

Q1 2022

NORDEX GROUP

Interim report for the period
from 1 January to 31 March 2022



KEY FIGURES AT A GLANCE

Nordex Group key figures

		01.01. – 31.03.2021	01.01. – 31.03.2022	Change
Earnings				
Sales	EUR million	1,251.2	933.0	–25.4%
Gross revenue	EUR million	1,120.9	1,132.8	1.1%
Adjusted EBITDA before reconfiguration costs	EUR million	10.4	–52.0	n/a
EBITDA	EUR million	10.4	–88.9	n/a
EBIT	EUR million	–28.1	–130.5	n/a
Free cash flow	EUR million	10.4	–113.5	n/a
Capital expenditure	EUR million	38.5	47.9	24.4%
Consolidated net loss for the year	EUR million	–54.7	–150.5	n/a
Earnings per share ¹	EUR	–0.47	–0.94	n/a
Adjusted EBITDA margin before reconfiguration costs	%	0.8	–5.6	–6.4 PP
Working capital ratio	%	–7.6	–11.3	–3.7 PP
Statement of financial position as of 31.03.2022 and 31.12.2021				
Total assets	EUR million	4,107.6	4,186.6	1.9%
Equity	EUR million	1,062.4	858.4	–19.2%
Equity ratio	%	25.9	20.5	–5.4 PP
Employees				
Employees as of 31 March		8,191 ²	8,621	5.2%
Staff costs	EUR million	118.0	127.2	7.8%
Staff cost ratio	%	9.4	13.6	4.2 PP
Company-specific performance indicators				
Order intake, Projects segment	EUR million	910.8	903.4	–0.8%
Installed capacity	MW	1,452.7 ²	867.4	–40.3%

¹ Earnings per share = based on a weighted average of 160.021 million shares (previous year: 117.349 million shares)

² Figure adjusted due to change in counting method.

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LETTER TO THE SHAREHOLDERS



José Luis Blanco
Chief Executive Officer

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

The year 2022 began differently from anything we had planned for, with the start of the year presenting us with a series of surprises and formidable challenges. Demand for our turbines, particularly those on the Delta4000 platform, remains very strong. This enabled us to generate an order intake of 1.2 gigawatts during the first quarter – a similar figure to the prior-year quarter despite the volatile market environment. We are equally satisfied with the development of our latest N163/6.X model, our first turbine in the 6 MW+ class, and have since carried out our first installations.

Nevertheless, the first few months of the year proved highly challenging in many respects. For example, as you are no doubt aware, the Nordex Group was the target of a cyber incident at the end of March that, in addition to creating plenty of work, also forced us to delay our reporting for the first quarter of 2022. The market environment also remained volatile, with persistently high material and logistics costs, particularly for shipping, while supply chain interruptions also presented challenges. In addition, the war in Ukraine had a direct and indirect impact on our business and the overall increase in costs is also adversely affecting our margin.

Competitive pressures, together with the cost situation, prompted us to refocus our operations after a comprehensive analysis of our production network. Unfortunately, this means that we are closing a nacelle manufacturing plant in Spain and a rotor blade production facility in Germany.

In light of these changes and increased visibility, we have updated our guidance to take account of one-off costs associated with the closure of these plants as well as the impact of the war in Ukraine, something that was not yet possible at the end of March. We also included expenses associated with the cyber incident and supply chain interruptions, which means that all discernible effects have now been taken into account. We now expect consolidated sales of EUR 5.2 to 5.7 billion and an EBITDA margin of minus 4 to 0 percent in 2022.

We generated just over EUR 930 million in sales in the first quarter, which was less than the previous year due to lower installation output. We switched production to new rotor blades and had planned to carry out fewer installations, but there were also weather-related delays. EBITDA was primarily negatively impacted by high costs, supply chain disruptions and one-off expenses associated with the reconfiguration of the Group's production network, and amounted to minus EUR 88.9 million. Excluding these one-off expenses of EUR 36.9 million, adjusted EBITDA before footprint reconfiguration totaled minus EUR 52.0 million, which corresponds to an adjusted margin of minus 5.6 percent.

The political environment remains favorable for our sector. We are expecting a significant boost in the EU and Germany in particular that will stimulate demand considerably. And if there is one thing the war of aggression in Ukraine, which I utterly condemn, has clearly demonstrated once again, it is the importance of a clean and independent energy supply. As a manufacturer of renewable energy sources, the Nordex Group has already played an important role in the energy transition and by their proven competitiveness continues to hold a central position in this regard.

At the Nordex Group, we tackle every task with exceptional team spirit, commitment and care to improve the profitability of our company in the long term. Thank you for placing your trust in us.

Kind regards,

José Luis Blanco



Chief Executive Officer

Hamburg, June 2022

GROUP INTERIM MANAGEMENT REPORT

for the period ended 31 March 2022

MACROECONOMIC ENVIRONMENT

The global economic environment and outlook deteriorated significantly during the first quarter of 2022. This was due to Russia's invasion of Ukraine, in breach of international law, and its dramatic consequences. At present, it is almost impossible to predict the further course of this war of aggression as well as the extent of any possible escalation of the humanitarian, political and economic crisis. It seems unlikely that the conflict will end and the situation will normalize any time soon. In addition to the direct, short-term impact of this war on the global economy caused by comprehensive destruction and interruptions of supply chains, it is primarily the indirect effects – including the consequences of economic sanctions against Russia, a stronger focus on defense-related government spending in the West, and massive hikes in the cost of fossil fuels, raw materials and basic agricultural products – that will noticeably alter the long-term international economic outlook. Accelerating inflation is also ramping up pressure on central banks to increase interest rates despite the deterioration in economic prospects – including, increasingly, in the eurozone. Further coronavirus lockdowns, materials shortages and supply chain disruption still represent significant adverse effects.

These conditions recently prompted many institutions to revise their economic scenarios for 2022 and beyond. In April, the International Monetary Fund (IMF) lowered its forecast for the global economy once again ("World Economic Outlook, April 2022"). According to this report, the war is slowing down the economic recovery from the coronavirus pandemic. The IMF now expects global economic growth of just 3.6% instead of 4.4% in 2022 and an increase of 3.6% instead of 3.8% in 2023.

Expected BIP growth in 2022 (selected countries and regions)

in %	2021	2022e
World	6.1	3.6
Industrialized countries	5.2	3.3
USA	5.7	3.7
Canada	4.6	3.9
Eurozone	5.3	2.8
Germany	2.9	2.1
France	7.0	2.9
Spain	5.1	4.8
Italy	6.6	2.3
United Kingdom	7.4	3.7
Developing/ emerging countries	6.8	3.8
India	8.9	8.2
Turkey	11.0	2.7
Latin America	6.8	2.5
Brazil	4.6	0.8

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

SECTOR ENVIRONMENT

The Global Wind Energy Council (GWEC) updated its medium-term forecast for the wind industry in the wake of the climate summit in Glasgow, taking into account current market challenges such as supply chain issues on the one hand and the Ukraine war and the threat of an escalation in the fossil fuel situation on the other. The impact of the war is classified as low. Overall, the GWEC anticipates accelerated global development in favor of wind power generation.

For the five-year period to 2026, the GWEC expects annual global wind turbine installations to rise steadily by 6.6% (onshore: 6.1%), without any setbacks in individual years. In the GWEC Global Wind Report 2022, an increase of 7.5% to 100.6 GW (2021: 93.6 GW) is assumed for 2022, with the forecast for the onshore sector in 2022 (26.8%) taking into account the fact that the previous year's figure was driven by massive one-off losses in China and the USA. All other regions made gains. The global onshore installation level of 91.9 GW anticipated for 2022 exceeds the previous record figure of 88.4 GW from 2020. The medium-term prospects until 2026 for markets relevant to the Nordex Group (global onshore excluding China) remain positive. The GWEC expects 87.7 GW to be installed onshore in Europe by 2026, with Germany making up the lion's share of this total at 22% (19.7 GW). Germany's new federal government is driving this trend. Spain (11%), France (10%), Sweden (9%) and Finland (7%) also make up a significant share of anticipated onshore installations. The biggest markets in Latin America by volume during the forecasting period are Brazil, Chile, Mexico and Colombia. For the USA, the GWEC expects strong growth in the onshore sector in 2022 and further growth until 2026. The GWEC also anticipates a substantial expansion in onshore wind energy in Australia.

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

SIGNIFICANT EVENTS

The market environment for manufacturers of wind turbines such as the Nordex Group deteriorated in the first quarter of 2022 due to the outbreak of the Russian war of aggression in Ukraine and its consequences. The economic outlook worsened considerably as a result. Globally, logistics markets remained strained and availability of materials was still limited. The already inflated cost of precursors and the further explosion in costs for all companies within the wind energy sector as a result of the war also represent a significant challenge. On the other hand, the war and the immense supply insecurities and explosion in the cost of fossil fuels may prove to be the catalyst for a more ambitious and accelerated energy transition that includes a simplified and accelerated expansion of wind energy.

