing. Ziebart

SUPERVISORY BOARD MEETINGS AND CONTENT

During the 2022 financial year, the Supervisory Board held a total of ten meetings. The Executive Committee met four times in the context of ordinary Supervisory Board meetings, while the Audit Committee and the Strategy and Technology Committee each held three meetings. The ordinary Supervisory Board meetings were held on 22 and 23 March 2022, 30 and 31 May 2022, 7 and 8 September 2022, and 30 November and 1 December 2022. There were also five extraordinary Supervisory Board meetings in the reporting year; one resolution was adopted by written circular.

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

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

Attendance of Supervisory Board members at Supervisory Board and committee meetings in 2022

Supervisory Board members	Supervisory Board	Attendance rate, Supervisory Board	Executive Committee	Audit Committee	Strategy and Technology Committee
Dr.-Ing. Wolfgang Ziebart	10/10	100%	4/4		3/3
Juan Muro-Lara	10/10	100%	4/4	3/3	
Jan Klatten	10/10	100%	4/4		3/3
Connie Hedegaard (until 31 May 2022)	5/5	100%		1/1	
Isabel Blanco (since 31 May 2022)	6/6	100%		2/2	
Martin Rey	10/10	100%		3/3	
María Cordón	10/10	100%			3/3
Attendance rate	**100%**	**100%**	**100%**	**100%**	**100%**

During the 2022 financial year, all Supervisory Board members attended more than half of the meetings of the Supervisory Board and the committees to which they belong.

In addition to auditing the annual and consolidated financial statements of Nordex SE for the 2021 financial year, the non-financial report and the dependent company report at its financial statements approval meeting on 22 and 23 March 2022, meetings focused on the following key issues on an ongoing basis during the year under review: (i) current business performance, with a particular focus on the continued impact supply chain disruption on the Group's operational situation; (ii) information and discussion on the cyber security incident that occurred in late March 2022; (iii) Management Board matters, and in particular, deciding on the achievement of targets for the past financial year ahead of the financial statements approval meeting and working with members of the Management Board to set targets for the current financial year; (iv) internal audit and risk management reports; (v) information and discussion on quality, occupational health and safety and environmental protection; and (vi) compliance issues, key projects and important staff changes.

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

At its extraordinary meeting on 14 February 2022, the Supervisory Board addressed strategic issues as well as the ongoing measures to adjust the Group's production capacity in Europe, which were also the subject of the extraordinary meeting held on 23 February 2022. Adopting a resolution by written circular, at its extraordinary meeting on 12 March 2022 the Supervisory Board decided on the achievement of targets by members of the Management Board over the past financial year and set targets for the year under review.

At its financial statements approval meeting on 22 and 23 March 2022, the Supervisory Board decided on the remuneration report prepared by the Management Board and Supervisory Board for the first time during the year under review in accordance with the provisions of the Second Shareholder Rights Directive (ARUG II). The Supervisory Board also discussed the termination of rotor blade at the Rostock site and adopted a resolution to conduct the upcoming 2022 Annual General Meeting as a virtual AGM. Lastly, the Supervisory Board also approved the submission of the declaration of conformity with the German Corporate Governance Code at this meeting.

At its ordinary meeting on 30 and 31 May 2022, the Supervisory Board addressed the financing measures being considered by the Management Board and, in particular, the direct effects of the cyber security incident. The Supervisory Board also held its inaugural meeting following the by-election of Ms Cordón and Ms Blanco at the Annual General Meeting and decided on the composition of the committees.

At its extraordinary meeting on 26 June 2022, the Supervisory Board approved the private placement with Acciona, S.A. utilizing Authorized Capital I that was adopted by the Management Board on this date. At a further extraordinary meeting on 10 July 2022, the Supervisory Board approved the rights issue utilizing Authorized Capital II and III that was adopted by the Management Board on this date.

At its ordinary meeting on 7 and 8 September 2022, the Supervisory Board's discussions focused on adjusting the allocation of responsibilities for the Management Board and the latest developments relating to the cyber security incident.

At its ordinary meeting on 30 November and 1 December 2022, the Supervisory Board addressed issues such as the appointment of the auditor for the 2022 annual financial statements and the external audit of the non-financial report. The Supervisory Board also approved the issuing of the second tranche of the stock option program for Nordex Group employees agreed in 2021 at this meeting.

Finally, at its extraordinary meeting on 29 December 2022, the Supervisory Board approved the sale of 50% of its shares in Nordex H2, S.L. to Corporación Eólica Catalana, S.L., an affiliate of Acciona, S.A.

TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT ACTIVITIES OF SUPERVISORY BOARD MEMBERS

Members of the Supervisory Board independently carry out most of the training and professional development activities required for their role, on subjects such as changes to the regulatory framework and new forward-looking technology, and receive support to do this from the Company as required. For example, changes to the regulatory framework are presented and explained during Supervisory Board meetings to help provide targeted training. Among other things, a comprehensive briefing on the Market Abuse Regulation was given to the members of the executive bodies present at the ordinary Supervisory Board meeting held on 30 November 2022 and 1 December 2022.

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

CORPORATE GOVERNANCE

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

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

There were no other indications of conflicts of interest during the 2022 financial year.

In principle, the Supervisory Board follows the recommendations of the Government Commission on the German Corporate Governance Code in the version amended on 16 December 2019 that was applicable until 27 June 2022 (GCGC 2020) and in the version amended on 28 April 2022 that has been applicable since then (GCGC 2022). The most recent declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG) was submitted by the Supervisory Board and Management Board on 28 March 2023 (*http://ir.nordex-online.com/websites/Nordex/German/6100/entsprechenserklaerung.html*). Further details on this topic can be found in the Corporate governance statement that is included in the management report.

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

The annual financial statements of Nordex SE and consolidated financial statements as at 31 December 2022, as well as the combined management report of Nordex SE and the Group for the 2022 financial year, together with the accounting system, were audited and each issued with an unqualified audit report by the auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, appointed by the Annual General Meeting on 31 May 2022 and engaged by the Supervisory Board to audit the annual and consolidated financial statements. The audit reports were signed jointly by the auditors Dr. Thomas Ull and Mr. Harald van Voorst. Mr. van Voorst signed the audit reports for the third time, and Dr. Ull, after a three-year break, also signed the audit reports for both the annual and consolidated financial statements for the third time.

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

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

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, also performed a formal audit of the remuneration report of Nordex SE in accordance with Section 162 (3) AktG on behalf of the Management Board and did not raise any objections to the reporting and compliance with the imposed statutory requirements. PricewaterhouseCoopers GmbH's report on the audit of the remuneration report will be published together with the 2022 annual report and can be inspected therein.

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

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

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

1. the factual disclosures provided in the report are correct,

2. the Company's consideration concerning legal transactions referred to in the report was not unduly high."

The annual financial statements, consolidated financial statements and combined management report for Nordex SE and the Group, the auditor's report, dependent company report, and the auditor's audit report on the dependent company report, the non-financial Group report including the report from PricewaterhouseCoopers GmbH on the limited assurance engagement for the non-financial Group report, the remuneration report and the report of PricewaterhouseCoopers GmbH on the remuneration report as well as the draft of the Supervisory Board's report were provided to all Supervisory Board members ahead of the financial statements approval meeting. The Audit Committee and Supervisory Board discussed these documents in detail; the Audit Committee prepared the examination by the full Supervisory Board and reported on this preparation in the financial statements approval meeting on 28 March 2023 in the presence of the auditor, who was also available to answer questions. Following intensive discussions, the Supervisory Board and the Audit Committee [approved] the conclusions of the audit conducted by the auditor.

[In accordance with the final conclusions of this audit by the Audit Committee and its own audit, the Supervisory Board determined [that there were no grounds for objections and approved the annual and consolidated financial statements for the financial year ended 31 December 2022 prepared by the Management Board as well as the combined management report. The 2022 Annual Report of Nordex SE has therefore been adopted.]

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

The Audit Committee and Supervisory Board also addressed the separate consolidated non-financial report (integrated in the sustainability report) prepared by the Management Board as at 31 December 2022. The Management Board and the representatives of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft explained the documents in detail in the meetings and answered additional questions from Supervisory Board members. The Supervisory Board had no objections after carrying out its audit.

SUPERVISORY BOARD ACKNOWLEDGMENTS

On behalf of the Supervisory Board of Nordex SE, I would like to thank the departed member of the Supervisory Board, Ms. Connie Hedegaard, for her dedication and constructive support of the company over the past few years. I would also like to thank the Management Board in office and all of our employees around the world for their tremendous personal commitment.

Hamburg, March 2023

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

Combined Group management report

of the Nordex Group and management report of Nordex SE
for financial year 2022

COMBINED GROUP MANAGEMENT REPORT

of the Nordex Group and management report of Nordex SE

FUNDAMENTAL INFORMATION ABOUT THE GROUP

- **A leading global specialist in onshore wind turbines**
- **Technology focus on efficient turbines in the 4–6 MW+ class**
- **The Delta4000 turbine family is versatile and scalable thanks to its modular design**
- **Integrated full-service provider with global production network and a strong service business**

OPERATING ACTIVITIES

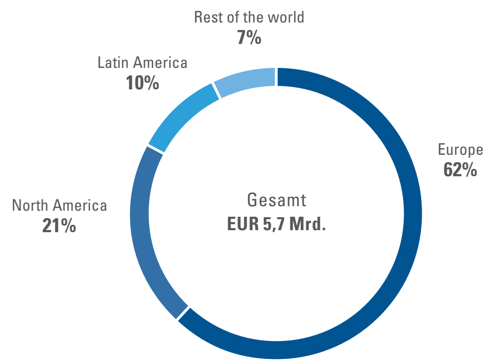
Business model

The Nordex Group designs, builds and markets onshore wind turbine systems that are installed worldwide. Nordex is an integrated supplier of complete solutions, which means that the scope of services provided by Nordex ranges from the mere delivery of the wind turbines and installation to turnkey construction of complete wind farms. Furthermore, a network of service units in all of the Company's key markets ensures the provision of comprehensive support for wind turbines over their entire lifespan. In selected markets, mainly outside Europe, the Company also operates as a project developer for wind farms. Since its foundation in 1985, the Nordex Group has installed wind turbines with a combined nominal output of almost 44 gigawatts (GW) in more than 40 countries. The Group's own service organization supports 10,599 wind turbines worldwide with an aggregate nominal output of over 31 GW, primarily on the basis of long-term maintenance agreements. This makes the Nordex Group's products and services an essential driver of environmentally and climate-friendly power generation around the globe.

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

The Nordex Group's product portfolio comprises innovative, powerful and thus efficient wind turbines for high-, medium- and low-wind onshore locations. The various models in the Delta4000 series, which are based on a modular design, are adapted to meet specific market requirements and offer a variable output ranging from 4 to 6+ MW, with rotor diameters of up to 175 meters. More than eighty percent of the order intake is now attributable to the various products of the efficient and competitive Delta4000 platform with a hub height of up to 179 meters. Since 2021, Nordex has also served the 6 MW+ class. The Nordex Group designs wind turbines in their entirety and assembles the nacelles and hubs during production. Rotor blades are produced both by the Group itself and by specialist manufacturers. From a technical perspective, the Nordex Group is focused squarely on developing wind turbines for onshore sites that allow operators to produce environmentally friendly electricity at the lowest possible cost (Cost of Energy – COE) in their respective regions.

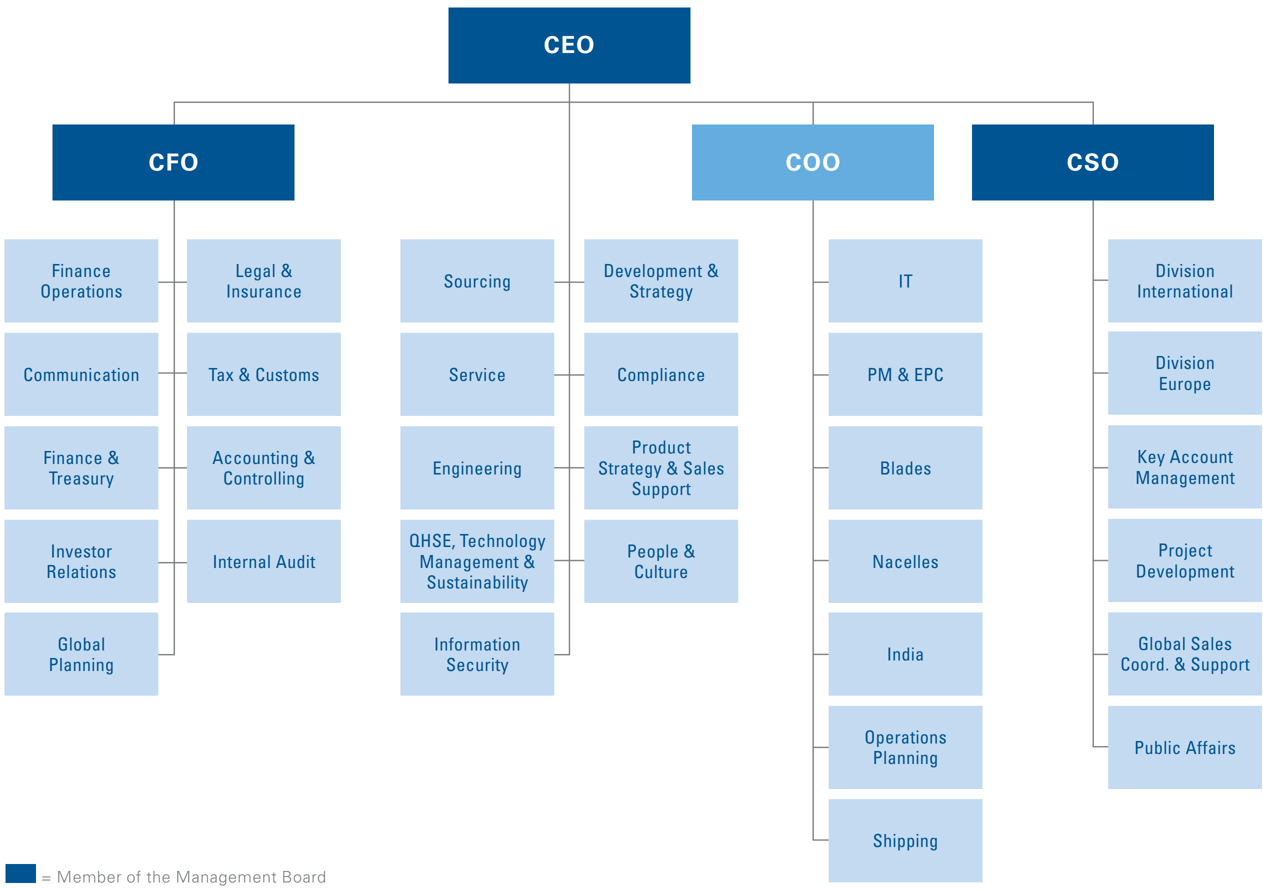
Sales by region in 2022 in %



Legal and organizational structure

Nordex SE is a listed European stock corporation. Its shares are admitted for trading on the Regulated Market of the Frankfurt Stock Exchange, Prime Standard segment, and as of the reporting date were quoted on the TecDAX and SDax. They have been listed on the TecDAX and MDAX since 27 February 2023. Together with its German and foreign subsidiaries, it forms the Nordex Group. The governing bodies of the Company are the Management Board, composed of three individuals, and the Supervisory Board, comprising six individuals. The Company has its registered office in Rostock; its headquarters are located in Hamburg.

Organizational structure of the Nordex Group (simplified presentation)

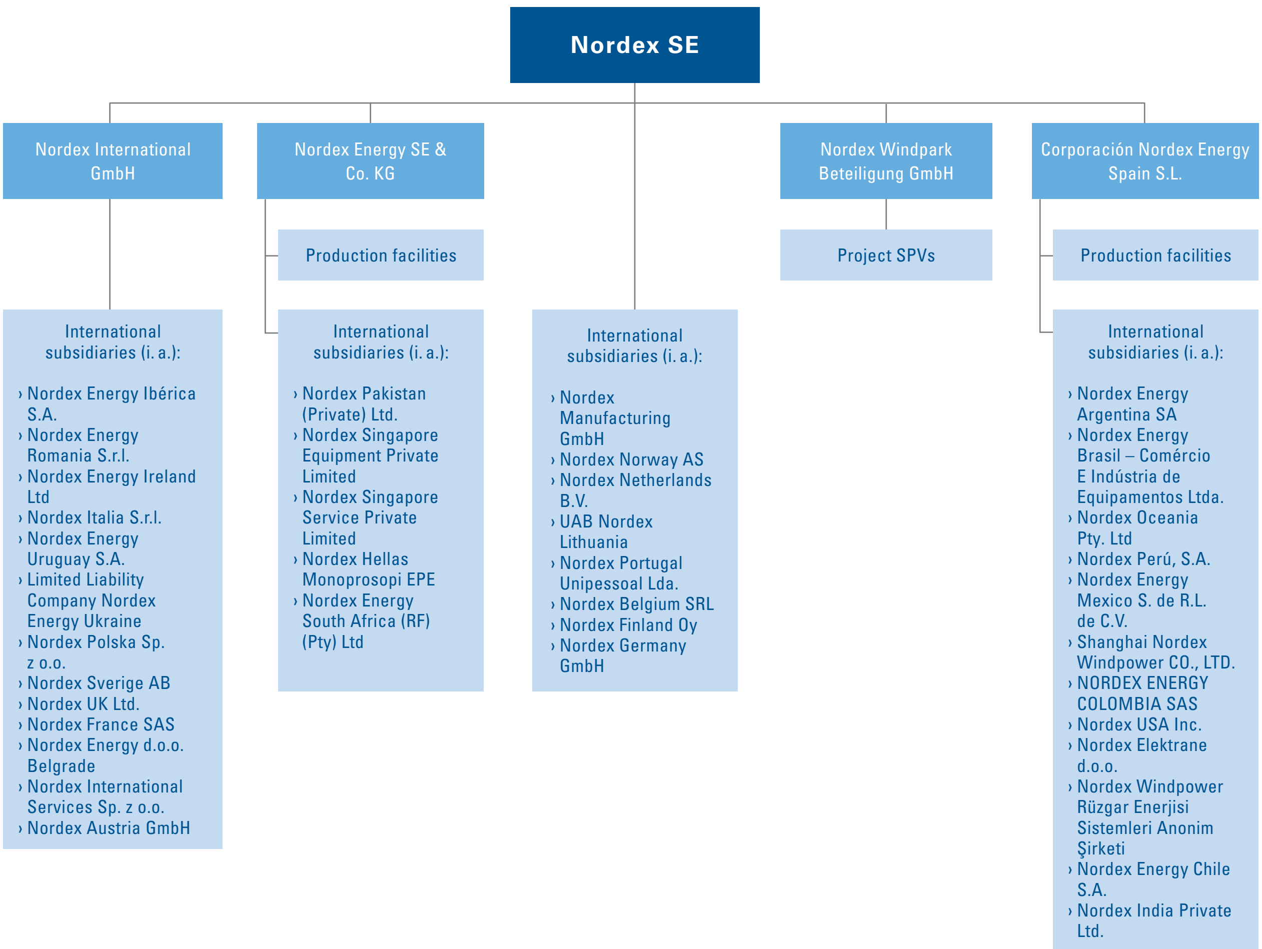


The Management Board manages the Group via Nordex SE as the strategic management holding company. Additional administrative services in the areas of accounting & controlling, finance, IT, internal audit, investor relations, communications, human resources, legal matters and tax are also performed by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

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

The Chief Sales Officer (CSO), Patxi Landa, is in charge of both operating divisions with responsibility for sales, project management and service as well as all overarching customer-related functions such as Global Sales, Global Key

Legal structure of the Nordex Group (simplified presentation)

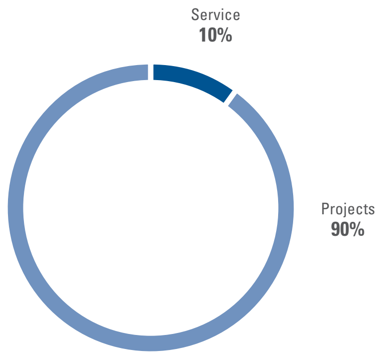


Account Management and Project Development. The Chief Financial Officer (CFO), Dr. Ilya Hartmann, is responsible for accounting & controlling, finance, internal audit, investor relations, communications, legal matters, tax, and the Finance/ Operations and Global Planning global lead functions.

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

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

Sales by segment in 2022 in %, before consolidation

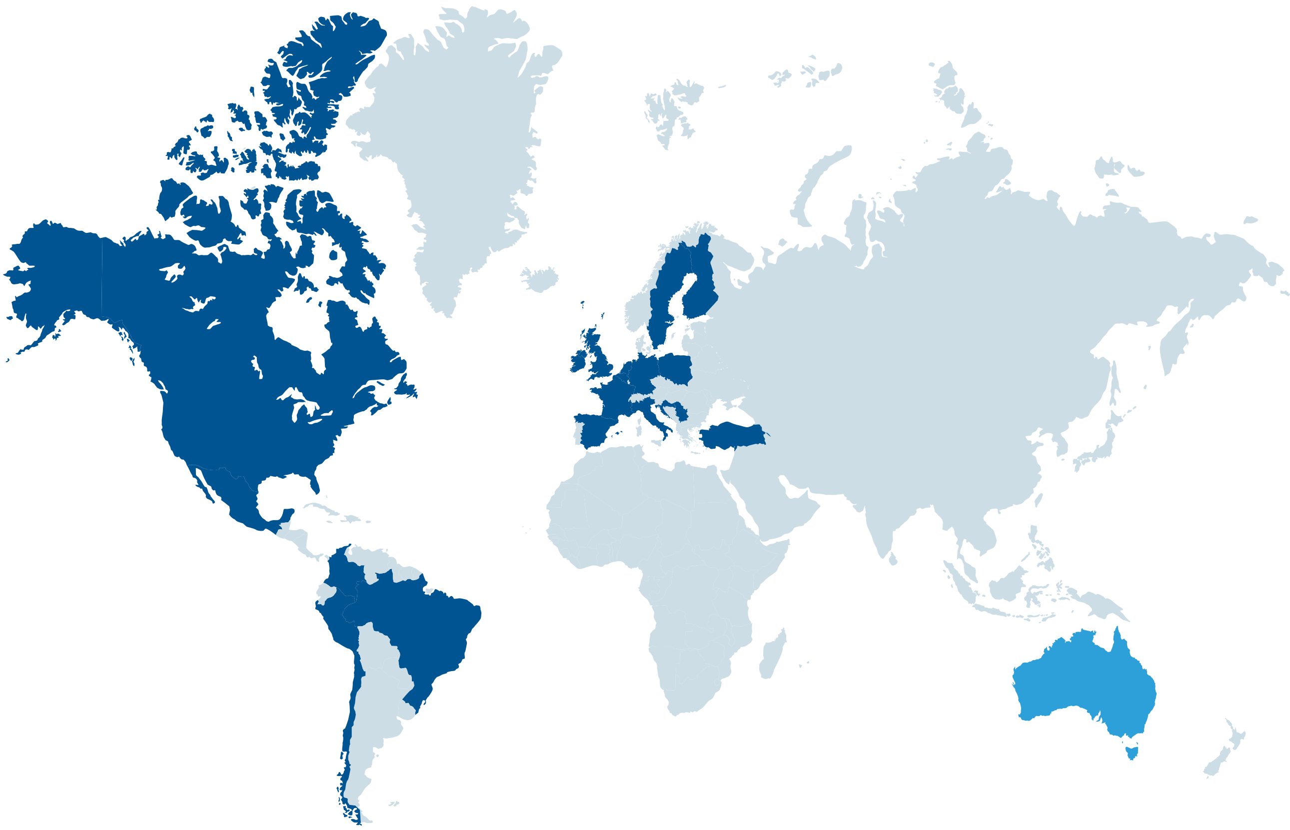


Sales markets and competition

The climate-friendliness of wind energy due to its very low carbon emissions is an important environmental argument for regenerative power generation and offers an important economic incentive in view of increasingly strict regulations regarding the taxation of carbon emissions. A key factor driving the dynamic growth in demand for wind turbines worldwide is wind power's lower and thus competitive cost of energy, which is well below the cost of new conventional energy production capacity, especially in windy regions. The explosion in costs and shortage of fossil fuels triggered by the war in Ukraine has structurally and sustainably improved the relative competitive strength of wind energy further, even though the similarly sharp short-term increase in the cost of materials and logistics is initially absorbing part of the advantage gained. Modern onshore wind turbines therefore have advantages in terms of ecology and economy. These factors play an important role both in industrialized nations as well as in emerging and developing countries. Global growth in the wind energy sector is primarily driven by the construction of new wind turbines and farms. Legacy turbines that have already reached the end of their lifecycle are either dismantled or replaced by modern and more efficient turbines (repowering). More and more onshore wind farms are reaching a point in their lifecycle where they need to be replaced and updated to the latest technological and economic standards, starting with those in pioneering wind energy countries in Europe and North America. Given the major technological advances made over the last few decades, the repowering of onshore turbines to generate electricity efficiently and profitably is a sensible approach that is essential for the transition to green energy and will therefore become increasingly important in the future.

The Nordex Group has installed wind turbine systems in more than 40 countries and considers itself to be well positioned on the internationally most attractive wind markets. It maintains its own sales and service organizations in all core markets. These countries are mainly located in Europe, and in North and South America. Nordex systematically uses its strong and long-established market presence to leverage further growth potential with customers. The Company is also active in Australia and South Africa and uses India as a production hub. The central sales organization continually seeks to identify opportunities in new markets not yet served by the Nordex Group. Targeted regional expansion into attractive new markets is also an important part of the Company's growth strategy.

Key markets of the Nordex Group



The Nordex Group's competitors are suppliers from Europe and the United States, many of whom have emerged by way of the consolidation process seen in the industry in recent years. In the Group's key markets (see chart), these are mainly Vestas, Siemens, Gamesa and General Electric. According to the Wood Mackenzie ranking, the Nordex Group in 2022 was the world's third largest manufacturer of wind power systems outside China. The Company had a double-digit market share in most of the core markets in which it regularly installs wind turbines.

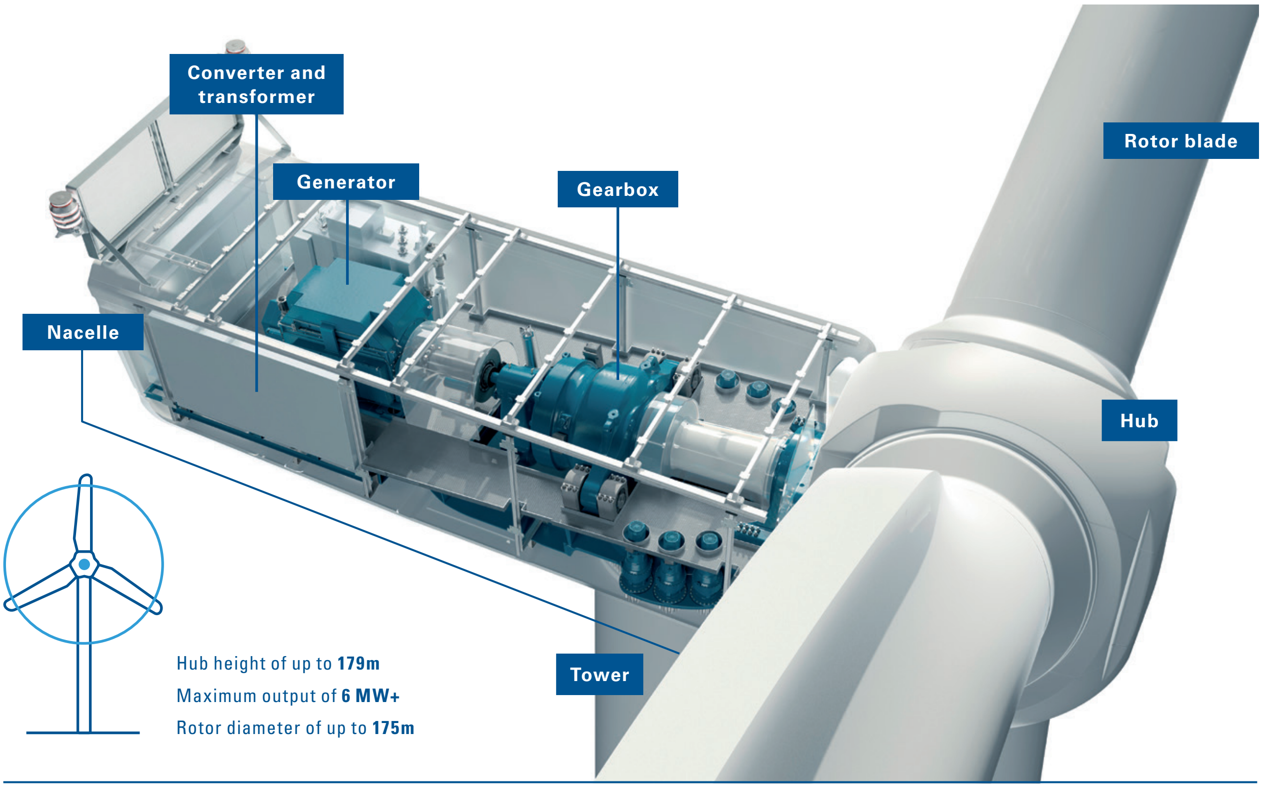
Locations, products and services

The Nordex Group's head office is located in Hamburg. The head office is home to the Group's core functions and parts of development, procurement, project management, services and sales. The Rostock site is home to the development and production of nacelles and the development of rotor blades. In Spain, the Group operates one factory for the assembly of nacelles (Barásoain), one for the production of rotor blades (Lumbier) and a tower production plant. Additional administrative and development functions are located at Pamplona. Nacelles and rotor blades are produced in India for international markets. Since 2022, the Nordex Group has added additional nacelle production in China via a local partner. Nacelles and concrete towers are produced in Brazil to serve the local market. In July 2021, Nordex ensured the continuation of rotor blade production in Matamoros, Mexico, as part of a new partnership with US manufacturer TPI. This cooperation is initially scheduled to run for three years. Subcontractors are also producing concrete towers for Nordex in other countries. The assembly plant in the USA (West Branch) is still inactive but Nordex is reviewing whether to resume operations.

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

The Nordex Group offers customers worldwide technically and financially suitable multi-megawatt onshore wind turbines on a modular basis for every wind strength and most climate zones. Its product portfolio enables the Group to provide solutions for markets with both limited grid availability, such as Latin America, and limited land availability, such as Central Europe. Customers are offered a comprehensive project management service which can include everything from assembling turbines and wind farms to providing turnkey solutions. The Group's services comprise a full range of turbine support services that include remote monitoring, routine maintenance and the completion of standard or

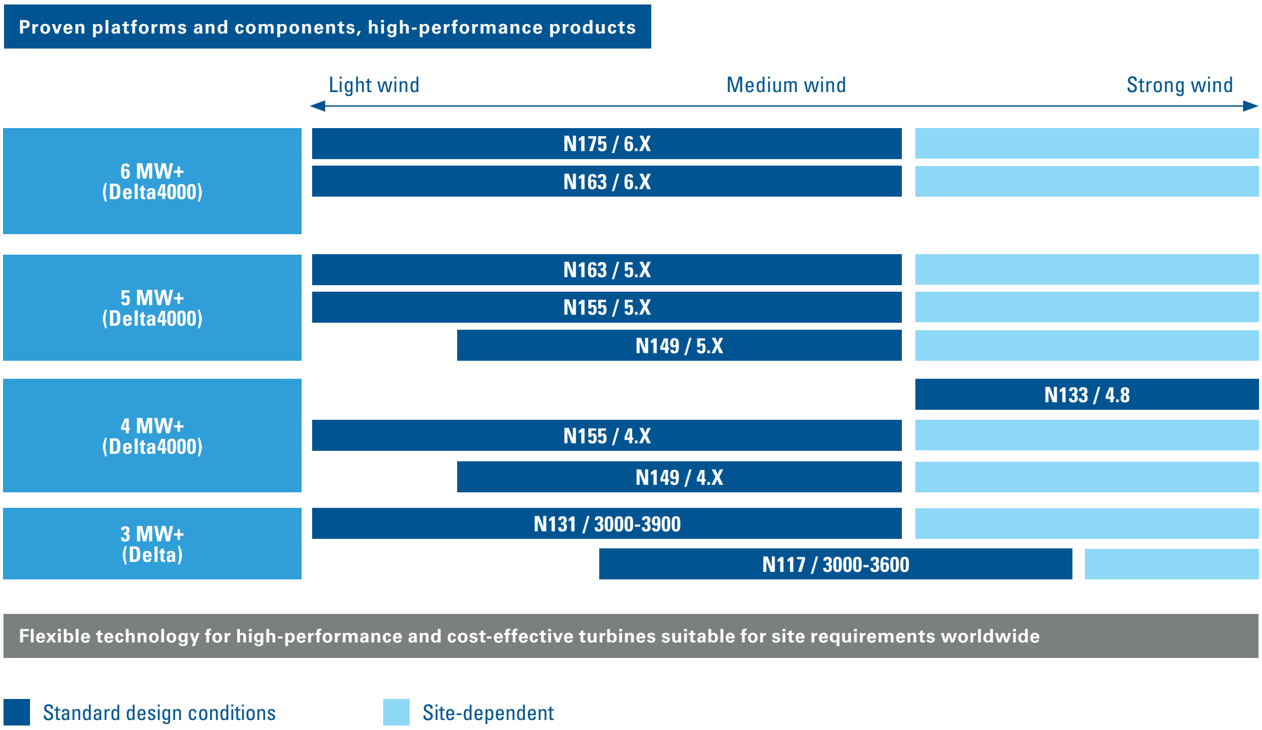
Nordex Delta4000 series wind turbine



customer-specific turbine repowering projects. The Nordex Group is also involved in upstream project development in selected markets. In support of the sales activities, the Company's finance department also advises customers in their efforts to raise project finance via national and international commercial banks. The Nordex Group is also positioned as an integrated full-service provider.

Its core product is the highly efficient Delta4000 series with its turbine variants in the 4 MW, 5 MW and 6 MW+ classes. In 2022, the Delta4000 series accounted for 86% of order intake. Turbines in the Delta4000 series are supplied worldwide and are already in operation in Europe, North and South America and the Australian continent. The series currently comprises eight different turbine types that cover all wind classes, with respective specifications that make them suitable for use all over the world. In addition to a low cost of energy, the turbine versions of the Delta4000 series are primarily characterized by their ability to flexibly address location-specific requirements. Depending on customer requirements, the turbines can also be fitted with Nordex's proprietary rotor blade anti-icing system, the cold climate variant or on-demand obstruction lighting. Turbines in the 3 MW class make up the remaining 14% of order intake. These complete the lower end of the portfolio, where Delta4000 turbines are not used due to their output in specific projects and markets.

Wind turbine product portfolio



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

The Nordex Group's service unit ensures reliable and cost-effective operation of the powerful wind power systems for customers. Nordex operates 352 service branches worldwide for this purpose. Services are rendered via this network of locations directly at the wind farms after they were installed and handed over to the customer. The corresponding service contracts secure and optimize the electricity production yields of Nordex customers by maximizing availability. Nordex offers customers a wide range of different services. These encompass all-in solutions containing services such as 24/7 remote monitoring, preventive maintenance and customer training, and full modernization of wind power systems.

The Nordex Group offers standardized service contracts with different levels of service. Customers usually sign up for long-term contracts, in some cases for up to 30 years. Customers can essentially choose between three contract models. The Premium service contract includes maintenance and repair services, remote monitoring and a time-based availability warranty. The Premium Plus contract includes these service entitlements and adds a production based availability warranty, while repair services and the replacement of certain large wind turbine components are subject to a separate fee in the Premium Light contract.

Customers and value chain

The Nordex Group has a broad customer basethat comprises large, international, utility companies and independent power producers (IPP) as well as medium-sized project developers, public utility companies and civic wind farms or energy cooperatives. The Group's customers also include an increasing number of captive producers from industry, trade and the IT sector as well as financial investors such as insurance companies and pension funds. In 2022, the ten largest individual customers accounted for approximately 45% of order intake. These customers are some of the world's largest operators and project developers in the renewables sector, whose global importance has steadily increased in recent years.It also includes companies in the oil and gas sector, which the Nordex Group supports in its ambitious goals to expand renewable energy sources. A key account manager is assigned to all major customers to ensure an optimum working relationship and the successful completion of these international projects. The remaining order volume is split among many of the customer segments mentioned above and underlines the global positioning of the Nordex Group. The value chain starts with the development of efficient, competitive wind turbines, which the Nordex Group's sales unit markets to customers globally. New wind farm projects worldwide are predominantly awarded through auctions. The Nordex Group provides its customers with support in the early stages of these auctions, developing individual solutions aimed at securing a successful bid for the customer.

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

It usually takes approximately 12 to 18 months to construct a wind farm, depending of the size of the farm, its specific location and a multitude of other factors. In exceptional cases, individual projects can be completed in just nine months, while others may require a time frame of one to two years or longer. Due to the adverse impact of supply chain instability resulting from the zero-COVID policy in China as well as the precautionary switch-off of our IT systems after the cyber security incident, the Group was unable to prevent some project delays in 2022 despite its concerted efforts. Nevertheless, the Nordex Group ensures the project management of all activities even in difficult times from installation to turnkey handover and commissioning of wind farms and carries out the work with its own teams and third-party providers. As is customary in plant engineering due to the long period of time from the awarding of the contract to the handover of the turbine to the customer, the Nordex Group receives an advance payment when the contract is awarded. Additional payment flows are essentially based on milestones in the construction of the wind turbine system or and costs incurred over the course of a project.

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

This added value is also supplemented by upstream project development. In this area, Nordex is developing its own portfolio of wind farm projects, including some from the first stage of development onwards ("greenfield development"). Projects implemented exclusively with the Group's own turbines are sold to customers or investors and represent an additional sales channel. The current project pipeline focuses on non-European activities, particularly in Latin America, South Africa, and India. However, these projects are currently considered to be of secondary importance but Nordex plans to gradually expand its regional project development business.

CORPORATE STRATEGY AND MANAGEMENT

Mission and vision

Climate change and climate action are among the biggest and most important challenges of our time.

Wind energy is a key technology for carbon neutral, climate-friendly power generation. A shift towards electricity generated from renewable sources can halt global warming. Unlike conventional energy sources, wind can be found almost everywhere, which means it has a vital role to play in ensuring energy stability and independence. The Nordex Group is already a key player actively helping to shape this transition to sustainable power generation, with a mission to develop and deliver the right turbines to help the world meet its energy needs from renewable sources. With this in mind, the Nordex Group works to continuously develop and improve its products and services. Our main priority is to create lasting value for our customers, employees, shareholders and stakeholders as well as society as a whole. Sustainability is not only a core value for the Company in environmental terms but also with regard to all of the Nordex Group's business activities, which means it is more than just a range of environmentally-friendly products and services.

Corporate strategy

Developing, manufacturing and servicing wind turbines are the core competencies and business of the Nordex Group. The Nordex Group has always firmly believed that wind energy has a vital role to play in decarbonizing energy supplies and thus tackling climate change, making it possible to generate power entirely from renewable sources in the long term. This is also reflected in the Company's vision that the Nordex Group's products and services contribute significantly to creating a cleaner and more peaceful planet.

Nordex focuses on the onshore wind segment. The Company has a global presence in production and procurement as well as distribution and servicing for projects of all sizes. Nordex focuses on technology-driven, profitable and open markets, which is why China is the only volume market not to be included within our sales territory. This clearly defined profile also forms the basis for the future strategic direction of our business.

However, these markets will also be significantly impacted by future political decisions that could temporarily cause demand to fluctuate noticeably, e. g. by creating, adjusting or phasing out funding programs or legal requirements. This represents a major challenge for all market participants with regard to the adaptability of corporate structures. With a corporate philosophy that is both international and cosmopolitan yet also contains aspects typical of a Mittelstand company, the Nordex Group is flexible enough to adjust quickly to new circumstances. This agility is a key strategic element of the Nordex Group. At the same time, the Company is large enough and sufficiently diversified on a global level to be able to compensate for most fluctuations in individual markets.

Despite the highly challenging external influences on the operating business in recent years, including the market upheaval caused by new funding and project awarding systems, the coronavirus pandemic, tariff-based trade barriers and extreme price increases for many raw materials and services, such as shipping rates, triggered by the war in Ukraine the Nordex Group has made considerable progress with its internal strategic development. It has successfully developed the Delta4000 platform – which now comprises eight different versions of the product – in the 4 MW to 6+ MW performance range and is being enhance continually. The Nordex Group has also systematically adjusted its supply chain to meet the requirements of a global company. It also succeeded in considerably reinforcing its financing structure once more in 2022. In doing so, the Company laid essential foundations that will enable it to better leverage attractive market opportunities and operational potential for consistently higher profitability in the future.

When formulating its strategy and carrying out its activities, the Company is always guided by its core values: integrity, colleagueship, respect and ownership. These values represent the DNA of Nordex. They shape the culture in which people work together at Nordex and thus feed into all of its activities.

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

- Further consolidating Nordex's position as a world-leading company
- EBITDA margin of 8%

These targets are based on various external and internal drivers that are relevant to the Nordex Group. As its strategy must always respond to developments in the wider environment, the Nordex keeps a close watch on political events and changes in the market. While the Group can only exert a limited influence on these external factors, it monitors them carefully. As a result, the Company focuses on achieving targets based on its internal drivers to make sure it is well positioned to face future competitive challenges. The Nordex Group consistently achieves its economic targets in accordance with and in relation to the goals set out in its sustainability strategy. Sustained commercial success would be unthinkable without efficient implementation of the Group's sustainability targets. The Nordex Group's corporate responsibility is outlined in the following section, while a detailed presentation of the sustainability strategy is provided in the separate 2022 Sustainability Report.

The external drivers and long-term factors include the irreversible global trend towards renewable energy production. Even amid the coronavirus crisis, both individuals and key decision-makers have become increasingly aware of the significance of climate change in recent years. Numerous countries around the world have set themselves ambitious climate goals and are investing in environmentally-friendly infrastructure centered around renewable sources of power generation.

Several of the European Union (EU) and the USA's climate policy strategies and statutory requirements are of particular importance for the Nordex Group. The USA's return to the Paris Climate Agreement and the Inflation Reduction Act passed during the year under review is also likely to boost the use of renewables. These important stimuli include the EU's ambition to go climate neutral by 2050 as well as the European Green Deal. The new German government significantly scaled up its ambitions to expand renewable energy sources in Germany shortly after taking office.

Key drivers for achieving medium-term targets

A further element that will stimulate and advance the onshore wind market that is relevant for the Nordex Group is what is known as 'repowering'. According to the German Wind Energy Association (BWE), in Germany alone onshore wind turbines generating around 2,400 megawatts will no longer qualify for funding each year and will largely reach the end of their technical useful life by 2025. They will have to be fully dismantled before being replaced with modern, significantly more efficient turbines. This will enable the same plots to generate many times more power with a lower number of larger new turbines. The Delta4000 platform provides the Nordex Group with attractive opportunities in this area. There is also considerable repowering potential in the USA, Denmark, Spain and India in the medium term.

