

H1 2019

**INTERIM REPORT FOR THE PERIOD
FROM 1 JANUARY TO 30 JUNE 2019**



KEY FIGURES AT A GLANCE

Key figures Nordex

		01.01. – 30.06.2019	01.01. – 30.06.2018	Change
Earnings				
Sales	EUR million	990.8	957.1	3.5 %
Gross revenue	EUR million	1,603.6	1,090.0	47.1 %
EBITDA	EUR million	17.1	38.4	-55.5 %
EBIT	EUR million	-50.2	-35.8	n/a
Free cash flow	EUR million	-161.3	-101.7	n/a
Capital expenditure	EUR million	60.2	41.7	44.4 %
Consolidated net profit for the year	EUR million	-55.4	-40.3	n/a
Earnings per share ¹	EUR	-0.57	-0.42	n/a
EBITDA margin	%	1.7 %	4.0 %	-2.3 PP
Working capital ratio	%	-4.7	5.8	-10.5 PP
Statement of financial position as of 30.06.2019 and 31.12.2018				
Total assets	EUR million	3,730.7	3,058.5	22.0 %
Equity	EUR million	648.6	697.3	-7.0 %
Equity ratio	%	17.4	22.8	-5.4 PP
Employees				
Employees as at 30.06.		6,385	5,261	21.4 %
Staff costs	EUR million	-172.9	-159.9	8.1 %
Staff cost ratio	%	17.4	16.7	0.7 PP
Company-specific performance indicators				
Order intake Projects segment	EUR million	2,111.8	1,613.9	30.9 %
Installed capacity	MW	778.1	934.4	-16.7 %

¹ Earnings per share = basic, based on average weighted shares for 2019: 96,982 million shares (2018: 96,982 million shares)

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LETTER TO THE SHAREHOLDERS



JOSÉ LUIS BLANCO
Chief Executive
Officer

*Dear Shareholders
and Business Partners,*

The first half of 2019 was very eventful for the Nordex Group. In June, we opened both the new rotor blade plant in Mexico and the new production line for nacelles and hubs in Argentina; both facilities have now successfully started production. While series production of the N149/4.0-4.5 is already up to speed, the N155/4.5 wind turbine unveiled in May is a promising addition to the Delta4000 range for growth markets such as North and South America. The expansion of our supply chain in countries with attractive cost structures is also progressing in line with the ongoing development of our product portfolio. The positive order situation is encouraging us to systematically continue on this course.

The Nordex Group recorded high order intake of more than 2 GW in the second quarter of 2019. This meant that we significantly increased orders for new wind turbines to over 3 GW in the first half of 2019, compared to 2.1 GW in the prior-year period. The newest generation of turbines, which were also ordered by US customers for the first time in the second quarter, already makes up just over one third of this order intake. The Nordex Group's global positioning is clear from its geographical distribution. Europe and North America each make up a 37 percent share of orders, with 21 percent attributable to Latin America and 5 percent of orders coming from Australia.

The Nordex Group ended the first half of 2019 with sales of EUR 991 million in line with our planning. As expected, this is attributable to lower installations overall and corresponds with the pattern of business performance we anticipated for 2019. After a weaker first half of the year, we expect assemblies to increase sharply, resulting in significantly higher activity levels in the third and fourth quarter of the current year. This will also be reflected accordingly in sales. Therefore, we confirm our guidance for 2019.

To enable us to offer our customers the most efficient, high-performance wind turbines for a wide range of product and location requirements, we unveiled the N163/5.X as a new 5 MW model in the Delta4000 range in August. With rotor blades measuring around 80 meters long, this turbine is ideally suited for lighter wind speeds and generates up to 20 percent more income, with reduced costs of energy and quicker returns on capital employed. This enables wind farms to be designed flexibly and optimally with regard to annual yield, operating life and noise emission requirements.

In addition to expanding production at new and existing locations, we will primarily focus on completing our numerous projects efficiently, seamlessly and successfully in the second half of the year. Our global Nordex team is fully committed to completing this task. Thank you for your confidence in our work.

Kind regards,



José Luis Blanco
Chief Executive Officer

Hamburg, August 2019

NORDEX SHARES

In the first half of 2019, the Nordex share price recovered considerably by the start of April from its record lows at the end of 2018. After reaching an interim high of EUR 15.46 on 3 April 2019, the share price consolidated to end the first six months of the year at EUR 12.12. This meant that the price rose by 59.8% over the first half of the year, with a market capitalization of EUR 1,175.4 million as of 30 June 2019.

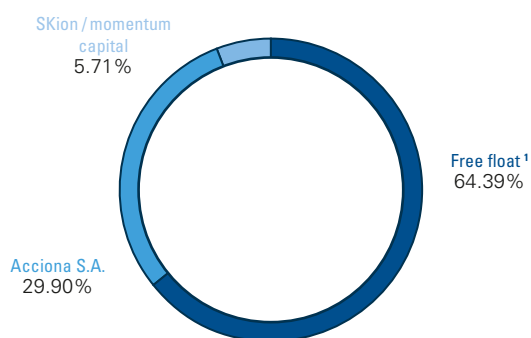
The RENIXX Index, which includes the world's 30 largest renewable energy companies, including Nordex, rose by 25.3% in the first six months of 2019 to 532 points. Germany's TecDAX technology index, on which Nordex is listed, gained 17.4% to reach 2,875 points during the period under review.

The majority of Nordex SE shares continue to be in free float, with no voting rights notifications issued in the first half of the year. The strategic anchor shareholder Acciona S.A. continues to hold a 29.9% stake, while investor group SKion / momentum holds 5.71%.

According to financial data provider Bloomberg, 14 equity analysts covered the Nordex Group at the end of June 2019, regularly publishing reports and recommendations on Nordex shares. As of the end of the period under review, five analysts recommended buying the stock, five recommended holding it and four issued a sell recommendation.

Shareholder structure

as at 30 June 2019



¹ Free float as defined by Deutsche Börse

Nordex shares key data

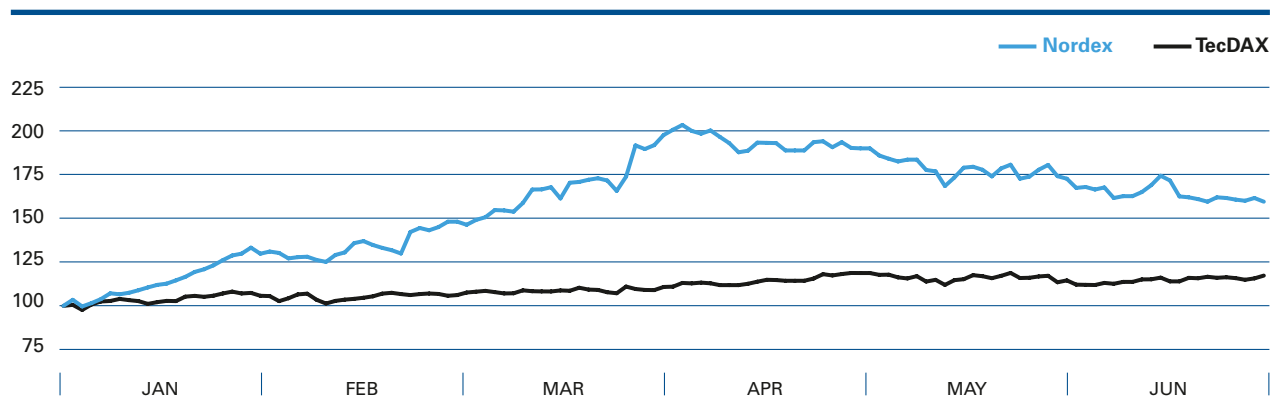
Class of shares	No-par-value ordinary bearer shares
Market segment	Prime Standard/Regulated Market
Trading venue	Frankfurt Stock Exchange
Indices	TecDAX, ÖkoDAX, HASPAX, RENIXX
ISIN	DE000A0D6554
WKN (German securities identification number)	A0D655
Ticker symbol	NDX1

Nordex shares key figures

		H1 2019
Total number of shares as at 30 Jun.	Units	96,982,447
Share capital as at 30 Jun.	EUR	96,982,447.00
Opening price for the period	EUR	7.85
Closing price for the period	EUR	12.12
High	EUR	15.46
Low	EUR	7.56
Market capitalization as at 30 Jun.	EUR million	1,175.4

Xetra-Schlusskurse, Quelle: Bloomberg

Nordex share price performance, 2019 (indexed, 28.12.2018 = 100)



GROUP INTERIM MANAGEMENT REPORT

FOR THE PERIOD ENDED 30 JUNE 2019

SECTOR ENVIRONMENT

The situation in the global wind industry is largely as presented in the 2018 Annual Report. In a market-driven, largely subsidy-free environment, new installations are expected to reach record highs worldwide in 2019 and the following years. At the same time, low auction prices and generally fierce competition across the sector are reflected in lower margins than in the past.

