

H1 2022

NORDEX GROUP

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



KEY FIGURES AT A GLANCE

Nordex Group key figures

		01.01. – 30.06.2021	01.01. – 30.06.2022	Change
Earnings				
Sales	EUR million	2,696.6	2,126.2	-21.2%
Gross revenue	EUR million	2,324.5	2,220.2	-4.5%
EBITDA	EUR million	68.4	-173.3	n/a
EBIT	EUR million	-5.5	-261.5	n/a
Free cash flow	EUR million	-10.2	-286.7	n/a
Capital expenditure	EUR million	75.4	88.8	17.8%
Consolidated net profit/loss for the year	EUR million	-63.7	-283.2	n/a
Earnings per share ¹	EUR	-0.54	-1.77	n/a
EBITDA margin	%	2.5	-8.1	-10.6 PP
Working capital ratio	%	-6.5	-10.8	-4.3 PP
Statement of financial position as of 30.06.2022 and 31.12.2021				
Total assets	EUR million	4,107.6	4,435.0	8.0%
Equity	EUR million	1,062.4	795.8	-25.1%
Equity ratio	%	25.9	17.9	-8.0 PP
Employees				
Employees as of 30 June		8,357 ²	9,046	8.2%
Staff costs	EUR million	247.0	275.4	11.5%
Staff cost ratio	%	9.2	13.0	3.8 PP
Company-specific performance indicators				
Order intake, Projects segment	EUR million	1,961.7	2,357.2	20.2%
Installed capacity	MW	2,976.8	1,864.3	-37.3%

¹ Earnings per share = based on a weighted average of 160.377 million shares (previous year: 117.349 million)

² Prior-year figures restated

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LETTER TO THE SHAREHOLDERS



José Luis Blanco
Chief Executive Officer

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

The first half of an exceptionally intense and challenging financial year is now behind us. On the one hand, we are seeing encouraging political developments in the Company's key markets of Germany, Europe, the USA and South Africa that provide grounds for considerable optimism in the medium term. Another positive factor is the general trend towards renewable energy, which continues to gather momentum even though there is still a lack of consistency in how quickly measures such as the acceleration of approval procedures are implemented. With this in mind, we currently expect the political and regulatory market environment to improve gradually over time. Demand for Nordex Group products remained strong in the second quarter irrespective of the aforementioned developments. This enabled us to generate an order intake of 1.8 gigawatts, with the competitive Delta4000 platform now making up a resounding 92 percent of all incoming orders.

On the other hand, profitability is put under pressure by short-term effects that remain very significant. This is particularly true for raw materials as well as energy and logistics costs, due in part to the war in Ukraine. In addition, supply chains continue to be disrupted. In light of this, we have reinforced our capital structure for the long term via three transactions carried out with the unwavering support of our anchor shareholder. We are also very grateful for the confidence that you as investors have shown in the wind industry and our company and its products in particular. The aim of these transactions was to strengthen our balance sheet and create additional headroom in our liquidity levels.

We started with a capital increase in the form of a private placement with our anchor shareholder under exclusion of subscription rights. By issuing around 16 million new shares, we were able to generate gross issuing proceeds of more than EUR 139 million. We followed this up in July by successfully implementing a rights issue, generating around EUR 212 million by issuing almost 36 million shares. Our anchor shareholder also provided us with a shareholder loan facility, which means that we have already secured refinancing for the bond due in February 2023.

In my last letter to you, I told you about the cyber security incident that targeted the Nordex Group. We are pleased to report good progress on the cyber security incident. There are still some final remaining consequential impacts emanating from this incident that we still have to address. But most of our key systems and applications have now been fully restored. We also made further progress with the reconfiguration of our global production and procurement processes. As part of these efforts, we have now ended nacelle production in Spain and rotor blade production in Rostock. These were both extremely painful decisions, and I am sorry that we had to make them. However, technical and economic considerations left us with no alternatives.

Our operating business went as we had expected. The number of installations in the second quarter increased quarter-on-quarter – as did sales, which now amount to EUR 1.2 billion. Earnings before interest, taxes, depreciation and amortization remained under pressure, which is why we had to report negative EBITDA of EUR –84 million in the second quarter. One key task of our current work therefore is to reduce risks for the Nordex Group while at the same time improving profitability. In particular, this includes adapting our contracts to reflect the current demanding and volatile conditions – and we are making good progress in this area. We are confirming our updated 2022 guidance from 24 May and reiterating our strategic goal of generating an EBITDA margin of 8 percent in the medium term. Having worked hard to create a strong market position in relevant markets over the past few years, and with a range of high-performance and competitive products, we are confident of being able to make the most of our positive medium-term prospects. We remain committed to achieving long-term success for our company that enables us to create added value for you, and hope you will continue traveling with us on this journey. Thank you for placing your trust in the Nordex Group.

Kind regards,

José Luis Blanco



Chief Executive Officer

Hamburg, August 2022

NORDEX SHARES

Nordex shares began the first trading day of the year on 3 January 2022 at EUR 13.96 and on 8 March peaked at EUR 17.96 for the first half-year. The direct impact of the war in Ukraine and its indirect consequences in the form of higher raw material and logistics prices had an adverse effect on wind turbine manufacturers' business performance, including profitability, and put share prices under pressure. During the first half of the year, these effects overshadowed political aims to expand power generation from environmentally friendly sources even more quickly than originally planned. On 30 June 2022, Nordex shares closed out the first half of the year at their lowest daily closing price of EUR 8.14, resulting in market capitalization of around EUR 1.3 billion.

On 26 June, the Nordex Group announced its decision to carry out a capital increase against cash contributions representing almost 10% of existing share capital and successfully completed the capital increase on the same day. This lifted the number of Nordex shares by 16,002,103 to 176,023,138 as of 4 July 2022. This was followed by a fully subscribed rights issue undertaken in return for cash contributions in July. As part of this capital increase, 35,923,089 new no-par bearer shares were issued at a subscription price of EUR 5.90 per share, taking the new total number of shares to 211,946,227. Anchor shareholder Acciona S.A. participated in both transactions, increasing its stake to 40.97% of share capital (see Report on post-balance sheet date events).

The cyber attack at the end of March resulted in delays to internal processes; this in turn caused reporting to be delayed, as explained in an ad-hoc announcement on 24 May 2022. However, this delay to the quarterly results meant that the Group was unable to meet a formal requirement for admission to indices operated by a subsidiary of Deutsche Börse. All companies that do not fulfill these basic prerequisites are excluded from the SDAX and the TecDAX technology index

without taking into account the reasons for the failure to comply. While this meant that Nordex shares were no longer listed on the two aforementioned indices with effect from 20 June 2022, they can be readmitted if they meet the criteria when the indices are next reviewed in September.

The RENIXX Index, which includes the world's 30 leading renewable energy companies, including the Nordex Group, was down 10.5% in the first six months of 2022 to 1,492 points. The German TecDAX and SDAX indices, on which the Nordex Group was also listed until 20 June, lost 26.4% and 27.6% respectively in the same period.

As of 10 August 2022, a total of 14 analysts from German and international institutions monitor Nordex shares and publish studies with recommendations, brief reports and commentaries on the Company at regular intervals. Six of these analysts see the Nordex share as a Buy whereas seven recommend a Hold and one advises a Sell.

Nordex shares key data

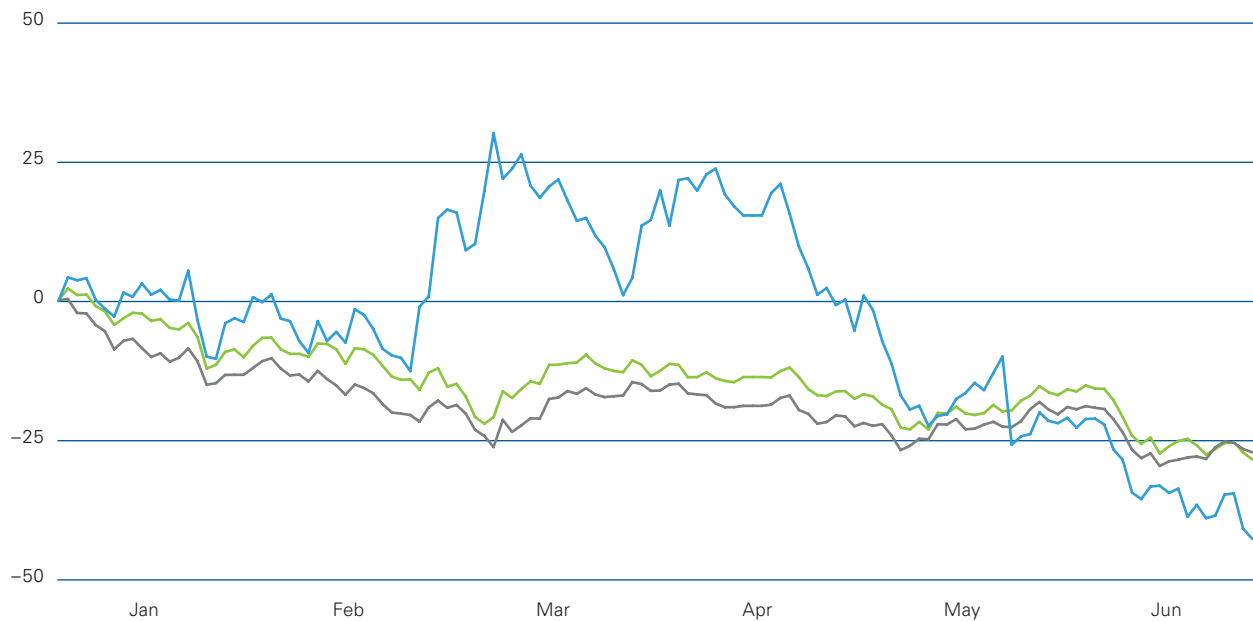
Class of shares	No-par-value ordinary bearer shares
Market segment	Prime Standard/Regulated Market
Trading venue	Frankfurt Stock Exchange
Indices	ÖkoDAX, HASPAX, RENIXX
ISIN	DE000A0D6554
WKN (German securities identification number)	A0D655
Ticker symbol	NDX1

Nordex shares key figures

		2022
Total number of shares as at 01.01.	Units	160,021,035
Total number of shares as at 31 July (after capital increases)	Units	211,946,227
Share capital as at 1 January	EUR	160,021,035.00
Share capital as at 31 July (after capital increases)	EUR	211,946,227.00
Closing price as at 3 January	EUR	14.47
Closing price as at 30 June	EUR	8.14
H1 high	EUR	17.96
H1 low	EUR	8.14
Market capitalization as at 30 June	EUR million	1,302.6

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

— Nordex — SDAX — TecDAX



GROUP INTERIM MANAGEMENT REPORT

for the period ended 30 June 2022

MACROECONOMIC ENVIRONMENT

The global economic environment and outlook deteriorated further during the second quarter of 2022, primarily as a result of the far-reaching consequences of Russia's war of aggression in Ukraine and lockdowns in China. This environment created additional disruption to global supply chains that were already under stress, while the cost of energy, precursors and transport services continued to rise considerably. These adverse impacts also caused inflation to surge at consumer level, prompting central banks around the world, with a few exceptions, to raise interest rates faster and more markedly than previously expected during the second quarter.