Specifically, the following company-specific events were particularly significant for the business performance of the Nordex Group and its communications with the capital markets during the first quarter of 2022:

Major order from Finland for wind farm with turbines in the 6 MW+ class

At the start of January, the Nordex Group received an order for a 380 MW wind farm in Finland. The project includes the delivery, installation and commissioning of 56 of the latest N163/6.X wind turbines. This order marks the first use of the large turbine variant in the 6 MW+ class in the Nordic countries since its successful introduction to the market last September. The order also includes a long-term premium service agreement.

**Termination of rotor blade production
in Rostock necessary**

The increasingly challenging market environment and fierce competition, as well as a shift in demand, necessitate adjustments to global production and procurement processes. The global energy sector has been characterized by rising price competition since the introduction of auction systems in most markets. Despite all of the measures already introduced to lower costs at the Rostock site, the cost of producing rotor blades at this site is uncompetitive within the global production network and the Nordex Group's global project business. As a result, on 28 February 2022 the Nordex Group announced its intention to discontinue production of rotor blades at the Rostock site at the end of June 2022. The aim is to ensure that any reduction in headcount for those affected will be carried out in a socially responsible manner, and we have begun discussing these issues with the works council. The production of nacelles, hubs and drivetrains (DMR) also situated in Rostock, as well as the engineering and service organization, are not affected and will continue.

BUSINESS PERFORMANCE

The Nordex Group continued to record strong demand for its products in the first three months of 2022, particularly turbines in the Delta4000 series, which made up 91% of its order intake of just under 1.2 GW. At 89%, the vast majority of this demand came from Europe. However, activity levels were significantly lower compared to the prior-year quarter, and this was reflected in lower sales. This was due to a change in production on the one hand, and weather-related delays during the period under review on the other. The consolidated net profit/loss for the first three months of the year was well down on the prior-year quarter and was negatively impacted by several factors. These include high material and logistics costs, particularly for shipping, as well as the direct and indirect effects of the war in Ukraine and continuing supply chain interruptions that, in addition to other factors, prompted the Group to adjust its guidance in May. Although current completed projects are demonstrating healthy margins overall, the lead times for these projects mean they will only gradually help profitability to improve after a lag of at least one year.

SEGMENT PERFORMANCE

EUR million	Projects		Service		Group	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Order intake	903.4	910.8	108.7	108.0	1,012.1	1,018.8
Order book	6,298.8	5,090.6	3,040.9	2,837.2	9,339.7	7,927.8
Sales	819.8	1,145.7	115.7	108.0	933.0	1,251.2 ¹
EBIT	-91.3	0.7	19.9	17.8	-130.5	-28.1 ²

¹ After unallocated sales and intrasegment consolidation

² After unallocated income and expenses and intrasegment consolidation

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

NEW ORDERS

The Nordex Group's order intake continued to show an encouraging trend in the first quarter of 2022, reaching the same levels as the strong prior-year quarter. In the Projects segment, the Nordex Group received orders valued at a total of EUR 903.4 million (Q1 2021: EUR 910.8 million) for 229 turbines with a combined nominal output totaling 1,165.3 MW (Q1 2021: 1,247.5 MW). The average selling price (ASP) per megawatt of output was EUR 0.78 million/MW, up 6.8% on the ASP for the full year 2021 of EUR 0.73 million/MW. The Group received orders from 11 countries in total, with Europe accounting for 89% and Latin America for 11%; the largest individual markets were Finland, Germany, Croatia and Peru (in MW). The Delta4000 series comprised 91% of the turbines ordered during the first quarter (Q1 2021: 73%).

The order book of the Projects segment as of 31 March 2022 grew by 23.7% to EUR 6,298.8 million, which is significantly higher than the prior-year volume (Q1 2021: EUR 5,090.6 million). At 64%, Europe accounted for the majority of the order book. A share of 23% was attributable to Latin America, 5% to North America, and 8% to the Rest of the World. The book-to-bill ratio (the ratio of order intake to sales recognized in the Projects segment) stood at 1.1 for the first quarter of 2022 (Q1 2021: 0.79).

In the first quarter of 2022, the Nordex Group's Service segment received orders valued at EUR 108.7 million, which is on a par with the prior-year figure (Q1 2021: EUR 108.0 million). The order book of the Service segment as of 31 March 2022 amounted to EUR 3,040.9 million, up 7.2% from the prior-year reporting date (31 March 2021: EUR 2,837.2 million). As of the reporting date, the Nordex Group's service organization serviced 9,766 wind turbines with a nominal output of 26.9 GW (31 March 2021: 8,558 wind turbines with a combined output of 22.6 GW).

PRODUCTION AND INSTALLATION

Production	Turbines (MW)		Rotor blades (units)	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Germany	807.7	690.7	114	172
Spain	194.4	566.4	–	82
Brazil	143.8	41.6	–	–
India	349.0	–	147	34
Mexico	–	–	9	95
Total	1,494.9	1,299.7	270	383

In the first quarter of 2022, the Nordex Group produced a total of 304 turbines (Q1 2021: 304 turbines) with a total nominal output of 1,494.9 MW (Q1 2021: 1,299.7 MW). Of this total, 175 nacelles were manufactured in Germany, 61 in India, 40 in Spain and 28 in Brazil. The Nordex Group's own rotor blade plants in Germany, Spain, India and Mexico produced a total of 270 rotor blades in the first quarter of 2022 (Q1 2021: 383). External suppliers manufactured an additional 702 rotor blades according to Nordex's designs and specifications in the first three months of 2022 (Q1 2021: 570 rotor blades).

Installations

Country	Installed capacity (MW)	
	Q1 2022	Q1 2021
Europe	714.3	757.4
North America	86.4	308.8
Latin America	66.7	226.1
Rest of world	–	160.4
Total	867.4	1,452.7¹

¹ All previous year's figures adjusted due to changes in counting method

In the reporting period, the Nordex Group installed 197 wind turbines in 12 countries with a total nominal output of 867.4 MW (Q1 2021: 381 turbines in 20 countries with an output of 1,452.7 MW). A share of 82% of the installations was located in Europe, 10% in the USA (North America region) and 8% in Latin America. The decline in installations can be explained as follows: On the one hand, there was a change in production to different rotor blades. On the other hand, extreme weather conditions led to delays.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Selected key data

	01.01. – 31.03.2022	01.01. – 31.03.2021	Change
Sales (in EUR million)	933.0	1,251.2	–25.4%
Adjusted EBITDA margin before reconfiguration of production (in %)	–5.6	0.8	–6.4 PP
EBIT margin ¹ (in %)	–13.9%	–1.8	–12.1 PP
Capital expenditure (CAPEX) (in EUR million)	47.9	38.5	24.4%
Financial result (in EUR million)	–21.1	–27.1	–22.2%
Consolidated net profit/loss (in EUR million)	–150.5	–54.7	–
Earnings per share ² (in EUR)	–0.94	–0.47	–91.5%
Working capital ratio (in %, as of 31 March)	–11.3	–7.6	–3.7 PP
Free cash flow (in EUR million)	–113.5	10.4	–
Equity ratio (in %, as of 31 March)	20.5	16.2	4.3 PP

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

² based on a weighted average of 160.021 million shares
(previous year: 117.349 million shares)

With installation figures down on the prior-year quarter, the Nordex Group's consolidated sales also decreased by 25.4% to EUR 933.0 million in the first quarter of 2022 (Q1 2021: EUR 1,251.2 million). The trend in sales is attributable to a planned change in production to different rotor blades and lower installation output due to weather conditions. As a result, sales in the Projects segment fell by 28.4% to EUR 819.8 million (Q1 2021: EUR 1,145.7 million), whereas sales in the Service segment grew by 7.1% to EUR 115.7 million (Q1 2021: EUR 108.0 million). The Service segment's contribution to overall sales was 12.4% in the reporting period, up from 8.6% both in the prior-year period and for the full year 2021.