In addition to these external macro and long-term drivers that are set to stimulate demand and present the Nordex Group with major market opportunities, the Company is placing particular reliance on its own strengths and potential for internal improvements in order to achieve its strategic goals. As a result, the Group's strategy and operations will focus on the following four aspects in order to deliver growth in the next few years:

- **Competitive portfolio driven by Delta4000 turbines:** The Delta4000 platform is a global platform that now includes eight types of turbine with advanced features to suit the Nordex Group's international markets. In 2022, the Nordex Group expanded its product portfolio even further by launching the N175/6.X, Which positions the Company for the next development step in the onshore market.

- **Supply chain optimization:** Together with growing its global business, another key issue for Nordex is to expand and optimize its production footprint and supply chain. Nordex is currently focusing on expanding its capacity in India and reducing risk along its supply chain. This primarily involves selecting the right suppliers and negotiating contracts systematically with regard to risk.

- **Strengthening internal processes**: The Company has focused on improving internal processes. The Nordex Group's strategic flexibility paid off during a year under review in which the Company was repeatedly forced to adapt to fast-changing conditions at short notice. Smooth and stable processes are needed to ensure long-term commercial success. In the medium term, this will result in higher-quality products and services and more seamless project implementation processes, which will enhance the profitability of the Company.

- **Growth of the Service segment:** The Nordex Group globalized the support functions within the Service business during the year under review to lay the foundations for future growth. By bundling its expertise and reinforcing its processes, this segment is now well positioned to continue growing profitably over the next few years. The Service business continually pursue a number of strategic and operational projects and initiatives to drive growth and strengthen profitability.

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

Strategy control and implementation

The corporate strategy continues to focus on improving profitability. In order to achieve this goal, Nordex confirmed and continued several existing initiatives and defined and launched new ones. New and existing strategic initiatives were brought together under the umbrella of the Group-wide improvement program in 2022, which continued without any significant changes in 2022. Among other things, the focus was on increasing the efficiency of service processes, renegotiating with tower suppliers and improving the capacity utilization in rotor blade production. All initiatives are the responsibility of members of the Nordex management team. An internal team of experienced managers leads the program, supports individual initiatives and ensures that progress is transparent. Steering committees meet with the Management Board to ensure that the Group achieves its strategic goals.

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

Financial strategy

The aims of the Nordex Group's financial management are to secure liquidity and ensure access to necessary funding. Working capital is a key parameter in this regard. The key parameter in this regard is working capital, which is defined as the sum total of trade receivables, contract assets from projects and inventories less trade payables and contract liabilities from projects.

The Nordex Group's financial management is taking on particular importance given the dynamic developments of recent years. Our efforts primarily focus on securing liquidity and ensuring long-term access to necessary funding. Subsidiaries within the group of companies are largely equipped with liquidity based on a concept of in-house banking and funding. This liquidity is controlled centrally from the Group's head office to actively manage counterparty and currency risks. Working capital is a key parameter in this regard. Generally speaking, the Company aims to finance its ongoing investments in property, plant and equipment from its operating cash flow. At the end of 2022, cash and cash equivalents amounted to EUR 633.5 million.

The Nordex Group used 2022 to strengthen its financial structure and carried out two capital increases in the middle of the year. The first capital increase totaling around 10% of share capital generated gross issue proceeds of just over EUR 139 million. A second capital increase representing more than 20% of the new share capital was implemented in July by way of a rights issue undertaken in return for cash capital contributions that was fully secured in advance. This generated gross proceeds of around EUR 212 million. Both transactions were primarily carried out due to the war in Ukraine and the associated cost impact on the Company. In addition, increasing the equity ratio enabled the Company to gain further confidence from its customers in a challenging market environment.

The Company also agreed a shareholder loan with Acciona, S.A. Instead, this action was taken to refinance the corporate bond that matures in 2023.

The secured short and medium-term financing and continued strengthening of the capital structure, together with cash flow and available liquidity, ensure that the Nordex Group is in a position to operate in a challenging market environment while safeguarding its plans to accelerate growth and roll out efficiency and profitability improvement initiatives.

Internal management system

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

- Sales
- EBITDA
- Working capital ratio
- Capital expenditure

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

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

Additional financial and non-financial key performance indicators:

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

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

CORPORATE RESPONSIBILITY

As a producer of wind turbines that enable energy to be generated increasingly efficiently under a wide variety of conditions worldwide, the fight for a sustainable transition to renewable energy sources and thus the fight against climate change drives the Nordex Group each day and is the foundation of its business model. The management of the Nordex Group has also aligned the management and development of the Company in line with the principles of sustainability and defined relevant targets and actions in it Sustainability Strategy 2025. The Nordex Group reports on its environmental, social and corporate governance (ESG) activities and progress as well as the issue of "sustainable products" in an independent sustainability report, which was prepared in compliance with the core option of the guidelines issued by the Global Reporting Initiative (GRI) and published at the same time as this Annual Report. The separate non-financial Group report integrated in the 2022 Sustainability Report was again reviewed as part of a limited assurance engagement conducted by auditing firm PricewaterhouseCoopers (PwC). This "Corporate responsibility" section supplements the Group management report on selected aspects of the Group's corporate culture, sustainability strategy and employee structure.

The separate non-financial Group report pursuant to Section 315b (3) of the German Commercial Code (HGB), which is not part of the management report, can be downloaded as part of the 2022 sustainability report from Nordex SE's website at *ir.nordex-online.com*.

Corporate culture and rules

The Nordex Group is committed to the ecologically and economically responsible use of resources and respectful treatment of all people employed by Nordex or with whom the Company works as customers, suppliers, service providers or shareholders, as well as with its neighbors and local communities. The Nordex Group set up its Sustainability Management unit back in 2015 to coordinate, enhance and manage sustainability measures and meet our stakeholders' growing information requirements. The unit is responsible for the strategic development of sustainability issues and communicates regularly with all of the other company departments. The current Sustainability Strategy 2025 is based on an extensive materiality analysis involving both internal and external stakeholders. This strategy embodies the Group-wide continuation of the pursuit of sustainability topics and targets. Detailed explanations of the strategy, target achievement and actions are presented in the Sustainability Report 2022 along the focus topics.

The Nordex Group's corporate culture is based on the values, principles and standards of conduct set out in the general Nordex guidelines, sector and subject-specific company guidelines and, in particular, the Nordex Group Code of Conduct. This is binding for the entire Nordex Group and must be signed by all employees in the form of a declaration of consent. In accordance with the Code of Conduct, the ethical guidelines of the UN Global Compact and the OECD guide all of the Company's activities. Furthermore, all decisions at the Nordex Group are subject to respect for international human rights. Global compliance, measures for tackling corruption and discrimination and promoting diversity are firmly enshrined within the Company.

Aspects of responsibility

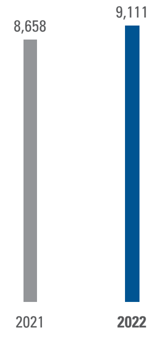
Based on an extensive materiality analysis, the Nordex Group prioritizes the following five focus topics for sustainability management:

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

Employee structure

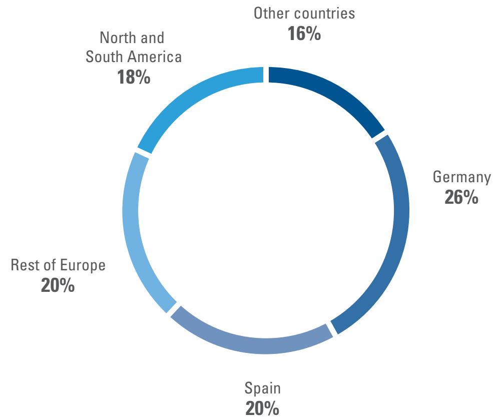
The Nordex Group's employee structure developed in two different ways during the 2022 reporting year. While the average number of permanent employees remained virtually unchanged during the year under review at 8,866, headcount rose from 8,658 to 9,111 employees as of 31 December 2022. This rise primarily resulted from ramping up the production site in India. In addition, the increase in the number of employees takes account of the growing number of turbines in the service segment. As a result, most new staff were hired in the production and purchasing units as well as service and sales.

Employee figures



At the end of the year under review, the breakdown into functional areas was as follows: A total of 33% of employees worked in the production and purchasing units for blades, nacelles and towers (2021: 30%), and 39% in the service and sales units combined (2021: 35%). Engineering and project management accounted for a total of 18% of employees in 2022 (2021: 25%). The share of employees working in administration remained steady at 10%. This distribution across functions demonstrates the Company's strong focus on technology and close customer relationships, particularly in the service business.

Distribution of employees by region in 2022 in %



As in the previous year, women accounted for 16% of the total workforce at the end of 2022. The Nordex Group's workforce is regionally distributed as follows: At the end of 2022, 26% of staff were employed in Germany, with the decline of 9 percentage points primarily caused by the reorganization of the Rostock site. The proportion of employees in Spain remained constant at 20% and was also on the same level as the rest of Europe, which also accounted for 20% of the workforce (2021: 19%). At the end of the reporting period, 18% of Nordex Group employees were based in North and South America (2021: 20%), while the proportion of staff working in Asia, Africa and Australia climbed from 6% to 16% due to the ramping up of production in India.

Employee structure (selected figures)

	31.12.2021	31.12.2022
Total workforce	**8,658**	**9,111**
By gender		
Male	84%	84%
Female	16%	16%
By age		
Under 30 years of age	20%	21%
Between 30 and 50 years of age	69%	68%
Over 50 years of age	11%	11%
By working hour model		
Full-time	97%	97%
Part-time	3%	3%
By type of contract		
Permanent staff	88%	94%
Temporary staff	12%	6%

RESEARCH AND DEVELOPMENT

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

The Nordex Group has developed a technology concept based on series production, the centerpiece of which is the successfully established Delta4000 series. This turbine platform, which can be used anywhere in the world and can be flexibly adjusted depending on requirements, enables power generation in the 4 MW, 5 MW and now 6 MW+ classes. In individual cases, Nordex also develops project-specific solutions and adjustments. The Group's R&D activities also include innovations in the production, logistics and service processes, and in the erection of wind power systems. The Group's development work also focuses on extending the useful life of its turbines, which has now reached 35 years for certain projects. The Company is also involved in projects concerning the grid integration of renewable energies.

ORGANIZATION AND KEY R&D INDICATORS

At the end of 2022, the Nordex Group again had 628 employees in the Engineering segment (2021: 628 employees). The main research and development activities are located in Rostock and Hamburg (Germany), in Pamplona and Madrid (Spain) as well as Chennai (India).

The development expenses recognized in the balance sheet amounted to EUR 161.5 million as at 31 December 2022 (31 December 2021: EUR 163.6 million). In financial year 2022, development expenses of EUR 34.3 million were newly capitalized (2021: EUR 35.1 million). The additions mainly concerned the enhancement of the Delta4000 series and hydrogen project development. They include borrowing costs of EUR 2.2 million (2021: EUR 1.4 million) at a funding rate of 7.69% (2021: 5.81%). Other development expenses incurred during the reporting year amounting to EUR 26.8 million (2021: EUR 23.4 million) do not meet the criteria for capitalization and were therefore expensed. The capitalization ratio for the year under review amounts to 56.13% (2021: 59.99%). Amortization of capitalized development expenses amounted to EUR 33.6 million in the 2022 financial year (2021: EUR 38.3 million).

PRODUCT DEVELOPMENT

The Group's development activities in financial year 2022 continued to focus on enhancing the Delta4000 series to include additional turbine versions in the future. The highlight of the year was unveiling the new N175/6.X at the WindEnergy Hamburg trade fair in September 2022. Nordex is one of the first Western manufacturers to offer a wind turbine of this size, with a rotor diameter of 175 meters. What makes this turbine so special is that its new 175-meter rotor is largely based on a platform that is not only in production but installed and operating in the field. The large rotor gives this turbine a particularly high electricity yield at low and moderate wind speeds, which means financial advantages can be achieved when marketing the electricity (known as "value capture").

The Group's new and further development activities generally involve developing and testing new rotor blade types, using new materials in blade production and developing new turbine variants with a higher nominal output. In addition, the Nordex Group constantly strives to implement measures aimed at reducing the cost of energy of its existing turbine types.

Like all Delta4000 turbines, the N175/6.X also uses the latest generation of SCADA, Nordex OS™ SCADA EDGE. This technical control enables extensive data acquisition, control and remote monitoring functions to be used either centrally from a wind farm or from a distance. High-frequency data is also optionally available via the new SCADA system.

REPORT ON ECONOMIC POSITION

- **2022 financial year impacted by numerous global pressures and cyber security incident**
- **Production landscape selectively enhanced**
- **Supply shortages and cost explosion hamper structural margin improvement**

MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

Macroeconomic environment in 2022: war in Ukraine, China weakness, inflation and turnaround in interest rates bring global economy to its knees

The global economy was shaken by external shocks in 2022, with momentum slowing considerably. This was primarily due to Russia's war of aggression in Ukraine, in violation of international law, and its wide-ranging consequences, as well as China's strict zero-COVID policy that caused major economic hubs to be temporarily shut down and isolated by lockdowns. Both factors triggered additional upheaval in already disrupted supply chains, with prices for energy, key raw materials and precursors all rising drastically as a result. The almost complete cessation of Russian gas deliveries meant Western Europe faced the threat of an energy crisis, while food prices in the global market also exploded. These drivers caused inflation to surge to highs not seen in many years, prompting leading central banks to raise interest rates rapidly and in large steps. Many governments introduced comprehensive fiscal packages to lessen the impact of the explosion in energy prices and stabilize the economy. While this, combined with catch-up effects from the coronavirus pandemic, provided an economic boost, the global economy slumped markedly by the end of 2022.

According to the January 2023 report of the International Monetary Fund (IMF), global economic growth flattened out at +3.4% in 2022 (2021: +6.2%), weaker than the +4.4% predicted at the start of the year. Emerging and developing countries only grew by 3.9% overall in 2022 (2021: +6.7%). Growth momentum in industrialized nations halved from +5.4% in the previous year to +2.7%. In this global environment, economic performance in the Nordex Group's core markets also slowed considerably in some cases.

To curb exploding prices and limit losses in purchasing power, the US Federal Reserve (Fed) raised its key interest rates to 4.25–4.50% in seven large steps from March onwards. Almost all of the world's central banks followed with a similarly restrictive policy including, after a slight delay, the European Central Bank (ECB), which lifted its key rate from zero to 2.0% in three steps between July and December 2022. While the euro initially lost significant ground against the US dollar until October 2022, intermittently dropping below parity, changes to the ECB's rates meant it partially recovered by the end of 2022. Compared to the 2022 year-end exchange rate of USD 1.0656, the external value of the euro fell by 5.9% against the US dollar.

The war in Ukraine initially caused a massive increase in the price of raw materials and fossil fuels around the world. Although inflation eased over the second half of the year and prices fell somewhat, they have not returned to pre-February 2022 levels for most raw materials despite the global economic slowdown. Uncertainty remained high as the war showed no sign of de-escalating and other geopolitical crises such as China/Taiwan came to the fore, while there were also significant fears of supply bottlenecks. According to the IMF, non-oil commodity prices rose by an average of 7.0% in 2022. The prices of key raw materials required for the construction of wind turbines, including steel, copper and aluminum, exploded immediately after the outbreak of war in Ukraine and reached their peak during the spring. The majority of these price increases fell away again over the course of the year. In each case, Nordex secures the price for the necessary commodities immediately following the signing of a contract. However, not all raw materials can be secured, leaving a residual risk. This means that fluctuations or rapid short-term increases in commodity prices can have an impact on earnings margins.

The prices of fossil fuels and the electricity prices specific to each country may, in general, have an impact on investment decisions regarding new wind farms or on the shape that any national framework conditions might take. Russia's invasion of Ukraine and the almost complete cessation of oil and natural gas deliveries to Western Europe, together with the spike in the cost of these fossil fuels, are catalysts for the energy transition and will also accelerate the expansion of wind energy around the world in the future. Oil prices rose drastically once again in 2022. According to the IMF, the average annual price per barrel soared by 39.8% to USD 96.81 (UK Brent, Dubai Fateh, WTI). Electricity in Germany also became considerably more expensive, with wholesale prices for base load electricity rising dramatically: While the Epex Spot Germany index ended 2022 below the previous year's figure at EUR 14.91/MWh (end of 2021: EUR 82.58/MWh), the annual average price was EUR 235.45/MWh, almost 150% higher than the previous year's average (2021: EUR 96.94/MWh).

Political, legal and regulatory environment: enhanced expansion targets and industrial policy

The Nordex Group's business is largely determined by the regulatory environment, which varies from region to region and country to country based on differing climate protection targets, specific national regulations and expansion plans for wind power. This stimulus, whether in the form of subsidies, tax breaks, legal specifications for the use of renewable energy production and the reduction of harmful emissions caused by the use of fossil fuels, often has an impact on the use of wind energy. On a global level, UN climate targets provide the framework for efforts to reduce greenhouse gas emissions and thus limit global warming. The energy sector is currently responsible for 40% of greenhouse gases worldwide, making it the largest emitter. The global expansion of renewable energy systems such as wind farms is vital for reducing these emissions in line with UN climate targets.

The EU raised its renewable energy expansion targets considerably in light of Russia's war of aggression against Ukraine. In its RePowerEU expansion plan published at the start of 2022, the EU not only focused on increasing the expansion of renewable energy sources but also outlined industrial policy initiatives to strengthen supply chains. In addition to the debate around whether the global economy relies too heavily on China, there were also increasing discussions about the measures set out in the US Inflation Reduction Act (IRA) during the course of the year. With the IRA, the USA passed legislation in August 2022 that aims to use financial incentives to help expand the rollout of renewable energy, establish a hydrogen economy and promote other climate protection technologies. The EU has since also discussed whether to introduce measures with a similar effect. Both developments should generally be seen as positive for Nordex as they will help to improve conditions in the wind energy sector.

When it comes to funding instruments, it is important to note that auction processes now dominate the awarding of feed-in tariffs by governments in most markets. The structure of these auctions differs significantly from country to country.

However, project developers can generally apply for an award with their wind farm projects and the lowest feasible electricity supply prices. The Bloomberg New Energy Finance (BNEF) database shows that 22.7 GW of wind capacity was allocated worldwide via auction processes in 2022.

In Europe, the overall market has grown from 11 GW in the previous year to 15 GW today. However, the EU is still a long way off its planned expansion path. To meet its 2030 target of 480 GW, installations would need to reach 36 GW a year – more than double their current volume. It is clear that Germany has also strayed from its pathway towards expansion. In 2022, the federal government announced ambitious expansion targets that aim to grow installed onshore wind capacity to 115 GW by 2030 (58 GW at the end of 2022). However, three of the four onshore wind energy auctions conducted by the German Federal Network Agency (BNetzA) were undersubscribed. This can be attributed to weak market dynamics in Europe, with lengthy land-use planning and approval procedures that are delaying the necessary increase in project volumes. There was also a clear reticence among developers and investors, as price increases and higher interest rates combined with unchanged auction prices had a detrimental effect on the profitability of projects. Amid soaring energy prices, the EU Commission also allowed its member states to intervene with initiatives such as skimming profits in the electricity market. These interventions created additional uncertainty among market players, despite being limited to 2022 and 2023.

Nevertheless, some initial progress is being made when it comes to land-use planning and approval delays, with EU member states expected to implement the accelerating measures set out in the EU Commission's new regulations. This would increase project volumes in the medium term, which in turn would provide the European market with additional momentum. For example, Germany and France have already responded by putting new initiatives in place. At the end of 2022, Germany also increased its maximum permitted future tender amount by 25% to 7.35 ct/kWh to take account of the changing cost environment.

Industry-specific environment: while onshore wind records biggest growth internationally, Germany once again fails to exploit this potential

The global market remains on course for long-term growth. The expansion of wind energy has a major role to play in a growing number of countries, with progress being made not only in long-established wind energy investment regions such as Europe but across every continent except Antarctica. When looking at global market data for 2022, however, it is important to bear in mind that the positive underlying trend was distorted by the massive booms experienced by the biggest individual markets, China and the USA, in 2020 and 2021 thanks to government funding programs. As there were no similarly powerful one-off effects in 2022, there is only limited value in some cases in comparing annual data for 2022 with 2021.

Irrespective of this, the global wind industry was dominated by Covid-related distortion and supply chain disruption and thus project delays for the third successive year. Russia's war in Ukraine also presented immense new challenges, including a crisis in fossil fuel markets that resulted in higher electricity costs, as well as an explosion in the cost of raw materials, precursors and logistics that also affected the global wind sector. The financing environment also deteriorated due to the rapid turnaround in interest rates.

According to the Global Wind Energy Council (GWEC), the sector slightly missed the original global new installations forecast by around 3% or 6 GW amid a strained environment in 2022. According to GWEC's updated preliminary estimate in November, however, the wind industry experienced another record year in 2022 with new installations of 97.6 GW worldwide. This meant that global installations rose by 4.3% (onshore and offshore turbines). Onshore wind turbines with a nominal output of 86.5 GW were installed worldwide, an increase of 19.3% compared to the previous year's volume.

However, the global market relevant to the Nordex Group, onshore excluding China, contracted by 3.1% to 40.5 GW in 2022 based on new installations. This is due to the distortion caused by the USA after its boom came to an end, with installations in this market falling by 25% to 9.5 GW in 2022 as a result of expired tax credits and a lack of new regulations.

By contrast, GWEC analysis suggests that new installation in the European onshore segment rose by 15.6% to 16.3 GW in 2022, with the Scandinavian countries once again driving this growth. The Spanish market also recovered significantly to record new installations of 1.5 GW (2021: 0.8 GW), while the trend in France was positive with 1.5 GW of newly installed capacity (2021: 1.2 GW). According to the latest figures from the German Wind Energy Association (BWE), 551 onshore wind turbines with 2.4 GW of nominal output were constructed in Germany in 2022, an increase of 24.8%. Nevertheless, Germany is still falling short of its previous peak years of 2014 and 2017 as well as the genuinely attractive potential of this market, primarily due to a lack of building permits and excessively long approval procedures for constructing wind turbines.

According to GWEC, Latin America achieved a new onshore record in 2022, with new installations totaling 6.7 GW (2021: 5.8 GW). This market is driven by lively private auctions and power purchase agreements (PPAs) with major electricity consumers. Brazil is expected to have added 3.9 GW of capacity (2021: 3.8 GW) and Mexico 0.8 GW (2021: 0.5 GW). According to GWEC analysis, new installations in Australia fell significantly by 29% to 1.25 GW (onshore). While India is likely to have generated very strong growth of 53% to 2.3 GW, this figure still falls short of past achievements.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

In 2022, the market environment for manufacturers of wind turbines such as the Nordex Group was dominated by Russia's war of aggression in Ukraine, in breach of international law, and its wide-ranging consequences, as well as subsequent and, in some cases, significant disruption to global supply chains. Around the world, there was an explosion in prices in a wide range of different areas – from fossil fuels and key raw materials, industrial intermediates and logistics, all the way to consumer goods and food. The main central banks tightened their interest rate policy rapidly and initially in large steps in a bid to curb inflation. The pressure exerted by this complex array of negative factors caused the outlook for the overall economy to deteriorate markedly over the course of the year, with several key economies even trending towards recession. Supply chain instability, with all of its resulting costs, component shortages, project delays and cost increases for raw materials, services and energy, had a particularly negative effect on the profitability of the Nordex Group.

In this noticeably weaker environment, there are a number of different events to highlight that are key to understanding the Group's business performance and economic performance during the 2022 reporting year. These events also attest to the Nordex Group's continuing strategic development and enhanced financial resilience. Specifically, the following events were particularly significant for the Nordex Group and its communications with the capital markets during the 2022 reporting year:

NORDEX AFFECTED BY CYBER ATTACK – STOCK TEMPORARILY EXCLUDED FROM KEY INDICES

The Nordex Group was affected by a cyber security incident at the end of March that had an adverse impact by causing production and installation delays, primarily in the second quarter but also in the third quarter. Among other repercussions, this delayed the publication of the quarterly report for the period ending 31 March 2022 from 12 May 2022 to 21 June 2022. As a result, the Company was unable to meet the specified deadline for publishing its quarterly figures, prompting Deutsche Börse to exclude Nordex SE shares from the TecDAX and SDAX for the time being with effect from 20 June 2022. After the Group overcame its technical problems and resumed regular reporting, however, the Deutsche Börse readmitted Nordex shares to both indices as expected in September.

ADJUSTMENT OF PRODUCTION

The increasingly challenging market environment and fierce competition, as well as a shift in demand, necessitated adjustments to the Nordex Group's global production and procurement processes. After conducting an extensive review, the Company therefore discontinued the assembly of nacelles in Spain. With the cost of producing rotor blades in Rostock proving uncompetitive despite all of the measures already introduced, rotor blade production at the site ceased in mid-2022. We were able to reduce headcount in a socially responsible manner. The production of nacelles, hubs and drivetrains (DMR) and the service organization also based in Rostock will continue.

COMPREHENSIVE FINANCING PACKAGE ROLLED OUT TO STRENGTHEN THE COMPANY

In mid-2022, Nordex SE successfully placed two capital increases and generated gross issuing proceeds totaling around EUR 351 million (of which EUR 139.2 million was generated by the first issue on 26 June 2022) with the aim of increasing liquidity, strengthening the balance sheet and protecting the Company against the short-term risks to which the entire sector is exposed. The first of these capital increases representing just under 10% of share capital was fully subscribed by anchor shareholder Acciona, S.A. as part of a private placement with pre-emption rights disapplied. The Company was able to broadly place shares representing more than 20% of the new share capital in a second rights issue (10 July 2022). The gross proceeds of this capital increase were EUR 211.9 million. The shareholders of the Company were offered 35,923,089 new no-par-value bearer shares (approx. 20.4% of the previous share capital), at a subscription ratio of 49:10 and at a subscription price of EUR 5.90 per new share. Furthermore, an additional loan agreement was concluded with anchor shareholder Acciona, S.A. in July to refinance the bond due in 2023. Acciona, S.A.'s extensive participation in and support for this multi-part financing package once again confirmed its strong commitment to the Nordex Group and marked a positive development for the Company.

BRISK DEMAND FOR THE DELTA4000 SERIES – NOW WELL-ESTABLISHED IN THE 6 MW+ CLASS

Despite the challenging environment, Nordex was able to win a large number of orders for new turbines during the year under review, primarily in Europe. The order book grew further in 2022, with the Delta4000 series proving very competitive amid consistently high demand. The Company also succeeded in establishing itself in the 6 MW+ class as planned. Back at the start of January, the Nordex Group received a major order for a 380 MW wind farm in Finland. The project includes the delivery, installation and commissioning of 56 of the latest N163/6.X turbines. In May, the world's first N163/6.X turbine from the Delta4000 series was erected in the Netherlands. Nordex then unveiled a new rotor in September. The N175/6.X turbine complements the Delta4000 portfolio, which has enjoyed strong demand. Its rotor diameter of 175 meters is the largest in the Nordex portfolio, making it ideally suited for locations with light and moderate winds, where the new turbine can generate between 7–14% of additional output compared to its predecessors.

SALE OF NORDEX, H2 S.L.

Nordex SE sold 50% of its shares in Nordex H2 S.L. to Corporatión Eólica S.L. during the 2022 financial year, whereby it lost control. The company is jointly managed on the basis of an agreement between the shareholders Nordex and Acciona. Nordex H2, S.L. is mainly involved in development projects associated with green hydrogen that are not limited to a specific region.

OVERVIEW OF THE FINANCIAL YEAR

TURBINE PRODUCTION INCREASES DESPITE MAJOR CHALLENGES

The Nordex Group increased its turbine production year-on-year (in MW) during the 2022 reporting year despite instability within its supply chains. The sites in Brazil and India made a particularly strong contribution here, thanks to the announced adjustments to the production network. The closure of a nacelle assembly plant in Spain and the discontinuation of rotor blade production in Rostock had the opposite effect on production figures as rotor blade production (in units) declined year-on-year, leading the Company to make greater use of external suppliers.

The Nordex Group produced 1,502 turbines (2021: 1,480 turbines) during the year under review. Due to a further increase in the average capacity of the wind turbines, the nominal output of assembled turbines rose by 11.6% to 7,463 MW (2021: 6,686 MW).

In 2022, Nordex Group manufactured a total of 1,243 rotor blades in its own plants (2021: 1,680 blades). The Company sourced 3,531 rotor blades (2021: 2,822 blades) from external suppliers who produce the blades according to Nordex design and specifications.

	Turbines (MW)		Rotor blades (units)	
	2021	2022	2021	2022
Germany	3,381.4	3,155.7	665	216
Spain	2,648.1	1,203.5	466	199
Brazil	166.1	1,104.1	–	–
India	490.4	1,869.0	298	819
Mexico	–	–	251	9
China	–	131.1	–	–
Total	**6,686.0**	**7,463.4**	**1,680**	**1,243**

INSTALLATIONS DOWN ON PREVIOUS YEAR

In 2022, the Nordex Group installed a total of 1,129 wind turbines in 19 countries (2021: 1,619 turbines in 22 countries) with a total nominal output of 5,221 MW (2021: 6,679 MW). This trend is due, among other things, to weather-related delays, the cyber security incident and, in some cases, a lack of components. On a MW basis, 74% of turbines were attributable to Europe (2021: 58%), 15% to Latin America (2021: 10%) and 10% to the USA and thus the North America reporting region (2021: 23%), while the remaining 1% of installations were in Australia (Rest of the World reporting region, 2021: 9%).

The most important individual market was Germany with 878 GW (2021: 431 GW) of installed capacity, followed by Finland with 604 MW (2021: 124 MW) and Spain with 600 MW (2021: 204 MW). A total of 549 MW was installed in the USA, with the previous year's exceptionally high figure of 1,512 MW boosted by expiring tax credits. Other key markets in Europe included France, the United Kingdom, the Netherlands and Turkey. Outside Europe and apart from the USA, Brazil, Chile and Mexico all played a significant role.

In terms of the number of turbines installed, Germany represented the single most important market in the world for the Nordex Group with 188 turbines (2021: 105 turbines), followed by Spain with 125 turbines (2021: 47 turbines), the USA with 118 turbines (2021: 329 turbines) and Finland with 109 turbines (2021: 25 turbines).

	Installed capacity (MW)	
Country	**2021**	**2022**
Germany	430.5	878.1
Finland	124.2	604.4
Spain	203.7	600.0
USA	1,512.0	549.3
Brazil	250.6	414.7
France	356.1	368.0
United Kingdom	109.0	326.4
Chile	220.8	279.9
Netherlands	285.6	235.3
Turkey	794.4	179.5
Sweden	726.3	148.5
Poland	114.9	135.0
Belgium	69.9	114.9
Ireland	0.0	113.4
Mexico	211.2	96.0
Italy	71.4	79.2
Lithuania	0.0	58.5
Australia	139.5	34.2
Austria	0.0	5.7
Norway	451.1	0.0
South Africa	389.6	0.0
Ukraine	95.4	0.0
India	66.0	0.0
Croatia	32.4	0.0
Portugal	24.0	0.0
Total	**6,678.7**	**5,221.1**

SOLID ORDER INTAKE AND ORDER BOOK IN 2022

The Nordex Group's achieved what can be called a solid order intake in the Projects segment (turbine business) in 2022 given the market environment, with especially high demand for turbines in the 5 MW class that created significant order momentum in the fourth quarter in particular. Geographically speaking, demand in European markets remained at a consistently high level, while orders in Australia benefited from a major order in 2021. There was also robust demand in Latin America, with the Nordex Group primarily winning orders in established markets where it is a market leader.

In the Projects segment, the Nordex Group received orders from 20 countries totaling EUR 5,344 million. In the previous year, order intake amounted to EUR 5,681 million with orders from 22 countries. At 1,235 turbines, the number of turbines ordered was below the previous year's figure of 1,636 wind turbines. Geographically speaking, order volumes (in EUR) were distributed as follows in 2022: At 75%, Europe accounted for the majority of orders (2021: 64%), followed by Latin America with 19% (2021: 19%) and North America with 6% (2021: 8%). There were no new orders from the Rest of the World region, which accounted for 9% of orders in the previous year. The most important individual markets in Europe were Germany, Finland, Turkey and Poland, while Brazil, Colombia, Canada and the USA were the most significant international markets.

In terms of nominal output, the Nordex Group recorded order intake of 6,326 MW in 2022. While this was down on the previous year's figure of 7,945 MW, the previous year included a major order from Australia totaling more than 1 GW. The average turbine price per megawatt of output rose by 16.7% to EUR 0.84 million/MW during the 2022 financial year (2021: EUR 0.72 million/MW). This average turbine selling price depends on numerous factors, including different levels of service for a project, the number and type of turbines, or even the region involved. The significant increase in the nominal output of the turbines also plays a major role. This means that it is not possible to draw any direct conclusions about profitability from the ASP, even against the background of increased procurement and energy costs.

The book-to-bill ratio in the Projects segment (i.e. the ratio of order intake to sales excluding the Service business) was 1.04 in 2022. While it remained above 1.0, it fell below the previous year's figure of 1.14.

The Nordex Group expanded its book of confirmed orders in the Projects segment by 5.8% from EUR 6,177.9 million to EUR 6,535.0 million at the end of 2022. Geographically speaking, the order book was distributed as follows: The vast majority was once again attributable to European markets with 71% (2021: 61%), followed by Latin America with 22% (2021: 24%), North America with 4% (2021: 7%) and the Rest of the World with 3% (2021: 8%).

Order intake and order book in the Projects segment

	Order intake		Order book [1]	
Region / EUR million	**2021**	**2022**	**2021**	**2022**
Europe	3,629.7	4,007.1	3,795.4	4,658.3
North America	474.4	325.6	399.8	280.6
Latin America	1,068.9	1,010.8	1,470.7	1,443.5
Rest of world	507.7	0.0	512.1	152.5
Total	**5,680.8**	**5,343.5**	**6,177.9**	**6,535.0**

[1] As at 31.12.

In the Service segment, the Nordex Group increased its order intake by 8.4% from EUR 624.7 million to EUR 677.2 million. This order intake includes both service contracts for new turbines and extensions for expired contracts. The segment's order book grew by a further 7.2% to EUR 3,256 million during the year under review (2021: EUR 3,037 million). Only turbines that have been delivered are included in the order book with a delay of about one year after the wind farm has been commissioned.

At the end of 2022, the Nordex Group's Service segment had 10,599 wind turbines with a nominal output of 31.2 GW under service worldwide (31 December 2021: 9,765 turbines with output of 27 GW). The average system availability of the turbines serviced by the Nordex Group across all platforms and markets remained almost constant at 97.0% in 2022 (2021: 97.1%).

SEGMENT PERFORMANCE

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

In the 2022 reporting year, the Projects segment generated sales of EUR 5,122.0 million (2021: EUR 4,986.7 million) and the Service segment EUR 574.1 million (2021: EUR 468.0 million). Prior unallocated sales and consolidation, the Projects segment contributed 90.0% and the Service segment 10.0% to Group sales.

Segment performance key data

	Projects		Service		Group	
EUR million	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Order intake	5,680.8	5,343.5	624.7	677.2	6,305.5	6,020.7
Order book	6,177.9	6,535.0	3,037.3	3,255.5	9,215.2	9,790.5
Sales	4,986.7	5,122.0	468.0	574.1	5,444.0	5,693.6
EBIT [1]	−20.8	−230.6	86.3	96.0	−107.3	−426.7

[1] Prior-year figures restated (see p. 130)

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE

The Nordex Group published its guidance for the 2022 financial year on 29 March 2022. At that point, the Management Board expected consolidated sales to reach EUR 5.4 to 6.0 billion, with sales likely to be relatively evenly distributed across the year. This expectation and that of the associated year-on-year sales growth was based on the sharp rise in order intake compared to the previous year. The EBITDA margin was expected to be within a range between 1.0% and 3.5%, with an increase during the second half of the year. This forecast was based on the assumptions of a stable economic and sector environment, passing on cost increases and further increasing the share of projects using the Delta4000 platform. The Management Board generally anticipated a challenging market environment and pressure on costs. The Company also anticipated a working capital ratio as a percentage of consolidated sales of below –7.0% and capital expenditure of around EUR 180 million for the optimization of the supply chain and the expansion of global production. Order intake and activity levels also had an impact on the amount of working capital. The original guidance for 2022 did not take into account any costs for production redesigns and far-reaching geopolitical events.

The Nordex Group updated its guidance on 24 May 2022 to reflect the latest developments at that point in time. This updated guidance factored in direct and indirect effects of the war in Ukraine, as well as non-recurring expenses associated with the restructuring of the Group's production network. It also included the supply chain disruptions in China resulting from pandemic-related lockdowns as well as the costs and impact associated with the cyber security incident on 31 March 2022. On this basis, the Nordex Group anticipated consolidated sales of EUR 5.2 to 5.7 billion (previously: EUR 5.4 to 6.0 billion) and an EBITDA margin of –4% to 0% (previously: 1.0% to 3.5%). The forecasts for capital expenditure (around EUR 180 million) and the working capital ratio (below –7.0%) remained unchanged.

The business performed in line with the updated expectations in the first half of 2022, with order intake continuing to rise. However, installations remained below the previous year's level due in part to the cyber security incident and contributed to sales that were both lower than expectations and down on the previous year's figure.

The third quarter was dominated by continuing supply chain interruptions, costs incurred as a result of project delays, the global repercussions of the war in Ukraine and the inflationary price environment, as well as a financial market environment changed considerably by the turnaround in interest rates. To take these new influencing factors into account in a timely and transparent way, the Nordex Group once again updated its guidance for the 2022 financial year with the publication of its reporting for the third quarter. In November, the operating margin (EBITDA margin) for the reporting year was expected to be at the lower end of the previous forecast at around –4%.

The Nordex Group's figures for 2022 met the new guidance issued on 14 November 2022. Consolidated sales amounted to EUR 5.7 billion and the EBITDA margin was –4.3%. This meant that sales were at the upper end of the forecast range, while the EBITDA margin was as expected since November. The Group invested a total of EUR 204.8 million, above the predicted figure of EUR 180 million. The working capital ratio as a percentage of consolidated sales was –10.2% as at 31 December 2022, which was significantly better than the forecast –7.0%.

Overview of forecast and actual business performance in 2022

Key figure	Guidance March 2022	Updated guidance May 2022	Updated guidance November 2022	2022 actual
Sales in EUR billion	5.4–6.0	5.2–5.7	5.2–5.7	5.7
EBITDA margin in %	1.0–3.5	–4.0–0	approx. –4	–4.3
Working capital ratio in %	below –7	below –7	below –7	–10.2
Capital expenditure in EUR million	approx. 180	approx. 180	approx. 180	204.8

MANAGEMENT ASSESSMENT OF THE COMPANY’S ECONOMIC PERFORMANCE

The national and international market environment for the Nordex Group remained competitive and challenging during the 2022 reporting year. The Company once again held its own in this environment, reporting solid orders amid rising selling prices and gaining market share. The previous year’s difficult conditions continued and even intensified in some cases. Having calmed down slightly at the start of the year, costs for raw materials and shipping rose sharply again as a result of Russia’s war of aggression in Ukraine. This development also meant that several wind farm projects in Ukraine could no longer be implemented. This resulted in a loss of sales and the corresponding contributions to earnings.

China’s stringent zero-COVID policy also caused supply chain interruptions, triggering delays to installations and thus projects, with a shortage of components in some cases. In addition, the Nordex Group was affected by a cyber security incident at the end of March 2022 that caused a three-week production interruption in Rostock and delayed installations in Germany in particular. The cost situation for raw materials and shipping eased again in the second half of the year. The Company also renegotiated its contracts with customers over the course of the year and excluded certain risks in the newly formulated contracts. It also continued to pursue its cost reduction program from the previous year.

The highly challenging overall situation was also reflected in the strained capital structure, which forced the Nordex Group to carry out capital market transactions to increase liquidity and strengthen its balance sheet structure in mid-2022. The first of these capital increases representing just under 10% of share capital was fully subscribed by anchor shareholder Acciona, S.A. as part of a private placement with pre-emption rights disapplied and generated cash inflows of approximately EUR 139 million. The Company was able to place additional shares representing 20% of the new share capital in a second rights issue that generated gross proceeds of over EUR 212 million. In July, the Nordex Group also reached an additional loan agreement with its anchor shareholder to repay the corporate bond due in 2023.

The Nordex Group boasts a very high-performance and competitive product platform in its Delta4000 platform (which now comprises eight models), for which there is strong demand and which makes up a steadily increasing share of total order intake. Order intake totaled around 6.33 GW during the year under review after 7.95 GW in the previous year, with the share of Delta4000 turbines increasing from 83% in the previous year to 87% during the year under review. Installation figures declined to 5.2 GW compared to 6.7 GW in the previous year. This was due to a number of factors, particularly weather, the cyber security incident, and supply chain interruptions and the resulting component bottlenecks. Turbine production increased from 6.7 GW to 7.5 GW as a result of significant delivery obligations to customers. Sales climbed from EUR 5.4 billion in the previous year to around

EUR 5.7 billion during the reporting year, at the upper end of the sales guidance confirmed on 14 November 2022. At –4.3%, the operating margin came in within the range of the updated expectations and fell far short of the 1.0% margin achieved in the previous year. This is primarily due to a rapid and widespread increase in costs that the Company could not pass on in full to its customers.

The Nordex Group's broad positioning means it is represented in all major volume and growth markets for onshore wind power systems and is thus largely independent from developments in individual markets. The majority of the business is focused on established markets in Europe, North America and selected markets in Latin America where Nordex is a market leader. The Company also serves a wide range of customers, boasts a competitive product portfolio, and has a production capacity of well over 6 GW. The Nordex Group is also receiving a significant boost from political developments, as the war in Ukraine has once again demonstrated the importance of clean and independent energy production. This is providing the Company with good opportunities in various markets, even though these measures have not fully come to fruition.

Nordex SE sold 50% of its shares in the non-listed Nordex H2 S.L. to Corporatión Eólica S.L. during the 2022 financial year, whereby it lost control. The company is jointly managed on the basis of an agreement between the shareholders Nordex and Acciona. Nordex H2, S.L. is mainly involved in development projects associated with green hydrogen that are not limited to a specific region.

In light of the current extremely challenging market environment, the Management Board of Nordex SE is generally satisfied with the performance in the 2022 financial year and notes that the Company is well prepared to meet its future responsibilities and challenges.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

RESULTS OF OPERATIONS

Sales

Thanks to considerably higher selling prices, sales of the Nordex Group increased by 4.6% to EUR 5,693.6 million in financial year 2022 (2021: EUR 5,444.0 million). The Company thus achieved the upper limit indicated in the guidance which it had updated during the year. The market with the strongest sales was Brazil, which posted sales of EUR 712.4 million (2021: EUR 203.3 million) and thus slightly exceeded Germany, which realized sales of EUR 706.6 million (2021: EUR 547.6 million). This was followed by Finland with EUR 531.5 million (2021: EUR 211.4 million), the USA with EUR 475.0 million (2021: EUR 1,020.4 million).

