

Q1 2020

INTERIM REPORT FOR THE PERIOD
FROM 1 JANUARY TO 31 MARCH 2020



KEY FIGURES AT A GLANCE

Key figures Nordex Group

		01.01. – 31.03.2020	01.01. – 31.03.2019	Change
Earnings				
Sales	EUR Million	964.6	398.9	141.8%
Gross revenue	EUR Million	1,021.5	583.6	75.0%
EBITDA	EUR Million	13.1	3.3	297.0%
EBIT	EUR Million	-23.7	-30.4	n/a
Free cash flow	EUR Million	-56.9	-76.3	n/a
Capital expenditure	EUR Million	37.3	22.0	69.5%
Consolidated net profit	EUR Million	-38.0	-35.0	n/a
Earnings per share ¹	EUR	-0.36	-0.36	n/a
EBITDA margin	%	1.4	0.8	0.6 PP
Working capital ratio	%	-7.5	-1.5	-6.0 PP
Statement of financial position as of 31.03.2020 and 31.12.2019				
Total assets	EUR Million	4,092.4	4,002.8	2.2%
Equity	EUR Million	707.4	745.4	-5.1%
Equity ratio	%	17.3	18.6	-1.3 PP
Employees				
Employees as at 31 March		7,496	5,978	25.2%
Staff costs	EUR Million	89.7	85.0	5.5%
Staff cost ratio	%	9.3	21.3	-12.0 PP
Company-specific performance indicators				
Order intake, Projects segment	EUR Million	1,184.6	810.2	46.2%
Installed capacity	MW	899.2	260.9	244.7%

¹ Earnings per share = basic, based on average weighted number of shares of 106,681 million (prior year: 96,982 Million)

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LETTER TO THE SHAREHOLDERS



JOSÉ LUIS BLANCO

Chief Executive Officer

*Dear Shareholders
and Business Partners,*

The effects of the coronavirus pandemic have been dominating everyday life in Europe and many other regions for several weeks now. The Nordex Group and the wind energy sector as a whole are being impacted by this crisis. Our main focus is on safeguarding the health of our employees and business partners. At the same time we are working hard to maintain our supply chain and our production and to process our customers' projects as well as we can despite all the uncertainties.

The fact that demand from our global customers remains high despite these circumstances shows that wind energy is more essential today than ever before. We recorded 1.6 gigawatts in incoming orders in the first quarter of 2020, the tenth quarter in succession that we have generated order intake on this scale. Our new Delta4000 turbine range has steadily increased its share over recent quarters and now makes up 85 percent of orders received in the first quarter. This underlines the operational capabilities and competitive strength of our product portfolio, while the international positioning of our company continues to pay off.

We achieved another significant milestone in safeguarding our planned growth in April, as the Nordex Group extended its guarantee credit facility of EUR 1.21 billion provided by an international consortium of 21 banks and insurance companies until April 2023. This also ensures that we can continue to offer our customers the option to secure their international projects with bank guarantees in relevant key currencies, as is customary in the project business. The refinancing of this credit facility also makes it the Nordex Group's latest significant financial instrument to be linked to ESG criteria and thus certified as sustainable. This enables us to benefit from many institutions' preference for sustainable investments.

With sales of around EUR 965 million and operating profit (EBITDA) of EUR 13 million, we started the year in line with expectations in terms of results. However, government measures to contain the spread of COVID-19 have extended ever further around the world, even impacting the Nordex Group with the first plant closures in India, Spain and Mexico in the last few days of March. Since then, there have been many interruptions and adjustments in the operating business, particularly in procurement, production and project management.

As the adverse effects continue to persist and cause uncertainty, it is very difficult for us to reliably and realistically assess the potential consequences for our business. With this in mind, we have now decided to withdraw the guidance for the 2020 financial year published with a COVID-19 caveat in the 2019 Annual Report on 24 March. The conditions for providing a realistic and reliable estimate of the Nordex Group's future business performance no longer exist at present. As soon as this is possible, we will issue a new outlook.

Our entire Nordex team is tackling the current challenges with a great deal of motivation and commitment.

Thank you for placing your trust in our work.

Kind regards,
José Luis Blanco



Chief Executive Officer

Hamburg, May 2020

GROUP INTERIM MANAGEMENT REPORT

FOR THE PERIOD ENDED 31 MARCH 2020

SECTOR ENVIRONMENT

The wind industry is facing many new operational challenges as a result of the COVID-19 pandemic – which began as a local outbreak of the novel coronavirus in China in December 2019 – and global government measures to contain its spread. Production sites are being temporarily closed, transport is subject to considerable delays, the freedom of individuals to travel within and between countries is restricted in many areas and the “social distancing” required to slow the rate of infection is generally compromising the efficiency of many processes. The complex global supply chains in the wind sector mean that even local and temporary hindrances in relevant regions are having an international impact.

Industry analysts from Bloomberg New Energy Finance (BNEF) estimate that the assembly of wind farms will be delayed an average of two to three months as a result of the coronavirus pandemic. This applies to the baseline scenario that there will be a single wave of the pandemic. In its Q1 2020 Global Wind Power Market Outlook, BNEF lowered its 2020 forecast for global wind turbine assemblies to 66.4 GW. This represents a 12% reduction compared to the forecast issued in the fourth quarter of 2020. However, installations in the onshore wind sector are still predicted to grow from 53.3 GW in 2019 to an anticipated 60.4 GW in 2020. BNEF assumes that most of the delayed projects will be implemented in 2021. As a result, a total volume of 73.0 GW is now expected in this year, up 17% on the previous forecast. The volume of onshore installations is predicted to reach 64.0 GW in 2021. In regional terms, BNEF expects assemblies in Europe and the USA to be most significantly affected by the pandemic during the current year.

For the time being, the coronavirus pandemic is having a short and medium-term adverse impact on operations in the wind industry. The general economic consequences of this, including a global recession, could also affect the wind sector. In its latest assessment, BNEF believes that any negative consequences for the wind industry will primarily be caused by delays in implementing environmental and energy policy measures (green policy), including the postponement of planned auctions. By contrast, the International Energy Agency (IEA) is calling for renewable energy to be placed at the heart of measures designed to promote economic recovery. At the same time, the IEA believes that renewable energy could increase the amount of power it generates as a sole source of energy in the event of a 5% decline in electricity demand worldwide.

BUSINESS PERFORMANCE

In the first quarter of 2020, the Nordex Group significantly increased the number of newly installed wind turbine systems compared to the prior-year period and thus also generated a considerable rise in sales. The effects of the coronavirus pandemic are not yet reflected in the key financial figures for the first quarter of 2020. Since around the start of April, however, the pandemic has had significant global repercussions on both the sector as a whole as well as on the business operations of the Nordex Group. The Company is reacting to this by closely monitoring the situation and implementing countermeasures. As it is not currently possible to quantitatively assess the impact of the pandemic on business performance in 2020, the forecast issued with a COVID-19 caveat for the current year has been withdrawn.