Gross revenue increased by 1.1% to EUR 1,132.8 million in the first quarter of 2022 (Q1 2021: EUR 1,120.9 million). Gross profit (gross revenue less cost of materials) fell considerably by 44.2% to EUR 120.6 million (Q1 2021: EUR 216.0 million). Structural costs (staff costs and net other operating income/expenses) decreased by 16.0% to EUR 172.7 million (Q1 2021: EUR 205.6 million). Net other operating income/expenses amounted to EUR –44.7 million (Q1 2021: EUR –87.7 million), while staff costs increased to EUR 128.0 million (Q1 2021: EUR 118.0 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) in the first quarter of 2022 came to EUR –88.9 million (Q1 2021: EUR 10.4 million). Adjusted for the non-recurring item caused by the reorganization, EBITDA was EUR –52.0 million, giving an adjusted EBITDA margin of –5.6% (Q1 2021: 0.8%). Depreciation, amortization and impairment losses totaled EUR 41.6 million in the reporting period (Q1 2021: EUR 38.4 million). Of this total, EUR 1.2 million (Q1 2021: EUR 5.4 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 –130.5 million in the first quarter of 2022 (Q1 2021: EUR –28.1 million). This corresponds to an EBIT margin of –14.0% (Q1 2021: –2.2%) or –13.9% when adjusted for PPA-related depreciation and amortization (Q1 2021: –1.8%). Excluding unallocated income and expenses, EBIT was EUR –91.3 million in the Projects segment (Q1 2021: EUR 0.7 million) and EUR 19.9 million in the Service segment (Q1 2021: EUR 17.8 million) during the period under review.

The Nordex Group's financial result improved year-on-year to EUR –21.1 million in the first quarter of 2022 (Q1 2021: EUR –27.1 million), with last year's measures to reinforce the Group's financial structure having a positive impact on this figure. The income tax result was once again positive at EUR 1.1 million (Q1 2021: EUR 0.5 million). This resulted in a consolidated net loss of EUR 150.5 million for the first quarter of 2021 (Q1 2021: consolidated net loss of EUR 54.7 million). Earnings per share (EPS) worsened to EUR –0.94 (Q1 2021: EUR –0.47).

Successful working capital management enabled the Group to improve its working capital ratio to –11.3% as at 31 March 2022 compared with the prior-year reporting date (31 March 2021: –7.6%). Despite this, the decline in earnings caused operating cash flow to worsen to EUR –80.9 million in the reporting period (Q1 2021: EUR 45.5 million). Cash flow from investing activities was at a similar level to the prior-year quarter at EUR –32.6 million (Q1 2021: EUR –35.1 million). As a result, free cash flow amounted to EUR –113.5 million in the first quarter of 2022 compared with a positive free cash flow in the prior-year quarter (Q1 2021: EUR 10.4 million).

Overall, financial liabilities increased slightly in the first three months of 2022, with cash flow from financing activities coming in at EUR 2.1 million (Q1 2021: EUR –45.9 million). As of 31 March 2022, the Nordex Group's cash and cash equivalents totaled EUR 681.2 million (31 December 2021: EUR 784.4 million). At the end of the first quarter of 2022, the Group continued to have strong net liquidity of EUR 314.6 million, even though this figure was down from the end of 2021 (31 December 2021: EUR 423.7 million).

Compared with the end of the previous year, total assets rose slightly by 1.9% to EUR 4,186.6 million as of 31 March 2022 (31 December 2021: EUR 4,107.6 million). The increase in inventories had a particularly significant impact on assets, while equity and liabilities saw a rise in other current financial liabilities. Equity also decreased by 19.2% to EUR 858.4 million compared with the end of 2021 (31 December 2021: EUR 1,062.4 million) as a result of the consolidated net loss, causing the equity ratio to fall to 20.5% as of the 31 March 2022 reporting date (31 December 2021: 25.9%).

At EUR 47.9 million, capital expenditure (CAPEX) of the Nordex Group exceeded the level of the prior-year quarter in the first three months of 2022 (Q1 2021: EUR 38.5 million). While the Nordex Group invested significantly more in property, plant and equipment at EUR 41.0 million, investments in intangible fixed assets remained largely unchanged from the previous year's level at EUR 6.9 million (Q1 2021: EUR 7.3 million). Capital expenditures in the reporting quarter mainly related to the establishment and expansion of blade and nacelle production in India and the procurement of installation and transportation equipment in Spain for projects.

EMPLOYEES

The number of employees was 8,621 as of 31 March 2022 (31 March 2021: 8,191 employees). The increase in the number of employees is mainly due to the expansion of rotor blade production and engineering in India and the establishment of tower production in Brazil. An offsetting effect stemmed from Spain, where the number of employees declined due to the completion of projects.

OPPORTUNITIES AND RISKS

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

GUIDANCE

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

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

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

EVENTS AFTER THE END OF THE REPORTING PERIOD

As reported on 2 April, the Nordex Group was exposed to a cyber incident at the end of March 2022 that primarily impacted the second quarter and also caused the publication of the quarterly report for the period ending 31 March 2022 to be delayed until 21 June.

The adjustments to the production network announced by the Nordex Group in the first quarter of 2022 were successfully implemented during the second quarter. The closure of the Spanish production site for the assembly of nacelles was completed in the meantime. Negotiations regarding the termination of the production of rotor blades in Germany have reached an advanced stage.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 March 2022

ASSETS

EUR thousand	Consolidated Note	31.03.2022	31.12.2021
Cash and cash equivalents	(1)	681,176	784,440
Trade receivables	(2)	145,996	162,530
Contract assets from projects	(3)	527,053	536,526
Current contract assets from services	(4)	8,943	7,327
Inventories	(5)	907,030	722,487
Income tax receivables		13,965	15,293
Other current financial assets	(6)	64,577	61,029
Other current non-financial assets	(7)	183,799	209,918
Current assets		2,532,539	2,499,550
Property, plant and equipment	(8)	533,689	506,958
Goodwill	(9)	547,758	547,758
Capitalized development expenses	(10)	161,646	163,551
Prepayments made		34	32
Other intangible assets		15,915	16,626
Investments		3,502	3,512
Investments in associates		58	6,398
Non-current contract assets from services	(4)	35,377	32,171
Other non-current financial assets	(11)	16,954	16,283
Other non-current non-financial assets	(12)	19,917	13,444
Deferred tax assets	(13)	319,219	301,347
Non-current assets		1,654,069	1,608,080
Assets		4,186,608	4,107,630

EQUITY AND LIABILITIES

EUR thousand	Consolidated Note	31.03.2022	31.12.2021
Current liabilities to banks	(14)	15,044	6,564
Trade payables	(15)	1,066,662	1,032,600
Contract liabilities from projects	(3)	1,092,501	945,128
Current contract liabilities from services	(4)	27,792	29,391
Income tax payables		22,706	22,121
Other current provisions	(16)	125,549	108,378
Other current financial liabilities	(17)	379,278	48,406
Other current non-financial liabilities	(18)	146,967	136,966
Current liabilities		2,876,499	2,329,554
Non-current liabilities to banks	(14)	25,500	25,500
Non-current contract liabilities from services	(4)	134,975	130,924
Pensions and similar obligations		2,589	2,523
Other non-current provisions	(16)	32,070	28,807
Other non-current financial liabilities	(19)	169,130	428,335
Other non-current non-financial liabilities	(20)	3,144	2,692
Deferred tax liabilities	(13)	84,301	96,900
Non-current liabilities		451,709	715,681
Subscribed capital		160,021	160,021
Capital reserves		1,236,269	1,236,071
Other retained earnings		-11,087	-11,087
Cash flow hedge reserve		-37,408	2,415
Reserve for cash flow hedge costs		2,898	529
Foreign currency adjustment item		-129,942	-113,719
Consolidated net profit/loss carried forward		-211,835	-211,835
Consolidated net profit/loss		-150,516	0
Share in equity attributable to shareholders of the parent		858,400	1,062,395
Equity	(21)	858,400	1,062,395
Equity and liabilities		4,186,608	4,107,630

CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 31 March 2022

EUR thousand	Consolidated Note	01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
Sales	(23)	932,954	1,251,160
Changes in inventories and other own work capitalized	(24)	199,796	–130,289
Gross revenue		1,132,750	1,120,871
Cost of materials	(25)	–1,012,145	–904,857
Gross profit		120,605	216,014
Other operating income	(26)	17,643	12,202
Other operating expenses	(26)	–62,298	–99,872
Staff costs	(27)	–127,997	–117,973
Structural costs		–172,652	–205,643
Adjusted EBITDA before restructuring costs		–52,047	10,371
Restructuring costs	(28)	–36,871	0
EBITDA		–88,918	10,371
Depreciation/amortization	(29)	–41,606	–38,436
EBIT		–130,524	–28,065
Profit/loss from equity-accounting method		0	–33
Impairment of investments		–8	0
Other interest and similar income		2,165	561
Interest and similar expenses		–23,240	–27,615
Financial result	(30)	–21,083	–27,087
Net profit/loss from ordinary activities		–151,607	–55,152
Income tax	(31)	1,091	492
Consolidated net loss		–150,516	–54,660
Of which attributable to			
shareholders of the parent		–150,516	–54,660
Earnings per share (in EUR)	(32)		
Basic ¹		–0.94	–0.47
Diluted ²		–0.94	–0.47

