Tax Sustainability Report 2022

Wind. It means the world to us.™

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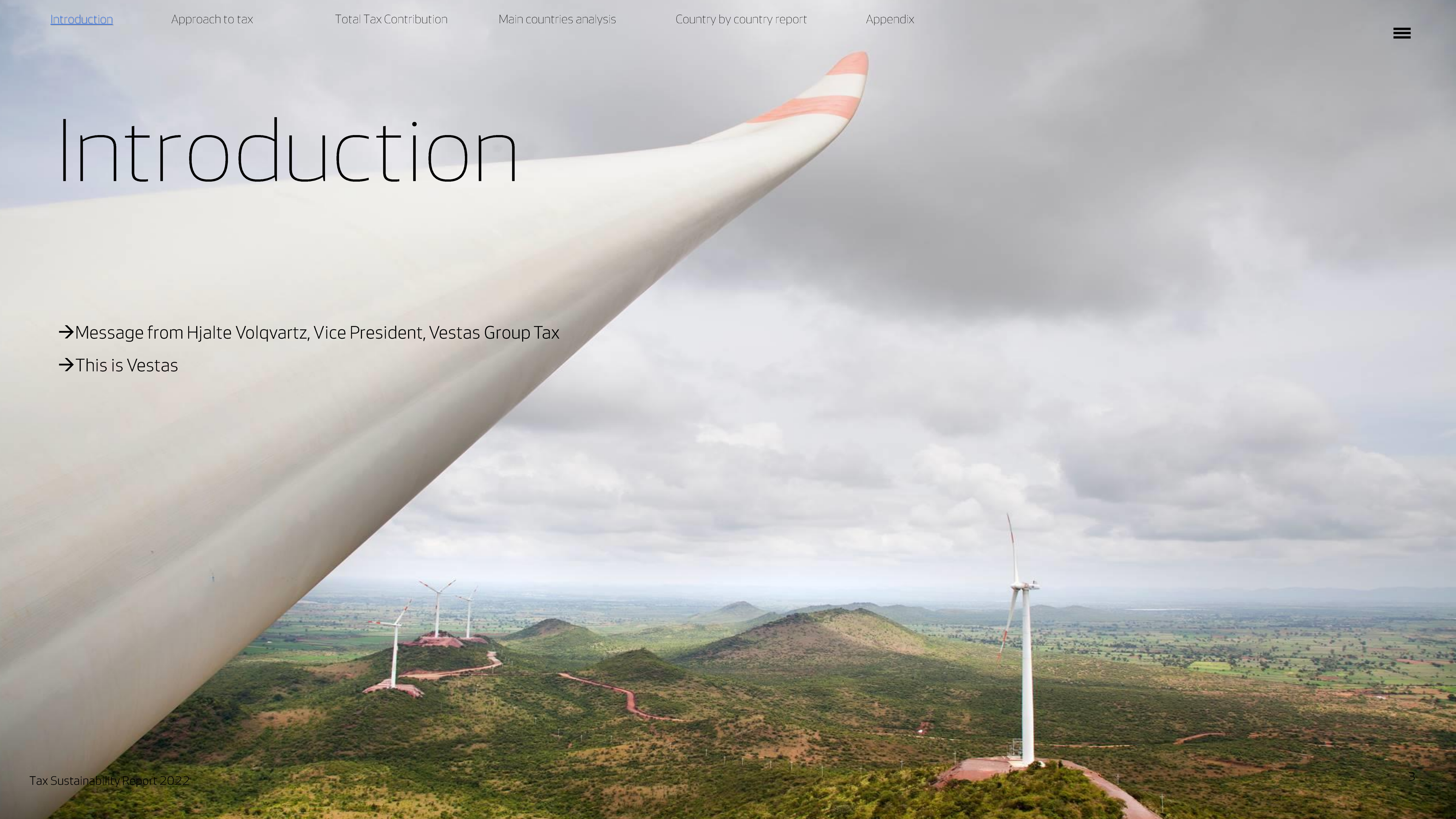


Introduction

→Message from Hjalte Volqvartz, Vice President, Vestas Group Tax

→This is Vestas

Message from Hjalte Volqvartz, Vice President, Vestas Group Tax

I am pleased to share the first Tax Sustainability report of Vestas as part of our focus on ESG following our sustainability strategy "Sustainability in everything we do".

The objective of this report is to give the reader a comprehensive understanding of the tax footprint of Vestas and explain the distribution of the global tax contribution.

This report is part of our commitment to being transparent with our stakeholders and give a better understanding about tax jurisdictions where we operate, and the total taxes contributed in those jurisdictions.

For the last year we have seen how war in Ukraine has affected the prices of energy and how the energy system has become a key topic for the sustainability of our society. We understand the role that we play in this context and the importance of our company as an industrial leader in the wind energy sector to take part in combating the energy crisis .

At the same time, we are in a moment of continuous change where we have been conscious throughout the years of the importance of taxation for the sustainability of the economic systems of the countries where we operate and the high impact that this have for society and environmental protection.

Thus, we would like to show that we are fully committed to tax transparency and consider it essential to contribute to economic and social development in the countries where we operate.

We would like to share the report as a token of the way we operate; with a responsible and sustainable behavior in all our operation , and as a signal for our stakeholders that want to know more about the footprint of our company.

Our sustainability tax report is an initiative adopted proactively to demonstrate our commitment to responsible tax behavior.

Transparent and fair taxes are vital to our efforts to make a positive contribution to local communities and create a sustainable planet for future generations.

This is Vestas

With more than 40 years of experience in wind energy, we have established a leadership position within the wind power industry, with a vision to become the global leader in sustainable energy solutions, we are bringing the world sustainable energy solutions to power a bright future. We have presence in more than 86 countries and more than 28.000 employees . The core of our business is aligned with the industry's value chain and consists of:

Development
Unique presence and knowledge drives growing pipeline of attractive, undiscovered wind projects

Onshore
Undisputed market leader within the onshore wind market

Offshore
New technology platform in place to become a market leader

Service
Undisputed market leader with expanding scale and capabilities servicing onshore and offshore

Approach to tax

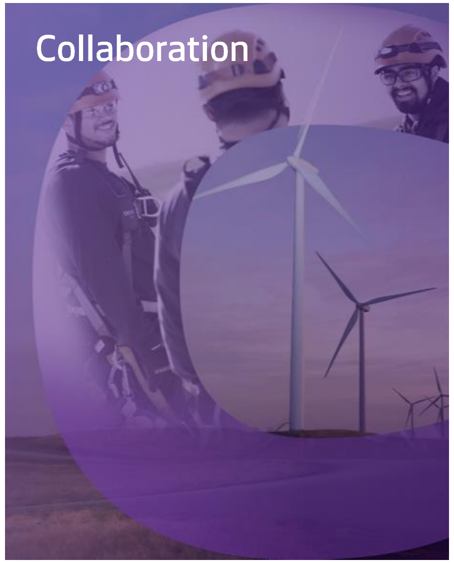
Our tax principles

We consider a sustainable, socially responsible and compliant tax practice to be a corner stone in contributing positively to the communities we are part of and create a sustainable planet for future generations. By taking a responsible and transparent approach to tax, our tax practice helps sustain the Group's license to operate globally and locally, and therefore we also believe that local operations must be proportionally matched by local tax contributions. Likewise, Vestas' principles drive our actions, and our principles -: Simplicity, Collaboration, Accountability and Passion- guide everything we do within the Group Tax Department.

See more about Vestas Group's tax policy here.

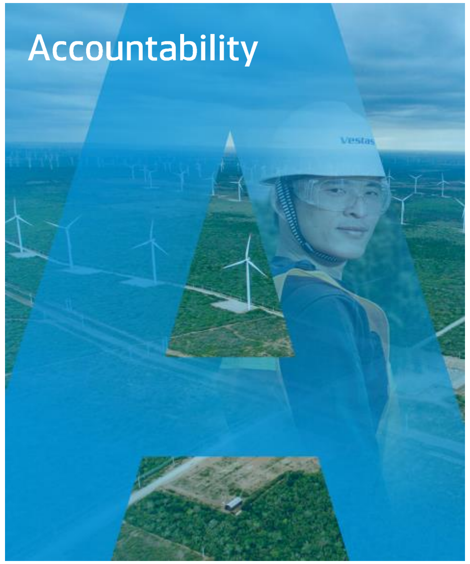
Simplicity

We strive to simplify our solutions for this reason we develop only branch and subsidiaries in the jurisdictions where we have operations and investments.



Collaboration

We work in a collaborative and respectful way in all the jurisdictions where we have operations.



Accountability

We decide and act in a constructive way understand the importance of taxation for a sustainable development of the countries where we operate.

Passion

We are dedicated to our Planet, People and Vestas and our strong team of tax professionals are an evidence of that.

Tax Governance

Our tax practice is governed by a global organization where roles have been defined to secure an efficient structure where:

- Overall tax policy and strategy are centralized at headquarters together with global controlling functions & subject matter experts providing support to local management, and
- local tax compliance and tax filing is the responsibility of local management seeking guidance from the global policy and available guidelines.

To ensure a sufficient tax risk management we have a professional network with adequate knowledge of the subjects that can impose a tax risk to the Group, and we can provide support when it is neccesary.

As demonstrated our overall tax policy and strategy is centralized at headquarters with global controlling functions & subject matter experts providing support to local management and local tax compliance while tax filing is the responsibility of our local management.

At the same time, in support of our approach to tax, Vestas Code of Conduct help ensure integrity and compliance in Vestas corporate decisions, while our Values of Accountability , Collaboration, Simplicity and Passion provide further guidance.

We believe that transparency is a key factor in building relationship with our stakeholders , the commitment "sustainability in everything we do" is also evident in our management of tax risk and in our tax policy.

Tax Risk Management

We understand that the complexity of a global tax policy require a clear focus on managing risk. This is supported by Vestas' tax risk management principles:

- Identifying the tax risks from local management
- Evaluation of systemic risk related to operating based on a global business model.

Tax risks are reported in Vestas' tax risk management reporting and reported to management on a quarterly basis together with reassurance sufficient contingence are in place. Actions are planned on how to most efficiently mitigate and prevent identified tax risks.

Controlling is performed on an annual compliance list where local management confirms that they have fulfilled the statutory filing requirements in the jurisdictions where they operate.

Our attitude to tax planning

We find aggressive tax planning contrary to Vestas' Policy and potentially damaging to the long-term development and success of the industry.

Vestas relies on sound legal structures based on the individual business cases and does not apply legal structures that are constructed to avoid or artificially defer corporate tax payments or unduly shift the tax jurisdiction governing transactions.

Transfer pricing

The OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD Guidelines) are widely accepted by both Tax Administrations and Multinationals. The Guidelines constitute a unified set of guidelines where both Tax Administrations and Multinationals can seek guidance in day-to-day operations, as well as special cases. The OECD Guidelines and the OECD Model Convention establishes the arm's length principle, which OECD member countries have agreed should be applied for tax purposes by multinationals and tax administrations, and the arm's length principle thus constitutes an international standard that is recognized and appreciated by Tax Administrations and Multinationals globally.

We follow the advice and guidance of the OECD Guidelines and structures our daily operations and transfer pricing management striving to adhere to the arm's length principle established by the OECD Guidelines and the OECD Model Convention.

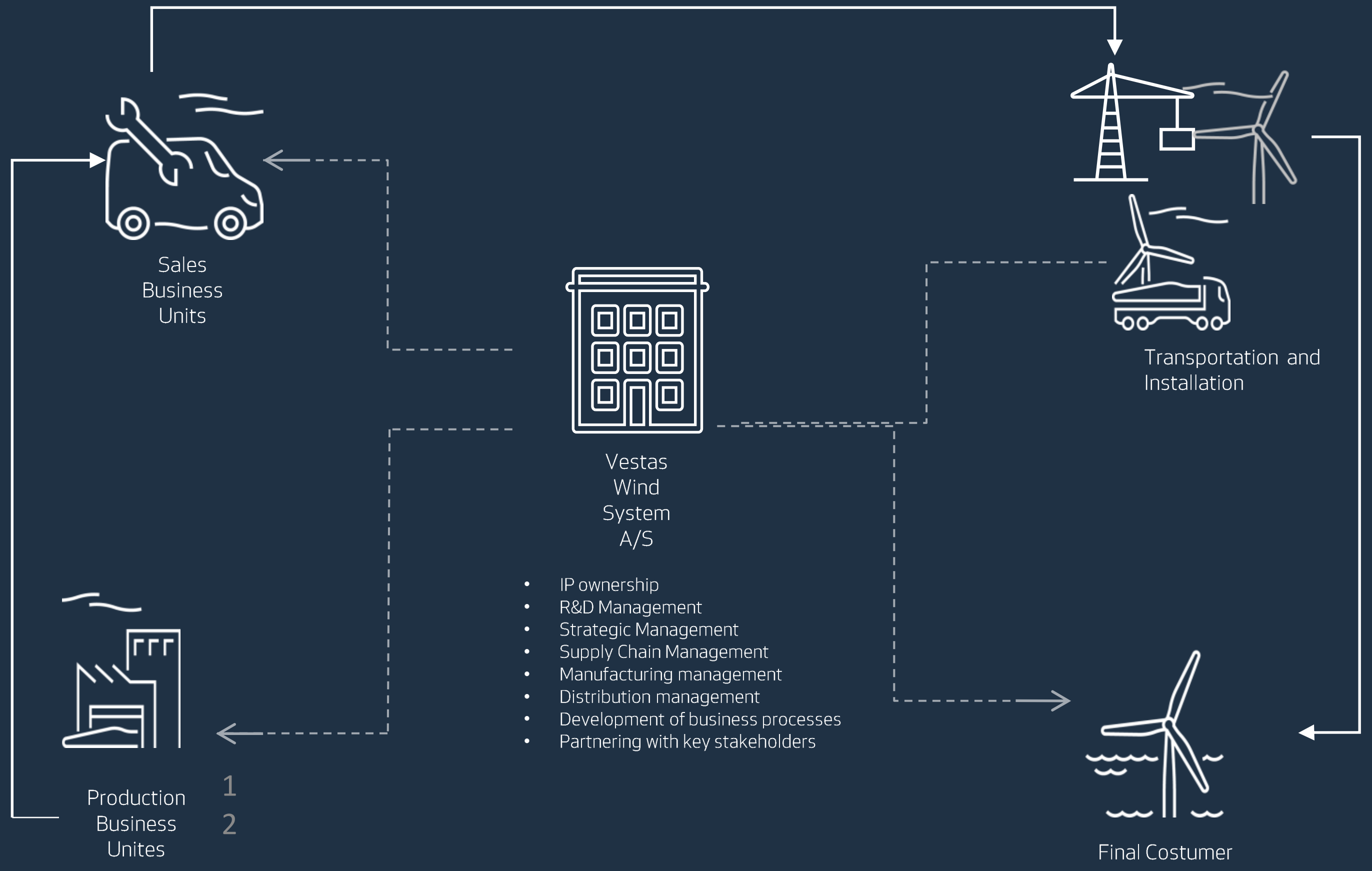
At the same time, we have adopted the three-tiered approach suggested by the OECD Guidelines, implying a package of a Master File, Local Files, and a Country-by-Country Report. We strive to ensure transfer pricing compliance in all jurisdictions where the group is represented with either a legal entity or a permanent establishment. As such, transfer pricing documentation packages are prepared in accordance with local regulations following the standards set by the OECD Guidelines.

