

Vestas Wind Systems Finance B.V.

in Arnhem

Annual Report 2023

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FINANCIAL REPORT 2023

REPORT OF THE MANAGING DIRECTORS

General information

Objective

The main objective and activities of the company is to provide financial services to the Vestas Group through attraction of external funds and financial holding activity.

Legal structure

The company is a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) and is incorporated in the Netherlands, Amsterdam on 26 January 2022. The first-year annual report covered the period 26 January 2022 to 31 December 2022 and, as such, the comparative figures for 2022 do not reflect a 12-month period. Starting to 2023, the annual report covers a 12-month period.

The Company is listed in the Commercial Register of the Dutch Chamber of Commerce under number 85303607. Its address is Delta 85, 6825MN Arnhem, The Netherlands. Besides this head office, the company has no branches. The authorized and issued share capital of the company amounts to € 1 and consists of 100 ordinary shares with a nominal value each of € 0.01 each.

The company is fully owned and controlled by Vestas Wind Systems A/S (incorporated in Denmark), registered with the Danish Business Authority with company registration number 10403782 and with its head office registered at Hedeager 42, 8200 Aarhus N, Denmark. Vestas Wind Systems A/S is the ultimate parent company in the Vestas group of companies. The Company is a privately held company and is not subject to public corporate governance standards. However, the company adheres to Vestas Wind Systems A/S's standards for corporate governance and compliance. More details are available under Corporate Governance section.

The company is operated by a management board consisting of three members. The company alone does not have an audit committee, but it falls under the Accounting Committee of Vestas Wind Systems A/S. The company has no employees and receives services from Vestas group entities.

Financial information

The developments throughout the financial year

In 2023 the company generated interest and similar income of € 18.933.497 (2022: € 15.143.389) and a loss of € 556.602 (2022: profit of € 218.530).

The company after its incorporation issued a sustainability-linked Eurobond under its newly established Euro Medium Term Note Programme of in total € 3.000.000.000 ("Programme"). During the 2022 financial year, two tranches of sustainability-linked notes were issued on 15 March 2022 with an aggregate principal amount of € 1.000.000.000, consisting of a € 500.000.000 tranche due 15 June 2029 with a fixed coupon 1,5 per cent (issued at 99,833 per cent with a yield of 1,524%) and a € 500.000.000 tranche due 15 June 2034 with a fixed coupon 2,0 per cent (issued at 98,721 per cent with a yield of 2,119%). The notes issued under the Programme are guaranteed by Vestas Wind Systems A/S and listed for trading on the regulated market of the Euronext Dublin.

Subsequently, € 988.770.000 of the raised amount was lent out to ultimate parent company Vestas Wind Systems A/S through two intercompany loans, with tenors matching the issued bonds. During the financial year no activities took place in the field of research and development.

The interest and similar income during the year amounts to € 18.933.497 (2022: € 15.143.389), while the interest and similar expenses during the year amounts to € 18.549.159 (2022: € 14.803.766).

The company on 31 December 2023 had an in-house bank balance represented by group receivable of € 1.776.550 (2022: € 30.649) that is reflected into the Group in-house cashpool. This cashpool operates both ways to efficiently use cash at group levels, as well as cover short term liquidity swings at company level.

As of 31 December 2023, Shareholders' Equity totaled negative € 338.071 (2022: positive € 218.531).

The negative Equity is mainly driven by additional tax expenses due to interest limitation according to Danish thin capitalization. The company has received a commitment of financial support from the parent company and currently, the management is considering several options on how to cover the negative Equity. Current Assets was € 12.057.782 (2022: € 15.172.432) and Current Liabilities was € 10.812.747 (2022: € 14.209.459), the Current Assets cover the Current Liabilities on the balance.

Based on the financial position of the company, the current finance structure and the company's ability to realize its assets and discharge its liabilities in the normal course of business, the financial statements have been prepared assuming a going concern. The Eurobond repayments are not due until 15 June 2029, respectively 15 June 2034 and ongoing interest payments are covered by the interest received from Vestas Wind Systems A/S, the guarantor. The shareholder of the company, Vestas Wind Systems A/S, also being the guarantor of the bonds issued by the company, maintains a solid financial position.

Risks and uncertainties

Currency risk is considered low, as all transactions are incurred in Euro which is the functional currency of Vestas Wind Systems Finance B.V.

Interest rate risk is considered low, as all ingoing and outgoing financing agreements are based on fixed interest rates, with any potential sustainability linked interest adjustments being matched back-to-back between the bonds and the loans.

Receivables of the company are towards the loan receiver, the parent company and guarantor, Vestas Wind Systems A/S, hence the credit risk is assessed low.

The company on 31 December 2023 had an in-house bank balance represented by group receivable of € 1.776.550 (2022: € 30.649), which is deemed sufficient for the future operation of the company, given the future receivables and payables. The company's major funds outflow are the annual interest payments on the two bonds and the final redemption of the bonds at maturity, while the major receivables are the annual interest receipts from the intercompany loans and the final repayment of the intercompany loans. The interest rates on the intercompany loans are larger than the interest rates on the bonds (1.613% vs 1.5% and 2.219% vs 2.0% for the 2029 and the 2034 maturity respectively on their respected notionals). Based on these rates, the annual interest received will be larger than the interest paid and expected expenses, while also building a liquidity reserve at the company to cover the difference in redemption payments (€ 497,290,000 vs € 500,000,000 and € 491,480,000 vs € 500,000,000 for the 2029 and the 2034 maturity respectively).

Additional tax expenses due to interest limitation according to Danish thin capitalization is currently being assessed. Adequate liquidity control activities mean that there are sufficient funds and credit facilities. These facilities are provided by the ultimate parent company, Vestas Wind Systems A/S.