In their 'Global Wind Power Market Outlook Update: Q2 2019' report published at the end of June 2019, industry analysts from Wood Mackenzie significantly lifted their installation forecasts for the years 2019 to 2028. An average of 71 GW of new installations worldwide are expected annually between 2019 and 2023 and 76 GW annually between 2024 and 2028. In addition to higher volumes in the offshore segment, increased estimates for the US market are the main contributors to stronger growth. Wood Mackenzie's forecast of 13.6 GW for 2021 in this market is significantly higher than its Q1 2019 estimate, as brisk demand is now also expected in the wake of the tax incentives applicable in 2021 (80% PTC). Another region that is helping to lift estimates slightly is Latin America, where higher demand for unsubsidized projects is anticipated in Brazil and Mexico in the short to medium term. Analysts have significantly lowered their short-term growth expectations for India, where the maximum prices set by the government and delays in contract awards are having a noticeable negative impact.

In Europe, Wood Mackenzie anticipates that the German and French markets adversely affected by sluggish approvals and legal action can be balanced out by strong demand from industrial consumers for unsubsidized projects in Northern Europe. In Germany, installation numbers were once again very low in the second quarter

of 2019 after a disappointing first quarter, with a historic low of 86 turbines or 287 GW installed in the first half of the year. At 231 MW, net installed capacity (installed capacity less dismantled old turbines) is at its lowest level since the German Renewable Energy Act (EEG) was introduced in 2000. While the German Wind Energy Association (BWE) and VDMA Power Systems now expect the volume of added capacity to reach around 1,500 MW in 2019, they still believe that achieving this volume is not certain. The BWE believes an action plan for more approvals is essential if Germany is to reach its wind power and climate protection targets by 2030.

BUSINESS PERFORMANCE

The number of wind turbines installed by the Nordex Group increased in the second quarter of 2019 in relation to both the first quarter of the year and the prior-year period. However, the installation volume remains comparatively low overall as expected and was below the previous year's figure in the first half of 2019. A very sharp rise in installation activity is expected over the rest of the year. This distribution of assemblies and the sales associated with them is primarily due to the installation schedules of the commissioned projects.

Order intake also experienced dynamic growth in the second quarter of 2019 to reach a volume of 2.0 GW, a record for a single quarter. In particular, Nordex benefited from high demand in the USA and for the current Delta4000 series.

SEGMENT PERFORMANCE

Segment performance key data

EUR million	Projects		Service		Group	
	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018
Order intake	2,111.8	1,613.9	247.0	217.0	2,358.8	1,830.9
Order book	5,271.3	3,187.1	2,299.0	2,044.8	7,570.3	5,231.9
Sales	810.7	797.1	181.6	161.8	990.8 ¹	957.1 ¹
EBIT	23.8	54.9	31.5	28.3	-50.2 ²	-35.82 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.

As was the case for the prior-year period, sales were determined in accordance with IFRS 15.

NEW ORDERS

In the first half of the year, the Nordex Group received confirmed orders valued at EUR 2,111.8 million (H1 2018: EUR 1,613.9 million) and with a combined nominal output of 3,038.4 MW (H1 2018: 2,097.3 MW). Measured in MW, Europe and the USA both accounted for 37% of these orders, Latin America for 21% and Australia for 5% ('Rest of the World' region). The most important of the 19 target markets were the USA, Argentina, Ukraine, Mexico and Brazil. The average selling price (ASP) per megawatt of output in euros for the first half of 2019 was EUR 0.70 million/MW (H1 2018: EUR 0.77 million / MW). This was impacted by the large proportion of US projects, which have a lower ASP because they are simple turbine deliveries with no assembly services. The newest Delta4000 turbine series already comprised 33% of total order volume (in MW) in the first half of 2019.

As of 30 June 2019, the Nordex Group had an order book of EUR 5,271.3 million in the Projects segment (30 June 2018: EUR 3,187.1 million). Of this order book, 44% was attributable to Europe, 18% to North America, 23% to Latin America and 15% to the Rest of the World.

The book-to-bill ratio (ratio of order intake to sales recognized in the Projects segment) stood at 2.61 for the first half of 2019 (H1 2018: 2.02), thus indicating a considerable rise in future sales.

The order intake in the Service segment was EUR 247.0 million in the first half of 2019, thus also exceeding the previous year's figure (H1 2018: EUR 217.0 million). As of 30 June 2019, the order book for this segment totaled EUR 2,299.0 million (30 June 2018: EUR 2,044.8 million). At the end of June 2019, the Nordex Group's Service business serviced 7,786 wind turbines with a combined nominal output of 19.5 GW (30 June 2018: 6,945 wind turbines with a combined output of 16.7 GW).

PRODUCTION AND INSTALLATION

Production output

Production	Turbines (MW)		Rotor blades (units)	
	H1 2019	H1 2018	H1 2019	H1 2018
Germany	650.6	554.3	188	96
Spain	720.8	517.2	471	348
Brazil	84.0	51.0	—	—
India	262.7	18.0	—	—
Argentina	16.5	—	—	—
Total	1,734.6	1,140.5	659	444

Despite a lower number of installations compared to the prior-year period, the Nordex Group increased its production output significantly in the first half of 2019 to enable it to deliver the high installation volume due in the second half of the year. Overall, the Company assembled 517 nacelles (H1 2018: 368), including 182 in Germany, 222 in Spain, 28 in Brazil and 80 in India. In addition, the first five turbines were produced at the plant in Argentina that was opened at the start of June 2019. The Nordex Group's rotor blade plants in Germany and Spain manufactured a total of 659 rotor blades in the first half of 2019 (H1 2018: 444 rotor blades).

Installations

	Installed capacity (MW)	
	H1 2019	H1 2018
Europe	268.4	466.2
North America	310.5	24.0
Latin America	199.2	305.6
Rest of world	0.0	138.6
Total	778.1	934.4

In the first half of 2019, the installed volume amounted to 778.1 MW (H1 2018: 934.4 MW), with 242 wind turbines installed in 13 countries. Europe accounted for 34% of installations, North America for 40% and Latin America for 26%.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Selected key figures

Key figure	01.01.– 30.06.2019	01.01.– 30.06.2018	Change
Sales (in EUR million)	990.8	957.1	3.5%
EBITDA margin (in %)	1.7%	4.0%	–2.3 PP
EBIT margin ¹ (in %)	–3.8%	–0.6%	–3.2 PP
Investments (CAPEX) (in EUR million)	60.2	41.7	44.4%
Financial result (in EUR million)	–24.4	–18.2	n/a
Consolidated profit/loss (in EUR million)	–55.4	–40.3	n/a
Earnings per share ² (in EUR)	–0.57	–0.42	n/a
Working capital ratio (in %, as of 30 June)	–4.7	5.8	–10.5 PP
Free cash flow (in EUR million)	–161.3	–101.7	n/a
Equity ratio (in %, as of 30 June)	17.4	23.1	–5.7 PP

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

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

The Nordex Group generated consolidated sales of EUR 990.8 million in the first six months of 2019, up 3.5% from the prior-year period (H1 2018: EUR 957.1 million). The merely slight increase in sales is due to the fact that the number of wind turbine installations was comparatively low as planned. As a result, the Company performed in line with its internal expectations for the first six months of the year. Total output increased significantly by 47.1% to EUR 1,603.6 million (H1 2018: EUR 1,090.0 million), driven in particular by higher production output in preparation for the high installation volume in the second half of the year.

