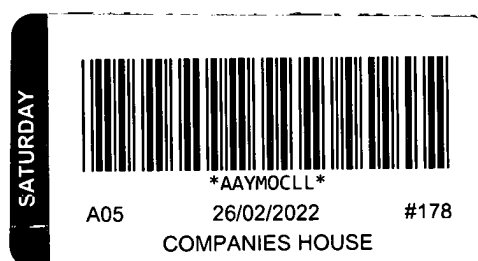


REGISTERED NUMBER: 04218191 (England and Wales)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
NORDEX UK LIMITED**



NORDEX UK LIMITED

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for the Year Ended 31 December 2020

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NORDEX UK LIMITED
COMPANY INFORMATION
for the Year Ended 31 December 2020

DIRECTORS: R P M Boettcher (resigned 26 October 2020)
Dr I T Hartmann
N J Hayes
I Oezarslan
C Feldbinder (appointed 26 October 2020)
D Zachlod (appointed 1 December 2021)

SECRETARY: D Marsh

REGISTERED OFFICE: Suite 4 Egerton House
The Towers Business Park
Wilmslow Road
Didsbury
Greater Manchester
M20 2DX

REGISTERED NUMBER: 04218191 (England and Wales)

INDEPENDENT AUDITORS: PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Hardman Square
Manchester
M3 3EB

BANKERS: BNP Paribas
10 Harwood Avenue
London
NW1 6AA

NORDEX UK LIMITED
STRATEGIC REPORT
for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activities

The principal activity of the company in the year under review was that of the sale, installation, operation and maintenance of wind turbines.

BUSINESS REVIEW, FUTURE RISKS AND FUTURE DEVELOPMENTS

Turnover in 2020 was £45.8m (2019: £39.4m). Gross profit for the year was £13.5m (2019: £13.4m) and the operating loss was £2.1m (2019: operating loss of £7.3m).

The improved turnover in 2020 reflects the slowly improving market environment in the UK, which is now recovering following the withdrawal of the support mechanism for onshore wind farms in preceding years. Although the turnover was still relatively low this is reflective of the lower order intake secured in 2019 as the market conditions were adjusting. It was positive to see new installation activities returning in UK in 2020, albeit on a low level, whereas in 2019 we had no new installations in UK.

New business in the UK picked up significantly again in 2020, as the on-shore wind market continues to make the required adjustment to be viable in the non-subsidised environment. In 2020, Nordex UK Limited closed four new orders of significant size and scale, and has developed a pipeline of opportunities for growth in 2021. In this respect, investment and activity levels in onshore wind remained high in 2020 and developers continue to actively permit/re-permit sites in order to allow them to deploy larger, newer technology, which significantly reduces the levels of cost of energy. New onshore wind continues to be recognised as the cheapest form of new power generation in UK and it is anticipated that in 2022 and future years, order intake will recover to more historical levels seen prior to the subsidy removal. The UK government confirmed that from 2021 onshore wind can once again benefit from participation in the CFD subsidy process in order to help achieve the 2030/2050 de-carbonisation targets. Although this is very positive news for the industry in the medium to long term, it could have a negative short term effect on the 2021 order book. This is due to the fact that investment decisions are likely to be delayed until the outcome of the CFD auction are known. Therefore projects that would have otherwise progressed in 2021 may be delayed pending this CFD auction. The current expectation is that this will be late in 2021. However the positive effects will be seen in 2022 and beyond.

The UK service business continued to grow in 2020 driven by high renewal rates for existing contract and high focus on improved efficiencies and profitability. The levels of business will significantly increase from 2021 and beyond as new wind farms come online in this period. The vast majority of staff, including the "support overheads" (Finance, HR, QHSE) are now associated with this service business.

Covid-19 presents an ongoing risk to our business activities. However, in the most part, the restrictions that have been widely implemented across the UK have had no material impact on our core operations. The employees of Nordex UK Limited fall under the "critical worker" designation, as our business relates to building strategically important electrical generation assets and operating and maintaining these assets. Our service technicians have and will continue to work through the current restrictions, taking appropriate steps to minimise risk to their personal health and public health in general. Likewise, our project management/new installation business continues to operate, following all best practice guidance. Our white-collar staff are working remotely and it is expected this will continue through to the summer months and until government guidance allows for return to the office environment. To date this has worked very effectively.

Uncertainty around Brexit has reduced with the signing of the Trade and Cooperation Agreement between the UK and EU. Transacting our business outside of the EU customs union has introduced additional customs and import procedures which we have adapted to and are monitoring. Movement of resources, parts, equipment and subcontractors are affected by these new procedures but to date have not had any material impact on our core activities. These additional procedures require additional resource focus and systems, but not significant cost.

The Nordex Group based in Germany has a programme of continuous focus on reducing the levels of cost of energy of onshore wind, and new product development is a key area in achieving these reductions. Maintaining the planned role out and marketing of these improved products to our customer base is a critical activity for the medium to long- term strategic plan.

NORDEX UK LIMITED

STRATEGIC REPORT (continued) **for the Year Ended 31 December 2020**

KEY PERFORMANCE INDICATORS (KPIs)

Nordex UK Limited maintains a range of KPIs including the standard financial ratios which it uses to monitor the financial performance of the business, along with its growth targets and market share, against the agreed Nordex Group longer term strategy targets for its UK's business activities. Non-financial KPIs are not considered as appropriate measurements, as the Nordex Group's focus on KPIs are based around sales, market share and developing, manufacturing and servicing wind turbines.

