



Q1 2018

**INTERIM REPORT FOR THE PERIOD
FROM 1 JANUARY TO 31 MARCH 2018**



KEY FIGURES AT A GLANCE

Key figures Nordex

		01.01. – 31.03.2018	01.01. – 31.03.2017	Change
Earnings				
Sales	EUR million	487.9	648.4	-24.8%
Gross revenue	EUR million	384.3	663.6	-42.1%
EBITDA	EUR million	20.0	51.2	-60.9%
EBIT	EUR million	-16.5	17.1	n/a
Free cash flow	EUR million	-84.3	-179.0	n/a
Capital expenditure	EUR million	19.6	32.0	-38.8%
Consolidated net profit for the year	EUR million	-19.4	7.1	n/a
Earnings per share ¹	EUR	-0.20	0.07	n/a
EBITDA margin	%	4.1	7.9	-3.8 pp
Working capital ratio	%	4.8	5.3	-0.5 pp
Statement of financial position as of 31.03.2018 and 31.12.2017				
Total assets	EUR million	3,204.2	2,807.6	14.1%
Equity	EUR million	776.9	919.0	-15.5%
Equity ratio	%	24.2	32.7	-8.5 pp
Employees				
Employees as at 31.03.		5,124	5,214	-1.7%
Staff costs	EUR million	79.6	81.8	-2.7%
Staff cost ratio	%	16.3	12.6	3.7 pp
Company-specific performance indicators				
Order intake Projects segment	EUR million	819.9	333.3	146.0%
Installed capacity	MW	522.9	415.6	25.8%

¹ Earnings per share = basic, based on average weighted shares for 2018: 96,982 million shares (2017: 96,982 million shares)

CONTENT



To our shareholders

02 Letter to the shareholders



Group Interim Management Report

04 Group Interim Management Report as of 31 March 2018



Interim Consolidated Financial Statements

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



Notes to the Consolidated Financial Statements

20 Notes to the Consolidated Financial Statements for the interim period from 1 January to 31 March 2018

LETTER TO THE SHAREHOLDERS



JOSÉ LUIS BLANCO
Chief Executive
Officer

*Dear Shareholders
and Business Partners,*

Our industry is still undergoing change that is having a profound impact. Competition remains intense and is shaping our everyday business. On the other hand, wind power is continuing to hold its ground and is one of the most attractive sources of energy in most of our markets when it comes to new production capacity. This represents a key growth driver in the long term.

Our company made a solid start to the 2018 financial year in line with our expectations. We generated order volume of just over one gigawatt in the first three months of the year, which will be realized particularly in the financial year 2019. However, weak order intake seen at the start of last year, impacted first quarter sales and earnings as expected, with both figures decreasing year-on-year in the period under review. The same applies to production, which we can manage flexibly according to order intake and installations. The installation of major projects during this year will once again lift production volumes. We expect each quarter to have a different activity and sales profile and the second half of the year to be stronger than the first two quarters.

The initiatives and projects completed in 2017 and early 2018 mean our company is well prepared for 2018. Significantly extending the maturity profile of our borrowings places us in a strong financial position and means we can plan for the future with confidence. Improving working capital management and strict cost management and awareness are part and parcel of our everyday work, as demonstrated by the steady reduction of our cost of energy. Our aim is to make our customers' projects a success and facilitate a sustainable and clean global energy supply. Our product strategy – developed in close consultation with our customers – plays a key role in this respect. In April we expanded our product portfolio by unveiling the N133/4.8 turbine specially designed for high-wind sites. This turbine generates 39% more yield compared to its predecessor, while its flexible control system takes customer requirements, demand and location into account.

We have a global presence in all of our key growth and volume markets. Against this backdrop, we are continuing to develop our supply chain to reduce project lead times and cut costs. The requirements and wishes of our customers always determine the direction of our business.

We are confident that we are on the right track to ensure that our company is competitively positioned in the long term. Thank you for placing your trust in our work. As shareholders, you should benefit from our positive performance.

Kind regards,



José Luis Blanco
Chief Executive Officer

Hamburg, May 2018

GROUP INTERIM MANAGEMENT REPORT

FOR THE PERIOD ENDED 31 MARCH 2018

SECTOR ENVIRONMENT UNCHANGED

In the wind industry, the general conditions and competitive landscape have changed very little since the end of 2017. The lion's share of wind energy production capacity throughout the world is allocated using auction systems. This results in intense competition along with the corresponding pressure on tariffs paid to power plant operators and on the price of wind turbines. The information on the sector-specific environment presented in the 2017 Annual Report continues to be valid for the most part.

In February 2018, this year's first onshore wind auction in Germany awarded 700 MW. Unlike in 2017, all of the companies participating in the auction were required to present construction permits in accordance with the Federal Pollution Control Act (BImSchG). The average price awarded was 4.60 ct/kWh with a price range of 3.80 ct/kWh and 5.28 ct/kWh, thus exceeding the prices in the previous auction at the end of 2017. A total of three further auctions for 700 MW each are scheduled in 2018.

In South Africa, the open power purchase agreements (PPA) for 27 power plant projects using renewable energies were signed by the new energy minister and state-owned energy company Eskom at the beginning of April 2018. The feed-in licenses stem from the fourth round of tenders in South Africa in 2015 and cover production capacity totaling 2.3 GW. The wind energy projects with a volume totaling 1.4 GW also include Nordex Group projects.

BUSINESS PERFORMANCE

In the first quarter of financial year 2018, the Nordex Group's performance met internal expectations and confirmed the outlook for the 2018 financial year published at the end of March. As expected, the downturn in sales mainly reflects the low level of incoming orders at the beginning of the 2017 financial year. In the second half of 2018 in particular, stepped up installation activity will drive sales performance. The EBITDA margin for the first quarter of 2018 fell within the target range for the year as a whole despite low sales. In addition, order intake was satisfactory in the first quarter, benefiting particularly from the large-scale projects landed in North and South America and Europe.

SEGMENT DEVELOPMENT

EUR	Projects		Service		Group	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Order intake	819.9	333.3	14.3	40.5 ¹	834.2	373.8
Order book	2,710.0	1,988.1	1,929.5	1,773.0	4,639.5	3,761.1
Sales	409.6	578.5	78.8	72.8	487.9 ²	648.4 ²
EBIT	23.3	48.0	13.6	7.1	-16.5 ³	17.1 ³

¹ Excluding renewals of existing contracts

² After unallocated sales and intrasegment consolidation

³ After unallocated income and expenses and intrasegment consolidation

Segment reporting was adjusted during preparation of the financial statements for the first quarter of 2018 in order to improve its informative value and enhance comparability with peers in the industry. Sales, income and expenses that cannot be directly allocated to the "Projects" or "Service" segments are reported separately as "Not allocated." The complete segment report can be found in the notes starting on page 24.