DAC6

In addition to following the three-tiered approach governed by the OECD. Vestas follows the 2018 EU Directive, DAC6, on the mandatory disclosure of certain international transactions, which establish a mandatory and automatic exchange of information in relation to cross-border arrangements by intermediaries or taxpayers to the tax authorities.

As a Group we have developed an internal platform where we report tax positions that we consider under the scope of the Directive. The process that we launched involves people from all regions report any transactions that could be considered risky. Internally, the Group tax team analyzes such transactions and define if it is required to submit to the tax authorities. This process is repeated on a monthly basis.

Vestas' transfer pricing business model



Vestas operates a centralized business model in which the group parent entity, Vestas Wind Systems A/S, is the entrepreneurial entity responsible for strategic management.

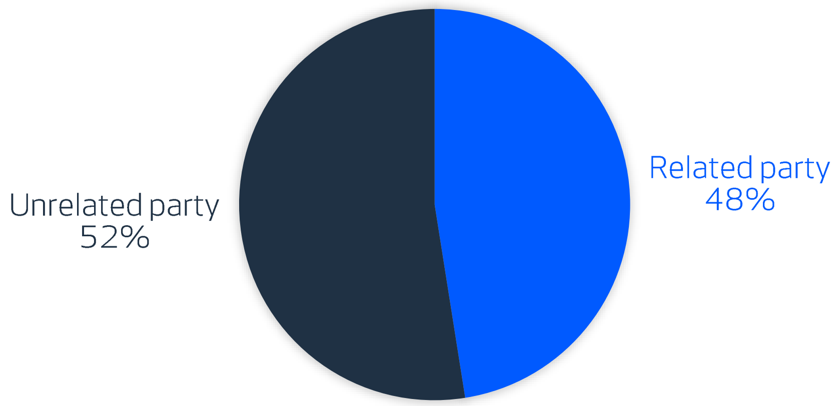
Vestas' subsidiaries are assigned specific tasks, and subsidiaries are overall either production entities or project sales- and service entities. In addition to this, Vestas operates a few entities focusing on provision of shared internal services. Subsidiaries within the Vestas Group are regarded as low risk entities.

The Vestas Group applies an activity-based remuneration methodology in accordance with which Vestas' subsidiaries are remunerated in accordance with value creation. As such, remuneration of subsidiaries is carried out using the transactional net margin method (TNMM), using a cost based PLI.

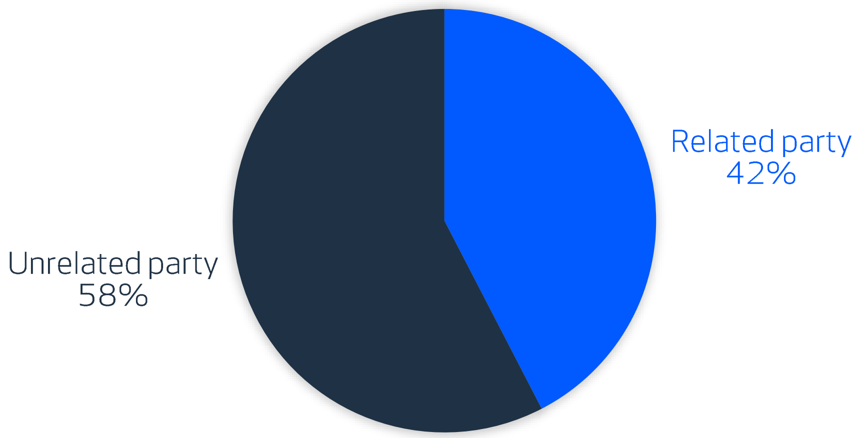
For financial transactions, the generally accepted method is the comparable uncontrolled price (CUP).

Intercompany transactions

AVERAGE INTERCOMPANY OPERATIONS BETWEEN 2018-2021[1]



INTERCOMPANY TRANSACTIONS 2022[2]



With a presence in more than 86 countries related party transactions are driven by business operations as well as the global commercial strategy.

The transactions that Vestas carries out between related party entities are guided by the OECD guidelines. Transfer pricing methods are applied in a way consistent across all Vestas' companies, which count more than 130 legal entities.

Furthermore, our business model is operated according to OECD principles and facilitate our business to increase the creation of value to our customers.

All intercompany transaction that we execute are necessary to reach our goal for customers to implement industry leading sustainable power plants. Within this context Vestas Wind Systems has a decisive role as Headquarter of the group feeding the business units the knowledge that they need to develop best in class solutions.

(1) Figures incorporated in the graph are the average of the information reported in 2018 to 2021 Country-by-Country reports.
(2) Figures incorporated in the graph are based on the data to be reported in the 2022 Country by Country report do in December 2023.

Our relationship with tax authorities

Vestas ' tax policy builds on a responsible approach towards tax governance and tax authorities. From time to time, there might be disagreements in judgements. That can be a result of differences between local rules and running a global and complex operation.

Such situations most commonly arise out of transfer pricing where judgments often give rise to different opinions.

Vestas is committed to open and honest collaboration with Tax Administrations during transfer pricing controversy, and actively supports Tax Administrations in carrying out the appropriate controls on the Vestas Group's operations.

To mitigate risk and the escalation of conflicts to the court, Vestas pursues active collaboration with the tax authorities through Mutual Agreements Procedures and Advance Pricing Agreements to eliminate misunderstandings around our operation and the way that Vestas has organized its activity and transactions.

Our position regarding tax havens

Tax havens are defined by lack of transparency, no or nominal tax on the relevant income, lack of effective exchange of information and no substantial activity.

The countries we operate in do not have uniform lists on jurisdiction considered tax havens. Therefore, for this analysis we have considered the OECD and the EU list of non-cooperative jurisdictions. The OECD list is composed of the following countries: Andorra, The Principality of Liechtenstein, Liberia, The Principality of Monaco, The Republic of the Marshall Islands, The Republic of Nauru and The Republic of Vanuatu while the EU list includes American Samoa, Anguilla, Bahamas, Fiji, Guam, Marshall Islands ,Palau, Panama, Samoa, Trinidad and Tobago, Turks and Caicos Islands, US Virgin Islands, Vanuatu. It is important to highlight that this list is updated on an annual basis by the EU.

One of our main principles as we have illustrated throughout this presentation is that we do not take any decision for other purpose than commercial operations of the company. However, some time the activity of the company implicate the operation in some countries that can be controversial from a tax perspective. As a company we would like to be completely transparent about all the factors that may raise concerns to our stakeholders.

After analyzing all the jurisdictions where we have operation during 2022, we observe that the only controversial jurisdiction where we have operations is Panama, which appears on the EU's list as a non-cooperative jurisdiction.

Despite that, we would like to highlight that the latest EU list updated the 14 of February 2023 includes new tax havens: Russia, Costa Rica, British Virgin Islands and Marshall Islands.

Currently in Panama, our presence is related to projects and carried out through two legal entities Vestas Overseas Panama and Vestas Spare Parts Panama. Our path in this country started in 2018 with Vestas Overseas when we received our first order from Elecnor Panama through a wind energy solution for the 66MW Toabre wind park that consist of the installation, assembly, erection, testing and commissioning, where Vestas Oversees Panama was awarded the installation scope as well as a 5-year service contract to be carried out at the site in Panama.

In April 2019 we created Vestas Spare Parts, a new company which operates a spare parts warehouse, contracting international freight forwarding and others logistics providers with the objective of moving spare parts from Randers to Panama and storing them in a leased local warehouse in the country for onwards distribution in the region.

BEPS 2.0: Pillar I and Pillar II

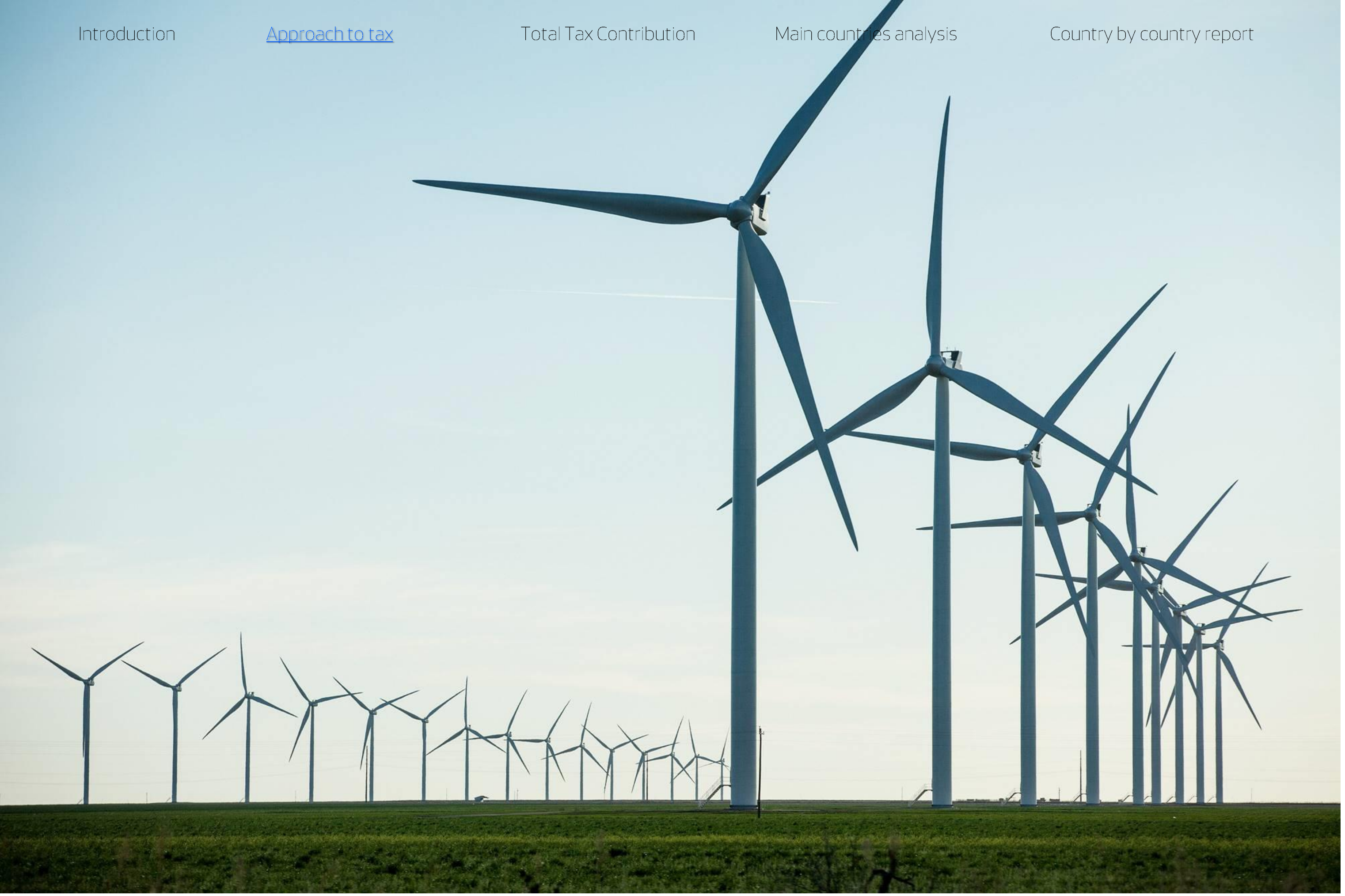
Over the past years we have seen a change in the mentality around the international taxation and the mechanism to fight tax evasion and aggressive tax planning. In Vestas we support this campaign and encourage that it is developed in cooperation with responsible companies to increase efficiency and avoid unnecessary administration.

The emergence of new information and communication technologies has imposed a challenge for OECD to combat in this context, practices that sometimes have resulted in decrease of tax payments that companies pay in the countries, where they operate.

For this reason, OECD launched the BEPS 2.0 Pillar I and Pillar II, which is a compilation of measures that aim to fight these new emerging scenarios.

Pillar I is aimed at digitized companies and consumer-serving organizations imposing an alternative methodology with the aim of taxing the transaction where it takes place. We have studied carefully the standard framework and after the examination we have concluded that Vestas is not in scope for Pillar I.

On the other hand, Pillar II – Global Minimum Tax is OECD's response presented 20 December 2021.The project developed the Global Anti-Base Erosion (GLOBE) Model Rules which provide a framework for the calculation of a 15 percentage of minimum tax . The objective of this regulation is large multinational enterprises (MNE) that must bear a minimum tax of 15 percent or higher referred to as Effective Tax Rate (ETR) in all the jurisdictions where they operate. Membership countries of the European Union are obligated to implement it for the year 2024.