Market Share KPIs

UK Market share percentage operational MW Installed (grid connected - as reported by Wood Mackenzie - formerly MAKE Consultants).

2014 11.6%
2015 15.4%
2016 13.9%
2017 2.5%
2018 4.0%
2019 33.3%*
2020 27%

* as there were very low levels of installation numbers across the onshore wind market in 2019, it is more accurate to look at confirmed orders for representative view of market share. Here Nordex UK Limited achieved 33.33% when taking account of Wood Mackenzie published numbers and adjusting for correct order intake.

SECTION 172(1) STATEMENT

In July 2018, the revised UK Corporate Governance Code ('2018 Code') was published. It applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in Section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company.

The Board of Nordex UK Limited has considered the direction of the UK Financial Reporting Council (the 'FRC') and this S172 statement sets out how the Board have engaged with shareholders, employees, suppliers, customers and others; have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and others, and the effect of the principal strategic decisions taken by the company during the financial year. The statement focuses on matters of strategic importance to Nordex UK Limited and the level of information disclosed is consistent with the size and the complexity of the business.

The Board of Directors, in line with their duties under S172 of the Companies Act 2006, act in a way they consider, in good faith, is most likely to promote the success of the Company for the benefit of its shareholders. Key decisions that are of strategic importance to the Company are appropriately informed by S172 factors.

The Nordex Group is managed by Nordex SE, being the strategic management holding company. Nordex SE is a listed European stock corporation, trading on the Frankfurt Stock Exchange. This ensures ongoing and transparent communication with our shareholders. The Board of Nordex UK Limited have a clear understanding of the needs, ambitions and cultural vision of the Nordex Group and strive to work to and support the group and its stakeholders to deliver them.

S172(1) (A) "The likely consequences of any decision in the long term"

The Directors understand the business and the evolving environment in which we operate. In line with our Group strategy, the Board intends to strengthen our position as a provider of services and solutions as well as products whilst growing its product market and customer base.

The Board recognise the potential impact the inherent uncertainty surrounding the terms on which the UK will trade with the European Union when the current transition period ends. We benefit from being part of a large global group with vast experience of international trade. Amongst other things, we are planning for the consequences of additional borders and customs controls, the effects of potential customs regulations and increased documentation requirements for imports and exports.

NORDEX UK LIMITED

STRATEGIC REPORT (continued) **for the Year Ended 31 December 2020**

SECTION 172(1) STATEMENT (continued)

S172(1) (B) "The interests of the company's employees"

The Board recognise that our employees are our greatest asset and fundamental to achieving our strategic ambitions. The success of our business depends on recruiting and retaining talent. We strive to be a responsible employer and continuously review pay and benefits and aim always to provide a safe working environment. Development is important to us and we encourage our people to be ambitious and seek investment from us in their careers.

Wellbeing in relation to the employees and workforce was a real focus in 2020, and we invested in an employee assistance programme giving our people and their families access to a support service covering issues such as mental health and legal advice. The Board factor the implications of decisions on employees where relevant and feasible.

Employees are regularly updated on matters affecting the business via a wide range of mediums. Perhaps more than ever, we encourage our colleagues to give feedback on decisions taken by the Board and look to recognise achievements as much as possible.

It is the company's policy to provide equal opportunity for employees or applicants for employment irrespective of colour, race, nationality, ethnic origin, sex or marital status.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers and customers. There is a high level of vertical integration in the group which means approximately 90% of our supplies are intra-group. We promote certain general principles in our third-party relationships such ethical business practices and complete adherence to laws and regulations. We have an approved supplier process which is used to ensure the integrity of our supply chain and ensure we can build partnerships with customers and suppliers. We have a commitment to an "outside in" focus and welcome feedback from customers, competitors and suppliers. We have a track record of working with other entities, such as industry and trade groups, schools and colleges, charities and our competitors. We believe that maintaining these relationships and working with others and sharing knowledge helps us improve as a business.

S172(1) (D) "The impact of the company's operations on the community and the environment"

The idea of sustainability is deeply rooted in the culture of the Nordex group and the operational entities within the group, including Nordex UK Limited. We aim to align economic success with ecological and social responsibility. The group produces an annual sustainability report which is intended to help us make further progress along this path. We have appointed a "green" working team, look to reduce our net carbon footprint where possible and actively recycle in a responsible and consistent way.

We are engaged with various charitable local initiatives. Our involvement ranges from financial support, mentoring initiatives for young people and fund-raising activities. Where possible, we look to engage with our local community as a priority.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

Nordex UK Limited is guided by a robust and principled Code of Conduct that sets out the ethical, moral and legal standards we strive to meet whilst acting in way the Directors consider to be economically, environmentally and socially responsible.

We have a zero-tolerance approach to modern slavery, anti-bribery and corruption and discrimination.

S172(1) (F) "The need to act fairly as between members of the company"

As set out above, as a publicly floated Group, the Directors seek to deliver on long-term strategy whilst taking into consideration the impact on our members, always acting fairly. We benefit from a close relationship with our shareholders and consider this relationship and the support we receive to be a unique strength of our business.