Earnings

The Nordex Group's gross revenue rose by 18.6% to EUR 5,991.1 million (2021: EUR 5,051.7 million) in the reporting period. This is a disproportionately strong increase relative to the volume of sales and is attributable to an inventory buildup of EUR 297.5 million, while in the previous year inventory had decreased by EUR 392.2 million. The cost of materials rose by 30.3% to EUR 5,505.0 million in 2022 (2021: EUR 4,224.8 million), outpacing gross revenue to result in a cost of materials ratio of 91.9% (2021: 83.6%). This sharp increase reflects the exploding cost of raw materials and services, which had an adverse impact on the Company throughout the year. As a result, gross profit (gross revenue less cost of materials) decreased considerably by 41.2% to EUR 486.0 million (2021: EUR 827.0 million). Structural costs (staff costs and net other operating income/expenses) fell by 9.4% to EUR 701.2 million (2021: EUR 774.3 million). This was primarily due to the significant increase in other operating income. Net other operating income/expenses improved to EUR –140.1 million (2021: EUR –300.6 million). The Nordex Group increased its headcount in view of its full order book and the higher number of wind turbines under service agreements. As a result, staff costs rose by 18.5% to EUR 561.1 million (2021: EUR 473.7 million), with restructuring expenses amounting to EUR 29.2 million.

Structural costs

EUR million	2021	2022
Staff costs	473.7	561.1
Other operating expenses less other operating income	300.6	140.1
Total	**774.3**	**701.2**

Other operating income increased to EUR 418.3 million in the year under review (2021: EUR 113.3 million). Income from forward exchange transactions at EUR 152.2 million (2021: EUR 58.1 million) and the profit from the deconsolidation of a hydrogen project at EUR 133.3 million (2021: EUR 0.0 million) had a positive impact.

Other operating expenses amounted to EUR 558.4 million (2021: EUR 413.9 million). Losses from forward exchange transactions, the largest single item, came to EUR 180.8 million (2021: EUR 77.2 million). This is followed by currency translation losses at EUR 57.9 million (2021: EUR 0.0 million) and travel expenses at EUR 50.6 million (2021: EUR 30.3 million). Overall, the net gain from forward exchange transactions and currency translation effects amounts to EUR 3.8 million, which is almost unchanged compared to the previous year (2021: EUR 4.6 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased in the 2022 financial year overall to EUR –244.3 million, down significantly year-on-year (2021: EUR 52.7 million). This resulted in an EBITDA margin of –4.3% (2021: 1.0%), which was within the revised guidance of around –4% issued in November 2022 but well below the original expectation of 1.0–3.5%. The guidance was updated to reflect the direct and indirect effects of the war in Ukraine and included non-recurring expenses for the restructuring of production as well as costs associated with the cybersecurity incident. The updated guidance also reflected the supply chain interruptions, costs incurred as a result of project delays, and the inflationary price environment.

Driven by capita exp, depreciation and amortization increased by 14.0% to EUR 182.4 million in the reporting year (2021: EUR 160.0 million). Of this total, EUR 4.9 million (2021: EUR 8.6 million) can be traced back to the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower in 2016.

This resulted in earnings before interest and taxes (EBIT) of EUR –426.7 million (2021: EUR –107.3 million) in financial year 2022, which corresponds to an EBIT margin of –7.5 (2021: –2.0%). Adjusted for PPA-related depreciation and amortization, the EBIT margin came to –7.4% (2021: –1.8%).

The financial result totaled EUR –95.7 million in the year under review (2021: –116.4 million). This was primarily due to the reduction in interest expenses resulting from the conversion of the shareholder loan into equity in July 2021. Interest expenses (interest and similar expenses) fell by 17.1% to EUR 101.8 million (2021: EUR 122.7 million).

Net profit/loss from ordinary activities (EBT) came to EUR –522.4 million in the 2022 financial year after EUR –223.7 million in the previous year. Tax income from deferred taxes in the amount of EUR 58.4 million (2021: EUR 26.5 million) is attributable to changes in temporary balance sheet differences and to unused loss and interest carryforwards. This resulted in a consolidated loss of EUR –497.8 million for financial year 2022 (2021: consolidated loss of EUR –230.2 million). Earnings per share were EUR –2.71 compared to EUR –1.68 in the previous year.

FINANCIAL POSITION AND NET ASSETS

Capital structure

The Nordex Group's total assets rose by 15% to EUR 4,756.7 million as at 31 December 2022 (31 December 2021: EUR 4,107.6 million). On the assets side, this is primarily due to the significant increase in inventories by 52.7% to EUR 1,103.2 million as a result of the lower number of installations. This compares with inventories amounting to EUR 722.5 million at the end of the previous year. Due to higher selling prices and the lower number of installations, contract assets from projects likewise increased significantly in the reporting year, from EUR 536.5 million to EUR 720.2 million. As a result of the increase in inventory, on the liabilities side trade payables picked up significantly to EUR 1,519.3 million (31 December 2021: EUR 1,032.6 million). In addition, other current financial liabilities amounted to EUR 354.8 million (31 December 2021: EUR 48.4 million), while other non-current financial liabilities declined to EUR 215.2 million (31 December 2021: EUR 428.3 million). The maturing bond was reclassified from non-current to current due to its maturity.

In 2018, the Nordex Group had placed a EUR 275 million bond with a term of five years and a coupon of 6.5%. In the 2023 financial year, refinancing is to be provided through a shareholder loan from Acciona, S.A. Both the bond and the promissory note were certified as "green" financial instruments by the Climate Bonds Initiative. The Nordex Group also has access to a syndicated multi-currency guarantee facility provided by international commercial banks totaling EUR 1.41 billion which is primarily used for the provision of bank guarantees in the ordinary course of business and also includes a cash credit facility of EUR 100 million, of which EUR 21.5 million has been drawn down.

As of 31 December 2022, the Group had a positive net liquidity position – cash and cash equivalents less interest-bearing liabilities (liabilities to banks plus bond, shareholder loan and employee bond) – of EUR 244.3 million. This development is due to higher costs associated with working capital. Net liquidity amounted to EUR 423.7 million at the end of the previous year.

Net liquidity amounted to EUR 423.7 million at the end of the previous year. Further disclosures on trade payables, liabilities to banks and other financial liabilities can be found in the notes to the consolidated financial statements.

Liabilities to banks

(including future interest payments)

EUR thousand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31.12.2022	**27,617**	**19,194**	**7,077**	**0**	**53,888**
31.12.2021	6,174	675	26,664	0	33,513

Other financial liabilities

(including interest due in the future, excluding forward exchange transactions)

EUR thousand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31.12.2022	**316,422**	**26,310**	**178,153**	**75,954**	**596,839**
31.12.2021	26,630	27,583	424,072	39,056	514,341

As of 31 December 2022, the Nordex Group's equity amounted to EUR 878.1 million (31 December 2021: EUR 1,062.4 million). The consolidated loss had a stronger impact than the positive effects of the two capital increases in mid-2022. The first of these capital increases representing just under 10% of share capital was fully subscribed by anchor shareholder Acciona, S.A. as part of a private placement with pre-emption rights disapplied. The Company was able to broadly place shares representing more than 20% of the new share capital in a second rights issue. The shareholders of the Company were offered 35,923,089 new no-par-value bearer shares, at a subscription ratio of 49:10 and at a subscription price of EUR 5.90 per new share. Overall, the gross proceeds of the two transactions amounted to EUR 351 million and increased subscribed capital from EUR 160.0 million to EUR 211.9 million. The equity ratio at the end of the reporting year was 18.5% (31 December 2021: 25.9%).

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

Asset structure

The Nordex Group's cash and cash equivalents as at the reporting date were EUR 633.5 million (31 December 2021: EUR 784.4 million). Cash and cash equivalents include cash in hand, sight deposits and fixed-term deposits with an original term of up to three months.

Trade receivables and contract assets from projects rose considerably by 27.3% to EUR 890.1 million (31 December 2021: EUR 699.1 million), reflecting the larger project volume. Inventories have increased considerably as a result of delays in installations. Inventories amounted to EUR 1,103.2 million as of 31 December 2022, a significant increase of 52.7% compared to EUR 722.5 million at the end of the previous year. There were two reasons for this: on the one hand, installations were postponed to the next calendar year and thus resulted in an increase in volumes. On the other hand, the huge cost increases for precursors caused the value of inventory to shoot up. Overall, current assets rose by 18.5% to EUR 2,961.2 million (31 December 2021: EUR 2,499.6 million).

Non-current assets likewise increased markedly by 11 % year-on-year to EUR 1,795.4 million (31 December 2021: EUR 1,608.1 million). Property, plant and equipment rose considerably by 18.7% to EUR 602.0 million (31 December 2021: EUR 507.0 million), since the investments made to safeguard future growth exceeded the volume of depreciation. Goodwill remained stable at EUR 547.8 million (31 December 2021: EUR 547.8 million). Capitalized development expenses again saw a slight decrease of 1.2% to EUR 161.5 million (31 December 2021: EUR 163.6 million).

Financial position and liquidity

Operating cash flow amounted to EUR –350.1 million during the 2022 financial year (2021: EUR 127.6 million), with cash flow resulting from the change in working capital totaling EUR 22.9 million, compared to EUR 263.1 million in the previous year. The substantial increase in inventories had a particularly negative effect here. This was positively offset by the rise in trade payables, which was more than enough to compensate for the inventory effect. Furthermore, cash flow resulting from other operating activities improved to EUR –57.5 million, compared to EUR –65.4 million in the previous year.

The working capital ratio remained steady at –10.2% as of the reporting date (31 December 2021: –10.2%) and was still well within the forecast range of under –7%. The Group's active management and optimization of working capital once again paid off in an environment of immense pressure created by supply chain instability and raw material cost inflation.

Cash flow from investing activities increased to EUR –163.8 million (2021: EUR –152.1 million) in the year under review as a result of cash outflows for investments.

In financial year 2022, the net free cash flow – cash flow from operating activities less cash flow from investing activities – of the Nordex Group amounted to EUR –513.9 million (2021: EUR –24.5 million).

Cash flow from financing activities amounted to EUR 345.5 million (2021: EUR 62.3 million), primarily reflecting the cash inflow from the capital increases in July 2022. The net change in cash and cash equivalents stood at EUR –168.4 million (2021: EUR 37.8 million).

Capital expenditure

Capital expenditure totaled EUR 204.8 million in the 2022 financial year, up 21.4% from the previous year's level of EUR 168.7 million and higher than the forecast figure of EUR 180 million. These are essential prerequisites for efficiently processing the high number of orders and leveraging the Nordex Group's growth potential in the future. The Nordex Group defines capital expenditure as investment in property, plant and equipment and intangible assets, without including investment in right-of-use assets pursuant to IFRS 16. Intangible assets accounted for EUR 35.3 million of capital expenditure (2021: EUR 39.4 million). At EUR 34.3 million, capitalized development expenses again made up the majority of this figure (2021: EUR 35.1 million).

Investments in property, plant and equipment totaled EUR 169.5 million in 2022 (2021: EUR 129.3 million). Technical equipment and machinery accounted for the largest share at EUR 81.9 million (2021: EUR 63.9 million), followed by other fixtures and fittings, tools and equipment at EUR 61.2 million (2021: EUR 35.2 million), prepayments and assets under construction at EUR 7.3 million (2021: EUR 22.1 million), and land and buildings (EUR 19.1 million; 2021: EUR 8.2 million). Capital expenditure focused on the establishment and expansion of rotor blade production in India and tower production in Brazil and Colombia.

Development and distribution of capital expenditure

EUR million	2021	2022
Property, plant and equipment	129.3	169.5
Intangible assets	39.4	35.3
Total	**168.7**	**204.8**

OPPORTUNITIES AND RISK REPORT

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

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

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

Internal control system

Internal guidelines, policies and procedures form the basis of our internal control system and define the values and expectations that apply within the respective division or department. They contain – depending on the respective department and function – standardized approval procedures, organizational structures, various processes, and measures which, on the one hand, ensure uniform and predefined procedures, and, on the other hand, are also intended to enable objective verification of compliance with these processes. The segregation of duties also ensures that executive, accounting, and administrative activities within a corporate process are not in the hands of the same person, thereby preventing misuse. This is supplemented by IT systems with access restrictions, which ensure that employees can only access the information they need to perform their tasks.

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

Goals, organization and function of the risk management system

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

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

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

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

Any risk potential identified is analyzed and assessed using quantitative parameters. Substantial risks to the Company's status as a going concern are reported on an immediate risk escalation basis. Risk management findings are regularly incorporated in planning and control analyses as well as the forecast for future business performance. The statutory auditor reviews on an annual basis the processes and procedures implemented regarding the early risk detection system as well as the appropriateness of the documentation. Nordex is willing to take entrepreneurial risks but only in so far as business activities and the out of it resulting additional income opportunities can be expected to make a reasonable contribution towards increasing the shareholder value of the Nordex Group.

Updating of risk documentation

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

Risk evaluation

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

Risk classification – probability

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

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

Risk classification – impact

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

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

Risk matrix

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

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

Risk response and monitoring

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

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

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

Continuous monitoring and refinement

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

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

Compliance Management System

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

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

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

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

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

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

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

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

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

The Management Board has therefore reviewed whether control weaknesses – individually or cumulatively – are likely to materially impair the achievement of the Company's business objectives. To the best of our knowledge, and according to the information provided resulting from the review of our internal control and risk management system, we have no indication of critical internal control weaknesses as of 31 December 2022, that could have a material impact on the Company’s business. Based on the results of our internal control and risk management system, nothing has come to our attention that would lead us to conclude that our internal control and risk management system is not effective and appropriate as of 31 December 2022.

ACCOUNTING-RELATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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

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

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

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

Description of the main areas of risk and individual risks

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

Macroeconomic risks

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

Sector-specific risks

Sector-specific risks comprise general market risks, price risks and legislative risks.

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

Changes in government policies constitute a general risk. During the past years the changes in support policies affected the wind industry especially in European markets. Governments have shifted their financial incentive schemes for renewable energy sources, including wind energy from primarily preferential tariffs or regulated feed-in to auction based schemes. This change has resulted in decreasing energy tariffs leading to reduced margins and returns for wind energy investors. Further, this change has led to uncertainty in many markets and disruptions of demand. Moreover, malpolicy-designs lead in some countries to steep decreases in demand, namely in Germany. After the disruption, markets seem to have stabilized now overall, but on lower installation levels than anticipated considering recent policy pronouncements.

Nordex has addressed sector-specific risks by means of sales diversification and as a consequence the group is currently operating in more than 40 different markets across Europe, America, Asia, Africa and Australia. In addition, an agile process has been implemented to evaluate and address potential markets quickly. Nordex was able to offset some of the price pressure of recent years by developing the successful Delta4000 platform and operating an in-house program, which aims at achieving a continuous reduction in the cost of energy produced by its wind turbines.

With almost all markets having transitioned to auction based systems the main sector-specific risks remaining are uncertainties about building permits, disruptive regulatory changes and rising energy and commodity prices affecting the supply chain and further consolidation on the supply side. The most pronounced threat of 2022 to this sector and economies worldwide, that also has affected the Company's business 2022, has been the Russian invasion of Ukraine – by triggering a severe energy crisis in Europe and beyond, leading to massive inflation and the risk of economies falling into recession, which may potentially subdue demand in the near and midterm. The generally expected boost for renewable energy sources in societies' efforts to fight climate change, now further accelerated in the name of energy security, has yet to materialize.

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

Aside from factors already known, the probability of sector-specific risks is currently considered to be imaginable. They could still have a critical impact on the order intake planned for 2023 and for subsequent years, but also on the financial position in 2023.

Product development risks

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

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

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

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

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

Project development risks
In the project development business, the Group develops and sells wind farm projects. The project development activities include conducting feasibility studies, securing permits and land rights and power purchase agreements and arranging financing for the intended project.

The wide scope of project development is associated with several risks. For example, not receiving a building permit or not being successful in auctions, not receiving power purchase agreements for a project can lead to cancellation and write-off of the project.

The probability of project development risks is classed as imaginable with a low impact in the results of the Nordex Group in case of occurrence.

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

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

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

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

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

The outbreak of the novel coronavirus (COVID-19) in China at the end of 2019 and the associated containment measures may impact the Nordex Group's sourcing activities along the supply chain (production of equipment and components, transport of components, etc.).

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

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

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

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

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

The probability of production risks is classed as possible and may have a medium impact on performance indicators reflecting the expansion of production to Latin America and India and may also be impacted due to evolving changes from time to time, due to regulation changes related to COVID-19 pandemic, that various governments take independently.

Project and assembly risks
The locations where Nordex assembles wind turbines and wind farms exhibit unique topographic, climatic (strong winds and extreme temperatures) and regional characteristics. A technical evaluation and commercial valuation is carried out before the execution of the project. Deviations from the predefined process chain can be due to weather hazards, missing components, or quality issues, which can lead to delays in assembly and start-up schedules. Nordex addresses these risks by including risk-sharing provisions in the relevant contracts between manufacturer and customer and by actively managing deviations. Even so, the possibility of cost overruns, e.g. for cranes and assembly work, as well as for transport and logistics, cannot be ruled out, especially in this year, where the shortage of containers has multiplied the market cost of their use, which together with the strong increase in the cost of freight and its lack has generated unforeseen cost overruns in the projects.

Other potential risks include insufficient component availability due to supplier delays or capacity bottlenecks in external resources (for example, special hauler and crane services) and internal resources. This risk can arise if, for example, it is necessary to delay the original schedules. If the entire wind farm is built as a turnkey project, risks also arise from upstream ground work and third parties commissioned in this regard.

An important area of risk within project management relates to quality and technology. Despite the above quality management measures, technical errors or quality deficiencies in individual components can only become apparent on site, necessitating repair or replacement actions. In addition to the aforementioned delays, this may result in a failure of acceptance by the customer or, after completion of the repair work, a delayed acceptance, resulting in a delay in payment by the customer. In individual cases, there is a risk that compensatory payments or a reduction in the purchase price will be required.

Project and assembly risks can cause unplanned cost overruns, resulting in a reduction in the budgeted margin contribution to the project. The probability of these risks is classified as imaginable with a high impact on the financial position.

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

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

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

Technical risks are classed as possible but with a critical impact on the financial position. Nordex has taken several precautionary measures, e.g. provisions, to cover such risks.

Financial risks

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

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

The Group is not exposed to larger interest risks due to nearly all debt instruments having fixed-rate agreements. The interest of the remaining variable tranche of the promissory note due in April 2023 has been fixed in October 2022.

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

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

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

Nordex Group's multi-currency guarantee facility amounts EUR 1.41 billion with a maturity date of April 2024. The facility includes a commitment to establish up to EUR 100 million cash ancillary credit lines if needed. In 2022, the Company successfully concluded a private placement of 10% of the share capital of Nordex SE with Acciona, S.A. as sole investor. Additionally, the Company also performed a rights issue representing 20% of share capital. The net proceeds have been used to compensate the negative cashflow of 2022 and to further strengthen the balance sheet of the group. In 2022 a second shareholder loan was signed with Acciona, S.A. that was then used in January 2023 to fully repay the outstanding balance of the high yield bond.

The syndicated multi-currency guarantee facility in the amount of EUR 1.41 billion is further subject to uniform and agreed financial covenants such as equity ratio, leverage and interest coverage, compliance with which referring to the previous reporting date has to be confirmed in quarterly reports to the respective financial institutions. The financial institutions may only terminate this multi-currency guarantee facility for good cause, such as non-compliance with the financial covenants mentioned above. Based on its operating performance Nordex may face the risk that covenants cannot be met if the Company does not perform as per budget/mid-term planning. In 2022, Nordex successfully agreed an adjusted financial covenant concept with the lending financial institutions which includes inter alia minimum liquid assets as a new additional financial covenant. During the fiscal year 2022 all applicable covenants were met.

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

Legal and tax risks

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

Legal risks

The various technical risks wind turbines are exposed to over their life cycle may lead to warranty or product liability claims under turbine supply contracts or agreements made for the service and mainte-nance of the wind turbines. The risk of disputes and litigation is therefore inherent to our operations and we are subject to risks from disputes and administrative, legal and arbitration proceedings, some of which might have an adverse outcome and could result in penalties, damages and loss of reputation. We may be subject to claims from customers, suppliers, current and former employees, competitors and other third parties in the future, where related provisions may prove insufficient in the event of an adverse outcome. Significant expenses may be incurred for legal defense, and if the outcome of any legal proceedings is significantly different to our expectations, this could have a material adverse effect on our business activities, financial condition, cash flows and results of operations. In addition, liabilities may also arise from conflicts with prevailing legislation, e.g. product liability, infringements of patents or industrial property rights, noncompliance with antitrust, anti-corruption or data protection provisions, and failure to fully observe certification requirements or other statutory stipulations. Furthermore, laws in various jurisdictions regulate product safety and the environmental impact of wind turbines, including emission levels regarding noise and light effects as well as vicinity of wind turbines to residential areas. Compliance with and amendments to such health, safety and environment laws and regulations may have an adverse impact on Nordex Group's business activities. We are monitoring the political and regulatory framework in all our key markets to anticipate potential problem areas and we maintain adequate organizational measures and processes to ensure compliance, such as to adjust our business activities and processes as may be required and mitigate potential risks or losses. However, there can be no certainty that our internal controls, procedures, compliance and risk management systems will be able to identify all such potential conflicts or violations, or that they are reported in a timely manner or correctly evaluated to take appropriate countermeasures and that they will be adequate for an enterprise of the group´s scale and complexity.

Social and environment risks (sustainability)
Nordex Group's dedicated sustainability risk and opportunity assessment is embedded within the general risk management approach. Sustainability risks and opportunities include climate, environmental and social-related topics. Reporting under the requirements of the CSR Directive Implementation Act on risks that are significant to our business performance, position and financial result is an integral part of risk reporting in the Nordex Group Management Report, as stipulated by German Accounting Standard No. 20 (GAS 20). In our assessment, taking into account relevant countermeasures, there were no material net risks to the Company's business performance, position or financial result that would be likely to have a serious, negative impact on these aspects. All sustainability risks assessed according to Nordex' sustainability focus topics are mentioned in the respective chapter of Nordex` Sustainability Report 2022 (see Sustainability Report 2022). Moreover in 2022, we conducted a detailed analysis of climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to optimize the quantification of climate-related risks and chances, to prioritize the need for action and to address risks and opportunities. The summary of the main climate-related risks and opportunities based on a scenario analysis are illustrated in the Sustainability Report 2022.

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

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

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

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

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

In order to reduce risks arising from a shortage of skilled or management staff, Nordex improved its recruitment processes and realigned the related activities in the period under review. Similarly, the courses offered by the Group's own training facility, the Nordex Academy, have been extended to ensure that staff receive the qualifications required on an ongoing basis. In an effort to limit fluctuation, particularly in key positions, Nordex is continuing to improve internal career development prospects, identify young potentials at an early stage and prepare corresponding replacements, e.g. via the "Upwind" young potentials development program.

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

IT risks
As a turbine manufacturer, we attach top priority to matters pertaining to cyber security and its management, and in doing so, we observe all statutory requirements. Our information security policies, standards, processes and guidelines are the foundation for our ISO 27001 certification obtained for all German locations with the intent to roll it out globally. In 2021, Nordex successfully passed the second periodic surveillance audit and pursues continuous improvement of its information security management system. Failing ISO 27001 certification

at some time in the future would affect the requirements of our customers and result in a loss of reputation in the industry as well as potentially in a considerable loss of current and future business, too.

We are working very closely with our customers to understand and meet rising cyber security requirements in the industry. We have committed to comply with international standards (such as IEC-62443) for our Delta4000 platform by the end of 2022. Failure to achieve this milestone could result in reputational damage, success will strengthen us as a leader in this critical field.

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

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

Nordex has taken a series of precautions to minimize the risk of vulnerabilities and system failures to protect its business data. For this purpose, modern data encryption technology, access restrictions, firewall systems, virus protection programs and monitoring systems are implemented. Confidential information is shared with customers and suppliers in specially protected data rooms. In addition, Nordex's data availability is secured by redundancy measures like high-availability server systems.

Personal data is processed strictly in accordance with the European General Data Protection Regulation (GDPR), the German Federal Data Protection Act (BDSG) and any other national data protection law that may apply. As a result of the ISO Surveillance Audit in November 2021 and their previous and ongoing cooperation the areas of IT, Information Security and Data Protection will review their processes and, where necessary, optimize and interlink them better. In particular, the following measures are planned:

Timely, standard and sustainable integration of data protection into the

- IT demand process;
- meetings of the change advisory boards within the continually ongoing MS 365 implementation process; therefore Global ITO will develop a communication with Microsoft about changes and get involved Data Protection so that governance of new features and services can be ensured:
- information security incident management process. The latter will be coordinated further with the external IT service provider Mindtree Ltd.

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

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

Nordex is pursuing a business led process harmonisation and standardisation strategy across its global organisation. This transformation will also lead to a harmonisation of underlying systems. Consequently, a global template is being developed and introduced. The rollouts are being planned very closely and jointly with business to understand related risks. A systematic testing approach is applied to each roll-out. Go/No-Go meetings jointly with business will decide on countries going live. A backup solution is always in place to ensure business continuity. In general, the roll-out approach is determined based on business risk associated.

Overall, the probability of IT risks is considered to be possible with a medium impact on results.

Other risks

Beyond the risks described above, there are factors or events such as citizens' protests and initiatives against wind power, epidemics or pandemics, natural catastrophes, terror attacks and acts of war, which are difficult to impossible to foresee and to influence their occurrence. One example of such a factor or event is the ongoing war in Ukraine, which also did and continuous to affect the Nordex Group's business performance, partly as a result of the projects in Ukraine. Further we have seen in 2022, and will have to contend going forward with indirect impacts in the form of supply chain disruptions particularly within the steel and shipping sectors, which have severely affected margins across the industry or in the form of sanctions constraining global trade and the free movements of goods. The Nordex Group is constantly monitoring and assessing how the situation evolves and is initiating appropriate counter-measures to adapt to changes impacting the business. Overall, the consequences of the conflict itself or the sanctions and associated measures cannot be forecast in terms of scope, amount, length and impact on business performance. Any such events would be liable to adversely affect Nordex Group's business performance.

Overall risk

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

OPPORTUNITIES

Definition, monitoring and management of opportunities

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

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

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

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

Opportunities arising from more stringent climate policy

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

Opportunities arising from the realignment of Nordex's production network

In recent years, the Nordex Group has worked hard to strengthen its global production network by reorganizing its supply chain. The ongoing expansion of the production and supply chain in India is another crucial step towards optimization as well as being a key element of the corporate strategy until 2023. Nordex launched this groundbreaking project in order to serve global markets outside Europe from India in the future. Significant increases in volume and cost savings are also planned. If demand grows faster or more strongly than anticipated, this may also have an additional positive impact on the sales and profitability of the Nordex Group. Nordex also expanded its partnership with US rotor blade manufacturer TPI, which has been operating the production site at Matamoros, Mexico, since July 2021 for an initial period of three years. Integrating TPI's expertise in this way should enhance the efficiency and performance of the Group's rotor blade production while enabling the Nordex Group to focus its resources on other strategic production start-up activities going forward. This step also improves the flexibility of the Company's supply chain for key components. In addition to the expected benefits, this partnership could also create growth and profitability opportunities for the Nordex Group.

Opportunities arising from repowering

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

Opportunities arising from research and development

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

Opportunities in sales and distribution

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

Opportunities arising from in-house project development and services

Project development is an activity upstream from the Nordex Group's core business. In selected markets outside Europe, the Company develops wind farm projects in-house. These turnkey wind farms are marketed primarily to investors. The high-margin service business completes the Nordex value chain. It enables the Group to establish close links with its customers while simultaneously forming the basis for new projects. Opportunities may arise from additional, ideally long-term service contracts as well as agreeing service contract extensions that are more advantageous than planned. This business is to be expanded gradually.

Overall assessment of opportunities

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

The Nordex Group has defined specific measures and targets until 2022 in its corporate strategy. The Company's management activities focus on implementing these targets in its operating business. The clusters of opportunities outlined above may also create additional attractive potential for the Nordex Group that was not previously included in the specific planning calculations for this period or beyond. In this context, the Management Board pays special attention to external opportunities that may arise from new climate policy targets as well as internal opportunities arising from improvements to the global production network with the expansion of the supply chain in India. The Management Board believes that this tremendous potential to grow the global business from India presents significant opportunities for the Nordex Group – including (and in particular) for the years after 2022.

REPORT ON POST-BALANCE SHEET DATE EVENTS

For information on events after the reporting date, please see the disclosures in the notes to the consolidated financial statements.

REPORT ON EXPECTED DEVELOPMENTS

- **2023 guidance anticipates positive trend in sales**
- **Business should benefit from normalization of costs and improved general environment**
- **Slight recovery of earnings expected in the course of the year**

FUTURE ENVIRONMENT

Anticipated macroeconomic environment: global economy faced with very high level of risk and very little momentum in 2023

While the global economy is expected to grow further in 2023, this growth will continue to slow, particularly in industrialized nations. The war in Ukraine shows no sign of de-escalation, while various factors are increasingly hampering economic development. Many different impacts that recently stabilized the economy, such as pandemic-related catch-up effects, are becoming less important. In addition, disruption to supply chains is only easing gradually, with semiconductor bottlenecks expected to last even beyond 2023. Although the industrial sector is still bolstered by large order books at the start of 2023, high energy costs and rising interest rates coupled with weaker demand are likely to have an adverse impact on production output over the course of the year. In particular, worsening financing conditions are slowing the global economy noticeably. On the other hand, fiscal policy around the world is helping to provide stability by introducing packages to limit high energy costs for businesses and households or accelerating the expansion of infrastructure.

In January 2023, the International Monetary Fund (IMF) raised its forecast for global economic growth in 2023 by 20 basis points compared to the autumn forecast to +2.9%. The IMF forecast for 2024 is +3.1%. The economic risks resulting from numerous geopolitical tensions and upheaval in the energy and raw materials markets, combined with increasing challenges posed by climate change, are very high. According to the IMF, economic momentum in industrialized nations will remain very sluggish in 2023, with GDP expected to rise by just 1.2%. In the USA (+1.4%), interest rate rises are likely to have a noticeable dampening effect on both consumer spending and investments. In Europe, more adverse financing conditions combined with cost increases in all sectors of the economy and uncertainty created by the war in Ukraine will have a negative impact, with growth in the eurozone set to remain anemic at just +0.7% (Germany: +0.1%). The United Kingdom is sliding towards recession. According to the IMF, the economy will also remain muted in emerging markets and developing countries as well as in Latin America in 2023, with growth expected to weaken in Brazil, Argentina and Mexico. In Turkey, growth is likely to flatten further as a result of extremely high inflation and weaker demand for exports. According to the IMF, growth in the Indian economy will remain robust in 2023.

This overall environment of rising interest rates, high material costs and extreme geopolitical risks will also have an adverse impact on the cyclical environment in the Nordex Group's core markets in 2023. While this will make the environment challenging, it will also differ considerably from one region to the next. On the other hand, Russia's invasion of Ukraine has caused massive disruption to global energy markets and triggered a fundamental change of direction. The desire for independent and sustainable energy supplies has been given a significant boost, particularly in Western Europe. The inescapable fact of climate change and its consequences have also made politicians much more committed to implementing the energy transition than before, with companies and consumers driving demand. The expansion of renewable energy production is also being accelerated around the globe. For more information, please refer to the section entitled "Political, legal and regulatory environment". These drivers are expected to dominate developments to a much greater extent from 2023 onwards, regardless of the short-term economic environment.

Expected BIP growth in 2023 (selected countries and regions)

in %	Sources	2021	2022	2023e
World	**a**	**6.2**	**3.4**	**2.9**
Industrialized countries	**a**	**5.4**	**2.7**	**1.2**
USA	b, a	5.9	2.1	1.4
Canada	a	5.0	3.5	1.5
Eurozone	c, a	5.3	3.5	0.7
Germany	d, a	2.6	1.8	0.1
France	a	6.8	2.6	0.7
Spain	a	5.5	5.2	1.1
Italy	a	6.7	3.9	0.6
United Kingdom	a	7.6	4.1	-0.6
Developing / emerging countries	**a**	**6.7**	**3.9**	**4.0**
India	a	8.7	6.8	6.1
Turkey	e	11.4	4.7	2.7
Latin America	a	7.0	3.9	1.8
Brazil	a	5.0	3.1	1.2

Sources: a) IMF, b) US Department of Commerce, c) Eurostat, d) Destatis, e) World Bank

Although inflationary pressure eased in early 2023 as a result of the marked economic slowdown and a partial correction of the previous explosion in energy, raw material and food costs, it is generally assumed that prices will remain high and inflation rates will persist well above central bank targets. With this in mind, monetary policy is likely to remain restrictive in 2023. While the US Federal Reserve (Fed) could adopt a gradual yet somewhat slower pace after its previously very decisive and sweeping interest rate increases, the ECB is expected to implement further noticeable rate hikes in 2023.

According to the IMF's economic forecasts, the difference in growth between the USA and eurozone will remain positive for the US dollar in 2023 before switching in 2024, when the euro is expected to receive a stronger boost from the economy. However, the differences in both years are likely to be minor. As the Fed is currently acting more decisively and US interest rates are initially more attractive over a longer period than those in the eurozone, the euro's fundamental weakness against the US dollar is expected to continue. In addition, the war in Ukraine, uncertainty over its future course and the additional consequences this could have for Europe suggest that the US dollar also has the edge when it comes to security aspects. However, these fundamental currency impacts could be overlaid with short-term trends and events such as unexpected waves of coronavirus infections, escalations in other geopolitical hotspots, or volatile capital markets. Most of the agreements with customers and suppliers entered into by the Nordex Group companies are denominated in either euro or US dollar. Split agreements are common, in which the currency is based on the relevant section of the project value chain or supply chain. Remaining transaction currency risks are, for the most part, minimized via hedging. Further information can be found in the notes in the section entitled "Financial risk management".

The price explosion in the commodity markets triggered by the war in Ukraine had already eased in the second half of 2022. This trend is set to continue in 2023 as prices continue to move downwards slightly. This is due to a normalization in what has at times been considerable upheaval within global value chains, which should also help most sectors to gradually overcome global supply bottlenecks. Economic demand pressure is also extremely weak. The IMF expects non-oil commodity prices to increase by an average of 6.3% in 2023 (2022: +7.0%), and anticipates a decline in oil prices during 2023. According to the IMF forecast, the price of a barrel of oil (average price for UK Brent, Dubai Fateh, WTI) is expected to rise by 16.2% to USD 81.13 on average (2022: USD 96.81).

Political, legal and regulatory environment: Inflation Reduction Act (USA) and Net-Zero Industry Act (EU) in focus

While the shift towards electricity generated from renewable sources is an irreversible trend in most regions of the world, Political support for renewable energy sources plays a key role in extensively regulated energy markets. While these markets are structured very differently due to their political and regulatory environments, they are all fundamentally based on the 2015 Paris Climate Agreement, where participants agreed to the target of limiting global warming to a maximum of +1.5°C. This target was reaffirmed and updated at subsequent UN climate summits in Glasgow (2021) and Egypt (2022). In this context, the ambitions of the European Union (EU), climate action proposals in the USA and expansion volumes in Latin America are particularly important for the Nordex Group's markets in the medium term.

Following the expiry of production tax credits (PTC) in 2021, the US government agreed a new program to tackle climate change in August 2022 by passing the Inflation Reduction Act (IRA), which includes substantial investments in US energy production and industry. The Act aims to selectively promote the expansion of renewable energy sources and reduce greenhouse gas emissions by 40% by as early as 2023. A total of USD 158 billion in the form of tax incentives will be made available for renewable energy, including the wind energy sector, over a ten-year period. This Act should be viewed as extremely positive, with the improvement in conditions expected to result in large-scale expansion. It is not just the amount of funding that plays a decisive role, but rather the long-term focus that ensures predictability and reliability. However, granting tax breaks requires business to provide a certain degree of local added value (local content), the extent of and requirements for which are still unclear at this point in time. As a result, the Nordex Group only expects to start profiting from the Act towards the end of 2023. The Nordex Group also reviews the option to reactivate the turbine production facility in West Branch, Iowa, that it temporarily took offline. With this production facility in the USA, the Company has created a platform for participating in this boost to US wind energy expansion over the next few years.

As a reaction to the US Inflation Reduction Act, the EU is planning a Net-Zero Industry Act that, among other things, simplifies and accelerates the granting of permits for new sites for clean technology and provides targeted subsidies for clean technology production facilities. Again, the intent to improve conditions for wind energy expansion is extremely encouraging here. From the Nordex Group's perspective, it would be preferable for these plans to lead to Europe-wide solutions and avoid individual, country-specific arrangements.

The Nordex Group expects the German market to implement the first measures needed to achieve the ambitious expansion targets for wind energy, with the German Federal Network Agency (BNetzA) scheduling tenders for onshore wind turbines totaling 12.84 GW in 2023. While this is a record figure, the extent to which this will actually be used remains to be seen. The maximum permitted amount was increased to 7.35 ct/kWh to take account of cost increases and the rise in interest rates. These two initiatives represent important steps towards the federal government's target of allocating 1.4% of space in Germany for wind energy by the end of 2027 and at least 2.0% by the end of 2032. However, simply increasing the available space is not sufficient, as elaborate planning processes and slow approval times remain major obstacles. To ensure that these targets are not jeopardized by excessive bureaucratic constraints, it is crucial that plans to reduce the number of expert reports required for existing wind areas are actually implemented quickly and have the desired accelerating effect. In addition, the renovation of existing wind turbines still offers considerable potential. Reducing the time required to complete repowering projects will help make it faster to replace wind turbines that are more than 15 years old and have a current output of 17 GW with new, far more powerful turbines.

In Latin America, the market environment is characterized by very competitive prices of onshore wind power and bilateral power purchase agreements (PPAs).Whereas public auctions still play a minor role in Brazil, Argentina, Peru and Chile, almost none are currently held in Mexico.

Industry-specific environment: low onshore installations expected in several regions in 2023, Europe to keep installation level high – with strong global growth possible from 2024

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

In light of this, leading market research institutes believe wind energy is on track for reliable and robust long-term growth. In their updated forecast up to 2030, Wood Mackenzie anticipates growth in global installations of 7.7% per year. As part of their sector scenario up to 2026, the Global Wind Energy Council (GWEC) predicts that global new installations, both onshore and offshore, will rise by an average of 8.1% per year based on wind turbine output (period: 2021 to 2026). With a share of more than 76% of the global market, the onshore segment will continue to dominate over the next few years despite the continued development of the offshore market.

According to the GWEC scenario until 2026, new installations in the global onshore market excluding China that is relevant for the Nordex Group will increase by an average of 3.1% per year. This means absolute annual installation volumes will grow by roughly a quarter to around 50 GW (2022: 40.5 GW); in other words, the global market that Nordex serves will get larger each year. The established European market remains an very important sub-region. GWEC expects new onshore installations in Europe to rise by an annual average of 4.7% by 2026. The main driver of this growth is Germany, where onshore installation volumes are likely to increase to 5.0 GW by 2026 (2022: 2.4 GW), while Spain and France are also expected to record steady growth. The US and Australian markets are predicted to gain momentum again from 2024 onwards after a brief dip. Installations in Brazil are estimated to remain stable at around 2.5 – 3.0 GW per year until 2026, with India likely to record annual volumes of 3.5–4.8 GW. The Nordex Group is well positioned to take advantage of the wide range of growth opportunities in these onshore markets, with countries such as South Africa, Egypt and Morocco also set to drive the expansion of onshore wind energy considerably in the future. Nordex considers and analyses this potential very carefully and evaluates any opportunities it may create for the Company.

For 2023, GWEC specifically estimates that global onshore and offshore installations will rise to 104.3 GW (+6.9%), thus passing the 100 GW threshold for the first time. However, when considering the market relevant to Nordex, i. e. onshore excluding China, new installations are expected to decline to 36.9 GW in 2023 (– 8.9%). With the exception of India (+70% to 3.9 GW), several countries and regions have a temporarily negative outlook for new installations at the same time, with declines expected in Australia (– 40% to 0.75 GW) as well as North and Latin America, including the USA (– 26% to 7 GW), Mexico (– 38% to 0.5 GW) and Brazil (– 23% to 3.0 GW). In Europe, GWEC predicts that newly installed capacity will fall by almost 12% to a still very high total onshore volume of 14.4 GW in 2023. However, installations in the three largest wind energy markets – Germany (2023e: 2.7 GW), Spain (2023e: 1.8 GW) and France (2023e: 1.6 GW) is still expected to grow in 2023, with declines instead anticipated in other European countries.

In its global market outlook for November 2022, market research firm Wood Mackenzie expects onshore wind energy installation volumes of around 87.5 GW for 2023, an increase of 2.0%. The following table shows Wood Mackenzie's assessment for the ten largest individual markets.

Wind power onshore market outlook for the top 10 countries by expected new installations in 2023

in MW	2022e	2023e	2024e
World	85.792	87.499	100.522
China	43.468	47.010	52.808
USA	12.609	8.053	9.997
Brazil	3.290	3.395	3.900
Australia	2.709	1.286	1.910
Sweden	2.493	1.156	709
Germany	2.334	3.370	4.125
India	2.000	2.500	3.600
Spain	1.725	1.770	2.705
Finland	1.460	1.452	950
France	1.470	1.028	884

Source: Wood Mackenzie November 2022 Onshore Market Outlook Update Q4 2022

GUIDANCE OF THE NORDEX GROUP FOR 2023

During the year under review, the Nordex Group further consolidated its position in the global onshore wind market, generated encouraging order intake in a challenging market environment, and increase its market share. The Company also strengthened its capital structure and improved its liquidity by carrying out two capital increases in mid-2022. By also agreeing a shareholder loan in summer 2022, the Company secured the refinancing of its corporate bond in early 2023. In addition, Nordex's competitive product portfolio means it is has put itself in a promising position in the market, especially as onshore wind energy is becoming very important not only as a cost-effective source of renewable energy but also as a result of the war in Ukraine and as discussions about secure and sustainable energy supplies gather pace among politicians.

Nordex expects its supply chains to stabilize over the course of 2023, with the bottlenecks caused by this disruption gradually being resolved as a result. This will improve the cost situation. However, as the war in Ukraine and accompanying sanctions continues, interest rates remain high or continue to rise, and inflation persists at above-average levels, the question is when and to what extent political measures will begin to take effect. With the macroenvironment set to remain highly volatile as a result, the Company's business performance and the assumptions underlying these forecasts are still subject to considerable uncertainty. This has been taken into account by providing broader forecast corridors. Nevertheless, after an exceptionally challenging year in 2022, the Nordex Group anticipates an improved business performance in this environment for 2023 that will also be reflected in its financial key performance indicators.

For the 2023 financial year, the Management Board of Nordex SE is aiming to generate consolidated sales of EUR 5.6 to 6.1 billion and an EBITDA margin of –2.0% to 3.0%. The Company also expects to make capital expenditures totaling around EUR 200 million. The working capital ratio as a percentage of consolidated sales is predicted to be below –9% at the end of 2023.

As of 31 December 2022, the order book in the Projects segment totaled EUR 6.5 billion, just under 6% more than a year earlier. This order book is a key element of our forecasts. As installations were well below the previous year’s level during the past reporting year, a catch-up effect is expected in 2023 as supply chain issues are resolved. Last year, the strongest individual markets were located in Europe, most notably Germany, Finland and Spain, followed by international markets in the USA, Brazil and Chile. Other significant markets in Europe were France and the United Kingdom. Overall, Europe recorded the highest order intake, followed by the Latin American markets and the USA. The generally higher margins generated by the current generation of turbines, which offer customers additional use over a longer life cycle, were overshadowed by extremely high costs for raw materials and logistics in 2022. While this trend will initially continue in early 2023, there will be an increasingly obvious shift towards rising and positive margins over the course of the year. As of the end of January 2023, the order book already covered 87% of the Nordex Group’s planned sales in the Projects segment for 2023, providing a robust basis for planning production and installation. Downstream, the Service segment should also benefit from further installations.

