Q1 2021

NORDEX GROUP

Interim report for the period
from 1 January 31 March 2021

NORDEX acciona Windpower

KEY FIGURES AT A GLANCE

Nordex Group key figures

		01.01. – 31.03.2020	01.01. – 31.03.2021	Change
Earnings				
Sales	EUR million	964.6	1,251.2	29.7%
Gross revenue	EUR million	1,021.5	1,120.9	9.7%
EBITDA	EUR million	13.1	10.4	–20.6%
EBIT	EUR million	–23.7	–28.1	n/a
Free cash flow	EUR million	–56.9	10.4	n/a
Capital expenditure	EUR million	37.3	38.6	3.5%
Consolidated net loss for the year	EUR million	–38.0	–54.7	n/a
Earnings per share [1]	EUR	–0.36	–0.47	n/a
EBITDA margin	%	1.4	0.8	–0.6 PP
Working capital ratio	%	–7.5	–7.6	–0.1 PP
Statement of financial position as of 31.03.2021 and 31.12.2020				
Total assets	EUR million	4,410.1	4,277.0	–3.0%
Equity	EUR million	773.5	693.4	–10.4%
Equity ratio	%	17.5	16.2	–1.3 PP
Employees				
Employees as of 31 March		7,496	8,393	12.0%
Staff costs	EUR million	89.7	118.0	31.5%
Staff cost ratio	%	9.3	9.4	0.1 PP
Company-specific performance indicators				
Order intake, Projects segment	EUR million	1,184.6	910.8	–23.1%
Installed capacity	MW	899.2	1,399.5	55.6%

[1] Earnings per share = based on a weighted average of 117.349 million shares (previous year: 106.681 million shares)

CONTENTS

To our shareholders

02 Letter to the shareholders

Group management report

04 Group interim management report

Consolidated financial statements

10 Consolidated statement of financial position
12 Consolidated income statement
13 Consolidated statement of comprehensive income
14 Consolidated cash flow statement
16 Consolidated statement of changes in equity

Notes to the consolidated financial statements

20 Notes to the consolidated financial statements

Other information

40 Responsibility statement
41 Financial calendar, publishing information and contact

LETTER TO THE SHAREHOLDERS

José Luis Blanco
Chief Executive Officer

Dear Shareholders, Business Partners and Friends of the Company,

We began 2021 with high installation volumes and adapted fully to the requirements of the pandemic, which continues to affect our activities. Although our main business processes are running smoothly due to the various measures we introduced, particularly in production and installation, their efficiency is still compromised and there are some delays, albeit to nowhere near the same extent as last year.

The growth prospects for the global wind industry remain positive. They have also been boosted by recent political developments such as the European Green Deal, the realignment of US climate policy, and Germany's new climate targets, the latter of which now aim to reduce greenhouse gas emissions by 65 percent by 2030 compared to 1990 levels instead of the previous target of 55 percent. We were again encouraged by our order intake trend in the first three months of 2021, particularly in light of the cautious start to the year across the entire industry. The Nordex Group received orders for 279 wind turbines with a nominal output of more than 1.2 gigawatts, with 73 percent of these orders attributable to the Delta4000 range. In addition, the new N155 and N163 rotor blade models are now increasingly being deployed.

During the first quarter of 2021, we increased our sales from EUR 965 million in the same quarter last year to EUR 1.25 billion and recorded earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 10.4 million after EUR 13.1 million in the prior-year period. This resulted in an EBITDA margin of 0.8 percent, which we expected in light of the current environment and the still noticeable impact of the pandemic on our business. In addition, a larger number of lower-margin projects were still being implemented during the first quarter of 2021.

At this point, I would once again like to mention an event that provided us with joy and motivation in equal measure: Nordex's shares were admitted to the Deutsche Börse's MDAX on 22 March 2021 – coinciding almost exactly with our 20th anniversary as a listed company. The 60 stocks of the MDAX index for medium-sized listed companies follow on directly from Germany's leading DAX index, which includes the country's 30 largest stocks. This means that Nordex SE is one of the 90 most important listed companies in Germany. The admission of our shares was largely due to the increase in market capitalization resulting from the share price rise as well as a high level of liquidity (the number of shares traded each day).

Overall, we anticipate positive business performance and an improvement in the quality of our financial key performance indicators, based on our stabilized supply chain, the quality of our order intake and the results of the corporate program we launched last year. We also believe that the global progress in coronavirus vaccinations will have an increasingly positive impact on efforts to contain the pandemic. In light of this, we are confirming our guidance for 2021.

We as the Nordex team will tackle this year's many challenges with plenty of enthusiasm, commitment and motivation to ensure that the Company continues to develop in line with our strategy.

Thank you for placing your trust in our work.

Kind regards,

José Luis Blanco

Chief Executive Officer

Hamburg, May 2021

GROUP INTERIM MANAGEMENT REPORT

for the period ended 31 March 2021

SECTOR ENVIRONMENT

The wind energy sector continues to operate within an environment with fundamentally intact and positive medium and long-term demand as well as the operational challenges posed by the coronavirus pandemic, which are impacting the supply chain in particular. Although this has largely stabilized at present, it could be adversely affected once again by the increasingly critical pandemic situation in India, for example. The pandemic with its direct and indirect effects thus remains the biggest element of uncertainty for the wind industry in the current year. At the same time, the virtual climate summit initiated by the US government in April 2021 and the agreement reached by EU bodies to set tougher targets for reducing CO_2 by 2030 illustrate how climate protection is once again becoming a more prominent issue on the international agenda, with environmentally-friendly energy production a key element of this discussion.

As a result, there have been no fundamental deviations from the sector environment presented in the 2020 Annual Report.

BUSINESS PERFORMANCE

The Nordex Group further increased the number of installed wind turbines and recorded significant sales growth due to high activity levels in the first quarter of 2021 compared to the prior-year quarter. However, earnings fell short of the figure recorded for the first three months of 2020, when the effects of the coronavirus pandemic had not yet begun to have an impact on key financial figures. Although the Group's business processes are largely running smoothly due to the countermeasures introduced, their efficiency continues to be compromised. In addition, a large number of lower-margin projects were still being implemented during the first quarter. However, project margins will steadily increase for the remainder of the year as wind farms based on Delta4000 turbines begin to dominate installations. This shift represents a key driver in the expected improvement in profitability.

Customer demand, particularly from Europe, remained strong in the first three months of 2021, reaching a volume of 1.2 GW without any exceptional large projects thanks to wind turbines in the Delta4000 series.

SEGMENT PERFORMANCE

	Projects		Service		Group	
EUR million	**Q1 2021**	**Q1 2020**	**Q1 2021**	**Q1 2020**	**Q1 2021**	**Q1 2020**
Order intake	910.8	1,184.6	108.0	139.4	1,018.8	1,324.0
Order book	5,090.6	5,819.9	2,837.2	2,624.5	7,927.8	8,444.4
Sales	1,145.7	862.6	108.0	102.0	1,251.2 [1]	964.6 [1]
EBIT	0.7	3.1	17.8	18.4	–28.1 [2]	–23.7 [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 24.

