

H1 2020

INTERIM REPORT FOR
THE PERIOD FROM
1 JANUARY TO 30 JUNE 2020



KEY FIGURES AT A GLANCE

Nordex Group key figures

		01.01. – 30.06.2020	01.01. – 30.06.2019	Change
Earnings				
Sales	EUR million	2,047.9	990.8	106.7 %
Gross revenue	EUR million	1,990.0	1,603.6	24.1 %
EBITDA	EUR million	-70.8	17.1	n/a
EBIT	EUR million	-146.4	-50.2	n/a
Free cash flow	EUR million	-137.1	-161.3	n/a
Capital expenditure	EUR million	79.1	60.2	31.4 %
Consolidated net result	EUR million	-180.0	-55.4	n/a
Earnings per share ¹	EUR	-1.69	-0.57	n/a
EBITDA margin	%	-3.5	1.7	-5.2 PP
Working capital ratio	%	-7.1	-4.7	-2.4 PP
Statement of financial position as of 30.06.2020 and 31.12.2019				
Total assets	EUR million	4,023.5	4,002.8	0.5 %
Equity	EUR million	554.9	745.4	-25.6 %
Equity ratio	%	13.8	18.6	-4.8 PP
Employees				
Employees as of 30 June		7,949	6,385	24.5 %
Staff costs	EUR million	203.2	172.9	17.5 %
Staff cost ratio	%	9.9	17.4	-7.5 PP
Company-specific performance indicators				
Order intake, Projects segment	EUR million	1,805.9	2,111.8	-14.5 %
Installed capacity	MW	2,287.1	778.1	193.9 %

¹ Earnings per share = based on a weighted average of 106.681 million shares (previous year: 96.982 million shares)

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LETTER TO SHAREHOLDERS



JOSÉ LUIS BLANCO

Chief Executive Officer

*Dear Shareholders
and Business Partners,*

Our company's business performance was severely impacted by the coronavirus pandemic from the end of the first quarter of this year. This is apparent in our half-year earnings figures. Nevertheless, I am proud of how we as the Nordex Group have worked with our customers, suppliers and business partners to cope with this situation so far. For the time being we are managing our business continuity with our task force on a daily basis in order to minimize the impact of Covid-19 on the production and installation.

Although the situation has settled down in Europe for the time being with some exceptions, other regions of the world – particularly North and South America, India and South Africa – continue to be strongly affected by the pandemic. As a result, we are still focusing on the health of our employees and business partners, while at the same time concentrating on systematically completing our customers' projects.

In light of the pandemic, and as already announced in May, we submitted an application for government assistance from the coronavirus guarantee scheme, which was approved last week. This new revolving credit facility totaling EUR 350 million is protecting us against the effects and remaining uncertainties caused by the Covid-19-pandemic. A binding agreement to refinance the promissory note due in April 2021 has also been made in this context. In addition, we agreed the sale of our European project development business with RWE at the end of July – subject to transaction conditions yet to be fulfilled – in order to exploit the particularly high demand for renewable energy development projects at present. The expected proceeds from this transaction will strengthen our balance sheet and support the growth trajectory in our core business. We also

safeguarded the operating business by extending our guarantee credit facility in April 2020 so that our financial structure remains on a solid foundation.

As a result of the high activity level, sales grew significantly to over EUR two billion. However, the various direct and indirect effects of the pandemic have severely impacted our business. Our operating result (EBITDA) dropped to EUR minus 70.8 million in the first half of 2020. Overall, we are still seeing the negative impact caused by the pandemic, even if some of our processes have settled down again and returned to normality. Hence, it is still not possible to provide a realistic and reliable assessment of the Company's further business performance for 2020.

The current challenges facing the wind industry should not obscure the fact that the trend towards renewable energy and thus global demand for our products is still fully intact. With order intake of more than 2.5 gigawatts, we achieved a strong result in the first half of the year,

even though we did not quite reach the previous year's record levels. The turbines in the new Delta4000 series are already our dominant product, making up 79% of new orders. We expect further strong demand for our products in the second half of the year.

At Nordex, we have adjusted to this situation as a team and are tackling its challenges with a great deal of motivation, commitment and determination. Thank you for placing your trust in our work.

Kind regards,
José Luis Blanco



Chief Executive Officer

Hamburg, August 2020

NORDEX SHARES

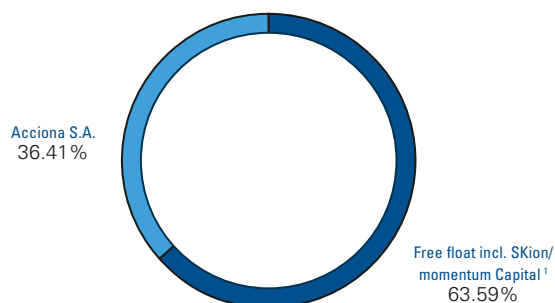
Nordex shares began 2020 trading sideways and reached their high for the first half of the year of EUR 12.80 on 28 January 2020. Mid-February saw a sharp increase in uncertainty on the capital markets in response to the rapid spread of coronavirus, which culminated in a global pandemic. Prices on the capital markets slumped across the board, with Nordex shares falling to a low of EUR 5.66 on 23 March. The stock subsequently rallied, reaching EUR 8.81 on 30 June. The Company's market capitalization stood at EUR 939.9 million.

The RENIXX Index, which includes the world's 30 largest renewable energy companies, including Nordex, posted gains of 23.4% in the first six months of 2020 to 830 points. Germany's TecDAX technology index, on which Nordex is also listed, plunged initially before recovering to close the first half of the year at 2,954 points, down around 2% on the opening level.

Following the capital increase in October 2019, the strategic anchor shareholder Acciona S.A. holds a 36.41% interest. This means that 63.59% of Nordex shares are in free float including the stake still held by the investor group SKion/momentum, which has now slipped below the 5% threshold as a result of the capital increase.

As of the end of the first half-year, a total of 14 analysts from renowned German and international institutions monitor Nordex shares and publish studies with recommendations, brief reports and commentaries on the Company at regular intervals. Eight of these analysts currently see the Nordex stock as a Buy, five recommend a Hold, and one bank is currently issuing a Sell recommendation.

Shareholder structure as of 30.06.2020



¹ Free float as defined by Deutsche Börse

Nordex shares key data

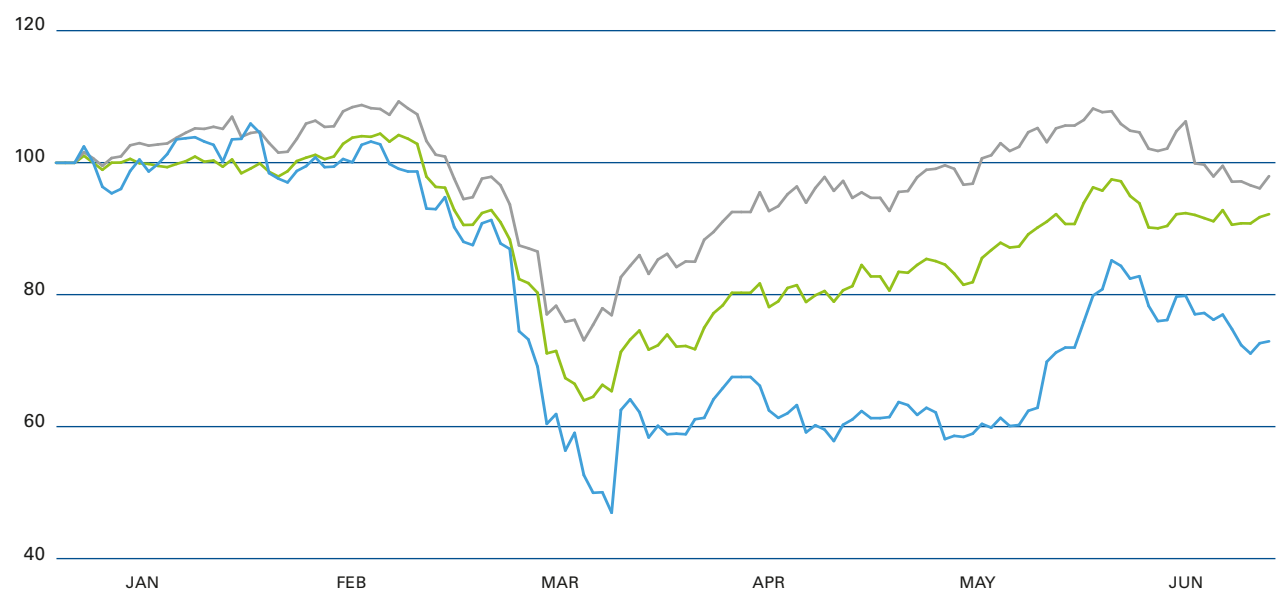
Class of shares	No-par-value ordinary bearer shares
Market segment	Prime Standard/Regulated Market
Trading venue	Frankfurt Stock Exchange
Indices	TecDAX, ÖkoDAX, HASPAX, RENIXX
ISIN	DE000A0D6554
WKN (German securities identification number)	A0D655
Ticker symbol	NDX1