In light of these conditions, the economic scenarios envisaged for 2022 and beyond were recently revised downwards once again. The International Monetary Fund (IMF) lowered its forecast for the global economy further in July ("World Economic Outlook Update, July 2022") and now anticipates global economic growth of 3.2% for 2022 instead of April's previous estimate of 3.6%. The global economy is now expected to grow by 2.9% in 2023 (April forecast for 2023: 3.6%).

Expected BIP growth in 2022 (selected countries and regions)

in %	2021	2022e
World	6.1	3.2
Industrialized countries	5.2	2.5
USA	5.7	2.3
Canada	4.5	3.4
Eurozone	5.4	2.6
Germany	2.9	1.2
France	6.8	2.3
Spain	5.1	4.0
Italy	6.6	3.0
United Kingdom	7.4	3.2
Developing/ emerging countries	6.8	3.6
India	8.7	7.4
Latin America	6.9	3.0
Brazil	4.6	1.7

Sources: IWF, US Department of Commerce, Eurostat, Destatis

SECTOR ENVIRONMENT

A total of 238 new onshore wind turbines with a combined output of 977 MW were installed in Germany during the first half of 2022, including the repowering of 35 wind turbines responsible for 133 MW of output. This meant that installations were almost at exactly the same level as in the prior-year period (-0.2%). As a result, the accumulated number of wind turbines as of the end of the half-year, taking decommissioning into account, was 28,287 turbines with a combined output of 56,848 MW. Two rounds of tenders for onshore wind turbines totaling 2,648 MW were carried out in Germany in the first six months, with awards made for 2,263 MW. The second round of tenders in May was undersubscribed, with only 931 MW or 71% of the tendered volume awarded. This shows that permits for the construction of wind farms are still being granted too slowly. According to the German Federal Network Agency (BNetzA), the average volume-weighted price awarded in these tenders during the first half of the year was 5.79 ct/kWh (full year 2021: 5.88 ct/kWh).

The German Wind Energy Association (BWE), in partnership with Deutsche WindGuard GmbH and the German Mechanical Engineering Industry Association (VDMA), estimates that installations will reach 2.4GW to 3.0GW for the rest of 2022. The volume of onshore wind turbines tendered is expected to total 12.8GW in 2023, with 10GW of tenders predicted per annum from 2024 onwards. This means that the target for annual installations from 2025 onwards will be roughly twice as high as the previous record year in 2017. According to the BWE, however, these ambitious targets can only be achieved if a sufficient number of projects is approved quickly enough. The processes and supply chains required to realize these projects must also work smoothly.

Overall, there have been no other fundamental deviations from the sector environment presented in the 2021 Annual Report.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

The market environment for manufacturers of wind turbines such as the Nordex Group deteriorated in the first half of 2022 due to the outbreak of the Russian war of aggression in Ukraine and its consequences and the persistent disruption of global supply chains as described above. In addition, the following company-specific events were particularly significant for the business performance of the Nordex Group and its communications with the capital markets during the second quarter of 2022:

Nordex affected by cyber attack – stock excluded from key indices in June

The Nordex Group was the target of a cyber attack at the end of March (press release from 2 April 2022) that almost exclusively impacted the second quarter and also caused the publication of the quarterly report for the period ending 31 March 2022 to be delayed until 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. However, the Nordex Group expects to be readmitted by Deutsche Börse if it meets the criteria for admission at the next regular review of the indices.

First N163/6.X turbine constructed, Group well on track to establish itself in the 6 MW class

On 18 May 2022, the Nordex Group constructed the world's first N163/6.X turbine from the Delta4000 series in the Netherlands. The Company's latest turbine model is designed for areas with light and moderate winds, with a focus on selected core markets in Europe. The Nordex Group is on track with the rollout and installation of these turbines in the 6 MW+ class.

Guidance updated and capital increased to strengthen liquidity and balance sheet

On 24 May 2022, the Nordex Group updated its guidance for the 2022 financial year. While the direct and indirect effects of the war in Ukraine and one-off expenses associated with the reconfiguration of the Group's production network were excluded from the old guidance, improved visibility means these factors have been incorporated into the updated estimates. The new forecast also takes into account the effects of supply chain disruption in China and the additional costs and impacts arising from the cyber attack.

To strengthen its capital structure by increasing the equity ratio in light of the current volatile environment in the wind energy sector, Nordex SE successfully carried out two capital increases either side of the end of the quarter. By increasing its cash holdings in this way, Nordex SE is protecting itself against short-term, sector-specific risks and improving the Company's positioning with its customers.

The first capital increase totaling around 10% of the existing share capital was carried out on 26 June 2022 as part of a private placement with anchor shareholder Acciona S.A.

under exclusion of subscription rights. This lifted the number of shares in the Nordex Group by 16,002,103 to 176,023,138 shares, generating gross issuing proceeds of more than 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 contributions that was fully secured in advance. As part of this capital increase, the Company issued 35,923,089 new no-par bearer shares at a subscription price of EUR 5.90 per share, generating gross proceeds of around EUR 212 million. Existing shareholders were entitled to acquire 10 new shares for every 49 existing shares at the subscription price. The transaction had a subscription ratio of 96.27%. 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%. Management Board members José Luis Blanco and Patxi Landa also exercised their pre-emption rights and subscribed to new shares. All new shares created by the capital increases are entitled to dividends from 1 January 2022 onwards.

SEGMENT PERFORMANCE

Segment performance key data

EUR million	Projects		Service		Group	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
Order intake	2,357.2	1,961.7	234.6	247.1	2,591.8	2,208.8
Order book	6,676.7	4,833.4	3,061.4	2,882.4	9,738.1	7,715.8
Sales	1,901.9	2,484.1	226.3	216.8	2,126.2	2,696.6 ¹
EBIT	-144.4	58.4	39.1	35.9	-261.5	-5.5 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 30.

NEW ORDERS

In the first half of 2022, the Nordex Group received firm orders valued at a total of EUR 2,357 million (H1 2021: EUR 1,962 million) in the Projects segment for 575 wind turbines with a combined nominal output of 3,002 MW (H1 2021: 576 turbines with a combined nominal output of 2,782 MW). Geographically, Europe accounted for 70% of orders Latin America for 23% and North America for 7% (measured in MW). Of the orders for projects placed in 19 countries in the first half of 2022, the largest volumes were in Finland, Germany and Columbia. In the first half of 2022, 92% of total order intake was attributable to turbine models from the current Delta4000 series, up from 82% in the prior-year period.

The average selling price (ASP) per megawatt of output was up considerably from the prior-year period to EUR 0.79 million/MW (H1 2021: EUR 0.71 million/MW). It is important to note that, firstly, the average nominal output of the turbines sold increased from 4.8 MW in the first half of 2022 to 5.2 MW

in the reporting period and, secondly, North America's share of order intake was 7 percentage points lower. Both of these factors tended to reduce the ASP.

Due to the low level of installations and sales in the first half of 2022, the order book in the Projects segment increased to EUR 6,677 million at the 30 June 2022 reporting date (30 June 2021: EUR 4,833 million). Of this amount, 63% was attributable to Europe, 25% to Latin America, 5% to North America and 7% to the Rest of the World. The book-to-bill ratio (the ratio of order intake to sales recognized in the Projects segment) stood at 1.24 for the first half of 2022 (H1 2021: 0.79). The order intake in the Service segment came to EUR 234.6 million in the first half of 2022 (H1 2021: EUR 247.1 million), while the segment's order book stood at EUR 3,061.4 million at the end of the reporting period (30 June 2021: EUR 2,882.4 million). As of 30 June 2022, the Nordex Group serviced a total of 10,100 wind turbines with installed capacity of 28.4GW for its customers (30 June 2021: 9,096 wind turbines with installed capacity of 24.7GW).

PRODUCTION AND INSTALLATION

Production output

Production	Turbines (MW)		Rotor blades (units)	
	H1 2022	H1 2021	H1 2022	H1 2021
Germany	1,468.8	1,633.9	216	340
Spain	401.5	1,387.2	30	201
Brazil	334.9	69.3	n/a	n/a
India	729.8	14.4	318	82
Mexico	n/a	n/a	9	196
Argentina	n/a	n/a	n/a	n/a
Total	2,935.0	3,104.8	573	819

Since production in turbine assembly is increasingly focused on models from the Delta4000 series in the 5 MW class, the year-on-year decline in the nominal output of the assembled wind turbines at –5.5 MW was smaller than that of the number of turbines produced at –11.8%. Of a total of 604 nacelles (H1 2021: 685), 325 were manufactured in Germany. This corresponds approximately to half of the total.

In the field of rotor blades, the Nordex Group significantly reduced production at its own plants in the first half of 2022 to 573 units (H1 2021: 819 rotor blades). External suppliers produced a total of 1,589 rotor blades based on Nordex designs and specifications in the first half of 2022 (H1 2021: 1,209 units).

