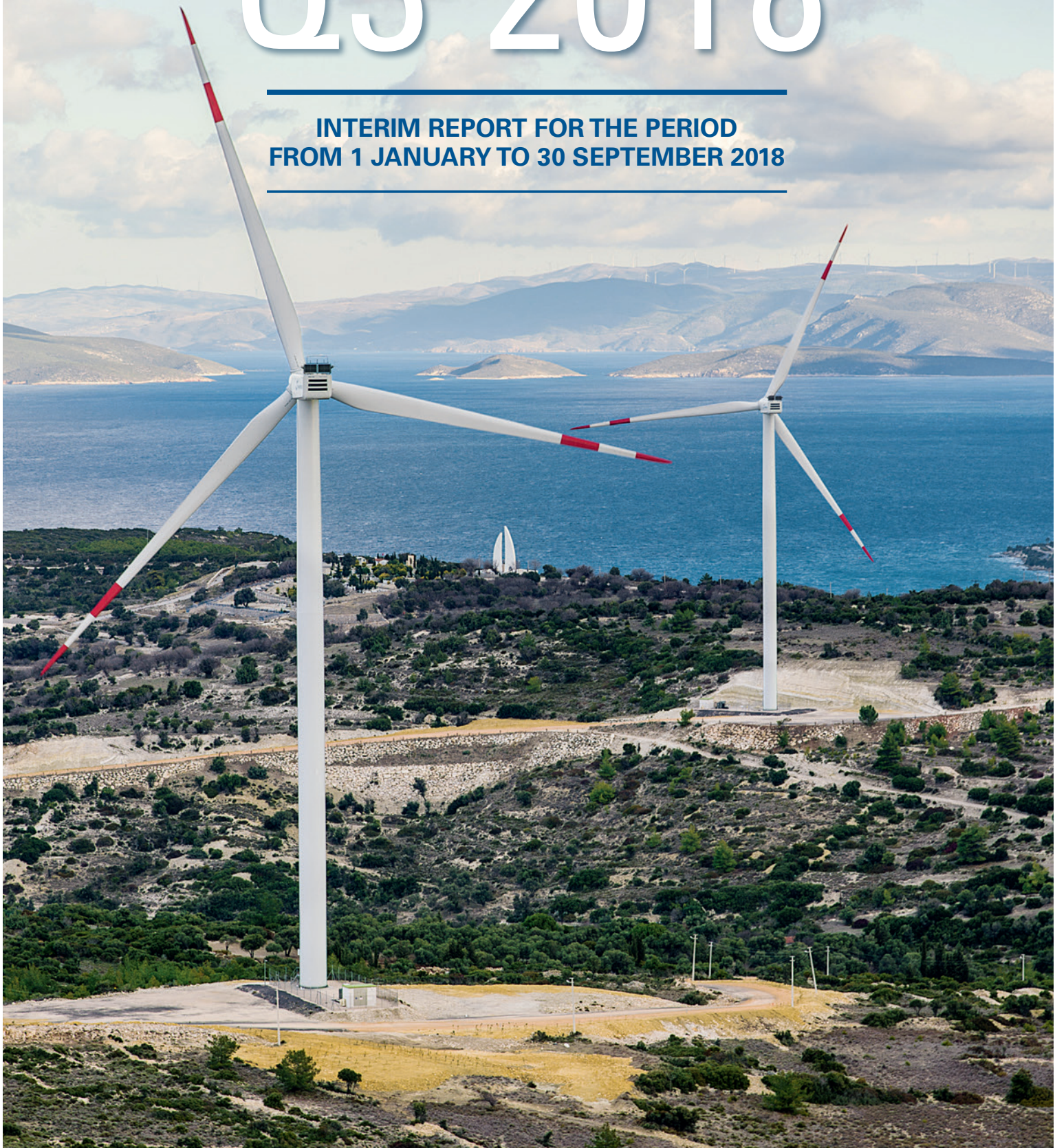




Q3 2018

**INTERIM REPORT FOR THE PERIOD
FROM 1 JANUARY TO 30 SEPTEMBER 2018**



KEY FIGURES AT A GLANCE

Key Figures Nordex

		01.01. – 30.09.2018	01.01. – 30.09.2017	Change
Earnings				
Sales	EUR million	1,772.9	2,319.5	-23.6%
Gross revenue	EUR million	1,753.3	2,364.9	-25.9%
EBITDA	EUR million	71.4	181.9	-60.7%
EBIT	EUR million	-39.0	63.3	n/a
Free cash flow	EUR million	-84.3	-205.6	n/a
Capital expenditure	EUR million	60.4	106.1	-43.1%
Consolidated net profit	EUR million	-51.8	27.9	n/a
Earnings per share ¹	EUR	-0.53	0.29	n/a
EBITDA margin	%	4.0	7.8	-3.8 pp
Working capital ratio	%	5.4	8.6	-3.2 pp
Statement of financial position as of 30.09.2018 and 31.12.2017				
Total assets	EUR million	3,061.3	2,807.6	9.0%
Equity	EUR million	725.0	919.0	-21.1%
Equity ratio	%	23.7	32.7	-9.0 pp
Employees				
Employees as at 30.09.		5,608	5,274	6.3%
Staff costs	EUR million	-238.1	-247.6	-3.8%
Staff cost ratio	%	13.6	10.5	3.1 pp
Company-specific performance indicators				
Order intake Projects segment	EUR million	2,342.5	1,108.0	111.4%
Installed capacity	MW	1,718.6	1,996.9	-13.9%

¹ Earnings per share = basic, based on average weighted shares for 2018: 96.982 million shares (2017: 96.982 million shares)

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LETTER TO THE SHAREHOLDERS



JOSÉ LUIS BLANCO
Chief Executive
Officer

*Dear Shareholders
and Business Partners,*

Nordex once again recorded an order intake of almost one gigawatt in the third quarter of this year, taking the total volume for 2018 to over three gigawatts so far. What's more, it was the fourth successive quarter in which the Company has recorded orders of this magnitude. Our global positioning gives us an advantage here as it makes us comparatively less dependent on individual markets. Another encouraging development is the fact that we installed the prototypes of our new Delta4000 turbines in August as planned. We also received our first major orders for the Delta4000 and are continuing to experience strong demand for our new turbines. Overall, we are confident that we will be able to continue this positive trend in order volumes in the fourth quarter. In short, Nordex is back in the market with rising volumes and highly competitive and efficient technology.