NORDEX UK LIMITED

STRATEGIC REPORT (continued) **for the Year Ended 31 December 2020**

POLICIES AND SYSTEMS

The company's activities are carried out within the framework of strategies, procedures and systems applying throughout the parent company group; these include financial, sales, project management, maintenance services and risk management systems. In particular, in the financial, service and project areas, the SAP system is utilised.

With particular regard to risk management, the company operates within the Groups' risk management system which aims to identify potential strategic and operational risks to the business and to deal with them through appropriate measures. Projects, which form the basis of the Company's business, are reviewed systematically during negotiation, prior to contract and during implementation, to ensure that technical, commercial, financial, health and safety and other risks are identified and avoided or mitigated. Other potential business risks are subject to similar procedures. The Company also operates an approval system for new projects and for other transactions, including the placement of contracts and orders, which requires an appropriate level of management approval prior to commitment and reporting systems which monitor progress and performance of projects thereafter on an ongoing basis.

Health and Safety standards continue to be maintained at a high level with a high degree of management focus. Robust and comprehensive Health and Safety procedures are critical to the safe erection, commissioning and operation of the wind turbines. Thankfully, in 2020 the company had no lost time incidents whereby an employee was not able to attend work due to an accident or injury sustained in the course of their job.

PRINCIPAL RISKS AND UNCERTAINTIES

Other principal risks and uncertainties, including risks on Covid-19, cost/price, liquidity, cash flow and foreign exchange rates are managed in close cooperation with the corporate departments of the parent company group in Germany. All cash flow requirements are coordinated with the parent company group Treasury department on a weekly basis. The company is not directly involved in carrying credit facilities with its bankers, although it is a beneficiary and obligor under the parent company group credit and guarantee facilities.

ON BEHALF OF THE BOARD:



.....
D Zachlöd - Director

Date: 24 February 2022

NORDEX UK LIMITED
DIRECTORS' REPORT
for the Year Ended 31 December 2020

The directors present their report with the audited financial statements of the company for the year ended 31 December 2020.

RESULTS AND DIVIDENDS

The loss for the financial year of £2.3m (2019: loss was £7.4m) and the net liabilities of £10.7m (2019: £8.4m) are as a direct result of the low turnover in 2020, as reported in the Strategic Report, as well as the increased levels of liquidated damages and warranty claims we had to process and deal with in 2020.

No dividends will be distributed for the year ended 31 December 2020 (2019: £Nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

R P M Boettcher (Resigned 26 October 2020)

Dr I T Hartmann

N J Hayes

I Oezarslan

C Feldbinder (Appointed 26 October 2020)

D Zachlod (Appointed 1 December 2021)

BUSINESS REVIEW AND FUTURE RISKS

Please refer to the Strategic Report for the Business Review on pages 2 to 5.

FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

(a) Market risk

(i) Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, principally with respect to the Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Natural hedging occurs through the matching of foreign currency income, expenditure and commitments. When projected foreign currency balances are not anticipated to be covered through this natural matching process, the company may choose to enter into forward foreign exchange contracts through its parent company in conjunction with the group Treasury policy. At 31 December 2020, no forward foreign exchange contracts were outstanding (2019: £nil).

(ii) Cash flow and fair value interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

The company has a customer credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At 31 December 2020, there were no significant concentrations of credit risk (2019: £nil). The maximum exposure to credit risk is represented by the carrying amount of each financial asset included in the balance sheet. Management does not expect any losses from non-performance by these counterparties. Due to the nature of the company's business, credit risk is assessed on a customer-by-customer basis prior to entering into contractual arrangements.

(c) Liquidity risk

The company maintains short-term cash deposits and unutilised banking facilities to mitigate any liquidity risk it may face. Management monitor rolling forecasts of the company's liquidity reserves on the basis of forecast cashflow.

Future developments

Future developments are detailed in the strategic report on page 2.

NORDEX UK LIMITED

DIRECTORS' REPORT (continued) **for the Year Ended 31 December 2020**

Political donations

The company made no political donations during the financial year (2019: £nil).

Post balance sheet events

On 25 February 2021 a resolution was signed for Nordex Energy BV to contribute with economic effect an amount of £10,000,000 to the capital reserves of Nordex UK Limited. The said transaction took place on 11 March 2021, the effect of which overturned the shareholders deficit on the balance sheet.

Anti-bribery and corruption

It is our policy to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and implementing and enforcing effective systems to counter bribery and corruption.

Employees

(a) Employee communications

The company regularly communicates up to date information and measurement of performance to employees through informal meetings or e-mail. The company will continue to devote resources to the maintenance of good communication with employees at all levels. The directors consider effective communication with the staff to be an integral part of good management.

(b) Employment of disabled people

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Stakeholder Engagement Statement

The S172 statement published by Nordex UK Limited sets out in detail how the Board have engaged with stakeholders including shareholders, employees, suppliers, customers and community.

The nature of our business, and our presence in the renewable sector means ongoing dialogue with a wide group of stakeholders including customers, local community, suppliers, employees and shareholders is vital to us. This commitment to ongoing engagement means the views of our stakeholders can be considered before our Board makes any strategic decisions.

Our Customers

Delivering exceptional customer service is fundamental to our business and our customers are at the heart of everything we do. We consistently seek feedback in a variety of formats from our customers to improve the ways we can work collaboratively. We seek to build lasting relationships with our customers and value an outside in approach.