Nordex shares key figures

	H1 2020
Total number of shares as at 30 June	106,680,691
Share capital as at 30 June	106,680,691.00 EUR
Opening price for the period	12.08 EUR
Closing price for the period	8.81 EUR
High	12.80 EUR
Low	5.66 EUR
Market capitalization as at 30 June	939.9 EUR million
Earnings per share	-1.69 EUR

Nordex share price performance, 2020 in % (indexed, 31.12.2019 = 100)

— Nordex — SDAX — TecDAX



GROUP INTERIM MANAGEMENT REPORT

FOR THE PERIOD ENDED 30 JUNE 2020

SECTOR ENVIRONMENT

The coronavirus pandemic and international government measures to contain its spread significantly affected the global wind industry in the first half of 2020. Production sites were temporarily closed, transport was subject to considerable delays and opportunities for individuals to travel were restricted in many areas. The complex global supply chains in the wind sector meant that even local and temporary hindrances in relevant regions had an international impact. In August 2020, numerous restrictions remain in place in many regions such as India and the Americas. In Europe, the situation is dominated by local pockets of infection.

Industry analysts from Bloomberg New Energy Finance (BNEF) expect this to primarily cause projects to be delayed but not abandoned – if the pandemic is limited to the year 2020. However, further outbreaks could have a greater impact. Given this uncertainty, BNEF presented the potential impact that three scenarios for the course of the pandemic could have on global wind turbine installations. In the “single wave” scenario, industry observers anticipate that onshore wind turbine installations will reach 60 gigawatts (GW) in 2020 and 68 GW in 2021 (2019 actual figure: 53 GW). Total new onshore installations of 357 GW are expected between 2020 and 2025. The “multiple waves” scenario predicts a volume of 54 GW for 2020 with a significant recovery to 70 GW in 2021. Over a five-year period, the volume of added capacity is only expected to be slightly lower compared to the “single wave” scenario at 352 GW. A sharper decline in installations to 333 GW between 2020 and 2025 is only likely in the third scenario of a lasting pandemic. In this case, decreasing electricity demand would become apparent as a consequence of a prolonged recession.

Programs aimed at economic recovery after the pandemic will have a material impact on the further expansion of renewable energy in this decade, with many such programs making green investments a core part of their financial support. According to BNEF, green stimulus programs totaling USD 139 billion had already been agreed by the end of July 2020. Most of these are in Europe and Asia, including South Korea, for example. The BNEF estimates that the yet-to-be-ratified EU program from the coronavirus recovery fund and multi-year EU budget will include additional funds totaling USD 644 billion for environmentally-friendly initiatives.

BUSINESS PERFORMANCE

The coronavirus pandemic and the measures taken to contain its spread had a very pronounced impact on the business performance of the Nordex Group in the second quarter of 2020. Across different regions, plants were temporarily closed and production capacity was reduced, there were delays in the supply chain as well as significant disruptions in logistics, and project sites were shut down temporarily. Nevertheless, it was possible overall to maintain the already high level in production and especially in installations achieved in the first quarter of 2020. In many cases, however, this was only achieved with substantial additional outlay, which put considerable pressure on the Group’s earnings.

Order intake in the first six months of 2020 was dominated by very buoyant new business in Europe and business from Latin America, but came just shy of the high level seen in the prior-year period, which had benefited from a large share of orders from the United States. The pandemic led to some delays, also in the contract award process. Customer demand is expected to remain high in the second half of 2020.

In April 2020, the Nordex Group successfully extended its EUR 1.21 billion guarantee credit facility. The guarantee facility provided by consortium of 21 banks and insurers allows the Nordex Group to secure its project business with customers with customary bank guarantees in the respective main currencies. This guaranteed credit facility is tied to ESG criteria and has been certified as sustainable.

SEGMENT PERFORMANCE

Segment performance key data

EUR million	Projects		Service		Group	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
Order intake	1,805.9	2,111.8	327.3	247.0	2,133.2	2,358.8
Order book	5,367.3	5,271.3	2,703.6	2,299.0	8,070.9	7,570.3
Sales	1,839.7	810.7	209.6	181.6	2,047.9 ¹	990.8 ¹
EBIT	-48.3	23.8	35.1	31.5	-146.4 ²	-50.2 ²

¹ After unallocated sales and intrasegment consolidation

² After unallocated income and expenses and intrasegment consolidation

In segment reporting, sales, income and expenses that cannot be clearly allocated to the "Projects" or "Service" segments are reported separately as "Not allocated." The complete segment reporting can be found in the notes to the financial statements starting on page 26.

per megawatt of output in euros was stable year-on-year at EUR 0.71 million/MW (H1 2019: EUR 0.70 million/MW). A significant majority of the orders placed were for various turbines in the current Delta4000 series with 79% versus 33% in the first half of 2019.

NEW ORDERS

In the Projects segment, the Nordex Group received confirmed orders valued at EUR 1,805.9 million in the first half of 2020 (H1 2019: EUR 2,111.8 million) and with a combined nominal output of 2,531.9 MW (H1 2019: 3,038.4 MW). Europe accounted for the lion's share of new orders, at 80%, while the remaining 20% originated from Latin America (measured in MW). The coronavirus pandemic also led to some delays in new orders in the second quarter of 2020. Orders in the first half of 2020 came from a total of 17 countries, with the largest volumes stemming from Norway, Spain, the United Kingdom, Chile, and Brazil. The average selling price (ASP)

The order book in the Projects segment stood at EUR 5,367.3 million at the end of the first half of 2020 (30 June 2019: EUR 5,271.3 million). Of this order book, 64% was attributable to Europe, 11% to North America, 17% to Latin America, and 8% to the Rest of the World.

The book-to-bill ratio (ratio of order intake to sales recognized in the Projects segment) for the first half of 2020 stood at 0.98 (H1 2019: 2.61).

The order intake in the Service segment rose to EUR 327.3 million in the first half of 2020 (H1 2019: EUR 247.0 million), while the order book in the Service segment stood at EUR 2,703.6 million at the end of the reporting period (30 June 2019: EUR 2,299.0 million). As of 30 June 2020, the Nordex Group serviced a total of

8,257 wind turbines with installed capacity of 21.3 GW for its customers (30 June 2019: 7,786 wind turbines with installed capacity of 19.5 GW).

PRODUCTION AND INSTALLATION

Production output

Production	Turbines (MW)		Rotor blades (units)	
	H1 2020	H1 2019	H1 2020	H1 2019
Germany	1,628.8	650.6	351	188
Spain	826.3	720.8	7	471
Brazil	145.5	84.0	n/a	n/a
India	312.5	262.7	142	n/a
Mexico	n/a	n/a	123	n/a
Argentina	34.7	16.5	n/a	n/a
Total	2,947.7	1,734.6	623	659

In spite of the numerous production constraints in the second quarter of 2020 attributable to the fallout from the COVID-19 pandemic, turbine assembly in the Nordex Group climbed steeply in the first half of 2020 compared with the prior-year period. Of the 787 nacelles produced (H1 2019: 517), 392 were manufactured in Germany, 247 in Spain, 42 in Brazil, 96 in India, and ten in Argentina. Production of rotor blades at the Group's own plants was down slightly on the previous year at 623 units (H1 2019: 659 rotor blades). Aside from the pandemic, the switch at the Spanish plant to production of rotor blades for the Delta4000 series had a marked impact here. This plant started manufacturing the new type of blades in the course of the second quarter. External suppliers produced a total of 1,215 rotor blades based on Nordex designs and specifications in the first half of 2020.