Customer demand remained high in the first three months of the current financial year with orders for 1.6 gigawatts (GW). The Nordex Group received a large number of orders for wind turbines in the Delta4000 series from Europe in particular.

SEGMENT PERFORMANCE

Segment performance key data

EUR	Projects		Service		Group	
	Order intake	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Order intake	1,184.6	810.2	139.4	79.5	1,324.0	889.6
Order book	5,819.9	4,413.8	2,624.5	2,218.3	8,444.4	6,632.1
Sales	862.6	312.3	102.0	87.4	964.6	398.9 ¹
EBIT	3.1	10.9	18.4	14.4	-23.7	-30.4 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 20.

NEW ORDERS

The Nordex Group's incoming orders in the Projects segment increased by 46.2% in the first quarter of 2020 to EUR 1,184.6 million (Q1 2019: EUR 810.2 million). The nominal output of the turbines ordered was 1,643.9 MW (Q1 2019: 1,035.1 MW). The resulted in an average selling price (ASP) per megawatt of output of EUR 0.72 million/MW and was thus on a par with the ASP for the full year 2019 of EUR 0.71 million/MW. New orders during the reporting period came from 13 countries in Europe (79%) and Latin America (21%). The largest individual markets were Norway, Chile and the United Kingdom. The Delta4000 range comprised 85% of the turbines ordered. The 5 MW turbine of the

N149/5.X model from the Delta4000 range was used in the 400 MW "Oyfjellet" wind farm in Norway, the first time it has been deployed in a project of this size.

The order book of the Projects segment as of 31 March 2020 amounted to EUR 5,819.9 million, up 31.9% from the prior-year quarter (Q1 2019: EUR 4,413.8 million). Of this order book, 58% was attributable to Europe, 18% to Latin America, 16% to North America and 8% to the Rest of the World. The book-to-bill ratio (ratio of order intake to sales recognized in the Projects segment) stood at 1.37 for the first quarter of 2020 (Q1 2019: 2.59), thus indicating continued growth in future sales.

In the first quarter of 2020, the Service segment received orders valued at EUR 139.4 million, a year-on-year increase of 75% (Q1 2019: EUR 79.5 million). The order book of the Service segment as of 31 March 2020 amounted to EUR 2,624.5 million, up 18.3% from the prior-year reporting date (31 March 2019: EUR 2,218.3 million). As 31 March 2020, Nordex serviced 8,054 wind turbines with a nominal output of 20.6 GW (31 March 2019: 7,680 wind turbines with a combined output of 19.1 GW).

PRODUCTION AND INSTALLATIONS

Production output

Production	Turbines (MW)		Rotor blades (units)	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Germany	856.3	264.3	168	84
Spain	486.2	304.2	0	216
Brazil	79.7	24.0	–	–
India	194.9	105.6	108	–
Mexico	–	–	45	–
Argentina	24.3	–	–	–
Total	1,641.4	698.1	321	300

In the first quarter of 2020, the Nordex Group produced a total of 448 turbines (Q1 2019: 214 turbines) with a total nominal output of 1,641.4 MW (Q1 2019: 698.1 MW). Of this total, 210 nacelles were manufactured in Germany, 147 in Spain and 61 in India. Twenty-three nacelles were produced at the Brazilian plant and seven turbines were made in Argentina. The Group's own rotor blade plants in Germany, India and Mexico manufactured a total of 321 rotor blades in the first quarter of 2020 (Q1 2019: 300). The Spanish plant did not produce any rotor blades in the first quarter of 2020 as production is being switched to blades for wind turbines in the Delta4000 range. External suppliers also manufactured an additional 528 rotor blades according to Nordex's designs and specifications in the first three months of 2020.

Installations

Region	Installed capacity (MW)	
	Q1 2020	Q1 2019
Europe	538.9	80.9
North America	114.3	0.0
Latin America	138.0	180.0
Rest of world	108.0	0.0
Total	899.2	260.9

In the first quarter of 2020, the Nordex Group installed 269 wind turbines in 21 countries with a total nominal output of 899.2 MW (Q1 2019: 84 turbines in eight countries with an output of 260.9 MW). Europe accounted for 60% of installations, while 13% was attributable to North America, 15% to Latin America and 12% to the 'Rest of the World' reporting region.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Selected key data

	01.01.– 31.03.2020	01.01.– 31.03.2019	Change
Sales (in EUR million)	964.6	398.9	141.8%
EBITDA margin (in %)	1.4	0.8	0.6 PP
EBIT margin ¹ (in %)	-1.7	-5.9	4.2 PP
Capital expenditure (CAPEX) (in EUR million)	37.3	22.0	69.5%
Financial result (in EUR million)	-17.8	-13.4	n/a
Consolidated net profit/loss (in EUR million)	-38.0	-35.0	n/a
Earnings per share ² (in EUR)	-0.36	-0.36	n/a
Working capital ratio (in %, as of 31 March)	-7.5	-1.5	-6.0 PP
Free cash flow (in EUR million)	-56.9	-76.3	n/a
Equity ratio (in %, as of 31 March)	17.3	19.7	-2.4 PP

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

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

The Nordex Group's consolidated sales rose considerably by 141.8% year-on-year to EUR 964.6 million in the first quarter of 2020 (Q1 2019: EUR 398.9 million). This is primarily due to the installation figures, which also more than doubled. Sales in the Projects segment increased substantially by 176.2% to EUR 862.6 million (Q1 2019: EUR 312.3 million). The Service segment also grew its sales by 16.7% to EUR 102.0 million (Q1 2019: EUR 87.4 million). As a result, the Service segment's contribution to overall sales was 10.6% in the reporting period.

Gross revenue increased by 75.0% to EUR 1,021.5 million in the first quarter of 2020 (Q1 2019: EUR 583.6 million). Gross profit (gross revenue less cost of materials) rose to EUR 156.3 million (Q1 2019: EUR 142.5 million). Structural costs (staff costs and net other operating income/expenses) increased slightly by 2.9% to EUR 143.2 million (Q1 2019: EUR 139.2 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) in the first quarter of 2020 thus came to EUR 13.1 million (Q1 2019: EUR 3.3 million). The EBITDA margin was 1.4% (Q1 2019: 0.8%). Depreciation, amortization and impairment losses totaled EUR 36.8 million in the reporting period (Q1 2019: EUR 33.6 million). Of this total, EUR 7.2 million (Q1 2019: EUR 6.8 million) can be attributed to impairment losses arising from the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower.