While competition remains intense in our industry with pressure on prices, this pressure is no longer as high as it was a year ago. Our project business means that changes are generally only visible in our figures 12 to 15 months later. This makes our efforts to continuously reduce the cost of energy and develop our technology more important than ever if we are to remain competitive in the long term. For example, the output of one new-generation turbine is already capable of providing more than 4,000 four-person households with clean electricity each year on average.

Our business performance is progressing as expected in 2018, with stronger third-quarter results recorded after a weaker first half of the year. However, sales, earnings and turbine products remained below the previous year's figures as anticipated. Overall, we remain on track in a challenging year. We assume that 2019 will also present challenges. One of the key tasks awaiting us is to continue transforming our supply chain by moving into countries with better cost structures while retaining the same high quality. In doing so, we want to complete a high number of installations as efficiently as possible.

Thank you for placing your trust in our work.

Yours sincerely,



José Luis Blanco
Chief Executive Officer

Hamburg, November 2018

GROUP INTERIM MANAGEMENT REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2018

SECTOR ENVIRONMENT

Demand in the global wind markets is brisk. MAKE Consulting forecasts that installations of onshore wind turbines will rise to 38.5 GW (global excluding China) in 2019, while for 2018 it predicts a volume of to 30.6 GW (MAKE Q3/2018 Onshore Market Outlook). However, all markets continue to experience stiff competition. Most new wind energy production capacity is allocated using auction systems or tenders, with the transition from feed-in tariffs to auction systems having been more or less completed in the majority of markets. This situation creates intense competition along with the corresponding pressure on tariffs paid to power plant operators and consequently on the price of wind turbines. At the same time, the importance of wind farms financed on the basis of corporate PPAs is growing; these are largely independent of state regulation and support. By the end of August 2018, corporate PPAs with a volume of 8.3 GW had been signed worldwide, up from 2.3 GW in the prior-year period. The EMEA region also saw volumes increase by a factor of three to 1.7 GW (Bloomberg New Energy Finance).

In this year's fourth round of tenders for onshore wind energy in Germany, new projects with an output of 363 MW and an average remuneration of 6.26 ct/kWh were awarded. This meant that the average remuneration increased for the fourth time in a row after having nosedived in 2017. The quantity awarded remained below the possible tendered volume of 670 MW. Industry associations believe this is due in particular to the difficulty of obtaining approval for new wind farms – a situation that needs to be remedied. The approach agreed by the coalition government at the end of October concerning the planned special tenders for wind energy is expected to have a positive effect in the medium term. The annual auction volume for wind energy on land is scheduled to be increased by 1 GW in 2019, by 1.4 GW in 2020 and by 1.6 GW in 2021. In addition, the ruling parties have agreed to set up a working committee tasked with pushing the implementation of measures to increase acceptance of onshore wind energy with the stakeholders at government, state and municipal level.

BUSINESS PERFORMANCE

In the third quarter of 2018, the Nordex Group generated sales of EUR 816 million, a significant improvement on the first two quarters of the year which reflects the uptrend in sales expected for the second half of 2018. At 4.0% for the first nine months of 2018, the EBITDA margin reached the lower end of the target range for the year as a whole. This puts the Nordex Group on course to meet its guidance for the current financial year. The order intake continued its positive trend, again climbing to around 1 GW in the third quarter of 2018.

SEGMENT PERFORMANCE

Segment performance key data

EUR million	Projects		Service		Group	
	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017
Order intake	2,342.5	1,108.0	406.5	193.9 ¹	2,749.0	1,301.9
Order book	3,139.8	1,097.3	2,151.4	1,864.0	5,291.2	2,961.3
Sales	1,517.0	2,099.8	258.4	227.5	1,772.9 ²	2,319.5 ²
EBIT	162.2	207.4	46.8	40.3	-39.0 ³	63.3 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 in 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 clearly allocated to the "Projects" or "Service" segments are reported separately as "Not allocated." The complete segment reporting can be found in the notes to the financial statements starting on page 24. The prior-year figures were adjusted to reflect the new presentation.

Sales from 1 January to 30 September 2018 were determined in accordance with the IFRS 15 financial reporting standard, which has been effective since 1 January 2018, whereas sales for the prior-year period (1 January to 30 September 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

Amid strong demand in all reporting segments, the Nordex Group had confirmed new orders of EUR 2,342.5 million in the Projects segment in the first nine months of 2018 (9M 2017: EUR 1,108.0 million). The nominal output of the turbines ordered was 3,070.4 MW (9M 2017: 1,142.7 MW). Of this figure, orders for EUR 732.8 million or 974.2 MW were placed in the third quarter of 2018. Between January and September 2018, the Nordex Group received orders from 17 countries; in terms of megawatts, 38% was attributable to Latin America, 32% to Europe, 17% to North America and 13% to the "Rest of the world" region. The largest individual markets were Brazil, the United States and South Africa, followed by Mexico and France. In September 2018, the Nordex Group won its first large order for turbines from the new Delta4000 4 MW platform: in Finland, Nordex will build the 81 MW "Hedet" wind farm with 18 N149/4.0-4.5 turbines.

The Nordex Group's confirmed order book in the Projects segment stood at EUR 3,139.8 million at the end of September 2018 (30 September 2017: EUR 1,097.3 million). Alongside the high order intake level, the first-time

application of the new IFRS 15 financial reporting standard significantly affected these figures. In terms of value, Europe accounted for 38% of existing orders, Latin America for 33%, the “Rest of the world” region (in this case South Africa) for 15% and the United States (North America region) for 13%.

From the order intake for the first nine months of 2018, the book-to-bill ratio in the Projects segment (order intake to sales ratio) amounted to 1.54 (9M 2017: 0.53), pointing to future growth.