Installations

	Installed capacity (MW)	
	H1 2020	H1 2019
Europa	1,072.0	268.4
North America	719.3	310.5
Latin America	372.8	199.2
Rest of world	123.0	0.0
Total	2,287.1	778.1

Installations likewise came in at a high level in the first half of 2020 despite the adverse effects of the coronavirus pandemic in all reporting regions. Compared with the prior-year figure, installation volumes almost tripled to 2,287.1 MW (H1 2019: 778.1 MW) or 662 wind turbines in 21 countries (H1 2019: 242 wind turbines in 13 countries). A share of 47% of the order book originated in Europe, 31% in North America, 16% in Latin America and 5% in the 'Rest of the world' reporting region (in MW).

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Selected key data

	01.01.– 30.06.2020	01.01.– 30.06.2019	Change
Sales (in EUR million)	2,047.9	990.8	106.7 %
EBITDA margin (in %)	-3.5	1.7	-5.2 PP
EBIT margin ¹ (in %)	-6.5%	-3.8	-2.7 PP
Capital expenditure in EUR million	79.1	60.2	31.4 %
Financial result (in EUR million)	-40.0	-24.4	n/a
Consolidated profit/ loss (in EUR million)	-180.0	-55.4	n/a
Earnings per share ² (in EUR)	-1.69	-0.57	n/a
Working capital ratio (in %, as of 30 June)	-7.1	-4.7	-2.4 PP
Free cash flow (in EUR million)	-137.1	-161.3	n/a
Equity ratio (in %, as of 30 June)	13.8	17.4	-3.6 PP

¹ excluding impairment losses from purchase price allocation (PPA) for Acciona Windpower

² based on a weighted average of 106.681 million shares (previous year: 96.982 million shares)

The Nordex Group's consolidated sales surged by 106.7% year-on-year to EUR 2,047.9 million in the first half of 2020 (H1 2019: EUR 990.8 million), boosted by a sustained strong increase in installation volumes once again in the second quarter despite the disruption caused by the coronavirus pandemic. Sales in the Projects segment more than doubled to EUR 1,839.7 million (H1 2019: EUR 810.7 million). The Service segment, which is characterized by a steady stream of income, grew its sales by a substantial 15.4% to EUR 209.6 million (H1 2019: EUR 181.6 million). As a result, the Service segment's contribution to overall sales was 10.2% in the first half of 2020.

Unlike in the prior-year period, only minor changes in inventories were recorded, which means that gross revenue in the first half of 2020, at EUR 1,990.0 million, almost matched Group sales (H1 2019: EUR 1,603.6 million). Gross profit (gross revenue less cost of materials) narrowed by 5.0% in the reporting period to EUR 287.6 million, mainly on account of additional costs incurred as a consequence of the pandemic (H1 2019: EUR 302.8 million). Structural costs (staff costs and net other operating income/expenses) increased by 25.4% to EUR 358.4 million (H1 2019: EUR 285.7 million).

Owing to the additional expenses that arose in the second quarter, the Nordex Group's earnings before interest, taxes, depreciation and amortization (EBITDA) in the first half of 2020 decreased to EUR -70.8 million (H1 2019: EUR 17.1 million). Depreciation, amortization and impairment losses rose by 12.3% in the reporting period to EUR 75.6 million (H1 2019: EUR 67.3 million), of which EUR 13.0 million can be attributed to impairment losses arising from the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower (H1 2019: EUR 12.5 million).

This gives earnings before interest and taxes (EBIT) of EUR -146.4 million for the first half of 2020 (H1 2019: EUR -50.2 million). The EBIT margin was -7.2% (H1 2019: -5.1%) and -6.5% when adjusted for the PPA impairment losses (H1 2019: -3.8%). Excluding unallocated income and expenses, EBIT was EUR -48.3 million in the Projects segment (H1 2019: EUR 23.8 million) and EUR 35.1 million in the Service segment (H1 2019: EUR 31.5 million) during the period under review.

The financial result declined to EUR –40.0 million in the first six months of 2020 (H1 2019: EUR –24.4 million). High drawdowns of the guarantee facility again had a particular impact here. The income tax result for the reporting period was EUR 6.3 million (H1 2019: EUR 19.2 million), giving a consolidated loss of EUR 180.0 million (H1 2019: consolidated loss of EUR 55.4 million). Earnings per share (EPS) amounted to EUR –1.69 in the first half of 2020 (H1 2019: EUR –0.57).

As of 30 June 2020, the working capital ratio improved to –7.1% after –4.7% on the previous year's reporting date. This is largely thanks to efficient working capital management. During the first half of 2020, the Nordex Group generated an operating cash flow of EUR –68.0 million (H1 2019: EUR –100.6 million) and cash flow from investing activities of EUR –69.0 million (H1 2019: EUR –60.7 million). The free cash flow was EUR –137.1 million in the first six months of 2020 (H1 2019: EUR –161.3 million). Cash flow from financing activities in the reporting period stood at EUR –24.1 million (H1 2019: EUR –50.6 million) due to loan repayments.

As of 30 June 2020, the Nordex Group's cash and cash equivalents amounted to EUR 334.1 million (31 December 2019: EUR 510.0 million). Net debt (liabilities to banks and bonds less cash and cash equivalents) thus increased to EUR 241.4 million as of 30 June 2020 (31 December 2019: EUR 83.9 million).

Compared with 30 June 2019, total assets were virtually unchanged at EUR 4,023.5 million (31 December 2019: EUR 4,002.7 million). On the asset side, a decrease in cash and cash equivalents was offset by an increase in inventories and in trade receivables.

The consolidated net loss caused equity to decline by 25.6% to EUR 554.9 million compared to the end of 2019 (31 December 2019: EUR 745.4 million). As a result of lower equity, the equity ratio fell to 13.8% as of the 30 June 2020 reporting date (31 December 2019: 18.6%).

The Nordex Group continues to invest heavily in the Company's growth. This particularly entails expanding production and installation capacity and switching over to new types of turbines and rotor blades. Capital expenditure (CAPEX) rose by 31.4% year-on-year in the first half of 2020 to EUR 79.1 million (H1 2019: EUR 60.2 million). Investments in property, plant and equipment increased from EUR 47.1 million to EUR 67.3 million whereas additions to intangible fixed assets fell slightly from EUR 13.1 million to EUR 11.8 million.

EMPLOYEES

As of the 30 June 2020 reporting date, the Nordex Group had a total of 7,949 employees worldwide (30 June 2019: 6,385 employees). This job growth primarily focused on the production of nacelles and on project-based, temporary tower production sites. Project management and services also saw an increase in staffing levels.

OPPORTUNITIES AND RISKS

The Nordex Group has already referred to risks arising from the outbreak of the novel coronavirus (COVID-19) relating to the Company's supply chain and production in the risk report within the 2019 Annual Report. The development of the virus outbreak into a pandemic that reached every continent in the second quarter of 2020 had an adverse impact on operations with substantially negative financial consequences in the first half of 2020. In addition to the supply chain and production at the Group's own plants, this also affected logistics and installation activities and to a lesser extent the services business.

It is still not possible to make a quantitative assessment of the further effects of the pandemic on the key financial figures for the current financial year. The countermeasures introduced and managed at Group level are intended to reduce the impact on business performance as much as possible. As described in the following paragraph, the guidance for the 2020 financial year issued with a COVID-19 caveat was withdrawn on 5 May 2020.

In addition to those mentioned above, no opportunities or risks affecting the business performance of the Nordex Group in 2020 arose in the first six months of 2020 that deviate materially from the opportunities and risks presented in the 2019 Annual Report.

FORECAST

The guidance for financial year 2020 published in the 2019 annual report on 24 March 2020 was based on Nordex's expectation that it would be able to process its strong order book efficiently and without any material interruptions despite the measures taken at the time and any measures taken in the future to contain COVID-19. According to this guidance, consolidated sales of EUR 4.2 billion to EUR 4.8 billion and EBITDA within a range between EUR 160 million and EUR 240 million were expected for 2020. The working capital ratio was predicted to be in negative territory at the end of 2020. Investments of at least EUR 140 million were planned for 2020.

On 5 May 2020, the Management Board of Nordex SE withdrew the guidance for the 2020 financial year in an ad-hoc release on the grounds that the impact of the pandemic was adversely affecting the Nordex Group's earnings from the second quarter of 2020. However, it was not yet possible to quantify this effect. Due to ongoing uncertainty about the extent and duration of these adverse effects and the subsequent inability to reliably predict their possible further consequences for the supply chain, production and the completion of projects, the conditions for providing a realistic and reliable estimate of the Nordex Group's future business performance still do not exist at present. It is not yet possible to determine when this will once again be the case.