Possible Pillar II effects inside Vestas

We are continuously analyzing how the new legislation is going to apply to us. Considerations around how the increased compliance requirement following the new legislation continue during this year. After the last period of consultations for the stakeholders involved in the process and in the development of Pillar II as well as clarification around some of the concepts, the consultation process will be extended during 2023.

As a company, the new legislation will involve us to develop compliance processes that align with the final documentation we must report and ensure that our internal information and processes support timely compliance with the requirements. This new measure is going to be transposed into to the internal law of all the countries that finally adopted it.

We are in the process of reviewing the changes that the OECD has issued and has initially detected some countries where we may see some impact, and such jurisdictions may include Panama, Ireland , Switzerland, United Arab Emirates, Bosnia, Bulgaria Cyprus, Hungary, Singapore.

It is important to highlight that some countries are working to top-up their internal tax rate, for this reason some of the countries that we listed may not be impacted by this new regulation.

Tax incentives

Many countries, developed and developing alike, offer various incentives in the hope of attracting investors and fostering economic growth. As a company we pursue a responsible use of tax incentives where they are aligned with our commercial activity and complement our demand.

It is known that the necessity of an energy transition motivates some countries to develop a portfolio of incentives to attract companies with the best knowledge about the green energy industry to promote and invest in the energy transition.

In line with our commitment to transparency ,we would like to list some of the tax incentives that Vestas benefit from.

UK

The UK government has an ambitious target to increase total investment in research and development. R&D tax incentives have a key role in supporting this investment by supplementing the costs of innovation. Vestas benefits from the Research and Development Expenditure Credit incentive (RDEC) which gives as a taxable credit on the amount of qualifying R&D expenditure payable as cash or as an offset against the company's corporation tax liabilities.

Eligible activities for R&D for tax purposes-takes place when a project seeks to achieve an advance in overall knowledge or capability in a field of science or technology. You can claim the RDEC tax credit rate of 13% against certain costs that are allowable for tax purposes on the project.

DENMARK

In 2018, the Danish Government has availed a variety of tax incentives as deduction of R&D expenses, having these incentives the objective to promote R&D activities encouraging innovation and growth in the country.

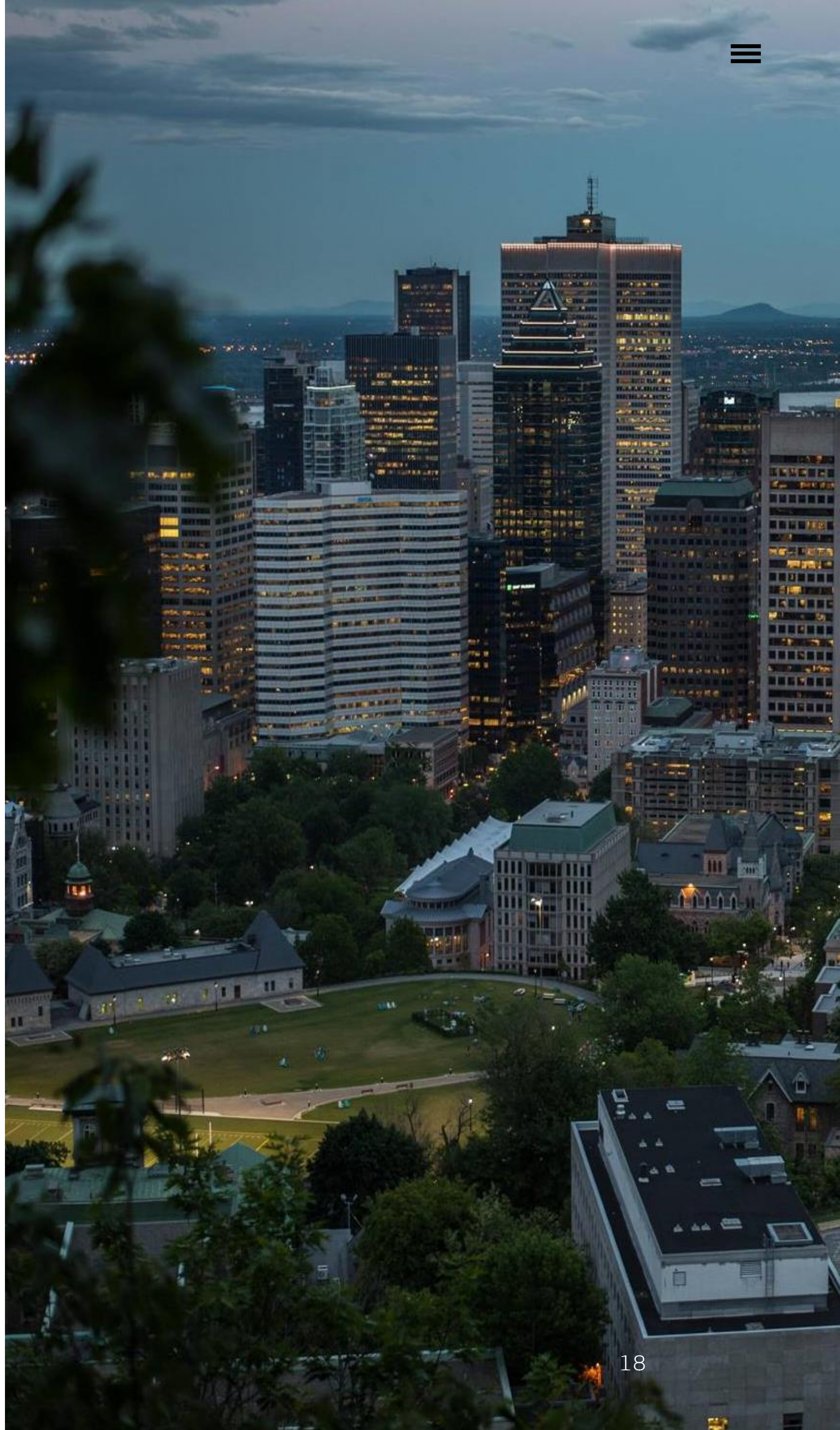
According to Danish tax regulation , expenses for the purchase of operating equipment and ships used for experimental and research activities may be deducted immediately in the year of acquisition. The deduction is gradually increased from 100% to 110% as follows: income years 2018–19 = 101.5%; income year 2020 = 103%; income years 2021–22 = 105%; income years 2023–25 = 108%; and income years 2026 and onward = 110%

The taxpayer may choose to take tax depreciation in the same year and the following four years on a straight-line basis. Costs incurred in connection with the exploration for raw materials may also be fully deducted in the same year.

PORTUGAL

The Portuguese government has created a list of tax incentives to promote investments in the country in order to increase its competitiveness.

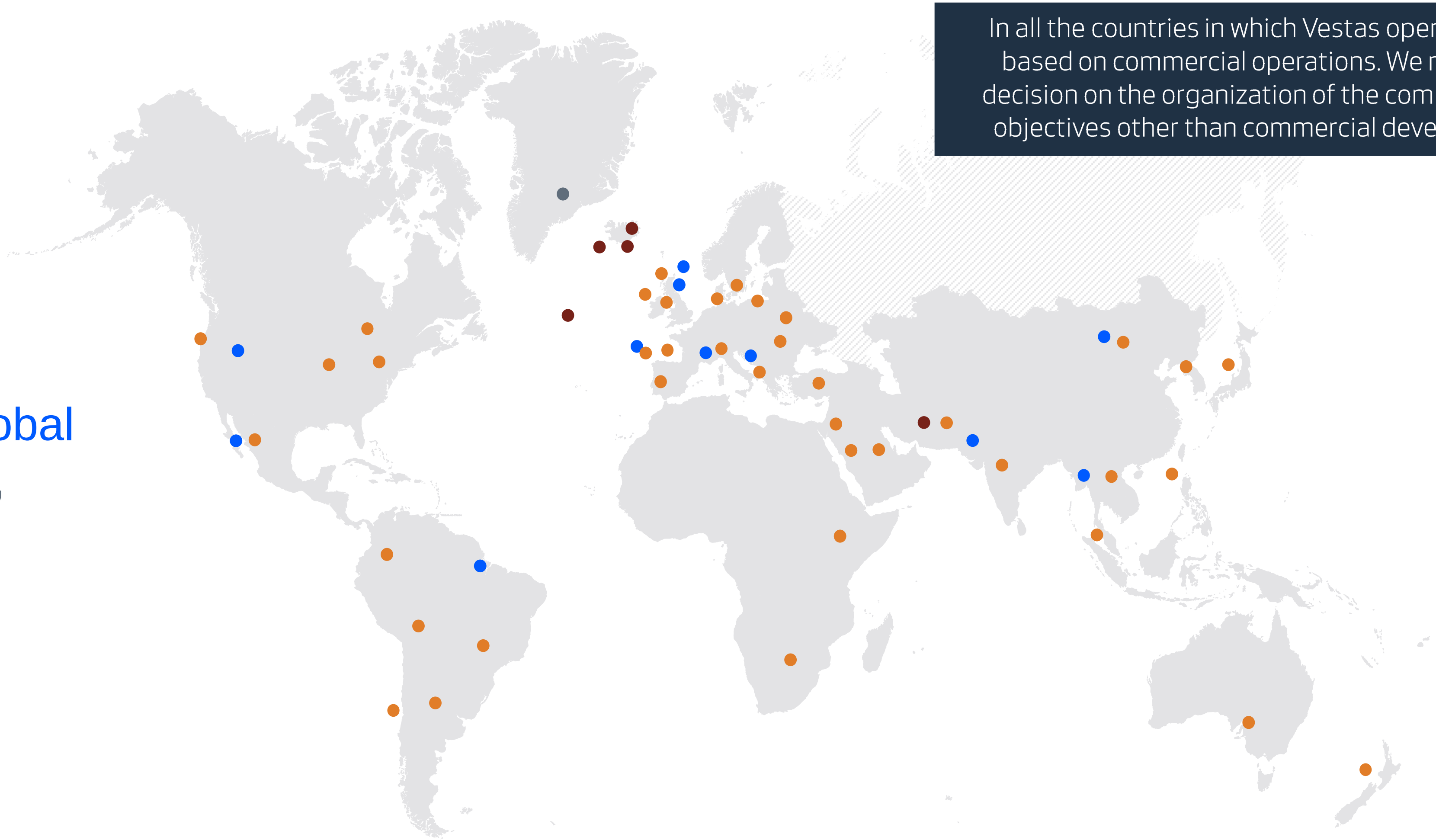
Vestas as a company benefits from some of those tax incentives. One of them is the SIFIDE II, which is an incentive regime for research and development. It consist of a deduction of the amount designated to R&D expenditures. To apply for these tax incentives, you must meet the requirements contemplates in the IRC Code.



Vestas' locations

Vestas operates in more than 86 countries

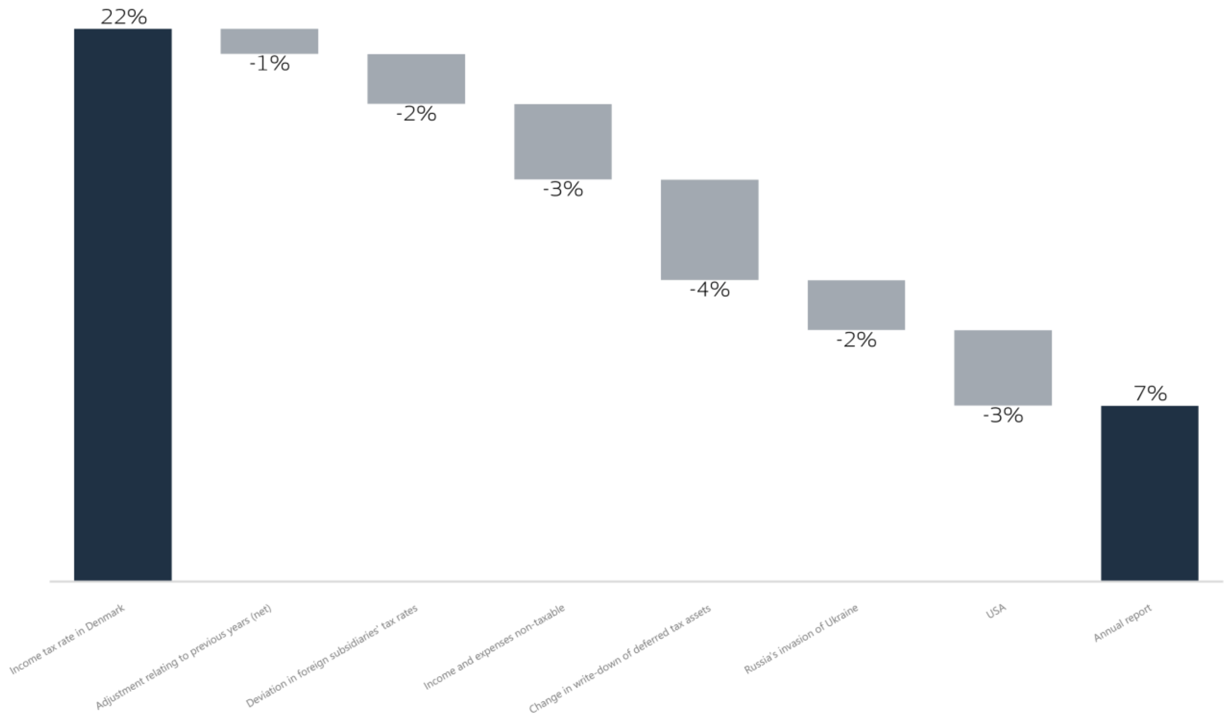
In all the countries in which Vestas operates, it is based on commercial operations. We make no decision on the organization of the company with objectives other than commercial development



Vestas has a unique global reach in manufacturing, sales and installation

- Global Headquarters
- Sales & Service
- Production
- Research

Effective Tax Rate communicated in our Annual report



Our Global Effective tax rate (ETR) represents the total tax expenses according to the IFRS and is included in our Annual report. The calculation of this rate is the result of dividing the Income tax provision by the Profit before tax. It should be noted that since our result was negative for the year, a reduction in the ETR represent a negative contribution to the net result.

The chart on the left represent~~s~~ the reconciliation between the Danish statutory tax rate, and the final ETR calculated.