While sales in the Projects segment rose by 1.7% to EUR 810.7 million (H1 2018: EUR 797.1 million), sales in the Service segment increased by 12.3% to EUR 181.6 million (H1 2018: EUR 161.8 million). This meant that the Service business represented a high 18.3% of total sales in the first half of 2019.

Gross profit (gross revenue less cost of materials) decreased slightly by 1.4% to EUR 302.8 million during the reporting period (H1 2018: EUR 307.2 million). Structural costs (staff costs and net other operating income/expenses) increased by 6.3% to EUR 285.7 million (H1 2018: EUR 268.8 million).

The Nordex Group's earnings before interest, taxes, depreciation and amortization (EBITDA) totaled EUR 17.1 million in the first half of 2019 (H1 2018: EUR 38.4 million), down 55.5% on the previous year's figure. Depreciation, amortization and impairment losses fell by 9.3% to EUR 67.3 million in the first six months of 2019 (H1 2018: EUR 74.2 million). This was due to lower impairment losses arising from the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower of EUR 12.5 million (H1 2018: EUR 30.0 million).

Earnings before interest and taxes (EBIT) dropped to EUR -50.2 million in the first half of 2019 (H1 2018: EUR 35.8 million), resulting in an EBIT margin of -5.1% (H1 2018: -3.7%). Adjusted for the PPA impairment losses, the EBIT margin was -3.8% (H1 2018: -0.6%). Excluding unallocated income and expenses, EBIT was EUR 23.8 million in the Projects segment (H1 2018: EUR 54.9 million) and EUR 31.5 million in the Service segment (H1 2018: EUR 28.3 million) during the period under review.

The financial result totaled EUR -24.4 million in the first half of 2019 (H1 2018: EUR -18.2 million). Higher draw-downs of the guarantee facility had a particular impact here compared to the prior-year period. Net income taxes were EUR 19.2 million in the first six months of 2019 (H1 2018: EUR 13.8 million), resulting in a consolidated net loss of EUR 55.4 million for the period under review and earnings per share (EPS) of EUR -0.57 (H1 2018: EUR -0.42).

As of 30 June 2019, the working capital ratio improved to -4.7% after 5.8% on the previous year's reporting date. The significant increase in inventories was offset by higher prepayments, with the working capital program continuing to have a positive effect overall. In the first half of 2019, the Nordex Group generated operating cash flow of EUR -100.6 million and cash flow from investing activities of EUR -60.7 million. As a result, the free cash flow for the first six months of the current financial year was EUR -161.3 million. During the same period, the cash flow from financing activities was EUR -50.6 million due to loan repayments.

In light of this, the Nordex Group's cash and cash equivalents fell to EUR 396.0 million as of 30 June 2019 (31 December 2018: EUR 609.8 million). Net debt (liabilities to banks and bonds less cash and cash equivalents) was EUR 204.1 million as of 30 June 2019 (31 December 2018: EUR 32.5 million).

Total assets grew by 22.0% to EUR 3,730.7 million as of 30 June 2019 (31 December 2018: EUR 3,058.5 million) due to the rise in inventories and other current non-financial liabilities in particular. This means that, as of 30 June 2019, the Nordex Group's balance sheet structure is impacted by preparations for the high installation volume planned for the second half of 2019.

The consolidated loss caused equity as of 30 June 2019 to decline by 7.0% to EUR 648.6 million compared to the end of 2018 (31 December 2018: EUR 697.3 million). As a result of lower equity and higher total assets, the equity ratio fell to 17.4% as of the 30 June 2019 reporting date (31 December 2018: 22.8%).

Capital expenditure (CAPEX) rose by 44.4% year-on-year in the first half of 2019 to EUR 60.2 million (H1 2018: EUR 41.7 million). Investments in property, plant and equipment increased from EUR 22.2 million to EUR 47.1 million, while additions to intangible fixed assets fell to EUR 13.1 million due to lower development expenses (H1 2018: EUR 19.5 million). Capital expenditure for the first half of 2019 was concentrated on the rotor blade plants in Mexico, India and Spain as well as fitting out the Spanish assembly plants.

EMPLOYEES

As of 30 June 2019, the Nordex Group had 6,385 employees (30 June 2018: 5,261 employees). This increase primarily occurred in the production units in Latin America and India as well as in temporary project-related tower production facilities in Brazil. The Company also hired additional staff in the Service segment.

OPPORTUNITIES AND RISKS

In the first six months of 2019, no opportunities or risks affecting the business performance of the Nordex Group in the 2019 financial year arose that deviated materially from the opportunities and risks presented in the 2018 Annual Report.

FORECAST

The Nordex Group performed in line with its internal expectations in the first half of 2019 and confirms its forecast for 2019 issued at the end of March. The Group expects sales in the range of EUR 3.2 billion to EUR 3.5 billion, with an EBITDA margin between 3.0% and 5.0%. The Group forecasts a working capital ratio of under 2% as of the end of 2019.

The forecast for capital expenditure (CAPEX) was issued subject to adjustment later in the year if orders for the Delta4000 platform exceed the Company's original expectations. In light of the strong confirmed order book for the latest generation of turbines and the expectation of continued dynamic customer demand, the Management Board is raising its capital expenditure forecast from around EUR 120 million to around EUR 160 million. These additional funds support profitable growth in 2020 and beyond and will primarily be used to increase production capacity for the new rotor blades for the Delta4000 platform.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

The present half-yearly report for the period ended 30 June 2019 (Group interim management report and condensed interim consolidated financial statements) were neither audited nor reviewed by an auditor.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2019

Assets

EUR thousand	Note	30.06.2019	31.12.2018
Cash and cash equivalents	1	396,004	609,805
Trade receivables and future receivables from construction contracts	2	369,877	253,437
Inventories	3	1,385,231	763,233
Income tax receivables		20,835	10,903
Other current financial assets	4	19,265	16,204
Other current non-financial assets	5	167,804	127,385
Current assets		2,359,016	1,780,967
Property, plant and equipment	6	355,742	266,111
Goodwill	7	547,758	547,758
Capitalized R & D expenses	8	195,595	206,538
Other intangible assets	9	19,277	24,616
Financial assets		5,190	4,467
Investments in associates		3,962	1,221
Other non-current financial assets	10	21,397	17,165
Other non-current non-financial assets	11	30,799	36,589
Deferred tax assets	12	191,965	173,104
Non-current assets		1,371,685	1,277,569
Assets		3,730,701	3,058,536

Equity and liabilities

EUR thousand	Note	30.06.2019	31.12.2018
Current liabilities to banks	13	37,530	74,413
Trade payables	14	768,613	500,812
Income tax payables		13,061	10,595
Other current provisions	15	113,674	148,784
Other current financial liabilities	16	33,412	16,527
Other current non-financial liabilities	17	1,245,374	787,216
Current liabilities		2,211,664	1,538,347
Non-current liabilities to banks	13	287,019	293,168
Pensions and similar obligations		2,111	2,081
Other non-current provisions	15	59,205	60,191
Other non-current financial liabilities	18	333,508	270,093
Other non-current non-financial liabilities	19	128,673	118,664
Deferred tax liabilities	12	59,880	78,702
Non-current liabilities		870,396	822,899
Subscribed capital		96,982	96,982
Capital reserves		597,626	597,626
Other retained earnings		24,193	24,193
Cash flow hedges		-360	-1,776
Foreign currency adjustment item		-11,826	-17,182
Consolidated net profit carried forward		-2,553	-2,553
Consolidated net profit		-55,421	0
Share in equity attributable to parent company's shareholders		648,641	697,290
Equity	20	648,641	697,290
Equity and liabilities		3,730,701	3,058,536