EVENTS AFTER THE END OF THE REPORTING PERIOD

At the end of July 2020, the Nordex Group published an ad-hoc release announcing that it intended to sell its European project development pipeline to the German energy supplier RWE for a gross price of around EUR 402.5 million via a put option. The sale is still subject to the usual transaction reservations. Following the expected closing of the transaction in the fourth quarter of 2020, the expected proceeds will strengthen Nordex's balance sheet and serve to implement general corporate financing projects.

In August 2020, the Nordex Group received a revolving syndicated loan for EUR 350 million under the German federal government's loan guarantee program with the participation of the states of Mecklenburg-West Pomerania and Hamburg. The credit line protects the company against the impact of the coronavirus pandemic on its operations and remaining uncertainties caused by the pandemic. The revolving syndicated loan runs until 30 April 2022 and was provided by an international banking syndicate.

In connection with the extension of its financing structure via the revolving credit facility, the Nordex Group has already reached a binding agreement to refinance the promissory note of EUR 215 million due in April 2021 by means of a shareholder loan.

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

The present half-yearly report for the period ended 30 June 2020 (Group interim management report and condensed interim consolidated financial statements) were neither audited nor reviewed by an auditor.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2020

Assets

EUR thousand	Note	30.06.2020	31.12.2019
Cash and cash equivalents	(1)	334,058	509,998
Trade receivables and contract assets from projects	(2)	448,195	345,617
Inventories	(3)	1,529,884	1,398,421
Income tax receivables		14,400	15,818
Other current financial assets	(4)	31,692	26,572
Other current non-financial assets	(5)	207,806	217,376
Current assets		2,566,035	2,513,802
Property, plant and equipment	(6)	447,814	440,090
Goodwill	(7)	547,758	547,758
Capitalized development expenses	(8)	177,346	188,490
Licenses and similar rights, and prepayments made	(9)	21,581	27,324
Financial assets		6,229	5,107
Investments in associates		579	81
Other non-current financial assets	(10)	16,024	15,675
Other non-current non-financial assets	(11)	22,933	28,116
Deferred tax assets	(12)	217,206	236,304
Non-current assets		1,457,470	1,488,945
Assets		4,023,505	4,002,747

Equity and liabilities

EUR thousand	Note	30.06.2020	31.12.2019
Current liabilities to banks	(13)	238,151	36,493
Trade payables	(14)	1,073,583	968,455
Income tax payables		24,370	6,180
Other current provisions	(15)	88,319	89,691
Other current financial liabilities	(16)	48,814	38,513
Other current non-financial liabilities	(17)	1,355,279	1,203,834
Current liabilities		2,828,516	2,343,166
Non-current liabilities to banks	(13)	59,875	280,871
Pensions and similar obligations		2,371	2,374
Other non-current provisions	(15)	25,375	26,305
Other non-current financial liabilities	(18)	359,037	358,132
Other non-current non-financial liabilities	(19)	129,390	136,555
Deferred tax liabilities	(12)	64,077	109,957
Non-current liabilities		640,125	914,194
Subscribed capital		106,681	106,681
Capital reserves		606,820	606,820
Other retained earnings		-11,062	-11,062
Cash flow hedge reserve		-637	2,331
Reserve for cash flow hedge costs		24	-1,087
Foreign currency adjustment item		-24,245	-15,604
Consolidated net profit carried forward		57,308	57,308
Consolidated net profit/loss		-180,025	0
Share in equity attributable to parent company's shareholders		554,864	745,387
Equity	(20)	554,864	745,387
Equity and liabilities		4,023,505	4,002,747

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020

EUR thousand	Note	01.01.2020– 30.06.2020	01.01.2019– 30.06.2019	01.04.2020– 30.06.2020	01.04.2019– 30.06.2019
Sales	(22)	2,047,871	990,776	1,083,271	591,878
Changes in inventories and other own work capitalized	(23)	-57,917	612,819	-114,807	428,158
Gross revenue		1,989,954	1,603,595	968,464	1,020,036
Other operating income	(24)	11,954	4,544	8,942	2,301
Cost of materials	(25)	-1,702,327	-1,300,765	-837,147	-859,659
Staff costs	(26)	-203,171	-172,927	-113,465	-87,894
Depreciation/amortization	(27)	-75,578	-67,322	-38,757	-33,682
Other operating expenses	(24)	-167,197	-117,343	-110,666	-60,933
Earnings before interest and taxes		-146,365	-50,218	-122,629	-19,831
Profit/loss from equity-accounting method		498	2,741	-39	2,478
Impairment of financial assets		-78	-69	-39	-35
Other interest and similar income		2,381	3,274	1,199	1,246
Interest and similar expenses		-42,805	-30,325	-23,286	-14,706
Financial result	(28)	-40,004	-24,379	-22,165	-11,017
Net profit/loss from ordinary activities		-186,369	-74,597	-144,794	-30,848
Income tax	(29)	6,344	19,176	2,763	10,426
Consolidated net loss		-180,025	-55,421	-142,031	-20,422
Of which attributable to					
shareholders of the parent		-180,025	-55,421	-142,031	-20,422
Earnings per share (in EUR)	(30)				
Basic ¹		-1.69	-0.57	-1.33	-0.21
Diluted ²		-1.69	-0.57	-1.33	-0.21

¹ Based on a weighted average of 106,681 million shares (previous year: 96,982 million shares)

² Based on a weighted average of 106,681 million shares (previous year: 96,982 million shares)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020

EUR thousand	01.01.2020– 30.06.2020	01.01.2019– 30.06.2019	01.04.2020– 30.06.2020	01.04.2019– 30.06.2019
Consolidated net loss	-180,025	-55,421	-142,031	-20,422
Other comprehensive income				
Items that may be reclassified to profit or loss				
Foreign currency translation difference	-8,641	5,356	-9,744	2,383
Cash flow hedges	-4,365	2,083	-1,150	4,919
Deferred taxes	1,397	-667	368	-1,184
Cash flow hedge costs	1,635	0	87	0
Deferred taxes	-524	0	-28	0
Consolidated comprehensive income	-190,523	-48,649	-152,498	-14,305
Of which attributable to				
shareholders of the parent	-190,523	-48,649	-152,498	-14,305

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020

EUR thousand	01.01.2020– 30.06.2020	01.01.2019– 30.06.2019
Operating activities		
Consolidated net loss	–180,025	–55,421
+ Depreciation/amortization of non-current assets	75,656	67,391
= Consolidated net loss/profit plus depreciation/amortization	–104,369	11,970
– Increase in inventories	–131,463	–621,998
– Increase in trade receivables and contract assets from projects	–102,578	–116,440
+ Increase in trade payables	105,128	267,801
+ Increase in prepayments received	135,109	493,748
= Payments received from changes in working capital	6,196	23,111
+/- Decrease/increase in other assets not attributed to investing or financing activities	45,459	–66,468
-/+ Decrease/increase in pensions and similar obligations	–3	30
– Decrease in other provisions	–2,302	–36,096
-/+ Decrease/increase in other liabilities not attributed to investing or financing activities	–14,959	1,989
– Gain from the disposal of non-current assets	–2,235	–807
– Other interest and similar income	–2,381	–3,274
+ Interest received	739	2,703
+ Interest and similar expenses	42,805	30,325
– Interest paid	–44,581	–31,034
– Income tax	–6,344	–19,176
– Taxes paid	–388	–13,041
+/- Other non-cash expenses/income	14,320	–868
= Payments received from/made for other operating activities	30,130	–135,717
= Cash flow from operating activities	–68,043	–100,636

EUR thousand	01.01.2020– 30.06.2020	01.01.2019– 30.06.2019
Investing activities		
+ Payments received from the disposal of property, plant and equipment/intangible assets	11,832	4,418
– Payments made for investments in property, plant and equipment/intangible assets	–79,091	–60,218
+ Payments received from the disposal of long-term financial assets	64	842
– Payments made for investments in long-term financial assets	–1,815	–5,703
= Cash flow from investing activities	–69,010	–60,661
Financing activities		
+ Bank loans received	3,470	7,563
– Bank loans repaid	–17,839	–49,750
– Lease liabilities repaid	–9,700	–8,441
= Cash flow from financing activities	–24,069	–50,628
Net change in cash and cash equivalents	–161,122	–211,925
+ Cash and cash equivalents at the beginning of the period	509,998	609,805
– Exchange rate-induced change in cash and cash equivalents	–14,818	–1,876
= Cash and cash equivalents at the end of the period (Cash and cash equivalents as shown in the consolidated statement of financial position)	334,058	396,004