NEW ORDERS

Although the Nordex Group's order intake continued to show an encouraging trend in the first quarter of 2021, it did not reach the same levels as the very strong prior-year quarter, which was dominated by a major project in Norway. In the Projects segment, the Nordex Group received orders valued at a total of EUR 910.8 million (Q1 2020: EUR 1,184.6 million) for turbines with a combined nominal output totaling 1,247.5 MW (Q1 2020: 1,643.9 MW). The average selling price (ASP) per megawatt of output was EUR 0.73 million/MW, slightly higher than the ASP for the full year 2020 of EUR 0.70 million/MW. The Group received orders from 11 countries in total, with Europe accounting for 92% and Latin America for 8%; the largest individual markets were Spain, Turkey, Germany and Finland (in MW). The Delta4000 series comprised 73% of the turbines ordered during the first quarter. The high figure of 85% recorded in the same quarter last year was also influenced by the choice of Delta4000 turbines for the aforementioned major project in Norway.

The order book of the Projects segment as of 31 March 2021 amounted to EUR 5,090.6 million, down 12.5% from the prior-year quarter (Q1 2020: EUR 5,819.9 million). At 68%, Europe accounted for the majority of the order book. A share of 16% was attributable to Latin America, 12% to North America, and 4% 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 0.79 for the first quarter of 2021 (Q1 2020: 1.37).

In the first quarter of 2021, the Nordex Group's Service segment received orders valued at EUR 108.0 million, a year-on-year decrease of 22.5% (Q1 2020: EUR 139.4 million). The order book of the Service segment as of 31 March 2021 amounted to EUR 2,837.2 million, up 8.1% from the prior-year reporting date (31 March 2020: EUR 2,624.5 million). As of the reporting date, the Nordex Group's service organization serviced 8,558 wind turbines with a nominal output of 22.6 GW (31 March 2020: 8,054 wind turbines with a combined output of 20.6 GW).

PRODUCTION AND INSTALLATIONS

	Turbines (MW)		Rotor blades (units)	
Production	**Q1 2021**	**Q1 2020**	**Q1 2021**	**Q1 2020**
Germany	691.8	856.3	172	168
Spain	566.4	486.2	82	0
Brazil	41.6	79.7	–	–
India	0.0	194.9	34	108
Mexico	–	–	95	45
Argentina	–	24.3	–	–
Total	**1,299.7**	**1,641.4**	**383**	**321**

In the first quarter of 2021, the Nordex Group produced a total of 304 turbines (Q1 2020: 448 turbines) with a total nominal output of 1,299.7 MW (Q1 2020: 1,641.4 MW). Of this total, 174 nacelles were manufactured in Germany, 118 in Spain and 12 in Brazil. As planned, no turbines were assembled in India in the first quarter of 2021, and the Argentinian cooperation for turbine production expired at the end of 2020. The Group's own rotor blade plants in Germany, Spain, India and Mexico produced a total of 383 rotor blades in the first quarter of 2021 (Q1 2020: 321). External suppliers manufactured an additional 570 rotor blades according to Nordex's designs and specifications in the first three months of 2021 (Q1 2020: 528 rotor blades).

Installations

	Installed capacity (MW)	
Country	**Q1 2021**	**Q1 2020**
Europe	804.4	538.9
North America	289.6	114.3
Latin America	224.7	138.0
Rest of world	80.8	108.0
Total	**1,399.5**	**899.2**

In the first quarter of 2021, the Nordex Group increased the number of installations to 356 wind turbines in 20 countries with a total nominal output of 1,399.5 MW (Q1 2020: 269 turbines in 21 countries with an output of 899.2 MW). A share of 57% of the installations was located in Europe, 21% in the USA (North America region), 16% in Latin America and 6% in Australia, South Africa and India (Rest of the world reporting region).

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Selected key data

	01.01.–31.03.2021	01.01.–31.03.2020	Change
Sales (in EUR million)	1,251.2	964.6	29.7%
EBITDA margin (in %)	0.8	1.4	–0.6 PP
EBIT margin[1] (in %)	–1.8	–1.7	–0.1 PP
Capital expenditure (CAPEX) (in EUR million)	38.6	37.3	3.5%
Financial result (in EUR million)	–27.1	–17.8	n/a
Consolidated profit/loss (in EUR million)	–54.7	–38.0	n/a
Earnings per share[2] (in EUR)	–0.47	–0.36	n/a
Working capital ratio (in %, as of 31 March)	–7.6	–7.5	–0.1 PP
Free cash flow (in EUR million)	10.4	–56.9	n/a
Equity ratio (in %, as of 31 March)	16.2	17.3	–1.1 PP

[1] excluding depreciation and amortization from purchase price allocation (PPA) for Acciona Windpower

[2] based on a weighted average of 117.349 million shares (previous year: 106.681 million shares)

With the installation figures up on the prior-year quarter, the Nordex Group's consolidated sales also increased by 29.7% to EUR 1,251.2 million in the first quarter of 2021 (Q1 2020: EUR 964.6 million). Sales in the Projects segment rose by 32.8% to EUR 1,145.7 million (Q1 2020: EUR 862.6 million), while sales in the Service segment grew by 5.9% to EUR 108.0 million (Q1 2020: EUR 102.0 million). The Service segment's contribution to overall sales was 8.6% in the reporting period.

Gross revenue increased at a rate of 9.7% to EUR 1,120.9 million in the first quarter of 2021 (Q1 2020: EUR 1,021.5 million), with inventories built up in preparation for the sharp increase in installations reduced further. Gross profit (gross revenue less cost of materials) rose by 38.2% to EUR 216.0 million (Q1 2020: EUR 156.3 million). Structural costs (staff costs and net other operating income/expenses) increased considerably by 43.6% to EUR 205.6 million (Q1 2020: EUR 143.2 million). Net other operating income/expenses amounted to EUR –87.7 million (Q1 2020: EUR –65.5 million), while staff costs increased to EUR 118.0 million (Q1 2020: EUR 89.7 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) in the first quarter of 2021 thus came to EUR 10.4 million (Q1 2020: EUR 13.1 million). The EBITDA margin was 0.8% (Q1 2020: 1.4%). Depreciation and amortization totaled EUR 38.4 million in the reporting period (Q1 2020: EUR 36.8 million). Of this total, EUR 5.4 million (Q1 2020: EUR 7.2 million) is attributable to depreciation and amortization arising from the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower.

The Nordex Group generated earnings before interest and taxes (EBIT) amounting to EUR –28.1 million in the first quarter of 2021 (Q1 2020: EUR –23.7 million). This corresponds to an EBIT margin of –2.2% (Q1 2020: –2.5%) or –1.8% when adjusted for PPA depreciation and amortization (Q1 2020: –1.7%). Excluding unallocated income and expenses, EBIT in the reporting period was EUR 0.7 million in the Projects segment (Q1 2020: EUR 3.1 million) and EUR 17.8 million in the Service segment (Q1 2020: EUR 18.4 million) during the reporting period.