In the first nine months of 2018, the Nordex Group received new orders in the Service segment totaling EUR 406.5 million (9M 2017: EUR 193.9 million; in the previous year: excluding renewals of existing contracts). The order book in the Service segment amounted to EUR 2,151.4 million as at 30 September 2018 (30 September 2017: EUR 1,864.0 million). At the 30 September 2018 reporting date, the Nordex Group serviced 7,289 wind turbines with total installed capacity of 17.8 GW (30 September 2017: 15.2 GW).

PRODUCTION AND INSTALLATION

Production output

Production	Turbines (MW)		Rotor blades (units)	
	9M 2018	9M 2017	9M 2018	9M 2017
Germany	866.3	1,205.2	156	295
Spain	764.4	1,171.4	492	331
Brazil	87.0	72.0	—	—
India	18.0	3.0	—	—
Total	1,735.7	2,451.6	648	626

The Nordex Group produced a total of 561 turbines with a nominal output of 1,735.7 MW in the period from January to September 2018 (9M 2017: 2,451.6 MW). Of this figure, 278 Gamma, Delta and Delta4000 turbines were assembled in Germany. A total of 283 AW3000 turbines were produced in Spain, Brazil and India. The Nordex Group’s rotor blade plants in Germany and Spain manufactured 648 rotor blades in the reporting period, a slight improvement on the prior-year figure (9M 2017: 626 rotor blades). During the year, the Rostock plant commenced production of blade type NR74.5 for turbine N149/4.0-4.5 from the Delta4000 platform.

Installations

	Installed capacity (MW)	
	9M 2018	9M 2017
Europe	755.4	1,203.3
Latin America	341.6	228.0
North America	483.0	458.1
Rest of world	138.6	107.5
Total	1,718.6	1,996.9

Installed capacity surged in the third quarter of 2018, particularly in the United States. In the first nine months of 2018, the Nordex Group installed a total of 564 turbines in 17 countries with a nominal output of 1,718.6 MW (9M 2017: 1,996.9 MW). Of the turbines installed, 44% are in Europe, 20% in Latin America and 28% in North America, plus 8% in Australia ("Rest of the world" reporting segment).

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Selected key data

Key figure	01.01.– 30.09.2018	01.01.– 30.09.2017	Change
Sales (in EUR million)	1,772.9	2,319.5	-23.6%
EBITDA margin (in %)	4.0	7.8	-3.8 pp
EBIT margin ¹ (in %)	0.4	4.8	-4.4 pp
Investments/CAPEX (in EUR million)	60.4	106.1	-43.1%
Financial result (in EUR million)	-25.9	-19.7	n/a
Consolidated profit/loss (in EUR million)	-51.8	27.9	n/a
Earnings per share ² (in EUR)	-0.53	0.29	n/a
Working capital ratio (in %, as of 30 September)	5.4	5.3	0.1 pp
Free cash flow (in EUR million)	-84.3	-205.6	n/a
Equity ratio (in %, as of 30 September)	23.7	33.7	-10.0 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)

As expected, sales rose sharply in the third quarter of 2018 compared with the first and second quarters of the current financial year. At EUR 815.7 million in this period, sales were down only slightly on the prior-year level (Q3 2017: EUR 818.3 million). This trend observed during the year is mainly attributable to the higher installed capacity, particularly in the United States. Overall, consolidated sales of the Nordex Group in the first nine months of 2018 were 23.6% lower than in the prior-year period, at EUR 1,772.9 million (9M 2017: EUR 2,319.5 million). The effect of the new IFRS 15 financial reporting

standard on revenue recognition also became evident for the first time in the 2018 financial year. Under IAS 11, the standard that was still applicable for 2017, sales would have been lower (see “Notes to the Income Statement”).

Sales in the Projects segment declined by 27.8% year-on-year in the first three quarters of 2018 to EUR 1,517.0 million (9M 2017: EUR 2,099.8 million). By contrast, the Service segment lifted sales by 13.6% compared with the prior-year period to EUR 258.4 million (9M 2017: EUR 227.5 million). The service business thus accounted for around 15% of consolidated sales in the first nine months of 2018.

Gross profit (gross revenue less cost of materials) decreased by 24.3% in the first nine months of 2018 to EUR 471.8 million (9M 2017: EUR 622.9 million). Structural costs (staff costs and net other operating income/expenses) fell by 9.2% to EUR 400.4 million (9M 2017: EUR 441.0 million).

As a result, earnings before interest, taxes, depreciation and amortization (EBITDA) for the first nine months of 2018 decreased by 60.7% to EUR 71.4 million (9M 2017: EUR 181.9 million). This put the EBITDA margin at 4.0% (9M 2017: 7.8%). At EUR 110.4 million, depreciation, amortization and impairment losses were marginally lower than in the prior-year period (9M 2017: EUR 118.6 million). Of this figure, EUR 45.5 million (9M 2017: EUR 47.5 million) can be traced back to impairment losses arising from the purchase price allocation (PPA) in connection with the acquisition of Acciona Windpower. The Nordex Group generated earnings before interest and taxes (EBIT) of EUR –39.0 million in the reporting period (9M 2017: EUR 63.3 million), with an EBIT margin of –2.2% (9M 2017: 2.7%). Excluding the PPA impairment losses, this resulted in a slightly positive EBIT margin of 0.4% (9M 2017: 4.8%).

In the Projects segment, the Group’s earnings before interest and taxes (EBIT) came to EUR 162.2 million in the reporting period (9M 2017: EUR 207.4 million), which corresponds to an EBIT margin of 10.7% (9M 2017: 9.9%). This slight improvement in the margin despite price pressure in the market is mainly attributable to

a favorable project mix in the reporting period. In the Service segment, EBIT rose to EUR 46.8 million in the first nine months of 2018 (9M 2017: EUR 40.3 million), which constituted a margin of 18.1% compared with 17.7% in the prior-year period.