Earnings before interest and taxes (EBIT) improved to EUR -23.7 million in the first quarter of 2020 (Q1 2019: EUR -30.4 million). This corresponds to an EBIT margin of -2.5% (Q1 2019: -7.6%) or -1.7% when adjusted for PPA impairment losses (Q1 2019: -5.9%). Excluding unallocated income and expenses, EBIT in the reporting period was EUR 3.1 million in the Projects segment (Q1 2019: EUR 10.9 million) and EUR 18.4 million in the Service segment (Q1 2019: EUR 14.4 million) during the reporting period.

The financial result for the first quarter of 2020 was EUR -17.8 million (Q1 2019: EUR -13.4 million). The income tax result was positive once again at EUR 3.6 million (Q1 2019: EUR 8.8 million), resulting in a consolidated net loss of EUR 38.0 million for the reporting period (Q1 2019: consolidated net loss of EUR 35.0 million). Earnings per share (EPS) came to EUR -0.36 (Q1 2019: EUR -0.36).

The working capital ratio in the first quarter of 2020 remained clearly in negative territory and improved to -7.5% year-on-year as of 31 March 2020 (31 March 2019: -1.5%). During the period under review, the operating cash flow of improved to EUR -21.8 million (Q1 2019: EUR -54.7 million); cash flow from investing activities amounted to EUR -35.1 million (Q1 2019: EUR -21.6 million). The Group thus generated a free cash flow of EUR -56.9 million in the first quarter of 2020 (Q1 2019: EUR -76.3 million).

As of 31 March 2020, the Nordex Group's cash and cash equivalents totaled EUR 432.5 million (31 December 2019: EUR 510.0 million). Net debt (liabilities to banks and bonds less cash and cash equivalents) increased to EUR 156.4 million at the end of the first quarter of 2020 (31 December 2019: EUR 84.0 million) as a result of the reduction in cash and cash equivalents.

Compared with the end of the previous year, total assets rose slightly by 2.2% to EUR 4,092.4 million as of 31 March 2020 (31 December 2019: EUR 4,002.8 million). On the assets side, this is due in particular to an increase in inventories, while on the liabilities side, the increase was primarily attributable to trade payables.

Equity decreased by 5.1% to EUR 707.4 million compared with the end of 2019 (31 December 2019: EUR 745.4 million) as a result of the consolidated net loss. The equity ratio narrowed to 17.3% as a result of the increase in total assets and the lower equity at the reporting date of 31 March 2020 (31 December 2019: 18.6%).

The Nordex Group lifted its capital expenditures (CAPEX) by 69.5% to EUR 37.3 million in the first three months of 2020 (Q1 2019: EUR 22.0 million). Investments in property, plant and equipment rose from EUR 15.8 million to EUR 31.1 million whereas additions to intangible fixed assets remained steady at EUR 6.2 million. CAPEX focused on rotor blade production in Spain and Mexico, production and installation equipment for international projects, and product development.

EMPLOYEES

The number of employees was 7,496 as of 31 March 2020 (31 March 2019: 5,978 employees). This job growth primarily focused on nacelle, rotor blade and tower production, project management and the service business.

OPPORTUNITIES AND RISKS

The Nordex Group has already referred to risks arising from the outbreak of the novel coronavirus (COVID-19) relating to the Company's supply chain and production in the risk report within the 2019 Annual Report. As a result of the development of the virus outbreak into a pandemic that has since reached every continent, an adverse impact on business activities with financial consequences can already be clearly seen from the second quarter onwards. In addition to the supply chain and production at the Group's own plants, this also affects logistics and installation activities as well as what has so far been a fairly small part of the service business. It is not yet possible to make a quantitative assessment of the effects on the key financial figures for the current financial year. The aim of the countermeasures introduced and managed at Group level is to reduce the impact on business performance as much as possible. As described in the following paragraph, the guidance for the 2020 financial year issued with a COVID-19 caveat was withdrawn on 5 May 2020.

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

FORECAST

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

On 5 May 2020, the Management Board of Nordex SE withdrew the guidance for the 2020 financial year in an ad-hoc announcement on the grounds that the impact of the pandemic was adversely affecting the Nordex Group's earnings from the second quarter of 2020. However, it is not yet possible to quantify this effect. Due to ongoing uncertainty about the extent and duration of these adverse effects and the subsequent inability to reliably predict their possible further consequences for the supply chain, production and the completion of projects, the conditions for providing a realistic and reliable estimate of the Nordex Group's future business performance no longer exist at present. It is not yet possible to determine when this will once again be the case.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

In addition to this and the withdrawal of the 2020 guidance due to the coronavirus pandemic described above, no significant events after the end of the reporting period are known to the Group.

The present interim report for the quarter ended 31 March 2020 (Group interim management report and condensed interim consolidated financial statements) were neither audited nor reviewed by an auditor.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2020

Assets

EUR thousand	Note	31.03.2020	31.12.2019
Cash and cash equivalents	1	432,464	509,998
Trade receivables and future receivables from construction contracts	2	372,194	345,617
Inventories	3	1,572,141	1,398,421
Income tax receivables		20,953	15,818
Other current financial assets	4	36,960	26,572
Other current non-financial assets	5	203,434	217,376
Current assets		2,638,146	2,513,802
Property, plant and equipment	6	444,053	440,090
Goodwill	7	547,758	547,758
Capitalized R&D expenses	8	183,589	188,490
Other intangible assets	9	23,704	27,324
Financial assets		5,130	5,107
Investments in associates		618	81
Other non-current financial assets	10	15,747	15,675
Other non-current non-financial assets	11	21,884	28,116
Deferred tax assets	12	211,732	236,304
Non-current assets		1,454,215	1,488,945
Assets		4,092,361	4,002,747

Equity and liabilities

EUR thousand	Note	31.03.2020	31.12.2019
Current liabilities to banks	13	41,699	36,493
Trade payables	14	1,104,005	968,455
Income tax payables		23,944	6,180
Other current provisions	15	82,203	89,691
Other current financial liabilities	16	32,425	38,513
Other current non-financial liabilities	17	1,229,500	1,203,834
Current liabilities		2,513,776	2,343,166
Non-current liabilities to banks	13	274,672	280,871
Pensions and similar obligations		2,370	2,374
Other non-current provisions	15	30,487	26,305
Other non-current financial liabilities	18	360,106	358,132
Other non-current non-financial liabilities	19	132,928	136,555
Deferred tax liabilities	12	70,661	109,957
Non-current liabilities		871,224	914,194
Subscribed capital		106,681	106,681
Capital reserves		606,820	606,820
Other retained earnings		-11,062	-11,062
Reserve for cash flow hedge costs		145	2,331
Cash flow hedge reserve		-35	-1,087
Foreign currency adjustment item		-14,501	-15,604
Consolidated net profit carried forward		57,308	57,308
Consolidated net profit		-37,995	0
Share in equity attributable to parent company's shareholders		707,361	745,387
Equity	20	707,361	745,387
Equity and liabilities		4,092,361	4,002,747