The prior-year figures were adjusted to reflect the new presentation.

Sales from 1 January to 31 March 2018 were determined in accordance with the IFRS 15 accounting standard, which had to be applied as of 1 January 2018, whereas sales from 1 January to 31 March 2017 were determined in accordance with IAS 11. Additional information is available in note (20) to the financial statements and in the 2017 Annual Report.

NEW ORDERS

In the first quarter of 2018, Nordex landed new confirmed orders valued at EUR 819.9 million (Q1 2017: EUR 333.3 million) in the Projects segment. In terms of nominal output, the order volume totalled 1,007.5 MW (Q1 2017: 367.5 MW). The orders were from eleven countries, with Europe accounting for 52%, Latin America for 37% and North America for 11% (calculated in MW). The largest individual markets in the first three months of the current financial year were France, Mexico and Sweden. Moreover, Nordex also won large-scale projects in Turkey, the United States and Chile. In contrast, the continued weakness of the German market was again evident. The Nordex Group's home market generated just under 5% of orders. In the reporting period, the most frequently sold wind turbines were the AW 132/3300 and the N131/3900 models.

The confirmed order book in the Projects segment stood at EUR 2,710.0 million at the end of the first quarter of 2018 (31 March 2017: EUR 1,988.1 million). The sharp increase against the figure at 31 December 2017

(EUR 1,670.2 million) was primarily the result of two factors. On the one hand, the high order intake level and comparatively low sales in the Projects segment had a positive effect in Q1 2018. On the other hand, the initial application of the new IFRS 15 accounting standard significantly affected these figures. This effect will dissipate for the most part in the course of 2018. About half of the order book was generated in Europe (53%), while Latin America accounted for 23%, North America (USA) for 20% and the combined "Rest of the world" reporting segment for 4%.

The book-to-bill ratio (ratio of order intake to sales recognized in the Projects segment) stood at 2.00 for the first quarter of the 2018 financial year (Q1 2017: 0.58). This figure is an indicator of future growth.

In Q1 2018, the Nordex Group received service orders totaling EUR 14.3 million (Q1 2017: EUR 40.5 million; in the previous year: exclusively extensions of existing contracts). The order book in the Service segment amounted to EUR 1,929.5 million as of quarter-end on 31 March 2018 (31 March 2017: EUR 1,773.0 million). As of the end of Q1 2018, the Service segment serviced 6,912 wind turbines worldwide with total installed capacity of 16.5 GW (31 March 2017: 13.6 GW).

PRODUCTION AND INSTALLATION

Production	Turbines (MW)		Rotor blades (units)	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Germany	238.9	443.8	51	111
Spain	75.0	224.3	129	98
Brazil	15.0	33.0	—	—
India	18.0	3.0	—	—
Total	346.9	704.1	180	209

Nordex produced 114 turbines (Q1 2017: 250 turbines) with a nominal output totaling 346.9 MW (Q1 2017: 704.1 MW) in the first quarter of 2018. Of these, 78 were Gamma and Delta turbines manufactured in Germany, and 36 were AW3000 turbines assembled in Spain, Brazil and India. The Nordex Group's rotor blade plants in Germany and Spain together manufactured 180 rotor blades in the reporting period (Q1 2017: 209 rotor blades). The Nordex

Group aligns its production activities with planned delivery or installation of turbines. For this reason, the time frame for production for European projects in particular was comparatively short, which had an effect in the first quarter. Later in 2018, production output will therefore trend upward. The decline in rotor blade production in Germany is attributable to the shift to manufacturing type NR74.5 rotor blades for the new N149/4.0-4.5 turbine.

	Installed capacity (MW)	
	Q1 2018	Q1 2017
Europe	204.7	274.6
North America	0.0	15.0
Latin America	252.0	51.0
Rest of world	66.2	75.0
Total	522.9	415.6

In the reporting period (January to March 2018), Nordex installed a total of 171 wind turbines with a total output of 522.9 MW (Q1 2017: 415.6 MW) in eight countries. Almost half (47%) were installed in Latin America in projects in Argentina, Mexico and Peru, while 41% of the wind turbines were installed in Europe and 12% in Australia and therefore the "Rest of the world" region.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Key figure	01.01.– 31.03.2018	01.01.– 31.03.2017	Change
Sales (in EUR million)	487.9	648.4	-24.8%
EBITDA margin (in %)	4.1	7.9	-3.8 pp
EBIT margin ¹ (in %)	-0.2	4.6	-4.8 pp
Capital expenditure (in EUR million)	19.6	32.0	-38.8%
Financial result (in EUR million)	-10.6	-6.3	n/a
Consolidated profit/loss (in EUR million)	-19.4	7.1	n/a
Earnings per share ² (in EUR)	-0.20	0.07	n/a
Working capital ratio (in %, as of 31 March)	4.8	8.4	-3.6 pp
Free cash flow (in EUR million)	-84.3	-179.0	n/a
Equity ratio (in %, as of 31 March)	24.2	33.0	-8.8 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's sales in the first quarter of 2018 amounted to EUR 487.9 million, down 24.8% from the prior-year quarter (Q1 2017: EUR 648.4 million). Sales performance therefore met internal expectations.

In the reporting period, the Projects segment generated sales of EUR 409.6 million (Q1 2017: EUR 578.5 million), a decline of 29.2% from the prior-year quarter. In the same period, the Service segment increased sales to EUR 78.8 million (Q1 2017: EUR 72.8 million), for growth of 8.2% over the prior-year quarter. As a result, the Service segment's contribution to overall sales was 16%.

Gross profit (gross revenue less cost of materials) decreased by 26.3% to EUR 141.7 million in the first quarter of 2018 (Q1 2017: EUR 192.2 million). Structural costs (staff costs and net other operating income/expenses) declined 13.7% from the prior-year quarter to EUR 121.7 million (Q1 2017: EUR 141.0 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 20.0 million in Q1 2018, down 60.9% compared with the same quarter the previous year (Q1 2017: EUR 51.2 million). The EBITDA margin was therefore 4.1% after 7.9% in the prior-year quarter. Depreciation, amortization and impairment losses totaled EUR 36.5 million in the reporting period (Q1 2017: EUR 34.1 million). Of this total, EUR 15.5 million (Q1 2017: EUR 12.5 million) can be traced back to impairment losses arising from the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower. Before interest and taxes, Nordex generated EBIT of EUR -16.5 million in the first quarter of 2018 (Q1 2017: EUR 17.1 million), for an EBIT margin of -3.4% (Q1 2017: 2.6%). Adjusted for the PPA impairment losses, the EBIT margin dropped to -0.2% in the quarter under review (Q1 2017: 4.6%).