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2020	106,681	606,820	-11,062
Consolidated comprehensive income	0	0	0
Consolidated net loss	0	0	0
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation difference	0	0	0
Cash flow hedges	0	0	0
Deferred taxes	0	0	0
Cash flow hedge costs	0	0	0
Deferred taxes	0	0	0
30.06.2020	106,681	606,820	-11,062

	Cash flow hedge reserve	Reserve for cash flow hedge costs	Foreign currency adjustment item	Consolidated net profit carried forward	Consolidated net profit/loss	Share in equity attributable to shareholders of the parent	Total
	2,331	-1,087	-15,604	57,308	0	745,387	745,387
	-2,968	1,111	-8,641	0	-180,025	-190,523	-190,523
	0	0	0	0	-180,025	-180,025	-180,025
	0	0	-8,641	0	0	-8,641	-8,641
	-4,365	0	0	0	0	-4,365	-4,365
	1,397	0	0	0	0	1,397	1,397
	0	1,635	0	0	0	1,635	1,635
	0	-524	0	0	0	-524	-524
	-637	24	-24,245	57,308	-180,025	554,864	554,864

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2019			
Consolidated comprehensive income	96,982	597,626	24,193
Consolidated net loss	0	0	0
Other comprehensive income	0	0	0
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
30.06.2019	96,982	597,626	24,193

	Cash flow hedge reserve	Foreign currency adjustment item	Consolidated net profit carried forward	Consolidated profit/loss	Share in equity attributable to shareholders of the parent	Total
	-1,776	-17,182	-2,553	0	697,290	697,290
	1,416	5,356	0	-55,421	-48,649	-48,649
	0	0	0	-55,421	-55,421	-55,421
	0	5,356	0	0	5,356	5,356
	2,083	0	0	0	2,083	2,083
	-667	0	0	0	-667	-667
	-360	-11,826	-2,553	-55,421	648,641	648,641

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD FROM 1 JANUARY TO 30 JUNE 2020

ACCOUNTING POLICIES

BASIS OF PREPARATION

These unaudited and unreviewed condensed interim consolidated financial statements of Nordex SE and its subsidiaries for the first six months of 2020 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in the European Union. All IFRSs and interpretations applicable as of 30 June 2020 have been observed, in particular IAS 34 Interim Financial Reporting.

These interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the 2019 financial year. The accounting

policies contained in the consolidated financial statements as of 31 December 2019 also apply to the interim consolidated financial statements as of 30 June 2020, unless explicit reference is made to changes. For more information on the applied accounting policies, see the consolidated notes for the financial year from 1 January to 31 December 2019. The consolidated financial statements for the financial year from 1 January to 31 December 2019 are available on the Internet at www.nordex-online.com under Investor Relations.

The business results for the first six months of 2020 are not necessarily indicative of the results expected for the year as a whole. Expenses incurred irregularly during the financial year have only been recognized or accrued in the interim consolidated financial statements to the extent that such recognition or accrual would also be appropriate at the end of the financial year.

FOREIGN CURRENCY TRANSLATION

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

Exchange rates EUR 1.00 equals	Average exchange rates for the interim period		Closing rates as of 30.06./31.12.	
	01.01. – 30.06.2020	01.01. – 30.06.2019	30.06.2020	31.12.2019
ARS	78.2154	46.7524	78.7861	67.2748
AUD	1.6314	1.5976	1.6344	1.5995
BRL	5.8279	4.3477	6.1118	4.5157
CLP	894.5344	766.3716	918.6955	844.8800
GBP	0.8988	0.8719	0.9124	0.8508
HRK	7.5672	7.4216	7.5708	7.4395
INR	85.2791	79.0467	84.6238	80.1873
MXN	25.1030	21.8399	25.9470	21.2202
PLN	4.4457	4.2886	4.4560	4.2568
SEK	10.4878	10.4843	10.4948	10.4468
TRY	7.6852	6.3043	7.6764	6.6845
USD	1.1261	1.1316	1.1198	1.1234
ZAR	19.2641	16.0419	19.4439	15.7778

FINANCIAL RISK MANAGEMENT

DEBT INSTRUMENTS

Promissory note

On 6 April 2016, Nordex SE placed a promissory note with a volume of EUR 550,000 thousand for which Nordex Energy GmbH is jointly and severally liable with national and international investors. The promissory note currently is comprised of tranches with original terms of five, seven and ten years, each subject to fixed or variable interest. Depending on the tranche, the interest rate is between 1.8% and 3.0%. Utilization as at 30 June 2020 under the loan agreement including accrued interest amounted to EUR 241,620 thousand (31 December 2019: EUR 242,297 thousand).

Research and development loan

In addition, Nordex has been granted a long-term research and development facility of up to EUR 100,000 thousand by the European Investment Bank. Nordex intends to use this loan to finance the development of increasingly more efficient technical solutions to additionally extend its competitive lead. The loan has a term of eight years from the date on which it is drawn and is repaid in installments. The borrower is Nordex Energy GmbH, with the main Nordex Group companies holding joint and several liability. Utilization as at 30 June 2020 under the loan agreement including accrued interest amounted to EUR 47,189 thousand (31 December 2019: EUR 53,511 thousand).

Syndicated multi-currency guarantee facility

Nordex SE also has a syndicated multi-currency guarantee facility with a volume of EUR 1,210,000 thousand that runs until 9 April 2023 and in which the main Nordex Group companies hold joint and several liability. This facility may be extended twice for one more year in each case. As at 30 June 2020, EUR 1,076,384 thousand (31 December 2019: EUR 989,654 thousand) of the multi-currency guarantee facility had been drawn down in the form of guarantees. Ancillary credit facilities have also been set up under the multi-currency guarantee facility for Nordex India Private Limited. As of 30 June 2020, the cash drawdowns plus accrued interest on these facilities amounted to EUR 9,217 thousand (31 December 2019: EUR 21,556 thousand).

Bond

On 2 February 2018, the Nordex Group successfully placed a bond in the amount of EUR 275,000 thousand with a coupon of 6.50%. This bond was admitted to trading on the International Stock Exchange. The issuer of the unsecured, five-year bond is Nordex SE, with the main Nordex Group companies holding joint and several liability. As at 30 June 2020, the liability recognized including accrued interest and costs amounted to EUR 277,384 thousand (31 December 2019: EUR 276,582 thousand).

All financings are equal in rank and unsecured.

Under the revolving syndicated loan facility in the amount of EUR 350,000 thousand, the covenant concept of the existing financing was successfully adjusted to the current business development.

More detailed information on the syndicated loan is provided in the section on events after the reporting date.

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 554,864 thousand as at 30 June 2020 (31 December 2019: EUR 745,387 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 prepayments received:

EUR thousand	30.06.2020	31.12.2019
Trade receivables	119,379	128,070
Contract assets from projects	328,816	217,547
Inventories	1,529,884	1,398,421
Trade payables	-1,073,583	-968,455
Prepayments received	-1,210,802	-1,075,694
	-306,306	-300,111
Sales ¹	4,341,669	3,284,573
Working capital ratio	-7.1 %	-9.1 %

¹ 30 June 2020: sales for the last twelve months,
31 December 2019: actual sales

GROUP SEGMENT REPORTING

In line with business activities, the reportable segments are the Projects and Service segments. Segment reporting follows the internal reports submitted to the chief operating decision maker, the Management Board of Nordex SE, on the basis of the accounting principles applied to the consolidated financial statements.

EUR thousand	Projects		Service	
	H1 2020	H1 2019	H1 2020	H1 2019
Sales	1,839,665	810,657	209,586	181,645
Changes in inventories and other own work capitalized	-59,442	615,357	-1,862	-281
Cost of materials	-1,600,186	-1,213,461	-92,137	-78,975
Other income and expenses	-228,296	-188,735	-80,508	-70,874
Earnings before interest and taxes	-48,260	23,818	35,080	31,515
Other interest and similar income	0	0	0	0
Interest and similar expenses	0	0	0	0
Other financial result	0	0	0	0

¹ As in the previous year, intrasegment sales are exclusively attributable to the Service segment, whereas intrasegment cost of materials of EUR 1,558 thousand (H1 2019: EUR 824 thousand) is attributable to the Projects segment and EUR 312 thousand (H1 2019: EUR 949 thousand) to the Not-allocated segment.