Our Suppliers

We maintain a continuous dialogue with our suppliers through our approved supplier process. We have high standards and take steps to ensure compliance with anti-bribery, modern slavery and diversity and inclusion best practices via our supply chain. We are committed to treating our suppliers fairly and we are proud of our payment practices. We regularly invite feedback from our suppliers, provide training and development where appropriate.

Our People

Our S172 statement sets out in detail how important our people are to our business. They are our greatest asset and we understand recruiting and retaining talent is fundamental to achieving our strategic ambitions. We continuously review pay and benefits and aim always to provide a safe working environment.

NORDEX UK LIMITED

DIRECTORS' REPORT (continued) **for the Year Ended 31 December 2020**

Stakeholder Engagement Statement (continued)

Our People (continued)

Wellbeing is a real focus and we provide an employee assistance programme giving our people and their families access to an external support service covering issues such as mental health and legal advice and health screening. We provide forums for feedback and deliver a consistent message of empowerment.

It is the company's policy to provide equal opportunity for employees or applicants for employment irrespective of colour, race, nationality, ethnic origin, sex or marital status.

Our Shareholders

Finally, our relationship with our shareholders is as important as ever. We benefit from a close relationship with our shareholders and understand their own vision for the future of our organisation in detail.

Streamlined Energy and Carbon Reporting (SECR)

This is the first year the company is required to report this information, providing data on energy consumption (kWh) and greenhouse gas emissions.

The data for consumption and emissions relate to direct emissions relating to the consumption of gas and electricity in the day to day business operations procured from metered utility supplies at the various company premises.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets, including on-airport vehicles which are the single largest emission source. Transport also includes a small proportion of 'grey fleet,' or private vehicles used for business travel, which are Scope 3 emissions.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of electricity in day to day business operations. Several of the electricity supplies are procured by landlords, and re-charged to the company. In most cases metered consumption from the landlord supplies has been used.

The fuel purchased is utilised for the company's fleet of vehicles in supporting the construction and maintenance activities of the Nordex business in supporting our customer's windfarms.

The total consumption (kWh) figures for energy supplies reportable by the company are as follows:-

Utility and scope	2020 Consumption
Grid supplied electricity	182,281 (kWh)
Natural gas	17,440 (kWh)
Transportation (Fuel)	63,770 (kWh)

The total emission (tCO₂e) figures for energy supplies reportable are as follows:

Utility and Scope	2020 emissions tCO₂e location basis
Grid-supplied electricity (Scope 2)	42
Gaseous and other fuels (Scope 1)	3
Transportation (Scope 1 and 3)	795
	<hr/>
	840
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NORDEX UK LIMITED

DIRECTORS' REPORT (continued) **for the Year Ended 31 December 2020**

Streamlined Energy and Carbon Reporting (SECR) (continued)

Location basis calculates emissions from electricity (Scope 2 only) using the UK national average emissions conversion factor. Market basis allows a company to account for the emissions associated with a specific tariff, such as the green tariff procured by the company from January 2019 onwards. A zero-emission factor has been used for the in-house electricity to reflect this, based on the assumption that Renewable Energy Guarantees of Origin (REGOs) are associated with the supply. However, the landlord supplies, which we have assumed use a standard, non-renewable tariff must be calculated at the prevailing "residual" rate, which is effectively the leftover electricity mix once the green tariffs have been removed, and is normally higher than the national average used in location basis. This explains why Scope 2, market basis emissions are not zero. They could be reduced to zero if all landlords were to buy REGO-backed green electricity.

Intensity Metric

Intensity metric	2020 intensity metric
tCO2e/£m turnover	17.8

Energy Efficiency Improvements and Carbon reduction initiatives.

The company has made efforts to improve their operational efficiency and reduce carbon emissions in recent years. Measures undertaken and ongoing up until the year end are listed below:

- Introduction of a small number of hybrid and full EV vehicles into the fleet, which will allow us to assess the benefits going forward.
- EV charging points installed at the UK's registered office.
- All of the office lighting at the UK's registered office has been replaced with LED lighting panels – more efficient use of energy to light the offices.

Going concern

The company meets its day-to-day working capital requirements through its trading activities, bank facilities and support from our parent company, if and when it is required. The company regularly forecasts and projects the future order intake, whilst also taking into account the potential pressures from our clients and the market sector in which we operate, and the possible impact of these on the trading performance. These reviews show that the company will be able to meet its liabilities as they fall due for the foreseeable future. The company has received confirmation of financial support from its parent company for at least 12 months from the date of signing of these financial statements. The reviews have confirmed to the directors that, it is a reasonable expectation that the company has adequate resources, coupled with its parent company support, to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Directors' indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year, Directors' and Officers' liability insurance in respect of itself and its Directors.