In the Projects segment, the Nordex Group's EBIT was down to EUR 23.3 million in the first quarter of 2018 (Q1 2017: EUR 48.0 million). EBIT in the Service segment rose to EUR 13.6 million, which is higher than the figure for the same period of 2017 (EUR 7.1 million).

The financial result of EUR -10.6 million (Q1 2017: EUR -6.3 million) reflects the higher debt level compared to the prior-year quarter. In view of a positive net tax figure, the Nordex Group generated a consolidated loss

of EUR 19.4 million in the first quarter of 2018 in contrast to a consolidated profit of EUR 7.1 million in the same quarter the previous year. Earnings per share (EPS) were therefore negative in the reporting period, amounting to EUR -0.20 (Q1 2017: EUR 0.07).

The working capital ratio was 4.8% as of 31 March 2018 (31 March 2017: 8.4%, 31 December 2017: 5.3%). In the first three months of 2018, operating cash flow was EUR -65.6 million (Q1 2017: EUR -143.5 million), while cash flow from investing activities totaled EUR -18.8 million (Q1 2017: EUR -35.5 million). Free cash flow in the reporting period improved to EUR -84.3 million as against EUR -179.0 million in the prior-year quarter.

As of 31 March 2018, Nordex had cash and cash equivalents of EUR 676.2 million (31 December 2017: EUR 623.2 million). This resulted in net debt (liabilities to banks and bond less cash and cash equivalents) of EUR 152.4 million as of 31 March 2018 (31 December 2017: EUR 60.1 million).

In the first quarter of 2018, total assets increased sharply by 14.1% from the end of the year to EUR 3,204.2 million (31 December 2017: EUR 2,807.6 million). This was mainly due to the effects of the initial application of the IFRS 15 accounting standard with an increase in inventories and other current non-financial liabilities.

The effects of the initial application of the IFRS 15 accounting standard and the consolidated loss caused equity to decline to EUR 776.9 million (31 December 2017: EUR 919.0 million). The equity ratio was down to 24.2% as of 31 March 2018 on account of the increase in total assets and reduction in equity after amounting to 32.7% as of 31 December 2017.

The Group reduced capital expenditure (CAPEX) considerably from the prior-year quarter to EUR 19.6 million (Q1 2017: EUR 32.0 million). Investments in property, plant and equipment totaled EUR 12.6 million and additions to intangible assets amounted to EUR 7.0 million, including EUR 5.7 million in capitalized R&D expenses.

EMPLOYEES

As of 31 March 2018, the Nordex Group had a total of 5,124 employees (31 March 2017: 5,214 employees). Whereas the Service segment added employees, the workforce was recently reduced, particularly at the Hamburg and Rostock sites, as part of the “45-by-18” cost-cutting program. Some of the affected employees are still included in the employee statistics as staff on garden leave.

OPPORTUNITIES AND RISKS

In the first three months of 2018, no opportunities or risks affecting the business performance of the Nordex Group in the 2018 financial year arose that deviated materially from the opportunities and risks presented in the 2017 Annual Report.

OUTLOOK

The business performance of the Nordex Group in the first quarter of 2018 confirms the expectations for the 2018 financial year. As the year proceeds, sales are anticipated to increase in line with rising installation numbers. The level of activity in the individual quarters will likely differ significantly, with the second half of the year expected to be stronger overall.

In accordance with the outlook published at the end of March, Nordex projects sales for financial year 2018 of between EUR 2.4 billion and EUR 2.6 billion, with an EBITDA margin between 4% and 5%. The Group aims for a working capital ratio under 5% as of the end of 2018. Capital expenditure totaling EUR 110 million is planned.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

The present interim report for the quarter ended 31 March 2018 (Group interim management report and condensed interim consolidated financial statements) was neither audited nor reviewed by an auditor.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2018

Assets

EUR thousand	Note	31.03.2018 ¹	31.12.2017
Cash and cash equivalents	1	676,208	623,179
Trade receivables and future receivables from construction contracts	2	370,886	593,260
Inventories	3	740,690	195,578
Income tax receivables		1,338	8,517
Other current financial assets		16,027	14,674
Other current non-financial assets	4	110,138	107,872
Current assets		1,915,287	1,543,080
Property, plant and equipment	5	277,752	283,367
Goodwill	6	547,758	547,758
Capitalized R & D expenses	7	214,337	220,042
Other intangible assets	8	61,958	72,205
Financial assets		4,762	4,799
Investments in associates		1,930	5,165
Other non-current financial assets		17,233	17,149
Other non-current non-financial assets	9	19,917	13,166
Deferred tax assets	10	143,260	100,858
Non-current assets		1,288,907	1,264,509
Assets		3,204,194	2,807,589

¹ Some of the opening balance sheet figures as of 1 January 2018 differ from the closing balance sheet figures as of 31 December 2018 as a result of the mandatory conversion from IAS 11 to IFRS 15 as of 1 January 2018.

Equity and liabilities

EUR thousand	Note	31.03.2018 ¹	31.12.2017
Current liabilities to banks	11	49,644	68,667
Trade payables	12	375,120	446,567
Income tax payables		2,585	28,556
Other current provisions	13	160,150	151,350
Other current financial liabilities	14	36,338	49,827
Other current non-financial liabilities	15	781,544	359,131
Current liabilities		1,405,381	1,104,098
Non-current liabilities to banks	11	508,504	614,638
Pensions and similar obligations		2,045	2,035
Other non-current provisions	13	54,126	55,540
Other non-current financial liabilities	16	270,389	2,597
Other non-current non-financial liabilities	17	103,515	11,163
Deferred tax liabilities	10	83,357	98,528
Non-current liabilities		1,021,936	784,501
Subscribed capital		96,982	96,982
Capital reserves		597,626	597,626
Other retained earnings		37,501	37,501
Cash flow hedges		3,481	991
Foreign currency adjustment item		-13,358	-10,482
Consolidated net profit carried forward		74,019	196,372
Consolidated net profit		-19,374	0
Share in equity attributable to parent company's shareholders		776,877	918,990
Equity	18	776,877	918,990
Equity and liabilities		3,204,194	2,807,589

¹ Some of the opening balance sheet figures as of 1 January 2018 differ from the closing balance sheet figures as of 31 December 2018 as a result of the mandatory conversion from IAS 11 to IFRS 15 as of 1 January 2018.