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019

Consolidated income statement

EUR thousand	Note	01.01.2019 – 30.06.2019	01.01.2018 – 30.06.2018	01.04.2019 – 30.06.2019	01.04.2018 – 30.06.2018
Sales	21	990,776	957,138	591,878	469,259
Changes in inventories and other own work capitalized	22	612,819	132,896	428,158	236,489
Gross revenue		1,603,595	1,090,034	1,020,036	705,748
Other operating income	23	4,544	4,375	2,301	2,863
Cost of materials	24	-1,300,765	-782,882	-859,659	-540,311
Staff costs	25	-172,927	-159,879	-87,894	-80,323
Depreciation/amortization	26	-67,322	-74,215	-33,682	-37,729
Other operating expenses	23	-117,343	-113,259	-60,933	-69,621
Earnings before interest and taxes		-50,218	-35,826	-19,831	-19,373
Profit/loss from equity-accounting method		2,741	-463	2,478	-243
Impairment of financial assets and securities classified as current assets		-69	-304	-35	-159
Other interest and similar income		3,274	2,786	1,246	1,713
Interest and similar expenses		-30,325	-20,214	-14,706	-8,946
Financial result	27	-24,379	-18,195	-11,017	-7,635
Net profit / loss from ordinary activities		-74,597	-54,021	-30,848	-27,008
Income tax	28	19,176	13,769	10,426	6,130
Consolidated net profit		-55,421	-40,252	-20,422	-20,878
Of which attributable to					
shareholders of the parent		-55,421	-40,252	-20,422	-20,878
Earnings per share (in EUR)					
Basic ¹		-0.57	-0.42	-0.21	-0.22
Diluted ²		-0.57	-0.42	-0.21	-0.22

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019

Consolidated statement of comprehensive income

EUR thousand	01.01.2019 – 30.06.2019	01.01.2018 – 30.06.2018	01.04.2019 – 30.06.2019	01.04.2018 – 30.06.2018
Consolidated net profit	-55,421	-40,252	-20,422	-20,878
Other comprehensive income				
Items that may be reclassified to profit or loss				
Foreign currency translation difference	5,356	-6,171	2,382	-3,305
Cash flow hedges	2,083	-6,253	4,919	-9,915
Deferred taxes	-667	2,001	-1,184	3,173
Consolidated comprehensive income	-48,649	-50,675	-14,305	-30,925
Of which attributable to				
Shareholders of the parent	-48,649	-50,675	-14,305	-30,925

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019

Consolidated cash flow statement

EUR thousand	01.01.2019 – 30.06.2019	01.01.2018 – 30.06.2018
Operating activities		
Consolidated net profit	-55,421	-40,252
+ Depreciation/amortization of non-current assets	67,391	74,519
= Consolidated net profit plus depreciation / amortization	11,970	34,267
- Increase in inventories	-621,998	-191,623
-/+ Increase/decrease in trade receivables and future receivables from construction contracts	-116,440	4,790
+ Increase in trade payables	267,801	60,429
+ Increase/decrease in prepayments received	493,748	51,779
= Payments made from changes in working capital	23,111	-74,625
- Increase in other assets not attributed to investing or financing activities	-66,468	-18,902
+ Increase in pensions and similar obligations	30	23
-/+ Increase/decrease in other provisions	-36,096	501
+/- Increase/decrease in other liabilities not attributed to investing or financing activities	1,989	-33,138
-/+ Profit/Loss from the disposal of non-current assets	-807	892
- Other interest and similar income	-3,274	-2,786
+ Interest received	2,703	1,940
+ Interest and similar expenses	30,325	20,214
- Interest paid	-31,034	-15,592
- Income tax	-19,176	-13,769
- Taxes paid	-13,041	-1,815
-/+ Other non-cash expenses/income	-868	10,027
= Payments made / received from other operating activities	-135,717	-52,405
= Cash flow from operating activities	-100,636	-92,763

Investing activities				
+	Payments received from the disposal of property, plant and equipment/intangible assets	4,418	31,673	
-	Payments made for investments in property, plant and equipment/intangible assets	-60,218	-41,676	
+	Payments received from the disposal of long-term financial assets	842	1,138	
-	Payments made for investments in long-term financial assets	-5,703	-121	
=	Cash flow from investing activities	-60,661	-8,986	
Financing activities				
+	Bank loans received	7,563	0	
-	Bank loans repaid	-49,750	-292,704	
+	Payments received from the issue of bonds	0	265,488	
-	Repayment of lease liabilities	-8,441	0	
=	Cash flow from financing activities	-50,628	-27,216	
Net change in cash and cash equivalents			-211,925	-128,965
+	Cash and cash equivalents at the beginning of the period	609,805	623,179	
-	Exchange rate-induced change in cash and cash equivalents	-1,876	-10,027	
=	Cash and cash equivalents at the end of the period (Cash and cash equivalents as shown in the consolidated statement of financial position)	396,004	484,187	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019

Consolidated statement of changes in equity
01.01. – 30.06.2019

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018

Consolidated statement of changes in equity
01.01. – 30.06.2018

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
31.12.2017	96,982	597,626	37,501
Transition from IAS 11 to IFRS 15	0	0	0
01.01.2018	96,982	597,626	37,501
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
30.06.2018	96,982	597,626	37,501

	Cash flow hedges	Foreign currency adjustment item	Consolidated net profit carried forward	Consolidated net profit	Share in equity attributable to shareholders of the parent	Total
	991	-10,482	196,372	0	918,990	918,990
	0	-10	-122,353	0	-122,363	-122,363
	991	-10,492	74,019	0	796,627	796,627
	-4,252	-6,171	0	-40,252	-50,675	-50,675
	0	0	0	-40,252	-40,252	-40,252
	0	-6,171	0	0	-6,171	-6,171
	-6,253	0	0	0	-6,253	-6,253
	2,001	0	0	0	2,001	2,001
	-3,261	-16,663	74,019	-40,252	745,952	745,952

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD
FROM 1 JANUARY TO 30 JUNE 2019

ACCOUNTING POLICIES

BASIS OF PREPARATION

These unaudited and unreviewed condensed interim consolidated financial statements of Nordex SE and its subsidiaries for the first six months of 2019 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in the European Union. All IFRSs and interpretations applicable as of 30 June 2019 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 2018 financial year. The accounting policies contained in the consolidated financial statements as of 31 December 2018 also apply to the interim consolidated financial statements as of 30 June 2019, 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 2018. The consolidated financial statements for the financial year from 1 January to 31 December 2018 are available on the Internet at www.nordex-online.com under Investor Relations.

The business results for the first six months of 2019 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.

EFFECTS OF NEW FINANCIAL REPORTING STANDARDSS

Since 1 January 2019, Nordex has applied IFRS 9 Financial Instruments also for hedge accounting and IFRS 16 Leases.