The main reasons for these differences are as follows:

- Adjustment relating to previous year representing a reduction in our effective tax rate of 1% point.
- Deviation in foreign subsidiaries' tax rate which represents the difference tax rate between foreign jurisdictions where we operate and Denmark, this represented a reduction of 2% points.
- Income and expenses non-taxable, due to local tax regulations had a reduction impact of 3% points.
- During 2022 we had higher losses in Denmark than expected, this led to write downs because the resulting tax assets cannot be utilized in the foreseeable future, accounting for almost the entire impact of this category resulting in a reduction of the ETR by 4% points. However also slightly impacted by uncertain tax positions, mainly because of TP controversy resulting in additional provisions.
- Russia's invasion of Ukraine resulted in ceasing and postponement of activities in these countries reducing the ETR by -2%-points(1)
- The USA effect is mainly due to recognizing a gain on shares related to the sale of our factory in Pueblo, Colorado that was recognized in 2021 representing a reduction of 3%-points. (1)

The ETR that we recognized in our Annual report was lower than originally expected, as we reported a 14% ETR in the Q1 disclosure. The main reasons for this difference in the calculation were the higher write-downs due to the losses generated in Denmark that were not considered in the original forecast and resulted in a reduction of 4% in the tax rate, as well as the US taxation related to the sale of the tower factory which in addition reduced the ETR by 3% points compared to the Q1 forecast.

Total Tax Contribution

→ Key concepts to understand the Total Tax Contribution report

→ Overall review Total Tax Contribution

→ Total Tax Contribution by region

→ Key indicators of the Group's tax contribution

→ Trends between 2022 and 2021 in tax paid

Key concepts to understand the Total Tax Contribution report

The Total Tax Contribution (TTC) gives an overall understanding of the tax payments that multinational groups make during the year. In this report we are going to introduce all the contribution that Vestas Group did during the year 2022.

The TTC categorizes the tax payments in two categories: tax borne, and tax collected.

Tax borne is defined as taxes that we pay to the government as cost for the company.

Tax collected is defined as taxes that we collected on behalf of governments but that does not represent a cost for the company.

Throughout this report we are going to find different typology of taxes that we divided in three groups: Corporate Income tax, Indirect tax and Employee tax.

Tax borne

Corporate Income tax include all the payments based on the taxable profits of our operations.

Indirect taxes: the indirect taxes that we categorize as a direct cost to the company are Customs duties, which relate to importation of good across borders which represent an important part of our activity due to the importance of goods for the supply to our factories which is essential to perform the final products that we supply to our customers. Furthermore, we categorize as indirect tax the property taxes paid as a result of owning, selling and transferring the tittle to property.

Employee taxes: these taxes include the payments that the company does during the year for the employment of individual, that represent cost for the company.

Tax collected

Corporate Income tax taxes withheld on payments in the supply chain on behalf of suppliers and thus does not represent a direct cost to the company.

Indirect taxes: the indirect taxes collected on behalf of tax authorities that normally involve VAT and GST.

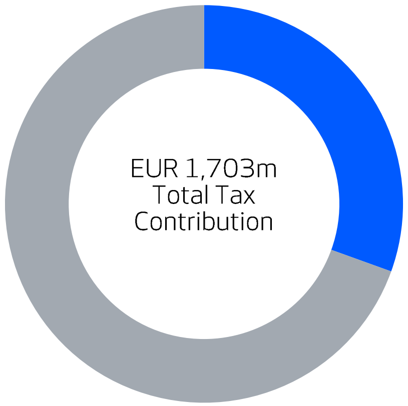
Employee taxes: Taxes withheld by Vestas as an employer on behalf of our employees.

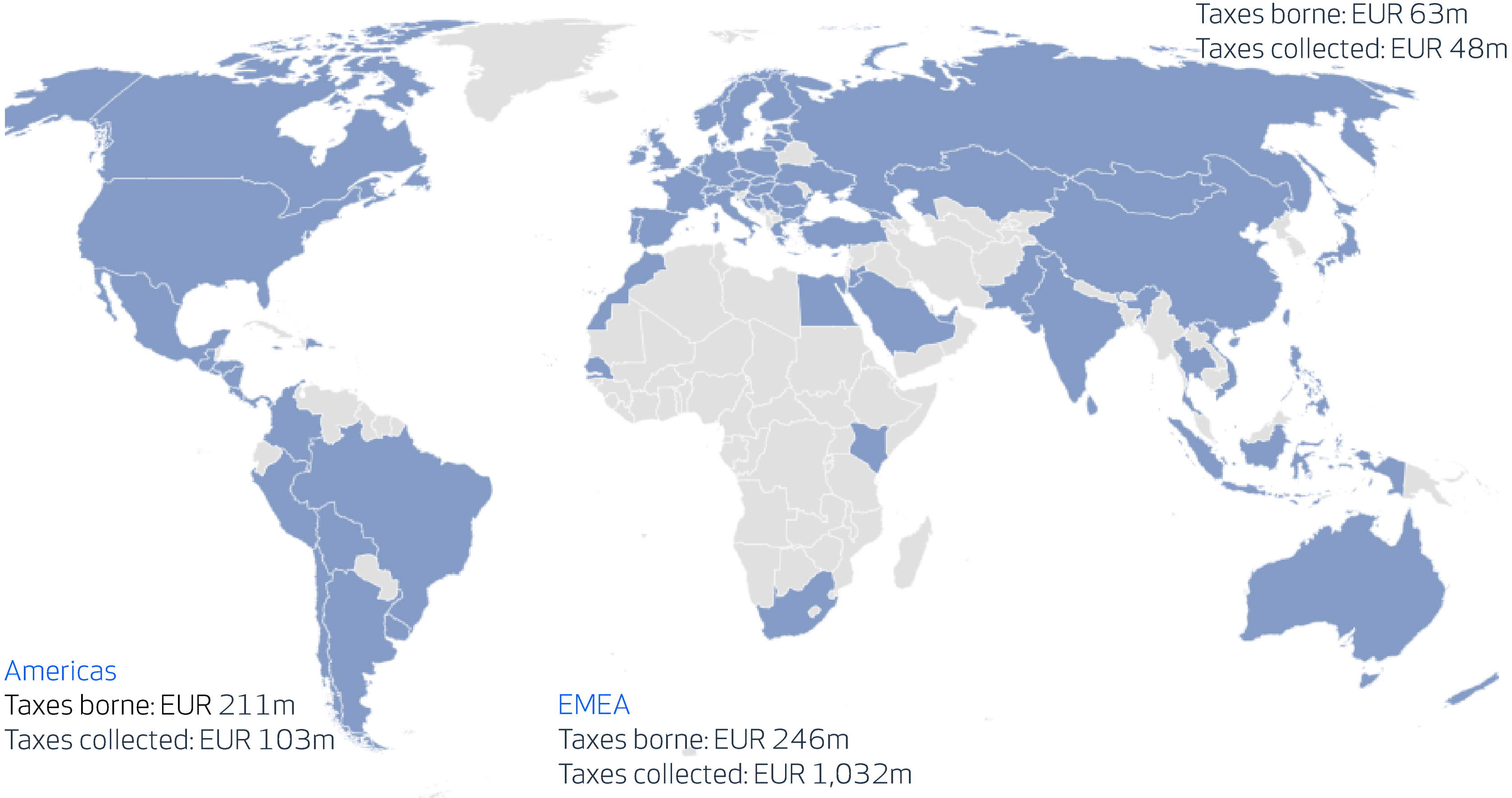
Effective tax rate (ETR): It is the result of the tax provision divided by the profit (loss) before tax that we report in our CBC. It is important to highlight in this respect that the profit(loss) before tax that we report is based on the Vestas GAAP which is based on IFRS principles.

FTE: Refers to the full-time equivalent employees that we have at the end of the year in the respective countries.

Overall review Total Tax Contribution

The total tax footprint of Vestas Group during the year 2022 involved a total tax contribution of EUR 1,703m, divided between EUR 520m as taxes borne and EUR 1,184m as tax collected, In this map we can see that the total tax paid is mainly concentrated in EMEA region where we have our headquarters.





Total tax collected

Corporate income tax
EUR 13m

Indirect taxes
EUR 830m

Employee taxes
EUR 340m

Total tax borne

Corporate income tax
EUR 185m

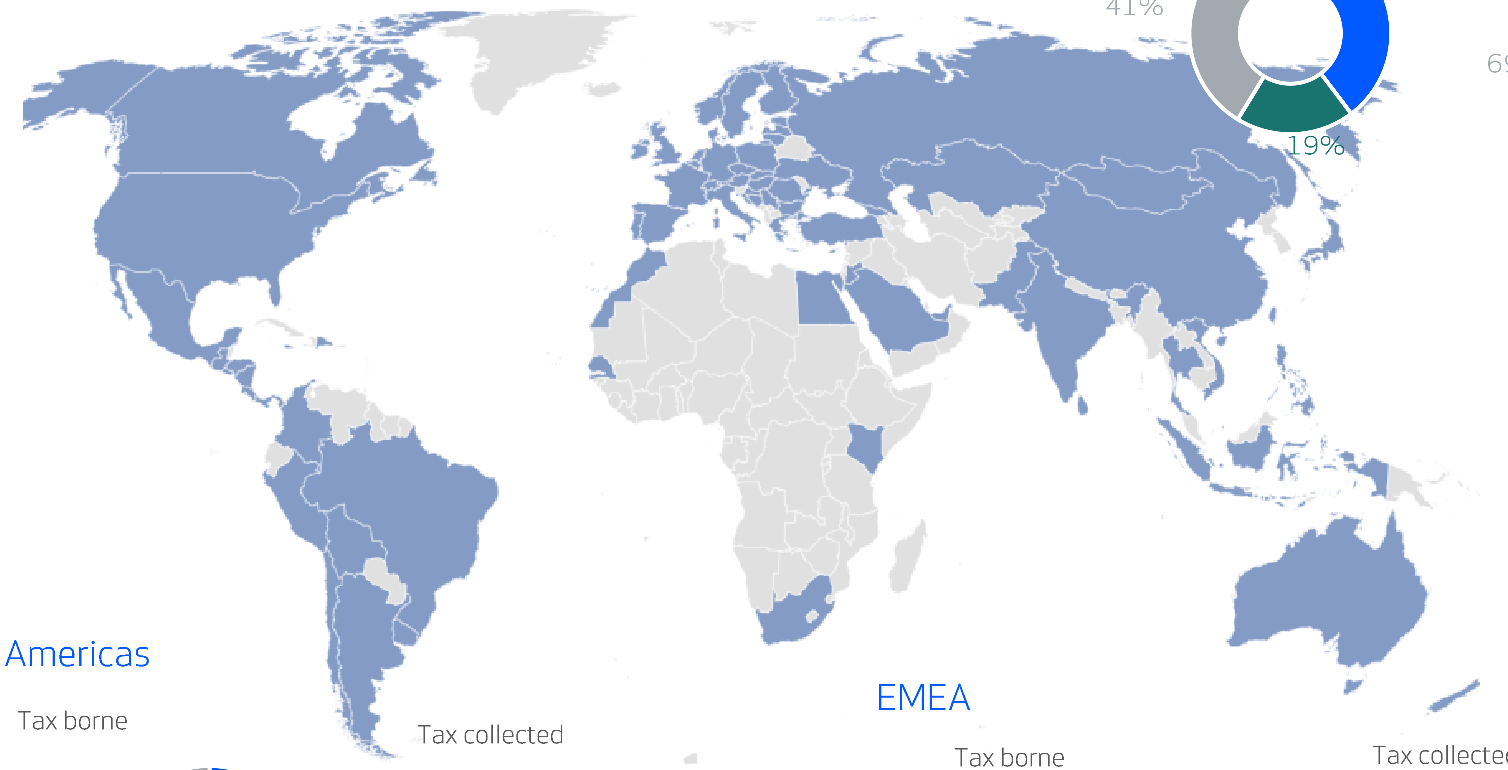
Indirect taxes
EUR132m

Employee taxes
EUR 203m

Total Tax Contribution by region

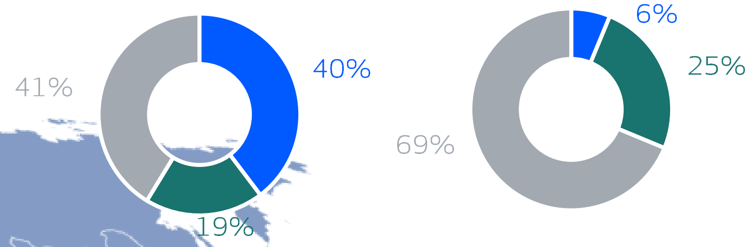
Companies	137[1]
Tangible assets	EUR 12,306m
Revenues	EUR 14,486m[2]
FTE	28,438

- Corporate income tax
- Indirect taxes
- Employee taxes



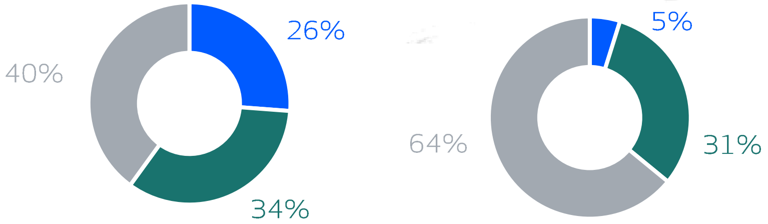
Asia Pacific

Tax borne | Tax collected



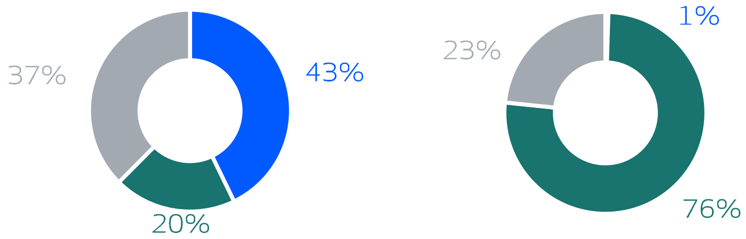
Americas

Tax borne | Tax collected



EMEA

Tax borne | Tax collected



(1) Companies with insignificant impact have been left out of the overview, for more information see the Annual report 2022

(2) This figure only includes external revenue

Key indicators of the Group's tax contribution

TOTAL TAX CONTRIBUTION RATE

TTC as percentage of Revenues

For every 100€ of revenues generated, 11.8 euros are used to pay taxes, of which 3.6 taxes borne and 8.2 tax collected.