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2018

Consolidated income statement

EUR thousand	Note	01.01.2018 – 31.03.2018	01.01.2017 – 31.03.2017
Sales	20	487,879	648,404
Changes in inventories and other own work capitalized	21	-103,593	15,221
Gross revenue		384,286	663,625
Other operating income	22	1,512	1,030
Cost of materials	23	-242,571	-471,411
Staff costs	24	-79,556	-81,788
Depreciation/amortization	25	-36,486	-34,091
Other operating expenses	22	-43,638	-60,238
Earnings before interest and taxes		-16,453	17,127
Profit/loss from equity-accounting method		-220	-229
Impairment of financial assets and securities classified as current assets		-145	-8
Other interest and similar income		1,073	1,262
Interest and similar expenses		-11,268	-7,288
Financial result	26	-10,560	-6,263
Net profit/loss from ordinary activities		-27,013	10,864
Income tax	27	7,639	-3,796
Consolidated net profit		-19,374	7,068
Of which attributable to			
shareholders of the parent		-19,374	7,068
Earnings per share (in EUR)	28		
Basic ¹		-0.20	0.07
Diluted ²		-0.20	0.07

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 31 MARCH 2018

Consolidated statement of comprehensive income

EUR thousand	01.01.2018– 31.03.2018	01.01.2017– 31.03.2017
Consolidated net profit	-19,374	7,068
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation difference	-2,866	2,277
Cash flow hedges	3,662	-835
Deferred taxes	-1,172	268
Consolidated comprehensive income	-19,750	8,778
Of which attributable to		
Shareholders of the parent	-19,750	8,778

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2018

Consolidated cash flow statement

EUR thousand	01.01.2018 – 31.03.2018	01.01.2017 – 31.03.2017
Operating activities		
Consolidated net profit	-19,374	7,068
+ Depreciation/amortization of non-current assets	36,631	34,099
= Consolidated net profit plus depreciation / amortization	17,257	41,167
+/- Decrease in inventories	38,365	-76,464
-/+ Decrease/increase in trade receivables and future receivables from construction contracts	-49,426	13,082
- Increase in trade payables	-90,879	-12,326
+/- Decrease in prepayments received	50,957	-63,776
= Payments made from changes in working capital	-50,983	-139,484
+ Decrease/increase in other assets not attributed to investing or financing activities	28,028	18,040
+ Increase in pensions and similar obligations	10	15
+/- Increase/decrease in other provisions	7,391	-2,927
- Decrease/increase in other liabilities not attributed to investing or financing activities	-68,360	-65,782
+/- Loss from the disposal of non-current assets	674	-107
- Other interest and similar income	-1,073	-1,262
+ Interest received	749	117
+ Interest and similar expenses	11,268	7,288
- Interest paid	-7,156	-5,096
-/+ Income tax	-7,639	3,796
- Taxes paid	-657	-669
+ Other non-cash expenses/income	4,934	1,393
= Payments made / received from other operating activities	-31,831	-45,194
= Cash flow from operating activities	-65,557	-143,511

Investing activities				
+	Payments received from the disposal of property, plant and equipment/intangible assets	707	73	
-	Payments made for investments in property, plant and equipment/intangible assets	-19,648	-35,736	
+	Payments received from the disposal of long-term financial assets	802	537	
-	Payments made for investments in long-term financial assets	-632	-369	
=	Cash flow from investing activities	-18,771	-35,495	
Financing activities				
+	Bank loans received	3,661	16,550	
-	Bank loans repaid	-128,621	-6,250	
+	Payments received from the issue of bonds	267,250	0	
=	Cash flow from financing activities	142,290	10,300	
Net change in cash and cash equivalents			57,962	-168,706
+	Cash and cash equivalents at the beginning of the period	623,179	649,464	
-	Exchange rate-induced change in cash and cash equivalents	-4,933	-1,394	
=	Cash and cash equivalents at the end of the period (Cash and cash equivalents as shown in the consolidated statement of financial position)	676,208	479,364	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2018

Consolidated statement of changes in equity
01.01. – 31.03.2018

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2018¹	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
31.03.2018	96,982	597,626	37,501

¹ Die Eröffnungsbilanzwerte zum 1. Januar 2018 weichen infolge der zum 1. Januar 2018 verpflichtend vorgenommenen Umstellung von IAS 11 auf IFRS 15 zum Teil von den Schlussbilanzwerten zum 31. Dezember 2017 ab.

	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	-10,492	74,019	0	796,627	796,627
	2,490	-2,866	0	-19,374	-19,750	-19,750
	0	0	0	-19,374	-19,374	-19,374
	0	-2,866	0	0	-2,866	-2,866
	3,662	0	0	0	3,662	3,662
	-1,172	0	0	0	-1,172	-1,172
	3,481	-13,358	74,019	-19,374	776,877	776,877

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017

Consolidated statement of changes in equity
01.01. – 31.03.2017

EUR thousand	Subscribed capital	Capital reserves	Other retained earnings
01.01.2017	96,982	597,626	23,694
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
31.03.2017	96,982	597,626	23,694

	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
	2,187	9,686	209,836	0	940,011	940,011
	-567	2,277	0	7,068	8,778	8,778
	0	0	0	7,068	7,068	7,068
	0	2,277	0	0	2,277	2,277
	-835	0	0	0	-835	-835
	268	0	0	0	268	268
	1,620	11,963	209,836	7,068	948,789	948,789

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD
FROM 1 JANUARY TO 31 MARCH 2018

ACCOUNTING POLICIES

BASIS OF PREPARATION

These unaudited and unreviewed condensed interim consolidated financial statements of Nordex SE and its subsidiaries for the first three months of 2018 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in the European Union. All IFRSs and interpretations applicable as of 31 March 2018 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 2017 financial year. The accounting policies contained in the consolidated financial statements as of 31 December 2017 also apply to the interim consolidated financial statements as of March 31, 2018, 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 2017. The consolidated financial statements for the financial year from 1 January to 31 December 2017 are available on the Internet at www.nordex-online.com under Investor Relations.