Liquidity risk is considered low. Loan receivables and borrowings mature at the same time, hence liquidity is not a significant risk in relation to re-payment of borrowings. The shareholder of the company, Vestas Wind Systems A/S, also being the guarantor of the bonds issued by the company, maintains a solid financial position and will be able to compensate any discrepancies between the redemption value of the loans and bonds (if any).

Risk Management

Company and Vestas group's risk is based on structured risk identification, analysis, and reporting processes, all of which provide the basis for risk assessments and subsequent initiation of relevant mitigation actions. Financial risks are monitored by our Group Finance and Group Treasury functions to ensure a high level of management attention on and control of the effectiveness of our hedging strategies.

Fraud risk is limited as to the internal controls and 4-eye principles on all financial transactions.

The company operates in accordance with Vestas group's policies and principles, including Vestas' Code of Conduct (see section below) as well as with 4-eye principles on all financial transactions. Fraud and corruption risks are considered low.

Corporate Governance

The shareholder (and guarantor) of Vestas Wind Systems Finance B.V. exercise their rights at the general meeting, which is the supreme governing body of the company. The General meeting, amongst other things, adopts amendments to the company's article of associations, approves the annual report and elects the management board.

Vestas Wind Systems Finance B.V. is committed to and compliant with the Vestas group's high standards for corporate governance and compliance, including but not limited to Vestas' Code of Conduct, anti-corruption, and anti-bribery-, anti-slavery-, and the Vestas group's comprehensive strategic sustainability commitments. Please find more on Vestas group's operating model and guiding business principles on www.vestas.dk, more precisely at: <https://www.vestas.com/en/investor>, <https://www.vestas.com/en/sustainability/corporate-integrity> and <https://www.vestas.com/en/sustainability/sustainability-strategy>.

Financial internal control processes

The company follows the same internal control framework as any other companies in Vestas.

As presented in the Parent company's Annual Report, the internal control systems are anchored throughout the entire organisation to ensure systematic identification and management of all relevant risks. Processes and controls are continuously reviewed with the aim of further automating, optimizing, and standardizing across Vestas companies.

The Board has the ultimate responsibility for ensuring that Vestas has adequate internal control systems. Meanwhile, the Audit Committee of Vestas Wind Systems A/S ("the Ultimate Parent Company of the Company") is authorized by the Board to provide oversight of the reporting process, the audit process, systems of internal controls, and compliance with laws and regulations.

The Audit Committee reviews Vestas's financial and reporting processes.

Internal controlling

Group Finance is responsible for the implementation, monitoring, and reporting of our global financial processes and the internal control framework. This helps to ensure uniform design and structure of Vestas's internal controls. The objective of our control activities is to ensure compliance with applicable law and regulations as well as targets, policies, manuals, and procedures, as defined by Executive Management. Furthermore, the activities must help ensure that any errors, deviations, and shortcomings are prevented, discovered, and rectified. Vestas continuously adjust and implement global processes and controls for all units and functions, aiming to mitigate the risk of misstatement within our financial reporting.

Vestas financial reporting and internal reporting controls are audited by an independent audit firm elected at the Annual General Meeting.

Social responsibility and underrepresented gender

The company does not have equal gender representation in the management board. This is a consequence of the company's management board consisting of executive group representatives from key functional areas in Vestas Wind Systems A/S, the company's sole shareholder and the ultimate parent company in the Vestas group, namely the functions Treasury, Finance and Legal. Said functions are coincidentally currently headed by men.

Vestas Wind Systems A/S' board of directors consists of eleven members, including employee representatives, of which six members or 55 % are women.

Please find more on Vestas group's board of directors and its commitments to diversity and inclusion at www.vestas.com/en/investor and www.vestas.com/en/sustainability/social. Vestas remains fully committed to ensure equal opportunity and gender representation in its group companies. If and when a management board position becomes available, the company will aspire to obtain gender equality in the management board while acknowledging that executive group representation from key functional areas in Vestas Wind Systems A/S remains a key priority.

Audit committee

Pursuant to the Decree of 26 July, 2008 implementing Section 41 of Directive No. 2006/43/EC (hereinafter referred to as the "Decree"), published on 7 August, 2008 (Bulletin of Acts and Decrees 2008/323), the Company qualifies as a public interest entity (hereinafter referred to as "PIE") based on the fact that the company has issued bonds that are listed on a EU regulated market. According to the Decree, a PIE must establish an independent Audit Committee, unless it can claim exemption as described in the Decree.

The Management Board has advised the Parent Company that the Company can be in compliance with the Decree by either (i) having the Company's General Meeting setting up an independent Audit Committee; or (ii) having the tasks and requirements associated with the compulsory Audit Committee for a PIE be carried out and observed by the Company's sole shareholder's Audit Committee. The Management Board has been notified that the Audit Committee of Vestas Wind Systems A/S ("the Ultimate Parent Company of the Company") has taken up the role of Audit Committee for the financial year 2023. The Audit Committee does not receive a remuneration with regards to the services provided to the Company.

Please find the charter of Vestas Wind Systems A/S audit committee under Corporate section at <https://www.vestas.com/en/investor>.

Future-oriented paragraph

Expected business developments

It is the management expectations, that the company's result in 2024 will be in line with the result for 2023. Currently no further issuances are expected out of the company and existing outstanding tranches are to be held to maturity. For further detailed information on the Vestas group's financial position in 2023 and expectations for 2024 reference is made to the Vestas Wind Systems A/S Annual Report 2023.

Post balance sheet events

There are no events to be disclosed.

The Board of Directors is represented by the three directors.