Installations

Country	Installed capacity (MW)	
	H1 2022	H1 2021
Europe	1,407.4	1,614.9
North America	108.9	451.2
Latin America	348.0	514.9
Rest of world	0	395.7
Total	1,864.3	2,976.8

The nominal output and number of installed wind turbines decreased year-on-year to 1,864 MW (H1 2021: 2,977 MW) and 416 wind turbines in 16 countries (H1 2021: 775 wind turbines in 21 countries). A share of 75% of the installations was located in Europe, 19% in Latin America and 6% in North America.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS**Selected key data**

	01.01.– 30.06.2022	01.01.– 30.06.2021	Change
Sales (in EUR million)	2,126.2	2,696.6	–21.2%
EBITDA margin (in %)	–8.1	2.5	–10.6 PP
EBIT margin ¹ (in %)	–12.2	–1.8	–10.4 PP
Capital expenditure (CAPEX) (in EUR million)	88.8	75.4	17.8%
Financial result (in EUR million)	–38.6	–54.5	n/a
Consolidated net profit/loss (in EUR million)	–283.2	–63.7	n/a
Earnings per share ² (in EUR)	–1.77	–0.54	n/a
Working capital ratio (in %, as of 30 June)	–10.8	–6.5	–4.3 PP
Free cash flow (in EUR million)	–286.7	–10.2	n/a
Equity ratio (in %, as of 30 June)	17.9	16.6	1.3 PP

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

² Based on a weighted average of 160.377 million shares (previous year: 117.349 million shares)

The year-on-year decrease in installation activities resulted in lower consolidated sales for the Nordex Group as sales dropped by 21.2% to EUR 2,126.2 million in the first half of 2022 (H1 2021: EUR 2,696.6 million). While the volume of sales in the second quarter of 2022 at EUR 1,193.3 million, as expected, was significantly higher than in the first quarter of 2022 at EUR 933.0 million (27.9%), it was still lower than in the second quarter of 2021. The year-on-year decrease was attributable to delays in project implementation and also to projects in Ukraine being stopped. Sales in the Projects segment increased by 23.4% to EUR 1,901.9 million by the end of June (H1 2021: EUR 2,484.1 million). In contrast, the Service segment, which typically generates a steady stream of income, grew its sales by 4.4% to EUR 226.3 million (H1 2021: EUR 216.8 million). As a result, the Service segment's contribution to overall sales was 10.6% in the first half of 2022 after 8.0% in the prior-year period.

Despite the lower number of installations in the first half of the year, Nordex has built up a small amount of inventories to account for future business volumes and avoid material bottlenecks. Due to these changes in inventory of EUR 93.9 million, gross revenue in the first half of 2022 was EUR 2,220.2 million (H1 2021: EUR 2,324.5 million). Gross profit (gross revenue less cost of materials) decreased considerably by 49.2% to EUR 245.9 million in the reporting period (H1 2021: EUR 484.5 million). Above all, this reflects the dramatic increase in the price of precursors, energy and transport. The structurally more attractive project margins resulting from the growing share of Delta4000 turbines could not compensate for this immense surge in cost in absolute terms. What is more, price hikes will only have a positive effect with future installations. Structural costs (staff costs and net other operating income/expenses) rose only slightly by 0.7% to EUR 419.2 million (H1 2021: EUR 416.1 million). However, staff costs rose considerably by 22.3% to EUR 302.1 million.

As a result, the Nordex Group's earnings before interest, taxes, depreciation and amortization (EBITDA) fell to EUR -173.3 million in the first six months of 2022 (H1 2021: EUR 68.4 million). Depreciation, amortization and impairment losses totaled EUR 88.2 million in the reporting period (H1 2021: EUR 73.9 million). Of this total, EUR 2.4 million (H1 2021: EUR 6.5 million) is attributable to depreciation and amortization arising from the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower.

Earnings before interest and taxes (EBIT) dropped to EUR -261.5 million in the first half of 2022 (H1 2021: EUR -5.5 million). The EBIT margin was -12.3% (H1 2021: -0.2%) and -12.2% when adjusted for PPA-related depreciation and amortization (H1 2021: -1.8%). Excluding unallocated income and expenses, EBIT was EUR -144.4 million in the Projects segment (H1 2021: EUR 58.4 million) and EUR 39.1 million in the Service segment (H1 2021: EUR 35.9 million) during the period under review.

The financial result improved to EUR -38.6 million in the first half of 2022 (H1 2021: EUR -54.5 million), with last year's measures to reinforce the Group's balance sheet and financing structure having a positive impact on this figure. The income tax result for the reporting period was EUR 16.8 million (H1 2021: EUR -3.7 million), giving a consolidated loss of EUR 283.2 million (H1 2021: consolidated loss of EUR 63.7 million). Earnings per share (EPS) fell to EUR -1.93 in the first half of 2022 (H1 2021: EUR -0.54).

Despite a slightly higher level of inventories, the working capital ratio in the second quarter of 2022 improved to -10.8% as of 30 June 2022, after -6.5% as of 30 June 2021 and -10.2% as of 31 December 2021, a continued reflection of the Group's strict working capital management. The operating cash flow of the Nordex Group still worsened considerably in the first of 2022, falling to EUR -218.1 million (H1 2021: EUR 57.9 million) because of the decrease in earnings. Cash flow from investing activities remained virtually unchanged at EUR -68.7 million (H1 2021: EUR -68.1 million). Free cash flow for the first six months of 2022 thus came to EUR -286.7 million (H1 2021: EUR -10.2 million). Cash flow from financing activities amounted to EUR 144.8 million in the reporting period (H1 2021: EUR -265.4 million). The prior-year figure was dominated by the repayment of the syndicated loan and a tranche of the promissory note, while the cash flow from financing activities in 2022 reflects the proceeds from the private placement.

As of 30 June 2022, the Nordex Group's cash and cash equivalents amounted to EUR 653.3 million (31 December 2021: EUR 784.4 million). At the end of the first half of 2022, the Nordex Group continued to have a strong net liquidity position (surplus of cash and cash equivalents after deducting bank liabilities as well as the bond, the shareholder loan and the employee bond) in the amount of EUR 271.2 million (31 December 2021: EUR 423.7 million).

Compared with the end of the previous year, total assets rose by 8.0% to EUR 4,435.0 million as of 30 June 2022 (31 December 2021: EUR 4,107.6 million). On the asset side, this was mainly driven by the increase in inventories and by a higher level of property, plant and equipment triggered by investment activity. Equity and liabilities saw a structural shift from non-current to current liabilities due, among others, to the bond's reclassification because of its short remaining maturity, with the increase in current liabilities being most pronounced in absolute terms.

The consolidated net loss caused equity to decline by 25.1% to EUR 795.8 million compared to the end of 2021 (31 December 2021: EUR 1,062.4 million), resulting in an equity ratio of 17.9% as of the 30 June 2022 reporting date (31 December 2021: 25.9%). This development was due to higher total assets on the one hand and the consolidated net loss on the other.

Given the positive prospects for wind energy and based on its strong order book, the Nordex Group continues to invest in growing the company. Overall, capital expenditure (CAPEX) in the first half of 2022 stood at EUR 88.8 million, as much as 17.8% more than in the prior-year period (H1 2021: EUR 75.4 million). Investments of EUR 76.9 million (H1 2021: EUR 63.2 million) in property, plant and equipment mainly related to the establishment and expansion of blade and nacelle production in India, the establishment and expansion of tower production in Brazil, and the expansion of blade production and procurement of installation and transportation equipment in Spain. At EUR 11.9 million, additions to intangible fixed assets were on a level with the prior-year period (H1 2021: EUR 12.2 million).

EMPLOYEES

As of the 30 June 2022 reporting date, the Nordex Group had a total of 9,046 employees worldwide (30 June 2021: 8,357 employees). As this job growth was primarily attributable to higher business and production volumes, it was focused on various mainly production and project-related departments as well as the services business.

OPPORTUNITIES AND RISKS

In the first six months of 2022, the conditions for future business performance deteriorated and short-term risks increased, particularly as a result of supply chain interruptions, the cyber attack and persistently high costs for logistics, raw materials and energy. The other opportunities and risks affecting the business performance of the Nordex Group in financial year 2022 presented in the 2021 Annual Report remain essentially unchanged.

GUIDANCE

The Nordex Group published its guidance for the 2022 financial year on 29 March 2022 together with the 2021 Annual Report, according to which it aimed for consolidated sales of EUR 5.4 billion to EUR 6.0 billion and an EBITDA margin of 1.0% to 3.5%. This guidance did not take into account any costs associated with planned adjustments to the production network and excluded the impact of geopolitical events, mainly because uncertainty regarding the various international effects and the Russian war of aggression in Ukraine was extremely high at that time. The working capital ratio was predicted to be below minus 7% at the end of 2022. Capital expenditures totaling around EUR 180 million were planned for 2022.

As the predictability of these factors increased, the Nordex Group updated its guidance for the 2022 financial year on 24 May 2022 and confirmed this updated guidance in its report on the first quarter of 2022. In line with this guidance, the Company continues to expect consolidated sales of EUR 5.2 to 5.7 billion and an operating margin (EBITDA margin) of minus 4% to 0%. This updated guidance factors in direct and indirect effects calculated as a result of the war in Ukraine, as well as one-off expenses associated with the restructuring of the Group's production network. The updated guidance also includes the expected effects of supply chain disruptions in China as well as the additional costs and impact on the business related to the cyber incident of 31 March 2022. The expectations regarding capital expenditure of around EUR 180 million and a working capital ratio of less than minus 7% at the end of 2022 remain unchanged.

In addition to this guidance for the current financial year 2022, the Nordex Group confirms its strategic goal of achieving a Group EBITDA margin of 8% in the medium term, having already achieved its strategic sales target of around EUR 5 billion and production capacity of more than 6GW.

CORPORATE GOVERNANCE

Connie Hedegaard stepped down from the Supervisory Board of Nordex SE with effect from the end of this year's Annual General Meeting. Furthermore, the term of María Cordon Ucar, who was appointed by the Local Court in Rostock in September 2021 for a limited period until the close of this year's Annual General Meeting, has ended. On 31 May 2022, the Annual General Meeting elected Maria Isabel Blanco Alvarez and María Cordon Ucar to the Supervisory Board in a by-election.