The business results for the first three months of 2018 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 STANDARDS

Since 1 January 2018, Nordex has applied both IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

The application of IFRS 9 introducing the expected credit loss model did not result in additional impairments of receivables due to their collateralization with guarantees, sureties and standby letters of credit as of 31 March 2018.

For other effects, please see the disclosures in the consolidated notes for the financial year from 1 January to 31 December 2017.

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 31.03. / 31.12.	
	01.01.–31.03.2018	01.01.–31.03.2017	31.03.2018	31.12.2017
ARS	24.3327	16.6844	24.7903	22.9840
AUD	1.5572	1.4098	1.6058	1.5340
BRL	3.9827	3.3457	4.1124	3.9695
CLP	738.3234	694.9270	743.7709	736.8111
GBP	0.8809	0.8572	0.8757	0.8873
HRK	7.4384	7.4658	7.4337	7.4340
INR	78.7945	71.0969	80.0000	76.0000
MXN	23.0510	21.3939	22.5230	23.5900
NOK	9.6461	8.9571	9.6800	9.8150
PEN	3.9692	3.4896	3.9745	3.8814
SEK	9.9632	9.5183	10.2720	9.8250
TRY	4.6835	3.9011	4.9351	4.5380
USD	1.2269	1.0653	1.2312	1.1990
ZAR	14.5751	14.2194	14.5497	14.7493

FINANCIAL RISK MANAGEMENT

DEBT INSTRUMENTS

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.

Schuldschein loan

On 6 April 2016, Nordex SE placed a Schuldschein loan with a volume of EUR 550,000 thousand for which Nordex Energy GmbH is jointly and severally liable with national and international investors. The Schuldschein (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 31 March 2018 under the loan agreement including accrued interest amounted to EUR 454,832 thousand (31 December 2017: EUR 552,514 thousand). Of the funds generated by the bond, EUR 100,000 thousand were used to repay the three-year, and in part the five-year, floating-rate Schuldschein tranches.

Research and development loan

In addition, Nordex has been granted a long-term research and development facility of up to EUR 100,000 thousand by the European Investment Bank. Nordex intends to use this loan to finance the development of increasingly more efficient technical solutions to additionally extend its competitive lead. The loan has a term of eight years from the date on which it is drawn and is repaid in installments. The borrower is Nordex Energy GmbH, with the main Nordex Group companies holding joint and several liability. Utilization as at 31 March 2018 under the loan agreement including accrued interest amounted to EUR 71,959 thousand (31 December 2017: EUR 78,686 thousand).

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 31 March 2018, EUR 477,833 thousand (31 December 2017: EUR 539,257 thousand) of the multi-currency guarantee facility had been drawn down in the form of cash and guarantees.

Ancillary credit facilities have been set up under the multi-currency guarantee facility for Acciona Windpower Brasil – Comércio, Indústria, Exportação e Importação de Equipamentos para Geração de Energia Eólica Ltda. and Acciona Windpower India Private Limited. As of 31 March 2018, the cash drawdowns plus accrued interest on these facilities amounted to EUR 31,357 thousand (31 December 2017: EUR 52,105 thousand).

None of the financing instruments is collateralized and they are all subject to the same representations and undertakings.

The loan by the European Investment Bank and the syndicated multi-currency guarantee facility are further subject to uniform and agreed financial covenants such as equity ratio, leverage and interest coverage, compliance with which is confirmed in quarterly reports to the banks. As in the previous year, the financial covenants were met in the first three months of 2018.

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 776,877 thousand as at 31 March 2018 (31 December 2017: EUR 918,990 thousand). The Group monitors its capital by means of the working capital employed.

Working capital ratio

EUR thousand	31.03.2018	31.12.2017
Trade receivables	245,026	181,944
Future receivables from construction contracts	125,860	411,316
Inventories	740,690	195,578
Trade payables	-375,120	-446,567
Prepayments received	-620,182	-179,053
	116,274	163,218
Sales ¹	2,400,000	3,077,788
Working capital ratio	4.8%	5.3%

¹ 31 March 2018: according to guidance; 31 December 2017: 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 interim consolidated financial statements.

Group segment reporting

EUR thousand	Projects		Service	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Sales	409,613	578,457	78,846	72,752
Changes in inventories and other own work capitalized	-103,453	15,475	-56	-73
Cost of materials	-198,305	-454,261	-31,943	-32,629
Other income and expenses	-84,521	-91,688	-33,225	-32,975
Earnings before interest and taxes	23,332	47,982	13,622	7,076
Other interest and similar income	0	0	0	0
Interest and similar expenses	0	0	0	0

	Not allocated		Consolidation		Total	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
	707	511	-1,287	-3,316	487,879	648,404
	-84	-181	0	0	-103,593	15,221
	-13,610	12,163	1,287	3,316	-242,571	-471,411
	-40,422	-50,424	0	0	-158,168	-175,087
	-53,407	-37,931	0	0	-16,453	17,127
	1,073	1,262	0	0	1,073	1,262
	-11,268	-7,288	0	0	-11,268	-7,288

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	
	31.03.2018	31.12.2017	01.01.–31.03.2018	01.01.–31.03.2017
Europe	473,735	481,586	305,784	429,695
Latin America	29,828	33,810	138,160	58,448
North America	14,139	17,296	11,261	149,995
Rest of world	36,345	42,922	32,674	10,266
	554,047	575,614	487,879	648,404

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

Sales from 1 January to 31 March 2018 were determined in accordance with IFRS 15, which had to be applied as of 1 January 2018, whereas sales from 1 January to 31 March 2017 were determined in accordance with IAS 11.

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 676,208 thousand (31 December 2017: EUR 623,179 thousand), EUR 82,114 thousand of which pertains to fixed-term deposits (31 December 2017: EUR 40,550 thousand).

Pursuant to IAS 39, cash and cash equivalents are classified as loans and receivables, and pursuant to IFRS 7, as financial assets, measured at (amortized) historical cost. Given the short residual terms to maturity, amortized cost would equal the fair value as in the previous year.

(2) TRADE RECEIVABLES AND FUTURE RECEIVABLES FROM CONSTRUCTION CONTRACTS

Receivables break down as follows:

Receivables

EUR thousand	31.03.2018	31.12.2017
Trade receivables (gross)	258,770	195,688
Less impairment	-13,744	-13,744
Trade receivables (net)	245,026	181,944
Future receivables from construction contracts	125,860	411,316
	370,886	593,260

Future receivables from construction contracts changed as follows:

Future receivables from construction contracts

EUR thousand	31.03.2018	31.12.2017
Accrued contract costs and pro-rated realized order profits	1,501,149	2,182,543
Less prepayments received	-1,375,289	-1,771,227
	125,860	411,316

Retentions by customers are usually associated with punch lists not yet completed and largely refer to final payments outstanding for more than 60 days. Such retentions amount to EUR 37,294 thousand (31 December 2017: EUR 33,005 thousand).