NORDEX UK LIMITED

DIRECTORS' REPORT (continued) **for the Year Ended 31 December 2020**

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
D Zachlod - Director

Date: 24 February 2022

Independent auditors' report to the members of Nordex UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Nordex UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Income Statement and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent journal entries, designed to manipulate the financial performance and/or position of the company and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inquiry with management in respect of potential non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance;
- Testing journal entries meeting specific risk criteria, testing accounting estimates for indication of management bias, and evaluating the business rationale of any significant transactions outside the normal course of business; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

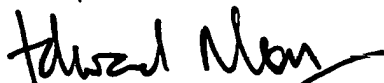
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Edward Moss (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

24 February 2022

NORDEX UK LIMITED
INCOME STATEMENT
for the Year Ended 31 December 2020

	Note	2020 £	2019 £
REVENUE	2	45,788,474	39,372,449
Cost of sales		<u>(32,244,260)</u>	<u>(25,985,004)</u>
GROSS PROFIT		13,544,214	13,387,445
Administrative expenses		(18,052,192)	(22,444,056)
Other operating income	3	<u>2,452,669</u>	<u>1,806,606</u>
OPERATING LOSS		(2,055,309)	(7,250,005)
Interest payable and similar expenses	5	<u>(233,927)</u>	<u>(191,852)</u>
LOSS BEFORE TAXATION		(2,289,236)	(7,441,857)
Tax on loss	7	<u>(4,118)</u>	<u>7,989</u>
LOSS FOR THE FINANCIAL YEAR		<u>(2,293,354)</u>	<u>(7,433,868)</u>

All of the results presented above relate to continuing operations.

There was no other comprehensive income that had arisen during the year (2019: £Nil).

The notes on pages 17 – 31 form an integral part to these financial statements.

NORDEX UK LIMITED

BALANCE SHEET as at 31 December 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	8	330,311	324,273
Right-of-use assets	9	<u>2,768,693</u>	<u>2,806,246</u>
		<u>3,099,004</u>	<u>3,130,519</u>
CURRENT ASSETS			
Stocks	10	2,708,354	2,598,316
Trade and other receivables	11	43,991,153	13,757,739
Cash at bank and in hand		<u>3,927,975</u>	<u>1,190,536</u>
		50,627,482	17,546,591
TRADE AND OTHER PAYABLES			
Amounts falling due within one year	12	<u>(62,003,689)</u>	<u>(26,375,734)</u>
NET CURRENT LIABILITIES		<u>(11,376,207)</u>	<u>(8,829,143)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(8,277,203)	(5,698,624)
TRADE AND OTHER PAYABLES			
Amounts falling due after more than one year	13	(2,155,790)	(2,276,375)
PROVISIONS FOR LIABILITIES	14	<u>(252,289)</u>	<u>(416,929)</u>
NET LIABILITIES		<u>(10,685,282)</u>	<u>(8,391,928)</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,000	1,000
Other reserves	16	19,575,000	19,575,000
Accumulated losses	16	<u>(30,261,282)</u>	<u>(27,967,928)</u>
TOTAL SHAREHOLDERS' DEFICIT		<u>(10,685,282)</u>	<u>(8,391,928)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 February 2022 and were signed on its behalf by:



.....
D Zachlod - Director

NORDEX UK LIMITED

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2020

	Called up Share capital £	Accumulated earnings £	Other reserves £	Total Shareholders' deficit £
Balance at 1 January 2019	1,000	(20,534,060)	19,575,000	(958,060)
Changes in equity				
Loss for the financial year	<u>-</u>	<u>(7,433,868)</u>	<u>-</u>	<u>(7,433,868)</u>
Balance at 31 December 2019	<u>1,000</u>	<u>(27,967,928)</u>	<u>19,575,000</u>	<u>(8,391,928)</u>
Changes in equity				
Loss for the financial year	<u>-</u>	<u>(2,293,354)</u>	<u>-</u>	<u>(2,293,354)</u>
Balance at 31 December 2020	<u>1,000</u>	<u>(30,261,282)</u>	<u>19,575,000</u>	<u>(10,685,282)</u>

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

Company information

Nordex UK Limited is a private company, limited by shares, incorporated in England and Wales. The registered office and principal place of business is Suite 4, Egerton House, The Towers Business Park, Wilmslow Road, Didsbury, Manchester M20 2DX.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared on the going concern basis under the historical cost convention. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, other than where new policies have been adopted.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Going Concern

The company meets its day-to-day working capital requirements through its trading activities, bank facilities and support from our parent company, if and when it is required. The company regularly forecasts and projects the future order intake, whilst also taking into account the potential pressures from our clients and the market sector in which we operate, and the possible impact of these on the trading performance. These reviews show that the company will be able to meet its liabilities as they fall due for the foreseeable future. The company has received confirmation of financial support from its parent company for at least 12 months from the date of signing of these financial statements. The reviews have confirmed to the directors that, it is a reasonable expectation that the company has adequate resources, coupled with its parent company support, to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES - continued

Adoption of new and revised standards

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2021.

The following standard is not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions:

<u>Standard or interpretation</u>	<u>Content</u>	<u>Applicable for financial year beginning on</u>
IFRS 4	Insurance Contracts	1 January 2021

This standard is not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Significant judgements and estimates

Company management and the board of directors make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within financial year include:

- tangible assets are recognised at cost, less accumulated depreciation, amortisation and any impairments. Amortisation and depreciation take place over the estimated useful life, down to the assessed residual value. The carrying amount of the company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen;
- the cost of inventory and associated provisioning are considered regularly. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and the future profitability of ongoing contracts accounted for under the percentage of completion basis;
- calculation of revenue per the percentage of completion method. Revenue is calculated on the actual costs incurred to date plus a percentage of the planned margin;
- the calculation of liquidated damages relevant to the contractual clauses with customers;
- warranty provisions are recognised and measured on the basis of estimates which among other things may incorporate historical data particularly with respect to the expected costs;
- risk provisions with contractual claims over end of warranty negotiations.