11.8%
TTC rate

3.6%
Borne

8.2 %
Collected

PEOPLE TAXES PER EMPLOYEE

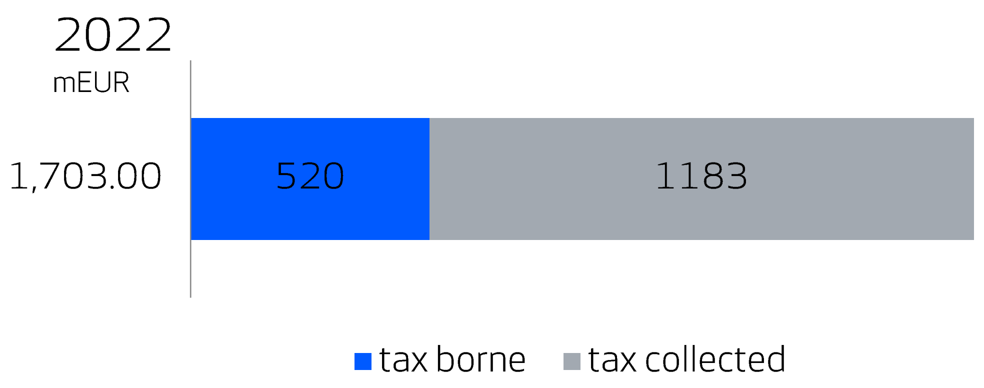
For every person employed, we paid 19,161.44 € in people taxes, including 7,164.95€ borne and 12,008.02 in people tax collected.

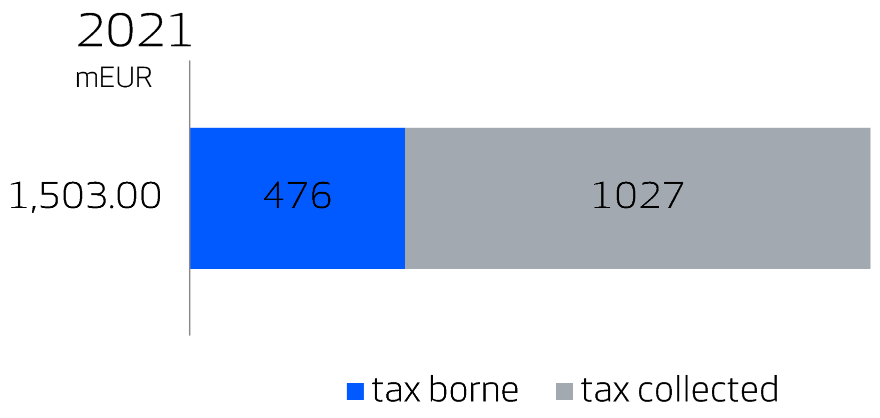
19,161.44 €
People taxes per employee

7,164.95 €
Borne

12,008.02 €
Collected

Trends between 2022 and 2021 in tax paid





During the year 2022 we can see an increase of the Total Tax Contribution if we compare with the year 2021, As a Group during 2022 the distribution of our taxes were divided between a 31% of tax borne and 69% as tax collected.

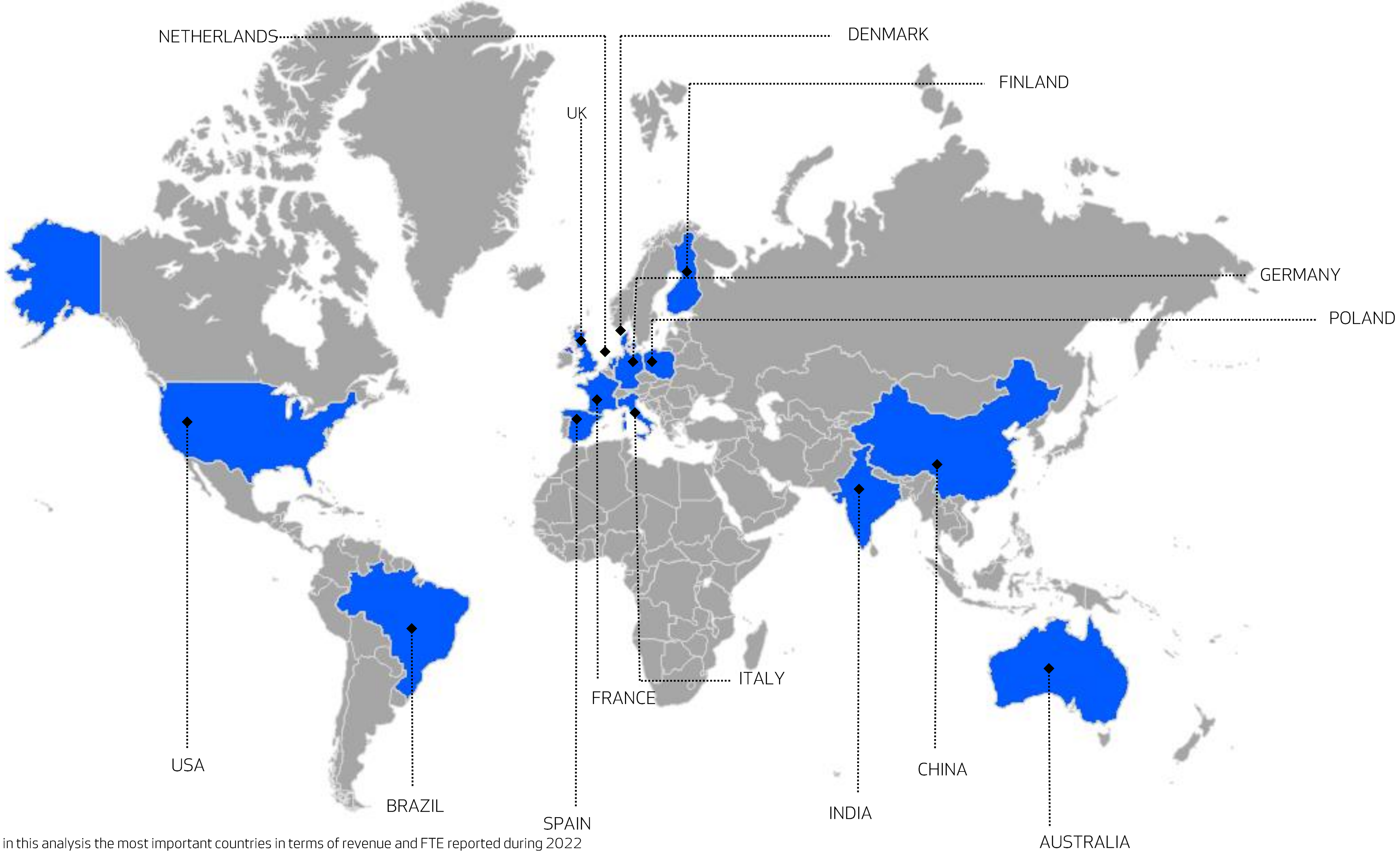
At the same time is important to highlight that 75% of the Taxes that we paid are centralized in the EMEA region, which represented the most material region in terms of revenue during 2022 amounting to EUR 8,225 m.

On the other hand, if we do a comparison between the different taxes that we paid indirect taxes account for 56% of the total tax paid during 2022.

If we compare with 2021, we can see a little increase during this year of total tax paid, with more or less the same distribution 32% tax borne during 2021 and 68% tax collected.

Main Countries Analysis

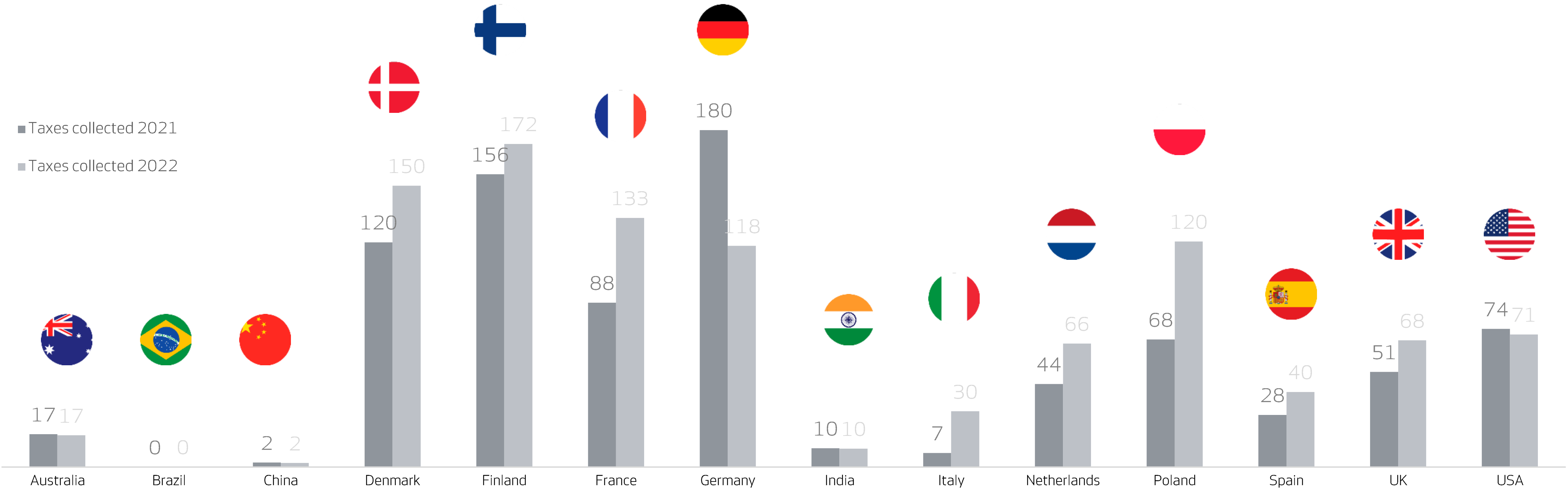
- → Tax collected by country (main countries)
- → Tax borne by country (main countries)
- → Australia
- → Brazil
- → China
- → Denmark
- → Finland
- → France
- → Germany
- → India
- → Italy
- → Netherlands
- → Poland
- → Spain
- → United Kingdom
- → United States



*We include in this analysis the most important countries in terms of revenue and FTE reported during 2022
*All the figures reported in the main analysis countries slides refer to payments and figures recognized during 2022.

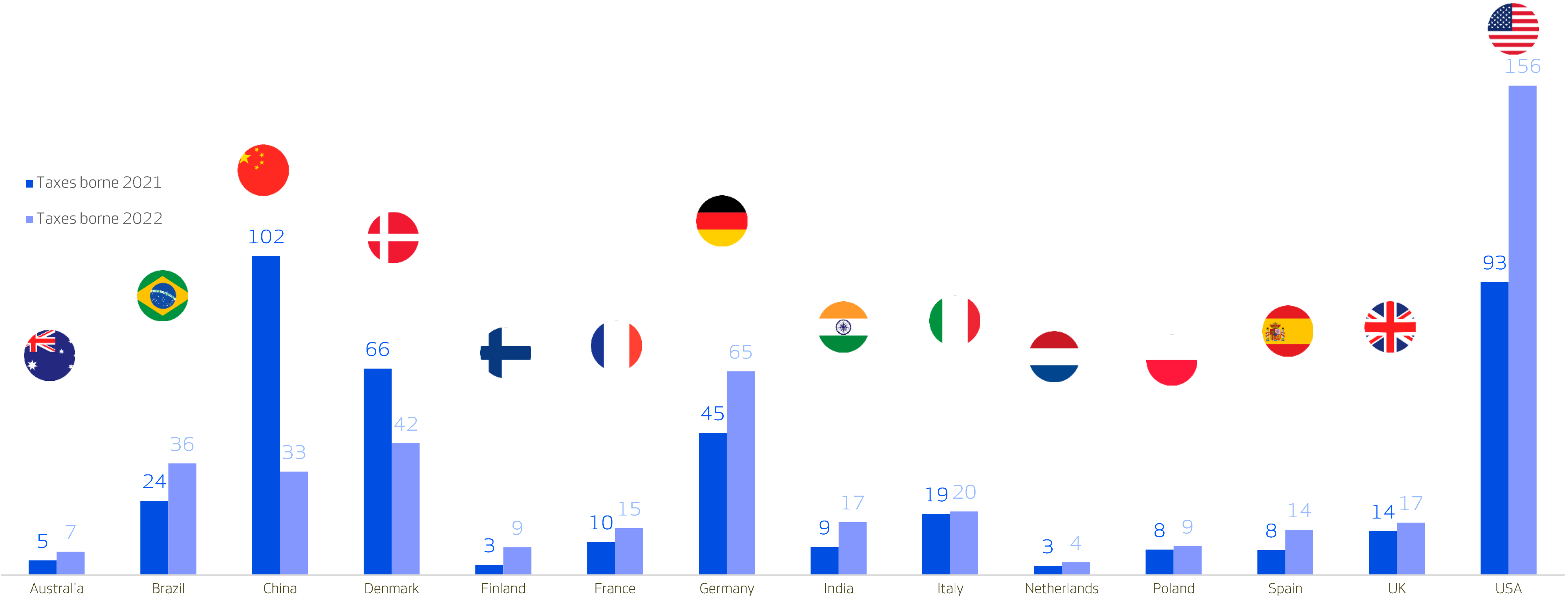
Tax Collected by country (main countries)

This graph shows a comparison between the figures that we reported in 2021 and 2022 respectively in terms of tax collected, As demonstrated the countries with the highest concentration at taxes collected are countries in European Union: Denmark, Finland, France and Poland due to magnitude of revenue.



Tax borne by country (main countries)

As we can see in the chart tax borne during 2022 is concentrated mostly in United States, the reason for that is partly related to increase of employees in the country, where the company increase it presence.