The financial result for the first quarter of 2021 was EUR –27.1 million (Q1 2020: EUR –17.8 million). It was impacted by the revolving credit facility signed in August 2020, among others. The income tax result was positive again at EUR 0.5 million (Q1 2020: EUR 3.6 million). This resulted in a consolidated net loss of EUR 54.7 million for the first quarter of 2021 (Q1 2020: consolidated net loss of EUR 38.0 million). Earnings per share (EPS) came to EUR – 0.47 (Q1 2020: EUR – 0.36).

Successful working capital management enabled Nordex to keep the working capital ratio stable at –7.6% as at 31 March 2021 compared with the prior-year reporting date (31 March 2020: –7.5%). This also significantly improved operating cash flow to EUR 45.5 million in the reporting period (Q1 2020: EUR –21.8 million). As in the previous year, cash flow from investing activities amounted to EUR – 35.1 million (Q1 2020: EUR – 35.1 million). The Group thus generated free cash flow of EUR 10.4 million in the first quarter of 2021 (Q1 2020: EUR – 56.9 million).

In total, financial liabilities were repaid in the first three months of 2021, and cash flow from financing activities amounted to EUR – 45.9 million (Q1 2020: EUR – 6.7 million). As of 31 March 2021, the Nordex Group's cash and cash equivalents totaled EUR 742.5 million (31 December 2020: EUR 778.4 million). Net debt (liabilities to banks, and bond, shareholder loan and employee bond less cash and cash equivalents) decreased to EUR 33.2 million at the end of the first quarter of 2021 (31 December 2020: EUR 156.4 million).

Compared with the end of the previous year, total assets fell by 3.0% to EUR 4,277.0 million as of 31 March 2021 (31 December 2020: EUR 4,410.1 million). Assets side were mainly affected by the reduction in inventories, whereas equity and liabilities saw a stronger decrease in current liabilities to banks than the increase in other non-current financial liabilities triggered by the inclusion of the shareholder loan. Equity also decreased by 10.4% to EUR 693.4 million compared with the end of 2020 (31 December 2020: EUR 773.5 million) as a result of the consolidated net loss. The equity ratio narrowed to 16.2% as a result of the lower equity at the reporting date of 31 March 2021 (31 December 2020: 17.5%).

At EUR 38.6 million, capital expenditure (CAPEX) of the Nordex Group in the first three months of 2021 matched the level of the prior-year quarter (Q1 2020: EUR 37.3 million). Investments in property, plant and equipment at EUR 31.3 million were almost unchanged, whereas additions to intangible fixed assets were slightly higher at EUR 7.3 million. CAPEX focused on rotor blade production, especially in India, and the procurement of installation and transport equipment.

EMPLOYEES

The number of employees was 8,393 as of 31 March 2021 (31 March 2020: 7,496 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

No opportunities or risks affecting the business performance of the Nordex Group in 2021 arose in the first quarter of 2021 that deviate materially from the opportunities and risks presented in the 2020 Annual Report.

GUIDANCE

The Nordex Group anticipates positive business performance for 2021 and an improvement in the quality of financial key performance indicators. The coronavirus pandemic is only expected to have a limited impact on the Company. This is primarily contingent on a stabilized supply chain and successful strategies enabling the Company to work effectively and efficiently even under pandemic conditions. It is also assumed that the pandemic will have a significantly lower impact on economic activity over the course of the year due in particular to international progress in rolling out coronavirus vaccination programs.

The guidance for the 2021 financial year published on 23 March 2021 with the 2020 Annual Report aims for consolidated sales of EUR 4.7 billion to EUR 5.2 billion and an EBITDA margin of 4.0% to 5.5%. The working capital ratio is predicted to be below minus 6% at the end of 2021. Capital expenditures totaling around EUR 180 million are planned for 2021.

In addition to this guidance for the current 2021 financial year, the Nordex Group has the strategic objective of achieving sales of around EUR 5 billion in the short term and a consolidated EBITDA margin of 8% by financial year 2022, based on a production capacity of over 6 GW.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

The present interim report for the quarter ended 31 March 2021 (Group interim management report and condensed interim consolidated financial statements) was neither audited nor reviewed by an auditor.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the period ended 31 March 2021

ASSETS

EUR thousand	Note	31.03.2021	31.03.2020
Cash and cash equivalents	(1)	742,507	778,357
Trade receivables and contract assets from projects	(2)	695,495	653,336
Inventories	(3)	1,039,328	1,202,207
Income tax receivables		12,579	14,626
Other current financial assets	(4)	38,880	47,212
Other current non-financial assets	(5)	225,369	188,698
Current assets		**2,754,158**	**2,884,436**
Property, plant and equipment	(6)	459,370	454,159
Goodwill	(7)	547,758	547,758
Capitalized development expenses	(8)	160,281	166,677
Prepayments made		3,382	1,705
Other intangible assets		16,274	18,241
Financial assets		3,566	3,571
Investments in associates		6,054	6,087
Other non-current financial assets	(9)	8,772	8,589
Other non-current non-financial assets	(10)	69,732	68,576
Deferred tax assets	(11)	247,662	250,251
Non-current assets		**1,522,851**	**1,525,614**
Assets		**4,277,009**	**4,410,050**

EQUITY AND LIABILITIES

EUR thousand	Note	31.03.2021	31.03.2020
Current liabilities to banks	(12)	232,662	482,439
Trade payables	(13)	1,064,959	1,095,563
Income tax payables		18,082	8,970
Other current provisions	(14)	128,089	125,298
Other current financial liabilities	(15)	45,167	43,850
Other current non-financial liabilities	(16)	1,253,417	1,227,577
Current liabilities		**2,742,376**	**2,983,697**
Non-current liabilities to banks	(12)	47,375	53,625
Pensions and similar obligations		2,406	2,425
Other non-current provisions	(14)	19,046	22,107
Other non-current financial liabilities	(17)	572,818	358,675
Other non-current non-financial liabilities	(18)	132,152	129,062
Deferred tax liabilities	(11)	67,412	86,926
Non-current liabilities		**841,209**	**652,820**
Subscribed capital		117,349	117,349
Capital reserves		795,698	795,698
Other retained earnings		50,976	50,976
Cash flow hedge reserve		4,507	9,341
Reserve for cash flow hedge costs		126	265
Foreign currency adjustment item		–86,007	–65,531
Consolidated net profit/loss carried forward		–134,565	–134,565
Consolidated net profit/loss		–54,660	0
Share in equity attributable to parent company's shareholders		693,424	773,533
Equity	(19)	**693,424**	**773,533**
Equity and liabilities		**4,277,009**	**4,410,050**