Arnhem, 5 July 2024

T.G. Arendt

L.C. Rosengaard

R. Gram

FINANCIAL STATEMENTS 2023

BALANCE SHEET AS AT 31 DECEMBER 2023

(before appropriation of result)

	31 December 2023	31 December 2022
	€	€
ASSETS		
Fixed assets		
Financial fixed assets (1)		
Loans to shareholder	988.770.000	988.770.000
Deferred tax assets	236.550	-
	989.006.550	988.770.000
Current assets		
Other receivables (2)		
Receivable from shareholder	12.057.782	15.172.432
	1.001.064.332	1.003.942.432

	31 December 2023	31 December 2022
	€	€
EQUITY AND LIABILITIES		
Equity (3)		
Issued share capital	1	1
Other reserves	218.530	-
Current period result	<u>-556.602</u>	<u>218.530</u>
	-338.071	218.531
Non-current liabilities (4)	990.589.656	989.514.442
Current liabilities (5)		
Trade creditors	8.408	52
Taxes and social securities	1.067.660	61.637
Other liabilities and Accruals and deferred income	<u>9.736.679</u>	<u>14.147.770</u>
	10.812.747	14.209.459
	<u>1.001.064.332</u>	<u>1.003.942.432</u>

PROFIT & LOSS ACCOUNT FOR THE YEAR 2023

		2023	26 January 2022 up to and including 31 December 2022
		€	€
Interest and similar income	(6)	18.933.497	15.143.389
Interest and similar expenses	(7)	18.549.159	14.803.766
Net financial income and expenses		384.338	339.623
General and administrative expenses	(8)	109.830	59.456
Result before tax		274.508	280.167
Taxes	(9)	-831.110	-61.637
Result after tax		-556.602	218.530

NOTES TO THE STATEMENTS

GENERAL

The company qualifies as a public interest entity (Organisatie van Openbaar Belang) within the meaning of Article 1, par 1, sub l "Wet toezicht accountantsorganisaties" and following the Royal Decree of 26 July, 2008, concerning the implementation of Article 41 of EC directive 2006/43 the company is required to have an Audit Committee. The company uses the exception granted in Article 3 of this Royal Decree, which stipulates that the Royal Decree is not applicable for consolidated companies in cases where the ultimate parent company has instituted an Audit Committee, which is the case as at 31 December, 2022 and as at 31 December, 2023.

Due to the legislation for OOB, the company prepares the annual report based on a large sized company.

Activities

The main objective of Vestas Wind Systems Finance B.V. is to act as a finance company for the Vestas Wind Systems A/S group.

Registered office, legal form and registration number at the chamber of commerce

The company is a private company with limited liability. The registered and actual address of Vestas Wind Systems Finance B.V. is Delta 85, in Arnhem, the Netherlands.

The company is registered at the Chamber of Commerce under number 85303607.

Group structure

The registered shareholder of the company is Vestas Wind Systems A/S in Aarhus, Denmark.

The company is part of a group of companies lead by Vestas Wind Systems A/S in Aarhus, Denmark. The financial statements of the company are consolidated into the annual report of Vestas Wind System A/S. The consolidated annual report of Vestas Wind System A/S can be obtained on their website: www.vestas.com.

Related parties

The company is engaged in the financing of its shareholder via loans by issuing bonds secured by its ultimate parent company. The conditions of these loans are all at arm's length.

Risk Management

Company and Vestas group's risk is based on structured risk identification, analysis, and reporting processes, all of which provide the basis for risk assessments and subsequent initiation of relevant mitigation actions. Financial risks are monitored by our Group Finance and Group Treasury functions to ensure a high level of management attention on and control of the effectiveness of our hedging strategies.

Fraud risk is limited as to the internal controls and 4-eye principles on all financial transactions.

The company operates in accordance with Vestas group's policies and principles, including Vestas' Code of Conduct (see section below) as well as with 4-eye principles on all financial transactions. Fraud and corruption risks are considered low.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the statutory provisions of Title 9 Book 2 of the Dutch Civil Code and the Guidelines for Annual Reporting issued by the Dutch Accounting Standards Board.

Valuation of assets and liabilities and the determination of the result take place under the historical cost convention.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

A liability is recognized in the balance sheet when it is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably.

An asset or liability that is recognized in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset or liability is no longer recognized in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability being transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account, if they have become known before preparation of the financial statements.

References are made to the notes.

Accounting period

The company is incorporated on 26 January 2022. The comparative period runs from 26 January 2022 up to and including 31 December 2022. The comparative figures are therefore not comparable.

Going concern

As at 31 December 2023 the equity amounts to negative € 338.071 and the net loss for the year 2023 amount to negative € 556.602. The negative equity is mainly driven by additional tax expenses due to interest limitation according to Danish thin capitalization.

The company after its incorporation issued a sustainability-linked Eurobond under its newly established Euro Medium Term Note Programme of in total € 3.000.000.000. Based on the financial position of the company, the current finance structure and the company's ability to realize its assets and discharge its liabilities in the normal course of business, the financial statements have been prepared assuming a going concern. The Eurobond repayments are not due until 15 June 2029, respectively 15 June 2034 and ongoing interest payments are covered by the interest received from the counterparty Vestas Wind Systems A/S, the guarantor. The shareholder of the company, Vestas Wind Systems A/S, also being the counterparty of the provided loans by the company and guarantor of the bonds issued by the company, maintains a solid financial position.

Vestas Wind Systems A/S has provided Vestas Wind Systems Finance B.V. with a comfort letter, dated 5 June 2024, where Vestas Wind Systems A/S has noted that it will provide financing support to Vestas Wind Systems Finance B.V. in the foreseeable future to enable it to meet its financial obligations as and when they come due for a period of at least one year.