¹ based on a weighted average of 160.021 million shares (previous year: 117.349 million shares)

² based on a weighted average of 160.021 million shares (previous year: 117.349 million shares)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January to 31 March 2021

EUR thousand	01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
Consolidated net loss	–150,516	–54,660
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation difference	–16,223	–20,476
Cash flow hedges	–58,564	–7,109
Deferred taxes	18,741	2,275
Cash flow hedge costs	3,485	–204
Deferred taxes	–1,116	65
Consolidated comprehensive income	–204,193	–80,109
Of which attributable to		
shareholders of the parent	–204,193	–80,109

CONSOLIDATED CASH FLOW STATEMENT¹

For the period from 1 January to 31 March 2022

EUR thousand	01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
Operating activities		
Consolidated net loss	–150,516	–54,660
+ Depreciation/amortization of non-current assets	41,614	38,436
= Consolidated net loss plus depreciation/amortization	–108,902	–16,224
–/+ Increase/decrease in inventories	–184,543	162,879
+/- Decrease/increase in trade receivables	16,534	–80,368
+ Decrease in contract assets from projects	9,473	38,209
+/- Increase/decrease in trade payables	34,062	–30,604
+/- Increase/decrease in contract liabilities from projects	147,373	–7,377
= Payments received from changes in working capital	22,899	82,739
– Decrease/increase in other assets not attributed to investing or financing activities	–13,468	–25,573
+/- Increase/decrease in pensions and similar obligations	66	–19
+/- Increase/decrease in other provisions	20,434	–270
+ Increase in other liabilities not attributed to investing or financing activities	18,333	9,770
–/+ Gain/loss from the disposal of non-current assets	–7,054	206
– Other interest and similar income	–2,165	–561
+ Interest received	2,322	234
+ Interest and similar expenses	23,240	27,615
– Interest paid	–24,982	–29,320
– Income tax	–1,091	–492
– Taxes paid	–2,527	–3,072
–/+ Other non-cash income/expenses	–8,011	441
= Payments made for other operating activities	5,097	–21,041

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

EUR thousand		01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
=	Cash flow from operating activities	-80,906	45,474
	Investing activities		
+	Payments received from the disposal of property, plant and equipment/ intangible assets	2,004	3,543
-	Payments made for investments in property, plant and equipment/ intangible assets	-47,886	-38,564
+	Payments received from the disposal of long-term financial assets	13,287	12
-	Payments made for investments in long-term financial assets	-24	-43
=	Cash flow from investing activities	-32,619	-35,052
	Financing activities		
+	Bank loans received	8,311	0
-	Bank loans repaid	0	-256,250
-	Cash repayments of bonds	-40	0
+	Shareholder loan received	0	215,000
-	Lease liabilities repaid	-6,219	-4,615
=	Cash flow from financing activities	2,052	-45,865
	Net change in cash and cash equivalents	-111,473	-35,443
+	Cash and cash equivalents at the beginning of the period	784,440	778,357
+/-	Exchange rate-induced change in cash and cash equivalents	8,209	-407
	Cash and cash equivalents at the end of the period (Cash and cash equivalents as shown in the consolidated statement of financial position)	681,176	742,507

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 31 March 2022

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2022	160,021	1,236,071	-11,087
Employee stock option program	0	198	0
Consolidated comprehensive income	0	0	0
Consolidated net loss	0	0	0
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation difference	0	0	0
Cash flow hedges	0	0	0
Deferred taxes	0	0	0
Cash flow hedge costs	0	0	0
Deferred taxes	0	0	0
31.03.2022	160,021	1,236,269	-11,087

	Cash flow hedge reserve	Reserve for cash flow hedge costs	Foreign currency adjustment item	Consolidated net profit/loss carried forward	Consolidated net profit/loss	Share in equity attributable to shareholders of the parent	Total
	2,415	529	-113,719	-211,835	0	1,062,395	1,062,395
	0	0	0	0	0	198	198
	-39,823	2,369	-16,223	0	-150,516	-204,193	-204,193
	0	0	0	0	-150,516	-150,516	-150,516
	0	0	-16,223	0	0	-16,223	-16,223
	-58,564	0	0	0	0	-58,564	-58,564
	18,741	0	0	0	0	18,741	18,741
	0	3,485	0	0	0	3,485	3,485
	0	-1,116	0	0	0	-1,116	-1,116
	-37,408	2,898	-129,942	-211,835	-150,516	858,400	858,400

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 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 to 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the interim period from 1 January to 31 March 2022

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 2022 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in the European Union. All IFRSs and interpretations applicable for the reporting period ending on 31 March 2022 have been observed, in particular IAS 34 Interim Financial Reporting.

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

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

The Nordex Group generated sales of EUR 933 million (Q1/2021: EUR 1,251 million). The trend in sales is attributable to a planned change in production to different rotor blades and lower installation output due to weather conditions.

EBITDA in the first quarter, including costs of EUR 36.9 million for realigning production, was EUR –88.9 million (Q1/2021: EUR 10.4 million). Adjusted for these one-off costs, EBITDA was EUR –52.0 million and the EBITDA margin was –5.6 % (Q1/2021: 0.8%). Compared to the same quarter of the previous year, profitability was impacted by higher raw material and shipping costs.

All told, the Nordex Group installed 197 wind turbines in 12 countries with an aggregate output of 867 MW in the first quarter of 2022. In the prior-year quarter, 381 wind turbines with an aggregate output of 1,453 MW were built in 19 countries. In terms of installed capacity (in MW), 82 % was attributable to Europe, 10% to North America and 8% to Latin America. As a result of lower installation figures, sales in the Projects segment fell by 28.4% to EUR 819.8 million in the reporting period (Q1/2021: EUR 1,145.7 million). In contrast, the Service segment continued its positive trend with an increase in sales of 7.1% to EUR 115.7 million (Q1/2021: EUR 108.0 million).

At 304 turbines, production output in turbine assembly was exactly level with the previous year, with the nominal output of 1,300 MW increasing by 15.0% to 1,495 MW. The Company produced 270 rotor blades (Q1/2021: 383 units). External suppliers manufactured an additional 702 rotor blades according to Nordex's designs and specifications (Q1/2021: 570 rotor blades).

Regarding the direct impact of the war in Ukraine on the Nordex Group's business, the Company can confirm the statements made in the consolidated financial statements as of 31 December 2021. In addition, the Nordex Group has analyzed further accounting implications in the preparation of the quarterly financial statements as of 31 March 2022. This includes, for example, the consolidation of the subsidiary in Ukraine and the recoverability of current and non-current assets directly related to the business in Ukraine. There were no indications of significant impairment. Nordex also held talks with its customers to confirm that the projects in Ukraine are to be continued at a later date. Should the situation change, working capital write-downs might be possible in the future due to projects that have either been paused or are no longer being implemented.

Persistently high volatility and ongoing supply chain and logistics disruption, particularly for shipping, as well as significant bottlenecks for steel and other critical components are having a considerable adverse impact on existing projects, partly also as an indirect consequence of the military conflict since they have increasingly occurred particularly after the reporting date of 31 March 2022. The scope and extent of such impacts are difficult to assess and even more challenging to predict. Nevertheless, the Company expects that these factors will have a negative impact overall on its further earnings performance in 2022.

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

However, the adjustments of the production network announced by the Company are steadily taking shape, with the closure of a Spanish production facility for the assembly of nacelles now complete and negotiations regarding the termination of the production of rotor blades in Germany reaching an advanced stage. Restructuring costs amount to EUR 36.9 million.

Furthermore, the Nordex Group was exposed to a cyber incident at the end of March 2022, which forced the Company to shut down various IT systems in different business units as a precautionary measure. Although there were no indications that the attack affected wind farms and third-party systems, the Company's corporate IT infrastructure needed to be rebuilt. This has affected operations after 31 March 2022. The resulting delays and costs after 31 March 2022 are in addition to the direct costs that were incurred as part of the rebuilding and reinforcement of the Nordex Group's IT infrastructure.

Compared with the end of the previous year, total assets grew slightly by 1.9% to EUR 4,187 million as of 31 March 2022 (31 December 2021: EUR 4,108 million). The equity ratio came to 20.5% (31 December 2021: 25.9%). As of the end of March 2022, Nordex had cash and cash equivalents of EUR 681.2 million (31 December 2021: EUR 778.4 million). The Group's net liquidity amounted to EUR 314.6 million (31 December 2021: EUR 423.7 million) and the working capital ratio as a percentage of consolidated sales was -11.3% (31 March 2021: -7.6%).