CONSOLIDATED INCOME STATEMENT

for the period from 1 January 31 March 2021

EUR thousand	Note	01.01.2021 – 31.03.2021	01.01.2020 – 31.03.2020
Sales	(21)	1,251,160	964,600
Changes in inventories and other own work capitalized	(22)	–130,289	56,890
Gross revenue		**1,120,871**	**1,021,490**
Cost of materials	(23)	–904,857	–865,180
Gross profit		**216,014**	**156,310**
Other operating income	(24)	12,202	3,012
Other operating expenses	(24)	–99,872	–56,531
Staff costs	(25)	–117,973	–89,706
Structural costs		**–205,643**	**–143,225**
EBITDA		**10,371**	**13,085**
Depreciation/amortization	(26)	–38,436	–36,821
EBIT		**–28,065**	**–23,736**
Profit/loss from equity-accounting method		–33	537
Impairment of financial assets and securities classified as current assets		0	–39
Other interest and similar income		561	1,182
Interest and similar expenses		–27,615	–19,519
Financial result	(27)	**–27,087**	**–17,839**
Net profit/loss from ordinary activities		**–55,152**	**–41,575**
Income tax	(28)	492	3,580
Consolidated net loss		**–54,660**	**–37,995**
Of which attributable to			
Shareholders of the parent		–54,660	–37,995
Earnings per share (in EUR)	(29)		
Basic [1]		–0.47	–0.36
Diluted [2]		–0.47	–0.36

[1] based on a weighted average of 117.349 million shares (previous year: 106.681 million shares)

[2] based on a weighted average of 117.349 million shares (previous year: 106.681 million shares)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January 31 March 2021

EUR thousand	01.01.2021 – 31.03.2021	01.01.2020 – 31.03.2020
Consolidated net loss	**–54,660**	**–37,995**
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation difference	–20,476	1,103
Cash flow hedges	–7,109	–3,215
Deferred taxes	2,275	1,029
Cash flow hedge costs	–204	1,547
Deferred taxes	65	–495
Consolidated comprehensive income	**–80,109**	**–38,026**
Of which attributable to		
Shareholders of the parent	–80,109	–38,026

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January 31 March 2021

	EUR thousand	01.01.2021–31.03.2021	01.01.2020–31.03.2020
	Operating activities		
	Consolidated net loss	–54,660	–37,995
+	Depreciation/amortization of non-current assets	38,436	36,860
=	**Consolidated net loss plus depreciation/amortization**	**–16,224**	**–1,135**
+/–	Decrease/increase in inventories	162,879	–173,720
–	Increase in trade receivables and contract assets from projects	–42,159	–26,577
–/+	Decrease/increase in trade payables	–30,604	135,550
–/+	Decrease/increase in prepayments received	–7,377	53,201
=	**Payments received/made from changes in working capital**	**82,739**	**–11,546**
–/+	Increase/decrease in other assets not attributed to investing or financing activities	–25,573	39,987
–	Decrease in pensions and similar obligations	–19	–4
–	Decrease in other provisions	–270	–3,306
–	Decrease in other liabilities not attributed to investing or financing activities	9,770	–53,354
+/–	Loss/gain from the disposal of non-current assets	206	–1,644
–	Other interest and similar income	–561	–1,182
+	Interest received	234	248
+	Interest and similar expenses	27,615	19,519
–	Interest paid	–29,320	–19,073
+/–	Income tax	–492	–3,580
–	Taxes paid	–3,072	–177
+	Other non-cash expenses	441	13,421
=	**Payments made for other operating activities**	**–21,041**	**–9,145**
=	**Cash flow from operating activities**	**45.474**	**–21,826**

	EUR thousand	01.01.2021 – 31.03.2021	01.01.2020 – 31.03.2020
	Investing activities		
+	Payments received from the disposal of property, plant and equipment/intangible assets	3,543	2,680
–	Payments made for investments in property, plant and equipment/intangible assets	–38,564	–37,309
+	Payments received from the disposal of long-term financial assets	12	65
–	Payments made for investments in long-term financial assets	–43	–511
=	**Cash flow from investing activities**	**–35,052**	**–35,075**
	Financing activities		
+	Bank loans received	0	3,739
–	Bank loans repaid	–256,250	–6,250
+	Shareholder loan received	215,000	0
–	Lease liabilities repaid	–4,615	–4,165
=	**Cash flow from financing activities**	**–45,865**	**–6,676**
	Net change in cash and cash equivalents	**–35,443**	**–63,577**
+	Cash and cash equivalents at the beginning of the period	778,357	509,998
–	Exchange rate-induced change in cash and cash equivalents	–407	–13,957
=	**Cash and cash equivalents at the end of the period (cash and cash equivalents as shown in the consolidated statement of financial position)**	**742,507**	**432,464**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 31 March 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
31.03.2021	**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 shareholders of the parent	Total
	9,341	**265**	**–65,531**	**–134,565**	**0**	**773,533**	**773,533**
	–4,834	–139	–20,476	0	–54,660	–80,109	–80,109
	0	0	0	0	–54,660	–54,660	–54,660
	0	0	–20,476	0	0	–20,476	–20,476
	–7,109	0	0	0	0	–7,109	–7,109
	2,275	0	0	0	0	2,275	2,275
	0	–204	0	0	0	–204	–204
	0	65	0	0	0	65	65
	4,507	**126**	**–86,007**	**–134,565**	**–54,660**	**693,424**	**693,424**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 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/loss carried forward	Consolidated net profit/loss	Share in equity attributable 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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the interim period from 1 January to 31 March 2021

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 2021 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 2021 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 2020 financial year. The accounting policies contained in the consolidated financial statements as of 31 December 2020 also apply to the interim consolidated financial statements as of March 31, 2021, 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 2020. The consolidated financial statements for the financial year from 1 January to 31 December 2020 are available on the Internet at www.nordex-online.com under Investor Relations.

The business results for the first three months of 2021 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.

Sales rose to EUR 1,254,160 thousand in the first quarter of 2021, up from EUR 964,600 thousand in the prior-year period. At EUR 10,371 thousand, EBITDA was down slightly on the year-earlier level of EUR 13,085 thousand, giving an EBITDA margin of 0.8% (1 January to 31 March 2020: 1.4%). The sales growth is mainly attributable to a substantial increase in the number of installations. However, the EBITDA margin fell short of the prior-year figure, which had not yet been impacted by the pandemic. As a result of the measures Nordex has taken, business processes are essentially stable, though some are still experiencing delays or a reduction in efficiency. In addition, a large proportion of lower-margin existing projects were still being executed in the first quarter of 2021.

The Nordex Group again increased its installation output in the first quarter of 2021, building 356 wind turbines in 20 countries with a total output of 1,400 MW. In the opening three months of the previous year, 269 wind turbines with an aggregate output of 899 MW were built in 21 countries. In terms of installed capacity (in MW), 57% was attributable to Europe, 21% to North America, 16% to Latin America and 6% to the Rest of the World. This lifted sales in the Projects segments from EUR 862,623 thousand in the prior-year quarter to EUR 1,145,741 thousand in the reporting period. The Service segment continued its growth trajectory with an 5.9% increase in sales to EUR 107,967 thousand (1 January to 31 March 2020: EUR 102,018 thousand).

Amounting to EUR 4,277,009 thousand as at 31 March 2021, total assets decreased slightly by 3.0% compared with year-end 2020. The equity ratio came to 16.2% (31 December 2020: 17.5%). At the end of March 2021, the Nordex Group had cash and cash equivalents of EUR 742,507 thousand (31 December 2020: EUR 778,357 thousand). Net debt was further reduced from EUR 40,911 thousand at the close of 2020 to EUR 33,246 thousand at the end of March (31 March 2020: EUR 156,397 thousand). At –7.6%, the working capital ratio as a percentage of consolidated sales was on a level with the previous year (31 March 2020: –7.5%).