Pursuant to IAS 39, trade receivables and future receivables from construction contracts are classified as loans and receivables, and pursuant to IFRS 7, as financial assets measured at (amortized) cost. Amortized cost would equal the fair value, as in the previous year.

(3) INVENTORIES

Inventories break down as follows:

Inventories

EUR thousand	31.03.2018	31.12.2017
Raw materials and supplies	215,450	136,268
Work in progress	491,424	26,875
Prepayments made	33,816	32,435
	740,690	195,578

Raw materials and supplies primarily comprise production and service material.

The carrying amount of inventories includes write-downs in the amount of EUR 46,992 thousand (31 December 2017: EUR 48,329 thousand).

(4) OTHER CURRENT NON-FINANCIAL ASSETS

The other current non-financial assets primarily comprise current tax assets of EUR 80,527 thousand (31 December 2017: EUR 97,667 thousand) and prepaid expenses of EUR 26,413 thousand (31 December 2017: EUR 6,951 thousand).

The current tax assets mainly concern current input tax assets.

Prepaid expenses chiefly comprise accrued costs for the multi-currency guarantee facility and accrued receivables under maintenance agreements pursuant to IFRS 15.

(5) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

Composition of property, plant and equipment

EUR thousand	31.03.2018	31.12.2017
Land and buildings	93,786	94,502
Technical equipment and machinery	113,649	120,695
Other fixtures and fittings, tools and equipment	36,658	39,442
Prepayments made and assets under construction	33,659	28,728
	277,752	283,367

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.

(6) 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.

(7) CAPITALIZED R&D EXPENSES

As at the reporting date, R&D expenses of EUR 214,337 thousand (31 December 2017: EUR 220,042 thousand) were capitalized. In the first three months of 2018, R&D expenses worth EUR 5,663 thousand (31 December 2017: EUR 48,244 thousand) were capitalized, including EUR 1,480 thousand from the initial consolidation of Nordex Blade Technology Centre ApS. Additions comprise in particular the development of the new Generation Delta wind turbine type N149. Additional R&D expenses of EUR 5,433 thousand also arising in the first three months of 2018 (31 December 2017: EUR 29,372 thousand) did not meet the criteria for capitalization and were therefore recognized in profit or loss. The capitalization ratio therefore amounts to 51.04% (31 December 2017: 61.42%).

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.

(8) OTHER INTANGIBLE ASSETS

Other intangible assets amount to EUR 61,958 thousand (31 December 2017: EUR 72,205 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.

(9) OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other non-current non-financial assets comprise current prepaid expenses of EUR 19,917 thousand (31 December 2017: EUR 13,166 thousand).

Prepaid expenses chiefly comprise accrued receivables under maintenance agreements pursuant to IFRS 15.

(10) DEFERRED TAX ASSETS AND TAX LIABILITIES

As at 31 March 2018, a rounded tax rate of 32.00% (31 December 2017: 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	2018	2017
Amount on 1.1.	48,639 ¹	-20,476
Recognized through profit or loss	12,655	25,913
Recognized in other comprehensive income	-1,172	560
Currency translation	-219	-3,667
Amount on 31.3./31.12.	59,903	2,330

¹ The opening balance sheet figure as of 1 January 2018 in the amount of EUR 48,639 thousand differs from the closing balance sheet figure as of 31 December 2018 by EUR 2,330 thousand as a result of the mandatory conversion from IAS 11 to IFRS 15 as of 1 January 2018.

(11) LIABILITIES TO BANKS

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

Pursuant to IAS 39, liabilities to banks are classified as financial liabilities at amortized cost, and pursuant to IFRS 7, as financial liabilities measured at amortized cost. The fair value would amount to EUR 563,947 thousand (31 December 2017: EUR 686,901 thousand).

(12) TRADE PAYABLES

Trade payables amount to EUR 375,120 thousand (31 December 2017: EUR 446,567 thousand).

Pursuant to IAS 39, trade payables are classified as financial liabilities at amortized cost, and pursuant to IFRS 7, 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.

(13) OTHER PROVISIONS

Movements in other provisions break down as follows:

Other provisions

EUR thousand	01.01.2018	Utilization	Reversals	Additions	31.03.2018
Individual guarantees	121,438	-994	-314	9,709	129,839
Warranties, service, maintenance	59,993	-3,428	-7,573	10,353	59,345
Others	25,453 ¹	-165	-196	0	25,092
	206,884	-4,587	-8,083	20,062	214,276

¹ The opening balance sheet figure as of 1 January 2018 in the amount of EUR 25,453 thousand differs from the closing balance sheet figure as of 31 December 2018 by EUR 25,459 thousand as a result of the mandatory conversion from IAS 11 to IFRS 15 as of 1 January 2018.

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 the "45-by-18" cost reduction program, legal risks and the cost of preparing the annual financial statements.

Pursuant to IAS 39, the forward exchange transactions (fair value hedges) reported in other current financial liabilities are classified as financial liabilities held for trading, and pursuant to IFRS 7, as financial liabilities measured at fair value. The fair value amounts to EUR 358 thousand (31 December 2017: EUR 291 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.

(14) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly concern outstanding invoices in the amount of EUR 23,876 thousand (31 December 2017: EUR 44,056 thousand).

Pursuant to IAS 39, liabilities recognized under other current financial liabilities are classified as financial liabilities at amortized cost, and pursuant to IFRS 7, as financial liabilities measured at amortized cost. Given the short residual terms to maturity, amortized cost amounting to EUR 35,856 thousand (31 December 2017: EUR 49,536 thousand) would equal the fair value as in the previous year.

The forward exchange transactions reported in other current financial liabilities in the scope of hedge accounting (cash flow hedges) are not subject to the measurement categories as per IAS 39. Pursuant to IFRS 7, they are classified as effective hedges measured at fair value. The fair value amounts to EUR 124 thousand (31 December 2017: EUR 0 thousand).

(15) OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities mainly comprise prepayments received of EUR 620,182 thousand (31 December 2017: EUR 179,053 thousand), accrued liabilities of EUR 89,580 thousand (31 December 2017: EUR 103,973 thousand) and deferred income of EUR 45,280 thousand (31 December 2017: EUR 34,900 thousand).