FOREIGN CURRENCY TRANSLATION

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

Exchange rates EUR 1.00 equals	Average exchange rates for the interim period		Closing rates as of 31.3./31.12.	
	01.01. – 31.03.2022	01.01. – 31.03.2021	31.03.2022	31.12.2021
AUD	1.5501	1.5603	1.4829	1.5615
BRL	5.8614	6.5900	5.3009	6.3101
CLP	907.7430	872.6511	875.8101	964.3202
CNY	7.1248	7.8105	7.0403	7.1947
GBP	0.8364	0.8744	0.8460	0.8403
HRK	7.5431	7.5721	7.5740	7.5156
INR	84.4129	87.8928	84.1340	84.2290
MXN	22.9996	24.5097	22.0903	23.1438
NOK	9.9299	10.2627	9.7110	9.9888
PLN	4.6152	4.5426	4.6531	4.5969
SEK	10.4771	10.1175	10.3370	10.2503
TRY	15.6446	8.8942	16.2813	15.2346
USD	1.1223	1.2054	1.1101	1.1326
ZAR	17.0882	18.0332	16.1734	18.0636

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

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

The total expense recognized for the employee stock option program in the interim period of 1 January to 31 March 2022 amounts to EUR 232 thousand (1 January to 31 March 2021: EUR 0 thousand).

Transformation Incentive Plan

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

In the interim period of 1 January 31 March 2022, the expense for this program came to EUR 0 thousand (1 January to 31 March 2021: EUR 0 thousand), since the stipulated performance targets in order to achieve vested status will probably not be met.

Performance Share Unit Plan

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

The total expense recognized for the Performance Share Units Plan in the interim period of 1 January to 31 March 2022 amounts to EUR 508 thousand (1 January to 31 March 2021: EUR 623 thousand).

The carrying amount of the liabilities arising from the Performance Share Units Plan amounts to EUR 2,808 thousand (31 December 2021: EUR 2,300 thousand).

FINANCIAL RISK MANAGEMENT

DEBT INSTRUMENTS

Corporate bond

On 2 February 2018, the Nordex Group successfully placed a corporate bond in the amount of EUR 275,000 thousand with a coupon of 6.5%. This bond was admitted to trading on the International Stock Exchange. The issuer of the five-year corporate bond is Nordex SE, with the main Nordex Group companies holding joint and several liability. The corporate bond has been certified as a green financial instrument. As at 31 March 2022, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 276,394 thousand (31 December 2021: EUR 280,387 thousand), of which EUR 276,394 thousand (31 December 2021: EUR 7,448 thousand) is current.

Shareholder loan

In addition, Acciona S.A. granted Nordex SE a shareholder loan of EUR 232,200 thousand. The loan was paid out in two tranches of EUR 17,200 thousand in August 2020 and EUR 215,000 thousand in March 2021. In June 2021, EUR 196,580 thousand of this amount was contributed to a capital increase as a non-cash contribution. The loan runs until 30 April 2025 at an interest rate of 10.0%. As at 31 March 2022, the liability including accrued costs and interest recognized under other non-current financial liabilities amounted to EUR 45,900 thousand (31 December 2021: EUR 44,499 thousand).

Promissory note

On 6 April 2016, Nordex SE placed a promissory note with a volume of EUR 550,000 thousand for which Nordex SE&Co. KG is jointly and severally liable with national and international investors. After a further EUR 215,000 thousand was repaid in April 2021, the promissory note currently is comprised of tranches with original terms of seven and ten years, each subject to fixed or variable interest. Depending on the tranche, the interest rate is between 2.1% and 3.0%. The promissory note has been certified as a green financial instrument. As at 31 March 2022, the liability including accrued costs and interest recognized under liabilities to banks amounted to EUR 26,044 thousand (31 December 2021: EUR 25,890 thousand), of which EUR 544 thousand (31 December 2021: EUR 390 thousand) is current.

Employee bond

To strengthen employee loyalty while allowing them to make a profitable investment, the Nordex Group has launched a participation program for its employees in the French Val aux Moines wind farm developed and implemented by Nordex. Employees can participate by purchasing bonds issued by Nordex Employee Holding GmbH. The total volume is up to EUR 4,000 thousand with an annual interest rate of 6.0%. The term runs from 1 October 2020 to 30 September 2024. As at 31 March 2022, the liability including accrued costs and interest recognized under other financial liabilities amounted to EUR 3,761 thousand (31 December 2021: EUR 3,741 thousand), of which EUR 115 thousand (31 December 2021: EUR 56 thousand) is current.

Syndicated multi-currency guarantee facility

Nordex SE also has a syndicated multi-currency guarantee facility that runs until 9 April 2024 and has been increased from EUR 1,238,750 thousand to EUR 1,410,000 thousand in June 2021 and in which the main Nordex Group companies hold joint and several liability. This facility may be extended twice for one more year in each case. In addition, it has been agreed that an amount of up to EUR 100,000 thousand from this top-up will also be made available in the form of guaranteed cash credit lines. As at 31 March 2022, EUR 1,227,965 thousand (31 December 2021: EUR 1,155,995 thousand) of the multi-currency guarantee facility had been drawn down in the form of guarantees. Ancillary credit facilities have also been set up under the syndicated multi-currency guarantee facility. As at 31 March 2022, the cash drawdowns on these facilities recognized under current liabilities to banks amounted to EUR 14,500 thousand (31 December 2021: EUR 6,174 thousand).

The syndicated multi-currency guarantee facility is further subject to uniform and agreed financial covenants (liquid assets and equity ratio, and from 31 December 2022 also leverage and interest coverage), compliance with which is confirmed in quarterly reports to the banks. The financial institutions may only terminate this multi-currency guarantee facility for good cause. All of the financial covenants were met as of 31 March 2022.

CAPITAL RISK MANAGEMENT

The main aims of capital risk management are to ensure sustained growth in enterprise value and to safeguard the Group's liquidity and credit rating. Equity stood at EUR 858,400 thousand as at 31 March 2022 (31 December 2021: EUR 1,062,395 thousand). The Group monitors its capital by means of the working capital employed. Working capital is defined as the sum total of trade receivables, contract assets from projects and inventories less trade payables and contract liabilities from projects:

EUR thousand	31.03.2022	31.12.2021
Trade receivables	145,996	162,530
Contract assets from projects	527,053	536,526
Inventories	907,030	722,487
Trade payables	-1,066,662	-1,032,600
Contract liabilities from projects	-1,092,501	-945,128
	-579,084	-556,185
Sales ¹	5,125,745	5,443,950
Working capital ratio	-11.3 %	-10.2 %

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

GROUP SEGMENT REPORTING

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

EUR thousand	Projects	
	Q1 2022	Q1 2021
Sales	819,805	1,145,741
Changes in inventories and other own work capitalized	199,264	–130,077
Cost of materials	–943,885	–855,649
Other income and expenses	–166,508	–159,319
EBIT	–91,324	696
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 2,333 thousand (Q1 2021: EUR 2,427 thousand) is attributable to the Projects segment and EUR 365 thousand (Q1 2021: EUR 160 thousand) to the Not-allocated segment.

	Service		Not allocated		Consolidation ¹		Total	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
	115,652	107,967	195	39	-2,698	-2,587	932,954	1,251,160
	823	-211	-291	-1	0	0	199,796	-130,289
	-44,752	-46,738	-26,206	-5,057	2,698	2,587	-1,012,145	-904,857
	-51,809	-43,226	-32,812	-41,534	0	0	-251,129	-244,079
	19,914	17,792	-59,114	-46,553	0	0	-130,524	-28,065
	0	0	2,165	561	0	0	2,165	561
	0	0	-23,240	-27,615	0	0	-23,240	-27,615
	0	0	-8	-33	0	0	-8	-33

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

EUR thousand	Non-current assets ¹		Sales	
	31.03.2022	31.12.2021	01.01. – 31.03.2022	01.01. – 31.03.2021
Europe ²	542,816	536,692	684,190	776,968
Latin America	46,307	34,777	138,199	121,196
North America	22,931	18,832	81,248	286,273
Rest of world	99,230	96,866	29,317	66,723
	711,284	687,167	932,954	1,251,160

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

² Of which non-current assets from Germany EUR 332,014 thousand (31 December 2021: EUR 325,843 thousand) and sales from Germany EUR 180,129 thousand (1 January to 31 March 2021): EUR 70,328 thousand)

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(1) CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 681,176 thousand (31 December 2021: EUR 784,440 thousand). Of the cash and cash equivalents, EUR 4,890 thousand cannot be freely transferred within the Group due to foreign exchange restrictions resulting from the Russia-Ukraine conflict.

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

(2) TRADE RECEIVABLES

Trade receivables amount to EUR 145,996 thousand (31 December 2021: EUR 162,530 thousand).

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

Impairments of trade receivables amount to EUR 14,985 thousand (31 December 2021: EUR 10,850 thousand).