Not allocated		Consolidation ¹		Total	
H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
1,039	247	-2,419	-1,773	2,047,871	990,776
3,387	-2,257	0	0	-57,917	612,819
-12,423	-10,102	2,419	1,773	-1,702,327	-1,300,765
-125,188	-93,439	0	0	-433,992	-353,048
-133,185	-105,551	0	0	-146,365	-50,218
2,381	3,274	0	0	2,381	3,274
-42,805	-30,325	0	0	-42,805	-30,325
420	2,672	0	0	420	2,672

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

EUR thousand	Non-current assets ¹		Sales	
	30.06.2020	31.12.2019	01.01.–30.06.2020	01.01.–30.06.2019
Europe	551,905	556,199	1,011,356	448,989
Latin America	29,084	31,296	352,446	288,524
North America	18,546	14,240	499,200	231,996
Rest of world	47,206	54,169	184,869	21,267
	646,741	655,904	2,047,871	990,776

¹ Non-current assets include property, plant and equipment, capitalized development expenses and licenses and similar rights, and prepayments made.

Further information can be found in the Group management report.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(1) CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 334,058 thousand (2019: EUR 509,998 thousand), EUR 8,815 thousand (31 December 2019: EUR 8,831 thousand) of which pertains to fixed-term deposits with an original term of more than three months.

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 would equal the fair value as in the previous year.

(2) TRADE RECEIVABLES AND CONTRACT ASSETS FROM PROJECTS

Trade receivables and contract assets from projects are comprised as follows:

EUR thousand	30.06.2020	31.12.2019
Trade receivables (gross]	135,996	144,125
Less impairment	-16,617	-16,055
Trade receivables (net]	119,379	128,070
Contract assets from projects (gross)	3,702,189	2,568,724
Less prepayments received	-3,373,372	-2,351,177
Contract assets from projects (net)	328,816	217,547
	448,195	345,617

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

Retentions by customers in connection with contract assets from projects are usually associated with punch lists not yet completed and largely refer to final payments outstanding for more than 30 days. Such retentions amount to EUR 24,096 thousand (31 December 2019: EUR 26,756 thousand).

Pursuant to IFRS 7 and IFRS 9, trade receivables are classified as financial assets measured at amortized cost whereas contract assets from projects are not subject to the provisions of IFRS 7 and IFRS 9. Amortized cost would equal the fair value, as in the previous year.

(3) INVENTORIES

Inventories break down as follows:

EUR thousand	30.06.2020	31.12.2019
Raw materials and supplies	496,324	299,256
Work in progress	944,539	1,013,754
Prepayments made	89,021	85,411
	1,529,884	1,398,421

Raw materials and supplies primarily comprise production and service material.

(4) OTHER CURRENT FINANCIAL ASSETS

Other current financial assets mainly comprise creditors with debit accounts of EUR 4,234 thousand (31 December 2019: EUR 6,239 thousand), insurance claims and claims for damages of EUR 3,644 thousand (31 December 2019: EUR 3,644 thousand) and forward exchange transactions of EUR 2,803 thousand (31 December 2019: EUR 7,255 thousand).

Pursuant to IFRS 7 and IFRS 9, the receivables 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 28,889 thousand (31 December 2019: EUR 19,317 thousand) would equal the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial assets in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 1,643 thousand (31 December 2019: EUR 6,145 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 1,160 thousand (31 December 2019: EUR 1,110 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.

(5) OTHER CURRENT NON-FINANCIAL ASSETS

Other current non-financial assets mainly comprise current tax assets of EUR 167,593 thousand (31 December 2019: EUR 185,497 thousand), contract assets from services of EUR 15,945 thousand (31 December 2019: EUR 13,692 thousand) and prepaid expenses of EUR 15,099 thousand (31 December 2019: EUR 12,964 thousand).

The current tax assets mainly concern current input tax assets.

The contract assets from services concern maintenance contracts where the degree of completion exceeds the billed amount.

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

(6) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

EUR thousand	30.06.2020	31.12.2019
Land and buildings	179,215	181,704
Technical equipment and machinery	167,934	160,122
Other fixtures and fittings, tools and equipment	61,755	54,004
Assets under construction and prepayments made	38,910	44,260
	447,814	440,090

Land and buildings, and other fixtures and fittings, tools and equipment include lease assets in accordance with IFRS 16.

Additions and carrying amounts as of 30 June 2020 are as follows:

EUR thousand	30.06.2020	
	Additions	Carrying amount
Land and buildings – lease assets	8,106	91,362
Other fixtures and fittings, tools and equipment – lease assets	2,280	10,112
	10,386	101,474

The capitalized right-of-use assets from leases relate mainly to the new Nordex Group administrative building sold in July 2018 under a sale-and-leaseback agreement without affecting profit or loss, as well as other production and administrative buildings, warehouses, company vehicles and production equipment (e.g. lifting platforms).

Cash outflows for leases in the current financial year amounted to EUR 11,595 thousand as at 30 June 2020 (1 January to 30 June 2019: EUR 9,473 thousand).

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

(7) GOODWILL

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

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.

(8) CAPITALIZED DEVELOPMENT EXPENSES

As at the reporting date, development expenses of EUR 177,346 thousand (31 December 2019: EUR 188,490 thousand) were capitalized. In the first six months, development expenses of EUR 11,482 thousand (31 December 2019: EUR 27,834 thousand) were capitalized. Additions comprise in particular the enhancement of the Generation Delta wind turbine type N149, the enhancement of the AW3000 platform and developments within the context of the "Internet of Things". Additional development expenses of EUR 11,234 thousand also arising in the first six months of 2019 (31 December 2019: EUR 21,675 thousand) did not meet the criteria for capitalization and were therefore recognized in profit or loss. The capitalization ratio therefore amounts to 50.55% (31 December 2019: 56.22%).

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.

**(9) LICENSES AND SIMILAR RIGHTS,
AND PREPAYMENTS MADE**

Other intangible assets and prepayments made amount to EUR 21,581 thousand as at the reporting date (31 December 2019: EUR 27,324 thousand).

For a detailed overview of other intangible assets and 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.

**(10) OTHER NON-CURRENT
FINANCIAL ASSETS**

Other non-current financial assets mainly comprise receivables from non-consolidated affiliated companies, associates and other long-term equity investments in the amount of EUR 15,294 thousand (31 December 2019: EUR 14,743 thousand).

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

Pursuant to IFRS 7 and IFRS 9, the receivables 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 16,024 thousand (31 December 2019: EUR 15,374 thousand) would equal the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other non-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 0 thousand (31 December 2019: EUR 301 thousand).

**(11) OTHER NON-CURRENT
NON-FINANCIAL ASSETS**

Other non-current non-financial assets primarily comprise prepaid expenses of EUR 11,599 thousand (31 December 2019: EUR 13,138 thousand) and contract assets from services of EUR 11,335 thousand (31 December 2019: EUR 14,719 thousand).

Prepaid expenses chiefly comprise costs pertaining to other periods for license fees.

The contract assets from services concern maintenance contracts where the degree of completion exceeds the billed amount.

**(12) DEFERRED TAX ASSETS
AND TAX LIABILITIES**

As of 30 June 2020, a rounded tax rate of 32.00% (31 December 2019: 32.00%) was applied for the purpose of calculating domestic deferred taxes.

The changes in deferred tax break down as follows:

EUR thousand	2020	2019
Amount on 1.1.	126,347	94,402
Recognized through profit or loss	32,950	33,909
Recognized in other comprehensive income	873	-1,377
Currency translation	-7,041	-587
Amount on 30.06./31.12.	153,129	126,347

(13) LIABILITIES TO BANKS

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

Pursuant to IFRS 7 and IFRS 9, liabilities to banks are classified as financial liabilities measured at amortized cost. The fair value would amount to EUR 299,611 thousand (31 December 2019: EUR 319,615 thousand), of which EUR 239,264 thousand (31 December 2019: EUR 39,166 thousand) would be classified as current.

(14) TRADE PAYABLES

Trade payables amount to EUR 1,073,583 thousand (31 December: EUR 968,455 thousand).

Pursuant to IFRS 7 and IFRS 9, trade payables are classified as financial liabilities measured at amortized cost. Given the short residual terms to maturity, amortized cost would equal the fair value as in the previous year.

(15) OTHER PROVISIONS

Movements in other provisions break down as follows:

EUR thousand	01.01.2020	Utilization	Reversals	Additions	30.06.2020
Individual guarantees	56,743	-3,927	-1,231	6,603	58,188
Warranties, service, maintenance	30,196	-3,600	-1,795	3,770	28,571
Others	29,057	-2,304	-75	257	26,935
	115,996	-9,831	-3,101	10,630	113,694

The provisions for individual guarantees predominantly cover risks arising from possible claims for damages.