The transition from IAS 17 to IFRS 16 has the following effects:

Transition from IAS 17 to IFRS 16

EUR thousand	30.06.2019 IFRS 16	Transition from IAS 17 to IFRS 16	30.06.2019 IAS 17	01.01.2019 IFRS 16	31.12.2018 IAS 17
Property, plant and equipment	355,742	-75,300	280,442	343,570	266,111
Other current financial liabilities	33,412	-12,874	20,538	30,297	16,527
Other non-current financial liabilities	333,508	-62,034	271,474	333,782	270,093
Equity	648,641	-392	648,249	697,290	697,290

Transition from IAS 17 to IFRS 16

EUR thousand	30.06.2019 IFRS 16	Transition from IAS 17 to IFRS 16	30.06.2019 IAS 17	30.06.2018 IAS 17
Depreciation/amortization/impairment losses	-67,322	7,935	-59,387	-74,215
Other operating expenses	-117,343	-9,359	-126,702	-113,259
Interest and similar expenses	-30,325	1,032	-29,293	-20,214
Consolidated net loss	-55,421	-392	-55,813	-40,252

For the effects, please also see the disclosures in the consolidated notes for the financial year from 1 January to 31 December 2018.

FOREIGN CURRENCY TRANSLATION

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

The most important exchange rates for the Group

Exchange rates EUR 1.00 equals	Average exchange rates for the interim period		Closing rates as of 30.06. / 31.12.	
	01.01.–30.06.2019	01.01.–30.06.2018	30.06.2019	31.12.2018
ARS	46.7524	25.7095	48.6095	43.2077
AUD	1.5976	1.5678	1.6230	1.6230
BRL	4.3477	4.1237	4.3481	4.4501
CLP	766.3716	738.5143	773.9339	795.7349
GBP	0.8719	0.8800	0.8972	0.8968
HRK	7.4216	7.4205	7.3987	7.4100
INR	79.0467	79.1774	78.4997	79.8002
MXN	21.8399	22.9428	21.8796	22.5300
PLN	4.2886	4.2234	4.2490	4.2990
SEK	10.4843	10.1633	10.5450	10.2425
TRY	6.3043	4.8785	6.5751	6.0724
USD	1.1316	1.2085	1.1376	1.1457
ZAR	16.0419	14.7805	16.1394	16.4663

FINANCIAL RISK MANAGEMENT

DEBT INSTRUMENTS

Promissory note

On 6 April 2016, Nordex SE placed a promissory note with a volume of EUR 550,000 thousand for which Nordex Energy GmbH is jointly and severally liable with national and international investors. The promissory note has terms of three, five, seven and ten years, each subject to fixed or variable interest. Depending on the tranche, the interest rate is between 1.5% and 3.0%. Utilization as at 30 June

2019 under the loan agreement including accrued interest amounted to EUR 241,181 thousand (31 December 2018: EUR 285,953 thousand).

Research and development loan

In addition, Nordex has been granted a long-term research and development facility of up to EUR 100,000 thousand by the European Investment Bank. Nordex intends to use this loan to finance the development of increasingly more efficient technical solutions to additionally extend its competitive lead. The loan has a term of eight years from the date on which it is drawn and is repaid in installments. The borrower is Nordex Energy

GmbH, with the main Nordex Group companies holding joint and several liability. Utilization as at 30 June 2019 under the loan agreement including accrued interest amounted to EUR 59,806 thousand (31 December 2018: EUR 66,099 thousand).

Syndicated multi-currency guarantee facility

Nordex SE also has a syndicated multi-currency guarantee facility with a volume of EUR 1,210,000 thousand in which the main Nordex Group companies hold joint and several liability. The facility was renewed on 15 December 2015 for another five years until 15 December 2020 and was increased by EUR 260,000 thousand on 1 April 2016. As at 30 June 2019, EUR 943,557 thousand (31 December 2018: EUR 767,857 thousand) of the multi-currency guarantee facility had been drawn down in the form of guarantees. Ancillary credit facilities have also been set up under the multi-currency guarantee facility for Nordex Energy Brasil – Comercio e Industria de Equipamentos Ltda. and Nordex India Private Limited. As of 30 June 2019, the cash drawdowns plus accrued interest on these facilities amounted to EUR 23,562 thousand (31 December 2018: EUR 15,529 thousand).

Bond

On 2 February 2018, the Nordex Group successfully placed a “green” bond in the amount of EUR 275,000 thousand with a coupon of 6.50%. This bond was admitted to trading on the International Stock Exchange. The issuer of the unsecured, five-year bond is Nordex SE, with the main Nordex Group companies holding joint and several liability. As at 30 June 2019, the liability recognized including accrued interest and costs amounted to EUR 275,581 thousand (31 December 2018: EUR 274,680 thousand).

All financings are equal in rank and unsecured.

The loan by the European Investment Bank and the syndicated multi-currency guarantee facility are further subject to uniform and agreed financial covenants such as equity ratio, leverage and interest coverage, compliance with which is confirmed in quarterly reports to the banks. As in the previous year, the financial covenants were met in the first six months of 2019.

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

CAPITAL RISK MANAGEMENT

The main aims of capital risk management are to ensure sustained growth in enterprise value and to safeguard the Group’s liquidity and credit rating. Equity stood at EUR 648,641 thousand as at 30 June 2019 (31 December 2018: EUR 697,290 thousand). The Group monitors its capital by means of the working capital employed. Working capital is defined as the sum total of trade receivables, contract assets from projects and inventories less trade payables and prepayments received:

Working capital ratio

EUR thousand	30.06.2019	31.12.2018
Trade receivables	180,430	163,079
Contract assets from projects	189,447	90,358
Inventories	1,385,230	763,233
Trade payables	-768,613	-500,812
Prepayments received	-1,103,912	-610,165
	-117,418	-94,307
Sales ¹	2,492,763	2,459,124
Working capital ratio	-4.7%	-3.8%

¹ 30 June 2019: sales for the last twelve months, 31 December 2018: actual sales

GROUP SEGMENT REPORTING

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

Group segment reporting

EUR thousand	Projects		Service	
	H1 2019	H1 2018	H1 2019	H1 2018
Sales	810,657	797,109	181,645	161,759
Changes in inventories and other own work capitalized	615,357	133,163	-281	-165
Cost of materials	-1,213,461	-696,952	-78,975	-61,848
Other income and expenses	-188,735	-178,437	-70,874	-71,443
Earnings before interest and taxes	23,818	54,882	31,515	28,304
Other interest and similar income	0	0	0	0
Interest and similar expenses	0	0	0	0
Other financial result	0	0	0	0

	Not allocated		Consolidation		Total	
	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018
	247	279	-1,773	-2,009	990,776	957,138
	-2,257	-102	0	0	612,819	132,896
	-10,102	-26,091	1,773	2,009	-1,300,765	-782,882
	-93,439	-93,098	0	0	-353,048	-342,978
	-105,551	-119,012	0	0	-50,218	-35,826
	3,274	2,786	0	0	3,274	2,786
	-30,325	-20,214	0	0	-30,325	-20,214
	2,672	-767	0	0	2,672	-767

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

Non-current assets and sales by region

EUR thousand	Non-current assets ¹		Sales	
	30.06.2019	31.12.2018	01.01.–30.06.2019	01.01.–30.06.2018
Europe	502,258	440,203	448,989	670,684
Rest of world	27,345	23,197	21,267	35,820
Latin America	25,833	19,647	288,524	69,222
North America	15,178	14,217	231,996	181,412
	570,614	497,264	990,776	957,138

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

Non-current assets include lease assets in accordance with IFRS 16, which has been effective since 1 January 2019. For more information on the transition from IAS 17 to IFRS 16, see the disclosures in the section on the effects of new financial reporting standards.

Non-current assets in accordance with IAS 17 break down as follows:

Non-current assets in accordance with IAS 17

EUR thousand	30.06.2019
Europe	438,755
Rest of world	23,825
Latin America	19,272
North America	13,462
	495,314

Further information can be found in the Group management report.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(1) CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 396,004 thousand (31 December 2018: EUR 609,805 thousand), EUR 5,258 thousand (31 December 2018: EUR 14,611 thousand) of which pertains to fixed-term deposits with an original term of more than three months.