In terms of sales, the Company expects the second half of 2023 to be stronger than the first. While the Nordex Group anticipates a negative EBITDA margin in the first quarter due to cost pressures, this margin is likely to steadily improve over the course of the year and return to positivity from the third quarter at the latest. Generally stable or slightly increasing prices, together with adjusted customer contracts, are expected to underpin this rise in margins. The Company will also continue with its program to improve results. The key elements of this program including boosting productivity, improving service margins in the long term, optimizing project management, and enhancing the supply chain. With the expansion of production in India now complete, the Company is reviewing the option to resume turbine production at its West Branch site in the USA. By manufacturing its products in the USA, Nordex could consolidate its local positioning in this market and possibly meet the requirements that would allow it to participate in the US government’s investment program to expand renewable energy production (IRA 2022).

In 2023, the Company’s capital expenditure is set to focus primarily on expanding its production capabilities further. This includes molds for manufacturing new rotor blades for the N175/6X turbine. The Nordex Group will also continue to invest in transport equipment to enable it to process the high number of planned installations efficiently.

Generally speaking, the Nordex Group anticipates robust demand for 2023, particularly in its major core markets, where the Company benefits from both its strong market position among key global customers and its diversified customer base in Europe in particular. In the Delta4000 platform, the Nordex Group offers an efficient and competitive generation of turbines in the 4 MW, 5 MW and 6 MW+ classes with a portfolio of no less than eight different product types, which can be used in almost every region of the globe.

The Inflation Reduction Act in the USA and political measures across Europe, as well as the increasing significance of repowering in key European markets and the USA, will provide the Company with good market opportunities. It is difficult to estimate when and to what extent these packages of measures will come to fruition in the short term. The political focus on promoting independent, clean energy production in Europe after the outbreak of war in Ukraine while at the same time decisively tackling climate change should be viewed as a positive development.

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

Medium-term goals confirmed

In November 2020, the Nordex Group set a strategic EBITDA margin target of 8% in addition to strategic sales and production capacity targets (both of which have since been achieved). The Company hereby reaffirms this margin target and expects to achieve it in the medium term.

OVERALL ASSESSMENT OF EXPECTED DEVELOPMENTS BY THE MANAGEMENT BOARD

The Nordex Group continued its corporate program to improve profitability in 2022 and will do the same in 2023. One of the Company's key tasks is to continually review its supply chain and continue developing it with a focus on enhancing its competitiveness. With this in mind, the Nordex Group successfully completed the establishment and expansion of a rotor blade and turbine production facility in India where it now has a production capacity of 4 GW. This allows the Nordex Group to maintain its competitive positioning and ensure that primarily markets outside Europe can be served efficiently and cost-effectively. After taking account of the intense market environment and shifts in demand, the Company also ceased rotor blade production at Rostock in mid-2022. In addition, the Nordex Group launched a process just over a year ago to review the profitability of nacelle production in La Vall d'Uixó and ultimately decided to close production at this site. The Nordex Group's aim is to adjust its global supply chain not only to strengthen its competitive positioning but also to reflect the new political environment. The Inflation Reduction Act (IRA) in the USA requires suppliers to produce items locally in order to operate in the US market. The Nordex Group therefore reviews the option to reactivate the turbine production facility in West Branch, Iowa, that it temporarily took offline. The Company is also considering reinforcing its supply chain in Turkey to reduce its reliance on deliveries from China.

As in the previous year, 2022 was dominated by significant supply chain interruptions and surging costs for raw materials and logistics, particularly shipping. These external factors had a sustained adverse impact on profitability. As a result, the Nordex Group continued to pursue the initiatives introduced in 2021 to reduce risks further, thus enabling the Company to protect its margin as effectively as possible and continue to increase it over time. Particularly noteworthy initiatives here include price increases and adjustments to customer contracts. Other levers relate to sourcing, logistics (for example via framework agreements), the production network and adapting the scope of projects where possible. This last point involves reducing the scope of a project for the Nordex Group so that the customer takes on some of the logistical requirements and the associated risks, for example. Overall, reducing risks in a targeted way plays a major role for the Company.

The business development of the Nordex Group's service business is characterized by a high degree of planning reliability and stable cash flows. The COVID-19 pandemic had hardly any impact on the Company during the reporting year. As a result of increased production and an upward trend in installations, sales in this segment are expected to rise further in the 2023 financial year, with the Company targeting growth of more than 5%. Margins in this segment are significantly higher than for the Group overall. Here, too, the Nordex Group's ambition is to steadily increase the margin over time. The Nordex Group also uses the data and, in particular, the cross-border experience it gathers across the entire investment portfolio to continually develop its service and maintenance offering and make it more profitable.

In 2023, the Nordex Group is primarily focusing on gradually improving its profitability. In addition to optimizing production and the supply chain, key measures include continuing its corporate program as well as implementing a strict policy of price increases and adjusting customer contracts further. An important role will also be played by the product portfolio, which focuses on continuously enhancing the Delta4000 platform. Processing the full order book as efficiently as possible is another key task for 2023.

BUSINESS PERFORMANCE OF THE GROUP COMPANY NORDEX SE

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

Sales of Nordex SE were up 24.8% to EUR 114.4 million in financial year 2022 (2021: EUR 91.7 million). This increase was due to higher Intragroup allocations for services and an increase in commissions for performance surety bonds. Staff costs rose to EUR 35.9 million (2021: EUR 30.2 million), triggered by higher expenses for variable remuneration. Net operating income/expenses amounted to EUR –85.9 million (2021: EUR –71.4 million). Other operating income resulted primarily from income from currency translation gains and the sale of a 50% equity interest in the unlisted Nordex H2 S.L. Other operating income mainly consisted of higher foreign currency translation expenses, legal and consulting costs, impairments of trade receivables of affiliated consolidated companies, and IT costs. Income from profit transfer came to EUR 20.9 million (2021: EUR 24.5 million). Expenses from loss absorption increased to EUR 283.5 million (2021: EUR 112.9 million), resulting in lower earnings after taxes of EUR –247.3 million (2021: EUR –158.7 million). In financial year 2022, Nordex SE posted a net loss for the year of EUR 247,7 million in accordance with the German Commercial Code (2021: net loss for the year of EUR 158.9 million). After withdrawal from reserves, net retained profits for financial year 2022 totaled EUR 0.0 million (2021: 0.0 million).

Despite the negative trend in earnings, Nordex SE's equity as at 31 December 2022 increased by 7.2% to EUR 1,551.6 million (31 December 2021: EUR 1,447.2 million) due to the capital increases implemented in July 2022. Total assets increased by 37.8% to EUR 4,286.5 million (31 December 2021: EUR 3,109.5 million). Due to payments into the equity of subsidiaries, shares in affiliated companies increased to EUR 1,087.3 million (31 December 2021: EUR 856.8 million), resulting in an equity ratio of 36.2% (31 December 2021: 46.5%).

CONCLUDING DECLARATION BY THE MANAGEMENT BOARD AND TAKEOVER-RELATED DISCLOSURES

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

Given its current equity interest of approximately 40.97% and the average shareholder presence at the Annual General Meeting in the past, Acciona, S.A., even assuming the highest presence at the Annual General Meeting in the past, theoretically has a de facto simple – or possibly even a qualified – majority of votes, which establishes a relationship of control.

There is no control or profit transfer agreement between Nordex SE and Acciona, S.A. Accordingly, the Management Board of Nordex SE has prepared a dependent company report on the Company's relations with affiliated companies in accordance with Section 312 AktG. At the end of the report, the Management Board issued the following statement: "Based on the circumstances known to us at the time the transactions referred to in the Report on Relationships with Affiliated Companies for the reporting period from 1 January 2022 to 31 December 2022 were undertaken, our Company, Nordex SE, received appropriate consideration for each transaction. No other measures were undertaken or omitted in the interest of or on the instructions of the controlling company or companies affiliated with it."

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

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

Composition of subscribed capital

The Company's subscribed capital stood at EUR 211,946,227.00 as at the reporting date and is divided into 211,946,227 no-par-value bearer shares. One share equals EUR 1.00 of the Company's share capital. There are no restrictions on the exercise of voting rights or the transfer of shares. The same rights attach to all shares except for treasury shares for which no voting rights may be exercised. Each share equals one vote and, possibly with the exception of recently issued shares which are not dividend-entitled, represents the same share in the dividend distribution approved by the shareholders at the Annual General Meeting. The rights and obligations arising from the shares are governed by the applicable statutory provisions, particularly Sections 12, 53a ff, 118 ff and 186 of the German Stock Corporation Act (AktG). Nordex did not hold any treasury shares as at 31 December 2022.

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

No rights accrue to the Company from treasury shares. In the cases provided for in Section 136 of the AktG, voting rights on treasury shares are excluded. With regard to the performance-related remuneration component, the terms of the Performance Share Unit Plan and their employment contracts applicable until the reporting date require Mr. Blanco and Mr. Landa to hold shares valued at no less than 33% of their payout after tax and social security contributions for a period of at least two years. Under the terms of his employment contract, Dr. Hartmann is obliged to purchase shares up to an amount corresponding to the value of his annual base salary (gross) and hold these shares for the duration of his appointment and for a further two years after this appointment comes to an end. An annual minimum investment amount equivalent to 25% of the respective net payout from the remuneration component with a short-term incentive applies until the full investment volume has been reached. An identical reinvestment obligation has also been agreed with Mr. Blanco and Mr. Landa under their employment contracts effective from 1 January 2023.

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

As at the 2022 reporting date, the following companies directly or indirectly held more than 10% of the voting rights with respect to Nordex SE: Acciona, S.A., Madrid (Spain) stated that it held 86,824,744 shares and, hence, more than 40.97% of the voting rights.

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

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

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

Authorization of the Management Board to issue or buy back shares

The following specific authorization has been granted:

Contingent Capital / Authorized Capital

At 31 December 2022 the Company had no Authorized Capital I (2021: EUR 0) and no Authorized Capital II (2021: EUR 0). At 31 December 2022, the Company had Authorized Capital III of EUR 81,118, equivalent to 81,118 shares (2021: EUR 299,578, equivalent to 299,578 shares), Contingent Capital I of EUR 18,436,138, equivalent to 18,436,138 shares (unchanged from the previous year) and Contingent Capital II of EUR 3,500,000, equivalent to 3,500,000 shares (unchanged from the previous year). Each share represents a notional share of EUR 1 in the Company's share capital.

Overall, only new shares accounting for up to 40% of the share capital as of the Annual General Meeting's resolution on 31 May 2022, i. e. 64,008,414 new shares, may be issued on the basis of all of the authorizations and capital available to the Company (including the authorization to issue convertible bonds and stock options to senior managers and experts of the Group).

Specifically:

In accordance with a resolution passed at the Annual General Meeting on 31 May 2022, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Authorized Capital I** to increase the Company's share capital once or repeatedly on or before 30 May 2025 by up to EUR 16,002,103 in total, in return for cash or non-cash capital contributions, by issuing new no-par-value bearer shares. The Management Board made use of this authorization for the full amount with the Supervisory Board's approval in accordance with the Company's Articles of Incorporation through its resolution of 26 June 2022, disapplying shareholders' pre-emption rights.

In accordance with a resolution passed at the Annual General Meeting on 31 May 2022, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Authorized Capital II** to increase the Company's share capital once or repeatedly on or before 30 May 2025 by up to EUR 32,004,207 in total, in return for cash capital contributions, by issuing new no-par-value bearer shares. The Management Board made use of this authorization for the full amount with the Supervisory Board's approval in accordance with the Company's Articles of Incorporation through its resolution of 10 July 2022, without disapplying shareholders' pre-emption rights – except for fractional amounts.

In accordance with a resolution passed at the Annual General Meeting on 31 May 2022, the Management Board was authorized subject to the Supervisory Board's approval to utilize **Authorized Capital III** to increase the Company's share capital once or repeatedly on or before 30 May 2025 by up to EUR 4,000,000 in total, in return for cash or non-cash capital contributions, by issuing new no-par-value bearer shares. The Management Board made use of this authorization with the Supervisory Board's approval, through its resolution of 10 July 2022 in accordance with the Company's Articles of Incorporation for an amount of EUR 3,918,882, which corresponds to 3,918,882 shares. The shareholders' pre-emption rights were not disapplied, except for fractional amounts. Authorized Capital III remains in an amount of EUR 81,118, equivalent to 81,118 shares.

Contingent Capital I is used to grant no-par value bearer shares as of the exercise of conversion or option rights (or upon fulfillment of corresponding conversion obligations) or else as of the exercise of an option held by the Company, instead of paying the amount of money due, either in whole or in part to grant no-par value shares of the Company to the holders of convertible bonds or bonds with warrants issued by the Company in return for a cash contribution and on the basis of the Annual General Meeting's authorizing resolution in the period from 16 July 2020 to 15 July 2023. To date, no conversion or option rights have been issued.

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

Treasury shares
Based on the resolution passed at the Annual General Meeting on 4 June 2019, the Management Board is authorized on or before 31 May 2024 subject to the approval of the Supervisory Board to purchase treasury shares up to an amount of 10% of the Company's share capital as of the Annual General Meeting's resolution and to use this for any purpose permitted by law. Inter alia, these shares may be used for the purpose of mergers and acquisitions, they may be offered to senior managers and employees of the Company or affiliated companies as employee shares and they may be used in fulfillment of conversion rights or conversion obligations resulting from convertible bonds or employee option rights. The shareholders' pre-emption rights are disapplied in these cases. These treasury shares may also be called in or sold to shareholders or third parties – while disapplying the shareholders' pre-emption rights – for a cash price which is not significantly below the stock exchange price as of the sale.

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

Taking into account the Extraordinary General Meeting held on 27 March 2023, the Management Board was authorized as follows:

New Authorized Capital I with the authorization to disapply pre-emption rights and corresponding amendment of the Articles of Incorporation
Until the end of 26 March 2026, the Management Board is authorized, subject to the Supervisory Board's approval, to increase the Company's share capital by up to EUR 21,194,623.00 against cash or non-cash capital contributions by issuing new no-par value bearer shares ("Authorized Capital I") once or several times. Shareholders are generally entitled to a pre-emption right. Pursuant to Art. 5 SE-VO in conjunction with Section 186 (5) of the German Stock Corporation Act (AktG), the new shares may also be taken over by a credit institute or an undertaking operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 7 of the German Banking Act (KWG) with the obligation to offer them to shareholders for subscription ("indirect pre-emption right").

New Authorized Capital II with the authorization to disapply pre-emption rights and corresponding amendment of the Articles of Incorporation
Until the end of 26 March 2026, the Management Board is authorized, subject to the Supervisory Board's approval, to increase the Company's share capital by up to EUR 42,389,245.00 against cash or non-cash capital contributions by issuing new no-par value bearer shares ("Authorized Capital II") once or several times. Shareholders are generally entitled to a pre-emption right. Pursuant to Art. 5 SE-VO in conjunction with Section 186 (5) of the German Stock Corporation Act (AktG), the new shares may also be taken over by a credit institute or an undertaking operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 7 of the German Banking Act (KWG) with the obligation to offer them to shareholders for subscription ("indirect pre-emption right").

Authorized Capital III with authorization to exclude pre-emption rights and corresponding amendment of the Articles of Incorporation as well as cancellation of the existing Authorized Capital III
The Management Board is authorized, subject to the Supervisory Board's approval, to increase the Company's share capital until 26 March 2026 up to a total of EUR 6,358,387.00 once or several times, by issuing new bearer shares against cash and non-cash capital contributions (Authorized Capital III).

Authorization to issue convertible bonds and/or bonds with warrants, to disapply pre-emption rights and to create new Contingent Capital I with corresponding amendment of the Articles of Incorporation and cancellation of the existing Contingent Capital I
Authorization to issue bonds with warrants and convertible bonds and to disapply pre-emption rights to these bonds with warrants or convertible bonds

a) General
The Management Board shall be authorized until 26 March 2026, subject to the Supervisory Board's approval, to issue bearer bonds with warrants and/or convertible bonds (collectively the "**Bonds**") with or without limitation of maturities up to an aggregate principal amount of EUR 450,000,000.00 once or several times and to grant the holders or creditors of bonds with warrants option rights or the holders or

creditors of convertible bonds conversion rights or conversion obligations to no-par value bearer shares of the Company with a pro-rata amount of the share capital of up to a total of EUR 21,194,623.00 (10% of the current share capital) in accordance with the more detailed provisions of these bond terms. The bonds are issuable in return for cash contributions.

b) Bonds with warrants and convertible bonds
The bonds shall be divided into individual bonds. If bonds with warrants are issued, each shall have one or several warrants attached to it, granting the holder the right to subscribe for no-par value bearer shares of the Company in accordance with the more detailed provisions of the warrant terms to be stipulated by the Management Board. The warrant terms may stipulate that the price of the warrant may also be satisfied by transferring individual bonds and, if applicable, an additional cash payment. To the extent fractional shares are created, the warrant or bond terms may stipulate that such fractional shares may be combined to subscribe for whole shares, where applicable against an additional payment. In the event that bonds are issued with conversion rights, the holders of the bearer convertible bonds, or in other cases the creditors of the individual bonds, shall have the right to exchange their individual bonds for no-par value bearer shares of the Company in accordance with the bond terms to be stipulated by the Management Board. The exchange ratio shall be calculated by dividing the principal amount, or the lower issue price of an individual bond, by the conversion price stipulated for one no-par value bearer share of the Company, and may be rounded up or down to a whole number; an additional cash payment may also be stipulated, as well as the combination of fractional shares or compensation for non-convertible fractional shares. The bond terms may stipulate a variable conversion ratio and conversion price (subject to the minimum price determined below) within a predetermined range depending on the development of the price of the no-par value share of the Company during the bond term.

Material agreements subject to a change-of-control provision

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

Syndicated guarantee facility for EUR 1,410 million
The guarantee facility contains a provision that entitles the lenders to terminate the facility in the event that a person acquires more than 50% of the share capital or voting rights of Nordex SE. This does not apply to Acciona, S.A., Madrid (Spain).

Promissory note for EUR 25.5 million
The promissory note contains a provision that entitles the lenders to terminate the loan in the event that a person or a group of persons acting in concert gain direct or indirect control over more than 50% of the issued shares or voting rights of Nordex SE and/or Nordex Energy SE & Co. KG.

EUR bond (Green Bond) for EUR 275 million
The EUR bond includes an obligation on the part of Nordex SE to submit an offer to repurchase the bonds issued in the event of a change of control. Such a change of control would occur, for example, if a third party were to acquire direct or indirect control over more than 50% of the voting shares in Nordex SE. This does not apply to Acciona, S.A., Madrid (Spain).

EUR 40.9 million shareholder loans from Acciona, S.A. from 2020
The two shareholder loans entitle the lender to demand immediate repayment of the loans plus accrued interest in the event of a change of control. Such a change of control would arise in the event that a person or a group of persons acting in concert gain direct or indirect control over 30% or more of the issued shares or voting rights of Nordex SE.

EUR 286 million shareholder loan from Acciona, S.A. from 2022
The shareholder loan entitles the lender to demand immediate repayment of the loan plus accrued interest in the event of a change of control. Such a change of control would arise in the event that a person or a group of persons acting in concert gain direct or indirect control over 30% or more of the issued shares or voting rights of Nordex SE.

CORPORATE GOVERNANCE STATEMENT OF NORDEX SE

INCLUDING THE COMPANY'S CORPORATE GOVERNANCE REPORT

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

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

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

Under Section 161 of the German Stock Corporation Act, the Management Board and Supervisory Board of Nordex SE as a listed company are required to issue a declaration once a year confirming compliance with the recommendations of the Government Commission on the German Corporate Governance Code issued by the German Federal Ministry of Justice (BMJV) and published in the official part of the Federal Gazette (Bundesanzeiger) and stating which recommendations have not been implemented in the past and are currently not being implemented. This declaration must be made permanently available to the shareholders. The Company published its declarations of compliance for the past few years online at *http://ir.nordex-online.com/websites/Nordex/English/6100/declaration-of-conformity.html.*

The updated declaration of compliance dated 28 March 2023 is reproduced as follows:

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

The Management Board and Supervisory Board of Nordex SE have updated their Compliance Declaration for 2022 dated 23 March 2022 and hereby declare as follows:

Since the last Compliance Declaration dated 23 March 2022 the Management Board and the Supervisory Board of Nordex SE (Company) have complied with the recommendations of the Government Commission on the German Corporate Governance Code published in the official part of the Federal Law Gazette (Bundesanzeiger) in its version amended on 16 December 2019 that was applicable until 27 June 2022 (GCGC 2020) and in its version amended on 28 April 2022 that has been applicable since then (GCGC 2022), save for the deviations described hereinafter. This will also continue to be the case in the future, unless otherwise outlined below.

Article A.1 GCGC 2020 and Article A.2 GCGC 2022 – Appointments to Management Positions (Diversity)

The Management Board does not comply with the recommendation in Article A.1 GCGC 2020 and A.2 GCGC 2022 because appointments to management positions in the Company are made regardless of gender and are exclusively guided by the qualifications of the individuals available. For this reason, the target quota for women at the two management levels directly below the Management Board as determined by the Management Board of Nordex SE does and for the foreseeable future will not amount to the 30% desired by law, but to a lower percentage.

Article B.1 GCGC 2020 and Article B.1 GCGC 2022 – Composition of the Management Board (Diversity)

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

Articles B.5 and C.2 GCGC 2020 and Articles B.5 and C.2 GCGC 2022 – Age Limits for Management Board and Supervisory Board Members

Contrary to Articles B.5 and C.2 GCGC 2020 and Articles B.5 and C.2 GCGC 2022, the Supervisory Board of Nordex SE has not determined fixed age limits for membership of the Management Board and the Supervisory Board. Age alone is not decisive for the capabilities, suitability and independence of a current or potential member of the Company's corporate bodies.

Article F.2 GCGC 2020 – Publication of interim financial information within 45 days of the end of the reporting period

Due to a cyber security incident, the Company was unable to publish its mandatory quarterly management statement for the first quarter of the 2022 financial year in accordance with Section 53 of the Exchange Regulations of the Frankfurt Stock Exchange within 45 days after the end of the reporting period, but only on 21 June 2022, contrary to Article F.2 GCGC 2020. The Company is currently complying with this recommendation and will continue to do so in the future.

Hamburg, 28 March 2023
Nordex SE

Management Board Supervisory Board

2. Disclosures on corporate governance practices

Corporate compliance

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

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

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

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

Detailed information on what measures were introduced with regards to the Compliance Management System and what milestones were achieved can be found in the 2022 Sustainability Report published in March 2023.

Sustainability
The Nordex Group as a company is committed to the ecologically and economically responsible use of resources and respectful treatment of all people employed by Nordex or with whom the Company works as customers, suppliers, service providers or shareholders. In the reporting period, the Nordex Group's sustainability management was assigned to the central Quality, Health, Safety & Environment (QHSE) organizational unit, which reports directly to the Management Board. Detailed information on the underlying sustainability strategy of the Nordex Group can be found in the 2022 Sustainability Report published in March 2023 together with the annual report.

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

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

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

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

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

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

No changes were made to the organization of the Management Board during the 2022 reporting year. However, the appointments of Messrs. Blanco and Landa were extended until 31 December 2025 in the reporting year. The appointment of Dr. Hartmann was extended until 30 June 2025.

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

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

The Chief Financial Officer (CFO), Dr. Ilya Hartmann, is responsible for accounting & controlling, finance, internal audit, investor relations, communications, legal matters, tax, and the Finance/Operations and Global Planning global lead functions.

The Management Board has not established any committees.

Supervisory Board: Monitoring and control activities

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

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

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

Supervisory Board committees

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

Executive Committee:

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

Audit Committee:

The Audit Committee comprises three members; in the year under review, it was chaired by Mr. Martin Rey, while the other two members were Ms. Connie Hedegaard (until 31 May 2022), Ms. Isabel Blanco (since 31 May 2022) and Mr. Juan Muro-Lara. Like the other members of the Supervisory Board, all members of the Audit Committee are familiar with the sector in which the Company is active.

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

According to Section 100 (5) of the German Stock Corporation Act (AktG), at least one member of the Supervisory Board must possess expertise in the area of accounting and at least one additional member must possess expertise in the area of auditing. Article D.3 of the German Corporate Governance Code (GCGC) 2022 states that the expertise in the field of accounting shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance. The Chairman of the Audit Committee shall have appropriate expertise in at least one of the two areas.

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

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

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

- Although they had been proposed for election to the Supervisory Board by shareholder groups that had long been departed or greatly reduced in number, Dr.-Ing. Wolfgang Ziebart, Mr. Jan Klatten and Mr. Martin Rey were repeatedly proposed for re-election to the Supervisory Board. Firstly, this demonstrates that the composition of the Supervisory Board has always been determined irrespective of close personal relationships with specific shareholder groups and was repeatedly approved by the shareholders.

- In addition, their remuneration as Supervisory Board members does not form a sufficiently material part of their total income that it would be likely to justify a dependency.

- In light of past changes to the Management Board and the relatively brief terms of office of the current Management Board members between 2016 and 2021, the longer terms of office of the three Supervisory Board members do not suggest any particularly close relationships with Management Board members who have been in their posts for a shorter period of time.

- There have also been regular changes to the Supervisory Board, thus eliminating the risk of any particularly close relationships between its members.

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

4. Disclosures on the definition of the proportion of women

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

The proportion of women in the workforce in Germany is currently 21% (2021: 18%). The Management Board in 2020 in accordance with Section 76 (4) of the AktG set a target for the proportion of women on the first two management levels below the Management Board of the German entities of the Nordex Group at 15% (previously 21%) to be achieved by 31 December 2025. The share of women in the first two management levels was 13% in the reporting year (2021: 13%).

5. Description of the diversity policy for the Management Board

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

- Identifying suitable candidates with different specialties, nationalities and genders at an early stage of the search process.

- Systematically developing internal managers by enabling them to take on roles with increasing responsibility, preferably in different business areas, regions and functions. In this context, managers are fostered particularly through personalized measures such as coaching or systematic human resources development programs.

- Training of internal managers with regard to material company values to ensure that they act as a role model when upholding and implementing them.

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

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

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

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

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

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

Objectives

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

Requirements for individual members

(i) General requirements

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

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

(ii) Availability

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

Requirements and objectives for the overall Supervisory Board

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

(i) General requirements

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

(ii) Specific knowledge and experience

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

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

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

(iii) Independence and conflicts of interest
Taking into account Nordex SE's specific situation and ownership structure, the Supervisory Board should include at least one independent member in accordance with Article C.6 GCGC. At least one Supervisory Board member should be independent from the controlling shareholder. Where individual conflicts of interest arise, every Supervisory Board member should disclose them to the Chairman of the Supervisory Board without undue delay. The Supervisory Board should report any conflicts of interest that have occurred in its report to the Annual General Meeting and provide information on how these were addressed. Material and non-temporary conflicts of interest on the part of a member of the Supervisory Board shall result in the termination of their post. The Supervisory Board shall not include more than two former members of the Management Board. Members of the Supervisory Board shall not hold any executive or advisory roles with the Company's significant competitors and shall not have a personal relationship with a significant competitor.

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

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

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

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

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

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

Implementation status

The implementation status is detailed in the following skills matrix:

		Dr.-Ing. Wolfgang Ziebart	Juan Muro-Lara	Jan Klatten	Maria Isabel Blanco Alvarez	Martin Rey	María Cordón Ucar
Membership	**Member since**	**2009**	**2016**	**2005**	**2022**	**2005**	**2021**
Diversity	Nationality	German	Spanish	German	Spanish/British	German	Spanish
	Date of birth	30.1.1950	4.9.1967	14.1.1955	12.4.1974	23.2.1957	29.9.1982
	At least one member is under 60 years of age	Not met/applicable	Met/applicable	Not met/applicable	Met/applicable	Not met/applicable	Met/applicable
	Share of women on the supervisory board of 16.67% (target quota)	Not met/applicable	Not met/applicable	Not met/applicable	Met/applicable	Not met/applicable	Met/applicable
	International experience	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Different training and professional experience	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
General requirements	Sufficient expertise	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Commitment, integrity and personality	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	General understanding of Nordex SE's business, including its market environment and customer requirements	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Experience of leading companies, associations or networks	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Compliance with mandate limits in accordance with section 100 of the German Stock Corporation Act (AktG) together with article 47 (2) letter a) SE-VO, and in accordance with Articles C.4 and C.5 GCGC 2022	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Availability	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable

Met/applicable   Not met/applicable

Membership	Member since	Dr.-Ing. Wolfgang Ziebart	Juan Muro-Lara	Jan Klatten	Maria Isabel Blanco Alvarez	Martin Rey	María Cordón Ucar
		2009	2016	2005	2022	2005	2021
Requirements and objectives for the overall supervisory board	In general: familiarity with the renewable energy sector, ideally the wind energy industry	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Two members: expertise in the areas of accounting and auditing [1]	Not met/applicable	Met/applicable	Not met/applicable	Not met/applicable	Met/applicable	Not met/applicable
	Specific knowledge and experience	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Leading and monitoring a large international group, including the development and implementation of corporate strategies in particular	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Not met/applicable
	Mechanical and plant engineering, including industrial production and research and development	Met/applicable	Met/applicable	Met/applicable	Not met/applicable	Met/applicable	Not met/applicable
	Sales, service and marketing of machinery and equipment	Met/applicable	Met/applicable	Met/applicable	Not met/applicable	Met/applicable	Not met/applicable
	Bookkeeping, accounting, controlling and risk management	Met/applicable	Met/applicable	Not met/applicable	Not met/applicable	Met/applicable	Not met/applicable
	Human resources, particularly staff planning, management and development	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Law, compliance, corporate governance	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Sustainability	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
Independence	Independence from the controlling shareholder	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	No more than two former members of the management board	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	No board function or advisory tasks for significant competitors, no personal relationship with competitors	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable
	Independence from the company and the management board	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable	Met/applicable

Met/applicable   Not met/applicable

[1] According to section 100 (5) of the German Stock Corporation Act (AktG)

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

Further corporate governance report

Remuneration system and benefits for Management Board members

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

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

Detailed reporting

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

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

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

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

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

Nordex SE, Rostock, 28 March 2023

José Luis Blanco, Chairman of the Management Board

Dr. Ilya Hartmann, member of the Management Board

Patxi Landa, member of the Management Board

Consolidated financial statements

for the 2022 financial year

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2022

ASSETS

EUR thousand	Note	31.12.2022	31.12.2021
Cash and cash equivalents	(1)	633,541	784,440
Trade receivables	(2)	169,906	162,530
Contract assets from projects	(3)	720,191	536,526
Current contract assets from services	(4)	8,393	7,327
Inventories	(5)	1,103,153	722,487
Income tax receivables	(6)	9,668	15,293
Other current financial assets	(7)	79,549	61,029
Other current non-financial assets	(8)	236,846	209,918
Current assets		**2,961,247**	**2,499,550**
Property, plant and equipment	(9)	601,951	506,958
Goodwill	(10)	547,758	547,758
Capitalized development expenses	(11)	161,512	163,551
Prepayments made	(12)	34	32
Other intangible assets	(13)	12,528	16,626
Investments	(14)	3,468	3,512
Investments accounted for using the equity method	(15)	67,757	6,398
Non-current contract assets from services	(4)	33,835	32,171
Other non-current financial assets	(16)	61,429	16,283
Other non-current non-financial assets	(17)	15,599	13,444
Deferred tax assets	(18)	289,541	301,347
Non-current assets		**1,795,412**	**1,608,080**
Assets		**4,756,659**	**4,107,630**

EQUITY AND LIABILITIES

EUR thousand	Note	31.12.2022	31.12.2021
Current liabilities to banks	(19)	46,617	6,564
Trade payables	(20)	1,519,269	1,032,600
Contract liabilities from projects	(3)	1,053,058	945,128
Current contract liabilities from services	(4)	38,896	29,391
Income tax payables	(6)	25,632	22,121
Other current provisions	(21)	193,841	108,378
Other current financial liabilities	(22)	354,793	48,406
Other current non-financial liabilities	(23)	194,533	136,966
Current liabilities		**3,426,639**	**2,329,554**
Non-current liabilities to banks	(19)	6,500	25,500
Non-current contract liabilities from services	(4)	148,327	130,924
Pensions and similar obligations	(24)	2,361	2,523
Other non-current provisions	(21)	63,509	28,807
Other non-current financial liabilities	(25)	215,188	428,335
Other non-current non-financial liabilities	(26)	2,915	2,692
Deferred tax liabilities	(18)	13,161	96,900
Non-current liabilities		**451,961**	**715,681**
Subscribed capital		211,946	160,021
Capital reserves		1,282,190	1,236,071
Other retained earnings		–10,932	–11,087
Cash flow hedge reserve		–14,360	2,415
Reserve for cash flow hedge costs		803	529
Foreign currency adjustment item		–129,723	–113,719
Consolidated net profit/loss carried forward		–461,865	–211,835
Consolidated net profit/loss		0	0
Share in equity attributable to shareholders of the parent		878,059	1,062,395
Equity	(27)	**878,059**	**1,062,395**
Equity and liabilities		**4,756,659**	**4,107,630**

CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 31 December 2022

EUR thousand	Note	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Sales	(29)	5,693,561	5,443,950
Changes in inventories and other own work capitalized	(30)	297,505	–392,229
Gross revenue		**5,991,066**	**5,051,721**
Cost of materials	(31)	–5,505,018	–4,224,759
Gross profit		**486,048**	**826,962**
Other operating income	(32)	418,326	113,286
Other operating expenses	(33)	–558,390	–413,860
Staff costs	(34)	–561,095	–473,716
Structural costs		**–701,159**	**–774,290**
Adjusted EBITDA before restructuring costs		**–215,111**	**52,672**
Restructuring costs	(35)	–29,157	0
EBITDA		**–244,268**	**52,672**
Depreciation/amortization	(36)	–182,415	–159,999
EBIT		**–426,683**	**–107,327**
Profit/loss from equity-accounting method		–10	311
Impairment of investments		–8	0
Other interest and similar income		6,075	6,022
Interest and similar expenses		–101,763	–122,743
Financial result	(37)	**–95,706**	**–116,410**
Net profit/loss from ordinary activities		**–522,389**	**–223,737**
Income tax	(38)	24,628	–6,419
Consolidated net loss		**–497,761**	**–230,156**
Of which attributable to			
shareholders of the parent		–497,761	–230,156
Earnings per share (in EUR)	(39)		
Basic [1]		–2.71	–1.68
Diluted [2]		–2.71	–1.68

[1] based on a weighted average of 183.966 million shares (previous year: 137.224 million shares)
[2] based on a weighted average of 183.966 million shares (previous year: 137.224 million shares)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January to 31 December 2022

EUR thousand	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Consolidated net loss	**–497,761**	**–230,156**
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation difference	–3,716	–48,188
Cash flow hedges	–24,669	–10,185
Deferred taxes	7,894	3,259
Cash flow hedge costs	403	388
Deferred taxes	–129	–124
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	228	21
Deferred taxes	–73	–7
Consolidated comprehensive income	**–517,823**	**–284,992**
Of which attributable to		
shareholders of the parent	–517,823	–284,992

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 31 December 2022

	EUR thousand	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
	Operating activities		
	Consolidated net loss	–497,761	–230,156
+	Depreciation/amortization of non-current assets	182,423	159,999
=	**Consolidated net loss plus depreciation/amortization**	**–315,338**	**–70,157**
–/+	Increase/decrease in inventories	–380,666	479,720
+/–	Decrease/increase in trade receivables	–7,375	–40,725
–	Increase in contract assets from projects	–183,665	–4,995
+/–	Increase/decrease in trade payables	486,669	–62,963
+/–	Increase/decrease in contract liabilities from projects	107,931	–107,940
=	**Payments made/received from changes in working capital**	**22,894**	**263,097**
–	Increase in other assets not attributed to investing or financing activities	–33,162	–77,265
+	Increase in pensions and similar obligations	–162	98
–	Decrease in other provisions	120,164	–10,220
+	Increase in other liabilities not attributed to investing or financing activities	56,071	–24,272
–/+	Gain/loss from the disposal of non-current assets	–7,096	374
–	Other interest and similar income	–6,075	–6,022
+	Interest received	4,655	2,240
+	Interest and similar expenses	101,763	122,743
–	Interest paid/transaction costs	–106,392	–102,731
–	Income tax	–24,628	6,419
–	Taxes paid	–12,977	–8,262
–/+	Other non-cash income/expenses	–149,803	31,520
=	**Payments made for other operating activities**	**–57,642**	**–65,378**
=	**Cash flow from operating activities**	**–350,086**	**127,562**

	EUR thousand	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
	Investing activities		
+	Payments received from the disposal of property, plant and equipment/ intangible assets	25,983	17,448
–	Payments made for investments in property, plant and equipment/ intangible assets	–205,376	–169,655
+	Payments received from the disposal of long-term financial assets	16,693	1,511
–	Payments made for investments in long-term financial assets	–1,736	–2,364
+	Payments received from investment grants	626	967
=	**Cash flow from investing activities**	**–163,810**	**–152,093**
	Financing activities		
+	Payments received from capital increases	341,805	371,335
+	Bank loans received	22,726	3,950
–	Bank loans repaid	0	–505,625
–	Cash repayments of bonds	–219	–119
+	Shareholder loan received	11,000	215,000
–	Lease liabilities repaid	–29,782	–22,201
=	**Cash flow from financing activities**	**345,530**	**62,340**
	Net change in cash and cash equivalents	**–168,366**	**37,809**
+	Cash and cash equivalents at the beginning of the period	784,440	778,357
–	Cash and cash equivalents reducing the basis of consolidation	–7	0
+/–	Exchange rate-induced change in cash and cash equivalents	17,474	–31,726
=	**Cash and cash equivalents at the end of the period (according to statement of financial position)**	**633,541**	**784,440**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 31 December 2022

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2022	**160,021**	**1,236,071**	**–11,087**
IAS 29 adjustments	0	0	0
01.01.2022 after IAS 29 adjustments	**160,021**	**1,236,071**	**–11,087**
Capital increase			
Additions from capital increase	51,925	299,239	0
Costs from capital increase	0	–9,359	0
Income tax	0	2,995	0
Employee stock option program	0	975	0
Consolidated comprehensive income	0	0	155
Consolidated net loss	0	0	0
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation difference	0	0	0
Cash flow hedges	0	0	0
Deferred taxes	0	0	0
Cash flow hedge costs	0	0	0
Deferred taxes	0	0	0
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	0	0	228
Deferred taxes	0	0	–73
Allocation of profit or loss	0	–247,731	0
31.12.2022	**211,946**	**1,282,190**	**–10,932**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

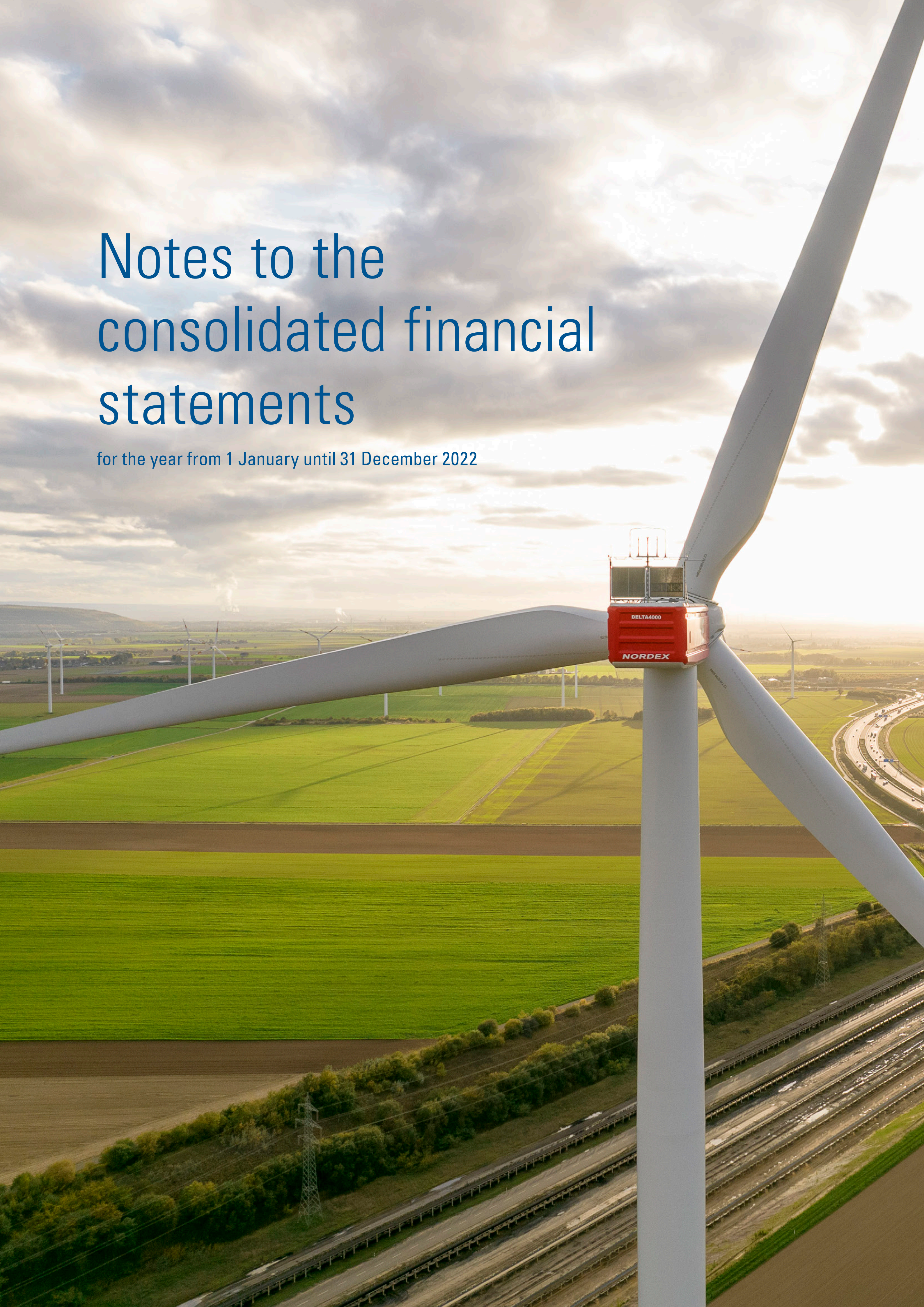
For the period from 1 January to 31 December 2021

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2021	**117,349**	**795,698**	**50,976**
Capital increase			
Additions from capital increase	42,672	543,474	0
Costs from capital increase	0	–18,231	0
Income tax	0	5,834	0
Employee stock option program	0	105	0
Consolidated comprehensive income	0	0	14
Consolidated net loss	0	0	0
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation difference	0	0	0
Cash flow hedges	0	0	0
Deferred taxes	0	0	0
Cash flow hedge costs	0	0	0
Deferred taxes	0	0	0
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	0	0	21
Deferred taxes	0	0	–7
Allocation of profit or loss	0	–90,809	–62,077
31.12.2021	**160,021**	**1,236,071**	**–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
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	−18,231	−18,231
0	0	0	0	0	5,834	5,834
0	0	0	0	0	105	105
−6,926	264	−48,188	0	−230,156	−284,992	−284,992
0	0	0	0	−230,156	−230,156	−230,156
0	0	−48,188	0	0	−48,188	−48,188
−10,185	0	0	0	0	−10,185	−10,185
3,259	0	0	0	0	3,259	3,259
0	388	0	0	0	388	388
0	−124	0	0	0	−124	−124
0	0	0	0	0	21	21
0	0	0	0	0	−7	−7
0	0	0	−77,270	230,156	0	0
2,415	**529**	**−113,719**	**−211,835**	**0**	**1,062,395**	**1,062,395**

Notes to the consolidated financial statements

for the year from 1 January until 31 December 2022



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year from 1 January until 31 December 2022

GENERAL INFORMATION

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

The shares of Nordex SE are admitted to regulated trading subject to the advanced admission obligations stipulated by Deutsche Börse; they are listed in the TecDAX and were readmitted to the MDAX in February 2023. Its nominal capital as at 31 December 2022 stands at 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.