The wind energy industry continues to operate in an environment consisting of a fundamentally intact, favorable demand situation in the medium and long term, amid operational challenges stemming from the coronavirus pandemic, which are especially apparent at the level of the supply chain. Although now largely stable once more, this could be disrupted again by the increasingly critical COVID-19 situation in India, for instance. The pandemic with its direct and indirect effects thus remains the biggest element of uncertainty for the wind industry in the current year.

FOREIGN CURRENCY TRANSLATION

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

	Average exchange rates for the interim period		Closing rates as of 31.3./31.12.	
Exchange rates EUR 1.00 equals	**01.01.–31.03.2021**	**01.01.–31.03.2020**	**31.03.2021**	**31.12.2020**
AUD	1.5603	1.6738	1.5412	1.5896
BRL	6.5900	4.8830	6.7409	6.3735
CLP	872.6511	884.1472	854.9201	872.5242
GBP	0.8744	0.8608	0.8521	0.8990
HRK	7.5721	7.4887	7.5705	7.5519
INR	87.8928	79.8148	85.8133	89.6604
MXN	24.5097	21.8592	24.0506	24.4160
NOK	10.2627	10.4101	9.9955	10.4703
PLN	4.5426	4.3201	4.6508	4.5597
SEK	10.1175	10.6609	10.2383	10.0343
TRY	8.8942	6.7340	9.7248	9.1133
USD	1.2054	1.1023	1.1725	1.2271
ZAR	18.0332	16.8530	17.3491	18.0213

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. As at 31 March 2021, the liability including accrued costs and interest recognized under financial liabilities amounted to EUR 274,491 thousand (31 December 2020: EUR 278,385 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. 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%. As at 31 March 2021, the liability including accrued costs and interest recognized under liabilities to banks amounted to EUR 243,630 thousand (31 December 2020: EUR 242,443 thousand).

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. The loan runs until 30 April 2025 at an interest rate of 10.0%. The shareholder loan secures refinancing of the EUR 215,000 thousand promissory note due in April 2021. As at 31 March 2021, the liability including accrued costs and interest recognized under financial liabilities amounted to EUR 217,320 thousand (31 December 2020: EUR 953 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 SE & Co. KG, with the main Nordex Group companies holding joint and several liability. As at 31 March 2021, the liability including accrued interest recognized under liabilities to banks amounted to EUR 34,426 thousand (31 December 2020: EUR 40,982 thousand).

Employee bond

To strengthen employee loyalty while allowing them to make a profitable investment, the Nordex Group has launched a participation program for its employees in the French Val aux Moines wind farm developed and implemented by Nordex. Employees can participate by purchasing bonds issued by Nordex Employee Holding GmbH. The total volume is up to EUR 4,000 thousand with an annual interest rate of 6.0%. The term runs from 1 October 2020 to 30 September 2024. As at 31 March 2021, the liability including accrued costs and interest recognized under financial liabilities amounted to EUR 3,905 thousand (31 December 2020: EUR 3,866 thousand).

Syndicated multi-currency guarantee facility

Nordex SE also has a syndicated multi-currency guarantee facility with a volume of EUR 1,238,750 thousand that runs until 9 April 2023 and in which the main Nordex Group companies hold joint and several liability. This facility may be extended twice for one more year in each case. As at 31 March 2021, EUR 1,085,754 thousand (31 December 2020: EUR 1,066,862 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 31 March 2021, the cash drawdowns on these facilities recognized under liabilities to banks amounted to EUR 1,981 thousand (31 December 2020: EUR 1,896 thousand).

[1] formerly Nordex Energy GmbH, Hamburg

Revolving credit facility

To protect it from the effects of the COVID-19 pandemic, on 4 August 2020 the Nordex Group, via Nordex SE and with main Nordex Group companies holding joint and several liability, received a revolving credit facility for EUR 350,000 thousand under the German federal government's loan guarantee program with the participation of the states of Mecklenburg-West Pomerania and Hamburg. Ninety percent of the credit facility is guaranteed by the Federal Republic of Germany, the City of Hamburg and the State of Mecklenburg-West Pomerania. The credit facility runs until 30 April 2022 and carries interest at up to 2.0% above Euribor, which is capped at zero (Euribor floor). As at 31 March 2021, the liability including accrued interest recognized under liabilities to banks amounted to EUR 0 thousand (31 December 2020: EUR 250,743 thousand).

All financings are unsecured and, in principal, equal in rank. However, the shareholder loan is subordinated.

Under the revolving credit facility, the covenant concept of the research and development loan and the syndicated multi-currency guarantee facility was successfully adjusted to the current business performance. A minimum liquidity level has been agreed upon, compliance with which must be reported to the respective banks on a monthly basis. As at 31 March 2021, the monthly minimum liquidity level was met in each case. The other covenants (equity ratio, leverage and interest coverage ratio) will come into force again in September 2021. Nordex expects to be in compliance with all covenants in the future as well. The banks may only terminate the facilities for good cause, which includes breach of the 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 693,424 thousand as at 31 March 2021 (31 December 2020: EUR 773,533 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	31.03.2021	31.03.2020
Trade receivables	83,595	121,805
Contract assets from projects	611,900	531,531
Inventories	1,039,328	1,202,207
Trade payables	–1,064,959	–1,095,563
Prepayments received	–1,045,689	–1,053,068
	–375,825	**–293,088**
Sales [1]	4,937,301	4,650,740
Working capital ratio	–7.6%	–6.3%

[1] 31 March 2021: sales for the last twelve months, 31 December 2020: 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.

	Projects	
EUR thousand	**Q1 2021**	**Q1 2020**
Sales	1,145,741	862,623
Changes in inventories and other own work capitalized	–130,077	54,517
Cost of materials	–855,649	–808,822
Other income and expenses	–159,319	–105,207
Earnings before interest and taxes	696	3,111
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 2,427 thousand (Q1 2020: EUR 756 thousand) is attributable to the Projects segment and EUR 160 thousand (Q1 2020: EUR 252 thousand) to the Not-allocated segment.

	Service		Not allocated		Consolidation [1]		Total	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
	107,967	102,018	39	967	–2,587	–1,008	1,251,160	964,601
	–211	–710	–1	3,083	0	0	–130,289	56,890
	–46,738	–40,056	–5,057	–17,310	2,587	1,008	–904,857	–865,180
	–43,226	–42,840	–41,534	–31,999	0	0	–244,079	–180,046
	17,792	18,412	–46,553	–45,259	0	0	–28,065	–23,736
	0	0	561	1,182	0	0	561	1,182
	0	0	–27,615	–19,519	0	0	–27,615	–19,519
	0	0	–33	498	0	0	–33	498

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

	Non-current assets[1]		Sales	
EUR thousand	**31.03.2021**	**31.12.2020**	**01.01.–31.03.2021**	**01.01.–31.03.2020**
Europe	534,046	544,087	776,968	459,272
Latin America	31,320	32,385	121,196	188,096
North America	17,766	17,511	286,273	174,682
Rest of world	56,175	46,799	66,723	142,550
	639,307	**640,782**	**1,251,160**	**964,600**

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

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 742,507 thousand (31 December 2020: EUR 778,357 thousand), EUR 8,420 thousand (31 December 2020: EUR 7,341 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	31.03.2021	31.03.2020
Trade receivables	83,595	121,805
Contract assets from projects	611,900	531,531
	695,495	**653,336**

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

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

(3) INVENTORIES

Inventories break down as follows:

EUR thousand	31.03.2021	31.03.2020
Work in progress	548,922	684,699
Raw materials and supplies	417,156	434,937
Prepayments made	73,250	82,571
	1,039,328	**1,202,207**

Work in progress relates to wind power systems under construction as well as advance outlays for project development, rights and infrastructure.