Solvency

The company acts as a group financing company. As such, the company is economically and organizationally linked to Vestas Wind Systems A/S. Therefore the solvency of the ultimate parent company should be included when assessing the company's solvency.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Vestas Wind Systems Finance B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under article 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

The fair value calculation and recoverability of the intercompany assets are considered estimates.

Financial instruments

Financial instruments include primary financial instruments (such as receivables, payables, bonds and loans issued). For the value of the primary financial instruments reference is made to the treatment per balance sheet item of the Principles of valuation of assets and liabilities. Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial risks are monitored through a process of regular assessment by the management of the company.

Financial instruments that fall due within one year are included under current assets and liabilities. If the maturity date exceeds one year, they are included under the financial fixed assets or non-current liabilities.

The exposure of financial risks is set out in the Notes to the balance sheet.

Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

Currencies

Functional currency

The items in financial statements of Vestas Wind Systems Finance B.V. are valued taking into account the currency of the economic environment in which the company primarily conducts its business activities (the functional currency). The financial statements have been prepared in euros; this is both the functional and presentation currency of Vestas Wind Systems Finance B.V.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets

The receivables from and loans to parents and associates and other receivables are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value, after deduction of any provisions if necessary. Financial fixed assets are amortised to the settlement amount using the effective interest method.

The application of straight-line amortization when determining the amortized cost rather than the application of the effective interest method is used if straight-line amortization does not lead to material differences compared with the application of the effective interest method.

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Deferred tax asset is provided for temporary differences between the carrying amounts of the loans to shareholders for financial reporting purposes and the amounts used for taxation purposes.
The asset is calculated at the current tax rate of 22%.

Impairment of fixed assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. Indications that financial assets are impaired includes indications that an issuer will enter or approach bankruptcy, adverse changes in the payment status of the issuer or other external factors. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

All individually significant assets are assessed individually for impairment. Those individually significant assets found not to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics. A previously recognised impairment loss is reversed if the decrease of the impairment can be related objectively to an event occurring after the impairment was recognised. The reversal is limited to at most the amount required to measure the asset at its original amortised cost at the date of reversal had the impairment not been recognised.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

The application of straight-line amortization when determining the amortized cost rather than the application of the effective interest method is used if straight-line amortization does not lead to material differences compared with the application of the effective interest method.

Other receivables

Other receivables are initially valued at its fair value, and subsequently valued at amortised cost using the effective interest method, which is similar to the face value, after deduction of any provisions if necessary.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Liabilities

Non-current liabilities are recognised initially at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method. The effective interest is recognised in the profit and loss account. Non-current liabilities are amortised to the settlement amount using the effective interest method. The fair value of liabilities traded on active markets as at the balance sheet date is determined by reference to quoted market prices, without deduction of transaction costs. Gains and losses are recognized to the income statement when the liabilities are derecognized, as well as through the amortization process.

Liabilities that are due within one year are classified as current liabilities.

Current liabilities are initially recognised at fair value and subsequently measured at amortised cost, which is generally equal to face value. Accruals are measured at face value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Interest and similar income

General:

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which, they relate. In accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration. The application of straight-line amortization when determining the amortized cost rather than the application of the effective interest method is used if straight-line amortization does not lead to material differences compared with the application of the effective interest method.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The allocation of these interest expenses and the interest income on the loan is the effective interest rate that is recognized in the profit and loss account. On the balance sheet, the amortized value of the debt(s) is recognized (on balance). The amounts of the premium that are not yet recognized in the profit and loss account and the redemption premiums already recognized in the profit and loss account, are recognized as an increase in debt(s) to which they relate. Amounts of the discount that are not yet recognized in the profit and loss account are recognized as a reduction of the debt(s) to which they relate.

General and administrative expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Taxation

The tax on the result is calculated on the pre-tax result in the profit and loss account, taking into account available, tax-deductible losses from previous financial years (insofar as not included in the deferred tax assets) and exempt profit components and after addition of non-deductible costs. Changes that occur in the deferred tax assets and deferred tax liabilities due to changes in the tax rate to be applied are also taken into account.

PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

As per the paragraph 360.104 of the guideline for annual Reporting in the Netherlands, the company is not required to prepare a cash flow statements since the cash flow statement is included in the annual report of the ultimate parent company Vestas Wind Systems A/S which is publicly available on the internet on website: www.vestas.com.

NOTES TO THE BALANCE SHEET AS OF 31 DECEMBER 2023

1. Financial fixed assets

	31-12-2023	31-12-2022
	€	€
Loans to shareholder		
Vestas Wind Systems A/S - Loan 1	491.480.000	491.480.000
Vestas Wind Systems A/S - Loan 2	497.290.000	497.290.000
	<u>988.770.000</u>	<u>988.770.000</u>
	2023	2022
	€	€
<i>Vestas Wind Systems A/S - Loan 1</i>		
Balance as at 1 January	491.480.000	-
Issuance	-	491.480.000
Balance as at 31 December	<u>491.480.000</u>	<u>491.480.000</u>

On 15 March 2022, Vestas Wind Systems Finance B.V. issued a loan to shareholder Vestas Wind Systems A/S of € 491.480.000. The loan has a maturity date of 15 June 2034 and was financed by the net proceeds from bonds (refer to Note 4). Subject to any purchase and cancellation or early redemption, the loan will be redeemed on the maturity date at 100% of its nominal amount. There are no guarantees issued. The fair value of the loan per 31 December 2023 amounts to € 435.131.818 (2022: € 400.782.281). The carrying amount has not been impaired, as the management believes that at maturity date, the fair value will approximate the carrying amount.

The loan bears interest of 2,219% per annum. A sustainability-linked interest adjustment, which is based on the targets below on a Vestas Wind Systems A/S level, is applicable as follows.