The warranty provisions are utilized in accordance with statutory or contractual periods.

Other provisions chiefly concern project risks and legal uncertainties.

(16) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly comprise leases of EUR 17,292 thousand (31 December 2019: EUR 17,941 thousand), the bond of EUR 7,299 thousand (31 December 2019: EUR 7,448 thousand) and forward exchange transactions of EUR 2,741 thousand (31 December 2019: EUR 3,479 thousand).

The amount of lease liabilities corresponds to the present value of future lease payments in accordance with IFRS 16.

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

Pursuant to IFRS 7 and IFRS 9, the liabilities reported under other current financial liabilities are classified as financial liabilities measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 46,073 thousand (31 December 2019: EUR 35,034 thousand) would equal the fair value as in the previous year. Also included are current lease liabilities that are not allocated to any measurement category.

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 2,084 thousand (31 December 2019: EUR 2,990 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 657 thousand (31 December 2019: EUR 489 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.

(17) OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities mainly comprise prepayments received of EUR 1,210,802 thousand (31 December 2019: EUR 1,075,694 thousand), accrued liabilities of EUR 55,335 thousand (31 December 2019: EUR 60,732 thousand), other tax liabilities of EUR 42,677 thousand (31 December 2019: EUR 33,504 thousand) and contract liabilities from services of EUR 31,703 thousand (31 December 2019: EUR 25,176 thousand).

Accrued liabilities mainly comprise staff costs.

The other tax liabilities mainly relate to value-added tax.

The contract liabilities from services concern maintenance contracts where the degree of completion is lower than the billed amount.

**(18) OTHER NON-CURRENT
FINANCIAL LIABILITIES**

Other non-current financial liabilities mainly comprise the bond in the amount of EUR 270,085 thousand (31 December 2019: EUR 269,134 thousand) and leases of EUR 85,617 thousand (31 December 2019: EUR 86,107 thousand).

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

The amount of lease liabilities corresponds to the present value of future lease payments in accordance with IFRS 16.

Pursuant to IFRS 7 and IFRS 9, the liabilities reported under other non-current financial liabilities are classified as financial liabilities measured at amortized cost. Based on the bond's share price of 101.00% as at the reporting date, the fair value would be EUR 361,508 thousand (31 December 2019: EUR 368,940 thousand). Also included are non-current lease liabilities that are not allocated to any measurement category.

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 282 thousand (31 December 2019: EUR 0 thousand).

**(19) OTHER NON-CURRENT
NON-FINANCIAL LIABILITIES**

Other non-current non-financial liabilities mainly comprise contract liabilities from services of EUR 126,191 thousand (31 December 2019: EUR 132,131 thousand).

The contract liabilities from services concern maintenance contracts where the degree of completion is lower than the billed amount.

(20) EQUITY

Equity breaks down as follows:

EUR thousand	30.06.2020	30.06.2019
Subscribed capital	106,681	106,681
Capital reserves	606,820	606,820
Other retained earnings	-11,062	-11,062
Cash flow hedge reserve	-637	2,331
Reserve for cash flow hedge costs	24	-1,087
Foreign currency adjustment item	-24,245	-15,604
Consolidated net profit/loss carried forward	57,308	57,308
Consolidated net profit/loss	-180,025	0
Share in equity attributable to parent company's shareholders	554,864	745,387
	554,864	745,387

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

**(21) 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:

2020 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)		1,643		1,643
Other forward exchange transactions		1,160		1,160
Financial liabilities				
Liabilities to banks		299,611		299,611
Bond	280,137			280,137
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)		2,366		2,366
Other forward exchange transactions		657		657
2019 EUR thousand				
	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)		6,446		6,446
Other forward exchange transactions		1,110		1,110
Financial liabilities				
Liabilities to banks		319,615		319,615
Bond	287,389			287,389
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)		2,990		2,990
Other forward exchange transactions		489		489

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

Liabilities to banks as part of financial liabilities are allocated to Level 2. The same applies to forward exchange transactions.

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

NOTES TO THE INCOME STATEMENT

(22) SALES

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

EUR thousand	01.01.– 30.06.2020	01.01.– 30.06.2019
Projects	1,839,665	810,657
Service	209,586	181,645
Not allocated	1,039	247
Intrasegment consolidation	-2,419	-1,773
	2,047,871	990,776

(23) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Own work capitalized is measured at EUR 11,298 thousand (1 January to 30 June 2019: EUR 14,053 thousand) and, as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

Changes in inventories stand at EUR -69,215 thousand (1 January to 30 June 2019: EUR 598,766 thousand).

(24) OTHER OPERATING INCOME / OTHER OPERATING EXPENSES

Other operating income/expenses mainly comprise other staff costs of EUR -52,989 thousand (1 January to 30 June 2019: EUR -28,829 thousand), legal and consulting costs of EUR -19,471 thousand (1 January to 30 June 2019: EUR -10,353 thousand), maintenance of EUR -15,578 thousand (1 January to 30 June 2019: EUR -13,769 thousand), travel expenses of EUR -14,420 thousand (1 January to 30 June 2019: EUR -13,708 thousand), leases of EUR -6,881 thousand (1 January to 30 June 2019: EUR -4,943 thousand) and currency translation losses / forward exchange transactions of EUR -6,719 thousand (1 January to 30 June 2019: EUR -12,563 thousand).

(25) COST OF MATERIALS

The cost of materials breaks down as follows:

EUR thousand	01.01.– 30.06.2020	01.01.– 30.06.2019
Cost of raw materials and other supplies	1,163,248	1,025,434
Cost of services purchased	539,079	275,331
	1,702,327	1,300,765

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

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

(26) STAFF COSTS

Staff costs break down as follows:

EUR thousand	01.01.– 30.06.2020	01.01.– 30.06.2019
Wages and salaries	167,086	141,973
Social security and expenditure on retirement benefits and support	36,085	30,954
	203,171	172,927

The Group headcount was as follows:

	01.01.– 30.06.2020	01.01.– 30.06.2019	Change
Reporting date			
Office staff	3,505	2,894	611
Technical staff	4,444	3,491	953
	7,949	6,385	1,564
Average			
Office staff	3,356	2,831	525
Technical staff	4,183	3,240	943
	7,539	6,071	1,468

The increase in the number of employees is mainly due to the continued expansion of production facilities in Mexico and Brazil, and the expansion of the services business.

(27) DEPRECIATION / AMORTIZATION

Depreciation and amortization breaks down as follows:

EUR thousand	01.01.– 30.06.2020	01.01.– 30.06.2019
Depreciation of property, plant and equipment	47,458	37,908
Amortization of capitalized development expenses	22,432	24,439
Amortization of other intangible assets	5,688	4,975
	75,578	67,322

Depreciation includes EUR 10,592 thousand for depreciation of lease assets in accordance with IFRS 16 (1 January to 30 June 2019: EUR 7,935 thousand); of this amount EUR 7,336 thousand (1 January to 30 June 2019: EUR 5,436 thousand) concern land and buildings and EUR 3,246 thousand (1 January to 30 June 2019: EUR 2,499 thousand) other fixtures and fittings, tools and equipment.

(28) FINANCIAL RESULT

The financial result breaks down as follows:

EUR thousand	01.01.– 30.06.2020	01.01.– 30.06.2019
Profit/loss from equity-accounting method	498	2,741
Impairment of financial assets	-78	-69
Net profit/loss from investments	420	2,672
Other interest and similar income	2,381	3,274
Interest and similar expenses	-42,805	-30,325
Interest result	-40,424	-27,051
	-40,004	-24,379

Net gains / losses from valuation using the equity method reflect the share of profit of associates.

The impairment of financial assets item concerns the impairment of long-term receivables from project companies.

Interest income and expense arises primarily from deposits with banks, and from guarantee commissions, the bond, factoring and the promissory note. Of the interest expense, EUR 1,895 thousand (1 January to 30 June 2019: EUR 1,032 thousand) is attributable to leases in accordance with IFRS 16.

(29) INCOME TAX

As at 30 June 2020, a tax rate of 31.82% (1 January to 30 June 2019: 31.82%) was applied for the purpose of calculating domestic current taxes. The above tax rate was calculated using a rate of 15.83% (1 January to 30 June 2019: 15.83%) including the solidarity surcharge for corporate tax and 15.99% (1 January to 30 June 2019: 15.99%) for trade tax.