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020

EUR thousand	Note	01.01.2020 – 31.03.2020	01.01.2019 – 31.03.2019
Sales	22	964,600	398,898
Changes in inventories and other own work capitalized	23	56,890	184,661
Gross revenue		1,021,490	583,559
Other operating income	24	3,012	2,243
Cost of materials	25	-865,180	-441,106
Staff costs	26	-89,706	-85,033
Depreciation/amortization	27	-36,821	-33,640
Other operating expenses	24	-56,531	-56,409
Earnings before interest and taxes		-23,736	-30,386
Profit/loss from equity-accounting method		537	264
Impairment of financial assets		-39	-34
Other interest and similar income		1,182	2,028
Interest and similar expenses		-19,519	-15,620
Financial result	28	-17,839	-13,362
Net profit / loss from ordinary activities		-41,575	-43,748
Income tax	29	3,580	8,750
Consolidated net profit		-37,995	-34,998
Of which attributable to			
shareholders of the parent company		-37,995	-34,998
Earnings per share (in EUR)	30		
Basic ¹		-0.36	-0.36
Diluted ²		-0.36	-0.36

¹ Based on a weighted average of 106,681 million shares (previous year: 96.982 million shares)

² Based on a weighted average of 106,681 million shares (previous year: 96.982 million shares)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020

EUR thousand	01.01.2020 – 31.03.2020	01.01.2019 – 31.03.2019
Consolidated net loss	-37,995	-34,998
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation difference	1,103	2,972
Cash flow hedges	-3,215	-2,836
Deferred taxes	1,029	517
Cash flow hedge costs	1,547	0
Deferred taxes	-495	0
Consolidated comprehensive income	-38,026	-34,345
Of which attributable to		
Shareholders of the parent	-38,026	-34,345

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020

EUR thousand	01.01.2020– 31.03.2020	01.01.2019– 31.03.2019
Operating activities		
Consolidated net loss	–37,995	–34,998
+ Amortization of non-current assets	36,860	33,674
= Consolidated net loss plus depreciation / amortization	–1,135	–1,324
- Increase in inventories	–173,720	–294,418
-/+ Increase/decrease in trade receivables and future receivables from construction contracts	–26,577	2,543
+ Increase in trade payables	135,550	41,848
+ Increase in prepayments received	53,201	192,115
= Payments made from changes in working capital	–11,546	–57,912
+/- Decrease/increase in other assets not attributed to investing or financing activities	39,987	–20,248
-/+ Decrease/increase in pensions and similar obligations	–4	10
-/+ Decrease/increase in other provisions	–3,306	1,565
-/+ Decrease/increase in other liabilities not attributed to investing or financing activities	–53,354	37,001
- Profit from the disposal of non-current assets	–1,644	–617
- Other interest and similar income	–1,182	–2,028
+ Interest received	248	1,733
+ Interest and similar expenses	19,519	15,620
- Interest paid	–19,073	–18,712
- Income tax	–3,580	–8,750
- Taxes paid	–177	–1,124
+ Other non-cash expenses/income	13,421	53
= Payments made / received from other operating activities	–9,145	4,503
= Cash flow from operating activities	–21,826	–54,733

EUR thousand	01.01.2020 – 31.03.2020	01.01.2019 – 31.03.2019
Investing activities		
+ Payments received from the disposal of property, plant and equipment/intangible assets	2,680	4,650
- Payments made for investments in property, plant and equipment/intangible assets	-37,309	-22,043
+ Payments received from the disposal of long-term financial assets	65	833
- Payments made for investments in long-term financial assets	-511	-5,042
= Cash flow from investing activities	-35,075	-21,602
+ Bank loans received	3,739	7,581
- Bank loans repaid	-6,250	-6,250
- Repayment of lease liabilities	-4,165	-3,780
= Cash flow from financing activities	-6,676	-2,449
Net change in cash and cash equivalents	-63,577	-78,784
+ Cash and cash equivalents at the beginning of the period	509,998	609,805
- Exchange rate-induced change in cash and cash equivalents	-13,957	-317
= Cash and cash equivalents at the end of the period (Cash and cash equivalents as shown in the consolidated statement of financial position)	432,464	530,704

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2020	106,681	606,820	-11,062
Consolidated comprehensive income	0	0	0
Consolidated net loss	0	0	0
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation difference	0	0	0
Cash flow hedges	0	0	0
Deferred taxes	0	0	0
Cash flow hedge costs	0	0	0
Deferred taxes	0	0	0
31.03.2020	106,681	606,820	-11,062

	Cash flow hedge reserve	Reserve for cash flow hedge costs	Foreign currency adjustment item	Consolidated net profit carried forward	Consolidated net profit	Share in equity attributable to shareholders of the parent	Total
	2,331	-1,087	-15,604	57,308	0	745,387	745,387
	-2,186	1,052	1,103	0	-37,995	-38,026	-38,026
	0	0	0	0	-37,995	-37,995	-37,995
	0	0	1,103	0	0	1,103	1,103
	-3,215	0	0	0	0	-3,215	-3,215
	1,029	0	0	0	0	1,029	1,029
	0	1,547	0	0	0	1,547	1,547
	0	-495	0	0	0	-495	-495
	145	-35	-14,501	57,308	-37,995	707,361	707,361

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2019

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2019	96,982	597,626	24,193
Consolidated comprehensive income	0	0	0
Consolidated net profit or 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
31.03.2019	96,982	597,626	24,193

	Cash flow hedge reserve	Reserve for cash flow hedge costs	Consolidated net profit carried forward	Consolidated net profit	Share in equity attributable to shareholders of the parent	Total
	-1,776	-17,182	-2,553	0	697,290	697,290
	-2,319	2,972	0	-34,998	-34,345	-34,345
	0	0	0	-34,998	-34,998	-34,998
	0	2,972	0	0	2,972	2,972
	-2,836	0	0	0	-2,836	-2,836
	517	0	0	0	517	517
	0	0	0	0	0	0
	0	0	0	0	0	0
	-4,095	-14,210	-2,553	-34,998	662,945	662,945

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD FROM
1 JANUARY TO 31 MARCH 2020

ACCOUNTING POLICIES

BASIS OF PREPARATION

These unaudited and unreviewed condensed interim consolidated financial statements of Nordex SE and its subsidiaries for the first three months of 2020 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in the European Union. All IFRSs and interpretations applicable as of 31 March 2020 have been observed, in particular IAS 34 Interim Financial Reporting.