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 10,127 thousand (31 December 2020: EUR 16,999 thousand), creditors with debit accounts of EUR 6,426 thousand (31 December 2020: EUR 6,606 thousand) and advance payments to secure supplier capacities of EUR 5,097 thousand (31 December 2020: EUR 4,643 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 28,753 thousand (31 December 2020: EUR 30,213 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 9,090 thousand (31 December 2020: EUR 13,157 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 1,037 thousand (31 December 2020: EUR 3,842 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 200,163 thousand (31 December 2020: EUR 162,411 thousand), prepaid expenses of EUR 17,842 thousand (31 December 2020: EUR 19,127 thousand) and contract assets from services of EUR 5,904 thousand (31 December 2020: EUR 5,712 thousand).

The current tax assets mainly concern current input tax assets.

Prepaid expenses chiefly comprise accrued costs for the revolving credit facility, license fees and the multi-currency guarantee facility.

The contract assets from services concern maintenance contracts where the percentage of completion exceeds the payments received.

(6) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

EUR thousand	31.03.2021	31.03.2020
Technical equipment and machinery	170,530	171,668
Land and buildings	166,652	169,720
Other fixtures and fittings, tools and equipment	83,305	83,155
Assets under construction	33,390	25,476
Prepayments made	5,493	4,140
	459,370	**454,159**

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

Additions and carrying amounts as of 31 March 2021 are as follows:

	31.03.2021	
EUR thousand	Additions	Carrying amount
Land and buildings – lease assets	1,149	83,033
Other fixtures and fittings, tools and equipment – lease assets	107	10,686
	1,256	**93,719**

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 in the current financial year amounted to EUR 5,449 thousand as at 31 March 2021 (1 January to 31 March 2020: EUR 5,093 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 CGU and EUR 43,163 thousand in the Service CGU. 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 160,281 thousand (31 December 2020: EUR 166,677 thousand) were capitalized. In the first three months, development expenses of EUR 5,489 thousand (31 December 2020: EUR 24,714 thousand) were capitalized. Additions comprise in particular the enhancement of the Generation Delta wind turbines. Additional development expenses of EUR 7,333 thousand also arising in the first three months (31 December 2020: EUR 22,962 thousand) did not meet the criteria for capitalization and were therefore recognized in profit or loss. The capitalization ratio therefore amounts to 42.8% (31 December 2020: 51.84%).

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 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 6,603 thousand (31 December 2020: EUR 6,567 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 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 8,772 thousand (31 December 2020: EUR 8,589 thousand) equals the fair value as in the previous year.

(10) OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other non-current non-financial assets comprise other tax assets of EUR 35,090 thousand (31 December 2020: EUR 29,631 thousand), contract assets from services of EUR 21,941 thousand (31 December 2020: EUR 22,718 thousand) and prepaid expenses of EUR 12,701 thousand (31 December 2020: EUR 16,227 thousand).

The other tax assets concern receivables from tax authorities in Brazil.

The contract assets from services concern maintenance contracts where the percentage of completion exceeds the payments received.

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

(11) DEFERRED TAX ASSETS AND TAX LIABILITIES

As at 31 March 2021, a rounded tax rate of 32.00% (31 December 2020: 32.00%) was applied for the purpose of calculating domestic deferred taxes.

The changes in deferred taxes break down as follows:

EUR thousand	2021	2020
Amount on 01.01.	163,325	126,347
Recognized in the income statement	14,512	54,872
Recognized in other comprehensive income	2,340	–3,917
Currency translation	73	–13,977
Amount on 31.03./31.12.	**180,250**	**163,325**

(12) 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 279,329 thousand (31 December 2020: EUR 534,788 thousand), of which EUR 232,913 thousand (31 December 2020: EUR 482,335 thousand) would be classified as current.

(13) TRADE PAYABLES

Trade payables amount to EUR 1,064,959 thousand (31 December 2020: 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.

(14) OTHER PROVISIONS

Movements in other provisions break down as follows:

EUR thousand	01.01.2021	Utilization	Reversals	Additions	31.03.2021
Individual guarantees	64,055	–8,099	–5,467	4,613	55,102
Warranties, service, maintenance	26,080	–1,539	–1,648	9,995	32,888
Others	57,270	–9,686	–3,984	15,545	59,145
	147,405	**–19,324**	**–11,099**	**30,153**	**147,135**

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 arising from unfinished projects, supplier risks, costs of preparing the annual financial statements, and legal uncertainties.

(15) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly comprise leases of EUR 17,805 thousand (31 December 2020: EUR 18,104 thousand), guarantee commissions of EUR 10,020 thousand (31 December 2020: EUR 10,008 thousand), forward exchange transactions of EUR 7,903 thousand (31 December 2020: EUR 2,804 thousand) and the corporate bond of EUR 2,979 thousand (31 December 2020: EUR 7,349 thousand).

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

More detailed information on the corporate bond 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 current financial liabilities are classified as financial liabilities measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 37,264 thousand (31 December 2020: EUR 41,046 thousand) equals the fair value as in the previous year. Also included are current lease liabilities that are not allocated to any measurement category.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial liabilities in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 2,194 thousand (31 December 2020: EUR 786 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 5,709 thousand (31 December 2020: EUR 2,018 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.

(16) OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities mainly comprise prepayments received of EUR 1,045,689 thousand (31 December 2020: EUR 1,053,068 thousand), other tax liabilities of EUR 86,238 thousand (31 December 2020: EUR 77,523 thousand), accrued liabilities of EUR 80,304 thousand (31 December 2020: EUR 60,807 thousand) and contract liabilities from services of EUR 32,661 thousand (31 December 2020: EUR 28,187 thousand).

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

Accrued liabilities mainly comprise staff costs and trailing project costs.

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

The contract liabilities from services concern maintenance contracts where the payments received exceed the percentage of completion.

(17) OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities mainly comprise the corporate bond of EUR 271,512 thousand (31 December 2020: EUR 271,036 thousand), the shareholder loan of EUR 217,320 thousand (31 December 2020: EUR 953 thousand), leases of EUR 77,091 thousand (31 December 2020: EUR 79,506 thousand) and the employee bond of EUR 3,805 thousand (31 December 2020: EUR 3,805 thousand).

More detailed information on the corporate bond, the shareholder loan and the employee bond is provided in the section on debt instruments.