Nordex SE's consolidated financial statements for financial year 2022 were presented to the Supervisory Board for review on 17 March 2023. They were finally approved on 28 March 2023.

ACCOUNTING POLICIES

BASIS OF PREPARATION

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

In order to apply the accounting policies, management sometimes has to make assumptions and estimates. Significant judgments relate in particular to the determination of the recoverable amount in goodwill impairment testing (section 10), the impairment testing of deferred tax assets (section 18), the cost estimates for warranty provisions (section 21), and the cost-to-cost method in the project business and the service business (sections 3, 4 and 29). Unless otherwise stated, these policies have been consistently applied to all the accounting periods presented.

The consolidated financial statements were prepared in accordance with Section 315e of the German Commercial Code (HGB) using the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union. Therefore, all International Financial Reporting Standards and interpretations of the International Financial Reporting Interpretation Committee (IFRIC) binding for the 2022 reporting year were applied.

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

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

The consolidated financial statements are prepared in thousands of euros.

In March 2022, the cumulative three-year inflation rate in Turkey exceeded 100%. For this reason, Turkey must be considered a hyperinflationary economy as defined by IAS 29 for reporting periods ending on or after 30 June 2022. In light of this, the financial statements of 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 December 2022 was 1,128.45 (December 2021: 504.81). The previous year's figures have not been adjusted in accordance with IAS 21.42. Nordex recognized a net loss of EUR 64 thousand due to hyperinflation adjustments. The effects on the opening balance sheet resulting from IAS 29 amount to EUR 12.3 million and are presented separately in the statement of changes in equity.

EFFECTS OF NEW FINANCIAL REPORTING STANDARDS

The new and revised standards to be applied in 2022 as a result of endorsement by the European Union

Standard/interpretation		Published by the IASB	Mandatory application stipulated by the IASB
IAS 16 [1]	Property, plant and equipment: Proceeds before intended use	20.5.2020	1.1.2022
IFRS 3 [1]	Business Combinations Reference to the Conceptual Framework	14.5.2020	1.1.2022
IAS 37 [1]	Provisions, contingent liabilities and contingent assets Onerous Contracts — Cost of Fulfilling a Contract	14.5.2020	1.1.2022
Annual IFRS improvements cycle 2018–2021 [1]:		14.5.2020	1.1.2022
IFRS 9	Clarification which fees should be included in the 10 per cent test for the purpose of derecognition of a financial liability		
IFRS 16	Amendments to Illustrative Example 13 accompanying IFRS 16		
IFRS 1	The requirement for subsidiaries that become first-time adopters of IFRSs later than their parent to have the option of measuring assets and liabilities at the carrying amounts previously recognized in the parent's consolidated financial statements is extended to include the subsidiary's cumulative foreign currency translation differences.		
IAS 41	Elimination of non-recognition of taxation cash flows when measuring the fair value of biological assets in accordance with IAS 41		

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

New and revised standards and interpretations which were not yet mandatory in 2022 and have not been adopted early by the Group

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

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

COMPANIES CONSOLIDATED

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

Upon initial consolidation, identifiable assets, liabilities and contingent liabilities are measured at their fair values at the acquisition date.

The companies consolidated comprise 12 (31 December 2021: 12) domestic and 59 (31 December 2021: 54) non-domestic companies:

Name	Share in capital/voting rights 31.12.2022 %	31.12.2021 %
Nordex SE, Rostock (Group parent)	n/a	n/a
Alfresco Renewable Energy Private Limited, Bangalore/India	100.0	100.0
Component Purchasing Company II LLC, Dover/USA	100.0	100.0
Component Purchasing Company III LLC, Dover/USA	100.0	100.0
Corporacion Nordex Energy Spain S.L., Barasoain/Spain	100.0	100.0
Eolicos R4E S.A. de C.V., Tegucigalpa/Honduras	100.0	100.0
Industria Toledana de Energias Renovables S.L., Barasoain/Spain	100.0	100.0
Limited Liability Company Nordex Energy Ukraine, Kiev/Ukraine	100.0	100.0
Nordex (Beijing) Wind Power Engineering & Technology Co. Ltd., Beijing/PR China	0.0	100.0
Nordex Belgium SRL, Rochefort/Belgium	100.0	100.0
Nordex Beteiligungen GmbH, Hamburg	100.0	100.0
Nordex Blade Technology Centre ApS, Kirkeby/Denmark	100.0	100.0
Nordex Blades Spain S.A.U., Barasoain/Spain	100.0	100.0
Nordex (Chile) SpA, Santiago/Chile	100.0	100.0
Nordex Education Trust, Cape Town/South Africa	100.0	100.0
Nordex Elektrane d.o.o., Zagreb/Croatia	100.0	100.0
Nordex Electrolyzers S.L.U., Barasoain/Spain	100.0	0.0
Nordex Employee Holding GmbH, Hamburg	100.0	100.0
Nordex Energy Brasil – Comercio e Industria de Equipamentos Ltda., Sao Paulo/Brazil	100.0	100.0
Nordex Energy Chile S.A., Santiago/Chile	100.0	100.0
Nordex Engineering and Technology Pty Ltd., Chennai/India	100.0	0.0
Nordex Energy Colombia S.A.S., Bogota/Columbia	100.0	100.0
Nordex Energy d.o.o. Belgrade, Belgrade/Serba	100.0	0.0
Nordex Energy Iberica S.A., Barcelona/Spain	100.0	100.0
Nordex Energy Internacional S.L., Barasoain/Spain	100.0	100.0
Nordex Energy Ireland Ltd., Dublin/Ireland	100.0	100.0
Nordex Energy Romania S.r.l., Bucharest/Romania	100.0	100.0
Nordex Energy SE & Co. KG, Hamburg	100.0	100.0
Nordex Energy South Africa RF (Pty.) Ltd., Cape Town/South Africa	100.0	100.0
Nordex Energy Spain S.A.U., Barasoain/Spain	100.0	100.0
NordexEnergy Uruguay S.A., Montevideo/Uruguay	100.0	100.0
Nordex Enerji A.S., Istanbul/Turkey	100.0	100.0
Nordex Finland Oy, Helsinki/Finland	100.0	100.0
Nordex Forum II GmbH & Co. KG, Hamburg	100.0	100.0
Nordex Forum II Verwaltungs GmbH, Hamburg	100.0	100.0
Nordex France S.A.S., Paris/France	100.0	100.0
Nordex Germany GmbH, Hamburg	100.0	100.0
Nordex Grundstücksverwaltung GmbH, Hamburg	100.0	100.0

Name	Share in capital / voting rights 31.12.2022 %	31.12.2021 %
Nordex Hellas Monoprosopi EPE, Athens / Greece	100.0	100.0
Nordex India Manufacturing Private Limited, Bangalore / India	100.0	100.0
Nordex India Private Limited, Bangalore / India	100.0	100.0
Nordex International GmbH, Hamburg	100.0	100.0
Nordex International Services SP. Z.o.o., Warsaw / Poland	100.0	0.0
Nordex Italia S.r.l., Rome / Italy	100.0	100.0
Nordex Manufacturing GmbH, Hamburg [1]	100.0	100.0
Nordex Maritime S.A., Barasoain / Spain	100.0	0.0
Nordex Netherlands B.V., Zwolle / Netherlands	100.0	100.0
Nordex Norway AS, Oslo / Norway	100.0	100.0
Nordex Oceania Pty. Ltd., Melbourne / Australia	100.0	100.0
Nordex Pakistan (Private) Ltd., Islamabad / Pakistan	100.0	100.0
Nordex Polska Sp. z o.o., Warsaw / Poland	100.0	100.0
Nordex Portugal, Unipessoal Lda., Porto / Portugal	100.0	100.0
Nordex Singapore Equipment Private Ltd., Singapore / Singapore	100.0	100.0
Nordex Singapore Service Private Ltd., Singapore / Singapore	100.0	100.0
Nordex Sverige AB, Uppsala / Sweden	100.0	100.0
Nordex Towers Colombia SAS, Bogota / Columbia	100.0	0.00
Nordex Towers Spain S.L., Barasoain / Spain	100.0	100.0
Nordex UK Ltd., Manchester / United Kingdom	100.0	100.0
Nordex USA Inc., Chicago / United States	100.0	100.0
Nordex USA Management LLC, Chicago / United States	100.0	100.0
Nordex Windpark Beteiligung GmbH, Hamburg	100.0	100.0
Nordex Windpower Peru S.A., Lima / Peru	100.0	100.0
Nordex Windpower Rüzgar Enerjisi Sistemleri Anonim Sirketi, Istanbul / Turkey	100.0	100.0
Nordex Windpower S.A., Buenos Aires / Argentina	100.0	100.0
NPV Dritte Windpark GmbH & Co. KG, Hamburg	100.0	100.0
NX Energy Mexico S. de R.L. de C.V., Mexico City / Mexico	100.0	100.0
Parque Eolico Llay-Llay SpA, Santiago / Chile	100.0	100.0
Ravi Urja Energy India Private Limited, Bangalore / India	100.0	100.0
San Marcos Colon Holding Inc., Chicago / USA	100.0	100.0
Shanghai Nordex Windpower Co. Ltd., Shanghai / PR China	100.0	100.0
Solar Fields Energy Photo Voltaic India Private Limited, Bangalore / India	100.0	100.0
UAB Nordex Lithuania, Vilnius / Lithuania	100.0	100.0

[1] The company was renamed in 2022 and traded as as Nordex Offshore GmbH, Hamburg, in the previous year

The number of initial consolidations and deconsolidations is the same as in previous years. Neither the initial consolidation nor the deconsolidation of entities had a material effect on the net assets, financial position and results of operations of the Nordex Group, with the exception stated below:

Nordex H2, S.L. was included in the consolidated financial statements for the first time in February 2022. On 29 December 2022, Nordex SE sold 50% of its shares in the unlisted Nordex H2, S.L. to Corporación Eólica Catalana S.L., an affiliate of Acciona S.A. (related parties as defined in IAS 24), for a purchase price of EUR 67.7 million. Nordex H2, S.L. was a subsidiary which focused on the development of green hydrogen projects. The sale of these shares is intended to promote the further development of such projects.

Corporación Eólica Catalana, S.L. will pay the purchase price in four annual installments up to 2026. As of 31 December 2022, on a fair value basis Nordex has a receivable from Corporación Eólica Catalana, S.L. in the amount of EUR 65.6 million.

Through its sale of 50% of the shares, Nordex SE lost control over Nordex H2, S.L. Nordex H2, S.L. is thus no longer included in the basis of consolidation. This means that Nordex H2 S.L is now a joint venture which is accounted for using the equity method of accounting.

Nordex SE's remaining 50% share in Nordex H2, S.L. is measured at fair value in the amount of EUR 67.7 million.

The deconsolidation of Nordex H2, S.L. has produced income totaling EUR 133.3 million as of 31 December 2022.

Consolidated companies do not include investees that are insignificant both in view of the quantitative criteria net profit/loss, equity, total assets and employees as well as in view of the qualitative criteria concerning the type of business activities.

For the purposes of liability consolidation, all receivables and liabilities from internal Group transactions between consolidated companies of EUR 13,116,367 thousand (31 December 2021: EUR 9,027,337 thousand) have been offset against each other.

In connection with the consolidation of expenses and income, internal Group deliveries of services and goods, expenses and income arising from transfer transactions and profit and loss from internal Group transactions of EUR 3,162,925 thousand (31 December 2021: EUR 3,412,575 thousand) were eliminated.

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

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

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

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

CURRENCY TRANSLATION

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

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

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

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

Exchange rates EUR 1.00 equals	Average exchange rates for the financial year		Closing rates as at 31.12.	
	2022	2021	2022	2021
AUD	1.5161	1.5744	1.5693	1.5615
BRL	5.4237	6.3730	5.6386	6.3101
CLP	916.9965	896.0507	913.8262	964.3202
GBP	0.8524	0.8598	0.8869	0.8403
HRK	7.5349	7.5291	7.5345	7.5156
INR	82.6541	87.4587	88.1710	84.2290
MXN	21.1365	23.9831	20.8560	23.1438
NOK	10.0951	10.1592	10.5138	9.9888
PLN	4.6830	4.5636	4.6808	4.5969
SEK	10.6230	10.1434	11.1218	10.2503
TRY	17.2662	10.2279	19.9641	15.2346
USD	1.0515	1.1828	1.0666	1.1326
ZAR	17.1893	17.4678	18.0995	18.0636

FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial assets and liabilities that are designated as hedged items or hedge instruments are therefore subject to measurement under hedge accounting. These stipulate that hedge accounting is possible only if the clear hedging relationship between the hedged item and the hedge is documented and its efficacy is proved. Effectiveness is determined on the basis of the dollar offset method using a spot-to-spot approach. Only the spot component of the hedge instrument and not the full fair value is designated to hedge accounting. Any effective fair value change of the designated component is initially recognized in the cash flow hedge reserve and only reclassified to profit or loss when the hedged item is realized or does not come to pass. The ineffective part of the cash flow hedge is taken to profit or loss immediately. In contrast, the non-designated components (forward and cross-currency basis points components) are not part of the hedge and would have to be accounted for outside hedge accounting. However, IFRS 9 allows the fair value change of non-designated components to be recognized directly in equity as well, as these represent the costs associated with hedge accounting. Recognition has to be made via a separate item in equity, i.e. the reserve for cash flow hedge costs. The amounts accumulated in the reserve for cash flow hedge costs must also be reclassified from equity to profit and loss if the hedged item occurs or ceases to exist. Gains and losses on hedged project contracts are reported in the income statement under sales, whereas gains and losses on hedged procurement contracts are to be included in the initial costs of acquisition or in the other carrying amount of the hedged items.

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

LEASES

According to the prevailing single lessee accounting model, the lessee is obliged to recognize assets for the right-of-use under lease contracts in the amount of the lease liabilities plus initial direct costs and adjusted for amounts already paid or received and liabilities in the amount of the present value of future lease payments. The lease payments are discounted at the incremental borrowing rate of interest of the lease if the interest rate on which the lease payments are based is not available. The right of use is amortized during the term of the lease contract and the lease liability is depreciated using the actuarial method. The options not to recognize short-term leases with a term of up to twelve months, leases of low-value assets with a value of less than EUR 5 thousand, variable lease payments and leases of intangible assets have been exercised.

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

SHARE-BASED PAYMENT PROGRAMS

Employee stock option program

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

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

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

The following terms must be fulfilled for the exercise of the options:

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

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

	2022		2021	
	Average exercise price of options	**Number of options**	**Average exercise price of options**	**Number of options**
Tranche 1				
Amount on 1.1.	EUR 15.64	579,190	n/a	n/a
Options issued	0	0	EUR 15.64	579,190
Options exercised	0	0	0	0
Options expired	EUR 15.64	37,700	0	0
Amount on 31.12.	**EUR 15.64**	**541,490**	**EUR 15.64**	**579,190**
Tranche 2				
Amount on 1.1.	n/a	n/a	0	0
Options issued	EUR 12.16	768,284	0	0
Options exercised	0	0	0	0
Options expired	0	0	0	0
Amount on 31.12.	**EUR 12.16**	**768,284**	**0**	**0**
Amount on 31.12.	**n/a**	**1,309,774**	**0**	**0**
Options vested and exercisable on 31.12.	**0**	**0**	**0**	**0**

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

	Issue date	Expiration date	Exercise price	Number of options on 31.12.2022	Number of options on 31.12.2021
Tranche 1	03.12.2021	02.12.2027	EUR 15.64	**541,490**	579,190
Tranche 2	06.12.2022	05.12.2028	EUR 12.16	**768,284**	n/a

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

The total expense recognized in the period for the employee stock option program amounts to EUR 932 thousand.

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

	Tranche 2 31.12.2022	Tranche 1 31.12.2022
Share price on measurement date	EUR 12.54	EUR 14.84
Exercise price	EUR 12.16	EUR 15.64
Expected term	4 years	4 years
Expected volatility [1]	55.94%	52.49%
Risk-free interest rate	1.92%	–0.66%
Dividend	EUR 0	EUR 0

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

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

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 was 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. Under the Transformation Incentive Plan, the members of the Management Board and the selected executives would have been issued an individual number of phantom shares (performance share units) subject to achievement of the defined targets.

This program had a two-year term and ended on 31 December 2022.

No expense has been recognized for this program in 2022, since the stipulated performance targets in order to achieve vested status were not met.

Performance Share Units Plan

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

Tranche 2022 (I)

An individual target amount has been agreed with the members of the Management Board in respect of their long-term variable remuneration. This amount is converted into performance share units. To do so, the target amount is divided by the average closing price of Nordex shares on the last 20 trading days prior to the start of the performance period (initial number).

The performance criterion is a comparison of the performance of the relative total shareholder return (RTSR) of Nordex shares with the arithmetic mean of the performance of the DAX, MDAX and TecDAX benchmark indices. The level of target achievement is calculated over a three- or four-year performance period, starting on 1 January of the year of allocation.

A minimum of 50% and a maximum of +50% have been defined as the target range for the 2020 – 2022 tranche. An RTSR performance in line with the benchmark indices will represent a 100% target achievement level. If the benchmark indices are exceeded by 50% or more, this will represent a 200% target achievement level. If the trend for the Nordex RTSR lags behind the RTRS trend for the benchmark indices by 50% or more, this will represent a 50% level of target achievement. Intermediate values are subject to linear interpolation.

Tranche 2022 (II)

In connection with the extension of Dr. Ilya Hartmann's contract effective 1 July 2022, the structure of the Performance Share Units Plan was amended. As part of this amendment, a further tranche was issued for Dr. Ilya Hartmann in July 2022 – in addition to the 2022 Tranche (I).

An individual target amount has been agreed with Dr. Hartmann, which is converted into PSUs. For this purpose, the target amount is divided by the average closing price of Nordex shares on the last 20 trading days prior to the start of the performance period.

Performance is determined based on two criteria. The first performance criterion (weighting of 80%) corresponds to the performance criterion of the 2022 Tranche (I).

The second performance criterion with a weighting of 20% defines the achievement of a 25% share of women in management positions by 2025.

The Management Board members Mr. Blanco and Mr. Landa are obliged to hold shares valued at no less than 33% of their payout after tax and social security contributions for a period of at least two years. Dr. Ilya Hartmann is obliged to purchase shares to the value of his annual base salary (gross) and hold these shares for the duration of his appointment and for a further two years after this appointment comes to an end. An annual minimum investment amount equivalent to 25% of the net payout from the short-term variable remuneration applies until the full investment volume has been reached.

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

[1] The number of PSUs exercised has been reported in accordance with the achievement of the performance criterion.
[2] The target amount of the 2022 installment for Dr. Hartmann was adjusted pro rata temporis with the contract extension effective 1 July 2022. For the period from 1 January to 30 June 2022, the target amount is EUR 100,000. For the period from 1 July to 31 December 2022, the target amount is EUR 130,000. This gives a total amount of EUR 230,000 for 2022.
[3] Increase in PSUs of the tranche in line with target achievement of the performance criteria

	1.1.2021 Number	Number of PSUs issued	Change in number	Number of PSUs exercised [1]	Number of PSUs expired [3]	31.12.2021 Number
2021 tranche	0	43,155	0	0	0	**43,155**
2020 tranche	74,015	0	0	0	13,409	**60,606**
2019 tranche	89,498	0	20,490 [2]	107,000	2,988	**0**
	163,513	**43,155**	**20,490**	**107,000**	**16,397**	**103,761**

[1] The number of PSUs exercised has been reported in accordance with the achievement of the performance criterion.
[2] Increase in PSUs of the tranche in line with target achievement of the performance criteria.
[3] Pursuant to the termination agreement, Mr. Burkhard forfeits 1/3 of the 2019 PSU tranche and 2/3 of the 2020 PSU tranche.

The total expense recognized in the period for the Performance Share Units Plan amounts to EUR 660 thousand (2021: EUR 471 thousand).

The carrying amount of the liabilities arising from the Performance Share Units Plan amounts to EUR 1,409 thousand (31 December 2021: EUR 2,300 thousand).

The payout amount of liabilities for which the counterparty's right to receive cash has vested is EUR 767 thousand (31 December 2021: EUR 1,551 thousand).

The fair value of the three-year Performance Share Units Plan issued on 1 January 2022 is EUR 13.62 and EUR 12.79 for the four-year Performance Share Units Plan and has been estimated using a Monte Carlo simulation. The following parameters have been used for the Monte Carlo simulation.

	1.1.2022	1.1.2022
Share price on measurement date	EUR 13.91	EUR 13.91
Expected term	4 years	3 years
Expected volatility	54.37%	58.50%
Risk-free interest rate	–0.58%	–0.63%
Dividend	EUR 0	EUR 0

The fair value of the Performance Share Units Plan issued as of 1 July 2022 is EUR 7.57 and has been estimated in the Monte Carlo simulation based on the following inputs:

	1.7.2022
Share price on measurement date	EUR 8.31
Expected term	3.5 years
Expected volatility	58.96 %
Risk-free interest rate	1.01 %
Dividend	EUR 0

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

FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT – PURPOSES AND METHODS

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

MARKET RISK

Foreign currency risk

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

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

In order to hedge the remaining foreign currency risk, derivative hedge instruments are used, specifically forward exchange transactions. Derivative financial instruments are used solely for hedging purposes and are not utilized for trading or speculative purposes. These transactions are executed on a central basis by Nordex SE as the parent company. Contracts for derivative financial instruments are taken out only with domestic and foreign banks whose ratings are permanently monitored. Nordex also mitigates risk by diversifying its trading partners. All transactions with derivative financial instruments are executed, monitored and audited in accordance with the applicable provisions of the European Market Infrastructure Regulation (EMIR). Moreover, certain transactions require the prior approval of the Management Board, which is additionally kept regularly informed of the extent of the risk exposure resulting from the project business. As at 31 December 2022, most forward exchange transactions were denominated in Chinese yuan, Indian rupee and Brazilian real. The notional repayment amounts for outstanding forward exchange transactions stand at EUR 338,841 thousand (31 December 2021: EUR 230,658 thousand); non-euro denominated forward exchange contracts are measured in euros and opposing currency flows cancel each other out.

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

2022	BRL EUR thousand	BRL EUR thousand	CNY EUR thousand	CNY EUR thousand	INR EUR thousand	INR EUR thousand	USD EUR thousand	CAD EUR thousand
Nominal value due in 2023	53,458	27,035	117,569	93,478	45,945	46,884	116,305	82,413
Nominal value due in 2024	0	0	0	0	0	0	0	28,965
Nominal value due in 2025	0	0	0	0	0	0	0	0
Total	**53,458**	**27,035**	**117,569**	**93,478**	**45,945**	**46,884**	**116,305**	**111,378**
Base currency	EUR	USD	EUR	USD	USD	EUR	EUR	USD
Average hedging rate	**7.16**	**6.11**	**7.05**	**6.81**	**81.34**	**82.96**	**1.06**	**1.33**

2021	BRL EUR thousand	BRL EUR thousand	CNY EUR thousand	CNY EUR thousand	INR EUR thousand	USD EUR thousand
Nominal value due in 2022	98,243	39,119	166,223	89,734	62,041	56,113
Nominal value due in 2023	20,318	8,246	0	0	0	0
Nominal value due in 2024	0	0	0	0	0	0
Total	**118,561**	**47,365**	**166,223**	**89,734**	**62,041**	**56,113**
Base currency	EUR	USD	EUR	USD	USD	EUR
Average hedging rate	**6.94**	**6.00**	**7.81**	**6.57**	**76.08**	**1.13**

The following results from the effectiveness test:

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

2021	Derivative assets EUR/BRL EUR thousand	EUR/CNY EUR thousand	EUR/USD EUR thousand	USD/BRL EUR thousand	USD/CNY EUR thousand	USD/INR EUR thousand	Derivative liabilities EUR/BRL EUR thousand	EUR/USD EUR thousand	USD/BRL EUR thousand
Nominal amount	15,793	166,223	51,284	2,630	78,936	54,575	102,768	4,828	39,035
Market value/ carrying amount	102	10,733	235	11	1,885	627	–5,569	–81	–2,296
Change in the value of the hedge to determine ineffectiveness	192	10,780	259	2	1,941	233	–5,936	–72	–2,528
Change in the value of the hedged item to determine ineffectiveness	–192	–10,794	–259	–2	–1,944	–233	6,099	72	2,576
Amount of cash flow hedge reserve for active cash flow hedges	–192	–10,780	337	–2	–1,941	–233	5,936	793	2,528
Amount of reserve for cash flow hedge costs for active cash flow hedges	90	46	24	–9	56	–394	–367	9	–232
Amount of cash flow hedge reserve for completed cash flow hedges	0	0	0	0	0	0	0	0	0
Amount of reserve for cash flow hedge costs for completed cash flow hedges	0	0	0	0	0	0	0	0	0

The ineffective part of the cash flow hedges directly recognized in the income statement in other operating expenses amounts to EUR 0 thousand (2021: EUR 0 thousand).

Thanks to this, the Nordex Group's operating activities were not exposed to any material foreign currency risks as at the reporting date.

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

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

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

2021	+10% EUR thousand	−10% EUR thousand
EUR/USD	66,728	−54,596

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

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

2021	+10% EUR thousand	−10% EUR thousand
EUR/AUD		
Net profit/loss	−511	513
Fair value	−511	513
EUR/BRL and USD/BRL		
Net profit/loss	−7,367	7,376
Fair value	−7,367	7,376
EUR/SEK		
Net profit/loss	1,176	−1,163
Fair value	1,176	−1,163
EUR/USD		
Net profit/loss	−24,547	24,613
Fair value	−24,547	24,613

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

2022	+10% EUR thousand	–10% EUR thousand
EUR/BRL and USD/BRL		
Net profit/loss	0	0
Fair value	–8,271	7,751
Hedge accounting reserve within equity, pre-tax	–8,271	7,751
Hedge accounting reserve within equity, post-tax	–5,624	5,271
EUR/CNY and USD/CNY		
Net profit/loss	0	0
Fair value	21,719	–19,679
Hedge accounting reserve within equity, pre-tax	21,719	–19,679
Hedge accounting reserve within equity, post-tax	14,769	–13,382
EUR/USD		
Net profit/loss	0	0
Fair value	–11,592	11,608
Hedge accounting reserve within equity, pre-tax	–11,592	11,608
Hedge accounting reserve within equity, post-tax	–7,883	7,894
EUR/INR and USD/INR		
Net profit/loss	0	0
Fair value	9,434	–8,489
Hedge accounting reserve within equity, pre-tax	9,434	–8,489
Hedge accounting reserve within equity, post-tax	6,415	–5,772
USD/CAD		
Net profit/loss	1	1
Fair value	–9,486	7,852
Hedge accounting reserve within equity, pre-tax	–9,487	7,851
Hedge accounting reserve within equity, post-tax	–6,451	5,339

2021	+10% EUR thousand	–10% EUR thousand
EUR/BRL and USD/BRL		
Net profit/loss	0	–2
Fair value	–14,612	14,128
Hedge accounting reserve within equity, pre-tax	–14,611	14,126
Hedge accounting reserve within equity, post-tax	–9,936	9,906
EUR/CNY and USD/CNY		
Net profit/loss	0	0
Fair value	25,209	–23,503
Hedge accounting reserve within equity, pre-tax	25,209	–23,503
Hedge accounting reserve within equity, post-tax	17,142	–15,982
EUR/USD		
Net profit/loss	0	0
Fair value	–5,608	5,610
Hedge accounting reserve within equity, pre-tax	–5,608	5,610
Hedge accounting reserve within equity, post-tax	–3,813	3,815
USD/INR		
Net profit/loss	0	0
Fair value	6,001	–4,898
Hedge accounting reserve within equity, pre-tax	6,001	–4,898
Hedge accounting reserve within equity, post-tax	4,081	–3,331

Interest risk

As of 31 December 2022, Nordex SE still had a promissory note tranche with a variable interest rate in its portfolio, but the interest (6-month Euribor) for the remaining term until 6 April 2023 was fixed before the reporting date of 31 December 2022. Due to the transaction's proximity to the measurement date, there are no significant interest rate risks as of the reporting date.

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

Credit risk

The Group enters into business solely with investment-grade rated third parties. All main new customers wishing to enter into business with the Group on credit terms undergo a credit check. As a matter of principle, a standardized approval procedure is carried out to address any credit risks before the order is accepted. In particular, the order is not accepted unless the project finance is guaranteed by a bank and/or a bank guarantee or group bond has been issued. In addition, the contracts provide for prepayments to be made when certain milestones are reached. In addition, receivables are monitored on an ongoing basis to avert all material credit risks. There is no pronounced clustering of credit risks within the Group. The maximum credit risk is limited to the carrying amount in question. Trade receivables and contract assets from projects are additionally secured by means of guarantees, sureties and standby letters of credit of EUR 4,076,338 thousand gross (31 December 2021: EUR 3,498,378 thousand) or by means of retained ownership rights of EUR 360,096 thousand (31 December 2021: EUR 268,263 thousand).

Liquidity risk

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

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

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

DEBT INSTRUMENTS

Corporate bond

On 2 February 2018, the Nordex Group successfully placed a corporate bond in the amount of EUR 275,000 thousand with a coupon of 6.5%. This bond was admitted to trading on the International Stock Exchange. The issuer of the five-year corporate bond 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 31 December 2022, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 282,307 thousand (31 December 2021: EUR 280,387 thousand).

Shareholder loan

Acciona S.A. granted Nordex SE an initial shareholder loan of EUR 232,200 thousand in 2020. The loan was paid out in two tranches of EUR 17,200 thousand in August 2020 and EUR 215,000 thousand in March 2021. In June 2021, EUR 196,580 thousand of this amount was contributed as a non-cash contribution as part of a capital increase. The loan runs until 30 April 2025 at an interest rate of 10.0%. A further shareholder loan totaling EUR 286,000 thousand was granted in 2022 at an interest rate of 14.0% and with a term until 29 July 2026. The first tranche of EUR 11,000 thousand was paid to settle transaction costs in July 2022. The second tranche of EUR 275,000 thousand serves to repay the corporate bond on 31 January 2023.

As at 31 December 2022, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 50,396 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 31 December 2022, the liability including accrued costs and interest recognized under liabilities to banks amounted to EUR 25,917 thousand (31 December 2021: EUR 25,890 thousand).

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 31 December 2022, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 3,466 thousand (31 December 2021: EUR 3,866 thousand).

Syndicated multi-currency guarantee facility

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

As at 31 December 2022, EUR 1,209,550 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. The liabilities to banks result from cash drawdowns and other fees and amount to EUR 21,528 thousand at 31 December 2022 (31 December 2021: EUR 6,174 thousand).

The syndicated multi-currency guarantee facility is further subject to uniform and agreed financial covenants such as equity ratio, leverage and interest coverage, compliance with which referring to the previous reporting date has to be confirmed in quarterly reports to the respective financial institutions. The financial institutions may only terminate this multi-currency guarantee facility for good cause, such as non-compliance with the financial covenants mentioned above. In July 2022, Nordex successfully adjusted the existing financial covenant concept with the financial institutions, which includes the ratio of liquid assets as well as the equity ratio as financial covenants.No covenants were breached in financial year 2022. There were no defaults or delays in payment with regard to the cash drawings on the facility amounting to EUR 21,528 thousand.

CAPITAL RISK MANAGEMENT

The main aims of capital risk management are to ensure sustained growth in enterprise value and to safeguard the Group's liquidity and credit rating. Equity stood at EUR 878,059 thousand as at 31 December 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	**31.12.2022**	**31.12.2021**
Trade receivables	169,906	162,530
Contract assets from projects	720,191	536,526
Inventories	1,103,153	722,487
Trade payables	–1,519,269	–1,032,600
Contract liabilities from projects	–1,053,058	–945,128
	–579,077	**–556,185**
Sales	5,693,561	5,443,950
Working capital ratio	–10.2 %	–10.2 %

GROUP SEGMENT REPORTING

The Nordex Group is essentially a single-product company. The Nordex Group's activities cover the development, production, marketing and servicing of wind power systems. In order to support the marketing activities, it provides preliminary project development services, acquires rights and creates the infrastructure required to construct wind power systems at suitable locations. In line with business activities, the reportable segments are 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. This category mainly comprises costs for global lead functions, restructuring and corporate treasury activities. The prices of deliveries between the individual segments are determined on an arm's length basis. 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.

	Projects	
EUR thousand	**2022**	**2021** [1]
Sales	5,121,957	4,986,744
Changes in inventories and other own work capitalized	297,551	−389,122
Cost of materials	−5,226,405	−4,050,221
Other income and expenses	−423,731	−568,221
EBIT	−230,628	−20,820
Other interest and similar income	0	0
Interest and similar expenses	0	0
Other financial result	0	0

[1] In the financial year, reporting was adjusted to present the segment results in a way that better reflects the source of costs. For the previous year, certain production costs totaling EUR 67.7 million were allocated to the Projects segment; thereof EUR 8.5 million from the Service segment and EUR 59.2 million from "Not allocated".

	Service		Not allocated		Consolidation		Total	
	2022	2021 [1]	2022	2021 [1]	2022	2021	2022	2021
	574,134	468,015	11,714	572	−14,244	−11,381	5,693,561	5,443,950
	1,835	−361	−1,881	−2,746	0	0	297,505	−392,229
	−236,413	−185,411	−56,444	−508	14,244	11,381	−5,505,018	−4,224,759
	−243,524	−195,972	−245,477	−170,096	0	0	−912,732	−934,289
	96,033	86,271	−292,088	−172,778	0	0	−426,683	−107,327
	0	0	6,075	6,022	0	0	6,075	6,022
	0	0	−101,763	−122,743	0	0	−101,763	−122,743
	0	0	−18	311	0	0	−18	311

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

	Non-current assets [1]		Sales	
EUR thousand	**31.12.2022**	**31.12.2021**	**2022**	**2021**
Europe [2]	624,214	536,692	3,547,907	3,524,692
Latin America	50,042	34,777	1,202,995	603,403
North America	21,464	18,332	559,474	1,020,356
Rest of world	80,305	96,866	383,185	295,499
	776,025	**687,167**	**5,693,561**	**5,443,950**

[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 426,425 thousand (2021: EUR 325,843 thousand) and sales from Germany EUR 1,654,265 thousand (2021: EUR 547,588 thousand)

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(1) CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents amount to EUR 633,541 thousand (31 December 2021: EUR 784,440 thousand).

No impairments need to be recognized.

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

(2) TRADE RECEIVABLES

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

Trade receivables amount to EUR 169,906 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.

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

EUR thousand	**2022**	**2021**
Impairment as at 01.01.	10,850	19,759
Utilization	–6,567	–9,326
Reversals [1]	–1,584	–3,726
Additions [2]	7,341	4,143
Impairment as at 31.12.	**10,040**	**10,850**

[1] The reversal is shown in the income statement under other operating income.
[2] The addition is shown in the income statement under other operating expenses.

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

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

31.12.2021	Impaired						Not impaired	Total
EUR thousand		Not past due	Past due less than 30 days	Past due 31 to 90 days	Past due 91 to 180 days	Past due 181 to 360 days	Past due 361 days and more	
Trade receivables without credit risk (gross)	0	13,493	16,767	21,888	9,550	10,460	16,836	**88,994**
Expected loss rates	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Impairment	0	0	0	0	0	0	0	**0**
Trade receivables without credit risk (net)	0	13,493	16,767	21,888	9,550	10,460	16,836	**88,994**
Trade receivables with credit risk (gross)	8,581	44,966	15,096	8,880	5,479	225	1,159	**84,386**
Expected loss rates	100.0%	0.1%	0.3%	2.5%	12.5%	50.0%	100.0%	**27.5%**
Impairment	8,581	45	45	222	685	113	1,159	**10,850**
Trade receivables with credit risk (net)	0	44,921	15,051	8,658	4,794	112	0	**73,536**

In financial year 2022, unimpaired receivables amounting to EUR 0 thousand (2021: EUR 0 thousand) were derecognized.

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

(3) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM PROJECTS

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

Contract assets and contract liabilities from projects changed as follows:

	Contract assets from projects		Contract liabilities from projects	
EUR thousand	**2022**	**2021**	**2022**	**2021**
Amount on 1.1.	536,526	531,531	945,128	1,053,068
Addition, new ongoing projects	2,073,642	1,725,392	1,067,982	1,493,389
Addition, existing ongoing projects	2,730,502	2,282,562	3,620,790	1,969,872
Change in the transaction price	−10,416	−52,616	0	0
Disposal, invoiced projects	−2,421,086	−3,341,142	−2,391,865	−2,962,000
Netting of contract assets from projects with contract liabilities from projects	−2,188,977	−609,201	−2,188,977	−609,201
Amount on 31.12.	**720,191**	**536,526**	**1,053,058**	**945,128**

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

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

(4) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM SERVICES

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

Contract assets and contract liabilities from services changed as follows:

	Contract assets from services		Contract liabilities from services	
EUR thousand	**2022**	**2021**	**2022**	**2021**
Amount on 1.1.	39,498	28,430	160,315	154,393
Addition, new service contracts	4,298	6,031	24,770	19,987
Addition to existing service contracts	9,013	11,232	30,755	15,057
Disposal of existing service contracts	–9,106	–4,372	–19,701	–27,155
Disposal of completed service contracts	–1,475	–1,823	–8,916	–1,967
Amount on 31.12.	**42,228**	**39,498**	**187,223**	**160,315**

Of the contract assets from services, EUR 8,393 thousand (31 December 2021: EUR 7,327 thousand) are current and EUR 33,835 thousand (31 December 2021: EUR 32,171 thousand) are non-current, while of the contract liabilities from services, EUR 38,896 thousand (31 December 2021: EUR 29,391 thousand) are current and EUR 148,327 thousand (31 December 2021: EUR 130,924 thousand) are non-current.

The expected loss ratio for contract assets from services corresponds to the ratio of 0.1% applicable to trade receivables with a credit risk that are not past due. For reasons of materiality, the impairments resulting from this in the amount of EUR 42 thousand (31 December 2021: EUR 39 thousand) have not been recognized, however.

(5) INVENTORIES

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

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

Inventories break down as follows:

EUR thousand	**31.12.2022**	**31.12.2021**
Raw materials and supplies	461,859	394,597
Work in progress	524,165	258,795
Prepayments made	117,129	69,095
	1,103,153	**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.

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

EUR thousand	2022	2021
Impairment as at 01.01.	30,267	30,687
Utilization	−22	−3,493
Reversals	0	−94
Additions	6,939	3,167
Impairment as at 31.12.	**37,184**	**30,267**

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

The carrying amount of the impaired inventories stands at EUR 28,156 thousand (31 December 2021: EUR 19,707 thousand).

(6) INCOME TAX RECEIVABLES AND PAYABLES

Income tax receivables of EUR 9,668 thousand (31 December 2021: EUR 15,293 thousand) mainly stem from Nordex Energy South Africa RF (Pty.) Ltd., Nordex India, Nordex Windpower S.A., and NX Energy Mexico S. de R.L. de C.V., whereas the income tax payable of EUR 25,632 thousand (31 December 2021: EUR 22,121 thousand) is mainly attributable to Nordex France SAS, Nordex Energy Brasil and Nordex Turkey.

(7) OTHER CURRENT FINANCIAL ASSETS

Other current financial assets break down as follows:

EUR thousand	31.12.2022	31.12.2021
Creditors with debit accounts	26,444	21,920
Gains from the sale of shares in Nordex H2, S.L.	15,000	0
Forward exchange transactions	11,138	15,739
Payments made to secure supplier capacity	7,635	10,250
Insurance and compensation claims	5,813	5,444
Other	13,519	7,676
	79,549	**61,029**

Impairments amount to EUR 0 thousand (31 December 2021: EUR 70 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 68,411 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 5,010 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 6,128 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.

(8) OTHER CURRENT NON-FINANCIAL ASSETS

Other current non-financial assets break down as follows:

EUR thousand	31.12.2022	31.12.2021
Tax assets	224,381	195,539
Prepaid expenses	11,172	12,427
Other	1,293	1,952
	236,846	**209,918**

The tax assets primarily concern current input tax assets of Nordex Energy Brasil – Comercio e Industria de Equipamentos Ltda. in the amount of EUR 58,064 thousand (31 December 2021: EUR 45,444 thousand), of Nordex Energy SE & Co. KG in the amount of EUR 38,742 thousand (31 December 2021: EUR 29,094 thousand), of Nordex SE in the amount of EUR 9,575 thousand (31 December 2021: EUR 25,060 thousand), of Nordex India Private Limited in the amount of EUR 22,025 thousand (31 December 2021: EUR 19,055 thousand), of NX Energy Mexico S. de R.L. de C.V. in the amount of EUR 15,317 thousand (31 December 2021: EUR 13,809 thousand), Nordex India Manufacturing Private Ltd. in the amount of EUR 10,473 thousand (31 December 2021: EUR 4,221 thousand) and of Nordex Windpower S.A. in the amount of EUR 7,981 thousand (31 December 2021: EUR 11,888 thousand).

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

(9) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized at historical cost and, where subject to wear and tear, depreciated. Historical cost includes costs directly attributable to acquisition or construction.

In accordance with IAS 20.24, government grants and assistance received for the purpose of acquiring non-current assets are deducted from historical cost.

Depreciation is calculated on a straight-line basis over the expected useful life of the asset. For this purpose, the historical cost is written down to the residual carrying amount over the expected useful life of the assets as follows:

	Useful life	Depreciation rate
Land and buildings (depreciation calculated for buildings only)	10–33 years	3%–10%
Technical equipment and machinery	3–25 years	4%–33.33%
Tools and equipment	2–18 years	5.56%–50%

Property, plant and equipment breaks down as follows:

EUR thousand	31.12.2022	31.12.2021
Land and buildings	190,826	194,937
Technical equipment and machinery	198,796	183,291
Other fixtures and fittings, tools and equipment	186,957	90,083
Assets under construction	23,778	33,588
Prepayments made	1,594	5,059
	601,951	**506,958**

Property, plant and equipment is tested for impairment in accordance with IAS 36 if there are indications of impairment.

Land and buildings, and other fixtures and fittings, tools and equipment include lease assets.