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

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

FOREIGN CURRENCY TRANSLATION

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

The Group's most important foreign currencies

Exchange rates EUR 1.00 equals	Average exchange rates for the interim period		Closing rates as of 31.03./31.12.	
	01.01.–31.03.2020	01.01.–31.03.2019	31.03.2020	31.12.2019
ARS	67.6741	44.3835	70.5388	67.2748
AUD	1.6738	1.5934	1.7967	1.5995
BRL	4.8830	4.2884	5.7001	4.5157
CLP	884.1472	760.1383	936.1542	844.8800
GBP	0.8608	0.8691	0.8864	0.8508
HRK	7.4887	7.4252	7.6255	7.4395
INR	79.8148	80.3356	82.8988	80.1873
MXN	21.8592	21.9807	26.1772	21.2202
PLN	4.3201	4.2938	4.5506	4.2568
SEK	10.6609	10.3838	11.0613	10.4468
TRY	6.7340	6.0752	7.206	6.6845
USD	1.1023	1.1417	1.0956	1.1234
ZAR	16.8530	15.8479	19.6078	15.7778

FINANCIAL RISK MANAGEMENT

DEBT INSTRUMENTS

Promissory note

On 6 April 2016, Nordex SE placed a promissory note with a volume of EUR 550,000 thousand for which Nordex Energy GmbH is jointly and severally liable with national and international investors. The promissory note currently is comprised of tranches with original terms of five, seven and ten years, each subject to fixed or variable interest. Depending on the tranche, the interest rate is between 1.8% and 3.0%. Utilization as at 31 March 2020 under the loan agreement including accrued interest amounted to EUR 247,653 thousand (31 December 2019: EUR 242,297 thousand).

Research and development loan

In addition, Nordex has been granted a long-term research and development facility of up to EUR 100,000 thousand by the European Investment Bank. Nordex intends to use this loan to finance the development of increasingly more efficient technical solutions to additionally extend its competitive lead. The loan has a term of eight years from the date on which it is drawn and is repaid in installments. The borrower is Nordex Energy GmbH, with the main Nordex Group companies holding joint and several liability. Utilization as at 31 March 2020 under the loan agreement including accrued interest amounted to EUR 46,931 thousand (31 December 2019: EUR 53,511 thousand).

Syndicated multi-currency guarantee facility

Nordex SE also has a syndicated multi-currency guarantee facility with a volume of EUR 1,210,000 thousand that runs until 15 April 2021 and in which the main Nordex Group companies hold joint and several liability. As at 31 March 2020, EUR 1,023,122 thousand (31 December 2019: EUR 989,654 thousand) of the multi-currency guarantee facility had been drawn down in the form of guarantees. Ancillary credit facilities have also been set up under the multi-currency guarantee facility for Nordex Energy Brasil – Comercio e Industria de Equipamentos Ltda. and Nordex India Private Limited. As of 31 March 2020, the cash drawdowns plus accrued interest on these facilities amounted to EUR 21,787 thousand (31 December 2019: EUR 21,556 thousand).

Bond

On 2 February 2018, the Nordex Group successfully placed a bond in the amount of EUR 275,000 thousand with a coupon of 6.50%. This bond was admitted to trading on the International Stock Exchange. The issuer of the unsecured, five-year bond is Nordex SE, with the main Nordex Group companies holding joint and several liability. As at 31 March 2020, the liability recognized including accrued interest and costs amounted to EUR 272,490 thousand (31 December 2019: EUR 276,582 thousand).

All financings are equal in rank and unsecured.

The loan by the European Investment Bank and the syndicated multi-currency guarantee facility are further subject to uniform and agreed financial covenants such as equity ratio, leverage and interest coverage, compliance with which is confirmed in quarterly reports to the banks. As in the previous year, the financial covenants were met in the first three months of 2020.

The banks may only terminate the existing facilities for good cause, which includes breach of the financial covenants.

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 707,361 thousand as at 31 March 2020 (31 December 2019: EUR 745,387 thousand). The Group monitors its capital by means of the working capital employed. Working capital is defined as the sum total of trade receivables, contract assets from projects and inventories less trade payables and prepayments received:

EUR thousand	31.03.2020	31.12.2019
Trade receivables	95,744	128,070
Contract assets from projects	276,450	217,547
Inventories	1,572,141	1,398,421
Trade payables	-1,104,005	-968,455
Prepayments received	-1,128,894	-1,075,694
	-288,564	-300,111
Sales ¹	3,850,276	3,284,573
Working capital ratio	-7.5%	-9.1%

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

GROUP SEGMENT REPORTING

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

EUR thousand	Projects		Service	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Sales	862,623	312,309	102,018	87,442
Changes in inventories and other own work capitalized	54,517	185,162	-710	-110
Cost of materials	-808,822	-394,046	-40,056	-38,276
Other income and expenses	-105,207	-92,539	-42,840	-34,628
Earnings before interest and taxes	3,111	10,886	18,412	14,428
Other interest and similar income	0	0	0	0
Interest and similar expenses	0	0	0	0
Other financial result	0	0	0	0

¹ As in the previous year, intrasegment sales are exclusively attributable to the Service segment, whereas intrasegment cost of materials of EUR 756 thousand (Q1 2019: EUR 519 thousand) is attributable to the Projects segment and EUR 252 thousand (Q1 2019: EUR 447 thousand) to the Not-allocated segment.

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

EUR thousand	Non-current assets ¹		Sales	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Europe	555,982	556,199	459,272	156,775
Latin America	29,164	31,296	188,096	172,379
North America	15,693	14,240	174,682	66,368
Rest of world	50,507	54,169	142,550	3,376
	651,346	655,904	964,600	398,898

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

Not allocated		Consolidation ¹		Total	
Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
967	113	-1,008	-966	964,600	398,898
3,083	-391	0	0	56,890	184,661
-17,310	-9,750	1,008	966	-865,180	-441,106
-31,999	-45,672	0	0	-180,046	-172,839
-45,259	-55,700	0	0	-23,736	-30,386
1,182	2,028	0	0	1,182	2,028
-19,519	-15,620	0	0	-19,519	-15,620
498	230	0	0	498	230

Further information can be found in the Group management report.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(1) CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 432,464 thousand (2019: EUR 509,998 thousand), EUR 8,562 thousand (31 December 2019: EUR 8,831 thousand) of which pertains to fixed-term deposits with an original term of more than three months.

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

(2) TRADE RECEIVABLES AND CONTRACT ASSETS FROM PROJECTS

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

EUR thousand	31.03.2020	31.03.2019
Trade receivables (gross)	112,190	144,125
Less impairment	-16,446	-16,055
Trade receivables (net)	95,744	128,070
Contract assets from projects (gross)	2,770,161	2,568,724
Less prepayments received	-2,493,711	-2,351,177
Contract assets from projects (net)	276,450	217,547
	372,194	345,617

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

Retentions by customers in connection with contract assets from projects are usually associated with punch lists not yet completed and largely refer to final payments outstanding for more than 30 days. Such retentions amount to EUR 31,532 thousand (31 December 2019: EUR 26,756 thousand).

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

(3) INVENTORIES

Inventories break down as follows:

EUR thousand	31.03.2020	31.03.2019
Raw materials and supplies	410,397	299,256
Work in progress	1,064,103	1,013,754
Prepayments made	97,641	85,411
	1,572,141	1,398,421

Raw materials and supplies primarily comprise production and service material.