Accrued liabilities mainly comprise staff costs and trailing project costs.

Deferred income primarily concerns accrued liabilities under maintenance agreements pursuant to IFRS 15.

(16) OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities mainly concern the bond in the amount of EUR 267,509 thousand (31 December 2017: EUR 0 thousand).

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

Pursuant to IAS 39, liabilities recognized in other non-current financial liabilities are classified as financial liabilities at amortized cost, and pursuant to IFRS 7, as financial liabilities measured at amortized cost; there are no forward exchange transactions. Based on the bond's share price of 92.50% as at the reporting date, the fair value would be EUR 249,764 thousand (31 December 2017: Amortized cost would equal fair value because the interest rate corresponds to the prevailing market rate).

(17) OTHER NON-CURRENT NON-FINANCIAL LIABILITIES

Other non-current non-financial liabilities mainly comprise deferred income of EUR 98,912 thousand (31 December 2017: EUR 6,867 thousand).

Deferred income concerns accrued liabilities under maintenance agreements pursuant to IFRS 15.

(18) EQUITY

Equity breaks down as follows:

Equity

EUR thousand	31.03.2018	31.12.2017
Subscribed capital	96,982	96,982
Capital reserves	597,626	597,626
Other retained earnings	37,501	37,501
Cash flow hedges	3,481	991
Foreign currency adjustment item	-13,358	-10,482
Consolidated net profit carried forward	74,019 ¹	196,372
Consolidated net profit	-19,374	0
Share in equity attributable to parent company's shareholders	776,877	918,990
	776,877	918,990

¹ The opening balance sheet figure as of 1 January 2018 in the amount of EUR 74,019 thousand differs from the closing balance sheet figure as of 31 December 2018 by EUR 196,372 thousand as a result of the mandatory conversion from IAS 11 to IFRS 15 as of 1 January 2018.

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

**(19) 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)**31.03.2018**

EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions (financial assets held for trading, fair value hedges)	—	1,600	—	1,600
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	5,201	—	5,201
Financial liabilities				
Liabilities to banks	—	563,947	—	563,947
Bond	246,884	—	—	246,884
Forward exchange transactions (financial liabilities held for trading, fair value hedges)	—	358	—	358
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	124	—	124

31.12.2017

EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions (financial assets held for trading, fair value hedges)	—	1,559	—	1,559
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	1,459	—	1,459
Financial liabilities				
Liabilities to banks	—	686,901	—	686,901
Forward exchange transactions (financial liabilities held for trading, fair value hedges)	—	291	—	291
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	0	—	0

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

(20) SALES

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

Sales by segment (IFRS 15 / IAS 11)

EUR thousand	01.01.– 31.03.2018	01.01.– 31.03.2017
Projects	409,613	578,457
Service	78,846	72,752
Not allocated	707	511
Intrasegment consolidation	-1,287	-3,316
	487,879	648,404

Sales from 1 January to 31 March 2018 were determined in accordance with IFRS 15, which had to applied as of 1 January 2018, whereas sales from 1 January to 31 March 2017 were determined in accordance with IAS 11.

(21) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Changes in inventories stand at EUR -112,297 thousand (1 January to 31 March 2017: EUR 6,245 thousand).

Own work capitalized is measured at EUR 8,704 thousand (1 January to 31 March 2017: EUR 8,976 thousand) and, as in the previous year, relates to capitalized expenses for developing and enhancing new and existing wind turbines.

(22) OTHER OPERATING INCOME / OTHER OPERATING EXPENSES

Other operating income/expenses mainly comprise currency losses of EUR -5,051 thousand (1 January to 31 March 2017: EUR -4,292 thousand), rents and leases of EUR -5,044 thousand (1 January to 31 March 2017: EUR -6,548 thousand), external staff costs of EUR -5,025 thousand (1 January to 31 March 2017: EUR -5,971 thousand), repair and maintenance of EUR -4,981 thousand (1 January to 31 March 2017: EUR -5,922 thousand), travel expenses of EUR -4,828 thousand (1 January to 31 March 2017: EUR -6,302 thousand) and patent fees of EUR -2,261 thousand (1 January to 31 March 2017: EUR -1,078 thousand).

(23) COST OF MATERIALS

The cost of materials breaks down as follows:

Cost of materials

EUR thousand	01.01.– 31.03.2018	01.01.– 31.03.2017
Cost of raw materials and other supplies	177,667	371,839
Cost of services purchased	64,904	99,572
	242,571	471,411

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.

(24) STAFF COSTS

Staff costs break down as follows:

Staff costs

EUR thousand	01.01.– 31.03.2018	01.01.– 31.03.2017
Wages and salaries	65,881	67,421
Social security and expenditure on retirement benefits and support	13,675	14,367
	79,556	81,788

The Group headcount was as follows:

Headcount (Group)

	01.01.–31.03.2018	01.01.–31.03.2017	Change
Reporting date			
Office staff	2,758	2,746	12
Technical staff	2,366	2,468	-102
	5,124	5,214	-90
Average			
Office staff	2,763	2,719	44
Technical staff	2,348	2,444	-96
	5,111	5,163	-52

The decline in the headcount resulted primarily from the "45-by-18" cost reduction program.

(25) DEPRECIATION / AMORTIZATION

Depreciation and amortization breaks down as follows:

Depreciation / amortization

EUR thousand	01.01.– 31.03.2018	01.01.– 31.03.2017
Depreciation of property, plant and equipment	13,950	13,396
Amortization of capitalized R&D expenses	11,282	11,548
Amortization of other intangible assets	11,254	9,147
	36,486	34,091

(26) FINANCIAL RESULT

The financial result breaks down as follows:

Financial result

EUR thousand	01.01.– 31.03.2018	01.01.– 31.03.2017
Profit/loss from equity-accounting method	-220	-229
Impairment of financial assets	-145	-8
Net profit / loss from investments	-365	-237
Other interest and similar income	1,073	1,262
Interest and similar expenses	-11,268	-7,288
Interest result	-10,195	-6,026
	-10,560	-6,263

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 and bank loans.

(27) INCOME TAX

As at 31 March 2018, a tax rate of 31.82% (31 December 2017: 31.82%) was applied for the purpose of calculating domestic current taxes. The above tax rate was calculated using a rate of 15.83% (31 December 2017: 15.83%) including the solidarity surcharge for corporate tax and 15.99% (31 December 2017: 15.99%) for trade tax.