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

(2) TRADE RECEIVABLES AND CONTRACT ASSETS FROM PROJECTS

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

Receivables

EUR thousand	30.06.2019	31.12.2018
Trade receivables (gross)	196,287	178,936
Less impairment	-15,857	-15,857
Trade receivables (net]	180,430	163,079
Contract assets from projects (gross)	1,216,921	1,533,775
Less prepayments received	-1,027,474	-1,443,417
Contract assets from projects (net)	189,447	90,358
	369,877	253,437

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

Retentions by customers in connection with contract assets from projects are usually associated with punch lists not yet completed and largely refer to final payments outstanding for more than 30 days. Such retentions amount to EUR 43,318 thousand (31 December 2018: EUR 43,141 thousand).

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

(3) INVENTORIES

Inventories break down as follows

Inventories

EUR thousand	30.06.2019	31.12.2018
Raw materials and supplies	264,079	263,024
Work in progress	1,054,197	455,431
Prepayments made	66,954	44,778
	1,385,230	763,233

Raw materials and supplies primarily comprise production and service material.

The carrying amount of inventories includes write-downs in the amount of EUR 40,643 thousand (31 December 2018: EUR 48,506 thousand).

(4) OTHER CURRENT FINANCIAL ASSETS

Other current financial assets mainly comprise creditors with debit accounts of EUR 5,273 thousand (31 December 2018: EUR 3,127 thousand), forward exchange transactions of EUR 3,060 thousand (31 December 2018: EUR 894 thousand) and receivables from deposits of EUR 2,454 thousand (31 December 2018: EUR 2,027 thousand).

Pursuant to IFRS 7 and IFRS 9, the receivables reported under other current financial assets are classified as financial assets measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 16,205 thousand (31 December 2018: EUR 15,310 thousand) would equal the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial assets in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 2,330 thousand (31 December 2018: EUR 446 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 730 thousand (31 December 2018: EUR 448 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.

The fair value of forward exchange transactions in 2018 pursuant to IFRS 9 amounts to EUR 1,171 thousand, of which EUR 614 thousand is attributable to other forward exchange transactions.

(5) OTHER CURRENT NON-FINANCIAL ASSETS

Other current non-financial assets mainly comprise current tax assets of EUR 135,637 thousand (31 December 2018: EUR 104,791 thousand), prepaid expenses of EUR 15,295 thousand (31 December 2018: EUR 13,344 thousand) and contract assets from services of EUR 10,056 thousand (31 December 2018: EUR 4,779 thousand).

The current tax assets mainly concern current input tax assets.

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

The contract assets from services concern maintenance contracts in accordance with IFRS 15 where the degree of completion exceeds the billed amount.

(6) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

Composition of property, plant and equipment

EUR thousand	30.06.2019	31.12.2018
Land and buildings	154,491	88,345
Technical equipment and machinery	142,810	120,722
Other fixtures and fittings, tools and equipment	44,016	34,199
Prepayments made and assets under construction	14,425	22,845
	355,742	266,111

Land and buildings, and other fixtures and fittings, tools and equipment include lease assets in accordance with IFRS 16, which has been effective since 1 January 2019. The capitalized right-of-use assets from leases relate mainly to the new Nordex Group administrative building and other production and administrative buildings, warehouses, company vehicles and production equipment (e.g. lifting platforms) sold in July 2018 under a sale-and-leaseback agreement without affecting profit or loss.

EUR thousand	30.06.2019 Additions	30.06.2019 Carrying amount
Land and buildings – lease assets	3,241	67,842
Other fixtures and fittings, tools and equipment – lease assets	2,969	7,458
	6,210	75,300

For more information on the transition from IAS 17 to IFRS 16, see the disclosures in the section on the effects of new financial reporting standards.

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

(7) GOODWILL

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

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

(8) CAPITALIZED DEVELOPMENT EXPENSES

As at the reporting date, development expenses of EUR 195,595 thousand (31 December 2018: EUR 206,538 thousand) were capitalized. In the first six months of 2019, development expenses of EUR 13,498 thousand (31 December 2018: EUR 36,433 thousand) were capitalized. Additions comprise in particular the enhancement of the Generation Delta wind turbine type N149 and the enhancement of the AW3000 platform. Additional R&D expenses of EUR 10,844 thousand also arising in the first six months of 2019 (31 December 2018: EUR 20,249 thousand) did not meet the criteria for capitalization and were therefore recognized in profit or loss. The capitalization ratio therefore amounts to 55.45% (31 December 2018: 64.28%).

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

(9) OTHER INTANGIBLE ASSETS

Other intangible assets amount to EUR 19,277 thousand (31 December 2018: EUR 24,616 thousand) as at the reporting date.

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

(10) OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets mainly comprise receivables from non-consolidated affiliated companies, associates and other long-term equity investments in the amount of EUR 20,588 thousand (31 December 2018: EUR 16,668 thousand).

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

Pursuant to IFRS 7 and IFRS 9, the receivables reported under other non-current financial assets are classified as financial assets measured at amortized cost. Given that market interest rates apply, amortized cost amounting to EUR 21,258 thousand (31 December 2018: EUR 17,033 thousand) would equal the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other non-current financial assets in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 139 thousand (31 December 2018: EUR 132 thousand).

The fair value of forward exchange transactions in 2018 pursuant to IFRS 9 amounts to EUR 222 thousand.

(11) OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other non-current non-financial assets primarily comprise contract assets from services of EUR 16,325 thousand (31 December 2018: EUR 19,967 thousand) and prepaid expenses of EUR 14,474 thousand (31 December 2018: EUR 16,622 thousand).

The contract assets from services concern maintenance contracts in accordance with IFRS 15 where the degree of completion exceeds the billed amount.

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

(12) DEFERRED TAX ASSETS AND TAX LIABILITIES

As of 30 June 2019, a rounded tax rate of 32.00% (31 December 2018: 32.00%) was applied for the purpose of calculating domestic deferred taxes.

The changes in deferred tax break down as follows:

Changes in deferred taxes

EUR thousand	2019	2018
Amount on 01.01.	94,402	50,432
Recognized through profit or loss	38,103	40,236
Recognized in other comprehensive income	-667	1,295
Currency translation	247	2,439
Amount on 30.06. / 31.12.	132,085	94,402

(13) LIABILITIES TO BANKS

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

Pursuant to IFRS 7 and IFRS 9, liabilities to banks are classified as financial liabilities measured at amortized cost. The fair value would amount to EUR 326,339 thousand (31 December 2018: EUR 368,325 thousand).

(14) TRADE PAYABLES

Trade payables amount to EUR 768,613 thousand (31 December 2018: EUR 500,812 thousand).

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

(15) OTHER PROVISIONS

Movements in other provisions break down as follows:

Other provisions

EUR thousand	01.01.2019	Utilization	Reversals	Additions	30.06.2019
Individual guarantees	130,245	-22,018	0	8,103	116,330
Warranties, service, maintenance	53,806	-6,316	-3,449	593	44,634
Others	53,806	-14,335	-24	1,349	11,915
	208,975	-42,668	-3,473	10,045	172,879

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

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

Other provisions chiefly concern supplier risks and legal uncertainties.

(16) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly comprise lease liabilities of EUR 12,874 thousand, liabilities arising from the bond of EUR 7,398 thousand (31 December 2018: EUR 7,448 thousand) and forward exchange transactions of EUR 4,002 thousand (31 December 2018: EUR 2,312 thousand).

The amount of lease liabilities corresponds to the present value of future lease payments in accordance with IFRS 16, which has been effective since 1 January 2019. For more information on the transition from IAS 17 to IFRS 16, see the disclosures in the section on the effects of new financial reporting standards.

Pursuant to IFRS 7 and IFRS 9, the liabilities reported under other current financial liabilities are classified as financial liabilities measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 29,410 thousand (31 December 2018: EUR 14,215 thousand) would equal the fair value as in the previous year.