Our total tax footprint in Australia

Our activities in Australia in 2022 resulted in taxes borne mainly consisting of corporate income tax relating to our activity in the country which include production, manufacturing, maintenance and operation of wind parks, The effective tax rate recognized amounted to 32% slightly higher than the statutory tax rate in Australia of 30%. The main reason for the higher effective tax rate relates to permanent differences from prior year adjustments. The indirect taxes borne in Australia of approx., EUR 1m relate to import of equipment for the purpose of erecting and maintaining wind turbines.

At Vestas we recognize that our employees are our most important asset, In 2022 Vestas employed 598 full time equivalents in Australia. Taxes collected during 2022 on behalf of the Australian society mainly related to the employees that we have in the country related to withheld employee income tax amounted to EUR 17m.

We are highly committed to long time sustainable growth in Australia and contributing to society through tax payments matching our footprint.

Our track record in Australia started in the year 1999. Since this moment we have installed almost 5GW of wind power capacity in the country.

During 2022 we signed an agreement with the customer TagEnergy to deliver Engineering Procurement and Construction for Golden Plains Wind Farm, this scope is for a project of 756 MW. After the commissioning we agree to deliver a 30 years service and maintenance agreement (AOM 5000) for optimizing the project.

Total tax payment EUR 24.32m (2021 : EUR 22.13m)

Tax collected:
Employee taxes EUR 16.87m

Tax borne:
Corporate income tax EUR 6.62m
Indirect taxes EUR 0.83m

FTE	598
Profit before tax	EUR 12.50 m
Revenues	EUR 594.48 m
Statutory tax rate	30%
Effective tax rate	32%

Our activity in this country started in 2002, however we installed our first turbine in 2011.

During the year 2022 we have installed 1.6 GW, Throughout our presence in this country, we have installed a total of 6GW and 3.5 GW as backlog and 10GW O&M agreement for 20 years.

Our total tax footprint in Brazil

In 2022 tax payments reached a total of EUR 35.58 m , mainly related to indirect taxes (EUR 25m) and employee taxes (EUR 10m).These payments are generated by the significant footprint Vestas has in Brazil including both Vestas owned factories and facilities operated by partners with a total capacity to produce approx., 400 Nacelles, Hubs and Drive Trains as well as blades and towers for just as many turbines.

Corporate income tax payables can be offset by significant VAT receivables capitalized in the balance sheet as a result of Vestas' customers being exempt from VAT due to a program introduced by the government to support investments in renewable energy. However, since Vestas' supply chain from local suppliers and importation are subject to VAT this ties up significant amounts of capital at times reaching as high as EUR 200m.

Our ETR in Brazil differ from the statutory tax rate mainly due to a complicated transfer pricing legislation that require accrual of a contribution margin on imported components that in some years are in excess of the profitability of the underlying activity in the country.

Total tax payment EUR 35.58m (2021 : EUR 26.15m)

Tax collected:
Employees taxes EUR 0.01m

Tax borne:
Corporate income tax EUR 0.19m
Indirect taxes EUR 25.04m
Employee taxes EUR 10.35m

FTE	992
Profit before tax	EUR 4.15 m
Revenues	EUR 1,229.98 m
Statutory tax rate	34%
Effective tax rate	268%

Our total tax footprint in China

Our footprint in China includes a significant work force (1275 people) and a significant investment in manufacturing activities mainly centered around Tianjin close to Beijing. We are proud to be one of the first Western companies that reached a bilateral agreement (BAPA) supported by both the Danish and Chinese government initially covering income years 2010-14. The high complexity of the industry and significant capital deployed is recognized by all parties and therefore efforts are still applied to prolong the agreement, which since the first agreement was concluded, has formed the basis for an open and transparent dialogue between the parties.

Total tax payments of EUR 35m in 2022 included EUR 19m related to employees and approx., EUR 11m related to corporate income taxes. The effective tax rate ended up at 21% slightly lower than the statutory rate of 25%.The difference between them was mainly attributable to permanent differences that are mainly composed by the adjustment made for the closure of the blade factory which had a material impact on the calculation of the CIT return of 2022.

During the year 2022 the activity decreased in China partly due to the closure of the blade factory which had a direct impact on the total tax payments which was paid during 2022 that were lower compared with 2021.

We have been operating in China for almost 20 years starting in 2005 and ever since expanding both manufacturing capacity and installed base that reached 9GW in 2022 .

During 2022 the activity in China was mostly focused on manufacturing of wind turbine equipment on both Vestas owned facilities as well as a growing network of partners .

Total tax payment EUR 35.07m (2021 : EUR 104m)

Tax collected:
Indirect taxes EUR 0.13m
Employee taxes EUR 1.99m

Tax borne:
Corporate income tax EUR 11.25m
Indirect taxes EUR 4.47m
Employee taxes EUR 17.23m

FTE	1,275
Profit before tax	EUR (50.33) m
Revenues	EUR 1,716.24 m
Statutory tax rate	25%
Effective tax rate	21%

Our total tax footprint in Denmark

The industry of renewables is currently in a difficult phase where prices related to raw materials and transport has together with a slum in demand put significant pressure on profitability for the entire industry. Even with Industry leading margins this has also resulted in a loss for the Vestas Group in 2022. Since we operate the main part of operations through a principal-model, losses arising across the group gets absorbed in the Danish parent company where net operating losses (NOLs) are therefore recognized, In 2022 the parent company recognized a loss before tax of EUR 1,749m with an effective tax rate of 19%, significantly negatively impacted by a write down in NOLs.

We contribute with other taxes than corporate income tax (CIT) and in 2022 taxes borne amounted to EUR 42m including indirect taxes (EUR 6m) and CIT on account (EUR 36m). Furthermore, we have a substantial part of the global work force employed in Denmark with an equivalent of more than 6,000 employees. In 2022 this resulted in taxes collected of EUR 150 m.

In 2023 we have embarked on a turnaround and foresee being a net tax contributor of corporate income tax in Denmark latest in the income year 2024.

Denmark is the HQ and was established 125 years ago as a blacksmith being transformed into a manufacturer of wind turbines more than 50 years ago accelerating significantly from the end of the last century to become the leader in sustainable energy solutions. This impressive journey has been fueled by heavy investments in R&D and product development and still today the scientific ownership is anchored in Denmark where new products are continuously developed for manufacturing and erection all over the world.

Total tax payment EUR 192m (2021 : EUR 186m)

Tax collected:
Indirect taxes EUR 0.27m
Employee tax EUR 149.66m

Tax borne:
Corporate income tax EUR 35.65m
Indirect taxes EUR 6.37m

FTE	6,157
Profit before tax	EUR (1,749.96) m
Revenues	EUR 7,525.98 m
Statutory tax rate	22%
Effective tax rate	19%

Our total tax footprint in Finland

In 2022 we continued a strong commitment to the renewables market in Finland with 131 full time employees engaged to deliver and service power plants in the country where the cold climate requires best in class technology to optimize energy production. During this year we have recognized taxes borne of EUR 9m mainly coming from indirect taxes related to import of equipment. Furthermore, the import activity resulted in significant tax collection amounting to EUR 170m, whereas employee taxes collected amounted to EUR 2m.

With the continuing commitment to installing new capacity adding additional MW under service we expect to further increase the footprint in Finland for years to come.

In relation to the effective tax rate that was realized at 24% for 2022, this is higher than the statutory tax rate of the country. The main reason for it is the permanent differences that come from prior year adjustments.

Our operations in Finland started in the year 2005 marking a journey towards almost 3.5 GW of installed capacity 3.5 GW under service clearly showing a dedication to this important market for renewable energy. Additionally, 878 MW firmed and signed, but not yet active at the end of 2022.

During 2022 Vestas received several new orders adding 538 MW to the order backlog, including finishing the year with a 236 MW order from Siikajoki wind project in North Ostrobothnia, to supply, install, and commission 38 V162-6.2 MW wind turbines.

Total tax payment EUR 181.16 m (2021 : EUR 159.38 m)

Tax collected:
Indirect taxes EUR 170.20 m
Employee taxes EUR 2.11 m

Tax borne
Corporate income tax EUR 0.26 m
Indirect taxes EUR 8.60 m

FTE	131
Profit before tax	EUR 3.15m
Revenues	EUR 1,051.85m
Statutory tax rate	20%
Effective tax rate	24%

Our total tax footprint in France

Vestas has over the years created a significant footprint in France with a highly skilled work force that during construction ensure supply, installation and commissioning of turbines and in the Service-business ensure that the increasing installed base is maintained to optimize output of clean energy produced by our customers.

During 2022 Vestas France contributed with taxes borne of approx., EUR 10m allocated with approx., EUR 7,5m relating to employee taxes and EUR 2,5 m relating to corporate income tax and. The difference between the effective tax rate calculated and the statutory tax rate is mainly due to permanent differences related to prior year adjustments, reverted during 2022.

The significant import activity resulted in collection of EUR 133m in indirect taxes mainly relating to import of turbines and related equipment.

Our activity in France started in 2002 when the wind OEMs was still pioneering the energy industry. Vestas has been proud to lead the expansion of the French wind energy market through out two decades and continue being committed to this important market where we have installed almost 7.5GW.

In 2022 Vestas added new orders of 710 MW of which we are excited that 60 MW are related to floating offshore turbines with start of commissioning planned in the first half of 2024 marking a new milestone on an impressive journey in the country.

Total tax payment EUR 147.75m (2021 : EUR 84.69m)

Tax collected
Indirect taxes EUR 132.84m

Tax borne
Corporate income tax EUR 2.68m
Indirect taxes EUR 4.47m
Employee taxes EUR 7.76m

FTE	689
Profit before tax	EUR 6.40m
Revenues	EUR 970.81m
Statutory tax rate	24%
Effective tax rate	35%

Our total tax footprint in Germany

Germany is a key country for our business, relating to both offshore and onshore activities. The presence in Germany is composed by our factories, that played a crucial role in in our operations during 2022 and not least of our people. During 2022 we had a total of 2,134 FTE. This largely explains Vestas Germany tax footprint which has a high composition of employee taxes, out of which taxes borne amounted to EUR 25m and tax collected on behalf of the employees amounted to EUR 34m.

On the other hand, it should be mentioned that during the year 2022 Vestas reduced the presence in Germany with the closure of a blade factory in eastern Germany which led to a reduction in the number of total FTE and an increase in the employee tax borne due to severance payments to the people who were laid off.

Furthermore, the closure of the factory had a direct impact in the tax footprint related to indirect taxes with a reduction between the indirect tax collected to EUR 84 m which is a reduction of 50% compared with 2021.

In relation to payments of corporate taxes, the effective tax rate differs from the statutory tax rate of the country which is 31%, The effective tax rate calculated during 2022 is 87%, and this is mainly caused by a tax audit of the year 2012-2016 related to transfer pricing which resulted in an adjustment and an increase in the effective tax rate.

Germany was one of the early frontiers pioneering wind turbines with many manufacturers entering the market. Vestas entered Germany more than 35 years ago in 1986, and now has more than 17 GW of installed capacity.

Over the years several activities has been carried out in Germany with a number of footprint adjustments also having been carried out to meet global demand, Today Vestas employ more than 2,100 employees represented across a great variety of the supply chain.

Total tax payment EUR 182.92m (2021: EUR 225m)

Tax collected
Indirect taxes EUR 84.29m
Employee taxes EUR 33.71m

Tax borne:
Corporate income tax EUR 35.22m
Indirect taxes EUR 4.90m
Employee taxes EUR 24.80m

FTE	2,134
Profit before tax	EUR 64.71m
Revenues	EUR 1,364.97m
Statutory tax rate	31%
Effective tax rate	87%

Our total tax footprint in India

Vestas has been dedicated to India for many years and have developed diverse activities including sale, installation & servicing of wind turbines, Manufacturing, Assembly and Shared Services within engineering and IT. Like all markets the activities fluctuate and recently this resulted in some footprint adjustments. Vestas however remains committed to business in India.

Vestas' presence is composed among others by a newly built factory in Chennai that play an important role in Vestas' supply chain. The substantial production footprint also explains the tax contribution in India relating to indirect tax borne, resulting from import of goods to produce turbines and components. Employee taxes borne and collected, EUR 6.91m and EUR 6.86m respectively is the result of the significant employee footprint supporting the diverse activities in the country.

The effective tax rate calculated for 2022 is on par with the statutory tax rate which is 25% unless for a small difference of 1% which is based mainly on the impact of permanent differences from prior year adjustments recognized in 2022.

Total tax payment EUR 26.63m (2021 : EUR 18.99m)

Tax collected
Corporate income tax EUR 2.94m
Employee taxes EUR 6.86m

Tax borne:
Corporate income tax EUR 3.42m
Indirect taxes EUR 6.50m
Employee taxes EUR 6.9m

FTE	2,622
Profit before tax	EUR (104.30)m
Revenues	EUR 565.57m
Statutory tax rate	25%
Effective tax rate	24%

Vestas has been active doing business in India since 1997, delivering Sustainable Energy Solutions to help customers tap into the potential of vast wind resources.

A pioneer in wind energy technology, dedicated to meet the Customer expectation in terms of lowest Levelized cost of Energy (LCOE) in this dynamic auction environment. With close to 20 years of accumulated market knowledge, Vestas India is well equipped in meeting the customer expectation in the most cost-effective manner.

More information about Vestas India in this link.

Our total tax footprint in Italy

The activity in Italy has increased during the latest years, which is also evidenced from the development in the tax footprint raising in 2022 by a 20M€ hike compared to the previous year broadly based across categories. Activities is a mix of turbine installations, service activity and blades manufacturing. Vestas has been manufacturing blades in Taranto for 25 years and has recently announced that manufacturing lines for the new giant V236 blades will be active from Q3 2023 thus continuing as an important part of the future footprint.

The tax contribution is primarily composed by indirect taxes collected that have increased compared to 2021 due to the increase of volume in projects sold and commissioned. Further the employee taxes have increased largely because of growth in number of FTE to support sales volume and manufacturing.

The statutory tax in Italy for 2022 is 29%, nevertheless, Vestas Italian activities recognized an effective tax rate of 44% due to permanent differences mainly composed of prior year adjustments.