Income tax breaks down as follows:

Income tax

EUR thousand	01.01.– 31.03.2018	01.01.– 31.03.2017
Current income tax	-5,016	1,019
Deferred income tax	12,655	-4,815
Total income taxes	7,639	-3,796

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

EUR thousand	01.01.– 31.03.2018	01.01.– 31.03.2017
Consolidated net profit/loss for the year	-19,374	7,068
of which shareholders of the parent	-19,374	7,068
Weighted average number of shares	96,982,447	96,982,447
Basic earnings per share (EUR)	-0.20	0.07

Diluted

Diluted earnings per share also stand at EUR -0.20 (1 January to 31 March 2017: EUR 0.07).

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.

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 (-)	
	31.03.2018	31.12.2017	01.01.– 31.03.2018	01.01.– 31.03.2017
Acciona Energia S.A.	1,380/-3,526	1,750/-4,218	2,011/-1,239	526/-512
Acciona Energia Chile S.A.	0/-24,927	0/-17,171	0/0	0/0
Acciona Energia Servicios Mexico S. de R.L. de C.V.	128,685/-92,451	125,279/-88,869	7,872/0	0/0
Acciona Energy Global Poland Sp. z o.o.	390/0	475/0	7/-3	104/-3
Acciona Energy Oceania Construction Pty. Ltd.	70,746/-68,598	49,305/-60,797	21,468/-6	0/0
Acciona Energy USA Global LLC	224/-266	553/-328	0/0	0/0
Acciona Facility Services S.A.	35/-489	48/-441	17/-725	13/-844
Acciona S.A.	0/-1,734	0/1,428	0/-253	0/-208
Consorcio Eolico Chiripa S.A.	670/-316	681/-324	0/0	0/0
Oakleaf Investment Holding 86 Pty. Ltd	572/0	572/0	0/0	0/0
San Roman Wind LLC	846/0	428/0	0/0	0/0
Sun Photo Voltaic Energy India Pvt. Ltd.	316/0	10,332/0	0/0	2,778/0
Other	149/-573	123/-440	0/-459	259/-317

During the financial year, two contracts to deliver and assemble wind power systems in Chile and the United States amounting to EUR 134,219 thousand (1 January to 31 March 2017: EUR 0 thousand) were won by Acciona Energia Chile S.A. and Acciona Energy USA Global LLC.

In addition, the Nordex Group holds a 75% interest in natcon7 GmbH, which is therefore a non-consolidated affiliated company.

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 Nordex companies attributable to him.

In addition, the shares in GN Renewable Investments S.à r.l. (30.00%) are also classified as an associate.

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 (-)	
	31.03.2018	31.12.2017	01.01.– 31.03.2018	01.01.– 31.03.2017
natcon7 GmbH	0/-508	0/-1,444	0/-698	0/-2,370
C&C Wind Sp. z o.o.	0/0	0/0	273/-301	0/-94
GN Renewable Investments S.à. r.l.	0/0	0/0	93/0	0/-22

CONSOLIDATED CASH FLOW STATEMENT

The cash flow from operating activities in the amount of EUR –65,557 thousand (1 January to 31 March 2017: EUR –143,511 thousand) results primarily from payments made for changes in working capital in the amount of EUR 50,983 thousand (1 January to 31 March 2017: EUR 139,484 thousand)

Cash flow from investing activities in the financial year ended amounted to EUR –18,771 thousand (1 January to 31 March 2017: EUR –35,495 thousand). Investments of EUR 12,611 thousand (1 January to 31 March 2017: EUR 22,153 thousand) were made in property, plant and equipment, mainly related to the construction of the Nordex Forum II and the procurement of molds for the production of rotor blades. Development projects of EUR 5,662 thousand (1 January to 31 March 2017: EUR 6,552 thousand) were capitalized.

Cash flow from financing activities amounts to EUR 142,290 thousand (1 January to 31 March 2017: EUR 10,300 thousand) and is primarily attributable to payments received from the issue of the bond and offsetting repayments of the three-year and, in parts, five-year Schuldschein tranches, cash drawdowns from the syndicated multi-currency guarantee facility and the research and development loan from the European Investment Bank.

EVENTS AFTER THE REPORTING DATE

Any further events occurring after the reporting date caused by economic factors arising prior to 31 March 2018 are included in the interim consolidated financial statements as at 31 March 2018.

Nordex SE

Rostock, May 2018



José Luis Blanco
Chairman of the Management Board



Christoph Burkhard
Member of the Management Board



Patxi Landa
Member of the Management Board

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

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2018

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

EUR thousand	Opening balance 01.01.2018	Cost				Closing balance 31.03.2018
		Additions	Disposals	Reclassi- fications	Currency translation	
Property, plant and equipment						
Land and buildings	164,758	1,230	4	0	-399	165,585
Technical equipment and machinery	312,212	3,285	687	1,255	-3,819	312,246
Other fixtures and fittings, tools and equipment	94,826	2,666	3,244	-755	-582	92,911
Prepayments made and assets under construction	30,331	5,430	0	-500	5	35,266
Total	602,127	12,611	3,935	0	-4,795	606,008
Intangible assets						
Goodwill	552,259	0	0	0	0	552,259
Capitalized R&D expenses	410,857	5,663	0	0	-2	416,518
Other intangible assets	173,736	1,374	53	0	-1,611	173,446
Total	1,136,852	7,037	53	0	-1,613	1,142,223

	Opening balance 01.01.2018	Depreciation / amortization			Closing balance 31.03.2018	Carrying amount	
		Additions	Disposals	Reclassifications		31.03.2018	31.12.2017
	70,256	1,653	1	-109	71,799	93,786	94,502
	191,517	9,359	723	-1,556	198,597	113,649	120,695
	55,384	2,890	1,830	-191	56,253	36,658	39,442
	1,603	0	0	4	1,607	33,659	28,728
	318,760	13,902	2,554	-1,852	328,256	277,752	283,367
	4,501	0	0	0	4,501	547,758	547,758
	190,815	11,366	0	0	202,181	214,337	220,042
	101,531	11,218	53	-1,208	111,488	61,958	72,205
	296,847	22,584	53	-1,208	318,170	824,053	840,005

FINANCIAL CALENDAR, IMPRINT AND CONTACT

FINANCIAL CALENDAR

Date

May 15, 2018	Interim report Q1 2018
June 5, 2018	Annual General Meeting (Rostock)
August 14, 2018	Interim report H1 2018
November 6, 2018	Interim report Q3 2018

IMPRINT AND CONTACT

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Disclaimer

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

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