Reference year: 2030

Material efficiency percentage threshold: 90%

Scope 1 and 2 CO₂e Emissions percentage threshold: 100%

Scope 3 CO₂e Emissions percentage threshold: 45%

Material efficiency event step up margin: 0,1005% per annum

Scope 1 and 2 CO₂e Emissions event step up margin: 0,0503% per annum

Scope 3 CO₂e Emissions event step up margin: 0,1005% per annum

Interest rate step up date: 15 June 2031

Vestas Wind Systems Finance B.V.
in Arnhem

	2023	2022
	€	€
<i>Vestas Wind Systems A/S - Loan 2</i>		
Balance as at 1 January	497.290.000	-
Issuance	-	497.290.000
Balance as at 31 December	<u>497.290.000</u>	<u>497.290.000</u>

On 15 March 2022, Vestas Wind Systems Finance B.V. issued a loan to shareholder Vestas Wind Systems A/S of € 497.290.000. The loan has a maturity date of 15 June 2029 and was financed by the net proceeds from bonds (refer to Note 4). Subject to any purchase and cancellation or early redemption, the loan will be redeemed on the maturity date at 100% of its nominal amount. There are no guarantees issued. The fair value of the loan per 31 December 2023 amounts to € 457.745.499 (2022: € 437.018.452). The carrying amount has not been impaired, as the management believes that at maturity date, the fair value will approximate the carrying amount.

The loan bears annual interest of 1,613%. A sustainability-linked interest adjustment, which is based on the targets below on a Vestas Wind Systems A/S level, is applicable as follows.

Reference year: 2025

Material efficiency percentage threshold: 39%

Scope 1 and 2 CO₂e Emissions percentage threshold: 55%

Scope 3 CO₂e Emissions percentage threshold: 8%

Material efficiency event step up margin: 0,1005% per annum

Scope 1 and 2 CO₂e Emissions event step up margin: 0,0503% per annum

Scope 3 CO₂e Emissions event step up margin: 0,1005% per annum

Interest rate step up date: 15 June 2026

Deferred tax asset

Deferred tax asset is provided for temporary differences between the carrying amounts of the loans to shareholders for financial reporting purposes and the amounts used for taxation purposes.

The asset is calculated at the current Danish tax rate of 22%.

Balance as at 1 January	-	-
Addition	236.550	-
Balance as at 31 December	<u>236.550</u>	<u>-</u>

2. Other receivables

Other receivables have a maturity of less than one year. The fair value approximates the nominal value.

Vestas Wind Systems Finance B.V.
in Arnhem

	31-12-2023	31-12-2022
	€	€
Receivable from shareholder		
Vestas Wind Systems A/S	10.281.232	15.141.783
Vestas Wind Systems A/S - In-house bank	1.776.550	30.649
	<u>12.057.782</u>	<u>15.172.432</u>

The short-term receivable from shareholders are settled on an annual basis. The receivable bears no interest.

Cash and cash equivalents

At 31 December 2023 the company had no cash in its bank account. Any funds deposited by the company with the corporate cash pool leader, Vestas Wind Systems A/S, are readily available.

3. Equity

	Issued share capital	Other reserves	Unappro- priated result	Total
	€	€	€	€
Balance as at 1 January 2023	1	-	218.530	218.531
Appropriation of prior period result	-	218.530	-218.530	-
Net result for the year	-	-	-556.602	-556.602
Balance as at 31 December 2023	<u>1</u>	<u>218.530</u>	<u>-556.602</u>	<u>-338.071</u>

	Issued share capital	Unappro- priated result	Total
	€	€	€
Shares issued at incorporation 26 January 2022	-	-	-
Shares issued	1	-	1
Net result for the period	-	218.530	218.530
Balance as at 31 December 2022	<u>1</u>	<u>218.530</u>	<u>218.531</u>

	31-12-2023	31-12-2022
	€	€
Issued share capital		
1 ordinary share at a par value of € 1.	1	1

Proposal for loss appropriation

The General Meeting will be asked to approve that the 2023 loss amounting to € 556.602 is deducted from the other reserves.

Awaiting the approval of the proposition of the 2023 result by the General Meeting, the proposition is not recognised in the financial statements but reported as result in current period.

Appropriation of profit of 2022

The financial statements for the reporting year 2022 have been adopted by the General Meeting on 23 October 2023. The General Meeting has adopted the appropriation of profit after tax as proposed by the Directors.

4. Non-current liabilities

Bonds	990.589.656	989.514.442
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Bonds

ISIN XS2449929517	492.558.325	491.845.902
ISIN XS2449928543	498.031.331	497.668.540
	990.589.656	989.514.442

	2023	2022
	€	€

ISIN XS2449929517

Balance as at 1 January	491.845.902	-
Issuance	-	491.280.671
Amortisation	712.423	565.231
Long-term part as at 31 December	492.558.325	491.845.902

On 15 March 2022, the company issued a € 500.000.000 bond due on 15 June 2034, which is secured by a guarantee given by Vestas Wind Systems A/S. The indication of yield is 2,119%. The proceeds of the bonds were decreased with "disagio" (€ 6.395.000) and capitalized management fees (€ 1.625.000) and issuance costs (€ 699.329). These amounts are amortized over the lifetime of the bond.

The bond is listed on the Euronext Dublin Regulated Market of the Irish Stock Exchange and is part of a Euro Medium Term Note programme issuance of € 3.000.000.000. The programme rating is Baa2 (Moody's). The payments issued by the company are unconditionally and irrevocably guaranteed by Vestas Wind Systems A/S. The loan will be redeemed on the maturity date at 100% of its nominal amount. As such, the entire amounts is due in >5 years.