As a result of their contracts as Management Board members having been extended, José Luis Blanco and Patxi Landa are now appointed until 31 December 2025 while the appointment of Dr. Ilya Hartmann now runs until 30 June 2025.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The Nordex Group successfully completed the fully subscribed rights issue in return for cash contributions resolved and announced on 10 July 2022. A total of 96.27% of all subscription rights were exercised by existing shareholders, with the remaining shares being acquired by Acciona S.A., the Company's largest shareholder. The gross proceeds from the capital increase amount to EUR 211.9 million. Shareholders of the Company were offered 35,923,089 new no-par-value bearer shares, or around 20.4% of the existing share capital, at a subscription ratio of 49:10. This means that shareholders were able to acquire 10 new shares for 49 existing shares at a subscription price of EUR 5.90 per new share. The subscription period began on 13 July 2022 and ended on 26 July 2022. The capital increase was entered in the Rostock commercial register on 25 July 2022. The new shares were admitted to trading on 28 July 2022 and included in the existing listing on the Frankfurt Stock Exchange on 29 July 2022.

In connection with this capitalization measure, the Nordex Group also agreed a EUR 286 million loan with its anchor shareholder Acciona S.A.

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

This half-yearly report for the period ended 30 June 2022 (Group interim management report and condensed interim consolidated financial statements) were neither audited nor reviewed by an auditor.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2022

ASSETS

EUR thousand	Note	30.06.2022	31.12.2021
Cash and cash equivalents	(1)	653,311	784,440
Trade receivables	(2)	158,533	162,530
Contract assets from projects	(3)	598,182	536,526
Current contract assets from services	(4)	10,317	7,327
Inventories	(5)	1,127,105	722,487
Income tax receivables		12,975	15,293
Other current financial assets	(6)	57,750	61,029
Other current non-financial assets	(7)	188,778	209,918
Current assets		2,806,951	2,499,550
Property, plant and equipment	(8)	563,971	506,958
Goodwill	(9)	547,758	547,758
Capitalized development expenses	(10)	158,295	163,551
Prepayments made		34	32
Other intangible assets		15,022	16,626
Investments		3,461	3,512
Investments in associates		52	6,398
Non-current contract assets from services	(4)	33,939	32,171
Other non-current financial assets	(11)	17,165	16,283
Other non-current non-financial assets	(12)	19,095	13,444
Deferred tax assets	(13)	269,284	301,347
Non-current assets		1,628,076	1,608,080
Assets		4,435,027	4,107,630

EQUITY AND LIABILITIES

EUR thousand	Note	30.06.2022	31.12.2021
Current liabilities to banks	(14)	43,258	6,564
Trade payables	(15)	1,129,972	1,032,600
Contract liabilities from projects	(3)	1,279,738	945,128
Current contract liabilities from services	(4)	43,926	29,391
Income tax payables		18,416	22,121
Other current provisions	(16)	144,110	108,378
Other current financial liabilities	(17)	375,948	48,406
Other current non-financial liabilities	(18)	196,963	136,966
Current liabilities		3,232,331	2,329,554
Non-current liabilities to banks	(14)	6,500	25,500
Non-current contract liabilities from services	(4)	162,442	130,924
Pensions and similar obligations		2,638	2,523
Other non-current provisions	(16)	31,182	28,807
Other non-current financial liabilities	(19)	164,616	428,335
Other non-current non-financial liabilities	(20)	3,006	2,692
Deferred tax liabilities	(13)	36,482	96,900
Non-current liabilities		406,866	715,681
Subscribed capital		176,023	160,021
Capital reserves		1,359,714	1,236,071
Other retained earnings		-11,087	-11,087
Cash flow hedge reserve		-21,833	2,415
Reserve for cash flow hedge costs		2,239	529
Foreign currency adjustment item		-214,213	-113,719
Consolidated net profit/loss carried forward		-211,835	-211,835
Consolidated net profit/loss		-283,178	0
Share in equity attributable to shareholders of the parent		795,830	1,062,395
Equity	(21)	795,830	1,062,395
Equity and liabilities		4,435,027	4,107,630

CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 30 June 2022

EUR thousand	Note	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021
Sales	(23)	2,126,211	2,696,563
Changes in inventories and other own work capitalized	(24)	93,942	-372,098
Gross revenue		2,220,153	2,324,465
Cost of materials	(25)	-1,974,250	-1,839,981
Gross profit		245,903	484,484
Other operating income	(26)	17,605	22,628
Other operating expenses	(26)	-131,829	-191,695
Staff costs	(27)	-275,362	-247,009
Structural costs		-389,586	-416,076
Adjusted EBITDA before restructuring costs		-143,683	68,408
Restructuring costs	(28)	-29,591	0
EBITDA		-173,274	68,408
Depreciation/amortization	(29)	-88,199	-73,929
EBIT		-261,473	-5,521
Profit/loss from equity-accounting method		-5	203
Impairment of investments		-8	0
Other interest and similar income		4,016	1,797
Interest and similar expenses		-42,550	-56,484
Financial result	(30)	-38,547	-54,484
Net profit / loss from ordinary activities		-300,020	-60,005
Income tax	(31)	16,842	-3,743
Consolidated net loss		-283,178	-63,748
Of which attributable to			
shareholders of the parent		-283,178	-63,748
Earnings per share (in EUR)	(32)		
Basic ¹		-1.77	-0.54
Diluted ²		-1.77	-0.54

¹ Based on a weighted average of 160.377 million shares (previous year: 117.349 million shares)

² Based on a weighted average of 160.377 million shares (previous year: 117.349 million shares)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January to 30 June 2022

EUR thousand	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021
Consolidated net loss	-283,178	-63,748
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation difference	-100,494	-23,661
Cash flow hedges	-35,659	-9,872
Deferred taxes	11,411	3,159
Cash flow hedge costs	2,514	6
Deferred taxes	-804	-2
Consolidated comprehensive income	-406,210	-94,118
Of which attributable to		
shareholders of the parent	-406,210	-94,118

CONSOLIDATED CASH FLOW STATEMENT¹

For the period from 1 January to 30 June 2022

EUR thousand	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021
Operating activities		
Consolidated net loss	-283,178	-63,748
+ Depreciation/amortization of non-current assets	88,207	73,929
= Consolidated net loss plus depreciation/amortization	-194,971	10,181
-/+ Increase/decrease in inventories	-404,618	338,542
+/- Decrease/increase in trade receivables	3,997	-53,015
- Decrease in contract assets from projects	-61,656	-205,146
+ Increase in trade payables	97,372	41,978
+/- Increase/decrease in contract liabilities from projects	334,610	-71,971
= Payments received from changes in working capital	-30,295	50,388
+/- Decrease/increase in other assets not attributed to investing or financing activities	9,559	-37,094
+/- Increase/decrease in pensions and similar obligations	115	-17
+/- Increase/decrease in other provisions	38,107	-23,072
-/+ Increase/decrease in other liabilities not attributed to investing or financing activities	-2,098	49,340
-/+ Gain/loss from the disposal of non-current assets	-6,963	534
- Other interest and similar income	-4,016	-1,797
+ Interest received	2,847	491
+ Interest and similar expenses	42,550	56,484
- Interest paid	-36,058	-50,450
-/+ Income tax	-16,842	3,743
- Taxes paid	-9,599	-1,827
-/+ Other non-cash income/expenses	-10,385	986
= Payments made for other operating activities	7,217	-2,679
= Cash flow from operating activities	-218,049	57,890

¹ For more information on the cash flow statement, please also see the consolidated cash flow statement section in the notes to the consolidated financial statements.

EUR thousand	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021
Investing activities		
+ Payments received from the disposal of property, plant and equipment/ intangible assets	6,833	7,753
– Payments made for investments in property, plant and equipment/ intangible assets	–88,823	–75,362
+ Payments received from the disposal of long-term financial assets	13,342	17
– Payments made for investments in long-term financial assets	–45	–535
= Cash flow from investing activities	–68,693	–68,127
Financing activities		
+ Einzahlung aus Kapitalerhöhungen	139,218	0
+ Bank loans received	17,536	56
– Bank loans repaid	0	–471,250
– Cash repayments of bonds	–40	–8
+ Shareholder loan received	0	215,000
– Lease liabilities repaid	–11,912	–9,228
= Cash flow from financing activities	144,802	–265,430
Net change in cash and cash equivalents	–141,940	–275,667
+ Cash and cash equivalents at the beginning of the period	784,440	778,357
+/- Exchange rate-induced change in cash and cash equivalents	10,811	–1,190
= Cash and cash equivalents at the end of the period (Cash and cash equivalents as shown in the consolidated statement of financial position)	653,311	501,500

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 30 June 2022

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2022	160,021	1,236,071	-11,087
Capital increase			
Payments received from capital increase	16,002	123,216	0
Employee stock option program	0	427	0
Consolidated comprehensive income	0	0	0
Consolidated net loss	0	0	0
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation difference	0	0	0
Cash flow hedges	0	0	0
Deferred taxes	0	0	0
Cash flow hedge costs	0	0	0
Deferred taxes	0	0	0
30.06.2022	176,023	1,359,714	-11,087

	Cash flow hedge reserve	Reserve for cash flow hedge costs	Foreign currency adjustment item	Consolidated net profit/loss carried forward	Consolidated net profit/loss	Share in equity attributable to shareholders of the parent	Total
	2,415	529	-113,719	-211,835	0	1,062,395	1,062,395
	0	0	0	0	0	139,218	139,218
	0	0	0	0	0	427	427
	-24,248	1,710	-100,494	0	-283,178	-406,210	-406,210
	0	0	0	0	-283,178	-283,178	-283,178
	0	0	-100,494	0	0	-100,494	-100,494
	-35,659	0	0	0	0	-35,659	-35,659
	11,411	0	0	0	0	11,411	11,411
	0	2,514	0	0	0	2,514	2,514
	0	-804	0	0	0	-804	-804
	-21,833	2,239	-214,213	-211,835	-283,178	795,830	795,830

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 30 June 2021

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2021	117,349	795,698	50,976
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
30.06.2021	117,349	795,698	50,976

	Cash flow hedge reserve	Reserve for cash flow hedge costs	Foreign currency adjustment item	Consolidated net profit/loss carried forward	Consolidated net profit/loss	Share in equity attributable to shareholders of the parent	Total
	9,341	265	-65,531	-134,565	0	773,533	773,533
	-6,713	4	-23,661	0	-63,748	-94,118	-94,118
	0	0	0	0	-63,748	-63,748	-63,748
	0	0	-23,661	0	0	-23,661	-23,661
	-9,872	0	0	0	0	-9,872	-9,872
	3,159	0	0	0	0	3,159	3,159
	0	6	0	0	0	6	6
	0	-2	0	0	0	-2	-2
	2,628	269	-89,192	-134,565	-63,748	679,415	679,415

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the interim period from 1 January to 30 June 2022

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 2022 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in the European Union. All IFRSs and interpretations applicable for the reporting period ending on 30 June 2022 have been observed, in particular IAS 34 Interim Financial Reporting.