Vestas' activities in Italy trace back to 1997, the versatile portfolio gives the opportunity to lead the expansion of the Italian wind energy market.

The activity in Italy consist in the promotion, generation, maintenance wind power plants as well as manufacturing blades for wind turbines.

Vestas has installed 5GW of wind power capacity out of a total of 11.5GW installed in Italy.

Vestas is the undisputed Market Leader in the Country from the beginning of starting the operations and also in the 2022, it has established a record year of 670 MWs with in excess of 90% market share.

Total tax payment EUR 49.97m (2021: EUR 26.96m)

Tax collected
Corporate income tax EUR 0.19m
Indirect taxes EUR 23.29m
Employee taxes EUR 6.21m

Tax borne
Corporate income tax EUR 3.14m
Indirect taxes EUR 0.11m
Employee taxes EUR 17.03m

FTE	952
Profit before tax	EUR 6.56 m
Revenues	EUR 507.25m
Statutory tax rate	29%
Effective tax rate	44%

Our total tax footprint in Netherlands

The overall tax footprint in Netherlands during 2022 was dominated by indirect taxes collected amounting to EUR 59 m while indirect taxes borne represented a total amount of EUR 3,86 m mainly resulting from imports of components for assembly and maintenance of turbines in Netherlands

The statutory tax rate during 2022 was 24% which represented a slightly lower rate than Vestas' effective tax rate that was 26% for the year, The reason for the difference between the statutory tax rate and the effective tax rate is due to permanent differences mainly related to non-deductible costs adjusted between the statutory accounts and the tax return .

Our activity in Netherlands started in 2002 when the wind OEMs was still pioneering the energy industry, Vestas continue the expansion of activities in the Netherlands spanning from warehousing and sourcing to delivery of onshore and offshore Wind power plants.

Total tax payment EUR 69.84m (2021: EUR 47.23m)

Tax collected
Indirect taxes EUR 59.07m
Employee taxes EUR 6.75m

Tax borne
Corporate income tax EUR 0.51m
Indirect taxes EUR 3.86m

FTE	235
Profit before tax	EUR 21.65m
Revenues	EUR 602.01m
Statutory tax rate	24%
Effective tax rate	26%

Our total tax footprint in Poland

Vestas Polish footprint increased during 2022 and consequently resulted in an increase in the total tax payments of approximately 70% with an increase in indirect tax collected of around 50% making up the majority now representing a total figure of almost EUR 120 m.

The growth of business activities carried an inherit increase of employees with a rise in FTE of 100 compared to 2021.For this reason, during 2022 the taxes borne and collected relating to employees was significantly impacted resulting in almost EUR 2 m of tax collected and more than EUR 4 m of tax borne.

In 2022 the statutory corporate income tax rate in Poland was 19% whereas Vestas' calculated effective rate resulted in 40%. The main explanation for this difference is related to non-deductible expenses and in addition a prior year adjustments due too reclassification of deferred taxes recognized in 2019-2021 had an impact.

Total tax payment EUR 129.46m (2021: EUR 76.09m)

Tax collected:
Indirect taxes EUR 118.37m
Employee taxes EUR 1.89m

Tax borne:
Corporate income tax EUR 1.73m
Indirect taxes EUR 3.40m
Employee taxes EUR 4.07m

FTE	648
Profit before tax	EUR 3.42m
Revenues	EUR 938.53m
Statutory tax rate	19%
Effective tax rate	40%

Our Polish affiliate started twenty years ago as a company dealing in the servicing of newly installed wind turbines, providing comprehensive business solutions based on over 30 years of experience in the wind energy industry, aimed at maximizing production efficiency, improving the availability of a wind turbine and reducing operating costs.

During this year it has been announced that Vestas is going to establish a new factory in Szczecin, which will assemble components for the company's flagship offshore wind turbine, the V236-15.0 MW model, we are going to start operating during 2024.

Our total tax footprint in Spain

The revenue in Spain during 2022 was higher than 2021 with approximately EUR 100 m increase reflecting an increase in delivery of wind power plants and maintenance of installed turbines.

The increase in activity can also be seen in the tax payments that increased in 2022 with some EUR 20 m in comparison with 2021.The tax footprint is mainly composed of indirect taxes, with more than EUR 29 m collected evidencing the increased activity in Spain.

The statutory tax rate in 2022 in Spain was 25%, significantly lower than Vestas' calculated effective tax rate of 39%.This difference was mainly due to permanent differences as well as impacted by prior year adjustments.

Spain business started in the year 1996, Since this year Vestas has installed more than 5,094MW. The year 2008 was crucial for the development in this country with the inauguration of the first Spanish Blades factory in Daimiel.

Since the creation of the company in Spain the activity has been focused on the promotion, generation, maintenance and operation of wind farms and wind turbines, as well as the purchase and sale, marketing and distribution thereof.

Total tax payment EUR 54.41m (2021::EUR 35.75m)

Tax collected
Corporate income tax EUR 0.09m
Indirect taxes EUR 29.31m
Employee taxes EUR 10.61m

Tax borne
Corporate income tax EUR 6.95m
Indirect taxes EUR 0.29m
Employee taxes EUR 7.16m

FTE	1,714
Profit before tax	EUR 18.60m
Revenues	EUR 854.34m
Statutory tax rate	25%
Effective tax rate	39%

Our total tax footprint in the UK

The tax footprint in UK is dominated by indirect tax (EUR 40m) and employee related taxes (EUR 40m) divided with taxes collected of EUR 67m and taxes borne of EUR 13m. The amounts have increased by 30% and is a result of many activities carried out by more than 1,500 employees across the value chain in a market where Vestas expect significant continued growth.

Taxes borne relating to Corporate income tax represented a payment of EUR 4m, corresponding to an effective tax rate of 18% almost on par with the statutory tax rate of 19%.

Vestas employs over 1500 people in UK , spanning from blade manufacturing, R&D, construction, service, and other functions, over 700 of which are employed on the Isle of Wight.

Vestas has installed over 7.9 GW of wind turbines in the UK already and is currently supplying several projects with blades from our Isle of Wight facility.

Total tax payment EUR 84.24m (2021: EUR 64.68m)

Tax collected
Corporate income tax EUR 0.01m
Indirect taxes EUR 36.91m
Employee taxes EUR 30.61m

Tax borne
Corporate income tax EUR 4.12m
Indirect taxes EUR 3.02m
Employee taxes EUR 9.56m

FTE	1,537
Profit before tax	EUR 26.74m
Revenues	EUR 992.89m
Statutory tax rate	19%
Effective tax rate	18%

We are the market leader in the North American wind industry with 42 GW installed and more than 38GW under service.

Our North American market is served from our Portland, Oregon headquarters and with an offshore office in Boston, Massachusetts. We further supply turbine components from our two factories in Colorado, In 2022, Vestas spent $1.6 billion across the USA supply chain with more than 1,200 suppliers and $120 million across more than 200 suppliers in Canada.

Our total tax footprint in the USA

Our commercial footprint in the US is an extremely important part of the deployment of our strategy as a company, With more than 3,000 employees, several offices and factories and almost 40GW under service it is our biggest consistent single market. Tax payments made during 2022 reached EUR 226 m increasing by 35% compared to 2021. Taxes collected amounted to EUR 70 m compared to taxes borne of approx. 156 m€.

Employee taxes was the biggest single component totaling EUR 120 m based on federal and state social security tax out of which 65.56M€ is classified as tax borne and EUR 56.2 m is classified as tax collected.

Furthermore, indirect taxes in the USA contribute significantly to the sale and service of wind turbines in states across the USA. Total indirect tax footprint comprising of sales & use taxes as well as import taxes collected of EUR 14.43 m and EUR 44.47 m indirect tax borne mainly due to import activity.

Total tax payment EUR 226.63m (2021: EUR 167.05m)

Tax collected
Indirect taxes EUR 14.43m
Employee taxes EUR 56.2m

Tax borne
Corporate income tax EUR 46.03m
Indirect taxes EUR 44.47m
Employee taxes EUR 65.56m

FTE	3,192
Profit before tax	EUR 55.41 m
Revenues	EUR 3,535.83 m
Statutory tax rate	26%
Effective tax rate	147%

Country by country report

→ Clarifying key concepts around Country-by-Country report

→ Country by country report 2022

Clarifying key concepts around Country-by-Country report

What is the Country-by-Country Report?

As we explained at the beginning of this report, the Country-by-Country is an initiative from the OECD and G20 based on the BEPS (Base Erosion and Profit Shifting) as an action plan to try to control and avoid tax avoidance by multinational corporate groups (MNEs) . MNEs must file to the authorities where the headquarters are based information related with the activity that the different entities of the group have in the countries where they operate it.

Where we report our Country-by-country Report?

In 2022, Vestas operates in more that 86 countries. Our Cbc is provided to Skattestyrelsen in Denmark where our company is headquartered, and from here the Cbc is distributed by the Danish authorities to the relevant authorities in all countries where we operate.

Along the following pages the reader can see different tables which explain the figures that we reported during 2022 relating to 2021.

What kind of companies must be submitted in the Country-by-Country report?

We must report specific information related with all the permanent establishments, and all the subsidiaries where we have the ownership of 100%

Definition of the concepts use in our Country-by-Country report

Revenue : In the Cbc report we report the total sum of the revenue of the companies that is composed of the unrelated party revenues which means the revenue of all the legal entities of the MNE Group generated from transactions with independent parties as well revenue with related parties, which means revenue generated from transactions with associated enterprises of the Group.

Profit or (loss) before tax: The PBT reported is based on Vestas GAAP which is based on IFRS principles.

Corporate income tax paid: Tax actually paid during the year 2021 by all legal entities resident for tax purposes in all the jurisdictions where the group operates.

Corporate income tax accrued: It is referring to tax expenses recorded on taxable profits or losses of the year of all the legal entities and adjustments to previous years.

Stated capital: It is the stated capital of all legal entities resident for tax purposes in a relevant jurisdiction.

Accumulated earning: it is the amount of net profit realized by the entities in each tax jurisdiction, net of dividends paid an any other reduction.

Employees: It is the number of employees on a full-time equivalent of all the Legal entities. The number of employees is based on the average amount of full-time employees for the year.

Tangible Assets : It is the net book values of tangible assets of all Legal Entities resident for tax purposes in the relevant Tax Jurisdiction should. Tangible assets for this purpose do not include cash or cash equivalents, intangibles, or financial assets.

Activity: Include the explanation of the main activities that are perfomed in the country.

***Explanatory note:**

As a multinational group it is necessary to make a choice of reporting principles in the CbCR file. With any choice there will be benefits and sacrifices. We have made a choice that favors speed and reconciliation of the total data set, based on application of the Group Accounting Principles (IFRS numbers), and report based on uniform accounting treatment, as we see this as being the most transparent approach. The sacrifice, compared to the use of local accounting principles, is that individual tax returns are mostly derived from local accounting and thus we encounter timing differences in our reporting that can lead to difficulties in clearly explaining the link between paid tax and the tax provision in the IFRS numbers. We see cash payments as the most objective financial data point and based on our accounting practice these numbers reconcile with the IFRS tax provision over time.

Jurisdiction	Nonrelated party revenue	Related party revue	Total Revenue	Profit (loss) before tax	Corporate income Tax Paid	Corporate Income Tax Accrued	Stated Capital	Accumulated Earnings	Employees	Tangible Assets	Activity
Argentina	30,469,129	22,323,641	52,792,770	-26,857,163	1,300,760	19,108,101	2,702,341	-36,415,629	139	22,261,735	SMDPUP, PUP
Aruba	2,410,000	-	2,410,000	40,000	-	10,000	-	30,000	3	-	PUP
Australia	517,787,455	26,747,537	544,534,991	42,107,955	4,213,320	3,079,103	39,797,949	57,586,190	557	330,959,545	SMDPUP
Austria	110,315,664	1,850,905	112,166,569	3,786,441	-149,497	-2,417,457	7,035,000	3,968,475	103	38,211,762	SMDPUP
Belgium	153,408,269	5,669,828	159,078,097	27,885,591	1,705,568	-1,363,064	24,561,499	53,938,464	171	87,001,841	SMDPUP
Bolivia	3,363,665	-	3,363,665	-8,629,550	-	-100,267	10,743	-13,197,604	-	7,827,574	SMDPUP
Bosnia and Herzegovina	-	-	-	-35,797	-	3,580	30,000	-112,975	-	-	Dormant
Brazil	993,775,774	9,794,771	1,003,570,544	84,869,527	-2,838,377	-31,915,246	19,139,294	115,654,097	677	286,288,929	SMDPUP, MP
Bulgaria	5,359,396	181,076	5,540,472	186,848	1,338,051	-1,622,771	2,556	11,075,365	40	4,775,679	SMDPUP
Canada	202,734,562	15,861,753	218,596,315	1,558,122	-1,140,997	-738,957	60,869,278	34,580,137	280	48,955,703	SMDPUP, MP
Cape Verde	-	1,250,830	1,250,830	69,078	-	-17,270	1,814	116,331	5	482,302	SMDPUP
Chile	198,146,584	2,666,047	200,812,631	-823,731	3,416,908	-2,370,828	6,574	-23,136,908	173	8,468,338	SMDPUP
China	200,264,271	1,743,321,423	1,943,585,694	92,936,371	55,245,470	-20,979,687	258,430,543	573,632,010	2,205	1,524,168,073	SMDPUP, MP
Colombia	288,033	-	288,033	1,675,144	42,297	-675,377	35,694	1,017,597	11	293,530	SMDPUP
Costa Rica	1,898,345	102,539	2,000,883	-82,558	-216	-13,028	-	1,897,402	7	732,180	SMDPUP
Croatia	5,741,170	52,202	5,793,372	1,458,753	-	-265,935	667	4,012,447	10	2,434,666	SMDPUP
Curacao	2,386,000	-	2,386,000	28,000	-	6,000	-	102,000	3	-	SMDPUP