On December 31, 2023, the market value of the bond was € 442.675.000 based on active market data (2022: € 407.730.000).

The bond bears interest of 2% per annum. A sustainability-linked interest adjustment, which is based on the targets below on a Vestas Wind Systems A/S level, is applicable as follows.

Reference year: 2030

Material efficiency percentage threshold: 90%

Scope 1 and 2 CO2e Emissions percentage threshold: 100%

Scope 3 CO2e Emissions percentage threshold: 45%

Material efficiency event step up margin: 0,10% per annum

Scope 1 and 2 CO2e Emissions event step up margin: 0,05% per annum

Scope 3 CO2e Emissions event step up margin: 0,10% per annum

Interest rate step up date: 15 June 2031

	2023	2022
	€	€
<i>ISIN XS2449928543</i>		
Balance as at 1 January	497.668.540	-
Issuance	-	497.382.058
Amortisation	362.791	286.482
Long-term part as at 31 December	<u>498.031.331</u>	<u>497.668.540</u>

On 15 March 2022, the company issued a € 500.000.000 bond due on 15 June 2029, which is secured by a guarantee given by Vestas Wind Systems A/S. The indication of yield is 1,524%. The proceeds of the bonds were decreased with "disagio" (€ 835.000) and capitalized management fees (€ 1.375.000) and issuance costs (€ 407.942). These amounts are amortized over the lifetime of the bond.

The bond is listed on the Euronext Dublin Regulated Market of the Irish Stock Exchange and is part of a Euro Medium Term Note programme issuance of € 3.000.000.000. The programme rating is Baa2 (Moody's). The payments issued by the company are unconditionally and irrevocably guaranteed by Vestas Wind Systems A/S. The loan will be redeemed on the maturity date at 100% of its nominal amount. As such, the entire amounts is due in >5 years.

On December 31, 2023, the market value of the bond was € 460.240.000 based on active market data (2022: € 439.400.000).

The loan bears interest of 1,5% per annum. A sustainability-linked interest adjustment, which is based on the targets below on a Vestas Wind Systems A/S level, is applicable as follows.

Reference year: 2025

Material efficiency percentage threshold: 39%

Scope 1 and 2 CO2e Emissions percentage threshold: 55%

Scope 3 CO2e Emissions percentage threshold: 8%

Material efficiency event step up margin: 0,10% per annum

Scope 1 and 2 CO2e Emissions event step up margin: 0,05% per annum

Scope 3 CO2e Emissions event step up margin: 0,10% per annum

Interest rate step up date: 15 June 2026

5. Current liabilities

Current liabilities have a maturity of less than one year. The fair value approximates the nominal value.

	31-12-2023	31-12-2022
	€	€
Taxes and social securities		
Corporate income tax	1.067.660	61.637
	<u>1.067.660</u>	<u>61.637</u>
Accruals and deferred income		
Interest bonds	9.515.982	13.952.052
Other accruals	220.697	195.718
	<u>9.736.679</u>	<u>14.147.770</u>

Off-balance sheet commitments

Contingent liabilities

Tax entity

The company is jointly taxed with the Danish companies in the Vestas Wind Systems A/S Group. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax.

The companies included in joint taxation are jointly and individually liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

Off-balance sheet commitments

There are no off-balance sheet commitments as per 31 December 2023.

Financial instruments

Foreign currency risk

The currency risk is considered low, as all transactions are incurred in Euro which is the functional currency of Vestas Wind Systems Finance B.V.

Interest rate and cashflow risk

The interest rate risk is considered low, as all ingoing and outgoing financing agreements are based on fixed interest rate, with any potential sustainability linked interest adjustments being matched back-to-back between the bonds and the loans.

Additional tax expenses due to interest limitation according to Danish thin capitalization is currently being assessed. Adequate liquidity control activities mean that there are sufficient funds and credit facilities. These facilities are provided by the ultimate parent company, Vestas Wind Systems A/S.

Credit risk

Receivables are all from the shareholder. As such, the counterparty is within the Vestas group, and hence the credit risk is assessed low. The total value of the loans from Vestas A/S including accrued interest per 31 December 2023 amounted to € 1.000.889.299 (2022: € 1.003.942.432).

Liquidity risk

Liquidity risk is considered low. Loan receivables and borrowings mature at the same time, hence liquidity is not a significant risk in relation to re-payment of borrowings. The shareholder of the company, Vestas Wind Systems A/S, also being the guarantor of the bonds issued by the company, maintains a solid financial position and will be able to compensate any discrepancies between the redemption value of the loans and bonds (if any).

NOTES TO THE PROFIT AND LOSS ACCOUNT 2023

	2023	2022
	€	€
6. Interest and similar income		
Interest and similar income from group companies	18.898.873	15.141.783
Interest in-house bank	34.624	1.606
	<u>18.933.497</u>	<u>15.143.389</u>
7. Interest and similar expenses		
Interest and similar expenses from bonds	17.473.930	13.952.052
Amortisation of (dis)agio and issuance costs bonds	1.075.229	851.714
	<u>18.549.159</u>	<u>14.803.766</u>

Emoluments of directors

The directors of Vestas Wind Systems Finance B.V. received no remuneration during the financial year (2022: nil).

Staff

During the 2023 financial year the company has no employees, and hence incurred no wages, salaries, or related social securities (2022: nil).

8. General and administrative expenses

Audit fees

Audit of the financial statements € 75.000 (2022: € 58.000).

The fee listed above relate to the procedures applied to the company by accounting firms and external independent auditor are referred to in Section 1 of the Dutch Accounting Firms Oversight Act (Dutch Acronym: Wta), as well as by Dutch and foreign-based accounting firms. These fees relate to the audit of the 2023 financial statements, regardless of whether the work was performed during the financial year.