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

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other non-current financial liabilities are classified as financial liabilities measured at amortized cost. Based on the corporate bond's share price as at the reporting date, the fair value would be EUR 578,794 thousand (31 December 2020: EUR 382,386 thousand). Also included are non-current lease liabilities that are not allocated to any measurement category.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other 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 74 thousand (31 December 2020: EUR 358 thousand).

(18) OTHER NON-CURRENT NON-FINANCIAL LIABILITIES

Other non-current non-financial liabilities mainly comprise contract liabilities from services of EUR 129,424 thousand (31 December 2020: EUR 126,206 thousand).

The contract liabilities from services concern maintenance contracts where the payments received exceed the percentage of completion.

(19) EQUITY

Equity breaks down as follows:

EUR thousand	31.03.2021	31.03.2020
Subscribed capital	117,349	117,349
Capital reserves	795,698	795,698
Other retained earnings	50,976	50,976
Cash flow hedge reserve	4,507	9,341
Reserve for cash flow hedge costs	126	265
Foreign currency adjustment item	–86,007	–65,531
Consolidated net profit/loss carried forward	–134,565	–134,565
Consolidated net profit/loss [1]	–54,660	0
Share in equity attributable to parent company's shareholders	693,424	773,533
	693,424	**773,533**

[1] Consolidated net profit/loss as at 31 December 2020 amounts to EUR 0 thousand due to the allocation to other retained earnings and the withdrawal from consolidated net profit/loss carried forward.

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

(20) 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:

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	9,090	0	9,090
Other forward exchange transactions	0	1,037	0	1,037
Financial liabilities				
Liabilities to banks	0	279,329	0	279,329
Corporate bond	280,541	0	0	280,541
Shareholder loan	0	217,320	0	217,320
Employee bond	0	3,905	0	3,905
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	2,268	0	2,268
Other forward exchange transactions	0	5,710	0	5,710

2020 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	13,157	0	13,157
Other forward exchange transactions	0	3,842	0	3,842
Financial liabilities				
Liabilities to banks	0	534,788	0	534,788
Corporate bond	286,316	0	0	286,316
Shareholder loan	0	17,091	0	17,091
Employee bond	0	3,866	0	3,866
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	1,144	0	1,144
Other forward exchange transactions	0	2,018	0	2,018

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

(21) SALES

Sales comprise income from the completion of construction contracts for customers, the sale of wind power systems and income from 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.

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 deemed to have been transferred at the time the turbine is fully erected. 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. A contract asset (liability) for service contracts is recognized to the extent the degree of completion exceeds (falls below) the amount billed.

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

EUR thousand	01.01.–31.03.2021	01.01.–31.03.2020
Projects	1,145,741	862,623
Service	107,967	102,018
Not allocated	39	967
Intrasegment consolidation	–2,587	–1,008
	1,251,160	**964,600**

The timing of sales recognition from projects is as follows:

EUR thousand	01.01.–31.03.2021	01.01.–31.03.2020
Project sales recognized at a point in time	568,153	610,041
Project sales recognized over time	577,588	252,582
	1,145,741	**862,623**

The increase in consolidated sales is attributable to the higher installation figures compared with the prior-year quarter.

(22) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Own work capitalized is measured at EUR 5,489 thousand (1 January to 31 March 2020: EUR 6,541 thousand) and, as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

Changes in inventories stand at EUR –135,778 thousand (1 January to 31 March 2020: EUR 50,349 thousand) and reflect the higher volume of installations.

(23) COST OF MATERIALS

The cost of materials breaks down as follows:

EUR thousand	01.01.–31.03.2021	01.01.–31.03.2020
Cost of raw materials and other supplies	671,147	654,817
Cost of services purchased	233,710	210,363
	904,857	**865,180**

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.

(24) OTHER OPERATING INCOME/ OTHER OPERATING EXPENSES

Other operating income/expenses mainly comprise currency translation gains/forward exchange transactions of EUR 8,858 thousand (1 January to 31 March 2020: EUR –14,523 thousand), expenses from remedial work for projects and post-contractual customer claims of EUR –26,443 thousand (1 January to 31 March 2020: EUR 0 thousand), other staff costs of EUR –23,554 thousand (1 January to 31 March 2020: EUR –23,710 thousand), legal and consulting costs of EUR –8,294 thousand (1 January to 31 March 2020: EUR –9,365 thousand), maintenance of EUR –7,600 thousand (1 January to 31 March 2020: EUR –8,752 thousand) and travel expenses of EUR –5,763 thousand (1 January to 31 March 2020: EUR –8,623 thousand).

(25) STAFF COSTS

Staff costs break down as follows:

EUR thousand	01.01.–31.03.2021	01.01.–31.03.2020
Wages and salaries	97,802	72,323
Social security and expenditure on retirement benefits and support	20,171	17,383
	117,973	**89,706**

The Group headcount was as follows:

	01.01.–31.03.2021	01.01.–31.03.2020	Change
Reporting date			
Office staff	3,758	3,306	452
Technical staff	4,635	4,190	445
	8,393	**7,496**	**897**
Average			
Office staff	3,674	3,261	413
Technical staff	4,644	4,006	638
	8,318	**7,267**	**1,051**

The increase in the number of employees is mainly due to the Nordex Group's increased business volume.

(26) DEPRECIATION/AMORTIZATION

Depreciation and amortization breaks down as follows:

EUR thousand	01.01.–31.03.2021	01.01.–31.03.2020
Depreciation of property, plant and equipment	24,132	22,360
Amortization of capitalized development expenses	11,929	10,928
Amortization of other intangible assets	2,375	3,533
	38,436	**36,821**

Depreciation includes EUR 5,174 thousand for depreciation of lease assets (1 January to 31 March 2020: EUR 4,857 thousand); of this amount EUR 3,465 thousand (1 January to 31 March 2020: EUR 3,515 thousand) concern land and buildings and EUR 1,709 thousand (1 January to 31 March 2020: EUR 1,342 thousand) other fixtures and fittings, tools and equipment.

(27) FINANCIAL RESULT

The financial result breaks down as follows:

EUR thousand	01.01.–31.03.2021	01.01.–31.03.2020
Profit/loss from equity-accounting method	–33	537
Impairment of financial assets	0	–39
Net profit/loss from investments	**–33**	**498**
Other interest and similar income	561	1.182
Interest and similar expenses	–27,615	–19,519
Interest result	**–27,054**	**–18,337**
	–27,087	**–17,839**

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

Interest income and expense arises primarily from deposits with banks, and from guarantee commissions, the corporate bond and the revolving credit facility. Of the interest expense, EUR 834 thousand (1 January to 31 March 2020: EUR 928 thousand) is attributable to leases.

(28) INCOME TAX

Income tax breaks down as follows:

EUR thousand	01.01.–31.03.2021	01.01.–31.03.2020
Current income tax	–14,020	–16,297
Deferred taxes	14,512	19,877
Total income tax	**492**	**3,580**

(29) EARNINGS PER SHARE

Basic

		2021	2020
Consolidated net loss for the year	EUR thousand	–54,660	–37,995
of which shareholders of the parent	EUR thousand	–54,660	–37,995
Weighted average number of shares		117,348,759	106,680,691
Basic earnings per share	**EUR**	**–0.47**	**–0.36**

Diluted

Diluted earnings per share also stand at EUR –0.47 (1 January to 31 March 2020: 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 954 thousand (31 December 2020: EUR 954 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 33.6% (31 December 2020: 36.6%) share in Nordex SE.