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 20% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost
Short leasehold	- 10% and 25% on cost

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities of other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Other operating income

Other operating income represents recharges of the labour element of those Nordex UK Limited staff members, requested to work on/help other Nordex Group affiliates, whereby there is a short fall of the necessary skills to complete those required tasks.

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

1. ACCOUNTING POLICIES - continued

Foreign currencies

Functional and presentation currency

The Company's functional currency is pound sterling which is presented in the financial statements rounded to thousands.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'interest payable and similar charges'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating (losses)/gains'.

Leases

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

A right-of-use asset and lease liability is recognised at the lease commencement date. The right-of-use asset is initially recognised at cost, comprising the initial amount of the lease liability plus any initial direct costs incurred, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or a rate or a change in the company's assessment of whether it will exercise an extension or termination option. When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset.

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES - continued

Employee benefit costs

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan

The Company operates a defined contribution pension plan for its employees. The contributions to the plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in separately administered funds.

Financial instruments

The Company has adopted paragraph 8 of FRS101 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing arrangement, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial liabilities

Basic financial liabilities, including trade and other payables, loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Warranty provisions

Where Nordex UK Limited has a contractual warranty commitment and therefore a commercial risk, the provisions are recognised and measured on the basis of estimates which among other things may incorporate historical data particularly with respect to the expected costs.

These provisions are utilised in accordance with the statutory or contractual periods.

Interest

There are no borrowing costs attributable to the acquisition, construction or production of qualifying assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Revenue

Revenue represents the fair value consideration received or receivable for the sales of goods and services in the ordinary course of the Company's activities. They are shown net of value added tax, returns, rebates and discounts.

Revenue comprises income from the completion of construction contracts for customers and from service contracts.

In the case of construction contracts for customers, revenue is recognised under the 5 step model for IFRS15.

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES - continued

Revenue - continued

Revenue shall be recognized when the performance obligations are satisfied by transferring the respective goods or service to the customer and the customer obtains control of the good. Control of an assets refers to the ability to the direct use of, and obtain substantially all of the remaining benefits from the asset as wells as to the fact to prevent other entities from directing the use of, and obtaining benefits from, an asset.

For each performance obligation identified, Nordex UK Limited determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

Revenues from service contracts are recognised upon the service being provided based upon a weighted calculation of when the services are likely to be provided to the customer over the life of the contracts in place.

Stocks and long term contracts

Stocks (excluding long-term contract balances) are stated at the lower of cost or net realisable value. Long term contracts are stated at net cost less foreseeable losses and payments on account. The amount by which recorded turnover is in excess of payments on account for long term contracts is included in debtors as "amounts recoverable on contracts".

The balance of payments on account in excess of amounts matched with turnover or offset against long term contract balances is included in creditors as 'Long term contracts - payments on account'.

2. REVENUE

The revenue is attributable to the one principal activity of the company.

All turnover for both financial years relates to activities carried out in the UK.

An analysis of turnover by class of business is given below:

	2020	2019
	£	£
Wind turbines	13,704,694	9,343,214
Service and maintenance	32,083,780	30,029,235
	<u>45,788,474</u>	<u>39,372,449</u>

3. OTHER OPERATING INCOME

	2020	2019
	£	£
Management fee group companies	1,354,416	827,510
Other operating income	1,098,253	979,096
	<u>2,452,669</u>	<u>1,806,606</u>

Other operating income represents recharges of the labour element of those Nordex UK Limited staff members, requested to work on/help other Nordex Group affiliates, whereby there is a short fall of the necessary skills to complete those required tasks.

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	9,912,425	8,516,059
Social security costs	1,188,235	1,015,303
Other pension costs	<u>281,157</u>	<u>238,183</u>
	<u>11,381,817</u>	<u>9,769,545</u>

The average number of employees during the year was as follows:

	2020	2019
	Number	Number
Administration and sales	24	23
Service	148	129
Project management	<u>24</u>	<u>21</u>
	<u>196</u>	<u>173</u>

None of the directors listed in the directors' report are remunerated through Nordex UK Limited.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Interest to group companies	147,221	112,199
IFRS 16 lease interest	<u>86,706</u>	<u>79,653</u>
	<u>233,927</u>	<u>191,852</u>

6. LOSS BEFORE TAXATION

The loss before taxation (2019 - loss before taxation) is stated after charging/(crediting):

	2020	2019
	£	£
Cost of inventories recognised as expense	11,355,256	7,862,459
Depreciation - owned assets	165,283	196,968
Depreciation - assets on finance leases	663,711	727,397
Auditors' remuneration - audit of the financial statements	39,375	30,500
Non-audit fees (tax compliance services)	-	90
Foreign exchange (gain)/loss	<u>(896,178)</u>	<u>400,803</u>

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

7. TAX ON LOSS

Analysis of tax expense/(income)

	2020	2019
	£	£
Deferred tax charge/(credit)	<u>4,118</u>	<u>(7,989)</u>
Total tax expense/(income) in income statement	<u>4,118</u>	<u>(7,989)</u>

Factors affecting the tax expense

The tax assessed for the year is lower (2019 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Loss before taxation	<u>(2,289,236)</u>	<u>(7,441,857)</u>
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(434,955)	(1,413,953)
Effects of:		
Deferral of tax losses	433,300	1,397,944
Deferred tax charge/(credit)	4,118	(7,989)
Expenses not deductible for tax purposes	814	662
Depreciation in excess of capital allowances	<u>841</u>	<u>15,347</u>
Tax expense/(income)	<u>4,118</u>	<u>(7,989)</u>

Factors affecting the future tax charge

In the Budget 2021, the Government announced that the rate of corporation tax will increase to 25% from 6 April 2023 for businesses with profits of £250,000 or more. The rate will remain at 19% until that date. The legislation to implement this new law has not been substantively enacted as of the date of this report, and therefore no adjustment to deferred tax balances has been recognised in the financial statements. However, the impact of the rate change is not expected to be material to the Company.