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

(3) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM PROJECTS

Contract assets and contract liabilities from projects changed as follows:

EUR thousand	Contract assets from projects		Contract liabilities from projects	
	2022	2021	2022	2021
Amount on 01.01.	536,526	531,531	945,128	1,053,068
Addition, new ongoing projects	162,154	1,725,392	70,923	1,493,389
Addition, existing ongoing projects	706,687	2,282,562	934,302	1,969,872
Change in the transaction price	-9,184	-52,616	0	0
Disposal, invoiced projects	-308,210	-3,341,142	-296,932	-2,962,000
Netting of contract assets from projects with contract liabilities from projects	-560,920	-609,201	-560,920	-609,201
Amount on 31.03./31.12.	527,053	536,526	1,092,501	945,128

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

(4) CONTRACT ASSETS AND CONTRACT LIABILITIES FROM SERVICES

Contract assets and contract liabilities from services changed as follows:

EUR thousand	Contract assets from services		Contract liabilities from services	
	2022	2021	2022	2021
Amount on 01.01.	39,498	28,430	160,315	154,393
Addition, new service contracts	985	6,031	3,081	19,987
Addition to existing service contracts	6,567	11,232	17,727	15,057
Disposal of existing service contracts	-2,640	-4,372	-15,387	-27,155
Disposal of completed service contracts	-90	-1,823	-2,969	-1,967
Amount on 31.03./31.12.	44,320	39,498	162,767	160,315

Of the contract assets from services, EUR 8,943 thousand (31 December 2021: EUR 7,327 thousand) are current and EUR 35,377 thousand (31 December 2021: EUR 32,171 thousand) are non-current, while of the contract liabilities from services, EUR 27,792 thousand (31 December 2021:

EUR 29,391 thousand) are current and EUR 134,975 thousand (31 December 2021: EUR 130,924 thousand) are non-current.

(5) INVENTORIES

Inventories break down as follows:

EUR thousand	31.03.2022	31.12.2021
Raw materials and supplies	377,132	394,597
Work in progress	451,811	258,795
Prepayments made	78,087	69,095
	907,030	722,487

Raw materials and supplies primarily comprise production and service material.

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

(6) OTHER CURRENT FINANCIAL ASSETS

Other current financial assets mainly comprise creditors with debit accounts of EUR 20,760 thousand (31 December 2021: EUR 21,920 thousand), forward exchange transactions of EUR 14,752 thousand (31 December 2021: EUR 15,739 thousand), fixed-term deposits of EUR 9,377 thousand (31 December 2021: EUR 3,852 thousand), advance payments to secure supplier capacities of EUR 6,830 thousand (31 December 2021: EUR 10,250 thousand), and insurance and compensation claims of EUR 6,311 thousand (31 December 2021: EUR 5,444 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 49,825 thousand (31 December 2021: EUR 45,290 thousand) equals the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial assets in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 13,293 thousand (31 December 2021: EUR 13,592 thousand).

Pursuant to IFRS 7 and IFRS 9, the other forward exchange transactions reported under other current financial assets are classified as financial assets measured at fair value through profit or loss. The fair value amounts to EUR 1,459 thousand (31 December 2021: EUR 2,147 thousand). The forward rates and prices are calculated on the basis of the spot price on the reporting date in the light of any discounts or premiums for the remaining term of the contract.

(7) OTHER CURRENT NON-FINANCIAL ASSETS

The other current non-financial assets primarily comprise tax assets of EUR 169,315 thousand (31 December 2021: EUR 195,539 thousand) and prepaid expenses of EUR 13,292 thousand (31 December 2021: EUR 12,427 thousand).

The tax assets mainly are current VAT tax assets.

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

(8) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

EUR thousand	31.03.2022	31.12.2021
Land and buildings	200,200	194,937
Technical equipment and machinery	188,814	183,291
Other fixtures and fittings, tools and equipment	97,371	90,083
Assets under construction	41,893	33,588
Prepayments made	5,411	5,059
	533,689	506,958

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

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

Additions and carrying amounts as of 31 March 2022 are as follows:

EUR thousand	31.03.2022	
	Additions	Carrying amount
Land and buildings – Lease assets	10,650	113,799
Technical equipment and machinery – Lease assets	91	91
Other fixtures and fittings, tools and equipment – Lease assets	1,595	13,076
	12,336	126,966

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

Cash outflows for leases amounted to EUR 10,526 thousand in the interim period from 1 January to 31 March 2022 (1 January to 31 March 2021: EUR 9,739 thousand).

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

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

(9) GOODWILL

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

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

(10) CAPITALIZED DEVELOPMENT EXPENSES

As at the reporting date, development expenses of EUR 161,646 thousand (31 December 2021: EUR 163,551 thousand) were capitalized. In the first three months of 2022, development expenses of EUR 6,365 thousand (31 December 2021: EUR 35,077 thousand) were capitalized. Additions comprise in particular the enhancement of the Generation Delta wind turbines. Additional development expenses of EUR 5,813 thousand also arising in the first three months of 2022 (31 December 2021: EUR 23,394 thousand) did not meet the criteria for capitalization and were therefore recognized in profit or loss. The capitalization ratio therefore amounts to 52.27% (31 December 2021: 59.99%). The decrease in the capitalization ratio is mainly the result of lower expenses for product and software development and lower hourly expenses.

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

(11) OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets mainly comprise fixed-term deposits amounting to EUR 7,480 thousand (31 December 2021: EUR 6,690 thousand) and receivables from non-consolidated affiliated companies and other long-term equity investments in the amount of EUR 7,397 thousand (31 December 2021: EUR 7,422 thousand).

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

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other non-current financial assets are classified as financial assets measured at amortized cost. Given that market interest rates apply, amortized cost amounting to EUR 16,954 thousand (31 December 2021: EUR 16,283 thousand) equals the fair value as in the previous year.

(12) OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other non-current non-financial assets primarily comprise prepaid expenses of EUR 12,369 thousand (31 December 2021: EUR 11,762 thousand) and tax assets of EUR 7,548 thousand (31 December 2021: EUR 1,628 thousand).

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

Tax assets are current VAT tax assets.

(13) DEFERRED TAX ASSETS AND TAX LIABILITIES

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

The changes in deferred taxes break down as follows:

EUR thousand	2022	2021
Amount on 01.01.	204,447	163,325
Recognized through profit or loss	6,657	26,534
Recognized in capital reserves ¹	0	5,834
Recognized in other comprehensive income	17,625	3,128
Currency translation	6,189	5,626
Amount on 31.03./31.12.	234,918	204,447

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

(14) LIABILITIES TO BANKS

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

Pursuant to IFRS 7 and IFRS 9, liabilities to banks are classified as financial liabilities measured at amortized cost. The fair value amounts to EUR 40,494 thousand (31 December 2021: EUR 32,353 thousand), of which EUR 15,175 thousand (31 December 2021: EUR 6,845 thousand) would be classified as current.

(15) TRADE PAYABLES

Trade payables amount to EUR 1,066,662 thousand (31 December 2021: EUR 1,095,563 thousand).

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

(16) OTHER PROVISIONS

Movements in other provisions break down as follows:

EUR thousand	01.01.2022	Utilization	Reversals	Additions	31.03.2022
Warranties	88,244	–7,913	–4,562	14,301	90,070
Others	48,941	–22,138	–448	41,194	67,549
	137,185	–30,051	–5,010	55,495	157,619

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

The addition to other provisions mainly results from the recognition of restructuring provisions. More detailed information on the restructuring provisions is provided in the section on the basis of preparation. The other provisions also concern other project and service risks, supplier risks, costs of preparing the annual financial statements, and legal uncertainties.

(17) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly comprise the corporate bond of EUR 276,394 thousand (31 December 2021: EUR 7,448 thousand), forward exchange transactions of EUR 66,418 thousand (31 December 2021: EUR 8,358 thousand), leases of EUR 22,680 thousand (31 December 2021: EUR 22,467 thousand) and guarantee commissions of EUR 7,960 thousand (31 December 2021: EUR 5,710 thousand).

More detailed information on the corporate bond is provided in the section on debt instruments. The corporate bond is classified as current as of 31 March 2022.

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

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other current financial liabilities (and without leases not allocated to a measurement category) are classified as financial liabilities measured at amortized cost. The amortized cost amounts to EUR 290,180 thousand (31 December 2021: EUR 17,581 thousand). Based on the corporate bond's share price, the fair value amounts to EUR 289,432 thousand (31 December 2021: EUR 17,581 thousand based on the fact that the corporate bond was recognized as a non-current liability as of 31 December 2021).

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial liabilities in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 54,867 thousand (31 December 2021: EUR 4,577 thousand).