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

	Balances outstanding Receivables (+) / liabilities (–)		Transaction amount Income (+) / expense (–)	
EUR thousand	**31.03.2021**	**31.12.2020**	**01.01.–31.03.2021**	**01.01.–31.03.2020**
Acciona Energia Chile SpA	167,350/–161,174	164,970/–156,711	573/–133	0/0
Acciona Energia Mexico S.r.l.	1,530/–46	1,232/–44	0/0	0/0
Acciona Energia S.A.	100,510/–39,574	69,304/–33,011	32,969/–253	7,589/–81
Acciona Energia Servicios Mexico S. de RL de C.V.	139,369/–139,079	139,351/–131,456	–29/5,526	16,366/0
Acciona Energy Oceania Construction Pty. Ltd.	101,209/–113,192	48/–106,372	109,300/–1,901	526/–902
Acciona Forwarding S.A.	4/–2,609	0/–977	0/2,366	0/–242
Acciona S.A	0/–216,769	0/–1,088	0/–202	0/–28
Valdivia Energia Eolica S.A.	132/0	133/0	164/0	165/0
Other	107/–218	646/–291	2/–182	462/–338

During the first quarter of 2021, no orders to deliver and assemble wind power systems (1 January to 31 March 2020: EUR 0 thousand) were placed by Acciona Energía S.A.

In 2014, Supervisory Board member Jan Klatten indirectly acquired an interest of 44.20% in the Polish wind farm company C&C Wind Sp. z o.o. in a market-wide tender process. The Nordex Group holds a 40.00% share of this company. Accordingly, C&C Wind Sp. z o.o. is classed as an associated company. As in the previous year, there were no business transactions with Mr. Klatten or companies attributable to him.

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

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

	Balances outstanding Receivables (+) / liabilities (–)		Transaction amount Income (+) / expense (–)	
EUR thousand	**31.03.2021**	**31.12.2020**	**01.01.–31.03.2021**	**01.01.–31.03.2020**
C&C Wind Sp. z o.o.	0/0	363/0	0/–33	537/0
GN Renewable Investments S.a.r.l.	0/0	0/0	0/	0/0

CONSOLIDATED CASH FLOW STATEMENT

Of the cash flow from operating activities in the amount of EUR 45,474 thousand (1 January to 31 March 2020: EUR –21,826 thousand) EUR –16,224 thousand (1 January to 31 March 2020: EUR –1,135 thousand) is attributable to the consolidated net loss including depreciation, amortization and impairment. Changes in working capital resulted in payments received of EUR 82,739 thousand (1 January to 31 March 2020: payments made of EUR 11,546 thousand). Payments made for other operating activities stand at EUR 21,041 thousand (1 January to 31 March 2020: EUR 9,145 thousand). This means that cash flow from operating activities has been influenced significantly by the positive development of working capital.

Cash flow from investing activities amounted to EUR –35,052 thousand (1 January to 31 March 2020: EUR –35,075 thousand). Investments of EUR 31,286 thousand (1 January to 31 March 2020: EUR 31,071 thousand) were made in property, plant and equipment, which mainly related to the establishment and expansion of blade production in India and the procurement of installation and transportation equipment in Spain for international projects. Development projects of EUR 5,489 thousand (1 January to 31 March 2020: EUR 6,062 thousand) were capitalized.

Cash flow from financing activities amounted to EUR –45,865 thousand (1 January to 31 March 2020: EUR –6,676 thousand) and is attributable to the granting of the shareholder loan, payments of principal on the revolving credit facility and the research and development loan, and the repayment of lease liabilities.

EVENTS AFTER THE REPORTING DATE

There were no significant events after the end of the reporting period.

Nordex SE, Rostock, May 2021

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 31 March 2021

	Cost					
EUR thousand	**Opening balance 01.01.2021**	**Additions**	**Disposals**	**Reclassifica-tions**	**Currency translation**	**Closing balance 31.03.2021**
Property, plant and equipment						
Technical equipment and machinery	389,281	9,443	1,175	2,572	–573	399,548
Land and buildings	246,090	1,373	104	191	794	248,344
Other fixtures and fittings, tools and equipment	177,394	7,582	379	7	550	185,154
Assets under construction	25,476	10,239	0	–2,786	461	33,390
Prepayments made	4,140	3,905	2,620	0	68	5,493
Total	**842,381**	**32,542**	**4,278**	**–16**	**1,300**	**871,929**
Intangible assets						
Goodwill	552,259	0	0	0	0	552,259
Capitalized development expenses	468,823	5,489	0	0	44	474,356
Prepayments made	1,706	1,676	0	0	0	3,382
Other intangible assets	155,309	113	6	16	2,007	157,439
Total	**1,178,097**	**7,278**	**6**	**16**	**2,051**	**1,187,436**

	Depreciation / amortization / impairment losses					Carrying amount	
	Opening balance 01.01.2021	Additions	Disposals	Currency translation	Closing balance 31.03.2021	31.03.2021	31.12.2020
	217,613	11,585	196	16	229,018	170,530	171,668
	76,370	5,012	66	376	81,692	166,652	169,720
	94,239	7,535	267	342	101,849	83,305	83,155
	0	0	0	0	0	33,390	25,476
	0	0	0	0	0	5,493	4,140
	388,222	**24,132**	**529**	**734**	**412,559**	**459,370**	**454,159**
	4,501	0	0	0	4,501	547,758	547,758
	302,146	11,928	0	1	314,075	160,281	166,677
	0	0	0	0	0	3,382	1,706
	137,069	2,376	6	1,726	141,165	16,274	18,240
	443,716	**14,304**	**6**	**1,727**	**459,741**	**727,695**	**734,381**

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 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, May 2021

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	
11 May 2021	Publication of quarterly financial report (Q1 reporting date)
12 August 2021	Publication of half-yearly financial report
15 November 2021	Publication of quarterly financial report (Q3 reporting date)

PUBLISHING INFORMATION AND CONTACT

Published by
Nordex SE
Investor Relations
Langenhorner Chaussee 600
22419 Hamburg

Phone + 49 40 30030–1000
Fax + 49 40 30030–1101

www.nordex-online.com
investor-relations@nordex-online.com

Investor relations team
Felix Zander
Phone + 49 40 30030–1116

Tobias Vossberg
Phone + 49 40 30030–2502

Rolf Becker
Phone + 49 40 30030–1892

Editing & text
Nordex SE, Hamburg

Photography
Nordex SE, Hamburg

Consulting, concept & design
Silvester Group
www.silvestergroup.com

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.

Nordex SE
Investor Relations
Langenhorner Chaussee 600
22419 Hamburg

Phone + 49 40 30030–1000
Fax + 49 40 30030–1101

www.nordex-online.com
investor-relations@nordex-online.com