There is an unrecognised deferred tax asset of £1,086,099 not included in these financial statements, calculated upon the IFRS15 transition on 31 December 2017. The decision not to include the deferred tax asset is based upon the historical tax losses carried forward and the lack of adequate profit forecasting for the next 5 years.

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

8. TANGIBLE ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2020	386,596	753,746	36,265	941,112	2,117,719
Additions	35,671	135,650	-	-	171,321
Disposals	-	-	-	-	-
At 31 December 2020	<u>422,267</u>	<u>889,396</u>	<u>36,265</u>	<u>941,112</u>	<u>2,289,040</u>
ACCUMULATED DEPRECIATION					
At 1 January 2020	301,147	587,377	36,265	868,657	1,793,446
Charge for year	32,402	87,082	-	45,799	165,283
Disposals	-	-	-	-	-
At 31 December 2020	<u>333,549</u>	<u>674,459</u>	<u>36,265</u>	<u>914,456</u>	<u>1,958,729</u>
NET BOOK VALUE					
At 31 December 2020	<u>88,718</u>	<u>214,937</u>	<u>-</u>	<u>26,656</u>	<u>330,311</u>
At 31 December 2019	<u>85,449</u>	<u>166,369</u>	<u>-</u>	<u>72,455</u>	<u>324,273</u>

Depreciation has been charged to administrative expenses within the income statement.

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

9. RIGHT-OF-USE ASSETS

	Leasehold property £	Motor vehicles £	Totals £
COST			
At 1 January 2020	2,653,685	785,925	3,439,610
Additions	-	626,158	626,158
Disposals	-	(237,860)	(237,860)
At 31 December 2020	<u>2,653,685</u>	<u>1,174,223</u>	<u>3,827,908</u>
ACCUMULATED DEPRECIATION			
At 1 January 2020	318,884	314,480	633,364
Charge for year	340,575	323,136	663,711
Eliminated on disposal	-	(237,860)	(237,860)
At 31 December 2020	<u>659,459</u>	<u>399,756</u>	<u>1,059,215</u>
NET BOOK VALUE			
At 31 December 2020	<u>1,994,226</u>	<u>774,467</u>	<u>2,768,693</u>
At 31 December 2019	<u>2,334,801</u>	<u>471,445</u>	<u>2,806,246</u>

Depreciation has been charged to administrative expenses within the income statement.

10. STOCKS

	2020 £	2019 £
Raw materials and consumables	<u>2,708,354</u>	<u>2,598,316</u>

A provision for the devaluation of inventory, due to slow-moving and obsolete stock, has been included in the above figures, amounting to a reduction in the value of stocks of £249,352 (2019: reduction of £230,894).

11. TRADE AND OTHER RECEIVABLES

	2020 £	2019 £
Trade receivables	3,154,422	5,497,454
Amounts owed by group undertakings	39,978,565	7,405,381
Amounts recoverable on contracts	261,155	108,480
Prepayments and accrued income	<u>597,011</u>	<u>746,424</u>
	<u>43,991,153</u>	<u>13,757,739</u>

Amounts owed by group undertakings are unsecured, interest free, repayable on demand.

Trade receivables are stated after provisions for impairment of £131,231 (2019: £50,303).

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

11. TRADE AND OTHER RECEIVABLES - continued

IFRS 9 Disclosure

The trade receivables impairment provision is calculated using the simplified approach to the expected credit loss model, based on the following percentages:

Age of trade receivables

	2020	2019
	%	%
Not due or overdue	0.1	0.1
Due within 30 days	0.3	0.3
Due 30-90 days	2.5	2.5
90-180 days past due	12.5	12.5
181-360 days past due	50.0	50.0
Over 360 days past due	100.0	100.0
	=====	=====

The provision for impairment of receivables is charged to administrative expenses in the statement of comprehensive income, where applicable. The receivables due from project management are deemed to fall out of the scope of impairment under IFRS 9, due to the fact that all the outstanding debts are under a signed agreement and are recoverable once the works are completed.

	2020	2019
	£	£
<u>Project management debt:</u>		
Not due nor overdue	(4,420)	-
Due within 30 days	-	-
30-90 days	8,487	-
90-180 days past due	-	-
181-360 days past due	-	-
- Provision for impairment	-	-
Over 360 days past due	513,565	1,218,196
- Provision for impairment	-	-
	=====	=====

No provision for impairment is considered necessary for the long term debt on projects as all the debt above is under contract and considered recoverable. Historically no debts have been written off on any such project related debt.