Pursuant to IFRS 7 and IFRS 9, the forward exchange transactions reported in other current financial liabilities in the scope of hedge accounting (cash flow hedges) are classified as effective hedging instruments measured at fair value through other comprehensive income. The fair value amounts to EUR 2,901 thousand (31 December 2018: EUR 2,177 thousand).

Pursuant to IFRS 7 and IFRS 9, the other forward exchange transactions reported under other current financial liabilities are classified as financial liabilities measured at fair value through profit or loss. The fair value amounts to EUR 1,101 thousand (31 December 2018: EUR 135 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.

The fair value of forward exchange transactions in 2018 pursuant to IFRS 9 amounts to EUR 2,097 thousand, of which EUR 115 thousand is attributable to other forward exchange transactions.

(17) OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities mainly comprise prepayments received of EUR 1,103,912 thousand (31 December 2018: EUR 610,165 thousand), accrued liabilities of EUR 76,391 thousand (31 December 2018: EUR 67,500 thousand), contract liabilities from services of EUR 28,143 thousand (31 December 2018: EUR 36,372 thousand) and other tax liabilities of EUR 23,019 thousand (31 December 2018: EUR 45,256 thousand).

Accrued liabilities mainly comprise trailing project costs and staff costs.

The contract liabilities from services concern maintenance contracts in accordance with IFRS 15 where the degree of completion is lower than the billed amount.

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

(18) OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities mainly comprise the bond in the amount of EUR 268,183 thousand (31 December 2018: EUR 267,232 thousand) and lease liabilities of EUR 62,034 thousand.

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

The amount of lease liabilities corresponds to the present value of future lease payments in accordance with IFRS 16, which has been effective since 1 January 2019. For more information on the transition from IAS 17 to IFRS 16, see the disclosures in the section on the effects of new financial reporting standards.

Pursuant to IFRS 7 and IFRS 9, the liabilities reported under other non-current financial liabilities are classified as financial liabilities measured at amortized cost. Based on the bond's share price of 100.65% as at the reporting date, the fair value would be EUR 335,296 thousand (31 December 2018: EUR 242,102 thousand).

(19) OTHER NON-CURRENT NON-FINANCIAL LIABILITIES

Other non-current non-financial liabilities mainly comprise contract liabilities from services of EUR 122,913 thousand (31 December 2018: EUR 113,876 thousand).

The contract liabilities from services concern maintenance contracts in accordance with IFRS 15 where the degree of completion is lower than the billed amount.

(20) EQUITY

Equity breaks down as follows:

Equity

EUR thousand	30.06.2019	31.12.2018
Subscribed capital	96,982	96,982
Capital reserves	597,626	597,626
Other retained earnings	24,193	24,193
Cash flow hedges	-360	-1,776
Foreign currency adjustment item	-11,826	-17,182
Consolidated net profit/loss carried forward	-2,553	-2,553
Consolidated net profit/loss	-55,421	0
Share in equity attributable to parent company's shareholders	648,641	697,290
	648,641	697,290

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

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

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

Financial assets and financial liabilities (fair values)**30.06.2019**

EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	2,469	—	2,469
Other forward exchange transactions	—	730	—	730
Financial liabilities				
Liabilities to banks	—	326,339	—	326,339
Bond	284,767	—	—	284,767
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	2,901	—	2,901
Other forward exchange transactions	—	1,101	—	1,101

31.12.2018

EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	578	—	578
Other forward exchange transactions	—	448	—	448
Financial liabilities				
Liabilities to banks	—	368,325	—	368,325
Bond	247,207	—	—	247,207
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	2,695	—	2,695
Other forward exchange transactions	—	135	—	135

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

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

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

NOTES TO THE INCOME STATEMENT

(22) SALES

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

Sales by segment (IFRS 15 / IAS 11)

EUR thousand	01.01.– 30.06.2019	01.01.– 30.06.2018
Projects	810,657	797,109
Service	181,645	161,759
Not allocated	247	279
Intrasegment consolidation	-1,773	-2,009
	990,776	957,138

(23) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Own work capitalized is measured at EUR 14,053 thousand (1 January to 30 June 2018: EUR 18,540 thousand) and, as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

Changes in inventories stand at EUR 598,766 thousand (1 January to 30 June 2018: EUR 114,356 thousand).

(24) OTHER OPERATING INCOME / OTHER OPERATING EXPENSES

Other operating income/expenses mainly comprise external costs of EUR -26,535 thousand (1 January to 30 June 2018: EUR -14,274 thousand), repair and maintenance of EUR -13,769 thousand (1 January to 30 June 2018: EUR -9,681 thousand), travel expenses of EUR -13,708 thousand (1 January to 30 June 2018: EUR -11,301 thousand), currency translation losses of EUR -12,563 thousand (1 January to 30 June 2018: EUR -15,372 thousand) and consulting, legal and audit fees of EUR -10,353 thousand (1 January to 30 June 2018: EUR -5,117 thousand).

(25) COST OF MATERIALS

The cost of materials breaks down as follows:

Cost of materials

EUR thousand	01.01.– 30.06.2019	01.01.– 30.06.2018
Cost of raw materials and other supplies	1,025,434	561,442
Cost of services purchased	275,331	221,440
	1,300,765	782,882

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

The cost of services purchased primarily results from external freight services, commission and externally sourced order-handling services as well as changes in order provisions.

(26) STAFF COSTS

Staff costs break down as follows:

Staff costs

EUR thousand	01.01. – 30.06.2019	01.01. – 30.06.2018
Wages and salaries	141,973	132,096
Social security and expenditure on retirement benefits and support	30,954	27,783
	172,927	159,879

The Group headcount was as follows:

Headcount (Group)

	01.01. – 30.06.2019	01.01. – 30.06.2018	Change
Reporting date			
Office staff	2,894	2,705	189
Technical staff	3,491	2,556	935
	6,385	5,261	1,124
Average			
Office staff	2,831	2,738	93
Technical staff	3,240	2,420	820
	6,071	5,158	913

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

(27) DEPRECIATION / AMORTIZATION

Depreciation and amortization breaks down as follows:

Depreciation / amortization

EUR thousand	01.01.– 30.06.2019	01.01.– 30.06.2018
Depreciation of property, plant and equipment	37,908	27,990
Amortization of capitalized development expenses	24,439	24,832
Amortization of other intangible assets	4,975	21,393
	67,322	74,215

Depreciation includes EUR 7,935 thousand for depreciation of lease assets in accordance with IFRS 16, which has been effective since 1 January 2019. For more information on the transition from IAS 17 to IFRS 16, see the disclosures in the section on the effects of new financial reporting standards.

(28) FINANCIAL RESULT

The financial result breaks down as follows:

Financial result

EUR thousand	01.01.– 30.06.2019	01.01.– 30.06.2018
Profit/loss from equity-accounting method	2,741	-463
Impairment of financial assets	-69	-304
Net profit / loss from investments	2,672	-767
Other interest and similar income	3,274	2,786
Interest and similar expenses	-30,325	-20,214
Interest result	-27,051	-17,428
	-24,379	-18,195

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

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

Interest income and expense arises primarily from deposits with banks, and from guarantee commissions, the bond and the promissory note. Of the interest expense, EUR 1,032 thousand are attributable to leases in accordance with IFRS 16, which has been effective since 1 January 2019. For more information on the transition from IAS 17 to IFRS 16, see the disclosures in the section on the effects of new financial reporting standards.

(29) INCOME TAX

As at 30 June 2019, a tax rate of 31.82% (30 June 2018: 31.82%) was applied for the purpose of calculating domestic current taxes. The above tax rate was calculated using a rate of 15.83% (30 June 2018: 15.83%) including the solidarity surcharge for corporate tax and 15.99% (30 June 2018: 15.99%) for trade tax.