The Group’s financial result for the reporting period stood at EUR –25.9 million compared with EUR –19.7 million in the prior-year period. This was due primarily to the refinancing measures implemented in early 2018. After allowing for the positive net tax figure for the first nine months of 2018 in the amount of EUR 13.0 million (9M 2017: EUR –15.8 million), the Group generated a consolidated loss of EUR 51.8 million (9M 2017: consolidated profit of EUR 27.9 million). Earnings per share (EPS) for the first nine months of 2018 amounted to EUR –0.53 (9M 2017: EUR 0.29).

The working capital ratio on 30 September 2018 was 5.4% (30 September 2017: 8.6%). In the first nine months of 2018, the Group generated an operating cash flow of EUR –57.7 million (9M 2017: EUR 95.5 million). Cash flow from investing activities in the reporting period amounted to EUR –26.6 million, and thus below the level of EUR –110.1 million in the prior-year period. The level of investments (CAPEX) declined by 43.1% year-on-year to EUR 60.4 million (9M 2017: EUR 106.1 million). The free cash flow improved in the first nine months of 2018 to EUR –84.3 million compared with the prior-year period (9M 2017: EUR –205.6 million).

As at 30 September 2018, the Nordex Group had cash and cash equivalents of EUR 476.9 million (31 December 2017: EUR 623.2 million). Net debt at the reporting date amounted to EUR 162.0 million (31 December 2017: EUR 60.1 million).

At the end of the third quarter of 2018, total assets amounted to EUR 3,061.3 million, an increase of 9.0% at the end of 2017 (31 December 2017: EUR 2,807.6 million). This was mainly due to the effects of the first-time application of the IFRS 15 financial reporting standard, which primarily led to an increase in inventories and other current non-financial liabilities.

At EUR 725.0 million, equity was also down on the figure for 31 December 2017 (EUR 919.0 million), largely because of the effects of the first-time application of IFRS 15 and the consolidated loss reported as at 30 September 2018. Consequently, the equity ratio narrowed to 23.7% as a result of the increase in total assets and the lower equity at the reporting date of 30 September 2018 (31 December 2017: 32.7%).

EMPLOYEES

The number of employees in the Nordex Group increased to 5,608 at the reporting date of 30 September 2018 (30 September 2017: 5,274 employees). Employees were hired mainly for the services business and for production activities in Brazil.

OPPORTUNITIES AND RISKS

In the first nine 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

As expected, the third quarter of 2018 saw a significant increase in sales compared with the previous two quarters and a corresponding increase in earnings. The Management Board now expects sales and the EBITDA margin for the full 2018 financial year to come in at the lower end of the range stated in the guidance. In accordance with the outlook for the current financial year published at the end of March 2018, the Company projects sales 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 of under 5% as of the end of 2018. Capital expenditure totaling EUR 110 million is planned.

Nordex Group: Key figures of the 2018 Group guidance

	2017 actual	Interim report Q1 2018	Interim report Q2 2018	Interim report Q3 2018
Sales	EUR 3,077.8 million	EUR 2.4–2.6 billion	EUR 2.4–2.6 billion	EUR 2.4–2.6 billion ¹
EBITDA margin	7.9%	4–5%	4–5%	4–5% ¹
Working capital ratio	5.3%	<5%	<5%	<5%
Capital expenditure (CAPEX)	EUR 144.3 million	approx. EUR 110 million	approx. EUR 110 million	approx. EUR 110 million

¹ expected to come in at the lower end of the range

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 30 September 2018 (Group interim management report and condensed interim consolidated financial statements) were neither audited nor reviewed by an auditor.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2018

Assets

EUR thousand	Note	30.09.2018 ¹	31.12.2017
Cash and cash equivalents	1	476,864	623,179
Trade receivables and future receivables from construction contracts	2	344,005	593,260
Inventories	3	817,249	195,578
Income tax receivables		16,885	8,517
Other current financial assets		9,958	14,674
Other current non-financial assets	4	118,674	107,872
Current assets		1,783,635	1,543,080
Property, plant and equipment	5	238,035	283,367
Goodwill	6	547,758	547,758
Capitalized R & D expenses	7	215,365	220,042
Other intangible assets	8	34,535	72,205
Financial assets		4,607	4,799
Investments in associates		1,036	5,165
Other non-current financial assets		16,631	17,149
Other non-current non-financial assets	9	39,181	13,166
Deferred tax assets	10	180,540	100,858
Non-current assets		1,277,688	1,264,509
Assets		3,061,323	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 2017 as a result of the mandatory conversion from IAS 11 to IFRS 15 as of 1 January 2018.

Equity and liabilities

EUR thousand	Note	30.09.2018 ¹	31.12.2017
Current liabilities to banks	11	29,555	68,667
Trade payables	12	481,332	446,567
Income tax payables		30,056	28,556
Other current provisions	13	198,379	151,350
Other current financial liabilities	14	21,233	49,827
Other current non-financial liabilities	15	698,648	359,131
Current liabilities		1,459,203	1,104,098
Non-current liabilities to banks	11	339,611	614,638
Pensions and similar obligations		2,070	2,035
Other non-current provisions	13	60,760	55,540
Other non-current financial liabilities	16	269,712	2,597
Other non-current non-financial liabilities	17	114,140	11,163
Deferred tax liabilities	10	90,851	98,528
Non-current liabilities		877,144	784,501
Subscribed capital		96,982	96,982
Capital reserves		597,626	597,626
Other retained earnings		37,501	37,501
Cash flow hedges		-2,159	991
Foreign currency adjustment item		-27,152	-10,482
Consolidated net profit carried forward		74,019	196,372
Consolidated net profit		-51,841	0
Share in equity attributable to parent company's shareholders		724,976	918,990
Equity	18	724,976	918,990
Equity and liabilities		3,061,323	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 2017 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 30 SEPTEMBER 2018