Pursuant to IFRS 7 and IFRS 9, the other forward exchange transactions reported under other current financial liabilities are classified as financial liabilities measured at fair value through profit or loss. The fair value amounts to EUR 11,551 thousand (31 December 2021: EUR 3,780 thousand). The forward rates and prices are calculated on the basis of the spot price on the reporting date in the light of any discounts or premiums for the remaining term of the contract.

(18) OTHER CURRENT NON-FINANCIAL LIABILITIES

The other current non-financial liabilities primarily comprise accrued liabilities of EUR 88,452 thousand (31 December 2021: EUR 68,647 thousand) and tax liabilities of EUR 50,478 thousand (31 December 2021: EUR 59,775 thousand).

Accrued liabilities mainly comprise trailing project costs and staff costs.

The tax liabilities mainly relate to value-added tax.

(19) OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities mainly comprise leases of EUR 107,445 thousand (31 December 2021: EUR 100,904 thousand), the shareholder loan of EUR 45,900 thousand (31 December 2021: EUR 44,499 thousand) and forward exchange transactions of EUR 8,632 thousand (31 December 2021: EUR 3,368 thousand).

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

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

Pursuant to IFRS 7 and IFRS 9, the balances not relating to forward exchange transactions reported under other non-current financial liabilities (and without leases not allocated to a measurement category) are classified as financial liabilities measured at amortized cost. Given that market interest rates apply, amortized cost amounting to EUR 53,053 thousand (31 December 2021: EUR 324,063 thousand) equals the fair value (31 December 2021: EUR 327,385 based on the fact that the corporate bond was recognized as a non-current liability as of 31 December 2021).

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other non-current financial liabilities in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 8,632 thousand (31 December 2021: EUR 3,368 thousand).

(20) OTHER NON-CURRENT NON-FINANCIAL LIABILITIES

Other non-current non-financial liabilities mainly comprise tax liabilities of EUR 3,094 thousand (31 December 2021: EUR 2,642 thousand).

The tax liabilities concern liabilities to tax authorities in Brazil.

(21) EQUITY

Equity breaks down as follows:

EUR thousand	31.03.2022	31.12.2021
Subscribed capital	160,021	160,021
Capital reserves	1,236,269	1,236,071
Other retained earnings	-11,087	-11,087
Cash flow hedge reserve	-37,408	2,415
Reserve for cash flow hedge costs	2,898	529
Foreign currency adjustment item	-129,942	-113,719
Consolidated net profit/loss carried forward	-211,835	-211,835
Consolidated net profit/loss ¹	-150,516	0
Share in equity attributable to shareholders of the parent	858,400	1,062,395
	858,400	1,062,395

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

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

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

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

(22) ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

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

31.03.2022 EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	13,293	0	13,293
Other forward exchange transactions	0	1,459	0	1,459
Financial liabilities				
Liabilities to banks	0	40,494	0	40,494
Corporate bond	275,646	0	0	275,646
Employee bond	0	3,761	0	3,761
Shareholder loan	0	45,900	0	45,900
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	0	63,499	0	63,499
Other forward exchange transactions	0	11,551	0	11,551

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

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

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

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

NOTES TO THE INCOME STATEMENT

(23) SALES

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

EUR thousand	01.01.– 31.03.2022	01.01.– 31.03.2021
Projects	819,805	1,145,741
Service	115,652	107,967
Not allocated	195	39
Intrasegment consolidation	–2,698	–2,587
	932,954	1,251,160

The timing of revenue recognition from projects is as follows:

EUR thousand	01.01.– 31.03.2022	01.01.– 31.03.2021
Project revenues recognized at a point in time	270,812	568,153
Project revenues recognized over time	548,993	577,588
	819,805	1,145,741

The Nordex Group generates sales from projects and services. The transaction prices derived from the contractual terms and conditions for the production and sale of

wind turbines and for service contracts include fixed and, to a lesser extent, variable consideration. The estimated amounts of the variable consideration will only be included in the transaction prices where it is considered to be highly probable that no significant cancellation of sales will arise as a result of the elimination of uncertainty regarding the size of the variable amounts. Moreover, the transaction prices which are realized by way of sales are reduced through payments made in connection with lump-sum compensation and other penalty payments associated with project and service contracts.

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

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

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

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

The decrease in sales is attributable to switching production to different rotor blades as planned and lower installation output as a result of weather conditions.

(24) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Changes in inventories stand at EUR 193,016 thousand (1 January to 31 March 2021: EUR –135,778 thousand) and reflect the lower volume of installations with production levels remaining unchanged.

Own work capitalized is measured at EUR 6,780 thousand (1 January to 31 March 2021: EUR 5,489 thousand) and, as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

(25) COST OF MATERIALS

The cost of materials breaks down as follows:

EUR thousand	01.01. – 31.03.2022	01.01. – 31.03.2021
Cost of raw materials and other supplies	763,427	671,147
Cost of services purchased	248,718	233,710
	1,012,145	904,857

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

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

(26) OTHER OPERATING INCOME/ OTHER OPERATING EXPENSES

Other operating income/expenses mainly comprise income from the sale of C&C Wind Sp. z o.o. of EUR 6,941 thousand (1 January to 31 March 2021: EUR 0 thousand), currency translation gains / forward exchange transactions of EUR 6,630 thousand (1 January to 31 March 2021: EUR 8,858 thousand), leases of EUR –4,307 thousand (1 January to 31 March 2021: EUR –5,124 thousand), other staff costs of EUR –6,435 thousand (1 January to 31 March 2021: EUR –23,554 thousand), maintenance of EUR –6,868 thousand (1 January to 31 March 2021: EUR –7,600 thousand), legal and consulting costs of EUR –7,117 thousand (1 January to 31 March 2021: EUR –8,294 thousand) and travel expenses of EUR –8,602 thousand (1 January to 31 March 2021: EUR –5,763 thousand).

As of the beginning of the financial year, the presentation has been changed for reasons of clarity. Hours worked by subcontractors are no longer shown under other staff costs but under cost of materials. Costs related to construction sites, which were previously shown under leases, are now carried under cost of materials. Both issues relate to the operating business and therefore to gross profit. In the first three months of 2022, subcontractor labor hours in the amount of EUR –12,933 thousand and construction site-related costs in the amount of EUR –1,155 thousand were recognized under cost of materials. For reasons of materiality, the previous year's figures – subcontractor labor hours 1 January to 31 March 2021: EUR –17,038 thousand, construction site-related costs 1 January to 31 March 2021: EUR –2,408 thousand – have not been restated.

(27) STAFF COSTS

Staff costs break down as follows:

EUR thousand	01.01. – 31.03.2022	01.01. – 31.03.2021
Wages and salaries	105,820	97,802
Social security and expenditure on retirement benefits and support	22,177	20,171
	127,997	117,973

The Group headcount was as follows:

	01.01. – 31.03.2022 ¹	01.01. – 31.03.2021 ¹	Change
Reporting date			
Office staff	3,901	3,558	343
Technical staff	4,720	4,633	87
	8,621	8,191	430
Average			
Office staff	3,895	3,483	412
Technical staff	4,713	4,631	82
	8,608	8,114	494

¹ Working students, trainees and employees on leave have not been included in the number of employees since 30 September 2021. The previous year's figure has been adjusted accordingly.

The increase in the number of employees is mainly due to the expansion of rotor blade production and engineering in India and the establishment of tower production in Brazil. An offsetting effect stemmed from Spain, where the number of employees declined due to the completion of projects.

(28) RESTRUCTURING COSTS

The Nordex Group distinguishes between EBITDA and adjusted EBITDA before restructuring costs. EBITDA results from gross profit less structural costs. To determine EBITDA before restructuring costs, restructuring costs were separated from structural costs. Restructuring costs amount to EUR 36,871 thousand. More detailed information on the restructuring costs is provided in the section on the basis of preparation.

(29) DEPRECIATION/AMORTIZATION

Depreciation and amortization breaks down as follows:

EUR thousand	01.01. – 31.03.2022	01.01. – 31.03.2021
Depreciation of property, plant and equipment	32,117	24,132
Amortization of capitalized development expenses	8,271	11,929
Amortization of other intangible assets	1,218	2,375
	41,606	38,436

Depreciation includes EUR 6,754 thousand for depreciation of lease assets (1 January to 31 March 2021: EUR 5,174 thousand); of this amount EUR 4,881 thousand (1 January to 31 March 2021: EUR 3,465 thousand) concern land and buildings and EUR 1,873 thousand (1 January to 31 March 2021: EUR 1,709 thousand) other fixtures and fittings, tools and equipment.