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

In March 2022, the cumulative three-year inflation rate in Turkey exceeded 100%. For this reason, Turkey must be considered a hyperinflationary economy as defined by IAS 29 for reporting periods ending on or after 30 June 2022. In

light of this, the half-year report for our Turkish subsidiary, which is based on a historical cost approach, has been adjusted to reflect the overall change in purchasing power. The price index was 78.62% as of June 2022 (June 2021: 17.53%). The previous year's figures have not been adjusted in accordance with IAS 21.42. Nordex recorded a net loss of EUR 2,791 thousand due to hyperinflation adjustments.

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

The Nordex Group's business performance in the first six months of 2022 was in line with expectations, with sales decreasing to EUR 2.1 billion (H1 2021: EUR 2.7 billion). Gross revenue, which also includes changes in inventories, fell by 4.5 percent to EUR 2.2 billion (H1 2021: EUR 2.3 billion). The decline in the second quarter was mainly driven by low installation figures outside Europe and Latin America. The indirect effects of the pandemic and the war in Ukraine also remain clearly evident as reflected by the upheaval in the energy, raw materials and logistics markets. In this environment, EBITDA came to EUR –173.3 million (H1 2021: EUR 68.4 million). This corresponds to an EBITDA margin of –8.1% (H1 2021: 2.5%). Adjusted for the costs of reconfiguring production, EBITDA was EUR –143.7 million and the EBITDA margin was –6.8%.

Regarding the direct impact of the war in Ukraine on the Nordex Group's business, the Company can confirm the statements made in the consolidated financial statements as of 31 December 2021. In addition, the Nordex Group has analyzed further accounting implications. This includes, for example, the consolidation of the subsidiary in Ukraine and the recoverability of current and non-current assets directly related to the business in Ukraine. There were no indications of significant impairment. Nordex also held talks with its customers to confirm that the projects in Ukraine are to be continued at a later date. Should the situation change, working capital write-downs might be possible in the future due to projects that have either been paused or are no longer being implemented.

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

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

However, the adjustments of the production network announced by the Company are steadily taking shape, with the closure of a Spanish production facility for the assembly of nacelles and termination of the production of rotor blades in Germany now complete. Restructuring costs amount to EUR 29.6 million.

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

Total assets rose by 8.0% compared with the end of 2021 to around EUR 4.4 billion. The equity ratio was 17.9% as of 30 June 2022 (31 December 2021: 25.9%). This development was due to a higher level of total assets and the consolidated net loss. As of the reporting date, the Group had cash and cash equivalents of EUR 653.3 million (31 December 2021: EUR 784.4 million). The working capital ratio as a percentage of consolidated sales was -10.8% (31 December 2021: -10.2%).

FOREIGN CURRENCY TRANSLATION

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

Exchange rates EUR 1.00 equals	Average exchange rates for the interim period		Closing rates as of 30.6./31.12.	
	01.01. – 30.06.2022	01.01. – 30.06.2021	30.06.2022	31.12.2021
AUD	1.5193	1.5626	1.5099	1.5615
BRL	5.5278	6.4827	5.4229	6.3101
CLP	901.9572	867.6790	962.0935	964.3202
CNY	7.0811	7.7974	6.9624	7.1947
GBP	0.8421	0.8683	0.8582	0.8403
HRK	7.5413	7.5508	7.5307	7.5156
INR	83.3031	88.4335	82.1133	84.2290
MXN	22.1379	24.3134	20.9641	23.1438
NOK	9.9699	10.1748	10.3485	9.9888
PEN	4.1561	4.4874	3.9330	4.5193
PLN	4.6314	4.5363	4.6904	4.5969
SEK	10.4733	10.1293	10.7300	10.2503
TRY	16.1812	9.4633	17.3220	15.2346
USD	1.0930	1.2055	1.0387	1.1326
ZAR	16.8350	17.5126	17.0155	18.0636

SHARE-BASED PAYMENT PROGRAMS**Employee stock option program**

Within the scope of an employee loyalty scheme, Nordex SE grants certain employees pre-emption rights free-of-change for shares of Nordex SE.

The total expense recognized for the employee stock option program in the interim period of 1 January to 30 June 2022 amounts to EUR 232 thousand (1 January to 30 June 2021: EUR 0 thousand).

Transformation Incentive Plan

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

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

Performance Share Unit Plan

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

The total expense recognized for the Performance Share Units Plan in the interim period of 1 January to 30 June 2022 amounts to EUR 557 thousand (1 January to 30 June 2021: EUR 1,102 thousand).

The carrying amount of the liabilities arising from the Performance Share Units Plan amounts to EUR 559 thousand (31 December 2021: EUR 2,300 thousand).

FINANCIAL RISK MANAGEMENT

DEBT INSTRUMENTS

Corporate bond

On 2 February 2018, the Nordex Group successfully placed a corporate bond in the amount of EUR 275,000 thousand with a coupon of 6.5%. This bond was admitted to trading on the International Stock Exchange. The issuer of the five-year corporate bond is Nordex SE, with the main Nordex Group companies holding joint and several liability. The corporate bond has been certified as a green financial instrument. As at 30 June 2022, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 281,338 thousand (31 December 2021: EUR 280,387 thousand), of which EUR 281,338 thousand (31 December 2021: EUR 7,448 thousand) is current.

Shareholder loan

In addition, Acciona S.A. granted Nordex SE a shareholder loan of EUR 232,200 thousand. 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 to a capital increase as a non-cash contribution. The loan runs until 30 April 2025 at an interest rate of 10.0%. As at 30 June 2022, the liability including accrued costs and interest recognized under non-current financial liabilities amounted to EUR 47,185 thousand (31 December 2021: EUR 44,499 thousand).

Promissory note

On 6 April 2016, Nordex SE placed a promissory note with a volume of EUR 550,000 thousand for which Nordex SE & Co. KG is jointly and severally liable with national and international investors. After a further EUR 215,000 thousand was repaid in April 2021, the promissory note currently is comprised of tranches with original terms of seven and ten years, each subject to fixed or variable interest. Depending on the tranche, the interest rate is between 2.1% and 3.0%. The promissory note has been certified as a green financial instrument. As at 30 June 2022, the liability including accrued costs and interest recognized under liabilities to banks amounted to EUR 25,645 thousand (31 December 2021: EUR 25,890 thousand), of which EUR 19,145 thousand (31 December 2021: EUR 390 thousand) is current.

Employee bond

To strengthen employee loyalty while allowing them to make a profitable investment, the Nordex Group has launched a participation program for its employees in the French Val aux Moines wind farm developed and implemented by Nordex. Employees can participate by purchasing bonds issued by Nordex Employee Holding GmbH. The total volume is up to EUR 4,000 thousand with an annual interest rate of 6.0%. The term runs from 1 October 2020 to 30 September 2024. As at 30 June 2022, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 3,817 thousand (31 December 2021: EUR 3,741 thousand), of which EUR 171 thousand (31 December 2021: EUR 56 thousand) is current.

Syndicated multi-currency guarantee facility

Nordex SE also has a syndicated multi-currency guarantee facility that runs until 9 April 2024 and has been increased from EUR 1,238,750 thousand to EUR 1,410,000 thousand in June 2021 and in which the main Nordex Group companies hold joint and several liability. This facility may be extended twice for one more year in each case. In addition, it has been agreed that an amount of up to EUR 100,000 thousand from this top-up will also be made available in the form of guaranteed cash credit lines. As at 30 June 2022, EUR 1,164,460 thousand (31 December 2021: EUR 1,155,995 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 syndicated multi-currency guarantee facility. As at 30 June 2022, the cash drawdowns on these facilities recognized under current liabilities to banks amounted to EUR 24,113 thousand (31 December 2021: EUR 6,174 thousand).

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

CAPITAL RISK MANAGEMENT

The main aims of capital risk management are to ensure sustained growth in enterprise value and to safeguard the Group's liquidity and credit rating. Equity stood at EUR 795,830 thousand as at 30 June 2022 (31 December 2021: EUR 1,062,395 thousand). The Group monitors its capital by means of the working capital employed. Working capital is defined as the sum total of trade receivables, contract assets from projects and inventories less trade payables and contract liabilities from projects:

EUR thousand	30.06.2022	31.12.2021
Trade receivables	158,533	162,530
Contract assets from projects	598,182	536,526
Inventories	1,127,105	722,487
Trade payables	-1,129,972	-1,032,600
Contract liabilities from projects	-1,279,738	-945,128
	-525,890	-556,185
Sales ¹	4,873,600	5,443,950
Working capital ratio	-10.8%	-10.2%

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

GROUP SEGMENT REPORTING

In line with business activities, the reportable segments are the Projects and Service segments. The Projects segment comprises the business with new wind turbines and wind farm development in the Nordex Development unit, while the Service segment includes all activities relating to the support of wind turbines after they have been commissioned (income and expenses which cannot be clearly allocated to the two segments are reported separately under not allocated). Segment reporting follows the internal reports submitted to the chief operating decision maker, the Management Board of Nordex SE, on the basis of the accounting principles applied to the consolidated financial statements.