9. Taxes

Corporate income tax	1.067.660	61.637
Movement of deferred tax assets	-236.550	-
	<u>831.110</u>	<u>61.637</u>

The company is taxable for corporate income tax in Denmark and it's settled through parent company Vestas A/S. The applicable tax rate in Denmark is 22%. The effective tax rate is 302.9% (2022: 22%).

In 2023, effective tax rate differs from statutory tax rate due to interest limitation according to Danish thin capitalization rules.

The result before tax:	€ 274.372
Non-deductible financial expenses, thin capitalization	€ 3.503.398
Temporary differences	€ 1.075.230
Taxable income	€ 4.853.000
Current tax for the year (22%)	€ 1.067.660

Related party transactions

In 2022 Vestas Wind Systems Finance B.V. issued a loan of 988.770.000 to Vestas Wind Systems. No new loans are issued in 2023.

All transactions with related parties have occurred on arm's length principles, and no receivables from related parties are overdue as of the balance sheet date.

There has been no transactions between Vestas Wind Systems Finance B.V. and the Board of Directors of Vestas Wind Systems Finance B.V., or Board members in other related parties.

The company has a current account with Vestas Wind Systems A/S, the corporate cash pool leader, as described in the note cash and cash equivalents.

Subsequent events

There are no events after the reporting date to mention.

Signature directors

Arnhem, 5 July 2024

T.G. Arendt

L.C. Rosengaard

R. Gram

The financial statements have been adopted by the shareholders on
..... 2024. The shareholder has adopted the result in line with the proposal of the management board.

OTHER INFORMATION

Provisions in the Articles of Association governing the appropriation of profit

21.1 The general meeting is authorized to allocate the profit determined by the adoption of the Annual Accounts and to determine distributions, in so far as the company's equity exceeds the reserves that must be maintained by law. Notwithstanding the provisions of the previous sentence and with due observance of the provisions of Article 21.4, the board authorized to decide to determine interim distributions of profits.

21.2 The profit is at the disposal of the general meeting. When calculating the amount that will be paid out on each share, the nominal amount of the shares is taken into account, regardless of the amount paid on these shares.

21.3 Distribution of profits takes place after the adoption of the Annual Accounts. The profit will be made payable within two weeks after the board's approval decision as referred to in Article 21.6, unless the board decides otherwise based on special circumstances.

21.4 The board may, in accordance with Article 21.1, decide to determine interim distributions of profit. The board will not decide to make interim distributions of profit if it knows or should reasonably foresee that the company will not be able to continue operating after the distribution to pay its due debts.

21.5 The general meeting may decide to distribute reserves in full or in part.

21.6 A decision to distribute profits or reserves has no consequences until the board has granted approval. The board will only refuse approval if it knows or should reasonably foresee that the company will not be able to continue paying after the distribution. of its due debts.

21.7 The shareholder's claim for distribution expires after a period of five years.

21.8 When calculating the amount of any distribution on shares, the shares belonging to the company shall not be included.

Independent auditor's report

To: the shareholders of Vestas Wind Systems Finance B.V. and Audit Committee of the ultimate parent company Vestas Wind Systems A/S

A. Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Vestas Wind Systems Finance B.V. based in Arnhem.

WE HAVE AUDITED	OUR OPINION
The financial statements comprise: 1. the balance sheet as at 31 December 2023; 2. the profit and loss account for 2023; and 3. the notes comprising of a summary of the accounting policies and other explanatory information.	In our opinion, the accompanying financial statements give a true and fair view of the financial position of Vestas Wind Systems Finance B.V. as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Vestas Wind Systems Finance B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 10,000,000. The materiality is based on a benchmark of total assets (representing 1% of total assets) which we consider to be one of the principal considerations for the users of the financial statements in assessing the financial performance of the company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements in excess of € 500,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach going concern

As explained in the section 'Going Concern' on page 11 of the financial statements and in the section 'Financial information' in the Report of the managing directors, the Board of Directors has carried out a going concern assessment for the period of twelve months from the date of preparation of the financial statements and has not identified any events or circumstances that may cause reasonable doubt on the entity's ability to continue as a going concern (hereinafter: 'going concern risks').

Our audit procedures to evaluate the going concern assessment of the Board of Directors included:

- ▶ Considering whether the going concern assessment of the Board of Directors contains all relevant information that we have knowledge of and inquired the Board of Directors on key assumptions and estimates. In doing so, we have paid attention, among the other things to the recoverability of the loans to Vestas Wind Systems A/S in relation to the financial position of Vestas Wind Systems A/S and its ability to pay interest on these loans and future repayments.
- ▶ Obtaining information from the Board of Directors about its knowledge of going concern risks beyond the period covered by their going concern assessment, which period is at least 12 months after the date of issuance of the auditor's report.
- ▶ We reviewed the support letter received from Vestas Wind Systems A/S, in relation to the current negative equity position of the company at the amount of € 338,071 and the negative result at the amount of € 556,602.

Our audit procedures indicated that the going concern assumption used by the Board of Directors is appropriate and no going concern risks have been identified.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud and non-compliance with laws and regulations. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and the Board of Directors' process for responding to the fraud risks and monitoring the system of internal control, as well as the results thereof.

We refer to the section 'Risk management' on page 3 in the Report of the managing directors and section 'Risk management' on page 10 of the financial statements in which the Board of Directors reflects on this fraud risk assessment.

We evaluated the design and relevant aspects, for which we refer to the table below, of the system of internal control and in particular the fraud risk assessment, as well as among others the Vestas Wind Systems Group code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks. Where there are significant deficiencies in internal control we have communicated this in writing to the Board of Directors, for the current year this is not the case.