(30) FINANCIAL RESULT

The financial result breaks down as follows:

EUR thousand	01.01. – 31.03.2022	01.01. – 31.03.2021
Income from investments	0	0
Profit/loss from equity-accounting method	0	-33
Impairment of investments	-8	0
Net profit/loss from investments	-8	-33
Other interest and similar income	2,165	561
Interest and similar expenses	-23,240	-27,615
Interest result	-21,075	-27,054
	-21,083	-27,087

Interest income and expense arises primarily from deposits with banks, and from guarantee commissions, the corporate bond and the shareholder loan. Of the interest expense, EUR 913 thousand (1 January to 31 March 2021: EUR 834 thousand) is attributable to leases.

(31) INCOME TAX

Income tax breaks down as follows:

EUR thousand	01.01.– 31.03.2022	01.01.– 31.03.2021
Current income tax	–5,566	–14,020
Deferred taxes	6,657	14,512
Total income tax	1,091	492

In accordance with IAS 34, income taxes are determined based on the estimated tax rate for the full financial year. For the period from 1 January to 31 March 2022, this results in tax income of EUR 8,091 thousand (1 January to 31 March 2021: EUR 492 thousand). However, due to the reassessment of the usability of loss carryforwards to account for developments in the first quarter of 2022, a tax expense of EUR 7,000 thousand resulted from the valuation allowance recognized on deferred tax assets.

(32) EARNINGS PER SHARE

Basic

		01.01.– 31.03.2022	01.01.– 31.03.2021
Consolidated net loss for the year	EUR thousand	–150,516	–54,660
of which shareholders of the parent company	EUR thousand	–150,516	–54,660
Weighted average number of shares		160,021,035	117,348,759
Basic earnings per share	EUR	–0.94	–0.47

Diluted

Diluted earnings per share also stand at EUR –0.94 (1 January to 31 March 2021: EUR –0.47).

OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

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

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

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

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

RELATED PARTY DISCLOSURES

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

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

EUR thousand	Balances outstanding Receivables (+)/liabilities (-)		Transaction amount Income (+)/expense (-)	
	31.03.2022	31.12.2021	01.01.–31.03.2022	01.01.–31.03.2021
Acciona Energia Chile SpA	163,661/-147	164,302/-83	330/-276	573/-133
Acciona Energia Mexico S.r.l.	1,879/-12	1,807/-18	0/0	0/0
Acciona Energia S.A.	250,639/-42,000	227,354/-38,917	24,680/-558	32,969/-253
Acciona Energia Servicios Mexico S. de RL de C.V.	59,613/-0	58,868/-58,528	0/0	-29/5,526
Acciona Energy Australia Global Pty. Ltd.	30,375/-9,819	17/-9,325	31,478/-28,065	0/0
Acciona Energy Oceania Construction Pty Ltd.	118,691/-115,473	116,244/-113,050	3,983/3,650	109,300/-1,901
Acciona Forwarding S.A.	7/-524	7/-31	163/-6,380	0/2,366
Acciona S.A.	0/-46,035	0/-44,633	0/-248	0/-202
Other	1,961/-515	1,705/-549	5/-278	166/-182

The changes in income and expenses and the related receivables from and liabilities to Acciona Energia S.A., Acciona Energia Servicios Mexico S. de RL de C.V., Acciona Energy Australia Global Pty. Ltd. and Acciona Energy Oceania Construction Pty. Ltd. are mainly attributable to the installation of wind farms in Spain, Mexico and Australia. On the other hand, the expenses and related liabilities to Acciona S.A. mainly resulted from the shareholder loan which has been granted. More detailed information on the shareholder loan is provided in the section on financial instruments.

During the first three months of 2022, one order to deliver and assemble wind power systems in the amount of EUR 79,139 thousand (1 January to 31 March 2021: EUR 0 thousand) was placed by Acciona Energía S.A.

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

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

EUR thousand	Balances outstanding Receivables (+) / liabilities (–)		Transaction amount Income (+) / expense (–)	
	31.03.2022	31.12.2021	01.01. – 31.03.2022	01.01. – 31.03.2021
GN Renewable Investments S.a.r.l.	0/0	0/0	0/0	0/0

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

There are receivables of EUR 8,171 thousand (31 December 2021: EUR 8,253 thousand) and liabilities of EUR 35 thousand (31 December 2021: EUR 35 thousand) relating to non-consolidated entities, as well as income of EUR 7 thousand (1 January to 31 March 2021: EUR 83 thousand) and expenses of EUR 0 thousand (1 January to 31 March 2021: EUR 4 thousand).

and transportation equipment in Spain for projects. Development projects of EUR 6,365 thousand (1 January to 31 March 2021: EUR 5,489 thousand) were capitalized.

Cash flow from financing activities amounted to EUR 2,052 thousand (1 January to 31 March 2021: EUR –45,865 thousand) and is mainly attributable to cash drawdowns on ancillary credit facilities within the syndicated multi-currency guarantee facility, with the repayment of lease liabilities having an offsetting effect.

CONSOLIDATED CASH FLOW STATEMENT

Of the cash flow from operating activities in the amount of EUR –80,906 thousand (1 January to 31 March 2021: EUR 45,474 thousand) EUR –108,902 thousand (1 January to 31 March 2021: EUR –16,224 thousand) is attributable to the consolidated net loss including depreciation, amortization and impairment. Changes in working capital resulted in payments received of EUR 22,899 thousand (1 January to 31 March 2021: EUR 82,739 thousand). Payments received from other operating activities stand at EUR 5,097 thousand (1 January to 31 March 2021: payments made of EUR 21,041 thousand).

Cash flow from investing activities amounted to EUR –32,619 thousand (1 January to 31 March 2021: EUR –35,052 thousand). Investments of EUR 41,005 thousand (1 January to 31 March 2021: EUR 31,286 thousand) were made in property, plant and equipment, which mainly related to the establishment and expansion of blade and nacelle production in India and the procurement of installation

EVENTS AFTER THE REPORTING DATE

More detailed information on the ongoing effects weighing on the Nordex Group's business is provided in the section on the basis of preparation. Other than that, there were no significant events after the end of the reporting period.

Nordex SE, Rostock, June 2022



José Luis Blanco, Chairman of the Management Board



Dr. Ilya Hartmann, Member of the Management Board



Patxi Landa, Member of the Management Board

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

For the period from 1 January to 31 March 2022

EUR thousand	Cost						
	Opening balance 01.01.2022	Additions	Disposals	Reclassifi- cations	Currency translation	Closing balance 31.03.2022	
Property, plant and equipment							
Land and buildings	292,625	11,925	905	-3	1,606	305,248	
Technical equipment and machinery	447,330	16,666	1,062	0	10,918	473,852	
Other fixtures and fittings, tools and equipment	199,596	16,031	711	50	829	215,795	
Assets under construction	33,588	8,172	0	-47	180	41,893	
Prepayments made	5,059	547	195	0	0	5,411	
Total	978,198	53,341	2,873	0	13,533	1,042,199	
Intangible assets							
Goodwill	552,259	0	0	0	0	552,259	
Capitalized development expenses	503,963	6,365	0	0	1	510,329	
Prepayments made	1,704	2	0	0	0	1,706	
Other intangible assets	161,776	514	40	0	5,270	167,520	
Total	1,219,702	6,881	40	0	5,271	1,231,814	

	Depreciation / amortization / impairment losses					Carrying amount	
	Opening balance 01.01.2022	Additions	Disposals	Currency translation	Closing balance 31.03.2022	31.03.2022	31.12.2021
	97,688	7,223	274	411	105,048	200,200	194,937
	264,039	16,129	288	5,158	285,038	188,814	183,291
	109,513	8,765	460	606	118,424	97,371	90,083
	0	0	0	0	0	41,893	33,588
	0	0	0	0	0	5,411	5,059
	471,240	32,117	1,022	6,175	508,510	533,689	506,958
	4,501	0	0	0	4,501	547,758	547,758
	340,412	8,271	0	0	348,683	161,646	163,551
	1,672	0	0	0	1,672	34	32
	145,150	1,218	0	5,237	151,605	15,915	16,626
	491,735	9,489	0	5,237	506,461	725,353	727,967

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements for the first 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, June 2022



José Luis Blanco, Chairman of the Management Board



Dr. Ilya Hartmann, Member of the Management Board



Patxi Landa, Member of the Management Board

FINANCIAL CALENDAR, PUBLISHING INFORMATION AND CONTACT

FINANCIAL CALENDAR

Date

21 June 2022	Publication of quarterly financial report (Q1 reporting date)
11 August 2022	Publication of half-yearly financial report
15 November 2022	Publication of quarterly financial report (Q3 reporting date)

PUBLISHING INFORMATION AND CONTACT

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Gender-independent reporting

In the case of all personal designations, the chosen wording refers to all genders, even if in some cases only the masculine form is used for reasons of better readability.

Disclaimer

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

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