Consolidated income statement

EUR thousand	Note	01.01.2018 – 30.09.2018	01.01.2017 – 30.09.2017	01.07.2018 – 30.09.2018	01.07.2017 – 30.09.2017
Sales	20	1,772,872	2,319,466	815,734	818,332
Changes in inventories and other own work capitalized	21	-19,596	45,388	-152,492	20,816
Gross revenue		1,753,276	2,364,854	663,242	839,148
Other operating income	22	6,999	6,051	2,624	2,798
Cost of materials	23	-1,281,493	-1,741,925	-498,611	-630,456
Staff costs	24	-238,094	-247,645	-78,215	-81,765
Depreciation/amortization	25	-110,412	-118,604	-36,197	-50,482
Other operating expenses	22	-169,292	-199,409	-56,034	-65,289
Earnings before interest and taxes		-39,016	63,322	-3,191	13,954
Income from investments		0	486	0	486
Profit/loss from equity-accounting method		-1,114	-733	-650	-219
Impairment of financial assets		-386	0	-83	0
Other interest and similar income		4,352	4,602	1,566	2,102
Interest and similar expenses		-28,719	-24,023	-8,504	-7,494
Financial result	26	-25,867	-19,668	-7,671	-5,125
Net profit / loss from ordinary activities		-64,883	43,654	-10,862	8,829
Income tax	27	13,042	-15,752	-726	-3,549
Consolidated net profit		-51,841	27,902	-11,588	5,280
Of which attributable to					
shareholders of the parent		-51,841	27,902	-11,588	5,280
Earnings per share (in EUR)	28				
Basic ¹		-0.53	0.29	-0.12	0.05
Diluted ²		-0.53	0.29	-0.12	0.05

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018

Consolidated statement of comprehensive income

EUR thousand	01.01.2018– 30.09.2018	01.01.2017– 30.09.2017	01.07.2018– 30.09.2018	01.07.2017– 30.09.2017
Consolidated net profit	-51,841	27,902	-11,588	5,280
Other comprehensive income			0	0
Items that may be reclassified to profit or loss			0	0
Foreign currency translation difference	-16,660	-14,374	-10,490	-4,409
Cash flow hedges	-4,633	1,174	1,620	-6,136
Deferred taxes	1,483	-377	-518	1,971
Consolidated comprehensive income	-71,651	14,325	-20,976	-3,294
Of which attributable to			0	0
Shareholders of the parent	-71,651	14,325	-20,976	-3,294

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018

Consolidated cash flow statement

EUR thousand	01.01.2018 – 30.09.2018	01.01.2017 – 30.09.2017
Operating activities		
Consolidated net profit	-51,841	27,902
+ Depreciation / amortization of non-current assets	110,798	118,604
= Consolidated net profit plus depreciation / amortization	58,957	146,506
- Increase in inventories	-38,194	-80,334
-/+ Increase/decrease in trade receivable and future receivable from construction contracts	-22,545	18,409
+ Increase in trade payables	12,046	201,109
- Decrease in prepayments received	-18,928	-282,582
= Payments made from changes in working capital	-67,621	-143,398
-/+ Increase/decrease in other assets not attributed to investing or financing activities	-39,337	24,569
+ Increase in pensions and similar obligations	35	37
+/- Increase/decrease in other provisions	50,424	-5,504
- Decrease in other liabilities not attributed to investing or financing activities	-46,364	-142,062
+/- Loss/profit from the disposal of non-current assets	1,197	-1,500
- Other interest and similar income	-4,352	-4,602
+ Interest received	2,825	922
+ Interest and similar expenses	28,719	24,023
- Interest paid	-26,137	-17,438
-/+ Income tax	-13,042	15,752
- Taxes paid	-21,116	-4,536
+ Other non-cash expenses/income	18,111	11,767
= Payments made / received from other operating activities	-49,037	-98,572
= Cash flow from operating activities	-57,701	-95,464

Investing activities			
+	Payments received from the disposal of property, plant and equipment/intangible assets	31,358	1,651
-	Payments made for investments in property, plant and equipment/intangible assets	-60,417	-109,906
+	Payments received from the disposal of long-term financial assets	5,683	1,151
-	Payments made for investments in long-term financial assets	-3,198	-3,032
=	Cash flow from investing activities	-26,574	-110,136
Financing activities			
+	Bank loans received	0	33,583
-	Bank loans repaid	-309,417	-12,500
+	Payments received from the issue of bonds	265,488	0
=	Cash flow from financing activities	-43,929	21,083
Net change in cash and cash equivalents			
		-128,204	-184,517
+	Cash and cash equivalents at the beginning of the period	623,179	649,464
-	Exchange rate-induced change in cash and cash equivalents	-18,111	-11,768
=	Cash and cash equivalents at the end of the period (Cash and cash equivalents as shown in the consolidated statement of financial position)	476,864	453,179

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018

Consolidated statement of changes in equity
01.01. – 30.09.2018

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
30.09.2018	96,982	597,626	37,501

¹ Some of the opening balance sheet figures as of 1 January 2018 differ from the closing balance sheet figures as of 31 December 2017 as a result of the mandatory conversion from IAS 11 to IFRS 15 as of 1 January 2018.

	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
	-3,150	-16,660	0	-51,841	-71,651	-71,651
	0	0	0	-51,841	-51,841	-51,841
	0	-16,660	0	0	-16,660	-16,660
	-4,633	0	0	0	-4,633	-4,633
	1,483	0	0	0	1,483	1,483
	-2,159	-27,152	74,019	-51,841	724,976	724,976

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017

Consolidated statement of changes in equity
01.01. – 30.09.2017

TEUR	Subscribed capital	Capital reserves	Other retained earnings
01.01.2017	96,982	597,626	23,694
Consolidated comprehensive income	0	0	0
Consolidated net profit	0	0	0
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation difference	0	0	0
Cash flow hedges	0	0	0
Deferred taxes	0	0	0
30.09.2017	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
	797	-14,374	0	27,902	14,325	14,325
	0	0	0	27,902	27,902	27,902
	0	-14,374	0	0	-14,374	-14,374
	1,174	0	0	0	1,174	1,174
	-377	0	0	0	-377	-377
	2,984	-4,688	209,836	27,902	954,336	954,336

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD
FROM 1 JANUARY TO 30 SEPTEMBER 2018