As part of our process of identifying risks of material misstatements of the financial statements due to fraud, we evaluated fraud risk factors with respect to fraudulent financial reporting, misappropriation of assets and bribery and corruption. We evaluated whether these fraud risk factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries with representatives of the Board of Directors.

The above mentioned approach did not lead to indications for fraud potentially resulting in material misstatements.

The fraud risks identified by us and the specific procedures performed are as follows:

A RISK EXISTS THAT MANAGEMENT OVERRIDES INTERNAL CONTROL MEASURES	AUDIT PROCEDURES AND OBSERVATIONS
Management is in a unique position to perpetrate fraud because management is able to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Therefore, in all our audits, we pay attention to the risk of management override of controls for:	We: <ul style="list-style-type: none">▶ Evaluated the design and existence of internal control measures in the processes for generating and processing journal entries and making estimates, assuming a risk of management override of controls of that process.▶ Assessed the process surrounding the preparation of financial statements.

<ul style="list-style-type: none"> ▶ Journal entries and other adjustments made throughout the year and during the course of preparing the financial statements. ▶ Estimates and estimation processes. ▶ Significant transactions outside the ordinary course of business. <p>In this context, we paid particular attention to a possible misstatement relating to important judgment areas and significant accounting estimates related to the valuation of the loans, issued to Vestas Wind Systems A/S as disclosed in Note 1 of the financial statements.</p> <p>We identified and addressed the presumed risk on revenue recognition as based on our professional auditing standards. Based on our risk-analysis, this risk results from non-routine/manual journal entries for revenue recognition.</p>	<ul style="list-style-type: none"> ▶ Elected journal entries based on risk criteria, such as manual journal entries. We performed audit procedures on these journal entries, in which we also paid attention to significant transactions outside the ordinary course of business. ▶ Investigated all manual journal entries for interest income above our clearly trivial threshold. We have determined that the amounts of the journals reconcile to the amounts as included in the signed loan contracts with the counterparty. Additionally verified that the actual cashflows over (inhouse) bank for interest income reconciles to the contract details. ▶ Performed audit procedures on significant estimates, which mainly consists of the valuation of the loans issued to Vestas Wind Systems A/S as disclosed in Note 1 of the financial statements. ▶ We have analyzed all manual journal entries for interest income above our threshold. We determined all these journals for the interest income reconcile with the amounts according to the contract details of the loans; / <p>We also refer to our procedures regarding the valuation of loans as included in the key audit matter.</p> <p>Our audit procedures did not reveal any specific indications of fraud or suspicions of fraud in respect of management override of controls, potentially resulting in material misstatements.</p>
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Our key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Board of Directors. The key audit matter is not a comprehensive reflection of all matters discussed.

This matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

VALUATION OF LOANS ISSUED	OUR AUDIT APPROACH
<p>We consider the valuation of the loans issued to the parent company Vestas Wind Systems A/S, as disclosed in note 1 of the financial statements and the receivables from Vestas Wind Systems A/S as disclosed in note 2 of the financial statements, combined representing 99.98% of the balance sheet total, a key audit matter.</p> <p>We identified this as a key audit matter due to the size of the loans issued and the receivables and due to the material impact a possible impairment may have on the profit and loss account and financial position of Vestas Wind Systems Finance BV.</p> <p>Initially, loans issued to Vestas Wind Systems A/S are recognized at its fair value and subsequently carried at amortized cost using the effective interest method.</p> <p>Based on the impairment assessment performed by the Company, the Board of Directors has concluded that no impairment was necessary as of year-end.</p>	<p>We have performed detailed audit procedures addressing the valuation of the loans issued to Vestas Wind Systems A/S.</p> <p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> ▶ Evaluated the Board of Directors' impairment assessment based on inputs used to determine whether it is appropriate. ▶ Inspected the loan agreements entered into between the Company and Vestas Wind Systems A/S. ▶ Inspected the financial statements as per 31 December 2023 of Vestas Wind Systems A/S. ▶ Inspected the 2024 Q1 quarterly report of Vestas Wind Systems A/S ▶ Evaluated the information derived from credit rating agency: Moody's. ▶ Reviewed the market values of the outstanding bond. ▶ Reviewed news reports on Google, Bloomberg and Reuters for Vestas Wind Systems A/S and Vestas Wind Systems Finance B.V. ▶ Searched and evaluated the information for investors on the website of Vestas Wind Systems A/S. ▶ Evaluated the stock price development of Vestas Wind Systems A/S. ▶ Discussed the recent developments in the financial position and the cash flows of Vestas Wind Systems A/S with the representatives of the Board of Directors. ▶ Assessed the adequacy of disclosures in the financial statements related to the loans issued to Vestas Wind Systems A/S, including the accurate presentation.

C. Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- ▶ Report of the managing directors.
- ▶ Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- ▶ Is consistent with the financial statements and does not contain material misstatement.;
- ▶ Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the Report of the managing directors and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the Report of the managing directors in accordance with Part 9 of Book 2 of the Dutch Civil Code.

D. Report on other legal and regulatory requirements

Engagement

We were engaged by the Board of Directors as auditor of Vestas Wind Systems Finance B.V. on 28 September 2022 as of the audit for financial year 2022 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

E. Description of responsibilities regarding the annual report

Responsibilities of Board of Directors and the Audit Committee of Vestas Wind Systems A/S for the annual report

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements. The Audit Committee of Vestas Wind Systems A/S is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ▶ Concluding on the appropriateness of the Board of Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Board of Directors and the Audit Committee of Vestas Wind Systems A/S with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors and the Audit Committee of Vestas Wind Systems A/S, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amstelveen, 5 July 2024

For and on behalf of BDO Audit & Assurance B.V.,

Sgd.

drs. M.F. Meijer RA