EUR thousand	01.01.– 30.06.2020	01.01.– 30.06.2019
Current income tax	-26,606	-18,927
Deferred taxes	32,950	38,103
Total income tax	6,344	19,176

(30) EARNINGS PER SHARE**Basic**

EUR thousand	01.01.– 30.06.2020	01.01.– 30.06.2019
Consolidated net loss for the year	-180,025	-55,421
of which shareholders of the parent company	-180,025	-55,421
Weighted average number of shares	106,680,691	96,982,447
Basic earnings per share	-1.69	-0.57

Diluted

Diluted earnings per share also stand at EUR -1.69 (1 January to 30 June 2019: EUR -0.57).

OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

There are no future cash outflows from leases which the Nordex Group has entered into but which have not yet begun.

Moreover, principally in the real estate segment there are lease contracts with extension and termination options. However, these are not considered to be reasonably certain and therefore have not been recognized. However, utilization of these extension and termination options is reviewed annually and they will be recognized in the statement of financial position in case of a change of view.

The Nordex Group has contingent liabilities arising from pending litigation in connection with its operating business; as the probability of an outflow of resources as of the reporting date was not sufficiently determinable, no provisions have been set aside in this connection.

There are also guarantees in the amount of EUR 6,674 thousand (31 December 2019: EUR 6,674 thousand) vis-à-vis affiliated, non-consolidated project companies, which are not expected to be utilized; there are no contingent liabilities to associates.

RELATED PARTY DISCLOSURES

As at the reporting date, Acciona S.A. held a 36.27% (31 December 2019: 36.27%) share in Nordex SE. As such, Nordex SE is an associated company of Acciona S.A.

The balances and transactions with companies from the Acciona Group are set out in the following table:

EUR thousand	Balances outstanding Receivables (+) / liabilities (-)		Transaction amount Income (+) / expense (-)	
	30.06.2020	31.12.2019	01.01.–30.06.2020	01.01.–30.06.2019
Acciona Energia Chile SpA	164,132/-156,683	163,775/-150,054	0/-61	16,889/0
Acciona Energia S.A.	17,220/-35,736	8,685/-13,746	23,270/-580	19,764/-745
Acciona Energia Servicios Mexico S. de RL de C.V.	84,005/-103,884	97,174/0	16,366/-108	144/0
Acciona Energy Oceania Construction Pty Ltd.	388/-81,946	587/-28,688	553/-989	0/0
San Roman Wind I LLC	487/0	496/0	692/-1,139	0/0
Sun Photo Voltaic Energy India Pvt. Ltd.	2,984/0	2,710/0	0/0	0/0
Other	1,524/-1,961	2,626/-2,047	1,730/-1,919	29/-1,736

During the financial year, no orders to deliver and assemble wind power systems (1 January to 30 June 2019: EUR 331,923 thousand) were placed by Acciona Group companies.

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 holds a 40.00% share of this company. Accordingly, C&C Wind Sp. z o.o. is classed as an associated company. 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:

EUR thousand	Balances outstanding Receivables (+) / liabilities (-)		Transaction amount Income (+) / expense (-)	
	30.06.2020	31.12.2019	01.01. – 30.06.2020	01.01. – 30.06.2019
C&C Wind Sp. z o.o.	0/0	0/0	813/0	339/0
GN Renewable Investments S.a.r.l.	0/0	0/0	6/0	2,696/0

CONSOLIDATED CASH FLOW STATEMENT

The cash flow from operating activities was EUR –68,043 thousand (1 January to 30 June 2019: EUR –100,636 thousand), of which EUR –104,369 thousand is attributable to the consolidated net loss including depreciation, amortization and impairment (1 January to 30 June 2019: EUR 11,970 thousand). Changes in working capital resulted in payments received of EUR 6,196 thousand (1 January to 30 June 2019: EUR 23,111 thousand). Payments received from other operating activities stand at EUR 30,130 thousand (1 January to 30 June 2019: payments made of EUR 135,717 thousand).

Cash flow from investing activities amounted to EUR –69,010 thousand (1 January to 30 June 2019: EUR –60,661 thousand). Investments of EUR 67,313 thousand (1 January to 30 June 2019: EUR 47,112 thousand) were made in property, plant and equipment, mainly related to the establishment and expansion of rotor blade production in Mexico and India and the procurement of production and assembly equipment for international projects. Development projects of EUR 11,432 thousand (1 January to 30 June 2019: EUR 13,498 thousand) were capitalized.

Cash flow from financing activities amounted to EUR –24,069 thousand (1 January to 30 June 2019: EUR –50,628 thousand) and is primarily attributable to the repayment of cash drawdowns of the syndicated multi-currency guarantee facility and the research and development loan from the European Investment Bank, and the repayment of lease liabilities.

EVENTS AFTER THE REPORTING DATE

The Nordex Group has decided to accelerate the value creation from a part of its project development pipeline in a single transaction. Now, RWE and Nordex have agreed on a sale of this business to the German energy supplier. In total, the planned transaction includes a project pipeline with a volume of 2.7 GW in France, Sweden and Poland. The purchase price is approximately EUR 402,500 thousand. The proceeds from this transaction will be used to strengthen Nordex's capital structure and further support its growth prospects. The sale is still subject to the usual transaction reservations. It is expected to be completed in the fourth quarter of 2020. The Nordex Group will be continuing its project development activities in other markets.

To protect it from the effects of the COVID-19 pandemic, on 6 August 2020 the Nordex Group received a revolving syndicated loan for EUR 350,000 thousand under the German federal government's loan guarantee program with the participation of the states of Mecklenburg-West Pomerania and Hamburg. Ninety percent of the credit line is guaranteed by the Federal Republic of Germany, the City of Hamburg and the State of Mecklenburg-Western Pomerania. The revolving syndicated loan runs until 30 April 2022.

In connection with the extension of its financing structure via the revolving credit facility, the Nordex Group has already reached a binding agreement to refinance the promissory note of EUR 215 million due in April 2021 by way of a shareholder loan.

Any further events occurring after the reporting date caused by economic factors arising prior to 30 June 2020 are included in the interim consolidated financial statements as of 30 June 2020.

Nordex SE, Rostock, August 2020



José Luis Blanco,
Chairman of the Management Board



Christoph Burkhard,
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 ZU 30 JUNE 2020

EUR thousand	Cost					Closing balance 30.06.2020
	Opening balance 01.01.2020	Additions	Disposals	Reclassi- fications	Currency translation	
Property, plant and equipment						
Land and buildings	237,363	9,255	97	0	-1,026	245,495
Technical equipment and machinery	341,143	35,287	3,935	6,940	-13,412	366,023
Other fixtures and fittings, tools and equipment	127,200	21,011	458	8	-2,417	145,344
Prepayments made and assets under construction	44,261	12,146	7,040	-6,948	-3,359	39,060
Total	749,967	77,699	11,530	0	-20,214	795,922
Intangible assets						
Goodwill	552,259	0	0	0	0	552,259
Capitalized R&D expenses	444,214	11,432	0	0	-50	455,596
Other intangible assets	165,481	346	19	0	-10,054	155,754
Total	1,161,954	11,778	19	0	-10,104	1,163,609

	Depreciation / amortization				Carrying amount		
	Opening balance 01.01.2020	Additions	Disposals	Reclassifications	Closing balance 30.06.2020	30.06.2020	31.12.2019
	55,659	10,553	59	127	66,280	179,215	181,704
	181,021	25,135	1,530	-6,537	198,089	167,934	160,122
	73,196	11,541	344	-804	83,589	61,755	54,004
	1	153	0	-4	150	38,910	44,260
	309,877	47,382	1,933	-7,218	348,108	447,814	440,090
	4,501	0	0	0	4,501	547,758	547,758
	255,724	22,522	0	4	278,250	177,346	188,490
	138,157	5,674	19	-9,639	134,173	21,581	27,324
	398,382	28,196	19	-9,635	416,924	746,685	763,572

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements for the first six months as at 30 June 2020 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group for the remaining months of the financial.

Nordex SE
Rostock, August 2020



José Luis Blanco
Chief Executive Officer



Christoph Burkhard
Member of the Management Board



Patxi Landa
Member of the Management Board

FINANCIAL CALENDAR, IMPRINT AND CONTACT

Financial Calendar

Datum

August 13, 2020	Consolidated interim report, H1 2020
November 13, 2020	Consolidated interim report, Q3 2020

imprint and contact

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Disclaimer

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