EUR thousand	Projects	
	H1 2022	H1 2021
Sales	1,901,925	2,484,126
Changes in inventories and other own work capitalized	93,173	-369,004
Cost of materials	-1,824,930	-1,737,456
Other income and expenses	-314,596	-319,314
EBIT	-144,428	58,352
Other interest and similar income	0	0
Interest and similar expenses	0	0
Other financial result	0	0

¹ As in the previous year, intrasegment sales are exclusively attributable to the Service segment, whereas intrasegment cost of materials of EUR 3,364 thousand (H1 2021: EUR 4,550 thousand) is attributable to the Projects segment and EUR 533 thousand (H1 2021: EUR 344 thousand) to the Not-allocated segment.

	Service		Not allocated		Consolidation ¹		Total	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
	226,298	216,837	1,885	494	-3,897	-4,894	2,126,211	2,696,563
	1,218	-478	-449	-2,616	0	0	93,942	-372,098
	-78,819	-88,745	-74,398	-18,674	3,897	4,894	-1,974,250	-1,839,981
	-109,620	-91,684	-83,160	-79,007	0	0	-507,376	-490,005
	39,077	35,930	-156,122	-99,803	0	0	-261,473	-5,521
	0	0	4,016	1,797	0	0	4,016	1,797
	0	0	-42,550	-56,484	0	0	-42,550	-56,484
	0	0	-13	203	0	0	-13	203

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

EUR thousand	Non-current assets ¹		Sales	
	30.06.2022	31.12.2021	01.01. – 30.06.2022	01.01. – 30.06.2021
Europe ²	560,809	536,692	1,441,866	1,637,875
Latin America	45,726	34,777	358,674	287,584
North America	32,816	18,832	253,739	589,448
Rest of world	97,971	96,866	71,932	181,656
	737,322	687,167	2,126,211	2,696,563

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 326,510 thousand (31 December 2021: EUR 325,843 thousand) and sales from Germany EUR 336,710 thousand (1 January to 30 June 2021): EUR 126,595 thousand)

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(1) CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 653,311 thousand (31 December 2021: EUR 784,440 thousand). Of the cash and cash equivalents, EUR 4,796 thousand cannot be freely transferred within the Group due to foreign exchange restrictions resulting from the Russia-Ukraine conflict.

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

(2) TRADE RECEIVABLES

Trade receivables amount to EUR 158,533 thousand (31 December 2021: EUR 162,530 thousand).

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

Impairments of trade receivables amount to EUR 17,674 thousand (31 December 2021: EUR 10,850 thousand).

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

(3) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM PROJECTS

Contract assets and contract liabilities from projects changed as follows:

EUR thousand	Contract assets from projects		Contract liabilities from projects	
	2022	2021	2022	2021
Amount on 01.01.	536,526	531,531	945,128	1,053,068
Addition, new ongoing projects	392,487	1,725,392	222,302	1,493,389
Addition, existing ongoing projects	1,555,082	2,282,562	1,976,482	1,969,872
Change in the transaction price	-9,188	-52,616	0	0
Disposal, invoiced projects	-1,120,509	-3,341,142	-1,107,958	-2,962,000
Netting of contract assets from projects with contract liabilities from projects	-756,216	-609,201	-756,216	-609,201
Amount on 30.06./31.12.	598,182	536,526	1,279,738	945,128

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

(4) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM SERVICES

Contract assets and contract liabilities from services changed as follows:

EUR thousand	Contract assets from services		Contract liabilities from services	
	2022	2021	2022	2021
Amount on 01.01.	39,498	28,430	160,315	154,393
Addition of new service contracts	1,443	6,031	43,494	19,987
Addition to existing service contracts	8,419	11,232	137,167	15,057
Disposal of existing service contracts	-4,750	-4,372	-123,391	-27,155
Disposal of completed service contracts	-354	-1,823	-11,217	-1,967
Amount on 30.06./31.12.	44,256	39,498	206,368	160,315

Of the contract assets from services, EUR 10,317 thousand (31 December 2021: EUR 7,327 thousand) are current and EUR 33,939 thousand (31 December 2021: EUR 32,171 thousand) are non-current, while of the contract liabilities

from services, EUR 43,926 thousand (31 December 2021: EUR 29,391 thousand) are current and EUR 162,442 thousand (31 December 2021: EUR 130,924 thousand) are non-current.

(5) INVENTORIES

Inventories break down as follows:

EUR thousand	30.06.2022	31.12.2021
Raw materials and supplies	682,161	394,597
Work in progress	341,599	258,795
Prepayments made	103,345	69,095
	1,127,105	722,487

Raw materials and supplies primarily comprise production and service material.

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

(6) OTHER CURRENT FINANCIAL ASSETS

Other current financial assets mainly comprise creditors with debit accounts of EUR 19,151 thousand (31 December 2021: EUR 21,920 thousand), forward exchange transactions of EUR 9,928 thousand (31 December 2021: EUR 15,739 thousand), fixed-term deposits of EUR 7,061 thousand (31 December 2021: EUR 3,852 thousand), insurance and compensation claims of EUR 6,620 thousand (31 December 2021: EUR 5,444 thousand), and advance payments to secure supplier capacities of EUR 6,086 thousand (31 December 2021: EUR 10,250 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 47,822 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 8,490 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 1,438 thousand (31 December 2021: EUR 2,147 thousand). The forward rates and prices are calculated on the basis of the spot price on the reporting date in the light of any discounts or premiums for the remaining term of the contract.

(7) OTHER CURRENT NON-FINANCIAL ASSETS

The other current non-financial assets primarily comprise tax assets of EUR 175,030 thousand (31 December 2021: EUR 195,539 thousand) and prepaid expenses of EUR 12,294 thousand (31 December 2021: EUR 12,427 thousand).

The tax assets mainly are current VAT tax assets.

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

(8) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

EUR thousand	30.06.2022	31.12.2021
Land and buildings	199,944	194,937
Technical equipment and machinery	218,626	183,291
Other fixtures and fittings, tools and equipment	101,469	90,083
Assets under construction	41,922	33,588
Prepayments made	2,010	5,059
	563,971	506,958

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

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

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

EUR thousand	30.06.2022	
	Additions	Carrying amount
Land and buildings – Lease assets	12,734	111,600
Technical equipment and machinery – Lease assets	91	91
Other fixtures and fittings, tools and equipment – Lease assets	4,366	13,487
	17,191	125,178

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

Cash outflows for leases amounted to EUR 21,347 thousand in the interim period from 1 January to 30 June 2022 (1 January to 30 June 2021: EUR 20,411 thousand).

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

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

(9) GOODWILL

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

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

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

(10) CAPITALIZED DEVELOPMENT EXPENSES

As at the reporting date, development expenses of EUR 158,295 thousand (31 December 2021: EUR 163,551 thousand) were capitalized. In the first six months of 2022, development expenses of EUR 11,282 thousand (31 December 2021: EUR 35,077 thousand) were capitalized. Additions comprise in particular the enhancement of the Generation Delta wind turbines. Additional R&D expenses of EUR 15,540 thousand also arising in the first six months of 2022 (31 December 2021: EUR 23,394 thousand) did not meet the criteria for capitalization and were therefore recognized in profit or loss. The capitalization ratio therefore amounts to 42.06% (31 December 2021: 59.99%). The decrease in the capitalization ratio is mainly attributable to the cyber incident at the end of March 2022, as a result of which engineers' development software was not operational. This resulted in a lower level of development services. The decrease is also due to lower expenses for product and software development and lower hourly expenses.

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

(11) OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets mainly comprise fixed-term deposits amounting to EUR 7,536 thousand (31 December 2021: EUR 6,690 thousand) and receivables from non-consolidated affiliated companies and other long-term equity investments in the amount of EUR 7,397 thousand (31 December 2021: EUR 7,422 thousand).

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

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other non-current financial assets are classified as financial assets measured at amortized cost. Given that market interest rates apply, amortized cost amounting to EUR 17,165 thousand (31 December 2021: EUR 16,283 thousand) equals the fair value as in the previous year.

(12) OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other non-current non-financial assets primarily comprise prepaid expenses of EUR 11,716 thousand (31 December 2021: EUR 11,762 thousand) and tax assets of EUR 7,379 thousand (31 December 2021: EUR 1,628 thousand).

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

Tax assets are current VAT tax assets.

(13) DEFERRED TAX ASSETS AND TAX LIABILITIES

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

The changes in deferred taxes break down as follows:

EUR thousand	2022	2021
Amount on 01.01.	204,447	163,325
Recognized through profit or loss	28,086	26,534
Recognized in capital reserves ¹	0	5,834
Recognized in other comprehensive income	10,607	3,128
Currency translation	-10,338	5,626
Amount on 30.06./31.12.	232,802	204,447

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

(14) LIABILITIES TO BANKS

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

Pursuant to IFRS 7 and IFRS 9, liabilities to banks are classified as financial liabilities measured at amortized cost. The fair value amounts to EUR 49,696 thousand (31 December 2021: EUR 32,353 thousand), of which EUR 19,330 thousand (31 December 2021: EUR 6,845 thousand) would be classified as current.

(15) TRADE PAYABLES

Trade payables amount to EUR 1,129,972 thousand (31 December 2021: EUR 1,095,563 thousand).

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

(16) OTHER PROVISIONS

Movements in other provisions break down as follows:

EUR thousand	01.01.2022	Utilization	Reversals	Additions	30.06.2022
Warranties	88,244	-11,054	-10,499	69,293	135,984
Others	48,941	-23,684	-10,606	24,657	39,308
	137,185	-34,738	-21,105	93,950	175,292

The provisions for warranties predominantly cover risks arising from possible claims for damages in the service and project business. In principle, warranties are granted for a period of two years following the passing of ownership of the wind turbines, and in individual cases for a period of five years. The warranty provisions only include the standard guarantee. Any service guarantees additionally purchased by customers are reflected in service contracts.