Additions and carrying amounts as 31 December 2022 and 1 January 2022 are as follows:

		31.12.2022	01.01.2022
EUR thousand	**Additions**	**Carrying amount**	**Carrying amount**
Land and buildings – lease assets	17,217	103,419	107,209
Technical equipment and machinery	91	91	0
Other fixtures and fittings, tools and equipment – lease assets	79,982	81,037	13,213
	97,290	**184,547**	**120,422**

The capitalized right-of-use assets from leases added during the year under review relate mainly to a cargo vessel (EUR 68.9 million) that was chartered by Acciona Logistica, S.A. and serves to transport turbine components. Other capitalized right-of-use assets relate to administrative and production buildings, warehouses, company vehicles and production equipment (e.g. lifting platforms).

Cash outflows for leases in the current financial year amounted to EUR 50,500 thousand as at 31 December 2022 (31 December 2021: EUR 44,975 thousand).

In 2014, Nordex received an investment grant to expand its facility in Rostock. The assets for which the grant is provided must be retained in the facility in question for a period of five years after payment of the last tranche of the grant, i.e. until 2022. In addition, an annual average of around 1,026 jobs must be maintained permanently during this period. As in the previous year, no investment grant was paid in 2022.

For a detailed overview of movements in property, plant and equipment we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(10) GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired company on the date of acquisition.

For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs) at the date of acquisition. Once per year or if there is an indication of impairment, the Group tests whether goodwill is impaired at the level of CGUs to which goodwill has been allocated (impairment only approach).

The recoverable amount or the fair value less cost of sale for these two CGUs, Project and Service, is calculated based on the budget for 2022 as well as four subsequent budget years derived from the Company's medium-term forecasts. Income beyond the five-year period has been extrapolated based on a steady growth rate of 1.00% (2021: 1.00%). The fair value determined for both CGUs is assigned to Level 3 in the fair value hierarchy.

The discount rate before tax is 10.68% (31 December 2021: 9.09%) for the Projects CGU and 11.11% (31 December 2021: 9.37%) for the Service CGU and is calculated on the basis of the weighted average cost of capital (WACC). The discount rate is based on a risk-free interest rate of 2.36% (31 December 2021: –0.12%), a market risk premium of 7.50% (31 December 2021: 7.50%) and a beta factor of 1.07 (31 December 2021: 1.30). The beta factor and the ratio of the market value of equity capital to the market value of debt capital were determined using a CGU-specific peer group.

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.

As in the previous year, no impairment losses were recognized in 2022 as the recoverable value of the Projects and Service CGUs was higher than the carrying amount of their assets plus the carrying amount of the goodwill of both CGUs.

An increase or decrease in the WACC by 1.0 percentage points as well as an increase or decrease by 1.0 percentage points of the growth discount would not lead to any impairment in either the Projects CGU or the Service CGU.

For a detailed overview of goodwill we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(11) CAPITALIZED DEVELOPMENT EXPENSES

The cost of production for such assets includes all costs directly attributable to the production process as well as the production-related overheads and borrowing costs. Borrowing costs that are directly attributable to the production of a qualifying asset are capitalized until all work required to ready the asset for its intended use has been largely completed; otherwise they are recognized as expense in the period, in which they accrue. A qualifying asset is one whose production takes more than one year. Furthermore, development expenses may only be capitalized if the Company is in a position to and intends to complete and use the asset, and is able to prove how the asset will in future generate an economic benefit.

Capitalized development expenses are written down on a straight line basis over the period in which the project is expected to generate sales, but no longer than five years. Furthermore, the Group reviews the recognized value of the capitalized development expenses once a year; an impairment is recognized for any development measures that are found to be technically outdated.

As at the reporting date, development expenses of EUR 161,512 thousand (31 December 2021: EUR 163,551 thousand) were capitalized. In financial year 2022, development expenses of EUR 34,320 thousand were capitalized (2021: EUR 35,077 thousand), of which EUR 24,823 thousand (2021: EUR 31,305 thousand) concerns capitalized development expenses for which amortization has not yet begun. Additions comprise in particular the enhancement and development of the Generation Delta wind turbines and the hydrogen project development. The additions include borrowing costs of EUR 2,185 thousand (31 December 2021: EUR 1,400 thousand) at a borrowing rate of 7.69% (31 December 2021: 5.81%). Additional development expenses of EUR 26,827 thousand also arising in 2022 (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 56.13% (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.

For a detailed overview of capitalized development costs we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(12) PREPAYMENTS MADE

Prepayments made are recognized at cost.

Prepayments made amount to EUR 34 thousand (31 December 2021: EUR 32 thousand).

For a detailed overview of prepayments made we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(13) OTHER INTANGIBLE ASSETS

Assets that have defined useful lives are reported at historical cost less cumulative amortization.

Amortization is calculated on a straight-line basis over the expected useful life of the assets, which are deemed to end no later than upon the expiry of the corresponding right. The following useful lives are assumed for this purpose:

	Useful life	Depreciation rate
Licenses, software and similar rights	2–5 years	20%–50%

Other intangible assets amount to EUR 12,528 thousand (31 December 2021: EUR 16,626 thousand).

For a detailed overview of other intangible assets we refer to the statement of changes in property, plant and equipment and intangible assets attached to the notes to the consolidated financial statements.

(14) INVESTMENTS

Investments include investments in affiliated non-consolidated companies and equity investments. Investments in affiliated non-consolidated companies refers to companies that are controlled by the Group but are insignificant. Investments refers to companies that are not controlled by the Group. Investments mainly comprise project companies. However, project development is not carried out by the companies, which is why the value of the companies does not increase. Costs therefore correspond to the fair value.

Investments break down as follows:

EUR thousand	31.12.2022	31.12.2021
Investments in affiliated non-consolidated companies	2,919	2,939
Equity investments	549	573
	3,468	**3,512**

Shares are held in the following affiliated non-consolidated companies:

EUR thousand	31.12.2022	31.12.2021
Project companies	2,859	2,914
Nordex Austria GmbH, Vienna	35	0
Nordex Windpark Verwaltung GmbH, Hamburg	25	25
	2,919	**2,939**

The project companies hold various rights in connection with internally developed wind power projects, in particular construction permits and power purchase agreements. No project company was established in 2022 (2021: one) and one project company was sold (2021: 1). Impairment amounting to EUR 0 thousand (2021: EUR 0 thousand) was recognized.

Nordex Austria GmbH is a company established in 2022 for the construction of power generation systems.

The purpose of Nordex Windpark Verwaltung GmbH is to acquire and manage investments in trading companies whose purpose is particularly to acquire, develop, install and operate wind farms and to assume personal liability and management responsibility for such entities.

Investments are held in the following entities:

EUR thousand	31.12.2022	31.12.2021
Rose Windfarm AB, Stockholm/Sweden	516	559
Parc Eolien du Val Aux Moines, Paris/France	13	13
Eoliennes de la Vallee S.A.S., Amiens/France	0	1
RenerCycle S.L., Pamplona/Spain	20	0
	549	**573**

Rose Windfarm AB and Eoliennes de la Vallee S.A.S. have no significant business operations. Parc Eolien du Val Aux Moines operates a wind farm. RenerCycle S.L. is still in its start-up phase. The company's business purpose is the recycling of wind turbines aimed at achieving the sustainability goal of no waste.

None of the shares are listed. There was no intention to sell as at 31 December 2022.

For further details on shareholdings we refer to the list of shareholdings as at 31 December 2022 attached to the notes to the consolidated financial statements.

Investments are classified on a voluntary basis in accordance with IFRS 7 and IRFS 9 as financial assets measured at fair value through other comprehensive income. Investments mainly comprise project companies. As in the previous year, the fair value largely corresponds to costs because there were only insignificant operating activities.

(15) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The investments accounted for using the equity method comprise investments in joint ventures and associates.

Associates are entities in which the Group has significant influence, but not control or joint control, over its financial and operating policies. A joint venture is an arrangement over which the Group has joint control, whereby it has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Investments in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the comprehensive income of equity-accounted investments until the date that significant influence or joint control ceases.

EUR thousand	31.12.2022	31.12.2021
Investments in a joint venture		
Nordex H2, S.L.	67,709	0
	67,709	**0**
Investments in associates		
C&C Wind Sp. z o.o., Natolin/Poland	0	6,340
GN Renewable Investments S.a r.l., Luxembourg/Luxembourg	48	58
	48	**6,398**
	67,757	**6,398**

Joint venture

Nordex SE sold 50% of its shares in the non-listed Nordex H2, S.L. to Corporación Eólica Catalana, S.L. during the 2022 financial year, whereby it lost control. The company is jointly managed on the basis of an agreement between the shareholders Nordex and Acciona. Nordex H2, S.L. is mainly involved in development projects associated with green hydrogen that are not limited to a specific region.

The following table summarizes the financial information for Nordex H2, S.L., adjusted to reflect changes to its fair value as of the date of acquisition. The table also provides a reconciliation of the summarized financial information with the carrying amount of the Group's investment in H2 S.L.

EUR thousand	31.12.2022	31.12.2021
Ownership share	50%	n/a
Non-current assets	3,745	n/a
Current assets	130,909	n/a
Non-current liabilities	−1	n/a
Current liabilities	−4,653	n/a
Net assets (100%)	**130,000**	**n/a**
Group's share of net assets (50%)	65,000	n/a
Elimination of unrealized gains from "downstream sales"	0	n/a
Goodwill	2,709	n/a
Carrying amount of the investment in a joint venture	**67,709**	**n/a**

As the shares in Nordex H2 S.L. were sold as of 29 December 2022, the proportionate allocation of earnings in the financial year no longer has any effect on Nordex SE's income statement.

Associates

Until they were sold in 2022, the shares in associates not regarded as material for the consolidated financial statements related to C & C Wind Sp. z o.o., which installs and operates a wind farm in Poland, and to GN Renewable Investments S.a.r.l., which finances project companies. A disposal gain of EUR 6,941 thousand was realized from the sale of C&C Wind Sp. z o.o.

The following table sets out the share of the profit/loss of the non-listed associates:

EUR thousand	31.12.2022 [1]	31.12.2021 [2]
C&C Wind Sp. z o.o., Natolin/Poland	0	413
GN Renewable Investments S.a r.l., Luxembourg/Luxembourg	−10	−12
	−10	**401**

[1] Preliminary annual financial statements as at 31 December 2022; the changes compared to the final annual financial statements as at 31 December 2022 will be posted in 2023

[2] Preliminary annual financial statements as at 31 December 2021; the changes compared to the final annual financial statements as at 31 December 2021 were posted in 2022

For further details on shareholdings we refer to the list of shareholdings as at 31 December 2022 attached to the notes to the consolidated financial statements.

(16) OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets break down as follows:

EUR thousand	31.12.2022	31.12.2021
Purchase price installments Nordex H2, S.L.	50,595	0
Receivables from non-consolidated affiliated companies and investments	5,511	7,422
Fixed-term deposits	3,154	6,690
Deposits	2,169	2,171
	61,429	**16,283**

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

Impairments amount to EUR 1,514 thousand (31 December 2021: EUR 1,618 thousand).

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other non-current financial assets are classified as financial assets measured at amortized cost. Given that market interest rates apply, amortized cost amounting to EUR 61,429 thousand (31 December 2021: EUR 16,283 thousand) equals the fair value as in the previous year.

(17) OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other non-current non-financial assets break down as follows:

EUR thousand	31.12.2022	31.12.2021
Prepaid expenses	8,503	11,762
Tax assets	7,096	1,682
	15,599	**13,444**

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

Tax assets concern input tax assets.

As of the beginning of the financial year, the presentation has been changed for reasons of clarity. Non-current contract assets from services are now shown separately. The prior-year figures have been restated.

(18) DEFERRED TAX ASSETS AND TAX LIABILITIES

Deferred tax assets and liabilities are netted in cases in which there is an enforceable netting right and the deferred tax assets and liabilities are levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

The deferred tax assets and liabilities arising in connection with recognition and measurement differences in the following items of the statement of financial position and unused tax losses break down as follows:

	Deferred tax assets		Deferred tax liabilities	
EUR thousand	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Contract assets from projects	0	0	139,767	136,114
Property, plant and equipment/intangible assets	4,419	5,025	92,406	65,896
Other assets	27,443	32,594	24,052	22,602
Provisions	18,528	21,483	3,195	3,730
Other liabilities	302,034	315,213	155,815	210,028
Unused tax losses and tax credits	339,191	268,502	0	0
	691,615	**642,817**	**415,235**	**438,370**
Netting	–402,074	–341,470	–402,074	–341,470
	289,541	**301,347**	**13,161**	**96,900**

The Nordex Group recognizes deferred tax assets on unused tax losses where it can be assumed that sufficient taxable profits will be generated in the future that can be offset against the tax losses. Deferred tax assets are calculated on the basis of medium-term forecasts for the relevant subsidiaries, taking into account tax groups for income tax purposes. The forecast period for the probability of unused tax losses being utilized is six years as of 31 December 2022 (31 December 2021: seven years). 2022 was dominated by highly challenging external influences on the operating business, including the market upheaval caused by new funding and project awarding systems, the coronavirus pandemic, tariff-based trade barriers and extreme price increases for many raw materials and logistics costs triggered by the war in Ukraine. Given that we expect the macroenvironment to remain highly volatile, the Company's business performance and the assumptions underlying these forecasts are still subject to considerable uncertainty in 2023. Based on the measures initiated, we are applying a general forecast period covering five years beyond 2023. For 2023, we still assume impacts from a changed market environment.

As the consolidated tax group parent, Nordex SE recognizes deferred tax assets on unused tax losses. The non-domestic subsidiaries within the Nordex Group recognize deferred tax assets for unused tax losses taking into account the national tax rates and minimum tax rates applicable, and make allowance for any restrictions in the length of time in which the tax losses may be utilized.

The Management Board of Nordex SE currently estimates that of the existing corporate tax loss carryforwards of EUR 671,465 thousand (2021: EUR 327,514 thousand) and of the existing trade tax losses of EUR 622,415 thousand (2021: EUR 291,695 thousand) EUR 671,465 thousand (2021: EUR 327,514 thousand) and EUR 622,415 thousand (2021: EUR 291,695 thousand), respectively, can be utilized. The relevant legislation does not stipulate any maximum period in which losses must be utilized in Germany.

In view of challenging global economic developments and sector-specific market expectations, deferred tax assets were written down by a further EUR 38,210 thousand as of 31 December 2022 (31 December 2021: reversal of write-downs of EUR 3,333 thousand).

The Nordex Group has the following unused tax losses for which no deferred income tax assets have been recognized:

EUR thousand	31.12.2022	31.12.2021
Forfeitable in less than 1 year	13,412	17,930
Forfeitable within 2 to 5 years	79,980	101,588
Forfeitable within 6 to 9 years	27,369	88,455
Forfeitable in more than 9 years	239,515	48,755
Non-forfeitable	665,702	353,006
	1,025,978	**609,734**

Deferred tax assets of EUR 166,987 thousand (2021: EUR 187,348 thousand) have been recognized for subsidiaries which sustained losses in the previous year or the period under review as they are likely to be realized on the basis of future tax result planning.

No deferred tax liabilities were recognized on temporary differences of EUR 30,962 thousand (2021: EUR 27,649 thousand) in connection with shares in subsidiaries as these temporary differences are unlikely to reverse in the foreseeable future.

The deferred tax assets include non-current deferred tax assets before netting of EUR 404,244 thousand (2021: EUR 321,536 thousand). Of the deferred tax liabilities, an amount of EUR –187,273 thousand (2021: EUR 129,755 thousand) is attributable to the non-current portion of the deferred tax liabilities before netting.

The changes in deferred taxes break down as follows:

EUR thousand	2022	2021
Amount on 1.1.	204,447	163,325
Recognized in the income statement	58,352	26,534
Recognized in capital reserves [1]	2,995	5,834
Recognized in other comprehensive income	7,692	3,128
Foreign currency translation	2,894	5,626
Amount on 31.12.	**276,380**	**204,447**

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

(19) LIABILITIES TO BANKS

Liabilities to banks are measured at amortized cost less transaction costs using the effective interest method.

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

Maturity schedule including interest due in the future

EUR thousand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31.12.2022	27,617	19,194	7,077	0	**53,888**
31.12.2021	6,174	675	26,664	0	**33,513**

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 52,466 thousand (31 December 2021: EUR 32,353 thousand), of which EUR 46,553 thousand (31 December 2021: EUR 6,845 thousand) would be classified as current.

(20) TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Trade payables amount to EUR 1,518,760 thousand (31 December 2021: EUR 1,032,600 thousand).

Maturity schedule

EUR thousand	Up to 3 months	3 to 12 months	Total
31.12.2022	1,518,760	509	**1,519,269**
31.12.2021	1,032,600	0	**1,032,600**

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

(21) OTHER PROVISIONS

Provisions are recognized if the Group has a present legal or actual obligation as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be necessary to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are calculated on the basis of prudent estimates accounting for all discernible risks at the level of their probable occurrence. Provisions are recognized at the present value of the expenditure expected to be required to settle the obligation discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Movements in other provisions break down as follows:

EUR thousand	01.01.2022	Utilization	Reversals	Additions	31.12.2022
Warranties	88,244	18,506	21,585	187,096	235,249
Other	48,941	32,213	1,986	7,359	22,101
	137,185	**50,719**	**23,571**	**194,455**	**257,350**

The provisions for warranties predominantly cover risks arising from possible claims for damages in the service and project business. This also includes individual and serial damage in addition to the statutory warranty. In principle, warranties are granted for a period of two years following the passing of ownership of the wind turbines, and in individual cases for a period of five years. The warranty provisions only include the standard guarantee. Any service guarantees additionally purchased by customers are reflected in service contracts.

Other provisions mainly concern other service and project risks, costs of preparing the annual financial statements, supplier risks and legal uncertainties.

During the financial year, there were increased additions related to expiring technology generations.

Other provisions comprise other non-current provisions of EUR 63,509 thousand (31 December 2021: EUR 28,807 thousand), which are expected to be utilized after the end of the 2023 financial year and of which in turn EUR 56,405 thousand (31 December 2021: EUR 21,300 thousand) relate to provisions for warranties. The amount derived from discounting the non-current provisions of EUR –150 thousand (2021: EUR –40 thousand) is reported within the additions.

(22) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities break down as follows:

EUR thousand	31.12.2022	31.12.2021
Corporate bond	282,289	7,448
Leases	31,409	22,467
Forward exchange transactions	24,149	8,358
Guarantee commissions	11,213	5,710
Debtors with credit balances	1,125	356
Employee bond	17	56
Other	4,591	4,011
	354,793	**48,406**

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

More detailed information on the corporate bond and the employee bond is provided in the section on debt instruments.

Maturity schedule including interest due in the future (without leases and forward exchange transactions)

EUR thousand	Up to 3 months	3 to 12 months	Total
31.12.2022	306,611	3,111	**309,722**
31.12.2021	18,583	9,663	**28,246**

Maturity schedule including interest on leases due in the future

EUR thousand	Up to 3 months	3 to 12 months	Total
31.12.2022	9,811	23,199	**33,010**
31.12.2021	5,045	17,920	**22,965**

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other current financial liabilities (and without leases not allocated to a measurement category) are classified as financial liabilities measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 299,235 thousand (31 December 2021: EUR 17,581 thousand) equals the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial liabilities in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 23,705 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 444 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.

(23) OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities break down as follows:

EUR thousand	31.12.2022	31.12.2021
Accruals	121,989	68,647
Tax liabilities	58,148	59,775
Liabilities for social security	5,923	5,258
Other	8,473	3,286
	194,533	**136,966**

Accruals primarily comprise trailing project costs of EUR 63,949 thousand (31 December 2021: EUR 46,840 thousand) and liabilities in connection with staff of EUR 54,635 thousand (31 December 2021: EUR 21,807 thousand).

The tax liabilities mainly relate to VAT of EUR 38,325 thousand (31 December 2021: EUR 46,685 thousand).

(24) PENSIONS AND SIMILAR OBLIGATIONS

Pension provisions are recognized to cover defined benefit obligations towards eligible active and former employees at Nordex SE and Nordex Energy SE & Co. KG. A defined benefit plan determines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The benefits are based on individual commitments. The employees are not required to make any contribution of their own. The provisions on the statement of financial position for defined benefit plans correspond to the present value of the defined benefit obligation (DBO) as at the reporting date. The DBOs are calculated annually by independent actuarial experts using the projected unit credit method. The present value of the DBOs is calculated by discounting the expected future outflows of funds with the interest rate of investment-grade corporate bonds. The corporate bonds are denominated in the currencies in which the benefits are paid and with maturities matching those of the pension obligations. Actuarial gains and losses based on historical adjustments and changes to actuarial assumptions are recognized in other comprehensive income in the period in which they arise. Pension provisions are not externally funded.

They are shown on the statement of financial position as follows:

EUR thousand	2022	2021
Obligation as at 1.1.	2,523	2,425
Current service cost	113	160
Interest expense	13	10
Retirement benefit payments	–60	–51
Actuarial gains/losses	–228	–21
of which from changes in demographic assumptions	0	0
of which from changes in actuarial assumptions	–296	–37
of which adjustments based on historical data	68	16
	2,361	**2,523**

The obligation as at 31 December equals the amount shown on the statement of financial position.

The following amounts were recognized in the income statement:

EUR thousand	2022	2021
Current service cost	113	160
Interest expense	13	10
	126	**170**

Other comprehensive income breaks down as follows:

EUR thousand	2022	2021
Actuarial gains/losses	–228	–21
	–228	**–21**

Annual retirement benefit payments of EUR 63 thousand (2021: EUR 58 thousand) are expected in future years.

The calculation is based on the following actuarial assumptions:

	2022	2021
Applied interest rate	4.14%	1.18%
Wage and salary trend	n/a	n/a
Pension trend	2.00%	2.00%

If the interest rate applied were +0.5 percentage points higher, the obligation would drop to EUR 2,224 thousand (31 December 2021: EUR 2,461 thousand). If the interest rate applied were –0.5 percentage points lower, the obligation would increase to EUR 2,401 thousand (31 December 2021: EUR 2,591 thousand).

The obligations have terms between 9 and 10 years (31 December 2021: between 11 and 13 years).

The statistical probability data set out in the Prof. Dr. Heubeck 2018 G mortality tables was used as the biometric basis for calculations.

(25) OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities break down as follows:

EUR thousand	31.12.2022	31.12.2021
Leases	158,072	100,904
Shareholder loan	50,396	44,499
Employee bond	3,466	3,685
Loans	3,126	2,940
Forward exchange transactions	128	3,368
Corporate bond	0	272,939
	215,188	**428,335**

More detailed information on the corporate bond, the shareholder loan and the employee bond is provided in the section on debt instruments.

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

Maturity schedule including interest due in the future (without leases and forward exchange transactions)

EUR thousand	1 to 5 years	More than 5 years	Total
31.12.2022	69,965	1,263	**71,228**
31.12.2021	346,199	2,633	**348,832**

Maturity schedule including interest on lease liabilities due in the future

EUR thousand	1 to 5 years	More than 5 years	Total
31.12.2022	108,188	74,691	**182,879**
31.12.2021	77,873	36,423	**114,296**

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other non-current financial liabilities (and without leases not allocated to a measurement category) are classified as financial liabilities measured at amortized cost. The amortized cost amounts to EUR 56,988 thousand (31 December 2021: EUR 324,063 thousand). The fair value as of the reporting date is EUR 56,987 thousand (31 December 2021: EUR 327,385 thousand, due to the bond's share price).

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 128 thousand (31 December 2021: EUR 3,368 thousand).

(26) OTHER NON-CURRENT NON-FINANCIAL LIABILITIES

Other non-current non-financial liabilities break down as follows:

EUR thousand	31.12.2022	31.12.2021
Tax liabilities	2,865	2,642
Other	50	50
	2,915	**2,692**

The tax liabilities concern liabilities to tax authorities in Brazil.

As of the beginning of the financial year, the presentation has been changed for reasons of clarity. Non-current contract liabilities from services are now shown separately. The prior-year figures have been restated.

(27) EQUITY

Equity breaks down as follows:

EUR thousand	31.12.2022	31.12.2021
Subscribed capital	211,946	160,021
Capital reserves	1,282,190	1,236,071
Other retained earnings	−10,932	−11,087
Cash flow hedge reserve	−14,360	2,415
Reserve for cash flow hedge costs	803	529
Foreign currency adjustment item	−129,723	−113,719
Consolidated net profit/loss carried forward	−461,865	−211,835
Consolidated net profit/loss [1]	0	0
Share in equity attributable to shareholders of the parent	878,059	1,062,395
	878,059	**1,062,395**

[1] The addition of EUR 187.1 million includes an allocation of EUR 103.4 million to the provision for contingent losses.

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 the full Authorized Capital I. 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 no-par value bearer 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 using the full Authorized Capital II and a portion of Authorized Capital III 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 interest in the share capital, which was 39.66% 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 totaling 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 1,282,190 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 following table shows the changes in the cash flow hedge reserve before deferred taxes:

EUR thousand	**31.12.2022**	**31.12.2021**
Amount on 1.1.	3,552	13,737
Reclassifications through profit or loss due to realization of hedged items	33,010	−8,223
Reclassifications through profit or loss due to a basis adjustment	0	0
Reclassifications through profit or loss due to a change in the expectation regarding the occurrence of hedged items	0	0
Losses/gains from effective hedges	−57,679	−1,962
Amount on 31.12.	**−21,117**	**3,552**

The following table shows the changes in the reserve for cash flow hedge costs before deferred taxes:

EUR thousand	**31.12.2022**	**31.12.2021**
Amount on 1.1.	778	389
Reclassifications through profit or loss due to realization of hedged items	0	77
Gains from effective hedges	403	312
Amount on 31.12.	**1,181**	**778**

Nordex SE's net loss for financial year 2022 determined in accordance with the German Commercial Code totaling EUR 247,731,301.41 (2021: net loss of EUR 158,860,395.43) was fully compensated by a withdrawal from other retained earnings in the amount of EUR 247,731,301.41. As of 31 December 2021, the loss was compensated by withdrawing EUR 90,809,430.01 from capital reserves, EUR 3,402,548.00 from legal reserves, and EUR 64,648,417.42 from other retained earnings.

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

At 31 December 2022 the Company had no Authorized Capital I (31 December 2021: EUR 0, equivalent to 0 shares) and no Authorized Capital II (31 December 2021: EUR 0, equivalent to 0 shares). However, Authorized Capital III as of 31 December 2022 still amounted to EUR 81,118.00, equivalent to 81,118 shares (31 December 2021: EUR 299,578, equivalent to 299,578 shares). At 31 December 2022 the Company also had Contingent Capital I of EUR 18,436,138, equivalent to 18,436,138 shares (31 December 2021: EUR 18,436,138, equivalent to 18,436,138 shares) and Contingent Capital II of EUR 3,500,000, equivalent to 3,500,000 shares (31 December 2021: EUR 3,500,000, equivalent to 3,500,000 shares). Each share represents a notional share of EUR 1 in the Company's share capital.

Overall, only new shares accounting for up to 40% of the share capital as of the Annual General Meeting's resolution on 31 May 2022 may be issued on the basis of all of the authorizations and capital available to the Company (including the authorization to issue convertible bonds and stock options to senior managers/experts of the Group). This corresponds to 64,008,414 new shares.

Specifically:

In accordance with a resolution passed at the Annual General Meeting on 31 May 2022, the Management Board was authorized subject to the Supervisory Board's approval to utilize Authorized Capital I to increase the Company's share capital once or repeatedly on or before 30 May 2025 by up to EUR 16,002,103 in total, in return for cash or non-cash capital contributions, by issuing new no-par-value bearer shares. The Management Board made use of this authorization for the full amount with the Supervisory Board's approval in accordance with the Company's Articles of Incorporation through its resolution of 26 June 2022, disapplying shareholders' pre-emption rights.

In accordance with a resolution passed at the Annual General Meeting on 31 May 2022, the Management Board was authorized subject to the Supervisory Board's approval to utilize Authorized Capital II to increase the Company's share capital once or repeatedly on or before 30 May 2025 by up to EUR 32,004,207 in total, in return for cash capital contributions, by issuing new no-par-value bearer shares. The Management Board made use of this authorization for the full amount with the Supervisory Board's approval in accordance with the Company's Articles of Incorporation through its resolution of 10 July 2022, without disapplying shareholders' pre-emption rights – except for fractional amounts.

In accordance with a resolution passed at the Annual General Meeting on 31 May 2022, the Management Board was authorized subject to the Supervisory Board's approval to utilize Authorized Capital III to increase the Company's share capital once or repeatedly on or before 30 May 2025 by up to EUR 4,000,000 in total, in return for cash or non-cash capital contributions, by issuing new no-par-value bearer shares. The Management Board made use of this authorization with the Supervisory Board's approval, through its resolution of 10 July 2022 in accordance with the Company's Articles of Incorporation for an amount of EUR 3,918,882, which corresponds to 3,918,882 shares. The shareholders' pre-emption rights were not disapplied, except for fractional amounts. Authorized Capital III remains in an amount of EUR 81,118, equivalent to 81,118 shares.

Contingent Capital I is used to grant no-par value bearer shares as of the exercise of conversion or option rights (or upon fulfillment of corresponding conversion obligations) or else as of the exercise of an option held by the Company, instead of paying the amount of money due, either in whole or in part to grant no-par value shares of the Company to the holders of convertible bonds or bonds with warrants issued by the Company in return for a cash contribution and on the basis of the Annual General Meeting's authorizing resolution in the period from 16 July 2020 to 15 July 2023. Conditional Capital I may also serve the purpose of granting no-par value shares of the Company in lieu of payment of the cash amount due, in whole or in part, if the Company exercises its option accordingly. To date, no conversion or option rights have been issued.

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

Based on the resolution passed at the Annual General Meeting on 4 June 2019, the Management Board is authorized on or before 31 May 2024 subject to the approval of the Supervisory Board to purchase treasury shares up to an amount of 10% of the Company's share capital as of the Annual General Meeting's resolution and to use this for any purpose permitted by law. Inter alia, these shares may be used for the purpose of mergers and acquisitions, they may be offered to senior managers and employees of the Company or affiliated companies as employee shares and they may be used in fulfillment of conversion rights or conversion obligations resulting from convertible bonds or employee option rights. The shareholders' pre-emption rights are disapplied in these cases. These treasury shares may also be called in or sold to shareholders or third parties – while disapplying the shareholders' pre-emption rights – for a cash price which is not significantly below the stock exchange price as of the sale.

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

(28) ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

The following table shows the financial assets and liabilities as well as their fair values and their allocation to the fair value hierarchy defined in IFRS 13 that should be applied when determining the fair value of a financial instrument:

2022 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	5,010	0	5,010
Other forward exchange transactions	0	6,128	0	6,128
Financial liabilities				
Liabilities to banks	0	53,117	0	53,117
Corporate bond	282,289	0	0	282,289
Employee bond	0	3,483	0	3,483
Shareholder loan	0	50,396	0	50,396
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	23,833	0	23,833
Other forward exchange transactions	0	444	0	444

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	283,709	0	0	283,709
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

Assets and liabilities, the fair value of which is derived from the market values in active markets, are assigned to Level 1. A market is assumed to be active if market values are calculated regularly and are based on actual recurring transactions. The corporate bond is allocated to Level 1 because it has been admitted to trading at the International Stock Exchange.

Fair values which cannot be determined by reference to active markets are derived from measurement models, which primarily take account of observable market data and generally do not include specific company estimates. These financial instruments are assigned to Level 2. 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.

If material assumptions underlying the measurement are not based on observable market data, the financial instruments concerned are classified as Level 3.

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

Net gains and losses from financial instruments break down by category as follows:

2022 **EUR thousand**	**Interest**	**Other net gain / loss**	**Total**
Financial assets measured at amortized cost	6,075	84,463	90,538
Financial liabilities measured at amortized cost	–39,868	–238,611	–278,479
Financial assets and liabilities measured at fair value through profit or loss	0	152,160	152,160
	–33,793	**–1,988**	**–35,781**

2021 **EUR thousand**	**Interest**	**Other net gain / loss**	**Total**
Financial assets measured at amortized cost	6,022	23,263	29,285
Financial liabilities measured at amortized cost	–45,122	0	–45,122
Financial assets and liabilities measured at fair value through profit or loss	0	–19,112	–19,112
	–39,100	**4,151**	**–34,949**

The net gains and losses were otherwise mostly due to foreign currency translation effects.

The maturities of the derivative financial instruments are structured as follows:

2022 EUR thousand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Derivatives with negative fair values					
Cash outflow in EUR	104,497	62,787	0	0	**167,284**
Cash outflow in USD	51,232	77,412	0	0	**128,644**

2021 EUR thousand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Derivatives with negative fair values					
Cash outflow in EUR	60,324	0	0	0	**60,324**
Cash outflow in USD	6,500	0	0	0	**6,500**

NOTES TO THE INCOME STATEMENT

(29) SALES

The Nordex Group generates sales from projects and services. The transaction prices derived from the contractual terms and conditions for the production and sale of wind turbines and for service contracts include fixed and, to a lesser extent, variable consideration. The estimated amounts of the variable consideration will only be included in the transaction prices where it is 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.

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

EUR thousand	2022	2021
Projects	5,121,957	4,986,744
Service	574,134	468,015
Not allocated	11,714	572
Intrasegment consolidation	–14,244	–11,381
	5,693,561	**5,443,950**

The timing of sales recognition from projects is as follows:

EUR thousand	1.1.–31.12.2022	1.1.–31.12.2021
Project sales recognized at a point in time	1,724,810	1,728,066
Project sales recognized over time	3,508,347	3,258,678
	5,233,157	**4,986,744**

The increase in consolidated sales is attributable to the higher installation figures compared with the previous year.

The total amount of the transaction price allocated to the remaining performance obligation from projects is EUR 5,926,502 thousand (2021: EUR 4,238,575 thousand) and the total amount of the transaction price allocated to the remaining short-term and long-term performance obligation from service contracts is EUR 187,223 thousand (2021: EUR 160,315 thousand). As a rule, sales from projects are recognized in the next twelve months, whereas sales from service contracts are recognized over the average remaining term of the service contracts of seven years.

Sales recognized in the reporting period included at the start of the period in the net amount of contract liabilities from projects and contract liabilities from services relate to the Projects segment in the amount of EUR 760,371 thousand (2021: EUR 817,552 thousand) and to the Service segment in the amount of EUR 29,391 thousand (2021: EUR 28,187 thousand).

(30) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Changes in inventories stand at EUR 265,370 thousand (2021: EUR –425,905 thousand) and reflect the lower volume of installations.

Own work capitalized is valued at EUR 32,135 thousand (2021: EUR 33,676 thousand) and, as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

(31) COST OF MATERIALS

The cost of materials breaks down as follows:

EUR thousand	2022	2021
Cost of raw materials and other supplies	3,867,236	2,931,039
Cost of services purchased	1,637,782	1,293,720
	5,505,018	**4,224,759**

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.

(32) OTHER OPERATING INCOME

Other operating income breaks down as follows:

EUR thousand	2022	2021
Forward exchange transactions	152,160	58,064
Gain on deconsolidation of H2	133,331	0
Currency translation gains	90,220	23,680
Indemnity and damages paid	16,252	6,918
Gains from the disposal of assets, of which gain from selling the equity-accounted investment EUR 6,941 thousand	7,445	3,909
Profit sharing from the realization of a wind farm project	3,549	7,500
Reversal of impairment losses	1,584	3,726
Research and development grants	626	968
Other	13,159	8,521
	418,326	**113,286**

(33) OTHER OPERATING EXPENSES

Other operating expenses break down as follows:

EUR thousand	2022	2021
Forward exchange transactions	180,756	77,176
Currency translation losses	57,855	0
Travel expenses	50,596	30,302
Legal and consulting costs	37,836	38,445
Other staff costs	34,067	111,723
Maintenance	26,617	33,782
Security service, occupancy and building costs	21,897	15,715
Leases	20,718	22,774
Patent fees	17,345	12,715
IT costs	17,084	15,390
Insurance	12,449	9,857
Impairment	7,341	4,143
Training	6,790	5,755
Other taxes	6,072	3,542
Telecommunications	5,456	4,818
Bank fees	3,561	1,364
Advertising	2,965	1,777
Office supplies	2,025	1,712
Losses from the disposal of assets	349	4,283
Other	46,611	18,587
	558,390	**413,860**

Of the expenses for leases, EUR 20,718 thousand (2021: EUR 22,774 thousand) relates to leases not recognized in the statement of financial position, of which EUR 12,363 thousand (2021: 11,899 thousand) is attributable to expenses for short-term leases, EUR 1,715 thousand (2021: EUR 5,578 thousand) is attributable to expenses for leases of low-value assets not including expenses for short-term leases of leases of low-value assets, EUR 2,392 thousand (2021: EUR 1,280 thousand) is attributable to expenses for variable lease payments not included in the measurement of lease liabilities and EUR 4,248 thousand (2021: EUR 4,017 thousand) is attributable to the service component.

(34) STAFF COSTS

Staff costs break down as follows:

EUR thousand	2022	2021
Wages and salaries	464,539	384,656
Social security and expenditure on retirement benefits and support	96,556	89,060
	561,095	**473,716**

Staff costs include expense of EUR 113 thousand (2021: EUR 160 thousand) for defined benefit plans and EUR 95 thousand (2021: EUR 99 thousand) for defined contribution plans. In addition, EUR 13,225 thousand (2021: EUR 13,635 thousand) has been paid as employer contributions to the statutory pension insurance in Germany, also as a defined contribution pension plan.

The Group headcount was as follows:

	2022	2021	Change
Reporting date			
Office staff	4,336	3,864	472
Technical staff	4,775	4,794	–19
	9,111	**8,658**	**453**
Average			
Office staff	4,085	3,671	414
Technical staff	4,781	4,804	–23
	8,866	**8,475**	**391**

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.

(35) RESTRUCTURING COSTS

The adjustments of the production network announced by the Company in 2022 resulted in the closure of a Spanish production facility for the assembly of nacelles and termination of the production of rotor blades in Germany. Restructuring costs totaled EUR 29,157 thousand (previous year: EUR 0 thousand) and mainly comprise expenses for the termination of employment contracts. An impairment test of the respective productions carried out in this context did not reveal any material impairment.

The Nordex Group distinguishes between EBITDA and adjusted EBITDA before restructuring costs. EBITDA results from gross profit less structural costs. To determine EBITDA before costs, restructuring costs were separated from structural costs.

(36) DEPRECIATION / AMORTIZATION

Depreciation and amortization breaks down as follows:

EUR thousand	2022	2021
Depreciation of property, plant and equipment	137,010	113,680
Amortization of capitalized development expenses	33,640	38,266
Amortization of other intangible assets	4,760	8,053
Impairments	7,005	0
	182,415	**159,999**

Depreciation includes EUR 32,036 thousand for depreciation of lease assets (2021: EUR 27,749 thousand); of this amount EUR 20,496 thousand (2021: EUR 18,443 thousand) concern land and buildings and EUR 11,540 thousand (2021: EUR 9,306 thousand) other fixtures and fittings, tools and equipment.

The impairment losses relate to property, plant and equipment that will no longer be usable in the future due to a change in production in India.

(37) FINANCIAL RESULT

The financial result breaks down as follows:

EUR thousand	2022	2021
Income from investments	0	0
Profit/loss from equity-accounting method	−10	311
Impairment of investments	−8	0
Net profit/loss from investments	**−18**	**311**
Other interest and similar income	6,075	6,022
Interest and similar expenses	−101,763	−122,743
Interest result	**−95,688**	**−116,721**
	−95,706	**−116,410**

Net gains/losses from valuation using the equity method reflect the share of profit of associates.

Interest income and expense arises primarily from deposits with banks, and from guarantee commissions, the shareholder loan, the revolving credit facility and the corporate bond. Of the interest expense, EUR 5,017 thousand (2021: EUR 6,529 thousand) is attributable to leases.

(38) INCOME TAX

As at 31 December 2022, a tax rate of 31.82% (31 December 2021: 31.82%) was applied for the purpose of calculating domestic current taxes. The above tax rate was calculated using a rate of 15.83% (31 December 2021: 15.83%) including the solidarity surcharge for corporate tax and 15.99% (31 December 2021: 15.99%) for trade tax.

Income tax breaks down as follows:

EUR thousand	2022	2021
Domestic income tax	−5,338	−5,747
of which for other periods	1,986	−1,706
Foreign income tax	−28,386	−27,206
of which for other periods	5,342	−440
Current income tax	**−33,724**	**−32,953**
Deferred taxes	**58,352**	**26,534**
Total income tax	**24,628**	**−6,419**

Tax income from deferred taxes in the amount of EUR 58,352 thousand (2021: EUR 26,534 thousand) is attributable to changes in temporary balance sheet differences and to unused loss and interest carryforwards.

The expected income tax that results from applying the tax rate of 31.82% (2021: 31.82%) on the net loss from ordinary activities of EUR −522,389 thousand (2021: EUR −223,737 thousand), differs from the total income tax as follows:

EUR thousand	2022	2021
Expected income tax expense	**166,224**	**71,193**
Differences in non-domestic tax rates	−31,604	−10,714
Tax-free income	27,116	4,561
Tax effects from equity-accounted investments	−3	100
Changes in tax rates and tax legislation	−290	280
Non-deductible expenses	−11,618	−7,459
Tax effects from previous years	5,277	−1,651
Impairments and loss carryforwards	−146,352	−63,809
Other tax effects	15,878	1,080
Total income tax expense	**24,628**	**−6,419**

The change in other tax effects primarily results from an initial fair value measurement of EUR 20,467 thousand of an equity interest that is not fully consolidated (associate) in accordance with IFRS 10.B98.

(39) EARNINGS PER SHARE

Basic

Basic earnings per share (EPS) are calculated by dividing profit or loss attributable to the shareholders by the average number of shares outstanding:

		2022	2021
Consolidated net loss for the year	EUR thousand	−497,761	−230,156
of which shareholders of the parent	EUR thousand	−497,761	−230,156
Weighted average number of shares		183,966,480	137,223,518
Basic earnings per share	**EUR**	**−2.71**	**−1.68**

Diluted

Diluted earnings per share are calculated, in contrast to basic earnings per share, by adding all conversion rights and options to the average number of ordinary shares outstanding. Diluted earnings per share also stand at EUR −2.71 (2021: EUR −1.68).

OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

There are no future cash outflows from leases which the Nordex Group has entered into but which have not yet begun.

Moreover, principally in the real estate segment there are lease contracts with extension and termination options. However, these are not considered to be reasonably certain and therefore have not been recognized. However, utilization of these extension and termination options is reviewed annually and they will be recognized in the statement of financial position in case of a change of view.

Contractual obligations of EUR 239 thousand (31 December 2021: EUR 248 thousand) apply as at the reporting date with respect to investments in property, plant and equipment for obligations which have not yet been settled.

The Nordex Group has not entered into any obligations for the acquisition of intangible assets as at the reporting date.

The Nordex Group has contingent liabilities arising from pending litigation in connection with its operating business; as the probability of an outflow of resources as of the reporting date was not sufficiently determinable, no provisions have been set aside in this connection.