Activities:
SMDPUP: Sales, Marketing or Distribution Provision of Services to Unrelated Parties PUP: Provision of Services to Unrelated Parties MP: Manufacturing or Production RD: Research and Development AMSS: Administrative, management or Support Services PP: Purchasing or Procurement HSO: Holding Shares or Other Equity Instruments

Jurisdiction	Nonrelated party revenue	Related party revue	Total Revenue	Profit (loss) before tax	Corporate income Tax Paid	Corporate Income Tax Accrued	Stated Capital	Accumulated Earnings	Employees	Tangible Assets	Activity
Cyprus	5,481,788	214,836	5,696,624	76,164	-	-9,521	300,000	3,192,156	9	538,927	SMDPUP
Czech Republic	3,742,185	27,204,186	30,946,371	-898,299	-192	-519,839	7,401	-3,420,668	4	12,898,979	SMDPUP
Denmark	810,508,316	8,568,704,348	9,379,212,664	-197,830,502	61,728,245	48,699,229	1,097,186,894	6,926,993,272	5,991	3,639,542,692	HSO, SMDPUP, RD, AMSS
Dominican Republic	4,297,137	3,584,684	7,881,820	406,489	507,168	93,334	-	-795,338	25	5,366,996	SMDPUP
Egypt	16,423,092	-	16,423,092	2,442,079	-	-583,683	281	8,164,188	4	8,885,185	SMDPUP
El Salvador	3,950,789	25,198	3,975,987	81,419	-	-191,842	1,780	-197,802	3	645,352	SMDPUP
Finland	775,825,504	21,387,077	797,212,581	1,764,045	106,086	-128,509	2,500	6,418,776	132	204,396,034	SMDPUP
France	653,797,623	6,493,070	660,290,693	3,116,716	-9,839,562	8,467,456	5,140,000	56,364,040	631	297,942,460	SMDPUP
Germany	868,176,647	280,286,385	1,148,463,032	162,598,502	16,135,488	-51,488,658	98,156,955	463,211,428	2,511	611,238,390	MP, SMDPUP
Georgia	440,914	47,610	488,524	291,339	-	57,178	24,634	4,478,472	2	424,499	SMDPUP
United Kingdom	2,632,015,227	123,970,667	2,755,985,894	515,009	5,509,450	-4,067,460	42,884,296	100,400,337	1,521	555,276,821	RD, SMDPUP, MP
Greece	72,282,003	3,055,630	75,337,633	-10,692,152	-1,527,330	1,728,777	6,808,000	-13,308,457	211	139,687,594	SMDPUP
Guatemala	1,926,485	84,467	2,010,952	868,137	41,029	-241,954	602	-358,902	10	1,080,779	SMDPUP
Honduras	868,112	173,705	1,041,817	2,377,312	32,534	-729,867	-	-1,379,542	6	1,050,610	SMDPUP, MP
Hungary	2,646,866	108,817	2,755,683	-203,629	81,974	20,110	9,494	601,818	-	699,400	SMDPUP
India	133,731,565	343,627,817	477,359,382	-4,982,043	489,393	1,275,718	38,416,871	15,164,156	3,010	559,738,758	SMDPUP, MP ,HSO
Indonesia	-	-	-	-154,104	-	-	1,196,206	-1,499	-	2,144,021	Dormant

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Jurisdiction	Nonrelated party revenue	Related party revue	Total Revenue	Profit (loss) before tax	Corporate income Tax Paid	Corporate Income Tax Accrued	Stated Capital	Accumulated Earnings	Employees	Tangible Assets	Activity
Ireland	12,450,597	870,862	13,321,458	2,852,591	63,575	-358,879	2,000,000	4,010,944	78	25,698,446	SMDPUP
Italy	324,068,648	166,872,780	490,941,427	7,371,007	2,882,060	-16,764,687	32,433,750	68,833,643	868	263,691,945	SMDPUP,HSO
Jamaica	1,030,344	62,401	1,092,745	-11,811	-	5,146	-	49,098	3	257,089	SMDPUP
Japan	160,130,282	35,683	160,165,965	-2,395,246	360,930	-2,745,231	2,677,041	-6,660,559	93	101,642,753	SMDPUP
Jordan	49,068,586	1,473,300	50,541,886	-6,511,991	6,219,187	-7,459,056	-	-13,693,814	35	13,535,920	SMDPUP
Kazakhstan	1,581,276	47,218	1,628,494	915,733	749,208	-190,404	220	-490,018	8	1,278,811	SMDPUP
Kenya	21,794,800	2,170,831	23,965,631	792,574	473,892	-1,093,793	98	21,267,044	21	21,021,345	SMDPUP
Korea (South)	15,386,745	2,960,091	18,346,836	2,416,678	1,369,291	-598,460	390,387	15,446,971	57	28,880,138	SMDPUP,HSO
Latvia	-	-	-	-103,900	-	-	2,800	-103,900	1	7,584,049	SMDPUP
Lithuania	-	-	-	-6,371	-	956	2,500	-5,415	-	-	Dormant
Mexico	222,665,504	59,016,301	281,681,805	597,283	425,556	-20,348,439	555,315	-26,811,163	340	144,143,194	SMDPUP
Mongolia	1,345,530	277,300	1,622,831	546,407	-	-136,623	93,995	3,002,162	12	297,753	SMDPUP
Morocco	1,999,562	65,666	2,065,228	431,918	462,128	-133,897	927	1,855,721	14	938,157	SMDPUP
Netherlands	316,325,161	8,231,851	324,557,012	-3,931,551	157,004	1,475,146	2,586,206	47,935,081	193	211,970,812	SMDPUP
New Zealand	56,690,407	402,579	57,092,986	-25,189,859	-1,050	-153,468	62,802	-3,857,094	62	41,848,182	SMDPUP
Nicaragua	2,424,418	86,782	2,511,200	707,706	150,984	-359,243	1,644	2,037,217	7	1,193,120	AMSS
Norway	310,543,815	13,349,335	323,893,150	350,914	1,349,831	-207,239	114,548	5,288,702	117	84,670,362	SMDPUP

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Jurisdiction	Nonrelated party revenue	Related party revue	Total Revenue	Profit (loss) before tax	Corporate income Tax Paid	Corporate Income Tax Accrued	Stated Capital	Accumulated Earnings	Employees	Tangible Assets	Activity
Pakistan	657,976	-	657,976	145,055	1,166	-44,148	2,874	75,663	1	6,347	SMDPUP
Panama	11,207,498	-	11,207,498	905,457	43,501	-259,010	17,563	1,913,476	10	785,853	AMSS
Peru	7,448,279	329,659	7,777,938	2,418,988	-145,546	569,512	269	23,335,665	12	1,189,960	SMDPUP
Philippines	7,109,787	343,751	7,453,538	-263,176	355,227	14,315	968,733	-490,089	666	8,484,188	SMDPUP
Poland	656,955,499	4,264,368	661,219,868	4,746,598	308,572	-2,131,554	104,315	35,786,385	577	290,086,329	SMDPUP
Portugal	85,809,799	729,177	86,538,976	-614,085	338,636	-268,318	6,000,001	7,360,548	604	41,257,667	SMDPUP,HSO
Romania	24,822,532	602,952	25,425,483	-14,145,628	394,348	2,220,507	3,081,524	-1,239,997	257	16,252,169	SMDPUP
Russian Federation	363,766,597	50,304,224	414,070,820	22,889,740	3,255,798	-6,526,617	26,106,639	81,622,185	573	120,720,238	SMDPUP, MP
Saudi Arabia	156,738,512	138,605	156,877,117	1,518,894	-	-336,709	32,827	-219,493	35	22,224,965	MP
Senegal	-259,607	154,773	-104,834	-5,380,517	335,947	-229,008	1,524	-6,080,075	15	10,058,362	SMDPUP
Serbia	1,207,347	89,564	1,296,911	256,342	36,513	-54,717	97,037	1,241,004	6	4,675,251	SMDPUP
Singapore	-	-	-	-3,646,939	308,370	-223,915	8,954,570	5,636,024	44	2,259,250	SMDPUP
Slovakia	122,938	-	122,938	29,116	189	-3,301	5,000	-32	-	11,445	SMDPUP
South Africa	247,771,765	566,913	248,338,678	29,850,524	782,965	9,910,130	59	65,166,422	114	44,120,825	SMDPUP
Spain	158,513,848	576,242,088	734,755,936	10,790,233	611,712	-2,302,111	54,829,475	97,048,808	1,800	519,385,275	SMDPUP,HSO
Sri Lanka	3,585,363	57,416	3,642,779	167,171	90,954	-40,110	9,806	19,945	-	722,865	SMDPUP
Sweden	564,815,331	42,615,763	607,431,094	961,437	592,869	463,427	118,786	42,387,826	471	162,252,626	SMDPUP

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Jurisdiction	Nonrelated party revenue	Related party revue	Total Revenue	Profit (loss) before tax	Corporate income Tax Paid	Corporate Income Tax Accrued	Stated Capital	Accumulated Earnings	Employees	Tangible Assets	Activity
Switzerland	1,246,877	45,251	1,292,128	896,622	4,930	152,382	92,293	2,463,074	-	282,118	SMDPUP
Taiwan, Republic of China	24,483,874	195,780	24,679,654	-16,142,663	-23,330	4,590,545	158,979	-3,940,510	80	95,762,819	SMDPUP, PP
Thailand	8,257,546	17,986,441	26,243,988	4,164,340	1,190,927	-653,328	264,194	17,165,414	27	10,197,276	SMDPUP
Turkey	111,573,144	90,239,179	201,812,323	25,081,686	3,137,806	-3,490,645	4,400,337	7,077,007	194	119,989,457	SMDPUP
Ukraine	25,264,486	1,495,601	26,760,088	21,885,425	1,830,629	-4,073,225	61,099	47,509,033	65	6,236,657	SMDPUP
United Arab Emirates	-	-	-	21,199	-	-	-	-	-	103,453	Dormant
Uruguay	23,649,216	802,852	24,452,068	-1,620,443	292,661	212,633	22,083	-7,920,778	56	6,649,958	SMDPUP
United States of America	2,972,853,724	1,249,949,309	4,222,803,033	46,752,656	9,248,132	1,855,172	1,959,080,474	695,874,667	3,327	1,833,237,183	SMDPUP,MP, HSO
Vietnam	217,654,822	1,208,910	218,863,732	-33,797,687	186,235	6,763,536	208,685	-23,061,728	129	35,627,589	SMDPUP
TOTAL	15,587,225,398	13,503,076,605	29,090,301,999	256,651,940	174,239,377	-80,845,362	3,808,302,045	9,557,108,898	29,426	12,785,651,555	

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Appendix

→ GRI 207 Tax Standard

GRI 207 Tax Standard

In 2019, the Global Reporting Initiative launched the 207 Tax Standards, this initiative emerged due to the necessity of organizations to explain their tax contributions for sustainable development, and in response to the demands of stakeholders about tax transparency.

The Standard is part of the GRI Sustainability Reporting Standards and can be used by organizations of any size to report about their impact on the economy, the environment, and society. The standard is voluntary , despite this we would like to report our tax contribution based on this Standard because we consider that it is going to give more clarity about the organization and about our total tax footprint. Nevertheless, we would like to share that Vestas is not following GRI 207, we have taken this standard as a best practices guidelines to reflect all our tax aspects.

This standard covers the following subjects :

- Approach to tax (GRI 207-1)
- Tax governance, control and risk management (GRI 207-2)
- Stakeholder engagement and management of concerns related to tax (GRI 207-3)
- Country by country reporting (GRI 207-4)

Throughout this report explanations will be featured about the total tax footprint of Vestas in the regions where we operate and the composition of this footprint. At the same time, we are going to demonstrate what are the key principles that guide our tax policy and how we monitor that those principles are undertaken.

GRI 207: Tax

Disclosure	Description	Does this report contain this information?
GRI 207-1 Approach to tax	a. A description of the approach to tax, including: i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available; ii. the governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review; iii. the approach to regulatory compliance; iv. how the approach to tax is linked to the business and sustainable development strategies of the organization.	Yes The Vestas Group's tax policy Sustainability report 2022 (page 71)
GRI 207-2 Tax governance, control, and risk management	a. A description of the tax governance and control framework, including: i. the governance body or executive-level position within the organization accountable for compliance with the tax strategy; ii. how the approach to tax is embedded within the organization; iii. the approach to tax risks, including how risks are identified, managed, and monitored; iv. how compliance with the tax governance and control framework is evaluated.	Yes
	b. A description of the mechanisms for reporting concerns about unethical or unlawful behavior and the organization's integrity in relation to tax.	Yes, See the page Code of Conduct
	c. A description of the assurance process for disclosures on tax and, if applicable, a reference to the assurance report, statement, or opinion.	Yes

Disclosure	Description	Does this report contain this information?
GRI 207-3 Stakeholder engagement and management of concerns related to tax	a. A description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including: i. The approach to engagement with tax authorities; ii. The approach to public policy advocacy on tax; iii. The processes for collecting and considering the views and concerns of stakeholders, including external stakeholders.	Yes
GRI 207-4 Country-by-country reporting	a. All tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes.	Yes, See the Consolidated Statements for further information.
	b. For each tax jurisdiction reported in Disclosure 207-4-a: i. Names of the resident entities; ii. Primary activities of the organization; iii. Number of employees, and the basis of calculation of this number; iv. Revenues from third-party sales; v. Revenues from intra-group transactions with other tax jurisdictions; vi. Profit/loss before tax; vii. Tangible assets other than cash and cash equivalents; viii. Corporate income tax paid on a cash basis; ix. Corporate income tax accrued on profit/loss; x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.	Partially, we explained all the differences in the main countries that we included in the main countries analysis.
	c. The time period covered by the information reported in Disclosure 207-4	Yes

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Our Annual Report
Prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Our Sustainability Report
Mandatory annual statutory sustainability reporting in accordance with the Danish Financial Statements Act on 99a, 99b,107d and the E.U. Sustainable Finance Taxonomy can be found in our Sustainability Report 2022.

Our Corporate Governance Report
Prepared in accordance with section 107b of the Danish Financial Statements Act. Describes our compliance with the Danish Committee on Corporate Governance recommendations.

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