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

(17) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly comprise the corporate bond of EUR 281,338 thousand (31 December 2021: EUR 7,448 thousand), forward exchange transactions of EUR 36,969 thousand (31 December 2021: EUR 8,358 thousand), leases of EUR 25,170 thousand (31 December 2021: EUR 22,467 thousand), collateral of EUR 16,579 thousand (31 December 2021: EUR 0 thousand) and guarantee commissions of EUR 10,650 thousand (31 December 2021: EUR 5,710 thousand).

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

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

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other current financial liabilities (and without leases not allocated to a measurement category) are classified as financial liabilities measured at amortized cost. The amortized cost amounts to EUR 313,809 thousand (31 December 2021: EUR 17,581 thousand). Based on the corporate bond's share price, the fair value amounts to EUR 301,187 thousand (31 December 2021: EUR 17,581 thousand based on the fact that the corporate bond was recognized as a non-current liability as of 31 December 2021).

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial liabilities in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 33,005 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 3,964 thousand (31 December 2021: EUR 3,780 thousand). The forward rates and prices are calculated on the basis of the spot price on the reporting date in the light of any discounts or premiums for the remaining term of the contract.

(18) OTHER CURRENT NON-FINANCIAL LIABILITIES

The other current non-financial liabilities primarily comprise accrued liabilities of EUR 102,951 thousand (31 December 2021: EUR 68,647 thousand) and tax liabilities of EUR 80,432 thousand (31 December 2021: EUR 59,775 thousand).

Accrued liabilities mainly comprise trailing project costs and staff costs.

The tax liabilities mainly relate to value-added tax.

(19) OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities mainly comprise leases in the amount of EUR 106,462 thousand (31 December 2021: EUR 100,904 thousand) and the shareholder loan of EUR 47,185 thousand (31 December 2021: EUR 44,499 thousand).

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

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

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other non-current financial liabilities (and without leases not allocated to a measurement category) are classified as financial liabilities measured at amortized cost. Given that market interest rates apply, amortized cost amounting to EUR 54,755 thousand (31 December 2021: EUR 324,063 thousand) equals the fair value (31 December 2021: EUR 327,385 based on the fact that the corporate bond was recognized as a non-current liability as of 31 December 2021).

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other non-current financial liabilities in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 3,399 thousand (31 December 2021: EUR 3,368 thousand).

(20) OTHER NON-CURRENT NON-FINANCIAL LIABILITIES

Other non-current non-financial liabilities mainly comprise tax liabilities of EUR 2,956 thousand (31 December 2021: EUR 2,642 thousand).

The tax liabilities concern liabilities to tax authorities in Brazil.

(21) EQUITY

Equity breaks down as follows:

EUR thousand	30.06.2022	31.12.2021
Subscribed capital	176,023	160,021
Capital reserves	1,359,714	1,236,071
Other retained earnings	-11,087	-11,087
Cash flow hedge reserve	-21,833	2,415
Reserve for cash flow hedge costs	2,239	529
Foreign currency adjustment item	-214,213	-113,719
Consolidated net profit/loss carried forward	-211,835	-211,835
Consolidated net profit/loss ¹	-283,178	0
Share in equity attributable to shareholders of the parent	795,830	1,062,395
	795,830	1,062,395

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

Subscribed capital amounts to EUR 176,023,138 (31 December 2021: EUR 160,021,035) and is divided into 176,023,138 (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 under exclusion of subscription rights, utilizing a portion of authorized capital. The share capital was increased by EUR 16,002,103 by way of a private placement with Acciona S.A. by issuing 16,002,103 new shares at an issue price of EUR 8.70 per share, which corresponds to the most recent closing price in Xetra trading of the Frankfurt Stock Exchange before the resolution to implement the capital increase was adopted. Gross issuing proceeds amounted to EUR 138,218 thousand.

Proceeds of EUR 123,216 thousand, which represents the amount exceeding the new shares' proportion of equity, has been allocated to the capital reserves. The capital reserves stand at EUR 1,359,714 thousand (31 December 2021: EUR 1,236,071 thousand) and also contain additional premiums from capital increases amounting to EUR 1,305,169.

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

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

The increase in the foreign currency adjustment item is mainly due to the adjustments triggered by hyperinflation in Turkey.

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

(22) ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

The following table shows the financial assets and liabilities as well as their fair values and their allocation to the fair value hierarchy defined in IFRS 13 that should be applied when determining the fair value of a financial instrument:

30.06.2022 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	8,490	0	8,490
Other forward exchange transactions	0	1,438	0	1,438
Financial liabilities				
Liabilities to banks	0	49,696	0	49,696
Corporate bond	268,716	0	0	268,716
Employee bond	0	3,817	0	3,817
Shareholder loan	0	47,185	0	47,185
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	36,404	0	36,404
Other forward exchange transactions	0	3,964	0	3,964

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

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

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

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

NOTES TO THE INCOME STATEMENT

(23) SALES

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

EUR thousand	01.01.– 30.06.2022	01.01.– 30.06.2021
Projects	1,901,925	2,484,126
Service	226,298	216,837
Not allocated	1,885	494
Intrasegment consolidation	-3,897	-4,894
	2,126,211	2,696,563

The timing of sales recognition from projects is as follows:

EUR thousand	01.01.– 30.06.2022	01.01.– 30.06.2021
Project revenues recognized at a point in time	546,876	1,008,214
Project revenues recognized over time	1,355,049	1,475,912
	1,901,925	2,484,126

The Nordex Group generates sales from projects and services. The transaction prices derived from the contractual terms and conditions for the production and sale of wind turbines and for service contracts include fixed and, to a lesser extent, variable consideration. The estimated amounts of the variable consideration will only be included in the transaction prices where it is considered to be highly probable that no significant cancellation of sales will arise as a result of the elimination

of uncertainty regarding the size of the variable amounts. Moreover, the transaction prices which are realized by way of sales are reduced through payments made in connection with lump-sum compensation and other penalty payments associated with project and service contracts.

In the case of project contracts, sales are recognized either at a point in time using the milestone method or over time using the cost-to-cost method, depending on the respective scope of the contract. Under the cost-to-cost method, the stage of completion is determined by comparing the costs incurred with the budgeted costs and recognizing sales in proportion to the stage of completion.

Sales for standardized turbine types are recognized at a point in time when control of the fully operational turbine is transferred to the customer. Control is transferred to the customer upon erection of the fully functional turbine. Costs are recognized in inventories until sales are recognized at a point in time.

Sales for customer-specific installations for which there is no alternative use and for which there is an enforceable right to payment for the service provided are recognized over time.

The sales generated from service contracts will be recognized over time and distributed across the years covered by the contract in line with a distribution of costs typical of the contract (schedule). The schedule for determining the degree of completion of individual service contracts is based on historical data. If the degree of completion exceeds the billed amount, contract assets from services are recognized and, if the billed amount exceeds the degree of completion, contract liabilities from services are recognized.

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

(24) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Changes in inventories stand at EUR 82,804 thousand (1 January to 30 June 2021: EUR –383,513 thousand) and reflect the lower volume of installations.

Own work capitalized is measured at EUR 11,138 thousand (1 January to 30 June 2021: EUR 11,415 thousand) and, as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

(25) COST OF MATERIALS

The cost of materials breaks down as follows:

EUR thousand	01.01. – 30.06.2022	01.01. – 30.06.2021
Cost of raw materials and other supplies	1,344,367	1,321,829
Cost of services purchased	629,883	518,152
	1,974,250	1,839,981

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

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

(26) OTHER OPERATING INCOME / OTHER OPERATING EXPENSES

Other operating income/expenses mainly comprise income from the sale of C&C Wind Sp. Z o. of EUR 6,941 thousand (1 January to 30 June 2021: EUR 0 thousand) and indemnity and damages received of EUR 4,914 thousand (1 January to 30 June 2021: EUR 4,927 thousand), leases of EUR –9,435 thousand (1 January to 30 June 2021: EUR –11,183 thousand), maintenance of EUR –9,096 thousand (1 January to 30 June 2021: EUR –17,201 thousand), other staff costs of EUR –13,410 thousand (1 January to 30 June 2021: EUR –53,221 thousand), legal and consulting costs of EUR –14,116 thousand (1 January to 30 June 2021: EUR –20,581 thousand) and travel expenses of EUR –19,418 thousand (1 January to 30 June 2021: EUR –12,245 thousand).

As of the beginning of the financial year, the presentation has been changed for reasons of clarity. Hours worked by subcontractors are no longer shown under other staff costs but under cost of materials. Costs related to construction sites, which were previously shown under leases, are now also carried under cost of materials. Both issues relate to the operating business and therefore to gross profit. For reasons of materiality, the previous year's figures – subcontractor labor hours 1 January to 30 June 2021: EUR –41,968 thousand, construction site-related costs 1 January to 30 June 2021: EUR –5,177 thousand – have not been restated.

(27) STAFF COSTS

Staff costs break down as follows:

EUR thousand	01.01. – 30.06.2022	01.01. – 30.06.2021
Wages and salaries	228,065	203,688
Social security and expenditure on retirement benefits and support	47,297	43,321
	275,362	247,009

The Group headcount was as follows:

	01.01. – 30.06.2022 ¹	01.01. – 30.06.2021 ¹	Change
Reporting date			
Office staff	4,029	3,649	380
Technical staff	5,017	4,708	309
	9,046	8,357	689
Average			
Office staff	3,927	3,546	381
Technical staff	4,786	4,641	145
	8,713	8,187	526

¹ Working students, trainees and employees on leave have not been included in the number of employees since 30 September 2021.

The previous year's figure has been adjusted accordingly.

The increase in the number of employees is mainly due to the establishment and expansion of production facilities in Brazil, Spain and India.

(28) RESTRUCTURING COSTS

The Nordex Group distinguishes between EBITDA and adjusted EBITDA before restructuring costs. EBITDA results from gross profit less structural costs. To determine EBITDA before restructuring costs, restructuring costs were separated from structural costs. Restructuring costs amount to EUR 29,591 thousand. More detailed information on the restructuring costs is provided in the section on the basis of preparation.