There are also guarantees in the amount of EUR 880 thousand (2021: EUR 6,059 thousand) vis-à-vis 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 41.0% (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:

	Balances outstanding Assets [1] (+) / liabilities [1] (–)		Transaction amount Income (+) / expenses (–)	
EUR thousand	**31.12.2022**	**31.12.2021 [2]**	**2022**	**2021 [2]**
Acciona Energia Chile SpA	397/–819	652/–83	3,670/–938	3,520/–1,405
Acciona Energia Mexico S.r.l.	1,719/–25	1,807/–18	0/0	0/0
Acciona Energia S.A.	5,841/–5,163	40,171/–3,211	3,383/–1,467	163,392/–790
Acciona Energia Servicios Mexico S. de RL de C.V.	11/0	340/0	0/0	240/–5,540
Acciona Energy Australia Global Pty. Ltd.	1,528/–23,607	17/–9,325	394,900/–4,605	2,438/–1
Acciona Energy Oceania Construction Pty Ltd.	4,473/0	3,194/0	1,777/0	42,416/–1,976
Acciona Forwarding S.A.	29/0	7/–31	329/–13,290	77/–10,068
Acciona S.A.	0/–50,530	0/–44,633	0/–5,897	0/–15,286
Corporaciòn Eòlica Catalana, S.L.	65,595/0	0/0	65,595/0	0/0
Acciona Logistica S.A.	0/–66,141	0/0	0/–1,215	0/0
Acciona Energija d.o.o	0/–8,846	0/0	0/0	0/0
Other	3,206/–1,071	1,983/–580	9/–1,621	862/–11,126

1 Assets mainly include contract assets from projects as well as receivables; liabilities also include contract liabilities from projects.
2 Since financial year 2022, contract assets and contract liabilities have been reported on a net basis. The prior-year figures were adjusted accordingly.

The income and the related receivables from Corporación Eólica Catalana S.L. result from the sale of the shares in Nordex H2 S.L. The liabilities to and expenses vis-à-vis Acciona Logistica S.A. result from the cargo vessel leased from August 2022. The changes in receivables from and liabilities to Acciona Energia S.A., Acciona Energia Servicios Mexico S. de RL de C.V. and Acciona Energy Oceania Construction Pty. Ltd. and the related income and expenses are mainly attributable to the installation of wind farms in Spain, Mexico and Australia. On the other hand, the expenses and related liabilities to Acciona S.A. mainly resulted 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 2022 financial year, orders to deliver and assemble wind power systems in the amount of EUR 140,766 thousand (2021: EUR 520,659 thousand) were placed by Acciona Energía S.A.

In 2014, Supervisory Board member Jan Klatten indirectly acquired an interest of 44.20% in the Polish wind farm company C&C Wind Sp. z o.o. in a market-wide tender process. The Nordex Group also held a 40.00% interest in this company until it was sold in 2022. Accordingly, C&C Wind Sp. z o.o. was classed as an associate. As in the previous year, there were no business transactions with Mr. Klatten or companies attributable to him.

In addition, the shares in GN Renewable Investments S.a.r.l. (30.00%) are also classified as associated companies.

The balances and transactions with these companies are set out in the following table:

	Balances outstanding Receivables (+) / liabilities (–)		Transaction amount Income (+) / expenses (–)	
EUR thousand	**31.12.2022**	**31.12.2021**	**2022**	**2021**
C&C Wind Sp. z o.o.	0/0	26/0	1,991/–5	960/–4
GN Renewable Investments S.a.r.l.	0/0	0/0	0/–10	0/–12

The business relations with C&C Wind Sp. z o.o. and GN Renewable Investments S.a.rl. result from the project business.

There are receivables of EUR 2,923 thousand (31 December 2021: EUR 8,253 thousand) and liabilities of EUR 773 thousand (31 December 2021: EUR 35 thousand) relating to non-consolidated entities, as well as income of EUR 531 thousand (2021: EUR 34 thousand) and expenses of EUR 0 thousand (2021: EUR 1 thousand).

For further details on shareholdings we refer to the list of shareholdings as at 31 December 2022 attached to the notes to the consolidated financial statements.

REMUNERATION OF MANAGEMENT IN KEY POSITIONS

IAS 24.17 requires that key management personnel remuneration in the Company is disclosed; this includes remuneration of the members of the Management Board and the Supervisory Board in office during the year under review. This is shown in the following table:

EUR thousand	2022	2021
Short-term employee benefits	2,517	1,697
Other long-term benefits	0	0
Termination benefits	0	0
Share-based payment	660	471
	3,177	**2,168**

Short-term employee benefits include the Management Board's fixed remuneration and bonuses as well as fixed remuneration and remuneration for the Supervisory Board's committee activities. The bonus for the Management Board is measured based on financial criteria (EBITDA, working capital and order intake quality) and non-financial criteria (occupational safety, health and environmental protection, and quality and technology management costs).

The share-based payment corresponds to the expenses recognized in the Group's income statement in the financial year.

The obligations for key management personnel remuneration recognized as of the reporting date amount to EUR 1,409 thousand (31 December 2021: EUR 2,300 thousand) and relate to share-based payment under the performance share unit plans for the Management Board.

If, in the event of revocation of an appointment, the Company terminates a service contract without good cause or if a severance agreement is signed in this case, Mr. Blanco and Mr. Landa will have a contractual entitlement to receive a severance payment. The amount of this severance payment is calculated on the basis of the target remuneration to be paid for the remaining term of the service contract. It is limited to two years' total target remuneration. In the event of the Company's revocation of their appointment, the Company may moreover release Mr. Blanco and Mr. Landa from their work duties subject to continued payment of their remuneration. Mr. Blanco and Mr. Landa will not be entitled to receive any severance payment if the premature termination of their service contracts is attributable to them.

In the event of the Company's revocation of his appointment and termination of his service contract without good cause, the Company may release Dr. Ilya Hartmann from his work duties subject to continued payment of his remuneration. Based on the severance payments in force since 1 July 2022, the severance payment is limited to the remuneration of the remaining term of the service contract or to a maximum of two years of remuneration.

If the service contract or the appointment to the Management Board is terminated early in certain, more closely defined "bad leaver" cases (in particular if it is terminated by Nordex SE for good cause pursuant to Section 626 (1) of the German Civil Code (BGB) or if the member of the Management Board resigns before the end of the financial year without the Company being at fault), they shall forfeit their entitlement to the bonus and the performance share units under the active Management Board members' service contracts without replacement.

If the service relationship ends prior to the end of the financial year or performance period as a result of the regular expiry of a contractual term or due to retirement, invalidity or death, the Management Board members will hold bonus and performance share unit plan entitlements on a pro rata temporis basis.

In accordance with HGB, the total remuneration of the Company's executive bodies amounted to EUR 3,303 thousand in the financial year (Management Board: EUR 3,038 thousand and Supervisory Board: EUR 264 thousand). Of this amount, EUR 786 thousand relates to the fair value of the share-based payment granted under the Performance Share Units Plan for the Management Board as of the grant date in 2022.

CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement analyses changes in the cash and cash equivalents in the course of the year as a result of cash inflows and outflows. The changes in the items of the statement of financial position used for determining changes in the consolidated cash flow statement cannot be directly derived from the statement of financial position as currency translation effects, changes to the companies consolidated and non-cash transactions are eliminated.

Of the cash flow from operating activities in the amount of EUR –350,086 thousand (2021: EUR 127,562 thousand) EUR 315,338 thousand (2021: EUR 70,157 thousand) result from the consolidated loss including depreciation/amortization. Changes in working capital resulted in payments received of EUR 22,894 thousand (2021 payments received of EUR 263,097 thousand). Payments made for other operating activities stand at EUR 57,642 thousand (2021: EUR 65,378 thousand). This means that cash flow from operating activities has been influenced significantly by the consolidated net loss plus deprecitation, amortization and impairment losses.

Cash flow from investing activities amounted to EUR –163,810 thousand (2021: EUR –152,093 thousand). Investments of EUR 169,485 thousand (2021 January to 30 September 2021: EUR 129,254 thousand) were made in property, plant and equipment, which mainly related to the establishment and expansion of blade production in India, and to the establishment and expansion of tower production in Brazil and Colombia. Development projects of EUR 34,320 thousand (2021: EUR 35,077 thousand) were capitalized.

Cash flow from financing activities amounted to EUR 345,530 thousand (2021: EUR 62,340 thousand) and is mainly attributable to the capital increases and to taking out bank loans. The repayment of lease liabilities had an offsetting effect.

The reconciliation of cash flow from financing activities to changes in liabilities from financing activities is as follows:

31.12.2022 EUR thousand	Liabilities to banks	Leases	Corporate bond	Employee bond	Shareholder loan
Amount on 1.1.	32,064	123,371	280,387	3,741	44,499
Cash flows from financing activities	**22,726**	**−29,782**	**0**	**−219**	**11,000**
Interest and transaction costs	7	5,017	1,902	−38	5,897
Foreign currency translation	−1,680	−802	0	0	0
New leases	0	96,694	0	0	0
Payment of interest and transaction costs (shown as operating cash flow)	0	−5,017	0	0	−11,000
Income tax	0	0	0	0	0
Employee stock option program	0	0	0	0	0
Allocation of profit or loss	0	0	0	0	0
Amount on 31.12.	**53,117**	**189,481**	**282,289**	**3,484**	**50,396**

EUR thousand	Subscribed capital	Capital reserves	
Amount on 1.1.	160,021	1,236,071	
Cash flows from financing activities	**51,925**	**289,880**	**345,530**
Interest and transaction costs	0	0	
Foreign currency translation	0	0	
New leases	0	0	
Payment of interest and transaction costs (shown as operating cash flow)	0	0	
Income tax	0	2,995	
Employee stock option program	0	975	
Allocation of profit or loss	0	−247,731	
Amount on 31.12.	**211,946**	**1,282,190**	

31.12.2021 EUR thousand	Liabilities to banks	Leases	Corporate bond	Employee bond	Shareholder loan
Amount on 1.1.	536,064	97,610	278,385	3,866	953
Cash flows from financing activities	**–501,675**	**–22,201**	**0**	**–119**	**215,000**
Interest and transaction costs	–2,653	6,529	2,002	–6	25,126
Foreign currency translation	328	907	0	0	0
New leases	0	47,055	0	0	0
Payment of interest and transaction costs (shown as operating cash flow)	0	–6,529	0	0	0
Debt Equity Swap	0	0	0	0	–196,580
Income tax	0	0	0	0	0
Employee stock option program	0	0	0	0	0
Allocation of profit or loss	0	0	0	0	0
Amount on 31.12.	**32,064**	**123,371**	**280,387**	**3,741**	**44,499**

EUR thousand	Subscribed capital	Capital reserves	
Amount on 1.1.	117,349	795,698	
Cash flows from financing activities	**42,672**	**328,663**	**62,340**
Interest and transaction costs	0	0	
Foreign currency translation	0	0	
New leases	0	0	
Payment of interest and transaction costs (shown as operating cash flow)	0	0	
Debt Equity Swap	0	196,580	
Income tax	0	5,834	
Employee stock option program	0	105	
Allocation of profit or loss	0	–90,809	
Amount on 31.12.	**160,021**	**1,236,071**	

EVENTS AFTER THE REPORTING DATE

CHANGES IN THE FINANCIAL STRUCTURE

On 31 January 2023, the second tranche of the shareholder loan of EUR 275 million was paid out to the Company. These financial resources were then used to fully repay the corporate bond, which also had a volume of EUR 275 million.

ANNUAL GENERAL MEETING TO IMPLEMENT CORPORATE ACTIONS

On 27 March 2023, an Extraordinary General Meeting of Nordex SE was held in Rostock. It resolved to implement a non-cash capital increase by converting two shareholder loans in the total amount of EUR 346.7 million into equity while disapplying shareholders' pre-emption rights.

The Extraordinary General Meeting also adopted a resolution to renew Authorized Capital I to III and the authorization to issue convertible bonds and/or bonds together with the creation of new Contingent Capital I.

EARTHQUAKE NEAR THE TURKISH-SYRIAN BORDER

Several severe earthquakes occurred in early February in the region along the borders of Turkey and Syria, causing great devastation in both countries. At least 50,000 people died. Millions of people are still in great need as many have lost their homes or are unable to return to them. While Nordex's employees in Turkey were thankfully physically unharmed, many of them have lost their apartments and houses. Nordex has several wind farms in the wider area affected by the earthquake. According to initial technical assessments, no major impacts on the turbines in service have yet been reported. All projects in Turkey planned for execution in 2023 are being monitored. However, as of today no effects are foreseeable.

CORPORATE GOVERNANCE CODE DECLARATION PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The Management Board and the Supervisory Board issued the declaration for 2022 pursuant to Section 161 of the Stock Corporation Act on 23 March 2022 and made it available for examination by the shareholders on the Internet at *http://ir.nordex-online.com/websites/Nordex/English/6100/declaration-of-conformity.html*.

UTILIZATION OF PRACTICAL EXPEDIENTS

In accordance with Section 264b of the HGB, Nordex Energy SE & Co. KG is exempt from the requirement to prepare notes and a management report and disclose the annual financial statements for the financial year ending 31 December 2022. Nordex Germany GmbH, Nordex Grundstücksverwaltung GmbH, Nordex International GmbH and Nordex Windpark Beteiligung GmbH, Nordex Beteiligungen GmbH and Nordex Manufacturing GmbH are exempt from the obligation to prepare notes to financial statements and a management report and from disclosure requirements for the financial year ended 31 December 2022 in accordance with Section 325 HGB due to the application of the provisions contained in Section 264 (3) HGB.

Pursuant to Article 403 Part 9 of Book 2 of the Dutch civil code, Nordex Netherlands B.V. is exempt from the obligation for its annual financial statements to be audited in the Netherlands. Nordex SE has issued a liability declaration (403 Liability Statement) in this respect. It thus assumes joint and several liability for the liabilities of Nordex Netherlands B.V.

NORDEX SE MANAGEMENT BOARD AND SUPERVISORY BOARD

Management Board

José Luis Blanco Diéguez, Hamburg/Germany
Chief Executive Officer (Chairman of the Management Board)

Dr. Ilya Hartmann, Hamburg
Chief Financial Officer
Member of the Management Board

Patxi Landa Esparza, Pamplona/Spain
Chief Sales Officer
Member of the Management Board

Supervisory Board

Dr.-Ing. Wolfgang Ziebart, Starnberg / Germany
Chairman of the Supervisory Board, chairman of the Executive Committee and member of the Strategy and Technology Committee
- Self-employed consultant
- Chairman Shareholder Committee Hella GmbH & Co. KGaA (publicly listed)
- Member of the supervisory board of Webasto SE

Juan Muro-Lara, Madrid/Spain
Deputy chairman of the Supervisory Board, member of the Executive Committee and member of the Audit Committee
- Chief Strategy & Corporate Development Officer of Acciona, S.A. (Acciona Group, listed)
- Chairman of the board of directors of SCUTUM LOGISTICS S.L. (Acciona Group)
- Member of the board of directors of QEV EXTREME S.L.
- Deputy Chairman of the board of directors of BESTINVER GESTIÓN, S.A. SGIIC
- Chairman of the board of directors of BESTINVER PENSIONES EGFP, S.A.

Maria Cordón, Madrid/Spain
Member of the Strategy and Technology Committee
- Director of the Strategy & Corporate Development department at Acciona, S.A. (Acciona Group, listed)
- Member of the board of directors of Eve Holding, Inc. (listed)

Maria Isabel Blanco Alvarez, London/ Great Britain
Member of the Audit Committee (since 31 May 2022)
- Head of Impact, Sustainable Infrastructure and Energy, at the European Bank for Reconstruction and Development

Connie Hedegaard, Copenhagen/Denmark
Member of the Audit Committee (until 31 May 2022)
- Chairwoman of the board of the KR Foundation
- Chairwoman of the board of the University of Arhus
- Chairwoman of the Danish green think tank CONCITO
- Chairwoman of the OECD Round Table on Sustainable Development
- Member of the board of directors of Cadeler A/S (listed)
- Member of the board of directors of Danfoss A/S

Jan Klatten, Munich/Germany
Member of the Executive Committee and chairman of the Strategy and Technology Committee
- Managing shareholder of momentum Beteiligungs-gesellschaft mbH
- Managing Owner of momentum infra2 GmbH
- Managing Owner of momentum infra 4 Verwaltungs GmbH

Martin Rey, Traunstein/Germany
Chairman of the Audit Committee
- Attorney at law and managing shareholder of Maroban GmbH
- Member of the supervisory board of BayWa r.e. AG (not listed)
- Member of the supervisory board of Kommunalkredit Austria AG (not listed)
- Chairman of the supervisory board of clearvise AG (listed)
- Chairman of the advisory board of O2 Power Ltd. (not listed)

AUDITOR’S FEE

The following fees were incurred for services provided by the auditor of the financial statements, PricewaterhouseCoopers GmbH WPG:

EUR thousand	2022	2021
Auditing services [1]	887	934
Other assurance services	511	658
Tax advisory services	0	144
Other services	0	0
	1,398	**1,736**

[1] The auditing services include fees of EUR 74 thousand (previous year: EUR 195 thousand) for the 2021 financial year (previous year: 2020).

The auditing services include the fees for the audit of the consolidated financial statements and the statutory audit of Nordex SE and its subsidiaries. Other assurance services mainly comprise fees for statutory or contractually agreed assurance services.

Nordex SE
Rostock, 28 March 2023

José Luis Blanco, Chairman of the Management Board

Dr. Ilya Hartmann, member of the Management Board

Patxi Landa, member of the Management Board

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

For the period from 1 January to 31 December 2022

	Cost						
EUR thousand	**Opening balance 01.01.2022**	**Additions**	**Disposals**	**Deconsolidation**	**Reclassifications**	**Foreign currency**	**Closing balance 31.12.2022**
Property, plant and equipment							
Land and buildings	292,625	36,325	4,943	0	–1	–11,886	312,120
Technical equipment and machinery	447,330	81,962	15,963	0	14,216	5,934	533,479
Other fixtures and fittings, tools and equipment	199,596	141,177	8,266	0	1,579	218	334,304
Assets under construction	33,588	5,094	1	0	–15,794	937	23,824
Prepayments made	5,059	2,217	5,598	0	0	–84	1,594
Total	**978,198**	**266,775**	**34,771**	**0**	**0**	**–4,881**	**1,205,321**
Intangible assets							
Goodwill	552,259	0	0	0	0	0	552,259
Capitalized development expenses	503,963	34,320	0	2,675	0	–44	535,564
Prepayments made	1,704	2	0	0	0	0	1,706
Other intangible assets	161,776	942	96	0	0	2,548	165,170
Total	**1,219,702**	**35,264**	**96**	**2,675**	**0**	**2,504**	**1,254,699**

Depreciation / amortization / impairment losses					Carrying amount
Opening balance 01.01.2022	Additions	Disposals	Foreign currency	Closing balance 31.12.2022	31.12.2022
97,688	28,514	4,365	–543	121,294	190,826
264,039	72,285	2,407	766	334,683	198,796
109,513	43,170	4,896	–440	147,347	186,957
0	46	0	0	46	23,778
0	0	0	0	0	1,594
471,240	**144,015**	**11,668**	**–217**	**603,370**	**601,951**
4,501	0	0	0	4,501	547,758
340,412	33,640	0	0	374,052	161,512
1,672	0	0	0	1,672	34
145,150	4,760	45	2,777	152,642	12,528
491,735	**38,400**	**45**	**2,777**	**532,867**	**721,832**

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

For the period from 1 January to 31 December 2021

							Cost
EUR thousand	**Opening balance 01.01.2021**	**Additions**	**Disposals**	**Deconsoli-dation**	**Reclassifi-cations**	**Foreign currency**	**Closing balance 31.12.2021**
Property, plant and equipment							
Land and buildings	246,090	49,759	6,045	0	486	2,335	292,625
Technical equipment and machinery	389,281	63,851	13,016	0	7,671	–457	447,330
Other fixtures and fittings, tools and equipment	177,394	46,008	23,575	0	310	–541	199,596
Assets under construction	25,476	15,552	0	0	–8,483	1,043	33,588
Prepayments made	4,140	6,503	5,631	0	0	47	5,059
Total	**842,381**	**181,673**	**48,267**	**0**	**–16**	**2,427**	**978,198**
Intangible assets							
Goodwill	552,259	0	0	0	0	0	552,259
Capitalized development expenses	468,823	35,077	1	0	0	64	503,963
Prepayments made	1,706	3	5	0	0	0	1,704
Other intangible assets	155,309	4,354	748	0	16	2,845	161,776
Total	**1,178,097**	**39,434**	**754**	**0**	**16**	**2,909**	**1,219,702**

Depreciation / amortization / impairment losses					Carrying amount
Opening balance 01.01.2021	Additions	Disposals	Foreign currency	Closing balance 31.12.2021	31.12.2021
76,370	24,460	3,639	497	97,688	194,937
217,613	54,145	7,303	−416	264,039	183,291
94,239	35,075	19,510	−291	109,513	90,083
0	0	0	0	0	33,588
0	0	0	0	0	5,059
388,222	**113,680**	**30,452**	**−210**	**471,240**	**506,958**
4,501	0	0	0	4,501	547,758
302,146	38,265	0	1	340,412	163,551
0	1,672	0	0	1,672	32
137,069	6,382	747	2,446	145,150	16,626
443,716	**46,319**	**747**	**2,447**	**491,735**	**727,967**

LIST OF SHAREHOLDINGS

As at 31 December 2022

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex SE, Rostock (Group parent) [1, 3]	EUR	–			–
Alfresco Renewable Energy Private Limited, Bangalore/India [2, 3]	EUR	99.99/0.01	7,605.28	–6,072,057.64	Nordex Windpark Beteiligung GmbH/Nordex Energy Internacional S.L.
Component Purchasing Company II LLC, Dover/USA [3]	EUR	100.00	–	239,292.59	Nordex USA Inc.
Component Purchasing Company III LLC, Dover/USA [3]	EUR	100.00	–	239,292.59	Nordex USA Inc.
Corporacion Nordex Energy Spain S.L., Barasoain/Spain [3]	EUR	100.00	–73,624.31	305,289,873.95	Nordex SE
Eolicos R4E S.A. de C.V., Tegucigalpa/Honduras [3]	EUR	100.00	–1,329,545.74	–11,759,977.00	Nordex USA Management LLC
Industria Toledana de Energias Renovables S.L., Barasoain/Spain [3]	EUR	100.00	80,369.60	350,000.00	Nordex Energy Spain S.A.U.
Limited Liability Company Nordex Energy Ukraine, Kiev/Ukraine [3]	EUR	100.00	–1,607,380.06	–2,491,335.27	Nordex International GmbH
Nordex Belgium SRL, Rochefort/Belgium [3]	EUR	100.00	18,341,973.50	45,388,312.64	Nordex SE
Nordex Beteiligungen GmbH, Hamburg [3]	EUR	100.00	–1,723.04	19,879.61	Nordex SE
Nordex Blade Technology Center ApS, Kirkeby/Denmark [3]	EUR	100.00	2,395,413.12	9,845,140.33	Nordex SE
Nordex Blades Spain S.A.U., Barasoain/Spain [3]	EUR	100.00	1,024,105.65	35,446,376.50	Nordex Energy Spain S.A.U.
Nordex (Chile) SpA, Santiago/Chile [3]	EUR	100.00	–768,662.71	–8,381,513.40	Nordex Windpark Beteiligung GmbH

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex Education Trust, Cape Town/South Africa [3]	EUR	100.00	–24,642.92	2,358,756.68	Nordex Energy South Africa RF (Pty.) Ltd.
Nordex Elektrane d.o.o., Zagreb/Croatia [3]	EUR	100.00	923,737.99	3,398,579.54	Nordex Energy Internacional S.L.
Nordex Electrolyzers S.L.U., Barasoain/Spanien [4, 3]	EUR	100.00	298,000.00	303,000.00	Corporacion Nordex Energy Spain S.L.
Nordex Employee Holding GmbH, Hamburg [3]	EUR	100.00	27,798.53	182,264.12	Nordex SE
Nordex Energy Brasil – Comércio e Indústria de Equipamentos Ltda., Sao Paulo/Brazi [3]	EUR	99.00/1.00	–28,171,753.75	86,206,279.75	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
Nordex Energy Chile S.A., Santiago/Chile [3]	EUR	99.00/1.00	–8,811,583.14	–22,448,442.84	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
Nordex Engineering and Technology Pty Ltd, Chennai/India [3]	EUR	99.99/0.01	–1,473,176.00	–4,787,923.52	Nordex Manufacturing GmbH
Nordex Energy Colombia S.A.S., Bogota/Columbia [3]	EUR	100.00	388,383.13	–192,709.05	Nordex Energy Internacional S.L.
Nordex Energy d.o.o. Belgrade, Belgrade/Serbia [3]	EUR	100.00	–100,844.24	–50,844.24	Nordex International GmbH
Nordex Energy Iberica S.A., Barcelona/Spain [3]	EUR	100.00	761,019.31	9,977,945.55	Nordex International GmbH
Nordex Energy Internacional S.L., Barasoain/Spain [3]	EUR	100.00	–2,795,076.51	6,553,100.00	Nordex Energy Spain S.A.U.
Nordex Energy Ireland Ltd., Dublin/Ireland [3]	EUR	100.00	3,972,154.93	21,024,865.93	Nordex International GmbH
Nordex Energy Romania S.r.l., Bucharest/Romania [3]	EUR	99.98/0.02	869,109.38	5,140,889.19	Nordex International GmbH/ Nordex Energy SE & Co. KG
Nordex Energy SE & Co. KG, Hamburg [3]	EUR	99.99/0.01	0.00	25,000.00	Nordex SE/Nordex Beteiligungen GmbH
Nordex Energy South Africa RF (Pty.) Ltd., Cape Town/South Africa [3]	EUR	80.00/20.00	–21,121,204.05	–115,099,184.39	Nordex Energy SE & Co. KG/ Nordex Education Trust
Nordex Energy Spain S.A.U., Barasoain/Spain [3]	EUR	100.00	–185,331,623.39	–26,882,118.79	Corporacion Nordex Energy Spain S.L.
NordexEnergy Uruguay S.A., Montevideo/Uruguay [3]	EUR	100.00	6,803,080.77	61,429,346.89	Nordex International GmbH

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex Enerji A.S., Istanbul/Turkey [3]	EUR	17.15/ 82.31/ 0.18/ 0.18/ 0.18	42,718,918.36	4,054,996.88	Nordex International GmbH/ Nordex SE/Nordex Energy SE & Co. KG/Nordex Windpark Beteiligung GmbH/Nordex Grundstücksverwaltung GmbH
Nordex Finland Oy, Helsinki/Finland [3]	EUR	100.00	12,011,846.15	12,298,840.03	Nordex SE
Nordex Forum II GmbH & Co. KG, Hamburg [3]	EUR	100.00	–11,099.70	323,965.95	Nordex Energy SE & Co. KG
Nordex Forum II Verwaltungs GmbH, Hamburg [3]	EUR	100.00	–2,157.24	12,146.59	Nordex Energy SE & Co. KG
Nordex France S.A.S., Paris/France [3]	EUR	100.00	15,326,733.09	125,424,934.55	Nordex International GmbH
Nordex Germany GmbH, Hamburg [1, 3]	EUR	99.99/0.01	0.00	30,000.00	Nordex SE/Nordex Beteiligungen GmbH
Nordex Grundstücksverwaltung GmbH, Hamburg [1, 3]	EUR	100.00	0.00	52,000.00	Nordex SE
Nordex Hellas Monoprosopi EPE, Athens/Greece [3]	EUR	100.00	2,669,969.14	–1,918,465.47	Nordex Energy SE & Co. KG
Nordex India Manufacturing Private Limited, Bangalore/India [2, 3]	EUR	99.99/0.01	–1,965,274.97	–49,425,135.18	Nordex Manufacturing GmbH/ Nordex International GmbH
Nordex India Private Limited, Bangalore/India [2, 3]	EUR	99.99/0.01	7,588,213.80	–152,414,177.51	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
Nordex International GmbH, Hamburg [1, 3]	EUR	100.00	0.00	57,516,815.94	Nordex SE
Nordex International Services SP. z.o.o., Warsaw/Poland [3]	EUR	100.00	–2,062,995.12	2,137,455.19	Nordex International GmbH
Nordex Italia S.r.l., Rome/Italy [3]	EUR	100.00	2,726,452.45	12,053,680.31	Nordex International GmbH
Nordex Manufacturing GmbH, Hamburg [3]	EUR	100.00	0.00	–41,851,277.59	Nordex SE
Nordex Maritime S.A., Barasoain/Spain [4, 3]	EUR	100.00	10,120.41	70,120.41	Nordex International GmbH
Nordex Netherlands B.V., Zwolle/Netherlands [3]	EUR	100.00	–18,341,973.50	–45,388,312.64	Nordex SE
Nordex Norway AS, Oslo/Norway [3]	EUR	100.00	–10,910,679.22	4,557,713.99	Nordex SE

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex Oceania Pty. Ltd., Melbourne/Australia [3]	EUR	100.00	2,216,192.14	–6,026,527.21	Nordex Energy Internacional S.L.
Nordex Pakistan (Private) Ltd., Islamabad/Pakistan [3]	EUR	100.00	2,556,279.16	10,228,528.67	Nordex Energy SE & Co. KG
Nordex Polska Sp. z o.o., Warsaw/Poland [3]	EUR	99.00/1.00	7,884,090.74	9,849,523.48	Nordex International GmbH/ Nordex Energy SE & Co. KG
Nordex Portugal Unipessoal Lda., Porto/Portugal [3]	EUR	100.00	627,666.65	3,185,220.60	Nordex SE
Nordex Singapore Equipment Private Ltd., Singapore/Singapore [3]	EUR	100.00	1,624,334.59	–6,316,908.18	Nordex Energy SE & Co. KG
Nordex Singapore Service Private Ltd., Singapore/Singapore [3]	EUR	100.00	289,006.42	2,938,027.82	Nordex Energy SE & Co. KG
Nordex Sverige AB, Uppsala/Sweden [3]	EUR	100.00	–24,868,807.94	–94,625,884.79	Nordex International GmbH
Nordex Towers Colombia, Bogota/Columbia [3]	EUR	100.00	3,990,602.68	3,915,862.43	Nordex Energy Internacional S.L.
Nordex Towers Spain S.L., Barasoain/Spain [3]	EUR	100.00	23,817.03	580,000.00	Nordex Energy Spain S.A.U.
Nordex UK Ltd., Manchester/United Kingdom [3]	EUR	100.00	1,685,402.88	4,707,423.21	Nordex International GmbH
Nordex USA Inc., Chicago/USA [3]	EUR	78.35/21.65	212,014,231.22	304,917,731.60	Nordex Energy Internacional S.L./ Nordex International GmbH
Nordex USA Management LLC, Chicago/USA [3]	EUR	100.00	25.65	99,589.40	Nordex USA Inc.
Nordex Windpark Beteiligung GmbH, Hamburg [1, 3]	EUR	100.00	0.00	74,825.12	Nordex SE
Nordex Windpower Peru S.A., Lima/Peru [3, 5]	EUR	99.99/0.01	260,320.55	1,643,230.09	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
Nordex Windpower Rüzgar Enerjisi Sistemleri Anonim Sirketi, Istanbul/Turkey [3]	EUR	100.00	–2,429,972.24	428,269.50	Nordex Energy Internacional S.L.
Nordex Windpower S.A., Buenos Aires/Argentina [3]	EUR	98.17/1.83	–54,787,760.68	–104,406.463.59	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.
NPV Dritte Windpark GmbH & Co. KG, Hamburg [3]	EUR	100.00	17,045.64	66,001.29	Nordex Grundstücksverwaltung GmbH
NX Energy Mexico S. de R.L. de C.V., Mexico City/Mexico [3]	EUR	99.97/0.03	–17,695,442.88	192.62	Nordex Energy Internacional S.L./ Nordex Energy Spain S.A.U.

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Consolidated affiliated companies **(figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)**					
Parque Eolico Llay-Llay SpA, Santiago/Chile [3]	EUR	100.00	9,558.61	2,259,917.83	Nordex (Chile) SpA
Ravi Urja Energy India Private Limited, Bangalore/India [2, 3]	EUR	99.99/0.01	581,834.71	–5,731,569.37	Nordex Windpark Beteiligung GmbH/ Nordex Energy Internacional, S.L.
San Marcos Colon Holding Inc., Chicago/USA [3]	EUR	100.00	0.00	390,049.15	Nordex Windpark Beteiligung GmbH
Shanghai Nordex Windpower Co. Ltd., Shanghai/VR China [3, 5]	EUR	100.00	86,819.80	453,774.86	Nordex Energy Internacional S.L.
Solar Fields Energy Photo Voltaic India Private Limited, Bangalore/India [2, 3]	EUR	99.99/0.01	–43,403.60	–3,332,728.50	Nordex Windpark Beteiligung GmbH/ Nordex Energy Internacional, S.L.
UAB Nordex Lithuania, Vilnius/Lithuania [3]	EUR	100.00	–2,049,644.68	–1,702,783.71	Nordex SE

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Non-consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Eoles Futur Eurowind France S.A.S., Paris/France [3]	EUR	100.00	211,859.39	–601,497.20	Nordex France S.A.S.
Farma Wiatrowa Kwidzyn Sp. z o.o., Warsaw/Poland [3]	EUR	99.00/1.00	–1,467.99	–2,361,910.42	Nordex Windpark Beteiligung GmbH/ Nordex Energy SE & Co. KG
Farma Wiatrowa Wymyslow Sp. z o.o., Warsaw/Poland [3]	EUR	99.00/1.00	0.00	–173,285.54	Nordex Windpark Beteiligung GmbH/ Nordex Energy SE & Co. KG
Gregal Power Private Limited, Bangalore/India [2, 3]	EUR	99.99/0.01	–	35,158.96	Nordex India Private Limited/ Nordex Energy Internacional S.L.
Nordex Servicios Administrativos, Mexico City/Mexico [3]	EUR	99.95/0.05	2,053.90	847.77	NX Energy Mexico S. de R.L. de C.V./ Nordex Energy Internacional S.L.
NX Servicios de Obra, Mexico City/Mexico [3]	EUR	99.9975/ 0.0025	–632,101.86	1,695.59	NX Energy Mexico S. de R.L. de C.V./ Nordex Energy Internacional S.L.
NAWM Servicios Operacion y Mantenimiento, Mexico City/Mexico [3]	EUR	99.995/ 0.005	0.00	0.00	NX Energy Mexico S. de R.L. de C.V./ Nordex Energy Internacional S.L.
Nordex Internacional Services América S de RL de CV, Mexico City/Mexico [3]	EUR	99.9975/ 0.0025	15,692.28	1,581.74	NX Energy Mexico S. de R.L. de C.V./ Nordex Energy Internacional S.L.
Nordex Austria GmbH, Vienna/Austria [3]	EUR	100.00	–	35,000.00	Nordex International GmbH
Nordex Windpark Verwaltung GmbH, Hamburg [3]	EUR	100.00	–1,537.09	47,811.12	Nordex SE
Parque Eolico Hacienda Quijote SpA, Santiago/Chile [3]	EUR	100.00	0.00	0.00	Nordex (Chile) SpA
Parque Eolico Vasco Viejo S.A., Buenos Aires/Argentina [3, 5]	EUR	60.00	–31,263.74	–9,067.49	Nordex Windpower S.A.
Qingdao Huawei Wind Power Co. Ltd., Qingdao/PR China [3]	EUR	66.67	391,295.64	4,271,123.23	Nordex Energy SE & Co. KG
San Marcos Wind Energy S.A. de C.V., Tegucigalpa/Honduras [3, 5]	EUR	100.00	0.00	180,077.00	San Marcos Colon Holding Inc.
Sechste Windpark Support GmbH & Co. KG, Hamburg [3]	EUR	100.00	–18,013.36	–113,908.50	Nordex Grundstücksverwaltung GmbH

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Non-consolidated affiliated companies (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Shri Saai Pasumai Private Limited, Bangalore/India [2, 3]	EUR	98.76/1.24	–	918,669.60	Nordex Windpark Beteiligung GmbH/ Nordex Energy Internacional S.L.
South Kinetic Wind Energy Private Limited, Banalore/India [2, 3]	EUR	99.99/0.01	–	35,158.96	Nordex India Private Limited/ Nordex Energy Internacional S.L.
Terral Energy Private Limited, Bangalore/India [2, 3]	EUR	99.99/0.01	–	35,158.96	Nordex Windpark Beteiligung GmbH/ Nordex Energy Internacional S.L.

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Joint ventures (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Nordex H2 S.L., Barasoain/Spain [3, 4]	EUR	50.00	11,078.10	14,078.10	Nordex SE
Darwin SpA, Santiago de Chile/Chile [3]	EUR	100.00	0.00	1,094.30	Nordex H2 S.L.
Frontera SpA, Santiago de Chile/Chile [3]	EUR	100.00	2,201.36	3,295.66	Nordex H2 S.L.
Pronghorn H2, LLC Wyoming/USA [3, 6]	EUR	100.00	–472,086.49	–457,041.30	Nordex H2 S.L.
Pinedale H2, LLC, Delaware/USA [3]	EUR	100.00	–	–	Nordex H2 S.L.

List of shareholdings (continued)

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Associates (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
GN Renewable Investments S.a.r.l., Luxembourg/Luxembourg [3]	EUR	30.00	–31,963.82	346,990.34	Nordex Windpark Beteiligung GmbH

	Currency	Share in capital in %	Net profit/loss 01.01.–31.12.2022	Equity 01.01.–31.12.2022	Equity investment via
Other shareholdings (non-consolidated) (figures as per statutory financial statements or financial statements prepared based on uniform Group accounting principles in EUR)					
Farma Wiatrowa Stogi Sp. z o.o., Kwidzyn/Poland [3]	EUR	50.00	0.00	–56,898.30	Nordex Windpark Beteiligung GmbH
Parc Eolien du Val Aux Moines, Paris/France [3]	EUR	34.92	1,199.99	4,361.47	Nordex Employee Holding GmbH
RENERCYCLE S.L. Barasoain/Spain [3]	EUR	6.25	–	–	Nordex Energy Spain S.A.U.
Rose Windfarm AB, Stockholm/Sweden [3,5]	EUR	50.00	–63,761.08	117,774.28	Nordex Sverige AB
Ventus Kwidzyn Sp. z o.o., Gorki/Poland [3]	EUR	50.00	–2,670.48	–912,975.90	Farma Wiatrowa Kwidzyn Sp. z o.o.

1 Profit and loss transfer agreement; net profit/loss and equity after transfer of profit or loss
2 Different financial year from 1 April to 31 March; financial statements as at 31 March 2022
3 Preliminary annual financial statements as at 31 December 2022
4 Initial consolidation on 1 January 2022
5 Figures from the previous year 31.12.2021
6 Deconsolidated at the end of 2022

INDEPENDENT AUDITOR'S REPORT

To Nordex SE, Rostock

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Nordex SE, Rostock, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Nordex SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Recoverability of goodwill

❷ Accounting for revenue

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Recoverability of goodwill

① In the Company's consolidated financial statements goodwill amounting in total to € 548 million (11.5% of total assets) is reported under the "Goodwill" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined on the basis of fair value less costs of disposal. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the expected impact of the geopolitical and economical distortions on the business activities of the Group are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the growth rate, as well as the discount rate used, and is therefore, also against the background of the impact of the geopolitical and economical distortions on the business activities of the Group, subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. Furthermore, we have evaluated the executive directors' assessment regarding the impact of the geopolitical and economical distortions on the business activities of the Group and understood how they were considered in the determination of the future cashflows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Taking into account the information available, we determined that the carrying amounts of the cash-generating units, including the allocated goodwill, were adequately covered by the discounted future cash flows.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures on goodwill are contained in Note (10) in the section "Balance Sheet Disclosures" of the notes to the consolidated financial statements.

2 Accounting for revenue

① In the Company's consolidated financial statements revenues amounting in total to € 5,694 million are reported. Revenues are mainly attributable to the production and construction of wind turbines (project business) and the subsequent servicing (service business). Revenue recognition and deferral is significantly affected by the Company's assessment of the time or period to satisfy its performance obligations. The timing of revenue recognition from service contracts is based on the expected cost distribution over the corresponding contract term (recognition over time), while the performance obligations and revenue recognition on the sale of wind turbines depend on the respective contract specifications. The Group has implemented group-wide processes to account for revenue in accordance with IFRS 15.

Revenue recognition and deferral in accordance with IFRS 15 is to be considered complex and relies on the estimates and assumptions of the executive directors. Against this background, accounting for revenue was of particular significance in the context of our audit.

② As part of our audit, we evaluated the appropriateness and effectiveness of the adopted group-wide processes and controls of the relevant internal control system over revenue recognition and deferral throughout the financial year. We have also assessed the accounting methodology and estimates of the executive directors especially in relation to the timing of revenue recognition. In this context, we have also reviewed customer contracts, verified the identification of performance obligations and concluded if these are satisfied over or at a point in time.

We were able to satisfy ourselves that the established processes and internal controls are adequate and that the estimates and assumptions of the executive directors are sufficiently documented and substantiated to ensure the appropriate accounting for revenue.

③ The Company's disclosures on the accounting for revenue in accordance with IFRS 15 are contained in Note (3) and (4) in the section "Notes to the balance sheet" as well as Note (29) in the section "Notes to the income statement" of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to §289f HGB and §315d HGB included in section „Corporate governance statement of Nordex SE" of the group management report
- the section "Statement on the appropriateness and effectiveness of the internal control and risk management system" of the group management report

The other information comprises further

- the separate non-financial group report to comply with §§315b to 315c HGB
- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to §315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with §317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

› Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

› Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to §315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Nordex_SE_KA+KLB_ESEF-2022-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of §328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i. e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 31 May 2022. We were engaged by the supervisory board on 1 December 2022. We have been the group auditor of the Nordex SE, Rostock, without interruption since the financial year 2008.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Thomas Ull.

Hamburg, 28 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Dr. Thomas Ull Wirtschaftsprüfer (German Public Auditor)	sgd. ppa. Harald van Voorst Wirtschaftsprüfer (German Public Auditor)

RESPONSIBILITY STATEMENT

RESPONSIBILITY STATEMENT IN ACCORDANCE WITH SECTIONS 297 (2) 4 AND 315 (1) 6 OF THE GERMAN COMMERCIAL CODE

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Nordex SE, Rostock, 28 March 2023

José Luis Blanco, Chairman of the Management Board

Dr. Ilya Hartmann, Member of the Management Board

Patxi Landa, Member of the Management Board

REMUNERATION REPORT

This remuneration report presents the components and effects of the remuneration logic and outlines the individual amounts of remuneration paid to the Management Board and Supervisory Board.

Detailed information concerning the remuneration systems for the Management and Supervisory Board members of Nordex SE may be found on the Company's website *(https://ir.nordex-online.com/websites/Nordex/English/6000/corporate-governance.html)*.