(4) OTHER CURRENT FINANCIAL ASSETS

Other current financial assets mainly comprise forward exchange transactions of EUR 9,664 thousand (31 December 2019: EUR 7,255 thousand) and creditors with debit accounts of EUR 6,158 thousand (31 December 2019: EUR 6,239 thousand).

Pursuant to IFRS 7 and IFRS 9, the receivables reported under other current financial assets are classified as financial assets measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 27,296 thousand (31 December 2019: EUR 19,317 thousand) would equal the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial assets in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 7,214 thousand (31 December 2019: EUR 6,145 thousand).

Pursuant to IFRS 7 and IFRS 9, the other forward exchange transactions reported under other current financial assets are classified as financial assets measured at fair value through profit or loss. The fair value amounts to EUR 2,450 thousand (31 December 2019: EUR 1,110 thousand). The forward rates and prices are calculated on the basis of the spot price on the reporting date in the light of any discounts or premiums for the remaining term of the contract.

(5) OTHER CURRENT NON-FINANCIAL ASSETS

Other current non-financial assets mainly comprise current tax assets of EUR 170,076 thousand (31 December 2019: EUR 185,497 thousand), contract assets from services of EUR 15,413 thousand (31 December 2019: EUR 13,692 thousand) and prepaid expenses of EUR 10,124 thousand (31 December 2019: EUR 12,964 thousand).

The current tax assets mainly concern current input tax assets.

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

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

(6) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

EUR thousand	31.03.2020	31.03.2019
Land and buildings	181,766	181,704
Technical equipment and machinery	158,890	160,122
Other fixtures and fittings, tools and equipment	56,457	54,004
Assets under construction and prepayments made	46,940	44,260
	444,053	440,090

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

Additions and carrying amounts as of 31 March 2020 are as follows:

EUR thousand	31.03.2020	
	Additions	Carrying amount
Land and buildings – lease assets	5,138	92,423
Other fixtures and fittings, tools and equipment – lease assets	372	10,426
	5,510	102,849

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

Cash outflows for leases in the current financial year amounted to EUR 5,093 thousand as at 31 March 2020 (1 January to 31 March 2019: EUR 4,263 thousand).

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

(7) GOODWILL

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

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

(8) CAPITALIZED DEVELOPMENT EXPENSES

As at the reporting date, development expenses of EUR 183,589 thousand (31 December 2019: EUR 188,490 thousand) were capitalized. In the first three months, development expenses of EUR 6,062 thousand (31 December 2019: EUR 27,834 thousand) were capitalized. Additions comprise in particular the enhancement of the Generation Delta wind turbine type N149 and the enhancement of the AW3000 platform. Additional development expenses of EUR 6,146 thousand also arising in the first three months (31 December 2019: EUR 21,675 thousand) did not meet the criteria for capitalization and were therefore recognized in profit or loss. The capitalization ratio therefore amounts to 49.66% (31 December 2019: 56.22%).

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

(9) OTHER INTANGIBLE ASSETS AND PREPAYMENTS MADE

Other intangible assets and prepayments made amount to EUR 23,704 thousand as at the reporting date (31 December 2019: EUR 27,324 thousand).

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

(10) OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets mainly comprise receivables from non-consolidated affiliated companies, associates and other long-term equity investments in the amount of EUR 15,129 thousand (31 December 2019: EUR 14,743 thousand).

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

Pursuant to IFRS 7 and IFRS 9, the receivables reported under other non-current financial assets are classified as financial assets measured at amortized cost. Given that market interest rates apply, amortized cost amounting to EUR 15,747 thousand (31 December 2019: EUR 15,374 thousand) would equal the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other non-current financial assets in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 0 thousand (31 December 2019: EUR 301 thousand).

(11) OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other non-current non-financial assets primarily comprise prepaid expenses of EUR 12,384 thousand (31 December 2019: EUR 13,138 thousand) and contract assets from services of EUR 9,500 thousand (31 December 2019: EUR 14,719 thousand).

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

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

(12) DEFERRED TAX ASSETS AND TAX LIABILITIES

Since the effects of the Coronavirus pandemic cannot be reliably estimated at present, a tax rate of 8.61% has been used to calculate current and deferred taxes. This rate is based on the effective tax rate applicable in the previous year adjusted for non-recurring items.

The changes in deferred tax break down as follows:

	2020	2019
Amount on 1.1.	126,347	94,402
Recognized through profit or loss	19,877	33,909
Recognized in other comprehensive income	534	-1,377
Currency translation	-5,687	-587
Amount on 31.03./31.12.	141,071	126,347

(13) LIABILITIES TO BANKS

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

Pursuant to IFRS 7 and IFRS 9, liabilities to banks are classified as financial liabilities measured at amortized cost. The fair value would amount to EUR 314,059 thousand (31 December 2019: EUR 319,615 thousand), of which EUR 38,121 thousand (31 December 2019: EUR 39,166 thousand) would be classified as current.

(14) TRADE PAYABLES

Trade payables amount to EUR 1,104,005 thousand (31 December : EUR 968,455 thousand).

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

(15) OTHER PROVISIONS

Movements in other provisions break down as follows:

EUR thousand	01.01.2020	Utilization	Reversals	Additions	31.03.2020
Individual guarantees	56,743	-3,727	-1,695	1,933	53,254
Warranties, service, maintenance	30,196	-2,392	-1,217	4,333	30,920
Others	29,057	-772	-26	257	28,516
	115,996	-6,891	-2,938	6,524	112,690

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

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

Other provisions chiefly concern project risks and legal uncertainties.

(16) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly comprise leases of EUR 17,462 thousand (31 December 2019: EUR 17,941 thousand), forward exchange transactions of EUR 6,799 thousand (31 December 2019: EUR 3,479 thousand) and the bond of EUR 2,880 thousand (31 December 2019: EUR 7,448 thousand).

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

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

Pursuant to IFRS 7 and IFRS 9, the liabilities reported under other current financial liabilities are classified as financial liabilities measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 25,626 thousand (31 December 2019: EUR 35,034 thousand) would equal the fair value as in the previous year. Also included are current lease liabilities that are not allocated to any measurement category.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial liabilities in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 5,351 thousand (31 December 2019: EUR 2,990 thousand).

Pursuant to IFRS 7 and IFRS 9, the other forward exchange transactions reported under other current financial liabilities are classified as financial liabilities measured at fair value through profit or loss. The fair value amounts to EUR 1,448 thousand (31 December 2019: EUR 489 thousand). The forward rates and prices are calculated on the basis of the spot price on the reporting date in the light of any discounts or premiums for the remaining term of the contract.