(29) DEPRECIATION /AMORTIZATION

Depreciation and amortization breaks down as follows:

EUR thousand	01.01. – 30.06.2022	01.01. – 30.06.2021
Depreciation of property, plant and equipment	69,222	49,377
Amortization of capitalized development expenses	16,565	21,296
Amortization of other intangible assets	2,412	3,256
	88,199	73,929

Depreciation includes EUR 13,786 thousand for depreciation of lease assets (1 January to 30 June 2021: EUR 10,157 thousand); of this amount EUR 9,594 thousand (1 January to 30 June 2021: EUR 6,820 thousand) concern land and buildings and EUR 4,192 thousand (1 January to 30 June 2021: EUR 3,337 thousand) other fixtures and fittings, tools and equipment.

(30) FINANCIAL RESULT

The financial result breaks down as follows:

EUR thousand	01.01. – 30.06.2022	01.01. – 30.06.2021
Profit/loss from equity-accounting method	-5	203
Impairment of investments	-8	0
Net profit / loss from investments	-13	203
Other interest and similar income	4,016	1,797
Interest and similar expenses	-42,550	-56,484
Interest result	-38,534	-54,687
	-38,547	-54,484

Interest income and expense arises primarily from deposits with banks, and from guarantee commissions and the corporate bond. Of the interest expense, EUR 2,027 thousand (1 January to 30 June 2021: EUR 1,619 thousand) is attributable to leases.

(31) INCOME TAX

Income tax breaks down as follows:

EUR thousand	01.01. – 30.06.2022	01.01. – 30.06.2021
Current income tax	-11,244	-15,859
Deferred taxes	28,086	12,116
Total income tax	16,842	-3,743

(32) EARNINGS PER SHARE**Basic**

		01.01. – 30.06.2022	01.01. – 30.06.2021
Consolidated net loss for the year	EUR thousand	-283,178	-63,748
of which shareholders of the parent company	EUR thousand	-283,178	-63,748
Weighted average number of shares		160,376,637	117,348,759
Basic earnings per share	EUR	-1.77	-0.54

Diluted

Diluted earnings per share also stand at EUR -1.77 (1 January to 30 June 2021: EUR -0.54).

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

RELATED PARTY DISCLOSURES

As at the reporting date, Acciona S.A. held a 39.66% (31 December 2021: 33.6%) share in Nordex SE.

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

EUR thousand	Balances outstanding Receivables (+)/liabilities (-)		Transaction amount Income (+)/expense (-)	
	30.06.2022	31.12.2021	01.01. – 30.06.2022	01.01. – 30.06.2021
Acciona Energia Chile SpA	164,007/-81	164,302/-83	1,587/-577	1,786/-430
Acciona Energia Mexico S.r.l.	1,978/-13	1,807/-18	0/0	0/0
Acciona Energia S.A.	263,751/-41,992	227,354/-38,917	37,706/-756	40,062/-363
Acciona Energia Servicios Mexico S. de RL de C.V.	59,847/0	58,868/-58,528	0/0	29/-5,526
Acciona Energy Australia Global Pty. Ltd	77,638/-13,601	17/-9,325	79,929/-3,957	0/0
Acciona Energy Oceania Construction Pty. Ltd.	123,056/-116,911	116,244/-113,050	3,312/0	117,298/-3,595
Acciona Forwarding S.A.	7/-27	7/-31	348/-11,303	1/-2,700
Acciona S.A	0/-47,320	0/-44,633	0/-347	0/-803
Other	2,171/-762	1,705/-549	2/-669	743/-469

The changes in income and expenses and the related receivables from and liabilities to Acciona Energia S.A., Acciona Energia Servicios Mexico S. de RL de C.V., Acciona Energy Australia Global Pty. Ltd. and Acciona Energy Oceania Construction Pty. Ltd. are mainly attributable to the installation of wind farms in Spain, Mexico and Australia. 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 first six months of 2022, no orders to deliver and assemble wind power systems (1 January to 30 June 2021: EUR 12,748 thousand) were placed by Acciona Energía S.A.

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

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

EUR thousand	Balances outstanding Receivables (+)/liabilities (-)		Transaction amount Income (+)/expense (-)	
	30.06.2022	31.12.2021	01.01. – 30.06.2022	01.01. – 30.06.2021
GN Renewable Investments S.a.r.l.	0/0	0/0	0/-5	0/-6

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

There are receivables of EUR 6,844 thousand (31 December 2021: EUR 8,253 thousand) and liabilities of EUR 35 thousand (31 December 2021: EUR 35 thousand) relating to non-consolidated entities, as well as income of EUR 13 thousand (1 January to 30 June 2021: EUR 57 thousand) and expenses of EUR 0 thousand (1 January to 30 June 2021: EUR 1 thousand).

CONSOLIDATED CASH FLOW STATEMENT

The cash flow from operating activities was EUR -218,049 thousand (1 January to 30 June 2021: EUR 57,890 thousand), of which EUR -194,971 thousand is attributable to the consolidated net loss including depreciation, amortization and impairment (1 January to 30 June 2021: EUR 10,181 thousand). Changes in working capital resulted in payments made of EUR 30,295 thousand (1 January to 30 June 2021: payments received of EUR 50,388 thousand).

Payments received from other operating activities stand at EUR 7,217 thousand (1 January to 30 June 2021: payments made of EUR 2,679 thousand).

Cash flow from investing activities amounted to EUR -68,693 thousand (1 January to 30 June 2021: EUR -68,127 thousand). Investments of EUR 76,921 thousand (1 January to 30 June 2021: EUR 63,143 thousand) were made in property, plant and equipment, which mainly related to the establishment and expansion of blade and nacelle production in India, the establishment and expansion of tower production in Brazil, and the expansion of blade production and procurement of installation and transportation equipment in Spain. Development projects of EUR 11,282 thousand (1 January to 30 June 2021: EUR 12,054 thousand) were capitalized.

Cash flow from financing activities amounted to EUR 144,802 thousand (1 January to 30 June 2021: EUR -265,430 thousand) and is mainly attributable to the capital increase and cash drawdowns on the ancillary credit facilities within the syndicated multi-currency guarantee facility, with the repayment of lease liabilities having an offsetting effect.

EVENTS AFTER THE REPORTING DATE

Acciona S.A. granted Nordex SE another shareholder loan of EUR 286,000 thousand. The disbursement conditions for two tranches amounting to EUR 11,000 thousand and EUR 275,000 thousand were met in July 2022. The loan runs until 29 July 2026 at an interest rate of 14.0%. This shareholder loan is also subordinate to all other Nordex Group liabilities. It is designed to replace the corporate bond totaling EUR 275,000 thousand.

On 10 July 2022, the Management Board of Nordex SE, with the approval of the Company's Supervisory Board, adopted a resolution to implement a rights issue from authorized capital against cash contributions. The share capital has been increased by EUR 35,923,089 by issuing 35,923,089 new shares at a subscription price of EUR 5.90 per share. All Nordex shareholders were entitled to acquire 10 new shares for 49 existing shares at the subscription price against cash contributions. Acciona S.A. exercised pre-emption rights for its existing 39.66% stake in share capital. 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. By carrying out this rights issue, the Nordex Group intended to strengthen its capital structure by increasing its equity ratio in what is currently a volatile

market environment for the wind energy sector. The Company intends to use the net proceeds from the rights issue for general company purposes where the need for liquidity arises in the course of business activities.

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

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

Nordex SE, Rostock, 14 August 2022



José Luis Blanco, Chairman of the Management Board



Dr. Ilya Hartmann, Member of the Management Board



Patxi Landa, Member of the Management Board

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

For the period from 1 January to 30 June 2022

	Cost					
EUR thousand	Opening balance 01.01.2022	Additions	Disposals	Reclassifi- cations	Currency translation	Closing balance 30.06.2022
Property, plant and equipment						
Land and buildings	292,625	14,897	2,592	0	5,516	310,446
Technical equipment and machinery	447,330	37,753	1,587	6,779	35,005	525,280
Other fixtures and fittings, tools and equipment	199,596	26,415	2,424	184	4,661	228,432
Assets under construction	33,588	13,932	0	-6,963	1,365	41,922
Prepayments made	5,059	1,115	4,164	0	0	2,010
Total	978,198	94,112	10,767	0	46,547	1,108,090
Intangible assets						
Goodwill	552,259	0	0	0	0	552,259
Capitalized development expenses	503,963	11,282	0	0	26	515,271
Prepayments made	1,704	2	0	0	0	1,706
Other intangible assets	161,776	618	40	0	6,271	168,625
Total	1,219,702	11,902	40	0	6,297	1,237,861

	Depreciation/amortization/impairment losses				Carrying amount	Carrying amount	
	Opening balance 01.01.2022	Additions	Disposals	Currency translation	Closing balance 30.06.2022	30.06.2022	31.12.2021
	97,688	13,751	1,813	876	110,502	199,944	194,937
	264,039	37,269	500	5,846	306,654	218,626	183,291
	109,513	18,202	1,683	931	126,963	101,469	90,083
	0	0	0	0	0	41,922	33,588
	0	0	0	0	0	2,010	5,059
	471,240	69,222	3,996	7,653	544,119	563,971	506,958
	4,501	0	0	0	4,501	547,758	547,758
	340,412	16,565	0	-1	356,976	158,295	163,551
	1,672	0	0	0	1,672	34	32
	145,150	2,412	0	6,041	153,603	15,022	16,626
	491,735	18,977	0	6,040	516,752	721,109	727,967

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements for the first six months as at 30 June 2021 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Nordex SE, Rostock, August 2022



José Luis Blanco, Chairman of the Management Board



Dr. Ilya Hartmann, Member of the Management Board



Patxi Landa, Member of the Management Board

FINANCIAL CALENDAR, PUBLISHING INFORMATION AND CONTACT

FINANCIAL CALENDAR

Date

14 August 2022	Publication of half-yearly financial report
15 November 2022	Publication of quarterly financial report (Q3 reporting date)

PUBLISHING INFORMATION AND CONTACT

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Disclaimer

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

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