GUIDELINES AND PRINCIPLES OF THE REMUNERATION SYSTEM FOR THE MANAGEMENT BOARD OF NORDEX SE

Nordex SE's corporate strategy is aimed at creating a competitive and global company with long-term sustainable and positive future prospects – with innovative products, decarbonization of the economy shall be promoted and a significant contribution to the fight against climate change shall be made. These strategic objectives are aimed at successfully developing Nordex SE, i.e. consolidating the Company's competitive global positioning and thus enhancing its value for its shareholders in the long term. The success of this development is measured using financial and non-financial performance criteria and is also considered accordingly in the remuneration system for the Company's Management Board members (in the following referred to as the remuneration system). Remuneration systems are corporate management tools. The Supervisory Board of Nordex SE is convinced that a suitably designed remuneration structure will provide effective incentives for the Management Board members to successfully implement the Company's corporate strategy. Therefore, the remuneration paid to Nordex SE's members of the Management Board includes variable components which reward achieving the targets set and which are reduced accordingly if the targets are not met and may even cease entirely in certain circumstances. This establishes a clear link between corporate success and remuneration.

The operational and strategic corporate planning reflects the implementation of the Company's corporate structure. This corporate planning thus documents the envisaged short- and medium-term development of the Nordex Group. For their part, the variable remuneration components depend, in particular, on the share price trend and the achievement of demanding performance criteria which are determined on the basis of the Company's corporate planning. Through this structure, the Company's remuneration system promotes its business strategy as well as its long-term development.

The following principles in particular are considered when determining the remuneration of the Management Board:

- **Promotion of the corporate strategy**
- **Harmonization with shareholders' interests**
- **"Pay for performance"**
- **Long-term orientation and sustainability**
- **Compliance and market practice**

REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD

Management Board remuneration in the 2022 financial year

The remuneration system, which was approved with a 99.37% majority at the Annual General Meeting of Nordex SE, applies for all service contracts newly concluded or extended after 05 May 2021. This is without prejudice to the service contracts concluded up to this date for all members of the Management Board, which will remain in force until such time as they are extended or revised. Dr. Ilya Hartmann's service contract was revised in the year under review with effect from 1 July 2022, applying the new remuneration system. Accordingly, the reporting for Dr. Ilya Hartmann in this year's remuneration report reflects both the previous arrangements and the currently applicable remuneration system. The service contracts of Mr. José Luis Blanco and Mr. Patxi Landa were extended with effect from 1 January 2023 and were therefore not yet subject to the provisions of the remuneration system in financial year 2022. The remuneration report will fully reflect the remuneration system which was approved in 2021 once this system's arrangements have been fully applied to the service contracts of Mr. José Luis Blanco and Mr. Patxi Landa. Detailed information on the new remuneration system may be found on Nordex's website (*http://ir.nordex-online.com/websites/Nordex/English/6000/corporate-governance.html*).

The remuneration of the Management Board defined in the current service contracts comprises performance-unrelated (fixed) and performance-related (variable) remuneration components. The latter reflect the Company's business performance in a given year as well as its long-term business performance. The fixed, performance-unrelated remuneration comprises the annual base salary plus fringe benefits. The short-term variable remuneration (bonus) and the long-term variable remuneration (Performance Share Unit Plan, in the following also referred to as PSUP) will be granted on a performance-related and therefore variable basis. To incentivize the achievement of medium-term strategic targets, the Supervisory Board in 2021 had decided to establish a one-off Transformation Incentive Plan (in the following also referred to as TIP) for the members of the Management Board. This plan ended as of 31 December 2022. Since the applicable targets were not met, no payout was made under the TIP.

Under Section 162 (1) sentence 1 of the German Stock Corporation Act (AktG), the Management and Supervisory Boards of a listed company are obliged to prepare an annual report on the remuneration awarded and due in the previous financial year to the current or former members of the Management and Supervisory Boards. The following is a clear and easily understandable overview of the remuneration granted, i.e. all benefits paid to members of the Management and Supervisory Boards who discharged the functions serving as the basis for their remuneration throughout the 2022 financial year.

The remuneration report for financial year 2021 was approved by the Annual General Meeting on 31 May 2022 by a majority of 85.98%. Due to the high level of approval, no significant adjustments to its design and structure were necessary.

DETERMINATION OF THE REMUNERATION OF THE MANAGEMENT BOARD FOR THE 2022 FINANCIAL YEAR

Target remuneration and remuneration structure

In determining the remuneration of the Management Board, the Supervisory Board is guided by the market position of Nordex SE – in particular, with regard to its sector, size (revenues, number of employees worldwide and market capitalization), country (headquarters location and reach of operations) – and the structure and amount of management remuneration at comparable companies as well as internal salary structures. The function and area of responsibility of the individual members of the Management Board are further criteria. In addition, in determining the amount of the total target remuneration the Supervisory Board has ensured that the proportion of the long-term variable remuneration exceeds that of the short-term variable remuneration. This approach fulfills the requirements of the German Stock Corporation Act and the provisions of the German Corporate Governance Code, as amended on 28 April 2022 (GCGC).

FIXED REMUNERATION IN THE 2022 FINANCIAL YEAR

The fixed remuneration comprises an annual base salary paid out in equal monthly installments and fringe benefits customary in the market. These include the provision of a company car, which may also be used privately, and the payment of insurance premiums for invalidity and death coverage, and allowances for health and nursing care insurance.

The Company has also taken out a D&O insurance policy which, also covers the service of the Management Board members. In accordance with the provisions of the German Stock Corporation Act, the policy stipulates a deductible.

VARIABLE REMUNERATION IN THE 2022 FINANCIAL YEAR

The variable remuneration components reflect the achievement of annual targets as well as the Company's long-term performance. The short-term variable remuneration (bonus) and the long-term variable remuneration (PSUP) incentivize the performance of the Management Board members from a variety of different perspectives, over assessment periods of varying duration and while taking various performance criteria into consideration.

The achievement of short-term operational targets is of primary significance for the selection of the performance criteria for the bonus. The PSUP focuses on the performance of Nordex SE shares (in the following also referred to as Nordex shares) by comparison with the capital market. Among other criteria, this evaluates the capital market's assessment of Nordex SE's strategic orientation and its implementation by the Management Board.

In addition, in the 2021 financial year the Supervisory Board granted a one-off TIP on the basis of phantom shares with a two-year assessment period (in the following also referred to as the TIP performance period). The TIP establishes incentives for the achievement of strategic targets, in particular in relation to the sales and earnings growth of Nordex SE. The TIP ended on 31 December 2022. Since the applicable targets were not met, no payout was made under the TIP.

The performance criteria on which the variable remuneration is based in financial year 2022 and their strategic relevance are shown in the following table:

Performance criteria	Bonus	Performance Share Unit Plan	Transformation Incentive Plan	Strategic relevance
EBITDA in EUR million	x		x	Reviewing the development of profitability of the operating business
Working capital	x			Ensuring efficient use of capital in the operating business
Relative total shareholder return		x		Long-term development of enterprise value compared with the capital market
Free cash flow			x	Generating the necessary cash to self-finance the operating business
Quality of order intake [1]	x			Ensuring target profitability of projects in order intake to secure future profitability
HSE performance [2]	x			Protecting and promoting employees by ensuring occupational safety
Quality costs and technology management costs [3]	x			Promoting customer satisfaction through quality assurance
Proportion of women in management positions in the Nordex Group [4]		x		Achieve a minimum of 25% female representation in management positions by 2025 in line with the Nordex Group's sustainability strategy

[1] Gross contribution margin of order intake in EUR million
[2] Frequency of lost-time incidents in relation to total hours worked (lost-time incident frequency)
[3] Cost of quality deviations and technology management measured as a percentage of total sales
[4] This performance criterion has been part of the long-term variable remuneration of Dr. Ilya Hartmann since 1 July 2022.

SHORT-TERM VARIABLE REMUNERATION (BONUS)

An individual target amount is defined in the service contract of each Management Board member. The degree of target achievement is determined on the basis of financial and non-financial performance criteria.

The Supervisory Board individually determines these performance criteria on an annual basis for each Management Board member. The respective degree of target achievement is established at the end of the financial year. For financial year 2022, the Supervisory Board has defined the following performance criteria and weightings for the members of the Management Board:

Targets for short-term variable remuneration (bonus)

0%–200% target achievement

The performance criteria are determined by the Supervisory Board at the beginning of each financial year.

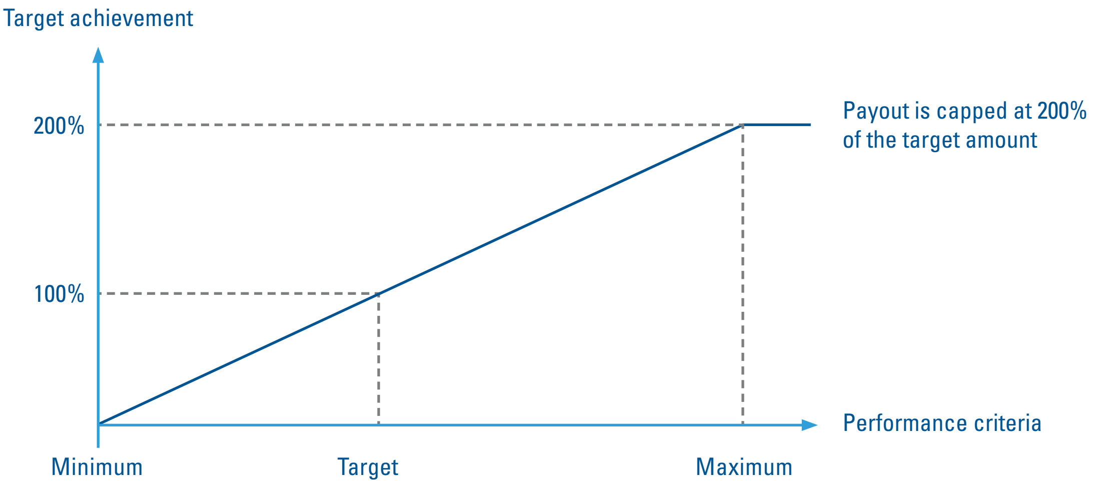
Weighting of performance criteria	José Luis Blanco	Patxi Landa	Dr. Ilya Hartmann
EBITDA in EUR million	50%	50%	50%
Working capital	20%	20%	30%
Quality of order intake [1]	20%	30%	20%
HSE performance [2]	5%	–	–
Quality costs and technology management costs [3]	5%	–	–

[1] Gross contribution margin of order intake in EUR million
[2] Frequency of lost-time incidents in relation to total hours worked (lost-time incident frequency)
[3] Cost of quality deviations and technology management measured as a percentage of total sales

Targets are derived from corporate planning, thus ensuring consistency with corporate strategy.

For all of the performance criteria, the possible degrees of target achievement are between 0% and 200%. A targeted range will be defined for each performance criterion. If the target value is reached, the degree of target achievement is 100% in each case; if the value falls below the minimum value, the degree of target achievement is 0%. The degree of target achievement is limited to 200% if the maximum value is matched or exceeded. Intermediate values are subject to linear interpolation.

Short-term variable remuneration (bonus) – target corridor



The degree of overall target achievement for a financial year is determined while taking into account each individual target achievement level and the weighting of the performance criteria. The bonus amount will be calculated on the basis of the specified target amount, with reference to the degree of overall target achievement. The payout amount is capped at 200% of the target amount. The new service contract of Dr. Ilya Hartmann stipulates that he is obliged to purchase Nordex shares to the value of his annual base salary (gross) and hold these shares for the duration of his appointment and for a further two years after this appointment comes to an end. An annual minimum investment amount equivalent to 25% of the net payout from the short-term variable remuneration applies until the full investment volume has been reached.

The resulting individual remuneration corridor for the bonus for financial year 2022 is as follows:

EUR	Minimum amount	Target amount	Maximum amount (200% of the target amount)
José Luis Blanco	0	420,000	840,000
Patxi Landa	0	250,000	500,000
Dr. Ilya Hartmann	0	205,000 [1]	410,000 [1]

[1] The target amount of the bonus for Dr. Ilya Hartmann was adjusted pro rata temporis with the contract extension effective 1 July 2022. For the period from 1 January 2022 to 30 June 2022, the target amount is EUR 85,000; for the period from 1 July 2022 to 31 December 2022 it is EUR 120,000. This gives a total target amount of EUR 205,000 for 2022.

The following table shows the individual target achievement for the 2022 bonus.

Target achievement in %	**José Luis Blanco**	**Patxi Landa**	**Dr. Ilya Hartmann**
EBITDA in EUR million	0%	0%	0%
Working capital	200%	200%	200%
Quality of order intake	200%	200%	200%
HSE performance	200%	-	-
Quality costs and technology management costs	0%	-	-
Overall target achievement	**90%**	**100%**	**100%**
Performance factor (0.8–1.2)	1.0	1.0	1.0 [1]

[1] In the case of Dr. Ilya Hartmann, the level of target achievement for the period from 1 July 2022 to 31 December 2022 will not be adjusted using the performance factor.

The Supervisory Board may also adjust the bonus individually on the basis of the Company's performance and the individual performance of the Management Board members within a corridor of 0.8 to 1.2 times the overall target achievement level. For financial year 2022, the performance factor was set by the Supervisory Board at 1.0. Dr. Ilya Hartmann's new service contract no longer provides for an adjustment of the overall level of target achievement using the performance factor for periods after 30 June 2022.

LONG-TERM VARIABLE REMUNERATION (PSUP)

The long-term variable remuneration component is a PSUP which is based on phantom shares.

2020–2022 tranche

The conditions of the 2020–2022 tranche of the PSUP for Mr. José Luis Blanco and Mr. Patxi Landa are detailed below. Because Dr. Ilya Hartmann was not appointed as a member of the Management Board until 1 January 2021, he is not participating in the 2020–2022 tranche.

Long-term variable remuneration (PSUP)

50%–200% target achievement

The number of PSUs for a tranche that is decisive for payout amount depends on a share price-based target

Type	Performance Share Unit Plan
Performance period	3 years
Performance criterion	Development of RTSR compared to a suitable peer group (DAX, MDAX and TecDAX)
Initial number	Target amount ÷ Ø closing share price of Nordex shares on the last 20 trading days prior to the start of the performance period
Final number	Initial number of PSUs of a tranche x target achievement in %
Payout amount	Final number × Ø closing share price of Nordex shares on the last 20 trading days prior to the end of the performance period

Payout is capped at 300% of the target amount

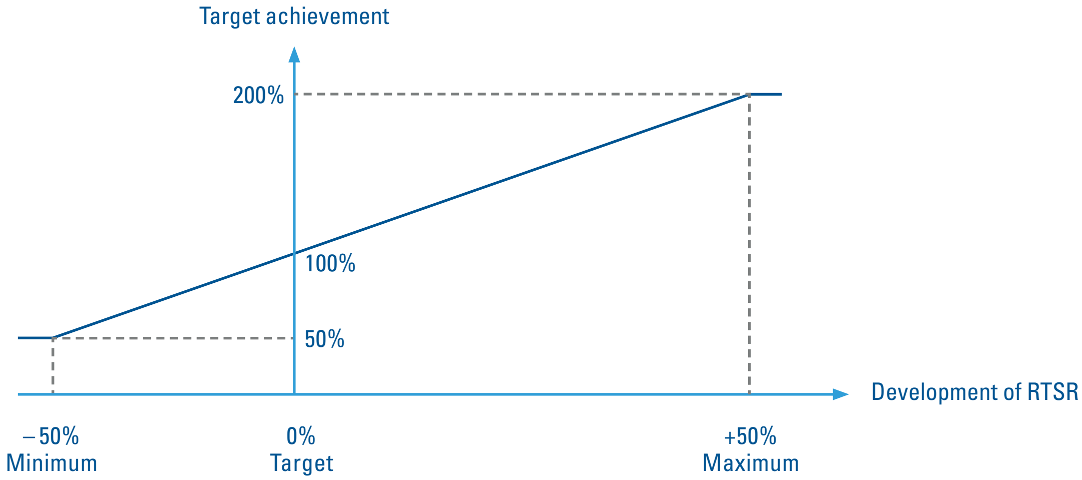
Creates incentives for the sustainable increase in enterprise value and promotes the alignment of Management Board and shareholder interests

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

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

The target corridor of the 2020–2022 tranche for the RTSR trend has been established as follows:

Long-term variable remuneration (PSUP) – target corridor



A minimum of –50% and a maximum of +50% have been defined as the targeted range. An RTSR performance in line with the benchmark indices will represent a 100% target achievement level. If the benchmark indices are exceeded by 50% or more, this will represent a 200% target achievement level. If the trend for the RTSR of Nordex SE lags behind the RTSR trend for the benchmark indices by 50% or more, a 50% level of target achievement is assumed. Intermediate values are subject to linear interpolation.

The final number of PSUs is calculated by multiplying the initial number by the level of target achievement. This is multiplied by the average closing price of Nordex shares on the last 20 trading days prior to the end of the performance period to determine the payout amount. The PSUP payout amount is capped at 300% of the individual target amount. The amount will be paid out in cash as of the Management Board member's salary statement for the first month after the Annual General Meeting for the financial year following the end of the performance period.

The Management Board members participating in the 2020–2022 tranche are obliged to hold shares valued at no less than 33% of their payout after tax and social security contributions for a period of at least two years.

Target achievement for the 2020–2022 tranche

The target achievement for the PSUP tranche issued in 2020 is as follows:

EUR	Target amount	Average closing share price of Nordex shares prior to the start of the performance period	Initial number of PSUs	Target achievement	Final number of PSUs	Average closing share price of Nordex shares prior to the end of the performance period
Members of the Management Board in office as of 31 December 2022						
José Luis Blanco	420,000	12.43	33,789	101.88%	34,424	12.43
Patxi Landa	250,000	12.43	20,113	101.88%	20,491	12.43
Dr. Ilya Hartmann	–	–	-	–	–	–
Former members of the Management Board						
Christoph Burkhard	250,000	12.43	20,113	101.88%	6,830 [1]	12.43

[1] Pursuant to the termination agreement, Mr. Christoph Burkhard forfeits 2/3 of the 2020 PSU tranche. As a result, only 6,830 PSUs of the 20,113 PSUs granted in 2020 will be paid out.

2022 tranches

2022 (I) tranche

In financial year 2022, PSUs were granted to Mr. José Luis Blanco, Mr. Patxi Landa and Dr. Ilya Hartmann, the terms of which correspond to those of the 2020–2022 tranche outlined above – except that the performance period for Dr. Ilya Hartmann is four years instead of three (2022 (I) tranche).

The conditions of the target range for the RTSR performance criterion for the 2022 (I) tranche are the same as for the 2020–2022 tranche detailed above.

Long-term variable remuneration (PSUP)

50%–200% target achievement

The number of PSUs for a tranche that is decisive for payout amount depends on a share price-based target

Type	Performance Share Unit Plan
Performance period	3 or 4 years [1]
Performance criterion	Development of RTSR compared to a suitable peer group (DAX, MDAX and TecDAX)
Initial number	Target amount ÷ Ø closing share price of Nordex shares on the last 20 trading days prior to the start of the performance period
Final number	Initial number of PSUs of a tranche x target achievement in %
Payout amount	Final number × Ø closing share price of Nordex shares on the last 20 trading days prior to the end of the performance period

Payout is capped at 300% of the target amount
Creates incentives for the sustainable increase in enterprise value and promotes the alignment of Management Board and shareholder interests

[1] The performance period for the 2022 (I) tranche for Dr. Ilya Hartmann is four years.

2022 (II) tranche

Dr. Ilya Hartmann's service contract was revised with effect from 1 July 2022 and the conditions of the PSUP were brought into line with the new remuneration system. In connection with this adjustment, a further tranche (the 2022 (II) tranche) was issued for Dr. Ilya Hartmann in July 2022 in addition to the 2022 (I) tranche.

The conditions for the 2022 (II) tranche that applies to Dr. Ilya Hartmann are as follows:

Long-term variable remuneration (PSUP) – Tranche 2022 (II)

0%–200% target achievement

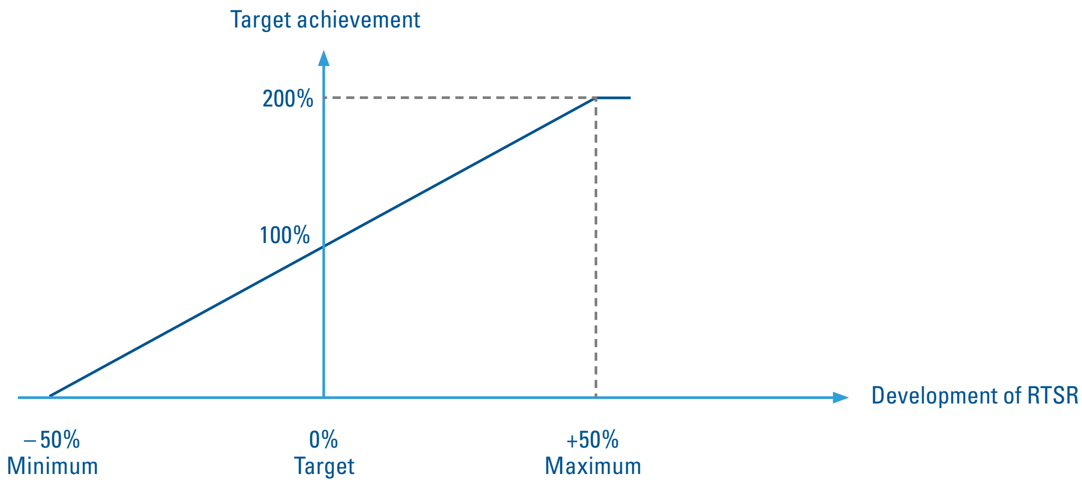
Type	Performance Share Unit Plan
Performance period	4 years
Performance criteria	› Development of RTSR compared to a suitable peer group (DAX, MDAX and TecDAX): weighting of 80% › Proportion of women in management positions in the Nordex Group: weighting of 20%
Initial number	Target amount ÷ Ø closing share price of Nordex shares on the last 20 trading days prior to the start of the performance period
Final number	Initial number of PSUs of a tranche x target achievement in %
Payout amount	Final number × Ø closing share price of Nordex shares on the last 20 trading days prior to the end of the performance period

Payout is capped at 300% of the target amount

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

Performance is determined based on two criteria. The first performance criterion (weighting: 80%) is a comparison of the performance of Nordex shares' RTSR with the arithmetic mean of the performance of the DAX, MDAX and TecDAX benchmark indices. The level of target achievement is calculated over a four-year performance period, starting on 1 January of the year of allocation. An RTSR performance in line with the benchmark indices will represent a 100% target achievement level. If the benchmark indices are exceeded by 50% or more, this will represent a 200% target achievement level. If the trend for the RTSR of Nordex SE lags behind the RTSR trend for the benchmark indices by 50% or more, a 0% level of target achievement is assumed. Intermediate values are subject to linear interpolation.

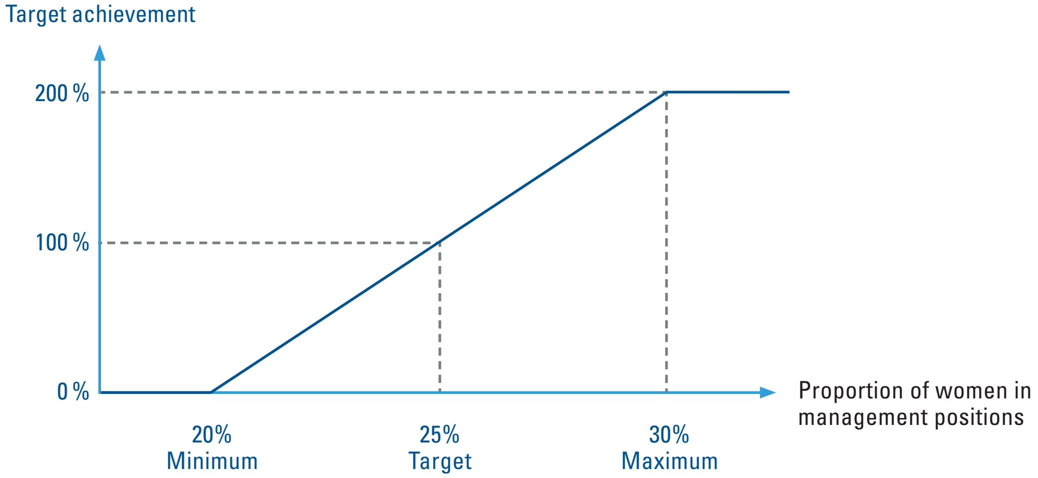
Long-term variable remuneration (PSUP) – target corridor for the RTSR trend (Tranche 2022 (II))



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

The degree of overall target achievement for a financial year is determined while taking into account each individual target achievement level and the weighting of the performance criteria. The final number of PSUs is calculated by multiplying the initial number by the overall level of target achievement. This is multiplied by the average closing price of Nordex shares on the last 20 trading days prior to the end of the performance period to determine the payout amount. The PSUP payout amount is capped at 300% of the individual target amount. The amount will be paid out – at the Company's discretion either in cash or in Nordex shares – as of the Management Board member's salary statement for the first month after the Annual General Meeting for the financial year following the end of the performance period.

Long-term variable remuneration (PSUP) – target corridor for the proportion of women in management positions (Tranche 2022 (II))



Allocation of 2022 tranches

The allocation of the PSUP tranches issued in 2022 is presented below:

Allocation of the 2022 tranche in EUR	Target amount	Average closing share price of Nordex shares prior to the start of the performance period	Initial number of PSUs	Fair value per PSU at allocation
José Luis Blanco	420,000	14.50	28,966	13.62
Patxi Landa	250,000	14.50	17,241	13.62
Dr. Ilya Hartmann [1]	100,000 [1]	14.50	6,897	12.79
Dr. Ilya Hartmann [1]	130,000 [1]	14.50	8,966	7.57

[1] The target amount of the 2022 installment for Dr. Ilya Hartmann was adjusted pro rata temporis with the contract extension effective 1 July 2022. For the period from 01 January 2022 to 30 June 2022 (2022 (I) tranche), the target amount is EUR 100,000. For the period from 1 July 2022 to 31 December 2022 (2022 (II) tranche), the target amount is EUR 130,000. This gives a total target amount of EUR 230,000 for 2022.

The resulting individual remuneration corridor for the 2022 (I) and 2022 (II) tranches is as follows:

EUR	Minimum amount	Target amount	Maximum amount (300% of the target amount)
José Luis Blanco	210,000	420,000	1,260,000
Patxi Landa	125,000	250,000	750,000
Dr. Ilya Hartmann [1]	50,000	100,000	300,000
Dr. Ilya Hartmann [1]	0	130,000	390,000

[1] The target amount of the 2022 installment for Dr. Ilya Hartmann was adjusted pro rata temporis with the contract extension effective 1 July 2022. For the period from 1 January 2022 to 30 June 2022 (2022 (I) tranche), the allocation is EUR 100,000. For the period from 1 July 2022 to 31 December 2022 (2022 (II) tranche), the allocation is EUR 130,000.

Development of the portfolio of phantom shares in connection with the PSUP in financial year 2022

The following overview shows the development of the portfolio of PSUs held by the members of the Management Board in financial year 2022.

	Information on the PSUPs				Information on the 2022 financial year: Opening balance	During the financial year			Closing balance
Current and former members of the Management Board	Plan	Tranche	Performance period	Allocation price	Balance at the beginning of the financial year	Newly allocated PSUs	Change	PSUs exercised	Balance at the end of the financial year
José Luis Blanco	PSUP	2022	Jan 2022 – Dec 2024	14.50	0	28,966	0	0	28,966
		2021	Jan 2021 – Dec 2023	20.16	20,833	0	0	0	20,833
		2020	Jan 2020 – Dec 2022	12.43	33,789	0	635 [2]	34,424	0
Patxi Landa	PSUP	2022	Jan 2022 – Dec 2024	14.50	0	17,241	0	0	17,241
		2021	Jan 2021 – Dec 2023	20.16	12,401	0	0	0	12,401
		2020	Jan 2020 – Dec 2022	12.43	20,113	0	378 [2]	20,491	0
Dr. Ilya Hartmann	PSUP	2022 (II)	Jan 2022 – Dec 2025	14.50	0	8,966	0	0	8,966
		2022 (I)	Jan 2022 – Dec 2025	14.50	0	13,793	–6,896	0	6,897
		2021	Jan 2021 – Dec 2024	20.16	9,921	0	0	0	9,921
Christoph Burkhard [1]	PSUP	2020	Jan 2020 – Dec 2022	12.43	6,704 [3]	0	126 [2]	6,830	0

[1] Until 28.02.2021
[2] Increase in PSUs of the 2020 tranche in line with target achievement of the performance criteria
[3] Pursuant to the termination agreement, Mr. Christoph Burkhard forfeited 2/3 of the 2020 PSU tranche.

Transformation Incentive Plan

Within the scope of the TIP, each Management Board member will be granted an individual number of performance share units (in the following also referred to as the initial number of TIP PSUs) subject to the condition precedent of the achievement of a free cash flow threshold as of the end of the 2022 financial year (in the following also referred to as the threshold). The EBITDA reported in the consolidated financial statements of the Nordex Group for the 2022 financial year will be applied as a performance criterion if this threshold is reached. The final number of TIP PSUs will be calculated by multiplying the initial number of TIP PSUs by the percentage degree of target achievement. The amount paid out will be determined by multiplying the final number of TIP PSUs by the average closing price of Nordex shares on the last 20 trading days prior to the end of the two-year TIP performance period. At the Company's discretion, this amount will be paid out either in the form of Nordex shares or in cash form. In the case of a cash payment, the Management Board members will be obliged to purchase Nordex shares whose value is equivalent to the net payment amount. The Management Board members will be obliged to hold these shares for a period of at least two years, both in the event of a cash payment and the subsequent reinvestment of the net payment amount and in the event of payment in the form of Nordex shares. Since the applicable targets were not met, no payout was made under the TIP.

Malus and clawback arrangements

The Supervisory Board did not make any use of the option to withhold or claw back variable remuneration components in the 2022 financial year.

REMUNERATION AWARDED AND DUE OWED TO THE MEMBERS OF THE MANAGEMENT BOARD WHO HELD OFFICE IN THE 2022 FINANCIAL YEAR

The following tables show the remuneration awarded and due to the members of the Management Board who held office in the 2022 financial year. In the following, for the Management Board members holding office the remuneration granted is the remuneration for which the relevant service or performance period ended in the financial year.

Accordingly, as well as the annual base salary and the fringe benefits, the 2022 bonus and the PSUP with a 2020-2022 performance period are shown as the remuneration granted for the 2022 financial year. In addition to the remuneration amounts, pursuant to section 162 (1) sentence 2 no. 1 AktG the relative proportion of the fixed and variable remuneration components is also indicated.

	José Luis Blanco				Dr. Ilya Hartmann			
	2022	2022	2021	2021	2022	2022	2021	2021
Remuneration awarded and due	**EUR**	**%**	**EUR**	**%**	**EUR**	**%**	**EUR**	**%**
Annual base salary	610,000	43	610,000	43	375,000	62	350,000	95
Fringe benefits [1]	6,801	0	7,030	0	20,892	3	16,528	5
Fixed remuneration	**616,801**	**43**	**617,030**	**44**	**395,892**	**66**	**366,528**	**100**
Short-term variable remuneration (bonus)	**378,000**	**27**	**0**	**0**	**205,000**	**34**	**0**	**0**
2020–2022 Performance Share Unit Plan	427,890	30	–	–	–	–	–	–
2019–2021 Performance Share Unit Plan	–	–	794,673	56	–	–	–	–
Transformation Incentive Plan	0	0	–	–	0	0	–	–
Long-term variable remuneration (Performance Share Unit Plan)	**427,890**	**30**	**794,673**	**56**	**0**	**0**	**0**	**0**
Total remuneration	**1,422,691**	**100**	**1,411,702**	**100**	**600,892**	**100**	**366,528**	**100**

[1] Health and nursing care insurance are included in the fringe benefits for 2022 and retroactively for 2021.
As a consequence, the figures presented here for 2021 differ from those presented in the 2021 remuneration report.

	Patxi Landa			
	2022	2022	2021	2021
Remuneration awarded and due	**EUR**	**%**	**EUR**	**%**
Annual base salary	400,000	44	400,000	47
Fringe benefits [1]	7,255	1	606	0
Fixed remuneration	**407,255**	**45**	**400,606**	**47**
Short-term variable remuneration (bonus)	**250,000**	**27**	**0**	**0**
2020–2022 Performance Share Unit Plan	254,703	28	–	–
2019–2021 Performance Share Unit Plan	–	–	454,097	53
Transformation Incentive Plan	0	0	–	–
Long-term variable remuneration (Performance Share Unit Plan)	**254,703**	**28**	**454,097**	**53**
Total remuneration	**911,958**	**100**	**854,703**	**100**

Percentages are rounded to full percentage points.
[1] Health and nursing care insurance are included in the fringe benefits for 2022 and retroactively for 2021. As a consequence, the figures presented here for 2021 differ from those presented in the 2021 remuneration report.

Maximum remuneration

Dr. Ilya Hartmann's employment contract that has been applicable since 1 July 2022 provides for maximum remuneration of EUR 3.5 million. A final assessment as to whether the defined maximum remuneration has been complied with can only be made once the amounts paid out from the 2022 (I) and 2022 (II) tranches of the PSUP have been determined and can therefore be reported in the remuneration report for financial year 2025.

BENEFITS TO FORMER MEMBERS OF THE MANAGEMENT BOARD

The remuneration awarded and due to Mr. Christoph Burkhard, who stepped down from the Management Board in 2021, amounted to EUR 84,901 and is equal to the payment from the PSUP (2020–2022 tranche).

Pension payments to former members of the Management Board amounted to EUR 20,390 in financial year 2022, (net) provisions at the end of the financial year amounted to EUR 322,861, and interest expense in accordance with IAS 19 amounted to EUR 5,051.

BENEFITS UPON TERMINATION OF EMPLOYMENT

Benefits in the event of premature termination

If, in the event of revocation of an appointment, the Company terminates a service contract without good cause or if a severance agreement is signed in this case, Mr. José Luis Blanco and Mr. Patxi Landa will have a contractual entitlement to receive a severance payment. The amount of this severance payment is calculated on the basis of the target remuneration to be paid for the remaining term of the service contract. It is limited to two years' total target remuneration. In the event of the Company's revocation of their appointment, the Company may moreover release Mr. José Luis Blanco and Mr. Patxi Landa from their work duties subject to continued payment of their remuneration. Mr. José Luis Blanco and Mr. Patxi Landa will not be entitled to receive any severance payment if the premature termination of their service contracts is attributable to them.

In the event of the Company's revocation of his appointment and termination of his service contract without good cause, the Company may release Dr. Ilya Hartmann from his work duties subject to continued payment of his remuneration. Based on the severance payments in force since 1 July 2022, the severance payment is limited to the remuneration of the remaining term of the service contract or to a maximum of two years of remuneration.

If the service contract or the appointment to the Management Board is terminated early in certain, more closely defined "bad leaver" cases (in particular if it is terminated by Nordex SE for good cause pursuant to Section 626 (1) of the German Civil Code (BGB) or if the member of the Management Board resigns before the end of the financial year without the Company being at fault), they shall forfeit their entitlement to the bonus and the PSUs under the active Management Board members' service contracts without replacement.

Benefits in the event of regular termination

If the service relationship ends prior to the end of the financial year or performance period as a result of the regular expiry of a contractual term or due to retirement, invalidity or death, the Management Board members will hold bonus and PSUP entitlements on a pro rata temporis basis. In addition, in the event of death, the spouse, partner and children of the Management Board member are jointly granted six months' basic remuneration as a transitional payment.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

Under Article 18 (1) to (4) of the Articles of Incorporation, each Supervisory Board member is entitled to fixed remuneration of EUR 30,000 (2021: EUR 30,000) in consideration of the performance of their duties for each full financial year in which they are members of the Supervisory Board. The chairman of the Supervisory Board receives twice and his deputy one-and-a-half times the fixed remuneration received by a regular member of the Supervisory Board.

Each Supervisory Board member also receives fixed remuneration for membership of Supervisory Board committees. This amounts to EUR 3,000 (2021: EUR 3,000) for each full financial year in which the Supervisory Board member belonged to the committee. The chairman of a committee receives twice this amount.

The following table shows the Supervisory Board members' memberships and chairmanships on the various committees.

Supervisory Board member	Committee
Dr.-Ing. Wolfgang Ziebart (Chairman of the Supervisory Board)	Chairman of the Executive Committee and member of the Strategy and Technology Committee
Juan Muro-Lara (Deputy Chairman of the Supervisory Board)	Member of the Executive Committee and Audit Committee
Jan Klatten	Member of the Executive Committee and chairman of the Strategy and Technology Committee
Connie Hedegaard [1]	Member of the Audit Committee
Maria Isabel Blanco [2]	Member of the Audit Committee
Martin Rey	Chairman of the Audit Committee
María Cordón	Member of the Strategy and Technology Committee

[1] Until 31.05.2022
[2] Since 31.05.2022

Supervisory Board members who have only belonged to the Supervisory Board or one of its committees for part of a given financial year will, for each commenced month of their service, receive one twelfth of the remuneration amount they are entitled to due to their membership.

According to Article 18 (5) of the Articles of Incorporation, Supervisory Board members receive reimbursement for expenses arising during the exercise of their duties. They are also reimbursed for any VAT incurred. The Company also pays the premiums for D&O liability insurance, which also includes the members of the Supervisory Board.

The remuneration of the Supervisory Board comprises the following:

Remuneration granted / owed to the Supervisory Board	2022					2021				
	Fixed remuneration		Remuneration for committee work		Total remuneration	Fixed remuneration		Remuneration for committee work		Total remuneration
	EUR	%	EUR	%	EUR	EUR	%	EUR	%	EUR
Dr.-Ing. Wolfgang Ziebart	60,000	87	9,000	13	69,000	60,000	87	9,000	13	69,000
Juan Muro-Lara	45,000	88	6,000	12	51,000	45,000	88	6,000	12	51,000
Jan Klatten	30,000	77	9,000	23	39,000	30,000	77	9,000	23	39,000
Connie Hedegaard [1]	12,500	91	1,250	9	13,750	30,000	91	3,000	9	33,000
Maria Isabel Blanco [2]	20,000	91	2,000	9	22,000	–	–	–	–	–
Rafael Mateo	–	–	–	–	–	15,000	91	1,500	9	16,500
Martin Rey	30,000	83	6,000	17	36,000	30,000	83	6,000	17	36,000
María Cordón [2]	**30,000**	**91**	**3,000**	**9**	**33,000**	**10,000**	**91**	**1,000**	**9**	**11,000**

[1] Until 31.05.2022
[2] Since 31.05.2022

DETAILS OF THE RELATIVE DEVELOPMENT OF THE MANAGEMENT BOARD'S REMUNERATION, THE REMUNERATION OF THE REST OF THE WORKFORCE AND THE COMPANY'S EARNINGS

The following table shows the development of the remuneration of the Management Board by comparison with the earnings trend of Nordex SE and the average remuneration received by all of the company's employees on a full-time equivalent basis at the Nordex Group's German companies – Nordex SE, Nordex Energy SE & Co. KG and Nordex Germany GmbH – over the past five financial years. This excludes trainees, interns, working students and students preparing their diploma theses and employees on extended sick leave or parental leave.

The earnings trend is presented on the basis of the net income for the year of the Company as well as the Nordex Group.

Development of remuneration compared to the development of earnings and the remuneration of employees in %

Members of the Management Board	Change 2022 vs. 2021	Change 2021 vs. 2020	Change 2020 vs. 2019	Change 2019 vs. 2018
José Luis Blanco	0.8%	−28.6%	114.3%	−31.8%
Patxi Landa	6.7%	−28.0%	121.5%	−33.1%
Dr. Ilya Hartmann (since 01.01.2021) [1]	63.9%	–	–	–
Christoph Burkhard (until 28.02.2021)	−92.8%	−2.0%	112.5%	−40.2%
Members of the Supervisory Board				
Dr.-Ing. Wolfgang Ziebart	0.0%	0.0%	0.0%	0.0%
Juan Muro-Lara	0.0%	0.0%	0.0%	0.0%
Jan Klatten	0.0%	0.0%	0.0%	0.0%
Connie Hedegaard (until 31.05.2022)	−58.3%	0.0%	0.0%	0.0%
Maria Isabel Blanco (since 31.05.2022)	–	–	–	–
Martin Rey	0.0%	0.0%	0.0%	0.0%
Rafael Mateo (until 25.06.2021)	–	−50.0%	0.0%	0.0%
María Cordón (since 02.09.2021) [2]	200%	–	–	–
Remuneration of employees				
Employees in Germany	17.1%	−5.6%	0.7%	−3.8%

[1] Figures for Dr. Ilya Hartmann corresponding to his Management Board membership since 1 January 2021
[2] No figure provided for Ms. Maria Isabel Blanco, as she has only been a member of the Supervisory Board since 31 May 2022

Earnings	2022	Change in % 2022 vs. 2021	2021	Change in % 2021 vs. 2020	2020	Change in % 2020 vs. 2019	2019	Change in % 2019 vs. 2018	2018
Net income of Nordex SE in EUR thsd.	−247,731	−55.9%	−158,860 [1]	n/a	68,051.0	n/a	−114,122.7	−46.6%	−77,850.4
Net income of the Nordex Group in EUR thsd.	−497,761	−116.3%	−230,156 [1]	−77.4%	−129,705.0	−78.7%	−72,570.0	13.5%	−83,853.0

[1] Due to an editorial error, the figures for financial year 2021 were not correctly stated in the previous year's remuneration report. As a result, the figures presented here for financial year 2021 differ from those presented for financial year 2021 in the remuneration report.

REPORT OF THE INDEPENDENT AUDITOR ON THE FORMAL AUDIT OF THE REMUNERATION REPORT PURSUANT TO § 162 ABS. 3 AKTG

To Nordex SE, Rostock

Opinion

We have formally audited the remuneration report of the Nordex SE, Rostock, for the financial year from 1 January to 31 December 2022 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870). Our responsibility under that provision and that standard is further described in the "Auditor's Responsibilities" section of our auditor's report. As an audit firm, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements to quality control for audit firms [IDW Qualitätssicherungsstandard – IDW QS 1]. We have complied with the professional duties pursuant to the the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer – BS WP/vBP], including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparisson of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report. In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Hamburg, 28 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Ull	ppa. Harald van Voorst
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

FINANCIAL CALENDAR, PUBLISHING INFORMATION AND CONTACT

FINANCIAL CALENDAR

Date	
31 March 2023	Publication of 2022 Annual Report
11 May 2023	Publication of quarterly financial report (call-date Q1)
6 June 2023	Annual General Meeting
14 August 2023	Publication of half-yearly financial report
14 November 2023	Publication of quarterly financial report (call-date Q3)

PUBLISHING INFORMATION AND CONTACT

Published by
Nordex SE
Investor Relations
Langenhorner Chaussee 600
22419 Hamburg
Germany

Telephone + 49 40 30030–1000
Fax + 49 40 30030–1101

www.nordex-online.com
investor-relations@nordex-online.com

Investor Relations Team
Felix Zander
Telephone + 49 152 09 024 029

Tobias Vossberg
Telephone + 49 173 4573 633

Torben Rennemeier
Telephone + 49 1523 4617 954

Editing & Text
Nordex SE, Hamburg

Photography
Nordex SE, Hamburg

Consulting, Concept & Design
Silvester Group
www.silvestergroup.com

Disclaimer

Nordex SE
Investor Relations
Langenhorner Chaussee 600
22419 Hamburg
Germany

Telephone + 49 40 30030 – 1000
Fax + 49 40 30030 – 1101

www.nordex-online.com
investor-relations@nordex-online.com