(17) OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities mainly comprise prepayments received of EUR 1,129,894 thousand (31 December 2019: EUR 1,075,694 thousand), accrued liabilities of EUR 48,257 thousand (31 December 2019: EUR 60,732 thousand), contract liabilities from services of EUR 27,509 thousand (31 December 2019: EUR 25,176 thousand) and other tax liabilities of EUR 15,798 thousand (31 December 2019: EUR 33,504 thousand).

Accrued liabilities mainly comprise staff costs.

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

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

(18) OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities mainly comprise the bond in the amount of EUR 269,610 thousand (31 December 2019: EUR 269,134 thousand) and leases of EUR 87,444 thousand (31 December 2019: EUR 86,107 thousand).

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

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

Pursuant to IFRS 7 and IFRS 9, the liabilities reported under other non-current financial liabilities are classified as financial liabilities measured at amortized cost. Based on the bond's share price of 73.59% as at the reporting date, the fair value would be EUR 278,479 thousand (31 December 2019: EUR 368,940 thousand). Also included are non-current lease liabilities that are not allocated to any measurement category.

(19) OTHER NON-CURRENT NON-FINANCIAL LIABILITIES

Other non-current non-financial liabilities mainly comprise contract liabilities from services of EUR 129,467 thousand (31 December 2019: EUR 132,131 thousand).

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

(20) EQUITY

Equity breaks down as follows:

EUR thousand	31.03.2020	31.12.2019
Subscribed capital	106,681	106,681
Capital reserves	606,820	606,820
Other retained earnings	-11,062	-11,062
Cash flow hedge reserve	145	2,331
Reserve for cash flow hedge costs	-35	-1,087
Foreign currency adjustment item	-14,501	-15,604
Consolidated net profit/loss carried forward	57,308	57,308
Consolidated net profit/loss	-37,995	0
Share in equity attributable to parent company's shareholders	707,361	745,387
	707,361	745,387

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

**(21) ADDITIONAL DISCLOSURES
ON FINANCIAL INSTRUMENTS**

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

2020 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges]		7,214		7,214
Other forward exchange transactions		2,450		2,450
Financial liabilities				
Liabilities to banks		314,059		314,059
Bond	199,862			199,862
Forward exchange transactions in the scope of hedge accounting (cash flow hedges]		5,351		5,351
Other forward exchange transactions		1,448		1,448
2019 EUR thousand				
	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges]		6,446		6,446
Other forward exchange transactions		1,110		1,110
Financial liabilities				
Liabilities to banks		319,615		319,615
Bond	287,389			287,389
Forward exchange transactions in the scope of hedge accounting (cash flow hedges]		2,990		2,990
Other forward exchange transactions		489		489

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

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

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

NOTES TO THE INCOME STATEMENT

(22) SALES

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

EUR thousand	01.01.– 31.03.2020	01.01.– 31.03.2019
Projects	862,623	312,309
Service	102,018	87,442
Not allocated	967	113
Intrasegment consolidation	-1,008	-966
	964,600	398,898

(23) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Changes in inventories stand at EUR 50,349 thousand (1 January to 31 March 2019: EUR 179,271 thousand).

Own work capitalized is measured at EUR 6,541 thousand (1 January to 31 March 2019: EUR 5,390 thousand) and, as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

(24) OTHER OPERATING INCOME / OTHER OPERATING EXPENSES

Other operating income/expenses mainly comprise other staff costs of EUR -23,710 thousand (1 January to 31 March 2019: EUR -11,676 thousand), currency translation losses/forward exchange transactions of EUR -14,523 thousand (1 January to 31 March 2019: EUR -8,520 thousand), legal and consulting costs of EUR -9,365 thousand (1 January to 31 March 2019: EUR -4,804 thousand), maintenance of EUR -8,752 thousand (1 January to 31 March 2019: EUR -5,265 thousand), travel expenses of EUR -8,623 thousand (1 January to 31 March 2019: EUR -6,100 thousand) and leases of EUR -3,565 thousand (1 January to 31 March 2019: EUR -3,642 thousand).

(25) COST OF MATERIALS

The cost of materials breaks down as follows:

EUR thousand	01.01.– 31.03.2020	01.01.– 31.03.2019
Cost of raw materials and other supplies	654,817	315,355
Cost of services purchased	210,363	125,751
	865,180	441,106

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

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

(26) STAFF COSTS

Staff costs break down as follows:

EUR thousand	01.01.– 31.03.2020	01.01.– 31.03.2019
Wages and salaries	72,323	69,586
Social security and expenditure on retirement benefits and support	17,383	15,447
	89,706	85,033

The Group headcount was as follows:

	01.01.– 31.03.2020	01.01.– 31.03.2019	Change
Reporting date			
Office staff	3,306	2,809	497
Technical staff	4,190	3,169	1,021
	7,496	5,978	1,518
Average			
Office staff	3,261	2,790	471
Technical staff	4,006	3,036	970
	7,267	5,826	1,441

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

(27) DEPRECIATION / AMORTIZATION

Depreciation and amortization breaks down as follows:

EUR thousand	01.01.– 31.03.2020	01.01.– 31.03.2019
Depreciation of property, plant and equipment	22,360	18,303
Amortization of capitalized development expenses	10,928	12,828
Amortization of other intangible assets	3,533	2,509
	36,821	33,640

Depreciation includes EUR 4,857 thousand for depreciation of lease assets in accordance with IFRS 16 (1 January to 31 March 2019: EUR 3,678 thousand); of this amount EUR 3,515 thousand (1 January to 31 March 2019: EUR 2,499 thousand) concern land and buildings and EUR 1,342 thousand (1 January to 31 March 2019: EUR 1,179 thousand) other fixtures and fittings, tools and equipment.

(28) FINANCIAL RESULT

The financial result breaks down as follows:

EUR thousand	01.01.– 31.03.2020	01.01.– 31.03.2019
Profit/loss from equity-accounting method	537	264
Impairment of financial assets	-39	-34
Net profit/loss from investments	498	230
Other interest and similar income	1,182	2,028
Interest and similar expenses	-19,519	-15,620
Interest result	-18,337	-13,592
	-17,839	-13,362

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

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

Interest income and expense arises primarily from deposits with banks, and from guarantee commissions, the bond, factoring and the promissory note. Of the interest expense, EUR 928 thousand (1 January to 31 March 2019: EUR 483 thousand) is attributable to leases in accordance with IFRS 16.

(29) INCOME TAX

Income tax breaks down as follows:

EUR thousand	01.01.– 31.03.2020	01.01.– 31.03.2019
Current income tax	-16,297	-6,075
Deferred taxes	19,877	14,825
Total income tax	3,580	8,750

(30) EARNINGS PER SHARE

Basic

		01.01.– 31.03.2020	01.01.– 31.03.2019
Consolidated net loss for the year	EUR thousand	-37,995	-34,998
of which share-holders of the parent company	EUR thousand	-37,995	-34,998
Weighted average number of shares		106,680,691	96,982,447
Basic earnings per share	EUR	-0.36	-0.36

Verwässert

Diluted earnings per share also stand at EUR -0.36 (1 January to 31 March 2019: EUR -0.36).

OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

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

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

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

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

RELATED PARTY DISCLOSURES

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

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

EUR thousand	Balances outstanding Receivables (+) and liabilities (-)		Transaction amount Income (+) and expense (-)	
	31.03.2020	31.12.2019	01.01.–31.03.2020	01.01.–31.03.2019
Acciona Energia Chile SpA	163,806/-156,952	163,775/-150,054	0/0	16,889/0
Acciona Energia S.A.	14,090/-12,658	8,685/-13,746	7,589/-81	1,221/-249
Acciona Energia Servicios Mexico S. de RL de C.V.	94,327/-96,288	97,174/0	16,366/0	4/0
Acciona Energy Oceania Construction Pty Ltd.	1,934/-69,726	587/-28,688	526/-902	0/0
San Roman Wind I LLC	1,008/0	496/0	460/-216	0/0
Sun Photo Voltaic Energy India Pvt. Ltd.	2,924/0	2,710/0	0/0	0/0
Other	366/-700	2,626/-2,047	167/-392	379/-166

During the financial year, no orders to deliver and assemble wind power systems (1 January to 31 March 2019: EUR 226,221 thousand) were placed by Acciona Group companies.

In 2014, Supervisory Board member Jan Klatten indirectly acquired an interest of 44.20% in the Polish wind farm company C&C Wind Sp. z o.o. in a market-wide tender process. The Nordex Group holds a 40.00% share of this company. Accordingly, C&C Wind Sp. z o.o. is

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

In addition, the shares in GN Renewable Investments S.a.r.l. (30.00%) are also classified as associated companies.

The balances and transactions with these companies are set out in the following table:

EUR thousand	Balances outstanding Receivables (+) and liabilities (-)		Transaction amount Income (+) and expense (-)	
	31.03.2020	31.12.2019	01.01.–31.03.2020	01.01.–31.03.2019
C & C Wind Sp. z o.o.	0/0	0/0	537/0	264/0
GN Renewable Investments S.a.r.l.	0/0	0/0	0/0	11/0

CONSOLIDATED CASH FLOW STATEMENT

Of the cash flow from operating activities in the amount of EUR –21,826 thousand (1 January to 31 March 2019: EUR –54,733 thousand) EUR –1,135 thousand (1 January to 31 March 2019: EUR –1,324 thousand) is attributable to the consolidated net loss including depreciation, amortization and impairment. Changes in working capital resulted in payments of EUR 11,546 thousand (1 January to 31 March 2019: EUR 57,912 thousand). Payments made for other operating activities stand at EUR –9,145 thousand (1 January to 31 March 2019: payments received of EUR 4,503 thousand).

Cash flow from investing activities amounted to EUR –35,075 thousand (1 January to 31 March 2019: EUR –21,602 thousand). Investments of EUR 31,071 thousand (1 January to 31 March 2019: EUR 15,806 thousand) were made in property, plant and equipment, mainly related to the establishment and expansion of rotor blade production in Mexico and Spain and the procurement of production and assembly equipment for international projects. Development projects of EUR 6,062 thousand (1 January to 31 March 2019: EUR 6,885 thousand) were capitalized.

Cash flow from financing activities amounted to EUR –6,676 thousand (1 January to 31 March 2019: EUR –2,449 thousand) and is attributable to the repayment of the research and development loan from the European Investment Bank and the repayment of lease liabilities. Cash drawdowns of the multi-currency guarantee facility had an offsetting effect.

EVENTS AFTER THE REPORTING DATE

In April 2020, the Nordex Group extended its syndicated multi-currency guarantee facility of EUR 1,210,000 thousand for a further three years until April 2023, with the option of extending it twice thereafter for another year each time. The facility continues to be unsecured and also includes ancillary credit facilities of EUR 100,000 thousand, which can be used to draw on bilateral bank loans or guarantees. The banking syndicate led by Banca IMI (Intesa Sanpaolo Group), BNP Parisbas, Commerzbank, HSBC and UniCredit Bank comprises a total of 21 national and international banks and insurance companies.

Any further events occurring after the reporting date caused by economic factors arising prior to 31 March 2020 are included in the interim consolidated financial statements as at 31 March 2020.

Nordex SE Rostock, May 2020



José Luis Blanco
Chairman of the Management Board



Christoph Burkhard
Member of the Management Board



Patxi Landa
Member of the Management Board

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

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020

TEUR	Cost					Closing balance 31.03.2020
	Opening balance 01.01.2020	Additions	Disposals	Reclassi- fications	Currency translation	
Property, plant and equipment						
Land and buildings	237,363	5,937	0	0	-377	242,923
Technical equipment and machinery	341,143	15,931	1,476	531	-9,324	346,805
Other fixtures and fittings, tools and equipment	127,200	8,880	43	8	-1,765	134,280
Prepayments made and assets under construction	44,261	5,832	0	-539	-2,506	47,048
Total	749,967	36,580	1,519	0	-13,972	771,056
Intangible assets						
Goodwill	552,259	0	0	0	0	552,259
Capitalized R&D expenses	444,214	6,062	0	0	-34	450,242
Other intangible assets	165,481	177	0	0	-8,395	157,263
Total	1,161,954	6,239	0	0	-8,429	1,159,764

	Depreciation / amortization				Carrying amount		
	Opening balance 01.01.2020	Additions	Disposals	Reclassifications	Closing balance 31.03.2020	31.03.2020	31.12.2019
	55,659	5,156	0	342	61,157	181,766	181,704
	181,021	11,774	308	-4,572	187,915	158,890	160,122
	73,196	5,322	175	-520	77,823	56,457	54,004
	1	108	0	-1	108	46,940	44,260
	309,877	22,360	483	-4,751	327,003	444,053	440,090
	4,501	0	0	0	4,501	547,758	547,758
	255,724	10,928	0	1	266,653	183,589	188,490
	138,157	3,533	0	-8,131	133,559	23,704	27,324
	398,382	14,461	0	-8,130	404,713	755,051	763,572

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements for the first three months as at 31 March 2020 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group for the remaining months of the financial.

Nordex SE
Rostock, May 2020



José Luis Blanco
Chairman of the Management Board



Christoph Burkhard
Member of the Management Board



Patxi Landa
Member of the Management Board

FINANCIAL CALENDAR, PUBLISHING INFORMATION AND CONTACT

Financial calendar

11 May 2020	Consolidated interim report, Q1 2020
26 May 2020	Virtual Annual General Meeting
13 August 2020	Consolidated interim report, H1 2020
13 November 2020	Consolidated interim report, Q3 2020

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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 Interim Report constitutes a translation of the original German version. Only the German version is legally binding.

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