ACCOUNTING POLICIES

BASIS OF PREPARATION

These unaudited and unreviewed condensed interim consolidated financial statements of Nordex SE and its subsidiaries for the first nine 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 30 September 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 30 September 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 nine 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 the collateralization of financial assets with guarantees, sureties and standby letters of credit as of 30 September 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 30.09. / 31.12.	
	01.01.–30.09.2018	01.01.–30.09.2017	30.09.2018	31.12.2017
ARS	28.7610	18.0541	46.1836	22.9840
AUD	1.5570	1.4552	1.6070	1.5340
BRL	4.2678	3.5380	4.6517	3.9695
CLP	747.7648	728.8925	764.9354	736.8111
GBP	0.8837	0.8719	0.8878	0.8873
HRK	7.4190	7.4412	7.4300	7.4340
INR	79.9682	72.4590	83.9997	76.0000
MXN	22.6664	21.0213	21.8000	23.5900
PEN	3.8931	3.6296	3.8243	3.8814
SEK	10.2469	9.5796	10.3050	9.8250
TRY	5.2937	3.9795	6.9701	4.5380
USD	1.1943	1.1126	1.1580	1.1990
ZAR	15.2369	14.7251	16.4501	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.

Promissory note

On 6 April 2016, Nordex SE placed a promissory note with a volume of EUR 550,000 thousand for which Nordex Energy GmbH is jointly and severally liable with national and international investors. The promissory note has terms of three, five, seven and ten years, each subject to fixed or variable interest. Depending on the tranche, the interest rate is between 1.5% and 3.0%. Utilization as at 30 September 2018 under the loan agreement including accrued interest amounted to EUR 285,888 thousand (31 December 2017: EUR 552,514 thousand). Of the funds generated by the bond, EUR 266,000 thousand were used to repay the three-year, and in part the five-year, floating-rate promissory note 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 30 September 2018 under the loan agreement including accrued interest amounted to EUR 66,139 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 30 September 2018, EUR 591,993 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 Nordex Energy Brasil – Comercio e Industria de Equipamentos Ltda. and Nordex India Private Limited. As of 30 September 2018, the cash drawdowns plus accrued interest on these facilities amounted to EUR 17,139 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 nine 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 724,976 thousand as at 30 September 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	30.09.2018	31.12.2017
Trade receivables	208,948	181,944
Future receivables from construction contracts	135,057	411,316
Inventories	817,249	195,578
Trade payables	-481,332	-446,567
Prepayments received	-550,296	-179,053
	129,626	163,218
Sales ¹	2,400,000	3,077,788
Working capital ratio	5.4%	5.3%

¹ 30 September 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	
	9M 2018	9M 2017	9M 2018	9M 2017
Sales	1,516,956	2,099,799	258,429	227,499
Changes in inventories and other own work capitalized	-19,215	45,199	-150	-968
Cost of materials	-1,083,735	-1,636,662	-105,418	-77,759
Other income and expenses	-251,767	-300,900	-106,102	-102,184
Earnings before interest and taxes	162,239	207,436	46,759	40,346
Other interest and similar income	0	0	0	0
Interest and similar expenses	0	0	0	0

¹ Income and expenses that cannot be clearly allocated to the "Projects" and "Services" segments are shown under "Not allocated" to enhance the informative value of the Group segment reporting. The conversion took place retrospectively.

	Not allocated ¹		Consolidation		Total	
	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017
	597	409	-3,110	-8,241	1,772,872	2,319,466
	-231	1,157	0	0	-19,596	45,388
	-95,450	-35,745	3,110	8,241	-1,281,493	-1,741,925
	-152,930	-156,523	0	0	-510,799	-559,607
	-248,014	-184,460	0	0	-39,016	63,322
	4,352	4,602	0	0	4,352	4,602
	-28,719	-24,023	0	0	-28,719	-24,023

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

Non-current assets and sales by region

EUR thousand	Non-current assets ¹		Sales	
	30.09.2018	31.12.2017	01.01.–30.09.2018	01.01.–30.09.2017
Europe	425,850	481,586	1,057,667	1,393,216
Latin America	22,848	33,810	269,872	393,405
North America	14,643	17,296	405,134	469,732
Rest of world	24,593	42,922	40,199	63,113
	487,934	575,614	1,772,872	2,319,466

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

Sales from 1 January to 30 September 2018 were determined in accordance with IFRS 15, which had to be applied as of 1 January 2018, whereas sales from 1 January to 30 September 2017 were determined in accordance with IAS 11. Sales from 1 January to 30 September 2018 recognized in accordance with IAS 11 would have amounted to EUR 1,587,440 thousand.

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 476,864 thousand (31 December 2017: EUR 623,179 thousand), EUR 24,376 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	30.09.2018	31.12.2017
Trade receivables (gross)	222,692	195,688
Less impairment	-13,744	-13,744
Trade receivables (net)	208,948	181,944
Future receivables from construction contracts	135,057	411,316
	344,005	593,260

Future receivables from construction contracts changed as follows:

Future receivables from construction contracts

EUR thousand	30.09.2018	31.12.2017
Accrued contract costs and pro-rated realized order profits	1,889,220	2,182,543
Less prepayments received	-1,754,163	-1,771,227
	135,057	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 42,090 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	30.09.2018	31.12.2017
Raw materials and supplies	228,197	136,268
Work in progress	556,123	26,875
Prepayments made	32,929	32,435
	817,249	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 41,616 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 90,778 thousand (31 December 2017: EUR 97,667 thousand) and prepaid expenses of EUR 23,776 thousand (31 December 2017: EUR 6,951 thousand).

The current tax assets mainly concern current input tax assets.

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

(5) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

Composition of property, plant and equipment

EUR thousand	30.09.2018	31.12.2017
Land and buildings	88,426	94,502
Technical equipment and machinery	103,713	120,695
Other fixtures and fittings, tools and equipment	33,050	39,442
Prepayments made and assets under construction	12,846	28,728
	238,035	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 215,365 thousand (31 December 2017: EUR 220,042 thousand) were capitalized. In the first nine months of 2018, R&D expenses worth EUR 26,840 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 15,026 thousand also arising in the first nine 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 64.11% (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 34,535 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 39,181 thousand (31 December 2017: EUR 13,166 thousand).