Income tax breaks down as follows:

Income tax

EUR thousand	01.01.– 30.06.2019	01.01.– 30.06.2018
Current income tax	-18,927	-20,486
Deferred taxes	38,103	34,255
Total income taxes	19,176	13,769

(30) EARNINGS PER SHARE**Basic****Earnings per share (basic)**

EUR thousand	01.01.– 30.06.2019	01.01.– 30.06.2018
Consolidated net loss for the year	–55.421	–40,252
of which shareholders of the parent company	–55.421	–40,252
Weighted average number of shares	96,982,447	96,982,447
Basic earnings per share (EUR)	–0.57	–0.42

Diluted

Diluted earnings per share also stand at EUR –0.57 (1 January to 30 June 2018: EUR –0.42).

OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

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 3,64 thousand (31 December 2018: EUR 4,778 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 29.9% share in Nordex SE. As such, Nordex SE is an associated company of Acciona S.A.

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

Balances and transactions with companies from the Acciona Group

EUR thousand	Balances outstanding Receivables (+) / liabilities (-)		Transaction amount Income (+) / expense (-)	
	30.06.2019	31.12.2018	01.01.– 30.06.2019	01.01.– 30.06.2018
Acciona Energia Chile S.A.	114,723/-104,719	97,583/-99,403	16,889/0	22,519/0
Acciona Energia S.A.	6,465/-7,409	5,505/-20,598	19,764/-745	3,358/-1,396
Acciona Energia Servicios Mexico S. de R.L. de C.V.	135,179/-96,954	135,092/-97,040	144/0	7,872/0
Acciona Energy Oceania Construction Pty Ltd.	28/-10,633	1,166/0	0/0	21,668/-6
Mt. Gellibrand Wind Farm Pty Ltd.	1,570/0	0/0	1,907/-24	0/0
Sun Photo Voltaic Energy India Pvt. Ltd.	10,636/0	10,165/0	0/0	0/0
Other	1,956/-2,312	2,333/-1,194	29/-1,736	78/-3,173

During the financial year, three contracts to deliver and assemble wind power systems in Mexico, Australia and the USA amounting to EUR 331,923 thousand (1 January to 30 June 2018: EUR 134,219 thousand) were won by Acciona Energia Mexico, S. de R.L. de C.V., Acciona Energy Oceania Construction Pty. Ltd. and Acciona Energy USA Global LLC.

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

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

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

Balances and transactions with associates

EUR thousand	Balances outstanding Receivables (+) / liabilities (-)		Transaction amount Income (+) / expense (-)	
	30.06.2019	31.12.2018	01.01.– 30.06.2019	01.01.– 30.06.2018
C&C Wind Sp. z o.o.	0/0	0/0	339/0	274/-422
GN Renewable Investments S.a.r.l.	0/0	0/0	2,696/0	25/-49

CONSOLIDATED CASH FLOW STATEMENT

The cash flow from operating activities in the amount of EUR –100,636 thousand (1 January to 30 June 2018: EUR –92,763 thousand) results primarily from the consolidated net loss including depreciation, amortization and impairment in the amount of EUR 11,970 thousand (1 January to 30 June 2018: EUR 34,267 thousand). Changes in working capital resulted in payments received of EUR 23,111 thousand (1 January to 30 June 2018: payments made of EUR 74,625 thousand). Payments made for other operating activities stand at EUR 135,717 thousand (1 January to 30 June 2018: EUR 52,405 thousand).

Cash flow from investing activities in the financial year ended amounted to EUR –60,661 thousand (1 January to 30 June 2018: EUR –8,986 thousand). Investments of EUR 47,112 thousand (1 January to 30 June 2018: EUR 22,158 thousand) were made in property, plant and equipment, mainly related to the establishment of rotor blade production in Mexico and India and the procurement of production and assembly equipment in Europe. Development projects of EUR 13,498 thousand (1 January to 30 June 2018: EUR 17,785 thousand) were capitalized.

Cash flow from financing activities amounted to EUR –50,628 thousand (1 January to 30 June 2018: EUR –27,216 thousand) and is primarily attributable to the repayment of the promissory note, the repayment of the research and development loan from the European Investment Bank, and the repayment of lease liabilities – with cash drawdowns of the syndicated multi-currency guarantee facility having an offsetting effect.

EVENTS AFTER THE REPORTING DATE

Any events occurring after the reporting date caused by economic factors arising prior to 30 June 2019 are included in the interim consolidated financial statements as at 30 June 2019.

Nordex SE
Rostock, August 2019



José Luis Blanco
Chairman of the Management Board



Christoph Burkhard
Member of the Management Board



Patxi Landa
Member of the Management Board

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

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019

Statement of changes in property, plant and equipment and intangible assets

TEUR	Opening balance 31.12.2018	Transition from IAS 17 to IFRS 16	Opening balance 01.01.2019	Cost				Closing balance 30.06.2019
				Additions	Disposals	Reclassi- fications	Currency transla- tion	
Property, plant and equipment								
Land and buildings	140,098	70,438	210,536	6,106	2,154	275	138	214,901
Technical equipment and machinery	267,644	0	267,644	26,521	6,266	17,075	474	305,448
Other fixtures and fittings, tools and equipment	91,977	7,021	98,998	14,596	578	-2,827	-29	110,160
Prepayments made and assets under construction	24,445	0	24,445	6,100	1,225	-14,523	6	14,803
Total	524,164	77,459	601,623	53,323	10,223	0	589	645,312
Intangible assets								
Goodwill	552,259	0	552,259	0	0	0	0	552,259
Capitalized R&D expenses	416,503	0	416,503	13,498	5,569	0	2	424,434
Other intangible assets	149,867	0	149,867	-393	14,919	0	1,335	135,890
Total	1,118,629	0	1,118,629	13,105	20,488	0	1,337	1,112,583

	Opening balance 01.01.2019	Depreciation / amortization				Closing balance 30.06.2019	Carrying amount	
		Additions	Disposals	Reclassifications	Currency translation		30.06.2019	31.12.2018
	51,753	8,562	10	0	105	60,410	154,491	88,345
	146,922	20,564	5,006	-1	159	162,638	142,810	120,722
	57,778	8,771	340	1	-66	66,144	44,016	34,199
	1,600	0	1,225	0	3	378	14,425	22,845
	258,053	37,897	6,581	0	201	289,570	355,742	266,111
	4,501	0	0	0	0	4,501	547,758	547,758
	209,965	24,491	5,617	0	0	228,839	195,595	206,538
	125,251	4,934	14,902	0	1,330	116,613	19,277	24,616
	339,717	29,425	20,519	0	1,330	349,953	762,630	778,912

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements for the first six months as at 30 June 2019 give a true and fair view of the assets, liabilities, financial position and results of operations of the Group, and the interim financial management report of the Group gives a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Nordex SE
Rostock, August 2019



José Luis Blanco
Chairman of the Management Board



Christoph Burkhard
Member of the Management Board



Patxi Landa
Member of the Management Board

FINANCIAL CALENDAR, IMPRINT AND CONTACT

FINANCIAL CALENDAR

Date

August 14, 2019	Consolidated interim report, H1 2019
November 13, 2019	Consolidated interim report, Q3 2019

IMPRINT AND CONTACT

Published by

Nordex SE
Investor Relations
Langenhorner Chaussee 600
22419 Hamburg
Germany

Telephone +49 40 30030-1000
Fax +49 40 30030-1101

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

Investor Relations Team

Felix Zander
Telephone +49 40 30030-1116

Tobias Vossberg
Telephone +49 40 30030-2502

Rolf Becker
Telephone +49 40 30030-1892

Editing & Text

Nordex SE, Hamburg

Photography

Nordex SE, Hamburg

Consulting, Concept & Design

Silvester Group
www.silvestergroup.com

Disclaimer

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Nordex SE
Investor Relations
Langenhorner Chaussee 600
22419 Hamburg

Telefon +49 40 30030 – 1000
Telefax +49 40 30030 – 1101

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