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

11. TRADE AND OTHER RECEIVABLES - continued

IFRS 9 Disclosure - continued

Service Debt:

	2020	2019
	£	£
Not due nor overdue	2,180,644	3,291,515
- Provision for impairment	(2,180)	(3,291)
Due within 30 days	396,635	904,720
- Provision for impairment	(1,190)	(2,714)
30-90 days past due	84,118	61,683
- Provision for impairment	(2,103)	(1,542)
90-180 days past due	(4,001)	(23,543)
- Provision for impairment	-	-
181-360 days past due	-	54,982
- Provision for impairment	-	(27,491)
Over 360 days past due	125,758	15,265
- Provision for impairment	(125,758)	(15,265)
	=====	=====
Total debt	3,300,786	5,522,798
	=====	=====
Total provision for impairment	131,231	50,303
	=====	=====

**12. TRADE AND OTHER PAYABLES:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade payables	3,085,794	1,670,962
Amounts owed to group undertakings	4,100,947	1,569,841
Corporation tax liability	1,477	1,477
Payments on account	31,132,650	3,509,698
Service contract liability	12,456,674	13,669,171
Accruals and deferred income	10,599,896	5,443,519
Lease liabilities	626,251	511,066
	=====	=====
	62,003,689	26,375,734
	=====	=====

Amounts due to group undertakings are repayable on demand. Late payments to group undertakings are subject to interest at a rate of 0.5% below Bundesbank Euribor rate.

Payments on account are liabilities to customers on sites under construction under IFRS 15.

Service contract liability is the revenue from completed projects under a maintenance and service agreement under IFRS 15.

Included within accruals, there is a provision of Guarantee for £1,930,738 (2019: £1,431,375) and a provision for Liquidated damages of £231,553 (2019: £1,274,567).

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

13. TRADE AND OTHER PAYABLES:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Lease liabilities	<u>2,155,790</u>	<u>2,276,375</u>

Minimum lease payments fall due as follows:

	2020	2019
	£	£
Gross obligations repayable:		
Within one year	626,251	511,066
Between one and five years	1,436,076	1,319,958
In more than five years	<u>719,714</u>	<u>956,417</u>
	<u>2,782,041</u>	<u>2,787,441</u>

Finance charges repayable:		
Within one year	(72,843)	(68,961)
Between one and five years	(137,980)	(153,128)
In more than five years	<u>(25,910)</u>	<u>(46,441)</u>
	<u>(236,733)</u>	<u>(268,530)</u>

Net obligations repayable:		
Within one year	553,408	442,105
Between one and five years	1,298,096	1,166,830
In more than five years	<u>693,804</u>	<u>909,976</u>
	<u>2,545,308</u>	<u>2,518,911</u>

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

14. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	<u>22,890</u>	<u>18,772</u>

	Deferred tax £
Balance at 1 January 2020	18,772
Provided during year	<u>4,118</u>
Balance at 31 December 2020	<u>22,890</u>

	2020	2019
	£	£
Warranty provisions on completed wind turbines		
At 1 January 2020	278,404	855,913
Additional warranties	-	-
Released to the income statement	<u>(168,758)</u>	<u>(577,509)</u>
At 31 December 2020	<u>109,646</u>	<u>278,404</u>

	2020	2019
	£	£
Dilapidations		
At 1 January 2020	119,753	-
Dilapidations provided	<u>-</u>	<u>119,753</u>
At 31 December 2020	<u>119,753</u>	<u>119,753</u>
 Total provisions for liabilities	 <u>252,289</u>	 <u>416,929</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:		
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

NORDEX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

16. RESERVES

	Accumulated losses £	Other reserves £	Totals £
At 1 January 2020	(27,967,928)	19,575,000	(8,392,928)
Loss for the year	<u>(2,293,354)</u>	<u>-</u>	<u>(2,293,354)</u>
At 31 December 2020	<u>(30,261,282)</u>	<u>19,575,000</u>	<u>(10,686,282)</u>

17. ULTIMATE PARENT COMPANY

Nordex Energy SE (incorporated in Germany) is regarded by the directors as being the company's ultimate parent company.

The company is a wholly owned subsidiary of Nordex International GmbH, a company incorporated in Germany

The ultimate parent undertaking and controlling party is Nordex SE, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Nordex SE consolidated financial statements can be obtained from the Company Secretary at Langenhorner, Chaussee, 22419, Hamburg, Germany.

18. CONTINGENT LIABILITIES

The company is a beneficiary and obligor under the parent company group credit and guarantee facilities.

The credit line has been refinanced in April 2020 and as such the group was granted a syndicated multicurrency credit facility of EUR 1238.75 million. The sum is only available for issuing guarantees.

The company is also a member of EUR 100 million cash loan agreement with the European Investment Bank, dated 22 February 2014, a guarantor of the 350mEUR Revolving Credit Facility dated 5 August 2020 and a guarantor of the 275mEUR Bond issued in February 2017 due 02/2023. All debt instruments are pari passu and unsecured.

19. RELATED PARTY DISCLOSURES

The company has relied on the exemptions available under FRS8, 'related party disclosures', with regard to transactions with other entities that form part of the Nordex SE Group.

20. POST BALANCE SHEET EVENTS

On 25 February 2021 a resolution was signed for Nordex Energy BV to contribute with economic effect an amount of £10,000,000 to the capital reserves of Nordex UK Limited. The said transaction took place on 11 March 2021, the effect of which overturned the shareholders deficit on the balance sheet.