Prepaid expenses chiefly comprise accrued receivables under maintenance agreements pursuant to IFRS 15 and accrued costs for license fees.

(10) DEFERRED TAX ASSETS AND TAX LIABILITIES

As of 30 September 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 01.01.	48,639 ¹	-20,476
Recognized through profit or loss	42,190	25,913
Recognized in other comprehensive income	1,483	560
Currency translation	-2,623	-3,667
Amount on 30.09. / 31.12.	89,689	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 2017 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 370,482 thousand (31 December 2017: EUR 686,901 thousand).

(12) TRADE PAYABLES

Trade payables amount to EUR 481,332 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	30.09.2018
Individual guarantees	121,438	-6,634	-950	17,029	130,883
Warranties, service, maintenance	59,993	-6,305	-915	47,736	100,509
Others	25,453 ¹	-950	-6	3,249	27,746
	206,884	-13,889	-1,871	68,014	259,138

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 2017 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 and legal risks.

(14) OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities mainly concern liabilities under forward exchange transactions in the amount of EUR 8,549 thousand (31 December 2017: EUR 291 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 12,684 thousand (31 December 2017: EUR 49,536 thousand) would equal the fair value as in the previous year.

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 3,292 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.

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 5,257 thousand (31 December 2017: EUR 0 thousand).

(15) OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities mainly comprise prepayments received of EUR 550,296 thousand (31 December 2017: EUR 179,053 thousand), accrued liabilities of EUR 63,373 thousand (31 December 2017: EUR 103,973 thousand) and deferred income of EUR 41,565 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 266,756 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 97.10% as at the reporting date, the fair value would be EUR 258,781 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 110,271 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	30.09.2018	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	-2,159	991
Foreign currency adjustment item	-27,152	-10,482
Consolidated net profit carried forward	74,019 ¹	196,372
Consolidated net profit	-51,841	0
Share in equity attributable to parent company's shareholders	724,976	918,990
	724,976	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 2017 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)**30.09.2018**

EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets				
Forward exchange transactions (financial assets held for trading, fair value hedges)	—	94	—	94
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	1,981	—	1,981
Financial liabilities				
Liabilities to banks	—	370,482	—	370,482
Bond	258,781	—	—	258,781
Forward exchange transactions (financial liabilities held for trading, fair value hedges)	—	3,292	—	3,292
Forward exchange transactions in the scope of hedge accounting (cash flow hedges)	—	5,257	—	5,257

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. – 30.09.2018	01.01. – 30.09.2017
Projects	1,516,956	2,099,799
Service	258,429	227,499
Not allocated ¹	597	409
Intrasegment consolidation	-3,110	-8,241
	1,772,872	2,319,466

¹ Income and expenses that cannot be clearly allocated to the "Projects" and "Services" segments are shown under "Not allocated" to enhance the informative value of the Group segment reporting. The conversion took place retrospectively.

Sales from 1 January to 30 September 2018 were determined in accordance with IFRS 15, which had to be applied as of 1 January 2018, whereas sales from 1 January to 30 September 2017 were determined in accordance with IAS 11. Sales from 1 January to 30 September 2018 recognized in accordance with IAS 11 would have amounted to EUR 1,587,440 thousand.

Sales by segment (IAS 11)

EUR thousand	01.01. – 30.09.2018
Projects	1,331,524
Service	258,429
Not allocated	597
Intrasegment consolidation	-3,110
	1,587,440

(21) CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

Changes in inventories stand at EUR -47,598 thousand (1 January to 30 September 2017: EUR 15,169 thousand).

Own work capitalized is measured at EUR 28,002 thousand (1 January to 30 September 2017: EUR 30,219 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 external staff costs of EUR -21,495 thousand (1 January to 30 September 2017: EUR -29,685 thousand), rents and leases of EUR -19,183 thousand (1 January to 30 September 2017: EUR -18,427 thousand), travel expenses of EUR -17,049 thousand (1 January to 30 September 2017: EUR -17,830 thousand), currency losses of EUR -15,993 thousand (1 January to 30 September 2017: EUR -12,864 thousand), repair and maintenance of EUR -14,914 thousand (1 January to 30 September 2017: EUR -16,283 thousand), legal and consulting costs of EUR -10,950 thousand (1 January to 30 September 2017: EUR -18,704 thousand) and IT costs of EUR -8,096 thousand (1 January to 30 September 2017: EUR -13,654 thousand).

(23) COST OF MATERIALS

The cost of materials breaks down as follows:

Cost of materials

EUR thousand	01.01. – 30.09.2018	01.01. – 30.09.2017
Cost of raw materials and other supplies	853,392	1,360,757
Cost of services purchased	428,101	381,168
	1,281,493	1,741,925

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.– 30.09.2018	01.01.– 30.09.2017
Wages and salaries	196,416	202,882
Social security and expenditure on retirement benefits and support	41,678	44,763
	238,094	247,645

The Group headcount was as follows:

Headcount (Group)

Reporting date	01.01.–30.09.2018	01.01.–30.09.2017	Change
Office staff	2,735	2,809	-74
Technical staff	2,873	2,465	408
	5,608	5,274	334
Average			
Office staff	2,743	2,751	-8
Technical staff	2,551	2,462	89
	5,294	5,213	81

The main reasons for the change in headcount are a decline in the number of salaried employees under the "45-by-18" cost-cutting program and an increase in the number of hourly paid workers driven mainly by the expansion of production in Brazil and the services business.

(25) DEPRECIATION / AMORTIZATION

Depreciation and amortization breaks down as follows:

Depreciation / amortization

EUR thousand	01.01.– 30.09.2018	01.01.– 30.09.2017
Depreciation of property, plant and equipment	41,270	47,468
Amortization of capitalized R&D expenses	36,510	33,499
Amortization of other intangible assets	32,632	37,636
	110,412	118,603

(26) FINANCIAL RESULT

The financial result breaks down as follows:

Financial result

EUR thousand	01.01.– 30.09.2018	01.01.– 30.09.2017
Income from investments	0	486
Profit/loss from equity-accounting method	-1,114	-733
Impairment of financial assets	-386	0
Net profit/loss from investments	-1,500	-247
Other interest and similar income	4,352	4,602
Interest and similar expenses	-28,719	-24,023
Interest result	-24,367	-19,421
	-25,867	-19,668

Income from investments comprises dividend payouts.

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

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

Interest income and expense arises primarily from deposits with banks and from the bond, bank loans and guarantee commissions.

(27) INCOME TAX

As at 30 September 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.– 30.09.2018	01.01.– 30.09.2017
Current income tax	-29,148	-41,664
Deferred income tax	42,190	25,913
Total income taxes	13,042	-15,751

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

EUR thousand	01.01.– 30.09.2018	01.01.– 30.09.2017
Consolidated net profit/ loss for the year	-51,841	27,902
of which shareholders of the parent	-51,841	27,902
Weighted average number of shares	96,982,447	96,982,447
Basic earnings per share	-0.53	0.29

Diluted

Diluted earnings per share also stand at EUR -0.53 (1 January to 30 September 2017: EUR 0.29).

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 (-)	
	30.09.2018	31.12.2017	01.01.– 30.09.2018	01.01.– 30.09.2017
Acciona Energia S.A.	5,567/-17,930	1,750/-4,218	8,151/-1,755	1,437/-47
Acciona Energia Chile S.A.	59,774/-62,084	0/-17,171	56,298/0	0/0
Acciona Energia Servicios Mexico S. de R.L. de C.V.	134,486/-98,228	125,279/-88,869	7,872/0	78,268/0
Acciona Energy Oceania Construction Pty. Ltd.	71,410/-77,537	49,305/-60,797	21,668/-6	37,412/-2
Acciona Energy USA Global LLC	170/-243	553/-328	0/0	27,415/0
Consorcio Eolico Chiripa S.A.	695/-335	681/-324	0/0	0/0
Other	2,101/-738	11,978/-2,309	69/-3,508	5,786/-205

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 30 September 2017: EUR 47,997 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 (-)	
	30.09.2018	31.12.2017	01.01.– 30.09.2018	01.01.– 30.09.2017
natcon7 GmbH	0/-329	0/-1,444	4/-2,950	491/-7,746
C&C Wind Sp. z o.o.	0/0	0/0	274/-863	496/-447
GN Renewable Investments S.à.r.l.	0/0	0/0	38/-253	14/-49

CONSOLIDATED CASH FLOW STATEMENT

The cash flow from operating activities in the amount of EUR –57,701 thousand (1 January to 30 September 2017: EUR –95,464 thousand) results primarily from the consolidated net loss including depreciation, amortization and impairment in the amount of EUR 58,957 thousand (1 January to 30 September 2017: EUR 146,506 thousand). Changes in working capital resulting in payments of EUR 67,621 thousand (1 January to 30 September 2017: EUR 143,398 thousand) had an offsetting effect. Payments made for other operating activities stand at EUR 49,037 thousand (1 January to 30 September 2017: EUR 98,572 thousand).

Cash flow from investing activities in the reporting period amounted to EUR –26,574 thousand (1 January to 30 September 2017: EUR –110,136 thousand). Investments of EUR 31,349 thousand (1 January to 30 September 2017: EUR 74,188 thousand) were made in property, plant and equipment, mainly related to the procurement of production equipment in Spain and the establishment of rotor blade manufacturing in India. Development projects of EUR 26,840 thousand (1 January to 30 September 2017: EUR 30,832 thousand) were capitalized. Payments received in the amount of EUR 30,423 thousand for the new Nordex Group administrative building sold in July 2018 under a sale-and-leaseback agreement without affecting profit or loss had an offsetting effect.

Cash flow from financing activities amounts to EUR –43,929 thousand (1 January to 30 September 2017: EUR 21,083 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 30 September 2018 are included in the interim consolidated financial statements as at 30 September 2018.

Nordex SE

Rostock, November 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 30 SEPTEMBER 2018

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

EUR thousand	Cost					Closing balance 30.09.2018
	Opening balance 01.01.2018	Additions	Disposals	Reclassifications	Currency translation	
Property, plant and equipment						
Land and buildings	164,758	3,272	4,512	0	8	163,526
Technical equipment and machinery	312,212	16,533	2,443	1,426	-11,554	316,174
Other fixtures and fittings, tools and equipment	94,826	6,158	4,317	-926	-1,465	94,276
Prepayments made and assets under construction	30,331	5,386	20,802	-500	26	14,441
Total	602,127	31,349	32,074	0	-12,985	588,417
Intangible assets						
Goodwill	552,259	0	0	0	0	552,259
Capitalized R&D expenses	410,857	26,840	2,263	5,325	-3	440,756
Other intangible assets	173,736	2,228	165	-5,325	-6,057	164,417
Total	1,136,852	29,068	2,428	0	-6,060	1,157,432

	Opening balance 01.01.2018	Depreciation / amortization				Closing balance 30.09.2018	Carrying amount	
		Additions	Disposals	Reclassifications	Currency translation		30.09.2018	31.12.2017
	70,256	5,009	71	0	-94	75,100	88,426	94,502
	191,517	27,431	2,201	-8	-4,278	212,461	103,713	120,695
	55,384	8,680	2,476	8	-370	61,226	33,050	39,442
	1,603	0	0	0	-8	1,595	12,846	28,728
	318,760	41,120	4,748	0	-4,750	350,382	238,035	283,367
	4,501	0	0	0	0	4,501	547,758	547,758
	190,815	36,762	2,186	0	0	225,391	215,365	220,042
	101,531	32,530	129	0	-4,050	129,882	34,535	72,205
	296,847	69,292	2,315	0	-4,050	359,774	797,658	840,005

FINANCIAL CALENDAR, IMPRINT AND CONTACT

FINANCIAL CALENDAR

Date

November 13, 2018	Interim report Q3 2018
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IMPRINT AND CONTACT

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Disclaimer

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